

FOR IMMEDIATE RELEASE

CONFIDENCE PLUNGES: SURVEY

Canadians reorient their views about the economy

TORONTO, May 15, 2008 – After months of consumer resilience in the face of mixed domestic news about the economy, the May findings from TNS Canadian Facts' *Consumer Confidence Index* show a dramatic decline in confidence here in Canada.

“Increased costs at the pump and supermarket may be the most important drivers of pessimism for Canadians in the short term as they factor in increasing risks to their disposable income,” said Richard Jenkins, vice-president of TNS Canadian Facts and director of the marketing research firm’s monthly tracking study.

The *Present Situation Index*, which captures evaluations of the overall state of the economy and the employment situation, now stands at 109.3 (down significantly from 113.7 in April). Although the decline is significant, Canadians are not overwhelmingly pessimistic. In fact, 42 per cent believe the economy is at least fairly good.

The *Expectations Index*, which measures consumers’ estimation of the economy, household income and employment in the next six months declined significantly and is now at 92.9 (down from 97.8 in April). This is the lowest level of consumer optimism about the future that TNS has recorded in the past four years.

The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, also declined dramatically. The index now sits at 88.3 (down from 94.0 last month). At this point, only three in ten think this is a good time to make major purchases.

“The dramatic decline in confidence is troubling given the importance of strong domestic consumer spending for the overall health of our economy. It is unclear, however, whether confidence will rebound as consumers adjust to higher prices or continue to slide” added Jenkins.

Consumer Confidence Index tracks Canadians’ attitudes about the economy each month and is part of a global study conducted by TNS in 18 countries. Three indices are produced each month to show how confidence in the economy is changing: *Present Situation Index*; an *Expectations Index*; and a *Buy Index*. The Canadian fieldwork is conducted using the firm’s national bi-weekly telephone omnibus service, TNS Express Telephone. A total of 1,015 nationally representative Canadian adults were interviewed between May 2 and May 8, 2008. For a survey sample this size, the margin of sampling error is plus or minus 3.1 percentage points, 19 times out of 20

TNS Canadian Facts (www.tns-cf.com) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

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Media Contacts:

Richard W. Jenkins

Vice President, Corporate Director, Public Opinion Research

Tel: (613) 230-4408 x101

e-mail: richard.jenkins@tns-global.com