



Quarterly Survey: 2010 - Quarter 3

Summary

Is a slowdown in the regional IT sector developing?

Anecdotally, we hear tech companies telling us that they've had a very strong 2010, which is not unusual considering the weak economy in 2009. While the economic situation appears to be improving, continued uncertainty and a stubbornly high unemployment rate may be combining to inhibit the tech sector.

Trends in most, but not all, of our measures are heading into a declining trend. In the 3rd quarter, we did see an increase in companies reporting "very good" results, but that was offset by fewer companies reporting "good" results. Combined, good/very good results have dropped from 66% to 61% to 56% in the past nine months.

We've seen a similar decline in quarter to quarter comparisons. At the 1st quarter, 74% of respondents indicated business was better/much better than the prior quarter. This measure declined to 58% at the second quarter and dropped again to 50% at the third quarter.

Additionally, companies reporting that they're currently hiring has also declined over the course of the year, from 71% at the 1st quarter, to 63% at the 2nd quarter and to 60% most recently.

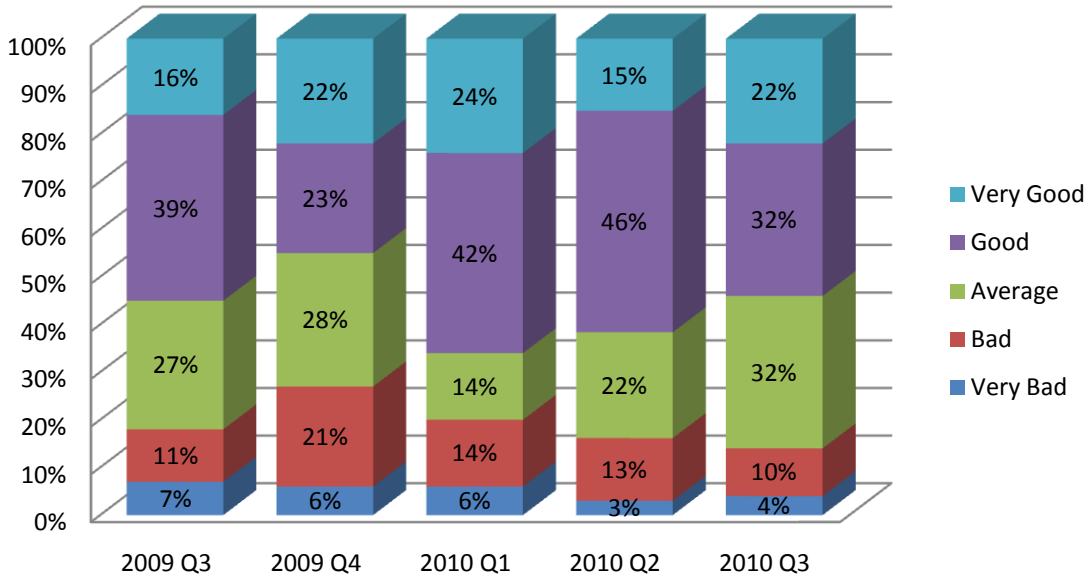
On a positive note, long-term optimism appears to remain strong as 80% of respondents expect the next twelve months to be better or much better than the prior twelve. Additionally, 53% of respondents are still planning to add staff in the coming year.

Current trends indicate that the IT industry is experiencing a slowdown. However, volatility in the measures could reverse some of those trends when 4th quarter results are collected.

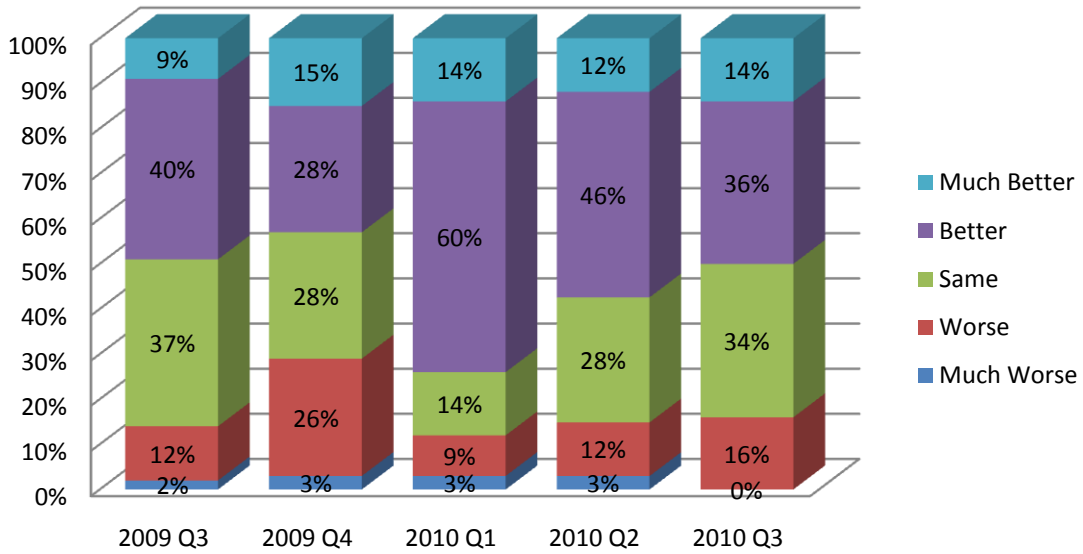
Key Quarterly Results

- 54% of respondents reported 3rd quarter business performance was good or very good
- 50% reported results were better or much better than the 1st quarter for 2010
- 58% reported performance was better or much better than the 3rd quarter of '09
- 80% believe the next 12 months will be better than the last 12 months
- 53% are planning to increase staff in the next twelve months

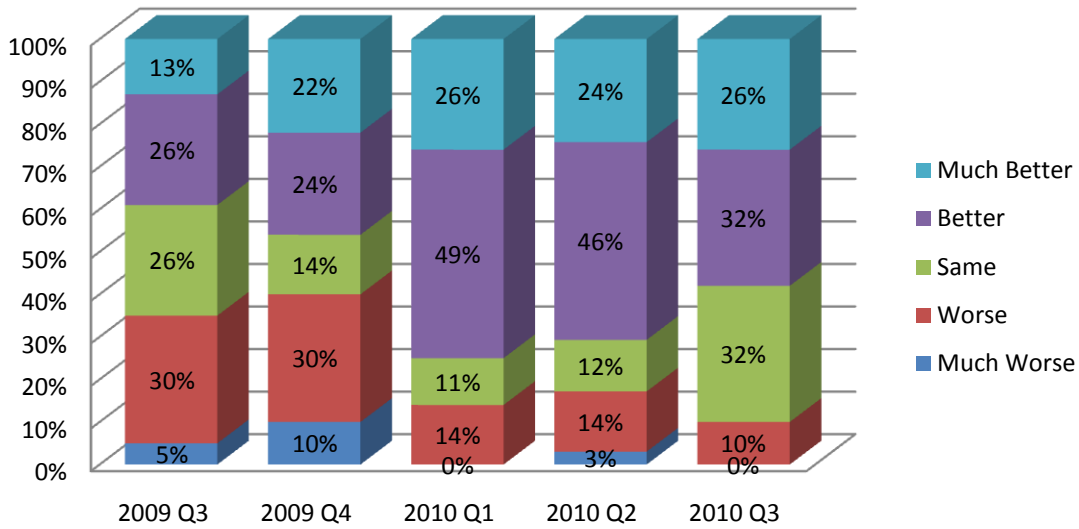
Third Quarter Performance



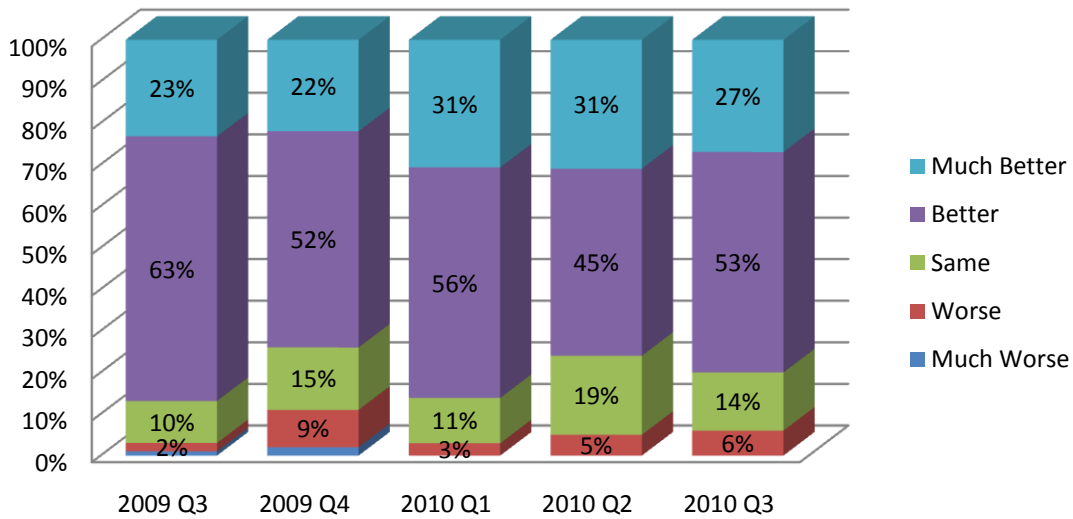
Performance vs. Prior Quarter



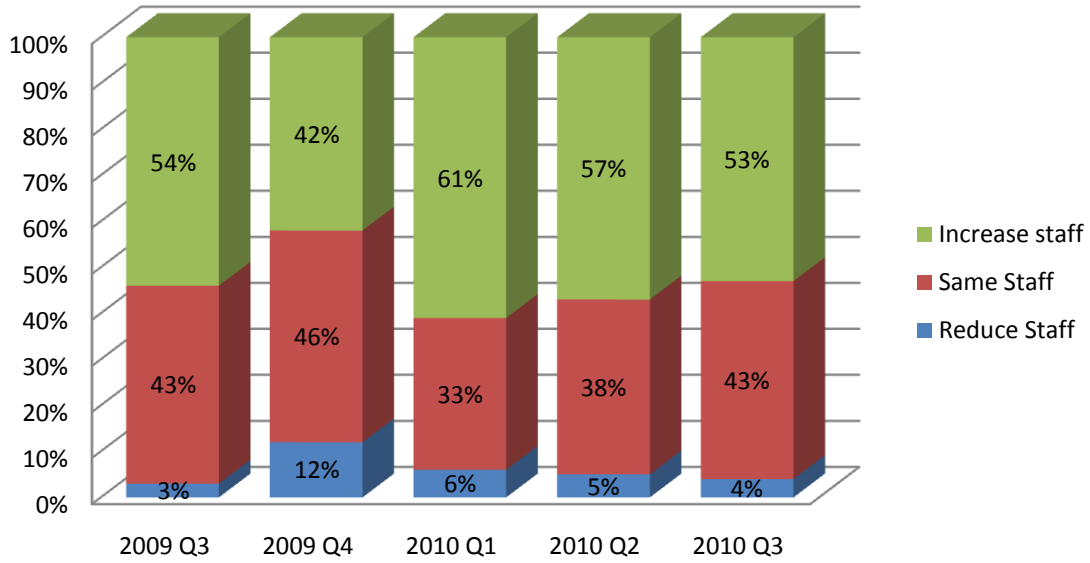
Performance vs. Same Quarter a Year Ago



Expectations for the Coming 12Months



Staffing Expectations for the Next 12 Months



Hiring Challenges for Top Tech Talent

