



ARCHSTONE CONSULTING RELEASES 2008 HOLIDAY GIFT CARD SURVEY

Study Reveals Gift Card Sales Decline to \$25 Billion

*Gift Card Spending Shifts to Household Necessities Reflecting
Challenging Economic Environment*

STAMFORD, CT – September 22, 2008 – [Archstone Consulting](#), a leading management consultancy and brand innovation firm, today announced the results of its **2008 Holiday Gift Card Survey**, which examined the shopping habits of more than 1,000 consumers across the United States of various age groups, genders and regions.

The Archstone Consulting survey predicts that, in reaction to the faltering economy, consumers will spend less on gift cards in Holiday 2008 and will also shift their gift card spending towards household necessities such as groceries, and gas, or small indulgences such as dining at restaurants.

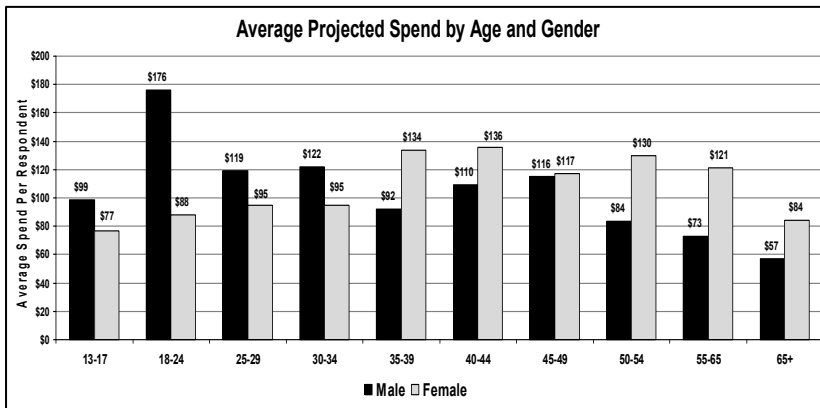
“Archstone Consulting expects gift card sales to dip 5% to \$25 billion in Holiday 2008 as consumers continue to manage the challenges of higher gas prices, higher food prices and a sluggish economy,” commented Dave Sievers, Principal and the Consumer Products and Retail Practice lead at Archstone Consulting. “While our survey found that only 24% of consumers plan to increase their spending on gift cards in 2008, potential retail bankruptcies and the potential loss of card value are not factors.”

Other Key Findings:

- **Pre-paid bank cards** (Visa, American Express, Master Card, etc.) will continue to be the most desired by gift recipients this year –as they were in 2007. “Consumers are gravitating toward cards that allow them the flexibility to purchase household needs at the gas station, supermarket, or pharmacy,” commented Sievers. However, retailers can increase the purchase of their cards through the creative use of incentive programs, as approximately 50% of respondents said they would consider purchasing a gift card from a retailer if it comes with a coupon/discount for the purchaser or the recipient.
- **The restaurant/fast food category** will sell more cards than any other category this holiday season. “For many families, eating a meal out is a simple luxury and, therefore, an ideal gift in a holiday season that will otherwise be noted for pragmatic purchases,” said Sievers. Archstone anticipates that gift cards will provide some much needed holiday support for eat-in restaurant chains, such as McDonalds and Outback Steak House.
- **Teenage and post-college consumers** will represent the bulk of the increase in gift card purchases. “The 13-24 year-old group has the least discretionary income, yet on a relative basis, they spend more on gift cards than any other demographic,

and also receive almost 40% of all gift cards,” said Michael Unger, a Principal in Archstone Consulting’s Consumer Products and Retail Practice and co-author of the study with Andrew Buss, a Director at Archstone Consulting.

- **Sales of gift cards through outside locations**, such as grocery, drug stores, banks and kiosks are expected to grow significantly, by 30% versus 2007. “As the gift card category has matured, retailers have capitalized on its popularity by making the cards available outside of their four-walls,” commented Unger.



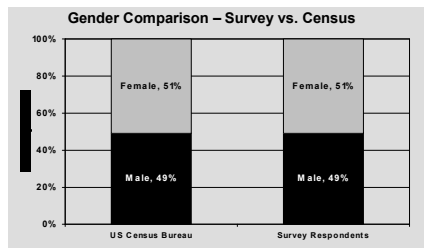
In addition to the summary statistics and findings above, the survey provides insights about gift card dynamics by category, consumer preferences, and purchase influencers. The results offer insights about how, when, and where to market gift

cards with demographic information by region, age, sex, and race.

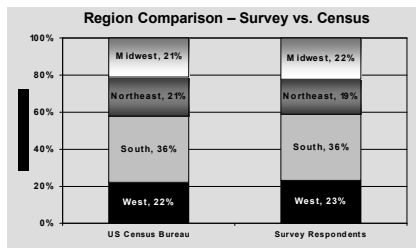
For more detailed information and analysis relating to Archstone Consulting’s **2008 Holiday Gift Card Survey** findings, please contact: Michael Unger at (646) 354-4554.

Notes on Methodology

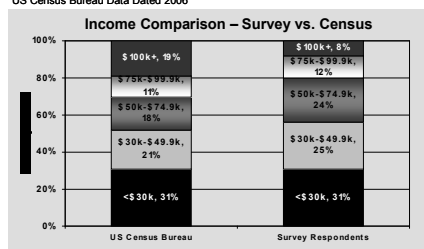
This survey was conducted by Archstone Consulting. Survey was based on a USA national survey of 1,000 consumers using an internet-based panel. Demographic quotas across age, gender, and region were used to ensure the sample was as representative as possible of US census bureau data. Analytical contributions to the study were made by Archstone Consulting Associates Jeff Gibbons and Julie Bonne, and Analyst, Andreas



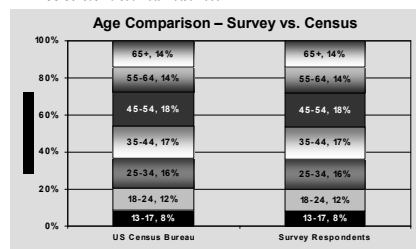
US Census Bureau Data Dated 2006



US Census Bureau Data Dated 2006



US Census Bureau Data Dated 2006



US Census Bureau Data Dated 2007



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Archstone Consulting is a leading independent Strategy, Operations, CFO Advisory and Brand Innovation management consultancy, specializing in delivering strategic, operational and IT advisory services to the consumer products, retail, life sciences, manufacturing, and services sectors. Archstone Consulting offers experienced support, efficient execution and measurable results. Headquartered in Stamford, Connecticut, Archstone Consulting has offices in Amsterdam, Chicago, London, New York, San Francisco and Toronto.

For additional information, please visit the company's new website at www.archstoneconsulting.com.