



The ~~COS~~ Technology Network

Quarterly Survey: 2011 - Quarter 3

Summary

The current quarter's performance results show the potential for an appealing reversal of a slight negative trend. Twenty-seven percent of respondents indicated the 3rd quarter to be *very good*, an increase of 6 points. This result was offset however by a corresponding 6 point drop in good results, leaving the combined result essentially unchanged over the last year. Clearly though, movement from *good* results to *very good* results is a positive aspect.

Similarly, we saw a nice change when companies reported performance versus the last quarter. When compared to Q2 2011, we saw an 8 point increase in companies reporting *better / much better results*, putting those results back in line with Q4 2010 and Q1 2011 respectively.

Comparisons to prior year's quarters, while improved this quarter, continue to show a declining trend. This trend bears watching as it may portend a softening of the industry.

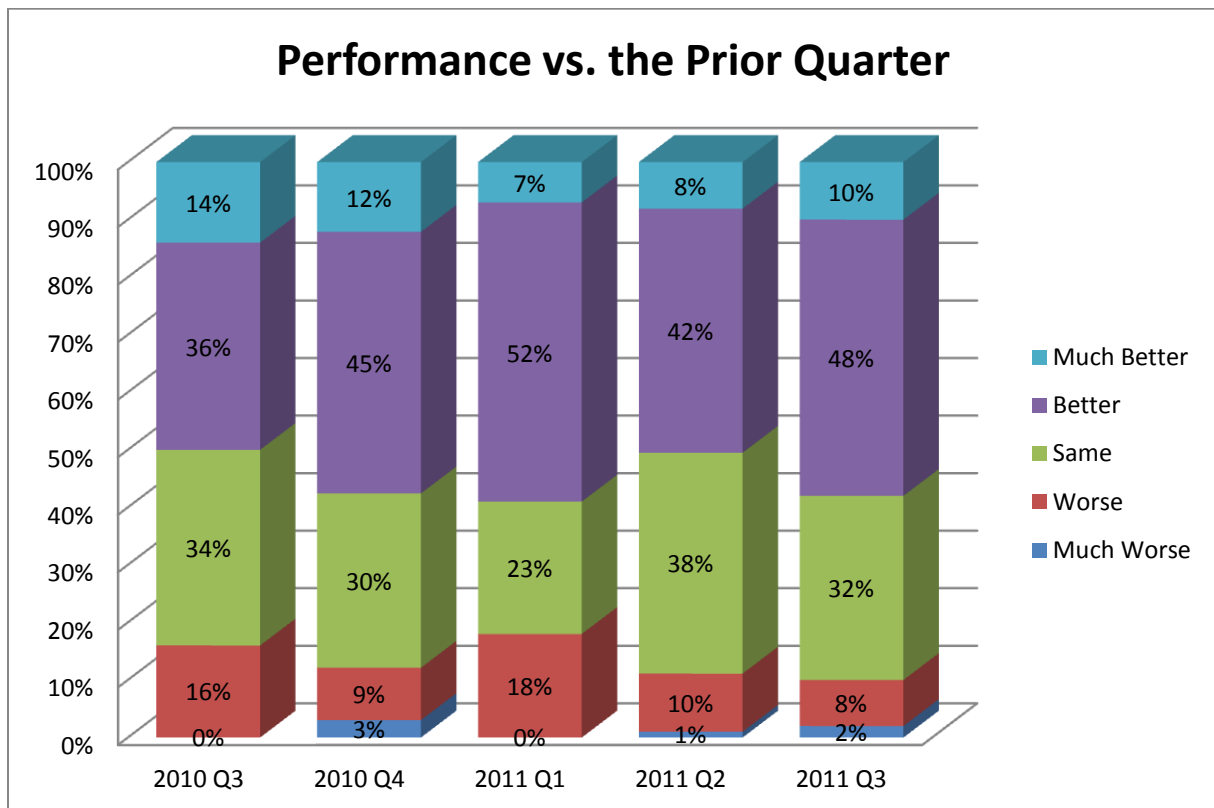
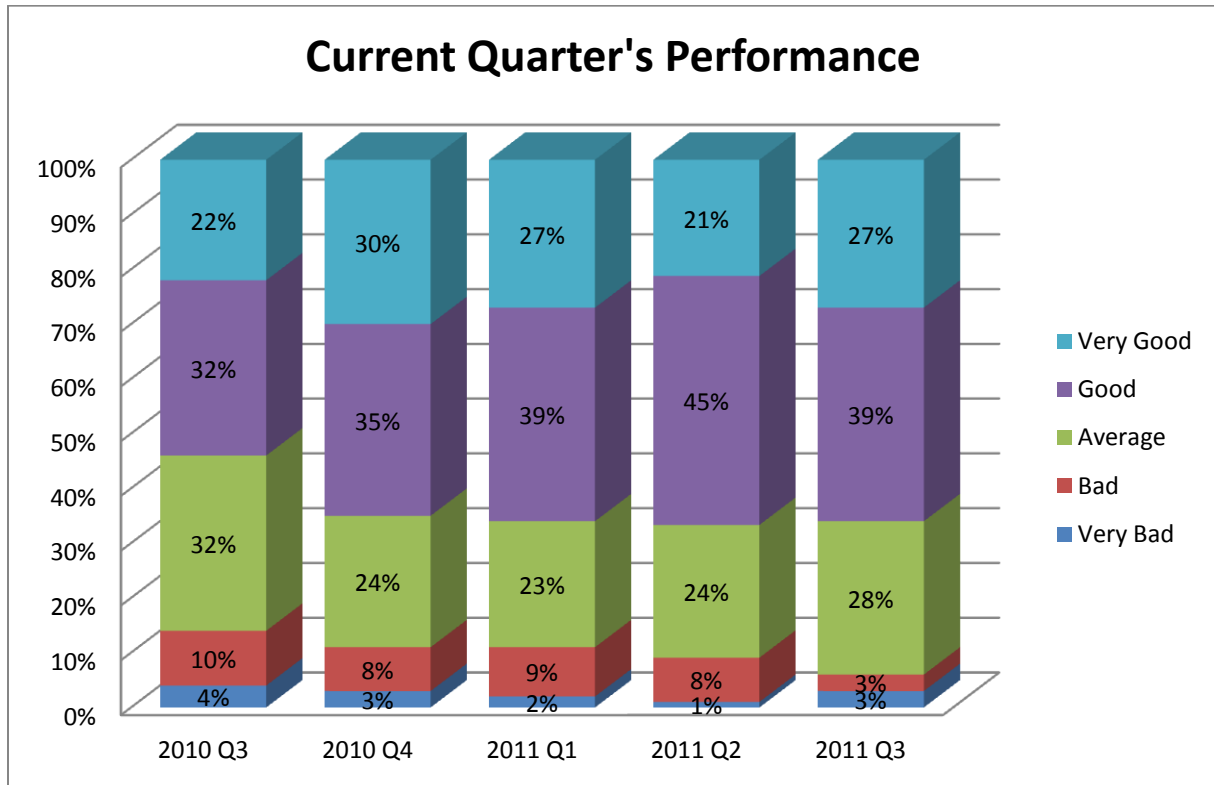
An optimistic outlook for the coming year remains relatively strong but appears to be on a slight downward trend over the past year. In the current quarter, 76% of respondents expect the next 12 months to be better or much better, down 4 points from last quarter and 9 points below Q4 2010. While the trend appears to be declining, historically, the 76% result remains relatively high.

A clear consistency over the past year has definitely been a strong hiring environment; 73% of respondents plan to add staff in the next year, and 82% have current openings. In fact, those companies planning to add staff in the next year actually **increased** seven percentage points, achieving a new high in the 5+ year history of the quarterly survey.

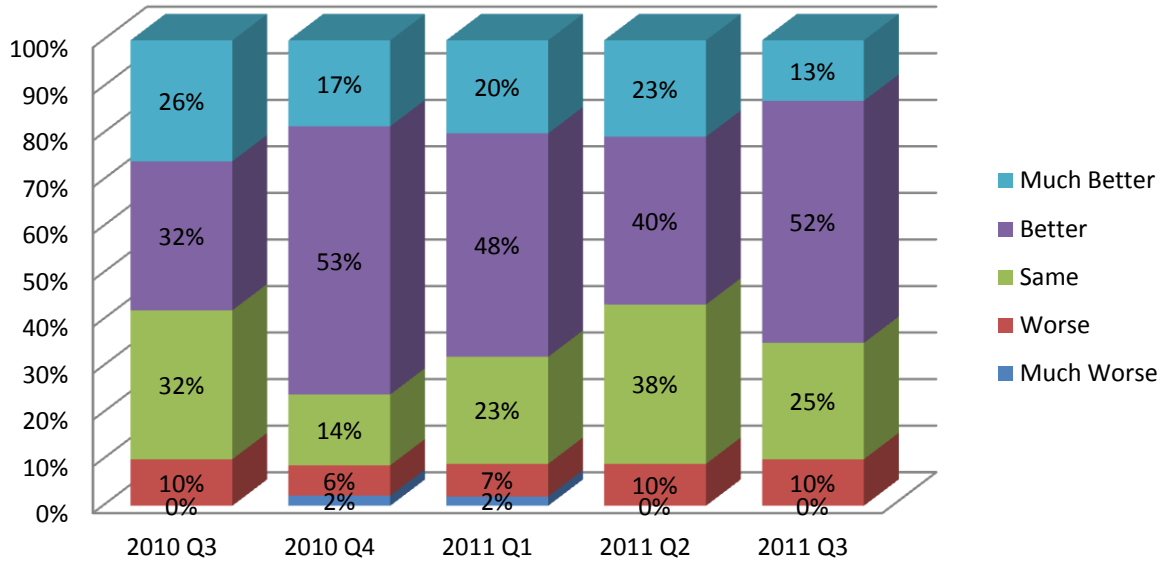
The third quarter can thus be summarized as: slight improvement in current performance, potential softening compared to 2010, but optimism is relatively strong and the hiring environment remains incredibly robust.

Key Quarterly Results

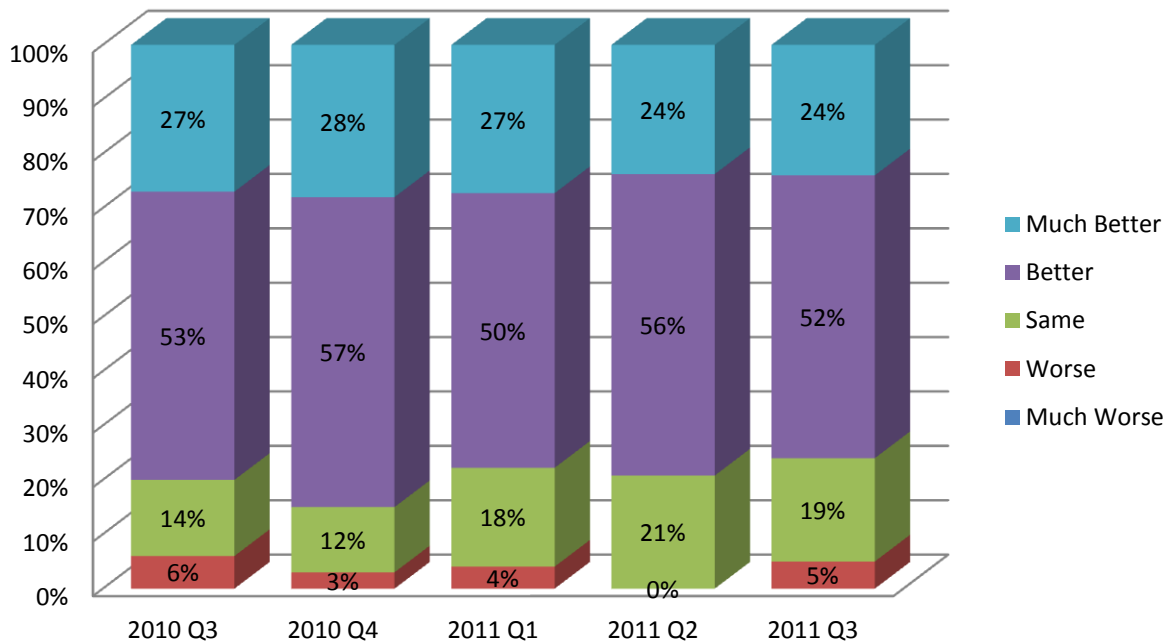
- 63% of respondents reported 3rd quarter business performance was good or very good
- 58% reported results were better or much better than the 2nd quarter of 2011
- 65% reported performance was better or much better than the 3rd quarter of 2010
- 76% believe the next 12 months will be better than the last 12 months
- 73% are planning to increase staff in the next 12 months



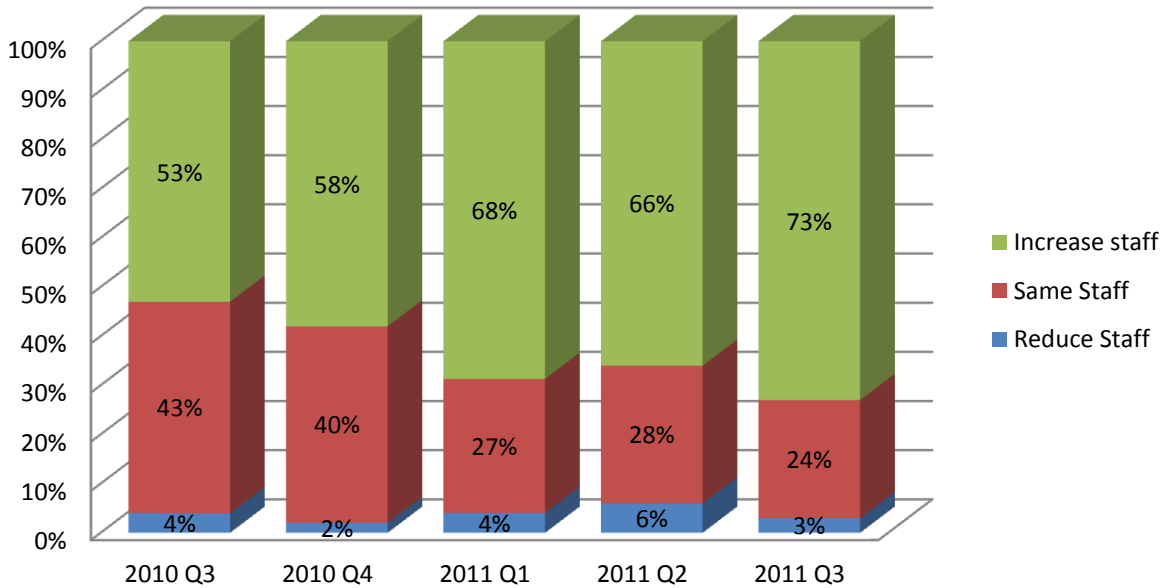
Performance vs. Same Quarter a Year Ago



Expectations for the Coming 12 Months



Staffing Expectations for the Next 12 Months



Hiring Challenges for Top Tech Talent

