

Private Company Services

Trendsetter Barometer™

Business outlook report
February 2010

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Quarterly highlights

PricewaterhouseCoopers commissioned independent research firm BSI Global Research Inc. to interview 262 chief executive officers of leading privately held businesses in the United States in the fourth quarter of 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:

- Optimism prevails.** Looking at the next 12 months, 45 percent are optimistic about prospects for the US economy, up 2 points from the prior quarter. Only 15 percent are pessimistic, down 2 points. A similar pattern surfaced for the world economy among international marketers: 47 percent are optimistic, and only 14 percent are pessimistic.
- Revenue projections improve.** Respondents' 12-month revenue growth forecasts have turned more positive. Seventy-one percent forecast positive revenue growth for their own companies over the next 12 months, with 38 percent anticipating double-digit growth and 33 percent single-digit growth. Only 11 percent expect negative growth. Average revenue growth is forecast at 8.5 percent, up nearly 1.5 points from the prior quarter.
- International marketers pick up pace.** Respondents with a global reach forecast a strong 18 percent contribution of international sales to total revenue for 2010, consistent with third-quarter projections. This group expects to grow own-company revenue 20 percent faster than their domestic-only peers. International marketers project 9.4 percent average revenue growth for the year ahead. In contrast, their domestic-only peers predict 7.8 percent growth within the same timeframe. In fourth quarter 2009, international sales showed a net increase among panelists selling abroad: 29 percent increased, and 22 percent decreased.
- Help wanted once again.** Forty-seven percent of leading private businesses plan to add employees to their workforces within the year, and only 8 percent plan to lay off workers. Although few companies plan to shed workers, the net hiring forecast is slightly down from the prior quarter due to the total number of workers companies plan to add.
- Spending picks up.** In the fourth quarter, 29 percent of panelists were planning major new investments of capital over the next 12 months. Prospective investment levels among these private businesses have climbed to an average 9.4 percent of sales from 7.4 percent a year ago. Increased operational spending is planned by 62 percent of panelists, up 5 points from the prior quarter. The number of respondents planning to spend on information technology (IT) rose 9 points to 28 percent, followed by new product or service introductions, up 1 point to 27 percent. Looking at business initiatives for the year, plans for strategic alliances climbed 8 points to 29 percent.

- Several concerns on the rise.** Lack of demand remains the chief barrier to growth over the next 12 months, with 79 percent of respondents citing it as a concern. However, the number uncertain about legislative/regulatory pressures rose 7 points to 50 percent, and the number concerned about increased taxation jumped 9 points to 44 percent. The fourth critical barrier, which has been a consistent issue over the past five quarters, is profitability/decreasing margins, cited by 45 percent.

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

	International marketers (n=121)	Domestic-only peers (n=141)
Business outlook, next 12 months		
Optimistic about US economy	45%	45%
Optimistic about world economy	47%	38%
Revenue growth rate	9.4%	7.8%
International sales (% of total)	18%	---
Planning major capital investments	34%	25%
Planning expansion to new markets abroad	28%	1%
Plans to increase spending (net)	70%	55%
• New products/services	32%	22%
• Information technology	29%	27%
• Sales promotion	24%	19%
• R&D	17%	9%
Prior quarter's performance		
• Increased gross margins (net)	+7%	-5%
• Increased costs (net)	+3%	-7%
• Increased prices (net)	+4%	-13%

Note: International marketers have average revenue of \$307 million; their domestic-only peers have average revenue of \$143.9 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. The change column indicates the movement of opinion from the third quarter to the fourth quarter of 2009.

Business outlook, next 12 months	2008	2009				Change	Page
	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09	3Q – 4Q '09	
Optimistic about US economy	12%	19%	34%	43%	45%	=	7
Optimistic about world economy	10%	15%	30%	49%	47%	=	9
Expect positive revenue growth	57%	51%	57%	68%	71%	↑	21
Average growth rate expected	5.2%	3.4%	5.2%	7.1%	8.5%	↑	21
Planning major new investments	29%	24%	28%	29%	29%	=	25
New investments as a % of sales	7.4%	7.2%	7.1%	8.9%	9.4%	↑	25
Planning to hire	35%	31%	34%	42%	47%	↑	23
New workers as a % of workforce (net)	+1.7%	+1.1%	+1.4%	+2.5%	+1.7%	↓	23
Expected barriers to growth							
• Lack of demand	84%	86%	81%	77%	79%	=	27
• Legislative/ regulatory pressures	35%	38%	43%	43%	50%	↑	27
• Profitability/ decreasing margins	44%	44%	42%	43%	45%	=	27
• Increased taxation	28%	37%	41%	35%	44%	↑	27
• Lack of capital for investment	27%	28%	26%	27%	28%	=	27
• Oil/ energy prices	22%	16%	18%	22%	21%	=	27
• Higher interest rates	17%	16%	19%	16%	20%	↑	27
• Strength of the US dollar	20%	19%	13%	13%	18%	↑	27
• Pressure for increased wages	14%	7%	7%	12%	15%	↑	27
• Competition from foreign markets	11%	9%	8%	13%	13%	=	27
• Lack of qualified workers	19%	13%	10%	12%	13%	=	27

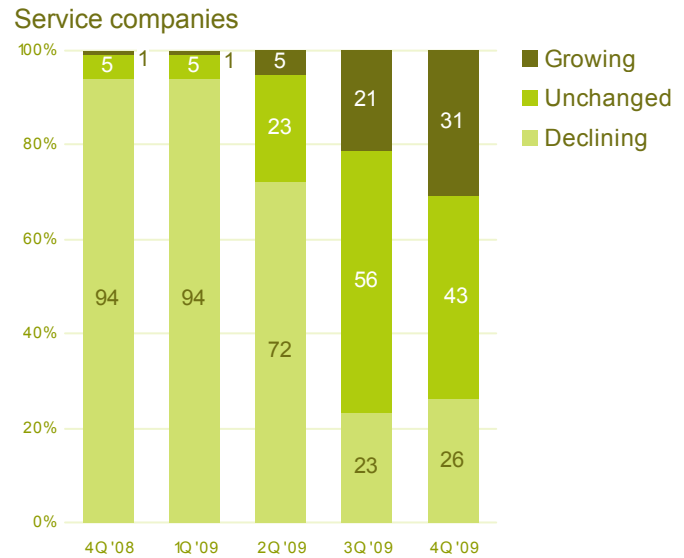
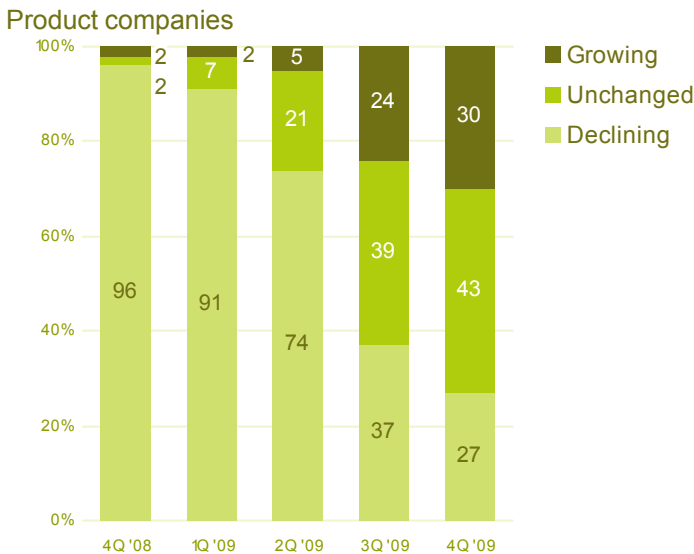
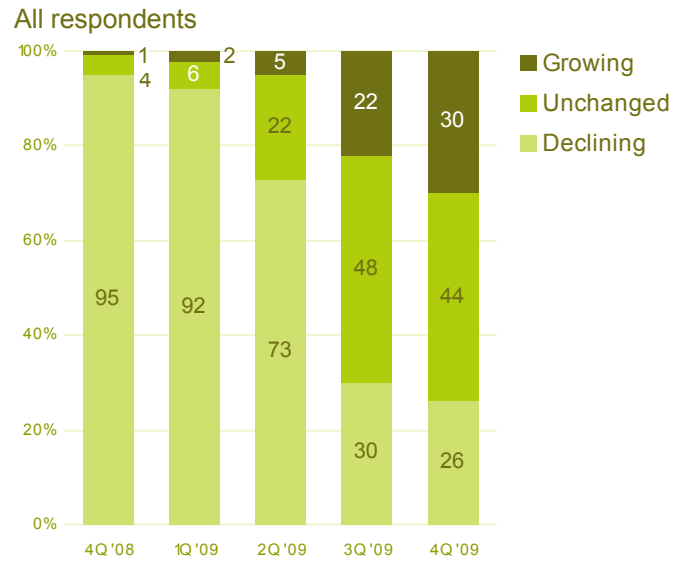
Economic views

View of the US economy, this quarter

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

In fourth quarter 2009, 30 percent of chief executive officers from America's leading private companies surveyed said they believe the US economy is growing, up 8 points from the third quarter. The number of those who think the US economy is declining dropped 4 points to 26 percent, and 44 percent feel it is neither growing nor declining. For the first time in more than a year, slightly more believe the US economy is growing than declining.

Chart 2.1 View of the US economy, this quarter



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

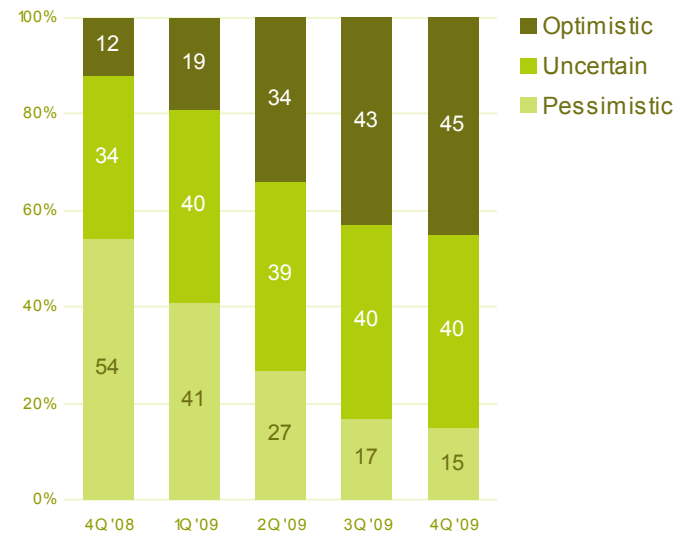
View of the US economy, next 12 months

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

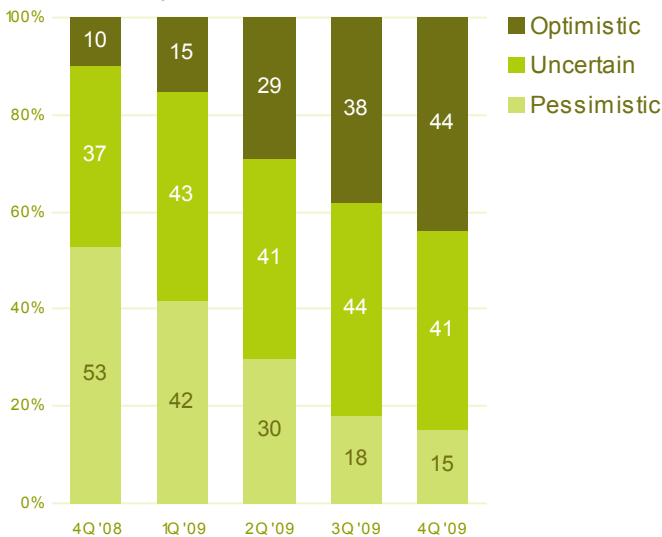
The percentage of panelists who are optimistic about the US economy over the next 12 months rose 2 points to 45 percent. The number who expressed pessimism dipped 2 points to 15 percent. In line with the prior quarter, 40 percent are uncertain.

Chart 2.2 View of the US economy, next 12 months

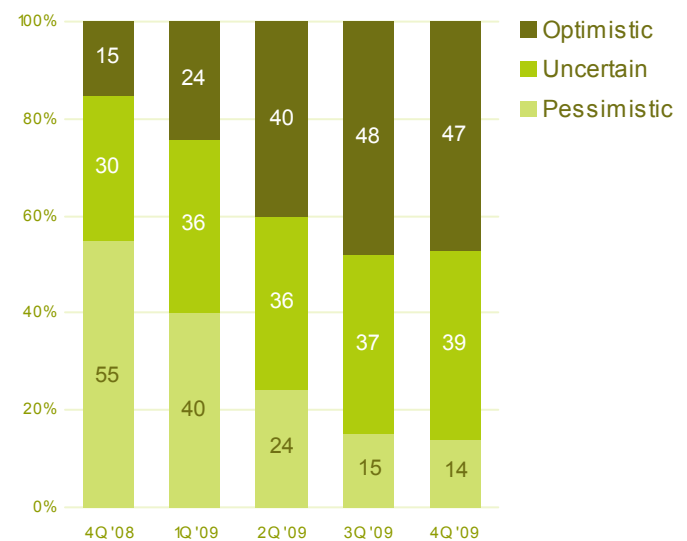
All respondents



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

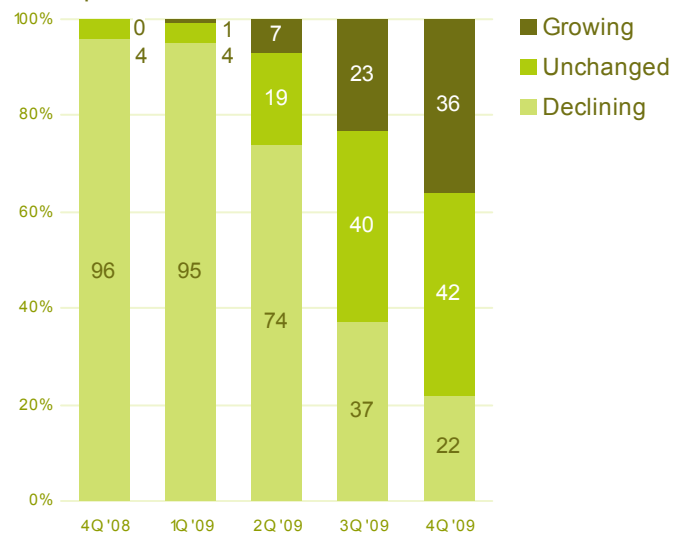
View of the world economy, this quarter

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

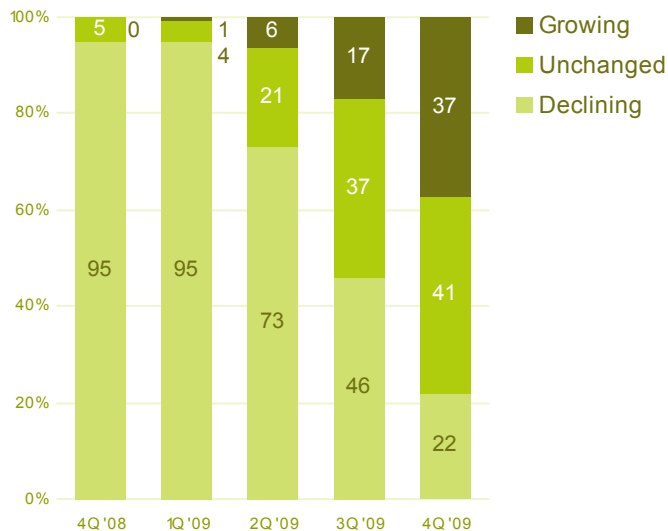
In fourth quarter 2009, 36 percent of chief executive officers marketing abroad viewed the world economy as growing, a 13-point rise from the previous quarter. Twenty-two percent viewed the world economy as declining (down 15 points), and 42 percent viewed it as unchanged.

Chart 2.3 View of the world economy, this quarter

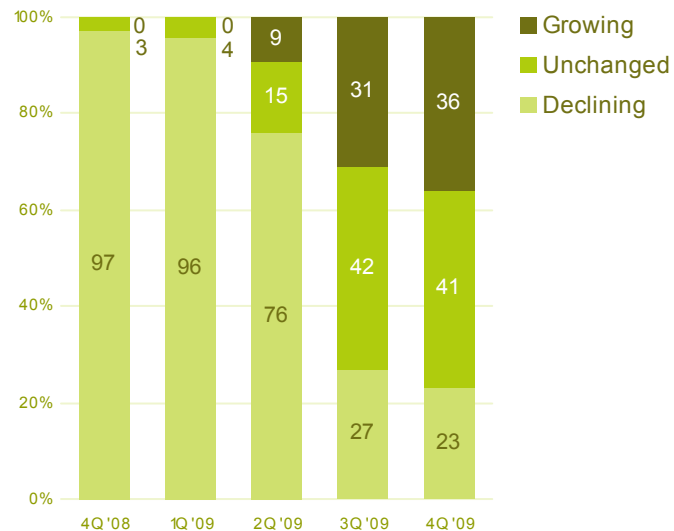
All respondents



Product companies



Service companies



Note: In 4Q 2009 All international marketers, n=121, Product companies, n=74, Service companies, n=47

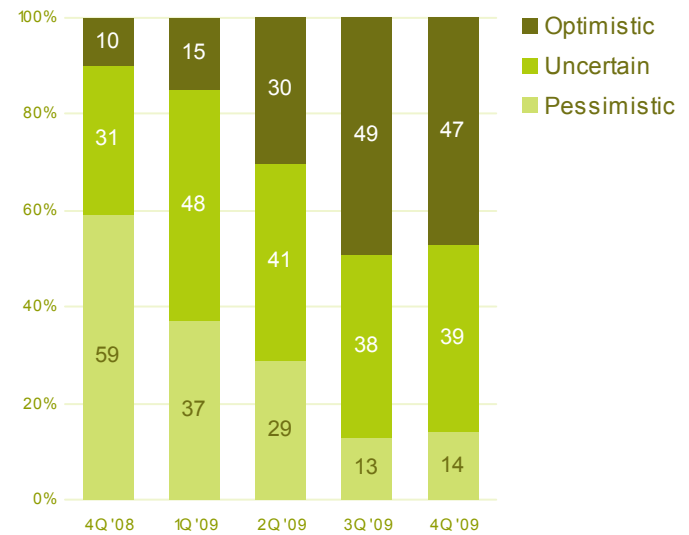
View of the world economy, next 12 months

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

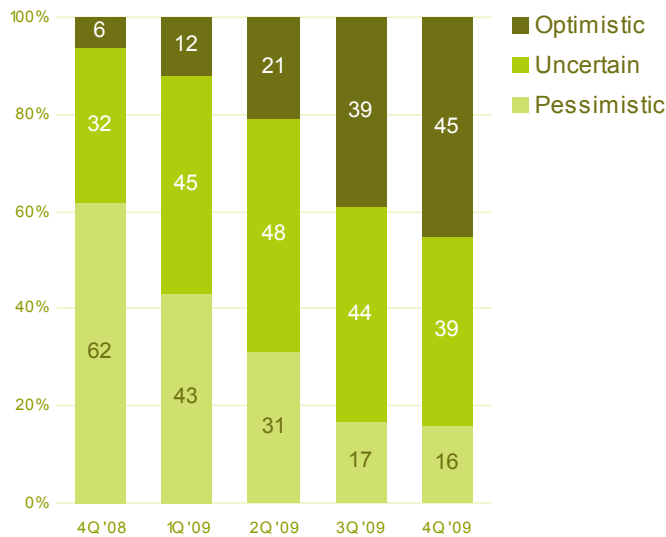
Of international marketers surveyed, 47 percent expressed optimism in the fourth quarter about the world economy's prospects over the next 12 months, similar to the prior quarter's 49 percent. The number who expressed pessimism remained low in the fourth quarter, at 14 percent, and 39 percent were uncertain.

Chart 2.4 View of the world economy, next 12 months

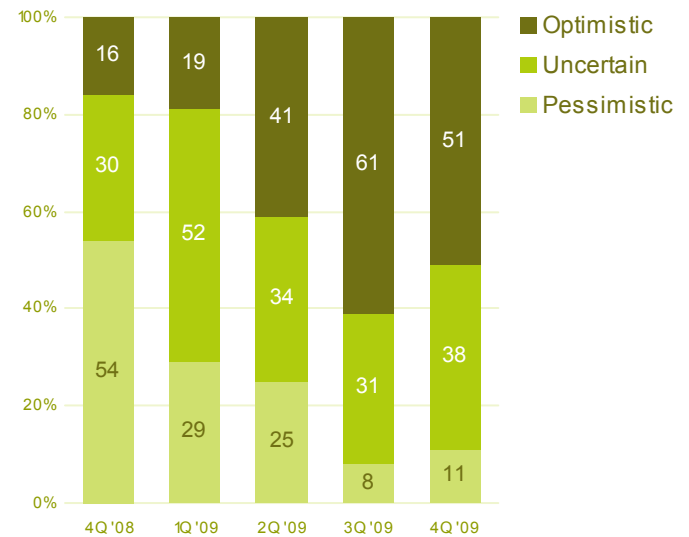
All respondents



Product companies



Service companies



Note: In 4Q 2009 All international marketers, n=121, Product companies, n=74, Service companies, n=47

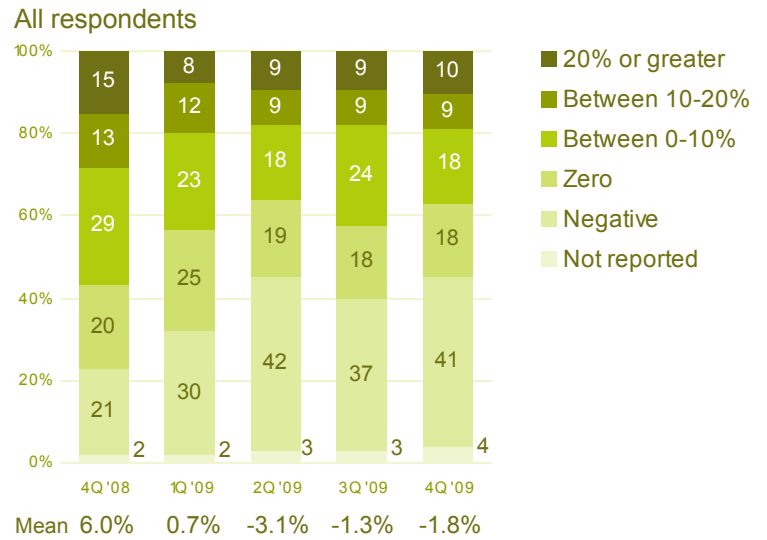
Company performance

Company revenue growth, calendar year

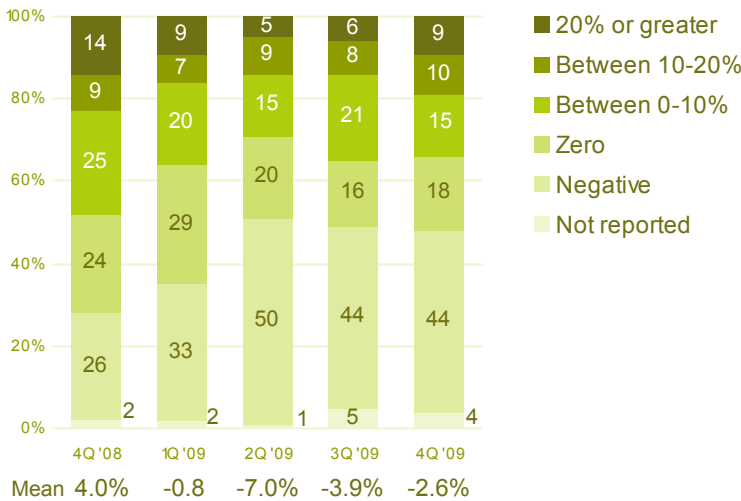
What is your company's estimated revenue growth rate for the calendar year?

Overall, the composite average own-company growth estimate for 2009 sank in the fourth quarter to minus 1.8 percent. Of executive officers interviewed, 37 percent reported positive revenue growth through 2009, with 19 percent projecting double-digit growth and 18 percent single-digit growth. However, 41 percent reported negative revenue growth, and 18 percent had zero growth.

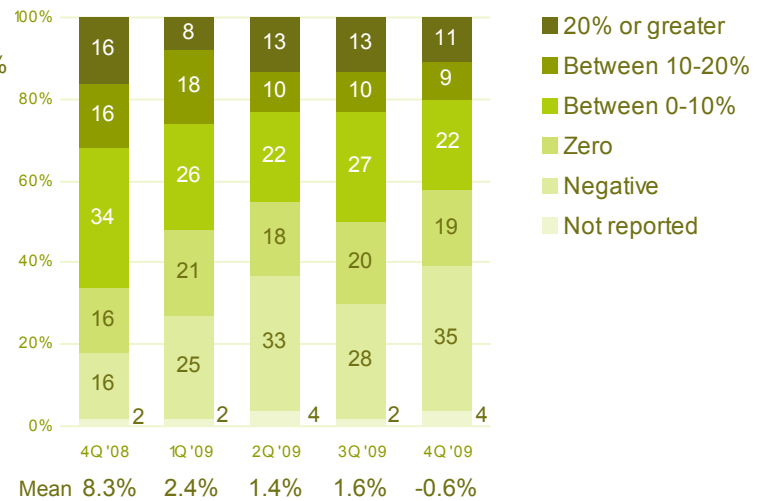
Chart 3.1 Company revenue growth, calendar year



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

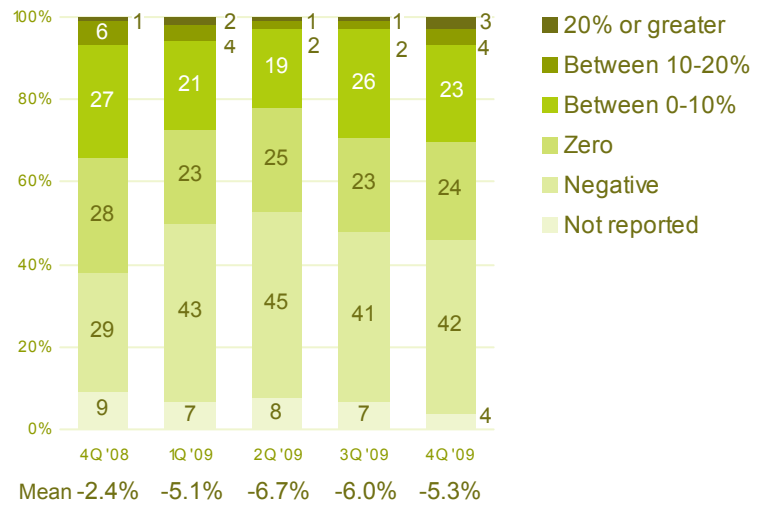
Industry growth, calendar year

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

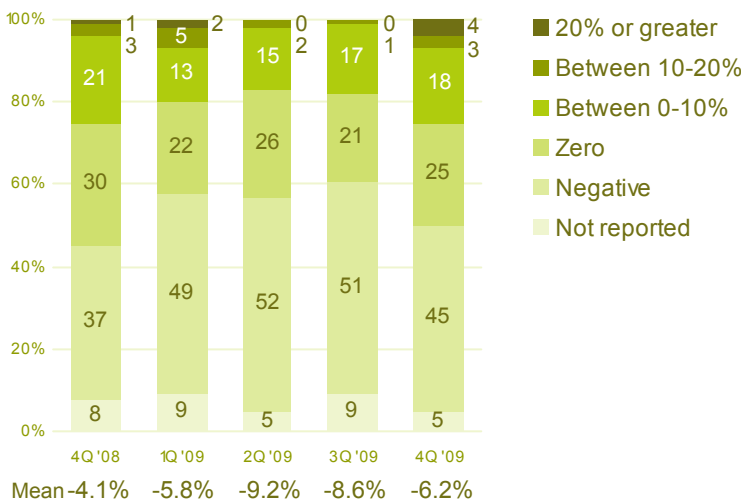
Industry sector growth projections for 2009 remained low, at an average minus 5.3 percent in the fourth quarter. A year ago, the average projection was minus 2.4 percent.

Chart 3.2 Industry growth, calendar year

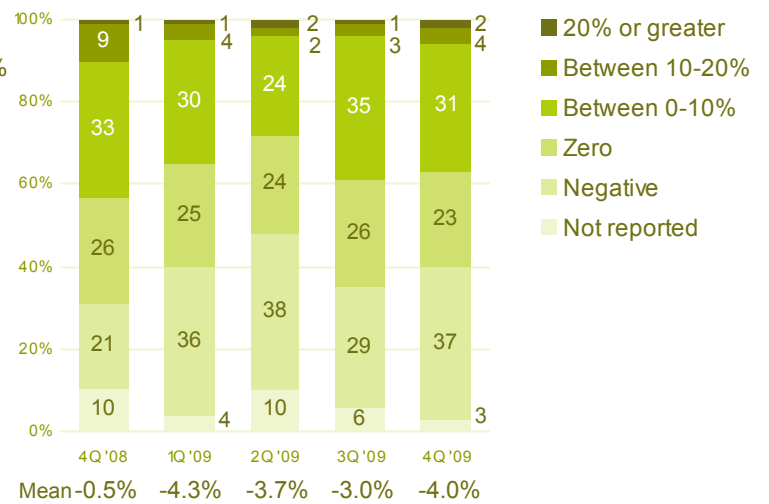
All respondents



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

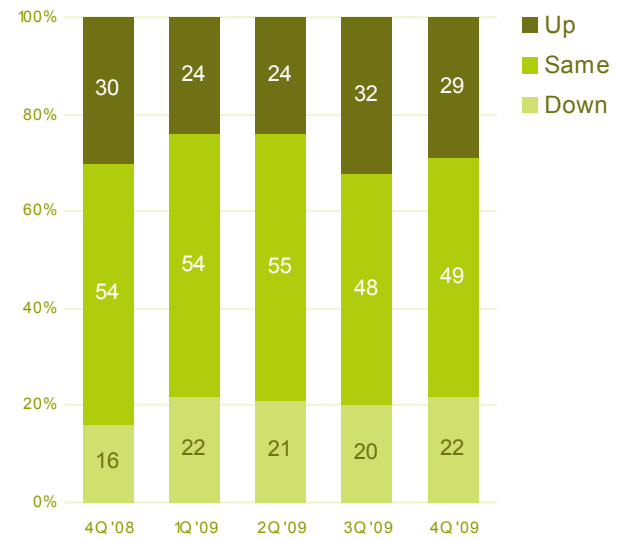
International sales

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

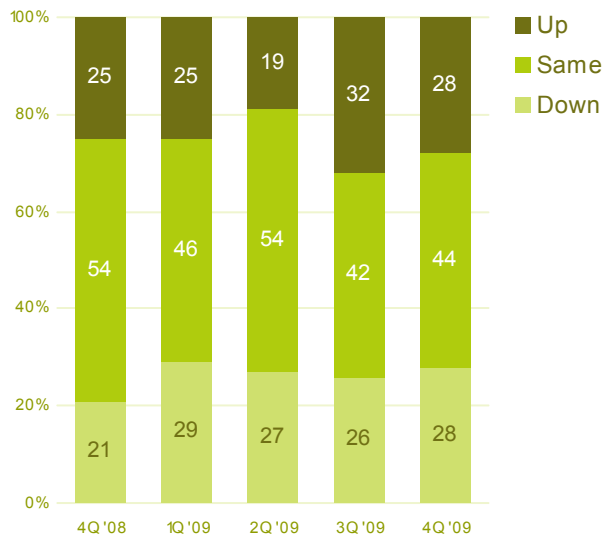
In the fourth quarter, 29 percent of international marketers increased sales abroad, down 3 points from the prior quarter but similar to a year ago. Twenty-two percent reported fewer sales, and 49 percent reported no change.

Chart 3.3 International sales

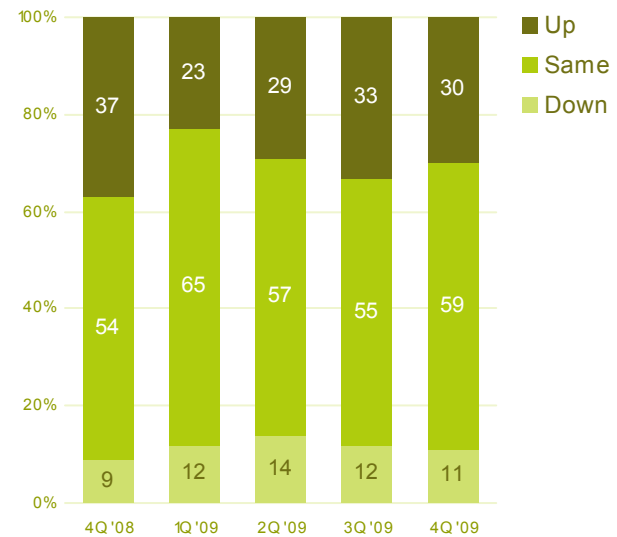
All respondents



Product companies



Service companies



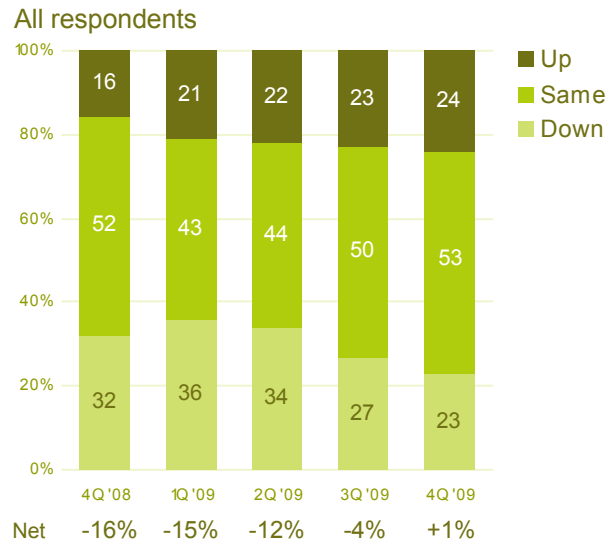
Note: In 4Q 2009 All international marketers, n=121, Product companies, n=74, Service companies, n=47

Changes in gross margins

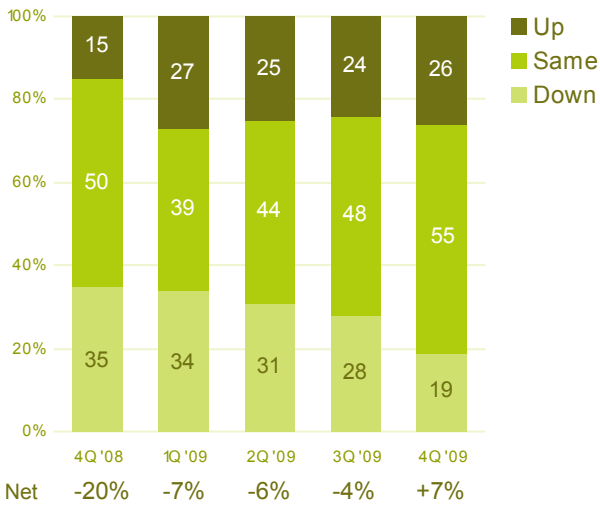
Are gross margins up, down, or the same compared with three months ago?

Gross margins remained fairly tight in the fourth quarter, as 24 percent reported higher margins and 23 percent reported lower margins, for a net of plus 1 percent, a slight improvement over the prior quarter.

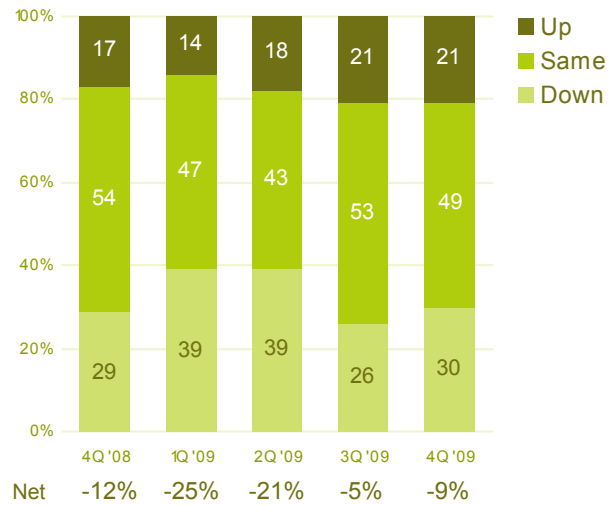
Chart 3.4 Changes in gross margins



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

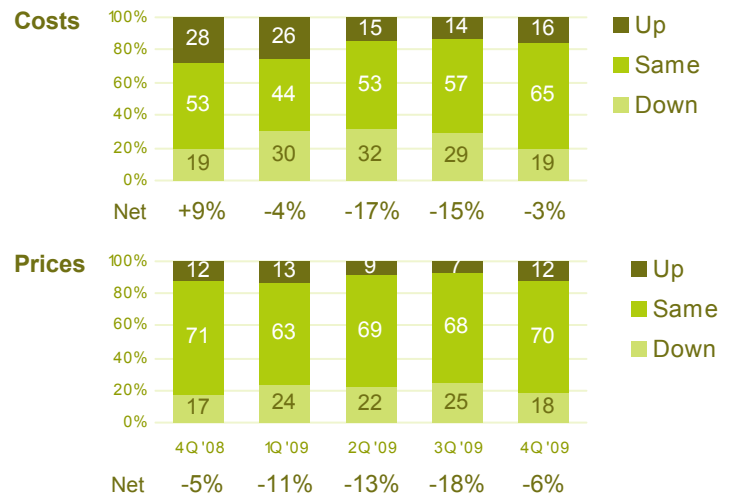
Changes in costs and prices

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

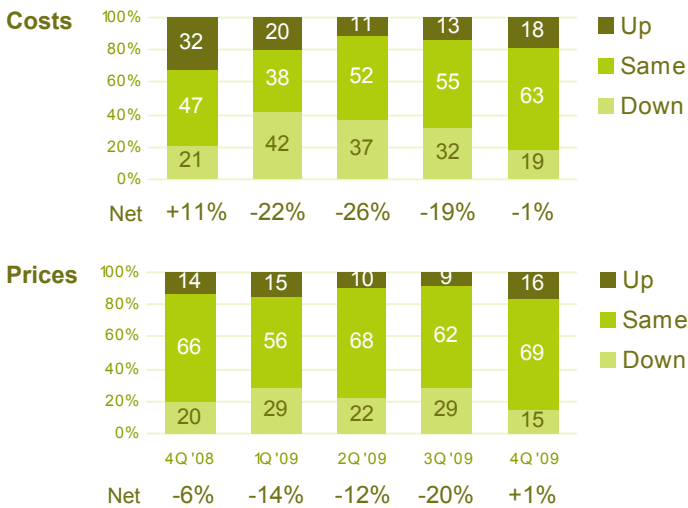
Similar to the prior three quarters, costs and prices stayed low in the fourth quarter. Costs increased for 16 percent of those surveyed and decreased for 19 percent, for a net of minus 3 percent. Prices were also low, with only 12 percent raising prices and 18 percent lowering them, for a net of minus 6 percent.

Chart 3.5 Changes in costs and prices

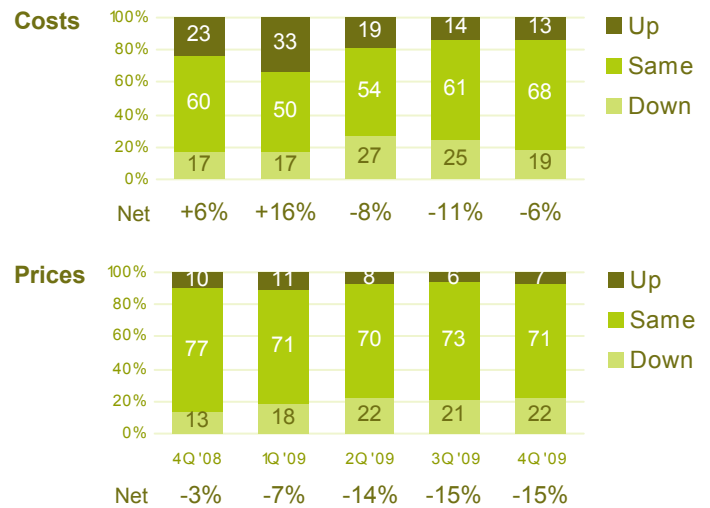
All respondents



Product companies



Service companies



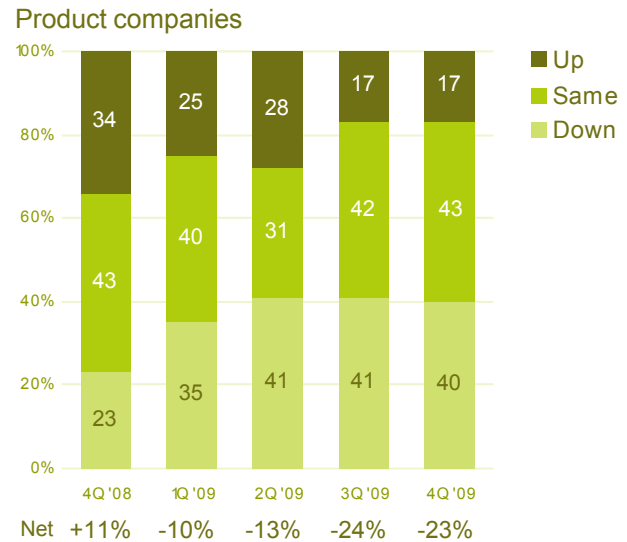
Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

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 17 percent of product companies in the fourth quarter and down for 40 percent, for a net minus 23 percent with lower inventories. This is similar to the prior quarter.

Chart 3.6 Finished inventories as a percent of sales



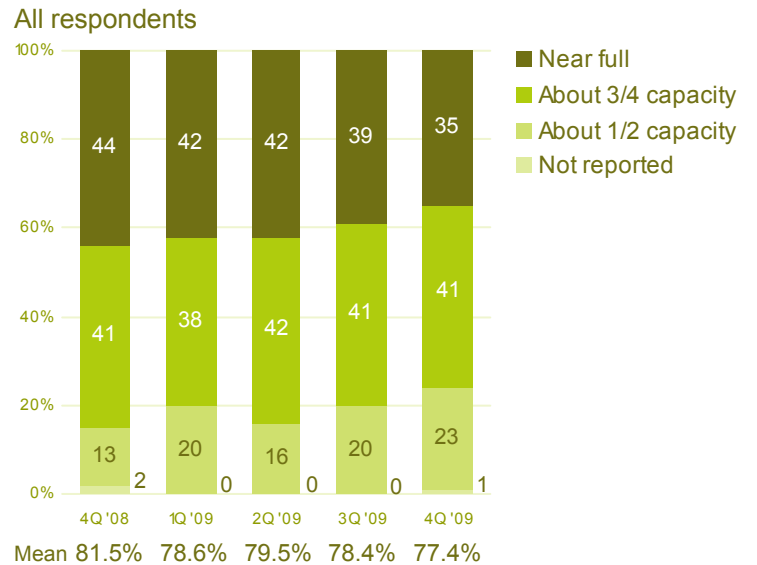
Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

Level of operating capacity

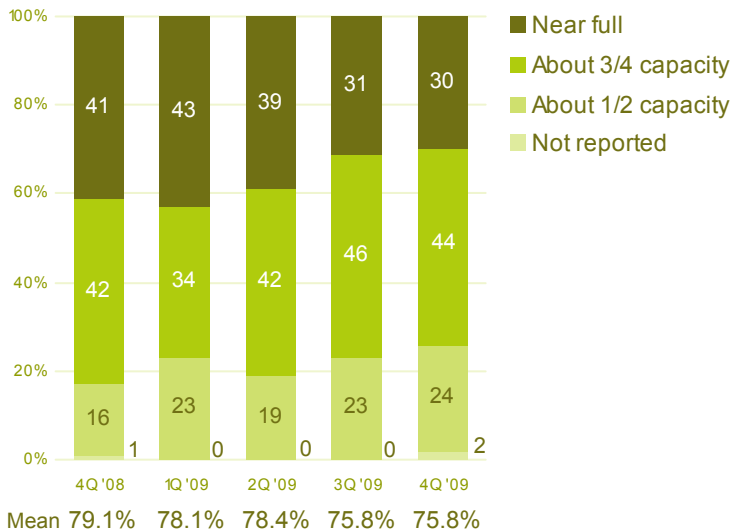
What is your organization's current operating capacity?

Operating capacity is an estimate of the current level of permanent staffing compared with what is needed for full-capacity output. In the fourth quarter, the average level of operating capacity for respondents was an estimated 77.4 percent, slightly below last quarter's 78.4 percent. Thirty-five percent reported near full capacity, down 4 points from the previous quarter.

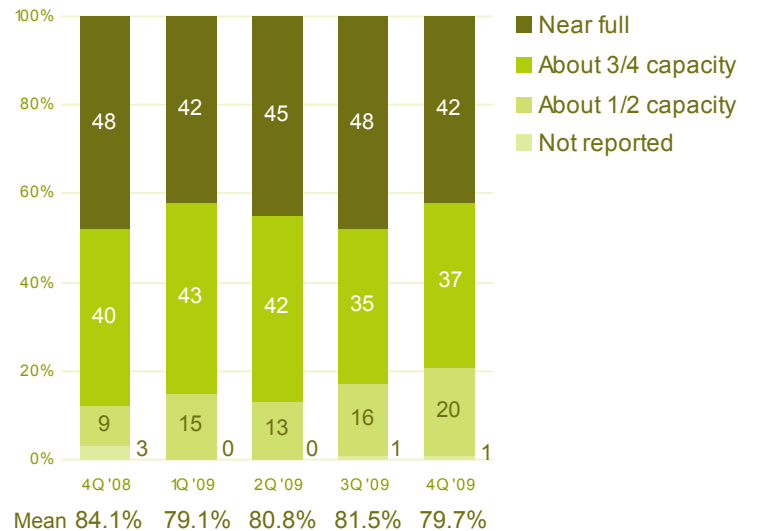
Chart 3.7 Level of operating capacity



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

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 fourth quarter, only 10 percent of panelists reported financing activity, chiefly bank loans (5 percent). New bank loans are notably lower than a year ago, but the mean interest rate paid on loans by these companies is 4.38 percent, 50 basis points higher than a year ago, when it was 3.88 percent.

Chart 3.8 New bank loans, credit terms and financing

All respondents

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Any activity	16%	14%	10%	9%	10%
• New bank loans	12%	10%	9%	7%	5%
• New credit terms (suppliers)	4%	4%	2%	2%	4%
• All other new financing	5%	3%	1%	2%	2%
• Mean interest rate (all bank loans)	3.88%	3.84%	3.96%	4.10%	4.38%

Product companies

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Any activity	18%	16%	11%	7%	10%
• New bank loans	13%	12%	9%	6%	5%
• New credit terms (suppliers)	6%	5%	2%	2%	5%
• All other new financing	7%	4%	2%	1%	1%
• Mean interest rate (all bank loans)	3.81%	3.86%	3.80%	3.86%	4.23%

Service companies

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Any activity	14%	11%	9%	11%	10%
• New bank loans	10%	9%	8%	8%	7%
• New credit terms (suppliers)	3%	3%	1%	3%	4%
• All other new financing	3%	1%	---	2%	2%
• Mean interest rate (all bank loans)	3.97%	3.82%	4.13%	4.37%	4.60%

Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

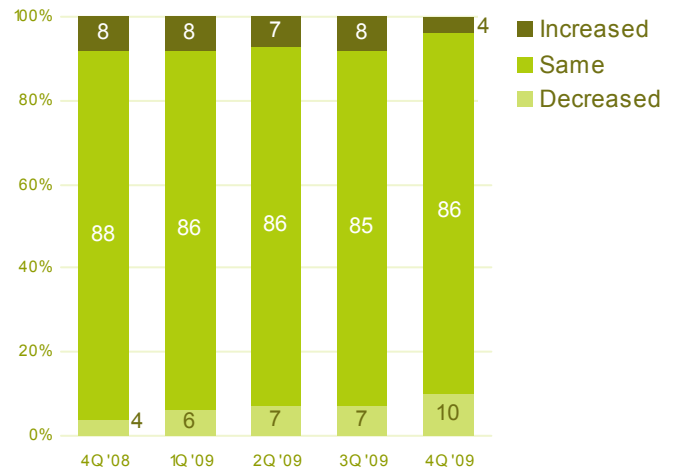
Change in credit availability

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

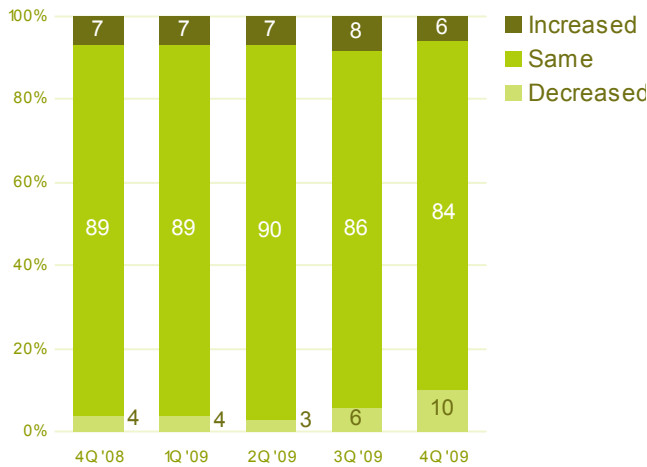
Credit availability showed a slightly negative change in the fourth quarter, with only 4 percent increasing their credit lines (down 4 points) and 10 percent reporting a decrease (up 3 points).

Chart 3.9 Change in credit availability

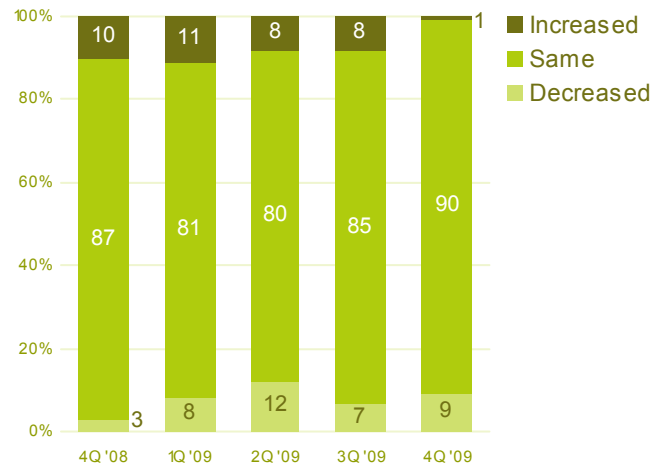
All respondents



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

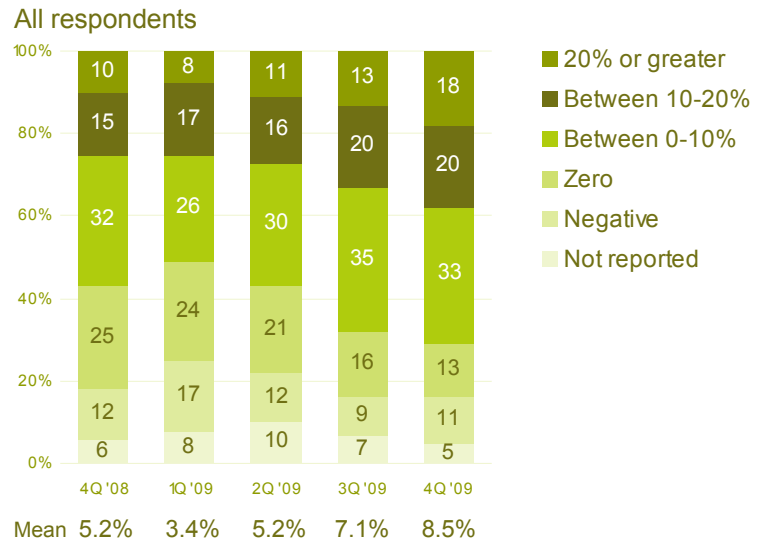
Business outlook, next 12 months

Revenue growth, next 12 months

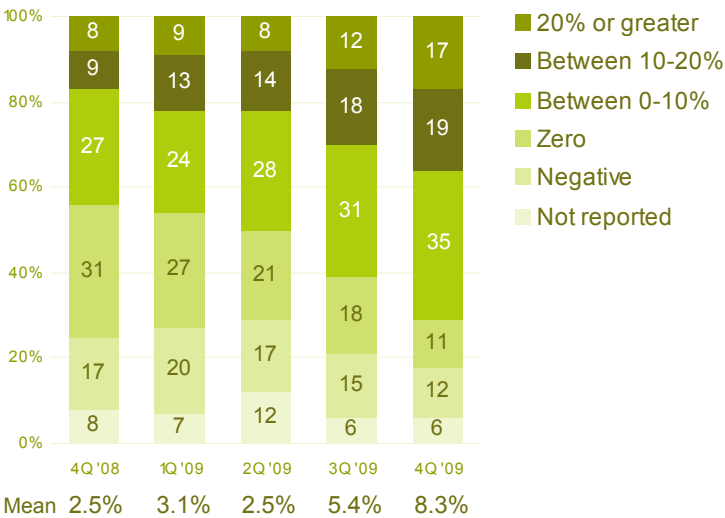
What is your organization's estimated revenue growth rate for the next 12 months?

Respondents projected a moderately high average revenue growth rate for their companies over the next 12 months, rising from 7.1 percent in the prior quarter to 8.5 percent. Seventy-one percent plan positive own-company growth, with 38 percent projecting double-digit revenue growth and 33 percent single-digit growth. Only 11 percent expect negative growth over the next 12 months, and 13 percent expect zero growth.

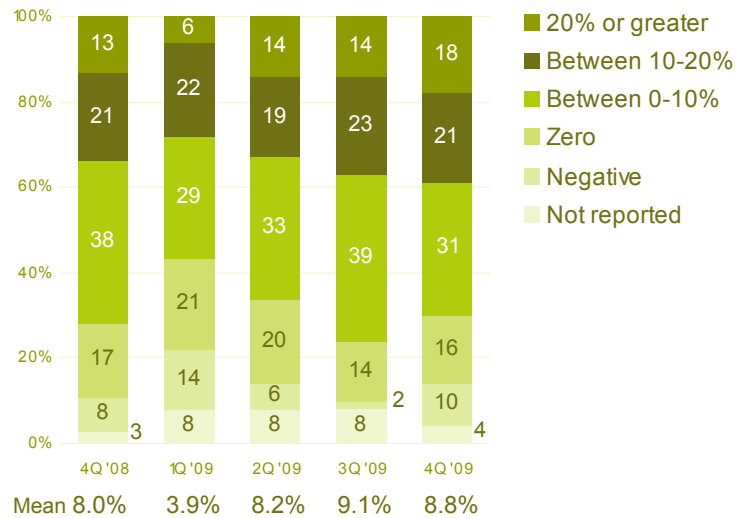
Chart 4.1 Revenue growth, next 12 months



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

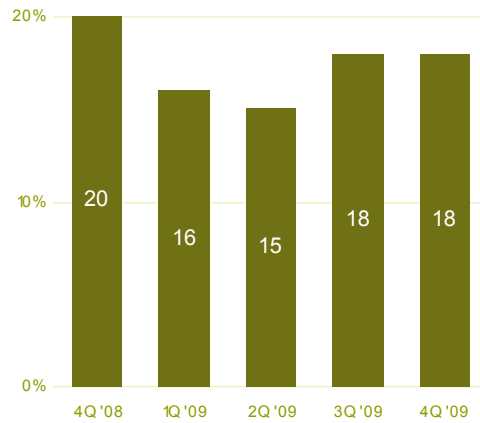
International sales, next 12 months

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)

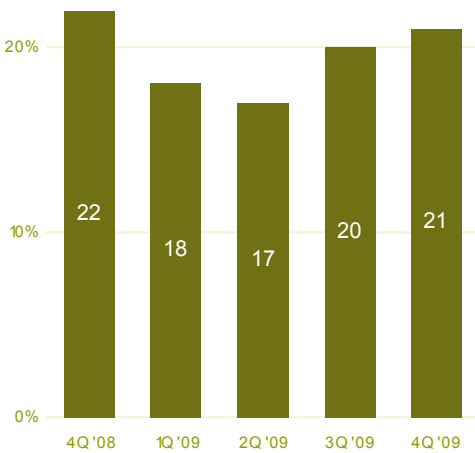
Of panelists selling abroad, the average contribution of international sales to total revenue over the next 12 months is projected at 18 percent, same as the third quarter and 2 points below a year ago.

Chart 4.2 International sales, next 12 months

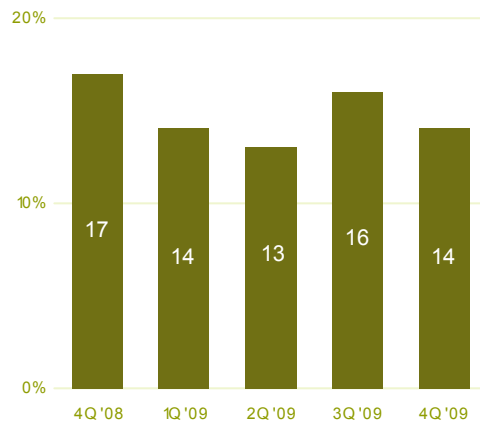
All respondents



Product companies



Service companies



Note: In 4Q 2009 All international marketers, n=121, Product companies, n=74, Service companies, n=47

Percent planning to hire

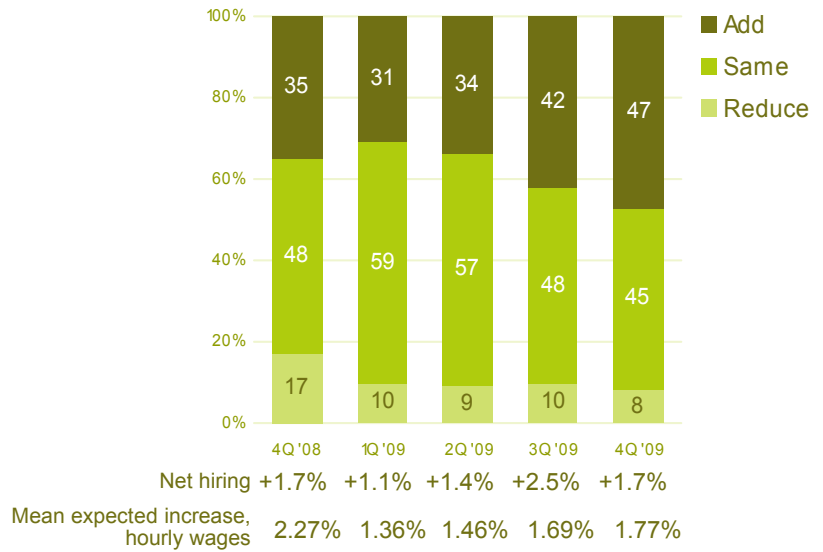
Do you plan to add or reduce the number of full-time equivalent employees over the next 12 months? If so, how many? Do you plan to increase hourly wages?

Looking ahead, 47 percent of panelists plan to add employees to their workforces over the next 12 months, up 5 points from the prior quarter's 42 percent and well above last year's 35 percent. Eight percent plan to reduce workers, and 45 percent will stay about the same.

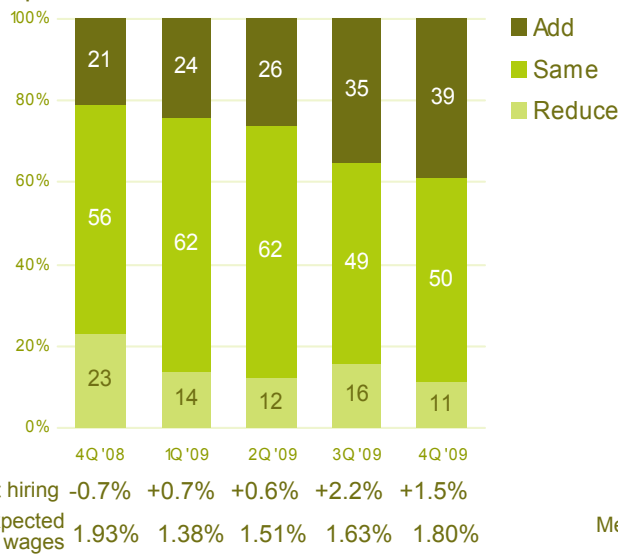
An overall increase of 1.7 percent is planned for the panel's composite workforce, down from 2.5 percent last quarter, but the same as a year ago.

Chart 4.3 Percent planning to hire

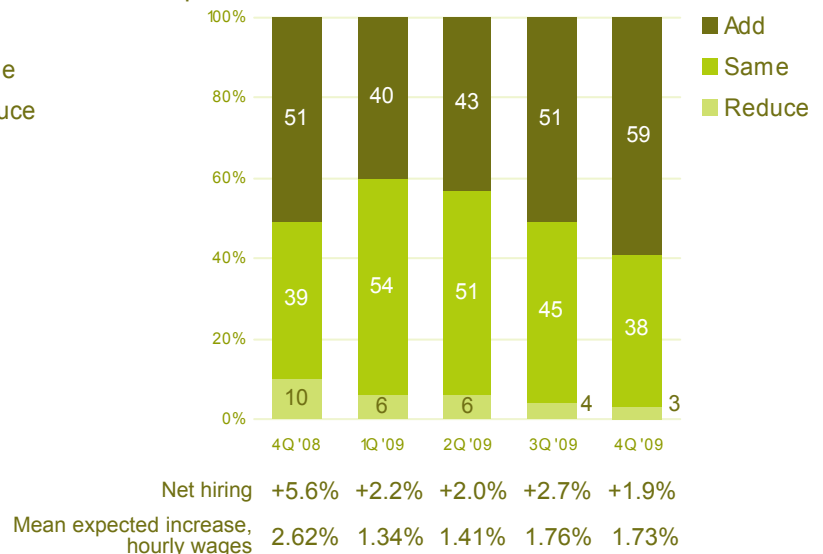
All respondents



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

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, chief executive officers surveyed will be looking primarily for professionals/technicians, and interest is up slightly in sales/marketing executives.

Chart 4.4 Percent planning to hire by type of employee

All respondents

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Planning to hire (net)	35%	31%	34%	42%	47%
• Professionals/technicians	22%	17%	18%	27%	29%
• Sales/marketing	8%	8%	10%	15%	17%
• White collar support	7%	6%	7%	11%	11%
• Production workers	6%	6%	7%	11%	11%
• Skilled labor	7%	5%	5%	9%	5%

Product companies

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Planning to hire (net)	21%	24%	26%	35%	39%
• Professionals/technicians	8%	10%	10%	17%	21%
• Sales/marketing	6%	7%	9%	16%	14%
• White collar support	3%	5%	7%	12%	8%
• Production workers	9%	9%	10%	14%	15%
• Skilled labor	4%	5%	7%	11%	6%

Service companies

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Planning to hire (net)	51%	40%	43%	51%	59%
• Professionals/technicians	37%	25%	28%	38%	41%
• Sales/marketing	9%	9%	12%	14%	23%
• White collar support	11%	6%	8%	9%	15%
• Production workers	3%	2%	4%	8%	4%
• Skilled labor	11%	5%	3%	8%	5%

Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

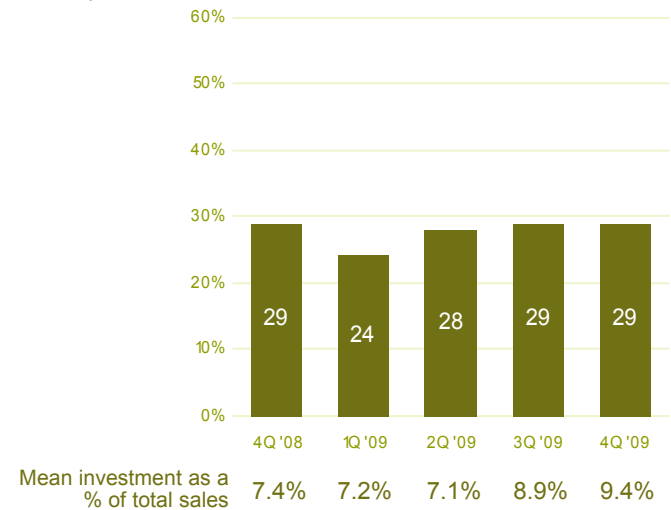
Percent planning major new investments of capital

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?

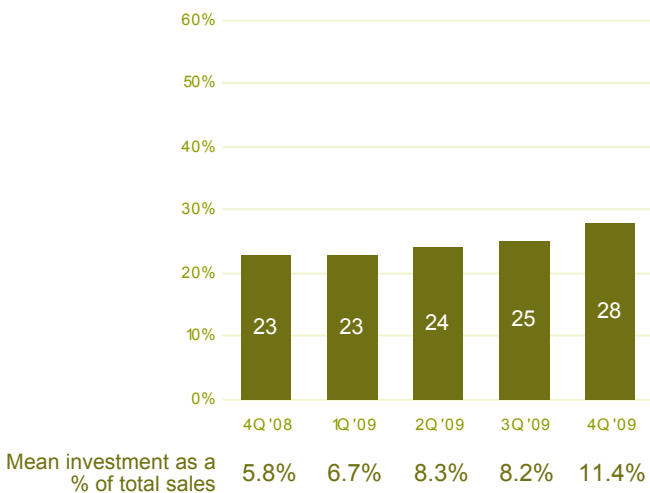
Over the next 12 months, 29 percent of those surveyed are planning for major new investments of capital for business growth – same as the third quarter and last year. However, the mean investment rose from 8.9 percent of sales in the previous quarter to 9.4 percent in the fourth quarter.

Chart 4.5 Percent planning major new investments of capital

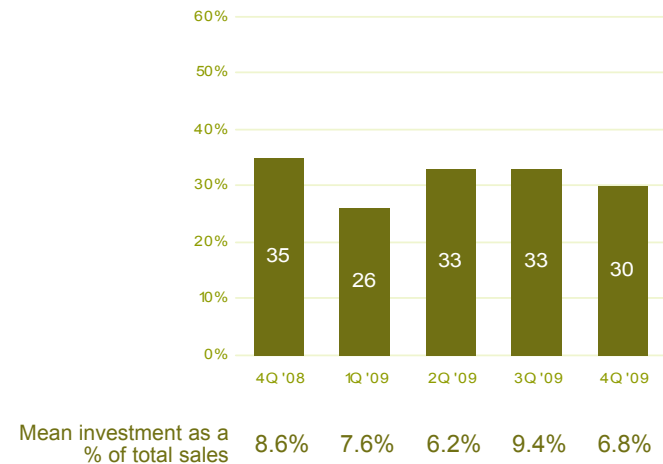
All respondents



Product companies



Service companies



Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

Percent planning to increase operational spending

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

In the fourth quarter, 62 percent of panelists were planning to increase operational spending over the next 12 months, up from 57 percent in the previous quarter and 55 percent a year ago. Quarter over quarter, notable increases were found in the number of respondents planning to spend on IT and marketing and sales promotions.

Product companies

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Percent planning to increase spending (net)	48%	47%	49%	55%	28%
• Information technology	15%	21%	18%	18%	21%
• New product or service introduction	21%	20%	25%	24%	24%
• Marketing & sales promotion	20%	16%	19%	16%	22%
• Advertising	12%	13%	12%	14%	17%
• Geographic expansion	8%	9%	12%	14%	14%
• Facilities expansion	14%	11%	13%	15%	14%
• Research and development	6%	10%	9%	14%	12%
• Business acquisition	12%	10%	12%	12%	13%
• Internet commerce	3%	7%	4%	4%	7%

Chart 4.6 Percent planning to increase operational spending

All respondents

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Percent planning to increase spending (net)	55%	51%	55%	57%	62%
• Information technology	21%	19%	18%	19%	28%
• New product or service introduction	24%	20%	27%	26%	27%
• Marketing & sales promotion	21%	18%	17%	16%	21%
• Advertising	11%	12%	11%	14%	16%
• Geographic expansion	15%	10%	17%	14%	16%
• Facilities expansion	15%	11%	13%	15%	15%
• Research and development	9%	10%	9%	12%	13%
• Business acquisition	17%	13%	16%	15%	12%
• Internet commerce	4%	5%	3%	4%	6%

Service companies

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
Percent planning to increase spending (net)	62%	55%	61%	58%	68%
• Information technology	28%	17%	19%	21%	38%
• New product or service introduction	28%	20%	29%	28%	31%
• Marketing & sales promotion	22%	21%	15%	17%	21%
• Advertising	10%	11%	9%	13%	15%
• Geographic expansion	22%	11%	24%	13%	18%
• Facilities expansion	16%	11%	13%	16%	17%
• Research and development	11%	11%	10%	10%	14%
• Business acquisition	22%	17%	20%	18%	10%
• Internet commerce	4%	2%	1%	3%	4%

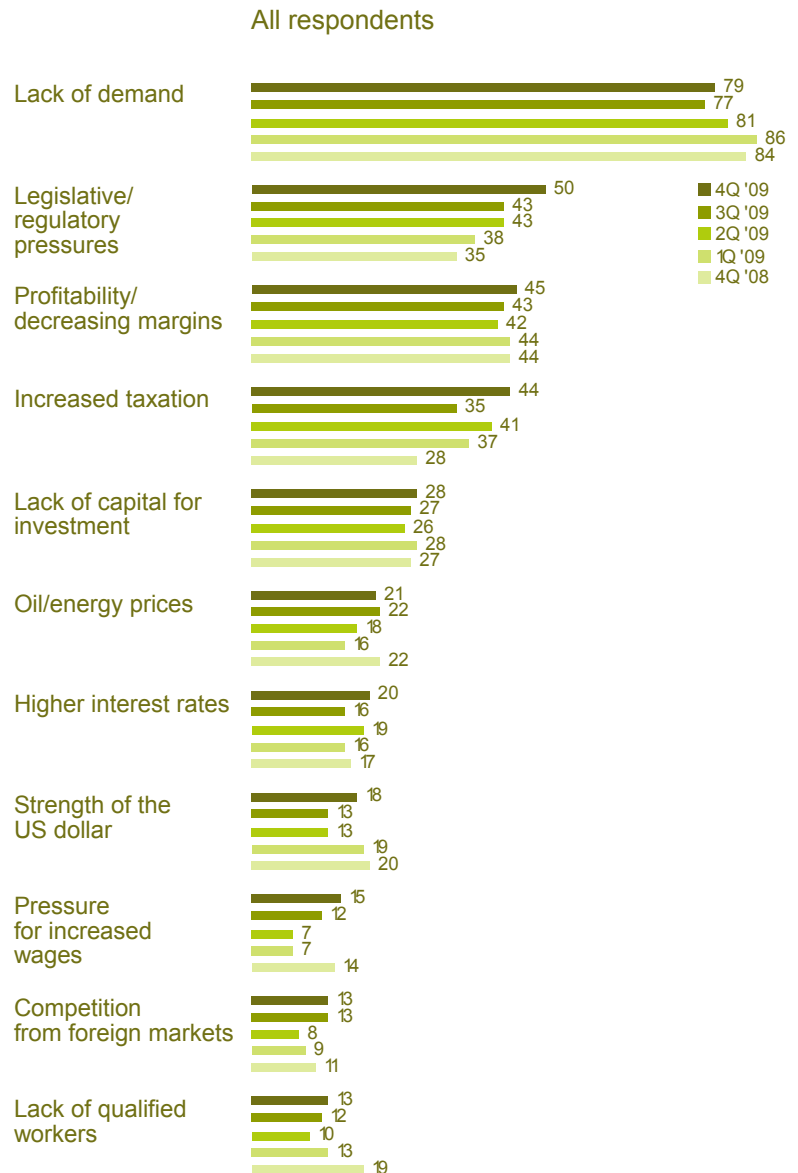
Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

Expected barriers to business growth

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

Most panelists expect lack of demand will continue to stunt business growth over the next 12 months, with 79 percent citing it as a concern. Three other potential barriers to growth remain high: legislative/regulatory pressures, up 7 points to 50 percent; profitability/decreasing margins, up 2 points to 45 percent; and concern about increased taxation, up 9 points to 44 percent. Concerns rose about the strength of the US dollar along with concerns about higher interest rates.

Chart 4.7 Expected barriers to business growth



Note: In 4Q 2009 All respondents, n=262

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, 55 percent of respondents expect to participate in new business initiatives, notably higher than the prior quarter and last year. Overall, the most prevalent expected initiative is new strategic alliances, up 8 points to 29 percent.

Product companies

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
New business initiatives (net)	50%	46%	43%	49%	53%
• New strategic alliance	24%	15%	25%	19%	25%
• New joint venture	18%	16%	17%	16%	15%
• Purchase of another business	14%	13%	15%	10%	15%
• Expand to new markets abroad	14%	11%	8%	10%	13%
• Restructure debt	13%	10%	9%	14%	14%
• Bring in new partners	10%	7%	10%	5%	7%
• Sale part/all of own business	10%	5%	7%	6%	5%
• “Angel” investors	8%	5%	4%	5%	5%
• Venture capital	4%	4%	3%	5%	3%
• Private placement	4%	3%	2%	4%	3%
• New facilities abroad	3%	3%	2%	2%	2%
• IPO offering	1%	---	1%	---	---

Chart 4.8 Plans for M&A and other business initiatives

All respondents

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
New business initiatives (net)	51%	52%	50%	48%	55%
• New strategic alliance	25%	20%	30%	21%	29%
• New joint venture	20%	15%	15%	15%	15%
• Purchase of another business	17%	16%	18%	14%	14%
• Expand to new markets abroad	13%	12%	9%	8%	13%
• Restructure debt	10%	12%	7%	11%	10%
• Bring in new partners	11%	10%	11%	6%	10%
• Sale part/all of own business	8%	6%	6%	6%	6%
• “Angel” investors	6%	5%	5%	4%	5%
• Venture capital	4%	4%	3%	4%	4%
• Private placement	4%	4%	1%	4%	3%
• New facilities abroad	3%	2%	1%	2%	2%
• IPO offering	1%	---	---	1%	2%

Service companies

	4Q '08	1Q '09	2Q '09	3Q '09	4Q '09
New business initiatives (net)	52%	60%	57%	47%	59%
• New strategic alliance	26%	25%	35%	23%	35%
• New joint venture	22%	14%	13%	13%	15%
• Purchase of another business	19%	19%	22%	19%	11%
• Expand to new markets abroad	12%	13%	9%	6%	12%
• Restructure debt	8%	13%	4%	6%	6%
• Bring in new partners	12%	13%	12%	8%	13%
• Sale part/all of own business	5%	7%	6%	5%	8%
• “Angel” investors	4%	5%	6%	3%	4%
• Venture capital	3%	5%	3%	3%	7%
• Private placement	3%	4%	---	5%	4%
• New facilities abroad	2%	1%	---	1%	1%
• IPO offering	x	---	---	2%	5%

Note: In 4Q 2009 All respondents, n=262, Product companies, n=156, Service companies, n=106

Survey demographics and research methodology

Demographics

Who	Leading privately held businesses in the US		
Interview dates	November 2, 2009, to February 2, 2010		
	All (262)	Product (156)	Service (106)
Average number of employees	834	789	901
Average business unit revenues	\$180.7 million	\$229.2 million	\$110.7 million
Average enterprise revenues	\$218.5 million	\$284.5 million	\$123.0 million
5-year growth rate	104%	92%	121%
Industry sectors	Products 59% Manufacturing 32% Trade/Distribution 13% All other 14% Services 41%		

Methodology

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 leading private companies in the United States, as identified in the business media.

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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.pwc.com/pcs and www.barometersurveys.com.

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