



Media Release

For release: 20 December 2011

Small business sales improve in November

ANZ today released its monthly Small Business Sales Trends report which showed small business sales increased by 4.5% year on year (y/y) in November 2011. This is the seventh consecutive month of positive annual growth in sales for small businesses but year-to-date data remains consistent with generally subdued conditions.

Small Business Sales Trends – Highlights

- Small business sales increased by 4.5% y/y in November 2011
- Year-to-date (YTD) sales growth remains relatively flat at 1.9%
- Positive retail-related sales growth of 2.4%, and non-retail and services up 5.8%
- Restaurants outperform with sales of 10.0% y/y and 10.2% YTD
- Regional and rural small business sales up 5.4% y/y and 2.7% YTD

ANZ General Manager Small Business Nick Reade said: “November saw overall trading conditions for small businesses showing signs of recovery, with sales up this month by 4.5%.

“This is likely due to the outlook for interest rate reductions which appear to have gone some way to lifting the cautious mood of consumers, which has been impacting the spending habits of many Australians.

“Recent cuts to business lending rates, coupled with the slight lift in consumer sentiment should also start to see cash flow positions for small businesses easing.

“Overall it’s a slightly more optimistic story leading into Christmas trading and despite seeing relatively flat year-to-date growth figures, the consecutive monthly sales increases is an encouraging sign for small businesses,” Mr Reade said.

ANZ Head of Australian Economics and Property Research, Ivan Colhoun said: “While this is a mildly positive story, the data does highlight the gap between retail-related small businesses versus traditional trades and services and divergent performances by state, region and category of spending. This is really due to a complex mix of factors including changing consumer preferences and an increased range of direct competitors via rapid growth in the internet and international travel.

“Small businesses in appliances and electricals, clothing and fashion, and homewares and furniture are still seeing sales contract on a year-to-date basis, with sales down 0.4%, 3.0%, and 0.5% respectively.

“Restaurants are the only segment of retail-related small businesses that are performing strongly with growth of 10.2% year-to-date. Other food outlets such as fast food and bakeries are also looking better with sales growth of 6.0% year-to-date. Travel and entertainment also received a boost in sales in November, up 6.0% y/y, however it remains relatively flat on a year-to-date basis with sales up only 2.1% y/y.

“Across the states, Queensland, Northern Territory, Western Australia and Victoria all showed y/y growth in excess of 5% this month, but in year-to-date terms, Victoria remains the strongest performer with growth up by 2.9%. YTD sales remain negative in the ACT, Tasmania and NT. The recent pick-up in Queensland and Western Australia and tentatively in the Northern Territory could relate to the positive effects of the

strengthening in resources-related investment activity occurring in these states, which is expected to strengthen further during 2012," said Mr Colhoun.

The data is based on the value of credit, debit and Eftpos transactions processed through ANZ merchant terminals and all ANZ card transactions processed through other systems for businesses at least two years old with annual turnover less than \$5 million. ANZ has approximately 20% market share of all card transactions.

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Notes for editors:

About ANZ Small Business Sales Trends

ANZ Small Business Sales Trends uses data from credit, debit and Eftpos transactions processed through ANZ merchant systems to provide insights into trading conditions for small businesses. The figures do not include cash transactions and therefore do not represent total sales for small businesses. The survey contains data from small businesses that have been accepting card payments during the 24 months directly preceding the current month (that is, businesses that have been in business and accepting payments for at least 24 months). Therefore each month, the survey uses data from a slightly different cohort of small businesses, as different businesses drop in and out of the 24 month timeframe. Small businesses are defined as having an estimated total turnover under \$5m p.a. The data are nominal (current dollars), that is, they have not been adjusted for inflation.

Some changes in transactions that pass through ANZ systems can be attributed to factors such as changes in the acceptance and use of credit and debit card transactions, and changes in ANZ's market share. The focus on small business and use of a 24-month business existence filter is believed to minimize the significance of such distortions.

Small business at ANZ

ANZ Small Business Sales Trends is part of ANZ's commitment to its small business customers. Other recent initiatives to help support small businesses include:

- Employing 130 additional small business specialists across metro and regional Australia
- A series of free online education courses and tools to help build the skills and knowledge of business owners, available through ANZ's Small Business Hub: register at thesbhub.com.au.
- An agreement with online accounting software provider Xero to provide small business customers and their advisors with an online, integrated banking and accounting solution that allows them to understand trading performance and cash flow position in real time.
- Awarded CANSTAR CANNEX Innovation Excellence award for 'ANZ Business Insights'.
- Awarded 2011 CANSTAR CANNEX award for outstanding value business deposits, business loans and business credit cards.

Business owners can see how they compare with ANZ Business Insights

Businesses that accept card payments and industry specialists can access this information at a local level by signing up to ANZ Business Insights which is free for ANZ business customers.

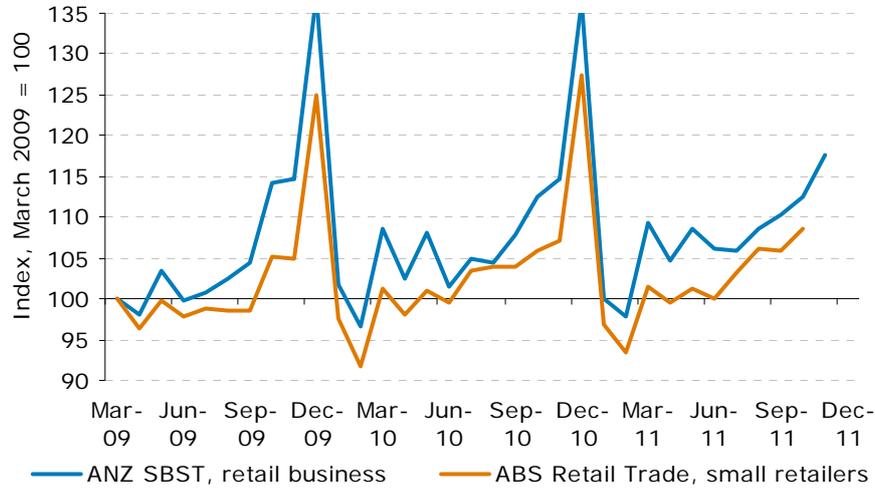
ANZ Business Insights gives customers access to reports on sales patterns, turnover and customer insights. To find out more about ANZ Business Insights customers should speak to a local small business specialist by calling 1800 801 485 or visit

www.anzbusinessinsights.com



Small Business Sales Trends

Monthly sales index – comparison with ABS retail trade survey*



*ABS retail trade survey, small retailers, original nominal data, not seasonally adjusted or deflated.

Growth summary – all small businesses

y/y %	Nov-11	2011 YTD	Nov-10
Retail related	2.4	1.6	0.0
Non-retail and services	5.8	2.2	-0.2
Metro	4.1	1.5	0.0
Regional and rural	5.4	2.7	-0.2
All small business	4.5	1.9	-0.1

Source: Aggregated ANZ cards and merchants transaction data. Not adjusted for inflation



Small Business Sales Trends

Industry detail – small businesses

y/y %	Nov-11	2011 YTD	Nov-10
Retail related:			
Appliances and Electrical	1.2	-0.4	-5.9
Clothing and fashion	-1.3	-3.0	-3.4
Homewares and furniture	3.3	-0.5	-4.0
Other food outlets	4.3	6.0	6.4
Other retail	2.8	2.5	1.9
Restaurants	10.0	10.2	9.0
Retail related	2.4	1.6	0.0
Non-retail and services:			
Automotive	9.8	4.3	-2.5
Business services	6.1	1.1	0.2
Hotels and Motels	3.1	4.6	4.0
Personal services	3.9	1.4	1.0
Trade	3.8	2.3	-0.9
Travel & Entertainment	6.0	2.1	0.7
Non-retail and services	5.8	2.2	-0.2
All small business	4.5	1.9	-0.1

Source: Aggregated ANZ cards and merchants transaction data. Not adjusted for inflation.

Industry composition – predominant industry types:

Appliances and electrical – Appliance stores, electronics stores, hardware equipment, computer stores

Automotive – Car, Truck and Motorcycle dealers, Auto parts and repairs, service stations, taxi cabs

Business services- Office supplies, accountants, advertising services, legal services

Clothing and fashion – Clothing sales, footwear, jewellery, costumes, tailoring services

Homewares and furniture – Home and commercial furniture, drapers, flooring, antiques, homewares, art

Hotels and motels – Hotels, bars, beer and wine producers

Other food outlets – Fast food, bakeries, dairy product stores

Other retail – Books, pharmacies, newsagents, grocery stores, convenience stores, speciality retail

Personal services – Health and beauty services, cosmetics, dental, medical, childcare, gyms

Restaurants – Restaurants, cafes and catering

Trade – Construction materials, roofing, cleaning, plumbing, landscaping, tradespeople services,

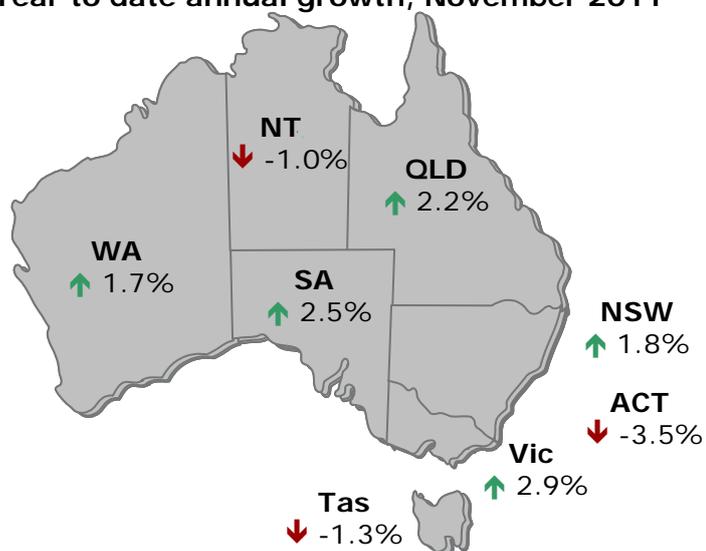
Travel & entertainment – Travel agents, caravan parks, movie theatres, video stores, amusements, luggage sales



Small Business Sales Trends

State detail – small businesses

Year to date annual growth, November 2011



y/y %	Nov-11	2011 YTD	Nov-10
New South Wales	4.1	1.8	-0.9
Victoria	5.3	2.9	1.1
Queensland	5.6	2.2	-0.8
Western Australia	5.3	1.7	0.6
South Australia	2.7	2.5	0.4
Tasmania	-0.8	-1.3	-0.7
ACT	-3.6	-3.5	-0.7
NT	5.5	-1.0	-0.9
All small business	4.5	1.9	-0.1

Source: Aggregated ANZ cards and merchants transaction data. Not adjusted for inflation.