

# Consumer Products Barometer™

Business outlook 4Q 2007

# Contents

<b>1 Quarterly highlights</b>	<b>Page</b>
1.1 Key indicators for the business outlook	4
<b>2 Economic views</b>	
2.1 View of US economy, this quarter	6
2.2 View of US economy, next 12 months	7
2.3 View of world economy, this quarter	8
2.4 View of world economy, next 12 months	9
<b>3 Company performance</b>	
3.1 Company revenue growth, calendar year	11
3.2 Industry growth rate, calendar year	12
3.3 International sales	13
3.4 Changes in gross margins	14
3.5 Changes in costs and prices	15
3.6 Inventory movement	16
3.7 Level of operating capacity	17
<b>4 Business outlook, next 12 months</b>	
4.1 Revenue growth, next 12 months	19
4.2 International sales, next 12 months	20
4.3 Percent planning to hire	21
4.4 Percent planning to hire by type of employee	22
4.5 Percent planning major new investments of capital	23
4.6 Percent planning to increase operational spending	24
4.7 Expected barriers to business growth	25
4.8 Plans for M&A and other business initiatives	26
<b>5 Survey demographics and research methodology</b>	<b>27</b>

## Quarterly highlights

In 4Q 2007, PricewaterhouseCoopers interviewed 58 US-based consumer products executives 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 business outlook to the prior quarter's results to see how the 12-month outlook has changed. The final step was to compare their views to a wider panel to help us understand how the industry differs from the broader population.

The fourth quarter 2007 Consumer Products Barometer results show that more senior executives of consumer products businesses are now pessimistic about the US economy than optimistic. Own-company revenue growth projections dropped below the prior quarter's and last year's levels while concerns about oil/energy prices and three other potential barriers to growth – demand, monetary exchange rates and competition from foreign markets – increased notably. Gross margins remained tight for consumer products businesses in 4Q 2007, as costs and prices remained appreciably higher than a year ago. There are also some signs of reduced spending ahead, and fewer consumer products companies plan to hire or begin M&A activity.

On the positive side, international markets continued to hold up well. Quarterly performance showed the majority of those selling abroad increased sales while few decreased. Operational spending over the next 12 months is expected to be strong for several areas, most of all for new product or service introductions. Initiatives to expand to new markets abroad also continue to rise.

### Key findings:

- Optimism about the US economy plummets. More senior executives of consumer products companies are now pessimistic than optimistic about the outlook for the US economy – 38 percent and 22 percent, respectively. This is a 50 point drop in optimism from last year's 72 percent. The remaining 40 percent were uncertain.
- Own-company revenue projections falter. Consumer products businesses lowered their revenue expectations to an average of 5.1 percent for the next 12 months – below the prior quarter's 6.8 percent and last year's 6.6 percent.

- Concern about oil/energy prices grows. Seventy-two percent cited oil/energy prices as a major potential barrier to growth over the next 12 months. Concern increased for three other barriers to growth: lack of demand rose 5 points to 42 percent; the monetary exchange rate rose 7 points to 36 percent; and concern over competition from foreign markets rose 7 points to 31 percent.
- International markets are holding well. Forty-eight percent remain optimistic about the 12-month outlook for the world economy – similar to the prior quarter, but below last year's 71 percent. Projections for international sales as a percent of total revenues continued at 19 percent – same as the last two quarters and ahead of last year's 16 percent. Fifty-one percent of international marketers increased sales and only 9 percent reported a decrease.
- Plans to reduce spending emerge. Fewer consumer products businesses are planning major new investments of capital over the next 12 months – 43 percent, off 13 points from 56 percent last year. But their mean investment remained moderately high – 7.2 percent versus 8.1 percent of total sales. Fewer consumer products businesses are planning to add to their workforce, off 8 points from 30 percent last year, yet the total workforce size is now projected slightly upward, at a modest plus 0.7 percent. On the positive side, increased operational spending is projected for new product or service introductions, as well as marketing and sales promotion, advertising and information technology. Initiatives to expand to new markets abroad have increased to 36 percent, but fewer are now planning M&A activity (33 percent).
- Gross margins remain tight. Consumer products businesses' gross margins in 4Q 2007 continued to tighten – 21 percent reported higher margins, but 36 percent reported lower margins, for a net 15 percent negative. Costs and prices in 4Q 2007 were both higher for more consumer products businesses than a year ago.

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 each quarter (see chart 1.1). The pages that follow provide a detailed look at each survey question for the previous five quarters of the survey.

# Key indicators for the business outlook

Chart 1.1 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 last two quarters.

Business outlook, next 12 months among large consumer products businesses	2006	2007				Change	Page
	4Q '06	1Q '07	2Q '07	3Q '07	4Q '07	3Q-4Q '07	
Optimistic about US economy	72%	50%	53%	29%	22%	↓	7
Optimistic about world economy	71%	67%	63%	50%	48%	=	9
Expect positive revenue growth	84%	82%	85%	92%	83%	↓	19
Average growth rate expected	6.6%	4.8%	6.3%	6.8%	5.1%	↓	19
Planning major new investments	56%	48%	51%	37%	43%	↑	23
New investments as a % of sales	8.1%	5.5%	6.1%	4.2%	7.2%	↑	23
Planning to hire	30%	30%	40%	32%	22%	↓	21
New workers as a % of workforce (net)	-1.1%	+0.5%	-2.1%	+1.1%	+0.7%	↓	21
Expected barriers to growth							
• Oil/energy prices	54%	70%	51%	59%	72%	↑	25
• Lack of demand	40%	30%	17%	37%	42%	↑	25
• Monetary exchange rate	20%	16%	25%	29%	36%	↑	25
• Pressure for increased wages	34%	28%	25%	34%	36%	=	25
• Decreasing profitability	22%	20%	13%	36%	33%	↓	25
• Competition from foreign markets	26%	32%	28%	24%	31%	↑	25
• Legislative/regulatory pressures	32%	34%	32%	36%	31%	↓	25
• Lack of qualified workers	30%	26%	21%	29%	24%	↓	25
• Higher interest rates	22%	26%	26%	27%	21%	↓	25
• Taxation policies	14%	20%	13%	24%	16%	↓	25
• Capital constraints	12%	12%	13%	12%	14%	=	25

# Economic views

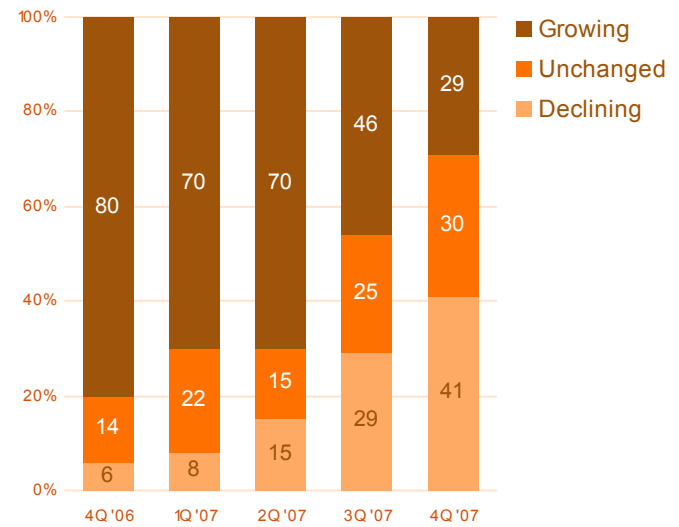
# View of the US economy, this quarter

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

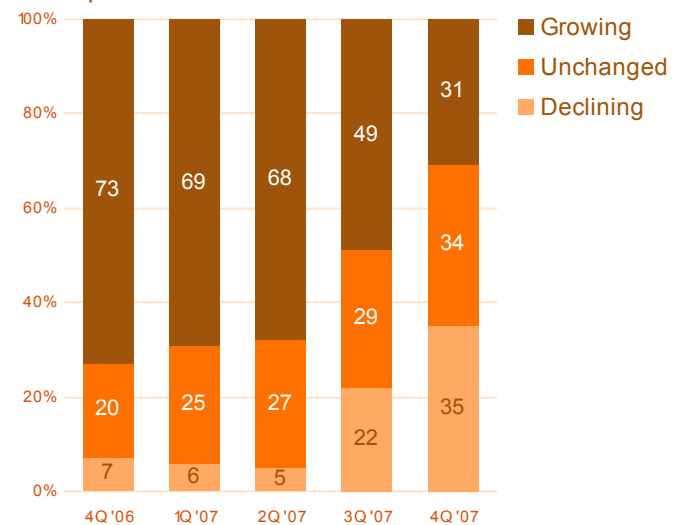
Only 29 percent of consumer products senior executives believe the US economy continues to grow, down 17 points from last quarter's 46 percent and notably below last year's 80 percent. Many more, 41 percent, now believe it is declining (up 12 points), while 30 percent view it as unchanged.

Chart 2.1 View of the US economy, this quarter

### Large consumer products businesses



### All respondents



Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

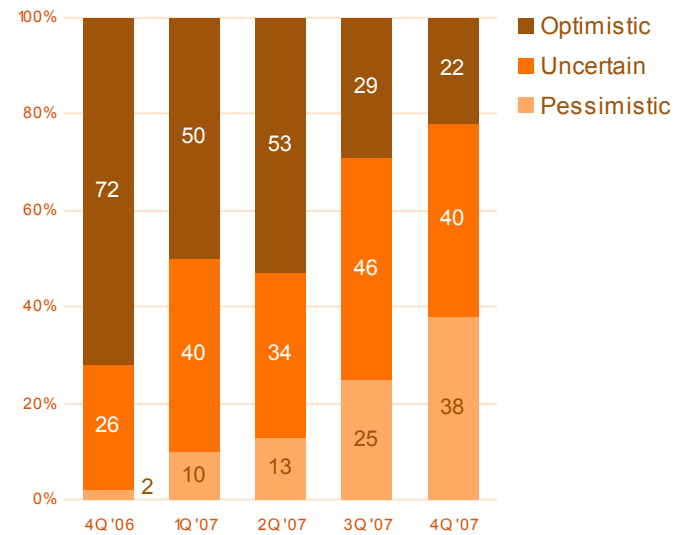
# View of the US economy, next 12 months

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

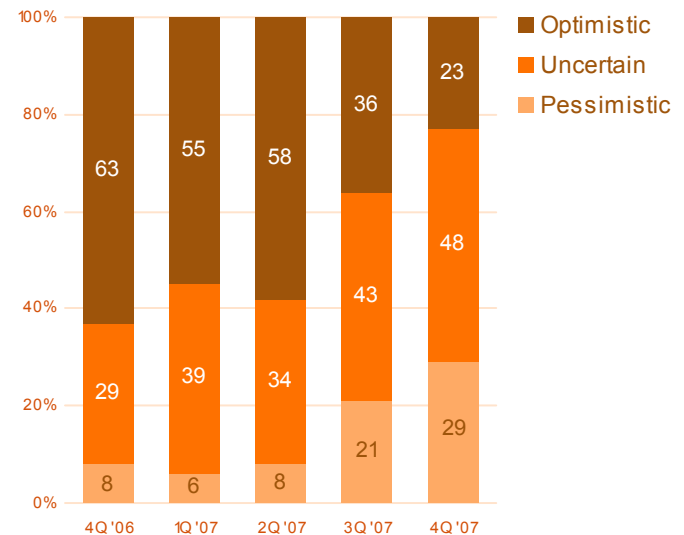
Optimism about the 12-month outlook for the US economy also dropped precipitously among senior executives of consumer products companies. Only 22 percent are now optimistic about the prospects for the US economy, off 7 points from 29 percent the prior quarter and 50 points from last year's 72 percent. The number of pessimistic viewpoints – 38 percent – now nearly doubles optimistic viewpoints. Another 40 percent remain uncertain.

Chart 2.2 View of the US economy, next 12 months

## Large consumer products businesses



## All respondents



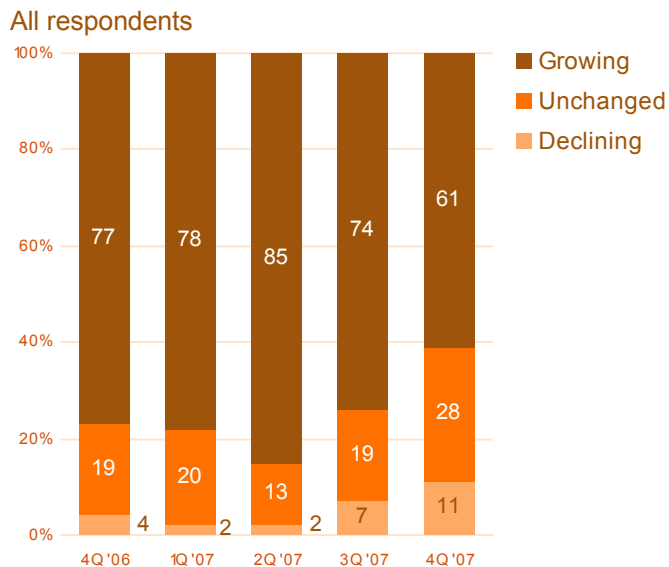
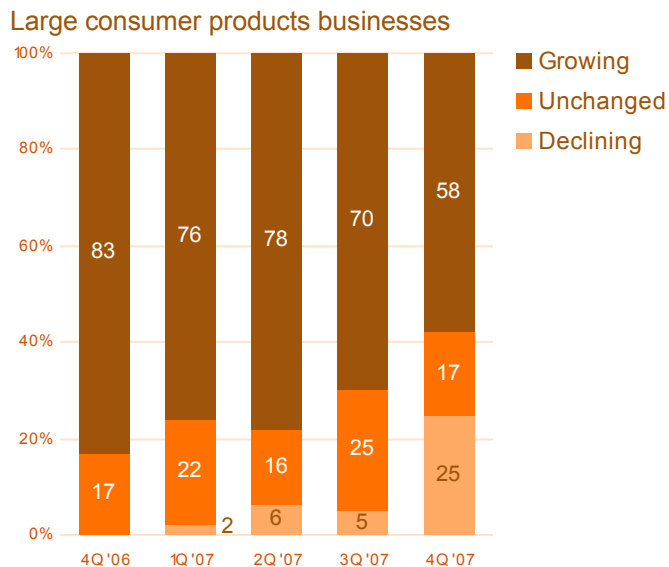
Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

# View of the world economy, this quarter

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

In sharp contrast to views about the US economy, 58 percent of those marketing abroad view the world economy as growing, off 12 points from 70 percent in the prior quarter. An increasing number, 25 percent, view the world economy as declining. Consumer products executives, who were more optimistic about the world economy than the broader consensus a year ago, are now slightly below the consensus.

Chart 2.3 View of the world economy, this quarter



Note: In 4Q 2007, large consumer products businesses n = 52, all respondents, n = 111.

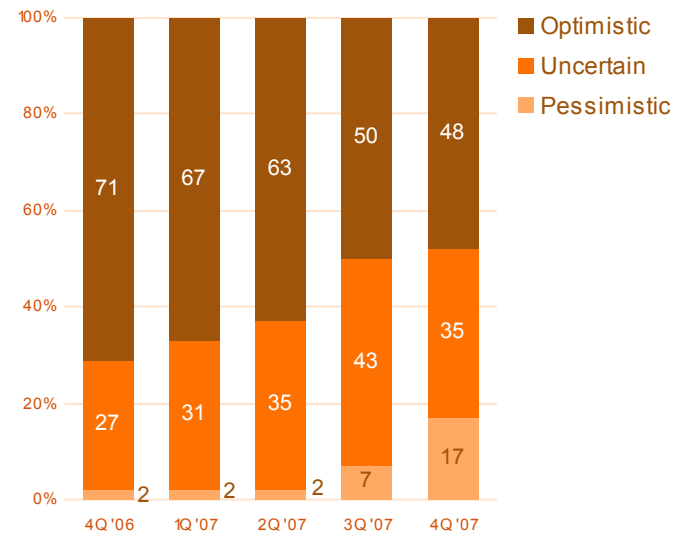
# View of the world economy, next 12 months

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

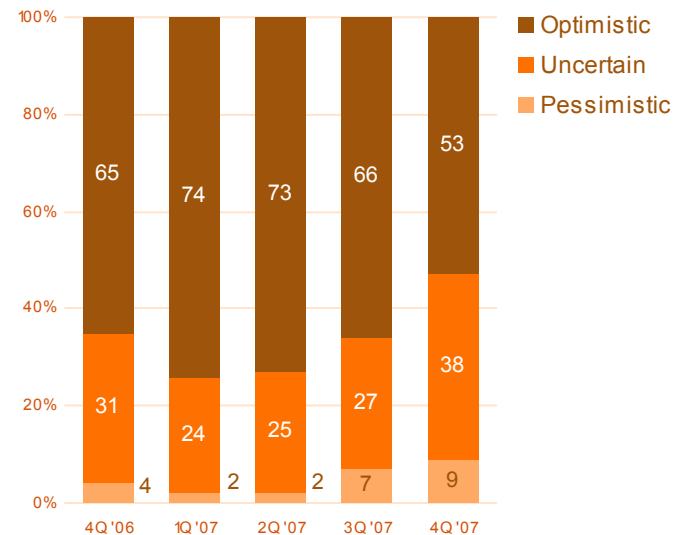
Currently, 48 percent of consumer products senior executives whose businesses market abroad are optimistic about the prospects for the world economy, similar to the prior quarter's 50 percent, but well below the 71 percent last year. Currently, 17 percent are pessimistic (up 10 points). The views of executives of consumer products companies that market abroad have fallen 5 points below the broader consensus (53 percent), which remains somewhat more bullish.

Chart 2.4 View of the world economy, next 12 months

### Large consumer products businesses



### All respondents



Note: In 4Q 2007, large consumer products businesses n = 52, all respondents, n = 111.

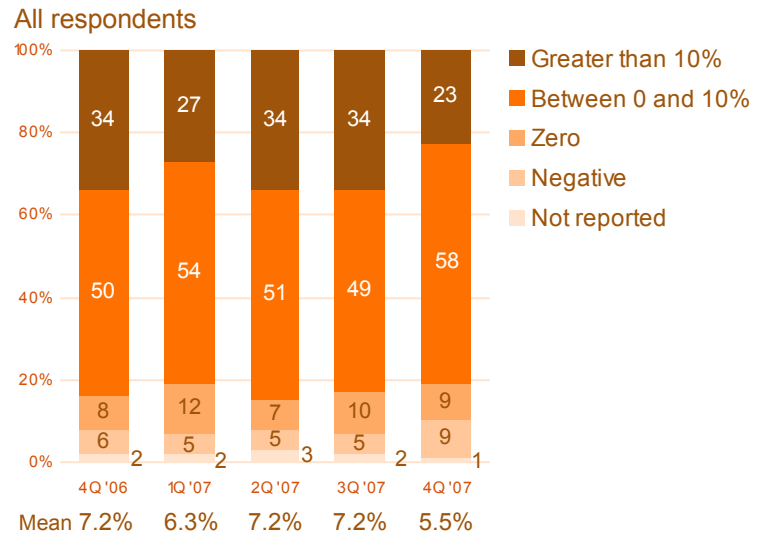
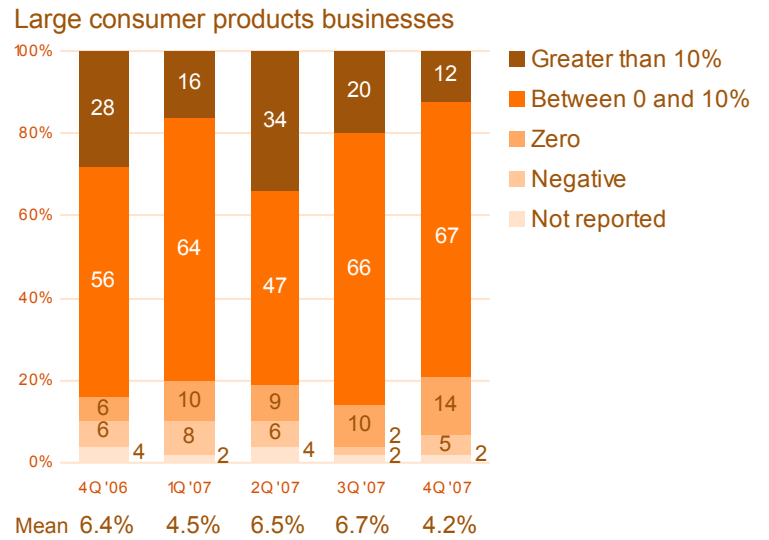
# Company performance

# Company revenue growth, calendar year

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

Despite an uncertain economic outlook, 79 percent of consumer products company executives project revenue growth in 2007, with 12 percent expecting double-digit growth and 67 percent expecting single-digit growth. Overall, the average growth estimate dropped back to 4.2 percent from 6.7 percent the previous quarter. The pace of revenue growth expected in 2007 among US-based consumer products firms remains below the broader consensus 5.5 percent average for the current year. (For more information on revenue expectations, see chart 4.1, revenue expectations, next 12 months.)

Chart 3.1 Company revenue growth, calendar year



Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

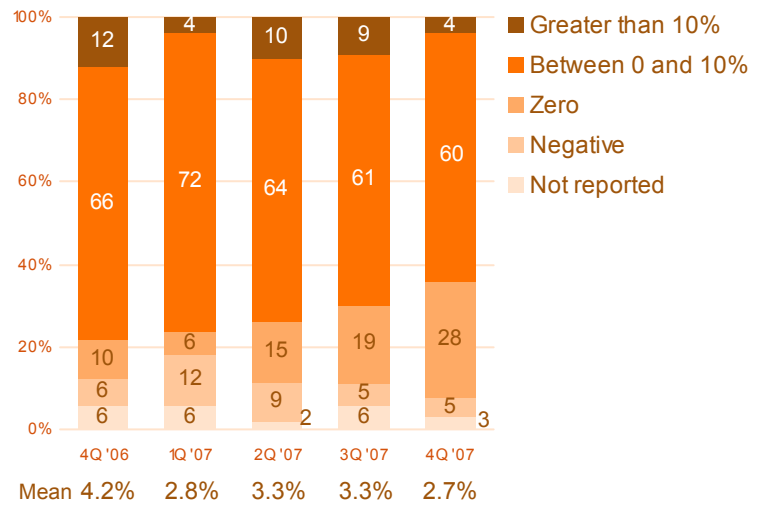
# Industry growth rate, calendar year

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

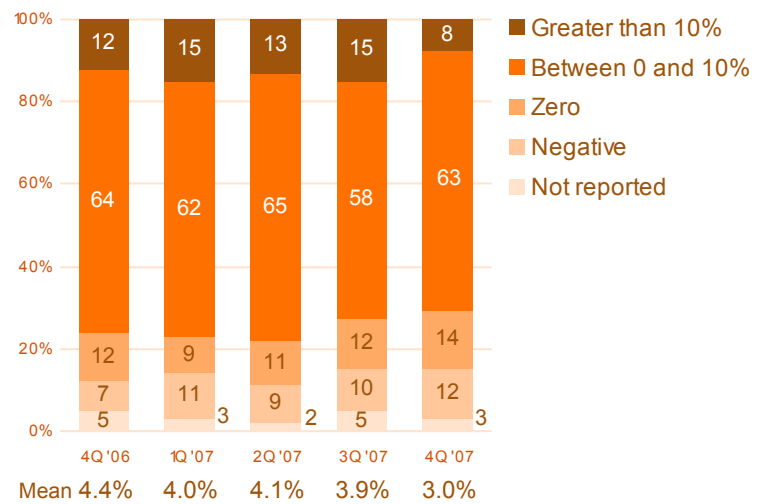
The estimate for the average industry growth in 2007 is now 2.7 percent – lower than the prior quarter's 3.3 percent. Note that the industry growth estimate is typically lower than the average company growth rate. US-based consumer products manufacturers anticipate an average growth rate of 4.2 percent for their own companies in 2007, 57 percent greater than the estimated growth rate of 2.7 percent for their industry.

Chart 3.2 Industry growth rate, calendar year

### Large consumer products businesses



### All respondents



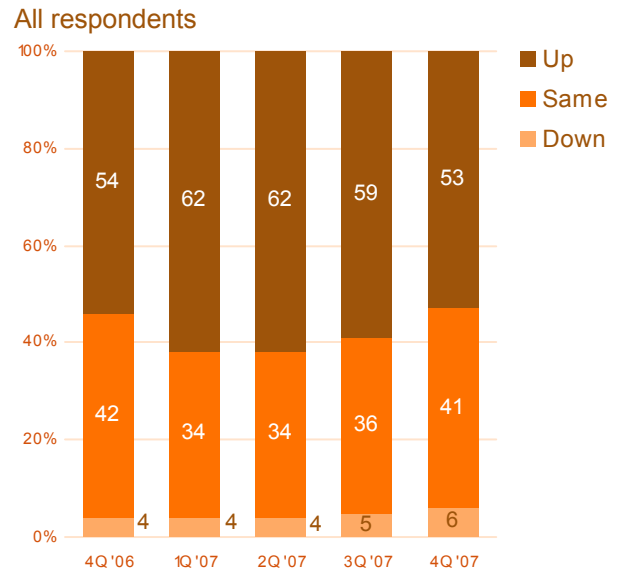
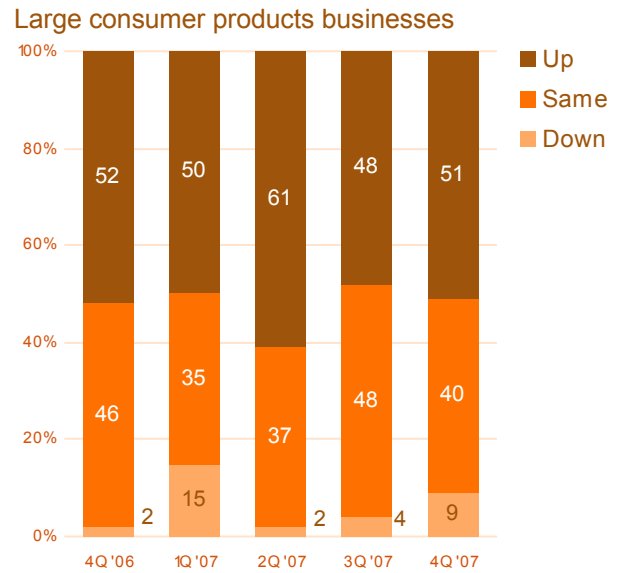
Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

# International sales

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

International markets continue to show positive growth for consumer products companies that sell abroad. Quarterly performance was sustained in 4Q 2007, as 51 percent of international marketers increased sales abroad, up 3 points from the prior quarter and similar to the 52 percent figure of a year ago. Nine percent of companies showed a quarterly decrease in international sales in 4Q 2007, up from last quarter's 4 percent.

Chart 3.3 International sales



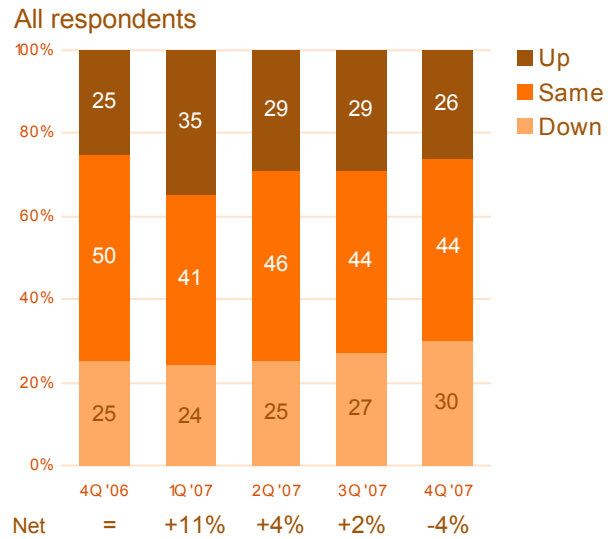
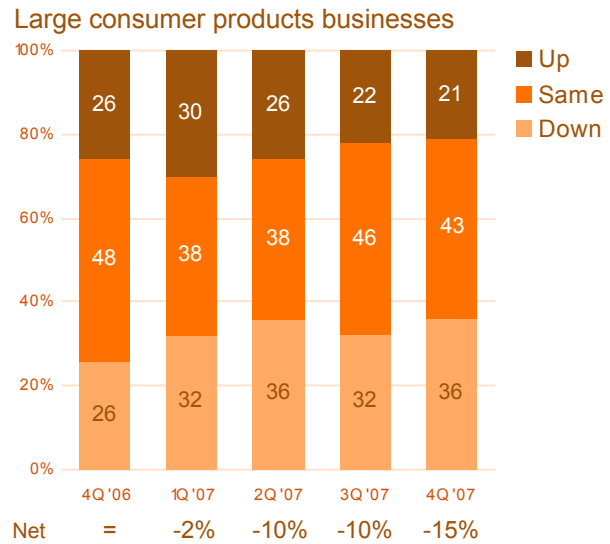
Note: In 4Q 2007, large consumer products businesses n = 52, all respondents, n = 111.

# Changes in gross margins

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

In 4Q 2007, gross margins remained tight for consumer products businesses: 21 percent were higher, but 36 percent were lower. Gross margins in 4Q 2007 were a net negative 15 percent, 15 points lower than a year ago.

Chart 3.4 Changes in gross margins



Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

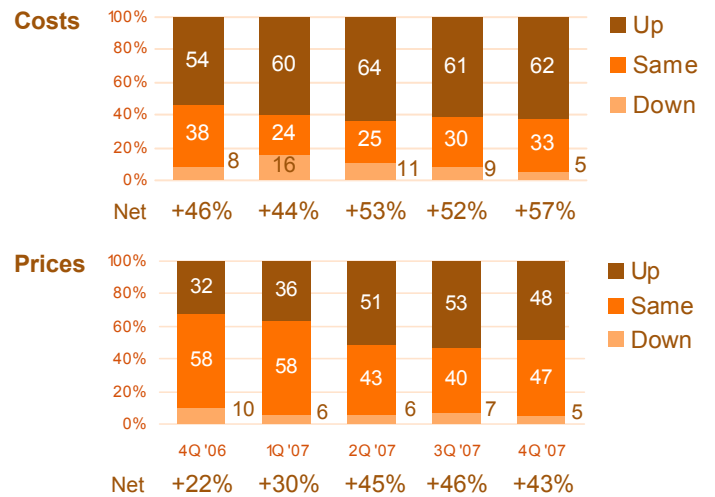
# Changes in costs and prices

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

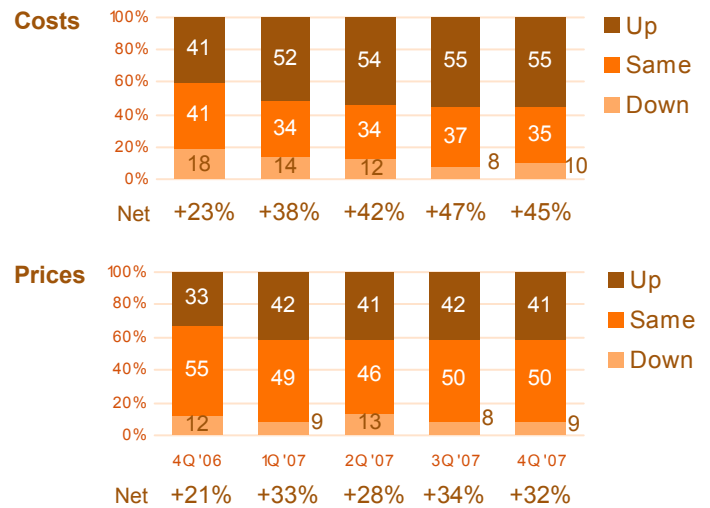
Costs, in 4Q 2007, increased for 62 percent of consumer products businesses and decreased for only 5 percent – a net of 57 percent with higher costs, 11 points above a year ago. A net 43 percent of consumer products businesses increased prices this quarter (48 percent raising prices and 5 percent lowering them), similar to last quarter's net 46 percent but a substantial 21 points above the net percentage reported a year ago.

Chart 3.5 Changes in costs and prices

### Large consumer products businesses



### All respondents



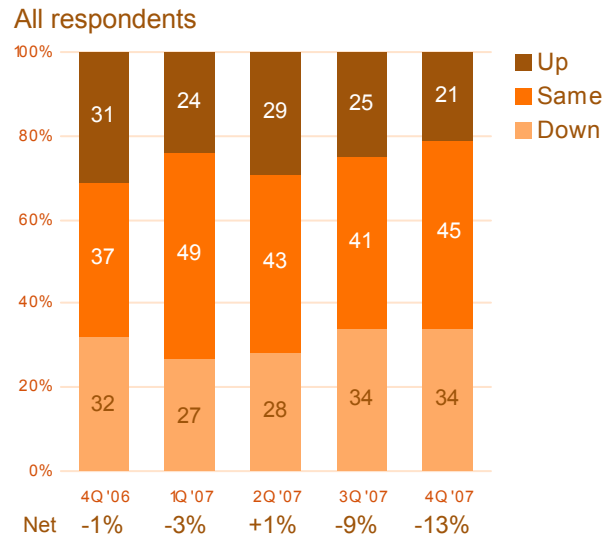
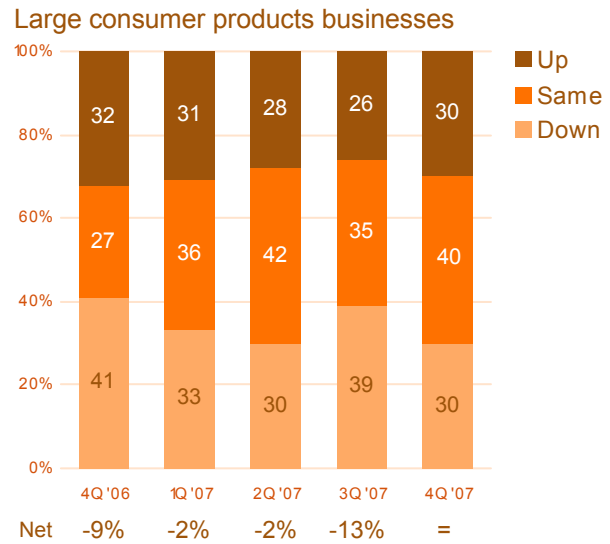
Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

# Inventory movement

Are finished inventories as a percent of sales up, down or the same compared to three months ago?

Overall, net inventories were flat: 30 percent reported higher inventories, 30 percent lower and 40 percent about the same. This is higher than the prior quarter, when net 13 percent reported lower inventories, and a year ago, when net 9 percent reported lower inventories. This increasing inventory pattern also contrasts with the decreasing all-industry consensus (minus 13 percent).

Chart 3.6 Inventory movement



Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

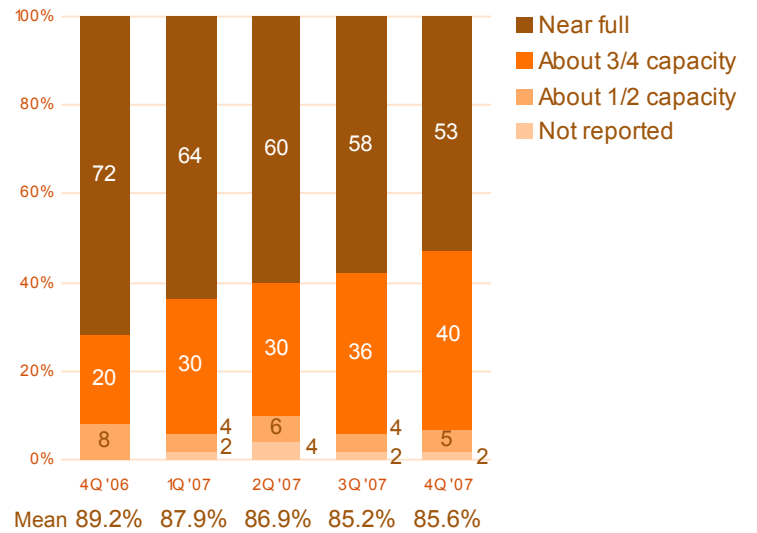
# Level of operating capacity

## What is your organization's current operating capacity?

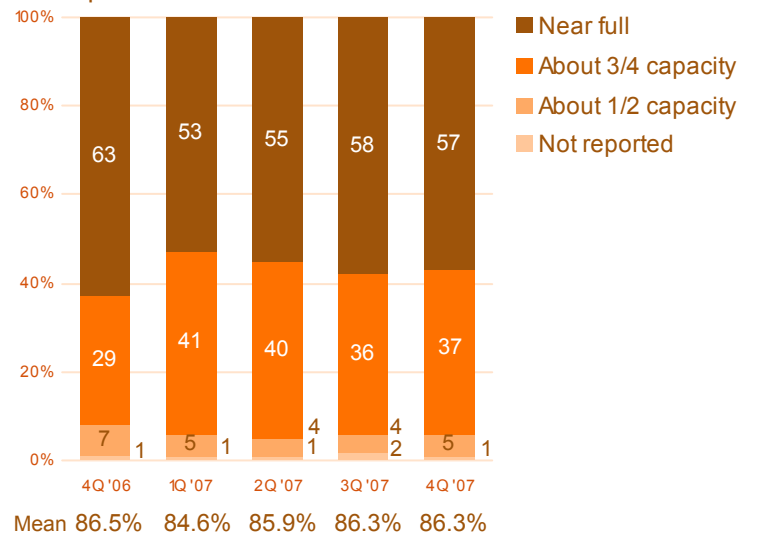
Operating capacity is an estimate of the current level of permanent staffing compared to what is needed for full-capacity output. In 4Q 2007, the average level of operating capacity for consumer products businesses was an estimated 85.6 percent – similar to the prior quarter, but lower than a year ago. This quarter, 53 percent claimed to be at or near full capacity.

Chart 3.7 Level of operating capacity

### Large consumer products businesses



### All respondents



Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

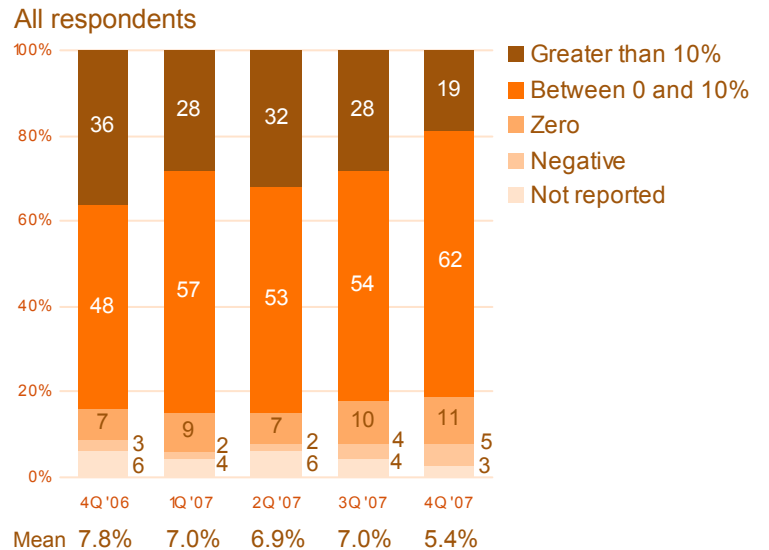
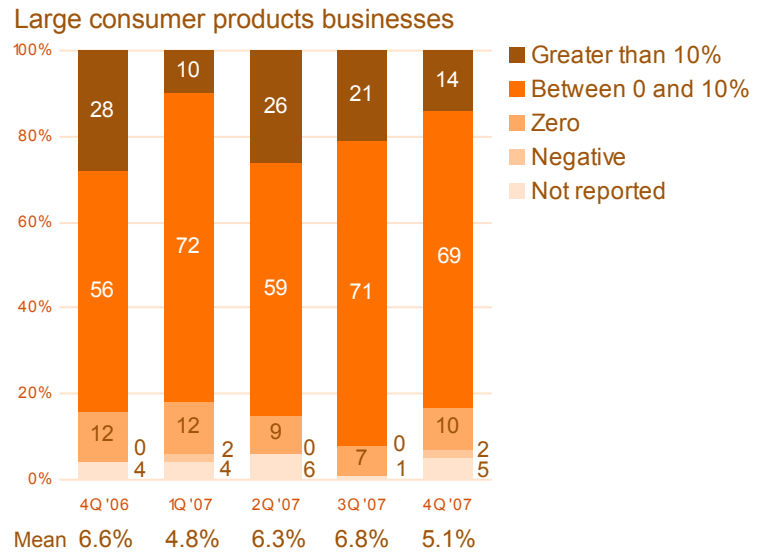
# Business outlook, next 12 months

# Revenue growth, next 12 months

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

Consumer products senior executives projected lower revenue growth rates for their own companies over the next 12 months. The 5.1 percent average growth rate is below the prior quarter's projected 6.8 percent and less than last year's 6.6 percent projection. Currently, 83 percent plan for growth over the next 12 months, with 14 percent expecting double-digit revenue growth. On the positive side, 12-month revenue projections were slightly higher than 4Q 2007 projections – 5.1 percent and 4.2 percent, respectively.

Chart 4.1 Revenue growth, next 12 months



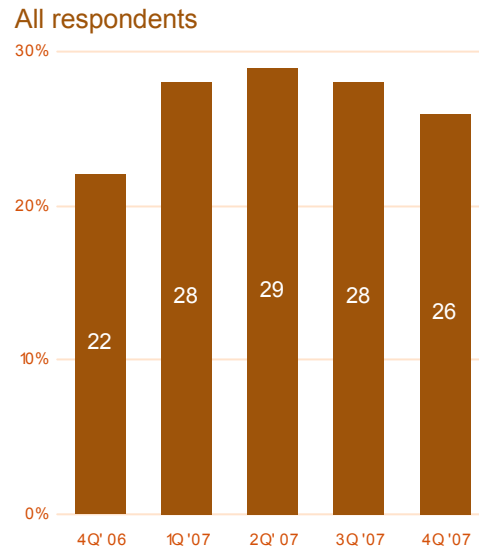
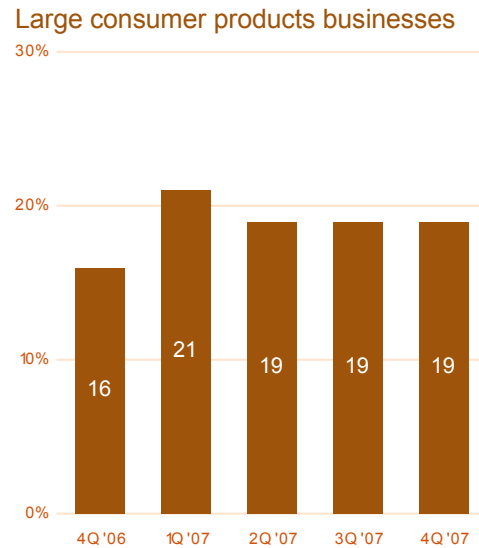
Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

## International sales, next 12 months

What percent of your business' total revenues over the next 12 months do you expect to be derived from international sales?

Of those selling abroad, the contribution of international sales to total revenue is projected at a continued 19 percent over the next 12 months, higher than the 16 percent a year ago. The broader consensus consistently outpaces consumer products businesses selling abroad in projected revenue contributions from international sales – in 4Q07, the consensus projection was 26 percent versus the 19 percent projection by consumer products companies.

Chart 4.2 International sales, next 12 months



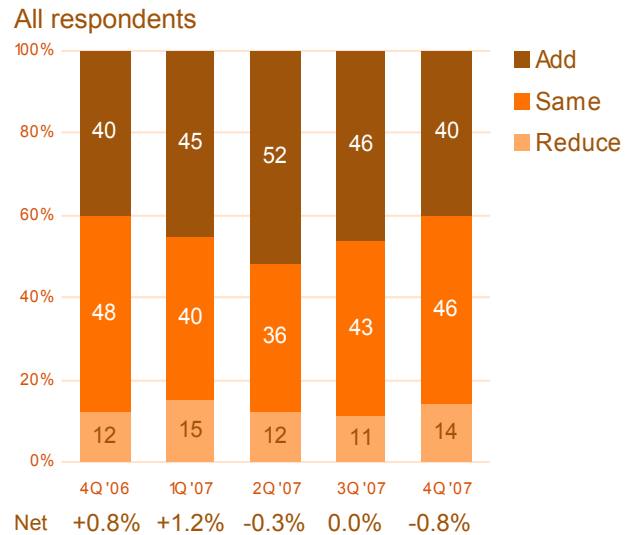
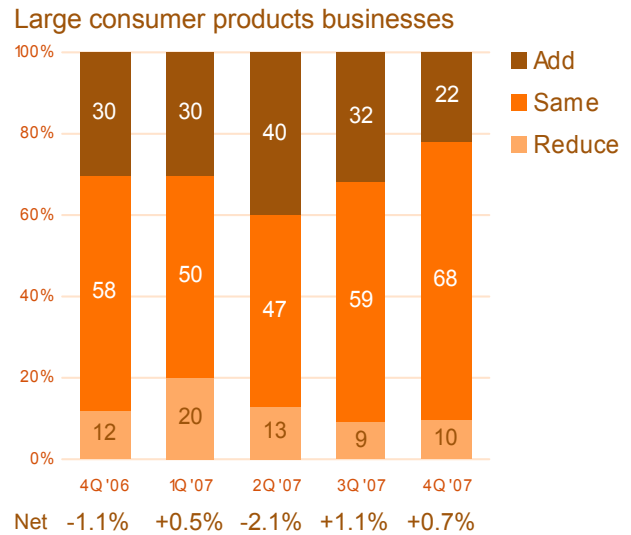
Note: In 4Q 2007, large consumer products businesses n = 52, all respondents, n = 111.

# Percent planning to hire

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

Fewer consumer products businesses – 22 percent, off 10 points from the prior quarter – plan to add employees over the next 12 months. Some plan to reduce the number of full-time-equivalent employees (10 percent), but in the absence of major layoffs, the net projection is a positive 0.7 percent. In the prior quarter, the net projection was a positive 1.1 percent, so the composite workforce projection for the next 12 months is a bit lower. Consumer products manufacturers planning to add employees to their workforces project a much higher revenue growth rate of 7.3 percent over the next 12 months compared to the 4.3 percent staying the same or planning a reduction (70 percent higher).

Chart 4.3 Percent planning to hire



Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

## 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, consumer products businesses will primarily be looking for production workers, white-collar management support and sales/marketing personnel to hire. The broader consensus demonstrates slightly more interest in skilled labor – 19 percent versus 5 percent for consumer products manufacturers. More interest in the professionals/technicians category was found in the broader consensus as well – 26 percent versus 5 percent.

Chart 4.4 Percent planning to hire by type of employee

#### Large consumer products businesses

	4Q '06	1Q '07	2Q '07	3Q '07	4Q '07
Planning to hire (net)	30%	30%	40%	32%	22%
• White collar support	18%	14%	30%	20%	12%
• Production workers	16%	10%	17%	15%	12%
• Sales/marketing	24%	16%	21%	12%	10%
• Professionals/technicians	18%	10%	15%	10%	5%
• Skilled labor	12%	8%	11%	14%	5%

#### All respondents

	4Q '06	1Q '07	2Q '07	3Q '07	4Q '07
Planning to hire (net)	40%	45%	52%	46%	40%
• White collar support	21%	25%	27%	22%	16%
• Production workers	17%	20%	25%	21%	13%
• Sales/marketing	25%	23%	22%	14%	16%
• Professionals/technicians	26%	25%	30%	28%	26%
• Skilled labor	20%	22%	20%	17%	19%

Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

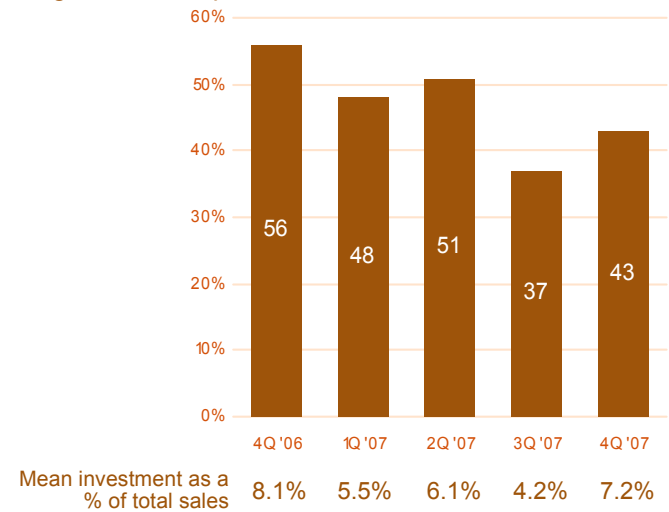
## Percent planning major new investments of capital

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?

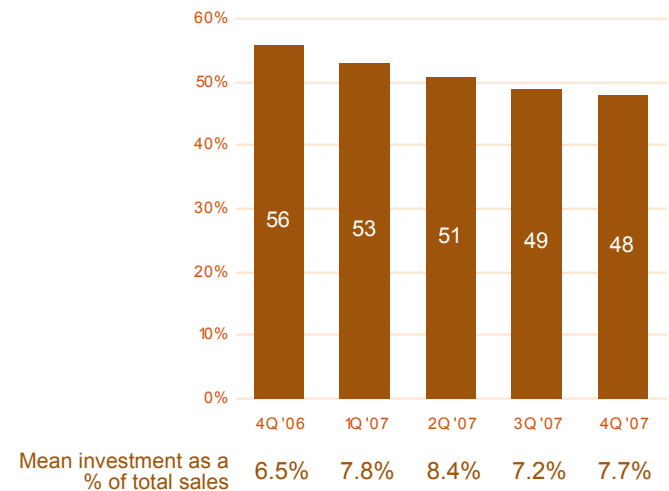
After a steep drop of 14 points from 2Q 07 to 3Q 07, the percentage of consumer products businesses that plan major new investments of capital over the next 12 months increased 6 points to 43 percent in 4Q 07, still well below last year's 56 percent. The mean investment rose to 7.2 percent of total sales. Overall, plans for major new investments among consumer products manufacturers have been fairly strong over the past year.

Chart 4.5 Percent planning major new investments of capital

### Large consumer products businesses



### All respondents



Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

## Percent planning to increase operational spending

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

Looking ahead over the next 12 months, four types of increased expenditures still lead the way among large consumer products businesses: new product or service introductions, information technology, marketing and sales promotion, and advertising. Plans for business acquisitions rose this quarter, as did facilities and geographic expansion.

Chart 4.6 Percent planning to increase operational spending

#### Large consumer products businesses

	4Q '06	1Q '07	2Q '07	3Q '07	4Q '07
Percent planning to increase spending (net)	92%	90%	87%	83%	86%
• New product or service introduction	56%	64%	59%	58%	60%
• Marketing & sales promotion	58%	44%	49%	48%	45%
• Advertising	48%	38%	45%	48%	43%
• Information technology	66%	50%	47%	48%	43%
• Business acquisition	20%	24%	36%	25%	35%
• Research and development	36%	40%	38%	34%	33%
• Facilities expansion	42%	32%	30%	27%	31%
• Geographic expansion	26%	24%	26%	20%	29%
• Internet commerce	34%	26%	28%	24%	19%

#### All respondents

	4Q '06	1Q '07	2Q '07	3Q '07	4Q '07
Percent planning to increase spending (net)	86%	92%	88%	88%	84%
• New product or service introduction	44%	47%	49%	48%	45%
• Marketing & sales promotion	32%	35%	31%	30%	33%
• Advertising	24%	24%	25%	24%	23%
• Information technology	50%	46%	47%	55%	51%
• Business acquisition	38%	38%	40%	41%	36%
• Research and development	26%	30%	34%	32%	26%
• Facilities expansion	40%	35%	36%	33%	33%
• Geographic expansion	39%	37%	38%	33%	29%
• Internet commerce	21%	20%	25%	19%	15%

Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

# Expected barriers to business growth

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

Oil/energy prices topped the list of concerns among consumer products manufacturers, rising 13 points to 72 percent. Three other concerns increased sharply this quarter: Lack of demand rose 5 points to 42 percent; monetary exchange rates rose 7 points to 36 percent; and competition from foreign markets rose 7 points to 31 percent. Those concerned about oil/energy costs (72 percent of total) have above-average concerns for three other areas: pressure for increased wages (45 percent); monetary exchange rates (41 percent); and decreasing profitability (41 percent).

Chart 4.7 Expected barriers to business growth



Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

## 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?

Plans for new business initiatives among consumer products businesses dropped further, from 61 percent to 53 percent. Plans for M&A activity over the next 12 months rose slightly to the 33 percent level in 4Q 2007, below a year ago (38 percent). Twenty-nine percent plan to purchase another business, 10 percent might divest part of their own business, and 5 percent plan an equity carve-out or spin-off.

Expansion to new markets abroad rose 7 points to 36 percent for consumer products businesses. Other business initiatives planned include new strategic alliances (26 percent), new joint ventures (14 percent) and development of manufacturing or distribution facilities abroad (17 percent).

Chart 4.8 Plans for M&A and other business initiatives

### Large consumer products businesses

	4Q '06	1Q '07	2Q '07	3Q '07	4Q '07
New business initiatives (net)	70%	74%	72%	61%	53%
• M&A activity (net)	38%	36%	51%	31%	33%
- Purchase another business	26%	30%	45%	25%	29%
- Sale part/all own business	14%	6%	9%	7%	10%
- Equity carve-out/spin-off	2%	4%	4%	5%	5%
• Expand to new markets abroad	26%	50%	30%	29%	36%
• New strategic alliance	36%	34%	36%	27%	26%
• New facilities abroad	18%	20%	15%	14%	17%
• New joint venture	24%	22%	15%	14%	14%
• Close/reduce facilities abroad	10%	6%	8%	9%	7%
• Reduce activity in markets abroad	2%	10%	2%	3%	5%

### All respondents

	4Q '06	1Q '07	2Q '07	3Q '07	4Q '07
New business initiatives (net)	69%	72%	75%	71%	64%
• M&A activity (net)	47%	45%	56%	45%	39%
- Purchase another business	40%	38%	48%	41%	34%
- Sale part/all own business	13%	14%	15%	8%	13%
- Equity carve-out/spin-off	2%	6%	9%	6%	5%
• Expand to new markets abroad	28%	35%	34%	32%	26%
• New strategic alliance	32%	38%	42%	39%	37%
• New facilities abroad	19%	17%	17%	18%	15%
• New joint venture	17%	22%	25%	32%	25%
• Close/reduce facilities abroad	8%	7%	9%	9%	6%
• Reduce activity in markets abroad	5%	7%	7%	5%	9%

Note: In 4Q 2007, large consumer products businesses n = 58, all respondents, n = 129.

# Survey demographics and research methodology

## Demographics

---

Who	Senior financial executives of US-based, publicly held organizations	
Interview dates	November 12, 2007, to February 11, 2008	
Average number of employees	All respondents (129) 8,090	Large consumer products businesses (58) 6,127
Average business unit revenues	\$3.24 billion	\$3.12 billion
Average enterprise revenues	\$10.51 billion	\$10.43 billion
Market capitalization	\$11.87 billion	\$10.01 billion
Industry sectors	Products 81% Manufacturing 71% Trade/Distribution 2% All other 8% Services 19%	Products 100% Manufacturing 100% Trade/Distribution --- All other --- Services ---

## Methodology

---

PricewaterhouseCoopers' Consumer Products Barometer is a quarterly telephone survey conducted by the independent research firm BSI Global Research Inc. The survey panel consists of senior executives from a geographically balanced sample of large, multinational companies in the United States. Ninety-five percent of the panelists hold titles such as president, CEO, CFO, VP of finance, treasurer, controller, internal audit director or related.

## Industry contacts:

John G. Maxwell  
Americas Retail & Consumer Sector Leader  
+1 (973) 236 4780

Peter Hurley  
Retail & Consumer Sector Marketing Leader  
+1 (203) 539 4099

## About the research:

The Consumer Products Barometer is one in a series of quarterly business outlook surveys from PricewaterhouseCoopers. The Barometer provides a view on the direction of the economy, including revenue growth, new investments, new hiring plans, emerging business barriers and more. Other Barometer surveys include the Trendsetter Barometer, which tracks fast-growth private companies; the Management Barometer, which tracks a cross-sector of large multinational companies; and the Manufacturing Barometer, which tracks the views of US industrial manufacturers. In addition to the quarterly 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).

Visit: [www.barometersurveys.com](http://www.barometersurveys.com)  
Mobile: [wap.barometersurveys.com](http://wap.barometersurveys.com)  
Email: [barometer.surveys@us.pwc.com](mailto:barometer.surveys@us.pwc.com)

PricewaterhouseCoopers has exercised reasonable professional care and diligence in the collection, processing, and reporting of this information. However, the data used is from third-party sources and PricewaterhouseCoopers has not independently verified, validated, or audited the data. PricewaterhouseCoopers makes no representations or warranties with respect to the accuracy of the information, nor whether it is suitable for the purposes to which it is put by users. PricewaterhouseCoopers shall not be liable to any user of this report or to any other person or entity for any inaccuracy of this information or any errors or omissions in its content, regardless of the cause of such inaccuracy, error or omission. Furthermore, in no event shall PricewaterhouseCoopers be liable for consequential, incidental or punitive damages to any person or entity for any matter relating to this information.

© February 2008, PricewaterhouseCoopers LLP. All rights reserved. "PricewaterhouseCoopers" refers to the PricewaterhouseCoopers LLP (a Delaware limited liability partnership) or, as the context requires, other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity. MC-NY-07-1162-A.