

YouGov Survey Results

Sample Size: 249

Fieldwork: 15/01/13 - 31/01/13

TOTAL	SMALL AND MID-CAP QUOTED COMPANIES	ADVISORY COMPANIES
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q1. How optimistic or pessimistic do you feel about the UK economy over the coming 12 months? On this scale, the mid-point represents 'neutral' and will appear as number 5.

Unweighted Base	249	137	112
Base	249	137	112
0	-	-	-
1	2%	2%	1%
2	4%	4%	3%
3	12%	11%	13%
4	16%	16%	16%
5	34%	34%	34%
6	24%	29%	19%
7	6%	4%	10%
8	1%	-	3%
9	-	-	-
10	0%	0%	-
Refused	1%	-	2%
Mean	4.84	4.78	4.92

q3. How optimistic or pessimistic do you feel about your own company's prospects over the next 12 months? The mid-point again represents 'neutral'.

Unweighted Base	137	137	-
Base	137	137	-
0	-	-	-
1	-	-	-
2	2%	2%	-
3	2%	2%	-
4	4%	4%	-
5	18%	18%	-
6	26%	26%	-
7	18%	18%	-
8	22%	22%	-
9	5%	5%	-
10	1%	1%	-
Refused	1%	1%	-
Mean	6.40	6.40	-

q4ab. How optimistic or pessimistic do you feel about the prospects of small to mid-cap UK quoted companies over the next 12 months? The mid-point again represents 'neutral'.

Unweighted Base	112	-	112
Base	112	-	112
0	1%	-	1%
1	1%	-	1%
2	3%	-	3%
3	10%	-	10%
4	22%	-	22%
5	21%	-	21%
6	24%	-	24%
7	11%	-	11%
8	5%	-	5%
9	-	-	-
10	-	-	-
Refused	2%	-	2%
Mean	5.04	-	5.04

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q5a. By what percentage do you expect the number of full time employees in your business to change over the next 12 months?

Unweighted Base	137	137	-
Base	137	137	-
+ 50% or more [65]	0%	0%	-
+ 30% to +49% [39.5]	3%	3%	-
+ 20% to + 29% [24.5]	5%	5%	-
+ 15% to + 19% [17]	2%	2%	-
+ 10% to + 14% [12]	11%	11%	-
+ 5% to + 9% [7]	11%	11%	-
+ 3% to + 4% [3.5]	9%	9%	-
+ 1% to +2% [1.5]	16%	16%	-
No change [0]	28.4%	28%	-
-1% to -2% [-1.5]	2%	2%	-
-3% to -4% [-3.5]	5%	5%	-
-5% to -9% [-7]	2%	2%	-
-10% to -14% [-12]	4%	4%	-
-15% to -19% [-17]	0%	0%	-
-20% to -29% [-24.5]	2%	2%	-
-30% to -49% [-39.5]	-	-	-
-50% or more [-65]	-	-	-
Mean	4.02	4.02	-

q5adva. By what percentage do you expect the number of full time employees in small to mid-cap UK quoted companies in general to change over the next 12 months?

Unweighted Base	112	-	112
Base	112	-	112
+ 20% or more [30]	-	-	-
+ 11-20% [15.5]	1%	-	1%
+ 6-10% [8]	6%	-	6%
+ 3-5% [4]	15%	-	15%
+ 1-2% [1.5]	33%	-	33%
No change [0]	13%	-	13%
- 1-2% [-1.5]	12%	-	12%
- 3-5% [-4]	13%	-	13%
- 6-10% [-8]	5%	-	5%
- 11-20% [-15.5]	2%	-	2%
- 20% or more [-30]	-	-	-
Mean	0.36	-	0.36

qlisted3. By how much do you expect your turnover to change in the coming 12 month period?

Unweighted Base	137	137	-
Base	137	137	-
+ 50% or more [65]	6%	6%	-
+ 30% to +49% [39.5]	2%	2%	-
+ 20% to + 29% [24.5]	5%	5%	-
+ 15% to + 19% [17]	9%	9%	-
+ 10% to + 14% [12]	14%	14%	-
+ 5% to + 9% [7]	27%	27%	-
+ 3% to + 4% [3.5]	13%	13%	-
+ 1% to +2% [1.5]	2%	2%	-
No change [0]	18%	18%	-
-1% to -2% [-1.5]	-	-	-
-3% to -4% [-3.5]	1%	1%	-
-5% to -9% [-7]	1%	1%	-
-10% to -14% [-12]	-	-	-
-15% to -19% [-17]	0%	0%	-
-20% to -29% [-24.5]	1%	1%	-
-30% to -49% [-39.5]	-	-	-
-50% or more [-65]	-	-	-
Mean	11.19	11.19	-

Fieldwork: 15/01/13 - 31/01/13

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q12ed2. What would be your preferred way of raising capital, if the need arose in the next 12 months?

Unweighted Base	137	137	-
Base	137	137	-
Bank finance	36%	36%	-
Public equity	41%	41%	-
Listed debt issuance	11%	11%	-
Private equity	8%	8%	-
Other (such as invoice discounting, asset finance, factoring)	5%	5%	-

q12a. Bank finance : On a scale of 0 to 10, how easy or difficult would your company currently find it to raise finance through the following channels? On this scale, 0 represents 'Impossible' and 10 represents 'Extremely easy'.

Unweighted Base	137	137	-
Base	137	137	-
0 – Impossible [0]	13%	13%	-
1 [1]	4%	4%	-
2 [2]	7%	7%	-
3 [3]	7%	7%	-
4 [4]	4%	4%	-
5 [5]	12%	12%	-
6 [6]	10%	10%	-
7 [7]	21%	21%	-
8 [8]	7%	7%	-
9 [9]	5%	5%	-
10 – Extremely easy [10]	5%	5%	-
Don't know	5%	5%	-
Mean	4.94	4.94	-

q12b. Public equity : On a scale of 0 to 10, how easy or difficult would your company currently find it to raise finance through the following channels? On this scale, 0 represents 'Impossible' and 10 represents 'Extremely easy'.

Unweighted Base	137	137	-
Base	137	137	-
0 – Impossible [0]	5%	5%	-
1 [1]	2%	2%	-
2 [2]	6%	6%	-
3 [3]	8%	8%	-
4 [4]	7%	7%	-
5 [5]	12%	12%	-
6 [6]	10%	10%	-
7 [7]	21%	21%	-
8 [8]	10%	10%	-
9 [9]	4%	4%	-
10 – Extremely easy [10]	6%	6%	-
Don't know	8%	8%	-
Mean	5.59	5.59	-

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q12c. Listed debt issuance : On a scale of 0 to 10, how easy or difficult would your company currently find it to raise finance through the following channels? On this scale, 0 represents 'Impossible' and 10 represents 'Extremely easy'.

Unweighted Base	137	137	-
Base	137	137	-
0 – Impossible [0]	19%	19%	-
1 [1]	3%	3%	-
2 [2]	5%	5%	-
3 [3]	11%	11%	-
4 [4]	4%	4%	-
5 [5]	9%	9%	-
6 [6]	9%	9%	-
7 [7]	4%	4%	-
8 [8]	7%	7%	-
9 [9]	3%	3%	-
10 – Extremely easy [10]	0%	0%	-
Don't know	27%	27%	-
Mean	3.71	3.71	-

q12d. Private equity : On a scale of 0 to 10, how easy or difficult would your company currently find it to raise finance through the following channels? On this scale, 0 represents 'Impossible' and 10 represents 'Extremely easy'.

Unweighted Base	137	137	-
Base	137	137	-
0 – Impossible [0]	13%	13%	-
1 [1]	6%	6%	-
2 [2]	4%	4%	-
3 [3]	12%	12%	-
4 [4]	5%	5%	-
5 [5]	11%	11%	-
6 [6]	6%	6%	-
7 [7]	13%	13%	-
8 [8]	6%	6%	-
9 [9]	2%	2%	-
10 – Extremely easy [10]	2%	2%	-
Don't know	22%	22%	-
Mean	4.20	4.20	-

q12aa. Bank finance : On a scale of 0 to 10, how easy or difficult do you believe small to mid-cap UK quoted companies are currently finding it to raise finance through the following channels? On this scale, 0 represents 'Impossible' and 10 represents 'Extremely easy'.

Unweighted Base	112	-	112
Base	112	-	112
0 – Impossible [0]	4%	-	4%
1 [1]	10%	-	10%
2 [2]	24%	-	24%
3 [3]	26%	-	26%
4 [4]	16%	-	16%
5 [5]	9%	-	9%
6 [6]	4%	-	4%
7 [7]	1%	-	1%
8 [8]	1%	-	1%
9 [9]	-	-	-
10 – Extremely easy [10]	-	-	-
Don't know	4%	-	4%
Mean	2.98	-	2.98

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q12ab. Public equity : On a scale of 0 to 10, how easy or difficult do you believe small to mid-cap UK quoted companies are currently finding it to raise finance through the following channels? On this scale, 0 represents 'Impossible' and 10 represents 'Extremely easy'.

Unweighted Base	112	-	112
Base	112	-	112
0 – Impossible [0]	-	-	-
1 [1]	4%	-	4%
2 [2]	16%	-	16%
3 [3]	37%	-	37%
4 [4]	12%	-	12%
5 [5]	9%	-	9%
6 [6]	12%	-	12%
7 [7]	4%	-	4%
8 [8]	1%	-	1%
9 [9]	-	-	-
10 – Extremely easy [10]	-	-	-
Don't know	7%	-	7%
Mean	3.64	-	3.64

q12ac. Listed debt issuance : On a scale of 0 to 10, how easy or difficult do you believe small to mid-cap UK quoted companies are currently finding it to raise finance through the following channels? On this scale, 0 represents 'Impossible' and 10 represents 'Extremely easy'.

Unweighted Base	112	-	112
Base	112	-	112
0 – Impossible [0]	5%	-	5%
1 [1]	17%	-	17%
2 [2]	12%	-	12%
3 [3]	18%	-	18%
4 [4]	19%	-	19%
5 [5]	5%	-	5%
6 [6]	6%	-	6%
7 [7]	4%	-	4%
8 [8]	-	-	-
9 [9]	-	-	-
10 – Extremely easy [10]	-	-	-
Don't know	13%	-	13%
Mean	3.05	-	3.05

q12ad. Private equity : On a scale of 0 to 10, how easy or difficult do you believe small to mid-cap UK quoted companies are currently finding it to raise finance through the following channels? On this scale, 0 represents 'Impossible' and 10 represents 'Extremely easy'.

Unweighted Base	112	-	112
Base	112	-	112
0 – Impossible [0]	3%	-	3%
1 [1]	4%	-	4%
2 [2]	9%	-	9%
3 [3]	19%	-	19%
4 [4]	21%	-	21%
5 [5]	21%	-	21%
6 [6]	10%	-	10%
7 [7]	6%	-	6%
8 [8]	-	-	-
9 [9]	-	-	-
10 – Extremely easy [10]	-	-	-
Don't know	7%	-	7%
Mean	3.99	-	3.99

Fieldwork: 15/01/13 - 31/01/13

	TOTAL	SMALL AND MID-CAP QUOTED COMPANIES	ADVISORY COMPANIES
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qt1. Would your company be interested in issuing a corporate bond as an alternative source of funding?

Unweighted Base	136	136	-
Base	136	136	-
Yes	38%	38%	-
No	46%	46%	-
Don't Know	16%	16%	-

qt1adv. Would you recommend a corporate bond issue to your clients as an alternative source of funding?

Unweighted Base	112	-	112
Base	112	-	112
Yes	57%	-	57%
No	20%	-	20%
Don't Know	23%	-	23%

qt2. On balance what impact, if any, do you believe the growth in the small and mid-cap corporate bond market will have on companies over the coming year or so?

Unweighted Base	247	136	111
Base	247	136	111
Strong negative impact	-	-	-
Slight negative impact	2%	2%	2%
No impact	23%	24%	22%
Slight positive impact	54%	53%	55%
Strong positive impact	4%	3%	5%
Don't know	18%	19%	17%
Net: Total Negative	2%	2%	2%
Net: Total Positive	58%	56%	59%

qt3. Do you believe the market for corporate bonds is:

Unweighted Base	247	136	111
Base	247	136	111
Overregulated	6%	5%	7%
Underregulated	11%	13%	8%
About right	43%	37%	51%
Don't know	40%	45%	33%

qt4. What do you consider to be the single main benefit for small and mid-cap companies seeking to issue corporate bonds to raise finance, as opposed to issuing equity?

Unweighted Base	246	136	110
Base	246	136	110
costs of the issue are tax deductible	3%	3%	3%
non dilution of ownership	33%	36%	28%
pre-determined interest payments	7%	5%	9%
fewer disclosure requirements	2%	2%	3%
current lack of equity investor demand	23%	19%	28%
other small and mid-cap companies have successfully issued corporate bonds	6%	6%	5%
Other	9%	7%	11%
Don't know	18%	22%	13%

Fieldwork: 15/01/13 - 31/01/13

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qt5. What do you consider to be the _single biggest obstacle_ for small and mid-cap companies seeking to issue corporate bonds to raise finance, as opposed to issuing equity?

Unweighted Base	246	136	110
Base	246	136	110
fixed repayment date	3%	2%	4%
greater perceived risk	6%	7%	5%
relatively few small and mid-cap companies have issued corporate bonds	19%	23%	15%
lack of knowledge about the process and the market generally	21%	16%	26%
lack of investor demand for corporate bonds	14%	11%	18%
insufficient liquidity of corporate bonds	10%	8%	13%
increase in interest rates could lead to a fall in capital values	4%	4%	5%
lower financial flexibility	6%	9%	2%
Other	4%	5%	3%
Don't know	13%	15%	9%

qt6. Are you aware of the London Stock Exchange's electronic Order Book for retail bonds?

Unweighted Base	246	136	110
Base	246	136	110
Yes	44%	39%	51%
No	56%	61%	49%

qt7. Do you believe there is sufficient information available for companies to evaluate effectively the market for corporate bonds?

Unweighted Base	246	136	110
Base	246	136	110
Yes	21%	24%	16%
No	46%	38%	56%
Don't Know	33%	38%	27%