

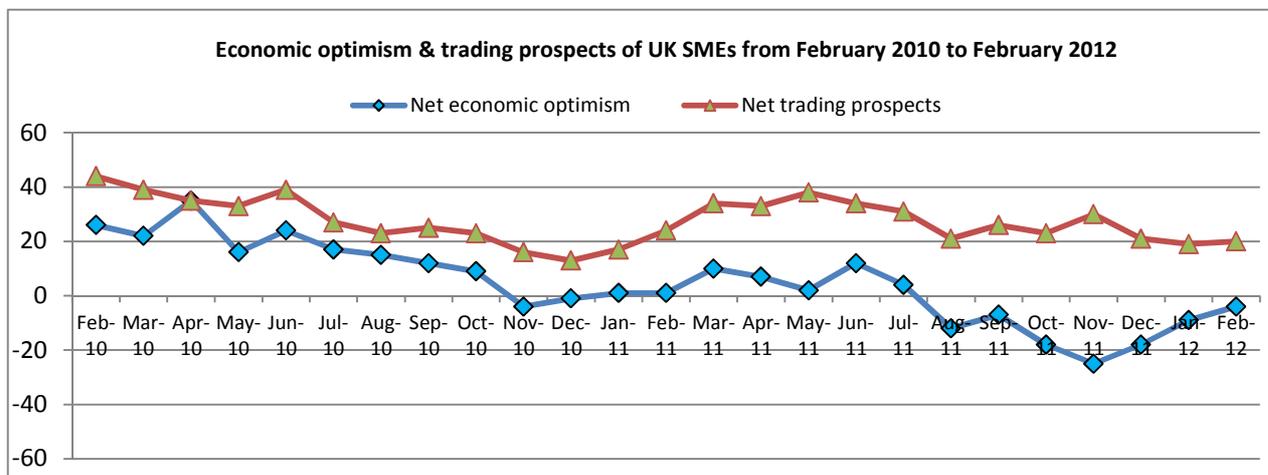
SMEs becoming less pessimistic about the economy

London 24th February 2012: The latest findings from BDRC Continental’s Business Opinion Omnibus showed a fall in pessimism about the UK economy among SMEs for the third consecutive month. The trend is a lift in mood from a strongly negative outlook in November 2011 – in fact, the February result shows the highest level of economic optimism in 7 months. However, we still find more SMEs feeling negative about the economic outlook than feeling positive. SMEs continue to feel more positive about their own trading prospects than they do about the economy as a whole.

www.bdrc-continental.com

Between January and February 2012, economic optimism among SMEs improved from a net balance of -9% to -4%, continuing the steady improvement since the recent low in November 2011. SMEs’ perception of their own trading prospects remained steady at a net balance of +20%. Both economic optimism and trading prospects are at similar levels seen in February 2011.

(Chart 1) Economic optimism and trading prospects of UK SMEs – February 2010 to February 2012



All respondents: 451 businesses with up to and including 250 employees. Note that prior to May 2011 the sample comprised of 300 businesses with a turnover of between £50K and £1m.

Vicky Whiting, Associate Director of Financial and Business research at BDRC Continental says: “This month’s results mark another small but positive reduction in SMEs’ pessimism about the economy although the net balance of opinion remains negative for the seventh consecutive month. But the level of pessimism is nowhere near the -52% recorded in November 2008. SMEs’ views of their own trading prospects are both more positive and more stable than their views on the overall economy. Many SMEs clearly see their own business as having potential for growth even when operating within a weak economy.”

Ends

For press enquiries please contact:

Lucy Green, Greenfields Communications lgreen@greenfieldscommunications.com

Tel: +44 (0)7817 698366

Note to editors

The BDRC Continental Business Opinion Omnibus has been tracking the economic optimism of small and medium sized enterprises (SMEs) since 1998. Every month the BDRC Continental Business Opinion Omnibus surveys approximately 450 senior financial decision makers at businesses with up to and including 250 employees (and greater than £50k turnover). In February 2012, BDRC Continental polled 451 SMEs from Monday 6th February to Friday 17th February 2012. Data was weighted to be nationally representative of the 1.721 million SME businesses in the UK according to turnover, region and industry based on the latest ONS data.

About ‘Net balance’

Net balance is the percentage of respondents replying ‘increase’ minus the percentage replying ‘decrease’. We ignore the percentage replying ‘the same’ for this purpose.

Q1- Thinking about the trading prospects for your company in the next year, do you expect business activity to increase, decrease or stay the same as the past year?

Q2- And thinking about the economy generally, would you say you are more optimistic than three months ago, or more pessimistic?

About BDRC Continental

BDRC Continental is the UK’s largest independent market research agency. Established in 1991, the company has built an unrivalled reputation as a full service consultancy with specialist expertise across a number of sectors including business to business; financial services; travel & transport; culture, tourism & leisure; hotels, meetings & hospitality; media & advertising; internet & telecoms; Government & not for profit.

BDRC Continental is staffed by highly experienced researchers with great reputations in their individual fields as well as in the market research industry. The company is renowned for its consultative approach and ability to add value to clients' businesses by bringing insights from multiple markets to the research. This cross-disciplinary approach enables BDRC Continental to provide intelligence that is informed by a deep understanding of the client's issues and the wider market context. As well as undertaking bespoke research for a wide variety of clients, the company conducts a number of syndicated studies and has developed proprietary techniques including Tracktion, Grapevine, Service Intensity, the Business Opinion Omnibus, SME Finance Monitor and ZMET Visionary Thinking. www.bdrc-continental.com