Canadian Confidence Index

a TNS Canadian Facts News Release

March 17, 2011

tns canadian facts

GLOBAL EVENTS MEAN DARK CLOUDS BACK ON THE ECONOMIC HORIZON: SURVEY

TORONTO, March 16, 2011 – Just as things were looking brighter with regard to Canadians' confidence in the economy, the events of last week (primarily the unrest in the Middle East and oil prices - the Japan Earthquake/tsunami happened only at the tail-end of the survey) have caused Canadians to feel that things are good now, but future prospects may be in jeopardy again. TNS Canada's Monthly *Consumer Confidence Index* lost the gain of 1.3 points from February, back down to 98.4 from 99.7. The drop is solely attributable to concerns about future prospects. Canadians' still feel good about their economic situation right now, as the *Present situation Index* rose another full 3 points (from 94.5 to 97.4). However, the *Expectations Index,* which had been climbing steadily for the last six months, lost almost four points in March. Consumers continue to watch their spending plans carefully, with the *Buy Index,* which measures consumers' intent to purchase "big ticket items", showing an even sharper decline in March.

"While right now Canadians are pleased with things, events of the past few weeks, together with on-going concern about debt, once again have Canadians very cautious about future prospects" said Norman Baillie-David, vice president of TNS Canada and director of the marketing and social research firm's monthly tracking study. "These global events have taken place just as we were coming out of the confidence doldrums. We're seeing the impacts of the Middle East and rising oil prices, and now the disaster in Japan, directly on Canadians' outlook."

The *Present Situation Index,* which captures evaluations of the overall state of the current economic and employment situation, continues to rise, from 94.5 in February to 97.4. It's at its highest since late 2008, and before the 2009 recession.

© TNS Canadian Facts 2010

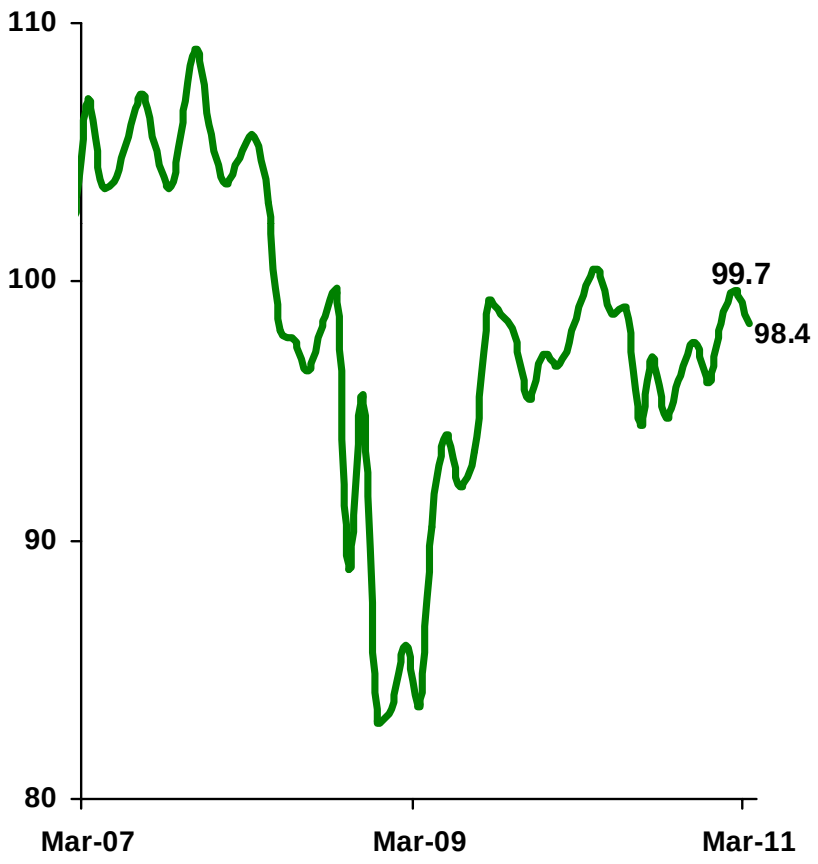
Global events, primarily the spike in oil (and gasoline) prices, had a significant impact on the *Expectations Index*, which measures consumers' outlook for the economy, household income and employment in the next six months. After rising continuously since September of last year, the *Expectations Index* took a significant hit of almost 4 points, dropping from 109.5 to 105.8. Canadians are clearly concerned that these events are going to have an impact somewhere down the road.

The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, also dropped a considerable 4.3 points, from 96.7 to 92.4, which clearly reflects the fact that Canadians are concerned about rising oil prices and other events having an impact on their future income, as well as the continuing overall concern about debt levels. "Canadians are watching events closely, and it will likely take some stability in the Middle East, some relief at the pumps, and some progress in alleviating the suffering in Japan before our outlook improves.", Mr. Baillie-David reiterated.

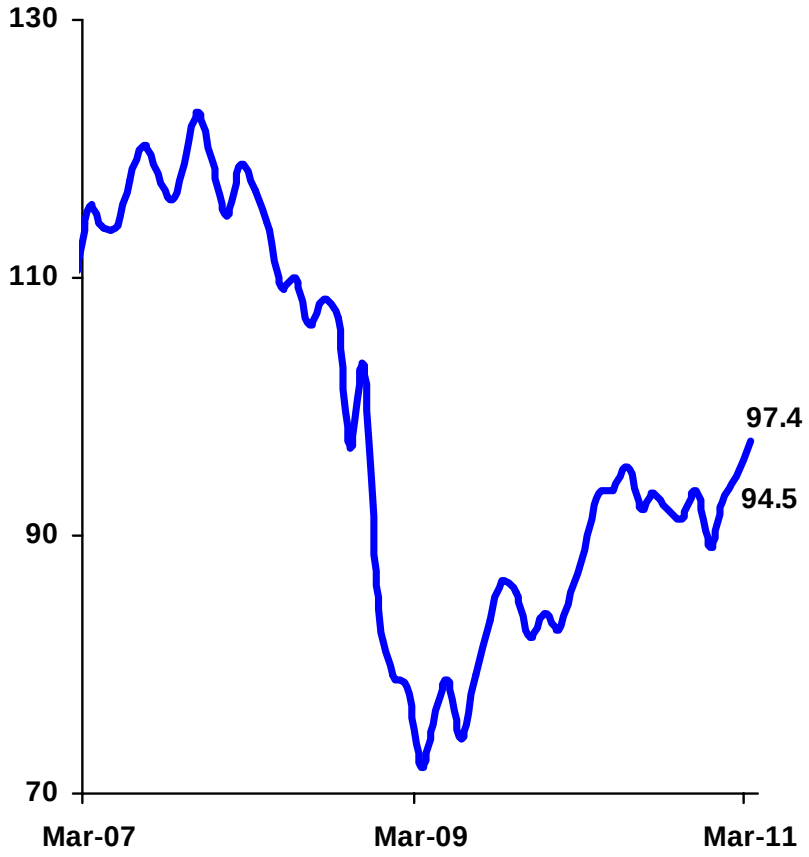
Consumer Confidence Index tracks Canadians' attitudes about the economy each month and is part of a global study conducted by TNS in 18 countries. Three indices are produced each month to show how confidence in the economy is changing: *Present Situation Index*; an *Expectations Index*; and a *Buy Index*. The Canadian fieldwork is conducted using the firm's national bi-weekly telephone omnibus service, TNS Express Telephone. A total of 1,018 nationally representative Canadian adults were interviewed between March 7 and 11, 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.

© TNS Canadian Facts 2010

Consumer Confidence Index



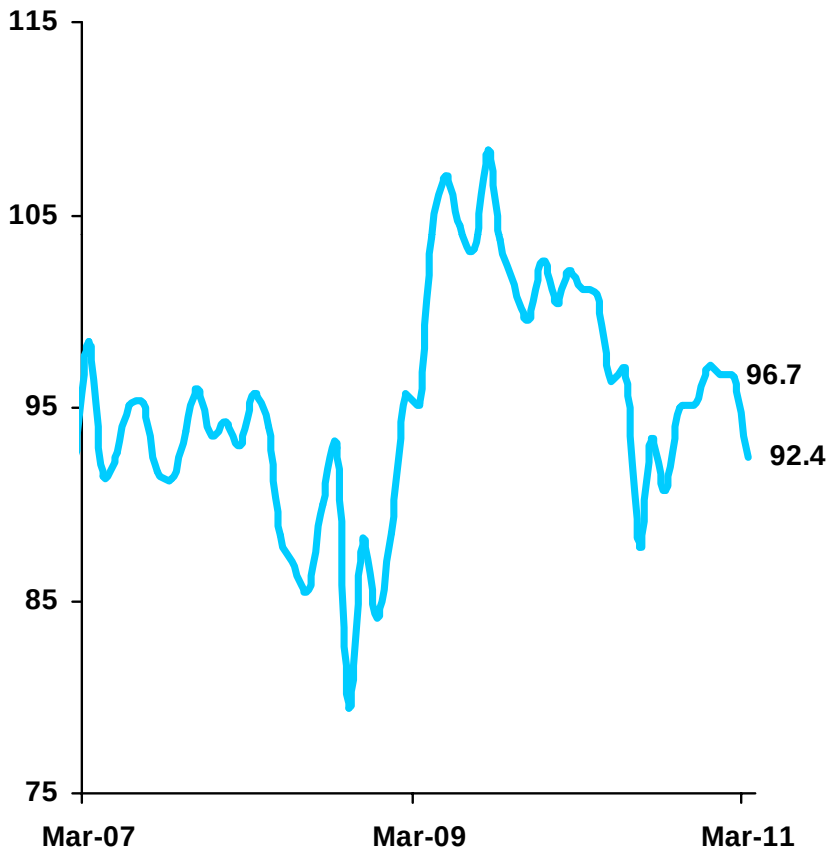
Present Situation Index



© TNS Canadian Facts 2010

Expectations Index

Buy Index



© TNS Canadian Facts 2010

About the CCI study

tns canadian facts

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.?

© TNS Canadian Facts 2010

About the Director of the Canadian Study

About Norman Baillie-David:

Norman ("Norm") Baillie-David is Vice President and Director of Public Opinion Research , and Head of Qualitative Research and Strategy for TNS Canada. He also leads the TNS office in the National Capital Region, as well as sitting 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.

© TNS Canadian Facts 2010

About the Director of the Canadian Study

About Norman Baillie-David:

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:

For more information please contact:

Norman Baillie-David
Vice President
(613) 230-4408 x101
norman.baillie-david@tnsglobal.com

© TNS Canadian Facts 2010