



Press Release

EMBARGOED UNTIL 10:30AM 21st December 2007

UK consumer confidence research conducted in December 2007
The next consumer confidence press release will be published on 31st January 2007

Consumers are suffering from a dose of realism!

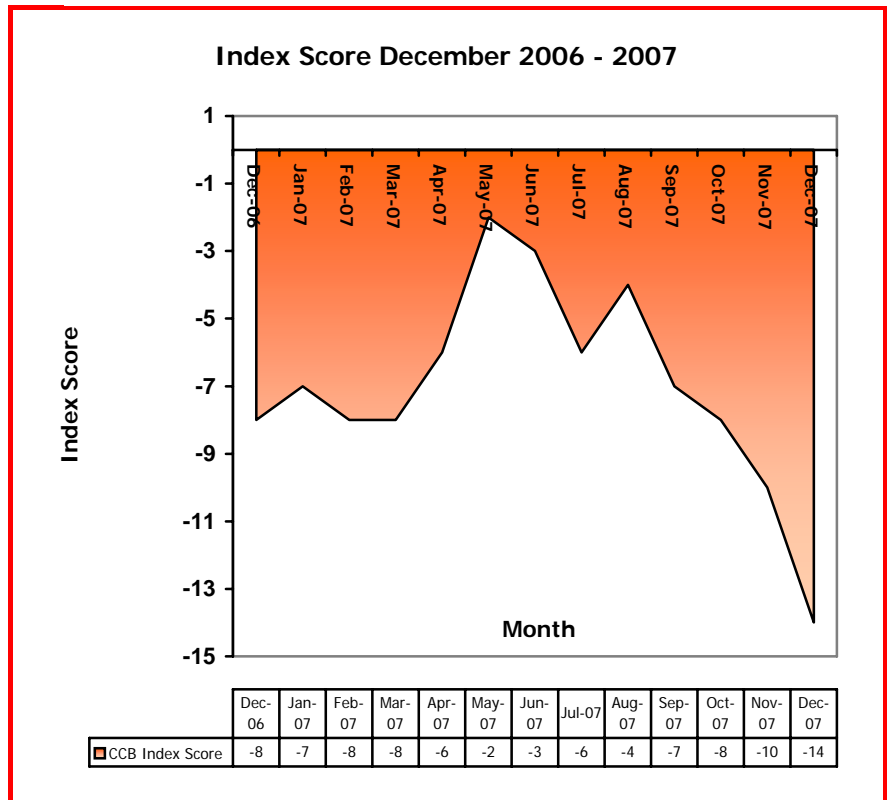
- The Index score this month has continued its downward trend and now stands at -14; this is the lowest it has been since December 1995.
- The major purchases measure also continues a downward slide and is now at its lowest since June 1991
- Consumers are concerned about the general economic situation in the past 12 months and for the next 12 months which both dropped this month.

Date
21 December 2007

Contact
Rachael Joy
Consumer division
GfK NOP
Tel +44 (0)20 7890 9365
e-Mail Rachael.joy@gfk.com

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:
"As 2007 draws to a close, we see that Consumers are suffering from a dose of realism. All five measures dropped this month; the major purchases measure saw the biggest drop this month of seven points. Traditionally at this time of year you would see a drop whilst Consumers wait for the January sales, but this combined with reports of a "credit crunch" has resulted in this measure dropping to its lowest level since June 1991. The general economy

over the past and next twelve months both saw major drops, a reflection of inflation and price increases. However even the Interest rate decrease announced on the 6th December has done little to alleviate these concerns. As we go into 2008 it will be interesting to see if anything can improve the mood of the Consumer!"

Consumer Confidence Measures – December 2007

The fall in the index score this month has been caused by a decrease across all five of the core measures. The annual moving average has dropped to -7.

Measure		Dec 2007	Nov 2007	Dec 2006
Overall Index Score	↓4	-14	-10	-8
Personal Financial situation over last 12 months	↓1	-1	0	-1
Personal Financial situation over next 12 months	↓1	+8	+9	-11
General Economic situation over last 12 months	↓4	-36	-32	-29
General Economic situation over next 12 months	↓5	-26	-21	-19
Climate for major purchases	↓7	-14	-7	-4

Personal Financial Situation

The index measuring changes in personal finances during the last year has dropped by one point to a score of -1; which is the same as December last year.

There has been a drop in opinion regarding the forecast for personal finances over the next year too. This has dropped by one point to a score of +8; three points lower than in December '06.

General Economic Situation

The measure for the general economic situation of the country during the last twelve months has dropped to a score of -36; this is seven points lower than December last year.

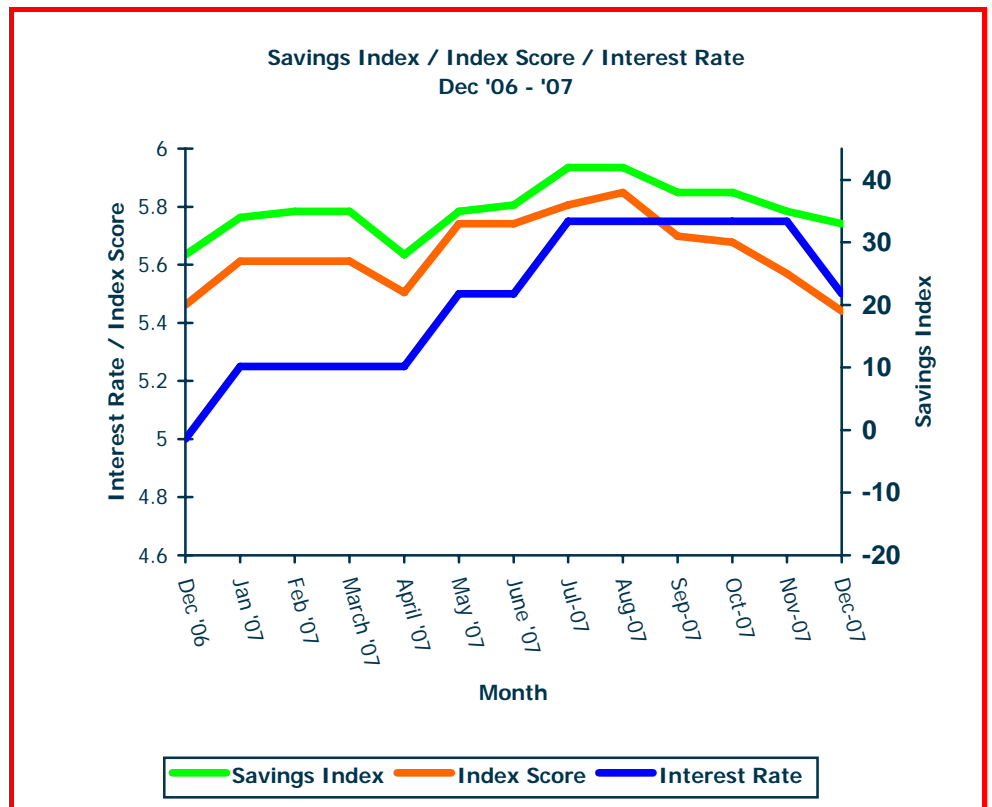
This month there has been a decrease in expectations for the general economic situation during the next twelve months, with the index dropping five points to -26; this is seven points lower than in December '06.

Climate for Major Purchases

The major purchases measure has seen another drop this month falling by seven points, from -7 to -14. This is ten points lower than in December '06 and it hasn't been this low since June 1991.

Savings Index

The 'now is a good time to save' Index has also seen a decrease with a drop of two points to +33; this is five points higher than in December '06.



For more information on this, or to arrange an interview, please contact Amanda Wheeler, PR Manager on +44 20 7890 9386 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 2000 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 30th November – 9th December 2007.
- 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 10.30am the next release is Wednesday 31st January 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 1973. Data is available as far back as 1983. Subscriptions and full data sets are available. For further information, contact;

Rachael Joy on +44 (0)20 7890 9365 rachael.joy@gfk.com
or Kerry Lloyd on +44 (0)20 7890 9441 kerry.lloyd@gfk.com

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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Responsible under press legislation:

Amanda Wheeler, PR Manager, GfK NOP Ltd, Ludgate House, 245 Blackfriars Road, London SE1 9UL. Tel: +44 (0) 20 7890 9386 / email: amanda.wheeler@gfk.com

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