

Press Release

EMBARGOED UNTIL 00:01AM (BST) Friday 29 August 2008

UK consumer confidence research conducted in August 2008

The next press release will be published on Tuesday 30 September 2008

Gold medals helping UK Confidence?

- The GfK NOP Index has shown a small improvement, rising three points to -36, but still 32 points lower than August last year.
- Consumer's perception of their personal financial situation has improved for both the last and the next twelve months.
- Confidence in the UK economy over the next 12 months also showed a small improvement.

Date

29th August 2008

Contact

Amanda Wheeler

PR Manager

GfK NOP

Tel +44 (0)20 7890 9386

e-Mail amanda.wheeler@gfk.com

www.gfknop.com

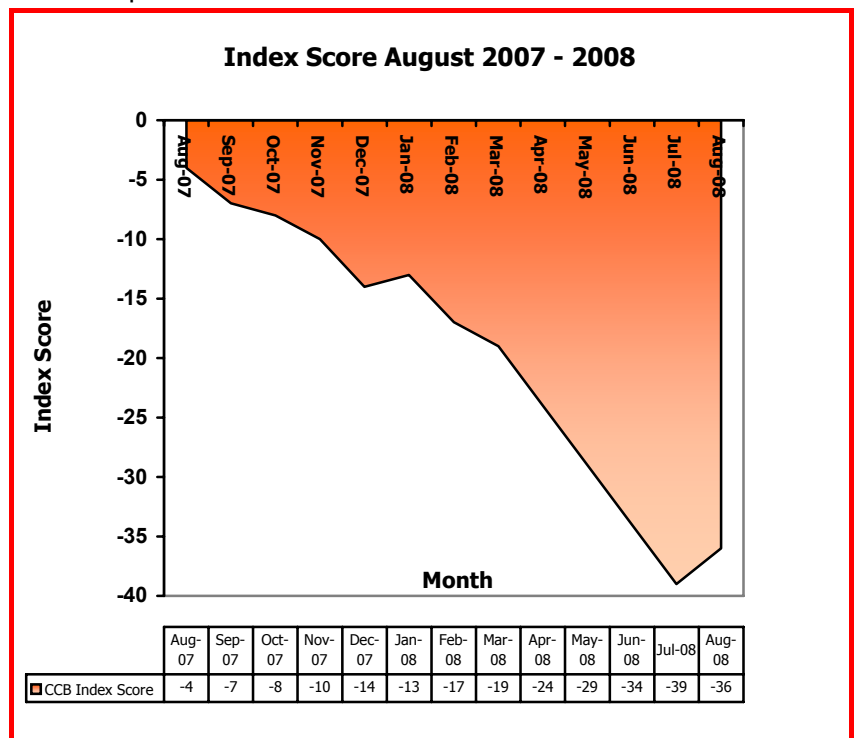
GfK NOP Limited
Ludgate House
245 Blackfriars Road
London SE1 9UL

Tel +44 (0)20 7890 9000
Fax +44 (0)20 7890 9001
www.gfknop.com

Place of registration:
England and Wales

Company number:
2512551

Registered office:
GfK NOP Limited
14 New Street
London
EC2M 4HE



Rachael Joy in the Consumer Confidence team at GfK NOP commented:

“We have seen a small improvement in Consumer Confidence in August, but this should not be seen as a turnaround in core sentiment. This improvement could be down to a number of recent factors, which are mostly of short-term influence, such as cheaper petrol offers, summer holidays happening or just a general feeling of “things can’t get any worse can they?”. In particular, winning gold medals in the Olympics seems to have had a lifting effect. When we looked at the Index score before and after the Olympic weekend,



the score rose 3 points between the first and second weekend. This, combined with summer holiday euphoria, may have helped lift consumers' perceptions of their personal situation and the general economy."

In GfK NOP's separate Consumer Behaviour¹ Monitor for August, we see a continuing trend of UK consumers finding ways to save money in these hard times.

Measure	July 2008	August 2008
Changed to buying supermarket own brands rather than branded goods	42%	39%
Gone out less to pubs or restaurants	41%	38%
Cut back on the amount of holiday travel you plan to do	38%	35%

And although oil prices have fallen back in recent weeks, the UK motorist is still feeling the pinch, and looking to reduce the amount they use their car.

Measure	July 2008	August 2008
Reduced the number of journeys you make by car	50%	46%
Used more public transport rather than the car	21%	22%

(¹Source: GfK NOP's Consumer Behaviour Monitor interviewed 1,000 UK adults by telephone, 22 - 24 August 2008)

UK Consumer Confidence Measures – August 2008

The overall index score this month has increased three points to -36, thirty-two points lower than this time last year. This increase has been caused by a rise across three of the five measures. The annual moving average has dropped to -20.

Measure	↑↔↓	Aug 2008	July 2008	Aug 2007
Overall Index Score	↑3	-36	-39	-4
Personal Financial situation over last 12 months	↑4	-16	-20	+2
Personal Financial situation over next 12 months	↑6	-12	-18	+12
General Economic situation over last 12 months	↔	-69	-69	-25
General Economic situation over next 12 months	↑5	-47	-52	-15
Climate for major purchases	↓1	-38	-37	+4

Personal Financial Situation

The index measuring changes in personal finances during the *last* year has increased by four points to a score of -16; this is eighteen points lower than this time last year. This remains at levels not been seen since Spring '95.

The forecast for personal finances over the *next* year has risen six points to a score of -12. This is twenty-four points lower than this time last year. This level has not been seen since Summer '94.

General Economic Situation

The measure for the general economic situation of the country during the *last* twelve months remained the same as last month with 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.

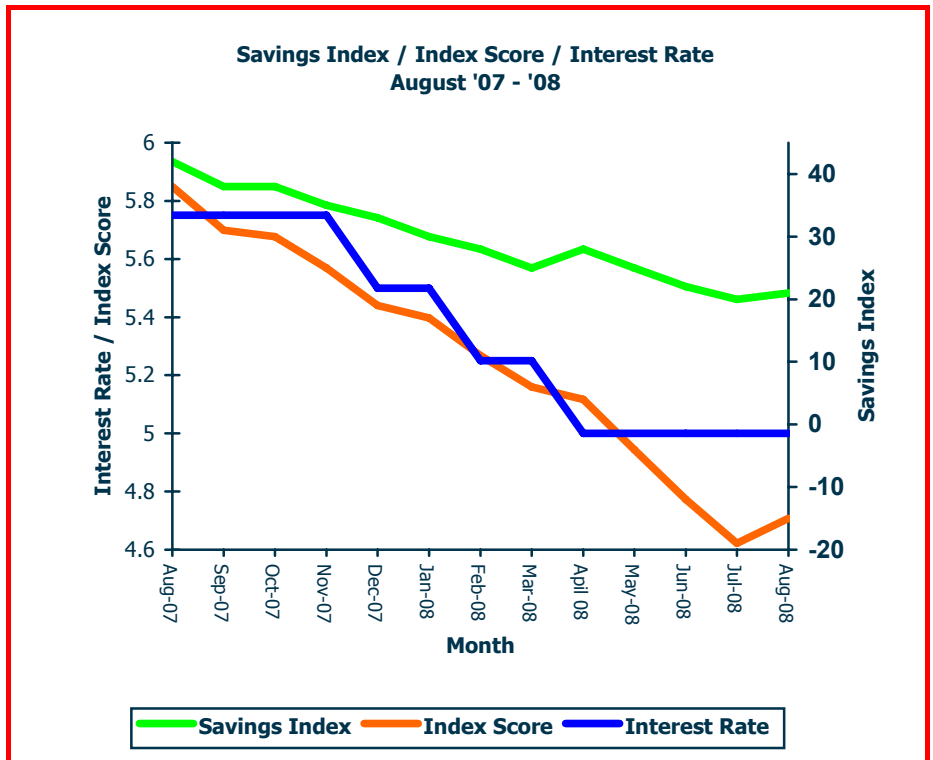
Expectations for the general economic situation over the *next* twelve months have increased by five points to -47; thirty-two points lower than this time last year. This score is the lowest on record for this measure (GfK NOP data held since 1982).

Climate for Major Purchases

The major purchases measure has fallen by one point, from -37 to -38; this is forty-two points lower than this time last year. This score remains at its lowest on record for this measure (GfK NOP data held since 1982).

Savings Index

The 'now is a good time to save' Index, has risen by one point to +21, this is twenty-one points lower than this time last year.



**For more information, or to arrange an interview, please contact
Amanda Wheeler, PR Manager on 020 7890 9386 or
amanda.wheeler@gfk.com**

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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 8th – 17th August 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 Tuesday 30th September 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. Basic data is available from 1982, full data from 1996. 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 the right time to save?' (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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Responsible under press legislation: Amanda Wheeler, PR Manager, GfK NOP Ltd, Ludgate House, 245 Blackfriars Road, London SE1 9UL. Email: amanda.wheeler@gfk.com

The GfK Group

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