

10th Annual Global CEO Survey

Willem Bröcker

Porto, 18 de Abril 2007

*connectedthinking

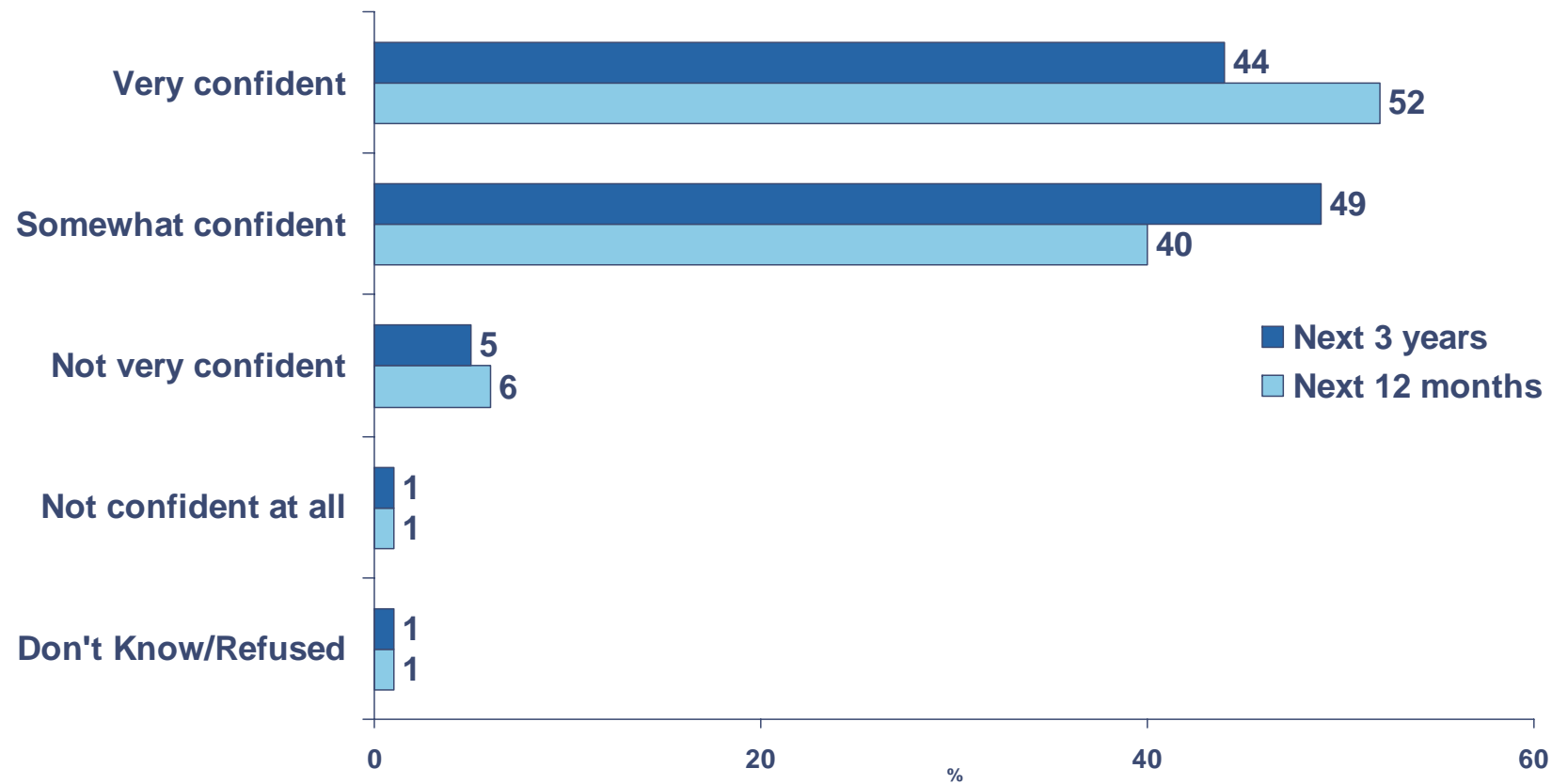
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10th Annual Global CEO Survey



Business Confidence

CEOs are generally confident in the revenue growth of their company over the short and longer term



Base: All respondents (1,084)

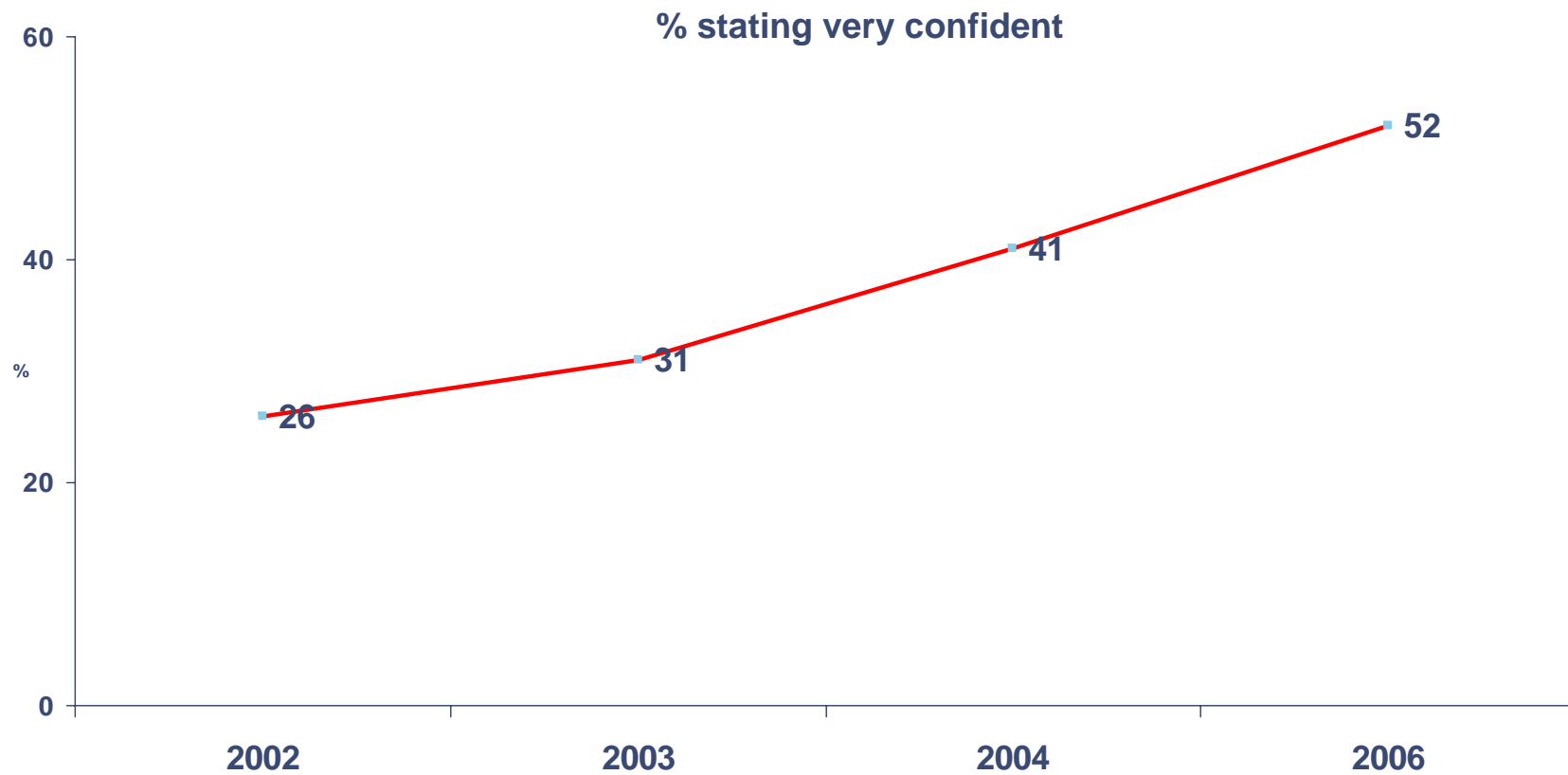
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Business Confidence

Levels of confidence in revenue growth have grown significantly over the last 5 years



Ten years inside the minds of CEOs

1998 – 2002: From boundless optimism to uncertainty

1998	1999	2000	2001	2002
Let the good times roll	E-business takes the world by storm	Optimism peaks before the plunge	Clouds on the horizon	Geopolitics and scandal: an era of uncertainty
One third of CEOs is “extremely optimistic” about growth prospects. CEOs not fully aware of the impact of globalisation and the internet.	Optimism is still very high and rising. Disruption in the Asian markets and the turbulence in commodity prices in emerging markets hardly temper it.	91% of CEOs is optimistic about growth prospects in the next three years. CEOs entered the new millennium on the wave of a revolution in e-business.	CEOs are still optimistic about their companies’ growth prospects over the next three years. 86% believed that the capital markets would prosper – even though confidence was muted by the first signs of that the dot.com bubble was set to burst.	Following 9/11, 43% of CEOs revised downward their financial forecasts. Workforce reductions, outsourcing of non-core business functions. CSR on top of CEOs agenda.

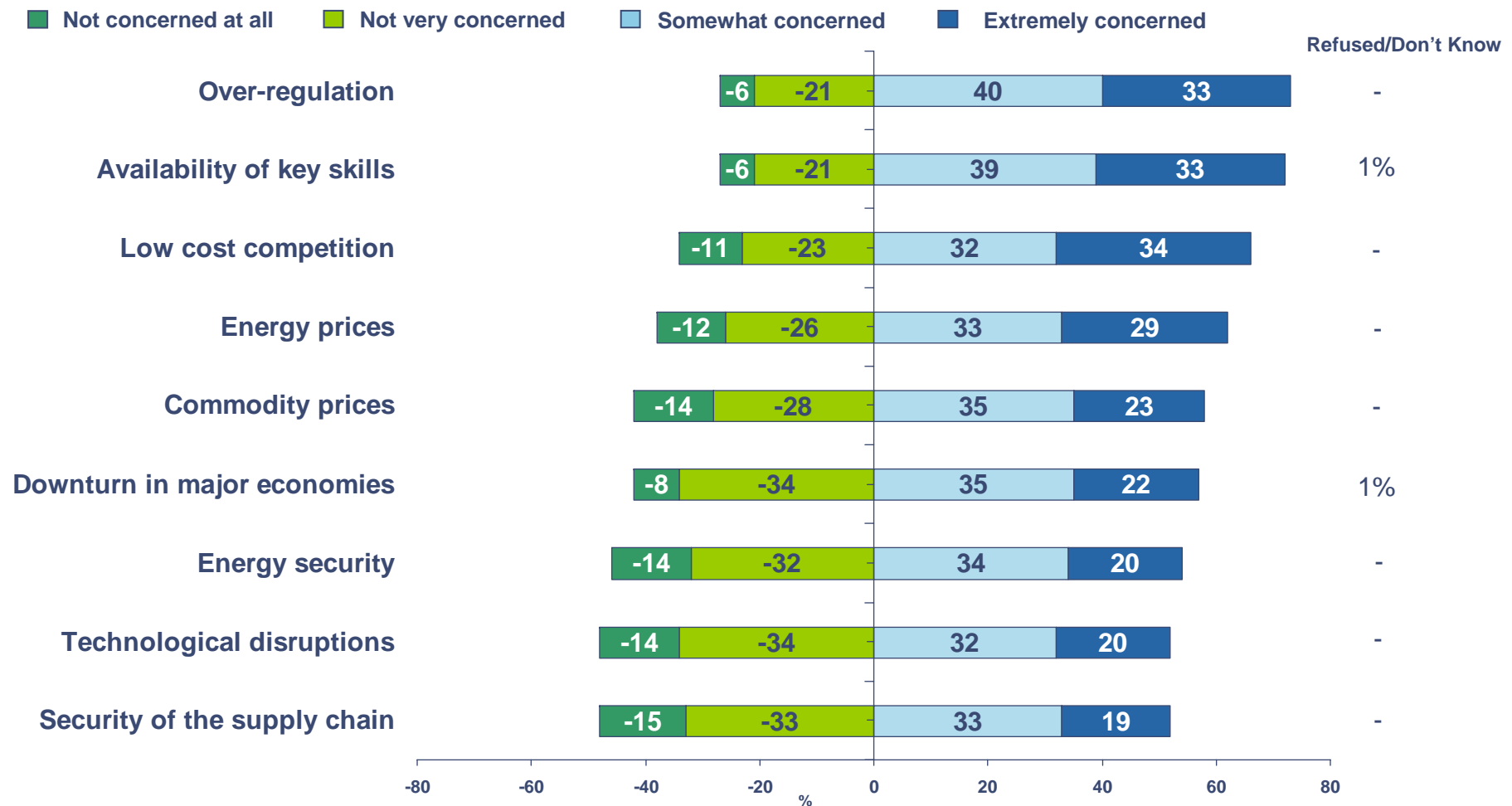
Ten years inside the minds of CEOs

2003 – 2006: Recovering to a record level of optimism

2003	2004	2005	2006	2007
The fragile recovery	Optimism returns	Battling with compliance	Going global	Balancing the global equation
72% of CEOs are at least somewhat confident about growth in the next 12 months. Rebuilding trust as a key priority. Concern about overregulation becomes as big as global terrorism.	More than 80% of CEOs were confident about revenue growth for the next 3 years. CEOs start to focus on risk-management.	CEOs are optimistic about growth, but optimism is tempered by caution. Trade imbalances, currency fluctuations, skyrocketing energy costs and increasing regulations. CEOs focus on Governance, Risk Management and compliance.	Support for globalisation: getting stronger. Motivation: no longer only about cost-cutting. CEOs move to BRIC countries in order to find new customers. Overregulation is the number one barrier. 58% of CEOs say that globalisation will have positive Impact.	93% of CEOs are optimistic about growth in the next 3 years. Over-regulation and availability of key skills were cited as the 2 biggest potential threats concerning CEOs.

Business Confidence

Over-regulation and availability of key skills were cited as the 2 biggest potential threats concerning CEOs



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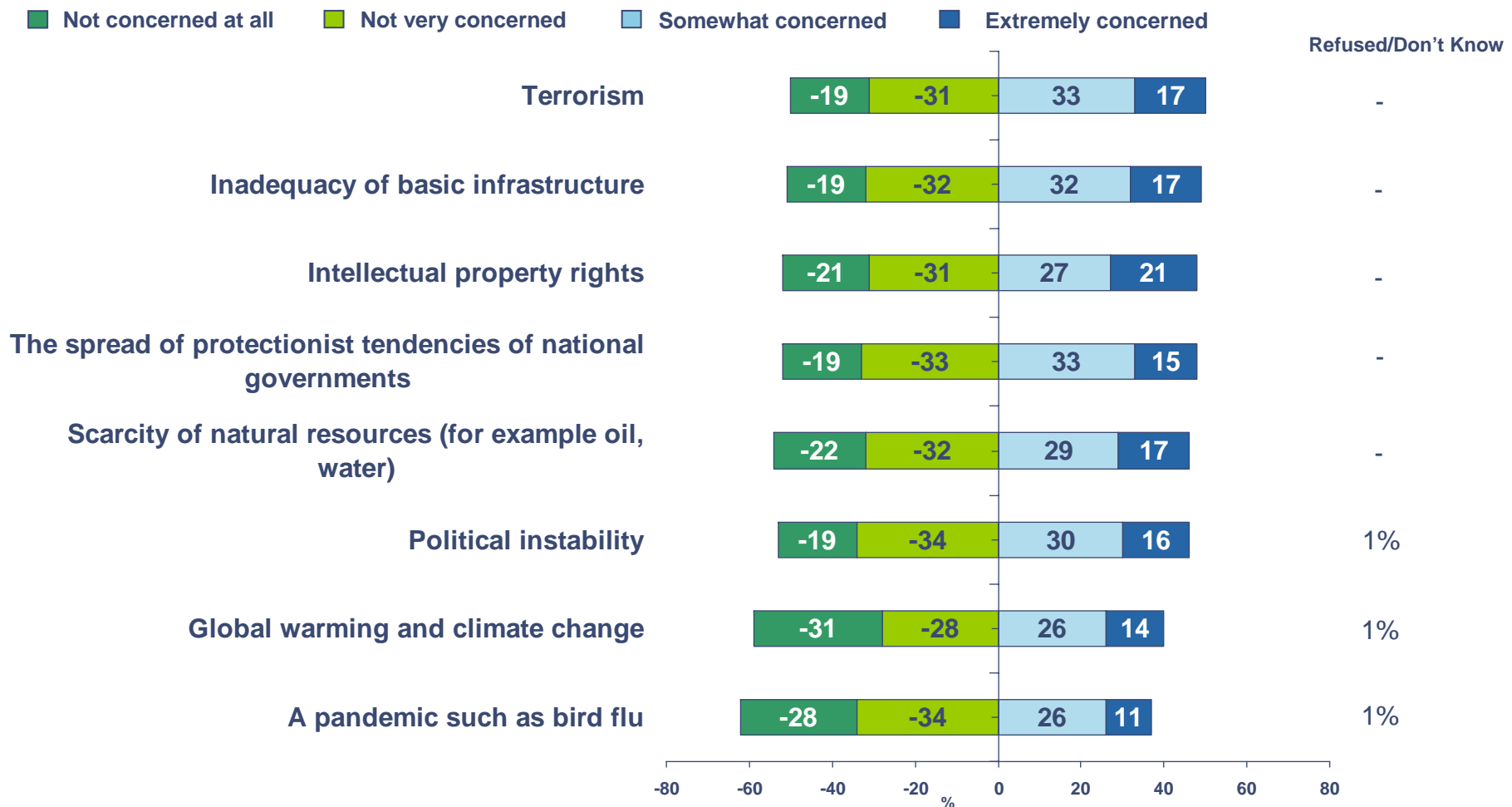
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Business Confidence

Threats that are outside the remit of the CEO, such as pandemic, global warming and climate change were least concern to CEOs



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Business Confidence

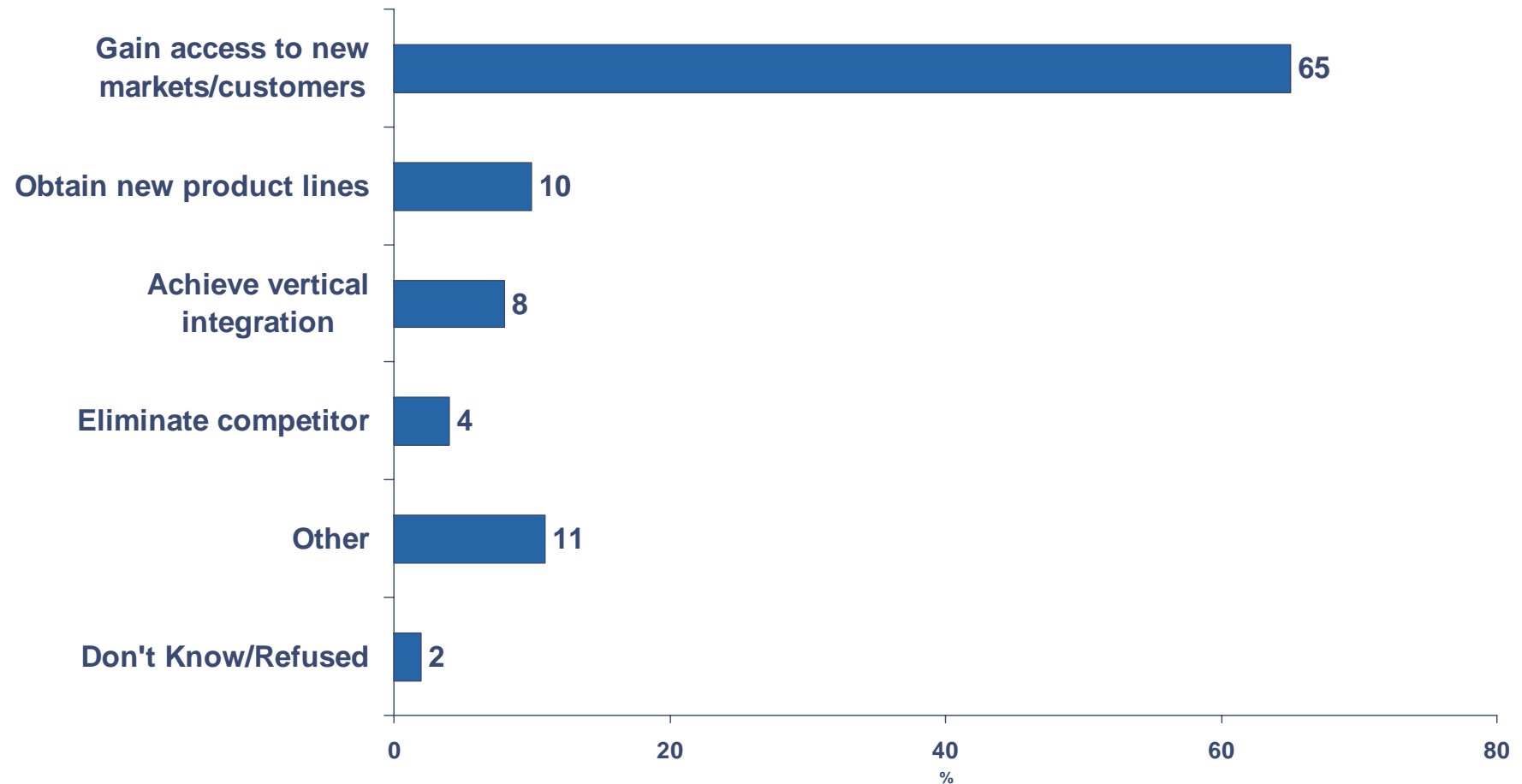
Better penetration of existing markets for existing products was cited by almost one-quarter of CEOs as being the major opportunity to grow business in the next 12 months



Base: All respondents (1,084)

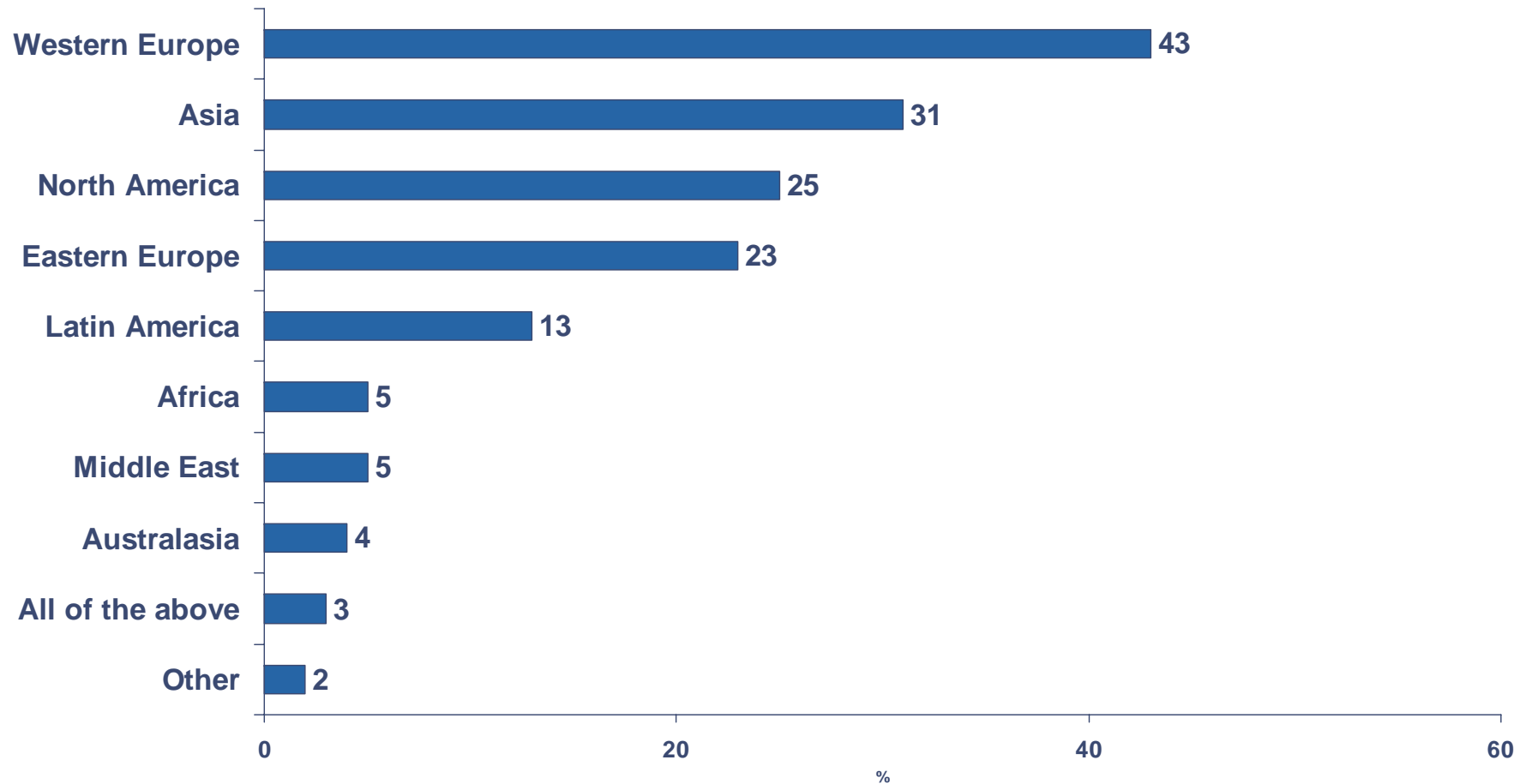
Balancing the Global Equation

Almost two-thirds of CEOs stated that gaining access to new markets and customers was/is the main purpose of the cross-border merger and acquisition



Base: All respondents who have completed or plan to complete a cross-border merger and acquisition (502)

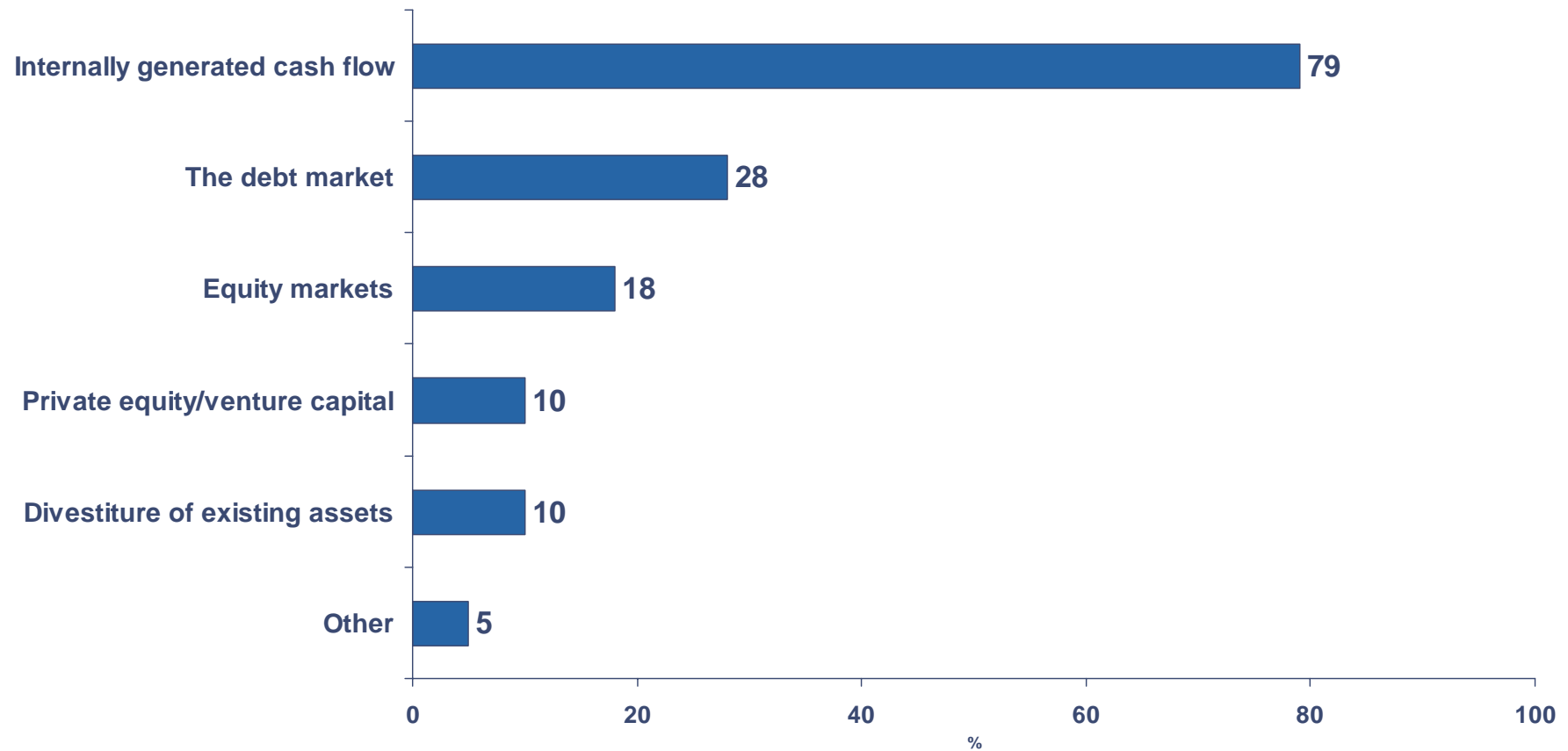
Western Europe is the most popular region for M&A



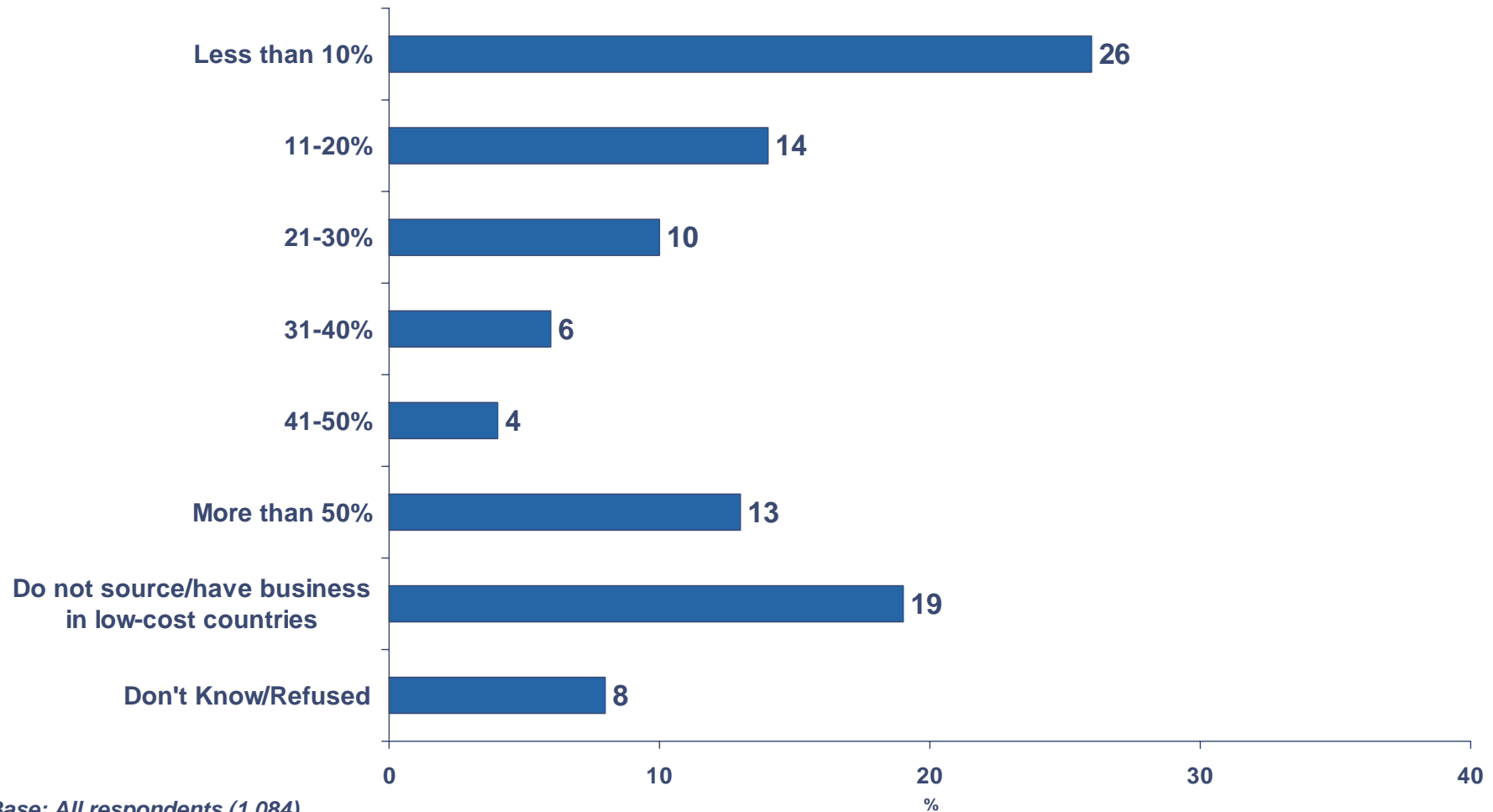
Base: All respondents who have completed or plan to complete a cross-border merger and acquisition (502)

Balancing the Global Equation

Almost 8 in 10 CEOs stated that this growth would be financed by internally generated cash flow

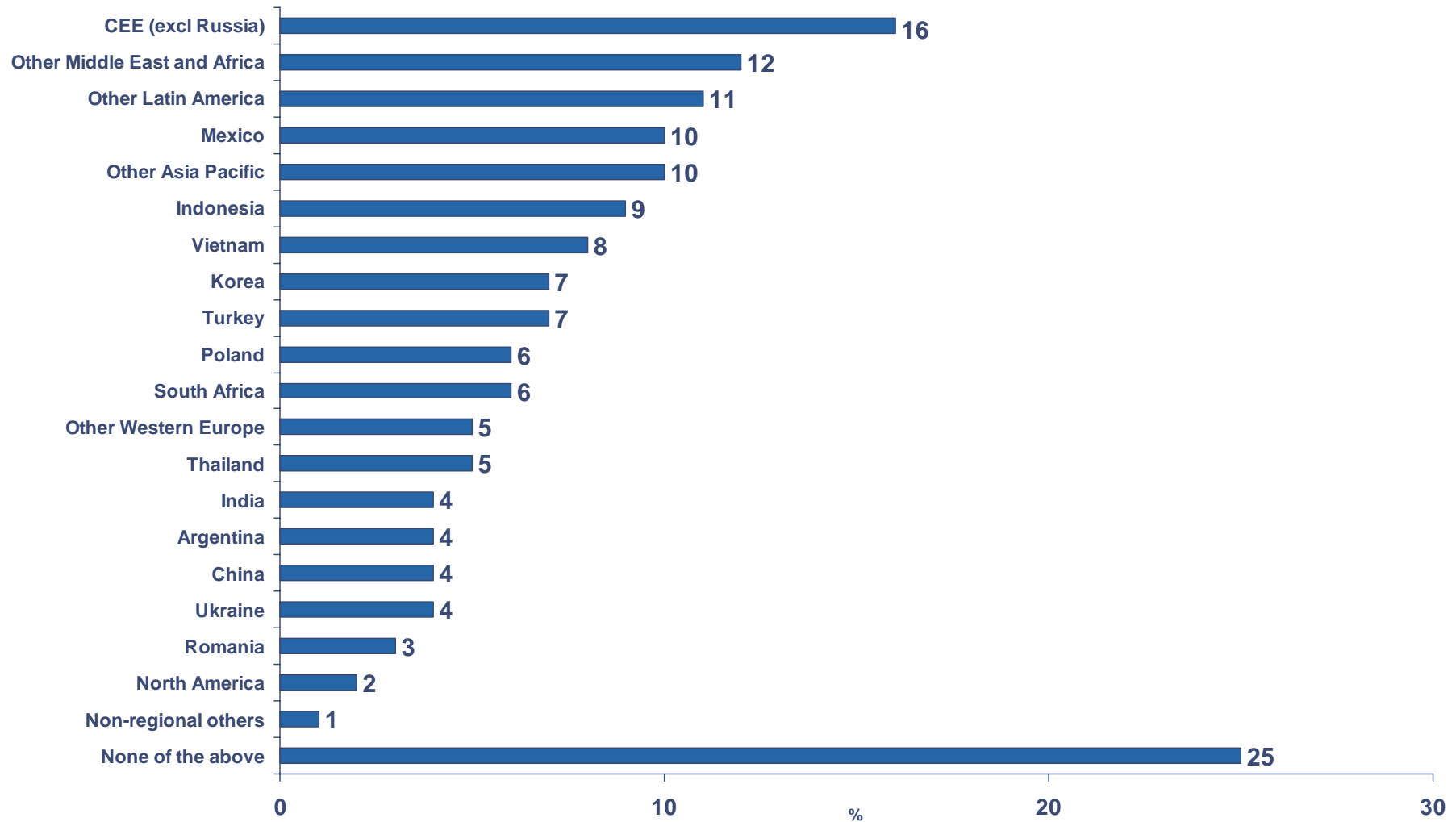


Almost three-quarters of CEOs plan to source or locate their business in low cost countries over the next 3 years



Balancing the Global Equation

CEOs expect to find significant growth opportunities in many of the developing/emerging economies (beyond BRICs)



Base: All respondents (1,084)

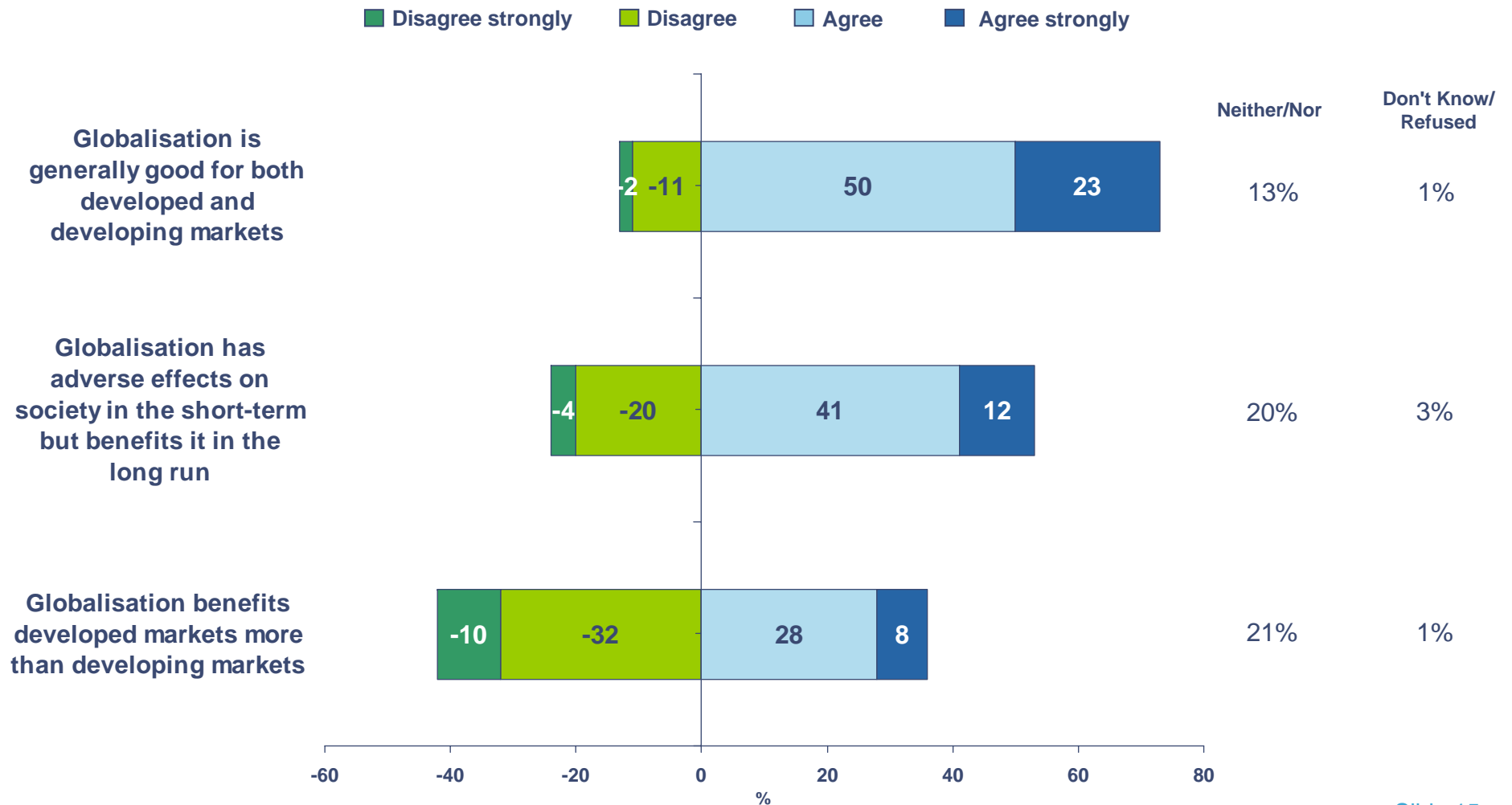
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Balancing the Global Equation

Almost three-quarters of CEOs agreed that globalisation is generally good for both developed and developing markets



Base: All respondents (1,084)

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