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News Release

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FOR IMMEDIATE RELEASE

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NIELSEN FORECASTS U.S. SALES OF MORE THAN \$1.5 BILLION IN BACK TO SCHOOL SUPPLIES

Mobile Phones, Lunch-Related Items Big Sellers

Schaumburg, IL, August 5, 2008: With the new school year fast approaching, new research from The Nielsen Company shows that consumers won't be skimping on supplies, despite widespread concerns about a pending recession. Nielsen forecasts 2.6 percent growth or more than \$1.57 billion in school and office supply sales in U.S. grocery, drug and mass merchandiser stores during the core Back to School season of mid-July through early September. Back to School sales represent more than a quarter (28 percent) of the school and office supply category's annual sales of \$5.5 billion¹.

The top five selling Back to School supply categories account for nearly two-thirds (64 percent) of Back to School sales:

Top Back to School Items	Dollar Sales (millions)
School/Office Paper and Forms	\$304.7
Personal Planners, Binders and Folders	\$227.2
Pens and Pencils	\$176.6
Ink Jet and Toner Cartridges	\$145.7
Markers	\$124.1

Source: The Nielsen Company,
Total U.S. food, drug and mass merchandiser stores, including Wal-Mart
Eight weeks ending 9/08/07

"Consumers may be cutting back in terms of discretionary spending, but they are not about to send their kids to school without the necessities," said James Russo, vice president of marketing, food and beverage sector, The Nielsen Company. "While we don't expect to see a drop in Back to School

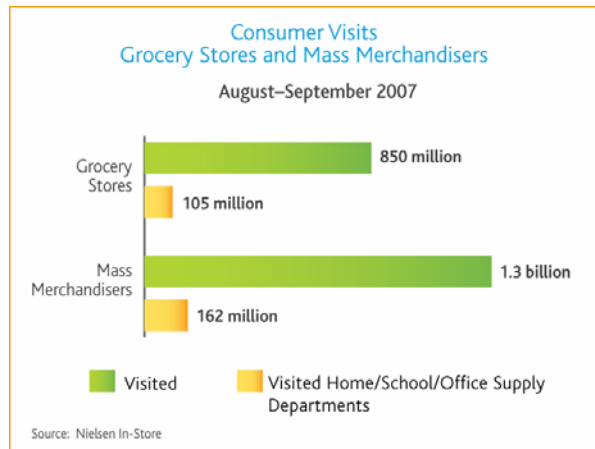
¹ Total U.S. food, drug and mass merchandiser stores, including Wal-Mart.

sales in this economic downturn, we do foresee changes in *where* consumers shop for Back to School items, along with the prices they are willing to pay.”

The Three R’s: Reading, Writing and . . .Retailers?

With nearly 100 percent household penetration, grocery stores may prove to be the winner this Back to School season, as consumers seek to combine shopping trips. Nielsen In-Store research shows that in August and September 2007, nearly 850 million consumers visited measured grocery stores, compared to an average two-month period of slightly more than 500 million consumers. Grocery stores saw more than 105 million consumers visit the home, school and office supply departments during the Back to School period, marked by an increase in traffic mid-August and a traffic spike during the first week of September.

More than 1.3 billion consumers visited measured mass merchandisers in August and September 2007, with 162 million consumers shopping the home, school and office supply departments, and the highest level of traffic taking place during the first week of August.



“Consumers are clearly shifting to value and one-stop-shop channels as they seek to optimize shopping trips,” said Russo. “Retailers at risk this Back to School season are the specialty retailers such as office supply stores where distinct trips are needed, and apparel retailers, which are heavily skewed to discretionary spending.”

Back to School Not Necessarily a Precursor to Holiday Sales

Back to School sales traditionally begin the second week of July and extend through early September, peaking the second and third week of August, and the first week of September. For 2008, Nielsen predicts a shorter but more intense Back to School selling season, as consumers are



likely to delay the start of their shopping, opting to hold out for increasing aggressive sales and promotional activity by retailers.

“Consumers recognize that retail prices tend to fall the closer we get to the first day of school,” said Russo. “Stung by high gas and food prices, many consumers will likely hold out as long as possible, waiting for retailers to drop prices on items kids need for the new school year.”

While Nielsen predicts sales growth this Back to School season, Russo cautions retailers not to view Back to School sales as a precursor to 2008 holiday sales.

“Unlike holiday items, core Back to School items are viewed as necessities,” said Russo. “When it comes to holiday sales, the dynamics and opportunities are very different from Back to School.”

Staying Connected

In addition to backpacks and binders, many parents will find themselves adding mobile phones to this year’s Back to School shopping lists. According to Nielsen Mobile, 46 percent of U.S. ‘tweens (ages 8 – 12) and 80 percent of U.S. teens (ages 13 – 17) use a mobile phone.

With several major mobile phone companies introducing sleek, youth-oriented devices – complete with cameras, integrated music players, and expanded memory – just in time for the Back to School shopping season, Nielsen predicts this will be the biggest Back to School season yet for mobile phones.

“For kids today, mobile phones have become just as much a part of their daily school life as pens and pencils,” said Russo. “Going back to school without a phone is unthinkable for many young people, who consider it their lifeline and a necessary component of the teen lifestyle.”

Nielsen Mobile research shows that mobile phone ownership doubles between age 10 and age 11, as junior high school students reach an age where many parents view the phone as both acceptable and necessary.

Back to School Online Activity

As the school season approaches, education resources sites, including Family Education Network, Merriam-Webster, U.S. Department of Education, and U.S. Federal Student Aid show spikes in visitors. Nielsen Online reports an average monthly unique audience of 57.9 million to these types of



sites beginning in August 2007 and carrying through September and October before tapering off in December.

Nielsen's research shows that online retailers, particularly those who stock office and school supplies, also experience an increase in traffic during the Back to School season. Though an increasing number of consumers are browsing and shopping online in order to save gas, Nielsen expects shopping activity to soften somewhat as consumers increasingly combine their core Back to School shopping trips.

Lunchin' and Learnin'

Along with learning comes lunch, and old favorites like peanut butter and jelly are still proving popular. U.S. consumers are expected to spend more than \$87 million² on peanut butter and nearly \$13 million³ on jelly during the four-week period surrounding the first day of school. For added convenience, and perhaps due to an increasing number of schools banning peanuts and peanut butter due to student allergies, many parents are turning to combination lunch products, which are expected to rack up more than \$68 million⁴ in sales. Other lunch-related items expected to spike during the Back to School shopping season include food storage containers, sandwich bags and paper bags, with combined sales of more than \$95 million⁵ expected.

"Lunch-related products, especially lunches that can be sent from home, are likely to continue selling strong this season, in spite of the current economic difficulties," said Russo.

About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing information (ACNielsen), media information (Nielsen Media Research), online intelligence (NetRatings and BuzzMetrics), mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com

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² Four-week period ending September 8, 2007 showed total sales of \$87.4 million in U.S. food, drug and mass merchandiser stores, including Wal-Mart.

³ Four-week period ending September 8, 2007 showed total sales of \$12.8 million in U.S. food, drug and mass merchandiser stores, including Wal-Mart.

⁴ Four-week period ending September 8, 2007 showed total sales of \$68.2 million in U.S. food, drug and mass merchandiser stores, including Wal-Mart.

⁵ Four-week period ending September 8, 2007 showed total sales of \$95.1 billion in U.S. food, drug and mass merchandiser stores, including Wal-Mart.