

INTERNATIONAL PROFIT ASSOCIATES

SMALL BUSINESS RESEARCH BOARD (SBRB) STUDY

Manufacturers Predicting Greater Revenues, Expecting To Increase Hiring During Next 12 Months SBRB Reports

Manufacturing confidence growing despite concerns about economy says SBRB report prepared in conjunction with International Profit Associates.

NORTHFIELD, IL (June 18, 2007) – The outlook for manufacturing companies showed improvement in the second quarter of 2007 with owners predicting increased revenues and plans for additional hiring during the next 12 months it was reported today by the Small Business Research Board (SBRB).

The Manufacturing Industry Small Business Confidence Index (SBCI) reached 40.3 during the second quarter of 2007 according to the report co-sponsored by International Profit Associates (IPA). The 40.3 was an increase of 3.3 points from the SBCI of 37 reported during the first quarter poll.

The current manufacturing industry SBCI is lower than the SBCI of 46 reported for all U.S. small businesses. However, the confidence expressed by owners in the industry is identical to that of the food industry, but lower than the 48 recorded by the construction and contracting industry for the same period.

The higher manufacturing industry SBCI resulted from a combination of increases in key reporting categories. The poll tabulations showed that 52% are expecting revenues to increase during the next 12 months and 33% plan to increase hiring. During the previous quarter, 47.8% said they expected greater revenues looking forward 12 months while 23.3% said they expected to increase hiring.

Owners of manufacturing businesses offered this input even though they have less confidence in the economy. Only 36% believe the economy will improve during the coming 12 months versus 40% the first quarter.

“The manufacturing sector has demonstrated great resilience the past few years, certainly when compared to its performance through most of the 1990s and also in comparison to other industries,” said Gregg M. Steinberg, President of IPA. “Nevertheless, going forward, it is clear that owners must be focused on tightening their operating controls.”

More than 770 small business owners participated in the nationwide poll.

The universe of participants is developed from among small businesses across the United States. The SBRB study is a voluntary survey conducted quarterly..

The Small Business Research Board ascertains and reports the opinions of small business owners and managers on a wide variety of topics related to their own businesses as well as national and international issues that may impact their operations. The SBRB

conducts these studies for the benefit of small business owners and managers. The SBRB also provides opportunities for third parties to gain real time insight into the attitudes of small businesses nationwide through the independently conducted research.

The latest information about the Small Business Research Board can be found at www.ipasbrb.com.

International Profit Associates, Inc. (IPA) is the largest privately-held provider of management consulting services to small and medium-size businesses in North America. IPA and its more than 1,800 professionals offer a wide range of proven and innovative methodologies to help businesses grow and prosper regardless of the economic cycle. IPA either provides directly or through its affiliated companies a comprehensive array of business advisory services, tax and estate planning services or merger, acquisition and other financial advisory services in the United States and Canada. More information about IPA can be found at www.ipa-iba.com.

	ALL US	Manufacturing
SBRB (current)	46	40.3
Prior SBCI	40.78	37.0

Outlook for the general economy is for the next twelve months

36% Better
25% Worse
39% No Change

Revenue expectations for the next twelve months

30% Increase of 10% or more
22% Increase of less than 10%
34% Will be about the same
7% Decrease of less than 10%
7% Decrease of 10% or more

Expect to hire new employees during the next twelve months

33% Increase hiring
12% Decrease workforce
47% Remain the same
8% Unsure

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For more information about this poll, results of previous studies or other matters related to the SBRB, please contact Raymond D. Minkus, (847) 441-4192.

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