



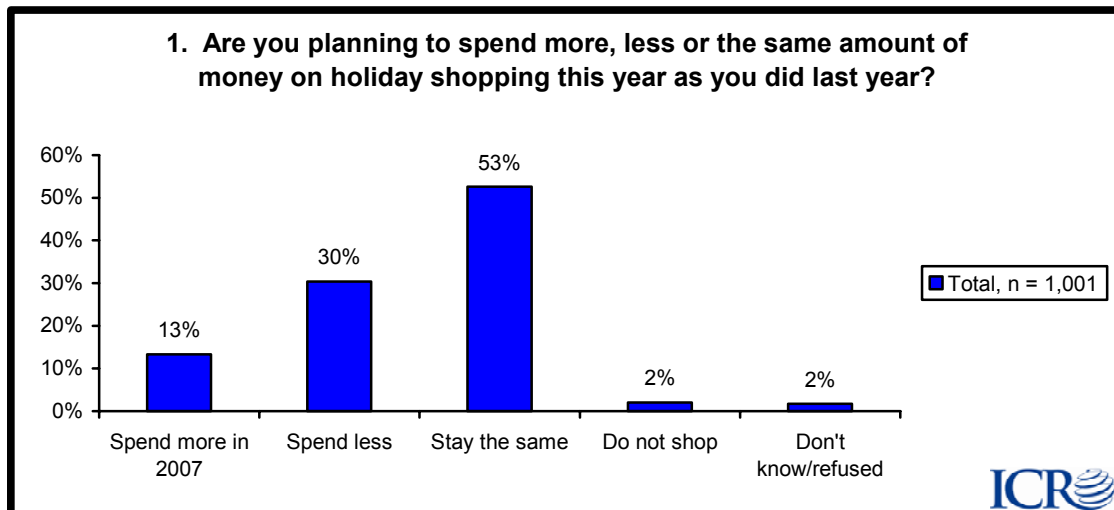
THE GHOST OF CHRISTMAS PAST

30% of US households plan to trim holiday spending this year. Most consumers spending will be the old fashioned way – by visiting stores. Gasoline prices are having an impact on spending.

Media, Pennsylvania, October 30, 2007

The results of a telephone survey of 1,001 adults across the US shows that more consumers plan to reduce spending this year than plan to increase it. Among American adults, 13% indicate that they will increase spending this year, while 30% will reduce spending. The remaining consumers expect no change in what they spend from last year (Chart 1).

Chart 1: Overall holiday spending

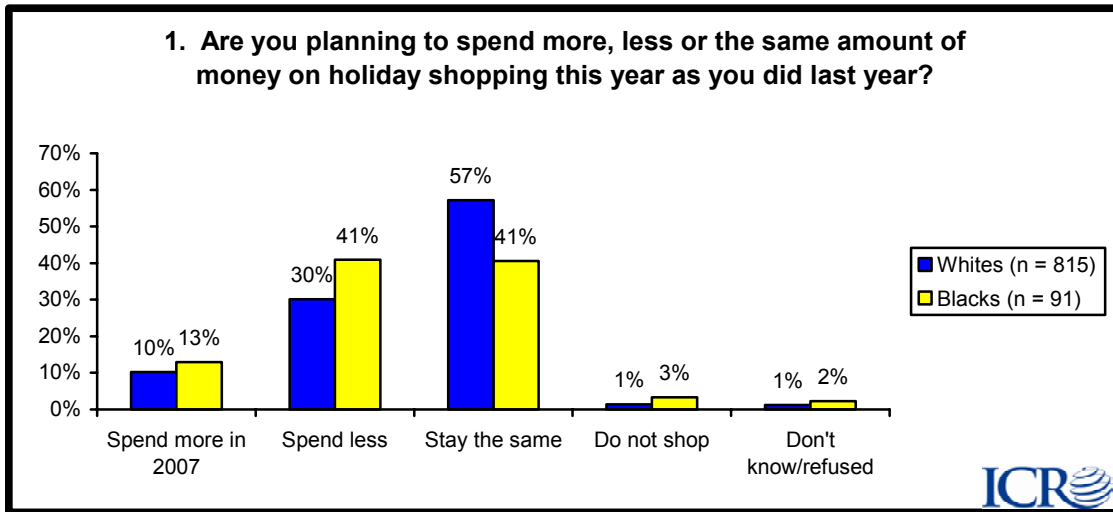


The trend toward cutbacks in spending is consistent across different household income categories. For example, among households earning more than \$75,000 per year, 16% will spend more this holiday season while 23% will cut back spending.

African-Americans are much more likely to reduce spending than are whites. 41% of African-Americans plan to reduce spending this year as compared to 30% of whites (Chart 2).

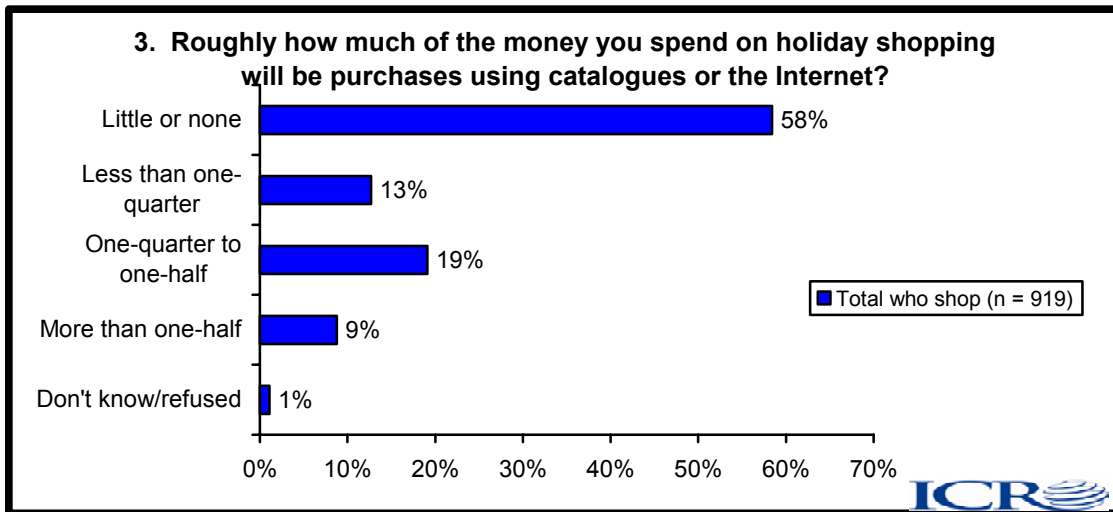


Chart 2: Overall spending plans by race



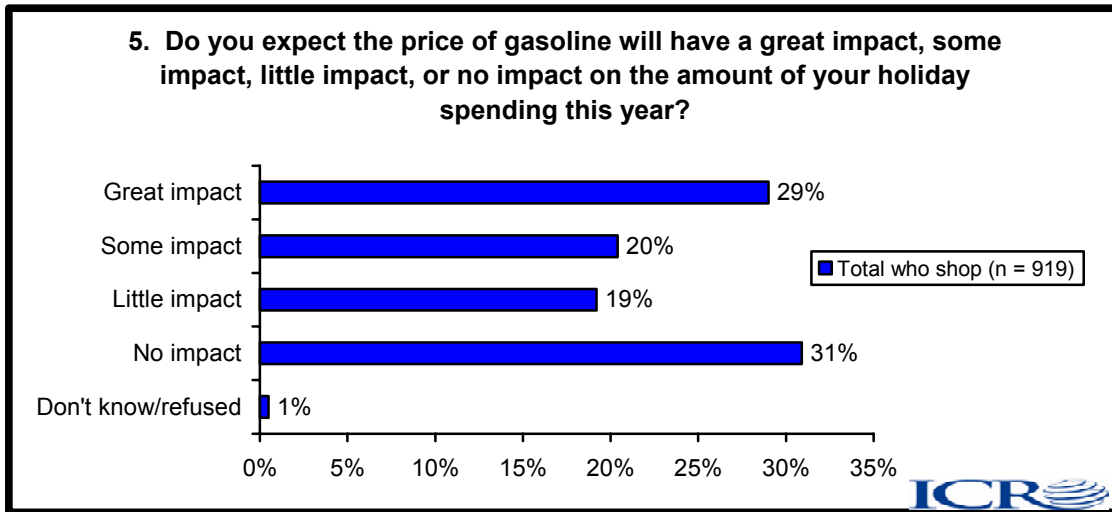
Most consumers will do their holiday shopping off-line. Only 9% of US adults say they will do most of their spending via the Internet or catalogues. Conversely, 58% will do little or no shopping through catalogues or online (Chart 3).

Chart 3: Spending through catalogues or online this holiday season



Most consumers say their holiday spending is being affected by gasoline prices. Fully 69% say their spending plans have been affected; for 29%, the impact has been substantial (Chart 4).

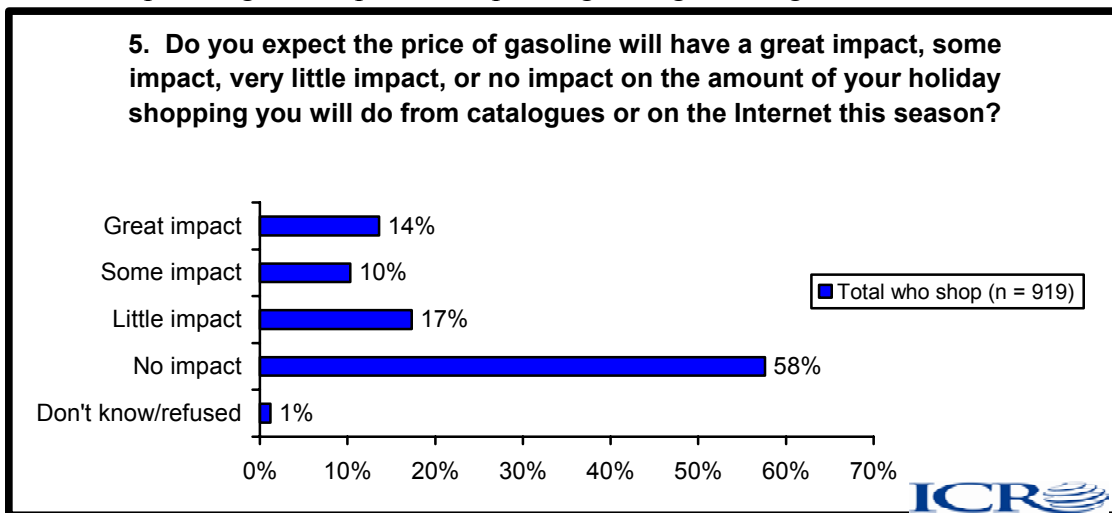
Chart 4: Impact of gasoline prices on holiday spending this year



The greatest impact of gasoline prices is on consumers with lower incomes and those living outside of metropolitan areas. Among households making less than \$25,000 per year (n = 205), 44% say that gasoline prices will have a substantial impact on holiday spending, while only 23% see it as having no impact. Among households outside metropolitan areas, 38% see gasoline prices as having a major impact (n = 245).

However, gasoline prices are not affecting *where* most consumers shop. Fully 75% of adults say that gasoline prices are having little or no impact on the amount they spend through catalogues or the Internet.

Chart 5: Impact of gasoline prices on spending through catalogues and the Internet



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About this survey:

This survey is based on a telephone sample of 1,001 US adult heads of households. The survey is based on a stratified, random probability sample of adults, and was conducted between October 25th and 29th, 2007. Data is weighted according to latest US Census Bureau projections.

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