

ECONOMIC CONFIDENCE INDEX FALLS 10.86 POINTS AS INTEREST RATE OUTLOOK WANES

***Personal Economic Outlook, “Big-Ticket” And Everyday
Spending Intentions Also Dampen Index***

***However, Fundamentals Still In Place As Canadians Give
National Economic Outlook Thumbs Up For Now and Future
With Home Purchase Intentions, Low Job Anxiety Fuelling
Confidence***



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***Personal Economic Outlook, “Big-Ticket” And Everyday Spending
Intentions Also Dampen Index***

***However, Fundamentals Still In Place As Canadians Give National
Economic Outlook Thumbs Up For Now and Future With Home
Purchase Intentions, Low Job Anxiety Fuelling Confidence***

Toronto, ON– The Ipsos-Reid Canadian Monthly Economic Confidence Monitor, conducted late November 2003, finds that while three quarters (76%) of Canadians continue to describe the current economy as “good” and nearly four in ten (36%) continue to believe the national economy will improve over the next year, the aggregate index, provided exclusively to the Report on Business Section of the Globe and Mail, has fallen from 110.71 to 99.85 since our last sounding in late October. A similar drop was recorded in March 2003.

The Canadian Economic Confidence Index, developed by Ipsos-Reid, functions as a predictor for the Canadian economy. The aggregate index, or economic confidence outlook, contains six elements: one-year outlook for personal financial prospects; Canadians’ job security; Canadians’ home purchase intentions; Canadians’ predictions for interest rates; spending intentions on big-ticket items; and spending intentions on everyday items.

At this time, a major contributing factor to the index drop is expectations that interest rates will go down in the next six months (8% today, 12% in October), which has shifted over the past month from a positive factor to a negative one. Expectations that one’s personal economic situation will improve (34% today, unchanged), expectations about major purchases in the next year (26% likely to spend more in the next year, 28% in October), and

expectations about day-to-day spending in the next year (30% likely to spend more in the next year, 31% in October) also continue to soften economic confidence, as they have for the past number of months.

However, the fundamentals are still in place. The Economic Confidence Index continues to be fuelled by positive home purchase intentions (13% likely to buy at this time—5% “very likely,” 8% “somewhat likely”) and low job anxiety (20% worried about job loss), although to a lesser degree than one month ago (14% likely to purchase a home in October; 18% worried about job loss in October).

These are the findings of an Ipsos-Reid poll conducted between November 18th and November 20th, 2003. The poll is based on a randomly selected sample of 1055 adult Canadians. With a sample of this size, the results are considered accurate to within ± 3.1 percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.

Three-Quarters (76%) Think Overall State Of Canadian Economy Is “Good”

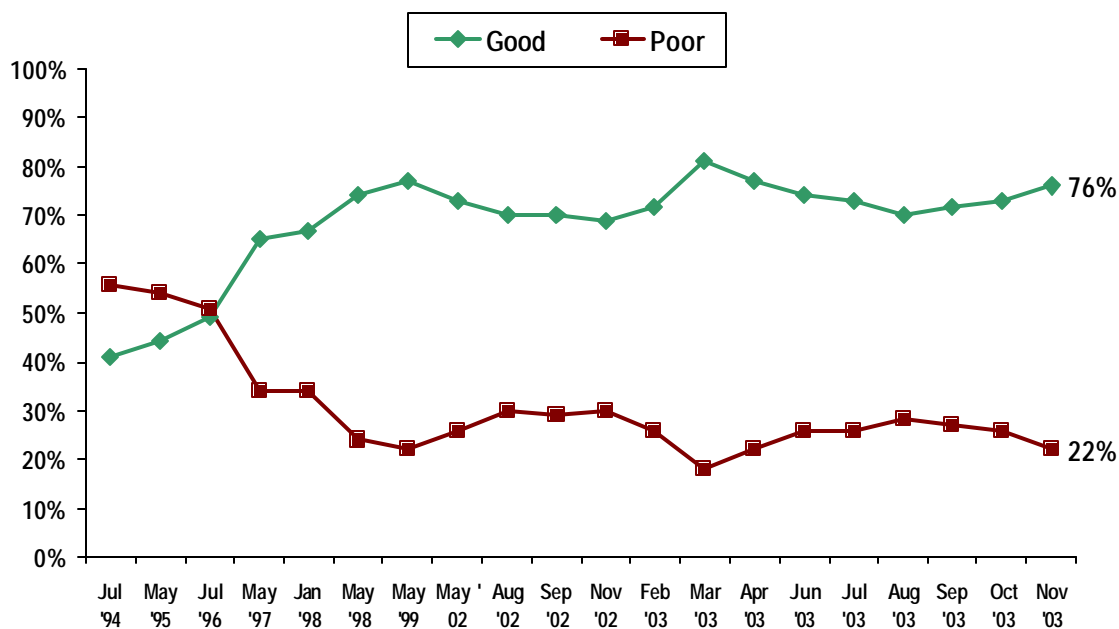
Today, three-quarters (76%) of Canadians describe the current economy as “good” (69% “good,” 7% “very good”), up from 73% in October. Two in ten (22%) describe the current economy as “poor” (17% “poor,” 4% “very poor”), down from 26% in October. The remaining 2% are unsure. March 2003 (81%) and January 2001 (81%) witnessed the highest levels of economic optimism since tracking began in 1994.

- While October witnessed the highest levels of optimism among residents of Quebec, today they are the least likely to describe the current economy as “good,” while

Canadians residing west of Quebec are notably more positive than they were one month ago. Today residents of Alberta (87% today, +14% since October) are the most inclined to describe the current economy as good, followed by residents of Saskatchewan/Manitoba (82%, +17%), Ontario (82%, +7%), Atlantic Canada (78%, -1%), British Columbia (69%, +8%), and finally Quebec (65%, -12%).

- Individuals with a university degree (79%) are the most likely to describe the current economy as good, while Canadians without a high school diploma (61%) are the least likely.
- Canadians with an annual household income of \$30,000 or more (81%) are more optimistic than others (65%).

Overall State Of The Canadian Economy





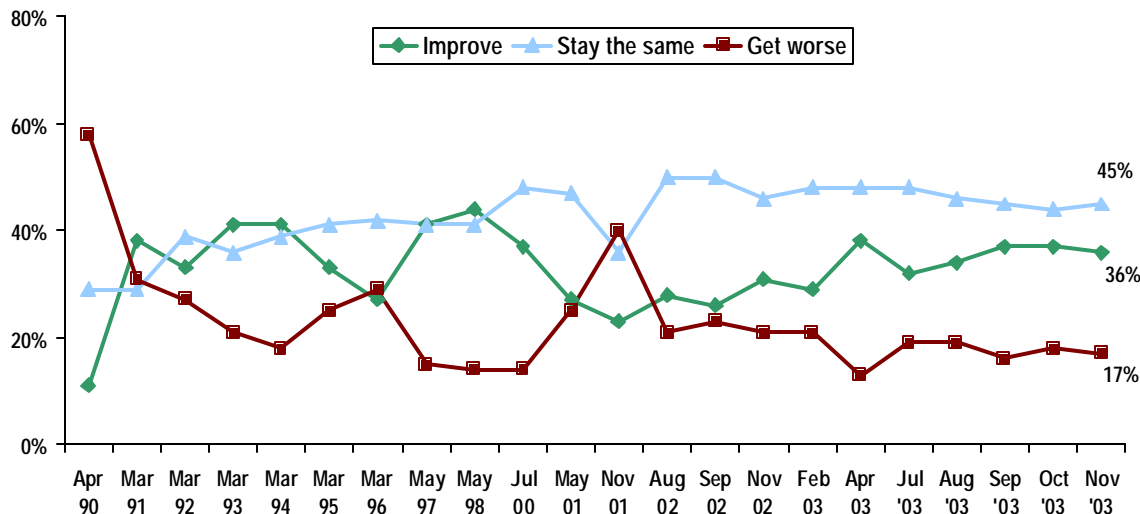
Canadians Predictions For The National Economy Remain Stable...36% Think It Will Improve Over Next Year, 17% Think It Will Get Worse

Nearly four in ten (36%) Canadians think the economy will improve over the next year or so, virtually unchanged from October 2003 (37%). More than four in ten (44%) Canadians continue to think the economy will stay the same over the next year or so (44% in October), 17% think it will get worse (18% in September), and the remaining 2% of Canadians “don’t know.” The net score (percentage who feel it will improve minus the percentage who feel it will get worse) is +19, identical to the net score in October (+19).

- Today, residents of British Columbia (46%) are more likely to believe the Canadian economy will improve in the year to come; while residents of Alberta (56%), Atlantic Canada (54%), Quebec (46%), Saskatchewan/Manitoba (43%), and Ontario (43%) are more likely to believe the Canadian economy will stay the same in the year to come.
- Men (41%) continue to be more likely than women (32%) to think the Canadian economy will improve in the year to come.
- Individuals with a high school diploma or less (29%) continue to be more likely than others (15%) to think the economy will get worse over the next year.



One Year Outlook For The Canadian Economy



Ipsos-Reid Canadian Economic Confidence Index Falls 10.86 Points To 99.85

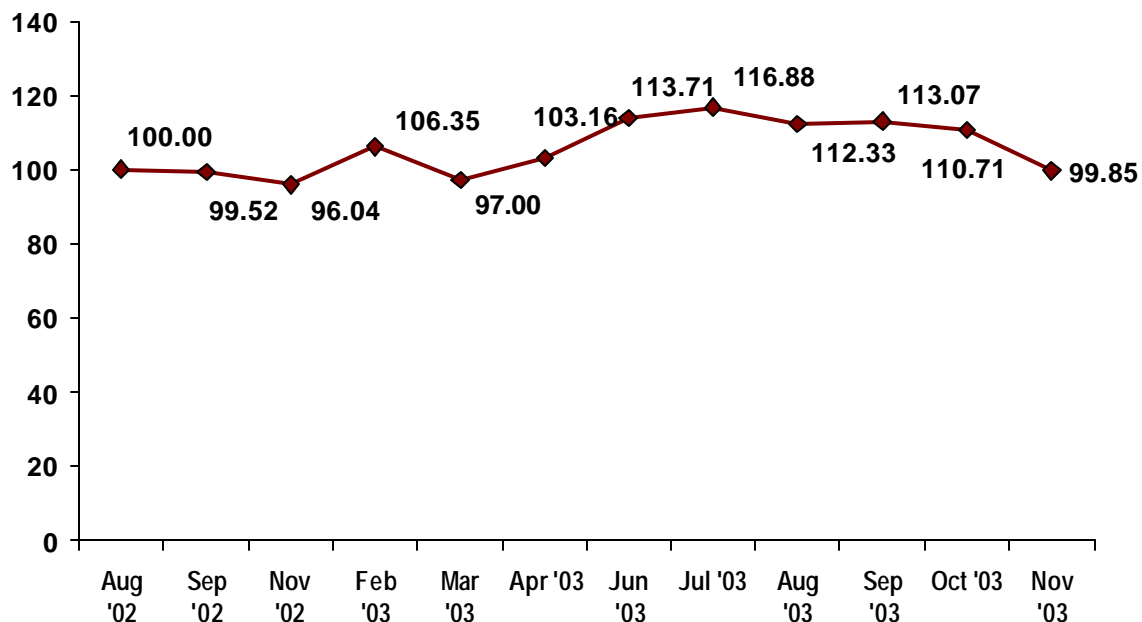
The Ipsos-Reid Canadian Economic Confidence Index score for August 2002 is 100.00 because that was when it was first constructed; the chart below outlines how Canadians' economic outlooks has fluctuated since that time. The index for October 2003 (110.71) was a predictor for continuing positive descriptions of the current economy (76% "good/very good"). Today's index of 99.85 suggests a dampening in optimism for the overall state of the Canadian economy in the next year.

Considering the individual attributes that comprise the index or economic confidence it is apparent that the a major contributing factor to the index drop is expectations that interest rates will go down in the next six months which has shifted from a positive factor to a negative one (-2.4% weighted change). Expectations that one's personal economic situation

will improve (-0.9% weighted change), expectations about major purchases in the next year (-2.6% weighted change), and expectations about day-to-day spending in the next year (-2.3% weighted change) also continue to soften economic confidence, as they have for the past number of months.

Home purchasing intentions (+5.0% weighted change) and job security (+3.1% weighted change) are factors that continue to boost confidence in the economy, but to a lesser degree than in the past couple of months.

The Ipsos-Reid Canadian Economic Confidence Index



The Canadian Economic Confidence Index developed by Ipsos-Reid functions as a predictor for the Canadian economy. The index is based on the question: "Thinking about the next year or so, do you, yourself, generally feel that the Canadian economy will...improve, stay the same, or get worse?" The improvement of the economy is attributed to six elements: one-year outlook for personal financial

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prospects; Canadians' job security; Canadians' home purchase intentions; Canadians' predictions for interest rates; spending intentions on big-ticket items; and spending intentions on everyday items. These six attributes are then weighted for importance, which is based on the magnitude of difference between their assigned reward and penalty scores. % Expectations that own economic situation will improve makes up 16.6% of the index; Job security (% Yes) makes up 27.1% of the index; % Likely of purchasing a home in the next six months makes up 20.8% of the index; % Expectations about interest rates in the next six months (% will go down) makes up 12.9% of the index; % Expectations about major purchases in the next year (% spend more) makes up 12.8% of the index; and % Expectations about day-to-day spending in the next year (% spend more) makes up 9.8% of the index).

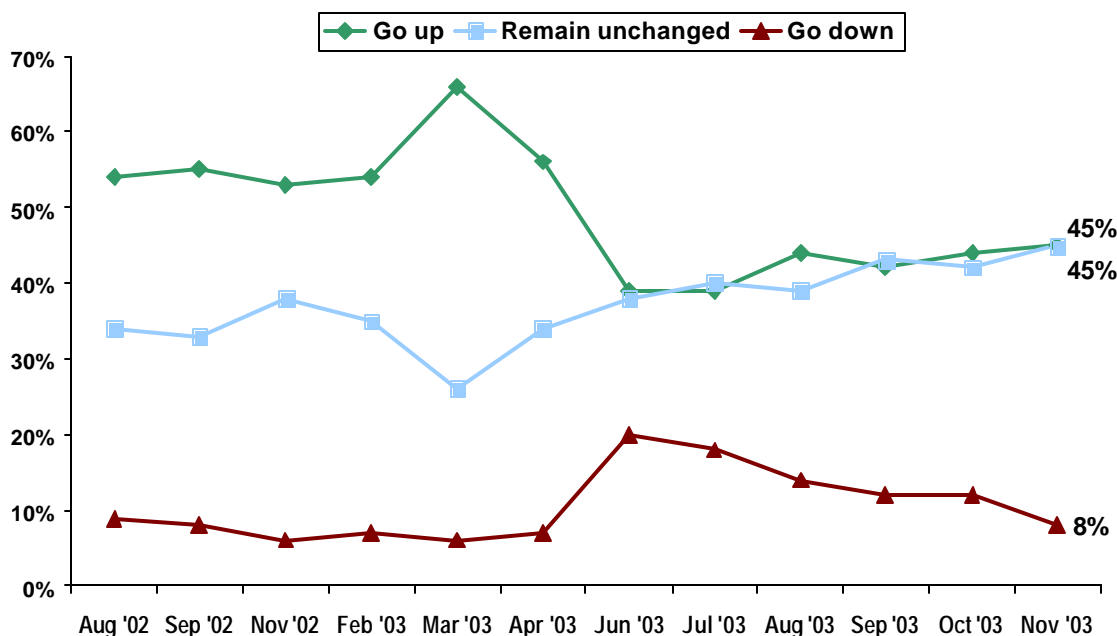
Nearly Half (45%) Of Canadians Think Interest Rates Will Go Up In The Next Six Months, While Less Than One In Ten (8%) Think Rates Will Go Down

Nearly half (45%) of Canadians are predicting an increase in interest rates, up 1% since October, while the same proportion (45%) think rates will remain unchanged, up 3% since October. Less than one in ten (8%) think rates will go decline, down 4% since October, and the remaining 3% are unsure. Considering findings over the past year, in March 66% of Canadians thought rates would go up, while in June and July only 39% thought rates would go up.

- Residents of British Columbia (48%), and Ontario (46%) are more likely to believe interest rates will go up in the next six months, while residents of Alberta (49%), Quebec (46%), Saskatchewan/Manitoba (45%), and Atlantic Canada (44%) are more likely to believe they will remain unchanged.

- Canadians 18-34 years of age (51%) are more likely than Canadians 55 and older (39%) to think interest rates will go up in the next six months, while Canadians 55 and older (49%) are more likely than Canadians 18-34 years of age (39%) to think rates will remain unchanged.
- Canadians with an annual household income of \$30,000 or greater (48%) are more likely than others (38%) to think interest rates will remain unchanged.

Six-Month Outlook For Interest Rates



One-Third (34%) Of Canadians Think Their Personal Economic Situation Will Improve, And One In Eight (13%) Think It Will Get Worse...Identical To Last Month's Sounding

One in three Canadians continue to think their own economic situation will improve (34%), identical to last month's findings (34%). Half (52%) continue to think their personal

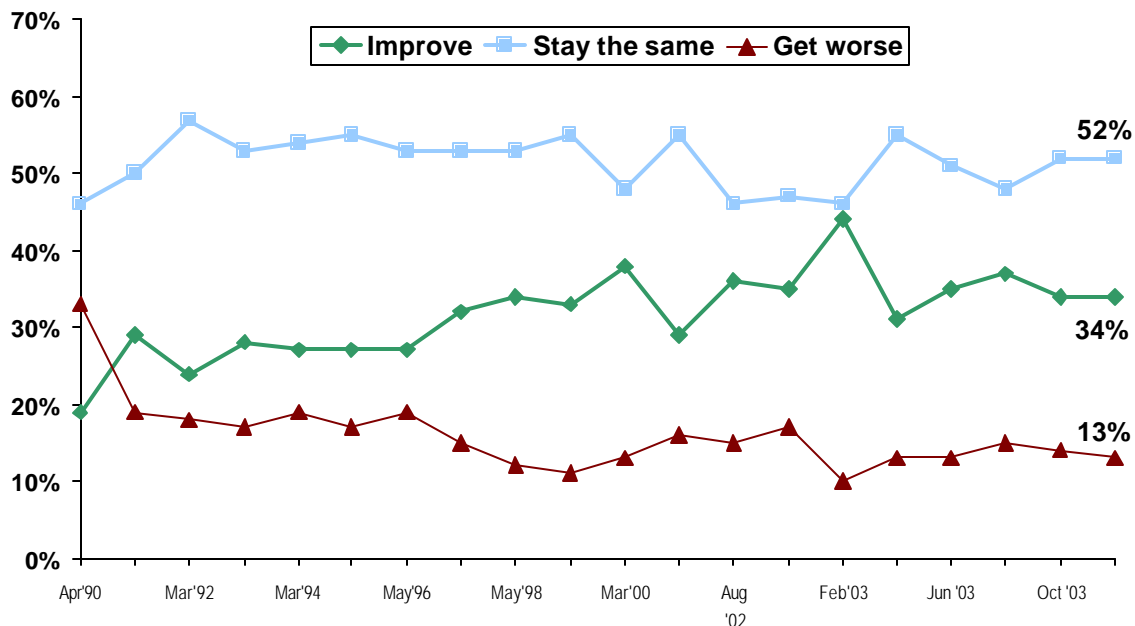
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economic situation will remain the same (52% in October), and 13% think it will get worse (14% in October). The net score (percentage who feel it will improve minus the percentage who feel it will get worse) is +21 (+21 in October). Personal economic prospecting has remained relatively stable since June 2003.

- Personal economic optimism has slightly increased everywhere but Quebec where it has nominally decreased. Residents of Ontario (39%, +2% since October) continue to be the most likely to say their personal economic situation will improve, followed by residents of Alberta (38%, +6%), Saskatchewan/Manitoba (37%, +6%), Atlantic Canada (34%, +3%), British Columbia (32%, +2%), and finally Quebec (27%, -5%).
- Canadians 18-34 years of age (50%) continue to be more likely than those 35-54 (35%) and 55 and older (19%) to think their personal economic situation will improve, while Canadians 55 and older (63%) continue to be more likely than those 35-54 (51%) and 18-34 years of age (44%) to think it will remain the same. Canadians 35-54 years of age (16%) are more likely than younger adults (6%) to think their situation will get worse.
- Men (38%) continue to be more likely than women (31%) to think their personal economic situation will improve.
- Canadians with some post-secondary education/college degree or a university degree (39%) continue to be more likely than those with a high school diploma or less (27%) to think their own economic situation will improve, while Canadians with a high school diploma or less (23%) continue to be twice as likely as those with some post-secondary education/college degree or a university degree (11%) to think it will get worse.
- Canadians with an annual household income of \$60,000 or greater (42%) continue to be more likely than those with less (32%) to think their own economic situation will improve,

while those with an annual household income of less than \$30,000 (20%) continue to be more likely than those with more (11%) to think it will get worse.

One Year Outlook For Personal Financial Prospects



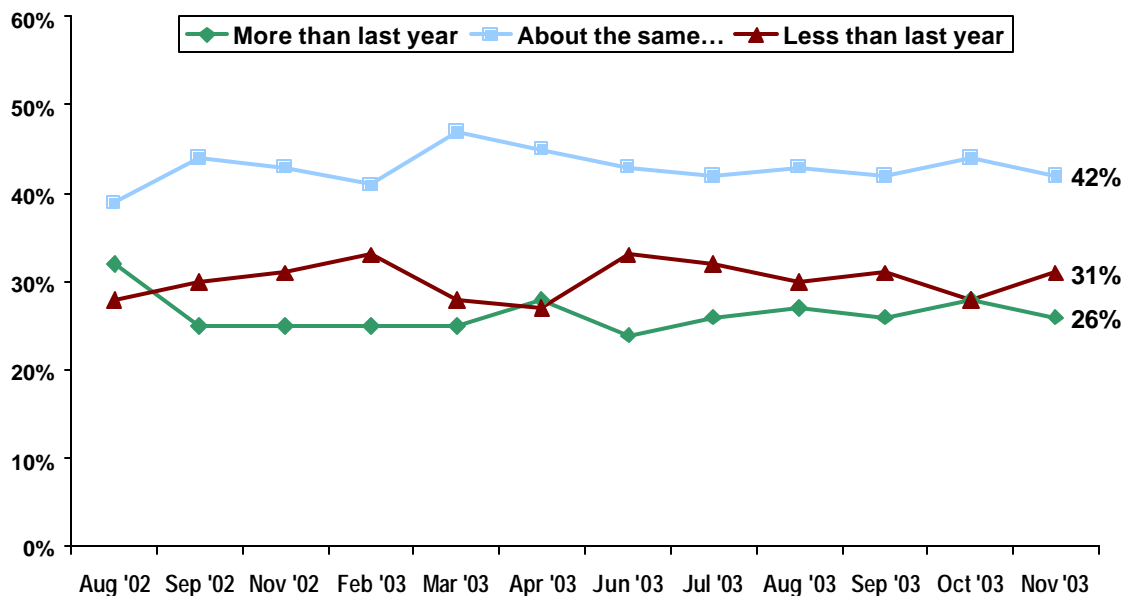
One-Quarter (26%) Intend To Spend More On Big-Ticket Items Than Last Year, Three in Ten (31%) Plan To Spend Less

Today, one-quarter (26%) Canadians expect to spend more on big-ticket items in such as a car, household appliances, or vacations the next year than they did last year, down 2% since October (28%), while a nominally larger proportion (31%) plan to spend less than they did last year, up 3% since October (28%). Four in ten (42%) expect to spend about the same amount (44% in October), and the remaining 1% doesn't know. The net score—the

percentage who intend to spend more than last year minus the percentage who intend to spend less than last year—is -5, down from 0 in October.

- Considering regional net spending scores, residents of British Columbia (-17), Saskatchewan/Manitoba (-12), and Quebec (-12) are most likely to be cutting back on big-ticket purchases, while residents of Alberta (+8) are most likely to be spending more, and residents of Ontario (0) and Atlantic Canada (0) are most likely to spend the same amount. Considering the difference in spending intentions since our last sounding in October, residents of Saskatchewan/Manitoba (-14 difference between October and November net scores), Quebec (12), British Columbia (8), and Ontario (1) are most likely to have decided to cut back over the past month, while residents of Alberta (+6) and Atlantic Canada (+5) are most likely to have decided to increase their major purchase spend intentions over the past month.
- Canadians between the age 18 and 54 (30%) continue to be more likely than their elders (17%) to be spending more on major purchases in the next year, while Canadians 55 and older (52%) are more likely than those who are younger (38%) to be spending about the same amount.
- Women (31%) are more likely than men (25%) to be spending less than last year.
- Canadians with an annual household income of \$60,000 or greater (33%) are more likely than others (23%) to be spending more than last year, while Canadians with a household income less than \$30,000 (33%) continue to be more likely than others (29%) to be spending less.

Major Purchase Spending Intentions



Three In Ten (30%) Canadians Intend To Spend More On Everyday Items Than Last Year, One In Eight (13%) Intend To Spend Less

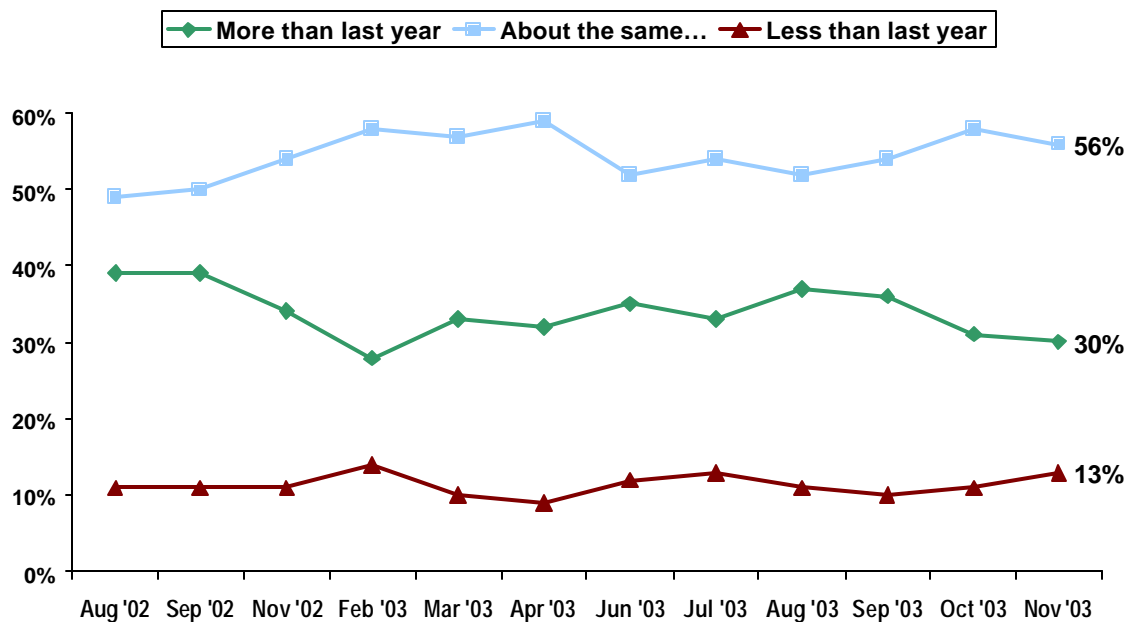
Three in ten (30%) Canadians expect to spend more on things such as groceries, clothing or other personal goods and services than last year, virtually unchanged from October (31%), while one in eight (13%) plan to spend less, up 2% since October (11%). Nearly six in ten (56%) intend to spend about the same amount, up 2% since October (54%), and the remaining 1% doesn't know.¹ The net score—percentage who intend to spend more than last year

¹ August 2002-September 2003 the question was worded as follows: "And, thinking only about day-to-day expenses such as groceries, clothing or other personal goods and services, in the next year, do you expect that you and your family will be spending more than last year, about the same as last year, or less than last year?" October 2003-Present the question was worded as follows "thinking only about your personal day-to-day spending habits on things such as groceries, clothing or other personal goods and services, in the next year, do you expect that you and your family will be spending more than last year, about the same as last year, or less than last year?"

minus the percentage who intend to spend less than last year—is +17, down from +20 in October.

- Considering regional net spending scores, residents of Atlantic Canada (+30), are most likely to spend more on day-to-day items in the next year than they did the year before, followed by residents of Saskatchewan/Manitoba (+28), Ontario (+19), Quebec (+14), Alberta (+12), and British Columbia (+10). Considering the difference in spending intentions since our last sounding in October, residents of Saskatchewan/Manitoba (+12 difference between October and November net scores) and Atlantic Canada (+12) are most likely to have decided to increase their daily spending intentions over the past month, while residents of Alberta (-21) and Ontario (-4) are most likely to have decided to cut back on daily spending intentions over the past month, and residents of British Columbia (0) and Quebec (0) remain unchanged.

Day-To-Day Spending Intentions



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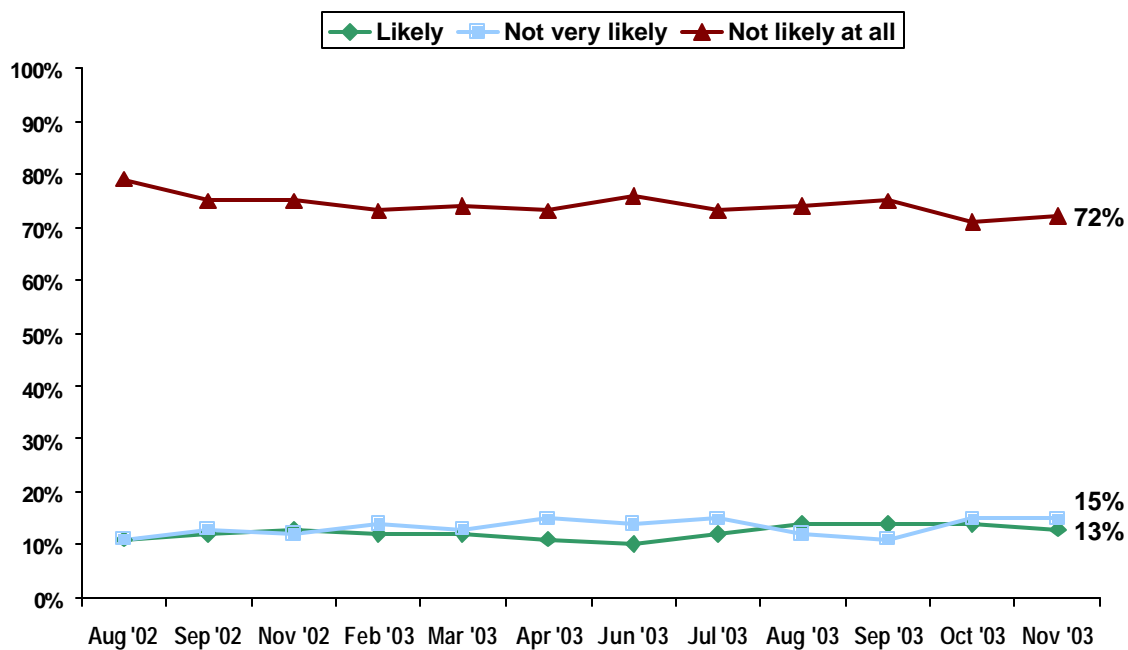
Home Purchase Intentions Remain Upbeat—13% Of Canadians Likely To Buy At This Time

More than one in ten (13%) Canadians are likely to purchase a new or another home at this time (5% “very likely,” 8% “somewhat likely”). These findings have remained virtually unchanged since the question was first asked of Canadians in August of 2002. Today, 15% of Canadians say they are “not very likely” to buy a home at this time (unchanged from October, 15%) and seven in ten (72%) say they are “not likely at all” (virtually unchanged from October, 71%).

- Since our last sounding, home purchase intentions have notably increased for residents of Alberta and notably decreased for residents of Atlantic Canada. At this time, residents of Alberta (19% today, +9% since October) are most likely to be purchasing a home, followed by residents of British Columbia (16%, +2%), Ontario (14%, -3%), Saskatchewan/Manitoba (12%, unchanged), and Quebec (11%, +1%), while Atlantic Canadians (3%, -11%) are the least likely to be purchasing a home at this time.
- Canadians between the ages of 18 and 34 (21%) continue to be the most likely to be purchasing a home right now, followed by Canadians aged 35-54 (14%), and finally Canadians 55 years of age or older (3%).
- Canadians with some post-secondary education/college degree or a university degree (16%) continue to be more likely than those with a high school diploma or less (8%) to be purchasing a home right now.

- Canadians with an annual household income of \$60,000 or more (16%) continue to be the most likely to be purchasing a home right now, followed by Canadians with an annual household income of \$30,000-\$59,999 (14%), and finally Canadians with an annual household income of less than \$30,000 (7%).

Home Purchase Intentions



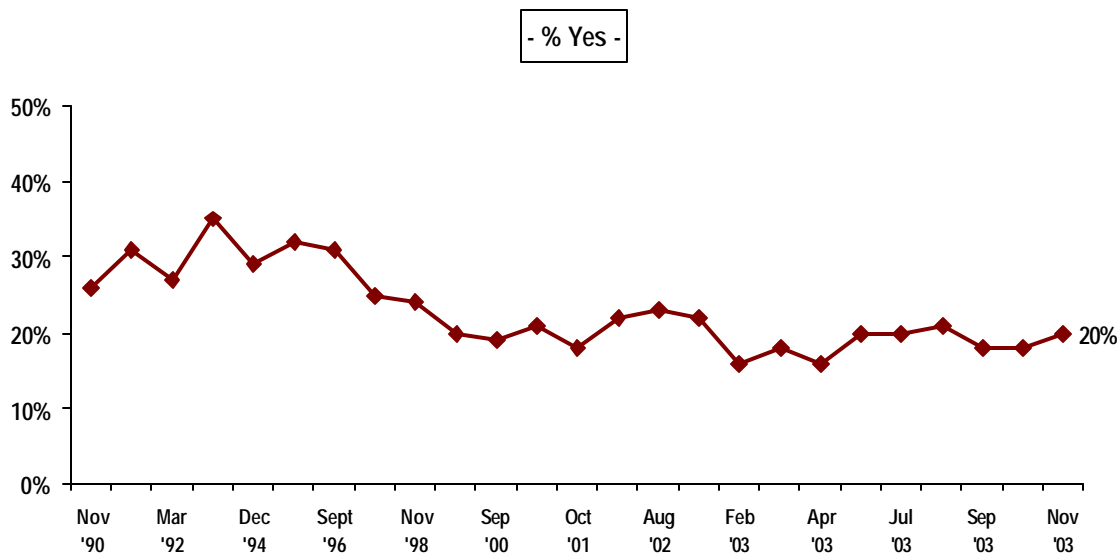
Canadian Job Anxiety Continues To Be Low—20% Worried About Job Loss

Two in ten (20%) Canadians are worried about either themselves or someone in their household losing their job, up 2% from October (18%). Eight in ten (79%) are not worried

and 1% “doesn’t know.” Job anxiety was at its highest in September 1993 (35%) and at its lowest in February (16%) and April (16%) of this year.

- While Atlantic Canadians were the least worried about job loss one month ago, today they are notably more concerned. Residents of British Columbia (27% today, +2% since October) continue to be their most concerned about losing their job or someone in their household losing their job, followed by residents of Quebec (23%, +3%), Saskatchewan/Manitoba (19%, +4%), Ontario (18%, unchanged), Atlantic Canada (18%, +10%), and Alberta (17%, -1%).
- Canadians 18-54 years of age (24%) continue to be more worried than their elders (11%) about losing their job or someone in their household losing their job.

Canadians' Job Anxiety





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For more information on this news release, please contact:

***John Wright
Senior Vice-President
Ipsos-Reid Public Affairs
(416) 324-2900***

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