



Nationwide Consumer Confidence Index in partnership with TNS



www.nationwide.co.uk/consumer_confidence

April 2009

*****STRICTLY EMBARGOED UNTIL 00.01 AM WEDNESDAY 6 MAY 2009*****

"Confidence rises in April"

CONSUMER CONFIDENCE INCREASES

- Consumer Confidence rose by eight points to 50 in April, the largest single monthly rise for almost two years.
- The Expectations Index increased by 13 points to 70, a rise on this scale has not been seen since May 2007.
- The Present Situation Index, which had been falling since June 2008, recorded a one point increase to 21.

THE FUTURE LOOKS BRIGHTER...

- Just over a quarter (26%) of those questioned now believe that the economic situation will be better in six months' time.
- The percentage of those believing the situation will be worse in six months' dropped back from 41% in March to 32% in April.

...BUT CONCERNS REMAIN ABOUT THE CURRENT SITUATION

- 80% of consumers felt that the current economic situation was bad, although this is better than last month when 83% felt this way.
- Over two thirds (68%) of those questioned believe there are not many jobs available at the moment, compared to 66% in March.

MARTIN GAHBAUER, NATIONWIDE'S SENIOR ECONOMIST, SAID:

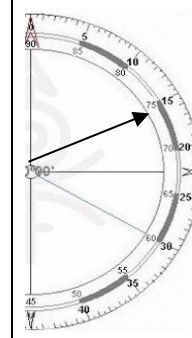
"In recent weeks, we have seen a strong rebound in global equity markets and some tentative signs of improvement in housing market indicators, both of which may have contributed to the marked upturn in consumer confidence during April. A number of the world's largest banks also announced a return to profits and this may signal the start of a thaw in the money markets and an improvement in lending conditions. However, it is likely that the UK economy will continue to contract for some time yet, so it is too early to say whether this trend in confidence will continue into the next month as consumers continue to digest further industry data and the 2009 Budget."

NATIONWIDE MPC FORECAST PROBABILITY OF BASE RATE CHANGE

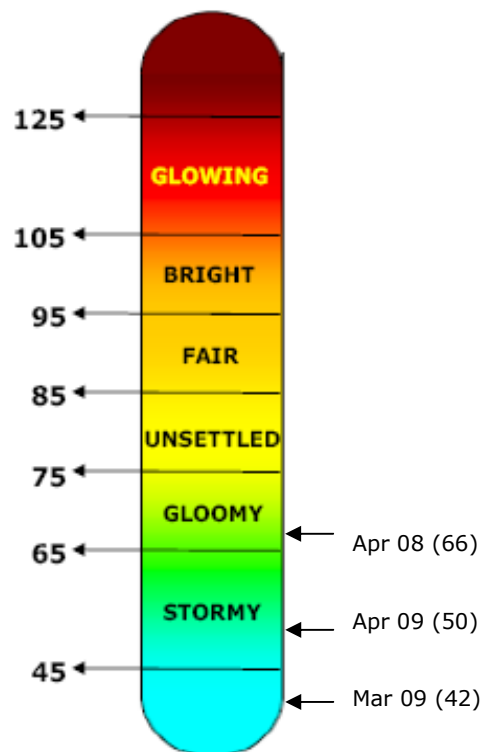
No change	95%
0.25% down	5%

APRIL CONSUMER CONFIDENCE

"Consumer confidence ticked up eight points in April"



NATIONWIDE CONFIDENCE BAROMETER





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A break in the bad weather for consumer confidence

Consumer confidence rises eight points in April

The Nationwide Consumer Confidence Index rose by eight points to 50 in April, the largest single monthly rise for nearly two years.

All the sub-indices recorded a rise this month, with the Expectations Index increasing by 13 points to 70, a rise on this scale has not been seen since May 2007. The Present Situation Index, which had been falling since June 2008, recorded a one point increase to 21. The Spending Index moved only marginally during the month and continued its upward trend from 97 to 98.

	April 2009	March 2009
Nationwide Consumer Confidence Index	50	42
- Present Situation Index	21	20
- Expectations Index	70	57
- Spending Index	98	97

Note: seasonally adjusted

The improvement in confidence this month, particularly in the Expectations Index, may reflect reports that, whilst the UK economy remains in recession, the rate of economic decline is beginning to ease. Only marginal changes were seen in the Present Situation Index, suggesting that consumers remain concerned about the current economic environment and the labour market. It is too early to say whether this month's results mark the start of an upturn in confidence.

Martin Gahbauer, Nationwide's senior economist, said:

"In recent weeks, we have seen a strong rebound in global equity markets and some tentative signs of improvement in housing market indicators, both of which may have contributed to the marked upturn in consumer confidence during April. A number of the world's largest banks also announced a return to profits and this may signal the start of a thaw in the money markets and an improvement in lending conditions. However, it is likely that the UK economy will continue to contract for some time yet, so it is too early to say whether this trend in confidence will continue into the next month as consumers continue to digest further industry data and the 2009 Budget."

Consumers feel brighter about the future...

Perhaps marked by the clocks going forward, some spring sunshine or a trickle of less gloomy news, consumers appear to be more upbeat about the economic situation in six months' time. Just over a quarter (26%) of those questioned now believe that the economic situation will be better in six months' time, a figure not seen since the bank bail-out scheme was announced in October last year, when it was 27%. The percentage of those believing the situation will be worse in six months' time dropped back from 41% in March to 32% in April.

...but concerns remain about the current economic and employment situation

While people may be looking more positively towards the future, sentiment about the current economic and employment situation remains fairly gloomy. 80% of consumers felt that the current economic situation was bad, although this is better than last month when 83% felt this way. Confidence about the employment situation also remains low, with over two thirds (68%) of those questioned believing that there are not many jobs available, compared to 66% in April. This is not surprising given further reports of more anticipated job losses across a number of sectors.

Little change to views on household income and spending

Consumers' views about household income in six months' time remained relatively stable during April, although there was a three point shift from the percentage believing their income would be lower across to thinking it would be the same. The percentage of those believing now is a good time to make a major purchase continued on its upward trend from 38% in March to 42% in April.

Expectations about house price falls over the next six months improved further in April. Consumers now expect prices to fall by 2% over the next six months, compared with 3% in March.



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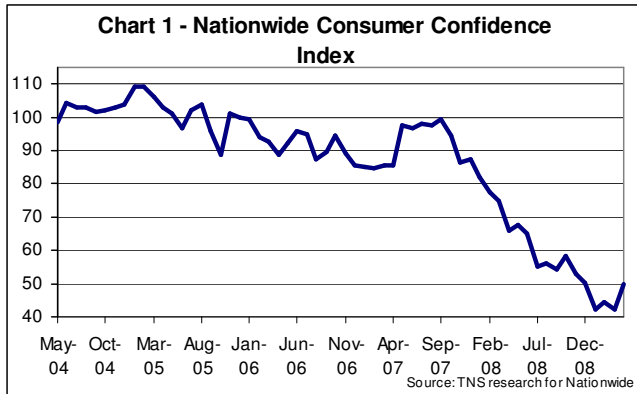
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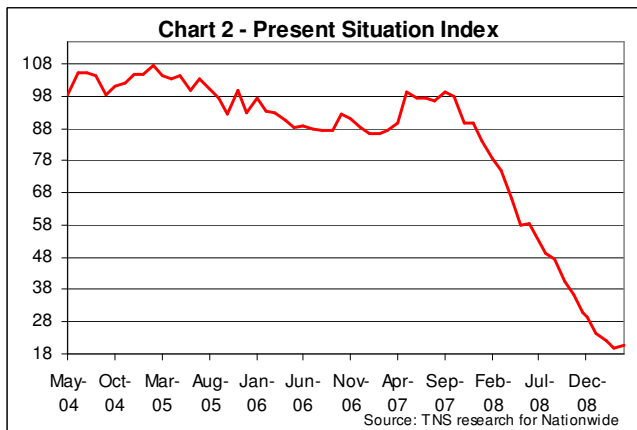
The Nationwide Consumer Confidence Index increased by eight points in April from 42 to 50 (research took place from 23 March 2009 to 19 April 2009).



Sub-Indices

In addition to the main Consumer Confidence Index, Nationwide Building Society compiles three other indices: Present Situation Index, Expectations Index and Spending Index.

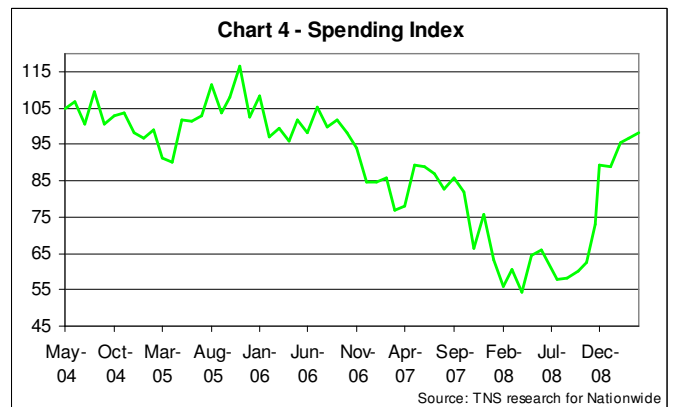
Present Situation Index (Chart 2): reflects sentiment about the current economic and employment situation. This Index rose one point in April to 21. The number of consumers that believe that the current economic situation is good remained unchanged on the previous month at 5%. The number of consumers who believe there are now few jobs available rose from 66% in March to 68% in April.



Expectations Index (Chart 3): reflects sentiment about the economy, labour market and household income over the next six months. This index rose sharply from 57 in March to 70 in April. 26% of people believe the economic situation will be better in six months' time, compared to 19% in March. 41% think the economy will be the same in six months' time compared to 39% in March. Less than two thirds (62%) believe there will be few jobs available in six months' time.



Spending Index (Chart 4): reflects sentiment about spending on household goods and major purchases. The Spending Index increased marginally in April to 98. The number of consumers that believe now is a good time to make a major purchase rose from 38% in March to 42% in April. The number of consumers that believe now is a bad time to purchase household goods decreased slightly to 15%.



The Nationwide Consumer Confidence Index (NCCI):

The NCCI is based on a similar approach to that used by the U.S. Conference Board which produces the highly regarded U.S. Consumer Confidence Index which has run since 1967 and is widely acknowledged as being a key economic indicator.

The Nationwide Consumer Confidence Index is compiled in partnership with TNS, the market research group that conducts the research for the US index.

*The NCCI Index was first published in May 2004.

For April, the TNS research for Nationwide took place from 23 March 2009 to 19 April 2009 with 1,000 people.

The House Price Expectations data is based on a balance of people who believe that house prices will be higher in six months' time against those who think they will be lower in six months' time.

Next monthly Nationwide Consumer Confidence Index scheduled for release at: 00.01hrs on 3 June.

For past reports and methodology see: www.nationwide.co.uk/consumer_confidence



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Nationwide Consumer Confidence Index (seasonally adjusted). May 2004 = 99.

	2004 May	2008 Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	2009 Apr
Nationwide Consumer Confidence Index	99	66	68	65	55	56	54	58	53	50	42	44	42	50
Present Situation Index	98	66	58	58	49	47	40	36	31	29	24	22	20	21
Expectations Index	99	66	74	69	59	62	64	73	68	64	54	59	57	70
Spending Index	105	54	65	66	58	58	60	63	73	89	89	96	97	98

Consumer responses (non-seasonally adjusted)*

Present Situation: consumers' view of the current economic and employment situation

UK Economic Situation - Current

- Good	45%	17%	14%	14%	11%	9%	10%	8%	9%	9%	8%	2%	5%	5%
- Neither good nor bad	31%	42%	32%	32%	26%	25%	23%	16%	15%	15%	11%	11%	12%	15%
- Bad	20%	39%	52%	52%	61%	65%	66%	75%	76%	75%	82%	86%	83%	80%
- Don't know	4%	2%	2%	1%	1%	1%	1%	1%	1%	1%	0%	1%	1%	1%

UK Employment Situation - Current

- Many/Some jobs available	66%	47%	51%	50%	41%	39%	37%	37%	30%	26%	23%	23%	21%	20%
- Neither many nor few	10%	23%	19%	19%	25%	22%	20%	17%	15%	12%	12%	10%	11%	8%
- Not many/few jobs available	20%	25%	24%	25%	28%	31%	35%	41%	49%	57%	61%	64%	66%	68%
- Don't know	5%	6%	7%	5%	6%	8%	7%	6%	6%	5%	4%	3%	3%	3%

Expectations: consumers' view of the economic and employment situation in 6 months' time

UK Economic Situation - 6 months' time

- Better than today	15%	12%	15%	12%	11%	11%	14%	27%	22%	21%	17%	19%	19%	26%
- Same	50%	37%	33%	32%	25%	28%	30%	31%	30%	27%	29%	34%	39%	41%
- Worse than today	30%	45%	46%	53%	60%	57%	53%	38%	45%	49%	53%	43%	41%	32%
- Don't know	5%	5%	5%	3%	3%	4%	3%	4%	3%	3%	2%	3%	1%	2%

UK Employment Situation - 6 months' time

- Many/Some jobs available	57%	32%	35%	37%	28%	28%	25%	22%	21%	21%	15%	18%	19%	19%
- Neither many or few	17%	32%	25%	26%	26%	21%	21%	18%	17%	14%	15%	16%	14%	16%
- Not many/few jobs available	21%	30%	31%	34%	42%	47%	48%	56%	59%	63%	67%	65%	65%	62%
- Don't know	4%	5%	8%	3%	4%	4%	5%	3%	3%	3%	3%	2%	1%	3%

Household income - 6 months' time

- Higher	26%	24%	21%	16%	17%	17%	16%	15%	16%	15%	14%	17%	14%	14%
- Same	65%	62%	62%	69%	65%	66%	68%	69%	65%	65%	66%	65%	67%	70%
- Lower	9%	13%	15%	14%	16%	16%	14%	14%	16%	19%	18%	17%	18%	15%
- Don't know	1%	1%	2%	1%	2%	1%	3%	2%	3%	2%	2%	1%	2%	2%

Spending sentiment: consumers' view of whether this is a good time to purchase major goods, such as a house or car, or household goods

Spending confidence - Major purchase e.g. house or car

- Good time to buy	28%	15%	14%	18%	17%	14%	18%	18%	26%	27%	33%	38%	38%	42%
- Neither good nor bad	27%	23%	19%	19%	18%	16%	16%	15%	14%	19%	15%	18%	16%	19%
- Bad time to buy	45%	60%	65%	61%	64%	68%	64%	66%	58%	51%	51%	41%	44%	38%
- Don't know	1%	2%	2%	2%	1%	2%	2%	2%	2%	3%	2%	2%	2%	2%

Spending confidence - Household goods e.g. white/brown goods

- Good time to buy	58%	27%	29%	28%	25%	28%	26%	29%	28%	41%	50%	46%	43%	42%
- Neither good nor bad	33%	56%	50%	49%	51%	46%	49%	41%	43%	33%	32%	36%	39%	40%
- Bad time to buy	7%	12%	16%	20%	21%	23%	21%	27%	26%	23%	16%	16%	16%	15%
- Don't know	1%	5%	4%	3%	3%	3%	3%	3%	3%	3%	2%	1%	2%	2%



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Notes:

Indices are produced using a mix adjusted Nationwide Consumer Confidence Methodology which was introduced with effect from June 2008. Indices are seasonally adjusted using the US Bureau of the Census X12 method. Currently the calculations are based on a monthly data series starting from May 2004. Figures are recalculated each month which may result in revisions to historical data.

*All data shown as percentages in this report reflect consumer responses and are, therefore, not subject to seasonal adjustment.

Nationwide Consumer Confidence Index (non-seasonally adjusted). May 2004 = 100.

	2004 May	2008 Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	2009 Apr
Nationwide Consumer Confidence Index	100	70	69	63	53	52	53	62	53	48	41	45	45	54
Present Situation Index	100	65	60	59	50	46	43	37	32	28	24	20	19	19
Expectations Index	100	74	75	66	56	56	60	78	67	61	52	61	61	78
Spending Index	100	65	60	63	56	54	59	58	69	82	94	104	103	109

Note to editors:

Nationwide's Consumer Confidence Index is based on a monthly survey representative of the UK population. For April, the TNS research for Nationwide took place from 23 March 2009 to 19 April 2009 with 1,000 people. NFO, now part of TNS, has worked with The US Conference Board since the inception of its consumer confidence index in 1967.

