

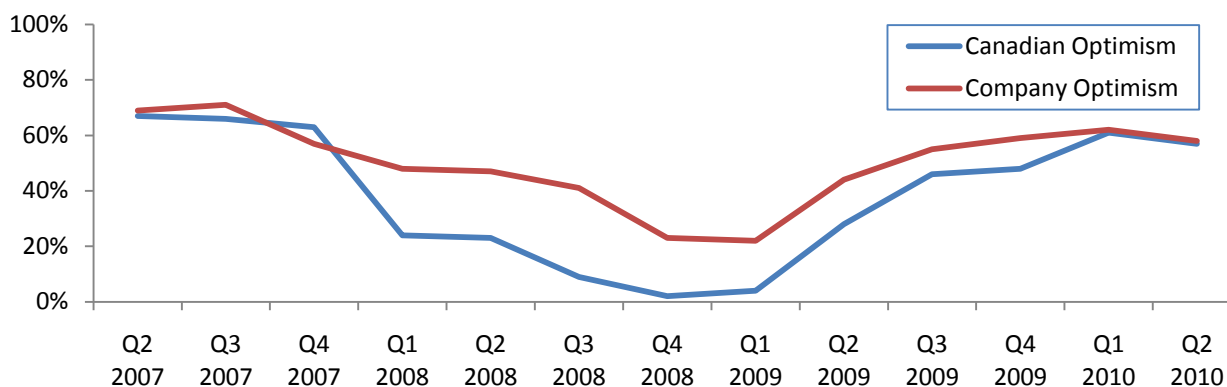
Q2 2010 CICA/RBC Business Monitor News Release Backgrounder

Optimism

- Fifty-seven per cent of respondents are optimistic about the economy over the next 12 months, consistent with 61 per cent in the first quarter of 2010 when allowing for the margin of error. The top two reasons cited for the current optimism were Canadian consumer confidence levels and low interest rates.
- Optimism levels are well above where they were a year ago (28 per cent) and considerably higher than the two per cent recorded in the fourth quarter of 2008. In fact, optimism remains close to the peak reached in the second quarter of 2007 (67 per cent).

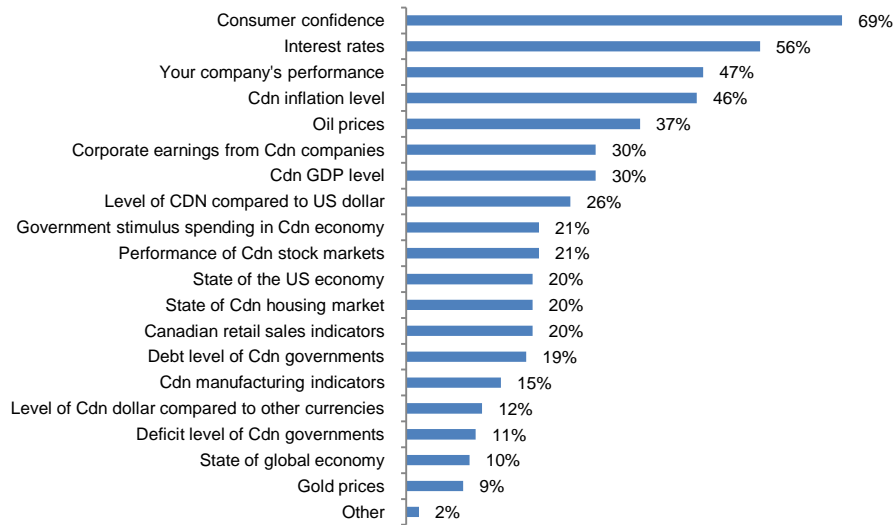
	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Change vs. Q2 2009
Optimism in Canadian Economy for next 12 months*						
% Optimistic	28%	46%	48%	61%	57%	29
% Pessimistic	30%	13%	13%	5%	6%	-24
Optimism In Business for next 12 months*						
% Optimistic	44%	55%	59%	62%	58%	14
% Pessimistic	25%	16%	15%	11%	11%	-14

*Note: optimism + pessimism do not necessarily add to 100%, as data for "neither optimistic nor pessimistic" is not shown.



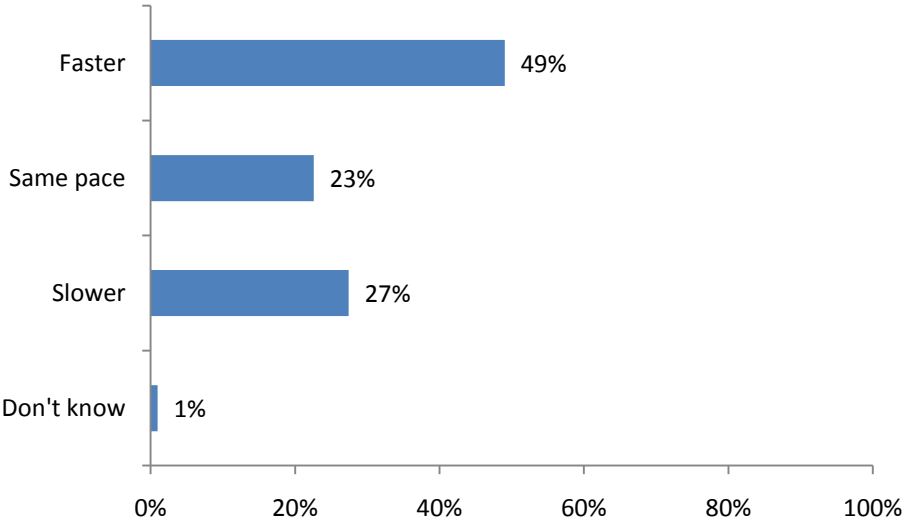
Reasons for Optimism

- The top two reasons cited for optimism in the second quarter of 2010 are Canadian consumer confidence and Canadian interest rates.



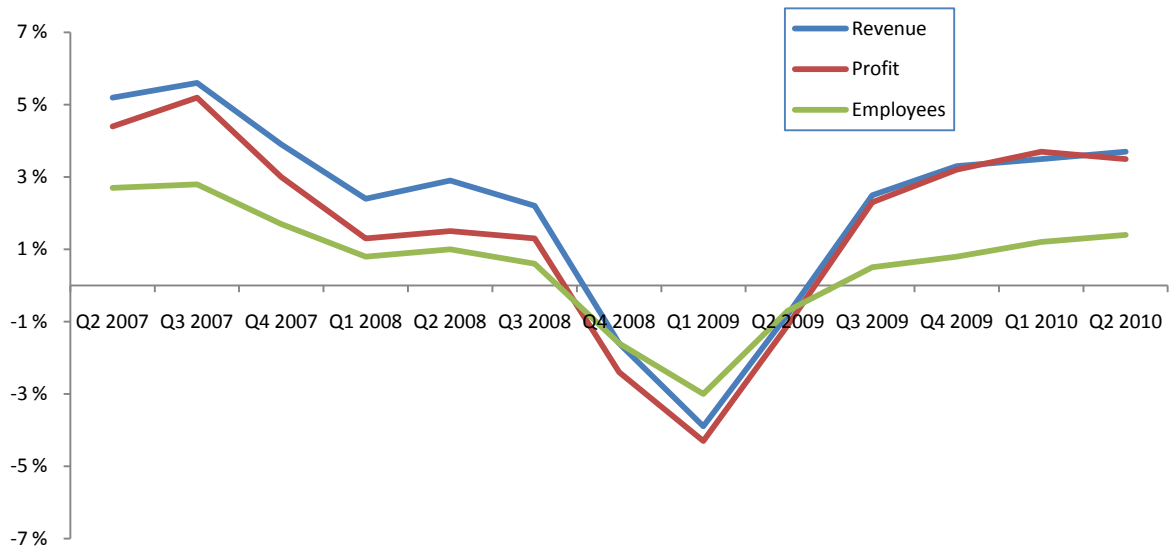
How Company Will Perform Compared to Economy

- Almost 50 per cent of respondents expecting their company to grow faster than the Canadian economy while 23 per cent anticipate grow at the same rate and 27 per cent expect growth to be slower.



Projected Changes in Revenue, Profit and Employees

- The *CICA/RBC Business Monitor* also shows positive projections for the next 12 months relating to revenues (+3.7 per cent), profits (+3.5 per cent) and employment numbers (+1.4 per cent).



Most Important Issues to Business

- Survey respondents indicated their top challenges are competition (68 per cent) and customer demand (50 per cent).

	Not a Challenge	Minor Challenge	Moderate Challenge	Major Challenge	Major/ Moderate Challenge
	%	%	%	%	%
Competition in the Marketplace	7%	25%	40%	28%	68%
Customer Demand	17%	32%	33%	17%	50%
Regulatory Requirements	22%	35%	27%	16%	43%
Value of the Canadian Dollar Compared to the US Dollar	29%	29%	25%	17%	42%
Availability of Professionally and Technically Skilled Staff	30%	30%	32%	8%	40%
Employee and Benefit Costs	16%	45%	31%	8%	39%
Availability of Management Skills	34%	26%	32%	7%	39%
Succession Planning	29%	34%	25%	12%	37%
Access to Capital	40%	26%	18%	15%	34%
Corporate Tax Burden	30%	38%	25%	7%	32%
Energy Prices	31%	39%	23%	8%	31%
Foreign Competition	50%	22%	17%	11%	28%
Cost of Capital	32%	40%	19%	9%	28%
Liquidity	46%	29%	16%	9%	25%
Personal Tax Burden	40%	35%	17%	8%	25%
International Financial Reporting Standards (IFRS)	51%	24%	19%	6%	25%
Staff Turnover	32%	44%	21%	4%	25%
Government Support for Business	52%	24%	16%	8%	24%
Collecting Receivables	40%	39%	18%	3%	21%
US Trade Policy	65%	20%	12%	3%	15%
Meeting Government Energy Regulatory Requirements	68%	19%	10%	3%	13%
Fraud	73%	23%	4%	1%	5%

Regional Data

- Levels of provincial economic optimism for Q2 2010 are as follows: 59 per cent in Alberta, 53 per cent in British Columbia, 44 per cent in Quebec and 29 per cent in Ontario.
- There is less variation by province for business optimism: 72 per cent in Alberta, 64 per cent in Quebec, 53 per cent in British Columbia and 49 per cent in Ontario.

	% Very optimistic/ optimistic	
	Provincial Economic Optimism	Business Optimism
BC	53%	53%
Alberta	59%	72%
Ontario	29%	49%
Quebec	44%	64%

- Profit and revenue projections remain positive for the next twelve months in each of British Columbia, Alberta, Ontario and Quebec. The average profit projection in Alberta is 5 per cent, followed by 3.8 per cent in British Columbia and Quebec and 2.6 per cent in Ontario

	Average Revenue	Average Profit	Average Import Of Goods	Average Number Of Employees	Average Amount Of Capital Investment	Average Cost of Goods	Average Prices	Average Labour Costs
BC	3.3%	3.8%	1.8%	0.7%	0.8%	1.7%	1.8%	1.8%
Alberta	5.2%	5.0%	2.8%	1.7%	3.8%	0.4%	1.3%	1.5%
Ontario	3.1%	2.6%	1.8%	1.6%	2.7%	2.2%	1.0%	2.4%
Quebec	4.1%	3.8%	2.2%	1.4%	3.1%	2.3%	0.8%	2.0%