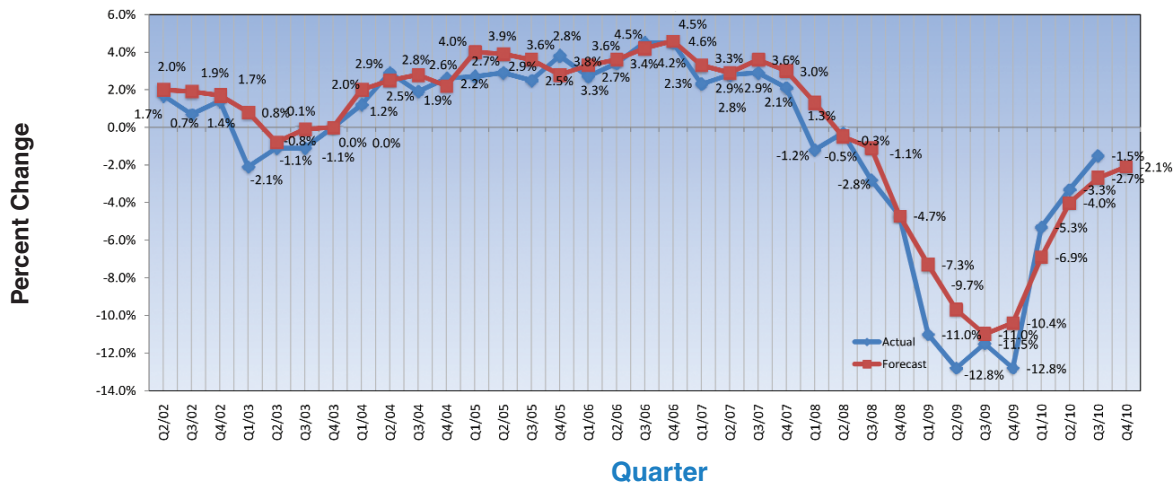


MAFSI Business Barometer Trend Graph
The industry's most definitive non-food sales/trend indicator
Overall Sales Per Quarter



MAFSI Business Barometer Points To A U-shaped Recovery

Reps forecast continued progress towards positive ground; Q4 forecasts -2.1%

Overall sales for Q3/10, compared with Q3/09, declined by -1.5%. This marked the 11th consecutive quarter of contraction and the 15th quarter of the current slowdown. Although we are still in negative ground, -1.5% is an improvement over the -3.3%, -5.3%, -12.8%, and -11.5% performances of the previous four quarters.

A close look at the MAFSI Business Barometer Trend Graph above clearly shows a steep U-shaped (almost V-shaped) cycle has occurred over the past three years. If this trend continues, we will break into positive ground in the next quarter or two.

By geography, overall sales ranged from a still sharp decline of -6.1% in the west, -2.1% in the midwest, -0.3% in the northeast, +0.3% in Canada, and a welcomed breakthrough to +1.6% in the south.

By product category, equipment was down by -2.1% (versus -4.5% and -7.5% the past two quarters), furnishings down -0.6%, tabletop +0.1%, and supplies grew by +0.2%.

Reps are still forecasting one more sluggish quarter for Q4/10 at -2.1%, weighed down by the west's paltry prediction of -7.1%. It would appear that we are about to "turn the corner" with 27.3% of reps quoting more, 50.4% the same, and 22.3% less.

On the positive side, at the time this went to print the stock market is up nearly 60% from its bottom, interest rates are at an all time low, overall inflation is very low, and consumer spending is increasing. Some negatives are a rise in wholesale food prices of 5.1% from Sept 2009 to Sept 2010 according to U.S. Bureau of Labor Statistics, a stubbornly high unemployment rate, and continued "tight money".

Written and compiled by Michael R. Posternak

MAFSI Business Confidence Index for 4th Quarter 2010

Oct. 1 - Dec. 31 compared to 4th Quarter 2009

ALL REGIONS
-2.1%

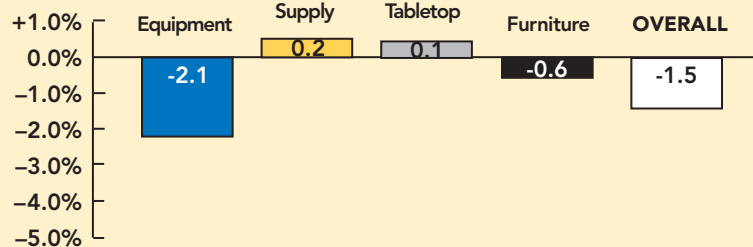
MAFSI Business Confidence Index for 2010

Compared to 2009

OVERALL
-3.9%

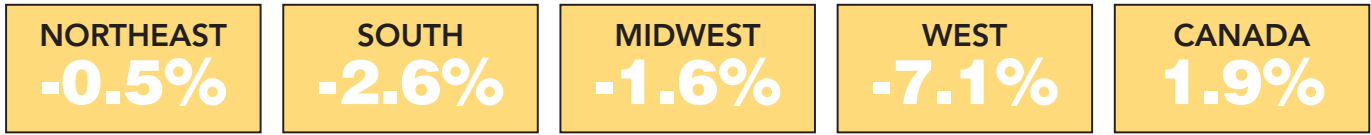
3rd Quarter 2010 Overall Sales

(July 1- Sept. 30) compared to 3rd Quarter 2009



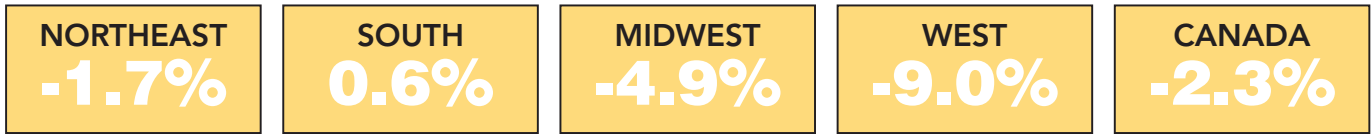
Projected 4th Quarter 2010 Sales

Oct. 1 - Dec. 31 compared to 4th Quarter 2009



Projected 2010 Overall Sales Forecast

(Compared to Overall Sales for 2009)



3rd Quarter 2010 Sales

(July 1 - Sept. 30) compared to 3rd Quarter 2009

