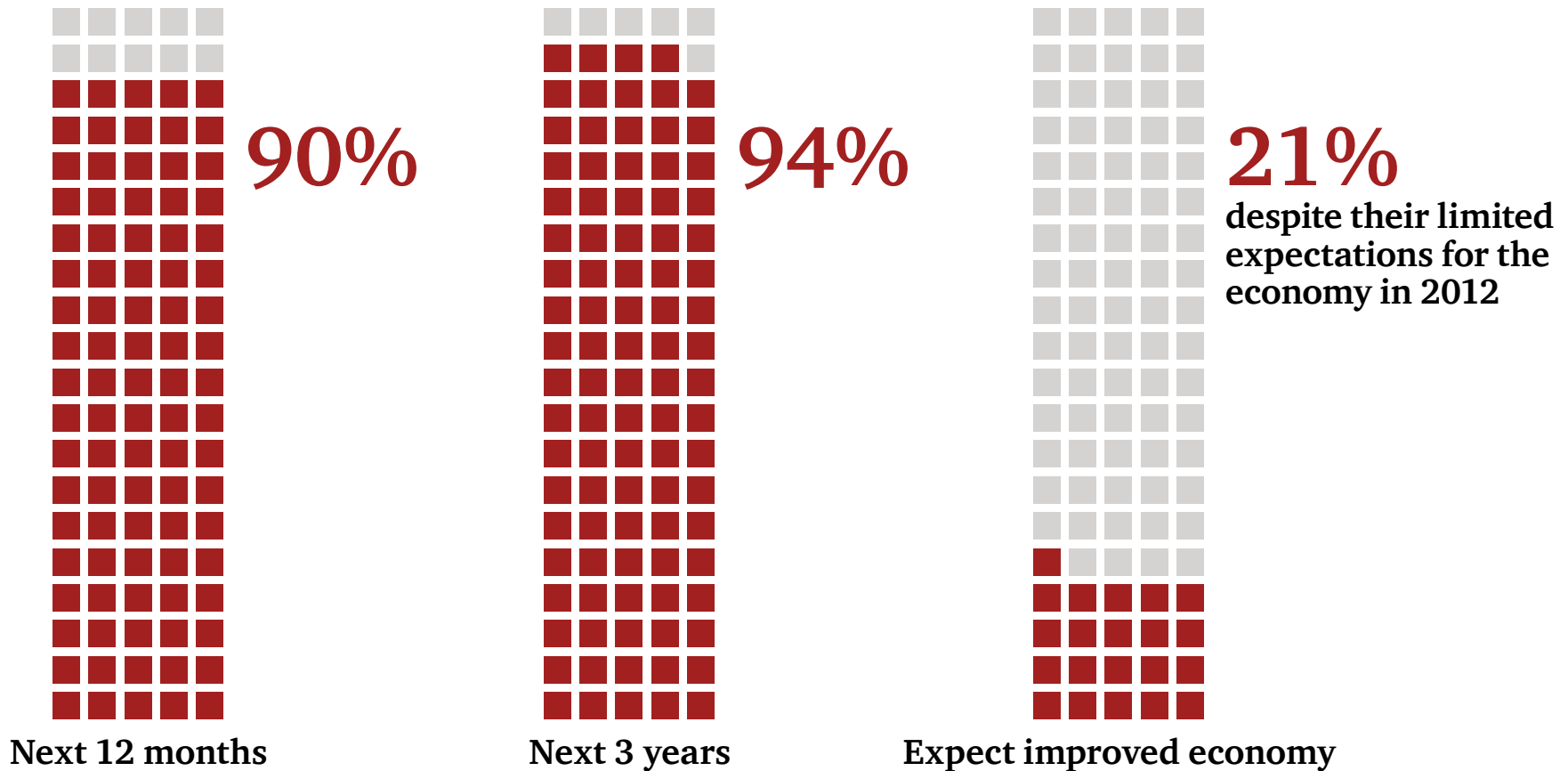


Private-company growth strategies

How US private-company CEOs
responded to PwC's 15th Annual
Global CEO Survey

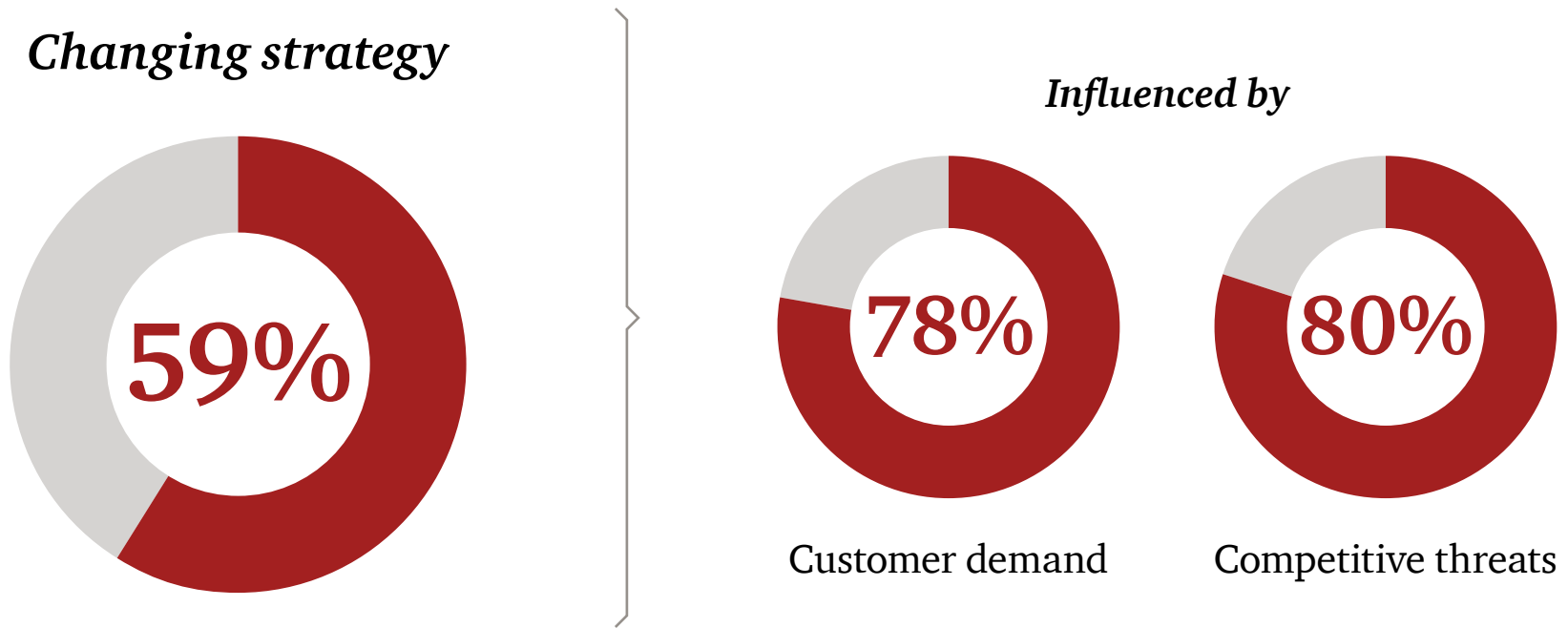
Nearly all US private companies are confident they'll see revenue growth



Q1a & Q1b: How confident are you about your company's prospects for revenue growth over the next 12 months/3 years? Are you...? (Respondents answering "Somewhat confident" or "Very confident.") Base: 85 US private-company CEO respondents

Q3: Do you believe the global economy will improve, stay the same, or decline over the next 12 months? Base: 85 US private-company CEO respondents

CEOs are changing strategy in response to marketplace challenges and opportunities



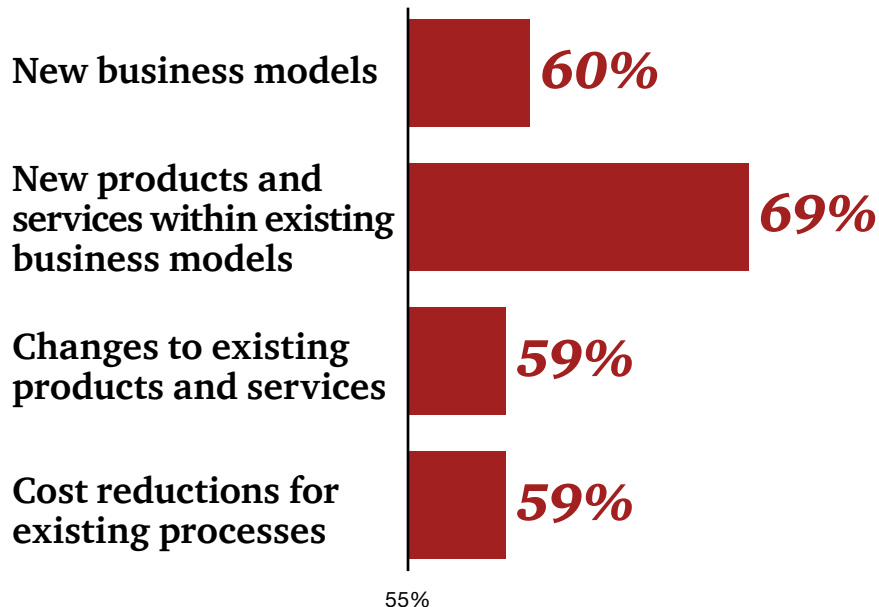
Q2a: To what extent do you anticipate your company's strategy will change over the next 12 months? Base: 85 US private-company CEO respondents

Q2b: Which of the following factors influence your anticipated need to change your strategy? (CEOs responding they anticipate a change in strategy in the next 12 months in Q2a)
Base: 50 US private-company CEOs respondents

CEOs are aggressively pursuing innovation

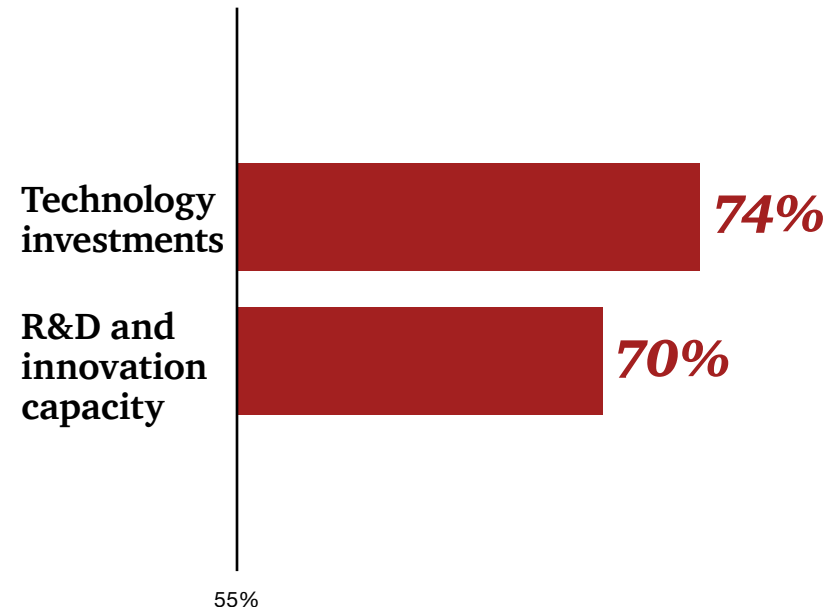
Where?

Across all aspects of the business portfolio



How?

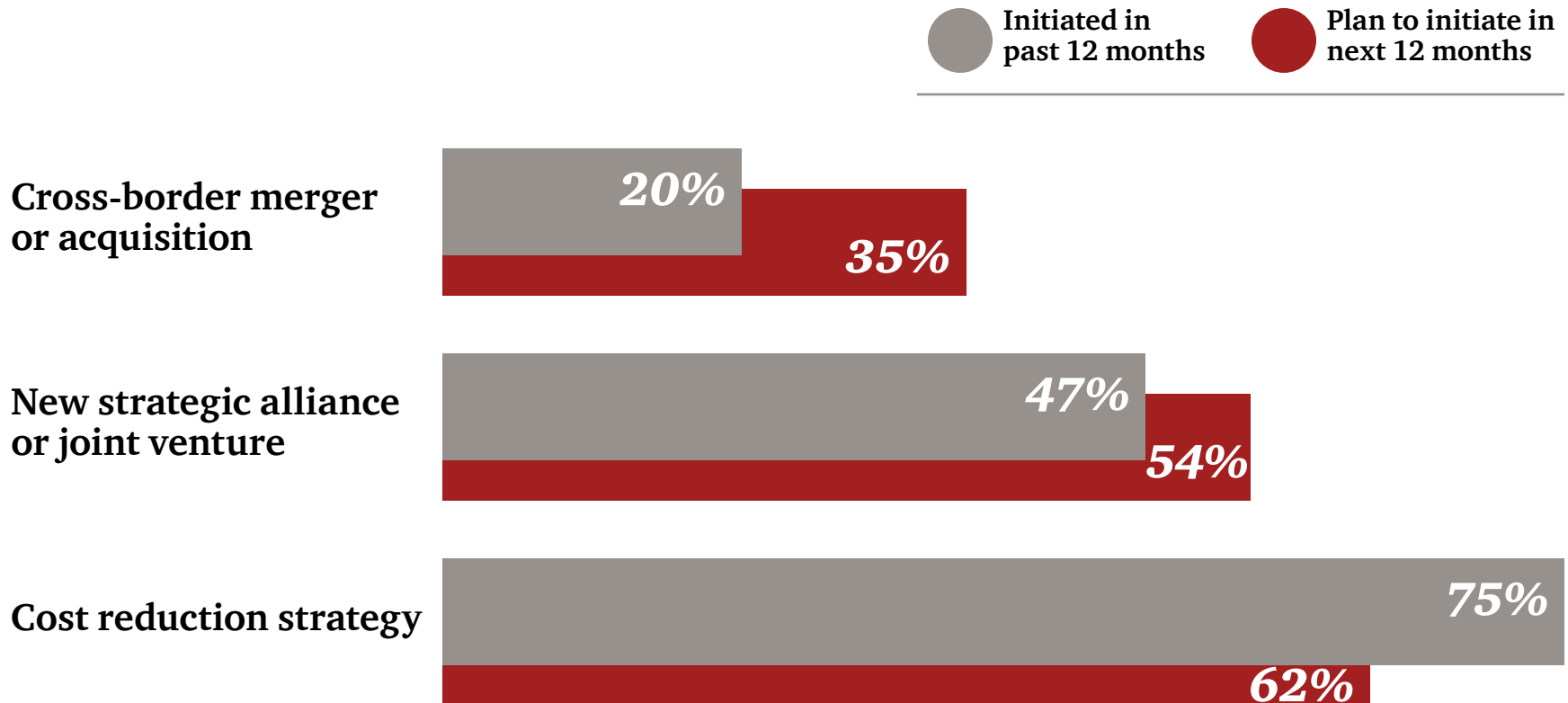
By immediately increasing capacity and spending



Q12c: To what degree are you changing the emphasis of your company's overall innovation portfolio in relation to... (Respondents answering they are somewhat or significantly increasing emphasis.) Base: 85 US private-company CEO respondents

Q8: To what extent do you anticipate changes at your company in (specified area) over the next 12 months? Base: 85 US private-company CEO respondents

As the focus on reducing costs lessens, attention returns to M&A and joint ventures



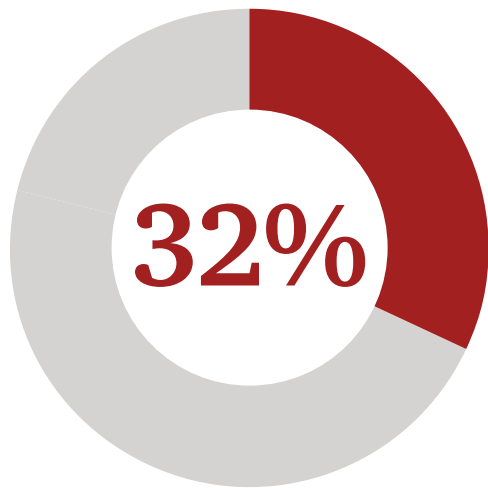
Q9a: Which, if any, of the following restructuring activities have you initiated in the past twelve months? Base: 85 US private-company CEO respondents

Q9b: Which, if any, of the following restructuring activities do you plan to initiate in the coming twelve months? Base: 85 US private-company CEO respondents

Emerging markets matter, but reliance on mature markets remains strong

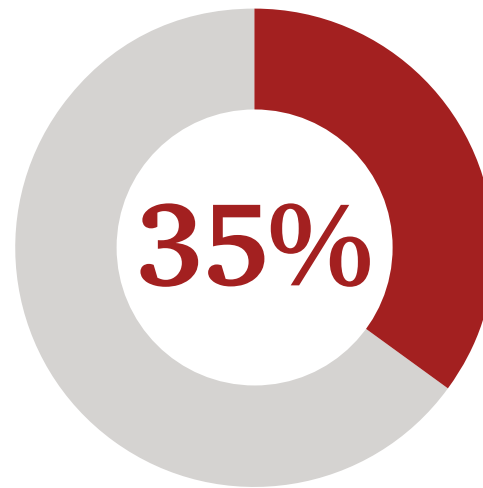
One-third of US private-company CEOs consider emerging markets more important to their future than mature markets...

More important to future

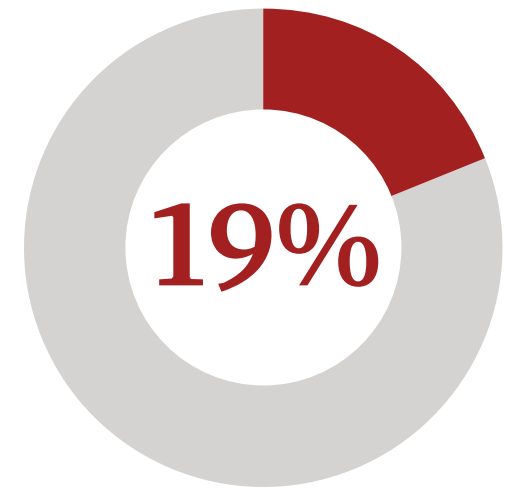


Emerging markets

Growth focus



Active markets

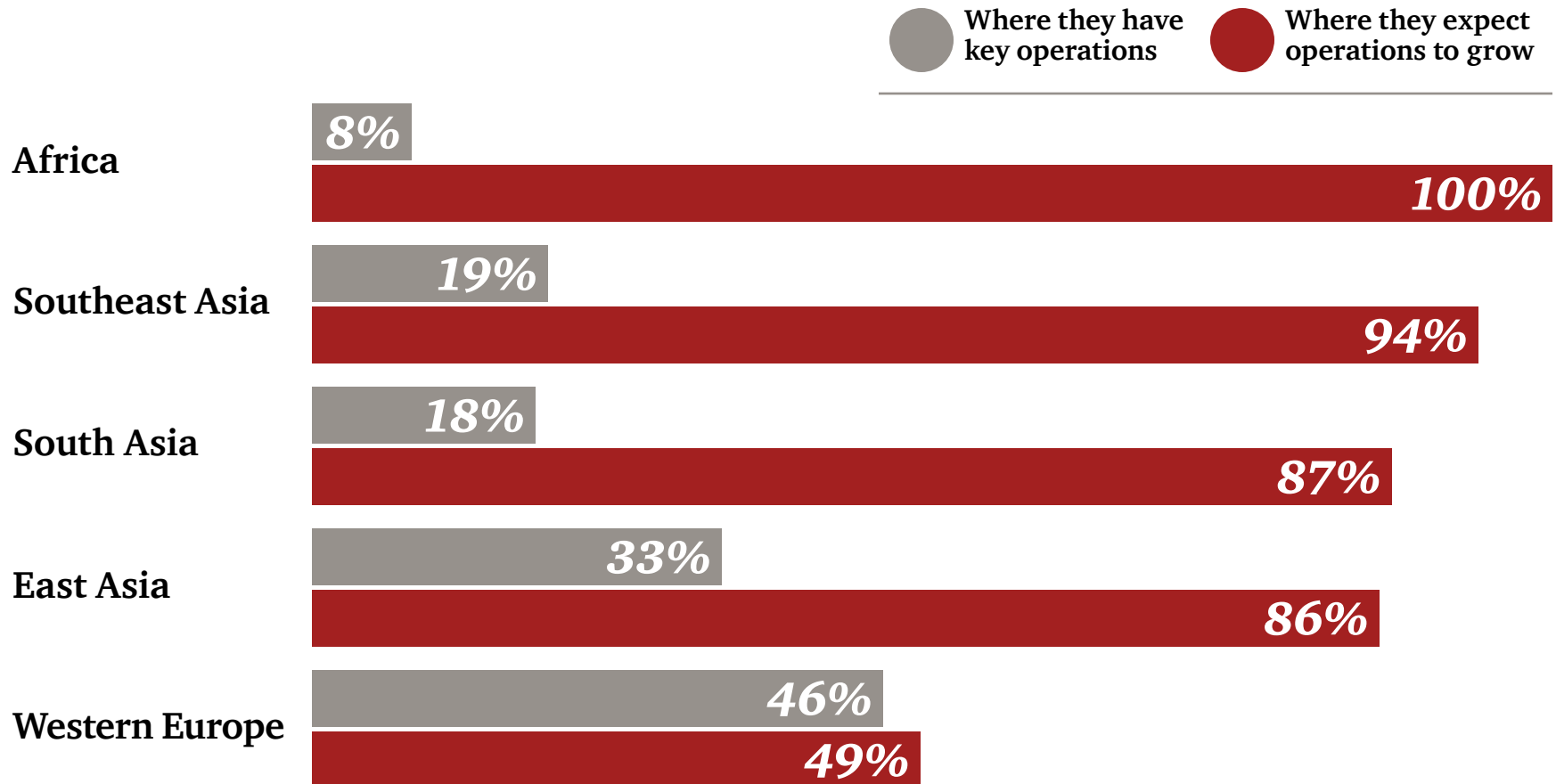


New geographic markets

Q13f: How strongly do you agree that... Emerging markets are more important to my company's future than developed markets. Base: 85 US private-company CEO respondents

Q4: Which one of these [options] do you see as the main opportunity to grow your business in the next 12 months? Base: 85 US private-company CEO respondents

Private companies are targeting Africa and Asia for aggressive growth

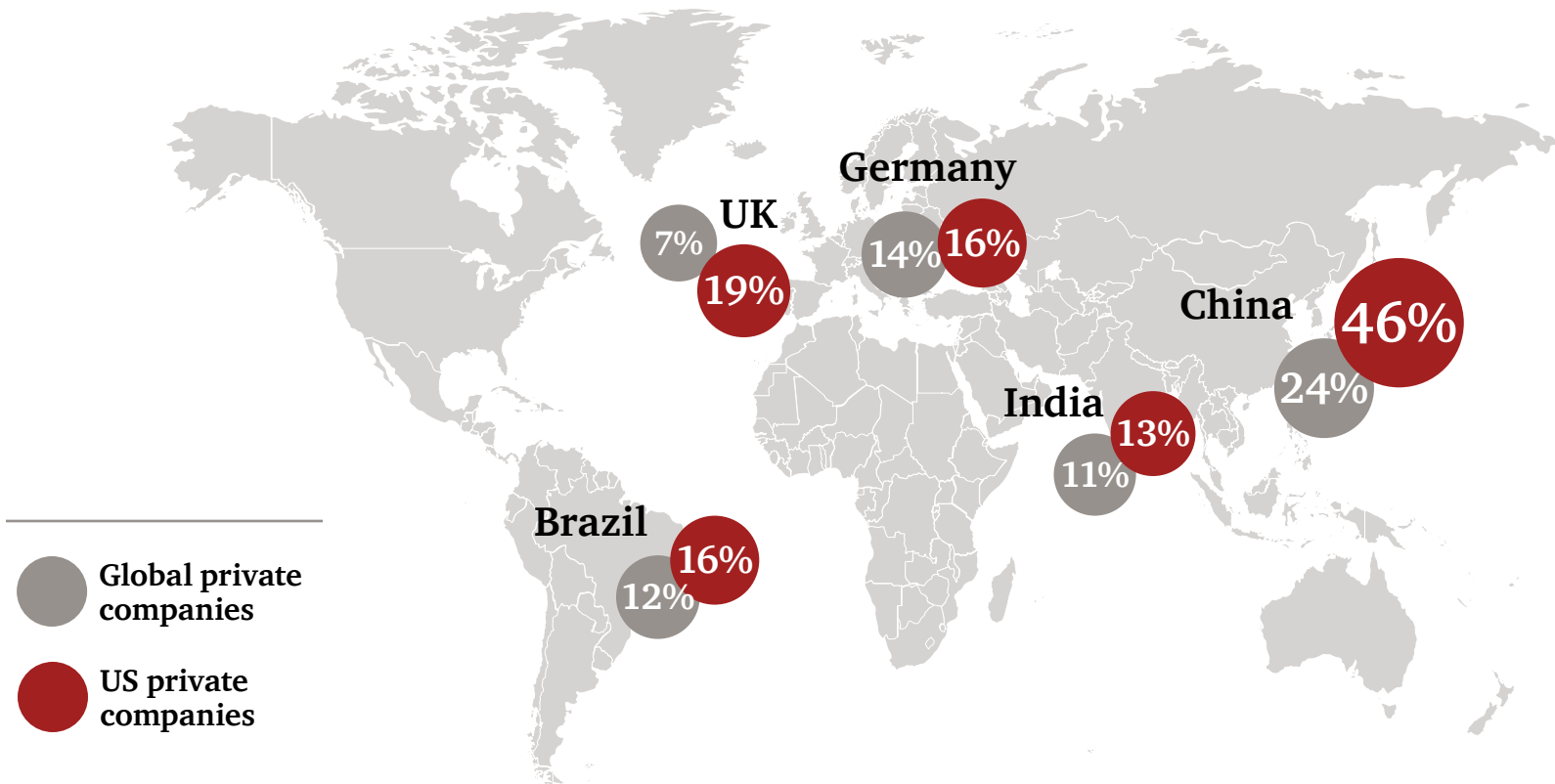


Q10a: In which regions does your business have key operations? Base: 85 US private-company CEOs respondents

Q10b (a–d, j): Do you expect your key operations in [region] to decline, stay the same or grow? Base: US private-company CEOs who stated they have a presence in region in Q10a: Western Europe: 39; East Asia: 28; Southeast Asia: 16; South Asia: 15; Africa: 7

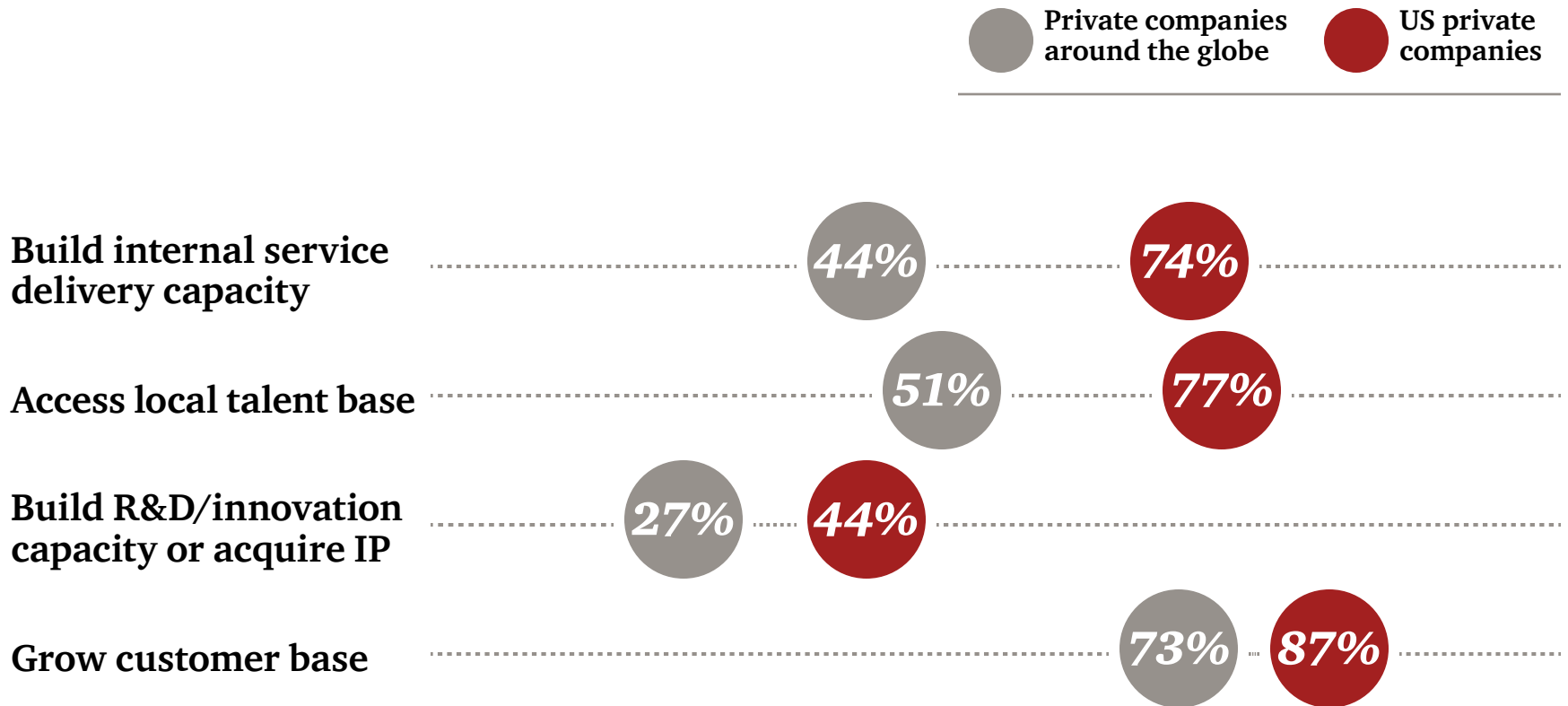
China is seen as key to near-term growth

Nearly half of US private-company CEOs named China among their top 3 countries for growth prospects – but less than one-quarter of private companies outside the US did so



Q11a: Which three countries, excluding the country in which you are based, do you consider most important for your overall growth prospects over the next 12 months? Base: 85 US private-company CEO respondents, 588 global private-company CEO respondents [excludes US as a choice]

US private companies' goals in China are more ambitious than their global peers'



Q11b 38: Which of the following objectives do you hope to achieve in China in the next 12 months? (Companies that selected China among their top 3 countries for growth in Q11a) Base: 39 US private-company CEO respondents, 142 global private-company CEO respondents

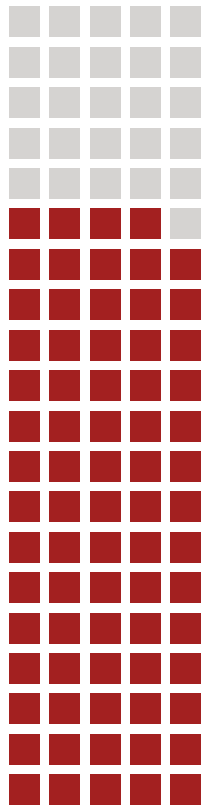
US private-company goals in other strategic markets

	UK	Germany	Brazil	India
Grow customer base	88%	100%	93%	91%
Access local talent base	69%	64%	93%	73%
Build internal service delivery capacity	56%	79%	57%	64%

Q11a: Which three countries, excluding the country in which you are based, do you consider most important for your overall growth prospects over the next 12 months? Base: 85 US private-company CEO respondents

Q11b (8, 22, 28 and 40): Which of the following objectives do you hope to achieve in [country] in the next 12 months? Base: US private-company CEOs who picked these markets as one of the top three most important to their growth prospects in Q11a: UK: 16; Germany: 14; Brazil: 14; India: 11

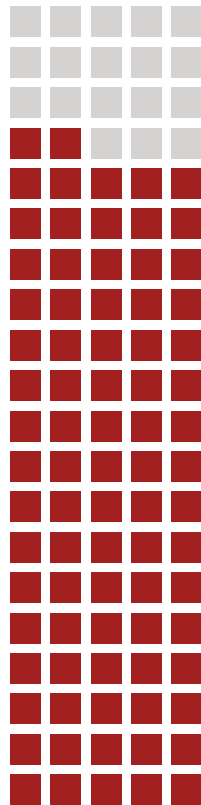
Workforce challenges still prevalent – private companies to boost investment in talent



Feeling the pain

74%

of CEOs report a skills shortage



Easing the pain

82%

are responding with investments in local workforce development

24%

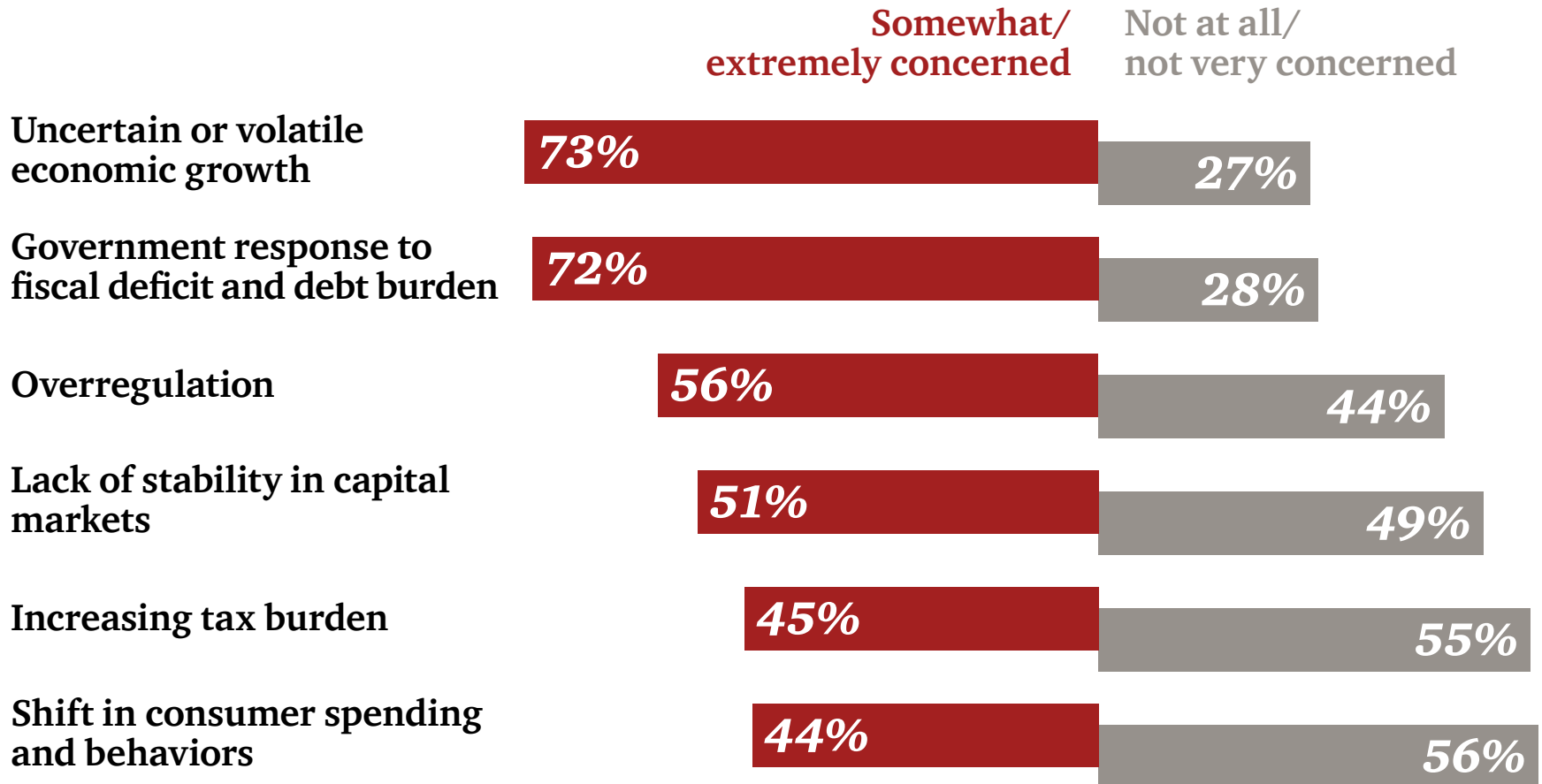
say talent deficits led to a lost market opportunity

Q21b: Which of the following is the primary reason why [it has become more difficult to hire workers in your industry]? Base: US private-company CEOs who responded it had become more difficult to hire workers in their industry in Q21a: 50

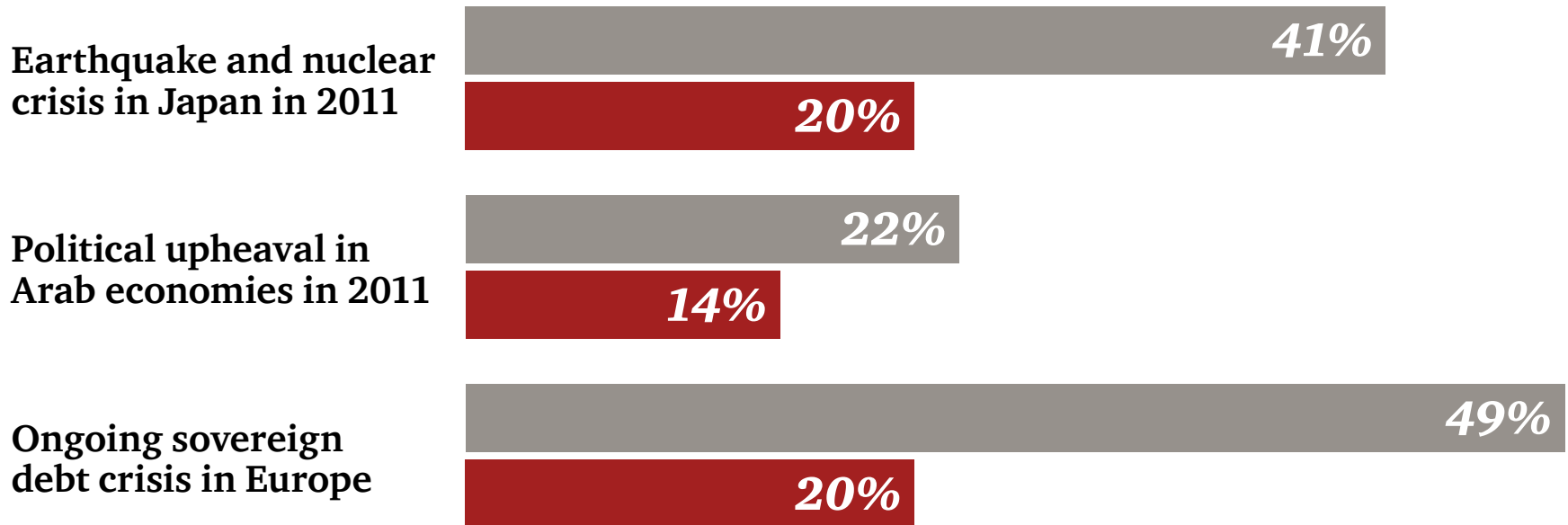
Q17b: Have talent constraints impacted your company's growth and profitability over the past 12 months where... you were unable to pursue a market opportunity? Base: 85 US private-company CEOs

Q15b: Is your company making direct investments in workforce development in any of the markets where you do business? Base: 85 US private-company CEOs

CEOs see barriers to growth at home and abroad



Disconnect between risk-strategy changes and financial fallout from major, disruptive events



Q6a: Which of the following significant events directly affected your company financially? Base: 85 US private-company CEO respondents

Q6b: Which of the following significant events, if any, have triggered specific changes to your strategy, risk management or operational planning? Base: 85 US private-company CEO respondents