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Dear Clients and Friends of HB&K:

Happy New Year! With 2010 finally behind us, we would like to share some thoughts about what 2011 has in store for businesses along the Gulf Coast.

Although the recession technically ended in 2009, it still is hard to believe that a recovery is underway. In many cases, the recession hit our area harder in 2010 than in 2009, in part because of the Deepwater Horizon oil spill. As discouraging as the past several months have been however, there are clear signs that the economy will improve in 2011. Nationwide, certain key sectors are showing growth and the unemployment rate is predicted to decline slightly. Our local economy should see a boost from the recent Austal Littoral Combat Ship award, the ramp-up of the ThyssenKrupp steel plant and the expansion of the EADS facility at Brookley in anticipation of the US Air Force refueling tanker award. Although the recovery is still struggling to gain traction, we are cautiously optimistic that the worst is behind us.

HB&K has weathered these challenges alongside our clients and, like many businesses, we find ourselves adapting to some new realities. Our suite of services reflects these changes, and is designed to help our clients manage their ongoing operations while building a strong foundation for growth and profitability. We offer a range of strategy and planning services to help businesses and individuals navigate the many changes that take effect in 2011, including:

Business Consulting: Recent legislation will have a significant impact on how businesses operate going forward. Our consultants provide guidance and insight on a broad range of timely issues including valuations, mergers and acquisitions, employee benefits plans and business technology.

Estate Tax Planning: the estate tax has been reinstated with new provisions, making planning a critical issue for 2011. Our tax professionals deliver customized solutions designed to minimize future tax liabilities under the new law while preserving a family's legacy.

New "Bundles" of Services: we will be combining some of the most-requested individual services into bundles that offer maximum flexibility and value to our small and mid-sized clients.

Tax Technology: we have invested in new technology and training which will enable us to complete the tax preparation process faster and more efficiently.

We remain committed to offering the skills, experience and resources of a large firm with the personal service that defines the Gulf Coast community. As always, we are grateful for the opportunity to serve as a partner to so many outstanding clients. For all of us at HB&K, I wish you a happy and productive 2011.

Sincerely,
Dennis E. Sherrin, CPA, CVA
Managing Shareholder
For The Firm

