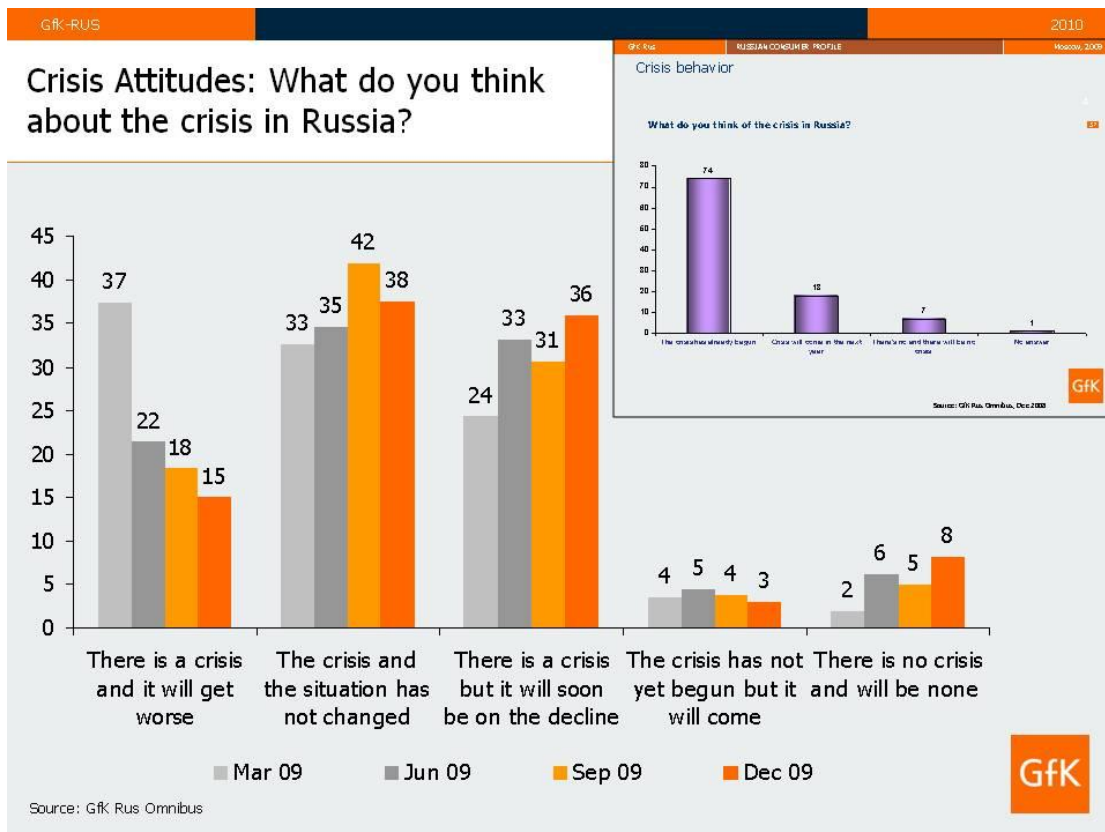


Russia

Financial behaviour in Russia in 2009

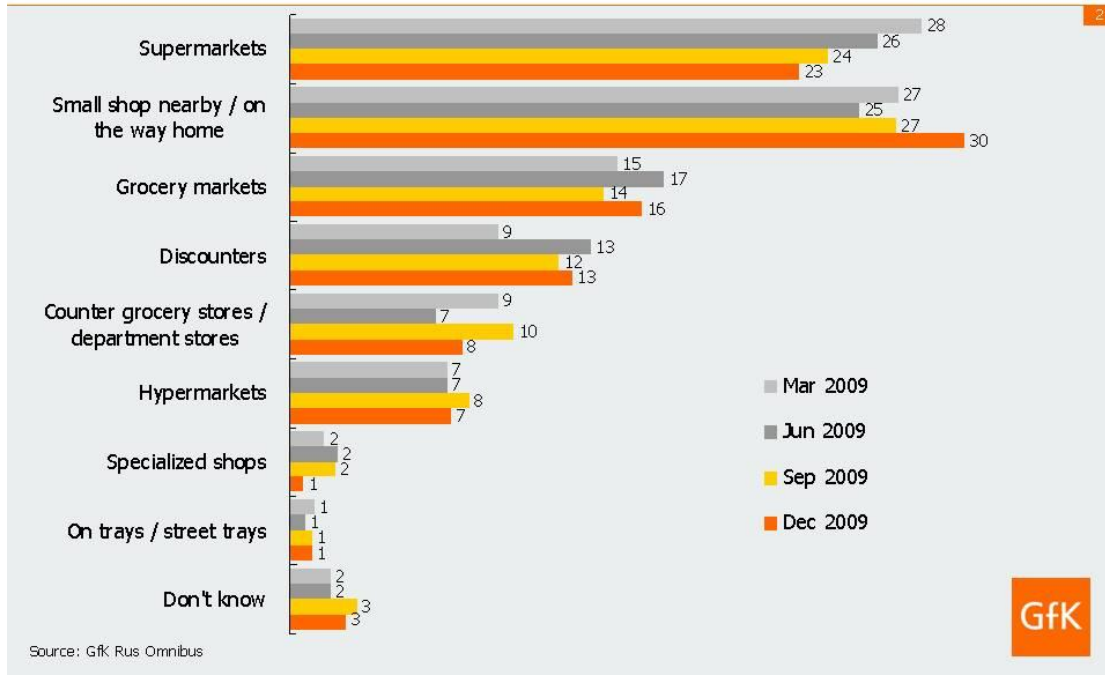
According to the data from our national public surveys (Omnibus), at the end of 2009 we are able to observe positive dynamics in many indicators after March 2009. Consumer attitudes indexes have been increasing over the last three quarters.

In 2009, the proportion of Russians who thought that the crisis would decline was about two and a half times the number of those who were of the opinion that the crisis would increase during the next two quarters. The largest share is for those who think that the situation has stabilized.



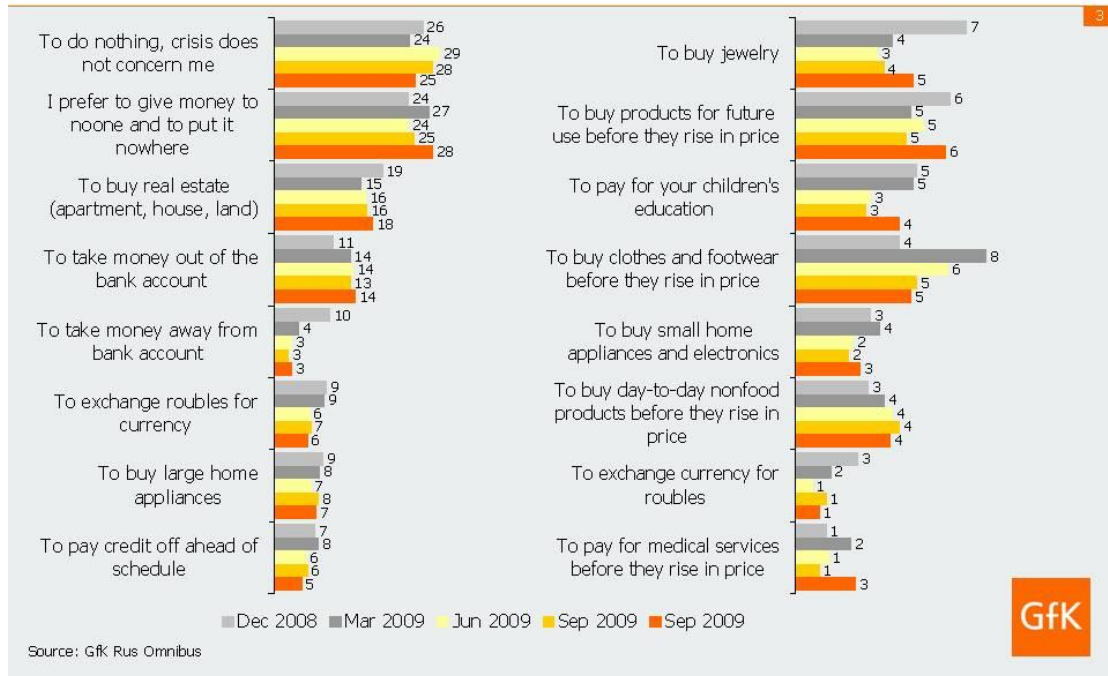
In the year before the crisis, more and more Russians chose to do their shopping in shops of the new formats, such as hypermarkets, supermarkets, economical class shops and wholesale and retail stores. During the crisis, however, the food markets became of greater importance. We forecast that the pre-crisis trend of increases in the share of the modern sale formats (hypermarkets, discounters, cash&carry shops) would continue although the growth rate within this sector will slow. Food markets, whose market share increased during the crisis year, will gradually fall away again once the crisis is over. Under such conditions, the investment intentions of retailers look quite reasonable.

Places of purchase of foodstuffs and convenience goods: Current



In terms of financial strategies, with the aim of making savings in personal expenditure during the crisis, more than a half of all respondents adopted 2 strategies over the whole year: "I prefer to give my savings to no-one and nowhere" and "to do nothing, the crisis does not concern me". In spite of the crisis, there has been no stimulus for people to close their deposit accounts and this is confirmed by the growth of personal deposits in the banks. Already by November 2009, the growth of deposits had exceeded the level for 2008 and it is likely that this trend will continue in 2010.

Effective Actions for the Preservation of Personal Savings



According to the results for 2009, it is possible to come to quite a pessimistic conclusion with regard to the car market. The intention to buy a car, having fallen to half of the pre-crisis level in May 2008, has shown almost no change during the whole of 2009. Consumer behaviour is characterized by the so-called pent-up demand, which has led to the shift in the sales structure towards cheaper and used cars, and the market for new cars falling dramatically to half the previous level. Demand is unlikely to revive in the first half of 2010, although it is possible it may recover in the second half of the year. Taking the State measures for stimulation of demand into account, it is possible to expect a little growth in sales of new cars in the coming year.

The results of GfK Rus's monitoring of the crisis for 2009 show that Russia had overcome the recession by the end of the year in spite of the fact that it entered the crisis later than many other countries. The increase in the level of consumer confidence and the quite favourable forecasts for 2010 give grounds for both the population and the authorities to be quite optimistic.

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