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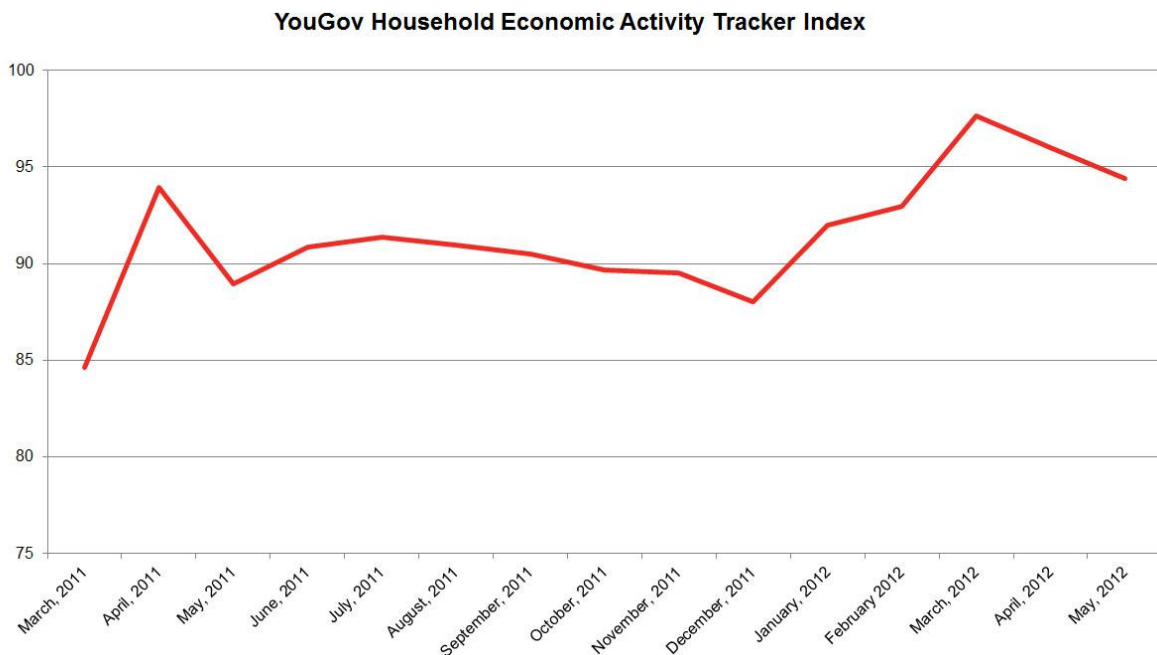
17 MAY 2012

UK consumer confidence continues to fall

- YouGov's HEAT index reports a two point decrease, falling from 96 to 94 – consumers not regaining confidence in the UK economy as scores continue to fall
- Perceived home value take a tumble, dropping from 105 to 98
- One bright spark is forward-looking job security - up five points to 105, and amongst those earning £50k and over confidence in forward-looking job security hits an all-time high of 120
- No change in the government's handling of the economy from last month – consumers still unconfident post-Budget

YouGov's latest HEAT findings reveal that consumer confidence continues to fall as May's interim index score sees a two point drop, down to 94 (see figure 1). Last month's HEAT index reported the first downturn in scores since November 2011; marking a u-turn in consumer sentiment and a stall in momentum. This month's interim score confirms negative momentum is here to stay as confidence weakens in the UK economy. The only positive, being that May's interim score is still higher than at any point in 2011.

Figure 1: UK HEAT Index



Source: YouGov Household Economic Activity Tracker, May 2012

Note: Based on interviews of 3,391 UK residents conducted from 1st-14th May.

Index score is derived from consumer sentiment on 4 metrics (home prices, job security, family financial situation, and business activity) measured retrospectively and prospectively.

May's disappointing index score can be attributed to sharp decreases in home value – both retrospective and prospective; prospective household financial situation; as well as slight decreases in prospective business activity and retrospective job security. There were no changes in cash available to spend as well as confidence in the government's handling of the economy.

Although Brits are slightly more confident about their retrospective household financial situation, with

scores increasing from 79 to 80, they remain concerned about their prospective (forthcoming 12 months) position, with a sharp drop from 74 in April to 71 in mid-May.

Perceived home value scores – both retrospective and prospective – saw sharp decreases, down from 90 to 84 (retrospective) and 105 to 98 (prospective).

Consumers appear to have gained confidence in forward-looking job security as scores increased off the back of a sharp decline in April, up to 105 – matching the all-time high of 105 previously reached back in March 2011. Prospective business activity levels, however, continue to decline, from the all-time high of 123 back in March 2012, down to 119 in mid-May.

The decrease in scores is not reflected in all demographics, with those earning £50k and over feeling more optimistic. Amongst those earning £50k and over, May's interim index score saw a slight upturn to 106 - up from 103; driven by a strong rise in prospective home value scores - up to 125 and prospective job security levels, which hit an all-time high of 120. Government confidence saw a slight rise amongst this demographic - increasing by two points, up to 65.

Perhaps the biggest indication of consumer sentiment is that there is no change in score for the government's handling of the economy levels; scores remain the same as last month – at 56 – a severe decrease from the 12-month high of 72 reached in January 2012, when confidence was incidentally on the rise. Government confidence amongst those earning 50k and over remains low too – at 56.

Stephan Shakespeare, CEO of YouGov plc, commented on the findings: "After the promising start to the year, consumer confidence has been knocked in the last two months. This decline came off the back of a poorly perceived budget and the ongoing news from Europe is now starting to impact as well. We will be watching closely over the next few weeks to see how events in Greece and elsewhere affect confidence in Britain".

-ENDS-

Notes to editor:

YouGov's HEAT (Household Economic Activity Tracker) index is a monthly consumer sentiment number based on surveys conducted on a daily basis throughout the month.

For further information on YouGov's Household Economic Activity Tracker visit:

<http://sixthsense.yougov.com/household-economic-activity-tracker.aspx>

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