

Private Company Services

Trendsetter Barometer™

Business outlook report
November 2009

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Quarterly highlights

PricewaterhouseCoopers commissioned independent research firm BSI Global Research Inc. to interview 260 chief executive officers of leading privately held businesses in the United States in the third quarter of 2009 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 outlook with the prior quarter's results to see how the outlook has changed.

Key findings:

- Growth expected to gain momentum.** Projected own-company average revenue growth for the calendar year gained ground in the third quarter, climbing from minus 3.1 percent to minus 1.3 percent. Looking at the next 12 months, projections were reset from plus 5.2 percent last quarter to plus 7.1 percent, up nearly 2 points. Projections by international marketers and their domestic-only peers are up as well. Overall, more than two-thirds of leading private businesses plan for positive revenue growth over the next 12 months, with 33 percent predicting double-digit and 35 percent single-digit growth. Only 9 percent forecast negative growth, and 16 percent expect zero growth.
- Optimism returns.** Looking at the next 12 months, 43 percent are optimistic about the US economy, up 9 points from 34 percent in the prior quarter. And the number who are pessimistic fell 10 points to 17 percent. A year ago, 41 percent were pessimistic. The remaining panelists are still uncertain (40 percent). Among those marketing abroad, even more are optimistic about the world economy – 49 percent, up 19 points. And fewer are pessimistic about the world economy, with their numbers declining 16 points to 13 percent. However, 38 percent remain uncertain.
- International sales see boost.** In third quarter 2009, 32 percent of those selling abroad reported international sales increases, 20 percent reported a decrease, and 48 percent said it was about the same. Looking at the next 12 months, the average contribution from international sales to total revenue among those selling abroad is projected 3 points higher, at 18 percent.
- Low demand lingers.** In third quarter 2009, lack of demand continued as the most mentioned potential barrier to business growth over the next 12 months, dropping only 4 points to 77 percent. Concerns about legislative/regulatory pressures and profitability/decreasing margins mirrored the prior quarter, at 43 percent each. Increased taxation was noted by 35 percent (down 6 points), and lack of capital for investment remained at 27 percent (up 1 point).

- Investments pick up pace.** In line with last quarter, 29 percent of panelists plan major new investments of capital over the next 12 months, but prospective spending levels among these private businesses have climbed from 7.1 percent in the prior quarter to an average of 8.9 percent of sales. Increased operational spending is planned by 57 percent. New product and service introductions continue to lead the way, followed by information technology, marketing & sales, and business acquisitions. R&D showed limited upward movement, especially among those marketing abroad.
- An uptick in new hiring.** Leading private businesses gave an indication of job recovery, as 42 percent will be hiring over the next 12 months and only 10 percent will be reducing. An average composite workforce increase of 2.5 percent is projected, up from 1.4 percent in the prior quarter, but below the 3.6 percent a year ago.

Chart 1.1 International marketers remain ahead of their domestic-only peers

	International marketers (n=115)	Domestic-only peers (n=145)
Business outlook, next 12 months		
Optimistic about US economy	47%	39%
Optimistic about world economy	48%	43%
Revenue growth rate	7.4%	6.8%
International sales (% of total)	18%	---
Planning major capital investments	34%	25%
Planning expansion to new markets abroad	15%	3%
Plans to increase spending (net)	61%	53%
• New products/services	29%	23%
• R&D	21%	5%
• Sales promotion	19%	14%
• Information technology	17%	21%
Prior quarter's performance		
• Increased gross margins (net)	-4%	-4%
• Increased costs (net)	-21%	-11%
• Increased prices (net)	-21%	-15%

Note: International marketers have average revenue of \$271.0 million; their domestic-only peers have average revenue of \$132.2 million.

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 (see Chart 1.2).

The pages that follow provide a detailed look at each question for the previous five quarterly surveys.

Key indicators for the business outlook

Chart 1.2 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 past two quarters.

Business outlook, next 12 months	2008			2009		Change 2Q – 3Q '09	Page
	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09		
Optimistic about US economy	17%	12%	19%	34%	43%	↑	7
Optimistic about world economy	19%	10%	15%	30%	49%	↑	9
Expect positive revenue growth	67%	57%	51%	57%	68%	↑	21
Average growth rate expected	10.1%	5.2%	3.4%	5.2%	7.1%	↑	21
Planning major new investments	30%	29%	24%	28%	29%	=	25
New investments as a % of sales	8.2%	7.4%	7.2%	7.1%	8.9%	↑	25
Planning to hire	48%	35%	31%	34%	42%	↑	23
New workers as a % of workforce (net)	+3.6%	+1.7%	+1.1%	+1.4%	+2.5%	↑	23
Expected barriers to growth							
• Lack of demand	83%	84%	86%	81%	77%	↓	27
• Legislative/ regulatory pressures	35%	35%	38%	43%	43%	=	27
• Profitability/ decreasing margins	40%	44%	44%	42%	43%	=	27
• Increased taxation	31%	28%	37%	41%	35%	↓	27
• Lack of capital for investment	31%	27%	28%	26%	27%	=	27
• Oil/ energy prices	42%	22%	16%	18%	22%	↑	27
• Higher interest rates	28%	17%	16%	19%	16%	↓	27
• Strength of the US dollar	20%	20%	19%	13%	13%	=	27
• Competition from foreign markets	9%	11%	9%	8%	13%	↑	27
• Lack of qualified workers	30%	19%	13%	10%	12%	=	27
• Pressure for increased wages	25%	14%	7%	7%	12%	↑	27

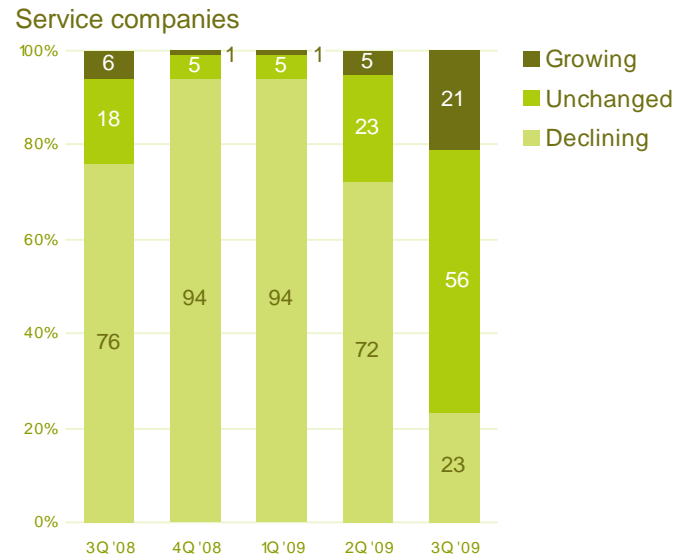
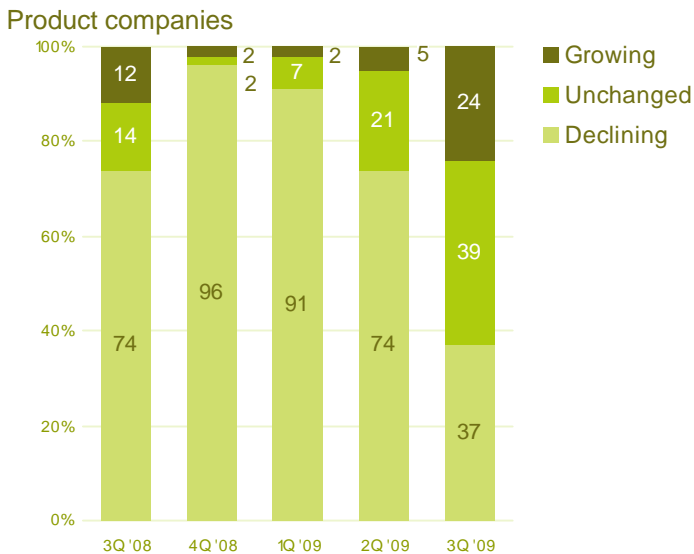
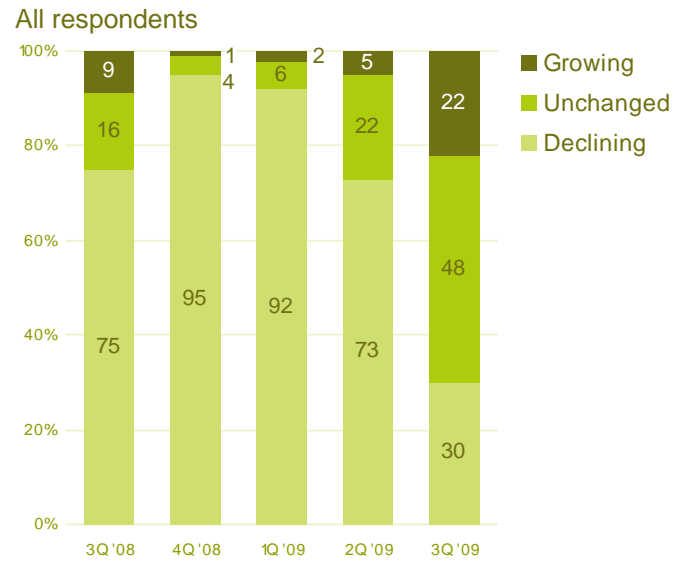
Economic views

View of the US economy, this quarter

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

In third quarter 2009, 22 percent of chief executive officers from America's leading private companies surveyed said they believe the US economy is growing, up 17 points from the second quarter. The number of those who think the US economy is declining dropped 43 points to 30 percent, and 48 percent feel it is neither growing nor declining.

Chart 2.1 View of the US economy, this quarter



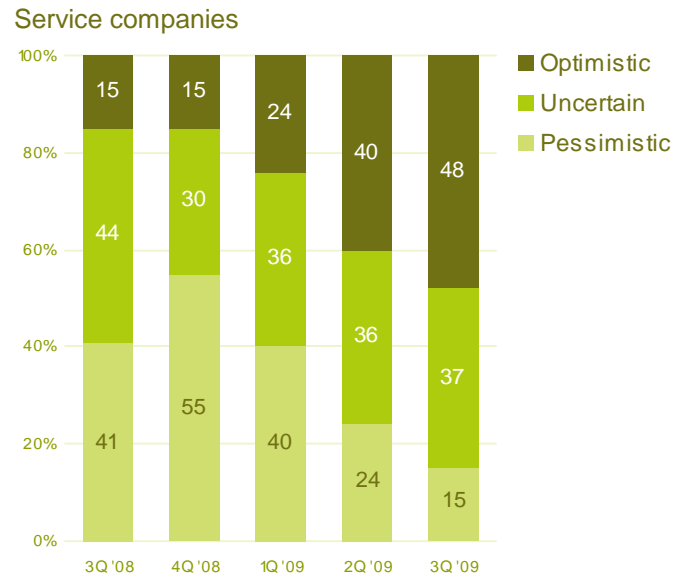
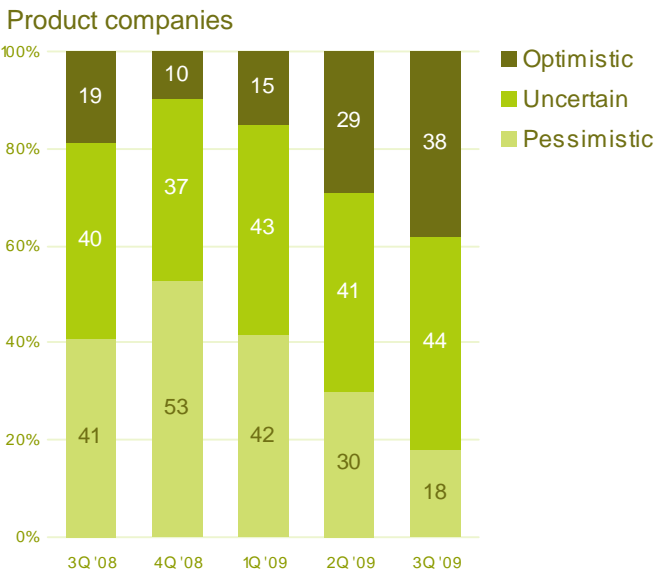
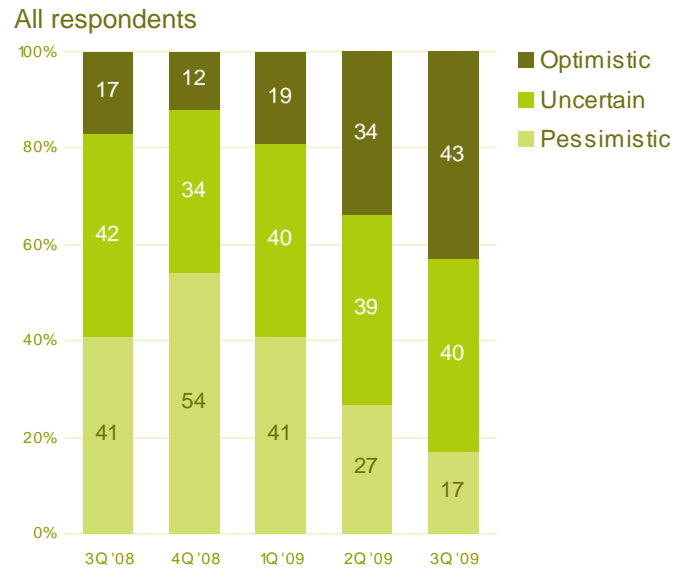
Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

View of the US economy, next 12 months

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

More panelists are optimistic about the next 12 months compared with the prior quarter, rising from 34 percent to 43 percent. The number who expressed pessimism is down from 27 percent to 17 percent, and 40 percent are uncertain.

Chart 2.2 View of the US economy, next 12 months



Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

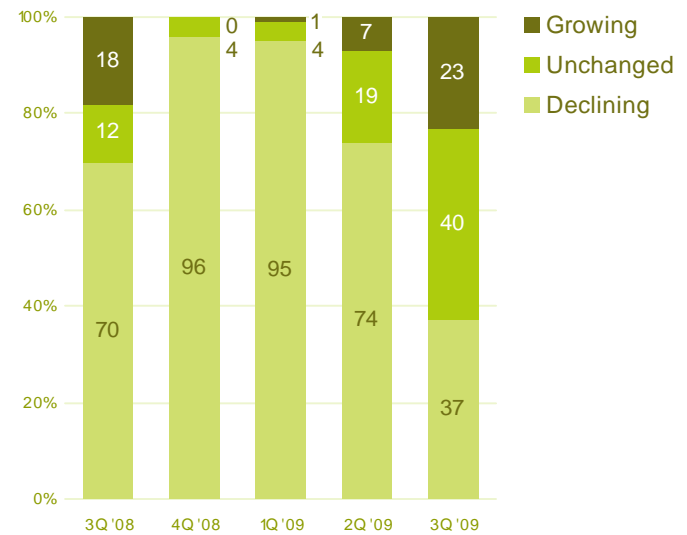
View of the world economy, this quarter

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

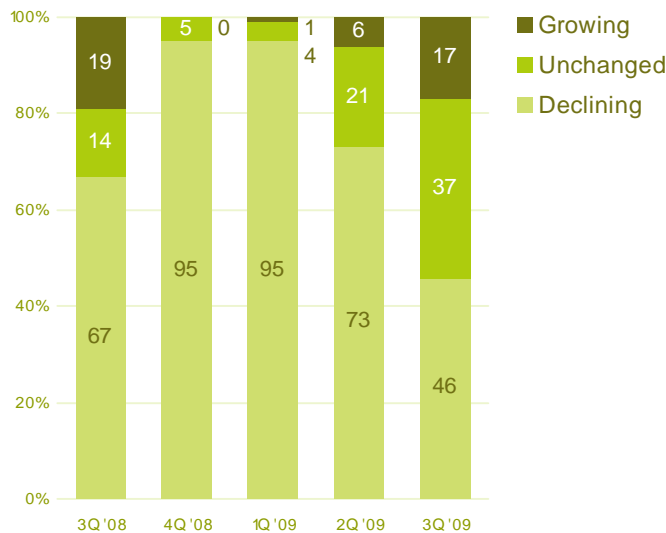
In third quarter 2009, 37 percent of chief executive officers marketing abroad viewed the world economy as declining, a 37-point drop from the previous quarter. Twenty-three percent viewed the world economy as growing, and 40 percent viewed it as unchanged.

Chart 2.3 View of the world economy, this quarter

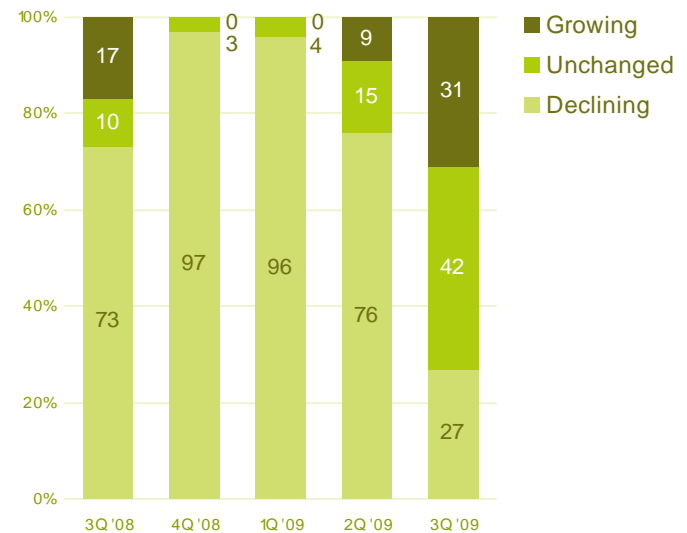
All respondents



Product companies



Service companies



Note: In 3Q 2009 All international marketers, n=115, Product companies, n=66, Service companies, n=49

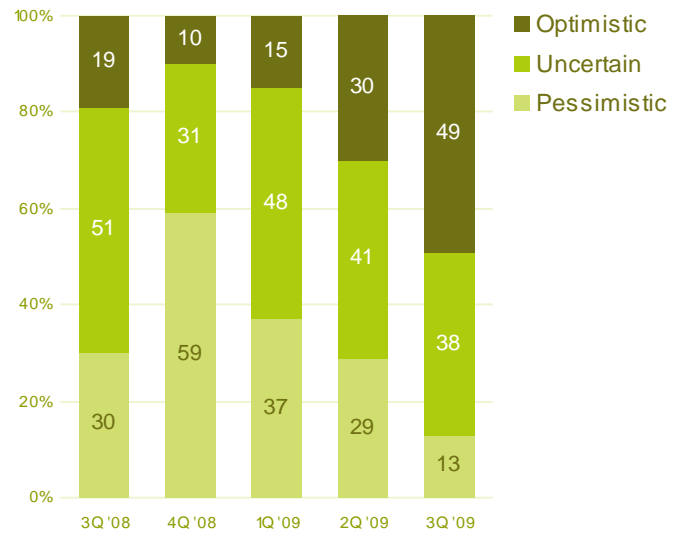
View of the world economy, next 12 months

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

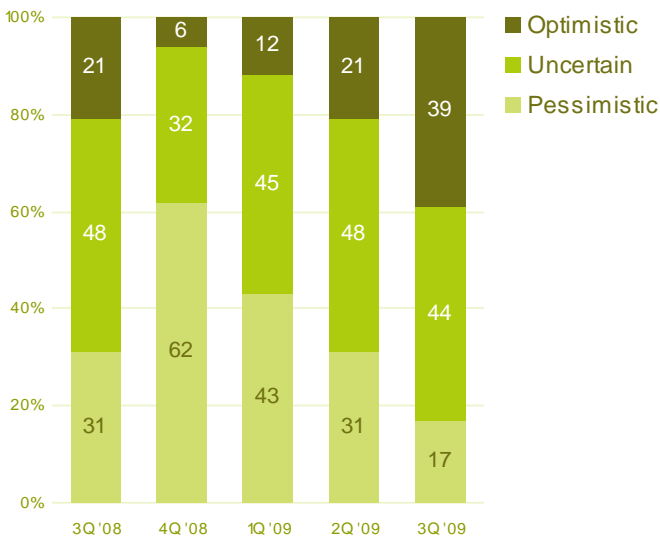
Of international marketers surveyed, 49 percent expressed optimism in the third quarter about the world economy's prospects over the next 12 months, up from 30 percent in the prior quarter. The number who expressed pessimism declined to 13 percent in the third quarter, and 38 percent remained uncertain.

Chart 2.4 View of the world economy, next 12 months

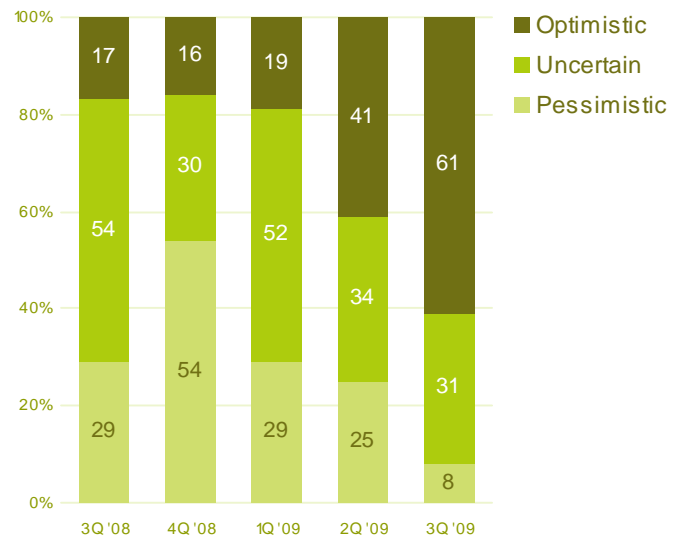
All respondents



Product companies



Service companies



Note: In 3Q 2009 All international marketers, n=115, Product companies, n=66, Service companies, n=49

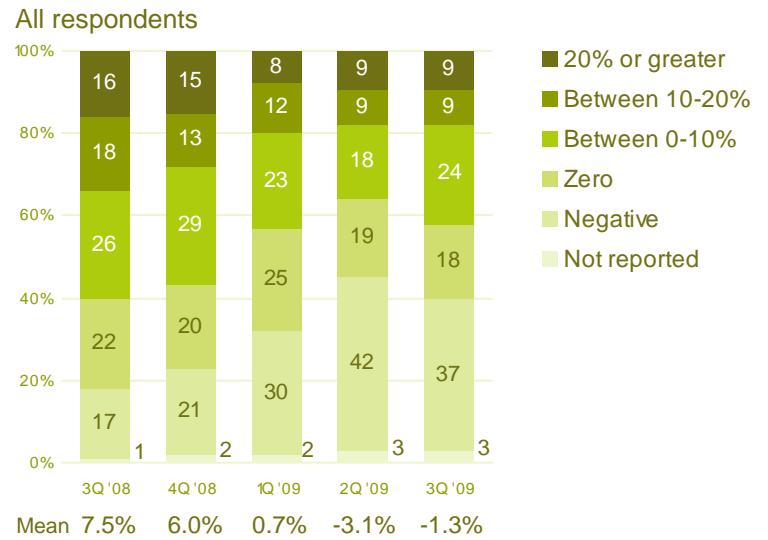
Company performance

Company revenue growth, calendar year

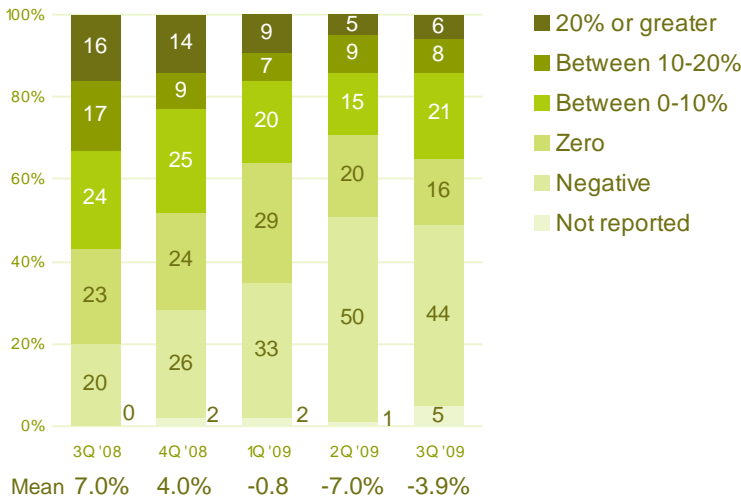
What is your company's estimated revenue growth rate for the calendar year?

Overall, the composite average own-company growth estimate for 2009 improved from minus 3.1 percent in the second quarter to minus 1.3 percent in the third quarter. Of executive officers interviewed, 42 percent expect positive revenue growth through 2009, with 18 percent projecting double-digit growth and 24 percent single-digit growth. However, 37 percent expect negative revenue growth and 18 percent zero growth.

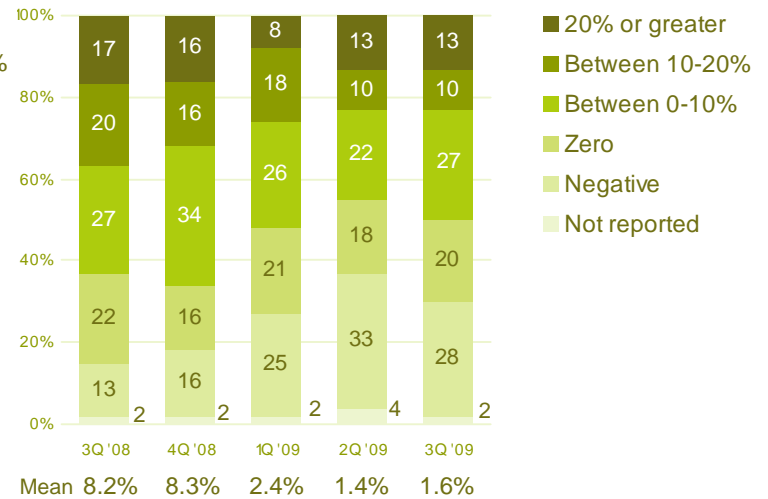
Chart 3.1 Company revenue growth, calendar year



Product companies



Service companies



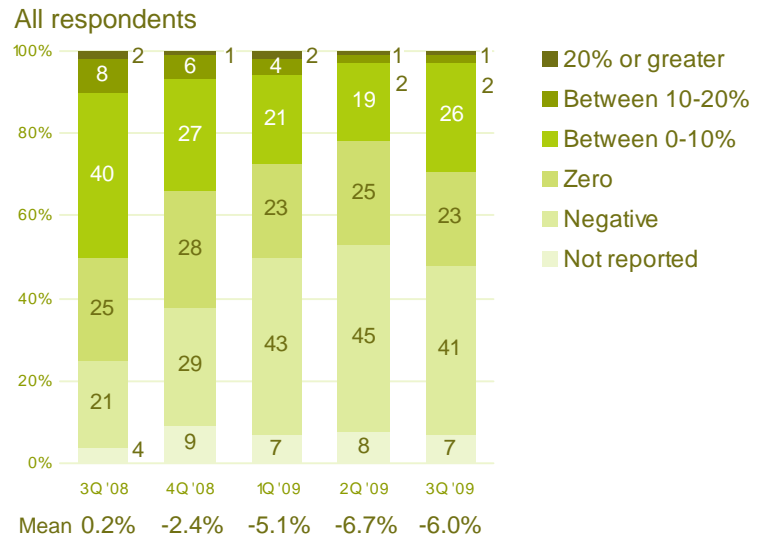
Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

Industry growth, calendar year

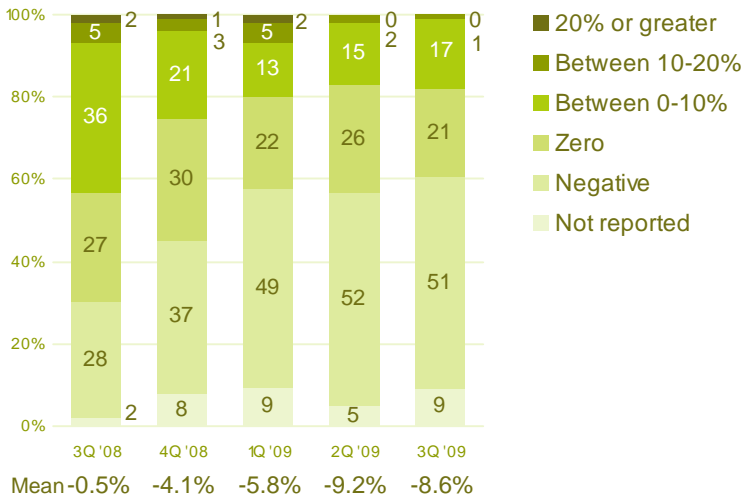
What is your industry's estimated growth rate for the calendar year?

Industry sector growth projections for 2009 remained low at an average minus 6 percent in the third quarter versus minus 6.7 in the second quarter. A year ago, the average projection was a flat 0.2 percent.

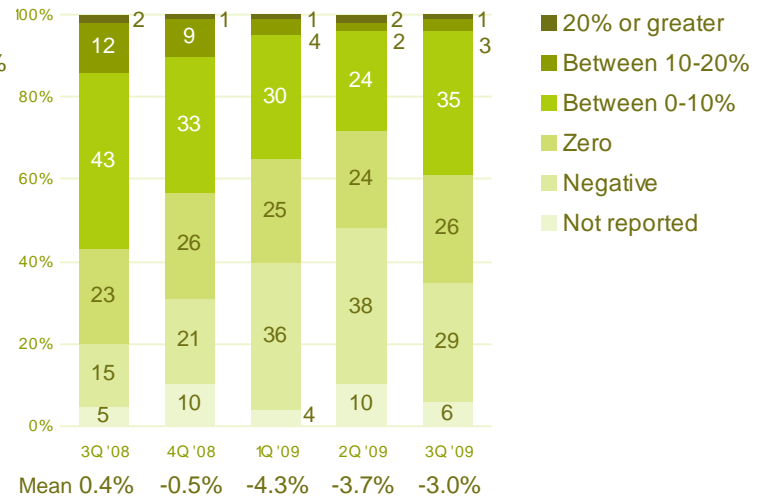
Chart 3.2 Industry growth, calendar year



Product companies



Service companies



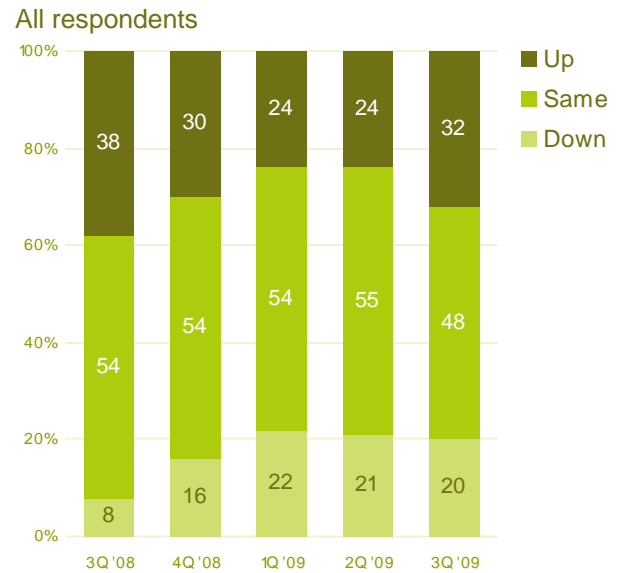
Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

International sales

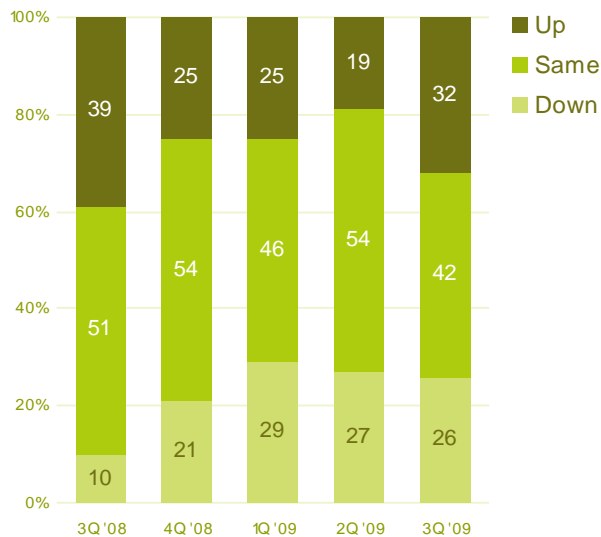
Are international sales up, down, or the same compared with three months ago?

In the third of quarter 2009, 32 percent of international marketers increased sales abroad, up 8 points from the prior quarter but less than the increase reported a year ago. Twenty percent reported fewer sales, and 48 percent reported no change.

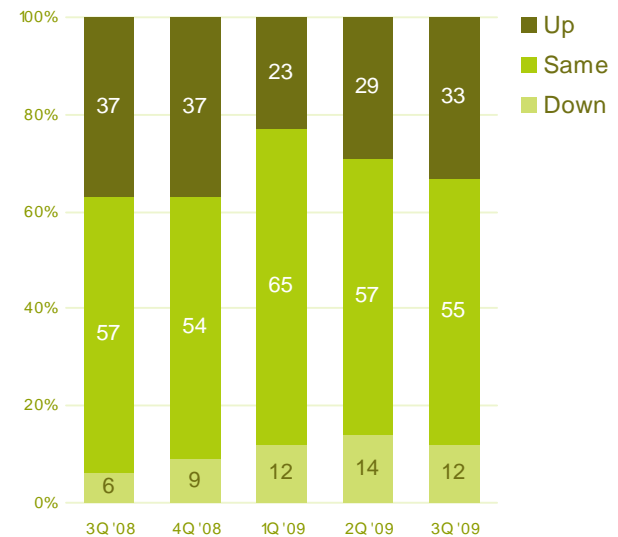
Chart 3.3 International sales



Product companies



Service companies



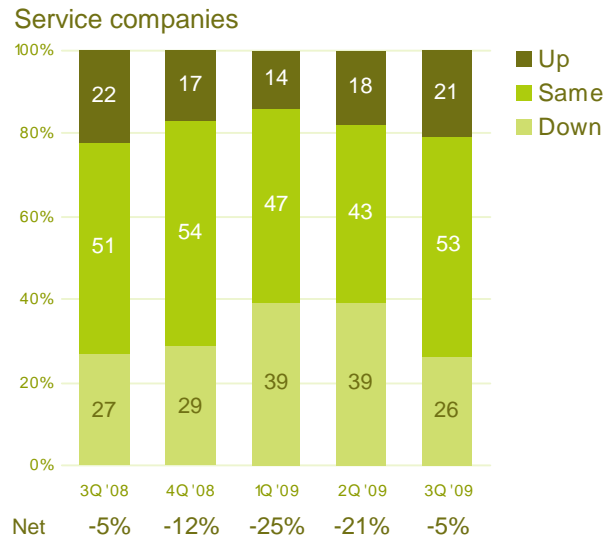
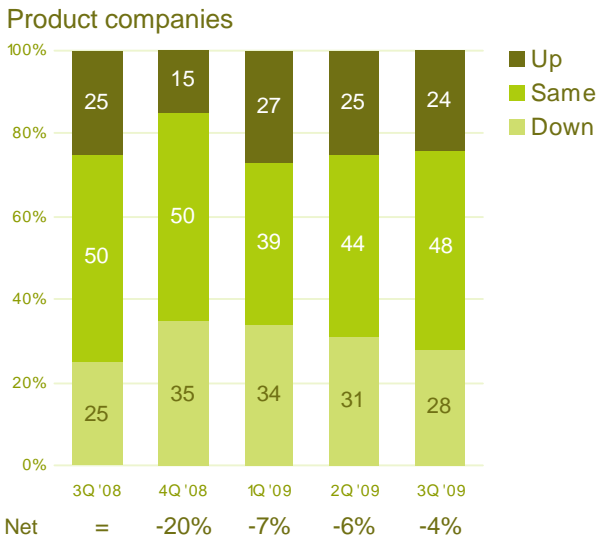
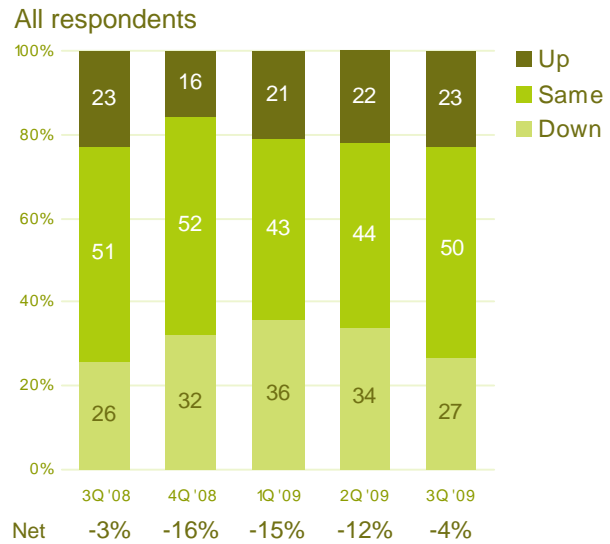
Note: In 3Q 2009 All international marketers, n=115, Product companies, n=66, Service companies, n=49

Changes in gross margins

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

Gross margins remained fairly tight in the third quarter, as 23 percent reported higher margins and 27 percent reported lower margins, for a net of minus 4 percent reporting lower margins, an improvement over the prior quarter.

Chart 3.4 Changes in gross margins



Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

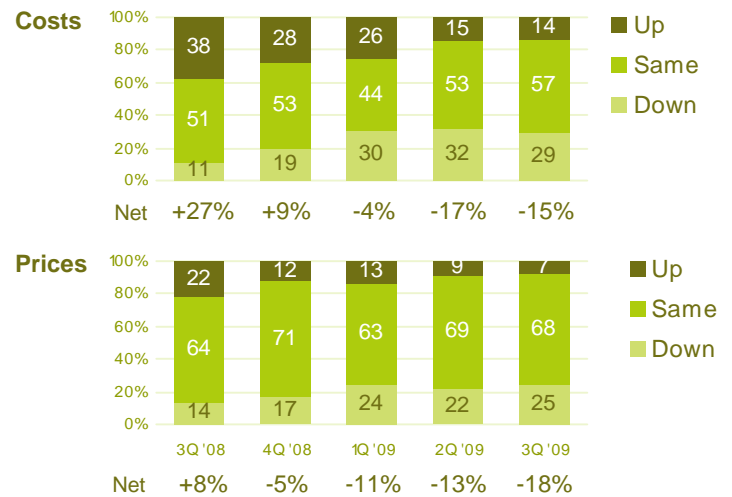
Changes in costs and prices

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

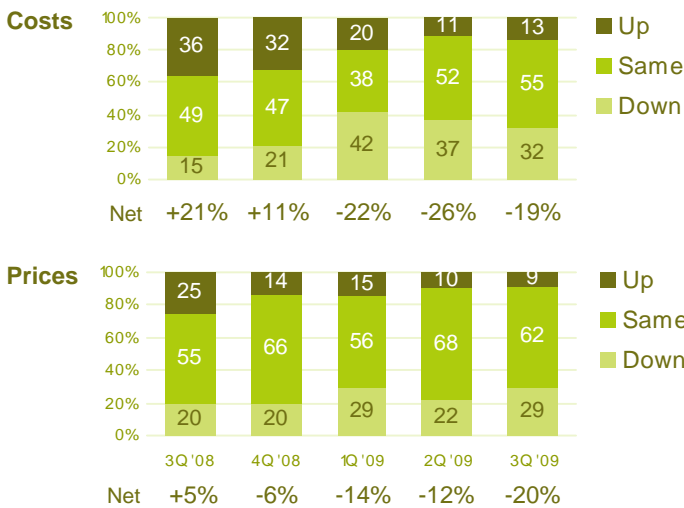
Similar to the prior quarter, costs and prices stayed low. Costs increased for 14 percent of those surveyed and decreased for 29 percent, for a net of minus 15 percent. Prices were also low in third quarter 2009, with only 7 percent raising prices and 25 percent lowering them, for a net of minus 18 percent.

Chart 3.5 Changes in costs and prices

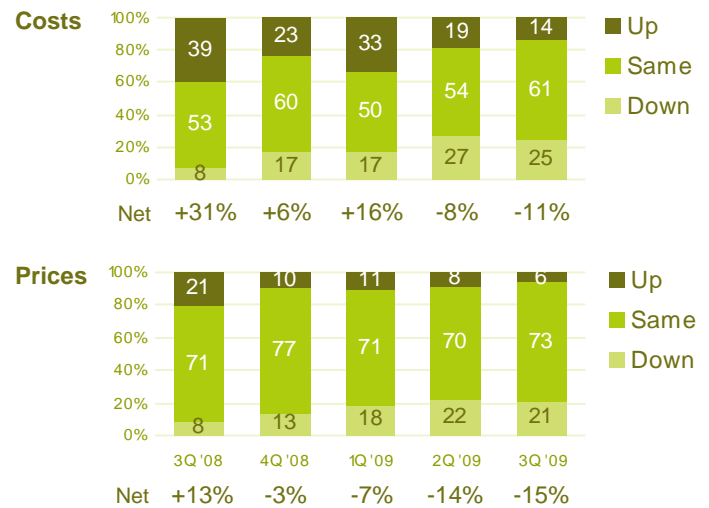
All respondents



Product companies



Service companies



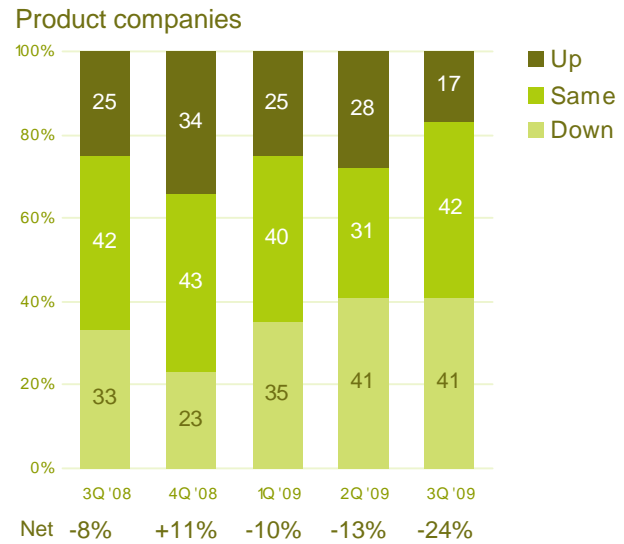
Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

Finished inventories as a percent of sales

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

Overall, finished inventories were up for 17 percent of product companies in the third quarter and down for 41 percent – a net minus 24 percent with lower inventories. This is much lower than the prior quarter, when a net minus 13 percent reported lower inventories.

Chart 3.6 Finished inventories as a percent of sales



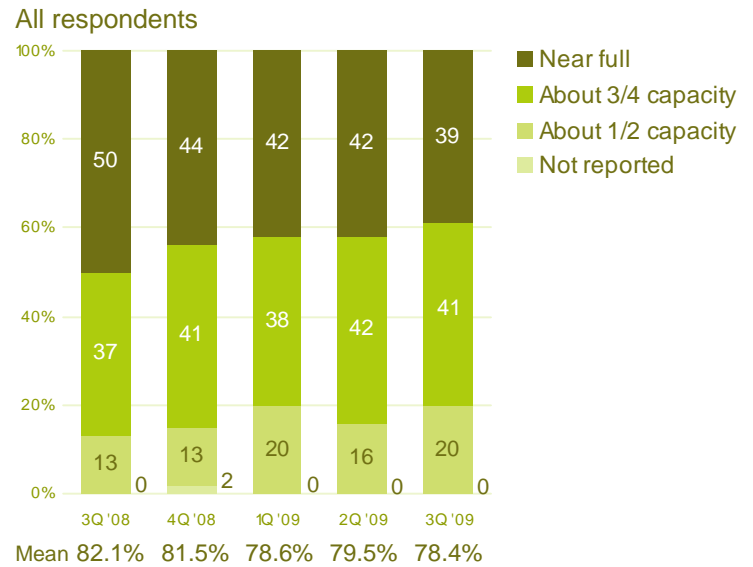
Note: In 3Q 2009 All respondents, n=140, Product companies, n=140

Level of operating capacity

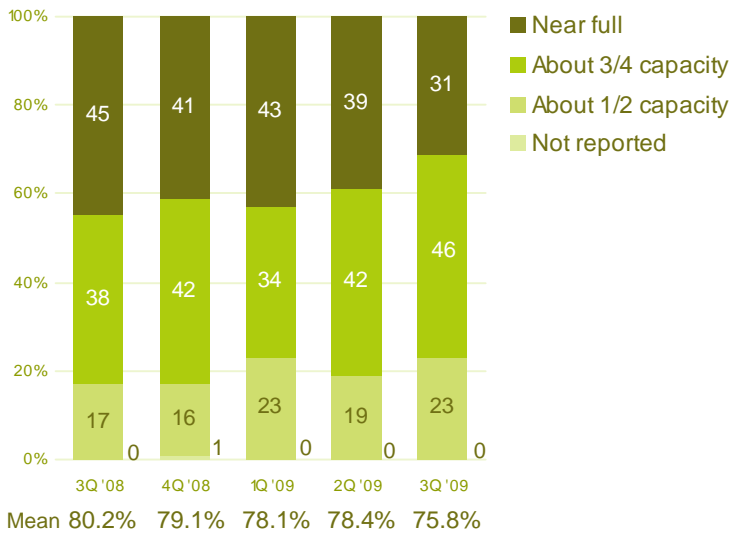
What is your organization's current operating capacity?

Operating capacity is an estimate of the current level of permanent staffing compared with what is needed for full-capacity output. In the third quarter, the average level of operating capacity for respondents was an estimated 78.4 percent, slightly below last quarter's 79.5 percent. Thirty-nine percent reported near full capacity, down 3 points from the previous quarter.

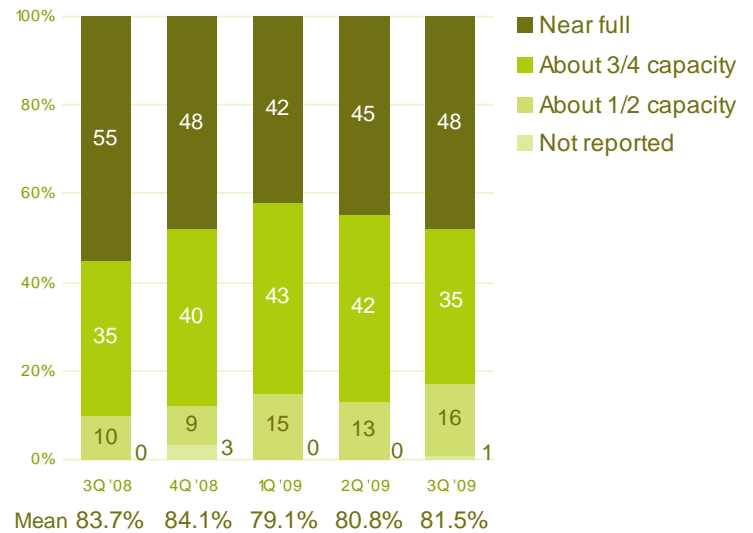
Chart 3.7 Level of operating capacity



Product companies



Service companies



Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

New bank loans, credit terms and financing

In the past three months, has your organization initiated any new bank loans, longer credit terms from your suppliers, or other types of financing? What is the current interest rate you are paying for your bank financing?

In the third quarter, only 9 percent of panelists reported financing activity, chiefly bank loans (7 percent). New bank loans are notably lower than a year ago (14 percent), although the mean interest rate paid on loans by these companies is now 4.10 percent, 112 basis points lower than a year ago, when it was 5.22 percent.

Chart 3.8 New bank loans, credit terms and financing

All respondents

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Any activity	17%	16%	14%	10%	9%
• New bank loans	14%	12%	10%	9%	7%
• New credit terms (suppliers)	5%	4%	4%	2%	2%
• All other new financing	2%	5%	3%	1%	2%
• Mean interest rate (all bank loans)	5.22%	3.88%	3.84%	3.96%	4.10%

Product companies

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Any activity	19%	18%	16%	11%	7%
• New bank loans	16%	13%	12%	9%	6%
• New credit terms (suppliers)	4%	6%	5%	2%	2%
• All other new financing	3%	7%	4%	2%	1%
• Mean interest rate (all bank loans)	5.05%	3.81%	3.86%	3.80%	3.86%

Service companies

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Any activity	15%	14%	11%	9%	11%
• New bank loans	12%	10%	9%	8%	8%
• New credit terms (suppliers)	5%	3%	3%	1%	3%
• All other new financing	2%	3%	1%	---	2%
• Mean interest rate (all bank loans)	5.37%	3.97%	3.82%	4.13%	4.37%

Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

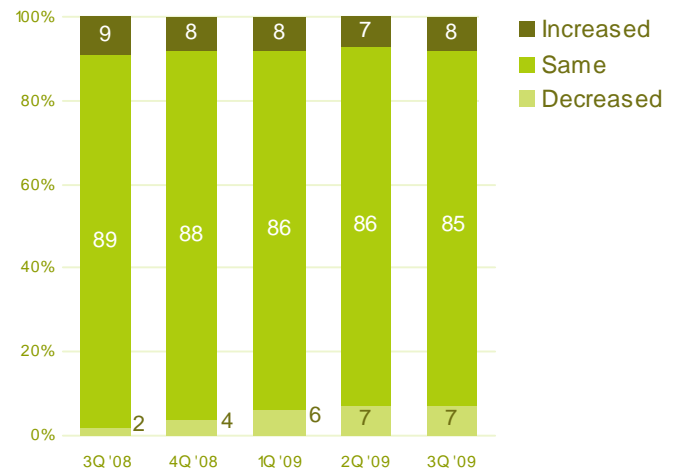
Change in credit availability

How has credit availability changed in the past three months for your organization? (based on current banking relationships)

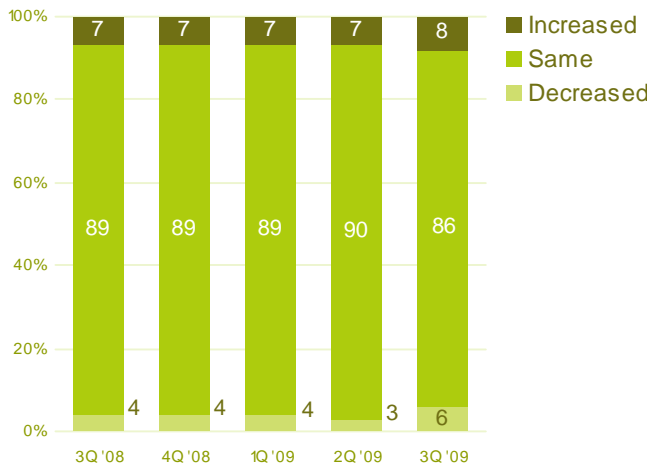
Credit availability showed little change in the third quarter, with only 8 percent increasing their credit lines and only 7 percent reporting a decrease.

Chart 3.9 Change in credit availability

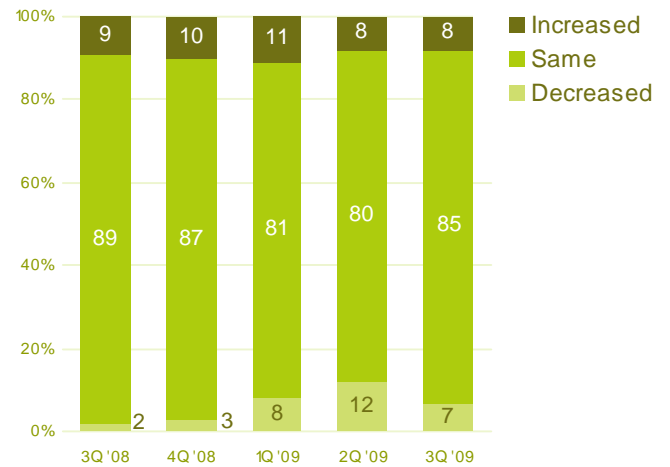
All respondents



Product companies



Service companies



Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

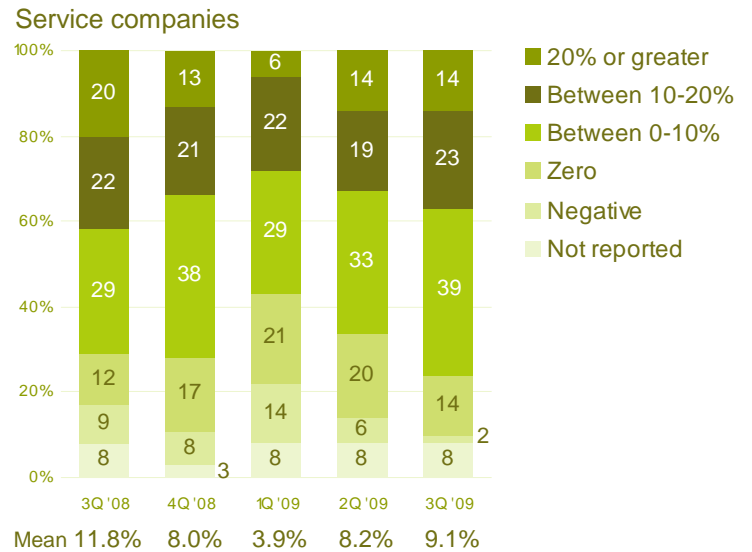
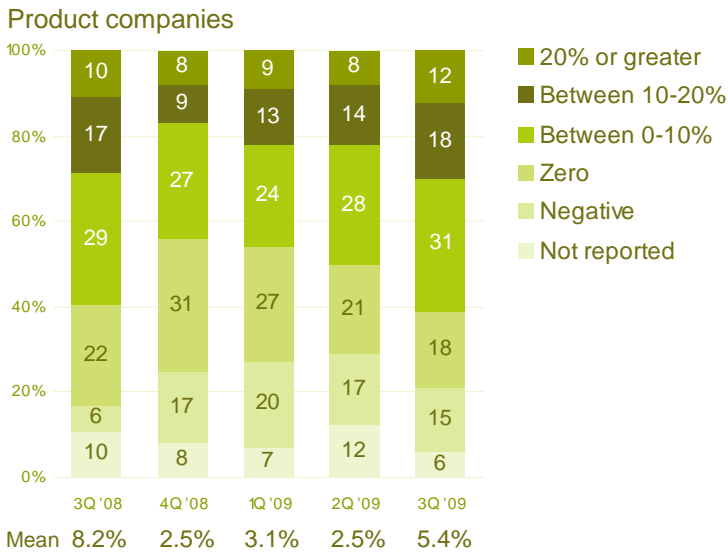
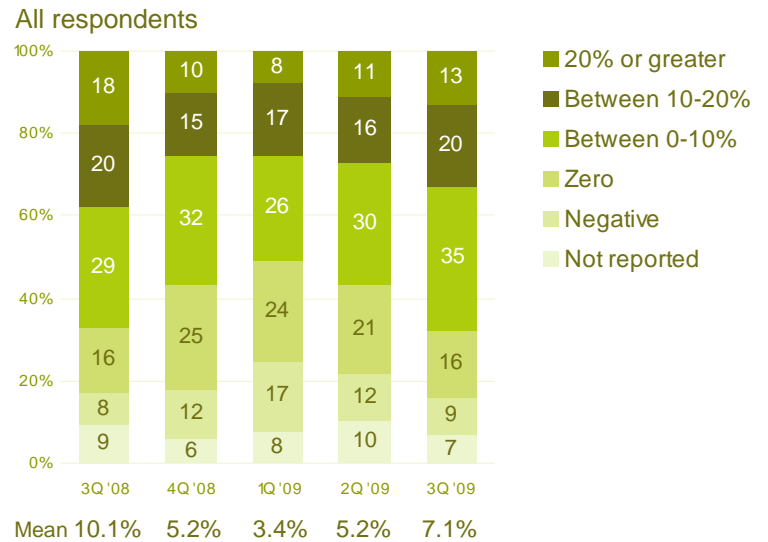
Business outlook, next 12 months

Revenue growth, next 12 months

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

Respondents projected a notably higher average revenue growth rate for their companies over the next 12 months, rising from 5.2 percent in the prior quarter to 7.1 percent. Sixty-eight percent plan positive own-company growth, with 33 percent projecting double-digit revenue growth and 35 percent single-digit. Only 9 percent expect negative growth over the next 12 months, and 16 percent expect zero growth.

Chart 4.1 Revenue growth, next 12 months



Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

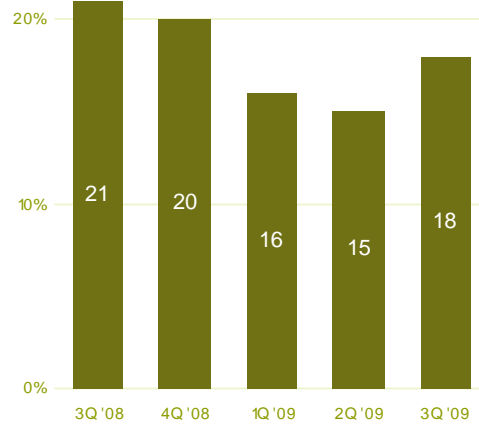
International sales, next 12 months

What percent of your business's total revenue over the next 12 months do you expect to be derived from international sales? (international marketers only)

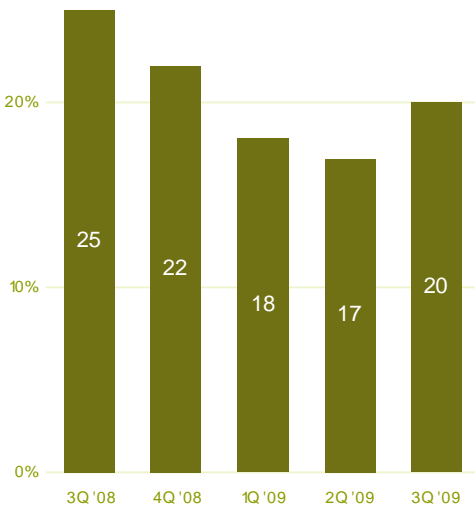
Of panelists selling abroad, the average contribution of international sales to total revenue over the next 12 months is projected at 18 percent, up 3 points from the prior quarter, but 3 points below a year ago.

Chart 4.2 International sales, next 12 months

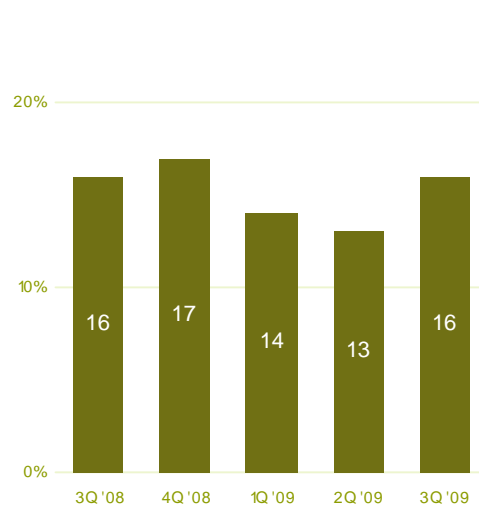
All respondents



Product companies



Service companies



Note: In 3Q 2009 All international marketers, n=115, Product companies, n=66, Service companies, n=49

Percent planning to hire

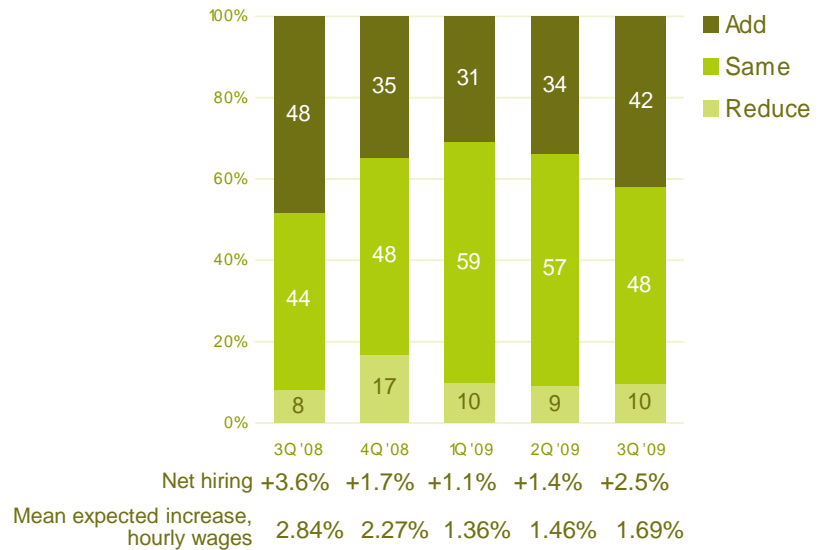
Do you plan to add or reduce the number of full-time equivalent employees over the next 12 months? Do you plan to increase hourly wages?

Looking ahead, 42 percent of panelists plan to add employees to their workforces over the next 12 months, up from the prior quarter's 34 percent, but below last year's 48 percent. Ten percent plan to reduce workers, and 48 percent will stay about the same.

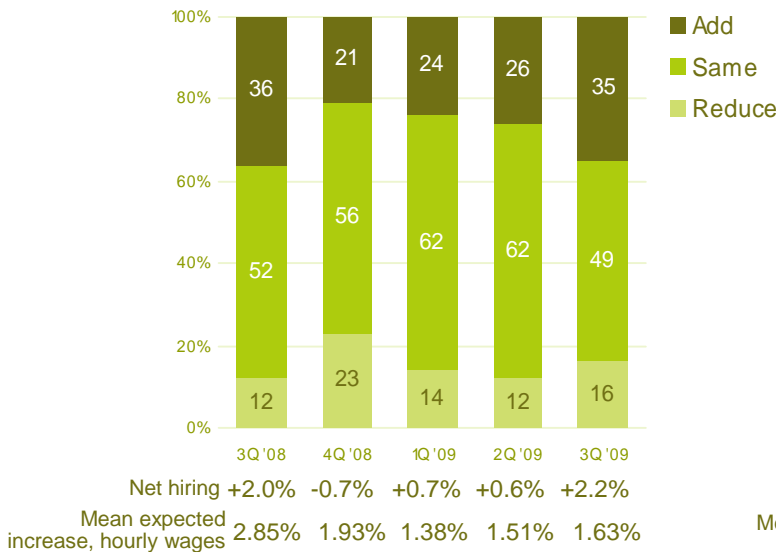
An overall increase of 2.5 percent is planned for the panel's composite workforce, up from 1.4 percent last quarter, but below the 3.6 percent a year ago.

Chart 4.3 Percent planning to hire

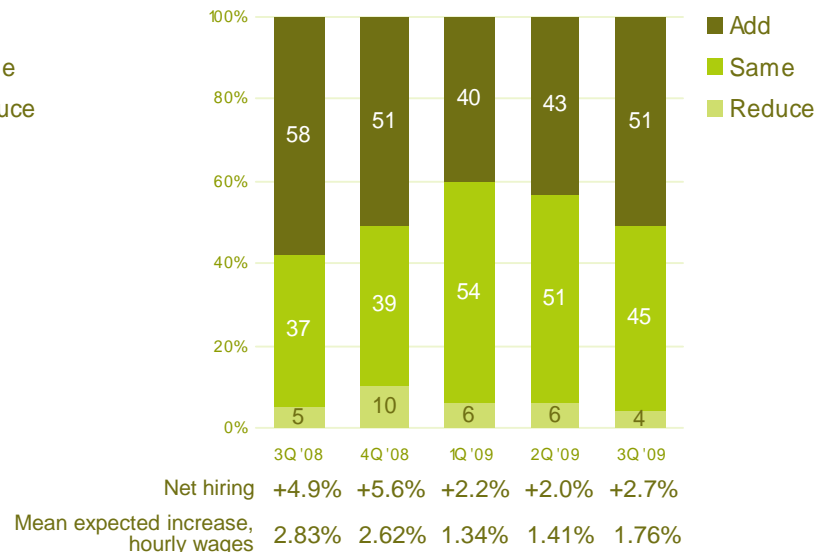
All respondents



Product companies



Service companies



Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

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, CEOs surveyed will be looking primarily for professionals/technicians. Interest in sales/marketing executives also rose this quarter.

Chart 4.4 Percent planning to hire by type of employee

All respondents

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Planning to hire (net)	48%	35%	31%	34%	42%
• Professionals/technicians	34%	22%	17%	18%	27%
• Sales/marketing	16%	8%	8%	10%	15%
• White collar support	9%	7%	6%	7%	11%
• Production workers	6%	6%	6%	7%	11%
• Skilled labor	5%	7%	5%	5%	9%

Product companies

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Planning to hire (net)	36%	21%	24%	26%	35%
• Professionals/technicians	21%	8%	10%	10%	17%
• Sales/marketing	14%	6%	7%	9%	16%
• White collar support	8%	3%	5%	7%	12%
• Production workers	10%	9%	9%	10%	14%
• Skilled labor	2%	4%	5%	7%	11%

Service companies

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Planning to hire (net)	58%	51%	40%	43%	51%
• Professionals/technicians	40%	37%	25%	28%	38%
• Sales/marketing	17%	9%	9%	12%	14%
• White collar support	11%	11%	6%	8%	9%
• Production workers	3%	3%	2%	4%	8%
• Skilled labor	7%	11%	5%	3%	8%

Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

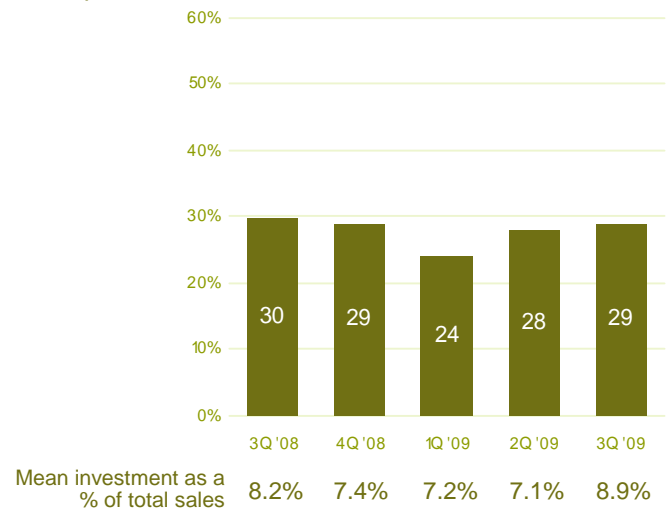
Percent planning major new investments of capital

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?

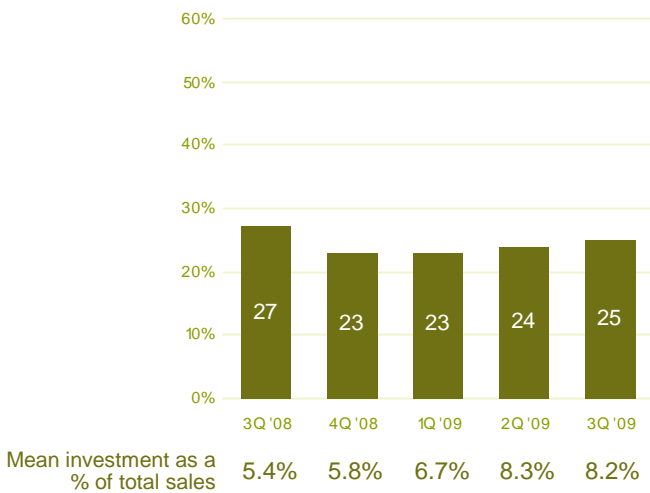
Over the next 12 months, 29 percent of those surveyed are planning for major new investments of capital for business growth – similar to last quarter and last year. However, the mean investment rose from 7.1 percent of sales last quarter to 8.9 percent.

Chart 4.5 Percent planning major new investments of capital

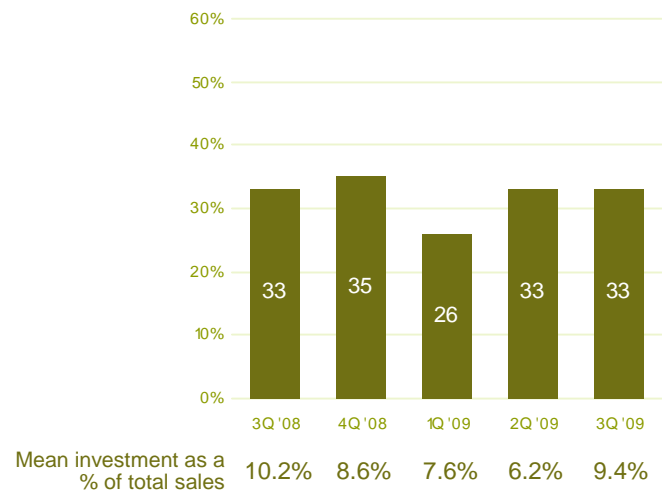
All respondents



Product companies



Service companies



Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

Percent planning to increase operational spending

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

In the third quarter, 57 percent of panelists were planning to increase operational spending, up from 55 percent in the previous quarter but still down from last year's 61 percent. Looking at the next 12 months, the leading increased expenditures among respondents will be new product or service introductions, information technology, and marketing and sales promotion. Quarter over quarter, spending on advertising and R&D are contributing to increased spending as well.

Product companies

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Percent planning to increase spending (net)	58%	48%	47%	49%	55%
• New product or service introduction	23%	21%	20%	25%	24%
• Information technology	18%	15%	21%	18%	18%
• Marketing & sales promotion	22%	20%	16%	19%	16%
• Business acquisition	13%	12%	10%	12%	12%
• Facilities expansion	14%	14%	11%	13%	15%
• Advertising	17%	12%	13%	12%	14%
• Geographic expansion	10%	8%	9%	12%	14%
• Research and development	13%	6%	10%	9%	14%
• Internet commerce	4%	3%	7%	4%	4%

Chart 4.6 Percent planning to increase operational spending

All respondents

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Percent planning to increase spending (net)	61%	55%	51%	55%	57%
• New product or service introduction	27%	24%	20%	27%	26%
• Information technology	20%	21%	19%	18%	19%
• Marketing & sales promotion	23%	21%	18%	17%	16%
• Business acquisition	14%	17%	13%	16%	15%
• Facilities expansion	16%	15%	11%	13%	15%
• Advertising	18%	11%	12%	11%	14%
• Geographic expansion	14%	15%	10%	17%	14%
• Research and development	12%	9%	10%	9%	12%
• Internet commerce	5%	4%	5%	3%	4%

Service companies

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
Percent planning to increase spending (net)	64%	62%	55%	61%	58%
• New product or service introduction	30%	28%	20%	29%	28%
• Information technology	23%	28%	17%	19%	21%
• Marketing & sales promotion	24%	22%	21%	15%	17%
• Business acquisition	14%	22%	17%	20%	18%
• Facilities expansion	17%	16%	11%	13%	16%
• Advertising	18%	10%	11%	9%	13%
• Geographic expansion	18%	22%	11%	24%	13%
• Research and development	11%	11%	11%	10%	10%
• Internet commerce	6%	4%	2%	1%	3%

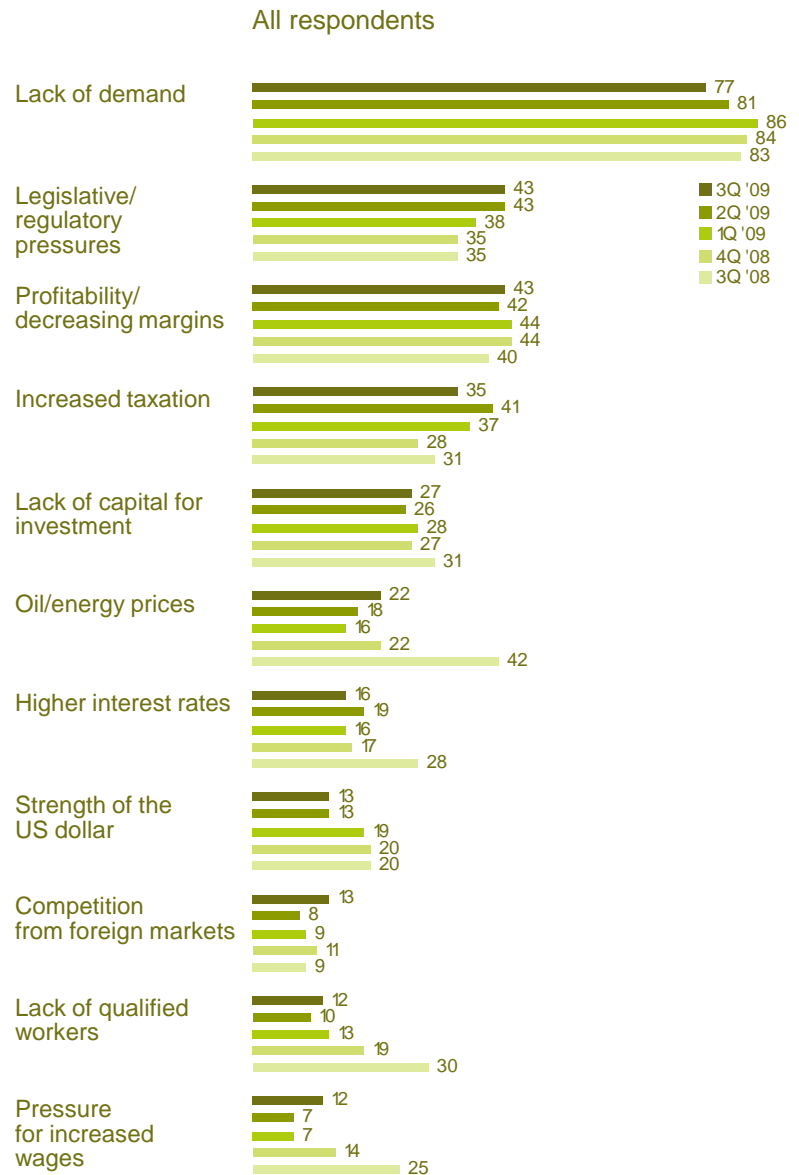
Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

Expected barriers to business growth

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

Most panelists expect lack of demand will continue to stunt business growth over the next 12 months, with 77 percent citing it as their main concern. Two other potential barriers to growth remain high: legislative/regulatory pressures and concern about profitability/decreasing margins.

Chart 4.7 Expected barriers to business growth



Note: In 3Q 2009 All respondents, n=260

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?

Looking at the next 12 months, 48 percent of respondents expect to participate in new business initiatives, slightly below the prior quarter and last year. Overall, the most prevalent expected initiatives include new strategic alliances, new joint ventures, and purchase of a business. Restructuring debt was on the rise, up 4 points to 11 percent, on pace with last year.

Product companies

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
New business initiatives (net)	50%	50%	46%	43%	49%
• New strategic alliance	31%	24%	15%	25%	19%
• New joint venture	20%	18%	16%	17%	16%
• Purchase of another business	12%	14%	13%	15%	10%
• Restructure debt	11%	13%	10%	9%	14%
• Expand to new markets abroad	12%	14%	11%	8%	10%
• Bring in new partners	10%	10%	7%	10%	5%
• Sale part/all of own business	11%	10%	5%	7%	6%
• "Angel" investors	9%	8%	5%	4%	5%
• Venture capital	7%	4%	4%	3%	5%
• Private placement	4%	4%	3%	2%	4%
• New facilities abroad	6%	3%	3%	2%	2%
• IPO offering	2%	1%	---	1%	---

Chart 4.8 Plans for M&A and other business initiatives

All respondents

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
New business initiatives (net)	51%	51%	52%	50%	48%
• New strategic alliance	31%	25%	20%	30%	21%
• New joint venture	17%	20%	15%	15%	15%
• Purchase of another business	14%	17%	16%	18%	14%
• Restructure debt	11%	10%	12%	7%	11%
• Expand to new markets abroad	12%	13%	12%	9%	8%
• Bring in new partners	12%	11%	10%	11%	6%
• Sale part/all of own business	9%	8%	6%	6%	6%
• "Angel" investors	6%	6%	5%	5%	4%
• Venture capital	5%	4%	4%	3%	4%
• Private placement	4%	4%	4%	1%	4%
• New facilities abroad	4%	3%	2%	1%	2%
• IPO offering	2%	1%	---	---	1%

Service companies

	3Q '08	4Q '08	1Q '09	2Q '09	3Q '09
New business initiatives (net)	53%	52%	60%	57%	47%
• New strategic alliance	32%	26%	25%	35%	23%
• New joint venture	14%	22%	14%	13%	13%
• Purchase of another business	17%	19%	19%	22%	19%
• Restructure debt	11%	8%	13%	4%	6%
• Expand to new markets abroad	13%	12%	13%	9%	6%
• Bring in new partners	14%	12%	13%	12%	8%
• Sale part/all of own business	7%	5%	7%	6%	5%
• "Angel" investors	4%	4%	5%	6%	3%
• Venture capital	2%	3%	5%	3%	3%
• Private placement	4%	3%	4%	---	5%
• New facilities abroad	2%	2%	1%	---	1%
• IPO offering	2%	x	---	---	2%

Note: In 3Q 2009 All respondents, n=260, Product companies, n=140, Service companies, n=120

Survey demographics and research methodology

Demographics

Who	Leading privately held businesses in the US		
Interview dates	July 31, 2009, to October 30, 2009		
	All (260)	Product (140)	Service (120)
Average number of employees	908	723	1,123
Average business unit revenues	\$155.1 million	\$187.2 million	\$117.7 million
Average enterprise revenues	\$194.1 million	\$247.3 million	\$133.3 million
5-year growth rate	99%	85%	113%
Industry sectors	Products 54% Manufacturing 28% Trade/Distribution 14% All other 12% Services 46%		

Methodology

PricewaterhouseCoopers' Private Company Trendsetter Barometer is a quarterly telephone survey conducted by the independent research firm BSI Global Research Inc.

The survey panel consists of CEOs and their designates from a geographically balanced sample of leading private companies in the United States, as identified in the business media.

Contacts:

Rich Calzaretta
Private Company Services National Leader
+1 (312) 298-2800

Ken Esch
Private Company Services Partner
+1 (312) 298-3419

Amy O'Brien
Private Company Services Marketing Leader
+1 (312) 298-2878

About the research:

The Private Company Trendsetter Barometer is one in a series of quarterly business outlook surveys from PricewaterhouseCoopers. 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.pwc.com/pcs and www.barometersurveys.com.

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