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May 2011 SB Authority Market Sentiment Survey Demonstrates Independent Business Owners Have a Lack of Understanding of Cloud Computing Benefits

Seventy-One Percent of Small Business Owners Say They Have Never Heard of Cloud Computing

NEW YORK, May 25, 2011 /PRNewswire/ -- Newtek Business Services, (NASDAQ: NEWT), [The Small Business Authority](#) with a portfolio of over 100,000 business accounts, announced today the findings of its SB Authority Market Sentiment Survey, a monthly window into the concerns of independent business owners. Based on a poll of approximately 1,800 respondents, one of the key findings from May's survey was small business owners' apparent lack of Cloud Computing knowledge. The full May 2011 results showed the following:

<u>Poll Question</u>	<u>Poll Answer</u>	<u>Percentage</u>
Do you know or have you ever heard of Cloud Computing?	Yes	29%
	No	71%
If you know of or ever heard of Cloud Computing, can you describe what Cloud Computing is?	Yes	26%
	No	74%
Do you have data or critical information, software or hardware in your physical office like a server, a tower, or a hard drive that may not be secure?	Yes	22%
	No	78%
Is all of your critical computer hardware, software, and data stored and backed up offsite?	Yes	29%
	No	71%

Barry Sloane, President and CEO of [The Small Business Authority](#) commented "Cloud computing will be the next important trend in the U.S. economy for businesses large and small. There is no doubt that business owners will embrace the cloud concept and over time gravitate towards its massive benefits. We surveyed over 1,800 independent business owners and discovered that the concept of cloud computing has begun to disseminate into the marketplace, due primarily to large advertising programs by entities like Microsoft, Cisco and others. Business owners will need to understand what the cloud is and what it can do for their businesses in the areas of cost control, data security, data protection, accessibility, efficiency

and productivity to facilitate a smooth running technological platform for their business."

Mr. Sloane continued "About 25 percent of our business owners said they understood what cloud computing was. However, when we drilled down deeper most, 78 percent, thought that their data was secure. Yet 71 percent stated their data was not backed up offsite. Server huggers beware. The cloud is approaching; the security blanket of the server in the closet onsite and having an assistant backup important business data and confidential client information needs to be behind us all. Our survey this month is quite telling about what independent business owners really need to know about the cloud and how misinformed they are about data safety and security."

About Newtek Business Services, Inc.

Newtek Business Services, [The Small Business Authority](#), provides the following products and services:

- | **[Electronic Payment Processing](#)**: eCommerce, electronic solutions to accept non-cash payments, including credit and debit cards, check conversion, remote deposit capture, ACH processing, and electronic gift and loyalty card programs.
- | **[Managed Technology Solutions \(Cloud Computing\)](#)**: Full-service web host, which offers eCommerce solutions, shared and dedicated web hosting and related services including domain registration and online shopping cart tools.
- | **[eCommerce](#)**: A suite of services that enable small businesses to get up and running on-line quickly and cost effectively, with integrated web design, payment processing and shopping cart services.
- | **[Business Lending](#)**: Broad array of lending products including SBA 7(a) and SBA 504 loans.
- | **[Insurance Services](#)**: Commercial and personal lines of insurance, including health and employee benefits in all 50 states, working with over 40 insurance carriers.
- | **[Web Services](#)**: Customized web design and development services.
- | **[Data Backup, Storage and Retrieval](#)**: Fast, secure, off-site data backup, storage and retrieval designed to meet the specific regulatory and compliance needs of any business.
- | **[Accounts Receivable Financing](#)**: Receivable purchasing and financing services.
- | **[Payroll](#)**: Complete payroll management and processing services.

Newtek Business Services, Inc., [The Small Business Authority](#), is a direct distributor of a wide range of business services and financial products to the small- and medium-sized business market under the Newtek® brand. Since 1999, Newtek has helped small- and medium-sized business owners realize their potential by providing them with the essential tools needed to manage and grow their businesses and to compete effectively in today's marketplace. Newtek provides its services to over 100,000 business accounts and has positioned the Newtek® brand as a one-stop-shop provider of such business services. According to the U.S. Small Business Administration, there are over 27.5 million small businesses in the United States, which in total represent 99.7% of all employer firms.

Note Regarding Forward Looking Statements

Statements in this press release including statements regarding Newtek's beliefs, expectations, intentions or strategies for the future, may be "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions which could cause Newtek's actual results to differ from management's current expectations are contained in Newtek's filings with the Securities and Exchange Commission and available through <http://www.sec.gov>.

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