

Press release

ONE OUT OF FIVE PRIVATE BUSINESSES IN SINGAPORE TO CHANGE HANDS IN THE NEXT DECADE

- **Expectation of ownership change in private businesses in Singapore doubles as compared to 2005**
- **Trade sale is the most likely future of privately held businesses globally**

Proportion of businesses expecting an ownership change in next ten years (%)

	South Africa	52
	New Zealand	51
	Canada	50
	Philippines	48
	Australia	40
	Mainland China	34
	UK	33
	Malaysia	33
	US	33
	Sweden	33
	Brazil	30
	Poland	29
	Botswana	28
	Thailand	28
	Global average	28
	Argentina	27
	Germany	27
	Taiwan	26
	Spain	26
	Netherlands	23
	Hong Kong	23
	Mexico	22
	France	21
	Singapore	21
	Ireland	19
	Italy	19
	Armenia	17
	Luxembourg	17
	Japan	16
	Turkey	15
	Greece	12
	Russia	11
	India	10

Source: Grant Thornton International Business Report 2007

Singapore – 25 July 2007 The latest findings from the International Business Report (IBR) shows that one out of five (21%) of privately held businesses in Singapore are expected to change ownership within the next ten years. This expectation level has almost doubled since 2005 as only 11% of privately held businesses were expecting ownership change then. Globally, 28% of privately held businesses are expected to be changing hands.

The annual survey found that business churn in the next decade is expected to be the highest in South Africa (52%) followed by New Zealand (51%), Canada (50%) and the Philippines (48%).

The greatest change in attitudes to business ownership is in the Philippines which has seen the expectation of a change in the next ten years grow from 6% in 2005 to 48% this year. Of these businesses, 67% are expecting a change of ownership in a slightly longer time period of six to ten years. In contrast Indian business attitudes have remained static over the same period and are least likely to change hands, with only one in ten owners expecting to sell in the next decade.

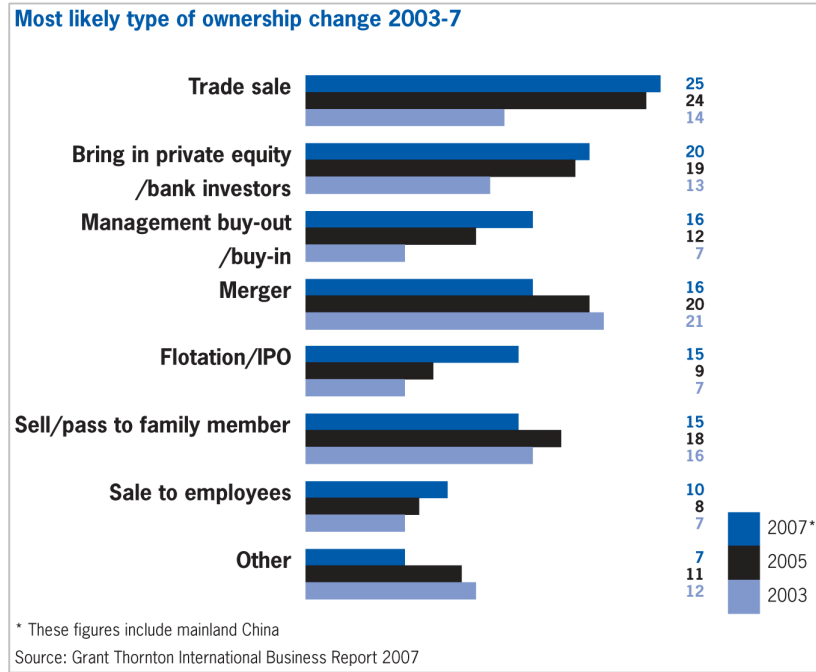
Aw Eng Hai, Partner of Foo Kon Tan Grant Thornton said: “Our findings show an overwhelming expectation of change in the structure of privately held businesses globally in the coming years. In Singapore, the expectation level of change in ownership has almost doubled since 2005. With this in mind, business owners need to start planning for the future and take professional advice on how to best plan an exit from the enterprise.”

Pace of change

The survey of 7, 200 business owners in 32 countries also found that, of those businesses expecting to change hands, 25% will do so within the next two years. The greatest opportunity for involvement in a business exit is in Germany, with 39%, followed by South Africa (38%) and Sweden (37%), anticipating a change in ownership within the next two years. Globally, of the privately held businesses that are expecting a change in ownership in the next decade, almost half (48%) expects the change within the next five years.

Type of change

Globally, a trade sale (25%) is the most likely future of a privately held business, followed by private equity/bank finance (20%), and management buy out/buy in or mergers (both at 16%). Sale or transfer to a family member is the expected outcome for 15% of these businesses internationally.



Ends

Notes to editors

About the IBR

Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). The IBR survey draws upon 15 years of trend data for original EBS participants and 5 years for original IBOS countries. 15 year trend data is available for: France, Germany, Greece, Ireland, Italy, the Netherlands, Poland, Spain, Sweden, Turkey and the UK, while 5 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Singapore, South Africa and the US.

Grant Thornton International will donate US\$5 to UNICEF for every completed IBR questionnaire. In 2007 this will result in a donation of over US\$35,000.

The research was conducted by Experian Business Strategies Limited and Harris Interactive. All figures were correct at time of going to press. To find out more about IBR and to obtain details of IBR reports and results please visit

www.internationalbusinessreport.com.

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