

ANZ-ROY MORGAN CONSUMER CONFIDENCE MIXED MEASURES IN MARCH

MARCH 2010

CONTACTS

Steve Edwards, Economist
+64 4 802 2217
Steve.Edwards@anz.com

Mark Dansey, Roy Morgan
+64 9 912 7032
Mark.Dansey@roymorgan.com

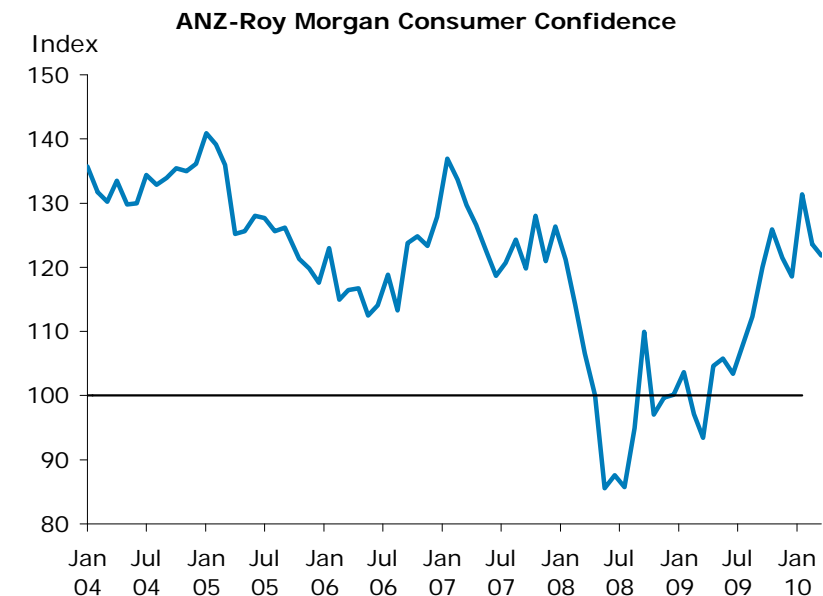
SUMMARY

- Consumer confidence slipped slightly, but the level remains very robust.
- Current conditions improve but future conditions are looking a little less rosy.
- A more marked lift in current conditions was measured in the older age groups.

The ANZ-Roy Morgan Consumer Confidence measure slipped 2 points in March. Despite this fall, the overall level remains positive, with the March quarter average 4 points higher than the preceding December quarter. The March figure is the lowest recorded this year, but it remains the fourth highest level to be measured during the recent rebound.

ANZ Roy Morgan Consumer Confidence		
	Level	Change
Mar-09	93.4	-3.7
Apr-09	104.6	11.2
May-09	105.8	1.2
Jun-09	103.4	-2.4
Jul-09	107.8	4.4
Aug-09	112.3	4.5
Sep-09	120.0	7.7
Oct-09	125.9	5.9
Nov-09	121.5	-4.4
Dec-09	118.6	-2.9
Jan-10	131.4	12.8
Feb-10	123.6	-7.8
Mar-10	121.8	-1.8

The survey was conducted from 1-14 March, across New Zealand by telephone with a cross section of 993 people aged 14 and over.



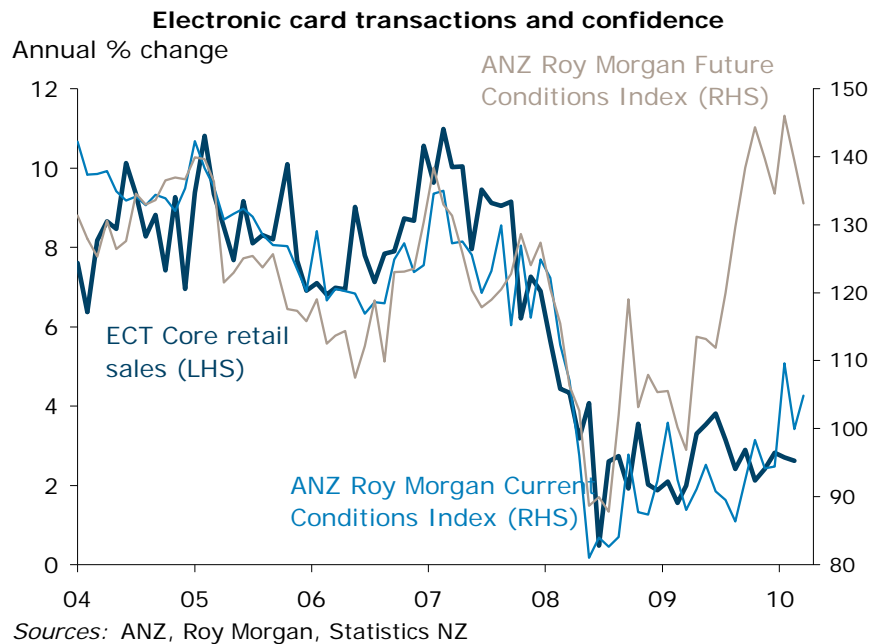
Sources: ANZ, Roy Morgan

Households are more optimistic about the current situation and less optimistic about the future prospects. Consumers viewed the current situation more favourably but discounted the forward looking questions. The proportion of respondents that thought they were better off now compared to a year ago increased 4 points. A net 20 percent of consumers thought it was a good time to buy a major household appliance, up 6 points from a month ago.

The 12 month outlook is less certain. The largest drop in forward looking questions was measured in expectations about the economy in general in 12 months time. This index figure dropped 9 points to 120.

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Future conditions ease from a record high. The future conditions index has retraced from last month's record high. The largest reduction in future conditions was measured in the 18-24 age group, which dropped 15 points to 147.3. Intriguingly, the 25-34 age group was the only cohort to record an increase in future conditions lifting 4 points to 153.1. This lift reflected a rise in confidence over the next five years, to an all time high for the survey (a net 64 percent).



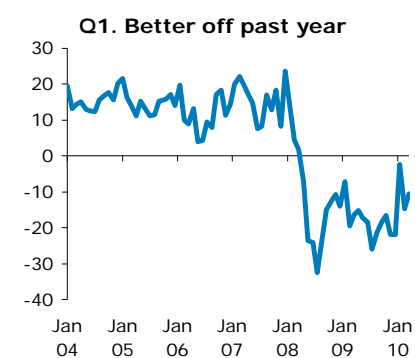
Retailing is poised to rebound once consumer's certainty returns. Smoothing through the month-to-month volatility of the survey reveals an improving trend. But consumers have not yet acted on improved confidence, with a willingness to increase discretionary spending. Uncertainty regarding upcoming tax changes and a wariness regarding the outlook for the labour market is curtailing retail spend.

Younger females in the North Island are less optimistic. Looking at the detail in this month's survey reveals that the drop in confidence was higher for females than males (down 3 points and 1 point, respectively). A reduced level of confidence was most notable for people aged 24 years and younger. The 25-34 age cohort recorded a small rise in confidence (up 2 points), 35-49 year olds reported a 1 point drop in confidence and the 50+ age group was unchanged. Confidence was lower in the North Island (down 4 points to an index of 122) and up in the South Island (up 3 points, to an index of 120).

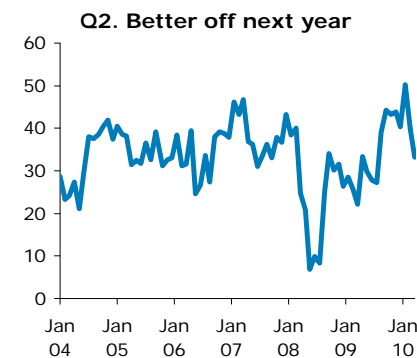
The 50+ age group think it's a good time to buy a major appliance. The current conditions index has picked up more significantly for the older age group. When asked if it was a good time to buy a major appliance, the largest increase was noted in the 50+ age bracket, lifting 16 points to a net balance of 32 percent in March (56 percent signalling it was a good time to buy less 24 percent indicating it was a bad time). A year ago this net balance figure was -3 percent.

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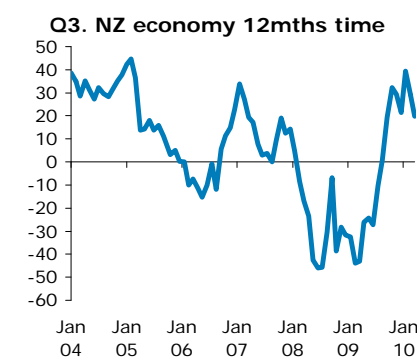
Survey Summary	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
No. of Interviews	1,013	1,058	1,109	1,020	1,025	2,049	1,047	993
Q1. Would you say you and your family are better-off financially or worse off than you were at this time last year?								
Better Off	23	25	23	22	23	31	26	28
Worse Off	44	44	39	44	45	33	41	39
Net Balance	-21	-18	-17	-22	-22	-2	-15	-11
Q2. This time next year, do you and your family expect to be better-off financially or worse off than you are now?								
Better Off	55	56	56	57	55	61	57	53
Worse Off	16	12	12	13	15	10	17	20
Net Balance	39	44	43	44	40	50	40	33
Q3. Thinking of economic conditions in New Zealand as a whole. In the next 12 months, do you expect we'll have good times financially, bad times or some good and some bad?								
Good Times	40	48	53	52	47	57	53	48
Bad Times	39	28	21	22	25	17	24	28
Net Balance	1	19	32	29	22	39	29	20
Q4. Looking ahead, what would you say is more likely, that in New Zealand as a whole, we'll have continuous good times during the next five years or so, or we'll have bad times, or some good and some bad?								
Good Times	62	64	68	59	56	61	63	61
Bad Times	13	13	11	13	14	13	14	14
Net Balance	49	52	57	46	42	48	49	46
Q5. Generally, do you think now is a good time, or a bad time, for people to buy major household items?								
Good Time to Buy	37	45	48	48	48	53	49	52
Bad Time to Buy	43	41	35	38	37	32	34	32
Net Balance	-6	3	13	10	11	22	15	20
ANZ Roy Morgan Consumer Confidence Rating (100 plus the unweighted average of the five net balances)								
	112.3	120.0	125.9	121.5	118.6	131.4	123.6	121.8



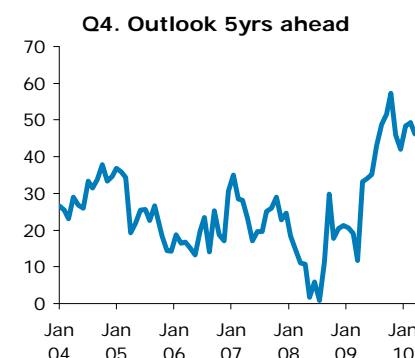
Sources: ANZ, Roy Morgan



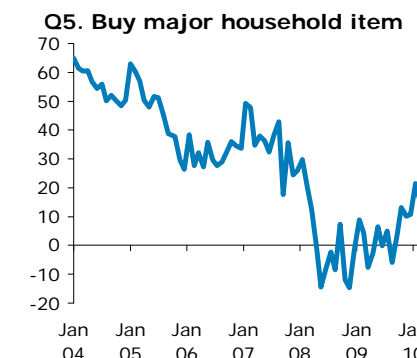
Sources: ANZ, Roy Morgan



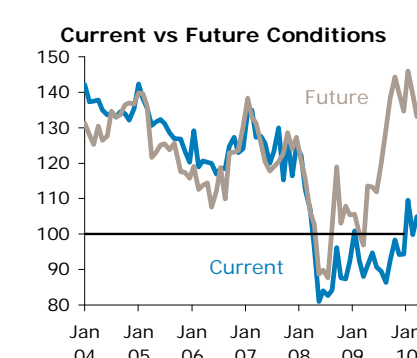
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The Bank (in respect of itself and its principal officers) makes the following investment broker disclosure to you pursuant to section 41G of the Securities Markets Act 1988.

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Experience

The Bank is a registered bank and, through its staff, is experienced in providing investment advice about its own securities and, where applicable, the securities of other issuers. The Bank has been selling securities, and providing investment advice on those securities, to customers as a core part of its business for many years, drawing on the extensive research undertaken by the Bank and its related companies and the skills of specialised staff employed by the Bank. The Bank is represented on many bank, finance and investment related organisations and keeps abreast of relevant issues by running seminars and workshops for relevant staff and having its investment adviser staff attend external seminars where appropriate. The Bank subscribes to relevant industry publications and, where appropriate, its investment advisers will monitor the financial markets.

Relevant professional body

The Bank is a member of the following professional bodies relevant to the provision of investment advice:

- New Zealand Bankers Association;
- Associate Member of Investment Savings & Insurance Association of NZ;
- Financial Markets Operations Association; and
- Institute of Finance Professionals.

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The Bank (and its subsidiaries), through its ultimate parent company Australia and New Zealand Banking Group Limited, has professional indemnity insurance which covers its activities including those of investment advisers it employs.

This insurance covers issues (including 'prior acts') arising from staff fraud, electronic crime, documentary fraud and physical loss of property. The scope of the insurance also extends to third party civil claims, including those for negligence. The level of cover is of an amount commensurate with the size and scale of the Bank.

The insurer is ANZcover Insurance Pty Limited.

Dispute resolution facilities

The Bank has a process in place for resolving disputes. Should a problem arise, you can contact any branch of the Bank for more information on the Bank's procedures or refer to any of the Bank's websites.

Unresolved complaints may ultimately be referred to the Banking Ombudsman, whose contact address is PO Box 10-573, Wellington.

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In the five years before the relevant investment advice is given none of the Bank (in its capacity as an investment adviser and where applicable an investment broker) or any principal officer of the Bank has been:

- Convicted of an offence under the Securities Markets Act 1988, or the Securities Act 1978 or of a crime involving dishonesty (as defined in section 2(1) of the Crimes Act 1961);
- A principal officer of a body corporate when that body corporate committed any of the offences or crimes involving dishonesty as described above;
- Adjudicated bankrupt;

- Prohibited by an Act or by a court from taking part in the management of a company or a business;
- Subject of an adverse finding by a court in any proceeding that has been taken against them in their professional capacity;
- Expelled from or has been prohibited from being a member of a professional body; or
- Placed in statutory management or receivership.

Fees

At the time of providing this disclosure statement it is not practicable to provide accurate disclosure of the fees payable for all securities that may be advised on. However, this information will be disclosed to you should you seek advice from one of the Bank's investment advisers on a specific investment.

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When a security is sold by the Bank, the Bank may receive a commission, either from the issuer of a security or from an associated person of the Bank. Whether that commission is received and, if received, its value depends on the security sold. At the time of providing this disclosure statement it is not practicable to provide a detailed list of each security that may be advised on, the name of the issuer of that security and the rate of the commission received by the Bank. However, this information will be disclosed to you should you seek advice from one of the Bank's investment advisers on a specific investment.

In addition to the interest that the Bank has in products of which it is the issuer, the Bank, or an associated person of the Bank, has the following interests or relationships that a reasonable person would find reasonably likely to influence the Bank in providing the investment advice on the securities listed below:

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- UDC Finance Limited (UDC), as a wholly owned subsidiary of the Bank, is an associated person of the Bank. UDC may receive remuneration from a third party relating to a security sold by the Investment Adviser.
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Securities about which investment advice is given

The Bank provides investment advice on the following types of securities:

- Debt securities including term and call deposits, government stock, local authority stock, State-Owned Enterprise bonds, Kiwi bonds and corporate bonds and notes;
- Equity securities such as listed and unlisted shares;
- New Zealand and overseas unit trusts;
- Share in a limited partnership;
- Superannuation schemes and bonds;
- Group investment funds;
- Life insurance products;
- Derivative products including interest rate and currency forward rate contracts and options; and
- Other forms of security, such as participatory securities.

PROCEDURES FOR DEALING WITH INVESTMENT MONEY OR INVESTMENT PROPERTY

If you wish to pay investment money to the Bank you can do this in several ways such as by:

- Providing cash;



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- Providing a cheque payable to the relevant product or service provider and crossed 'not transferable'; or
- Making an automatic payment or payment through another electronic delivery mechanism operated by the Bank.

Investment property (other than money) may be delivered to the Bank by lodging the relevant property (for example, share certificates) with any branch of the Bank offering a safe custody service, or by posting (using registered post) the documents or other property to a branch of the Bank, identifying your name, account number and investment purpose.

Any investment money lodged with the Bank for the purchase of securities offered by the Bank, its subsidiaries or any third parties will be deposited in accordance with your instructions, to your nominated account or investment. Such money will be held by the Bank according to usual banking terms and conditions applying to that account or the particular terms and conditions relating to the investment and will not be held by the Bank on trust unless explicitly accepted by the Bank on those terms. Any investment money or property accepted by the Bank on trust will be so held until disbursed in accordance with your instructions. Any investment property lodged with the Bank will be held by the Bank as bailee according to the Bank's standard terms and conditions for holding your property.

Record Keeping

The Bank will keep adequate records of the deposit of investment moneys or property and all withdrawals and dealings with such money or property, using the account/investment number allocated to your investment. You may have access to those records upon request.

Auditing

The Bank's systems and operations are internally audited on a regular basis. The financial statements of the Bank and its subsidiaries are audited annually by KPMG. However, this does not involve an external audit of the receipt, holding and disbursement of the money and other property.

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