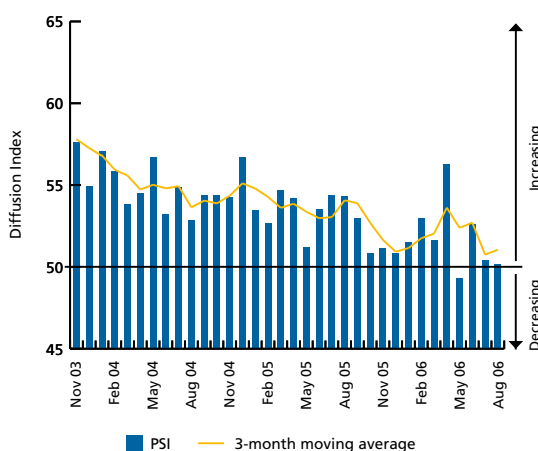


SERVICES GROWTH REMAINS FLAT AMID SUBDUED CONSUMER SPENDING GROWTH

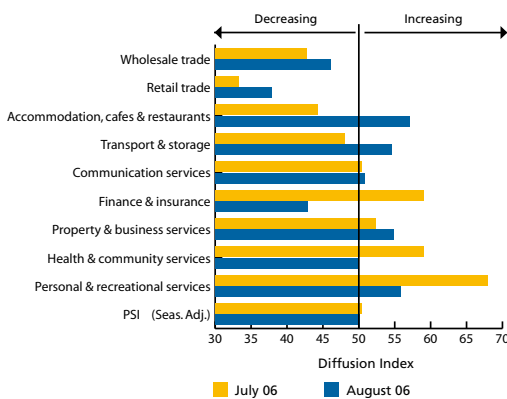
KEY FINDINGS

- Services sector activity remained flat in August, with improved growth in the business-related sectors offset by more mixed conditions in the consumer-based sectors.
- The seasonally adjusted Australian Industry Group/ Commonwealth Bank Performance of Services Index (**Australian PSI®**) fell by 0.2 points to 50.2, remaining marginally above the 50.0 level separating expansion from contraction.
- Growth in sales and new orders slowed in the month, while supplier deliveries again fell significantly. However, stocks and employment both strengthened moderately in August.
- Input costs increased substantially in August, driven by higher fuel costs.
- Activity expanded in all of the business-related sectors, other than in finance & insurance.
- Among the consumer-based sectors, retail trade and wholesale trade reported further declines in activity in August, reflecting the impact of rising fuel costs and the increase in official interest rates.
- However, activity expanded in accommodation, cafes & restaurants and personal & recreational services.



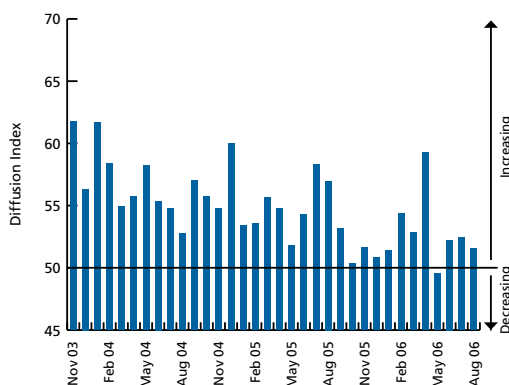
SECTORS

- In seasonally adjusted terms, activity expanded in five of the nine sectors (unchanged from the previous month).
- Growth was strongest in accommodation, cafes & restaurants (following a decline in the previous month) and personal & recreational services (although easing from July).
- However, among the other consumer-related sectors, activity contracted substantially in retail trade and wholesale trade, although at slower rates than in July.
- Of the business-related sectors, growth strengthened in transport & storage; property & business services; and communication services.
- By contrast, growth slowed abruptly in finance & insurance, reflecting the increase in official interest rates earlier in the month.
- Activity in health & community services was essentially unchanged (following a large increase in the previous month).

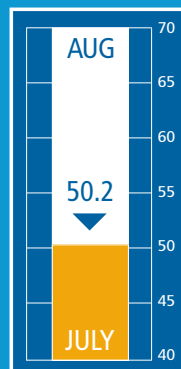


SALES

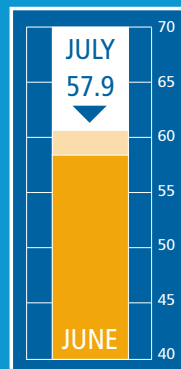
- On a seasonally adjusted basis, sales fell 0.9 points in August to 51.5.
- In unadjusted terms, sales rose in five sectors (up from four in the previous month).
- Property & business services and accommodation, cafes & restaurants reported the strongest growth in sales in the month.
- Sales growth strengthened in health & community services, but slowed in personal & recreational services. Sales also grew in transport & storage (following a large decline in the previous month).
- The retail trade and wholesale trade sectors reported a decline in sales in the month.
- Sales also contracted sharply in communication services (following a large rise in July) and more moderately in finance & insurance.



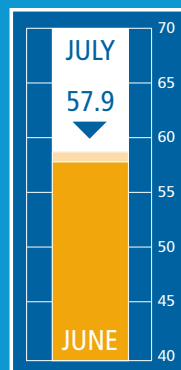
AUSTRALIAN PSI®



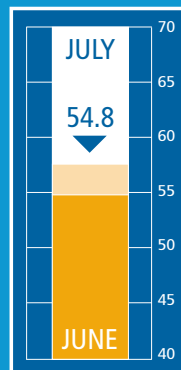
EUROZONE SERVICES INDEX



UK SERVICES INDEX



USA SERVICES INDEX



NEW ORDERS

- Growth in new orders weakened moderately in August, the new orders sub-index falling 1.8 points to 50.8.
- Unadjusted, new orders expanded in seven sectors (up from five previously).
- Growth in new orders was strongest in health & community services and accommodation, cafes & restaurants (following flat/negative growth in the previous month).
- Of the other sectors to report growth in new orders, the rate of increase slowed in personal & recreational services and transport & storage.
- Retail trade again reported the largest decline in new orders, while the finance & insurance sector also recorded a fall.

