

# **UNICOM PRESS RELEASE**

April 24, 2008.

## **90% OF SMALL BUSINESS SAYS UK ECONOMIC CONFIDENCE HAS CRASHED IN THE PAST MONTH.**

Nine out of ten small businesses say their confidence in the state of the UK economy has crashed in the past four weeks.

Unicom, the small business specialist telecoms provider, has been asking small company owners and managers whether they feel more or less confident in the economy now than at the same time in March.

Of 154 companies surveyed, 140 said that they were less confident in the economy than at the same time the previous month.

Just 14 said they were more confident in the economy than a month ago, although Unicom itself is seeing fewer customers going out of business than at the same time in 2007.

"The bottom line is that we had 263 customer insolvencies in the first 10 weeks of 2008 compared with 246 in the corresponding period in 2007 – a growth of 6.9%. However, this compares with growth in invoiced customers from 56,189 at the end of March 2007 to 68,860 at the end of March 2008, i.e. 22.6%," said Tony Eagleton, Finance Director of Unicom.

"Accordingly, the number of insolvencies has actually fallen as a proportion of our active customer base.

"Small business is the barometer of the UK economy, they are usually the first to feel the pinch because they don't have the accumulated financial reserves or the negotiating strength of many bigger companies but Unicom's customers, at least, continue to thrive in allegedly difficult times.

“It is possible that one contributing factor is the resilience that small businesses have built up. Their managers are closer to the front line, so they are able to respond quickly to changes in the economic environment.

“Nevertheless, it is remarkable that, given their declining confidence in the economy, our customer insolvencies are running at a less than a third of the rate that might be expected.”

### **About Unicom**

Unicom, part of Universal Utilities PLC, is a telecommunications service provider specialising in the small business market. It currently provides telecom, broadband and website services to 70,000 small businesses throughout the UK. Unicom has an annual turnover of over £40m, with 10 regional offices situated around the UK.

Unicom has 70,000 customers, primarily small or owner-managed businesses with telephone bills of approximately £1,000 a year. The specialised nature of the telephony and broadband products offered by Unicom provides significant savings for its business users.

Based in Manchester, it has regional headquarters in Birmingham, Ipswich, Leeds, Milton Keynes, Newcastle-upon-Tyne, Nottingham, Sheffield and Stoke-on-Trent.

Unicom has attracted its small business customers by offering discounts of up to 60% off BT's prices, at the same time as keeping customers on the BT network. Unicom currently supplies in excess of 450 million minutes of call time to its small business customers each year. Unicom differentiates itself by offering a high standard of personal customer service, with no premium rate 0845 or 0870 numbers, no recorded messages or menus, and no overseas call centres. Unicom boasts one of the highest customer retention rates in the industry.

Unicom was ranked 26<sup>th</sup> in the Sunday Times Profit Track 100 listings in April 2006, 89<sup>th</sup> in the Sunday Times Fast Track 100 index in December 2006 and 96<sup>th</sup> in the Sunday Times Profit Track 100 listings in April 2007. In September 2007 it achieved a ranking of 95<sup>th</sup> in the Sunday Times Microsoft Tech Track 100 index. The company employs 500 people.

Further information:

Megan Codling or Iain Macauley

mc@pressrelations.co.uk / im@pressrelations.co.uk

07795 848586 / 07788 978800 [www.switchingon.com](http://www.switchingon.com)