

Private Company Services

Trendsetter Barometer™

Business outlook report
August 2009

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Quarterly highlights

PricewaterhouseCoopers commissioned independent research firm BSI Global Research Inc. to interview 256 chief executive officers of leading privately held businesses in the United States in second 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. Overall, heads of leading private businesses are planning for a rebound in the US and world economies over the next 12 months; they are resetting their own-company revenue projections to moderate growth and are beginning to plan for moderate spending increases.

Key findings:

- Optimism returns.** For the first time in a year, more are optimistic than pessimistic about prospects for the US economy. Looking at the next 12 months, 34 percent are optimistic (up 15 points), 27 percent are pessimistic (down 14 points), and 39 percent remain uncertain. Among panelists with sales abroad, 30 percent are optimistic about the world economy (up 15 points), 29 percent are pessimistic (down 12 points), and 41 percent are uncertain.
- Growth prospects rebound.** With the resurgence in optimism, respondents have reset their own-company 12-month revenue projections to 5.2 percent, up from a survey low of 3.4 percent in first quarter 2009. In the second quarter, 57 percent planned for positive own-company growth over the next 12 months, with 27 percent forecasting double-digit growth and 30 percent forecasting single-digit growth. Only 12 percent project negative growth, 21 percent expect zero growth, and 10 percent did not respond.
- International sales resilient.** In second quarter 2009, 55 percent of private companies selling abroad reported sales about the same as the prior quarter. All others were split: 24 percent increasing, and 21 percent decreasing. Looking ahead over the next 12 months, the average contribution from international sales to total revenue among those selling abroad is 15 percent, off slightly from the prior quarter's 16 percent.
- Low demand worrisome.** Lack of demand remains the chief potential barrier to growth over the next 12 months, cited by 81 percent, down only 5 points from first quarter 2009. Other key headwinds on the rise from a year ago include legislative/regulatory pressures, profitability/decreasing margins, and concern about increased taxation.

- Capital investments and spending increase.** Twenty-eight percent are planning major new investments of capital over the next 12 months, up from 24 percent in the first quarter and nearly on par with last year's 30 percent. The level of investment remained similar, at 7.1 percent of sales. Increased operational spending over the next 12 months is planned by 55 percent, up from 51 percent in the first quarter.
- Hiring projections positive.** Thirty-four percent plan to increase their workforces over the next 12 months, while only 9 percent will cut staff. An average composite workforce increase of 1.4 percent is projected, up from the prior quarter's 1.1 percent.

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

	International marketers (n=126)	Domestic-only peers (n=130)
Business outlook, next 12 months		
Optimistic about US economy	37%	30%
Optimistic about world economy	30%	21%
Revenue growth rate	5.5%	4.9%
International sales (% of total)	15%	---
Planning major capital investments	35%	22%
Planning expansion to new markets abroad	17%	1%
Plans to increase spending (net)	64%	45%
• New products/services	37%	17%
• Sales promotion	20%	14%
• Information technology	19%	18%
• R&D	15%	4%
Prior quarter's performance		
• Increased gross margins (net)	-12%	-14%
• Increased costs (net)	-24%	-12%
• Increased prices (net)	-16%	-11%

Note: International marketers have average revenue of \$270.0 million; their domestic-only peers have average revenue of \$116.2 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
	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09	1Q – 2Q '09	
Optimistic about US economy	24%	17%	12%	19%	34%	↑	7
Optimistic about world economy	39%	19%	10%	15%	30%	↑	9
Expect positive revenue growth	80%	67%	57%	51%	57%	↑	21
Average growth rate expected	10.8%	10.1%	5.2%	3.4%	5.2%	↑	21
Planning major new investments	30%	30%	29%	24%	28%	↑	25
New investments as a % of sales	10.6%	8.2%	7.4%	7.2%	7.1%	=	25
Planning to hire	57%	48%	35%	31%	34%	↑	23
New workers as a % of workforce (net)	+3.9%	+3.6%	+1.7%	+1.1%	+1.4%	↑	23
Expected barriers to growth							
• Lack of demand	74%	83%	84%	86%	81%	↓	27
• Legislative/ regulatory pressures	30%	35%	35%	38%	43%	↑	27
• Profitability/ decreasing margins	35%	40%	44%	44%	42%	=	27
• Increased taxation	28%	31%	28%	37%	41%	↑	27
• Lack of capital for investment	20%	31%	27%	28%	26%	=	27
• Higher interest rates	22%	28%	17%	16%	19%	↑	27
• Oil/ energy prices	51%	42%	22%	16%	18%	=	27
• Strength of the US dollar	20%	20%	20%	19%	13%	↓	27
• Lack of qualified workers	35%	30%	19%	13%	10%	↓	27
• Competition from foreign markets	9%	9%	11%	9%	8%	=	27
• Pressure for increased wages	27%	25%	14%	7%	7%	=	27

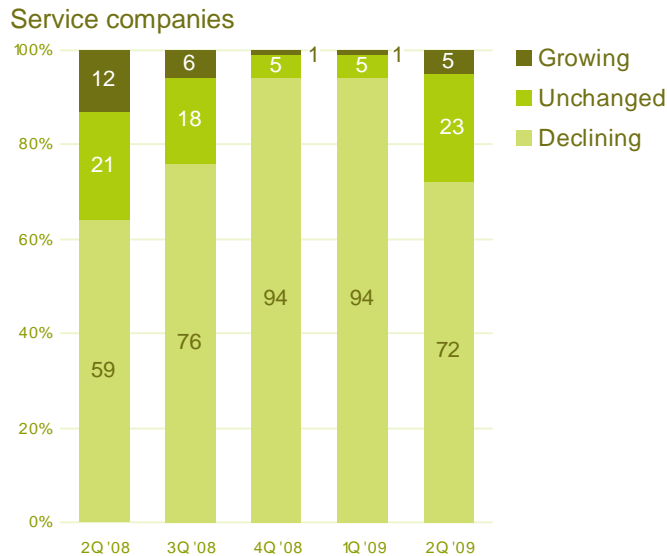
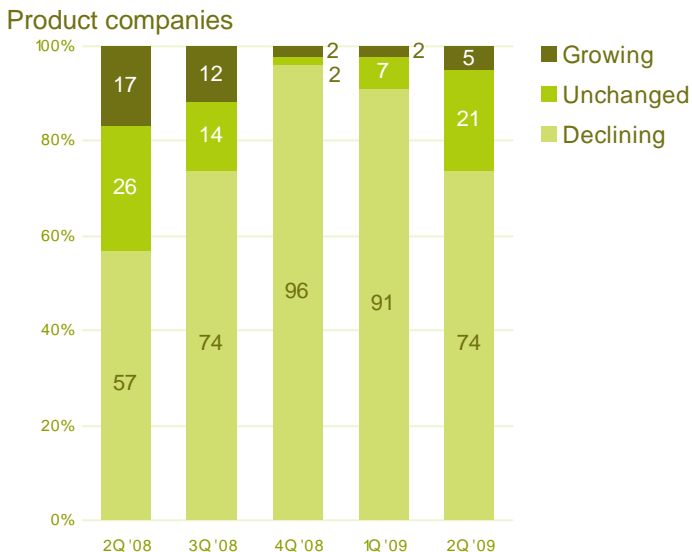
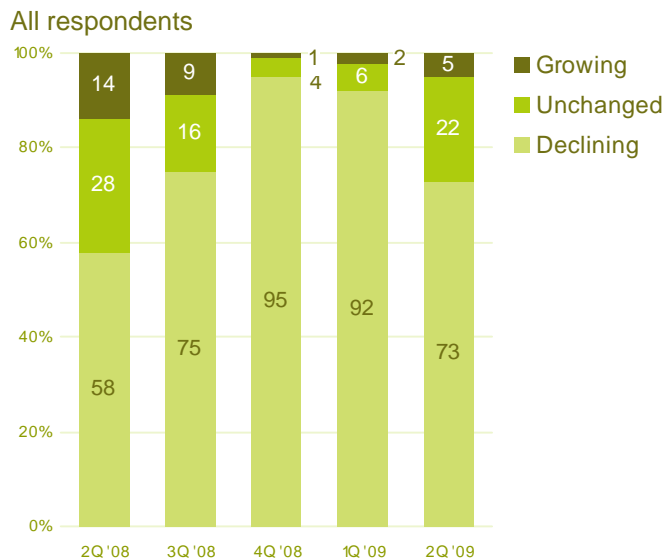
Economic views

View of the US economy, this quarter

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

In second quarter 2009, only 5 percent of chief executive officers (CEOs) from America's leading private companies surveyed said they believe the US economy is growing, in line with the first quarter. The number of those who think the US economy is declining remained high, at 73 percent, but that is down 19 points from the prior quarter. Twenty-two percent feel it is neither growing nor declining.

Chart 2.1 View of the US economy, this quarter



Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

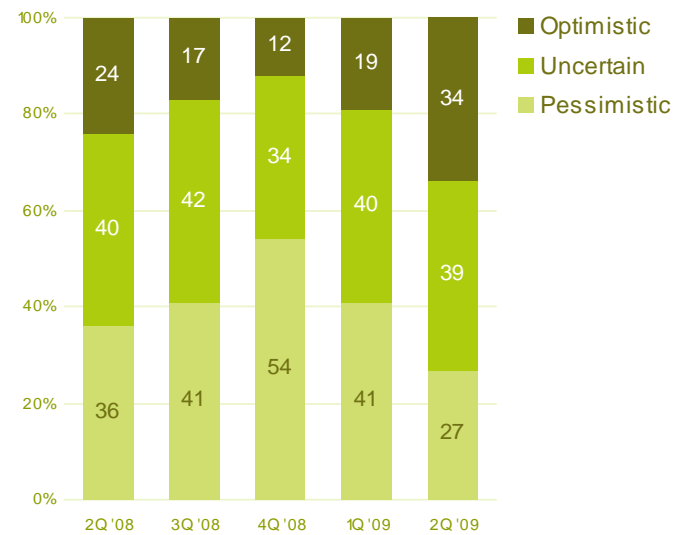
View of the US economy, next 12 months

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

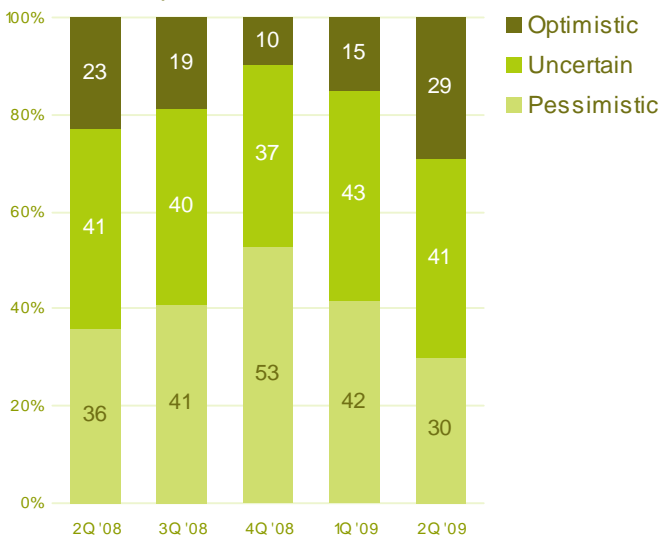
CEOs surveyed are more optimistic than they were a year ago about the next 12 months. Thirty-four percent said they are optimistic about the prospects for the US economy, up from the prior quarter's 19 percent. Pessimism is down to 27 percent from 41 percent last quarter. The remaining 39 percent are uncertain.

Chart 2.2 View of the US economy, next 12 months

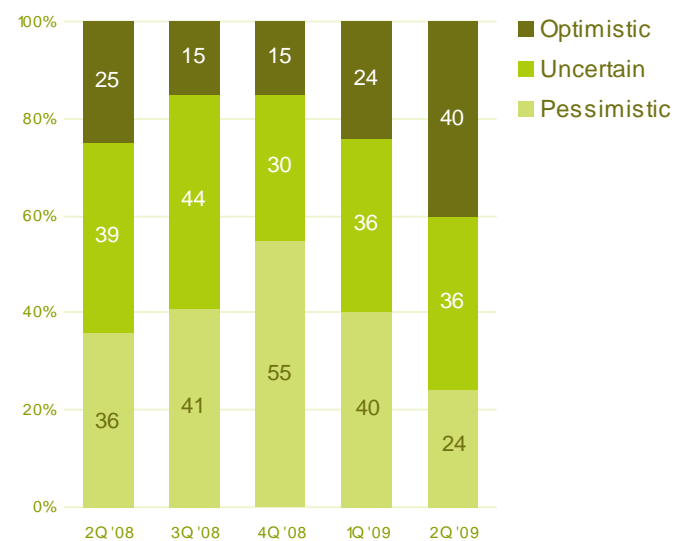
All respondents



Product companies



Service companies



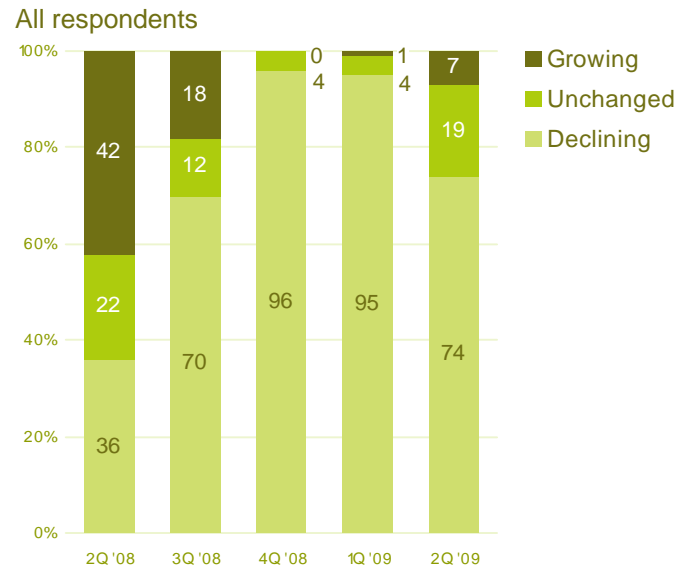
Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

View of the world economy, this quarter

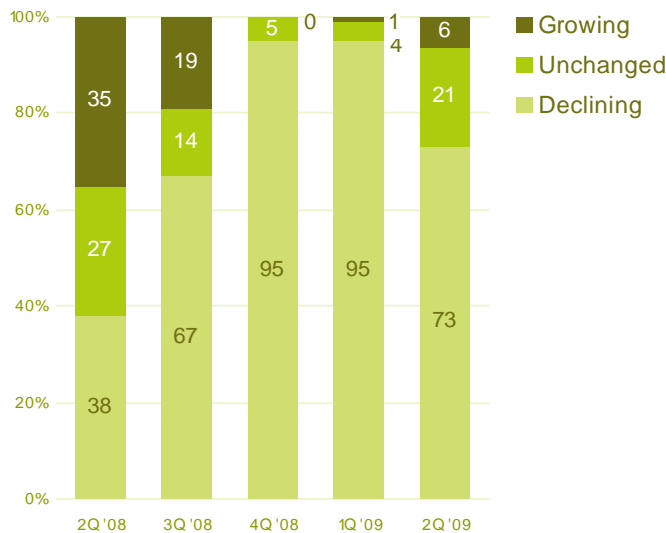
Which best describes your view of the world economy this quarter? (international marketers only)

In second quarter 2009, 74 percent of CEOs marketing abroad viewed the world economy as declining, a 21-point drop from the previous quarter. Seven percent viewed the world economy as growing, and 19 percent viewed it as unchanged.

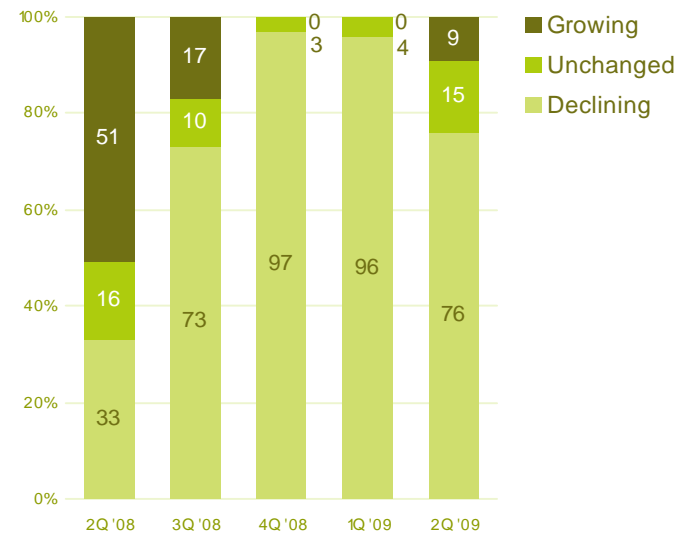
Chart 2.3 View of the world economy, this quarter



Product companies



Service companies



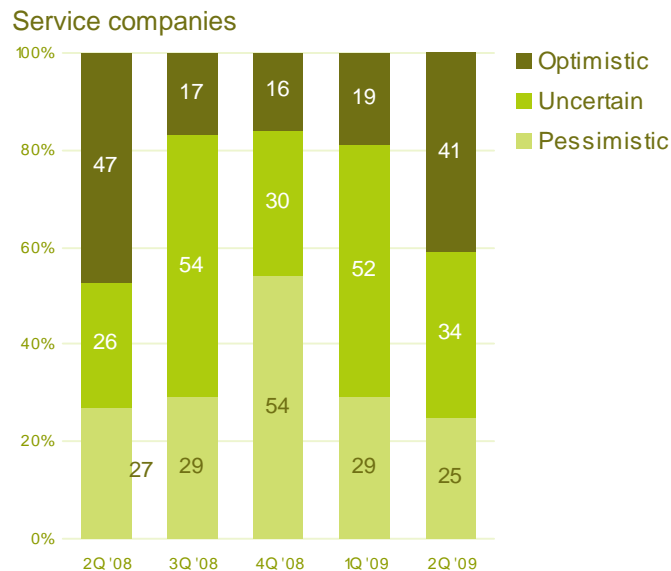
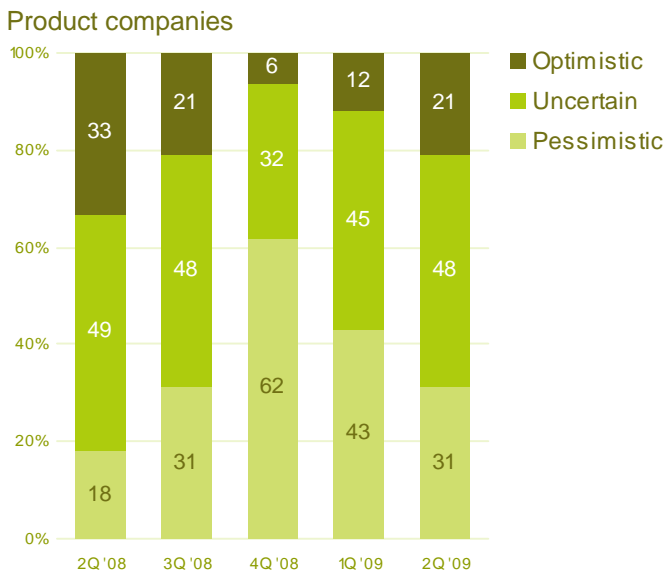
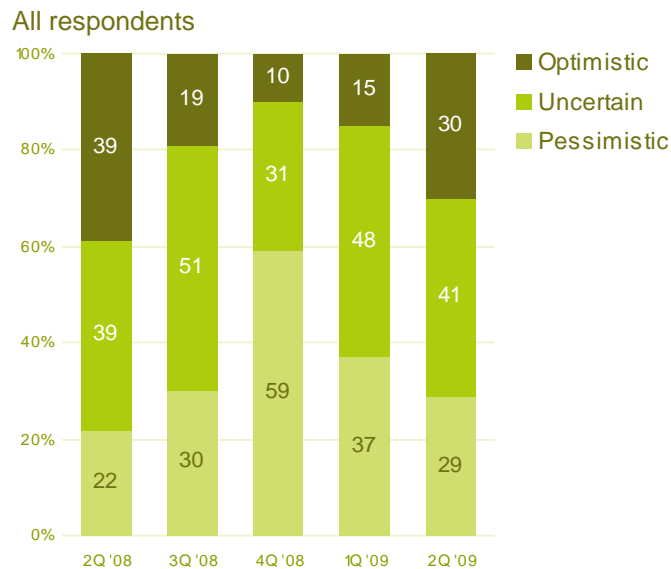
Note: In 2Q 2009 All international marketers, n=126, Product companies, n=67, Service companies, n=59

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)

Thirty percent of international marketers surveyed expressed optimism in the second quarter about the world economy's prospects over the next 12 months, up from 15 percent in the prior quarter. Pessimism declined from 37 percent in the first quarter to 29 percent in the second quarter, and 41 percent remained uncertain.

Chart 2.4 View of the world economy, next 12 months



Note: In 2Q 2009 All international marketers, n=126, Product companies, n=67, Service companies, n=59

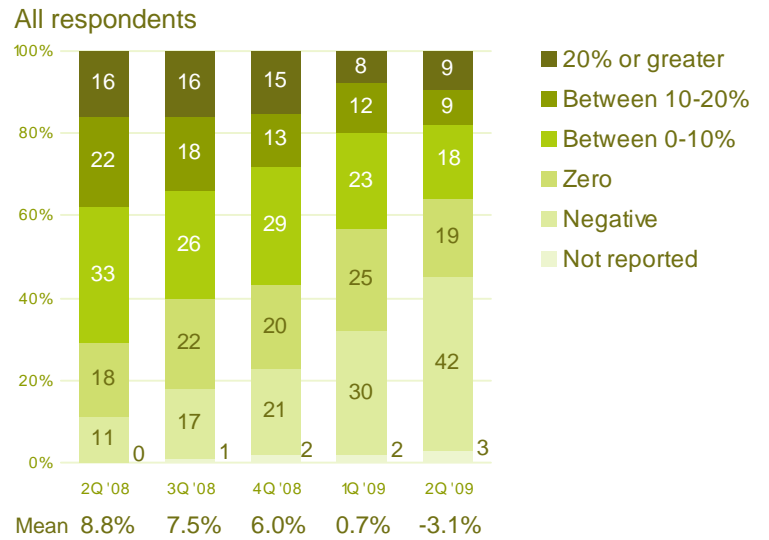
Company performance

Company revenue growth, calendar year

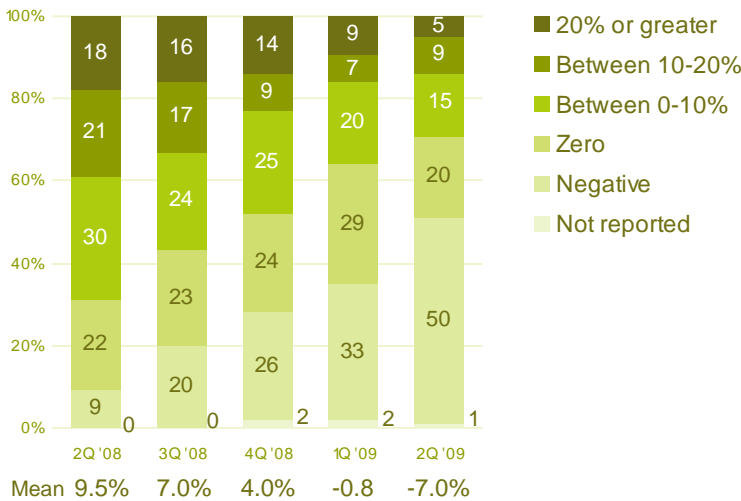
What is your company's estimated revenue growth rate for the calendar year?

Overall, the composite average own-company growth estimate for 2009 fell from plus 0.7 percent in the first quarter to minus 3.1 percent in the second quarter. Of CEOs interviewed, 36 percent expect positive revenue growth through 2009, with 18 percent projecting double-digit growth and 18 percent single-digit growth. However, 42 percent expect negative revenue growth.

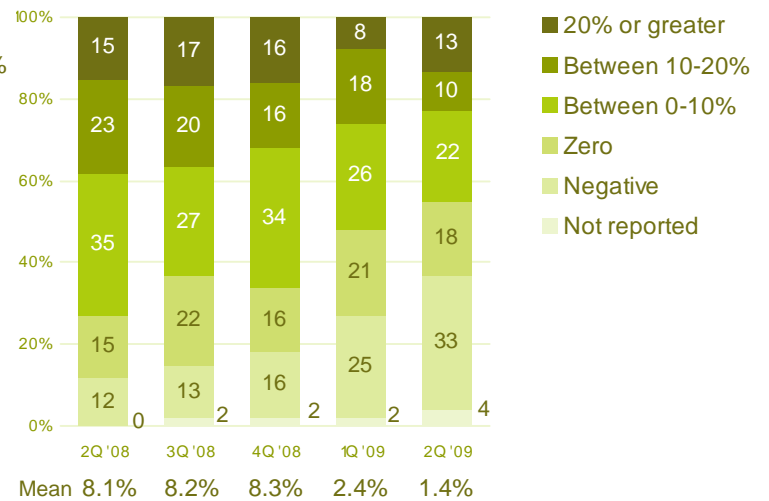
Chart 3.1 Company revenue growth, calendar year



Product companies



Service companies



Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

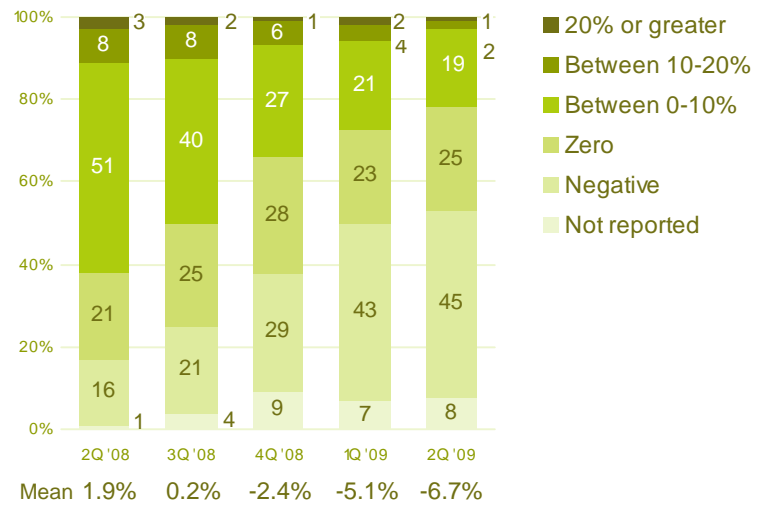
Industry growth, calendar year

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

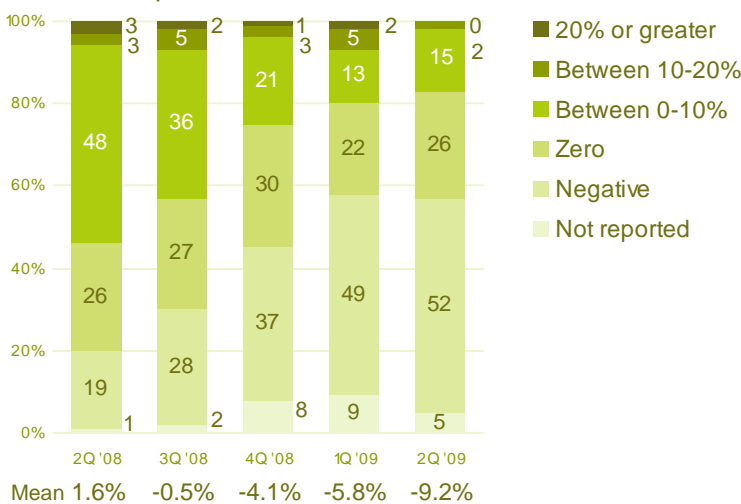
Industry sector growth projections for 2009 dropped sharply again from an average minus 5.1 percent in the first quarter to minus 6.7 in the second quarter. A year ago, the average projection was plus 1.9 percent.

Chart 3.2 Industry growth, calendar year

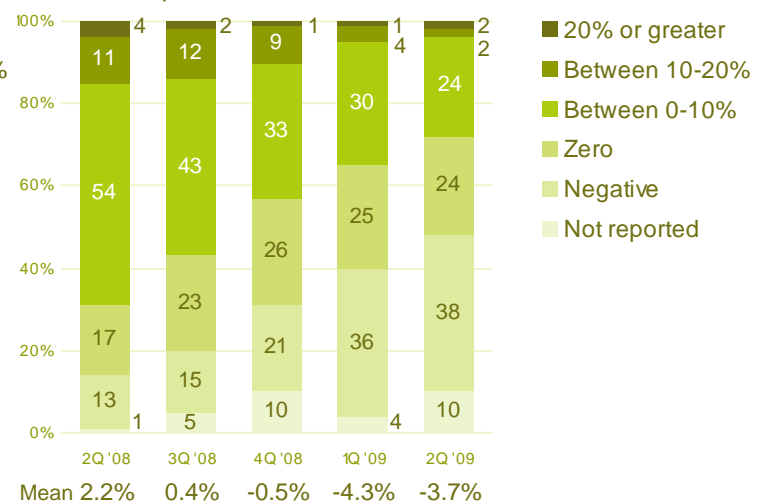
All respondents



Product companies



Service companies



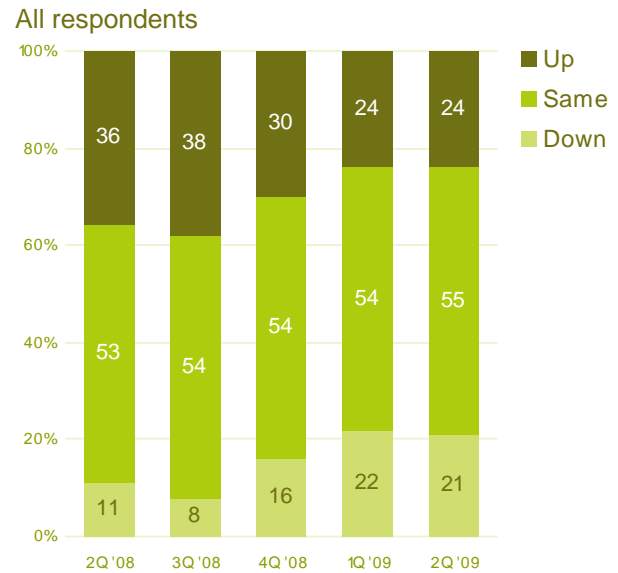
Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

International sales

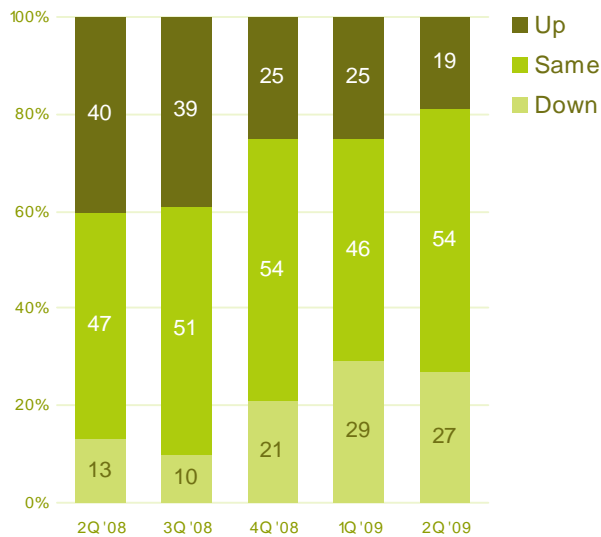
Are international sales up, down, or the same compared with three months ago?

From first quarter to second quarter 2009, only 24 percent of international marketers increased sales abroad, parallel to the prior quarter but less than the increase reported a year ago. Twenty-one percent reported fewer sales, and 55 percent reported no change.

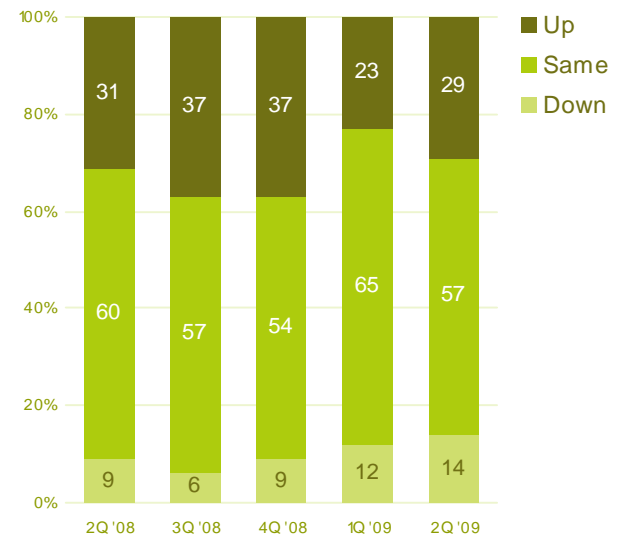
Chart 3.3 International sales



Product companies



Service companies



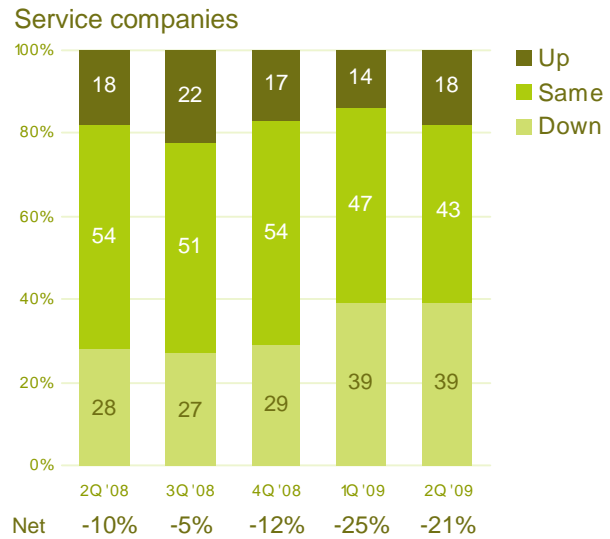
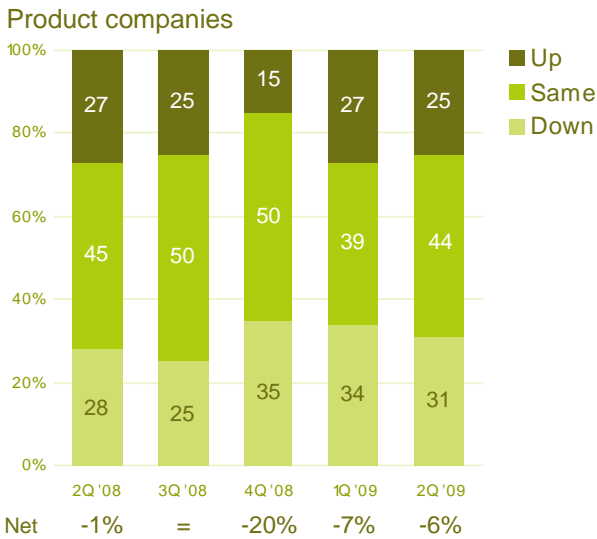
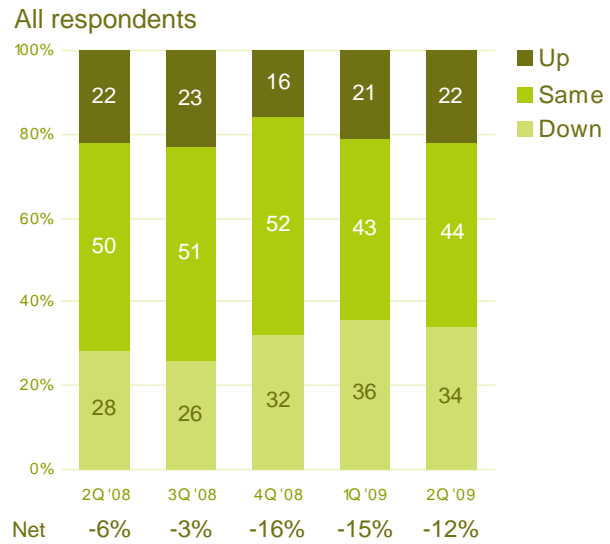
Note: In 2Q 2009 All international marketers, n=126, Product companies, n=67, Service companies, n=59

Changes in gross margins

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

Gross margins remained tight in the second quarter, as 22 percent reported higher margins and 34 percent reported lower margins, for a net of minus 12 percent reporting lower margins, similar to the prior two quarters.

Chart 3.4 Changes in gross margins



Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

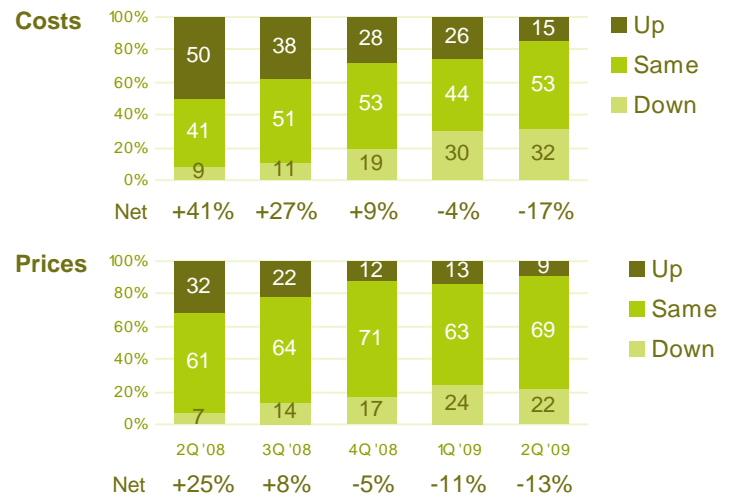
Changes in costs and prices

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

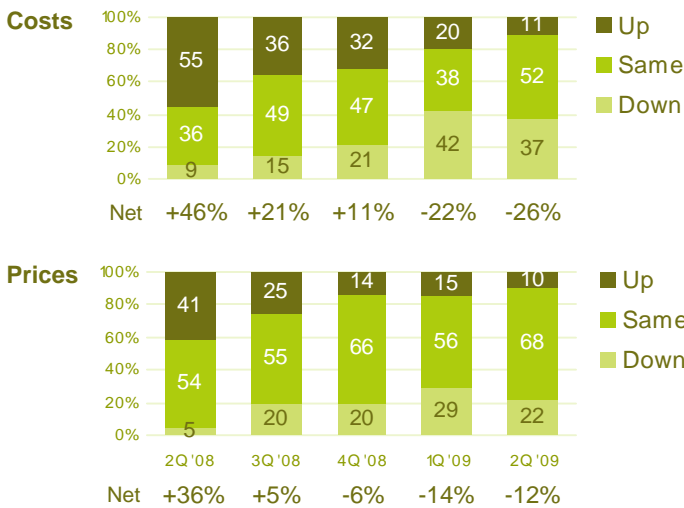
Costs increased for 15 percent of those surveyed and decreased for 32 percent, for a net of minus 17 percent. The net percentage of companies reporting higher costs was notably lower than the previous four quarters. Prices were lower in second quarter 2009 as well, with only 9 percent raising prices and 22 percent lowering them, for a net of minus 13 percent, below the previous four quarters.

Chart 3.5 Changes in costs and prices

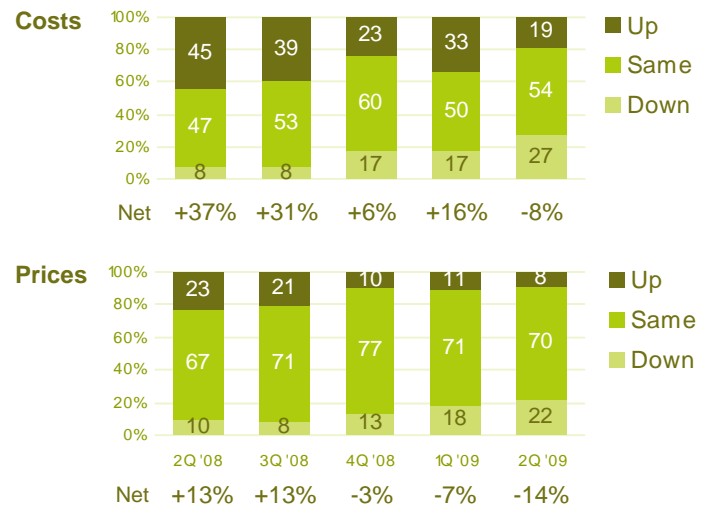
All respondents



Product companies



Service companies



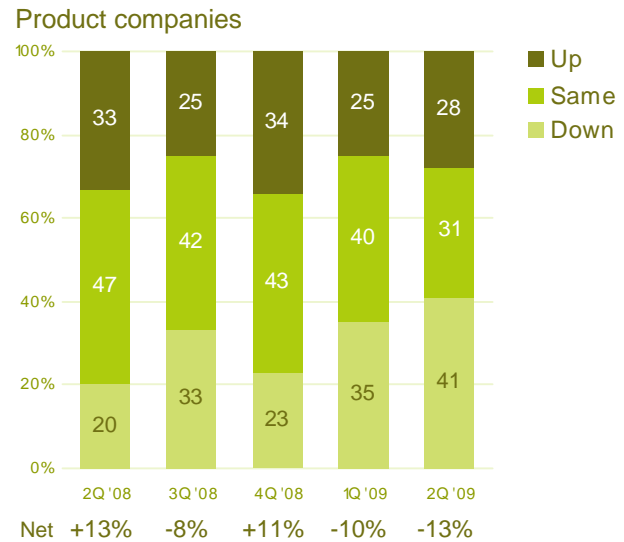
Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

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 28 percent of product companies in the second quarter and down for 41 percent – a net minus 13 percent with lower inventories. This is lower than the prior quarter, when a net minus 10 percent reported lower inventories.

Chart 3.6 Finished inventories as a percent of sales



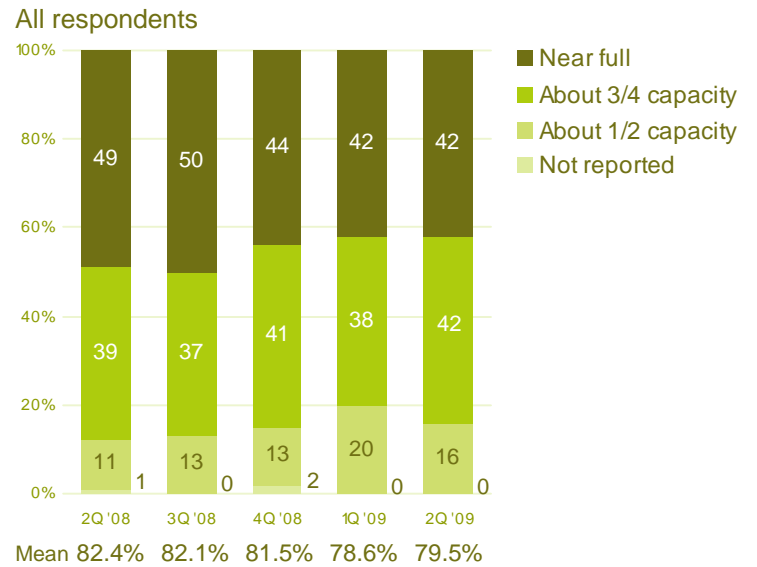
Note: In 2Q 2009 All respondents, n=137, Product companies, n=137

Level of operating capacity

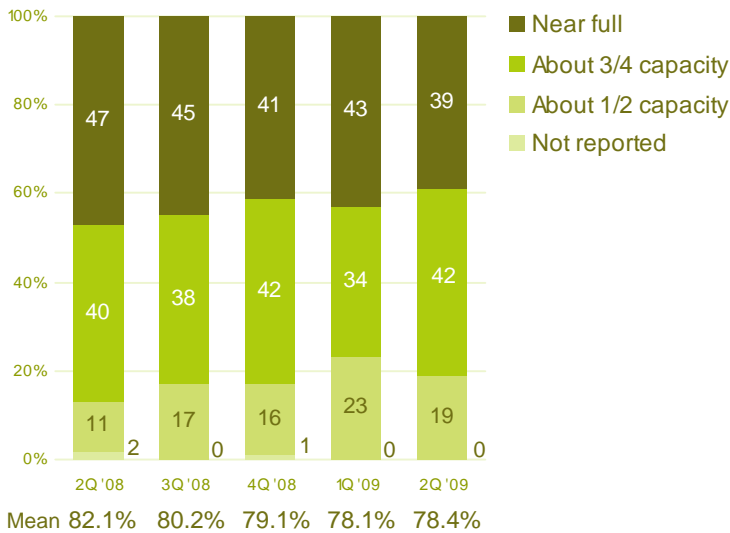
What is your organization's current operating capacity?

Operating capacity is an estimate of the current level of permanent staffing compared with what is needed for full-capacity output. In the second quarter, the average level of operating capacity for respondents was an estimated 79.5 percent, similar to last quarter's 78.6 percent. Forty-two percent reported near full capacity, same as the previous quarter.

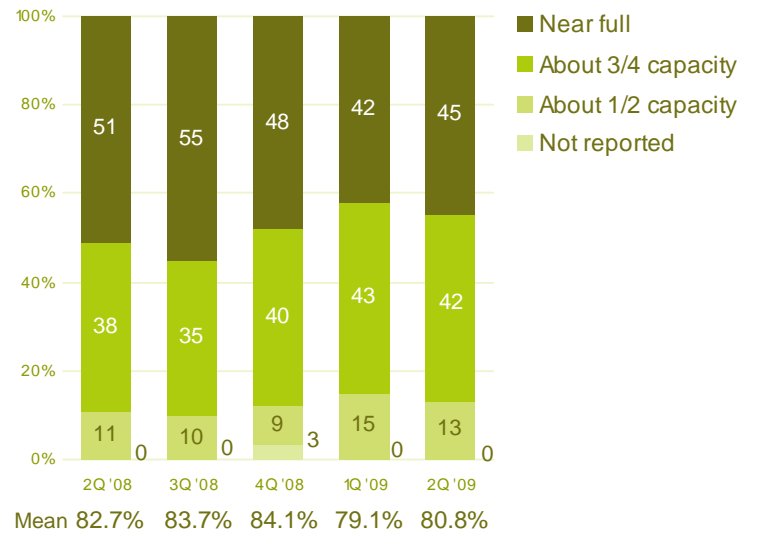
Chart 3.7 Level of operating capacity



Product companies



Service companies



Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

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 second quarter, only 10 percent of CEOs surveyed reported financing activity, chiefly bank loans (9 percent). New bank loans are the same as a year ago, although the mean interest rate paid on loans by these companies is now 3.96 percent, 147 basis points lower than a year ago, when it was 5.43 percent.

Chart 3.8 New bank loans, credit terms and financing

All respondents

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Any activity	11%	17%	16%	14%	10%
• New bank loans	9%	14%	12%	10%	9%
• New credit terms (suppliers)	2%	5%	4%	4%	2%
• All other new financing	1%	2%	5%	3%	1%
• Mean interest rate (all bank loans)	5.43%	5.22%	3.88%	3.84%	3.96%

Product companies

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Any activity	10%	19%	18%	16%	11%
• New bank loans	9%	16%	13%	12%	9%
• New credit terms (suppliers)	2%	4%	6%	5%	2%
• All other new financing	1%	3%	7%	4%	2%
• Mean interest rate (all bank loans)	5.34%	5.05%	3.81%	3.86%	3.80%

Service companies

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Any activity	11%	15%	14%	11%	9%
• New bank loans	10%	12%	10%	9%	8%
• New credit terms (suppliers)	1%	5%	3%	3%	1%
• All other new financing	1%	2%	3%	1%	---
• Mean interest rate (all bank loans)	5.52%	5.37%	3.97%	3.82%	4.13%

Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

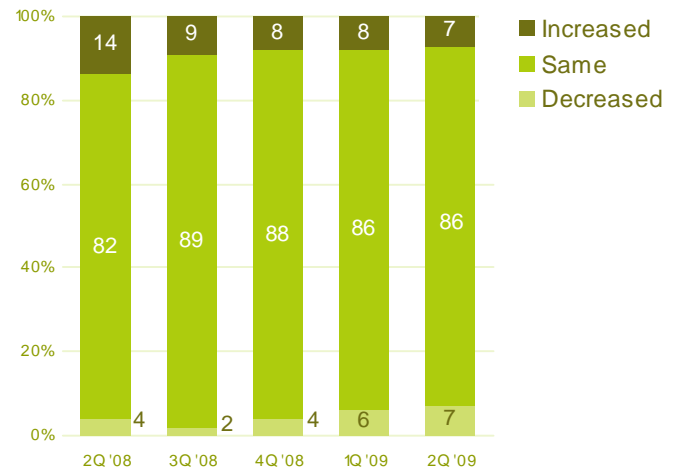
Change in credit availability

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

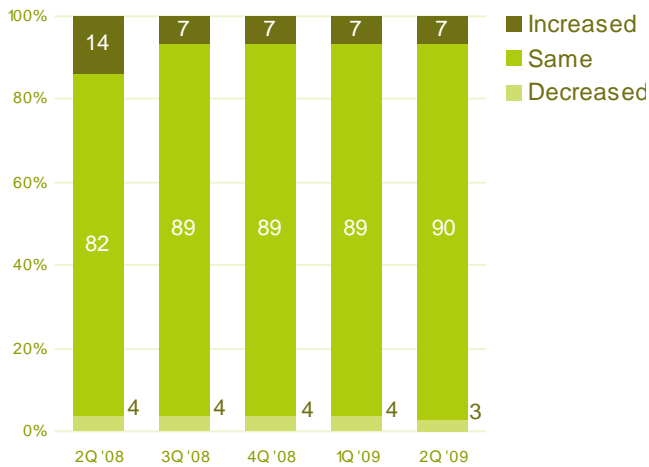
Credit availability showed little change in the second quarter, with only 7 percent increasing their credit lines and only 7 percent reporting a decrease.

Chart 3.9 Change in credit availability

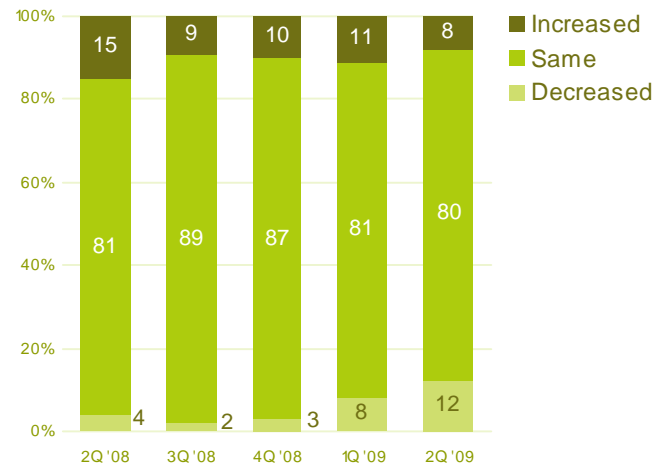
All respondents



Product companies



Service companies



Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

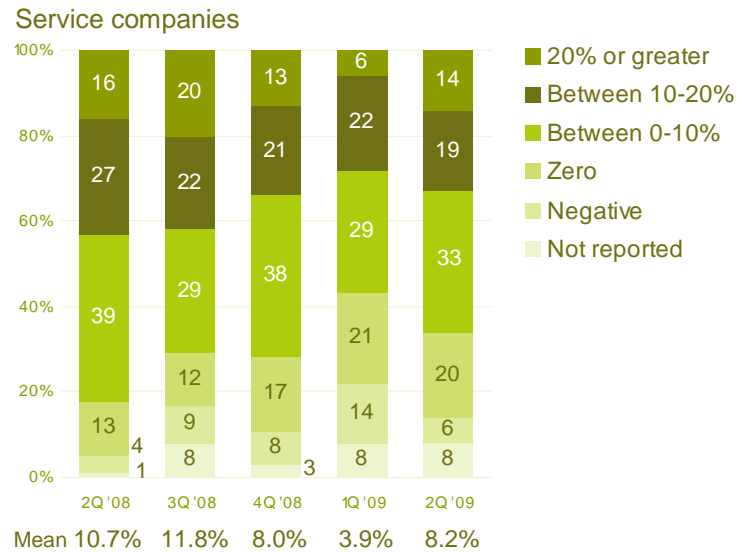
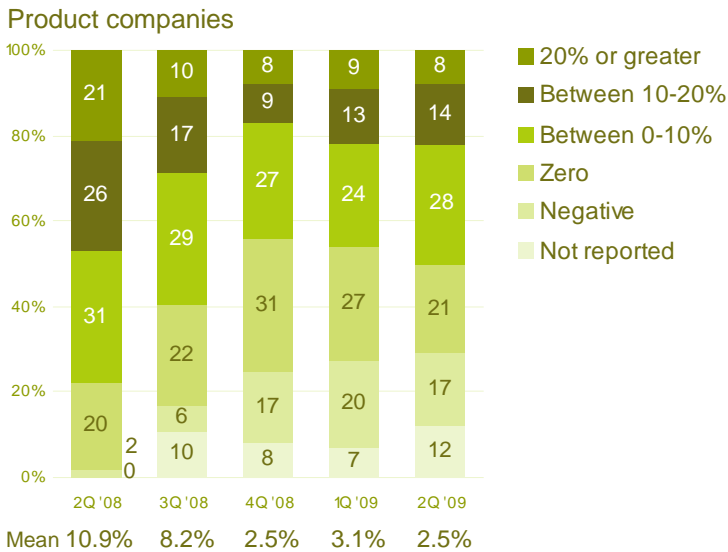
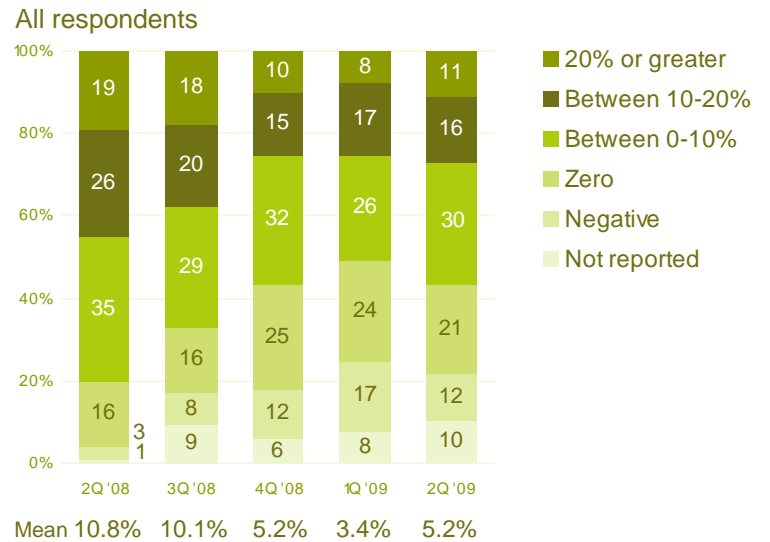
Business outlook, next 12 months

Revenue growth, next 12 months

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

Respondents projected a higher average revenue growth rate for their companies over the next 12 months, rising from 3.4 percent in the prior quarter to 5.2 percent. Fifty-seven percent now plan positive own-company growth, with 27 percent projecting double-digit revenue growth and 30 percent single-digit. Twelve percent expect negative growth over the next 12 months, and 21 percent expect no growth.

Chart 4.1 Revenue growth, next 12 months



Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

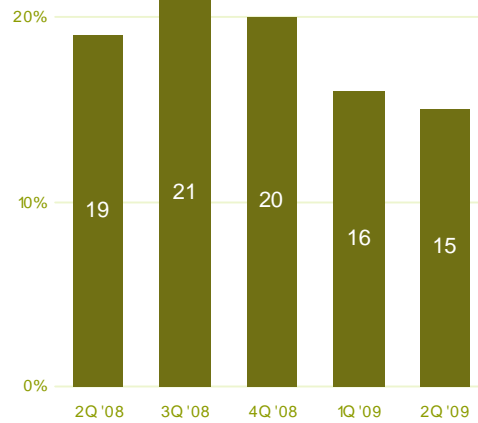
International sales, next 12 months

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)

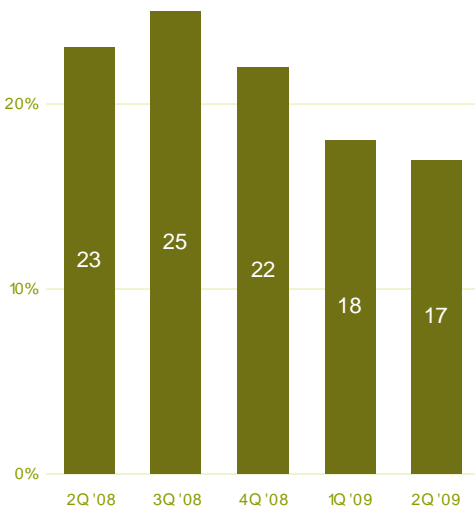
Of panelists selling abroad, the average contribution of international sales to total revenue over the next 12 months is projected at 15 percent, down 1 point from the prior quarter, and 4 points below a year ago.

Chart 4.2 International sales, next 12 months

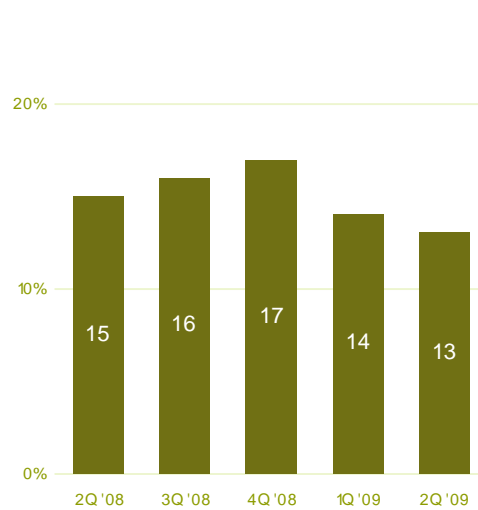
All respondents



Product companies



Service companies



Note: In 2Q 2009 All international marketers, n=126, Product companies, n=67, Service companies, n=59

Percent planning to hire

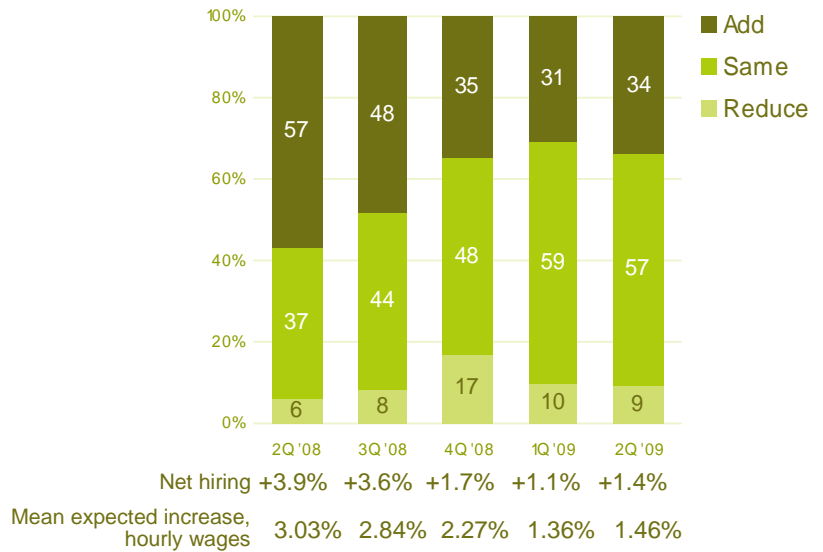
Do you plan to add or reduce the number of full-time equivalent employees over the next 12 months? Do you plan to increase hourly wages?

Looking ahead, 34 percent of panelists plan to add employees to their workforces over the next 12 months, up from the prior quarter's 31 percent, but well below last year's 57 percent. Nine percent plan to reduce workers, and 57 percent will stay about the same.

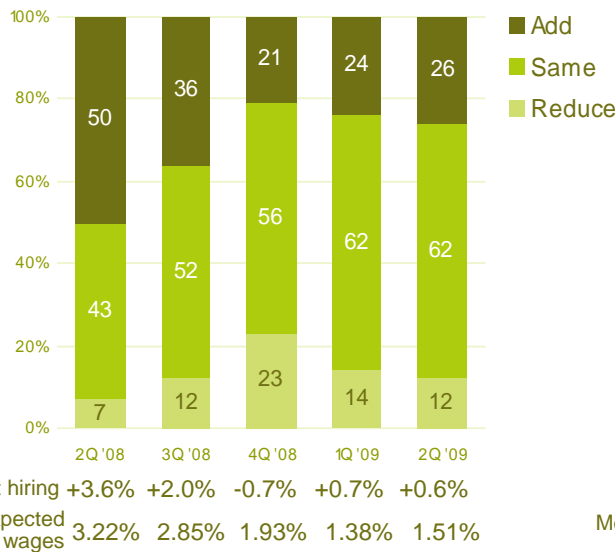
An overall increase of 1.4 percent is planned for the panel's composite workforce, up from 1.1 percent last quarter, but well below the 3.9 percent a year ago.

Chart 4.3 Percent planning to hire

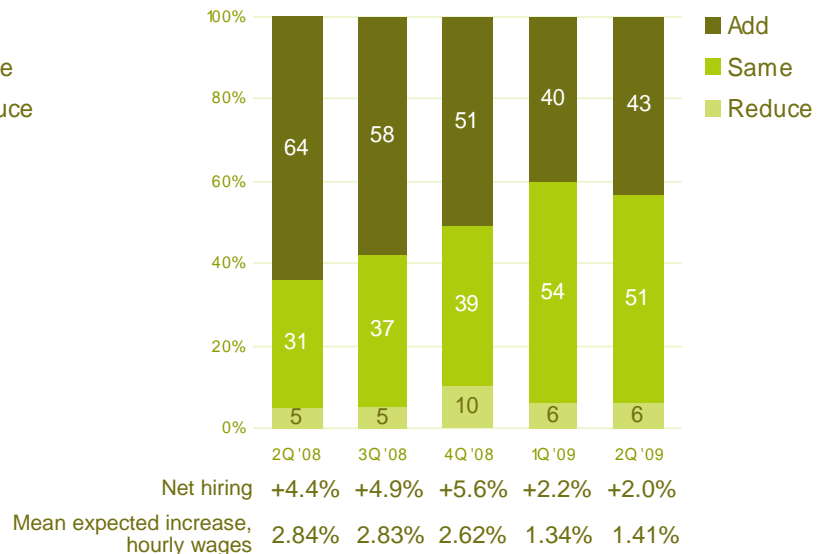
All respondents



Product companies



Service companies



Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

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 will be looking primarily for professionals/technicians.

Chart 4.4 Percent planning to hire by type of employee

All respondents

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Planning to hire (net)	57%	48%	35%	31%	34%
• Professionals/technicians	39%	34%	22%	17%	18%
• Sales/marketing	20%	16%	8%	8%	10%
• White collar support	12%	9%	7%	6%	7%
• Production workers	9%	6%	6%	6%	7%
• Skilled labor	10%	5%	7%	5%	5%

Product companies

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Planning to hire (net)	50%	36%	21%	24%	26%
• Professionals/technicians	28%	21%	8%	10%	10%
• Sales/marketing	22%	14%	6%	7%	9%
• White collar support	14%	8%	3%	5%	7%
• Production workers	14%	10%	9%	9%	10%
• Skilled labor	13%	2%	4%	5%	7%

Service companies

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Planning to hire (net)	64%	58%	51%	40%	43%
• Professionals/technicians	49%	40%	37%	25%	28%
• Sales/marketing	19%	17%	9%	9%	12%
• White collar support	11%	11%	11%	6%	8%
• Production workers	5%	3%	3%	2%	4%
• Skilled labor	7%	7%	11%	5%	3%

Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

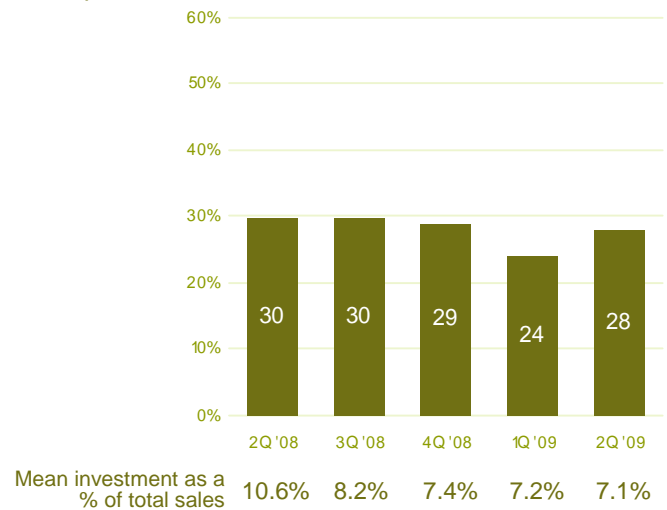
Percent planning major new investments of capital

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?

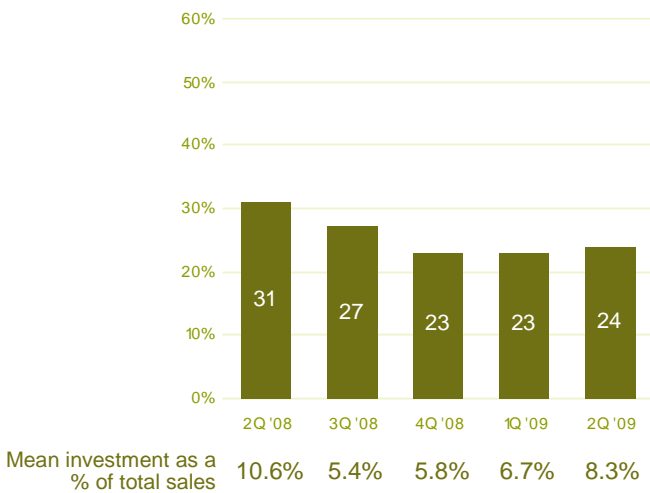
Over the next 12 months, 28 percent of those surveyed are planning for major new investments of capital for business growth. This is a rebound from last quarter's 24 percent and slightly below last year's 30 percent. The mean investment stayed at a lower 7.1 percent of sales.

Chart 4.5 Percent planning major new investments of capital

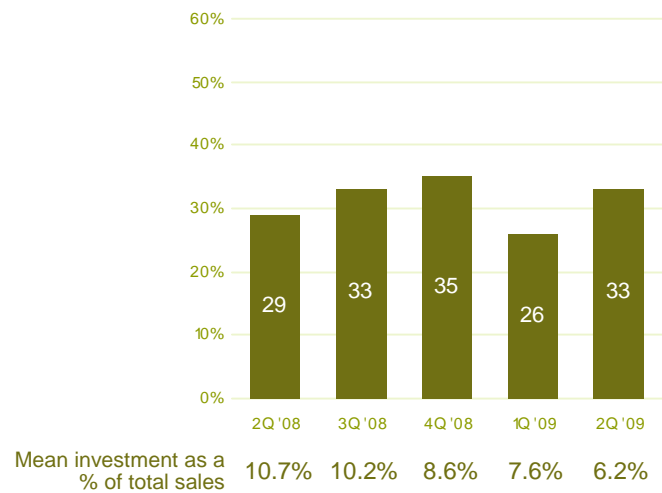
All respondents



Product companies



Service companies



Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

Percent planning to increase operational spending

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

Currently, 55 percent are planning to increase operational spending, up from 51 percent last quarter but below a year ago.

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

Product companies

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Percent planning to increase spending (net)	65%	58%	48%	47%	49%
• New product or service introduction	31%	23%	21%	20%	25%
• Information technology	21%	18%	15%	21%	18%
• Marketing & sales promotion	19%	22%	20%	16%	19%
• Geographic expansion	17%	10%	8%	9%	12%
• Business acquisition	12%	13%	12%	10%	12%
• Facilities expansion	25%	14%	14%	11%	13%
• Advertising	17%	17%	12%	13%	12%
• Research and development	12%	13%	6%	10%	9%
• Internet commerce	5%	4%	3%	7%	4%

Chart 4.6 Percent planning to increase operational spending

All respondents

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

Service companies

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Percent planning to increase spending (net)	67%	64%	62%	55%	61%
• New product or service introduction	29%	30%	28%	20%	29%
• Information technology	32%	23%	28%	17%	19%
• Marketing & sales promotion	28%	24%	22%	21%	15%
• Geographic expansion	20%	18%	22%	11%	24%
• Business acquisition	15%	14%	22%	17%	20%
• Facilities expansion	15%	17%	16%	11%	13%
• Advertising	20%	18%	10%	11%	9%
• Research and development	8%	11%	11%	11%	10%
• Internet commerce	7%	6%	4%	2%	1%

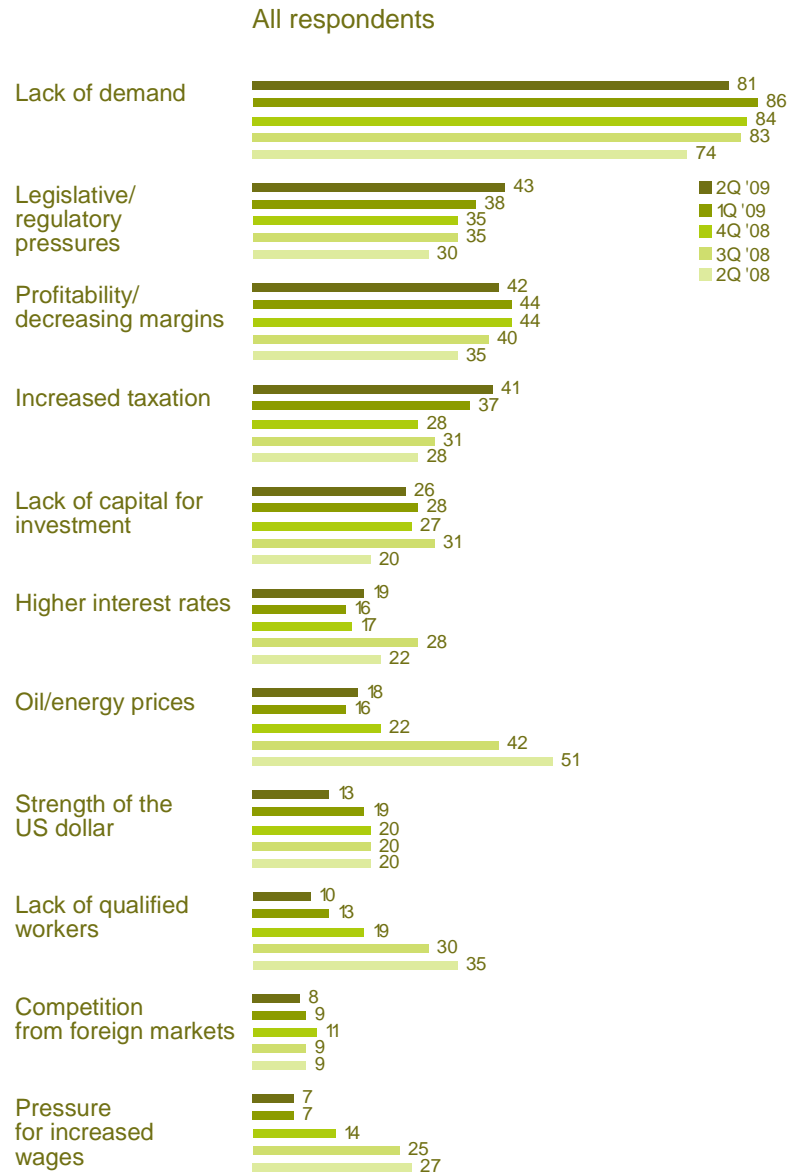
Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

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 81 percent citing it as their main concern.

Chart 4.7 Expected barriers to business growth



Note: In 2Q 2009 All respondents, n=256

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, 50 percent of respondents expect to participate in new business initiatives, down 2 points from the previous quarter and 7 points below last year. Overall, the most prevalent expected initiatives include new strategic alliances, purchase of a business, new joint ventures, and bringing in new partners. New strategic alliances was on the rise, up 10 points to 30 percent – on pace with last year’s 31 percent.

Product companies

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
New business initiatives (net)	51%	50%	50%	46%	43%
• New strategic alliance	29%	31%	24%	15%	25%
• Purchase of another business	18%	12%	14%	13%	15%
• New joint venture	17%	20%	18%	16%	17%
• Bring in new partners	7%	10%	10%	7%	10%
• Expand to new markets abroad	15%	12%	14%	11%	8%
• Restructure debt	9%	11%	13%	10%	9%
• Sale part/all of own business	8%	11%	10%	5%	7%
• “Angel” investors	7%	9%	8%	5%	4%
• Venture capital	4%	7%	4%	4%	3%
• Private placement	3%	4%	4%	3%	2%
• New facilities abroad	3%	6%	3%	3%	2%
• IPO offering	1%	2%	1%	---	1%

Chart 4.8 Plans for M&A and other business initiatives

All respondents

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
New business initiatives (net)	57%	51%	51%	52%	50%
• New strategic alliance	31%	31%	25%	20%	30%
• Purchase of another business	18%	14%	17%	16%	18%
• New joint venture	18%	17%	20%	15%	15%
• Bring in new partners	10%	12%	11%	10%	11%
• Expand to new markets abroad	16%	12%	13%	12%	9%
• Restructure debt	8%	11%	10%	12%	7%
• Sale part/all of own business	9%	9%	8%	6%	6%
• “Angel” investors	7%	6%	6%	5%	5%
• Venture capital	5%	5%	4%	4%	3%
• Private placement	3%	4%	4%	4%	1%
• New facilities abroad	2%	4%	3%	2%	1%
• IPO offering	1%	2%	1%	---	---

Service companies

	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
New business initiatives (net)	62%	53%	52%	60%	57%
• New strategic alliance	33%	32%	26%	25%	35%
• Purchase of another business	17%	17%	19%	19%	22%
• New joint venture	19%	14%	22%	14%	13%
• Bring in new partners	12%	14%	12%	13%	12%
• Expand to new markets abroad	17%	13%	12%	13%	9%
• Restructure debt	7%	11%	8%	13%	4%
• Sale part/all of own business	9%	7%	5%	7%	6%
• “Angel” investors	7%	4%	4%	5%	6%
• Venture capital	7%	2%	3%	5%	3%
• Private placement	2%	4%	3%	4%	---
• New facilities abroad	1%	2%	2%	1%	---
• IPO offering	2%	2%	x	---	---

Note: In 2Q 2009 All respondents, n=256, Product companies, n=137, Service companies, n=119

Survey demographics and research methodology

Demographics

Who	Leading privately held businesses in the US		
Interview dates	April 29, 2009, to July 30, 2009		
	All (256)	Product (137)	Service (119)
Average number of employees	792	663	941
Average business unit revenues	\$157.5 million	\$192.1 million	\$118.3 million
Average enterprise revenues	\$191.0 million	\$226.4 million	\$151.1 million
5-year growth rate	86%	69%	104%
Industry sectors	Products 53% Manufacturing 27% Trade/Distribution 15% All other 11% Services 47%		

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 , 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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