

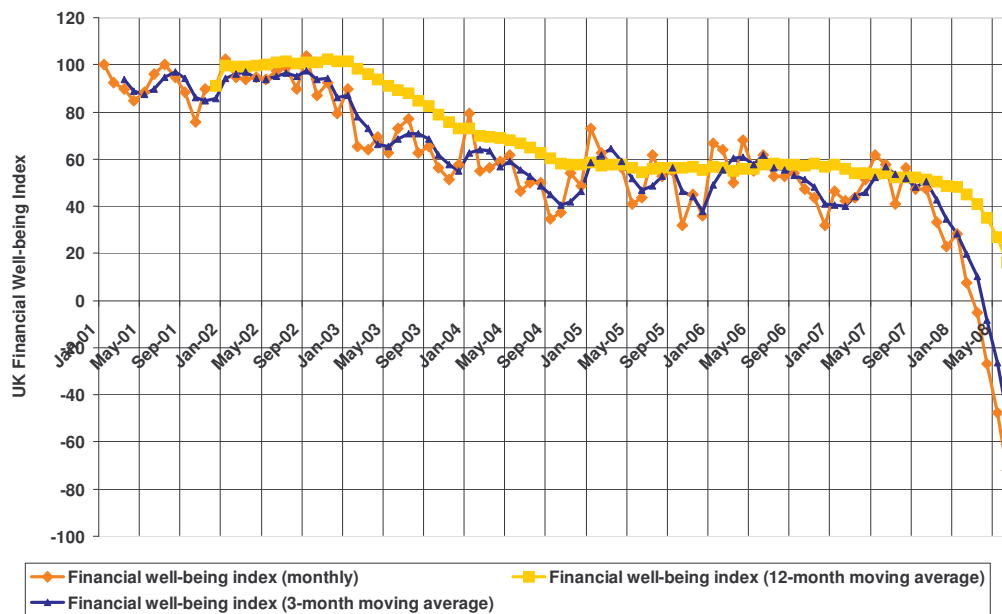
## NEWS RELEASE

London June 30th 2008

### JGFR FINANCIAL WELL-BEING INDEX IN FREEFALL FOR FOURTH MONTH

For the fourth consecutive month UK consumers' financial well-being is in freefall pointing to a severe contraction in activity in the coming months as personal finances are squeezed and a rise in unemployment seems inevitable.

In June, the headline Index measure is  $-72$ , down 25 points from  $-47$  in May and down a staggering 126 points from  $+58$  in June 2007. Since January the Index has fallen 100 points.



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 June for the continuation of the steep fall is the collapse in the combined measure of personal finances – down a further 11 points on the month and down 42 points on June 2007. The measure is at its lowest since the dark days of the early-90s which has severely weakened spending confidence.

A major factor hitting personal finances is the rise in the cost of living. In the latest survey 52% of people believe prices have risen a lot compared to 16% a year ago, and 31% expect them to increase more rapidly in the next 12 months compared to 15% a year ago.

