



For Immediate Release
(April X, 2008)

Contact: Ichiro Kawasaki/Robert Nihen
KPMG LLP
201-307-8640/8296

**KPMG STUDY REVEALS SHREVEPORT, LA.
IS LEAST-EXPENSIVE SMALL-SIZED U.S. LOCATION FOR BUSINESS**

*Montgomery, Ala., Lexington, Ky., and Cheyenne, Wyo.
Other Highest-Ranking Locations For Cost-Competitiveness*

NEW YORK, April X – Shreveport, La., is the least-costly metropolitan area to do business among 14 U.S. locations with populations between 100,000 and 500,000, according to a study by KPMG LLP, the audit, tax and advisory firm. The city was also the least-expensive location among 56 continental U.S. cities of all sizes examined in the study.

Contributing to Shreveport's top ranking in the small cities category were the lowest labor costs, corporate income tax rate, and office leasing costs among the 14 cities examined.

Montgomery, Ala., ranked as the second most cost-competitive location in the small-cities category, followed by Lexington, Ky., and Cheyenne, Wyo., which were third and fourth, respectively. The cities ranking fifth thru seventh -- Sioux Falls, S.D., Bangor, Maine, and Cedar Rapids, Iowa, respectively -- had nearly identical cost indexes. The most expensive place to do business in the small cities category was Anchorage, Alaska.

KPMG's 2008 *Competitive Alternatives* study measured 27 significant cost components that are most likely to vary by location, including labor, taxes, real estate and utilities as they applied to 17 industries, over a 10-year planning horizon. Data on a variety of non-cost competitive factors also was compared. The study enables companies to perform a "quick scan" of jurisdictions to determine which can offer a cost-competitive business environment.



KPMG's 2008 Competitive Alternatives Study--2

“Selecting the leading site for a business operation requires balanced consideration of many factors, including business costs, business environment, personnel costs and quality of life issues,” said Hartley Powell, national leader of KPMG’s Strategic Relocation and Expansion Services practice. “This study offers a comprehensive guide for comparing business costs in the United States and contains valuable information for any company seeking a potential cost advantage in locating a business operation.”

According to the study, Shreveport had a cost index of 92.7, more than seven percent below the U.S. national average.

Montgomery followed with a cost index of 94.7, while Lexington and Cheyenne ranked third and fourth with cost indexes of 95.0 and 96.9, respectively. Montgomery was assisted by the lowest industrial land costs and second lowest labor and transportation costs in the small cities category. Lexington’s central location between the Northeast and Southeast regions gave it an advantage with the lowest transportation costs, combined with the lowest property tax costs and low electricity costs. Cheyenne benefited from having the lowest wage and salary costs combined with low energy (electricity and gas) costs.

Sioux Falls, with a cost index of 97.4, ranked fifth among small-sized cities, reflecting the second lowest property tax rates among cities in its category. Bangor, with a slightly higher cost index of 97.5, ranked sixth, aided by low industrial land and labor costs. Cedar Rapids, Iowa, ranked a very close seventh with a cost index of 97.6, benefiting from low facility costs and a competitive corporate income tax rate.

Fargo, N.D. was the eighth-ranked city with a cost index of 98.1. The most positive aspects of Fargo's overall cost structure was its low energy costs and competitive wages.



KPMG's 2008 Competitive Alternatives Study--3

At the other end of the spectrum, Anchorage was the most expensive place to do business of the 14 small U.S. cities studied. The city had the highest industrial land, construction, and office leasing costs, as well as the highest property taxes. Wages and salaries were the highest in the category due to the high cost of living. Not surprisingly, it also had the highest transportation costs, 79 percent higher than Spokane, Wash., the 13th-ranked city for this cost factor.

Commenting further, KPMG's Powell said: "Identifying which sites are most worthy of further investigation by a company, as it considers relocation, is just the first step. And although business costs and location issues are important considerations in the site selection process, companies should also assess the impact of discretionary incentives offered by jurisdictions that may enhance the relative cost-attractiveness of alternate sites."

Cost indexes for all 14 small-sized U.S. cities studied follow. The benchmark cost index (U.S. = 100) is defined as the average of nine representative U.S. cities.

KPMG's 2008 COMPETITIVE ALTERNATIVES STUDY
(U.S. Cities with populations 100,000 to 500,000)

City	Cost Index	Rank
Shreveport, LA	92.7	1
Montgomery, AL	94.7	2
Lexington, KY	95.0	3
Cheyenne, WY	96.9	4
Sioux Falls, SD	97.4	5
Bangor, ME	97.5	6
Cedar Rapids, IA	97.6	7
Fargo, ND	98.1	8
Billings, MT	99.4	9
Burlington, VT	99.4	10
Spokane, WA	99.8	11
Manchester, NH	101.0	12
Saginaw, MI	102.2	13
Anchorage, AK	112.6	14

Cost index figures were created by measuring the combined impact of 27 cost components that are most likely to vary by location. More than 2,000 individual business scenarios were examined, analyzing more than 50,000 items of data. For comparison purposes, the national average was assigned a cost index of 100.0.



KPMG's 2008 Competitive Alternatives Study--4

The overall *Competitive Alternatives* study measured business-operating costs in 136 cities throughout 10 countries. The full text of the 2008 study is available online at www.CompetitiveAlternatives.com.

KPMG's Strategic Relocation and Expansion Services practice, with more than 50 U.S. professionals, offers a comprehensive range of services that can help companies find tax and other efficiencies when expanding, relocating or consolidating their facilities. The practice operates domestically and globally and is part of KPMG's Global Location and Expansion Services group.

KPMG LLP, the audit, tax and advisory firm (www.us.kpmg.com), is the U.S. member firm of KPMG International. KPMG International's member firms have 123,000 professionals, including 7,100 partners, in 145 countries.