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Canadian Confidence Index

a TNS Canadian Facts News Release

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January 20, 2011

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CANADIANS CAUTIOUSLY OPTIMISTIC ABOUT ECONOMY HEADING INTO 2011: SURVEY

Canadians are expressing glimmers of optimism on the economy as we head into the new year. TNS Canada's *Monthly Consumer Confidence Index* showed a slight but significant gain of 2.3 points in January, beginning the year at 98.4. Canadians also feel slightly better about the present economic situation, as well as their economic prospects for the next six months. Only the *Buy Index*, which measures consumers' intent to purchase "big ticket items" showed an ever-so-slight post-holiday decline.

"Consumers are teasing us" said Norman Baillie-David, Vice President of TNS Canada and Director of the Marketing and Social Research firm's monthly tracking study. "Canadians haven't been able to decide whether or not to invest their emotional capital into trusting the economy on a sustained basis. Confidence has been jumping up and down for the last six months. January's numbers are up, but it's too early to tell whether or not they'll be up again as we progress into the year. Canadians are looking for some signal that will make us able to trust in the economy on a sustained basis."

The *Present Situation Index*, which captures evaluations of the overall state of the current economic and employment situation has also rebounded after a marked drop in December. After falling 4.5 points to end the year at 89.0, the index gained 3.6 points to 92.6 in January.

The *Expectations Index*, which measures consumers' outlook for the economy, household income and employment in the next six months, saw a 3.2 point increase to open the year at 107.8 – the highest the index has been since May 2010; and another reason to be hopeful that the confidence is here to stay.



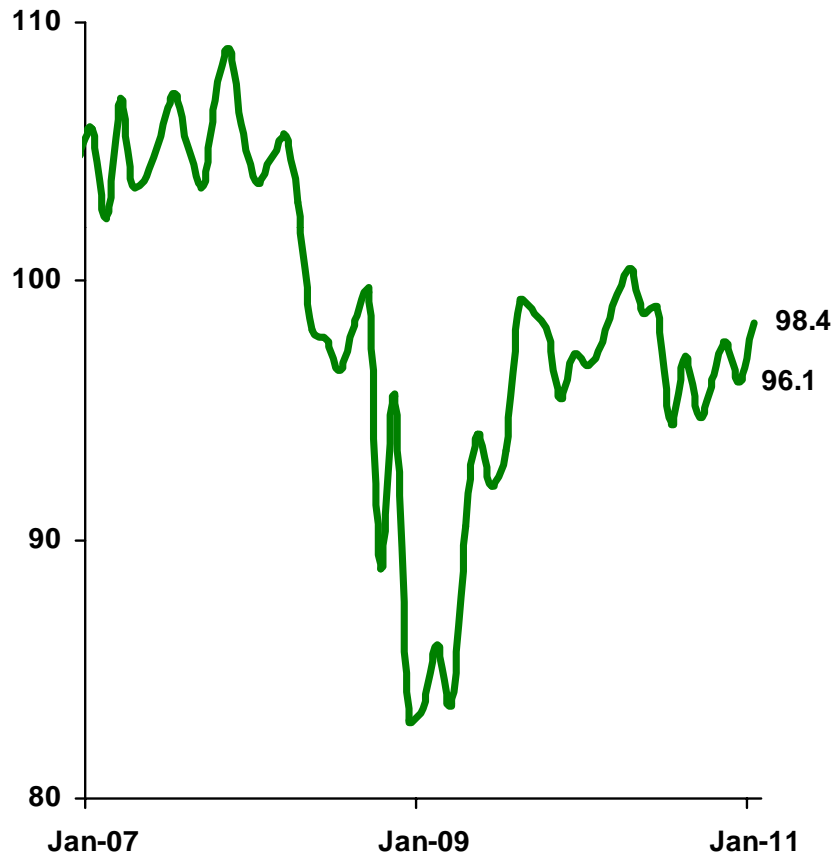
The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, saw a slight decrease to open 2011, which is not uncommon in January. “It’s also interesting to note the slight decline of 0.3 points in the *Buy Index* as Canadian consumers ratchet back some of their spending plans in the wake of January bills. While normally a decrease in the *Buy Index* would represent bad news, this slight decline – even if only temporary – at least shows that some Canadian consumers are heeding the message to watch their debt. We’ll see in February whether or not that message sticks.” This is also borne out by the fact that Canadians say they actually spent a tad less this past holiday season, with an average of \$1,008, compared to last year’s average or \$1,024.

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 January 10 and 13, 2011. For a survey sample of this size, the margin of sampling error is plus or minus 3.1 percentage points, 19 times out of 20.

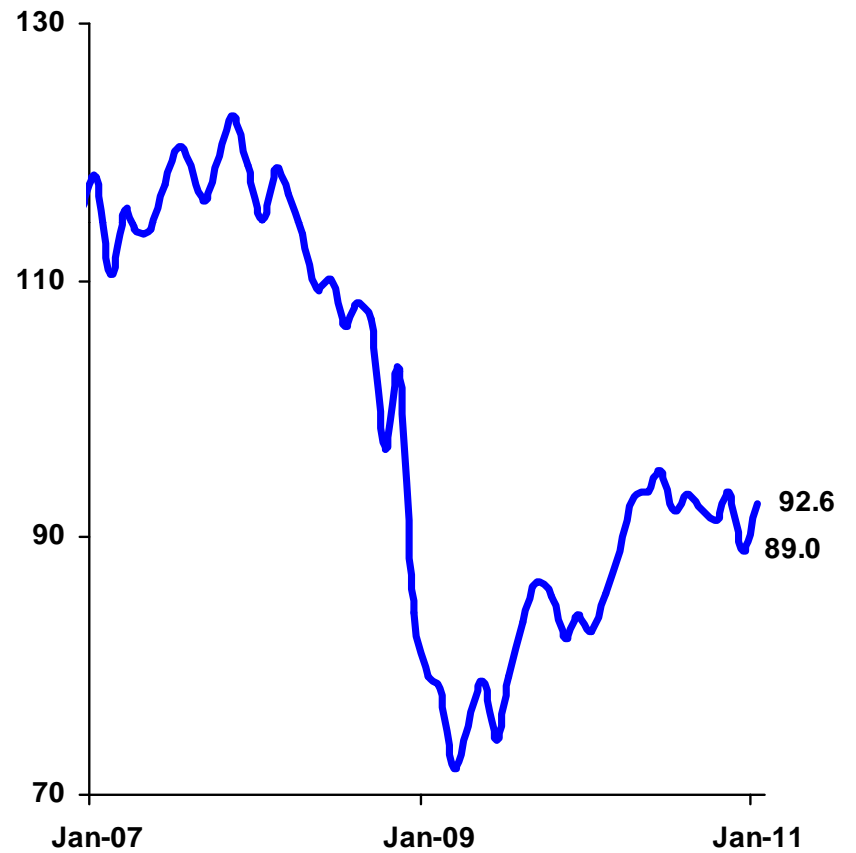
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Consumer Confidence Index

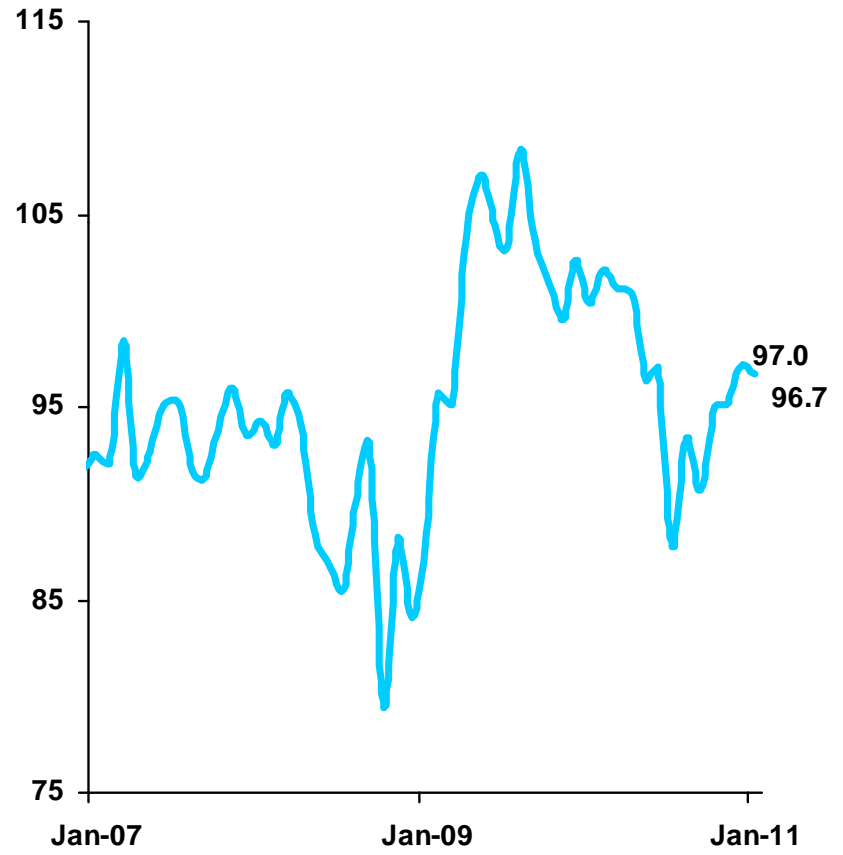
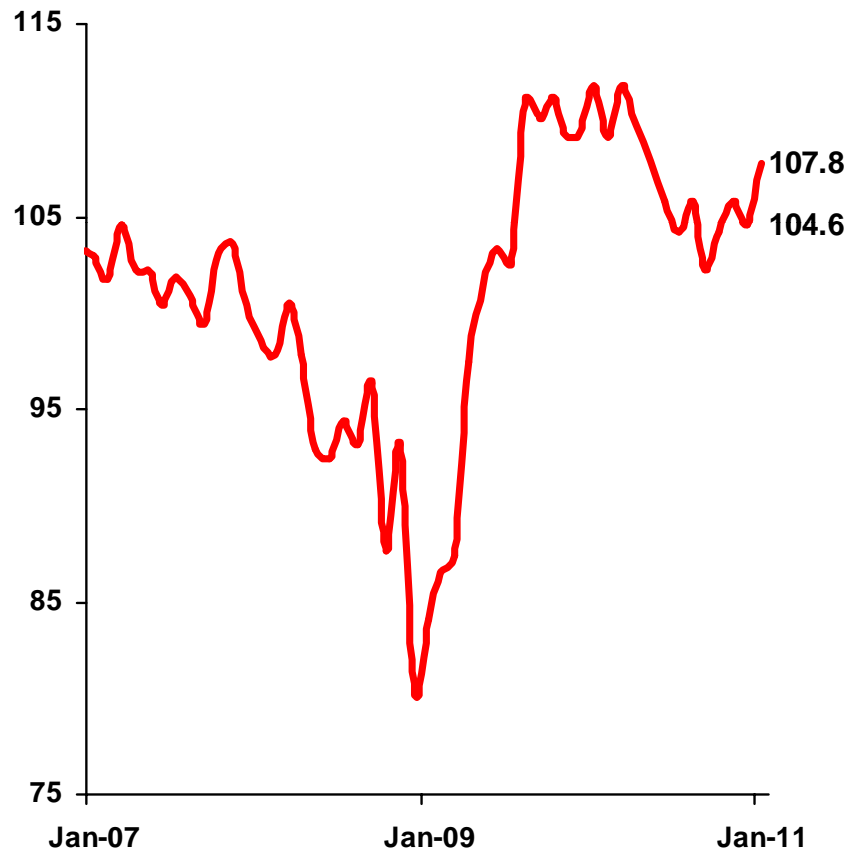


Present Situation Index



Expectations Index

Buy Index

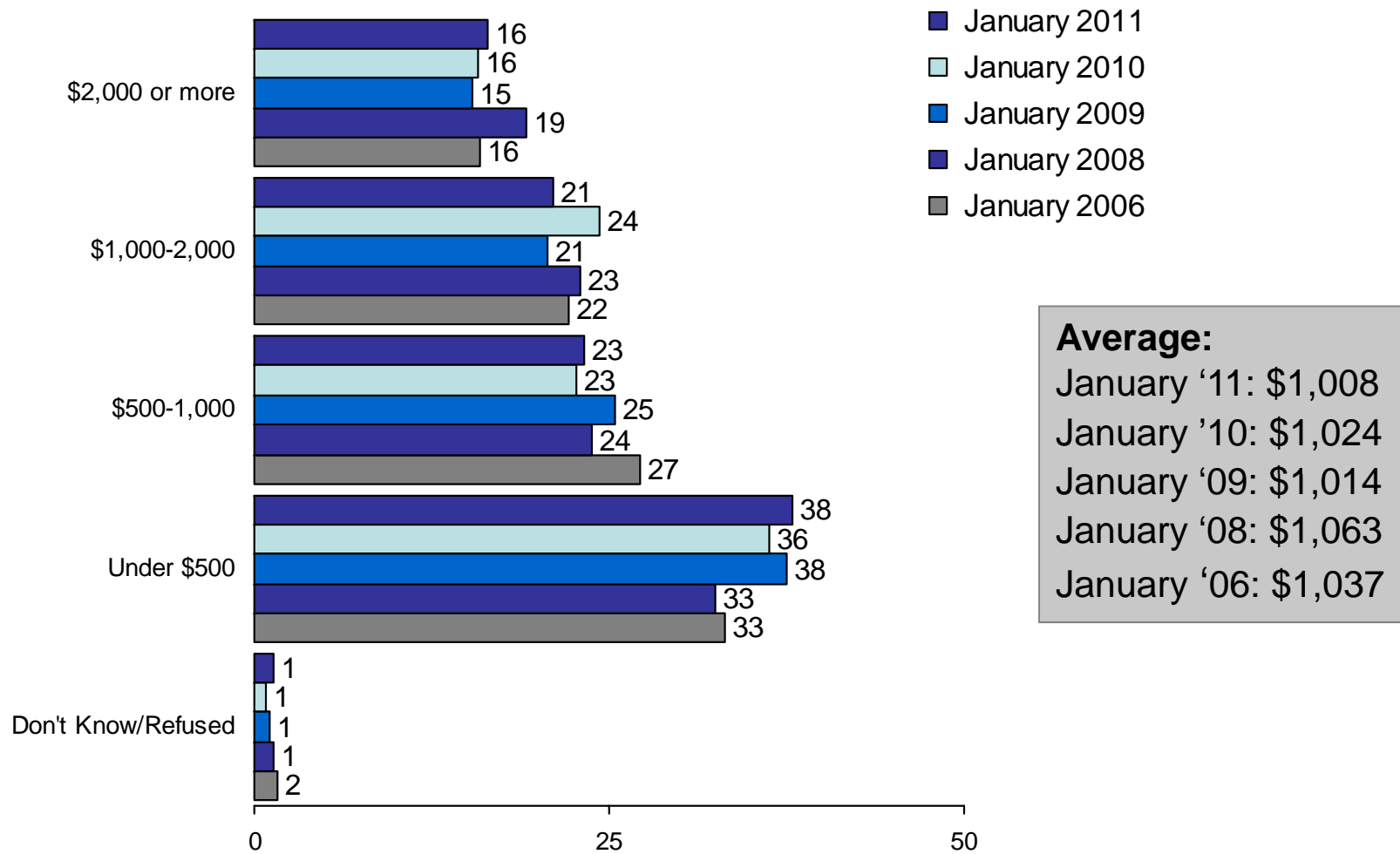


Holiday Shopping Results



Holiday Spending

consumer confidence index

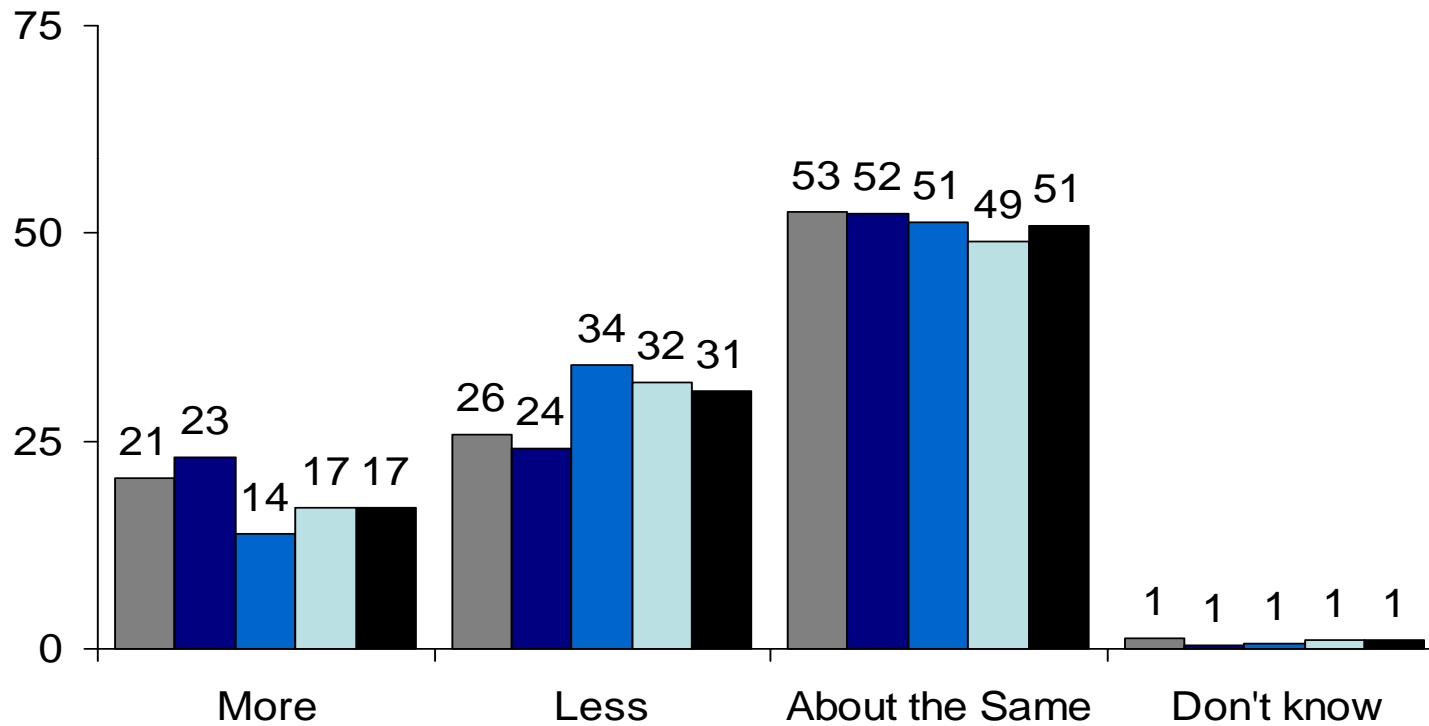


Q. Approximately how much did you spend on holiday gifts, decorations or other holiday items this season?

Holiday Spending Compared to Last Year

consumer confidence index

■ January 2006 ■ January 2008 ■ January 2009 ■ January 2010 ■ January 2011



Q. Would you say that you spent 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 Norman Baillie-David :

Norman (“Norm”) Baillie-David is Vice President and Director of Public Opinion Research , Head of Qualitative Research for TNS Canada, and he leads the TNS office in the National Capital Region. Norm also sits on the TNS Global Steering Committee for Political and Social Research.

Norm is a seasoned market researcher and bilingual focus group moderator, with more than twenty five years of experience in market and social research and strategy development. As a bilingual and bicultural Montrealer originally, Norman is one of those rare researchers who conducts research in a seamless and transparent manner among both English and French Canadians, with each group believing that he is “one of their own”. The result is a keen insider’s perspective on sentiments across the country among both English and French. Having conducted more than 1,000 surveys and many more focus groups, Norm is constantly abreast of what Canadian consumers across the country are thinking and feeling about their prospects.

Norm has designed and managed more than 1,000 surveys in a wide-variety of areas, ranging from high-technology to consumer products, and Norman is a recognized “expert” in complex survey methodology design and multivariate statistical analysis. He is in frequent demand by the media and market research industry in Canada to speak on the comparisons and contrasts of public opinion in Quebec and the rest of Canada, and has published widely. In addition, Norm has conducted assignments in more than 40 different countries around the world, and has a keen interest in cross-cultural issues, especially related to public opinion and the use of technology.

Before joining TNS Canada, Norm was Managing Partner of an Ottawa-based public opinion research and management consulting firm (2001-2009). He spent most of his preceding career at the management consulting firm PricewaterhouseCoopers/Coopers & Lybrand, as well as three years with a well-known Quebec market research firm. He is a Certified Marketing Research Professional (CMRP), member of the Market Research Intelligence Association (MRIA), and he served as a President of the Ottawa Chapter from 2002 to 2004.

If you would like to add proprietary questions to the CCI study, obtain full tabular results, receive a historical time series for all the index scores, or if you have other inquiries about CCI, please contact:

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