

Press Release

EMBARGOED UNTIL 00:01AM (BST) Thursday 31 July 2008

UK consumer confidence research conducted in July 2008
 The next press release will be published on Friday 29 August 2008

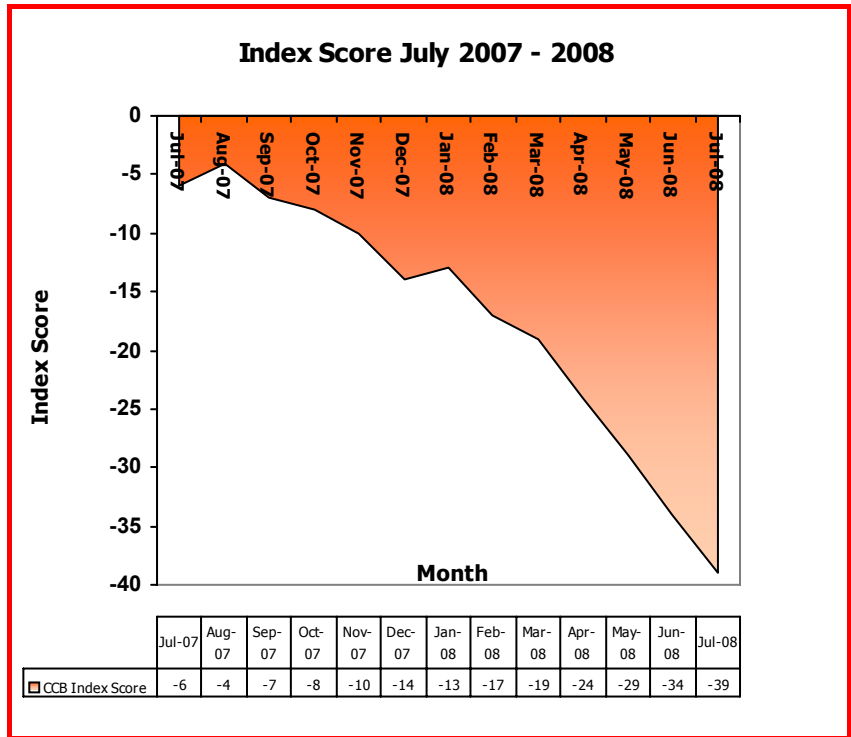
UK Confidence at an all time low

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- The GfK NOP Index has dropped by a further 5 points in July to -39, which is the lowest level ever recorded.
- Confidence in the home over the next 12 months drops by 9 points to a new low, 31 points down on this time last year.
- Confidence in the economy over the next 12 months drops by 7 points to -52, down 39 points on this time last year.



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Donna Culverwell in the Consumer Confidence team at GfK NOP commented: "The Index score has dropped again this month and is now at its lowest level since the survey began in 1974. At -39, this is 4 points lower than in March 1990 when the UK was heading into the grip of the last recession. With the cost of living still on the increase, the housing market in a depression and reports of possible further increases in energy prices, levels of confidence amongst consumers are not surprisingly low, especially amongst women or



those over the age of 50. There seems to be little sign of any relief either; with the growing spectre of the UK going into recession, people are pessimistic and concerned about their future - reflected in the biggest drop this month being seen in people's confidence in their own personal financial situation over coming twelve months."

In a separate survey also carried out by GfK NOP in July, it was found that the UK consumer is tightening the belt and spending less on food, leisure activities and holidays.

- 42% have changed to buying supermarket own brands rather than branded goods and 28% have switched to a discount supermarket.
- 41% are going out to pubs or restaurants less.
- 38% have cut back on the amount of holiday travel they plan to do

Soaring oil prices and general concerns about the environment have also led to a reduction in car travel and increased the attraction of public transport as an alternative.

- 50% of drivers have reduced the number of journeys they make by car
- 21% of drivers are using public transport more, rather than travel by car

(Source: GfK NOP's Consumer Behaviour Monitor interviewed 999 UK adults by telephone on 19-20 July 2008.)

UK Consumer Confidence Measures – July 2008

The overall index score this month has fallen five points to -39, thirty-three points lower than this time last year and its lowest level since the survey began in 1974. This has been caused by falls across all five measures. The annual moving average has dropped to -17.

Measure		July 2008	June 2008	July 2007
	↑↔↓			
Overall Index Score	↓5	-39	-34	-6
Personal Financial situation over last 12 months	↓3	-20	-17	0
Personal Financial situation over next 12 months	↓9	-18	-9	13
General Economic situation over last 12 months	↓3	-69	-66	-25
General Economic situation over next 12 months	↓7	-52	-45	-13
Climate for major purchases	↓2	-37	-35	-2

Personal Financial Situation

The index measuring changes in personal finances during the *last* year has dropped by three points to a score of -20; this is twenty points lower than this time last year. This level has not been seen since April '95.

The forecast for personal finances over the *next* year has dropped nine points to a score of -18. This is thirty one points lower than this time last year. This level has not been seen since May '94.

General Economic Situation

The measure for the general economic situation of the country during the *last* twelve months dropped three points to a score of -69; this is a massive forty-four points lower than this time last year. This score has not been this low since December '92 when it was -67.

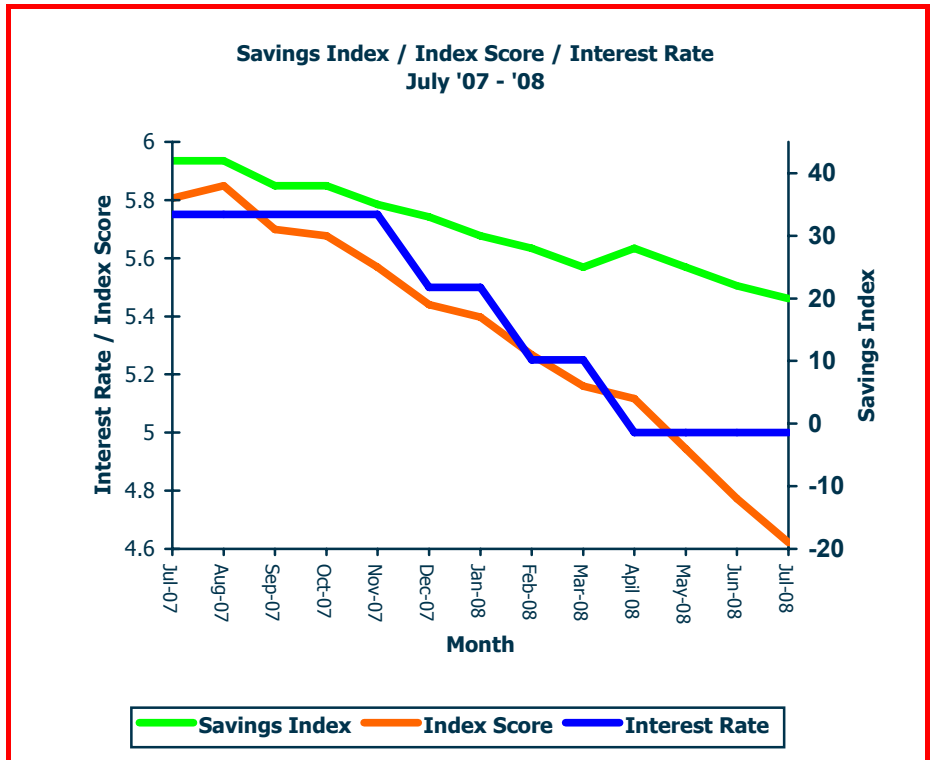
Expectations for the general economic situation over the *next* twelve months have dropped by a further seven points to -52; thirty-nine points lower than this time last year. This score is the lowest on record for this measure (GfK NOP data held since 1982).

Climate for Major Purchases

The major purchases measure has fallen by two points, from -35 to -37; this is thirty-five points lower than this time last year. This score is the lowest on record for this measure (GfK NOP data held since 1982).

Savings Index

The 'now is a good time to save' Index, has dropped by two points to +20, this is twenty two points lower than this time last year.



For more information, or to arrange an interview, please contact
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Notes to the editor:

- The UK Consumer Confidence Survey from GfK NOP was conducted amongst a sample of 2001 individuals aged 16+ on behalf of the European Commission.
- Quotas are imposed on age, sex, region and social class to ensure the final sample is representative of the UK population.
- Interviewing was carried out during 4th – 20th July 2008.
- The figures contained within the Consumer Confidence Barometer have an estimated margin of error of +/-2%
- Results for the Consumer Confidence Barometer are available on the last working day of each month at 00.01am the next release is Friday 29th August 2008.
- **Any published material requires a reference to both GfK NOP and the European Commission e.g. 'Research carried out by GfK NOP on behalf of the European Commission'.**



- This study has been running since 1974. Data is available from 1982.

Subscriptions and full data sets are available.

The table below provides an overview of the questions asked to obtain the individual index measures:

Personal financial Situation (Q1/Q2)	This index is based on the following questions to consumers: How has the financial situation of your household changed over the last 12 months? Q2 'How do you expect the financial position of your household to change over the next 12 months?' (a lot better – a little better – stay(ed) the same – a little worse - a lot worse)
General Economic Situation (Q3/Q4)	This index is based on the following questions to consumers: 'How do you think the general economic situation in this country has changed over the last 12 months?' 'How do you expect the general economic situation in this country to develop over the next 12 months?' (a lot better – a little better – stay(ed) the same – a little worse - a lot worse)
Climate for major purchases (Q8)	This index is based on the following question to consumers: 'In view of the general economic situation, do you think now is the right time for people to make major purchases such as furniture or electrical goods?' (right time – neither right nor wrong time – wrong time)
Savings Index (Q10)	This Savings index is based on the following question to consumers: 'In view of the general economic situation do you think now is?' (a very good time to save – a fairly good time to save – not a good time to save – a very bad time to save) (Commented on but not included in the Index score)

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The GfK Group

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