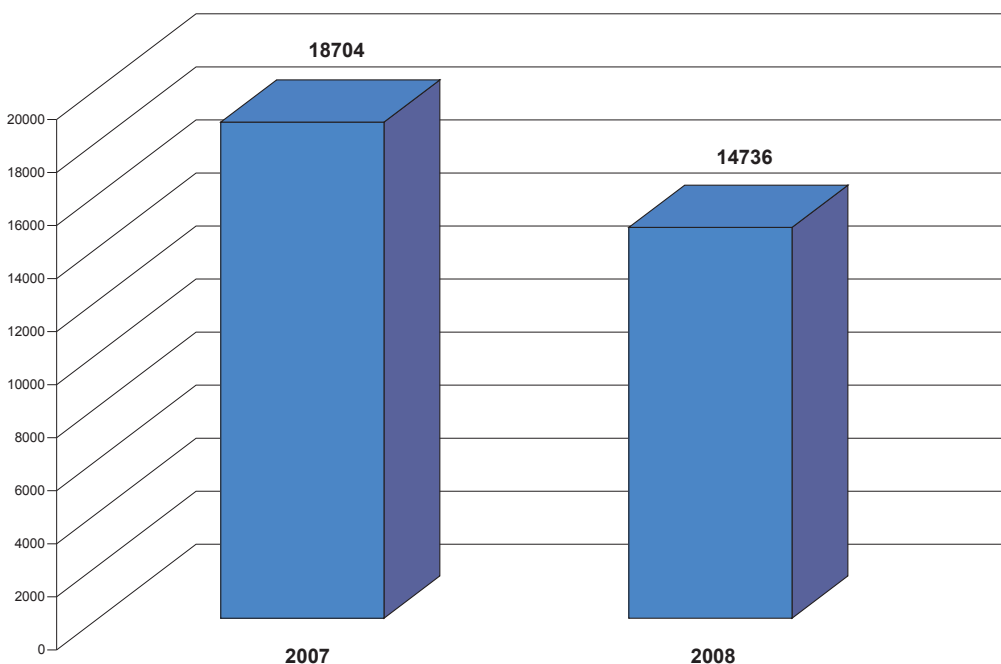


Company Formation Review

During these changing times we at ICC Information have taken a look at the number of new companies that have started up in 2008 and compare it to those formed in 2007, broken down into industry sector.

Year	2007	Year	2008
Accounting and Legal	307	Accounting and Legal	251
Agriculture	190	Agriculture	189
Construction	2534	Construction	1570
Consultancy	826	Consultancy	787
Energy	93	Energy	121
Engineering	558	Engineering	352
Financial	1924	Financial	1590
Food and Drink	98	Food and Drink	113
Hotel and Leisure	1092	Hotel and Leisure	929
IT and Telecomm	1075	IT and Telecomm	1039
Leasing and Rental	415	Leasing and Rental	271
Logistics	418	Logistics	410
Manufacture	507	Manufacture	514
Mining	34	Mining	28
Motor Vehicle	275	Motor Vehicle	270
other	4187	other	3067
Property	1936	Property	1158
Publishing	183	Publishing	141
Retail	1668	Retail	1557
Wholesale	384	Wholesale	379
	18704		14736

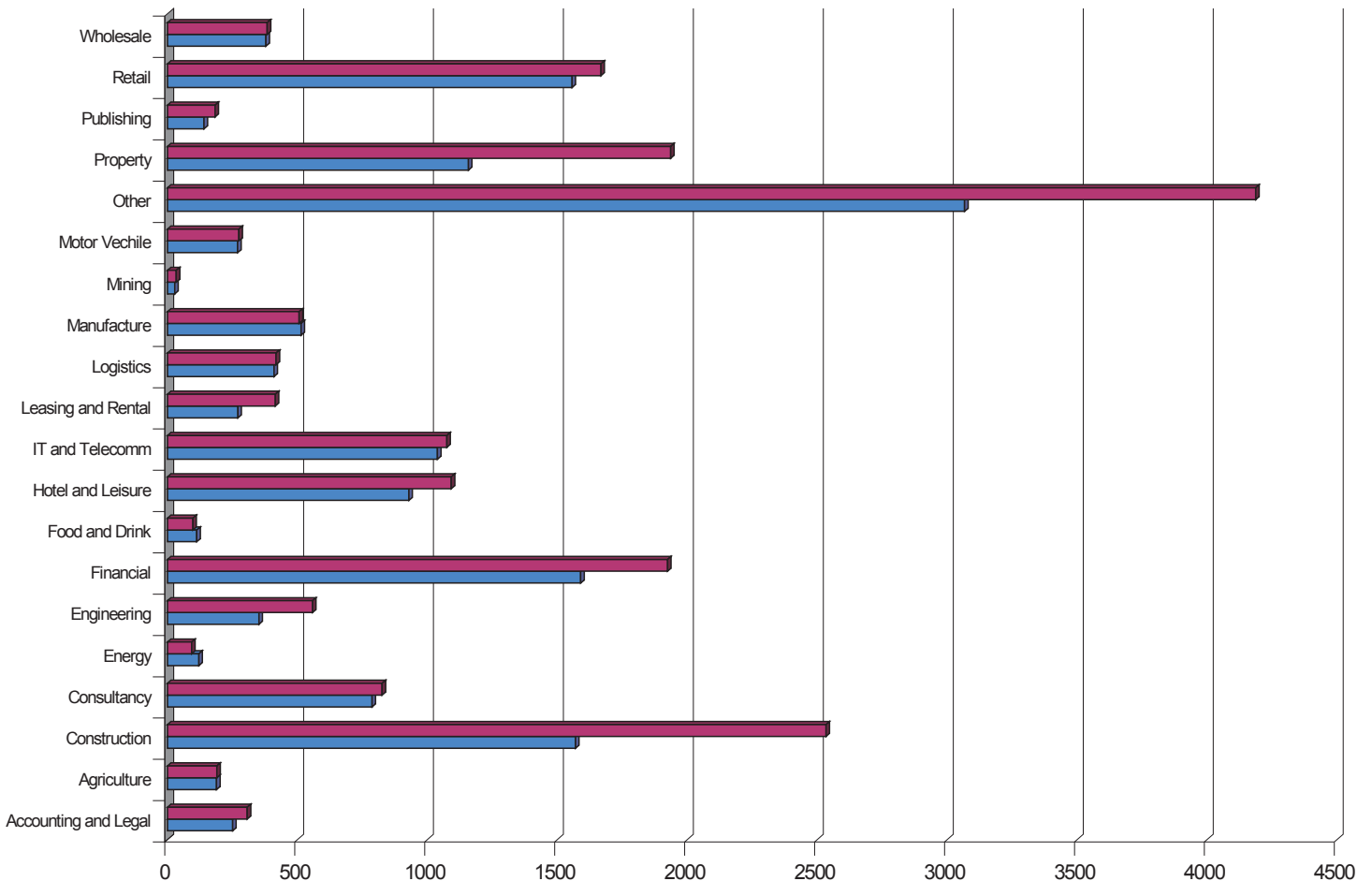


A look at the overview of the formations figures from for 2008 versus 2007 shows a formations figure running at 79% of last years figures a significant drop in the number of companies formed.

Breakdown by the Major Industry Sectors

If we break it down by the major industry sectors we can clearly see which sectors are slowing down and which are proving to be more resilient to the economic slowdown.

Year	2007	Year	2008	% change
Accounting and Legal	307	Accounting and Legal	251	-18%
Agriculture	190	Agriculture	189	-1%
Construction	2534	Construction	1570	-38%
Consultancy	826	Consultancy	787	-5%
Energy	93	Energy	121	30%
Engineering	558	Engineering	352	-37%
Financial	1924	Financial	1590	-17%
Food and Drink	98	Food and Drink	113	15%
Hotel and Leisure	1092	Hotel and Leisure	929	-15%
IT and Telecomm	1075	IT and Telecomm	1039	-3%
Leasing and Rental	415	Leasing and Rental	271	-35%
Logistics	418	Logistics	410	-2%
Manufacture	507	Manufacture	514	1%
Mining	34	Mining	28	-18%
Motor Vehicle	275	Motor Vehicle	270	-2%
other	4187	other	3067	-27%
Property	1936	Property	1158	-40%
Publishing	183	Publishing	141	-23%
Retail	1668	Retail	1557	-7%
Wholesale	384	Wholesale	379	-1%
	18704		14736	-21%



Business startups drop by 21% but Tax Incentive may be the key to recovery

Statistics released by ICC Formations reveal that there was a 21% drop in the number of Business Start Ups in 2008 compared to 2007. **'Not surprisingly, the sectors that saw the biggest drop were 'Property' and 'Construction' which saw a decrease of 40% and 38% respectively. This was closely followed by the 'Leasing and Rental' sector which saw a decrease of 35% in the number of new companies formed in 2008'** explained Head of Professional Services at ICC Formations, Jon Rock

However, despite this it was not bad news for all sectors. **'The number of Energy companies formed increased by 30% to 121 while several sectors, including Agriculture, Manufacturing and wholesale remained relatively static'**

Despite the deterioration in domestic economic circumstances, Rock maintains that at present there are huge opportunities for New Start Ups and that **'Now could be the perfect time for entrepreneurs to set up their own business'**

The Finance Bill introduced by the Government in October contains measures specifically designed to encourage new business. **'New companies can now avail of an exemption from corporation tax if their corporate tax liability does not exceed €40K in one year. This means that a new business can earn profits of €960K tax free in their first 3 years'** said Rock.

'In addition to this, because they are not paying corporation tax they will save money on the cost of professional advice pertaining to their tax liability'. Those companies investing in Research and Development will further benefit as the tax credit has been increased from 20% to 25%. **'This will act as an incentive for companies to continue with R & D activities'** added Rock.

With rising unemployment rising people may now find themselves with both the time and motivation to avail of these new incentives and take the plunge into becoming their own boss.

For further information about forming a company, please contact Jason at ICC Information on 01 2405826 or alternatively email jbowers@iccinformation.ie.