

## 2011 Predictions from the Center Mid-Field: Predictions vs. Actual Results

### Economic Predictions

|                                | Average<br>Jan. '11 – Sept. '11 | Prediction in<br>Oct. '10 | Results<br>(% Difference) |
|--------------------------------|---------------------------------|---------------------------|---------------------------|
| U.S. Unemployment              | 9.0%                            | 8.9%                      | 1.1%                      |
| U.S. GDP                       | 1.4%                            | 3.1%                      | (54.8%)                   |
| Crude Oil Prices               | \$101.24                        | \$85.00                   | 19.1%                     |
| Fed. Funds Rate                | 0.1%                            | 0.5%                      | (80.0%)                   |
| Ten-Year Treasury Note<br>Rate | 3.0%                            | 4.0%                      | (25%)                     |
| USD/GBP Exchange Rate          | 1.61                            | 1.60                      | 0.6%                      |
| USD/EUR Exchange Rate          | 1.41                            | 1.40                      | 0.7%                      |
| Renminbi/USD<br>Exchange Rate  | 6.50                            | 7.20                      | (9.7%)                    |
| Savings Rate                   | 5.2%                            | 3.1%                      | 67.7%                     |
| Budget Deficit (in billions)   | \$1,299                         | \$700                     | 85.6%                     |

### Socio-Political Predictions

| Prediction in October 2010   | Result   |
|--|--|
| Temporary work arrangements become increasingly legitimate in the marketplace; temporary employment up 20% over prior year | No – only up <a href="#">10.0%</a> over last year  |
| Chinese consumer begins to have global impact  | Yes – <a href="#">Younger generations</a> have the money and ability to buy “luxury” goods |

|   |  |
|---|--|
| Significant Afghanistan draw-down regardless of situation on the ground   | Yes & No – some <a href="#">decline in troops</a> in Afghanistan in 2011 but major <a href="#">pull-out plan is for Iraq</a> |
| Hillary Clinton resigns Secretary of State post   | No   |
| No change to ObamaCare provisions   | Yes  |
| A rethinking of Homeland Securities priorities lead to travelers' ability to pass through airport security without taking their shoes off | Yes & No – still have to take <a href="#">shoes off</a> – but quicker process using <a href="#">Clear</a> in Denver/Orlando  |

### Industry Predictions

| <b>Prediction in October 2010</b>                       | <b>Result</b>   |
|---|---|
| PE M&A deal volume up 25%                               | <a href="#">Yes</a> – deal volume up 27.1% over 2010  |
| Retail comparative sales up 3.2%                        | <a href="#">Yes</a> – average department store (3.7%), discount/variety (3.0%) and specialty apparel (3.1%)     |
| Construction and housing recovery begins slowly in 2011 | No – first 8 months of 2011 posted a <a href="#">3.0% decrease</a> in construction over the same period of 2010 |
| Biotech (IPOs, approved drugs, etc.) comes back         | No  |
| Recruitment firms see 30% growth from 2010              | No  |