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Canadian Confidence Index

a TNS Canadian Facts News Release

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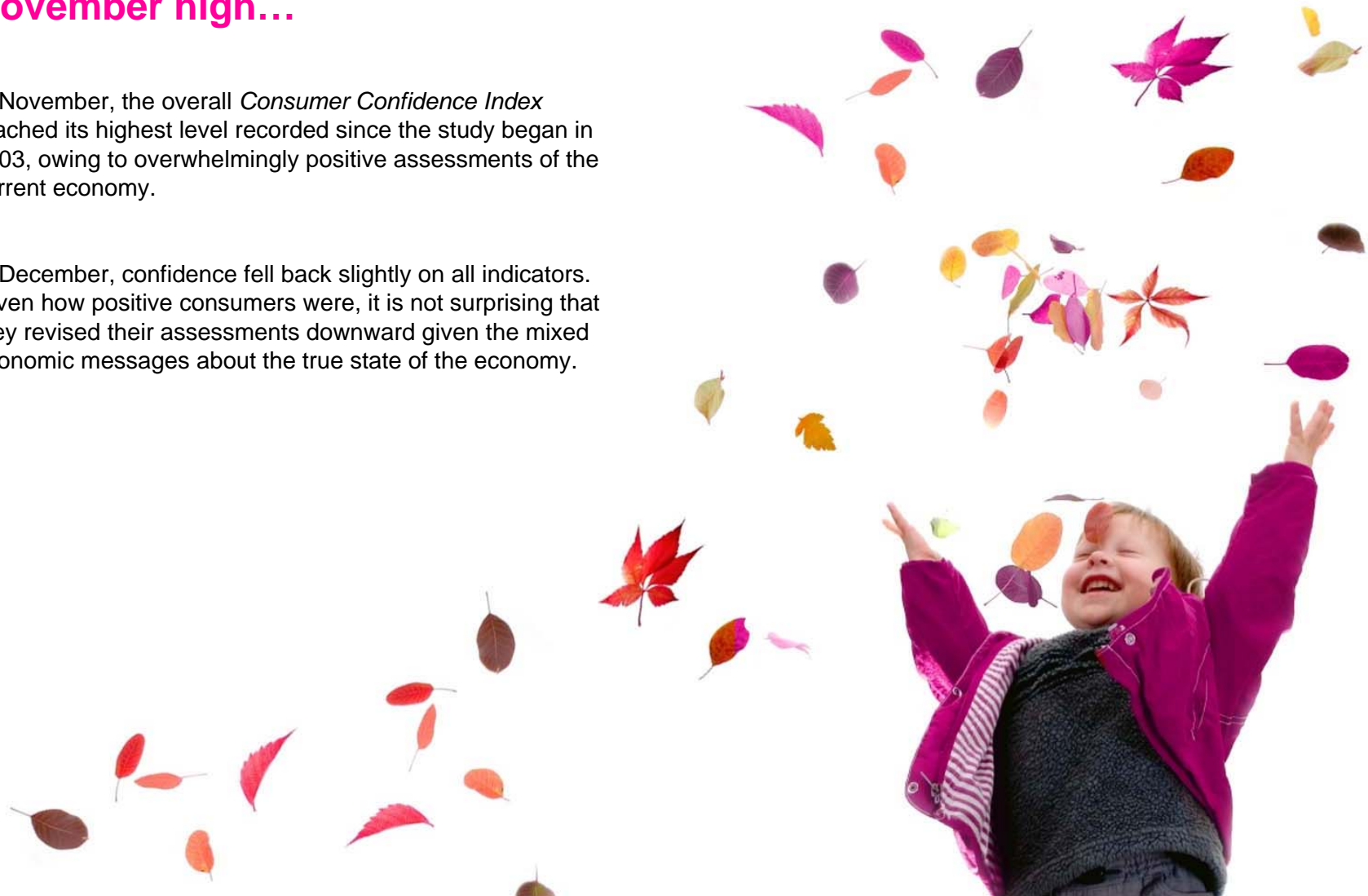
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Confidence slides back from November high...

In November, the overall *Consumer Confidence Index* reached its highest level recorded since the study began in 2003, owing to overwhelmingly positive assessments of the current economy.

In December, confidence fell back slightly on all indicators. Given how positive consumers were, it is not surprising that they revised their assessments downward given the mixed economic messages about the true state of the economy.



National Results

November 2007 – Confidence Peaks

RESULTS

The *Consumer Confidence Index*, which captures all the variables, now stands at 105.7. Since November, confidence retreated from the three-year high of 109.0. Although clearly lower than a month ago, the long-term trend has been in the positive direction.

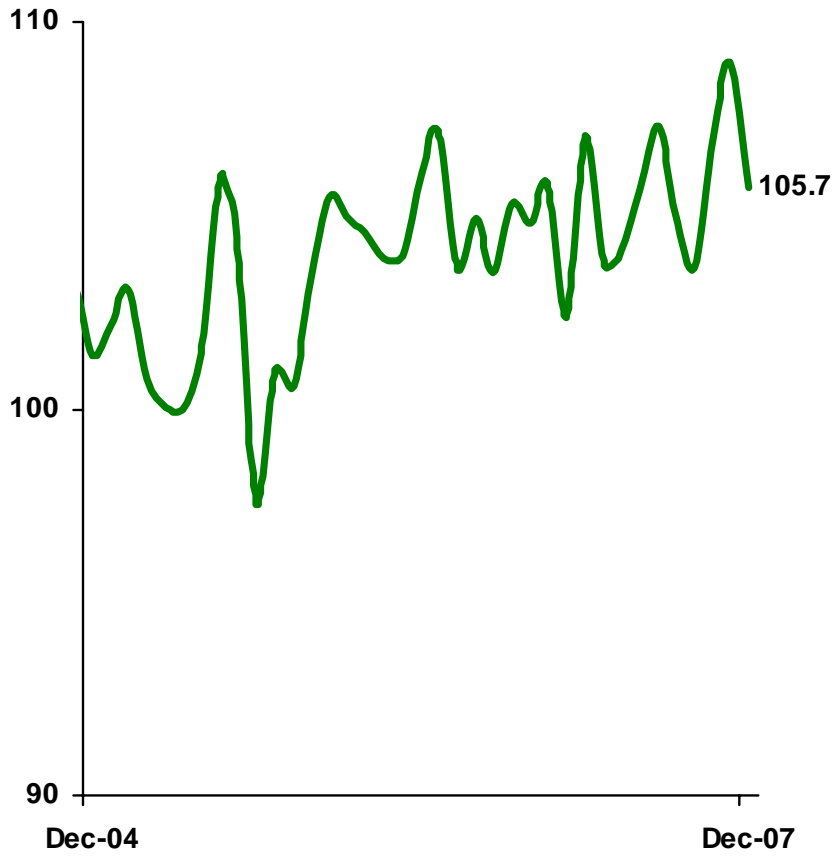
The overall positive trend is largely driven by improvements in the current situation. The *Present Situation Index*, which captures evaluations of the overall state of the economy and the employment situation, now stands at 118.9, down from 122.8 in November. Consider that the *Present Situation Index* is higher now than it was last December (115.7) and in December of 2005 (110.5).

The *Expectations Index*, which measures consumers' estimation of the economy, household income and employment in six months, also declined. The December index value is 100.4 (compared to 103.6 in November). Those who think the economy will improve, however, continue to outnumber those who think that it will get worse (27% are optimistic versus 23% who are pessimistic).

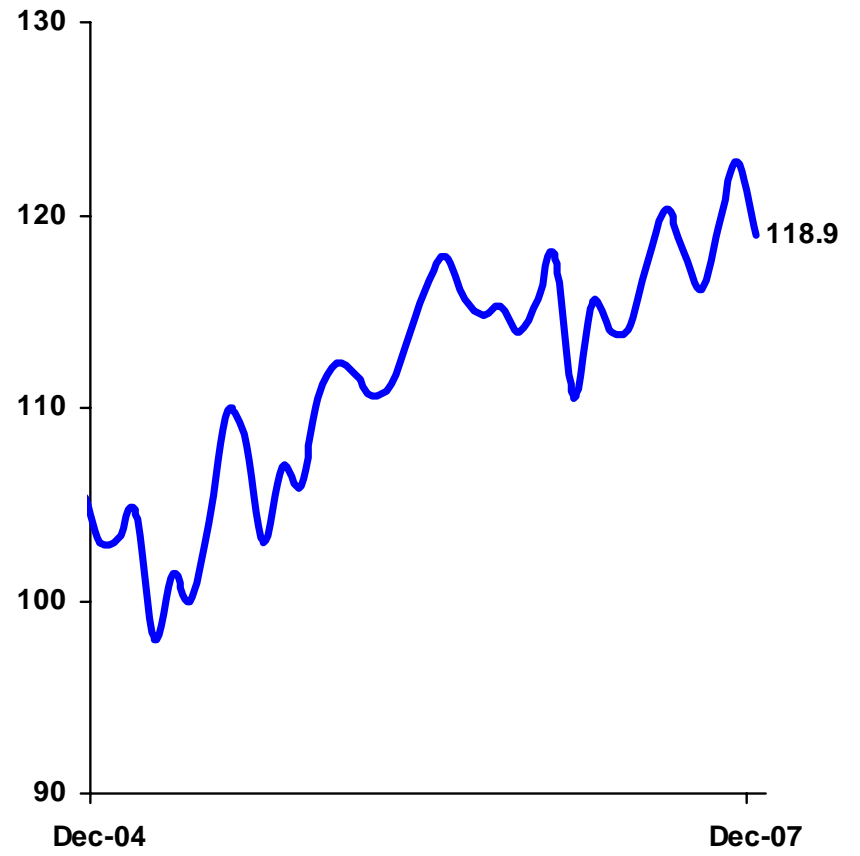
The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, continues to exhibit the volatility it has shown over the past two years. The index now sits at 93.5, down from 96.0 in November. At present, 39 per cent think it is a good time to make major purchases.



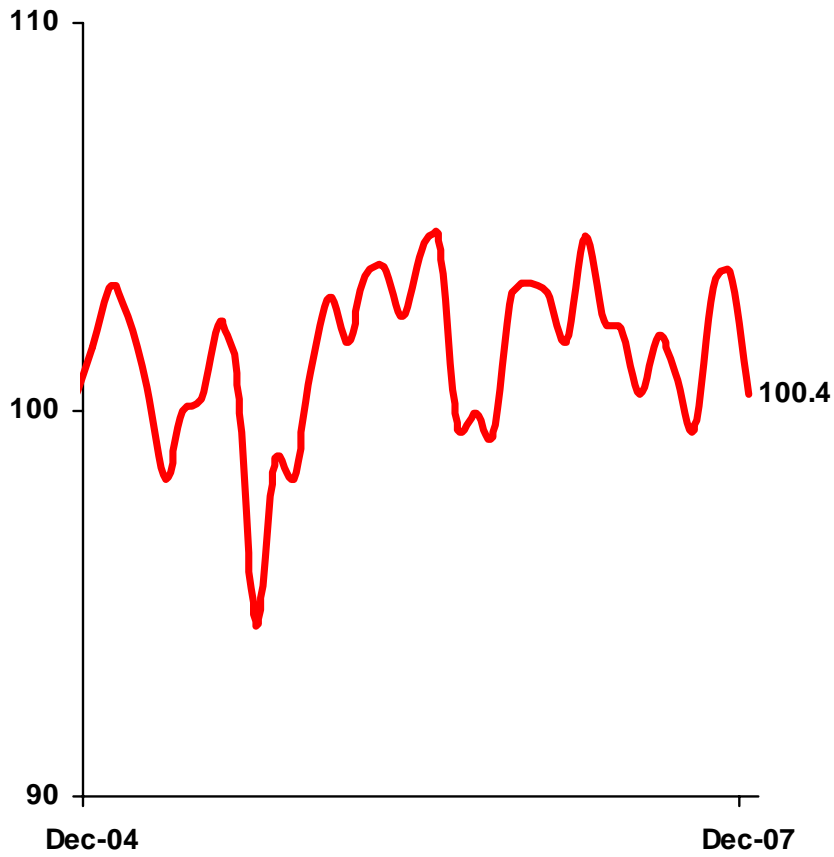
Consumer Confidence Index



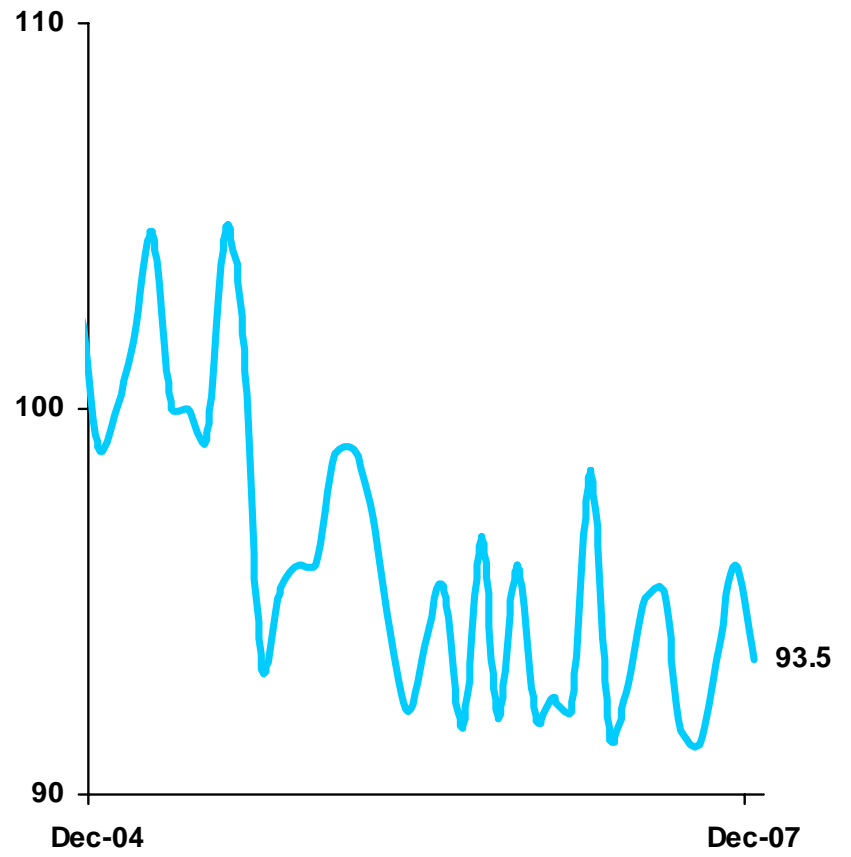
Present Situation Index



Expectations Index



Buy Index



Holiday Shopping Results

Holiday season looks good

The strong employment picture and improved purchasing power that comes with a dollar at or near parity with the U.S. dollar should translate into a good news story for retailers. The only downside risk is that the resurgence of cross-border shopping will either directly (lost sales) or indirectly (because of the lower prices needed to compete) hurt profitability.

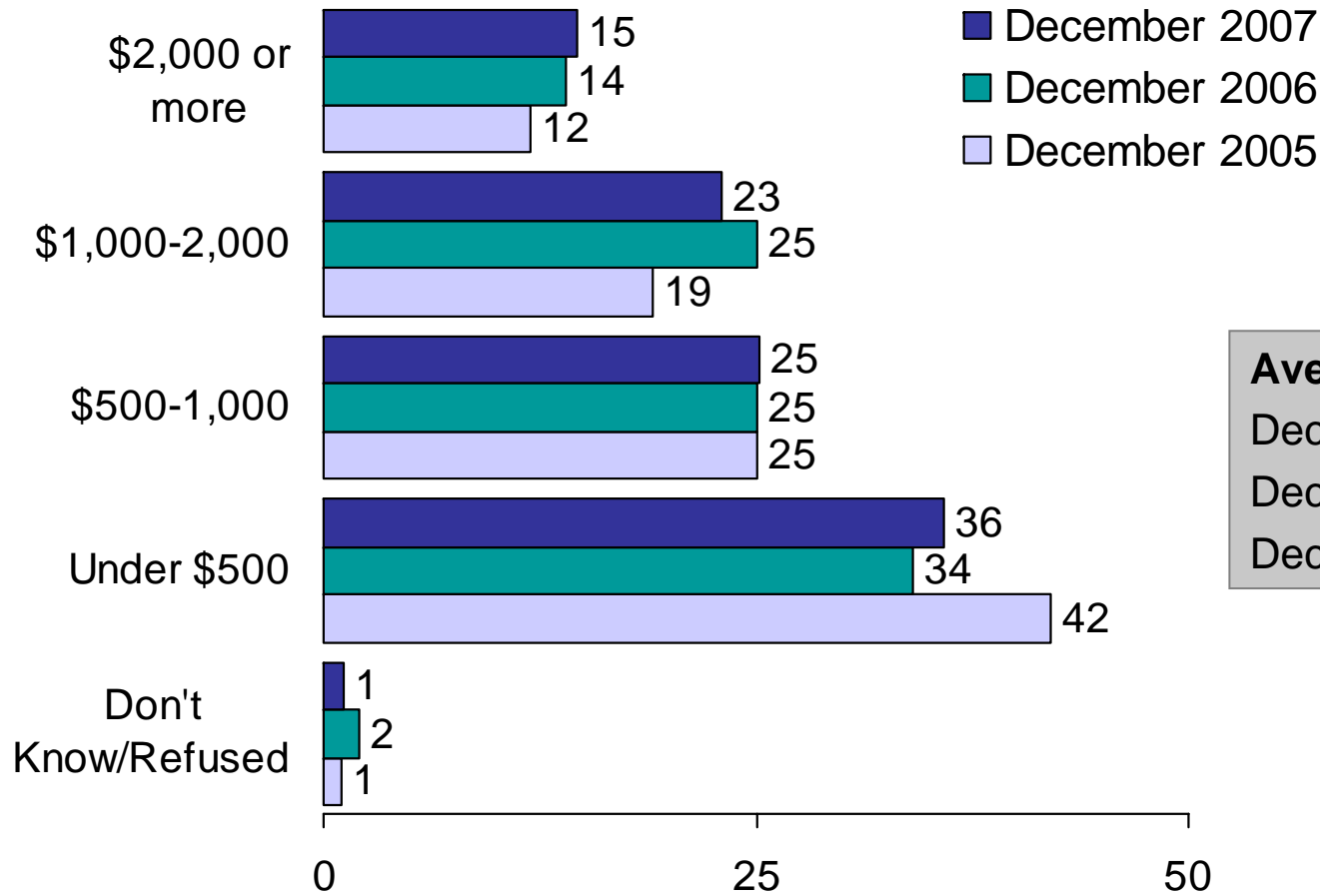
The survey found that Canadians plan to spend \$961 on holiday gifts, decorations or other holiday items this season. While this is marginally lower than in November (the estimate was \$986 last month), it is down 10 per cent from the December 2006 reading (\$1,056).

Overall there is an almost equal proportion of people planning to spend more this holiday season (22%) as those who intend to spend less (24%).



Planned Holiday Spending

consumer confidence index

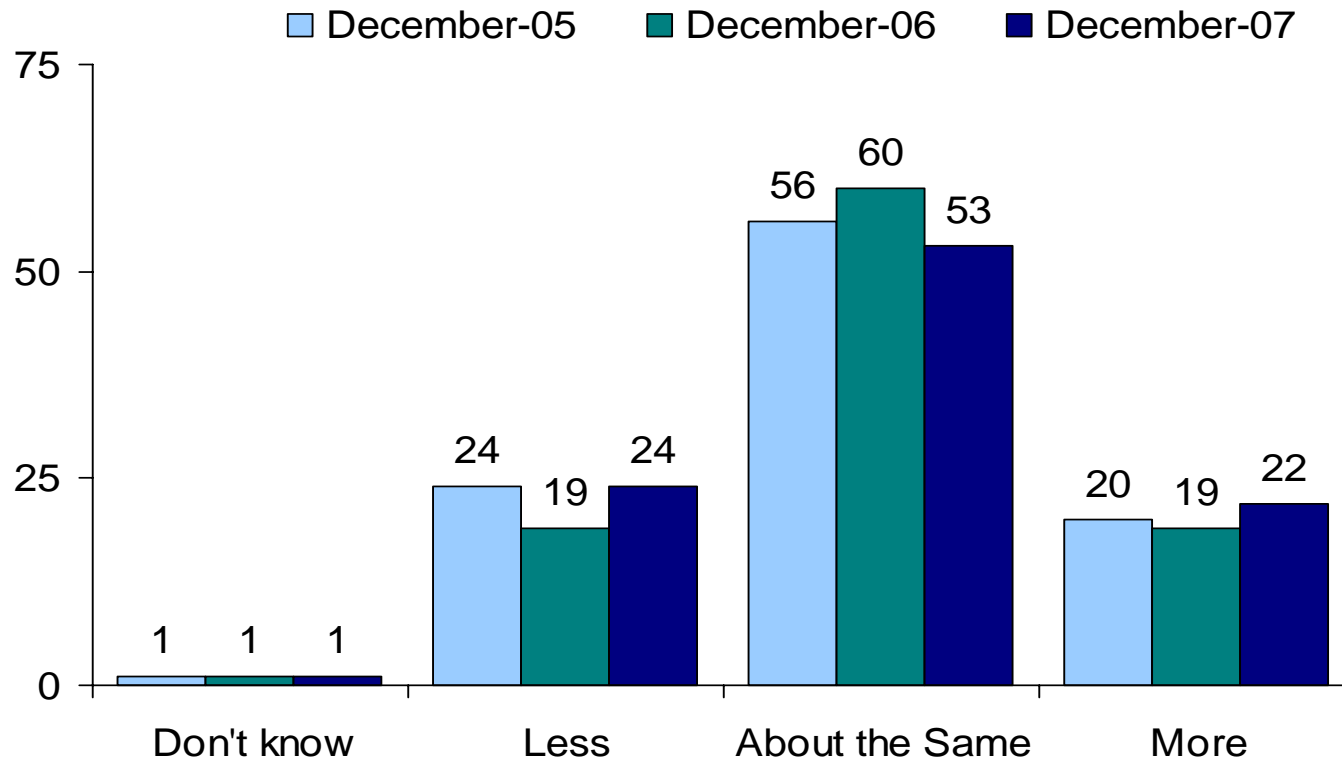


Average:
 December 07: \$961
 December 06: \$1,056
 December 05: \$867

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

Holiday Spending Compared to Last Year

consumer confidence index



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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