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ONLINE HOLIDAY SHOPPING SEASON 2004 HITS \$23.2 BILLION, RISING 25 PERCENT FROM 2003, ACCORDING TO THE HOLIDAY ESPENDING REPORT FROM GOLDMAN SACHS, HARRIS INTERACTIVE AND NIELSEN//NETRATINGS

Online Consumers Spent the Most on Apparel/Clothing, Toys/Video Games and Consumer Electronics; Fastest-Growing Categories Included Jewelry, Flowers and Computer Hardware/Peripherals

ROCHESTER, N.Y. and NEW YORK– January 3, 2004– The latest holiday eSpending Report from Goldman, Sachs & Co., Harris Interactive®, and Nielsen//NetRatings revealed that online shoppers in the U.S. spent \$23.2 billion during the 2004 holiday season, excluding travel. This reflects a 25 percent increase from the \$18.5 billion spent online during the same timeframe in 2003.

According to the 2004 eSpending report, based on weekly surveys of more than 1,000 respondents, online consumers spent the most on apparel/clothing, totaling \$3.8 billion, or 16 percent of total online revenue, during the 2004 holiday season (see Table 1). The toys/video games category was second with \$2.5 billion, or 11 percent of online revenue, while the consumer electronics category rounded out the top three with \$2.3 billion, or 10 percent of total online revenue.

Categories generating the highest year-over-year growth in holiday dollars included jewelry, flowers and computer hardware/peripherals. Jewelry jumped 113 percent to \$1.9 billion during the 2004 holiday season compared to the \$888 million spent in 2003 (see Table 2). Floral retailers experienced a 59 percent surge in online revenue to \$530 million while computer hardware/peripherals increased 30 percent over last season, generating \$2.1 billion in online revenue this year.

Table 1: Online Shopping Categories Ranked by Total Online Revenue, 2004 Holiday Season

Category	% of Total Online Revenue	2004 Projected Online Revenue in Millions
Apparel/Clothing	16%	\$3,775
Toys/Video Games (hardware and software)	11%	\$2,528
Consumer Electronics	10%	\$2,306

Source: Goldman Sachs, Harris Interactive, and Nielsen//NetRatings eSpending Report, 2004

*Number of respondents: More than 1,000 online U.S. adult consumers surveyed weekly (Weeks 1-8: n=9,077)

*The Holiday eSpending Report defines November 1 to December 26, 2004 as the 2004 Holiday Season.

Table 2: Fastest-Growing Categories Year-over-Year, 2004 Holiday Season

Category	2004 Online Revenue in Millions	2003 Revenue in Millions	2004/2003 % Growth
Jewelry	\$1,888	\$888	113%
Flowers	\$530	\$333	59%
Computer Hardware/Peripherals	\$2,144	\$1,650	30%

Source: Goldman Sachs, Harris Interactive, and Nielsen//NetRatings eSpending Report, 2004

*Number of respondents: More than 1,000 online U.S. adult consumers surveyed weekly (Weeks 1-8: n=9,077)

*The Holiday eSpending Report defines November 1 to December 26, 2004 as the 2004 Holiday Season.

“Online shopping contributed significantly to overall 2004 holiday sales by attracting consumers through a broad product selection,” said Heather Dougherty, senior Retail analyst, Nielsen//NetRatings.

“Consumers have become accustomed to purchasing online over the years and look to the Internet to find comprehensive product information, competitive prices and easy gift delivery allowing them to have more time to spend on other holiday activities.”

Wider Product Selection Drives 2004 Online Shopping

The 2004 eSpending report showed that overall the majority of online consumers were satisfied with this season’s Web shopping experience: 37 percent were very satisfied and 24 percent were somewhat satisfied. In addition, 30 percent of respondents felt this year’s online shopping was better than last year.

Several factors contributed to the success of online shopping in the 2004 holiday season. Similar to last year, the 2004 eSpending report indicated that 36 percent of respondents cited a preference to avoid crowds as the top reason to buy online rather than visit a store. Thirty-six percent also cited finding a lower price online was the reason they took to online shopping, while a wide product selection rounded out the top three reasons with 33 percent.

About the eSpending Report

The eSpending Report by Goldman Sachs, Harris Interactive and Nielsen//NetRatings is based on weekly national surveys conducted between November 1 and December 26, 2004, among more than 1,000 adult consumers who are online and who were randomly invited to participate from among the Harris Interactive online panel of survey respondents. The overall 2004 holiday shopping season data are based on responses from a total of more than 9,000 U.S. adults, who are online. The data were weighted to be representative of the total U.S. online population of adults (aged 18 years and over), and with probability samples of 1,000, one can say with 95 percent certainty that the weekly results have a sampling error of plus or minus 3 percentage points. The online samples are not probability samples. The eSpending Report offers weekly intelligence on online shopping and spending by market segment and also tracks consumer attitudes and motivations that drive online shopping.

About Goldman Sachs

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About Harris Interactive®

Harris Interactive Inc. (www.harrisinteractive.com), the 15th largest and fastest-growing market research firm in the world, is a Rochester, N.Y.-based global research company that blends premier strategic consulting with innovative and efficient methods of investigation, analysis and application. Known for *The Harris Poll*® and for pioneering Internet-based research methods, Harris Interactive conducts proprietary and public research to help its clients achieve clear, material and enduring results.

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To become a member of the Harris Poll OnlineSM and be invited to participate in future online surveys, visit www.harrispollonline.com.

About Nielsen//NetRatings

Nielsen//NetRatings, a service provided by NetRatings, Inc. (Nasdaq: NTRT), is the global standard for Internet audience measurement and analysis and is the industry's premier source for online advertising intelligence with its NetView, AdRelevance, @Plan, WebRF, LemonAd, MegaPanel and SiteCensus services. Covering 70 percent of the world's Internet usage, the Nielsen//NetRatings services offer syndicated Internet and digital media research reports and custom-tailored data to help companies gain valuable insight into their business. For more information, please visit www.nielsen-netratings.com.

Press Contacts:

Harris Interactive

Nancy Wong

585-214-7316

nwong@harrisinteractive.com

Goldman Sachs

Ed Canaday

(212) 357-0005

ed.canaday@gs.com

Nielsen//NetRatings

Tracy Yen

(408) 941-2932

tyen@netratings.com

Editor's Note: Please source data to Goldman Sachs, Harris Interactive and Nielsen//NetRatings.