



UNDER EMBARGO UNTIL THURSDAY, DECEMBER 25, 6:30PM EASTERN

MEDIA SOURCE NOTE

SpendingPulse 2008 Holiday Wrap-Up Report:

***2008 Saw “One of the Most Challenging Holiday Shopping Seasons in Decades”
While a Few Sectors Show Relative Strength***

SpendingPulse™

Data Source:

SpendingPulse is an information service provided by MasterCard Advisors, a subsidiary of MasterCard Worldwide. A macro-economic indicator, SpendingPulse reports on national retail and service sales and is based on aggregate sales activity in the MasterCard payments network, coupled with estimates for all other payment forms, including cash and check. *SpendingPulse does not represent MasterCard financial performance.*

PURCHASE, N.Y. Dec. 26, 2008 – SpendingPulse, a macro-economic report tracking retail and service sales nationally, today provided summary results for the 2008 holiday shopping season (November 1 – December 24, 2008).

While total retail sales are down in the 5.5% to 8% range for November and December, there were a few signs of relative strength, according to Michael McNamara, Vice President of Research and Analysis for SpendingPulse. Sectors that sell food, such as grocery and general merchandise stores and some sectors of the restaurant sector helped keep total declines in the single digit range; eCommerce sales remain comparatively healthy; moreover the 40% drop in the price of gasoline compared to December 2007 accounts for almost half of the decline. Excluding gasoline, total sales were down 2% to 4% this holiday season compared to the same period in 2007. Still, Mr. McNamara noted, “A difficult economic environment combined with unfavorable weather during the last week of shopping made 2008 one of the most challenging holiday shopping seasons in decades.”

SpendingPulse analyzed the Electronics, Specialty (Apparel), eCommerce and Luxury sectors. Here are the season highlights:

eCommerce

eCommerce continues to be an area of relative strength. Mr. McNamara pointed to the poor weather in the final two weeks before Christmas as possibly shifting sales volume to the on-line channel, as customers had difficulty traveling to brick and mortar locations. Overall eCommerce sales declined only 2.3% compared to the 2007 holiday season.

Apparel

Total apparel sales declines stabilized in the –19% to –21% range over the same period last year, only slightly higher than the 19.5% year-to-year decline through the first week in December, and the 19% decline in the first half of November.

Women's apparel sales have been fairly consistent, with year-to-year declines of 22% to 23% for most of the season.

Men's apparel showed some improvement toward the end of the season, with a total decline of 14.3% for the season compared to the same period in 2007, up slightly from the 16.1% decline through the midseason and a 19.1% drop for the week after Black Friday.

Footwear sales also showed relative resilience, declining 13.5% compared to the 2007 holiday season.

Electronics

The electronics and appliance category continued to have an especially difficult season, with declines of over 26% against 2007. "Sales above \$1,000 have been a consistent drag on this sector throughout the season," observed Mr. McNamara.

Luxury

Another high-ticket sector, luxury sales showed the largest year-over-year declines, with sales down by more than 34% over last year. When jewelry is excluded, luxury sales are down slightly over 21% compared with 2007.

###

For further information contact:

Meir Kahtan
+1-212-575-8188
Meir Kahtan Public Relations, LLC
mkahtan@rcn.com

Naya Larsson
+1-914-249-3916
MasterCard Worldwide
naya_larsson@mastercard.com

About MasterCard Advisors

MasterCard Advisors, LLC, provides payments consulting, information, analytics, and customized services to financial institutions and their merchant partners worldwide. Addressing complex challenges in strategy, marketing, risk, and operations, MasterCard Advisors helps clients maximize the value of their payments businesses. As the professional services arm of MasterCard Worldwide, MasterCard Advisors is uniquely qualified to provide clients with insights and solutions that drive tangible impact and financial gain. For more information, go to www.mastercardadvisors.com.

###