

PwC Tax Colloquium
Welcome and Tax Practice Update
July 2010

Agenda

Welcome

Our structure

Our practice

Our environment

Our strategy

Questions

Welcome – Event Agenda

Thursday, July 29, 2010

- | | |
|----------------|---|
| 2:00-3:00 p.m. | Welcome and Tax Practice Update |
| 3:15-4:45 p.m. | The Tax and Revenue Implications of Healthcare Reform |
| 6:30-9:30 p.m. | Reception/Dinner |

Friday, July 30, 2010

- | | |
|-----------------|---|
| 8:15-9:45 a.m. | International Corporate Tax Competitiveness |
| 10:00-11:30a.m. | Tax Policy Implications of the Deficit |
| 12:45-2:15 p.m. | Legislative Outlook 2010 |
| 2:30-3:00 p.m. | The Tax Profession - What's Next? |
| 3:30-5:00 p.m. | Town Hall and Closing Remarks |
| 6:00 p.m. | Buses depart for dinner and evening event |

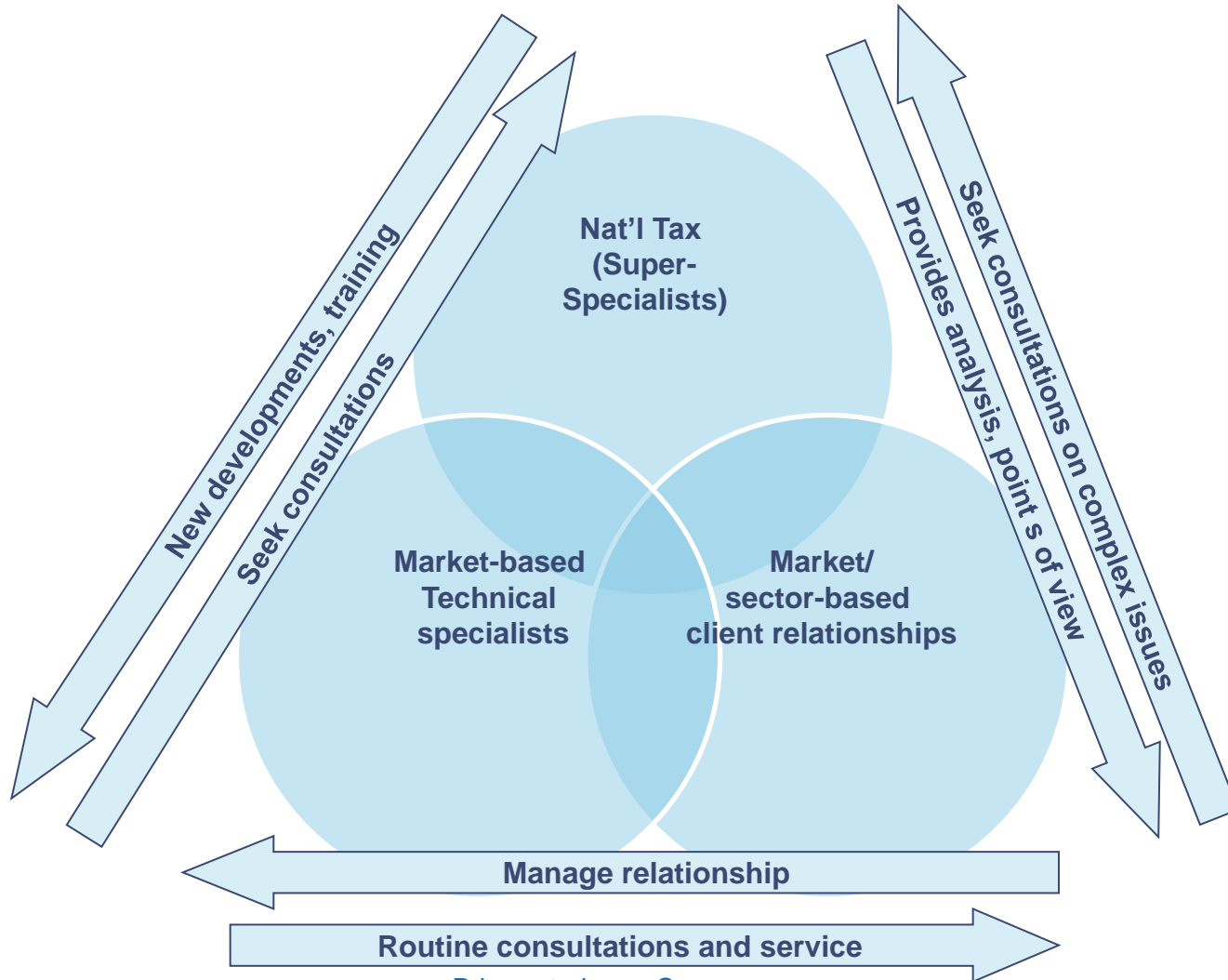
Our structure

How we are organized

- Central “Core” Leadership
- Eight profit/loss units
 - Four regions
 - National Tax Services
 - International Assignment Services
 - Global Human Resource Services
 - Private Company Services
- Geographies
 - Regions
 - Markets
 - Market Teams
- Specialties
 - National Tax Services
 - International Tax Services
 - Mergers & Acquisitions
 - State and Local Tax
- Sectors (FS, Health, Tech., etc.)
- International Assignment Services
- Transfer Pricing
- Global Human Resource Services
- Tax Projects Delivery Group
- Private Company Services (including Personal Financial Services)

Our structure

How we leverage our national resources



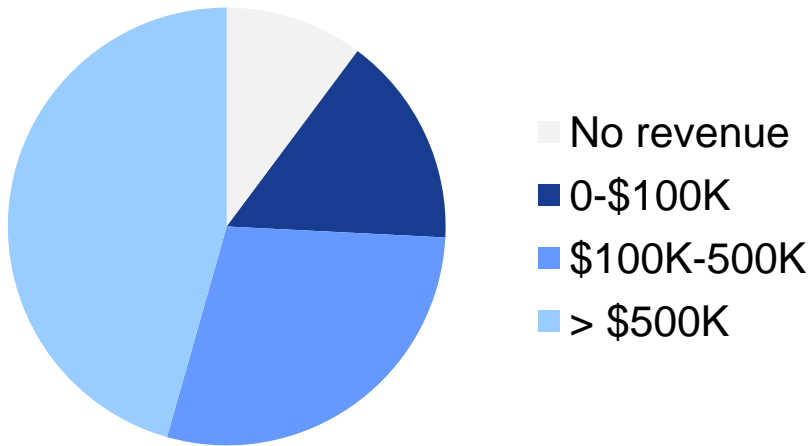
Our practice Growth of the Big Four

Public Accounting Report – Analysis of US Revenue

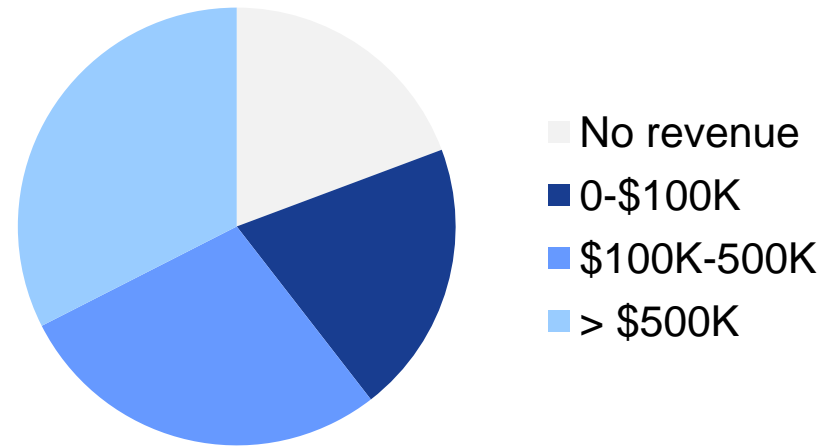
Firm	US Tax Revenue (billions)				US Tax Growth		
	FY07	FY08	FY09		FY07	FY08	FY09
PwC	\$2,258	\$2,533	\$2,630		12.8%	12.2%	3.8%
Deloitte	\$2,167	\$2,526	\$2,573		12.3%	16.6%	1.9%
EY	\$2,193	\$2,503	\$2,514		17.9%	14.1%	0.4%
KPMG	\$1,232	\$1,420	\$1,370		16.7%	15.3%	(3.5%)

Fortune 500 and 1000 Penetration

Fortune 500



Fortune 1000



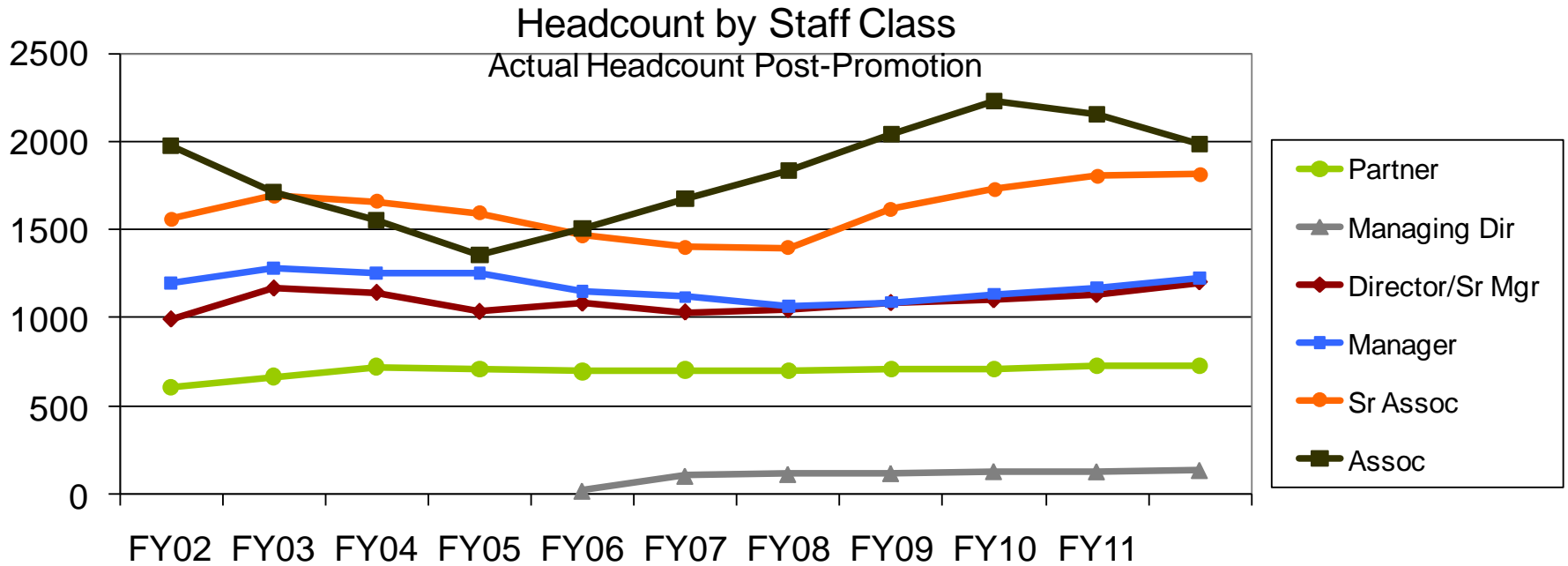
Goals by FY14:

Penetrate 90% of the Fortune 500 (currently 74%)

Penetrate 80% of the Fortune 1000 (currently 60%)

Our practice

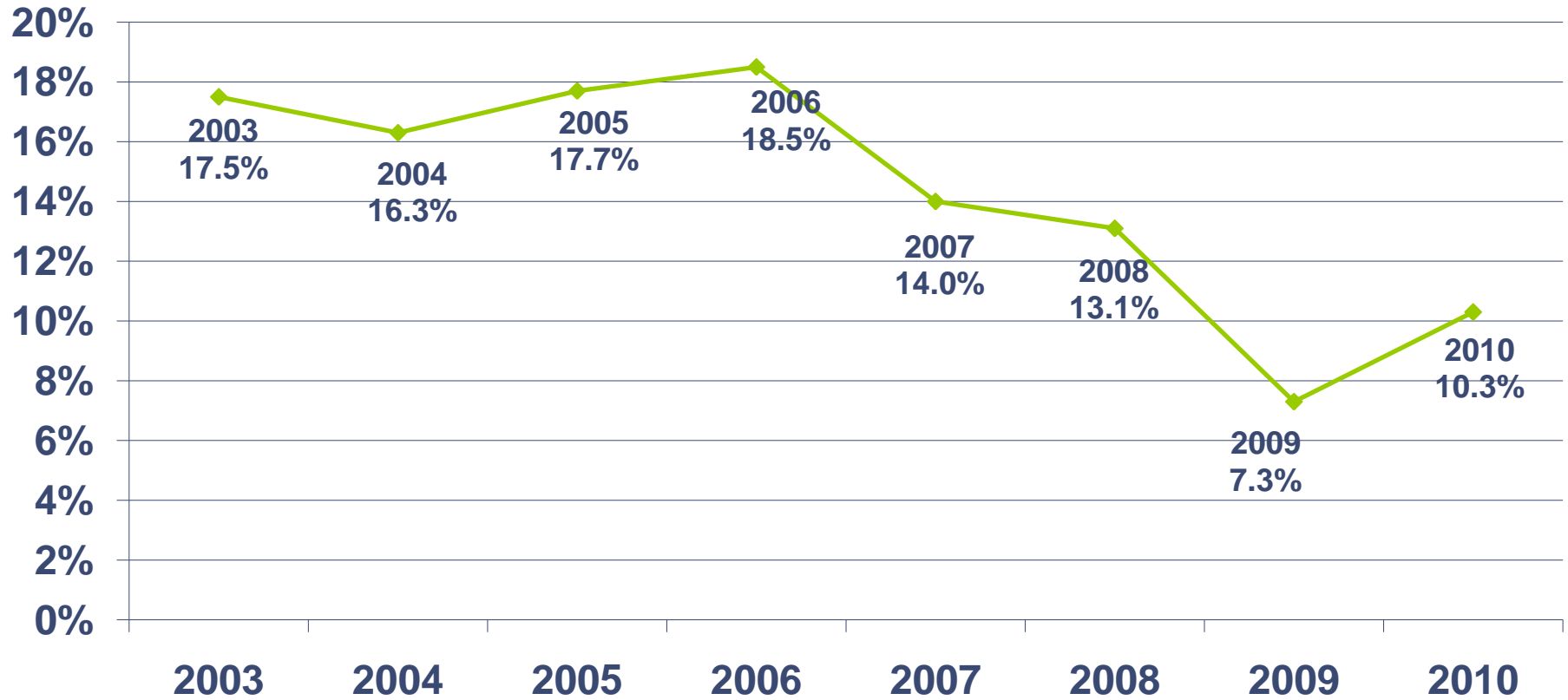
Anticipated Headcount including FY11 promotions and campus hires



	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Entry-level hiring	657	800	958	854	721	580	560 (Goal)
Promotions to senior	N/A	438	480	576	619	525	620

* Expect to hire 80 additional experienced associates for a total of 640

Our practice Turnover trend



Our environment

- As expected, FY10 was a challenging year, with revenues down about 5%
- Declines driven by:
 - Aggressive competition
 - Rate reductions (recession impacts, **not mix**)
 - Reduced discretionary spend (volume)
 - Our business typically lags economy
- Early indications of a turnaround:
 - Increasing M&A activity
 - Upturn in rate and hours
 - Recent legislative activity (COES, healthcare reform, extenders, “pay fors”, etc)

Our strategy

Our goals

Grow US tax practice to \$3B by FY14

#1 in revenue, growth, brand, and reputation

Increase efficiencies in our business model

Maintain leadership position in the global network

The best place for high performers to build their careers

Our strategy

- Growth
 - Market share
 - Inbound Multinational Corporations focus
 - Catalyst hires/admissions
 - XLOS teaming
 - New opportunities
- Efficiencies
 - Standardization
 - Technology
 - Sourcing/delivery centers

Our strategy

How we develop our people

- Broad-based experiences early in staff careers
 - Qualifications capture
 - Foundation milestones
 - Development-based deployment
 - Sourcing accelerates early career experiences
- On-the-job training, eLearning, and formal classroom education
- Support in obtaining credential/credential bonuses
- Opportunities for tours of duty, long- and short-term rotations
- Participation in market teams and teaming across specialty groups

Alternate Sourcing

- Centers: Tampa/Kolkatta
- 150,000 hours in FY 2010
- Least complex layer of work
- Resource to support practice office compliance preparation, not complete transfer of return
- 3% of hours in FY 2011, 7% in FY 2012, growing to 13-15% in FY 2014
- Our analysis indicates no decline in regular office college hires

Questions/Suggestions