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Canadian Confidence Index

a TNS Canadian Facts News Release

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December 17, 2009

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CONFIDENCE FLAT AS CANADIANS SPEND LESS THIS HOLIDAY SEASON CONSUMERS REMAIN CONFLICTED ABOUT THE ECONOMY

The latest results from TNS Canadian Facts' Consumer Confidence Index and holiday spending estimates suggest that Canadians remain concerned about the current economic situation but are more positive about the future. Although the overall index bobbed up to 97.2 – up 1.7 points from last month's 95.5 – this year is still projected to be the lowest-spending holiday season since 2005.

“The confidence numbers are up a bit from last month, but essentially they're flat. And while Canadians are hopeful when it comes to the state of the economy six months from now, they are planning to rein in their holiday spending this year. Of course, that's bad news for our sales-eager retailers and for kids who might wonder whether Santa put them on his naughty list,” said Dr. Michael Antecol, vice-president of TNS Canadian Facts and director of the marketing research firm's monthly tracking study.

On the negative side, the Present Situation Index, which captures evaluations of the overall state of the current economic and employment situations, went up 1.8 points to finish at 84.0 but it lags October's 85.5 and is well off of the historical high of 123.0. Consistent with this drab finding are the results of TNS's yearly holiday spending questions. Mirroring our November results, just under six in 10 Canadians continue to say they plan to spend the same amount as they did last year, about one-third of Canadians plan to spend less, and just nine per cent plan to spend more on gifts this year. Average spend will be down over \$275 from its 2006 high of \$1,056.

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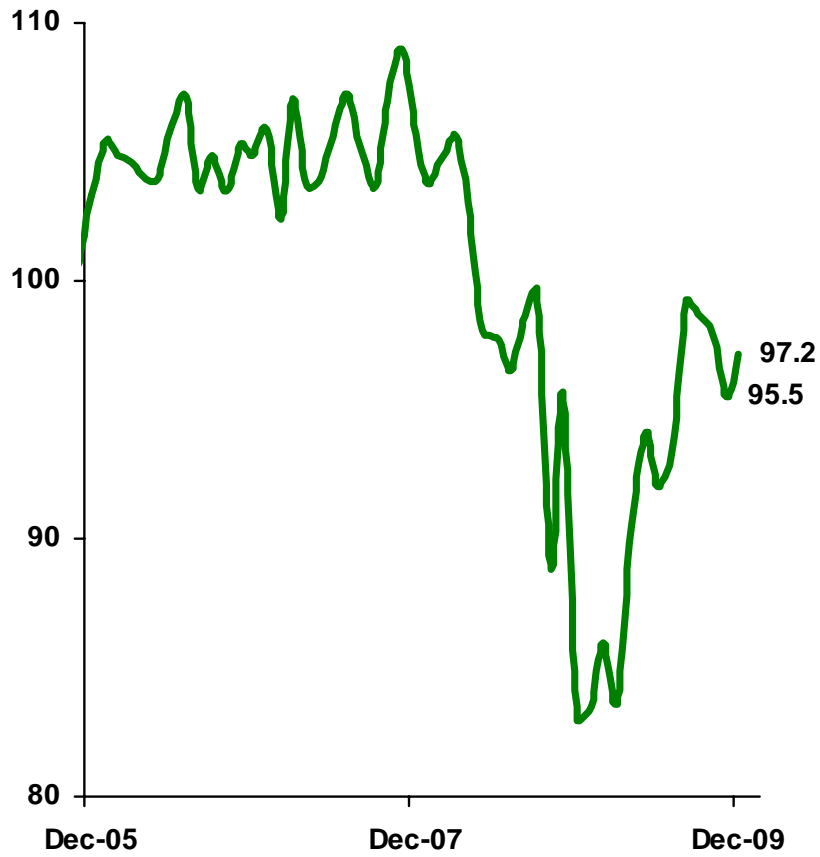
The remaining two indices fill the positive side of the ledger. The Expectations Index, which measures consumers' estimation of the economy, household income and employment in the next six months, inched up 0.2 points to 109.4. And the Buy Index, which gauges the degree to which people think the current period is a good time to make major purchases, broke its three-month trend, rising to 102.6 from November's 99.6, perhaps reflecting the Bank of Canada's recent announcement reaffirming that it does not plan to raise interest rates until mid-2010. Both of these indices are at or near historical highs and both have maintained their high levels since March while the Present Situation Index has stayed in the doldrums.

"When you put all this together it is clear that when Canadians think about their own current situations they are still quite negative although they remain hopeful for the future. Even if they are not prepared to make major purchases themselves, Canadians nonetheless believe that, with interest rates at historic lows, conditions are good for consumers to buy big ticket items. Regardless of how the future unfolds, though, it is clear that with more Canadians spending less and with fewer Canadians spending more, this is unlikely to be a bonanza holiday season for Canadian retailers," added Dr. Antecol.

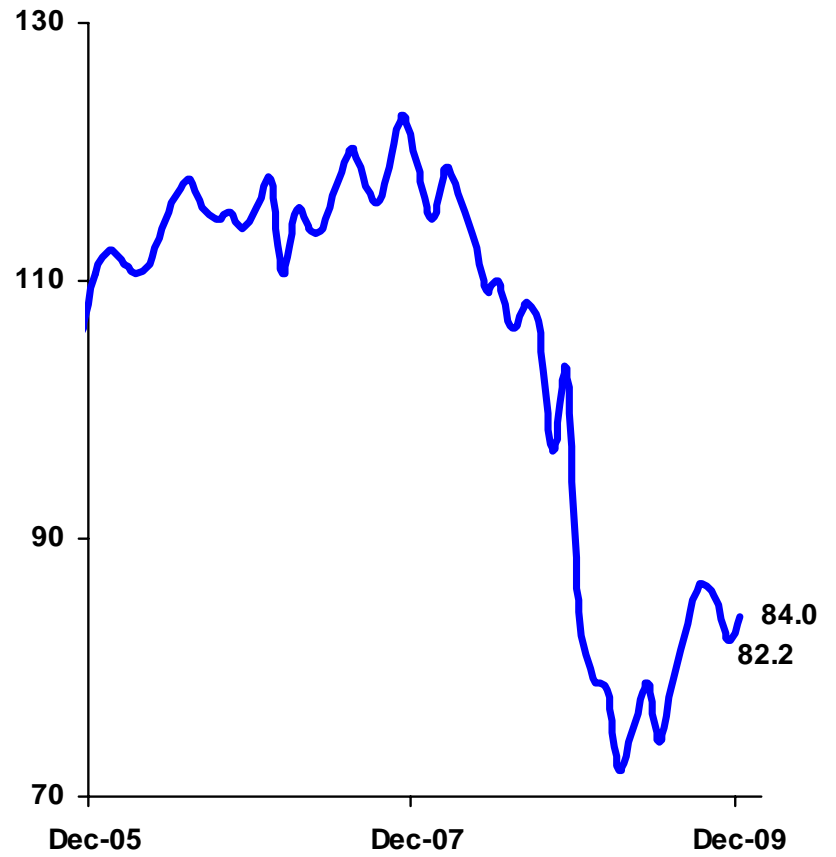
Consumer Confidence Index tracks Canadians' attitudes about the economy each month and is part of a global study conducted by TNS in 18 countries. Three indices are produced each month to show how confidence in the economy is changing: Present Situation Index; an Expectations Index; and a Buy Index. 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 December 7 and 10, 2009. For a survey sample this size, the margin of sampling error is plus or minus 3.1 percentage points, 19 times out of 20.



Consumer Confidence Index



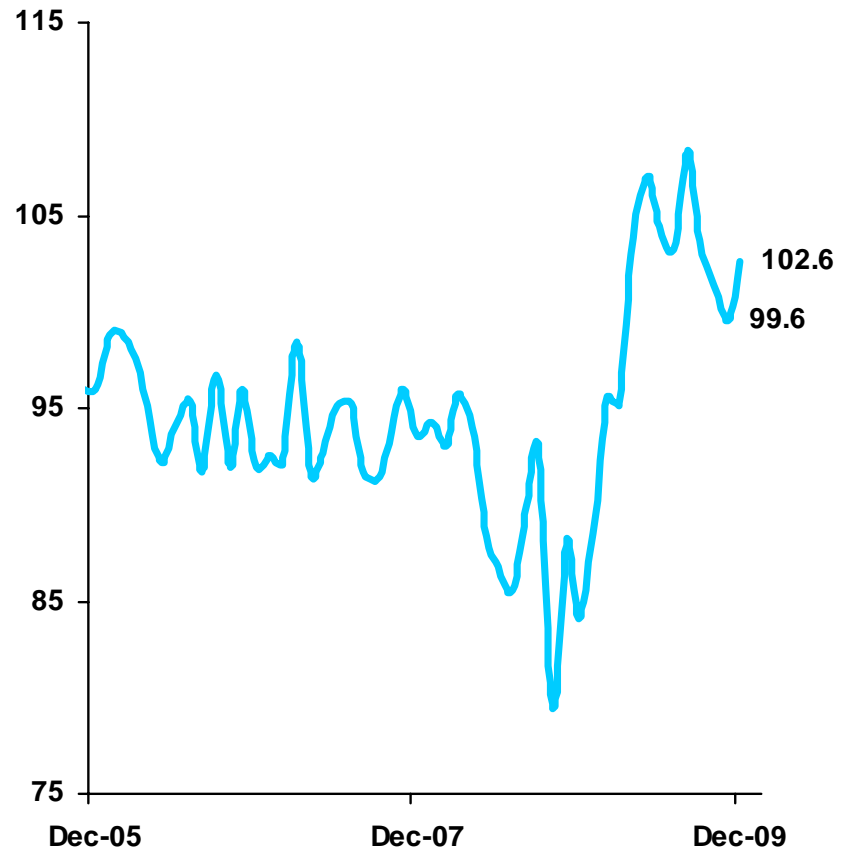
Present Situation Index



Expectations Index



Buy Index

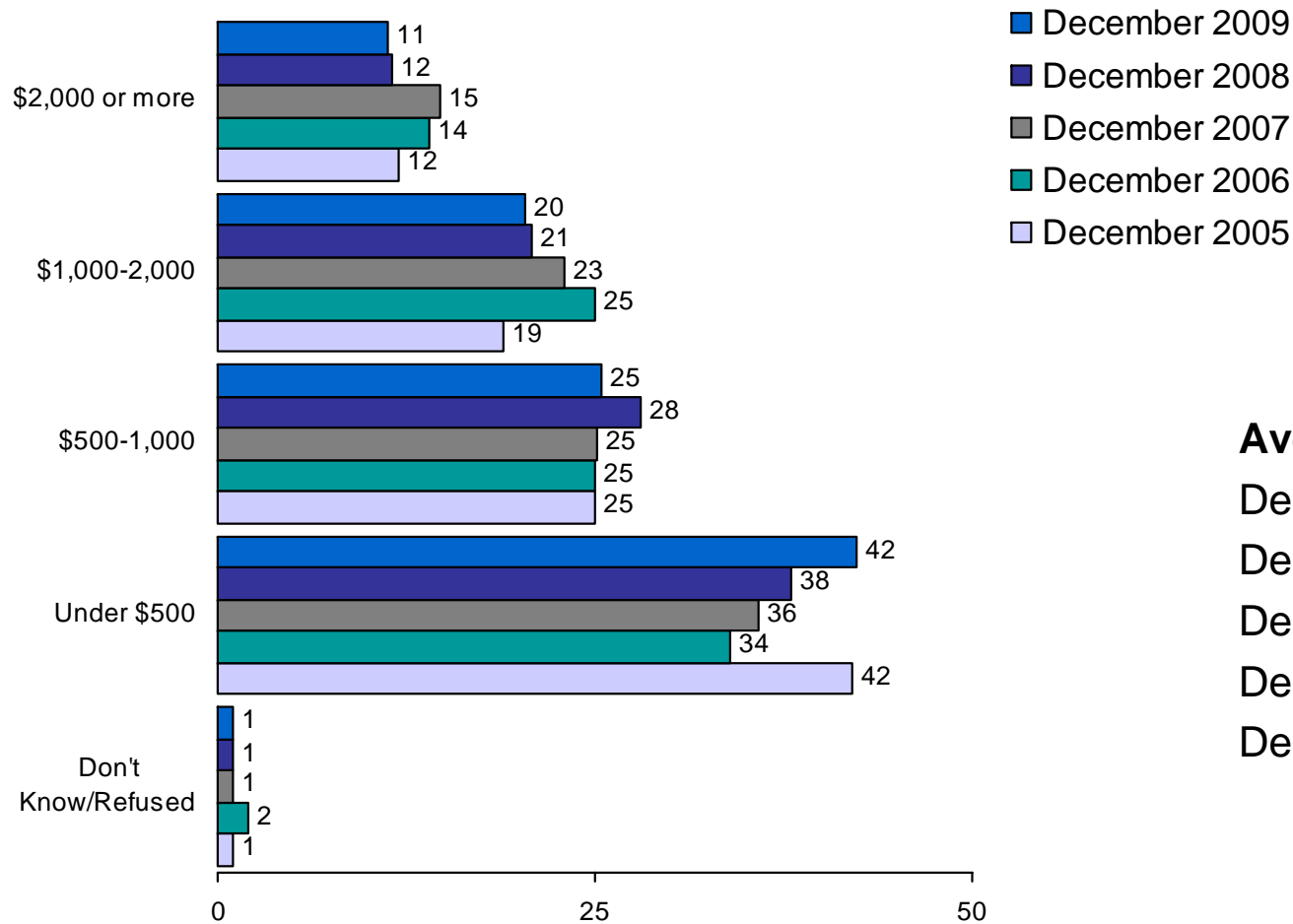


Holiday Shopping Results



Planned Holiday Spending

consumer confidence index

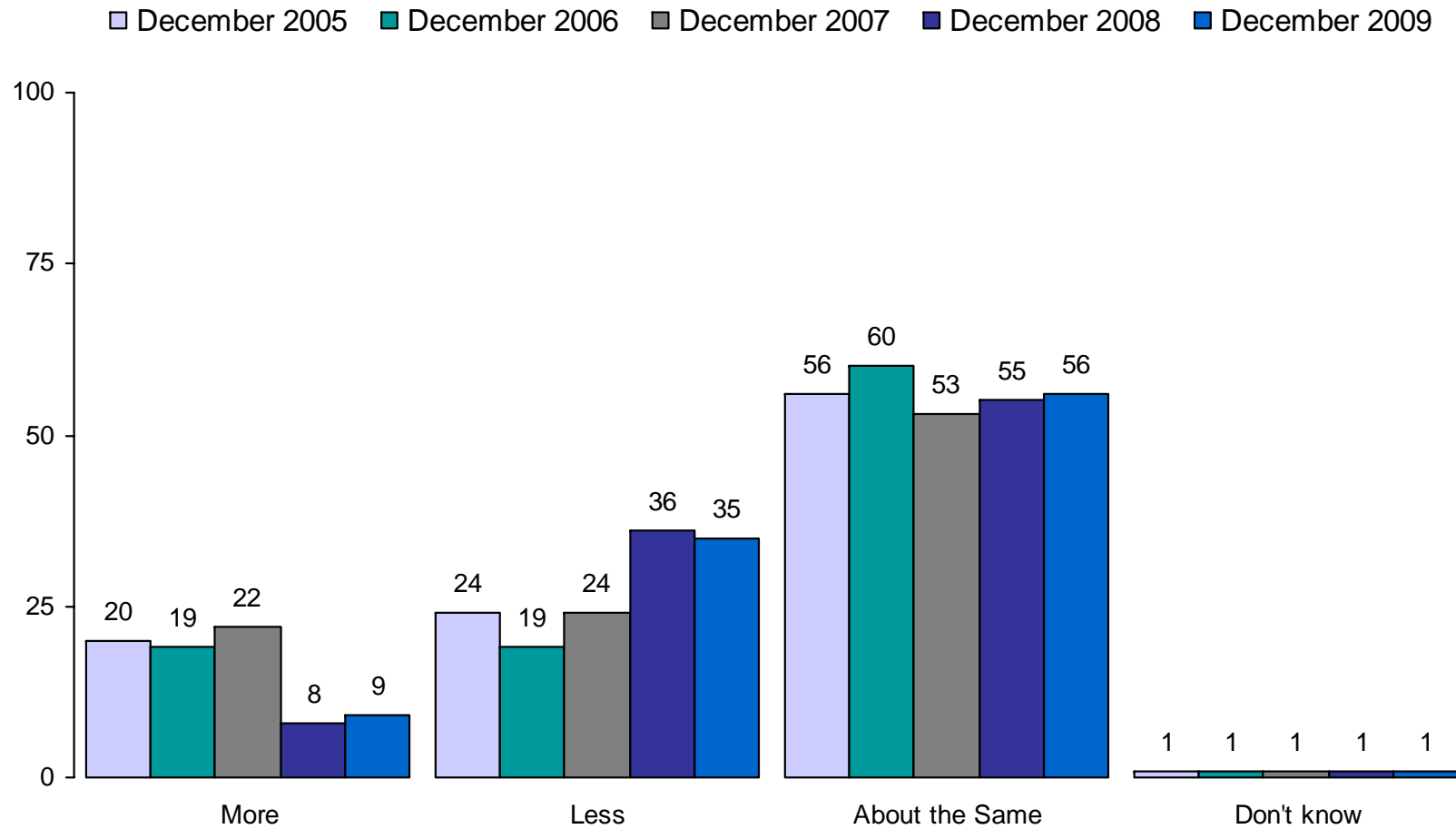


Average:
 December '09: \$780
 December '08: \$956
 December '07: \$961
 December '06: \$1,056
 December '05: \$867

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 7 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. Michael Antecol:

An accomplished researcher, Dr. Antecol is responsible for TNS Canadian Facts' Vancouver office and the company's Western Canadian research. Dr. Antecol has more than 11 years of direct private-sector market research experience, working with major clients in the Canada and the US. He is also a primary spokesperson for TNS Canadian Facts for news interviews and analysis of recent trends in public opinion and market behaviour.

Over the years, Dr. Antecol's studies have been quoted in various media outlets including Broadcasting & Cable, Chief Executive Magazine, Christian Science Monitor, CNET Radio, the Globe and Mail, Information Week, MSNBC News, the National Post, PC Magazine, the Philadelphia Inquirer, Poynter Online, San Diego Union-Tribune, St. Louis Post-Dispatch and the Toronto Star. He has also presented findings in speeches at the BC Egg Marketing Board, Professional Marketing Research Society (PMRS) Speakers Series, BBM Canada, the PMRS Annual conference, Television Bureau of Advertising (TVB) and Web CT.

Dr. Antecol completed a B.A. in Political Science at York University and a LL.B. from Osgoode Hall Law School. He then attended the Graduate School of Journalism at the University of Western Ontario where he completed an M.A. in Journalism. He then continued on with his studies and completed a Ph.D. in the School of Journalism at the University of Missouri. Following this, Dr. Antecol completed a Post-Doctoral Fellowship at Stanford University, receiving independent funding from the California Tobacco-Related Disease Research Program for a project that investigated the effects of advertising as it pertains to anti-smoking campaigns.

Michael's academic research has been widely published in journals such as the Canadian Journal of Communication, Mass Communication & Society, Newspaper Research Journal and Political Communication. Abstracts can be found in various Proceedings of the American Academy of Advertising and Psychophysiology. He has also presented numerous papers to the Association for Education in Journalism and Mass Communication (AEJMC), International Communication Association, the American Academy of Advertising, the Society for Psycho-physiological Research, and the Society for Research on Nicotine and Tobacco. His research has earned several awards including membership in the Kappa Tau Alpha Honor Society and a "Top Three Research Paper" in the Communication and Theory Division of AEJMC.

Before joining TNS Canadian Facts, Dr. Antecol spent three years as Vice President at POLLARA (2004-2006), two years as Director of Online Research at Frank N. Magid Associates, and two years as the Wired Youth Analyst at Forrester Research. He is a member of the Market Research Intelligence Association (MRIA) and served as a board member for the Vancouver Chapter from 2005 to 2006.

For more information please contact:

Dr. Michael Antecol
Vice President
(604) 668-3306
michael.antecol@tns-global.com