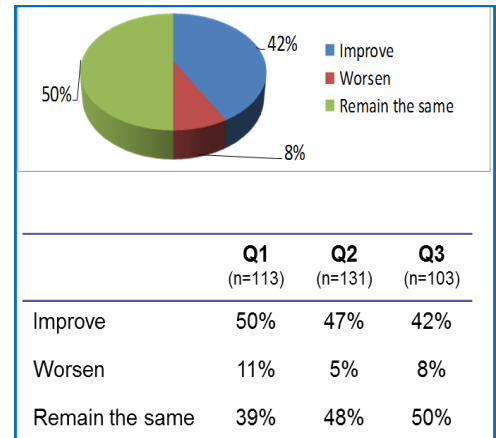


The following are third quarter survey results from the Baldwin Gilman Business Conditions Index Survey, a quarterly survey launched in February 2010. For additional information and more detailed findings, please contact Tom Gilman directly at 513-842-5333 or TGilman@baldwingilman.com

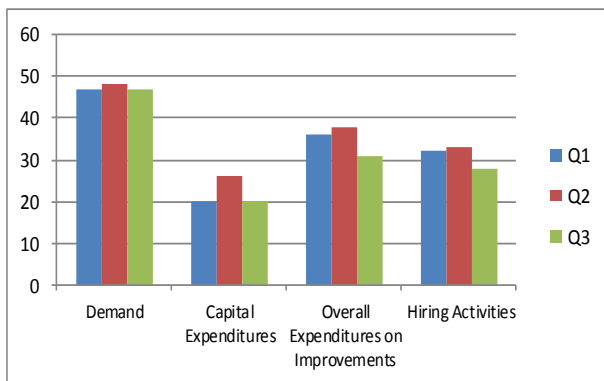
**With optimism waning, respondents expect “more of the same”**

Overall, respondents in our quarterly survey are somewhat less optimistic about general business conditions than they were three months ago. As the year has progressed, the percent of survey respondents who mention business conditions will improve has steadily decreased (from 50% in the first quarter 2010 to 42% in the 3rd), along with expectations for demand, hiring, and expenditures.

While still better than 1st quarter expectations, survey participants are more likely to anticipate that general business conditions will worsen. This overall pessimism is consistent with the Conference Board’s Measure of CEO Confidence (October 2010) in which CEOs are much more pessimistic about the short-term economic outlook.



Compared to last quarter, more respondents are anticipating capital expenditures to decrease. This is somewhat counter to market activity, where major corporations like Apple, Intel and Coca Cola have announced increases in capex, signaling perhaps that greater Cincinnati-area businesses are approaching spending more cautiously.



- Those expecting hiring to decrease has almost tripled since last quarter (from 6% to 15%).
- Expenditures on improvements are more often anticipated to decrease or remain the same (3% and 4% increases, respectively).
- Demand for products and services is anticipated to decrease, more so than in previous quarters (from 7% to 3% to 9% currently)

**Health care industry remains optimistic; financial services and larger companies less confident**

In Q3, respondents in healthcare remain optimistic in general and anticipate increases in expenditures, while those in financial services are more likely to anticipate significant decreases across the board.

Companies with 1,000 or more employees are less optimistic about the state of the economy and overall business conditions than they were 3 months ago (47% vs. 61%).

*“The executive search business is generally a good indicator of how well the economy—and in particular the job market—is doing. So while survey respondents appear less optimistic about the economy overall, and anticipate decreases in expenditures, demand and hiring our business has stabilized in the second half of 2010. We’re optimistic about the early part of 2011.”*

- Tom Gilman, CEO