



News Release

Contact:

Denise Essman

d.essman@essmanassociates.com

Essman/Associates

Phone: 515-282-7145

Economic Indicators Still Trending Strong for Iowa Companies ***Iowa Business Council Releases Third Quarter Economic Outlook Survey Results***

Des Moines, Iowa – (September 1, 2006) – Continuing an optimistic outlook from surveys conducted earlier this year, corporate members of the Iowa Business Council (IBC) remain confident that their respective companies will experience solid economic activity for the remainder of this year and through the first quarter of 2007. Levels for all indicators – sales, capital investments, and hiring – are fairly consistent with last quarter's survey results. One noticeable improvement in the numbers is that all companies represented on the Business Council project either improved or maintained hiring levels for the next six months, whereas one year ago there was some downsizing projected.

The IBC Economic Outlook Survey for the third quarter was conducted during the third and fourth weeks of August, the results of which were released today.

With a 100% response rate from IBC's twenty corporate members, the survey results indicate that 90% of these CEOs expect an increase in sales during the fourth quarter of 2006 and the first quarter of 2007. This projection is slightly lower than the 95% recorded in the previous survey released on June 1, 2006, yet is still above the 84% level reported one year ago. No respondents predict a decrease in sales levels over the next six months.

Capital spending forecasts remain consistent, with 60% of the corporations planning to increase expenditures. This projection is essentially the same as last quarter, but down 14% from one year ago.

Hiring expectations among the CEOs of the Business Council continue to be steady since last surveyed, with 55% indicating higher employment levels during the next six months. This represents a slight decrease of 3% over the second quarter of 2006, yet is above the 53% projected this time last year.

The encouraging trend is that few IBC companies expect decreases in any of the indicators. No CEO responded with a projection for lower sales or hiring the rest of 2006 and early 2007, and only 5% projected a decrease in capital spending. The survey results reinforce business leaders' cautious optimism for the Iowa economy in the coming months.

Max Phillips, Chair of the Iowa Business Council and President of Qwest-Iowa, said, "These numbers reflect confidence about the near-term future of Iowa's economy. Contrary to recent signs that economic growth in the U.S. may be moderating, this survey indicates the largest businesses in the state are generally in an expansion mode. This bodes well not only for IBC member companies but their vast supplier networks as well. Council members continue to be



up-beat about the future and remain focused on major issues that influence our companies' success in the long-term.”

	Increase			No Change			Decrease		
	2006		2005	2006		2005	2006		2005
	Q3	Q2	Q3	Q3	Q2	Q3	Q3	Q2	Q3
1. Change in sales in next 6 months?	90%	95%	84%	10%	5%	16%	0%	0%	0%
2. Change in capital spending in next 6 months?	60%	58%	74%	35%	42%	21%	5%	0%	5%
3. Change in hiring levels next 6 months?	55%	58%	53%	45%	42%	32%	0%	0%	15%

The Economic Outlook Survey is conducted quarterly by the Iowa Business Council to help inform Iowans and Iowa businesses about projected trends in the state’s economy, which may prove useful for business and economic planning purposes.

Founded in 1985, the Iowa Business Council is a non-profit, non-partisan, self-funded organization whose members include the top executives of 20 of the largest businesses in the state, the three Regent university presidents, and the state’s largest banking association. Collectively, these companies and institutions employ more than 180,000 Iowans and have made over \$25 billion worth of capital investments in the state. The purpose of the Council is to engage the personal commitment of these executives in active leadership roles on major initiatives that offer opportunity to enhance Iowa’s overall economic vitality. For more information, please visit our Web site at www.iowabusinesscouncil.org.

- ### -