



MidBritain's confidence in UK economy hits new low

The MidBritain Consumer Confidence Index shows that MidBritons' confidence in the UK economy has fallen significantly since Q1. The majority believes that the situation will worsen in the next 6 months.

MidBritons' decreasing levels of confidence is affected largely by prices on the high street and the general cost of living. The stock market has the least impact, partly because MidBritons are financially savvy and know that such an investment is long term. Furthermore, interest rates have no significant impact on consumer confidence for this group.

The MidBritain Report is researched by BMRB and published by Associated Newspapers. It features original data from individuals who represent the mid-section of the British population.

The report monitors the confidence of MidBritons regarding the economy, the government and their political outlook. The report is produced on a quarterly basis. Quarter 1 results were collected in March 2008. Quarter 2 results were collected in June 2008.

Q1 Base: 2,282 MidBritons (March 08)
Q2 Base: 1,612 MidBritons (June 08)
★ Indicates significant movement from Q1 to Q2

The MidBritain Confidence Index is based on factors such as cost of living, house prices, interest rates and the stock market. It also goes beyond other measures of confidence in that it looks at the impact on their own personal finances.

"We have analysed our respondents' claimed change in their personal financial behaviours and linked them to how they claim to feel about the economy at large," said Ryan Howard of BMRB Media. "In this way, our index is sensitive to the factors which impact this group the most."

The change in MidBritons' consumer confidence has had some behavioral impact, with 87% making a change to their personal finances as a result of the economic situation. Half have reviewed their finances and one-third changed service providers to save money.

However, there are indications that overall MidBritons remain financially secure. In fact, 80% of MidBritons believe they are in control of their finances, making them confident about their own positions.

The survey panel has been carefully selected to represent the breadth of individuals within MidBritain. A deeper understanding of the composition of this audience can be found at our website www.midbritain.com.



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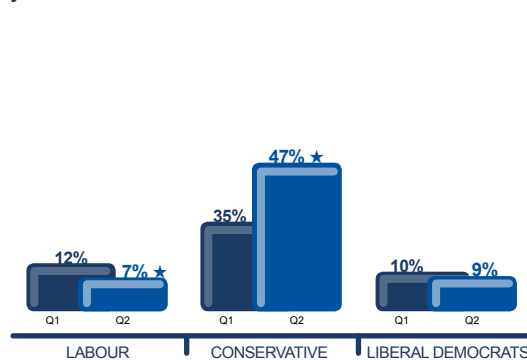
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Politics

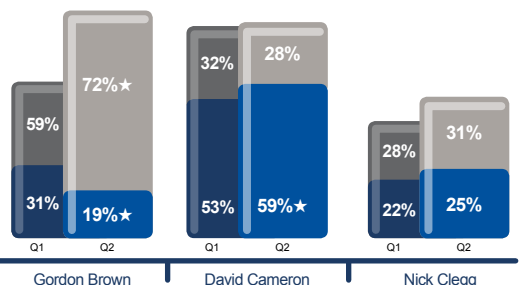
Cameron leaps ahead as Labour drop to 3rd place in MidBritain poll

If there was an election tomorrow, which party would you vote for?



How do you feel about individual politicians?

Trust (overall) Don't trust at all



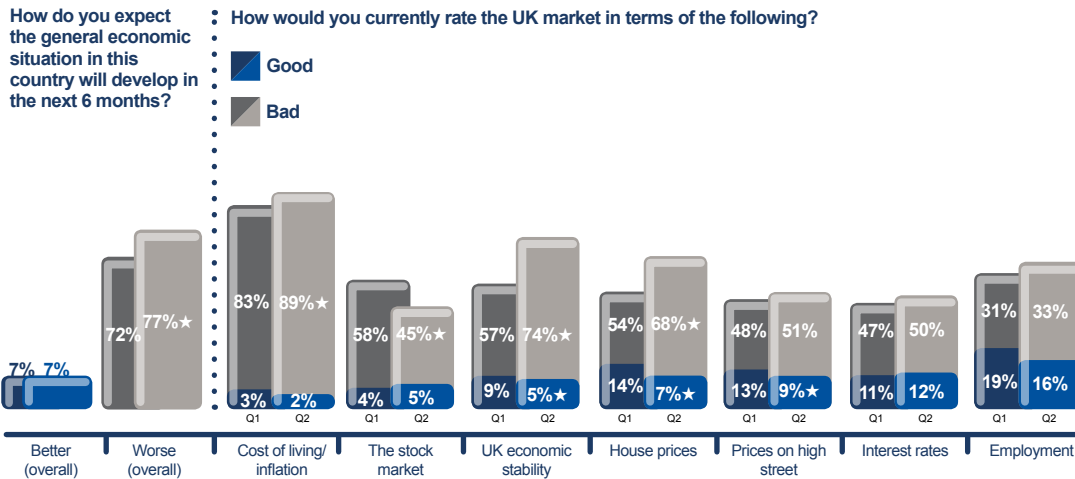
The Conservative party has strengthened their lead on Labour. If there was an election tomorrow, 47% of MidBritons said they would vote Conservative. This represents a massive increase of 34% (or 12% points). The Liberal Democrats have now pushed ahead of Labour in the MidBritain poll with 9% in support. This leaves Labour now trailing at 7%.

The increase in Conservative support has been driven by voter defections from Labour and by a drop in the 'don't know' category from 20% to 13%.

Further, Gordon Brown's trust rating has dropped significantly this quarter from 31% to just 19%. David Cameron's trust appeal has risen slightly to 59%. With over half of MidBritain being swing voters and the large majority intending to vote at the next election (75%), they represent a key target for political parties.

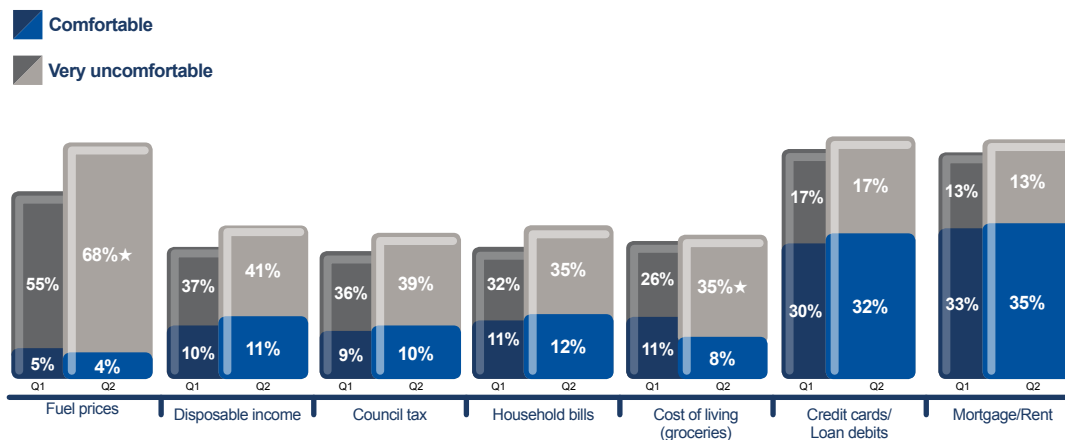
Consumer Confidence

As the economic outlook worsens, MidBritain finances remain secure



- The clear majority of MidBritons (77%) believe that the economy is set to worsen in the next 6 months, representing an increase from Q1. Further, they believe that the UK's economic outlook will remain shaky for the foreseeable future.
- The cost of living is a key indicator driving the economic outlook of MidBritain. With 89% rating the cost of living as 'bad,' it remains the biggest cause for concern. The negative rating of the UK's economic stability has experienced a 17% point increase this quarter.
- With only 7% of MidBritons believing that house prices are good, this figure has halved when compared to Q1.
- Confidence in the stock market rebounded this quarter with a significant drop in those believing that the situation is bad while Interest rate and Employment indicators remain stable.

How comfortable do you feel with the following household outgoing/bills?



- Over two thirds state they are very uncomfortable with their fuel bill, suggesting MidBritons have been hit hardest by rising fuel prices. They have also noticed an increase in the cost of groceries, further contributing to the rise in negative opinion about the UK economy.
- However, MidBritons continue to be unaffected in a serious way by the credit crunch. Their ability to manage credit, mortgage repayments and bills remains stable. The additional stability of the employment market means their disposable income remains unaffected.

Social Conscience

MidBritons care about the environment and expect companies to do the same

A strong majority of MidBritons (80%) are concerned about the environment, while three quarters believe that small changes to their lifestyle can make a difference. 90% claim that recycling is important and they support campaigns to reduce supermarket packaging.

MidBritons also believe that the Government, local councils and supermarkets have a role to play in being environmentally friendly. The vast majority of MidBritons expect companies to be environmentally responsible. As such, three quarters support a 'Green Tax.'

Over half of MidBritons are choosing brands that advertise that they are 'green' over those that don't. A third have boycotted a brand specifically because it damages the environment.

Top 10 Environmentally Friendly Brands

1. Bodyshop
2. Co-op
3. M&S
4. Green and Black
5. Innocent
6. Sainsbury's
7. Tesco
8. Boots
9. BBC
10. Honda

Base: 2,492 MidBritons (Jan 08)