



As confirmation of US bail out finally comes through, MidBritons adapt to the current economic crisis

Record drops and volatility on the UK and US markets coupled with the failure and fall of several seasoned banking giants has made for grim viewing in recent weeks. Britain's three main political parties held their annual conferences, each setting out the plans they hope will convince the electorate that theirs is the right party to extract us from this mess.

Meanwhile MidBritons are adapting to the worsening economic situation. According to the latest financial survey conducted by BMRB, MidBritons are making small changes to maintain their way of life and ensure that their money goes further. There has been a notable increase in the use of coupons, loyalty cards and 2 for 1 offers. 8 out of 10 said that despite the current uncertainty, they are in control of their finances and have not significantly reduced their spending due to the credit crunch.

On average MidBritons have £30k in savings and own 10 financial products. Half are intending to purchase or switch financial products in the next 12 months. By managing their debt MidBritons are able to continually add to their savings. They keep on top of their credit card bills, with two thirds preferring to pay them off in full at the end of each month. By regularly making their mortgage repayments, the average MidBriton only has £84k left to pay on their property.

MidBritons are better informed and more financially savvy than the average person in the UK when it comes to their financial affairs*. MidBritons like to keep up to date with latest news and information, with just under half regularly reading the financial pages of the newspapers. There has also been an increase in the use of financial sections within newspapers and price comparison websites in the last year. 9 out of 10 MidBritons say that they have an interest in finance and with 56% knowing the interest rate on their savings account, many are astute rate switchers.

88% of MidBritons said that a well known brand is important. This can be seen in the choice of companies MidBritons have selected in the 'top ten' most trusted financial companies.

* Source: Henley Centre, Feeling the Pinch, published Aug 2008.

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 (Mar 08)

Q2 Base: 1,612 MidBritons (Jun 08)

Q3 Base: 2,081 MidBritons (Sep 08)

★ Indicates significant movement from Q2 to Q3

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.

Insight into the UK's superconsumers
MIDBRITAIN

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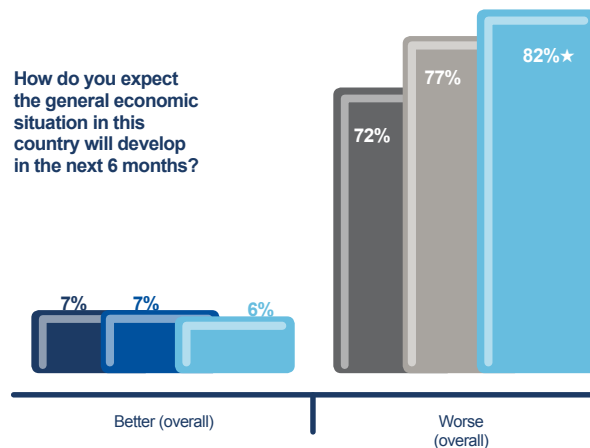
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- ### Top 10 Trusted Financial Providers
1. NS&I
 2. Nationwide
 3. Co-op
 4. Halifax
 5. Lloyds
 6. HSBC
 7. Barclays
 8. Natwest
 9. Abbey
 10. RBS

Base: 1,977 MidBritons (Aug 08)

MidBritain - a modern definition of Middle England

MidBritain is the only independent ongoing study into understanding the mindset and behaviour of the group that has commonly been referred to as Middle England.

Britain's media, retailers, advertisers and politicians are always discussing the importance of this group – who they are, what they do, what they want and think. Together they can make or break a brand, push the financial markets up or down, and decide who wins and loses elections. We have made it our aim to continuously and accurately measure what this hugely influential mass – the lifeblood of our economy and the bedrock of our society – think on the issues and challenges facing Britain today.

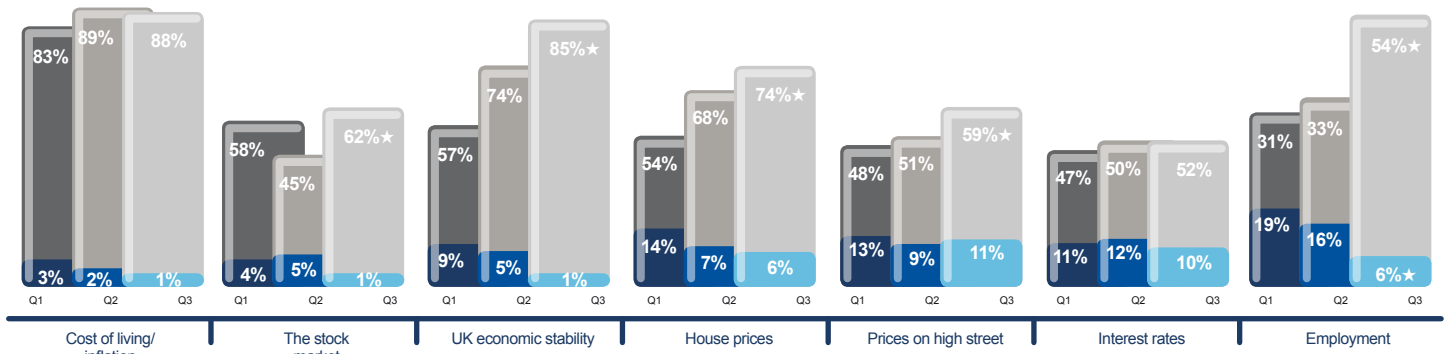
Our research to date has shown the MidBritain mindset to be aspirational, motivated, influential, opinionated with the belief that they can make a difference. They are brand promoters, who actively share their experiences of products and services. This makes MidBritons the ultimate consumers with the power to make or break almost any brand; we like to refer to them as the UK's superconsumers.

Consumer Confidence

MidBritain's confidence in UK economy continues decline

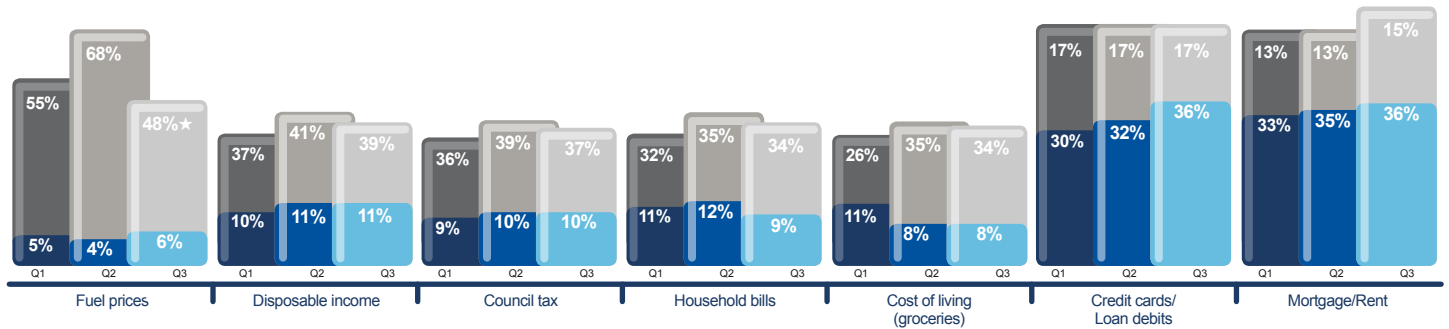
How would you currently rate the UK market in terms of the following?

Good (Blue) Bad (Grey)



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

Very uncomfortable (Grey) Comfortable (Blue)



Since last quarter there has been a significant increase in pessimism surrounding the economic situation. The vast majority of MidBritons (85%) feel that the economy will get worse in the next 6 months. Prices on the high street (+8% this quarter) drive declining confidence levels. MidBritons' confidence in the stock market and housing market has significantly worsened. This quarter shows concerns among MidBritons regarding the employment market, which indicates that the country is edging towards a recession.

Despite negative confidence in the overall economy, concerns over fuel prices have decreased by 20% since last quarter. MidBritons continue to be resilient to the credit crunch with comfort levels remaining constant for credit card loans and mortgages/rent. MidBritons disposable income and savings remains unaffected over the last three quarters.

Politics

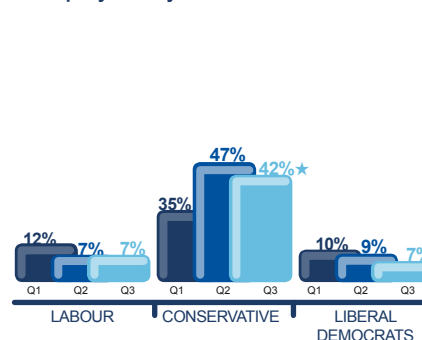
Cameron remains strong as confidence in Brown diminishes

If there was an election tomorrow, 42% of MidBritons said that they would vote for the Conservative party. Gordon Brown's trust rating took a dive in May and despite a slight improvement this quarter, 2 in 3 MidBritons continue to state that they have low levels of trust in the Prime Minister.

William Hague is the most trusted politician with 1 in 5 MidBritons stating that they trust him a lot. David Cameron and Boris Johnson are also rated highly for trust.

Interestingly, 41% have said that they are not loyal to one party and the proportion of undecided voters has steadily increased wave on wave.

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



How do you feel about individual politicians?

Trust (overall) (Blue) Don't trust at all (Grey)

