



Paris, September 5th 2008

The decrease of purchasing power: An international crisis

A **Harris Interactive** exclusive poll, in partnership with the channel of international information France 24 and the *International Herald Tribune*

The latest **Harris Interactive / France 24 / International Herald Tribune** poll shows that the perception of decline of the purchasing power concerns all the inhabitants of the 5 biggest European countries and the Americans.

The actions begun by the governments to fight this phenomenon are considered as ineffective.

Results to be released on September 5th, 2008 on France 24's "Business News" and published in the *International Herald Tribune* of September 5th, 2008.

Methodology

The latest poll was conducted online by Harris Interactive, in partnership with France 24 and The International Herald Tribune, among a total of 6,620 adults (aged 16-64) within France, Germany, Great Britain, Spain and the United-States; and adults (aged 18-64) in Italy, from 2nd to 14th July 2008. The data were weighted, where necessary, by age, gender, education, region and Internet usage to make it representative of the general population profile for each country. Propensity score weighting was applied to adjust for respondents' propensity to be online.

The poll explores a variety of issues, including:

- The change in households' purchasing power
 - o From a general point of view
 - o From a personal point of view
- The governments' actions on purchasing power
- The consequences of the changes in purchasing power on consumption

Please note that any communication of these results has to be made with technical elements such as: survey methodology, fieldwork dates, name of the agency, sample size.

THE CHANGE IN HOUSEHOLDS' PURCHASING POWER







Americans and Europeans share an extremely negative vision of the change in the purchasing power in their country as well as their own purchasing power.

Whether it is in their country or their own personal situation, French and Italians are the most negative about the change in purchasing power during the last 3 years, with respectively 88% and 90% saying that the purchasing power in their country decreased.

These results are all the more impressive as a majority of adults in France, Germany, Italy, Spain and the US as well as one-third of British adults feel that purchasing power has decreased **a lot**.







Do you feel that the purchasing power/affordability in [COUNTRY] has increased or decreased during the past 3 years?

Base : All respondents

						
<i>Unweighted Base</i>	1,073	992	1,075	1,013	1,014	1,053
Increased a lot + a little	8%	10%	16%	4%	9%	7%
The purchasing power increased a lot (5)	7%	3%	9%	3%	2%	4%
The purchasing power increased a little (4)	1%	8%	7%	1%	7%	3%
The purchasing power remained rather stable (3)	3%	6%	7%	2%	7%	4%
Decreased a lot + a little	88%	79%	58%	90%	77%	77%
The purchasing power decreased a little (2)	11%	24%	25%	9%	25%	26%
The purchasing power decreased a lot (1)	77%	55%	33%	81%	52%	51%
Not sure	2%	4%	19%	3%	7%	13%
Mean	1,5	1,7	2,2	1,3	1,7	1,7

Regarding you: What is your feeling with regards to the evolution of your own purchasing power/affordability during the past 3 years?

Base : All respondents

						
<i>Unweighted Base</i>	1,073	992	1,075	1,013	1,014	1,053
Increased a lot + a little	11%	18%	20%	10%	16%	20%
Your purchasing power increased a lot (5)	6%	6%	8%	4%	4%	7%
Your purchasing power increased a little (4)	6%	12%	12%	5%	12%	13%
Your purchasing power remained rather stable (3)	8%	17%	14%	8%	17%	16%
Decreased a lot + a little	78%	61%	52%	78%	61%	55%
Your purchasing power decreased a little (2)	24%	23%	20%	15%	26%	25%
Your purchasing power decreased a lot (1)	54%	38%	32%	62%	35%	30%
Not sure	3%	4%	15%	4%	6%	9%
Mean	1,8	2,2	2,3	1,7	2,2	2,4

Even if the results concerning their “own purchasing power” are slightly less negative than those concerning purchasing power generally, they confirm nevertheless that this issue is still perceived in a negative light. Majorities in all six countries say their purchasing power has decreased over the last three years, with at least three in ten in each country saying it has decreased a lot.


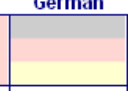


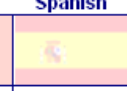

* : less than 0,5%

THE GOVERNMENTS' ACTIONS ON PURCHASING POWER

Looking at how the different countries are handling the issue of purchasing power, people are not happy with their governments. Majorities of both Europeans and Americans say they are dissatisfied with what their government has done to improve their purchasing power. In fact, at least one-third of adults in all six countries say they are very dissatisfied.

Are you satisfied with what the government of [COUNTRY] has done to improve your purchasing power?

Base : All respondents

	 French	 German	 British	 Italian	 Spanish	 American
<i>Unweighted Base</i>	1,073	992	1,075	1,013	1,014	1,053
<i>Satisfied (NET)</i>	5%	6%	5%	8%	10%	7%
Very satisfied (5)	1%	2%	1%	2%	3%	2%
Somewhat satisfied (4)	5%	4%	4%	7%	7%	5%
Neither satisfied nor dissatisfied (3)	26%	20%	30%	25%	34%	27%
<i>Dissatisfied (NET)</i>	69%	74%	65%	66%	56%	66%
Somewhat dissatisfied (2)	29%	27%	31%	29%	19%	30%
Very dissatisfied (1)	41%	47%	34%	38%	37%	36%
<i>Mean</i>	2	1,9	2,1	2,1	2,2	2,1

* : less than 0,5%

THE CONSEQUENCES ON THE CHANGES IN PURCHASING POWER

Looking at a wide category of products and services, respondents were also asked whether they changed their levels of consumption due to current economic conditions.

The results are impressive: The decrease of the purchasing power shown by the European and American results results in a clear tendency to consume less.







This tendency consume less is particularly strong for the French and Italians, clearly less so for the Britons.

The categories of products most affected are leisure activities, cultural items and equipment products. Without any surprise, this restriction is not as strong for food products (by necessity, the consumption of these products remains stable, but people may be buying less expensive items).

One thing to keep in mind is that as certain products, such as food and petrol, increase in price, more people are impacted. Also, even when costs for certain things, such as travel or media items, decrease, these are “second necessity” items so people are more apt to quickly buy less of these in harder economic times.

In the current economic climate, are you buying more or less of the following products or services considering the prices evolution?

Base : All respondents

	French	German	British	Italian	Spanish	American
<i><u>Tend to buy less</u></i>						
<i>Unweighted Base</i>	1 073	992	1 075	1 013	1 014	1 053
<i>Outings (cinema, shows, sports events...)</i>	70%	60%	48%	62%	61%	57%
<i>Multimedia items (computer equipment and software, console and video games, telephony, TV, hi-fi, camera-video equipment)</i>	61%	57%	46%	59%	55%	55%
<i>Clothes (clothes, shoes and accessories)</i>	65%	51%	44%	68%	48%	52%
<i>Travel-Tourism (stays, plane or train tickets, hotel nights, cars rental)</i>	61%	53%	41%	58%	55%	56%
<i>Home items (furnishing, decoration, do-it-yourself, gardening, flowers, plants)</i>	59%	56%	48%	60%	54%	49%
<i>Cultural items (Books, CD or music online, DVD)</i>	65%	49%	43%	56%	50%	49%
<i>Household appliances</i>	56%	56%	42%	56%	46%	48%
<i>Beauty, health</i>	56%	44%	36%	55%	40%	35%
<i>Petrol</i>	51%	43%	23%	42%	24%	44%
<i>Meat / Fish</i>	45%	29%	20%	34%	15%	24%
<i>Fresh fruits and vegetables</i>	42%	17%	12%	26%	12%	17%
<i>Dairy products, yogurt</i>	22%	18%	15%	26%	12%	17%
<i>Mean "Buy less"</i>	54%	44%	35%	50%	39%	42%
<i>Mean "Buy the same"</i>	35%	43%	45%	37%	45%	43%
<i>Mean "Buy more"</i>	3%	6%	8%	4%	5%	6%







According to Patrick Van Bloeme, CEO Harris Interactive France : “Also, as people need to decrease their consumption of certain items, even these non-essential ones, this leads to a strong sense of overall dissatisfaction – both generally and economically. This sense of dissatisfaction can then lead to needing to blame someone for the unhappiness – and the political consequences of this are something governments in these six countries need to watch for closely.”

* : less than 0,5%

The following tables detail the results of the consumption evolution (products consumed more – the same).







In the current economic climate, are you buying more or less of the following products or services considering the prices evolution?

Base : All respondents

	French	German	British	Italian	Spanish	American
<u>Tend to buy more</u>						
Unweighted Base	1 073	992	1 075	1 013	1 014	1 053
Fresh fruits and vegetables	4%	11%	17%	6%	9%	16%
Petrol	4%	5%	14%	6%	8%	6%
Cultural items (Books, CD or music online, DVD)	3%	5%	6%	5%	4%	7%
Multimedia items (computer equipment and software, console and video games, telephony, TV, hi-fi, camera-video equipment)	4%	7%	7%	4%	6%	6%
Dairy products, yogurt	2%	7%	9%	3%	6%	6%
Clothes (clothes, shoes and accessories)	2%	7%	7%	4%	4%	3%
Outings (cinema, shows, sports events...)	3%	4%	6%	4%	3%	4%
Travel-Tourism (stays, plane or train tickets, hotel nights, cars rental)	2%	6%	5%	5%	4%	4%
Home items (furnishing, decoration, do-it-yourself, gardening, flowers, plants)	3%	5%	6%	3%	3%	6%
Meat / Fish	2%	6%	9%	1%	4%	5%
Beauty, health	1%	5%	4%	5%	6%	3%
Household appliances	1%	2%	5%	1%	5%	3%
Mean "Buy more"	3%	6%	8%	4%	5%	6%

In the current economic climate, are you buying more or less of the following products or services considering the prices evolution?

Base : All respondents

	French	German	British	Italian	Spanish	American
<u>Tend to buy the same</u>						
Unweighted Base	1 073	992	1 075	1 013	1 014	1 053
Dairy products, yogurt	71%	72%	69%	66%	76%	72%
Fresh fruits and vegetables	51%	69%	66%	65%	72%	63%
Meat / Fish	50%	61%	64%	61%	73%	66%
Petrol	36%	36%	40%	46%	56%	37%
Beauty, health	35%	45%	42%	28%	45%	54%
Clothes (clothes, shoes and accessories)	30%	41%	44%	26%	42%	41%
Cultural items (Books, CD or music online, DVD)	25%	41%	41%	30%	37%	38%
Household appliances	28%	33%	40%	25%	32%	32%
Multimedia items (computer equipment and software, console and video games, telephony, TV, hi-fi, camera-video equipment)	26%	31%	36%	27%	28%	31%
Home items (furnishing, decoration, do-it-yourself, gardening, flowers, plants)	28%	33%	36%	22%	28%	32%
Outings (cinema, shows, sports events...)	21%	30%	29%	24%	28%	30%
Travel-Tourism (stays, plane or train tickets, hotel nights, cars rental)	18%	28%	33%	25%	26%	21%
Mean "Buy the same"	35%	43%	45%	37%	45%	43%

* : less than 0,5%

About Harris Interactive

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