

# ***Manufacturing Barometer***

**Business outlook report  
Third quarter 2010**

# Contents

<b>1 Quarterly highlights</b>	<b>Page</b>
1.1 Key indicators for the business outlook	5
<b>2 Economic views</b>	
2.1 View of US economy, this quarter	7
2.2 View of US economy, next 12 months	8
2.3 View of world economy, this quarter	9
2.4 View of world economy, next 12 months	10
<b>3 Company performance</b>	
3.1 Company revenue growth, calendar year	12
3.2 Industry growth, calendar year	13
3.3 International sales	14
3.4 Changes in gross margins	15
3.5 Changes in costs and prices	16
3.6 Inventory movement	17
3.7 Level of operating capacity	18
<b>4 Business outlook, next 12 months</b>	
4.1 Revenue growth, next 12 months	20
4.2 International sales, next 12 months	21
4.3 Percent planning to hire	22
4.4 Percent planning to hire by type of employee	23
4.5 Percent planning major new investments of capital	24
4.6 Percent planning to increase operational spending	25
4.7 Expected barriers to business growth	26
4.8 Plans for M&A and other business initiatives	27
<b>5 Special topic: Information technology and social media</b>	
5.1 Importance of IT in achieving strategic objectives	29
5.2 Improvement areas in IT department performance	30
5.3 Key business drivers supporting IT investment	31
5.4 Outsource IT	32
5.5 Which functions?	32
5.6 Primary ERP platform	33
5.7 Use or plan to use social media, next 12-18 months	34
5.8 Uses of social media	34
<b>6 Survey demographics and research methodology</b>	<b>35</b>

## Quarterly highlights

In the third quarter of 2010, PwC interviewed 60 US-based industrial manufacturing 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 responses with results from prior quarters to see how the panel's 12-month outlook has changed. Overall, uncertainty has replaced optimism as the prevailing view of the US economy's prospects, but international revenue contribution has held its ground, and own-company revenue forecasts remain healthy.

Key findings:

- **Uncertainty prevails.** Looking at the next 12 months, 35 percent of industrial products manufacturers are optimistic about the US economy's prospects, down 10 points from the prior quarter. The majority — 52 percent — are uncertain, and only 13 percent are pessimistic. Only 27 percent viewed the US economy as growing in third-quarter 2010, a 31-point drop from the prior quarter.

Uncertainty also dominates the 12-month outlook for the world economy among those marketing abroad. In line with last quarter, 38 percent are optimistic about its prospects, while 51 percent are uncertain. Only 11 percent are pessimistic. Forty-three percent of international marketers viewed the world economy as growing in the third quarter, down only 2 points from the prior quarter.

- **Revenue projections remain strong.** The projected average growth rate for own-company revenue over the next 12 months is 5 percent, down from last quarter's bullish rise to 6 percent but within the range expected during a stable economy. Seventy percent expect positive revenue growth for their own companies, with 18 percent forecasting double-digit growth and 52 percent forecasting single-digit growth. As a further indication of growth, calendar year own-company forecasts rose to a 4.5 percent growth rate.
- **International sales maintain pace.** Industrial products manufacturers marketing abroad expect international sales to contribute 36 percent of their total revenue over the next 12 months, mirroring the prior

quarter. In the third quarter of 2010, 44 percent of panelists reported an increase in sales abroad, and only 10 percent reported a decrease; 46 percent answered about the same.

- **Gross margins improve.** In third-quarter 2010, gross margins improved 10 points to a net 17 percent. Net costs were up for 23 percent and lower for 17 percent, for a net plus 6 percent. Similarly, prices were up for 25 percent and down for 18 percent, for a net plus 7 percent.
- **Hiring eases up.** Over the next 12 months, 42 percent of panelists plan to add employees to their workforces, down 5 points from last quarter. However, only 8 percent plan to lay off workers, and 50 percent expect to remain about the same. Composite workforce hiring over the next 12 months was projected at 0.4 percent, down from 1.8 percent in the prior quarter.
- **More spending in the plans.** Forty-three percent of industrial products manufacturers surveyed are planning new investments of capital over the next 12 months, up 10 points over the prior quarter. On average, they plan to spend at a lower rate — a mean investment of 5.3 percent of sales versus the prior quarter's 7 percent. More are planning increases in operational or budget spending over the next 12 months as well, rising 5 points to 85 percent.
- **Legislation threatens growth.** Legislative/regulatory pressures continued to rank highest among potential barriers to growth over the next 12 months, cited by 77 percent, up 14 points. Other hurdles that ranked high include lack of demand, cited by 62 percent, and taxation policies, cited by 60 percent.

A quarter-over-quarter comparison of 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 question for the past five quarterly surveys.

## Special Topic: Information technology and social media

As industrial products manufacturers recover from the economic recession, many plan to increase operational or budgetary spending over the next 12 months. Some of that spending will go toward information technology, cited by 28 percent of panelists.

- **Emphasis on IT.** Among industrial products manufacturers surveyed in third-quarter 2010, 97 percent said IT is important in achieving the strategic objectives of their business, with 47 percent rating it very important, and 50 percent rating it somewhat important. Only 3 percent said it is not too important. This compares with 82 percent who rated it as very or somewhat important when we asked this question approximately two years ago. However, 12 percent were not reported at that time.
- **Data-driven.** The collection, analysis, and use of data is a clear focus of many IT departments. A significant number of respondents, 78 percent, cited business intelligence and reporting as a key driver supporting investment in IT. Thus, it is not surprising that when asked in which areas IT departments have worked to improve their performance in support of the strategic objectives of the business, the two leading areas were business intelligence and reporting, cited by 85 percent of respondents, and data quality analysis, transformation, or integration, cited by 75 percent.
- **Operational focus.** Beyond data analysis, it is apparent that IT investment is being driven by a desire to improve operations. Several areas were cited by a significant number of respondents including reducing IT cost (72 percent), optimizing financial processes (63 percent), procurement/supply chain improvement (60 percent), integrating business units (52 percent), and optimizing manufacturing (48 percent). Far fewer companies that were surveyed are using IT to drive revenue.
- **Social media sites elude majority.** Currently, just 22 percent of industrial products manufacturers surveyed plan to use social media, such as Twitter, LinkedIn, Facebook, etc. over the next 12 to 18 months. A wide range of uses is planned, including new product introductions, news dissemination, customer support/feedback, and building brand awareness. The majority — 65 percent — do not plan to use it, and 13 percent are not certain or did not respond.

# Key indicators for the business outlook

## Chart 1.1 Key indicators for the business outlook

A quarter-over-quarter comparison of the survey's key indicators shows how the 12-month outlook has changed each quarter. The change column indicates the movement of opinion over the past two quarters.

Business outlook, next 12 months among industrial manufacturers	2009		2010			Change	Page
	3Q '09	4Q '09	1Q '10	2Q '10	3Q '10	2Q – 3Q '10	
Optimistic about US economy	48%	47%	53%	45%	35%	↓	8
Optimistic about world economy	45%	41%	53%	38%	38%	=	10
Expect positive revenue growth	57%	57%	75%	73%	70%	↓	20
Average growth rate expected	2.2%	2.7%	3.0%	6.0%	5.0%	↓	20
Planning major new investments	37%	35%	28%	33%	43%	↑	24
New investments as a % of sales	3.9%	4.6%	8.4%	7.0%	5.3%	↓	24
Planning to hire	25%	30%	27%	47%	42%	↓	22
New workers as a % of workforce (net)	-0.8%	0.4%	0.5%	1.8%	0.4%	↓	22
Expected barriers to growth							
• Legislative/Regulatory pressures	58%	52%	73%	63%	77%	↑	26
• Lack of demand	75%	75%	63%	50%	62%	↑	26
• Taxation policies	53%	53%	43%	57%	60%	↑	26
• Competition from foreign markets	38%	37%	33%	35%	43%	↑	26
• Decreasing profitability	42%	42%	47%	35%	40%	↑	26
• Monetary exchange rate	28%	22%	37%	40%	33%	↓	26
• Oil/energy prices	25%	33%	30%	23%	32%	↑	26
• Capital constraints	22%	22%	30%	23%	20%	↓	26
• Pressure for increased wages	10%	13%	13%	17%	15%	=	26
• Higher interest rates	12%	17%	17%	13%	13%	=	26
• Lack of qualified workers	8%	3%	8%	10%	8%	=	26

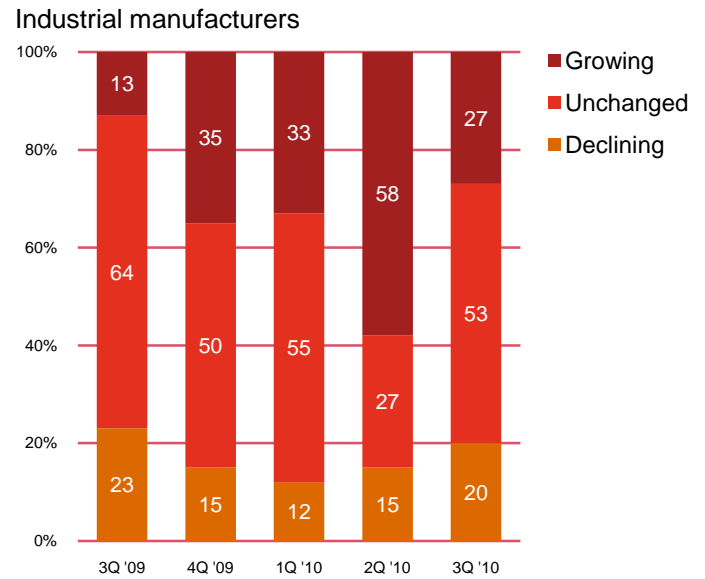
# ***Economic views***

# View of the US economy, this quarter

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

In third-quarter 2010, 27 percent of panelists believed the US economy was growing, down 31 points. However, only 20 percent believed it was declining. The majority believed the US economy did not change from second-quarter 2010.

Chart 2.1 View of the US economy, this quarter



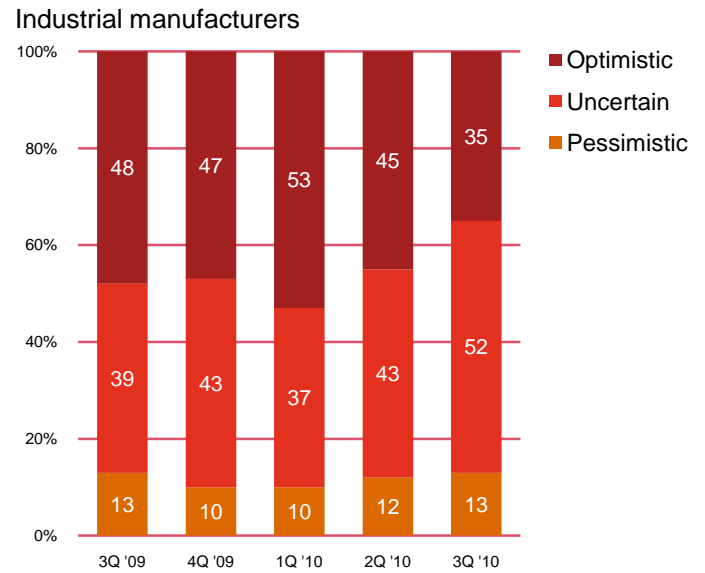
Note: In 3Q 2010 Industrial manufacturers n=60

## View of the US economy, next 12 months

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

Looking ahead, 35 percent of respondents expressed optimism about the 12-month outlook for the US economy, down 10 points from the prior quarter. But only 13 percent were pessimistic. The majority — 52 percent — were uncertain.

Chart 2.2 View of the US economy, next 12 months



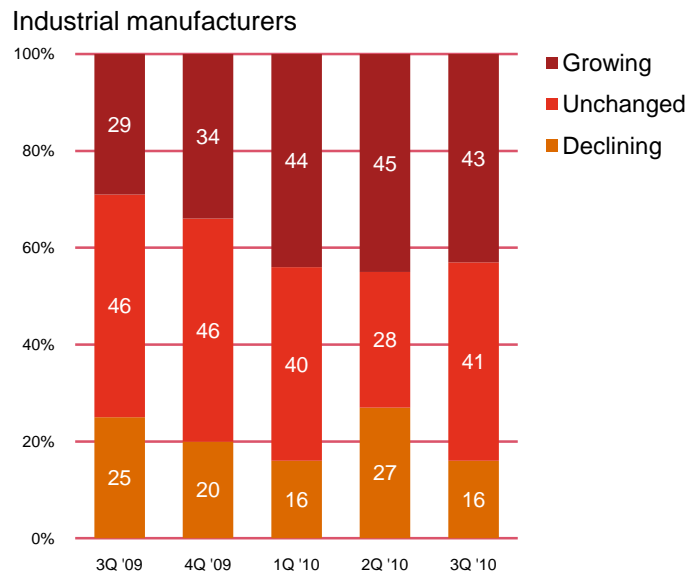
Note: In 3Q 2010 Industrial manufacturers n=60

## View of the world economy, this quarter

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

In third-quarter 2010, 43 percent of panelists marketing abroad viewed the world economy as growing, similar to the prior quarter. Only 16 percent believed it was declining, and 41 percent felt the world economy was unchanged.

Chart 2.3 View of the world economy, this quarter



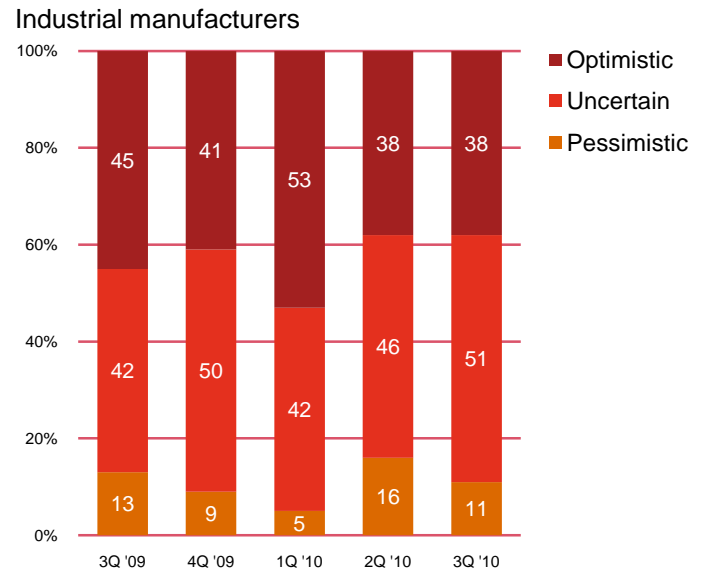
Note: In 3Q 2010 those marketing abroad, Industrial manufacturers n=56

## View of the world economy, next 12 months

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

Of US-based industrial manufacturers who market abroad, 38 percent are optimistic about the prospects for the world economy over the next 12 months, same as the prior quarter. The majority — 51 percent — are uncertain, and only 11 percent are pessimistic.

Chart 2.4 View of the world economy, next 12 months



Note: In 3Q 2010 those marketing abroad, Industrial manufacturers n=56

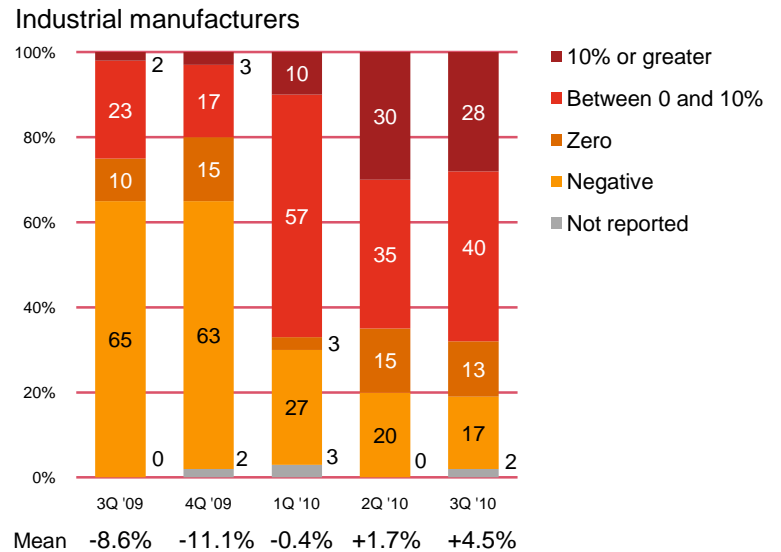
# ***Company performance***

## Company revenue growth, calendar year

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

The composite average growth estimate for the calendar year rose sharply, from 1.7 percent in the prior quarter to 4.5 percent in the third quarter. Sixty-eight percent of respondents forecasted positive own-company growth, with 28 percent expecting double digits and 40 percent predicting single-digit growth. One in six, or 17 percent, expects to continue on the negative side.

Chart 3.1 Company revenue growth, calendar year



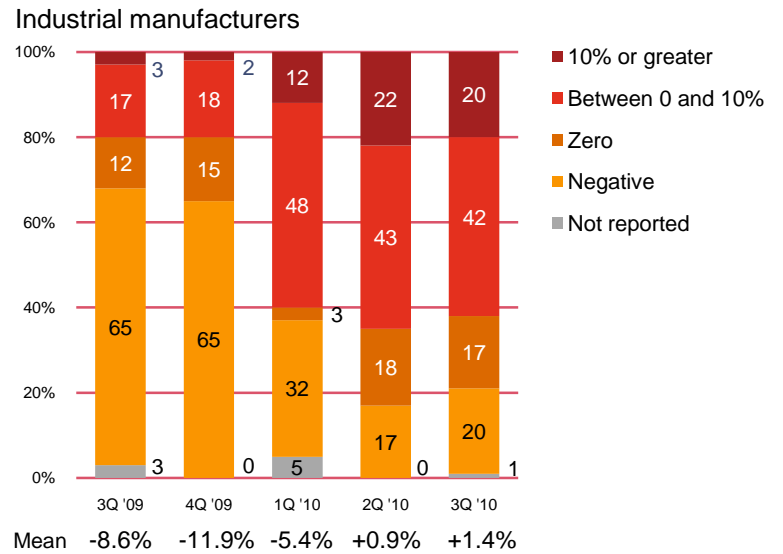
Note: In 3Q 2010 Industrial manufacturers n=60

# Industry growth, calendar year

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

Industry growth estimates for calendar year 2010 rose from 0.9 percent in the prior quarter to 1.4 percent. Sixty-two percent of panelists expect positive industry growth in 2010, 20 percent are on the negative side, and 17 percent expect zero growth.

Chart 3.2 Industry growth, calendar year



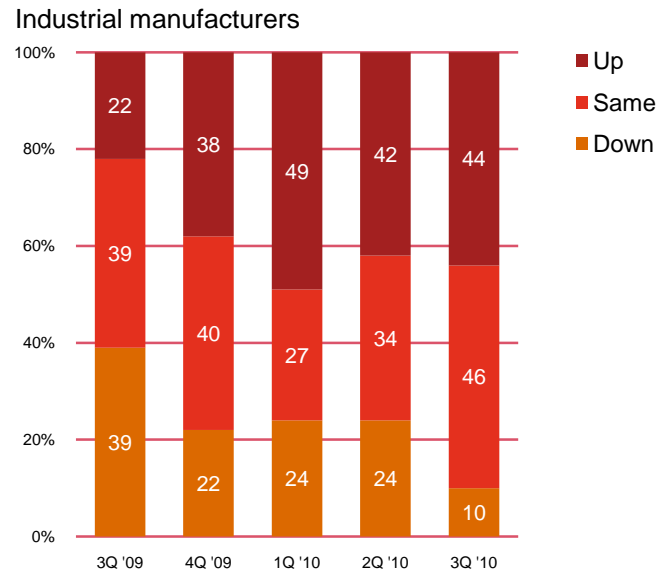
Note: In 3Q 2010 Industrial manufacturers n=60

## International sales

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

For US-based industrial manufacturers that sell abroad, international markets showed further improvement in third-quarter 2010. Forty-four percent reported an increase in sales, and only 10 percent reported a decrease. Forty-six percent remained about the same.

Chart 3.3 International sales



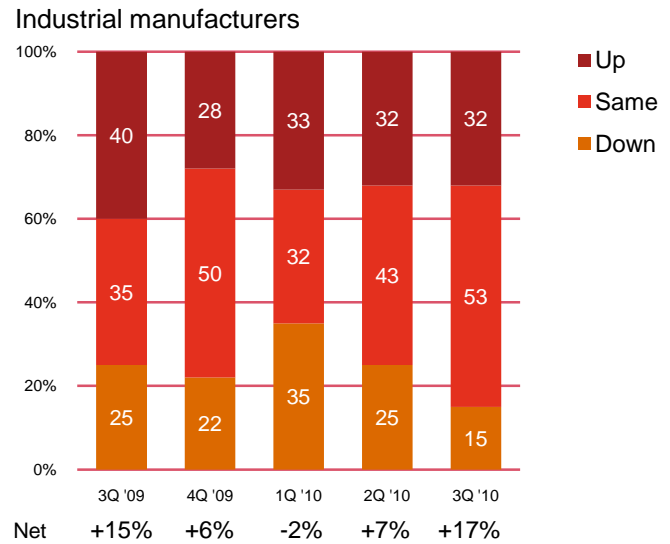
Note: In 3Q 2010 those marketing abroad, Industrial manufacturers n=56

## Changes in gross margins

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

In third-quarter 2010, gross margins improved somewhat. They were higher for 32 percent of panelists and lower for 15 percent, for a net plus 17 percent, up 10 points from the prior quarter.

Chart 3.4 Changes in gross margins



Note: In 3Q 2010 Industrial manufacturers n=60

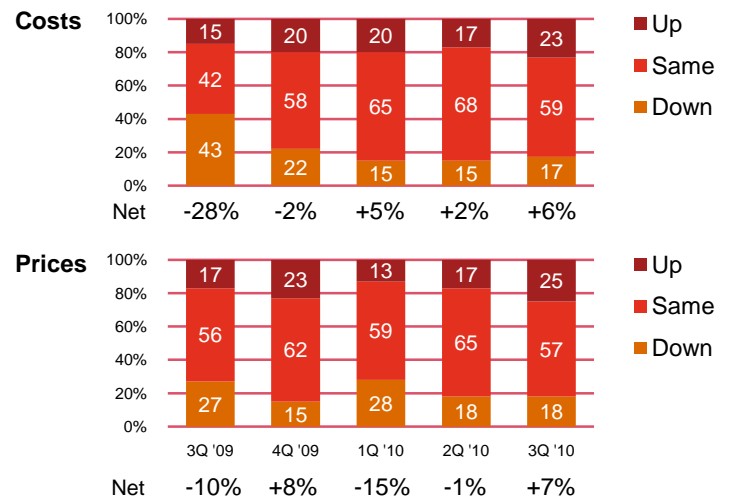
## Changes in costs and prices

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

In third-quarter 2010, costs and prices rose slightly. Twenty-three percent of US-based industrial manufacturers reported higher costs, and 17 percent reported lower costs, for a net plus 6 percent. Twenty-five percent raised prices, and 18 percent lowered them, for a net plus 7 percent.

Chart 3.5 Changes in costs and prices

#### Industrial manufacturers



Note: In 3Q 2010 Industrial manufacturers n=60

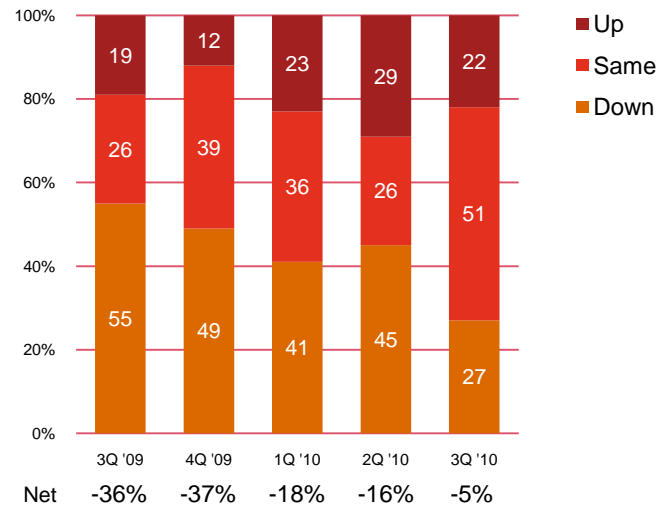
# Inventory movement

Are finished inventories as a percent of sales up, down, or the same compared with three months ago? (product companies only)

Inventory remained the same for 51 percent of US-based industrial manufacturers. It was up for 22 percent and down for 27 percent, for a net minus 5 percent below last quarter and indicating sluggish activity in inventory replenishment.

Chart 3.6 Inventory movement

### Industrial manufacturers



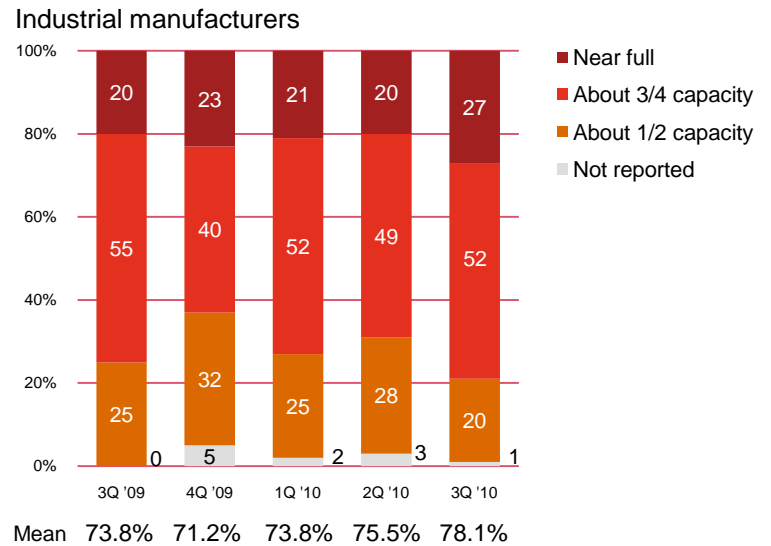
Note: In 3Q 2010 Industrial manufacturers n=60

## 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. For the third quarter, the mean shows slight upward movement to 78.1 percent of capacity, with 27 percent of industrial manufacturers surveyed claiming to be at or near capacity.

Chart 3.7 Level of operating capacity



Note: In 3Q 2010 Industrial manufacturers n=60

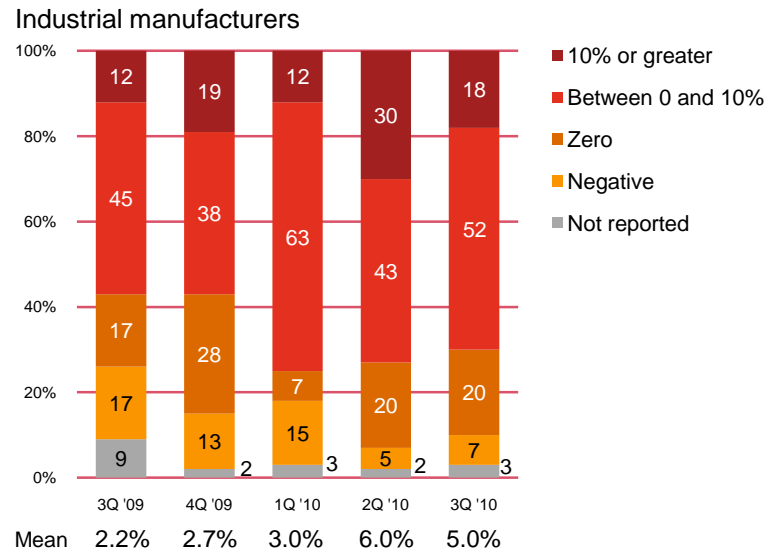
# ***Business outlook, next 12 months***

# Revenue growth, next 12 months

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

Looking ahead at the next 12 months, 70 percent of panelists expect positive growth for their own companies, with 18 percent forecasting double-digit growth and 52 percent forecasting single-digit growth. The projected average growth rate declined on a quarter-to-quarter basis from 6 percent to 5 percent. Only 7 percent forecast negative growth, and 20 percent forecast zero growth.

Chart 4.1 Revenue growth, next 12 months



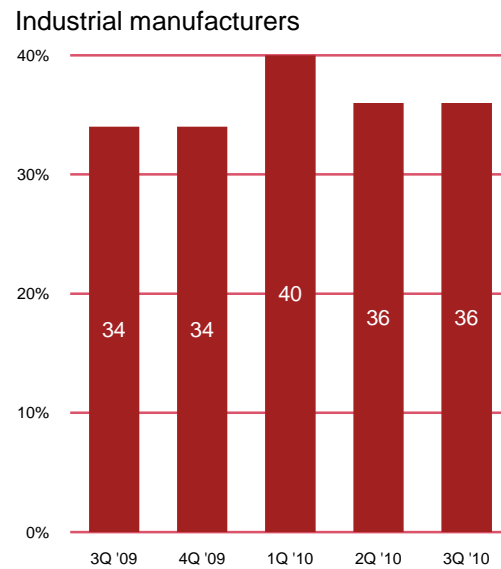
Note: In 3Q 2010 Industrial manufacturers n=60

## 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?**

Of respondents selling abroad, the projected contribution of international sales to total revenue over the next 12 months is 36 percent, the same as the prior quarter.

Chart 4.2 International sales, next 12 months



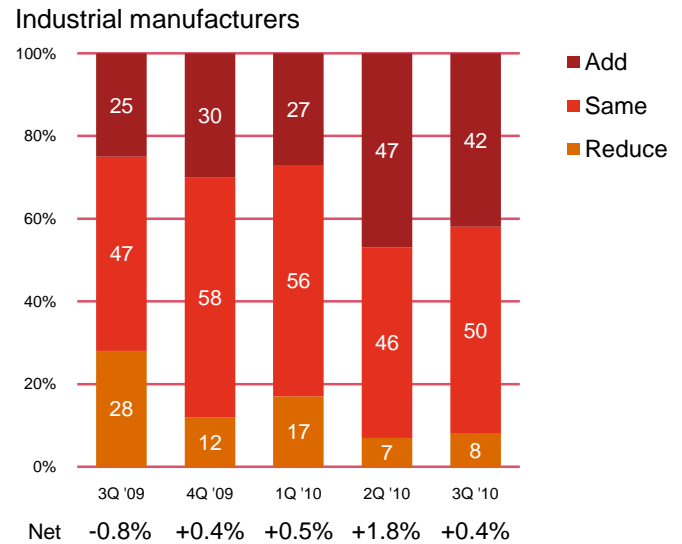
Note: In 3Q 2010 those marketing abroad, Industrial manufacturers n=56

## Percent planning to hire

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

Forty-two percent of respondents plan to add employees to their workforces over the next 12 months, down 5 points from the second quarter. Only 8 percent plan to reduce the number of full-time equivalent employees, and 50 percent will stay the same. The net workforce projection is plus 0.4 percent, down from last quarter's 1.8 percent.

Chart 4.3 Percent planning to hire



Note: In 3Q 2010 Industrial manufacturers n=60

## Percent planning to hire by type of employee

### What types of employees do you plan to add or reduce over the next 12 months?

Among the 42 percent of respondents planning to hire within the next 12 months, the most sought-after employees will be production workers, skilled labor, and professionals/technicians.

Chart 4.4 Percent planning to hire by type of employee

#### Industrial manufacturers

	3Q '09	4Q '09	1Q '10	2Q '10	3Q '10
Planning to hire (net)	25%	30%	27%	47%	42%
• Production workers	8%	13%	13%	27%	28%
• Skilled labor	8%	12%	2%	23%	23%
• Professionals/technicians	15%	23%	17%	25%	22%
• Sales/marketing	10%	7%	8%	15%	17%
• White collar support	12%	2%	10%	17%	15%

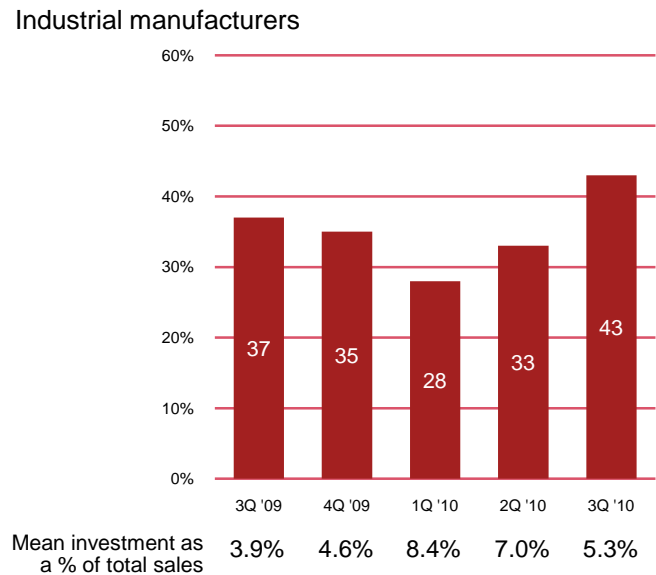
Note: In 3Q 2010 Industrial manufacturers n=60

## 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?**

Forty-three percent plan major new investments of capital during the next 12 months, a 10-point increase over the prior quarter. The mean investment as a percentage of total sales is lower, dropping from 7 percent last quarter to 5.3 percent.

Chart 4.5 Percent planning major new investments of capital



Note: In 3Q 2010 Industrial manufacturers n=60

## Percent planning to increase operational spending

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

Looking at the next 12 months, 85 percent of respondents plan to increase operational spending, up 5 points from last quarter. Among increased expenditures, new product or service introductions and business acquisitions lead the way. Also on the rise are research and development, geographic expansion, and information technology.

Chart 4.6 Percent planning to increase operational spending

Industrial manufacturers					
	3Q '09	4Q '09	1Q '10	2Q '10	3Q '10
Percent planning to increase spending (net)	68%	65%	70%	80%	85%
• New product or service introduction	40%	37%	43%	52%	47%
• Business acquisition	33%	23%	23%	38%	43%
• Research and development	35%	37%	28%	32%	42%
• Geographic expansion	22%	27%	22%	28%	33%
• Information technology	17%	22%	20%	22%	28%
• Facilities expansion	18%	22%	20%	23%	27%
• Marketing & sales promotion	7%	12%	13%	13%	12%
• Advertising	3%	8%	12%	5%	7%
• Internet commerce	3%	3%	5%	7%	3%

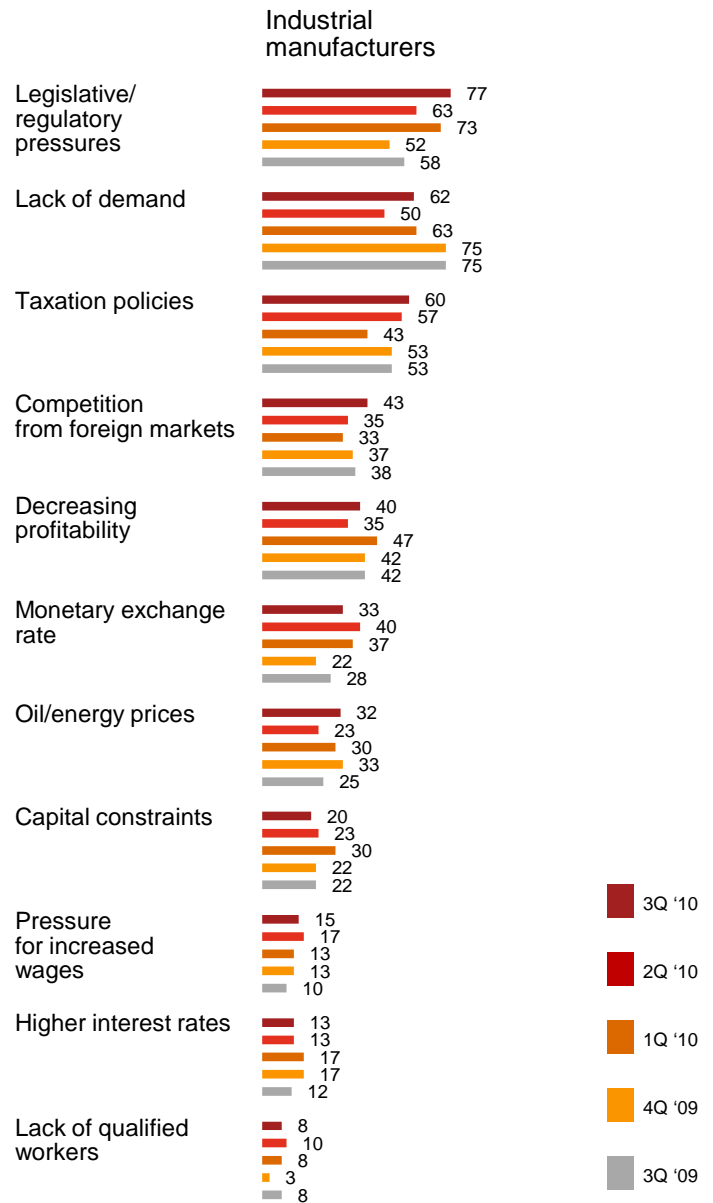
Note: In 3Q 2010 Industrial manufacturers n=60

## Expected barriers to business growth

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

Legislative/regulatory pressures remained the most likely barrier to growth over the next 12 months, rising 14 points to 77 percent. The number who saw lack of demand as a hurdle had dropped noticeably in the second quarter but bounced back 12 points to 62 percent in the third quarter, back on par with the first quarter. Taxation policies remained a commonly cited barrier at 60 percent, up 3 points. Concern about competition from foreign markets rose noticeably from 35 percent to 43 percent and, although relatively low, oil/energy prices increased 9 points to 32 percent.

Chart 4.7 Expected barriers to business growth



Note: In 3Q 2010 Industrial manufacturers n=60

## 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?

The number of respondents planning M&A activity over the next 12 months climbed 5 points to 38 percent. Of that number, almost all are looking at purchasing another business. Plans for new strategic alliances (37 percent) and expansion to markets abroad (30 percent) remained high, along with new joint ventures (33 percent).

Chart 4.8 Plans for M&A and other business initiatives

### Industrial manufacturers

	3Q '09	4Q '09	1Q '10	2Q '10	3Q '10
New business initiatives (net)	70%	57%	60%	55%	65%
• M&A activity (net)	38%	28%	37%	33%	38%
- Purchase another business	37%	27%	33%	33%	37%
- Sale part/all own business	5%	7%	8%	7%	8%
- Equity carve-out/spin-off	2%	3%	3%	2%	2%
• New strategic alliance	33%	38%	33%	32%	37%
• New joint venture	22%	25%	27%	30%	33%
• Expand to new markets abroad	15%	20%	28%	27%	30%
• New facilities abroad	15%	12%	15%	20%	18%
• Reduce activity in markets abroad	12%	10%	10%	7%	8%
• Close/reduce facilities abroad	15%	8%	8%	5%	7%

Note: In 3Q 2010 Industrial manufacturers n=60

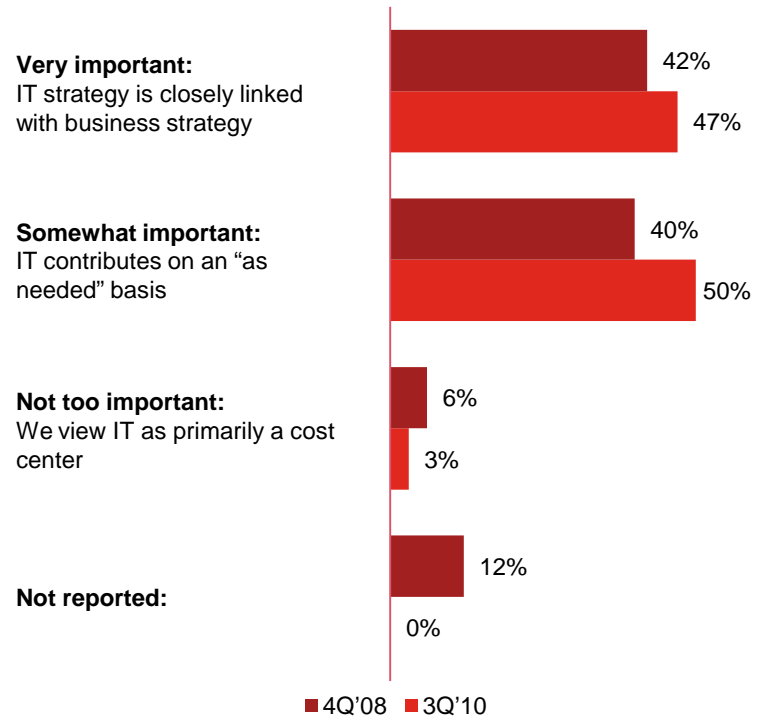
***Special topic:  
Information technology  
and social media***

# Importance of information technology in achieving strategic objectives

## How important is information technology in achieving the strategic objectives of your own business?

Virtually all survey respondents, 97 percent, cited information technology as very or somewhat important to achieving strategic business objectives. However, only the 47 percent who felt it was very important indicated that their IT strategy was closely linked to their business strategy. The 50 percent who felt it was somewhat important noted that IT contributes to their company's strategic objectives only on an "as needed" basis. This compares with 82 percent who rated it as very (42 percent) or somewhat (40 percent) important when we asked this question approximately two years ago. However, 12 percent were not reported at that time.

Chart 5.1 Importance of IT in achieving strategic objectives

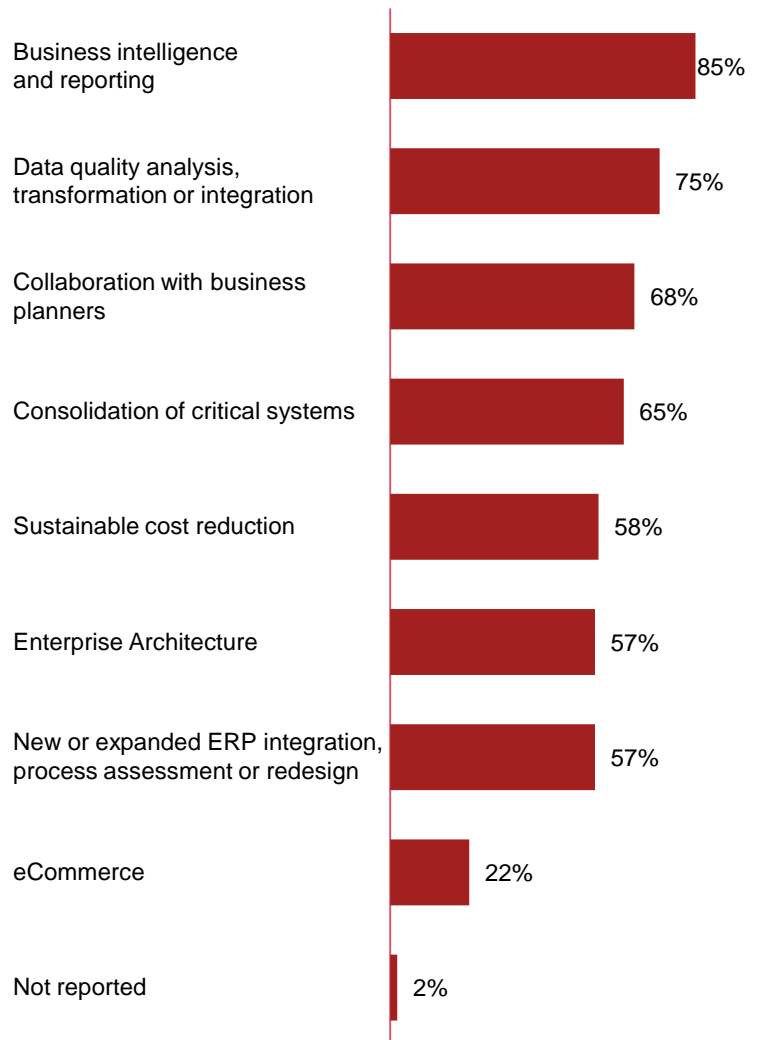


## Areas of improvement in IT department performance, past two years

**In the past two years, has the IT department worked to improve performance in any of the following areas to help achieve the strategic objectives of your business?**

Respondents said their departments have improved their performance in multiple areas during the past two years. The areas cited by the most often by respondents, business intelligence, data quality, and collaboration with business planners, all pertain to the collection, analysis, and use of data. The next group of areas, consolidation of critical systems, cost reduction, enterprise architecture, and ERP, relate to improving operations and the systems themselves. Noticeably low at 22 percent was eCommerce.

Chart 5.2 Improvement areas in IT department performance

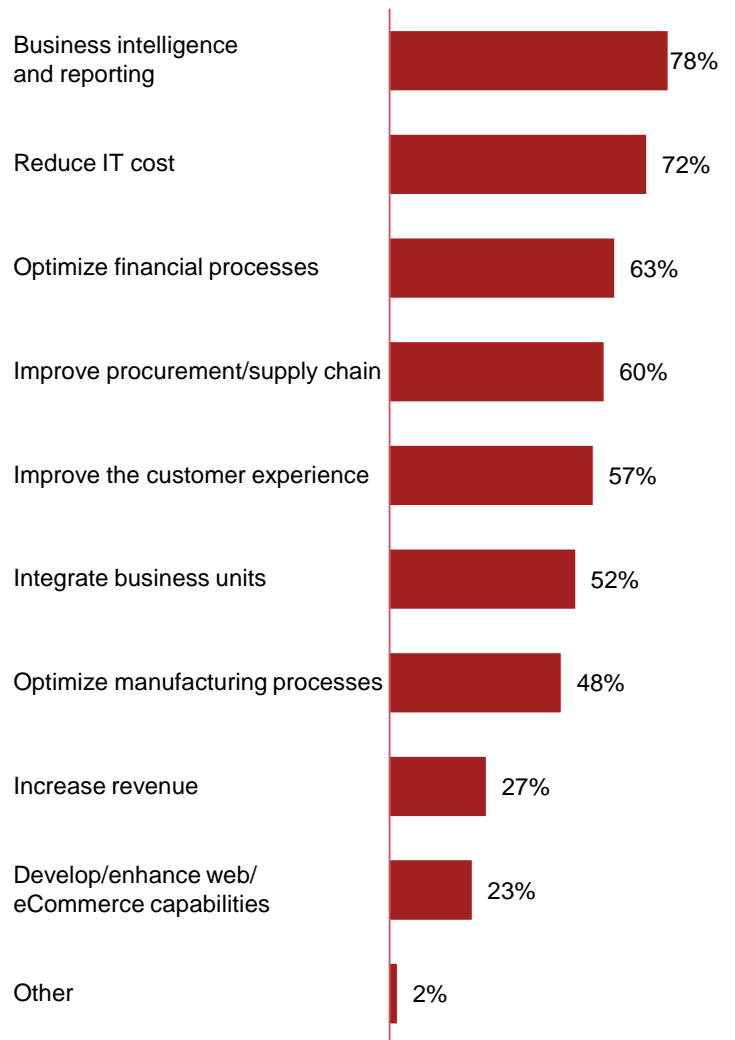


## Key business drivers supporting investment in IT

### What are the key business drivers for supporting your investment in IT?

A notable 78 percent cited business intelligence and reporting as a key business driver for supporting investment in IT. Seventy-two percent reported that reducing IT costs was another key driver. These both link directly with the most often cited areas for improved IT performance (see Chart 5.2) — data usage, and operations and systems. The majority of the next most cited areas, including optimizing financial processes, supply chain improvement, integrating business units, and optimizing manufacturing, all relate to various corporate operations. Increasing revenue, at 27 percent, and enhancing web/eCommerce capabilities, at 23 percent, were significantly lower.

Chart 5.3 Key business drivers supporting IT investment



# Information Technology outsourcing

## Does your company outsource IT infrastructure or application development/maintenance?

A net 80 percent of respondents reported either application development/maintenance (68 percent) or IT infrastructure (37 percent) outsourcing. This is notably higher than the net 60 percent who reported outsourcing when we asked this question approximately two years ago. Most of the increase is reflected in the number of respondents who outsource application development/maintenance, which was up from 50 percent in the previous survey. Note that more were not reported two years ago: 18 percent versus 3 percent.

Chart 5.4 Outsource IT

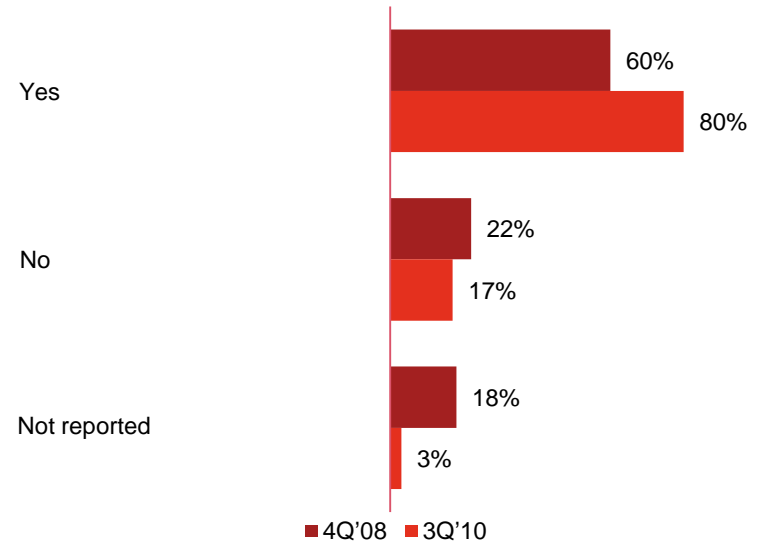
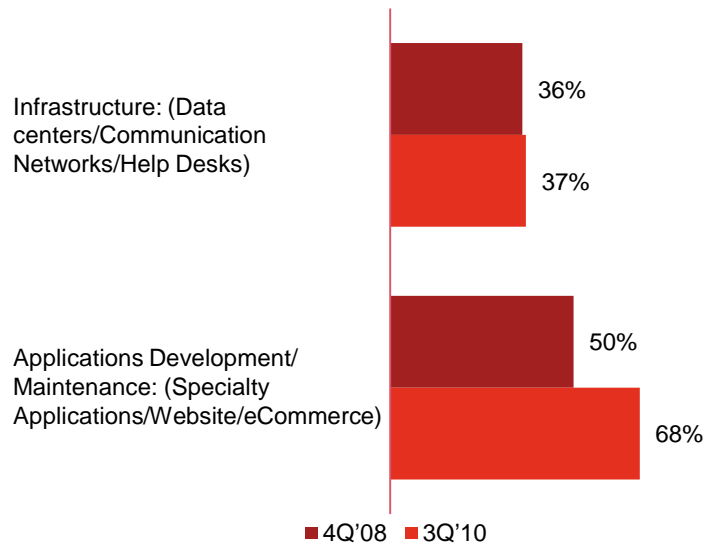


Chart 5.5 Which functions?

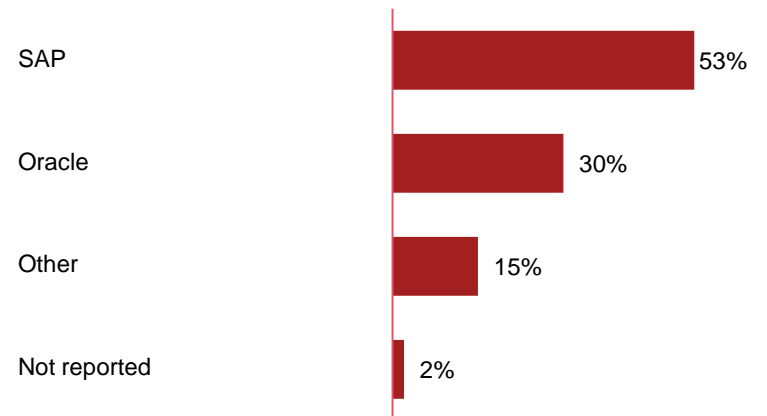


## Primary ERP platforms

### What is your company's primary ERP platform?

SAP is the leading ERP platform among respondents, cited by 53 percent, with Oracle at 30 percent, and all others at 15 percent. Two percent were unreported.

Chart 5.6 Primary ERP platform



## Use of social media, next 12-18 months

**In which ways does your company currently use or plan to use social media (such as Twitter, LinkedIn, Facebook, etc.) over the next 12-18 months?**

A net of just 22 percent of industrial products manufacturers surveyed plan to use social media (such as Twitter, LinkedIn, Facebook, etc.) over the next 12-18 months. A wide range of uses is planned, including new product introductions, news dissemination, customer support/feedback, and building brand awareness. Most (65 percent) have no near-term plans for social media, and 13 percent are not certain or did not respond.

Chart 5.7 Use or plan to use social media, next 12-18 months

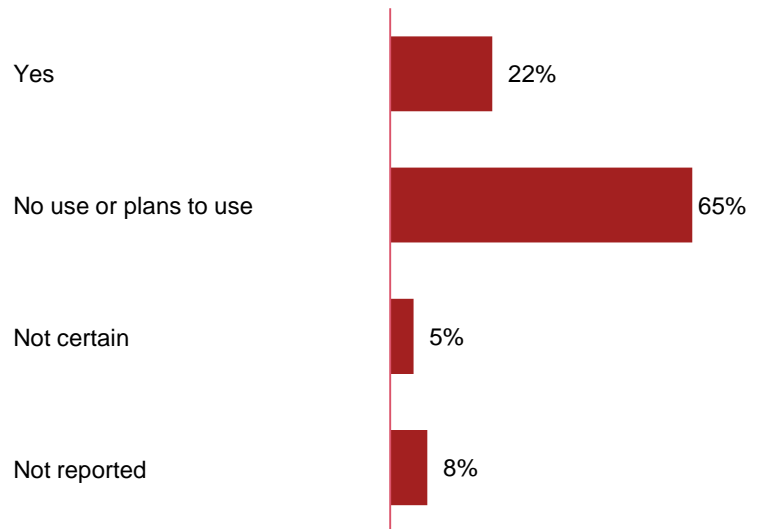
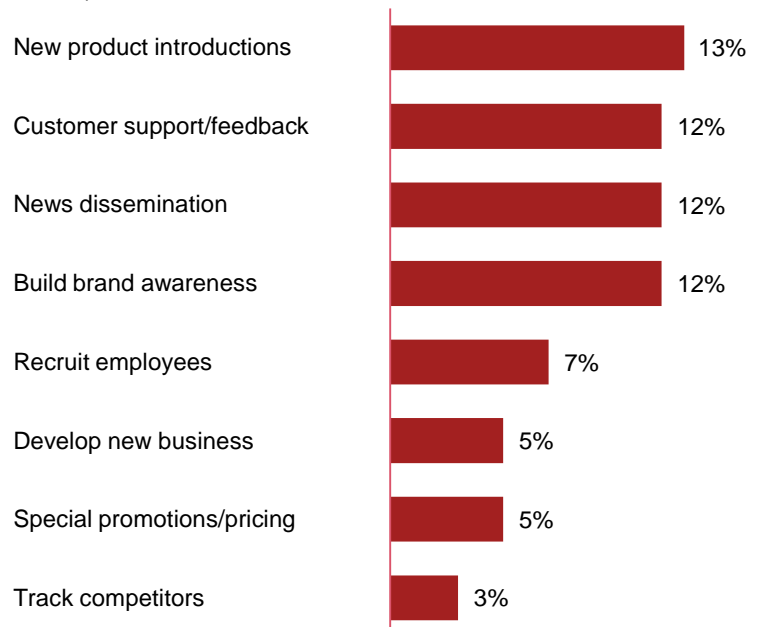


Chart 5.8 Uses of social media (among those using or planning to use)



# Survey demographics and research methodology

## Demographics

---

Who	Senior executives of US-based, industrial manufacturing organizations
Interview dates	July 8, 2010 to October 7, 2010
	<b>Industrial manufacturers (60)</b>
Average number of employees	8,668
Average business unit revenue	\$2.93 billion
Average enterprise revenue	\$8.34 billion
Market capitalization	\$6.85 billion
Industry sectors	Products 100% Manufacturing 100%

## Methodology

---

PwC's Manufacturing Barometer is a quarterly telephone survey conducted by the independent research firm BSI Global Research Inc. Our regular survey panel consists of senior executives from a geographically balanced sample of large 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 other related title.

## Industry contacts:

Barry Misthal  
US Industrial Manufacturing Leader  
+1 267 330 2146

Tom Haas  
Sector Analyst  
+1 973 236 4302

## About the research:

The Manufacturing Barometer is one in a series of quarterly business outlook surveys from PwC. 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.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.

© 2010 PricewaterhouseCoopers LLP. All rights reserved. "PricewaterhouseCoopers" and "PwC" refer to PricewaterhouseCoopers LLP or, as the context requires, the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity. This document is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.