

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

PASHA S. ANWAR, *et al.*,

Plaintiffs,

v.

FAIRFIELD GREENWICH LIMITED, *et al.*,

Defendant.

Master File No. 09-cv-118 (VM)

This Document Relates To: All Actions

**DECLARATION OF HOWARD L. VICKERY  
IN SUPPORT OF PLAINTIFFS'  
OPPOSITION TO MOTIONS TO DISMISS OF  
PRICEWATERHOUSECOOPERS ACCOUNTANTS N.V.,  
PRICEWATERHOUSECOOPERS LLP, AND  
PRICEWATERHOUSECOOPERS INTERNATIONAL LIMITED**

# Exhibit 14

Many people across our organisation came to believe that PwC needed to do more.



building or make an annual donation to a favourite charity. Instead, CR implies a deep commitment by a business to integrate social, environmental, and economic concerns into its corporate mission, company strategy, and daily operations. And if that sounds like a big commitment—well, it is.

So, how does a business begin to define and fulfil a CR charter? Of course, there is no one-size-fits-all solution that is appropriate for every enterprise. Each will adopt its own preferred course of action, and PwC is no exception.

#### Corporate responsibility at PwC

PwC's interpretation of CR has evolved in tandem with its own experience of pursuing this important business goal. As in many other organisations, thousands of PwC people have spent countless hours over the years as volunteers, leaders, and facilitators on hundreds of worthwhile community projects. While all of these projects were and continue to be worthwhile, many people across our organisation came to believe that PwC needed to do more.

Eventually, a network-wide consensus emerged about what we needed to do—which was to drive CR deeper

At the heart of our new framework are four



into our organisational DNA and make our engagement with CR more effective. To achieve such changes, we would have to broaden our focus on the issue while adopting a more coordinated approach to all of our CR-related activities.

To get this under way, PwC launched an initiative in 2006 called Global Communities. One of this programme's immediate goals was to support PwC people leading particular kinds of local community programmes—whether tutoring students, supporting relief operations, or providing professional assistance for non-profit organisations—as well as sharing their experiences with

other PwC people leading similar work around the world. In this way, Global Communities began building internal communities of PwC people whose expertise could be leveraged across our entire network of firms.

This year, in response to our desire for a “wider view”, Global Communities formulated a CR conceptual framework that is both sufficiently comprehensive and ambitious for an organisation of PwC's size and scope. At the heart of our new CR framework are four quadrants: Environment, Community, People, and Marketplace. The following section shows what each one means in practical terms.

Spirit of giving PwC in Kazakhstan is closely involved in child welfare initiatives, with many staff volunteering regularly at children's orphanages. Under another initiative, instead of buying New Year gifts for clients, PwC donates the money to charity. In 2007 these funds went to support a rehabilitation facility for disabled children.

The spirit of giving is embraced enthusiastically by PwC staff in Mexico. On 6 January each year, when children traditionally receive presents, PwC staff and their families deliver donated gifts to children at 22 orphanages and other centres serving underprivileged communities. The number of gifts given is increasing every year—reaching 2,350 in 2007.

quadrants: Environment, Community, People, and Marketplace.

**Environment.** Business, governments, and individuals all share responsibility for the preservation of the natural environment. For PwC, this means putting an environmental strategy at the core of our operations by committing to a number of initiatives, including:

- measuring, reporting, and continuously reducing the environmental impact of business operations
- using natural resources efficiently and minimising waste
- mitigating climate change impacts by reducing greenhouse gas emissions from energy use, transport, and everyday processes

- developing processes to minimise environmental impact
- encouraging suppliers to reduce the environmental impact of the materials they provide

At PwC, each of our individual member firms is responding to the need to protect the environment with plans that can be implemented immediately at a local level. These targeted local efforts also form part of a wider initiative being

coordinated by PwC's Climate Change Response Group, which brings together representatives from our eight largest firms. The Climate Change Response Group serves as a forum for sharing insights and best practices on environmental matters. It also acts as a consultative body responsible for the development of a long-term, aligned approach to environmental issues that can be applied—with local customisation—across our entire organisation.



**Taking action on climate change** PwC firms around the world are taking action to combat climate change—and here are just a few examples.

Our Polish firm has promoted environmental awareness through an educational campaign called Green Week. The initiative saw employees receive e-mails every day for a week, encouraging environmentally responsible behaviour both in and outside the office. They were told about the potential savings achievable through simple actions such as recycling cans, unplugging computers at night, and carrying reusable shopping bags. The week ended with an invitation for ideas to improve environmental performance in the office, triggering over 300 suggestions.

This year, PwC US completed a national inventory of carbon emissions and established a baseline carbon footprint. Based on the results, a four-year action plan is being put in place with a commitment to reduce carbon emissions by 20 per cent by 2012, with a significant focus on travel, workspaces, and commuting. PwC was the first amongst its competitors in the US to make an announcement of this kind. The effort will consist of several steps, from leveraging the work of local office “green pilots” to test printing and car-pooling systems, to investing in innovative technology and video-conferencing capabilities and selecting airlines and rental car agencies that have more environmentally friendly fleets.

In the Netherlands, PwC became the first professional services firm to form an agreement with the Forest Stewardship Council (FSC). Under it, the firm will use only FSC-certified paper for internal and external communications and will select FSC office furniture and building materials whenever possible.



At times, a company's involvement in the community may turn on life-and-death events.

**Community.** To be truly effective, our experience suggests that a business's CR strategy for involvement in its local communities needs to be rooted in partnerships with a variety of community organisations. In addition to providing these organisations with additional human resources, businesses can also bring them specialised knowledge that is often in short supply across the non-profit sector. PwC's member firms seek to support and nurture strong, thriving communities through efforts including:

- encouraging employees to become involved in community activities
- working in partnership with community organisations by providing support, expertise, skills, and cash
- engaging the community in a dialogue on issues of local concern

- promoting the adoption of CR practices within the general business community
- procuring supplies from local suppliers

At times, a company's involvement in the community may turn on life-and-death events. Let me give a particular example that touched me personally. In May 2008, a devastating earthquake struck Sichuan Province. Many thousands of lives were lost. Without hesitation, PwC firms around the world launched appeals to their people and made donations to support disaster relief for the region. At the time of writing, a total of 1.5 million USD had been contributed. Aside from giving, our people on the ground in China were also personally involved in the relief effort, packing and distributing aid materials to those in need.



#### Fighting disasters and poverty

When devastating floods struck eastern Uganda in October 2007, the response from PwC was immediate. PwC Uganda's Corporate Responsibility group provided medicine, food, and financial aid as well as mosquito nets and water-treatment solutions to help the many people left homeless and sick. Staff donated clothes, shoes, and money—and all of this aid was doubled through PwC's matching-gift programme.

In South Africa, PwC is partnering with Habitat for Humanity, an organisation that provides simple, respectable, and affordable housing for people living in poverty throughout the world. In addition to making financial donations, PwC people are now also getting their hands dirty by helping build houses themselves.



**People.** From a CR perspective, building a supportive workplace is simply the right thing to do. But it is also essential if a business wishes to nurture a high-performance corporate culture. Actions that can be taken include:

- equipping people with the skills to do their jobs effectively and investing in training and development
- establishing a culture where inclusion and diversity are the norms
- creating a work environment that supports the health, safety, and well-being of employees
- promoting corporate values that make employees proud to be part of the organisation

**Promoting education across the world** PwC UK is working with Shakespeare's Globe Theatre in London to help young people improve their performance at school. Schoolchildren have the chance to act on this famous stage, using Shakespeare's plays as a means of improving their confidence, eloquence, and team-building skills. Places are always oversubscribed, underlining the popularity of this scheme.

In Argentina, PwC gives an annual cash award to schools that best demonstrate the benefits of education to children and their local communities. Besides cash for investment in social education projects, award winners also receive a year of help from PwC volunteers.

Creating awareness of hunger is the mission of PwC Netherlands' partnership with Kids Moving the World. Through this programme, PwC volunteers act as game guides to help children learn about the realities of hunger and living conditions in developing countries. Through games, stories, pictures, and assignments, children are encouraged to think about what they could do to help.

In Belgium, PwC volunteers have been helping underprivileged children with their homework and are coaching youngsters who have dropped out of school.

Essential to PwC's overall CR strategy is the creation of a workplace in which our people treat one another with dignity, fairness, and respect. We help our people develop to their fullest potential and to understand that they will be held accountable for their work and recognised for the value they deliver.

**Marketplace.** Organisations that demonstrate a high competency for making money often also show a distinct aptitude for executing CR effectively. It is easy to understand why. Treating customers with respect, acting fairly toward suppliers, and developing products and services that address broad societal needs combine to create an excellent recipe for "doing good"—as well as for "doing well." In the marketplace, both aims can be advanced simultaneously by:

- providing innovative products and services that address society's major challenges
- understanding and monitoring supply chains and managing the risks they entail
- adhering to appropriate standards of behaviour in areas where laws or standards are absent or inadequate
- meeting the needs of vulnerable stakeholders and ensuring they are not exploited
- working with regulators to help ensure that the public interest is addressed

As with any emerging movement, corporate responsibility has its leaders, followers, and laggards. Given PwC's role in serving the public interest, we feel we have a particular responsibility to take a leadership role on CR issues. Consequently, PwC was one of the first global signatories to the United Nations Global Compact, an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies. And PwC's Global CEO, Sam DiPiazza is the chairman of the World Business Council for Sustainable Development, a CEO-led association of 200 global companies that promotes business policies that contribute to social and economic progress.

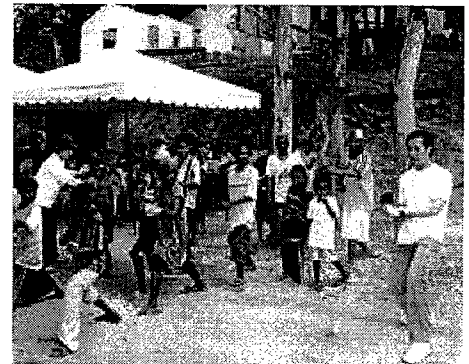
Corporate responsibility suggests a new kind of compact between the private and public spheres—one based on shared interests and mutually agreed-to objectives. That the success of CR rests to a large degree on a realisation within the public sector that the creativity and innovation that drive business can also have an enormously beneficial impact when unleashed for the benefit of the wider society. As that realisation grows, it is a good bet that an expectant public—and its representatives in government—will increasingly embrace the concept of CR and assume that CR's principles will be factored into all significant business decisions taken by management.

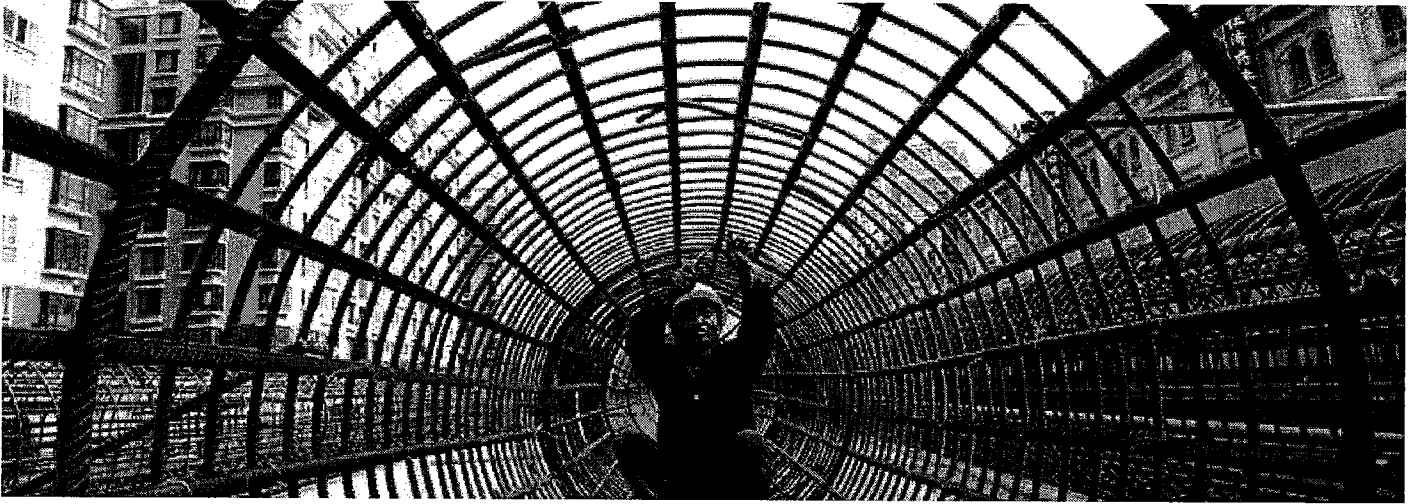


**Unleashing the "Power of 10"** In August 2008, PwC donated more than 4 million USD to the Office of the United Nations High Commissioner for Refugees (UNHCR) to be used in building and operating schools for the many refugee children who have fled the conflict in Darfur. This was the largest single donation ever made by a business to the UNHCR. The funds—which were raised in only 10 days during PwC's "Power of 10" campaign to mark PwC's 10th anniversary—were contributed by PwC people in 102 countries. Many PwC member firms also made donations on behalf of their employees.

The funds will be used to build and operate schools on a sustainable basis for more than 20,000 children aged 6 to 14 living in refugee camps in eastern Chad. As part of the programme, children and teachers will receive a daily meal. Teacher training and school supplies will also be provided. António Guterres, the UN High Commissioner for Refugees, comments: "PwC's generosity will provide direct assistance to refugee children in Darfur who currently have limited options for education. Working together, UNHCR and PwC are committed to providing these children with safe havens and hope for a better future."

In the past, many companies regarded CR as a well-meaning but tangential exercise. Today, as CR gains momentum in companies and societies across the world, those sceptics may well wish to rethink that view. At PwC, we have gone through the exercise of examining what is, and what is not, important to our business and our people. That exercise has enabled us to build an understanding of CR that is a major asset to our business—and that may be of value to other organisations as they seek to address this critical issue.





**Connected.** PwC is structured as a network of member firms, operating locally in countries around the world.



# Key network information

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**Introduction by Hans Wagener, Senior Partner of PricewaterhouseCoopers Germany.** Hans Wagener has held this position since 2003. Prior to that, he served on the German firm's Management Team, with responsibility for Financial Services. He joined PwC in 1977 and became a partner in the German firm in 1987.

The key factor that makes PwC the distinctive organisation in the professional services industry is the strength of our network. It is this network that provides PwC firms with the flexibility to operate as both local and global businesses—sharing knowledge, skills, and resources with speed and consistency—to the ultimate benefit of our clients.

In September 2008, our firms around the world voted overwhelmingly to endorse a new organisational model for the PwC network. The new model strengthens the network structure, allowing us to more closely align our strategy around the world, thereby further improving the integrated service we offer clients.

It will give us the agility and speed needed to continue our expansion in the emerging markets. At the same time, member firms will continue to be locally owned and managed partnerships,

preserving our organisation's entrepreneurial culture.

We are naturally very proud of our network and keen to share here with all of our stakeholders some detail of the legal, network, and governance structures of the PricewaterhouseCoopers network of member firms.

In this section of our Review, you can also read about the importance we attach to how we manage risk and quality; the rigorous standards demanded of all of our member firms; and the reviews we conduct to achieve the highest levels of compliance.

You can also get insight into our independence practices, the essential elements that underpin partner remuneration, and our total commitment in ensuring that our 126,000 professionals get access to high-quality learning and education.

## Legal structure, ownership, and network arrangements

**Network arrangements and member firms** PwC is structured as a network of member firms, operating locally in countries around the world, connected through membership of PricewaterhouseCoopers International Limited.

This network structure provides PwC firms with the flexibility to operate simultaneously as local and global businesses, creating a platform on which member firms share knowledge, skills, and resources and deliver services of consistently high quality to international and local clients.

In most parts of the world, the right to practice accountancy is granted only to national firms that are majority owned by locally qualified professionals. Consequently, PwC member firms are locally owned and managed, thereby fostering a deep understanding of local markets.

**PricewaterhouseCoopers International Limited** PricewaterhouseCoopers International Limited (PwCIL) is a UK membership-based company. PwCIL does not provide services to clients. Its primary activities are to identify broad market opportunities and develop associated strategies; strengthen PwC's internal product, skill, and knowledge networks; promote the PwC brand; and develop and work for the consistent application of common risk and quality standards by PwC's member firms, including compliance with independence policies.

## Governance structures

**Global Board** The Board's role is to ensure accountability, protect the PricewaterhouseCoopers International Limited network, and ensure effective governance. The Board does not have an external role. Board members are elected by all partners worldwide every four years.

**Network Leadership Team** This team sets the strategy and standards that the PwC network will follow.

**Strategy Council** The Strategy Council, which is made up of the senior partners of some of the largest PwC firms, agrees strategic direction and ensures alignment in the execution of strategy.

**Network Executive Team** This team, which reports to the Network Leadership Team, is responsible for key service line and functional areas across the PwC network.

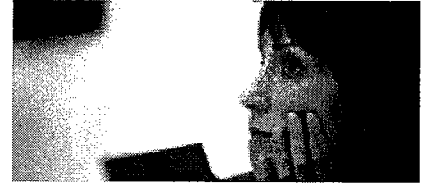
**Note:** Turn to pages 50-51 for lists of the members of the Board, Network Leadership, Strategy Council, and Network Executive Teams.

## Description of internal quality control systems

**The way we do business** PwC's member firms conduct their businesses within the framework of applicable professional standards, laws, regulations, and internal policies. However, we acknowledge that these rules do not govern all types of behaviour, so we have a Code of Conduct for all PwC people and firms.

PwC people have an obligation to know and understand not only the guidelines contained in the code but also the values—Excellence, Teamwork, and Leadership—on which the guidelines are based.





Each client engagement partner is responsible for selecting partners and staff for an engagement who have the required professional competence and experience.

**Sustainable culture** To ensure the continuing success of our business, we nurture a culture that supports and encourages all of our people to do the right thing, especially when they have to make tough decisions. PwC people have ready access to a wide array of networks—both formal and informal—and technical panels to help them reach the right solutions.

**Quality procedures** PwC has a number of globally developed methodologies and work programmes for many of its services. These are designed to assist partners and staff in delivering work of the expected quality. Each client engagement partner is responsible for selecting partners and staff for an engagement who have the required professional competence and experience.

**Managing risk and quality** A firm's membership of the PwC network depends on its ability to comply with common risk and quality standards. Underlying PwC's risk management and compliance programme is the fundamental principle that every PwC firm is fully responsible for its own risk and quality performance and, where necessary, for driving improvements. Territory Senior Partners sign an annual compliance confirmation with a set of risk management standards covering a range of risk areas, including independence, ethics and business conduct, Assurance, Advisory and Tax risk management, member firm governance and data protection and privacy. These confirmations follow an assessment of compliance supported by local testing and quality review.

**Learning lessons** PwC has a high reputation for quality. However, the sheer size of our network makes it inevitable that we will occasionally fall short of the high standards we set for ourselves. When this happens, we discuss and resolve the issues with the client or other concerned party. We also make sure that lessons are learned and communicated to the relevant part of our business. Where appropriate, we enhance our processes, systems, and training programmes to avoid such problems in the future.

All partners, directors, and client-facing managers are required to record the details of their investment portfolios on a confidential database.



#### Assurance quality review process

Our Assurance practice conducts an annual global programme of quality reviews intended to:

- Evaluate a member firm's performance of its overall quality and risk management responsibilities relative to PwC global policies and procedures and the performance of its partners and staff on selected individual engagements;



- Provide reasonable assurance that:
  - Audit examinations are performed in accordance with generally accepted auditing standards, financial statements are prepared in conformity with generally accepted accounting principles, and reports issued are appropriate in the circumstances;
  - Other Assurance services are performed to appropriate standards and documented in accordance with PwC policies and procedures;
- Identify the possible root causes of failings where deficiencies are identified or where performance needs improvement;
- Identify and assess any factors that increase the member firm's risk;
- Ensure compliance with global Assurance risk management policies and procedures;
- Provide constructive recommendations for correcting any deficiencies noted during the review.

Quality reviews are carried out on each PwC member firm at least every three years, or more frequently should circumstances warrant more-frequent review.

### Independence practices

**Policy** PwC's Global Independence Policy—based on the International Ethics Standards Board for Accountants Code of Ethics—sets out the minimum standards that should be observed and the processes followed to maintain independence from PwC Assurance clients. PwC member firms may impose independence restrictions and processes that differ from, but are no less restrictive than, the global policy, by reference to local regulatory and ethical requirements.

The requirements of the Global Independence Policy for PwC firms are embodied in a number of Independence Standards that all PwC firms are required to assess their compliance against annually.

**Training** Computer-based training modules on the Global Independence Policy and related topics have been made available to all PwC firms. Individual countries supplement these with training materials tailored to reflect local requirements. Our Assurance, Tax, and Advisory practices also deliver local training programmes and materials dealing with independence considerations related to the provision of services to Assurance clients.

**Compliance** Compliance processes rely on a combination of business activities and monitoring systems. All partners, directors, and client-facing managers are required to record the details of their investment portfolios on a confidential database that provides real-time monitoring of investments held against an independence list of prohibited securities.

In addition to these compliance monitoring systems, all member firms must have certain confirmation and verification processes in place, including:

- Annual Independence Confirmations
- Inspection and testing programmes

**Violations** All PwC member firms must have disciplinary policies and mechanisms in place to promote compliance with policies and processes and to report and address any violations of independence requirements. In addition, all member firms must report any violations of cross-border regulations affecting audit appointments of another member firm.



We are committed to delivering consistently high levels of audit quality around the world.



#### Partner remuneration

An essential element of PwC's ethos is a common global framework for partner remuneration based on partner performance and quality of work. This global framework suggests that all partner remuneration systems should include three core elements for which partners should be rewarded: first, the role they are asked to play in the partnership; second, how well they carry out their responsibilities; and, third, how well their individual firm performs as a whole. The underlying

premise of the partner income philosophy at PwC is designed to encourage, recognise, and reward partners, both as individuals and as members of teams, based on their contribution to their local firm.

The successful execution of the partner income arrangements, including delivery of actual rewards, hinges on a balanced scorecard evaluation against individual and team objectives. Our performance-rewards structure respects the regulatory environment in which we operate.

### Continuing education

The PwC approach to learning and education (L&E) at the global level ensures that our people have access to a wide curriculum of courses developed to global standards while also providing support for local L&E leadership and fostering personal accountability for continuous education.

We are committed to delivering consistently high levels of audit quality around the world. To help us do this, our global curriculum gives Assurance practitioners and specialists in Advisory and Tax who provide audit support access

to courses covering our approach to audit and the tools we use, updates on new standards and their implications, and areas of audit risk and engagement quality. These courses give all practitioners the opportunity to sharpen their professional judgment by sharing insights and experiences with their instructors and peers.

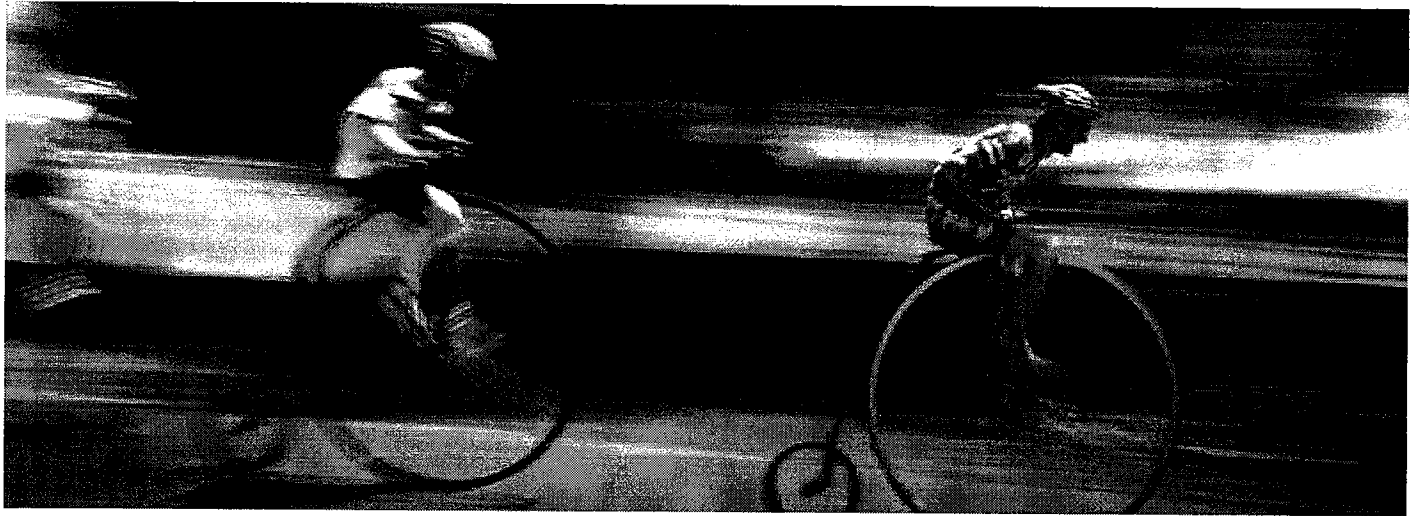
We also provide highly focused programmes for those with special roles or who serve clients with unique characteristics. These include our Quality Review Partners, those leading multilocation audits, those leading audits of non-financial information,

and those serving clients in selected industries with unique business models, regulation, or audit risks.

In a global practice of some 126,000 professionals, guaranteeing lifelong continuous education for every individual is a major challenge. But we have put mechanisms in place at all levels—individual, national, and global—to help us achieve this goal.

Territory L&E leaders are responsible for reporting their training plans for the year and, at year-end, their actual delivery of training to the target audience for each programme.





**Momentum.** All our member firms across the world grew in FY 2008 with many of our major regions boasting strong growth rates.



# Facts and figures

Revenues page 41

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Global board and leadership teams page 50

## Revenues

Our member firms around the world continued to produce good results in the 12 months to 30 June 2008, with global revenues growing, at constant exchange rates, by 8 per cent to 28.2 billion USD. At variable rates of exchange, revenue growth was higher, at 14 per cent, boosted by the weakness of the US dollar.

Despite the challenges posed by the continuing credit crunch, particularly in developed markets, PwC's results held up very well, reflecting our strategic focus on key emerging markets and PwC's strong position as the premium brand in many of our markets.

Figure 1: Aggregated revenues of PricewaterhouseCoopers firms by region (USD millions)

|                                 | FY08<br>at FY08<br>ex. rates | FY07<br>at FY07<br>ex. rates | % change   | % change<br>at constant<br>ex. rate |
|---------------------------------|------------------------------|------------------------------|------------|-------------------------------------|
| Asia                            | 2,601                        | 2,084                        | 25%        | 21%                                 |
| Australasia and Pacific Islands | 1,366                        | 1,086                        | 26%        | 12%                                 |
| Central and Eastern Europe      | 861                          | 659                          | 31%        | 20%                                 |
| Western Europe                  | 12,619                       | 10,711                       | 18%        | 8%                                  |
| Middle East and Africa          | 715                          | 596                          | 20%        | 20%                                 |
| North America and the Caribbean | 9,332                        | 9,029                        | 3%         | 2%                                  |
| South and Central America       | 691                          | 564                          | 22%        | 13%                                 |
| <b>Total gross revenues</b>     | <b>28,185</b>                | <b>24,729</b>                | <b>14%</b> | <b>8%</b>                           |

FY08 revenues are expressed in US dollars at average FY08 exchange rates. FY07 revenues are shown at average FY07 exchange rates for continuing operations. Gross revenues are inclusive of expenses billed to clients. Fiscal year ends 30 June.

Revenues **continued**

Revenue growth remained buoyant across all three of our main service offerings. Our Tax operations again performed very well across the world in FY 2008, with revenues up 13 per cent to 7.5 billion USD, reflecting strong performances across the full range of service offerings, particularly for local clients.

Our advisory business grew by 14 per cent to 6.9 billion USD, driven by good performances in all major markets. There were particularly impressive results from our fast maturing consulting business.

Our Tax and Advisory practices continue to be main focal points for future growth across the world, and in FY 2008 for the first time, they accounted for more than half of our global revenues (51 per cent), compared with 48 per cent in FY 2007 and 44 per cent four years ago.

Assurance remains the centrepiece of our business and our brand-defining service. In FY 2008 our Assurance practice earned revenues of 13.8 billion USD, up 3 per cent, reflecting the difficult market conditions, the extremely high growth in this area in previous years, changing regulatory requirements, and the very competitive nature of the assurance market.

Figure 2: Aggregated revenues of PricewaterhouseCoopers firms by service line (USD millions)

|                             | FY08<br>at FY08<br>ex. rates | FY07<br>at FY07<br>ex. rates | % change   | % change<br>at constant<br>ex. rate |
|-----------------------------|------------------------------|------------------------------|------------|-------------------------------------|
| Assurance                   | 13,808                       | 12,699                       | 9%         | 3%                                  |
| Advisory                    | 6,899                        | 5,739                        | 20%        | 14%                                 |
| Tax                         | 7,478                        | 6,291                        | 19%        | 13%                                 |
| <b>Total gross revenues</b> | <b>28,185</b>                | <b>24,729</b>                | <b>14%</b> | <b>8%</b>                           |

FY08 revenues are expressed in US dollars at average FY08 exchange rates. FY07 revenues are shown at average FY07 exchange rates for continuing operations. Gross revenues are inclusive of expenses billed to clients. Fiscal year ends 30 June.

Figure 3: Growth of PwC's service lines (2004-2008) at constant exchange rates

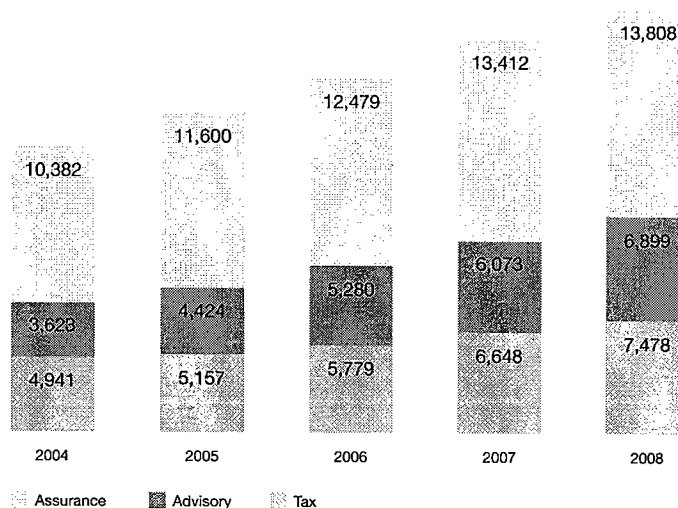
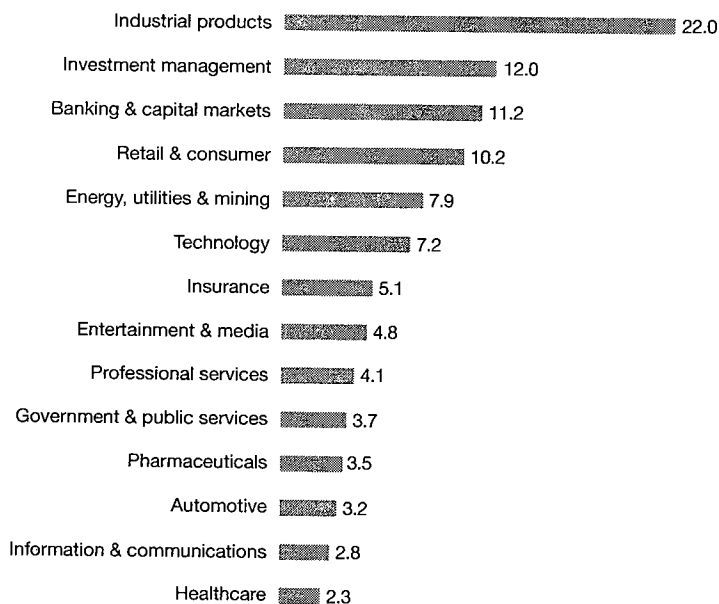


Figure 4: Aggregated revenues by industry sector (percentage of revenue)



All our members firms across the world grew in FY 2008 with many of our major regions boasting strong growth rates. There were particularly good results from Asia, which saw revenues increase by 21 per cent, while the Middle East and Africa enjoyed revenue growth of 20 per cent.

Our firms in Central and Eastern Europe also performed well, with revenues up 20 per cent, while Western Europe continued to demonstrate strong growth, with revenues up 8 per cent. Our North American firms saw revenues grow by just 2 per cent—a smaller increase compared with last year, and reflecting the difficult economic conditions.

Revenue growth was robust in many of our member firms around the world, with particularly impressive results from some key developing markets such as China, India, the Middle East, and Central and Eastern Europe and some of the developed markets such as Australia, Germany, Japan, and Korea.

Our services are delivered through a number of industry sectors, allowing clients to benefit from our latest thinking, research, and expertise. Looking at our revenues on an industry basis, there were particularly good results from colleagues working with clients in the investment management, professional services, government, and mining sectors.

# Clients

Our clients face complex opportunities and challenges, and they turn to PwC because of the breadth of our skills and experience and our ability to work closely with them to deliver comprehensive solutions.

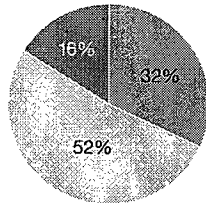
The clients of PricewaterhouseCoopers' firms around the world range from the world's largest and most complex organisations to innovative entrepreneurs. Our services are tailored to match the needs and requirements of all of our clients depending on their size, location, and specific needs.

In FY 2008, PwC firms provided services for 425 of the companies in the Fortune Global 500 and 420 of the companies in the FT Global 500. In addition, PwC firms served significantly more than half of the largest companies in each of our regional markets during the year.

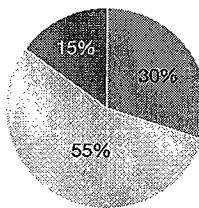
PwC's firms around the world have a broad mix of clients. The share of revenues from smaller clients, private entities, not-for-profit organisations, and the public sector was 46 per cent of our total revenues in FY 2008, compared with 28 per cent for mid-sized companies and 26 per cent for large companies.

Figure 5: Global and regional client bases

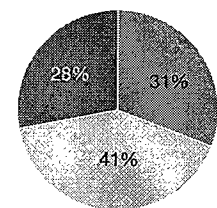
FT Global 500



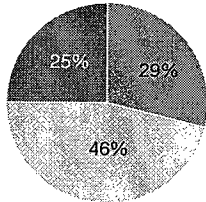
Fortune Global 500



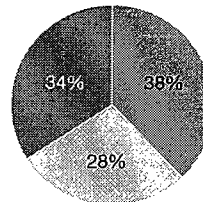
FT Europe 500



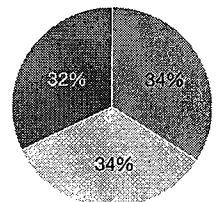
Fortune 500 (US)



S&P Asia 50



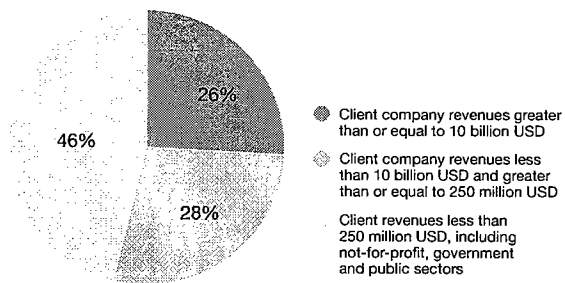
S&P Latin America 40



● PwC audit client companies in index/list   ● PwC non-audit client companies in index/list   ● All other companies in index/list

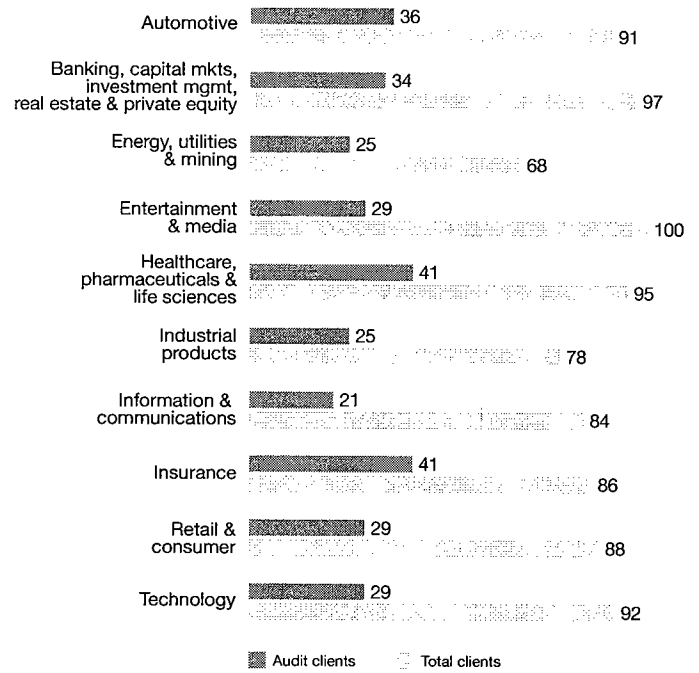
Audit clients include both sole and joint audit appointments. Other clients disclosed as companies where PwC revenues exceeded 500,000 USD in FY08.

Figure 6: PwC aggregated revenues by size of client



Estimates based on market data representing 98 per cent of aggregated revenues of PwC firms in FY08. Client revenues as reported by public record.

Figure 7: PwC clients as a percentage of the Fortune Global 500



Audit clients include both sole and joint audits. Other clients defined as companies where PwC revenues exceeded 500,000 USD in FY08.

# People

At PricewaterhouseCoopers, our people are our most valuable asset. Our success depends on who we recruit and how we develop and motivate our people to provide the best possible service for our clients.

Worldwide, the PwC firms' head count is more than 155,000, an increase of over five per cent during FY 2008 (Figure 8) and up from about 118,000 at the time of the formation of PwC in 1998.

With offices in 749 cities across 153 countries, we have a presence in almost every part of the world.



Figure 8: PwC people, June 2008

| PwC people             | 2008           | 2007           | 2006           |
|------------------------|----------------|----------------|----------------|
| Partners               | 8,603          | 8,578          | 8,280          |
| Client service staff   | 116,935        | 108,926        | 104,414        |
| Practice support staff | 30,155         | 29,263         | 29,468         |
| <b>Total</b>           | <b>155,693</b> | <b>146,767</b> | <b>142,162</b> |

Partner head count reflects withdrawals and retirements as of 30 June and new partner admissions as of 1 July.

Figure 9: Growth by region, June 2008/2007

|                                 | 2008           | 2007           | Growth    |
|---------------------------------|----------------|----------------|-----------|
| Australasia and Pacific Islands | 7,739          | 6,751          | 15%       |
| South and Central America       | 9,698          | 8,809          | 10%       |
| Asia                            | 26,037         | 24,102         | 8%        |
| Europe                          | 64,157         | 59,706         | 7%        |
| Middle East and Africa          | 9,902          | 9,429          | 5%        |
| North America and the Caribbean | 38,160         | 37,970         | 1%        |
| <b>Total</b>                    | <b>155,693</b> | <b>146,767</b> | <b>6%</b> |

Figure 10: PwC people by lines of service, June 2008

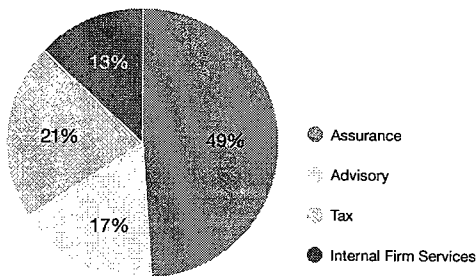
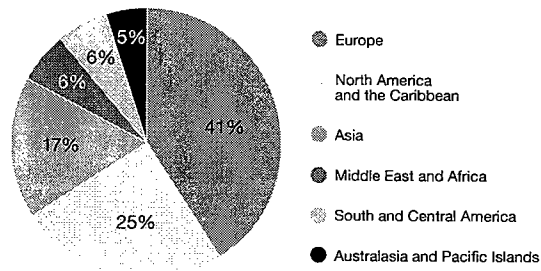


Figure 11: PwC people by region, June 2008



Attracting the best and brightest talent is one of our priorities—and recent student surveys have once again revealed that we continue to be the top employer in our profession in many key markets around the world (Figure 12).

As competition for quality people continues to be fierce, average partner and staff turnover rates in our largest member firms have gone up slightly (Figure 13). Improving retention rates is an area we will continue to focus on in FY 2009.

#### Women at PwC

Women represent half of the PwC global workforce at the recruitment stage, and 15 per cent of the Partnership, a number that continues to increase each year (Figure 14). Gender diversity remains a key goal for the PwC network, as evidenced by the 2006 formation of the Global Gender Advisory Council (GAC), an action-oriented group of partners who work on ways to improve the representation of women at the highest level of PwC. Details of the GAC's work can be found at [www.pwc.com/women](http://www.pwc.com/women).

We partner with organisations such as Working Mother, the Women's Forum for the Economy and Society, and the World Bank on programmes to support, develop, and retain our people. Across our network, we continue to invest in mentoring schemes, role modelling and networking groups, and coaching and awareness training programmes. PwC is also one of only five organisations to be named by DiversityInc as a Top Company for Global Diversity in 2008.

Figure 12: PwC ranking in student surveys

|                | Rank in Big Four |      | Rank among all employers |      |
|----------------|------------------|------|--------------------------|------|
|                | FY08             | FY07 | FY08                     | FY07 |
| China          | 1                | 1    | 10                       | 8    |
| Czech Republic | 1                | 2    | 5                        | 4    |
| Germany        | 1                | 2    | 4                        | 5    |
| Poland         | 1                | 1    | 1                        | 1    |
| Sweden         | 2                | 1    | 5                        | 2    |
| Switzerland    | 1                | 1    | 6                        | 4    |
| United Kingdom | 1                | 1    | 1                        | 1    |
| United States  | 2                | 1    | 3                        | 1    |
| Pan-European   | 1                | 1    | 7                        | 7    |

Sources: China (Universum Student Survey), Czech Republic (AIESEC Survey), Germany (Trendence Survey), Poland (AIESEC Survey), Sweden (Universum Graduate Survey), Switzerland (Universum Graduate Survey), United Kingdom (The Times Student Survey of Top Graduate Employers), United States (Universum Undergraduate Survey—business majors), Pan-European (Universum Graduate Survey).

Figure 13: Average turnover rates of PwC people in major firms

|              | Client service |            | Practice support |            | Partners  |           |
|--------------|----------------|------------|------------------|------------|-----------|-----------|
|              | FY08           | FY07       | FY08             | FY07       | FY08      | FY07      |
| Assurance    | 18%            | 17%        | 11%              | 11%        | 6%        | 3%        |
| Advisory     | 17%            | 16%        | 12%              | 10%        | 10%       | 2%        |
| Tax          | 15%            | 14%        | 13%              | 10%        | 8%        | 3%        |
| <b>Total</b> | <b>17%</b>     | <b>16%</b> | <b>12%</b>       | <b>10%</b> | <b>7%</b> | <b>3%</b> |

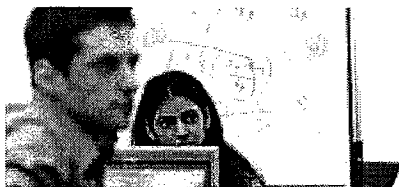
Figure 14: PwC people by gender, June 2008

| Percentage of women                       | 2008 | 2007 |
|---|------|------|
| Client service and practice support staff | 49%  | 51%  |
| New partners                              | 23%  | 22%  |
| All partners                              | 15%  | 13%  |

People **continued**

Figure 15: Global mobility programme—number of new assignments

|                        | FY08         | FY07         | FY06         |
|------------------------|--------------|--------------|--------------|
| Long-term assignments  | 930          | 961          | 836          |
| Short-term assignments | 949          | 1,361        | 1,211        |
| <b>Total</b>           | <b>1,879</b> | <b>2,322</b> | <b>2,047</b> |



Global mobility

PwC's Global Mobility Programme not only boosts the delivery of increasingly high-quality services to clients but also develops the skills and international perspective of our people. At the end of FY 2008, some 3,228 partners and staff (2007: 3,078) from PwC member firms in 103 countries (2007: 102) were posted internationally on short- and long-term transfers or assignments. These secondments enable our network to achieve specific business objectives, help us develop our people, and reflect our people's aspirations and choices.

The total number of international transfers across the PwC network is rising steadily year on year, as the annual investment in the mobility programme increases. We added another 1,900 people to our secondment programme in FY 2008. We anticipate that the recent changes that we have introduced to our network structure will further increase the opportunities for our people to develop and share skills in FY 2009.

Leadership development programmes

**My Way** Targeting senior managers and directors in PwC's European firms, this 18-month programme is aimed at developing the next generation of PwC leaders. Through an integrated set of four modules, self-directed learning, and ongoing local coaching and development, the My Way programme opens participants' minds to the complexity of leadership and, in particular, to their own leadership styles. Participant Emil Gullers of PwC Sweden comments: "My Way is an eye-opener, or wake-up call, and it provides a tool kit for all dimensions of my leadership."

**Emerging markets** In June, PwC launched a new development programme aimed at partners who are responsible for key clients in emerging markets. As an increasing

number of emerging-market businesses become significant global players, the aim of the programme is to prepare our partners for the changing needs of these clients—by helping them gain the skills needed to run global teams so we can continue to offer the best client service.

Twenty-five lead partners from emerging-market countries around the world gathered to attend the first of four modules in Hong Kong in June and a further group is planned to start the two-year programme in 2009.

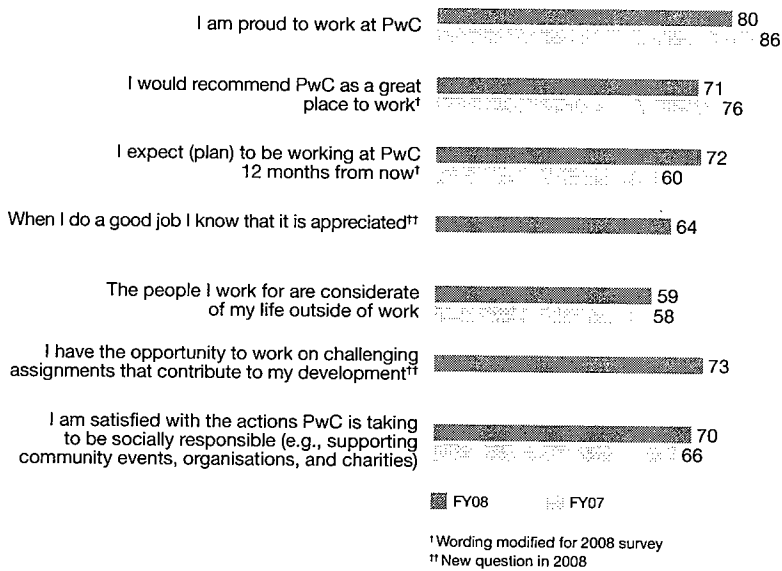
**Genesis Park** As part of this four-month residential learning experience offered to high performers around the world, participants learn to lead small groups to develop new thinking on key business topics. One such example

is a report that was developed for the Women's Forum for the Economy and Society in October 2007. Focused on the economic barriers and enablers that impact women in the workplace, the report offers perspectives and insights from working women in Brazil, China, France, Germany, India, Spain, Sweden, and the US.

**Ulysses** Three partners from PwC France, Mexico, and the US recently returned from their mission in Tanzania: to carry out a management review of the operations of Selfina, a not-for-profit organisation focused on helping women set up in business. They had been participating in the Ulysses partner development programme, which sends small teams to developing countries to work on social improvement projects.



Figure 16: Global People Survey results (per cent agreeing)



## Global People Survey

Listening to and acting upon the views of our people are key to ensuring we continue to take the right steps to create a work environment that makes people want to remain with PwC. Every year, our Global People Survey delivers impressive response rates—and the results of this year’s survey were also good. New this year were questions about job appreciation and the opportunity to work on challenging assignments that contribute to career development. Both revealed good results.

Of course, there is always more we can do, and we will be using the results of the survey to build on our people strategy. For example, although we saw a slight improvement in the area of work-life balance during FY 2008, it is still not at the level we would like and this will remain a priority in FY 2009.



### Helping our people pursue their Olympic dreams

Dealing with the demands of a career and personal life can be a challenge. That’s why we strive to offer our people the flexibility needed to help them find the right balance.

Good examples of that are the five PwC people who competed in the Beijing Olympics in August, facing a particularly difficult juggling act between work and hectic training schedules. Says PwC Germany’s Juan Carlos Nevado Gonzalez, who bagged the gold medal with his team in hockey and who, like the other PwC Olympians, was granted several months off to train exclusively: “Every one of my PwC colleagues supported me a lot. A part of my gold medal is for them because they enabled me to succeed.”

Other PwC Olympians who competed in Beijing were Marc Bellofiore, PwC Australia (slalom canoeing); Nic Youngblud, PwC Canada (water polo); bronze medal winner Manuela Lutze, PwC Germany (rowing); and silver medal winner Pol Amat, PwC Spain (hockey).

## Global Board

Current members of the Global Board are:

|                     |                |
|---------------------|----------------|
| Paul Brasher, Chair | Melbourne      |
| Noël Albertus       | Paris          |
| John J Barry        | New York       |
| Marco A Castro      | São Paulo      |
| Peter Clemedtson    | Stockholm      |
| Jonathan J Davies   | Washington, DC |
| Suresh P Kana       | Johannesburg   |
| Jan Konerding       | Frankfurt      |
| Murray J Legg       | London         |
| Keith D Levingston  | McLean, US     |
| Israel H Mida       | Toronto        |
| Didier L Mouget     | Luxembourg     |
| Brad Oltmanns       | Los Angeles    |
| Tim Ryan            | Boston         |
| Jeremy L Scott      | London         |
| Robert P Sullivan   | New York       |
| Peter Tieleman      | Utrecht        |
| Carrie Yu           | Hong Kong      |

Note: Other partners who have served on the Global Board during fiscal year 2008 were Donald V Almeida, Samuel A DiPiazza Jr, Donald A McGovern, Donal M O'Connor, Serge Villepelet, and Silas SS Yang.

## Network Leadership Team

Network Leadership Team members are:

|                      |                         |
|----------------------|-------------------------|
| Samuel A DiPiazza Jr | Chief Executive Officer |
| Dennis Nally         | United States           |
| Ian Powell           | United Kingdom          |
| Hans Wagener         | Germany                 |
| Silas SS Yang        | China Hong Kong         |

## Network Executive Team

Network Executive Team members are:

|                         |   |
|-------------------------|---|
| Donald V Almeida        | Clients and Markets                             |
| Paul Boorman            | Operations                                      |
| Pierre Coll             | Risk and Quality                                |
| Richard Collier-Keywood | Tax   |
| Maira Elms              | People and Culture,<br>Brand and Communications |
| Anthony PD Harrington   | Strategy and Network<br>Transformation          |
| Donald A McGovern       | Assurance                                       |
| Edgardo Pappacena       | Strategic Sourcing                              |
| Juan Pujadas            | Advisory  |
| Javier Rubinstein       | General Counsel                                 |
| Peter Wyman             | Public Policy and<br>Regulatory Matters         |

## Strategy Council

Strategy Council members are:

|                     |                            |
|---------------------|----------------------------|
| Dennis Nally, Chair | United States              |
| Kyung-Tae Ahn       | Korea                      |
| Gautam Banerjee     | Singapore                  |
| Colin Beggs         | Southern Africa            |
| Chris Clark         | Canada                     |
| Luis E Frisoni Jr   | South and Central America  |
| Mark Johnson        | Australia                  |
| Mike Kubena         | Central and Eastern Europe |
| Carlos Mas          | Spain                      |
| Markus Neuhaus      | Switzerland                |
| Ian Powell          | United Kingdom             |
| Ramesh Rajan        | India                      |
| Pierangelo Schiavi  | Italy                      |
| Javier Soní         | Mexico                     |
| Henrik Steinbrecher | Sweden                     |
| Michael J Stevenson | Middle East                |
| Robert Swaak        | Netherlands                |
| Hideo Takaura       | Japan                      |
| Serge Villepelet    | France                     |
| Hans Wagener        | Germany                    |
| Silas SS Yang       | China Hong Kong            |

In FY 2008, PwC firms provided services for 425 of the companies in the Fortune Global 500 and 420 of the companies in the FT Global 500. In addition, PwC firms served significantly more than half of the largest companies in each of our regional markets during the year.




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




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