

Economic Indicators



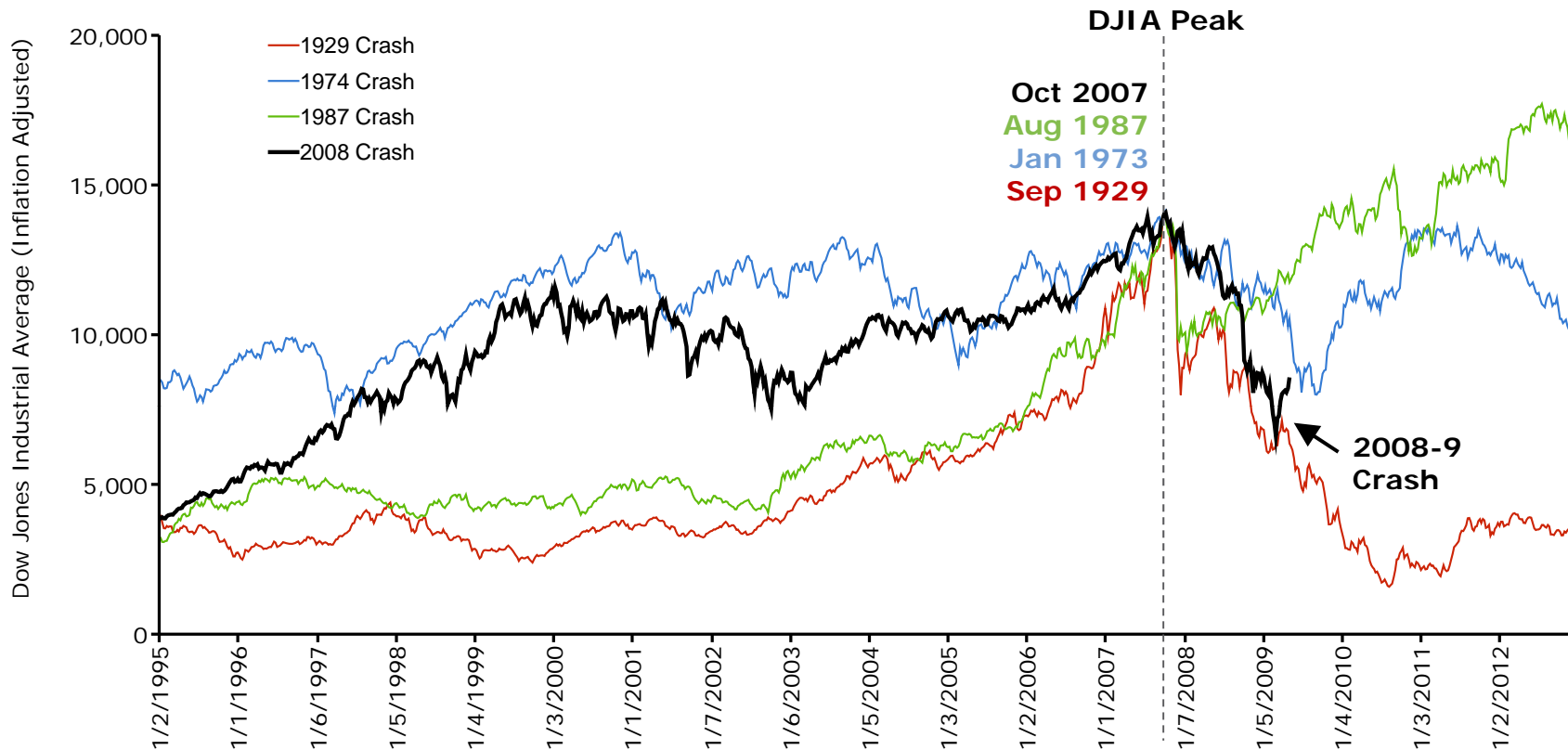
THE PARTHENON GROUP
Boston • London • Mumbai • San Francisco

May 2009 | No. 1



Where Are We Headed?

U.S. Stock Market in Prior Crashes (Indexed by Peak Day to Current Levels)



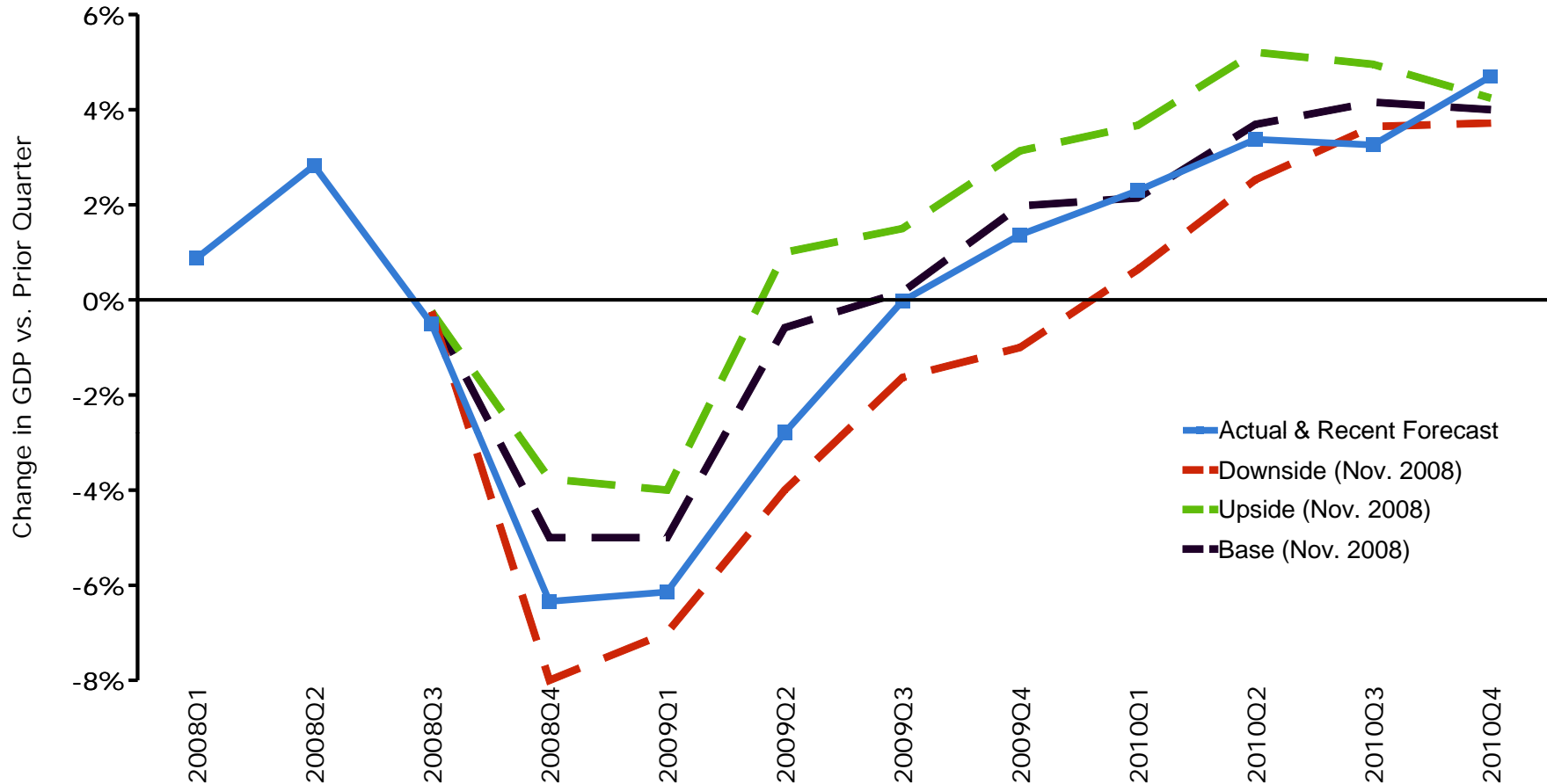
Our rational quantitative forecast gives reason for cautious optimism

Parthenon's Current Outlook vs. November 2008 Scenarios



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Real GDP Growth Versus Prior Quarter (Annualized), 2008-2010F



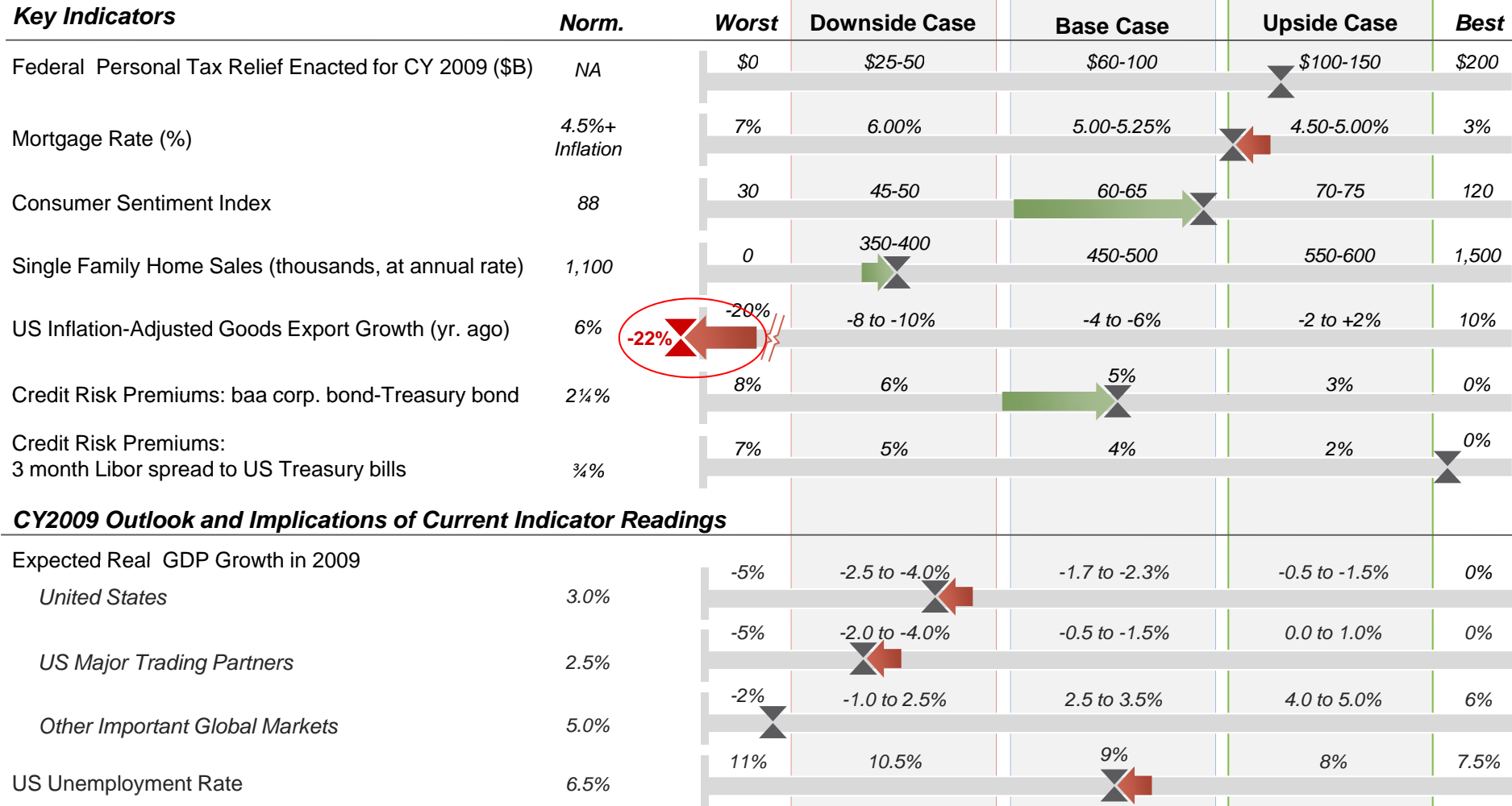
The real GDP outlook has fallen below the November base case due to exceptionally poor exports and business spending

Key Indicators Spectrum and Current Readings



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May 2009 Evidence
 Positive Movement Since March 2009 Evidence
 Negative Movement Since March 2009 Evidence

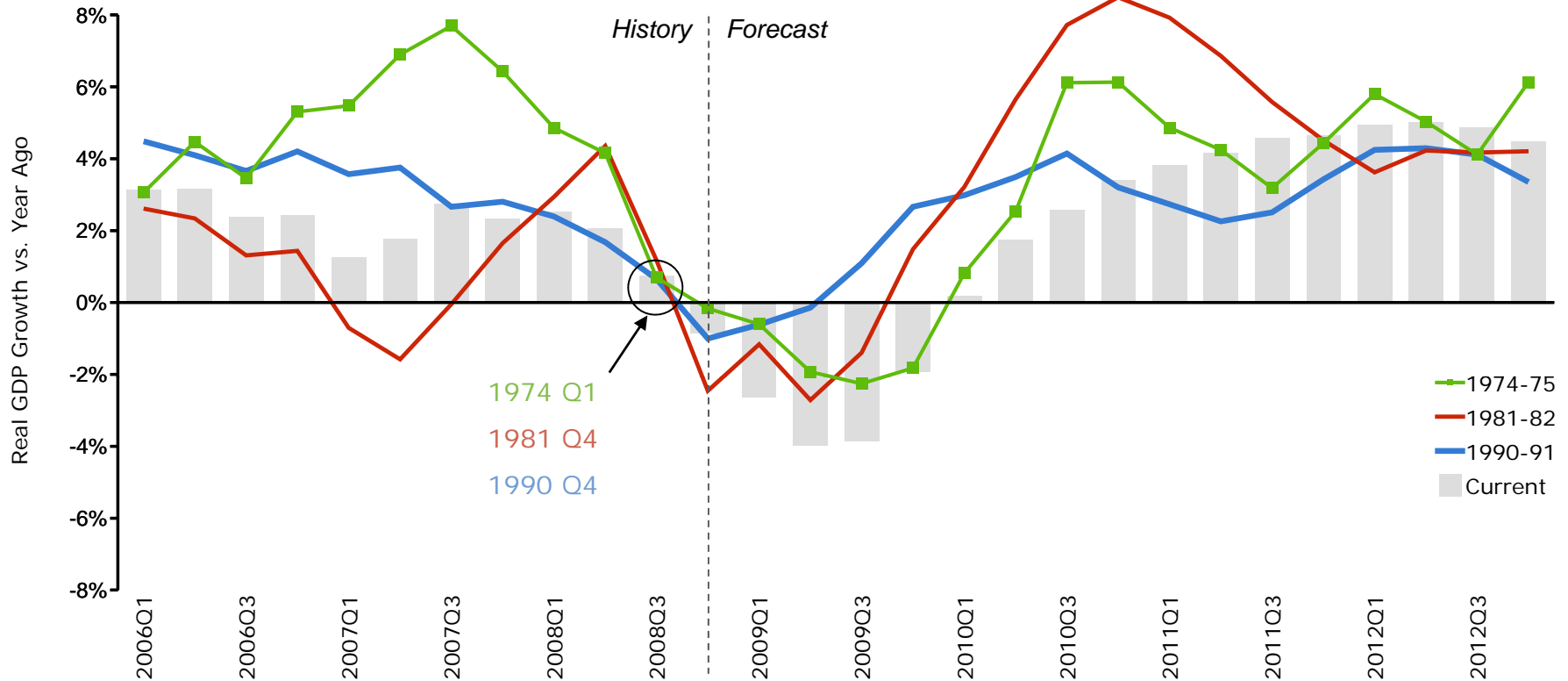


The Current Economic Cycle Is Severe But Not Without Precedent



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Real GDP Growth: Past 3 and Current Recession Cycles



The consensus GDP projection would indicate a recession in 2009 exceeding the severity of the deep 1974-75 and 1980-82 recessions

Changes in the Outlook: Parthenon and the Consensus May 2009



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		Forecasted Growth of Real GDP	
		November 2008	May 2009
Actual 2007: 2.0%			
Actual 2008: 1.1%			
2009	Blue Chip Top 10 Forecast	0.3%	-2.3%
	Blue Chip Average Forecast	-0.4%	-2.8%
	Blue Chip Bottom 10 Forecast	-1.1%	-3.3%
	Parthenon	-2.1%	-3.1%
2010	Blue Chip Top 10 Forecast		2.8%
	Blue Chip Average Forecast		1.9%
	Blue Chip Bottom 10 Forecast		1.0%
	Parthenon		2.0%

The consensus was significantly more optimistic in November but now it is in line with Parthenon's more sober view for 2009

Last November, Parthenon Anticipated a Much Deeper Recession than the Consensus, Foreseeing Major Export and Capex Declines



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Concept/Forecast Date	November 2008		May 2009	
	Blue Chip Consensus	Parthenon	Blue Chip Consensus	Parthenon
Real 2009 Growth Forecasts				
US GDP	-0.4%	-2.1%	-2.8%	-3.1%
Consumer Spending	-0.6%	-0.3%	-0.6%	-0.3%
Business Equipment and Structures	-5.2%	-12.4%	-17.6%	-19.1%
Inventory Growth (Contribution to GDP)	-0.1%	-0.5%	-0.3%	-0.4%
Residential Construction	-7.0%	-11.1%	-20.2%	-21.1%
Exports	-1.0%	-5.5%	-13.9%	-16.4%
Major Trading Partners Growth	0.7%	-0.6%	-3.4%	-3.6%

The outlook has deteriorated beyond even our expectations, as international problems have bloomed and European policy responses have been delayed and less aggressive