

Global Entrepreneur Indicator

from the Entrepreneurs' Organization

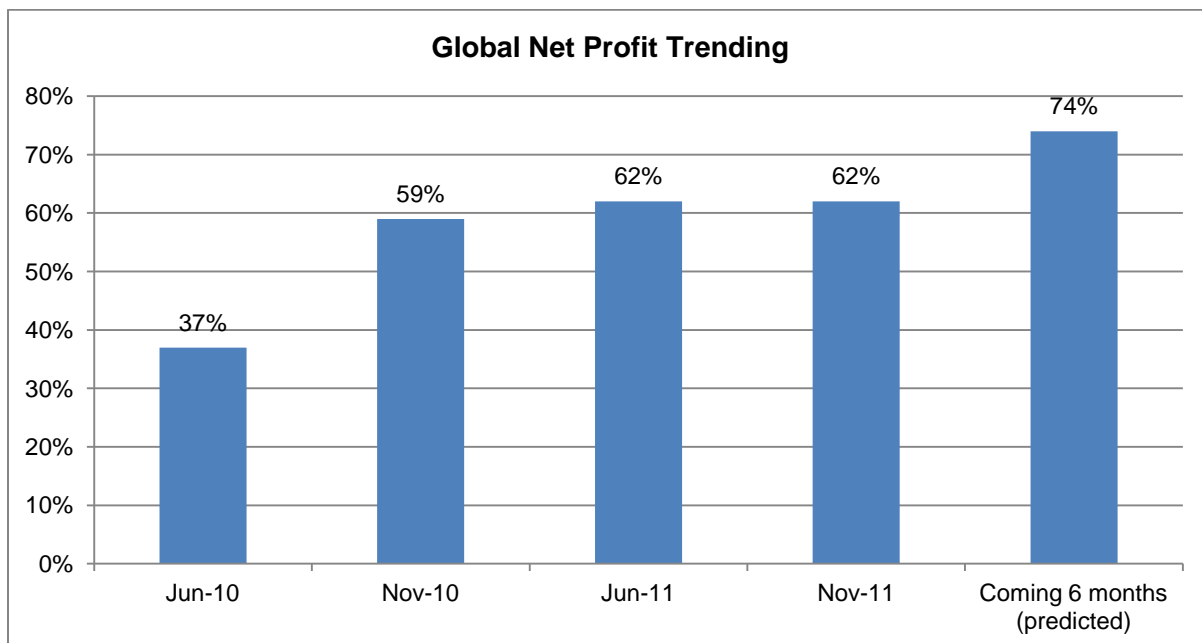
Fiscal Performance Report

Report released January 2012

About the respondent sample: All Global Entrepreneur Indicator respondents are entrepreneurs who founded, and are the controlling stakeholder of, a business grossing more than US\$1 million in revenue per year. On average, these business gross US\$17.3 million annually. More than 1,500 entrepreneurs representing 37 countries responded to the survey.

Profits continue their upward trend of the past 18 months, with an even more bullish prediction for the next six months.

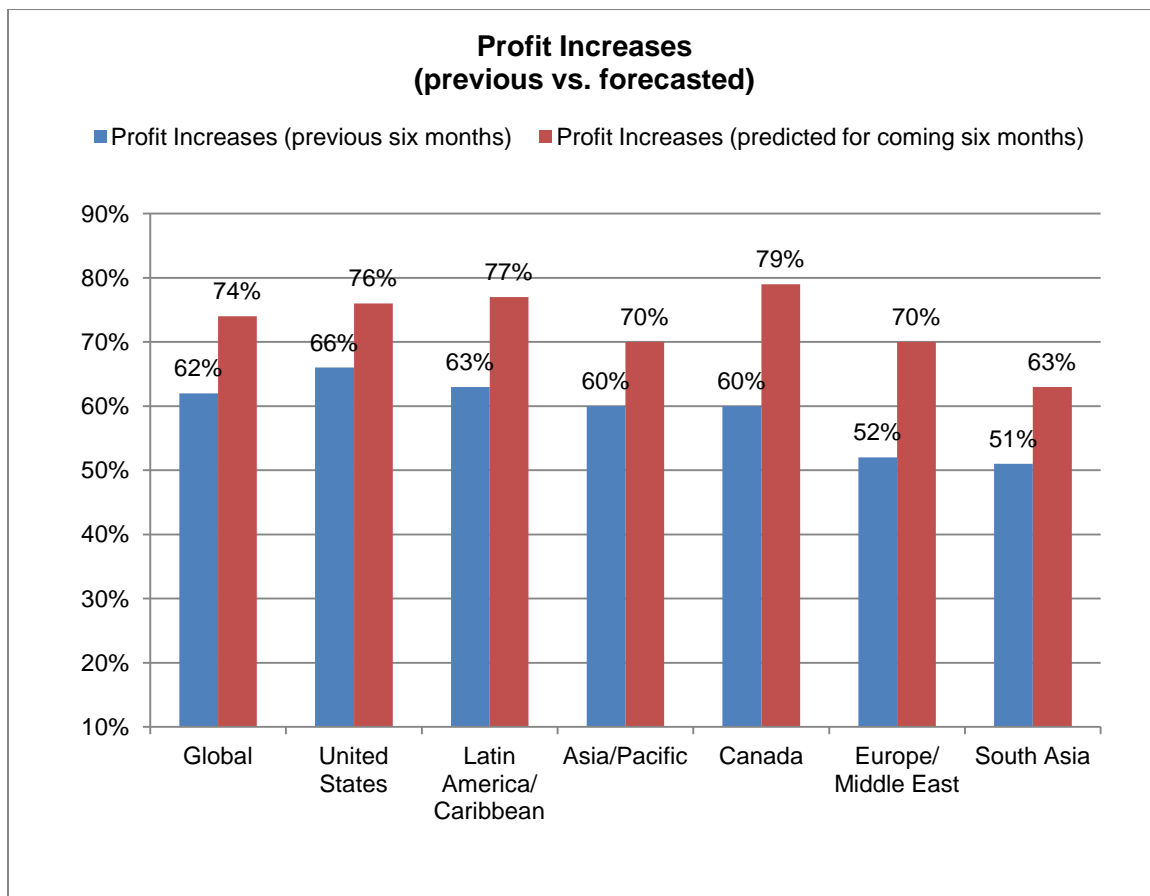
- The percentage of entrepreneurs who have experienced an increase in net profit has held steady during the past six months at 62%, though that number is up 3% over a survey conducted at the same time last year.
- Though the rate of fiscal performance is holding steady in the past six months, there has been a 25% upswing since June 2010 in firms experiencing an increase in net profit.
- Encouragingly, 74% of entrepreneurs globally expect to increase profits in the coming six months. If that prediction holds true, entrepreneurs in June 2012 will have added jobs at a rate that is 37% higher than just two years earlier in June 2010.



The percent of entrepreneurs worldwide who reported increased profits in the six months preceding the survey.

All regions have reported increases in net profit during the previous six months, and predictions for the future are strongly optimistic.

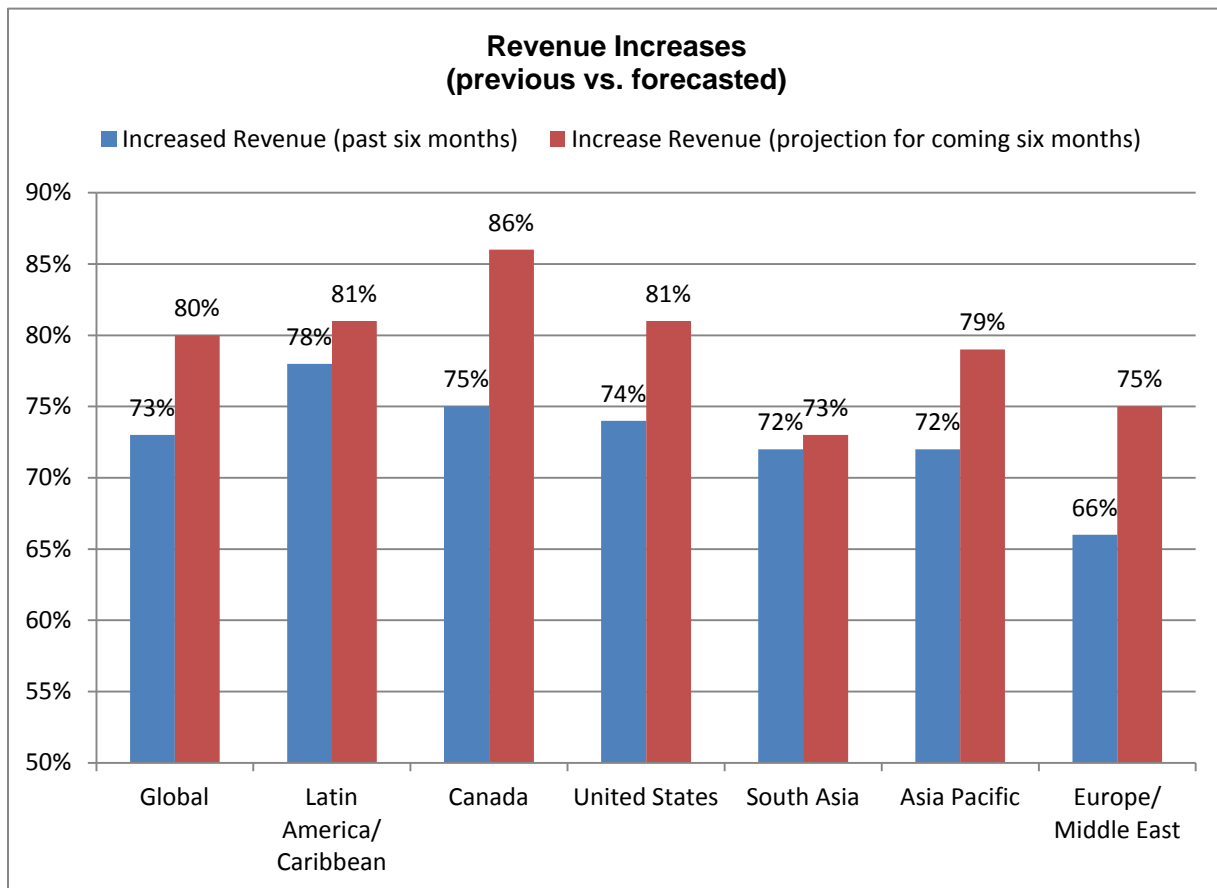
- The United States has the strongest profit reporting (66%), with Latin America/Caribbean (63%), Asia Pacific (60%) and Canada (60%) following closely. Europe/Middle East and South Asia are lagging behind at 52% and 51%, respectively.
- Interestingly, all regions project marked profit increases for the coming six months, with expected increases of at least 10%.
- Further, Canada is most optimistic of all regions, with a projected 19% increase in profit.



Net profit increases in the past six months against predictions for the coming six months, by region.

Globally, nearly three quarters of firms reported a revenue increase in the past six months, while 80% of respondents expect a revenue increase for the coming six months.

- Latin America/Caribbean reported the highest percentage of firms increasing revenue (78%), followed closely by Canada (75%) and the United States (74%). Europe/Middle East continues to lag behind all other regions at 66%.
- Projecting the coming six months, 86% of Canadian entrepreneurs expect increases in revenues, an 11% jump from the previous six months. South Asia and Latin America/Caribbean are conservative in their projections for the coming six months.
- Interestingly, while Europe/Middle East lags behind all others in current reporting, entrepreneurs in the region are optimistic, projecting a 9% increase in the coming six months.



Revenue increases in the past six months against predictions for the coming six months, by region.

Longitudinally, debt loads are reporting as stable, with only minor fluctuations from previous surveys.

- The United States, Europe/Middle East, Canada and Asia Pacific all report similar distributions regarding increased, decreased and steady debt load.
- Interestingly, South Asia reports the largest percentage of firms increasing debt (57%), followed by Latin America/Caribbean (49%).

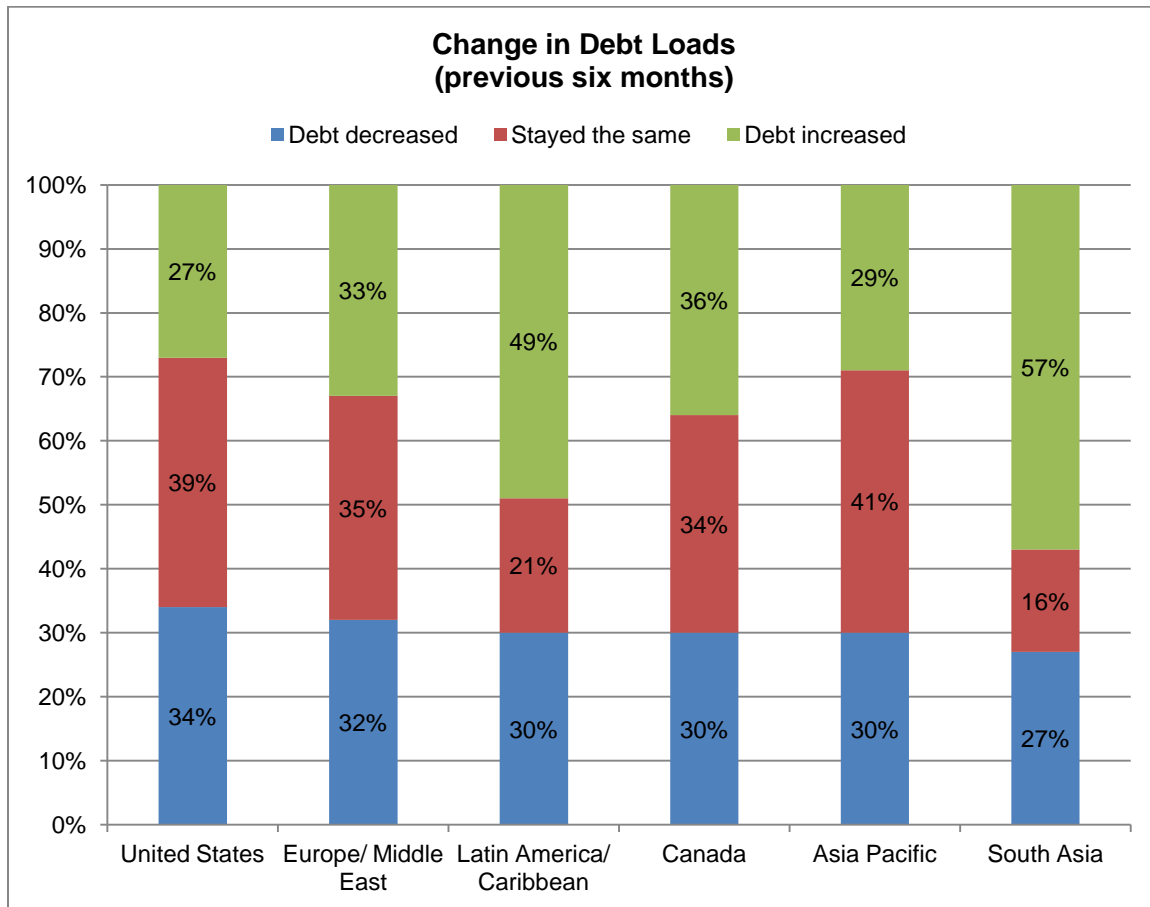


Figure 4: Percentage of entrepreneurs who have increased, decreased and maintained total debt load during the past six months, by region.



About the Research

This report is part of the Global Entrepreneur Indicator research program conducted by the Entrepreneurs' Organization (EO) in partnership with The Standard Chartered Private Bank. This research program began in May of 2010 and consists of a five-year series of surveys of EO members. The full report and findings are available at: www.entrepreneurindicator.com.

The significance and uniqueness of this global research program lies in the very tight definition of a successful entrepreneur represented by the EO's membership base. All those surveyed have successfully founded a business grossing more than US\$1 million in revenue annually. Overall, EO members average US\$17.3 million in revenue per year. Between them, these entrepreneurs employ more than 1.5 million workers, with an average of 182 employees per entrepreneur. The average age of the entrepreneurs surveyed is 41.

This group of successful entrepreneurial firms is significant in its place in the globally economy, but is generally very difficult to gain access to and poll. The Entrepreneurs' Organization, however, has a membership base fitting these criteria, providing the ability to gain an entree to this highly important sample of the entrepreneurial population.

More than 1,500 entrepreneurs from 37 countries responded to the survey.

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