

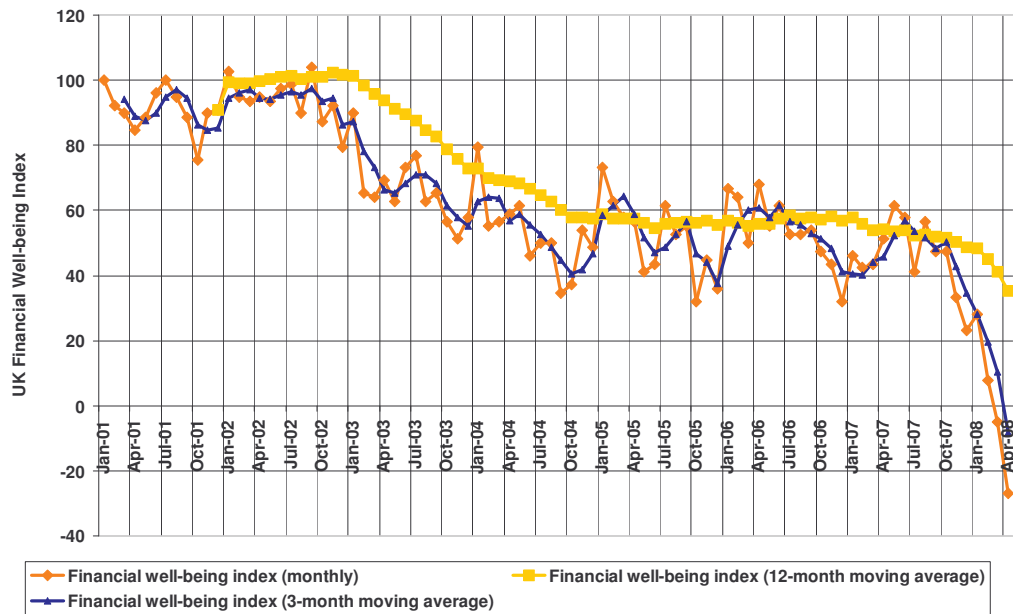
NEWS RELEASE

London April 30th 2008

JGFR FINANCIAL WELL-BEING INDEX IN FREEFALL FOR SECOND MONTH

For the second consecutive month UK consumers' financial well-being is in freefall pointing to a contraction of economic activity in the coming months as personal finances are squeezed with a rise in unemployment seemingly inevitable.

In April, the headline Index measure is -27, down from -5 in March and +51 in April 2007. Since January the Index has fallen 55 points. The long-run average is 62.



Source: GfK NOP / European Commission / JGFR

The JGFR Financial Well-Being Index is based on five measures from the GfK NOP consumer confidence survey for The European Commission:

- the net proportion of households currently saving
- the combined measure of personal finances – looking backwards and forwards over 12 months
- the combined spending attitude measures – on the climate for making major purchases and the intention of spending more on major purchases in the next 12 months compared to the previous 12 months

The main driver in April for the continuation of the steep fall is the fall in the combined measure of personal finances – which is at its lowest since the dark days of the early-90s.

A major concern is the rise in the cost of living. In the latest survey 39% of people believe prices have risen a lot compared to 17% a year ago, and 27% expect them to increase more rapidly in the next 12 months compared to 14% a year ago.



On top of the rising cost of living is the reduced availability of credit and squeezed disposable incomes. Unemployment expectations are at their highest since January 2007 and look set to rise higher.

Many consumers are likely to be entering their own credit crunch in the coming months despite being careful with finances over the past year.

A regional series of financial well-being is available. Contact info@jgfr.co.uk