CGMA global economic forecast

-insights from management accountants

2Q, 2012

Detailed survey results with regional appendices
Appendix - Regional breakdown

Rest of World Emerging
CGMA global economic forecast - 2Q 2012
RoWE region highlights

Respondents = 86 of 609 total

CGMA Global Index – RoWE continued to lead all regions with 69
- RoWE 2Q 2012 = 69
- RoWE 1Q 2012 = 71
- Combined regions 2Q 2012 = 58

Optimism
- 17% of respondents optimistic about global economy
- Still, less than half (44%) currently optimistic about domestic economies, vs. 41% in 1Q 2012
- Nearly two-thirds (64%) continue to be optimistic about prospects for own company

KPIs
- Revenue, profit and headcount expectations down slightly
- RoWE continues to lead all regions in expected spending increases for IT, other capital, and training

Inflation – RoWE slightly behind Asia in concern about inflation at 56%, interest rates concerns surpass energy concerns in 2Q

Financing – Those expecting financing to be more difficult increased from 21% to 28%

Challenges – Availability of skilled personnel tops list of challenges
- Top 3 Challenges = Availability of skilled personnel, global economic conditions, (tied) regulatory requirements/changes, domestic economic conditions, domestic competition
CGMA optimism – RoWE

<table>
<thead>
<tr>
<th></th>
<th>4Q 2011</th>
<th>1Q 2012</th>
<th>2Q 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global economic optimism</td>
<td>18%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Domestic economic optimism</td>
<td>42%</td>
<td>41%</td>
<td>44%</td>
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<tr>
<td>Organisation outlook</td>
<td>57%</td>
<td>66%</td>
<td>64%</td>
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Chart displaying percentage of ‘Very optimistic’ and ‘Optimistic’ responses
Thinking about the coming 12 months, please comment on the probable change for your organisation of each of the following key performance indicators:

Percentage displayed represents average expected change.
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Percentage displayed represents average expected change.

<table>
<thead>
<tr>
<th></th>
<th>IT</th>
<th>Other spending</th>
<th>Training</th>
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<tbody>
<tr>
<td>4Q, 11</td>
<td>2.7%</td>
<td>3.4%</td>
<td>2.5%</td>
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<tr>
<td>1Q, 12</td>
<td>4.5%</td>
<td>4.8%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2Q, 12</td>
<td>3.6%</td>
<td>4.8%</td>
<td>3.5%</td>
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</table>
Do you expect it to be more or less difficult to obtain your required financing in the next quarter?
CGMA risk of inflation vs. deflation in RoWE

For your business, over the next 6 months, are you more concerned about the possibility of
CGMA inflationary factors representing most risk – RoWE

- **Raw material costs**
  - 2Q 2012: 18%
  - 1Q 2012: 23%
  - 4Q 2011: 34%

- **Labour costs**
  - 2Q 2012: 18%
  - 1Q 2012: 27%
  - 4Q 2011: 23%

- **Interest rates**
  - 2Q 2012: 18%
  - 1Q 2012: 25%
  - 4Q 2011: 22%

- **Energy costs**
  - 2Q 2012: 17%
  - 1Q 2012: 18%
  - 4Q 2011: 20%

- **Food costs**
  - 2Q 2012: 4%
  - 1Q 2012: 7%
  - 4Q 2011: 13%
<table>
<thead>
<tr>
<th>Challenge</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
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<tbody>
<tr>
<td>Challenge 1</td>
<td>Global economic conditions</td>
<td>Availability of skilled personnel</td>
<td>Availability of skilled personnel</td>
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<tr>
<td>Challenge 2</td>
<td>Domestic economic conditions</td>
<td>Domestic political leadership</td>
<td>Global economic conditions</td>
</tr>
<tr>
<td>Challenge 3</td>
<td>Domestic political leadership</td>
<td>Global economic conditions</td>
<td>Regulatory requirements/changes</td>
</tr>
<tr>
<td>Challenge 4</td>
<td>Regulatory requirements/changes</td>
<td>Domestic economic conditions</td>
<td>Domestic economic conditions</td>
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<tr>
<td>Challenge 5</td>
<td>Domestic competition</td>
<td>Domestic competition</td>
<td>Domestic competition</td>
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<tr>
<td>Challenge 6</td>
<td>Availability of skilled personnel</td>
<td>Currency exchange rates</td>
<td>Domestic political leadership</td>
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<tr>
<td>Challenge 7</td>
<td>Developing new products/services/markets</td>
<td>Developing new products/services/markets</td>
<td>Currency exchange rates</td>
</tr>
<tr>
<td>Challenge 8</td>
<td>Currency exchange rates</td>
<td>Financing (access/cost of capital)</td>
<td>Liquidity</td>
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<tr>
<td>Challenge 9</td>
<td>Stagnant/declining markets</td>
<td>Materials/supplies/equipment costs</td>
<td>Employee and benefits costs</td>
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<tr>
<td>Challenge 10</td>
<td>Developing new products/services/markets</td>
<td>Stagnant/declining markets</td>
<td>Developing new products/services/markets</td>
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Please indicate the top three challenges for your organisation

T(Number) indicates tied position and number of position tied in
Demographics
Demographics

**Positions**
- Chair/MD/Pres/CEO/COO: 19%
- CFO/FD/VP: 14%
- Financial Controller: 22%
- Other: 45%

**Size of organisation (by number of employees)**
- 1-50: 17%
- 51-250: 19%
- 251-1,000: 26%
- 1,001-10,000: 19%
- 10,000+: 19%

**Type of organisation**
- Publicly listed company: 57%
- Privately owned company: 33%
- Government: 4%
- Not for Profit: 5%
- Other: 1%
About this survey

In connection with the launch of the new CGMA credential by the AICPA and CIMA we have launched the CGMA Global Economic Survey designed to capture the views of CGMA Management Accounting professional decision makers from around the world on global economic conditions and current topical issues. The CGMA Global Economic Forecast is intended to highlight the broad business perspective of management accounting executives and the value that they bring to their organisations.

This quarterly survey was sent to a select panel of AICPA and CIMA executives (primarily CFOs, CEOs and Controllers) between 23 May and 18 June 2012. Panelists were identified and baseline data were collected during a pilot survey conducted in November 2011.

In total, the opinions of 609 CGMA Management Accounting Professional Decision makers from around the world were captured in 2Q 2012. The regional breakdown of panelists who participated in the 2Q 2012 survey is as follows:

- Asia: 107
- US: 132
- Europe (excl. UK): 120
- UK: 91
- Rest of World Developed (RoWD): 73
- Rest of World Emerging (RoWE): 86
Regional definitions

**Asia** = Azerbaijan, Bangladesh, China, Hong Kong, India, Japan, Kazakhstan, Malaysia, Myanmar, Pakistan, Singapore, Sri Lanka, Taiwan, Thailand, Vietnam

**US** = United States

**Europe (excl. UK)** = Austria, Belgium, Bosnia & Herzegovina, Bulgaria, Cyprus, Czech republic, France, Germany, Gibraltar, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Switzerland, Turkey

**UK** = United Kingdom

**Rest of World Developed (RoWD)** = Australia, Canada, New Zealand

**Rest of World Emerging (RoWE)** = Angola, Bahamas, Barbados, Bermuda, Botswana, Brazil, Cayman Islands, Gambia, Ghana, Guam, Kenya, Kuwait, Liberia, Malawi, Mauritius, Nigeria, Paraguay, Peru, Puerto Rico, Qatar, Saudi Arabia, Senegal, Sierra Leone, South Africa, St. Helena, Tanzania, Trinidad and Tobago, UAE, Zambia, Zimbabwe
Thank you

For additional information contact:

<table>
<thead>
<tr>
<th>CIMA</th>
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<tbody>
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