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Canadian Confidence Index

a TNS Canadian Facts News Release

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Confidence rises....

Consumers have set aside any concern about the impact of the credit issue and overall U.S. weakness, to arrive at unprecedented levels of economic confidence. More importantly, the public clearly sees more benefits than drawbacks to the high Canadian dollar; at least in the short term.

The overall Consumer Confidence Index reaches its highest level recorded (since the study began in 2003) on the strength of overwhelmingly positive assessments of the current economy.

Although on the strength of consumer confidence retailers should expect a good holiday season, they clearly must address the potential downside of a resurgence of cross border shopping.



National Results

November 2007 – Confidence Peaks

ACROSS THE COUNTRY: RESULTS

The *Consumer Confidence Index*, which captures all the variables, now stands at 109.0. This represents the highest level in the more than three years that TNS has been conducting the study. Consumers are clearly responding in positive direction to the balance of economic news.

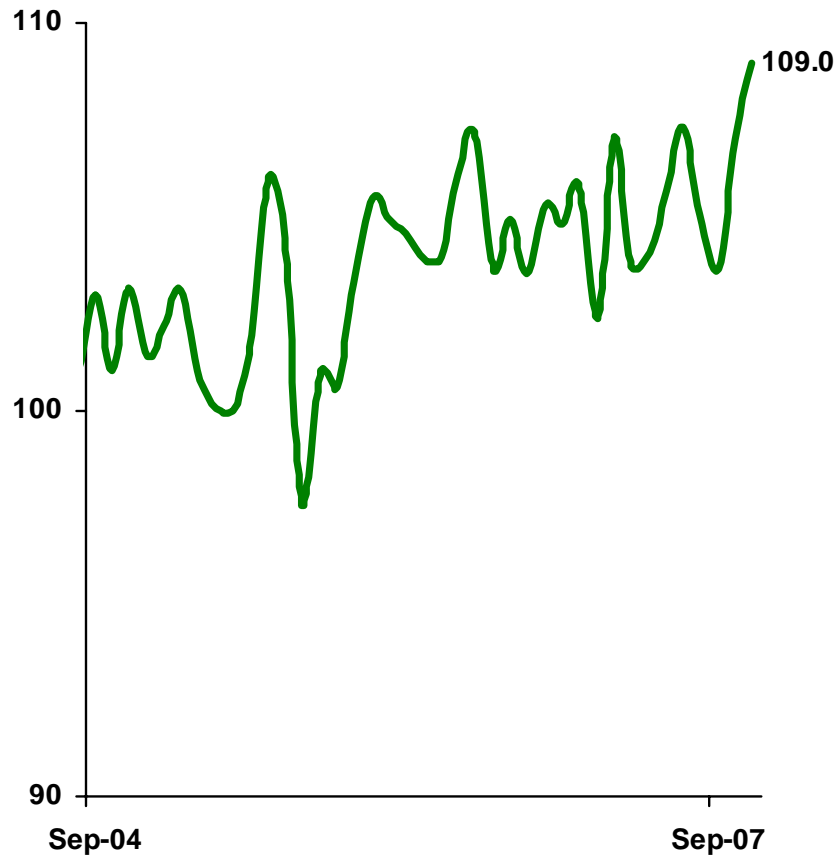
The *Present Situation Index*, which captures evaluations of the overall state of the economy and the employment situation, now stands at 122.8. This represents an increase from 119.8 (2.5% increase) and the highest level in the more than three years that TNS has been conducting the study. Two thirds of Canadians think the economy is very or fairly good at this time.

The *Expectations Index*, which measures consumers' estimation of the economy, household income and employment in six months also rose for the second consecutive month. The November index value is 103.6 compared to 103.1 in October and 99.5 in September.

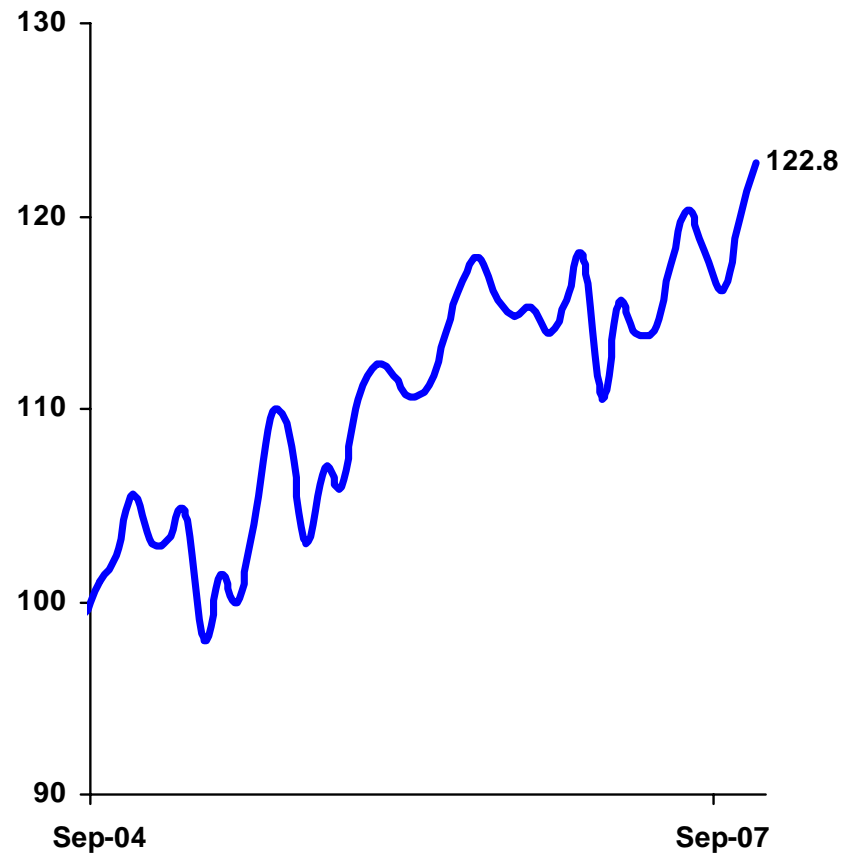
The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, continues to exhibit the volatility it has shown over the past two years. The index now sits at 96.0, which is well below the highs of 2004 but well above the September value (91.3). At present, 42 per cent think it is a good time to make major purchases (37% think it is neither a good time nor a bad time).



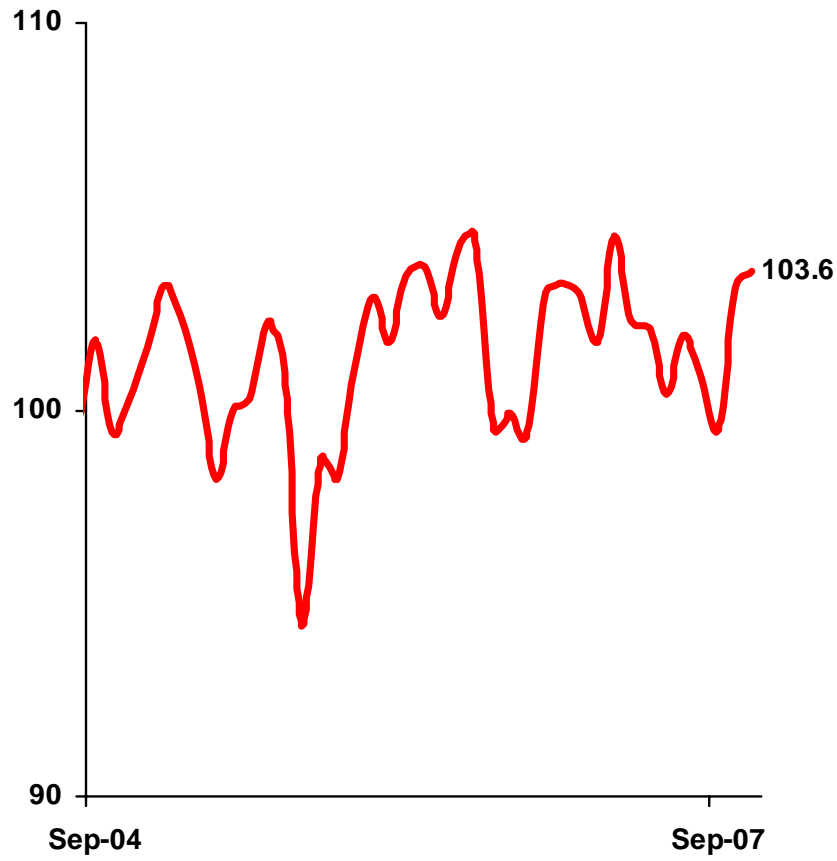
Consumer Confidence Index



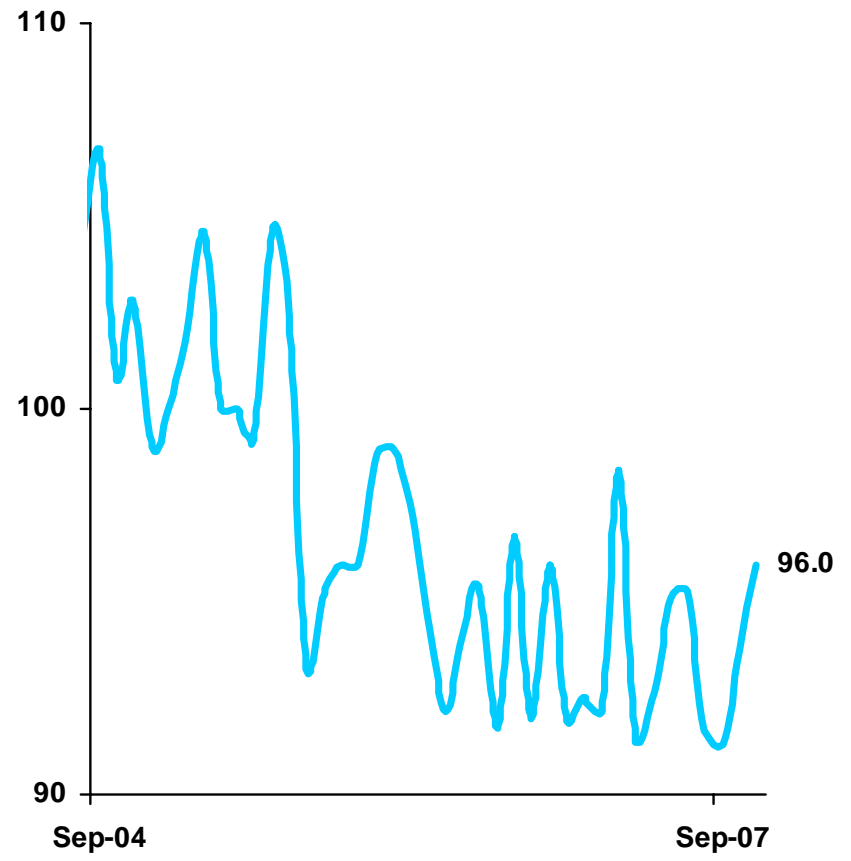
Present Situation Index



Expectations Index



Buy Index



Holiday Shopping Results

Good news for retailers heading into the season

With employment at record levels and the high dollar strengthening purchasing power, consumer optimism is translating into a early good news story for retailers as they enter the important holiday season as long as they can head off the resurgence of cross-border shopping

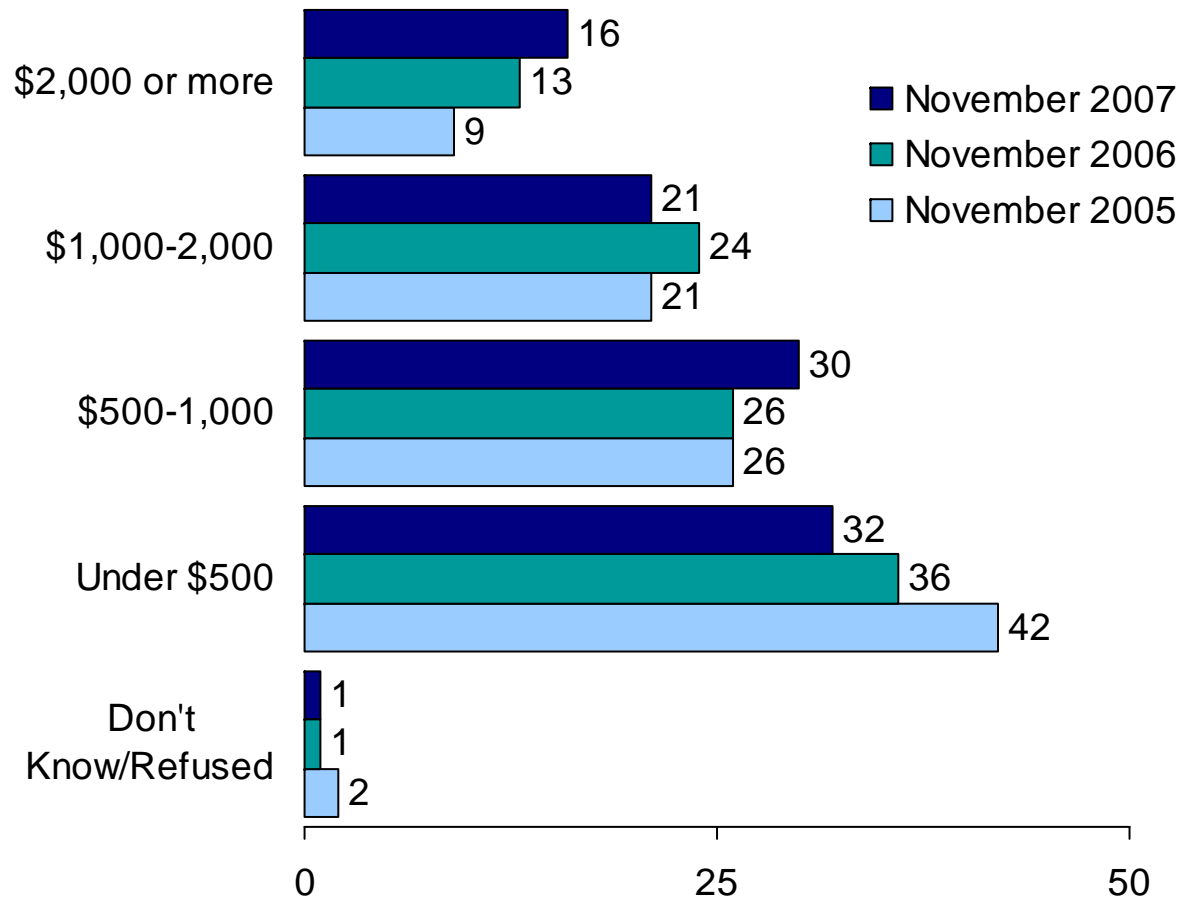
The survey found that Canadians plan to spend \$986 on holiday gifts, decorations or other holiday items this season, a significant 12 per cent increase over estimated holiday spending in 2006, which averaged \$877. The increase is evident in the dramatic increase over the past two years in the proportion planning to spend more than \$2,000 on the holidays, which rose from 9 per cent in 2005 to 16 per cent in 2007.

The increase in spending is being driven by a decline in the proportion of Canadians who plan to spend less than last year (down to 19 per cent) rather than an increase in those who plan to spend more (17%).



Planned Holiday Spending

trends

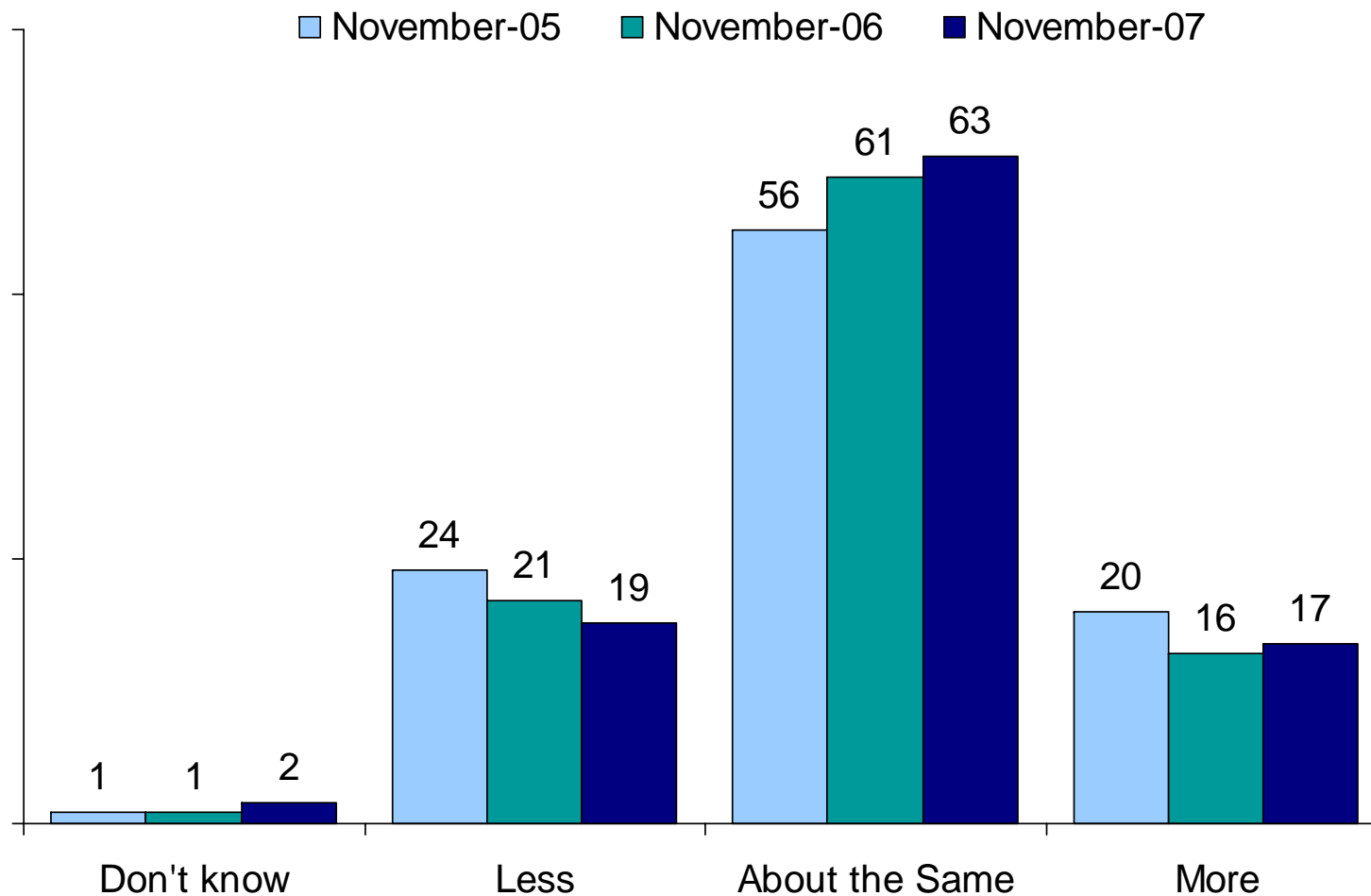


Average:
 November 07: \$986
 November 06: \$877
 November 05: \$782

Q. Approximately how much will you spend on holiday gifts, decorations or other holiday items this season?

Holiday Spending Compared to Last Year

trends



Q. Would you say that you are spending more, less or about the same on holiday items as you spent last year?

About the CCI study

Seven questions make up the core survey of Consumer Confidence. While the overall CCI index uses all 7 questions to produce an index score, there are three sub-indices that rely on some of the questions.

CCI Index: Includes all 6 variables

Present Situation Index:

- How would you describe your country's current economic situation?
- How would you describe your country's current employment situation?

Expectations Index:

- What do you think will be your country's economic situation in the next 6 months?
- What do you think will be your country's employment situation in the next 6 months?
- What do you think your income will be in 6 months time?

Buy Index:

- Taking into consideration the cost of things today and the financial situation in general, to what extent would you say that now is a good or bad time to buy products such as: a house or apartment, a car, household appliances such as a washing machine, a refrigerator, a TV set etc.?



About Dr. Richard Jenkins:

An accomplished researcher, Dr. Jenkins is responsible for TNS Canadian Facts' public sector research. This includes traditional public opinion and market research as well as all research conducted by the Social and Policy Research Group at TNS. He is also the primary spokesperson for TNS Canadian Facts for news interviews and analysis of recent trends in public opinion and market behaviour.

Dr. Jenkins has more than nine years of experience, derived from both academic and private sector experience, as a researcher of public opinion and public policy. He has published articles in a number of respected peer-reviewed journals, including the Canadian Journal of Political Science, and chapters in a number of edited books, including the State of the Federation (2001) and the Review of Economic Performance and Social Progress (2002) and continues to contribute to our collective understanding of politics through his recent publications on turnout and attitudes about democracy.

Dr. Jenkins holds an Honours and Masters degree in Political Studies from Queen's University and a Doctoral Degree in Political Science from the University of British Columbia. His academic training focused on public opinion (including both methodological and substantive issues), public policy and Canadian politics. Before joining TNS Canadian Facts, Dr. Jenkins spent two years at EKOS Research Associates and two years as an Assistant Professor in Political Studies at Queen's University, where he taught Canadian politics, democracy and election, and statistics. He is a member of MRIA and a number of professional associations devoted to the study of public opinion and politics.

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