

Private Company Services

# Trendsetter Barometer™

Business outlook report  
May 2009

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# Quarterly highlights

PricewaterhouseCoopers commissioned the independent research firm BSI Global Research Inc. to interview 250 chief executive officers of privately held, fast-growth companies in the United States in first quarter 2009 about their current business performance, the state of the economy, and their expectations for business growth over the next 12 months. We then compared their outlook with the prior quarter's results to see how the outlook has changed.

## Key findings:

- **Growth prospects continue descent.** Panelists reset their 12-month revenue projections to an average 3.4 percent, down from 5.2 percent in fourth quarter 2008. This rate of cutbacks was notably less than the last quarter's near 50 percent decline. Fifty-one percent project positive revenue growth, with 25 percent projecting in the double digits and 26 percent in the single digits. Twenty-four percent anticipate zero growth (off a point), and 17 percent expect negative growth (up 5 points).
- **Pessimism prevalent but easing.** Looking at the next 12 months, 41 percent remain pessimistic about prospects for the US economy, down from a survey high of 54 percent in fourth quarter 2008. Forty percent remain uncertain, while optimism shows a rise of 7 points to 19 percent. Among those marketing abroad, pessimism about prospects for the global economy backed down 22 points from a survey high of 59 percent last quarter to 37 percent. Uncertainty dominates at 48 percent, while optimism about the world economy is up slightly, at 15 percent.
- **International sales weaken.** For the first time in a year, the projected average contribution from international sales to total revenue over the next 12 months dropped, from 20 percent to 16 percent. In first quarter 2009, only 24 percent of international marketers reported increased sales, while 22 percent reported a decrease. However, international marketers still show more promise than their domestic-only peers, projecting a 4.8 percent average 12-month revenue growth rate overall versus only 2.1 percent for the domestic-only marketers.
- **Demand and profitability tarnish outlook.** In view of the economic recession, 86 percent are concerned about lack of demand over the next 12 months. Decreasing margins or profitability concerns were cited by 44 percent. On the rise this quarter as potential barriers to growth were fear of increased taxation, 37 percent (up 9 points) and to a lesser extent, legislative/regulatory pressures, 38 percent. Lack of capital for investment is up from a year ago to 28 percent.

- **Gross margins remain tight.** Only 21 percent of those surveyed reported higher gross margins in the first quarter, but 36 percent were lower—a net minus 15 percent, similar to the prior quarter. The first quarter 2009 saw a net reduction in costs and prices.
- **New hiring stalls.** Panelists projected an overall increase to the composite workforce of 1.1 percent. Thirty-one percent plan to increase their staff levels over the next 12 months, down 4 points from the previous quarter, and 10 percent will cut staff, down 7 points. The majority of leading private companies do not plan to either hire or reduce their staff (59 percent).
- **Major capital investment slows.** Twenty-four percent of those surveyed are planning major new investments of capital over the next 12 months, down from 29 percent last quarter and 35 percent a year ago. The level of investment remained about the same, at 7.2 percent of sales.

Chart 1.1 International marketers remain ahead of their domestic-only peers

	International marketers (n=121)	Domestic-only peers (n=129)
Business outlook, next 12 months		
Optimistic about US economy	17%	20%
Optimistic about world economy	15%	15%
Revenue growth rate	4.8%	2.1%
International sales (% of total)	16%	---
Planning major capital investments	30%	19%
Planning expansion to new markets abroad	21%	4%
Plans to increase spending (net)	57%	45%
• New products/services	25%	15%
• Sales promotion	22%	15%
• Information technology	21%	17%
• R&D	12%	8%
Prior quarter's performance		
• Increased gross margins (net)	-13%	-17%
• Increased costs (net)	-6%	-3%
• Increased prices (net)	-10%	-14%

Note: International marketers have average revenue of \$225.4 million; their domestic-only peers have average revenue of \$94.8 million.

A quarter-by-quarter comparison of the key indicators shows the business outlook for the next 12 months and how the views of the panel have changed (see chart 1.2).

The pages that follow provide a detailed look at each question for the previous five quarterly surveys.

# Key indicators for the business outlook

Chart 1.2 Key indicators for the business outlook

A quarter-over-quarter comparison of the key indicators shows how the 12-month outlook has changed each quarter. The change column indicates the movement of opinion from the past two quarters.

Business outlook, next 12 months	2008				2009	Change	Page
	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09	4Q '08–1Q '09	
Optimistic about US economy	26%	24%	17%	12%	19%	↑	7
Optimistic about world economy	36%	39%	19%	10%	15%	↑	9
Expect positive revenue growth	77%	80%	67%	57%	51%	↓	21
Average growth rate expected	11.9%	10.8%	10.1%	5.2%	3.4%	↓	21
Planning major new investments	35%	30%	30%	29%	24%	↓	25
New investments as a % of sales	12.2%	10.6%	8.2%	7.4%	7.2%	=	25
Planning to hire	62%	57%	48%	35%	31%	↓	23
New workers as a % of workforce (net)	+5.9%	+3.9%	+3.6%	+1.7%	+1.1%	↓	23
Expected barriers to growth							
• Lack of demand	75%	74%	83%	84%	86%	=	27
• Profitability/ decreasing margins	38%	35%	40%	44%	44%	=	27
• Legislative/ regulatory pressures	33%	30%	35%	35%	38%	↑	27
• Increased taxation	24%	28%	31%	28%	37%	↑	27
• Lack of capital for investment	22%	20%	31%	27%	28%	=	27
• Strength of the US dollar	17%	20%	20%	20%	19%	=	27
• Higher interest rates	18%	22%	28%	17%	16%	=	27
• Oil/ energy prices	44%	51%	42%	22%	16%	↓	27
• Lack of qualified workers	40%	35%	30%	19%	13%	↓	27
• Competition from foreign markets	10%	9%	9%	11%	9%	=	27
• Pressure for increased wages	28%	27%	25%	14%	7%	↓	27

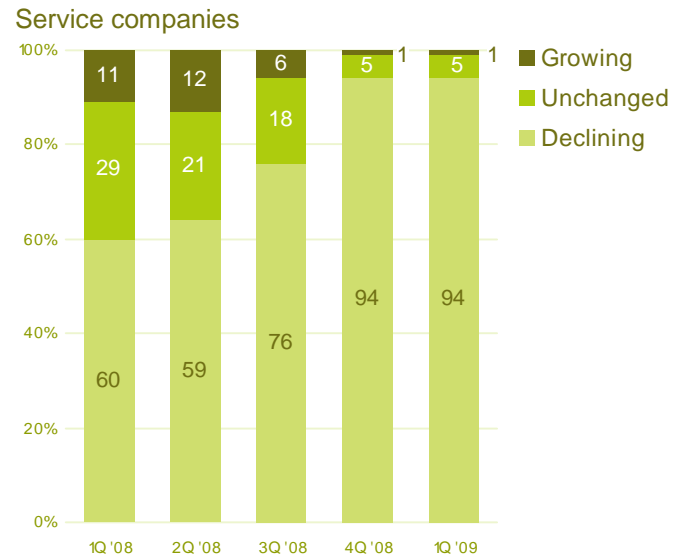
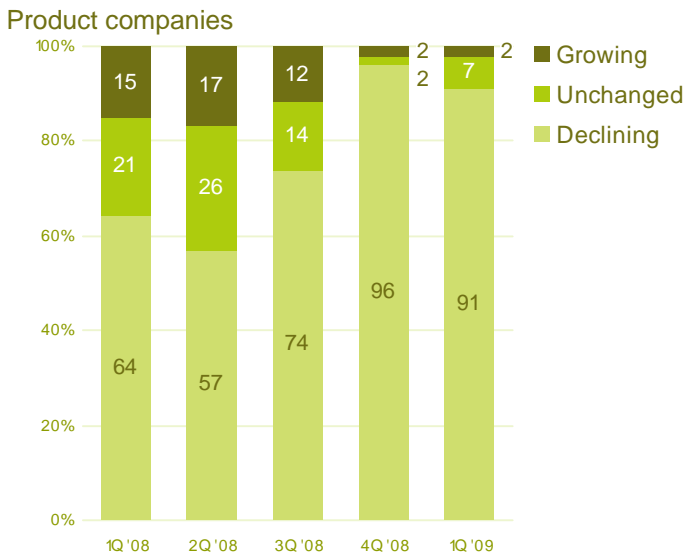
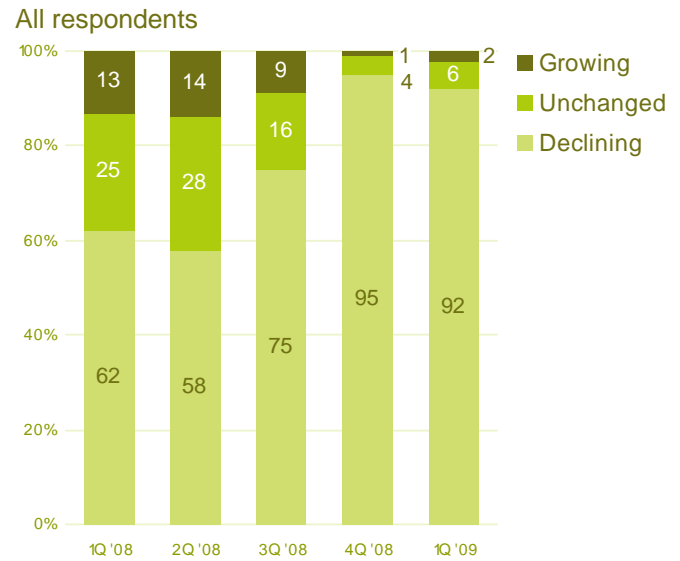
# Economic views

# View of the US economy, this quarter

## Which best describes your view of the US economy this quarter?

In first quarter 2009, only 2 percent of CEOs from America's leading private companies surveyed said they believe the US economy is growing, in line with last quarter. The number of those who think the US economy is declining remained high, at 92 percent, and 6 percent feel it is neither growing nor declining.

Chart 2.1 View of the US economy, this quarter



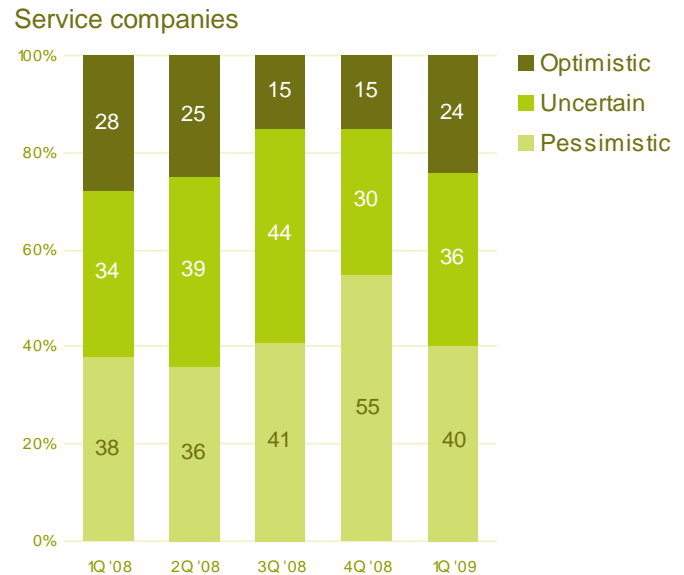
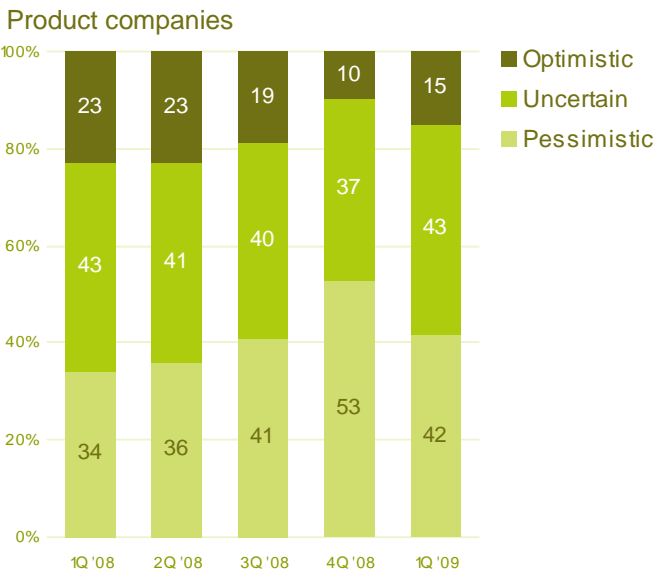
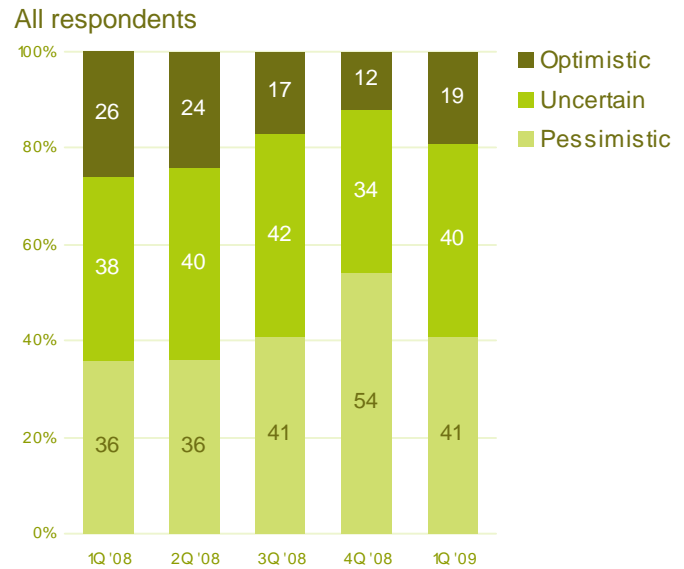
Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

# View of the US economy, next 12 months

Looking ahead at the next 12 months, how do you feel about the prospects for the US economy?

CEOs surveyed are more optimistic about the next 12 months than they were about the first quarter's economic conditions. Nineteen percent said they are optimistic about the prospects for the US economy, above the prior quarter's 12 percent. Pessimism is down to 41 percent from its survey high of 54 percent last quarter.

Chart 2.2 View of the US economy, next 12 months



Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

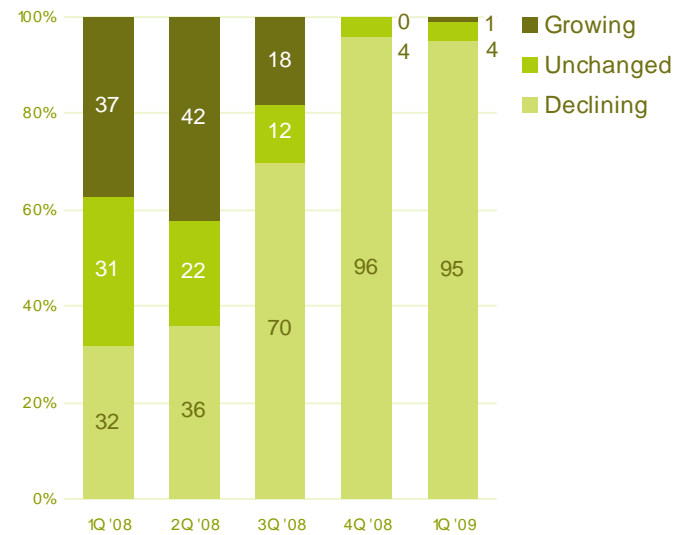
# View of the world economy, this quarter

Which best describes your view of the world economy this quarter? (international marketers only)

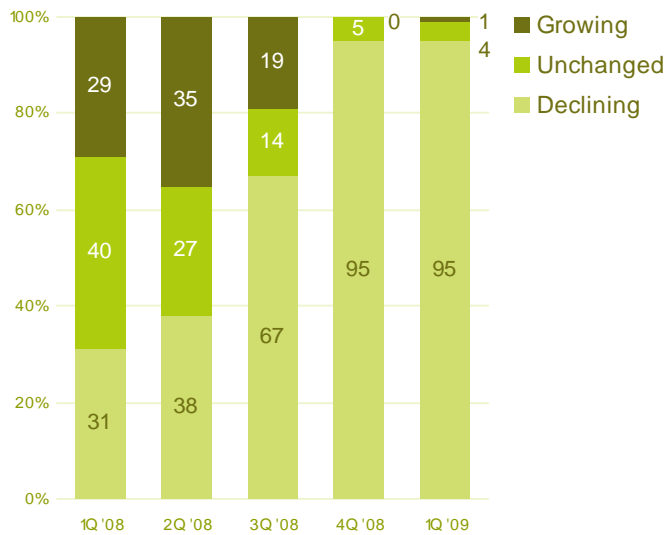
Similar to fourth quarter 2008, 95 percent of CEOs marketing abroad viewed the world economy as declining in the first quarter. One percent viewed the world economy as growing, and 4 percent view it as unchanged.

Chart 2.3 View of the world economy, this quarter

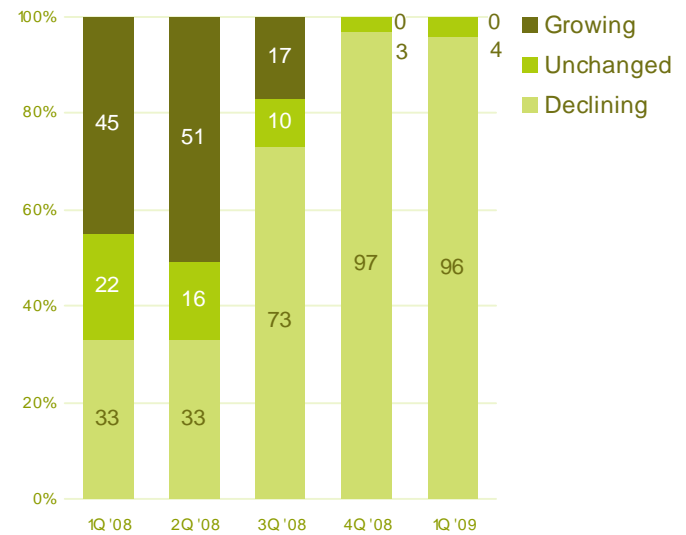
All respondents



Product companies



Service companies



Note: In 1Q 2009 All international marketers, n=121, Product companies, n=69, Service companies, n=52

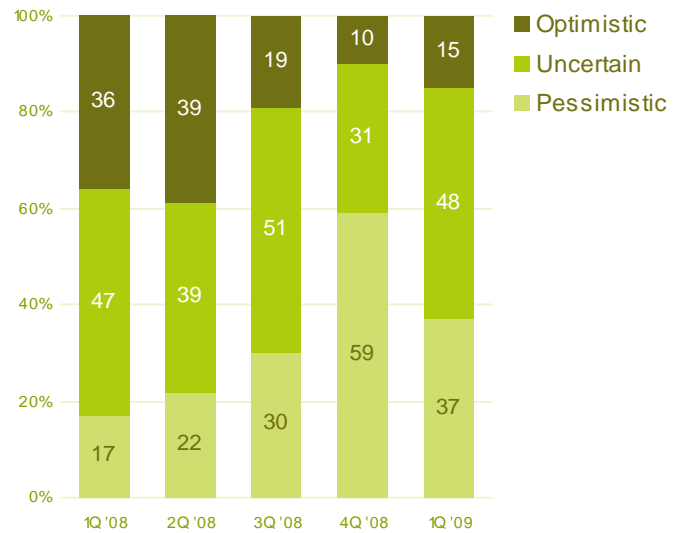
# View of the world economy, next 12 months

Looking ahead at the next 12 months, how do you feel about the prospects for the world economy? (international marketers only)

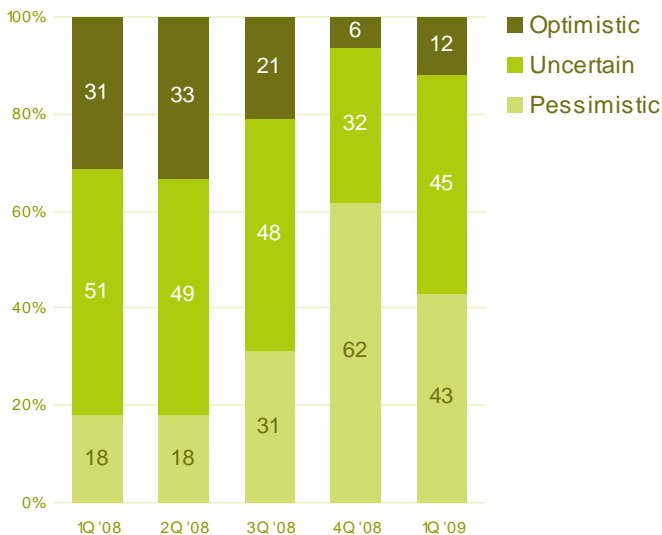
Fifteen percent of international marketers surveyed expressed optimism in the first quarter about the world economy's prospects over the next 12 months, up from 10 percent in the prior quarter. Most expressed uncertainty, as pessimism declined sharply to 37 percent from its survey high of 59 percent in the prior quarter.

Chart 2.4 View of the world economy, next 12 months

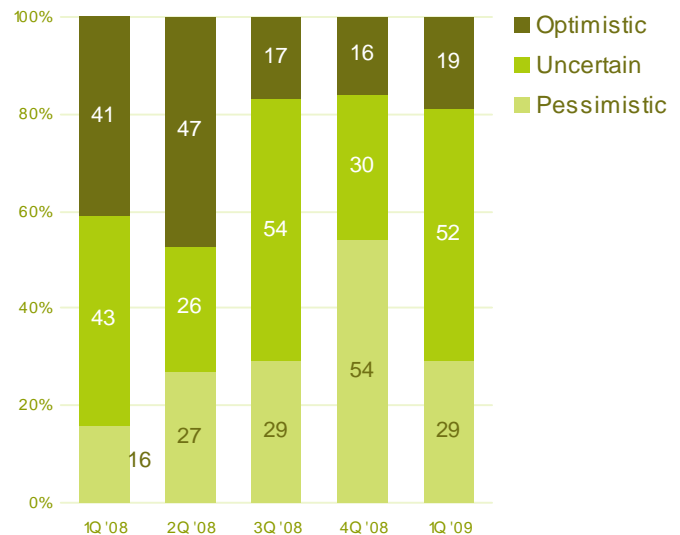
### All respondents



### Product companies



### Service companies



Note: In 1Q 2009 All international marketers, n=121, Product companies, n=69, Service companies, n=52

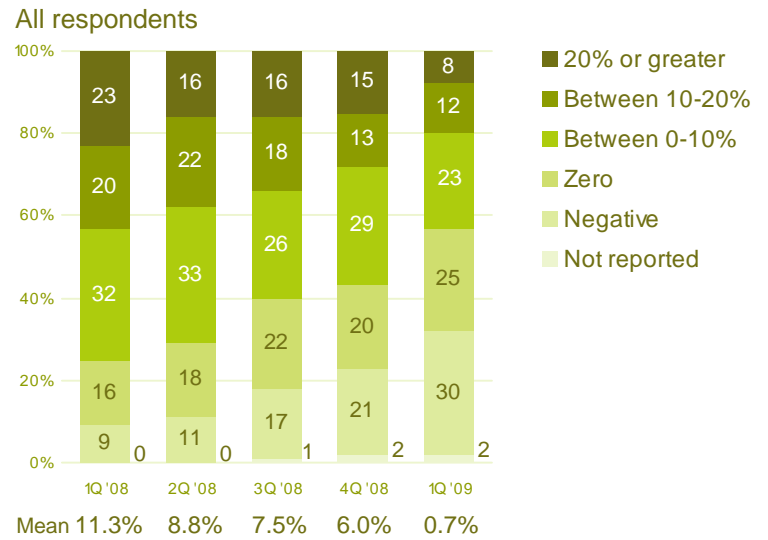
# Company performance

# Company revenue growth, calendar year

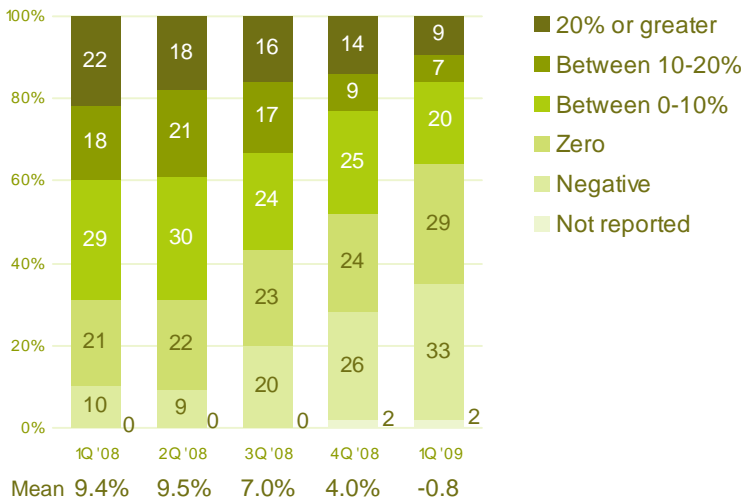
What is your company's estimated revenue growth rate for the calendar year?

Overall, the composite average growth estimate fell to a flat 0.7 percent from 6.0 percent in the prior quarter. Of CEOs interviewed, 43 percent expect positive revenue growth through 2009, with 20 percent projecting double-digit growth and 23 percent single-digit growth.

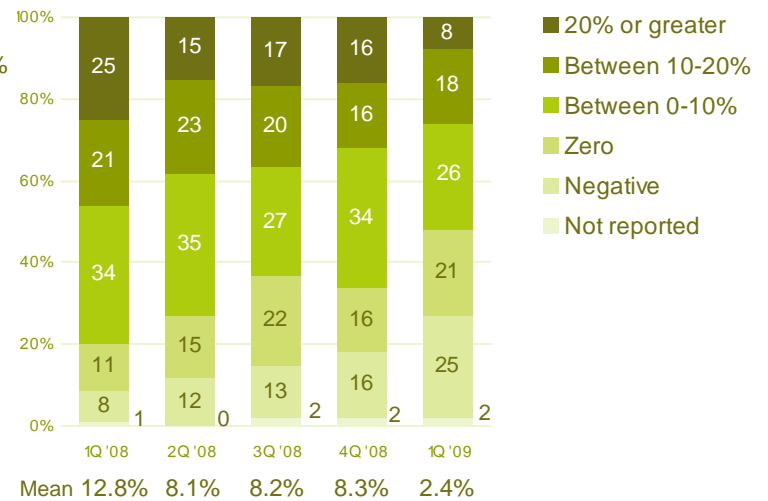
Chart 3.1 Company revenue growth, calendar year



## Product companies



## Service companies



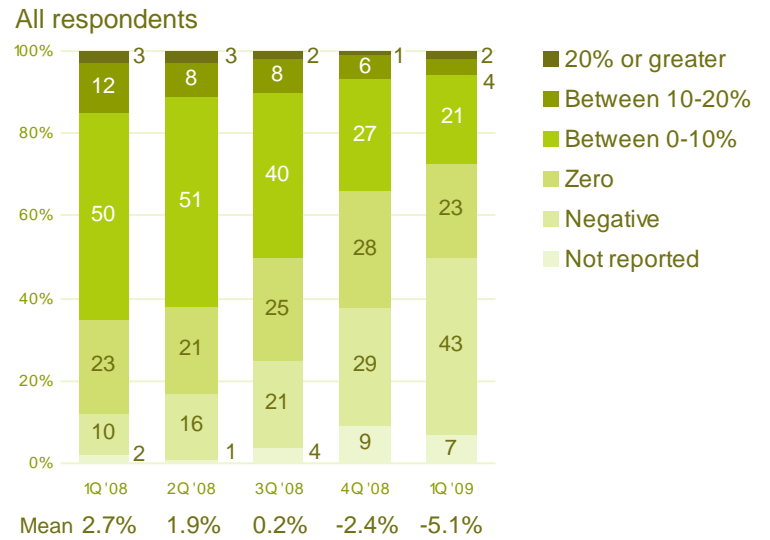
Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

# Industry growth, calendar year

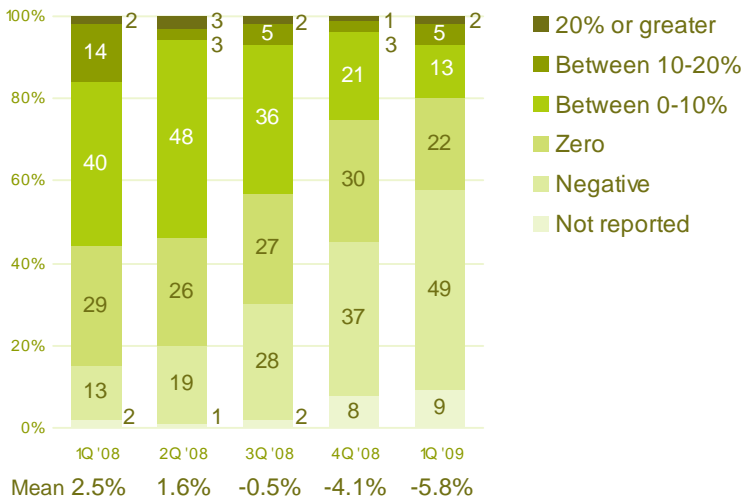
What is your industry's estimated growth rate for the calendar year?

Industry sector growth projections for 2009 dropped sharply again to an average minus 5.1 percent from minus 2.4 percent projected last quarter.

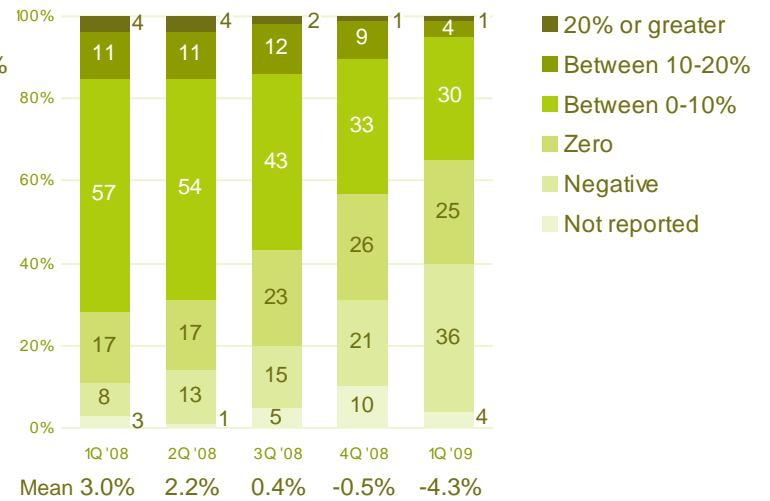
Chart 3.2 Industry growth, calendar year



## Product companies



## Service companies



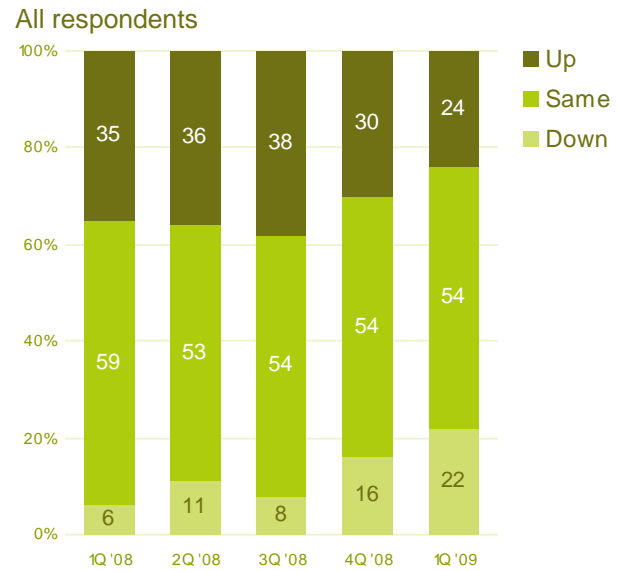
Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

# International sales

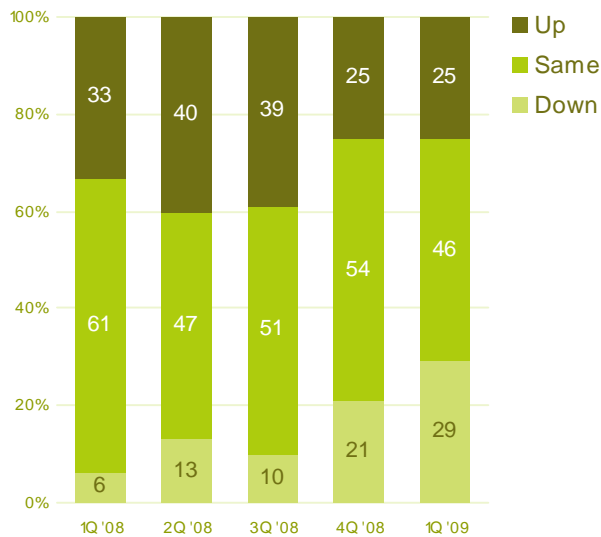
Are international sales up, down, or the same compared with three months ago?

In first quarter 2009, only 24 percent of international marketers increased sales abroad, down from 30 percent in the prior quarter. Twenty-two percent reported fewer sales, and 54 percent reported no change from the prior quarter.

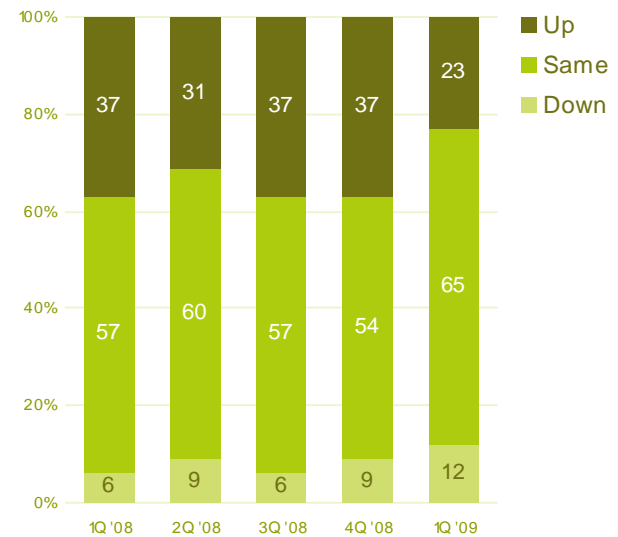
Chart 3.3 International sales



## Product companies



## Service companies



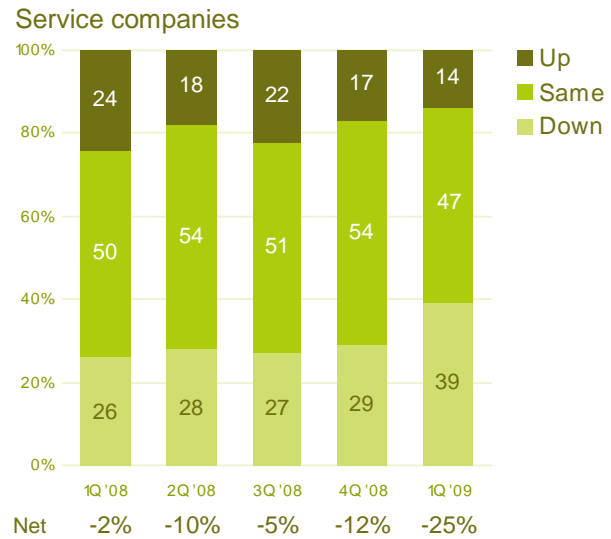
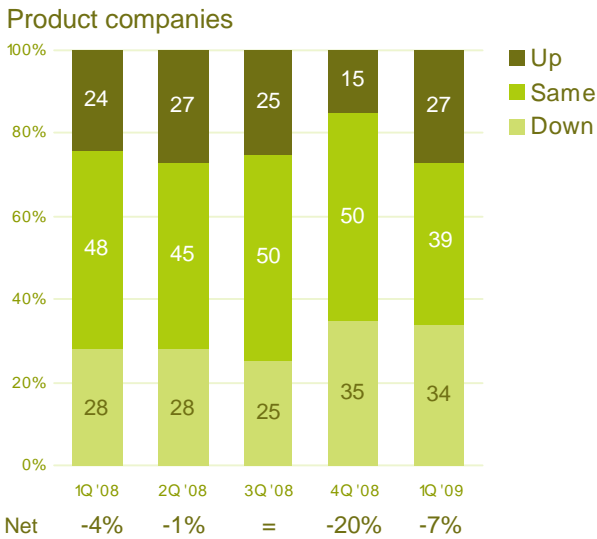
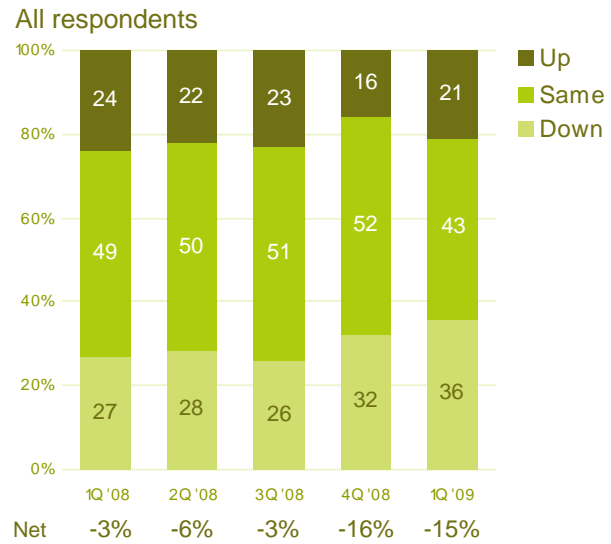
Note: In 1Q 2009 All international marketers, n=121, Product companies, n=69, Service companies, n=52

# Changes in gross margins

Are gross margins up, down, or the same compared with three months ago?

Gross margins remained tight in the fourth quarter, as 21 percent reported higher margins and 36 percent reported lower margins, for a net of minus 15 percent reporting lower margins, similar to the prior quarter.

Chart 3.4 Changes in gross margins



Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

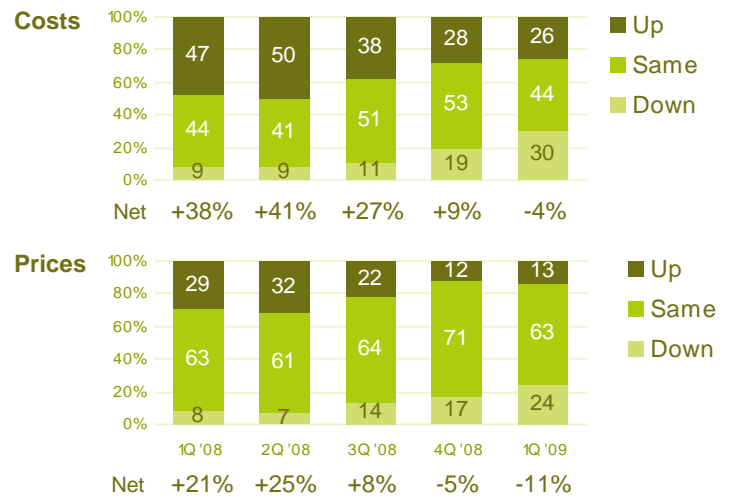
# Changes in costs and prices

Are costs up, down, or the same compared with three months ago? Prices?

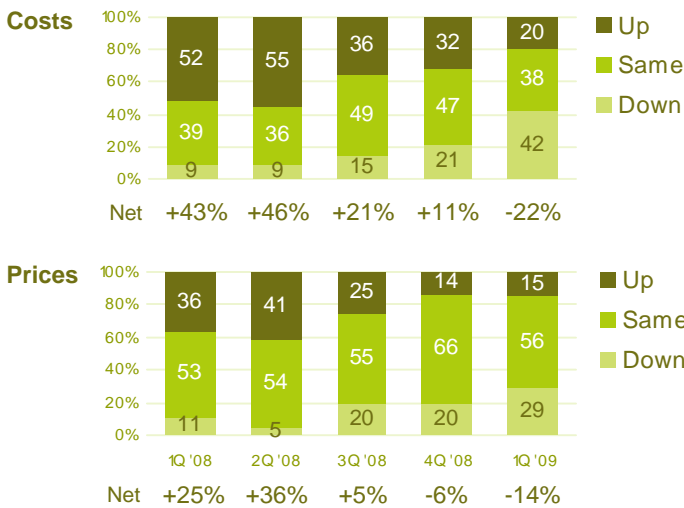
Costs increased for 26 percent of those surveyed and decreased for 30 percent, for a net of minus 4 percent. The net percentage of companies reporting higher costs was notably lower than the previous four quarters. Prices were lower in first quarter 2009 as well, with only 13 percent raising prices and 24 percent lowering them, for a net of minus 11 percent, below the previous four quarters.

Chart 3.5 Changes in costs and prices

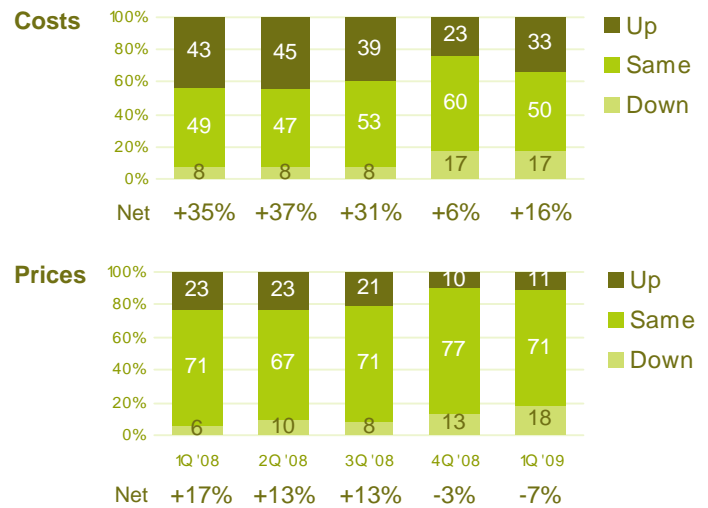
All respondents



Product companies



Service companies



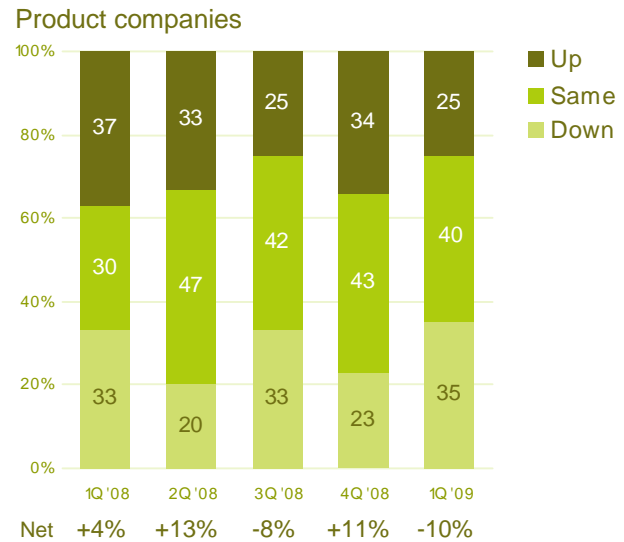
Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

## Finished inventories as a percent of sales

Are finished inventories as a percent of sales up, down, or the same compared with three months ago? (product companies only)

Overall, finished inventories were up for 25 percent of product companies in the first quarter and down for 35 percent—a net minus 10 percent with lower inventories. This is significantly lower than the prior quarter, when a net plus 11 percent reported higher inventories.

Chart 3.6 Finished inventories as a percent of sales

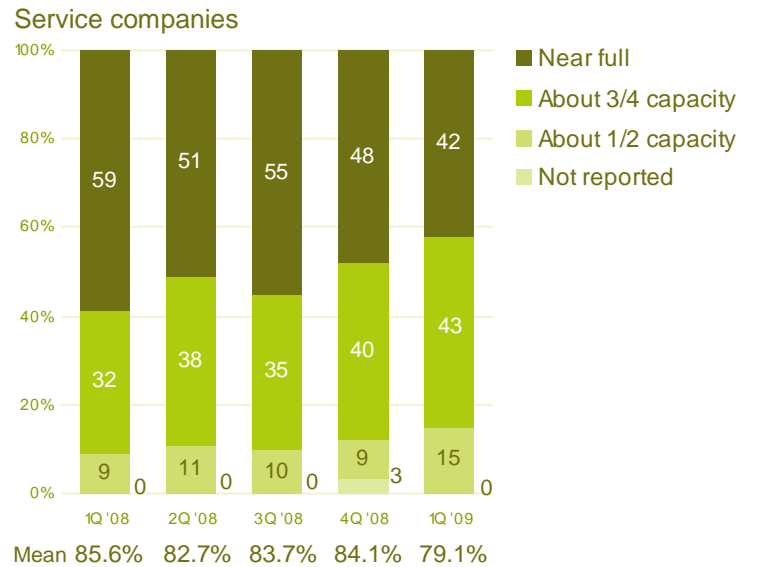
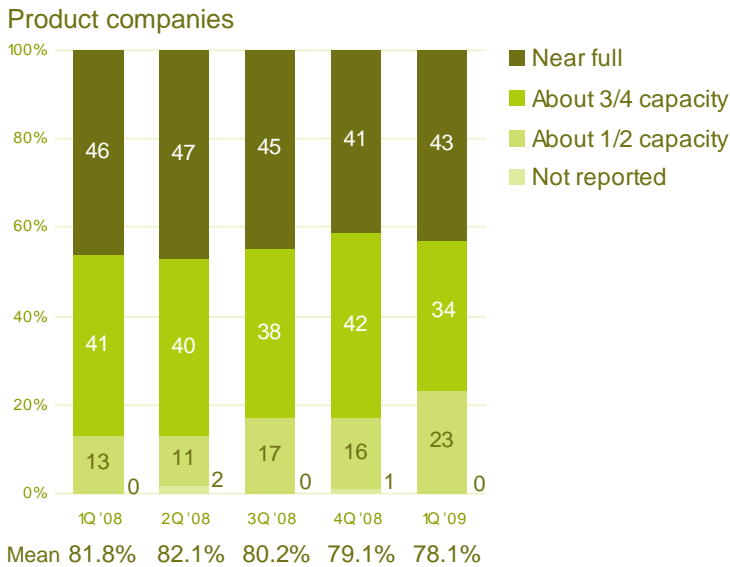
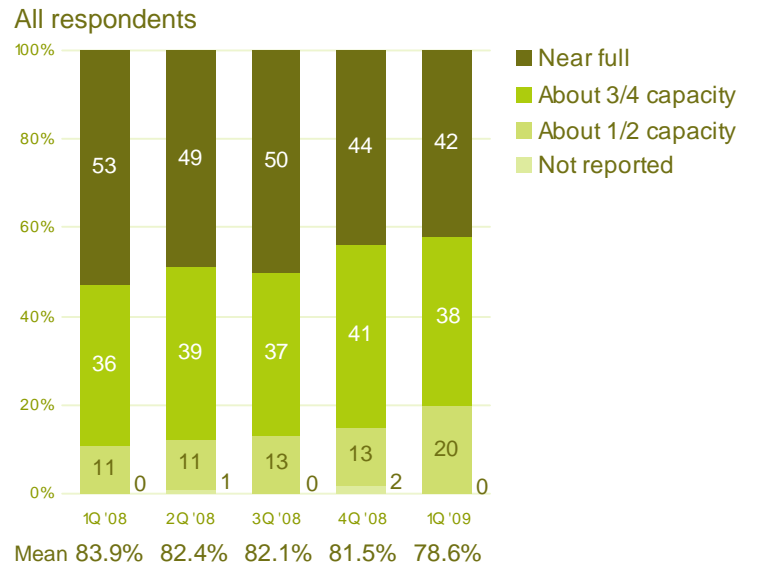


Note: In 1Q 2009 All respondents, n=136, Product companies, n=136

# Level of operating capacity

**What is your organization's current operating capacity?**  
 Operating capacity is an estimate of the current level of permanent staffing compared with what is needed for full-capacity output. In the first quarter, the average level of operating capacity for respondents was an estimated 78.6 percent, well below last quarter's 81.5 percent. Only 42 percent reported near full capacity, similar to the previous quarter.

Chart 3.7 Level of operating capacity



Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

## New bank loans, credit terms and financing

In the past three months, has your organization initiated any new bank loans, longer credit terms from your suppliers, or other types of financing? What is the current interest rate you are paying for your bank financing?

In the first quarter, 14 percent of CEOs surveyed reported financing activity, chiefly bank loans. New bank loans are below a year ago, although the mean interest rate paid on loans by these companies is now 3.84 percent, 217 basis points lower than a year ago, when it was 6.01 percent.

Chart 3.8 New bank loans, credit terms and financing

### All respondents

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Any activity	15%	11%	17%	16%	14%
• New bank loans	13%	9%	14%	12%	10%
• New credit terms (suppliers)	3%	2%	5%	4%	4%
• All other new financing	2%	1%	2%	5%	3%
• Mean interest rate (all bank loans)	6.01%	5.43%	5.22%	3.88%	3.84%

### Product companies

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Any activity	12%	10%	19%	18%	16%
• New bank loans	11%	9%	16%	13%	12%
• New credit terms (suppliers)	2%	2%	4%	6%	5%
• All other new financing	3%	1%	3%	7%	4%
• Mean interest rate (all bank loans)	5.89%	5.34%	5.05%	3.81%	3.86%

### Service companies

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Any activity	18%	11%	15%	14%	11%
• New bank loans	15%	10%	12%	10%	9%
• New credit terms (suppliers)	3%	1%	5%	3%	3%
• All other new financing	1%	1%	2%	3%	1%
• Mean interest rate (all bank loans)	6.10%	5.52%	5.37%	3.97%	3.82%

Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

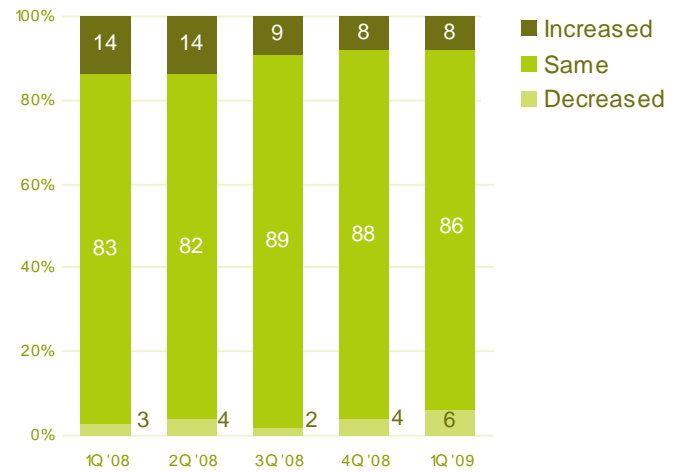
# Change in credit availability

How has credit availability changed in the past three months for your organization? (based on current banking relationships)

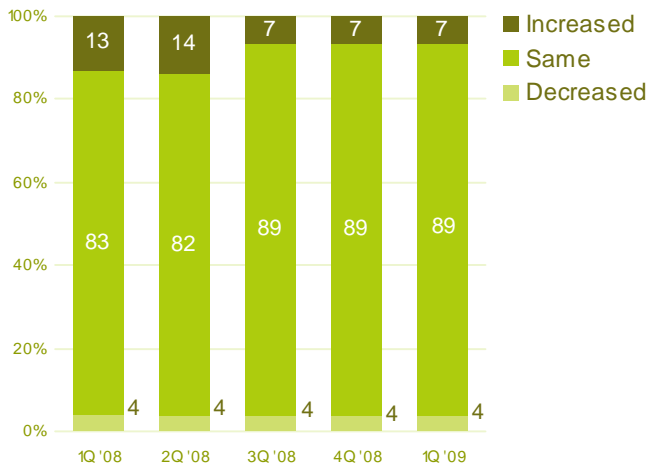
Credit availability showed little change in the first quarter, with only 8 percent increasing their credit lines and only 6 percent reporting a decrease.

Chart 3.9 Change in credit availability

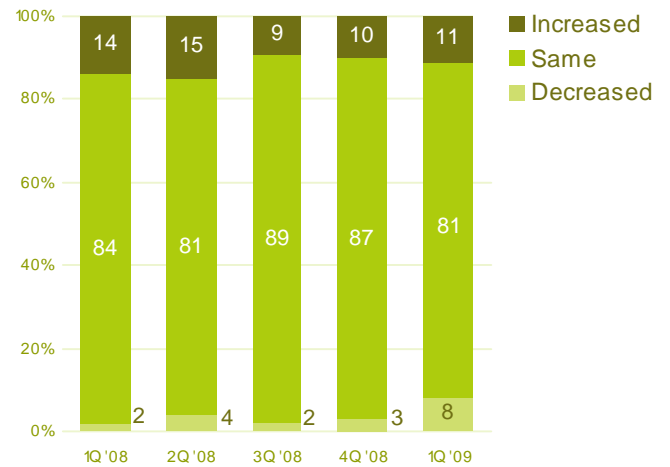
All respondents



Product companies



Service companies



Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

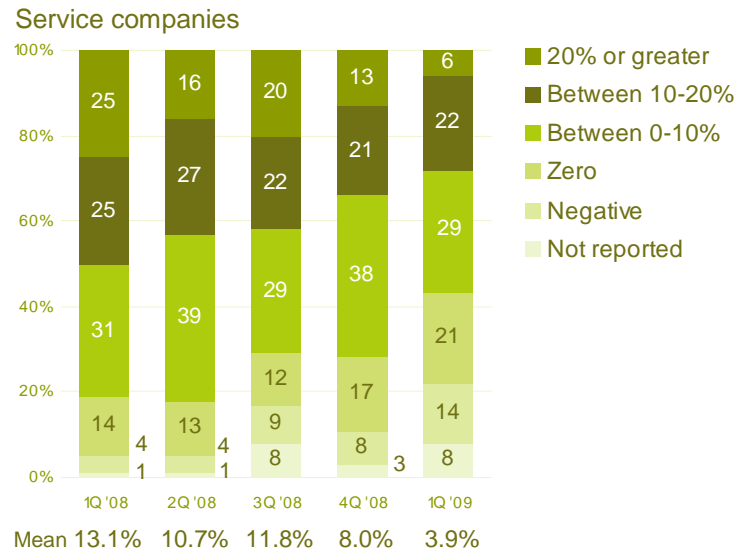
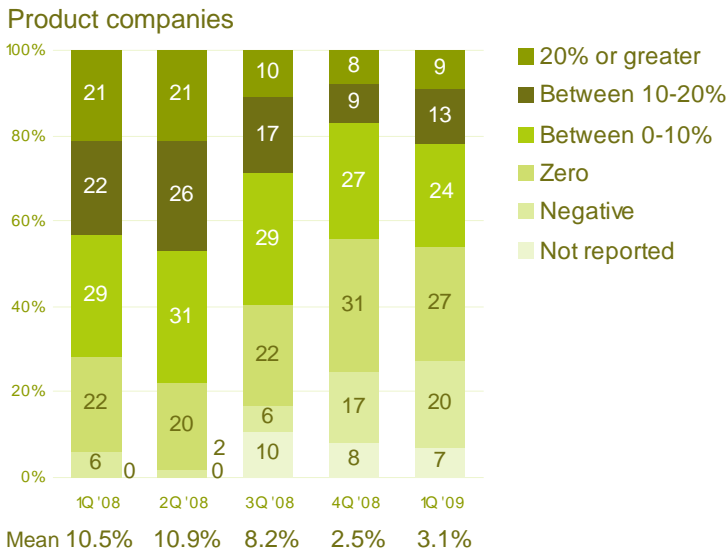
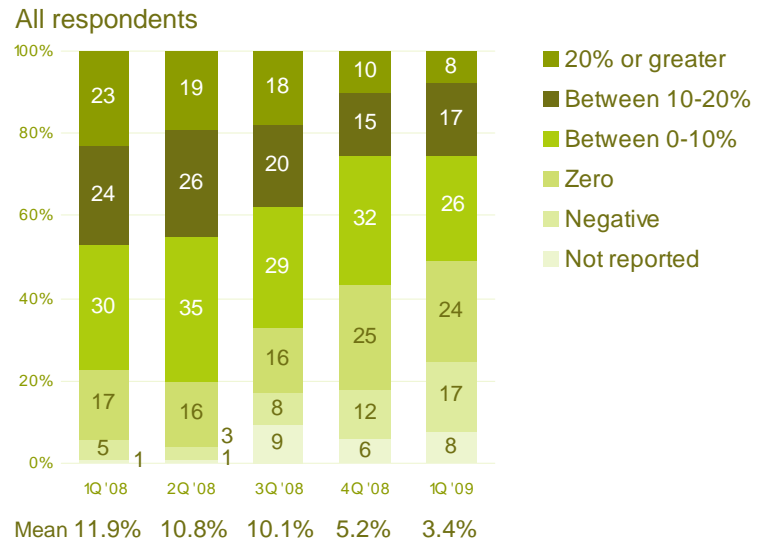
# Business outlook, next 12 months

# Revenue growth, next 12 months

What is your organization's estimated revenue growth rate for the next 12 months?

Respondents projected a lower average revenue growth rate for their companies over the next 12 months, dropping it to 3.4 percent from 5.2 percent in the prior quarter. However, 25 percent project double-digit revenue growth and 26 percent single-digit. Seventeen percent expect negative growth over the next 12 months, and 24 percent zero growth.

Chart 4.1 Revenue growth, next 12 months



Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

over the next 12 months is projected at 16 percent, down 4 points from the prior quarter, but similar to a year ago.

Business outlook, next 12 months

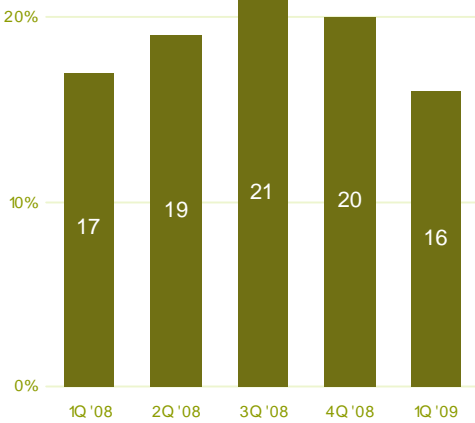
# International sales, next 12 months

What percent of your business's total revenue over the next 12 months do you expect to be derived from international sales? (international marketers only)

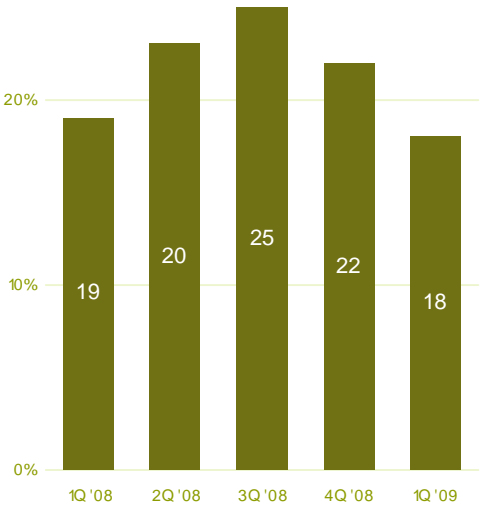
Of panelists selling abroad, the average contribution of international sales to total revenue over the next 12 months is projected at 16 percent, down 4 points from the prior quarter, but similar to a year ago.

Chart 4.2 International sales, next 12 months

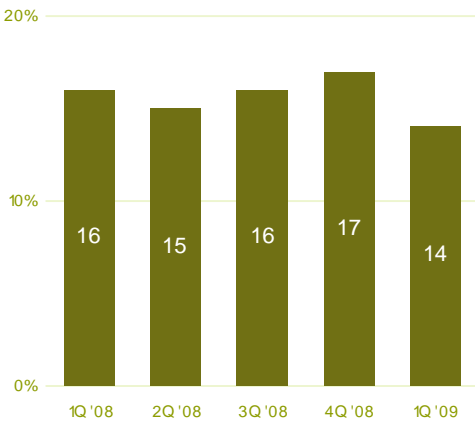
All respondents



Product companies



Service companies



Note: In 1Q 2009 All international marketers, n=121, Product companies, n=69, Service companies, n=52

# Percent planning to hire

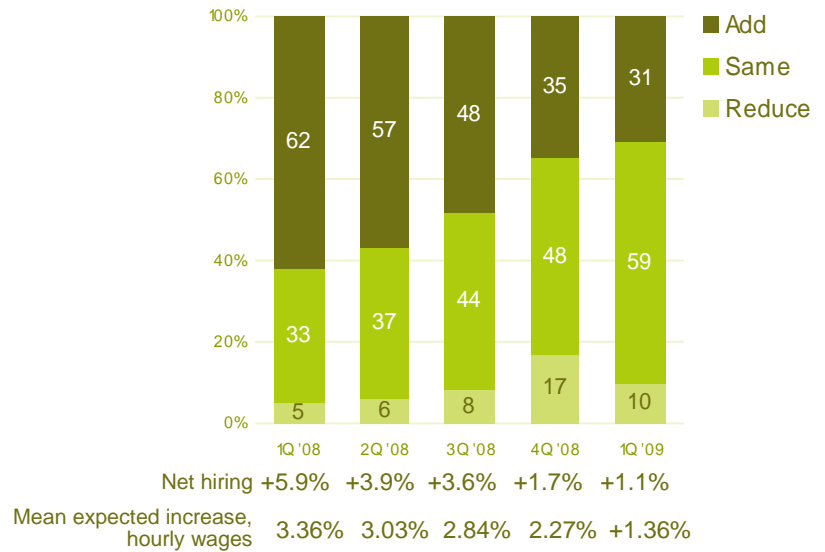
Do you plan to add or reduce the number of full-time equivalent employees over the next 12 months? Do you plan to increase hourly wages?

Looking ahead, 31 percent of panelists plan to add employees to their workforces over the next 12 months, below the prior quarter's 35 percent and well below last year's 62 percent. Ten percent plan to reduce workers, and 59 percent will stay about the same.

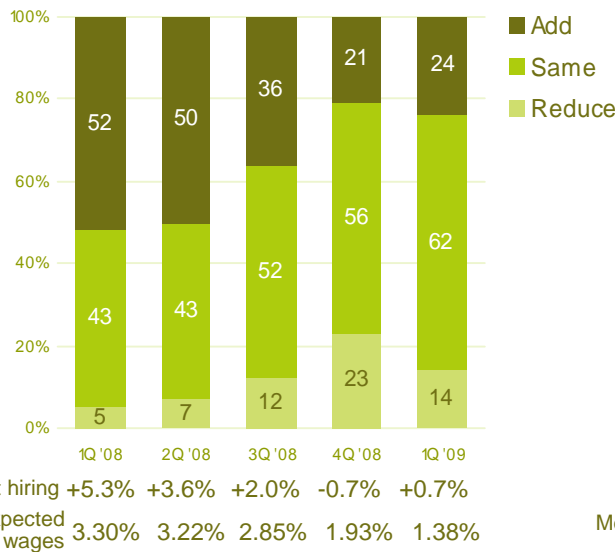
An overall increase of 1.1 percent is planned for the panel's composite workforce, down from 1.7 percent last quarter and 5.9 percent a year ago.

Chart 4.3 Percent planning to hire

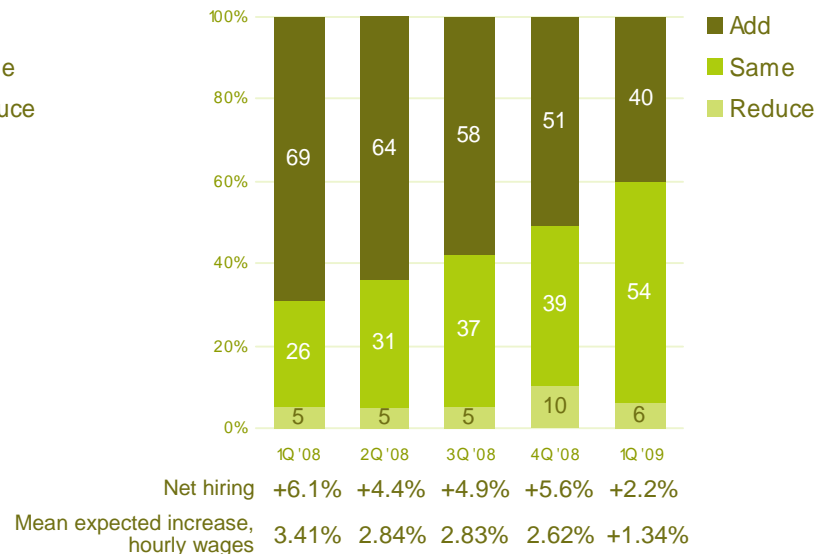
All respondents



Product companies



Service companies



Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

## Percent planning to hire by type of employee

What types of employees do you plan to add or reduce over the next 12 months?

Over the next 12 months, CEOs surveyed primarily will be looking for professionals/technicians.

Chart 4.4 Percent planning to hire by type of employee

### All respondents

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Planning to hire (net)	62%	57%	48%	35%	31%
• Professionals/technicians	40%	39%	34%	22%	17%
• Sales/marketing	20%	20%	16%	8%	8%
• White collar support	13%	12%	9%	7%	6%
• Production workers	8%	9%	6%	6%	6%
• Skilled labor	8%	10%	5%	7%	5%

### Product companies

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Planning to hire (net)	52%	50%	36%	21%	24%
• Professionals/technicians	24%	28%	21%	8%	10%
• Sales/marketing	22%	22%	14%	6%	7%
• White collar support	11%	14%	8%	3%	5%
• Production workers	14%	14%	10%	9%	9%
• Skilled labor	12%	13%	2%	4%	5%

### Service companies

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Planning to hire (net)	69%	64%	58%	51%	40%
• Professionals/technicians	52%	49%	40%	37%	25%
• Sales/marketing	19%	19%	17%	9%	9%
• White collar support	14%	11%	11%	11%	6%
• Production workers	4%	5%	3%	3%	2%
• Skilled labor	5%	7%	7%	11%	5%

Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

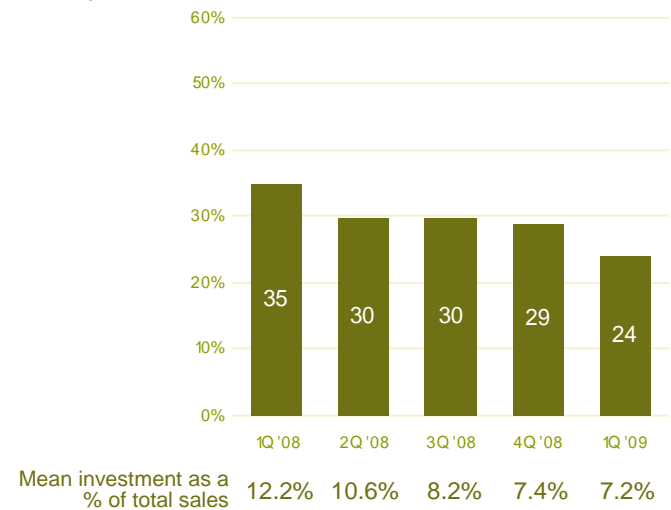
# Percent planning major new investments of capital

Are you actively planning any major new investments of capital over the next 12 months? If so, what percent of total sales do you expect to invest?

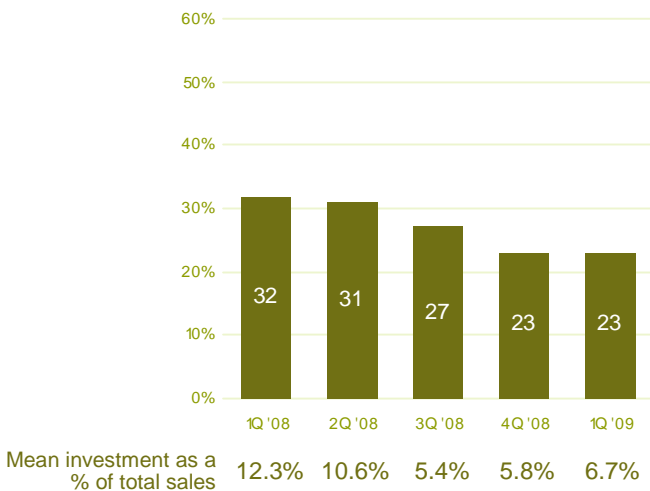
Over the next 12 months, only 24 percent of those surveyed are planning for major new investments of capital for business growth. This is below last quarter's 29 percent and well below last year's 35 percent. The mean investment stayed at about 7.2 percent of sales.

Chart 4.5 Percent planning major new investments of capital

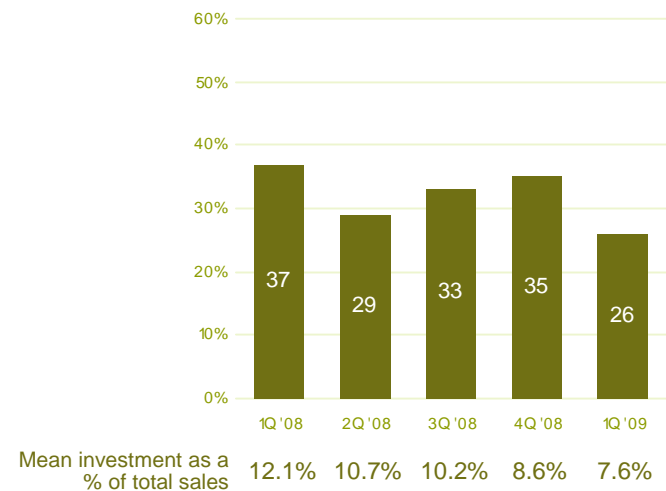
All respondents



Product companies



Service companies



Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

## Percent planning to increase operational spending

### Over the next 12 months, where do you expect to increase spending?

Currently, 51 percent are planning increased operational spending, down from 55 percent last quarter and 68 percent a year ago.

Looking at the next 12 months, increased expenditures among respondents are planned for new product or service introductions, information technology, and marketing and sales promotion.

#### Product companies

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Percent planning to increase spending (net)	63%	65%	58%	48%	47%
• New product or service introduction	29%	31%	23%	21%	20%
• Information technology	25%	21%	18%	15%	21%
• Marketing & sales promotion	28%	19%	22%	20%	16%
• Business acquisition	14%	12%	13%	12%	10%
• Advertising	19%	17%	17%	12%	13%
• Facilities expansion	22%	25%	14%	14%	11%
• Geographic expansion	19%	17%	10%	8%	9%
• Research and development	13%	12%	13%	6%	10%
• Internet commerce	6%	5%	4%	3%	7%

Chart 4.6 Percent planning to increase operational spending

#### All respondents

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Percent planning to increase spending (net)	68%	66%	61%	55%	51%
• New product or service introduction	35%	30%	27%	24%	20%
• Information technology	30%	27%	20%	21%	19%
• Marketing & sales promotion	30%	24%	23%	21%	18%
• Business acquisition	14%	14%	14%	17%	13%
• Advertising	18%	19%	18%	11%	12%
• Facilities expansion	23%	20%	16%	15%	11%
• Geographic expansion	20%	19%	14%	15%	10%
• Research and development	14%	10%	12%	9%	10%
• Internet commerce	7%	6%	5%	4%	5%

#### Service companies

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
Percent planning to increase spending (net)	73%	67%	64%	62%	55%
• New product or service introduction	40%	29%	30%	28%	20%
• Information technology	33%	32%	23%	28%	17%
• Marketing & sales promotion	32%	28%	24%	22%	21%
• Business acquisition	14%	15%	14%	22%	17%
• Advertising	18%	20%	18%	10%	11%
• Facilities expansion	24%	15%	17%	16%	11%
• Geographic expansion	21%	20%	18%	22%	11%
• Research and development	15%	8%	11%	11%	11%
• Internet commerce	7%	7%	6%	4%	2%

Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

# Expected barriers to business growth

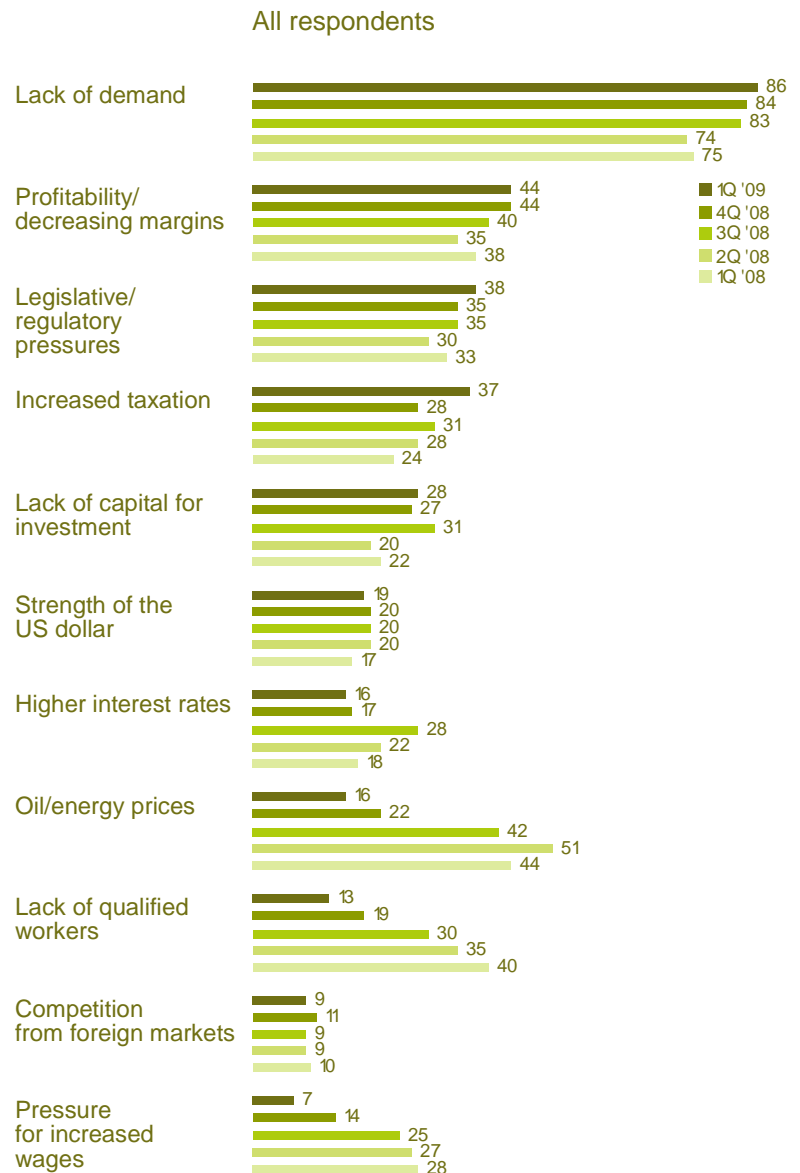
Over the next 12 months, will any of the following represent barriers to business growth?

The major potential barrier to business growth over the next 12 months for panelists will continue to be lack of demand, followed by decreasing margins. Concern about lack of demand rose 2 points to 86 percent, reflecting uncertainty about the US and world economies.

Second, at 44 percent, was concern about profitability.

Thirty-seven percent anticipate increased taxation, and concern about legislative/regulatory issues also remained high, at 38 percent.

Chart 4.7 Expected barriers to business growth



Note: In 1Q 2009 All respondents, n=250

## Plans for M&A and other business initiatives

Over the next 12 months, do you expect to participate in any of the following new business initiatives?

Looking at the next 12 months, 52 percent of respondents expect to participate in new business initiatives. This percentage remained similar to the previous quarters and last year's 54 percent. Overall, the most prevalent expected initiatives include new strategic alliances (20 percent), purchase of another business (16 percent), new joint ventures (15 percent), and expansion to new markets abroad (12 percent).

### Product companies

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
New business initiatives (net)	54%	51%	50%	50%	46%
• New strategic alliance	29%	29%	31%	24%	15%
• Purchase of another business	20%	18%	12%	14%	13%
• New joint venture	21%	17%	20%	18%	16%
• Expand to new markets abroad	14%	15%	12%	14%	11%
• Restructure debt	7%	9%	11%	13%	10%
• Bring in new partners	6%	7%	10%	10%	7%
• Sale part/all of own business	7%	8%	11%	10%	5%
• "Angel" investors	10%	7%	9%	8%	5%
• Venture capital	5%	4%	7%	4%	4%
• Private placement	5%	3%	4%	4%	3%
• New facilities abroad	5%	3%	6%	3%	3%
• IPO offering	1%	1%	2%	1%	---

Chart 4.8 Plans for M&A and other business initiatives

### All respondents

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
New business initiatives (net)	54%	57%	51%	51%	52%
• New strategic alliance	33%	31%	31%	25%	20%
• Purchase of another business	18%	18%	14%	17%	16%
• New joint venture	23%	18%	17%	20%	15%
• Expand to new markets abroad	12%	16%	12%	13%	12%
• Restructure debt	6%	8%	11%	10%	12%
• Bring in new partners	10%	10%	12%	11%	10%
• Sale part/all of own business	9%	9%	9%	8%	6%
• "Angel" investors	7%	7%	6%	6%	5%
• Venture capital	6%	5%	5%	4%	4%
• Private placement	6%	3%	4%	4%	4%
• New facilities abroad	2%	2%	4%	3%	2%
• IPO offering	2%	1%	2%	1%	---

### Service companies

	1Q '08	2Q '08	3Q '08	4Q '08	1Q '09
New business initiatives (net)	55%	62%	53%	52%	60%
• New strategic alliance	36%	33%	32%	26%	25%
• Purchase of another business	16%	17%	17%	19%	19%
• New joint venture	24%	19%	14%	22%	14%
• Expand to new markets abroad	11%	17%	13%	12%	13%
• Restructure debt	6%	7%	11%	8%	13%
• Bring in new partners	13%	12%	14%	12%	13%
• Sale part/all of own business	10%	9%	7%	5%	7%
• "Angel" investors	5%	7%	4%	4%	5%
• Venture capital	7%	7%	2%	3%	5%
• Private placement	6%	2%	4%	3%	4%
• New facilities abroad	1%	1%	2%	2%	1%
• IPO offering	3%	2%	2%	x	---

Note: In 1Q 2009 All respondents, n=250, Product companies, n=136, Service companies, n=114

# Survey demographics and research methodology

## Demographics

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Who	Fast-growth private companies in the US		
Interview dates	January 30, 2009, to April 27, 2009		
	<b>All (250)</b>	<b>Product (136)</b>	<b>Service (114)</b>
Average number of employees	512	695	294
Average business unit revenues	\$140.5 million	\$185.8 million	\$86.9 million
Average enterprise revenues	\$158.0 million	\$205.3 million	\$102.3 million
5-year growth rate	36%	30%	46%
Industry sectors	Products 54% Manufacturing 30% Trade/Distribution 14% All other 10% Services 46%		

## Methodology

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PricewaterhouseCoopers' Private Company Trendsetter Barometer is a quarterly telephone survey conducted by the independent research firm BSI Global Research Inc.

The survey panel consists of CEOs and their designates from a geographically balanced sample of fast-growth, private companies in the United States as identified in the business media.

## Contacts:

Rich Calzaretta  
Private Company Services National Leader  
+1 (312) 298-2800

Ken Esch  
Private Company Services Partner  
+1 (312) 298-3419

Amy O'Brien  
Private Company Services Marketing Leader  
+1 (312) 298-2878

## About the research:

The Private Company Trendsetter Barometer is one in a series of quarterly business outlook surveys from PricewaterhouseCoopers. The survey provides a view on the 12-month outlook for revenue growth, new investments, new hiring plans, emerging business barriers and more. In addition to the business outlook, we hear from our panelists about special issues they face as the business climate changes. Results of the quarterly business outlook surveys and special issue surveys are available from [www.barometersurveys.com](http://www.barometersurveys.com).

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