

CGMA global economic forecast

-insights from management accountants

2Q, 2012

Detailed survey results with regional appendices



Appendix - Regional breakdown

UK

CGMA global economic forecast -2Q 2012

UK region highlights

Respondents = 91 of 609 total

CGMA Global Index – UK down from 62 at Q1 to 50, returning to 4Q 2011 level

- UK 2Q 2012 = 50
- UK 1Q 2012 = 62
- Combined regions 2Q 2012 = 58

Optimism

- Only 14% of respondents optimistic about global economy
- Still, only 15% optimistic about domestic economy, down slightly from 17% in 1Q 2012
- Now only 38% currently optimistic about prospects for own company, down from 54% in 1Q

KPIs

- Revenue and profit projections down; headcounts now expected to be flat over next 12 months
- Expectations for spending for IT and other capital are down; training spend expected to decrease

Inflation – Less than one-third (32%) now concerned about inflation, energy cost concerns down from 1Q

Financing – Only 19% expect financing to be more difficult, a slight increase from 14% at 1Q

Challenges – Domestic issues lead list of concerns

- Top 3 Challenges = Domestic economic conditions, global economic conditions, domestic competition
- Impact of Olympics on business – 18% expect negative impact; 15% expect positive impact



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CGMA optimism – UK

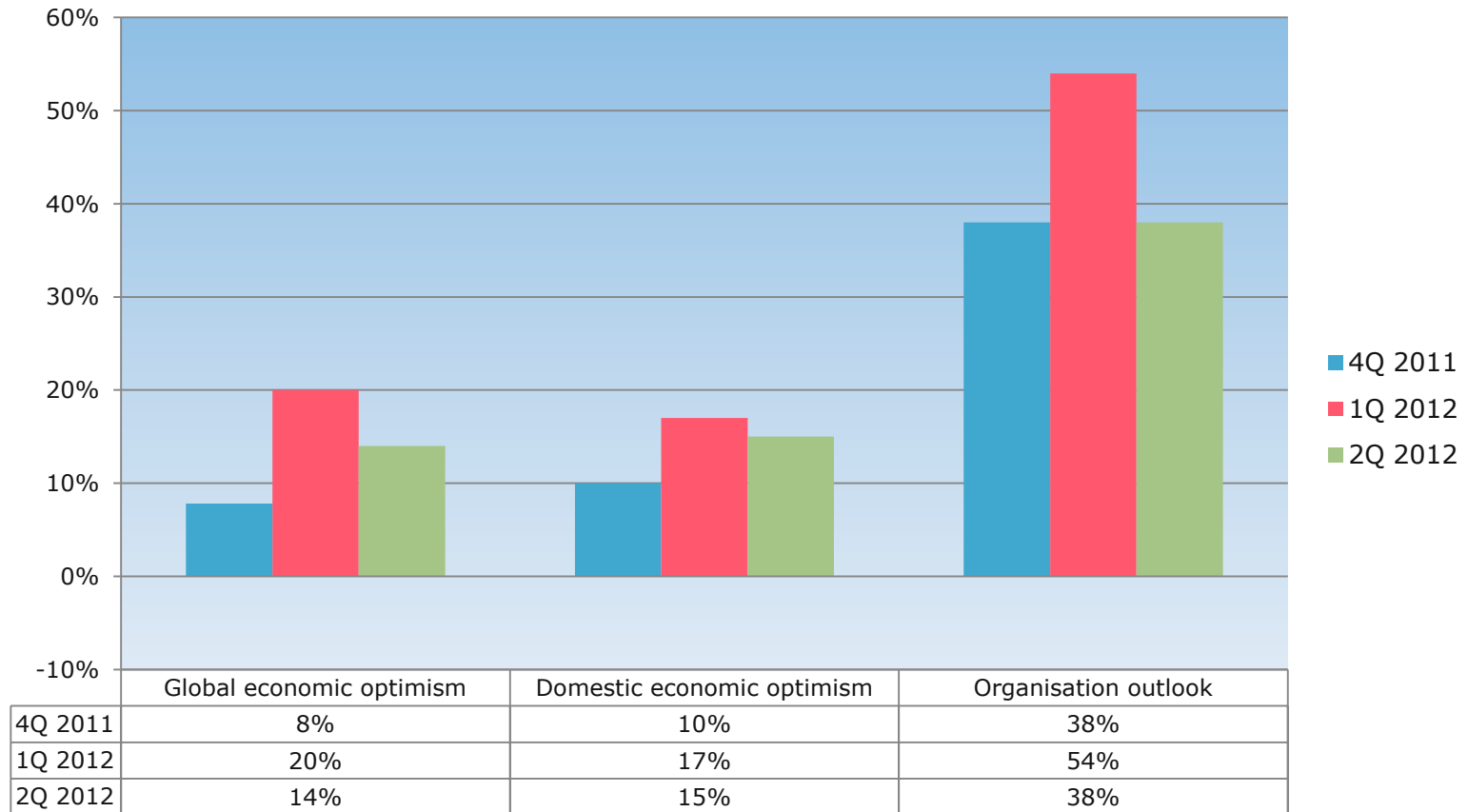
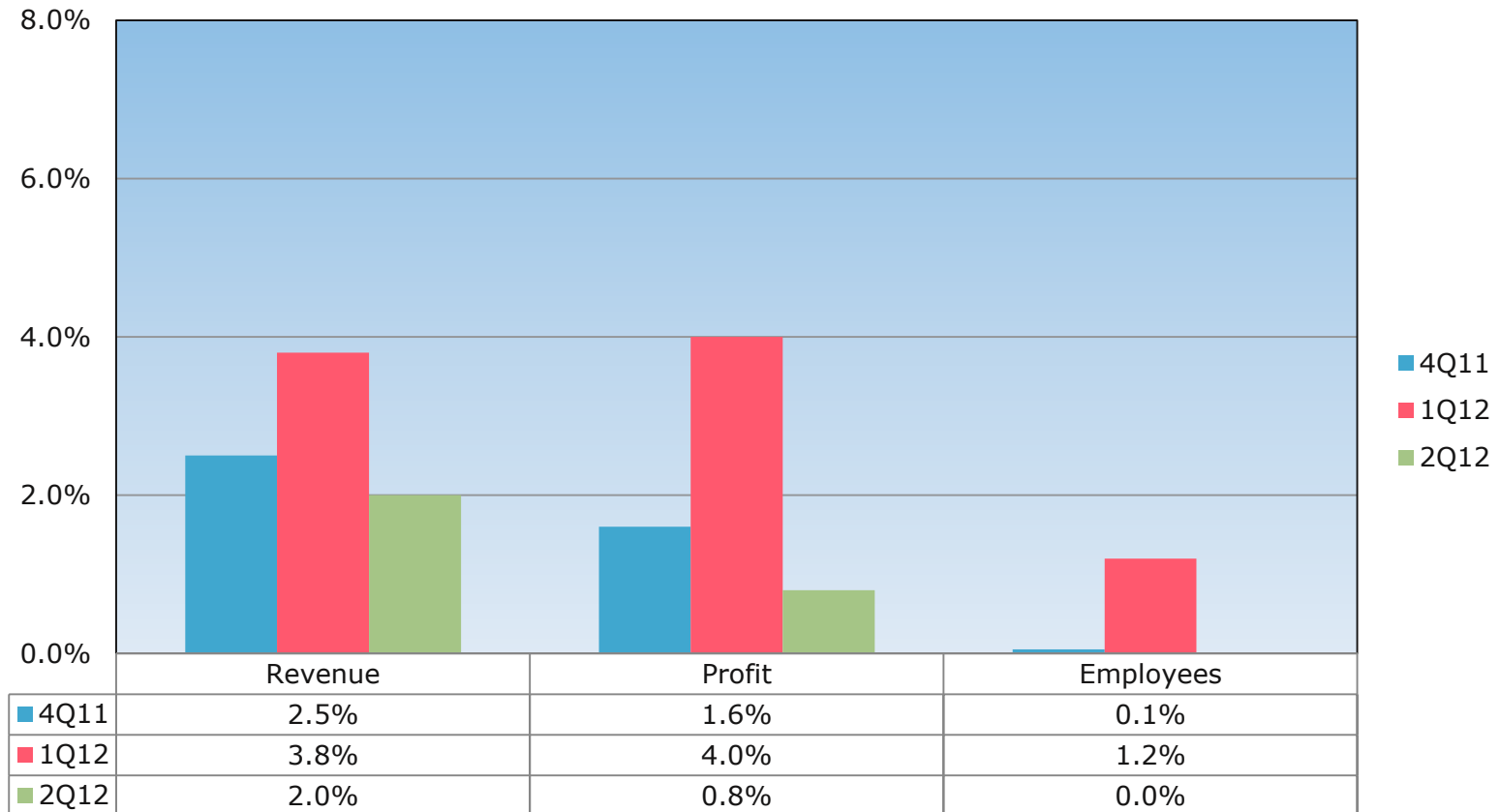


Chart displaying percentage of 'Very optimistic' and 'Optimistic' responses

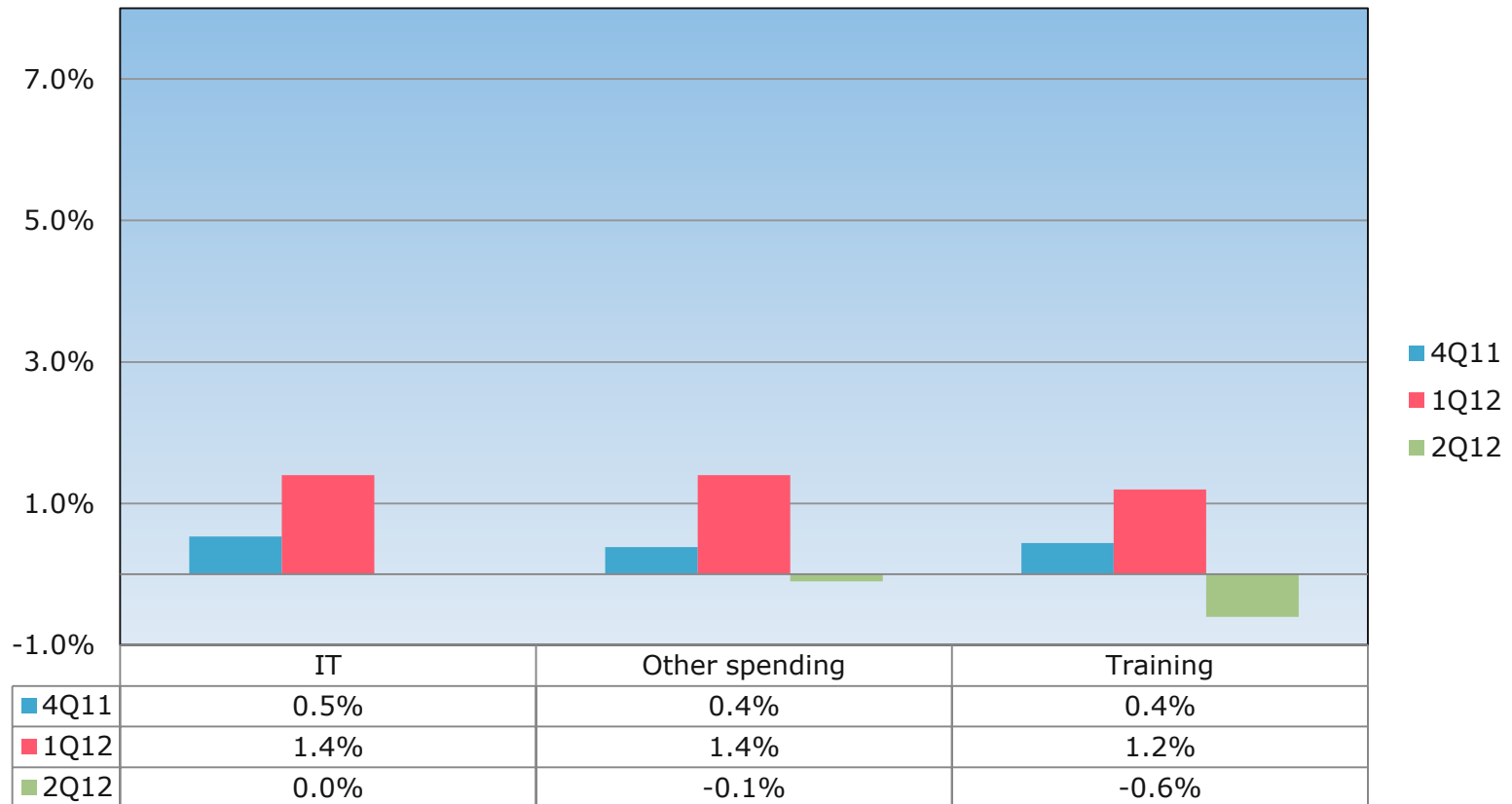
CGMA KPIs - revenue, profit and headcount UK



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.

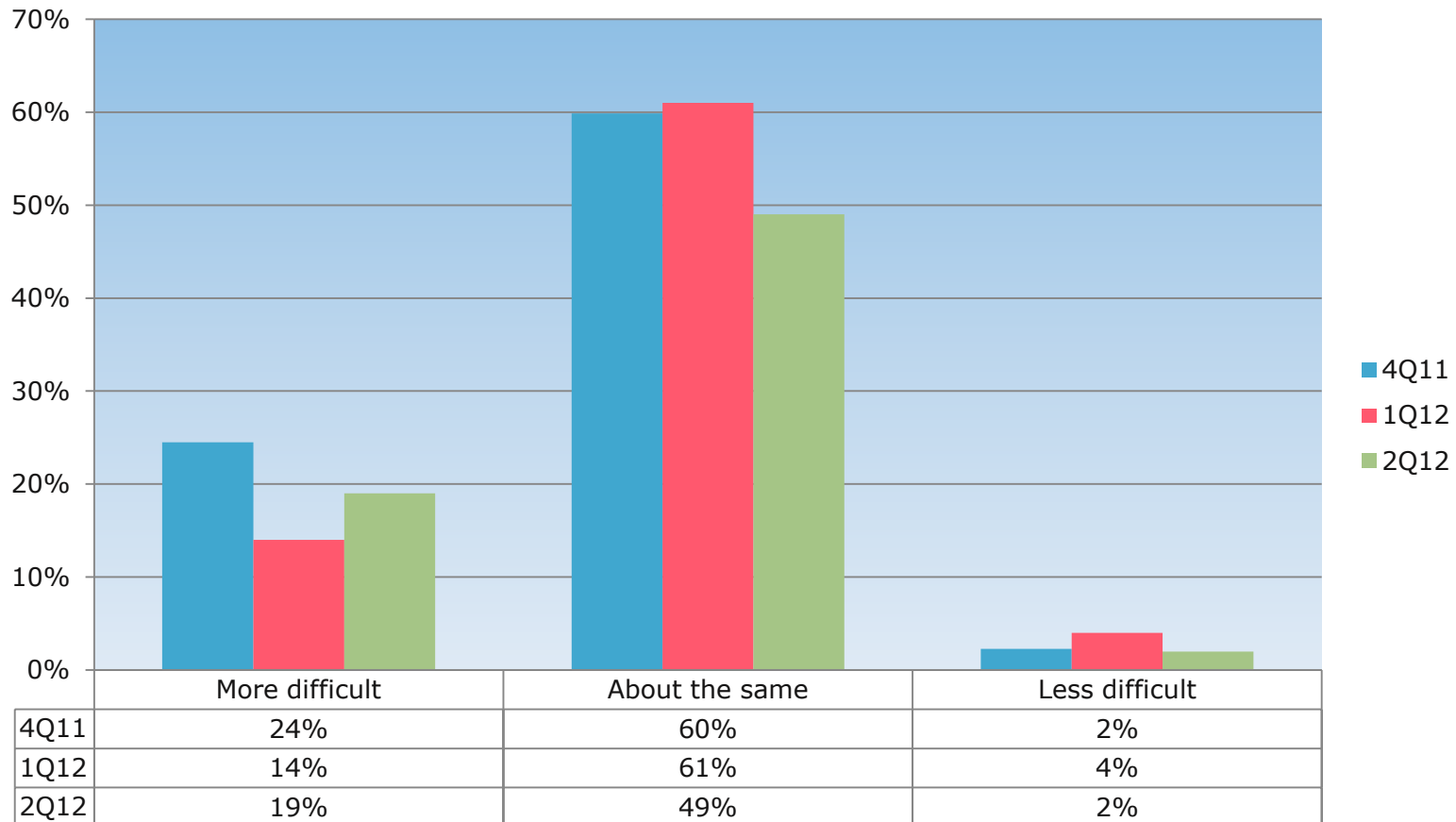
CGMA spending - IT, other capital and training - UK



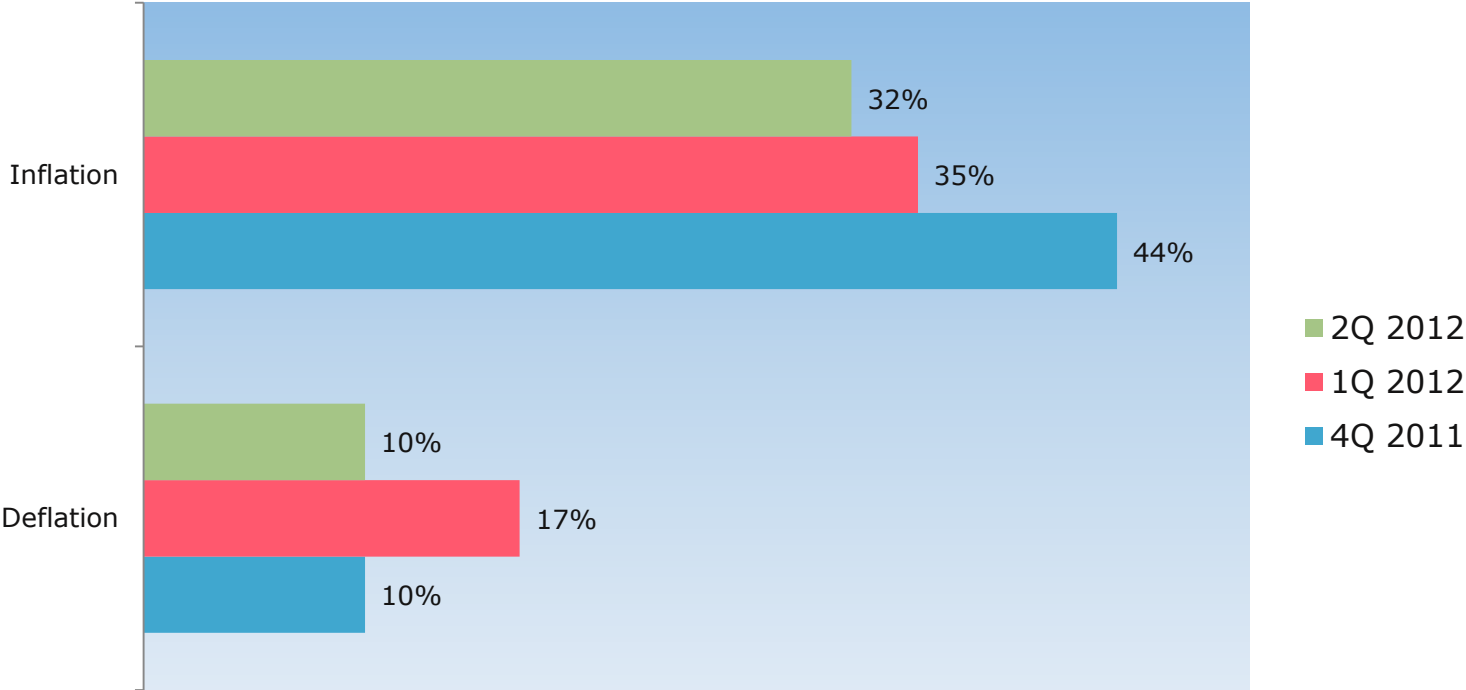
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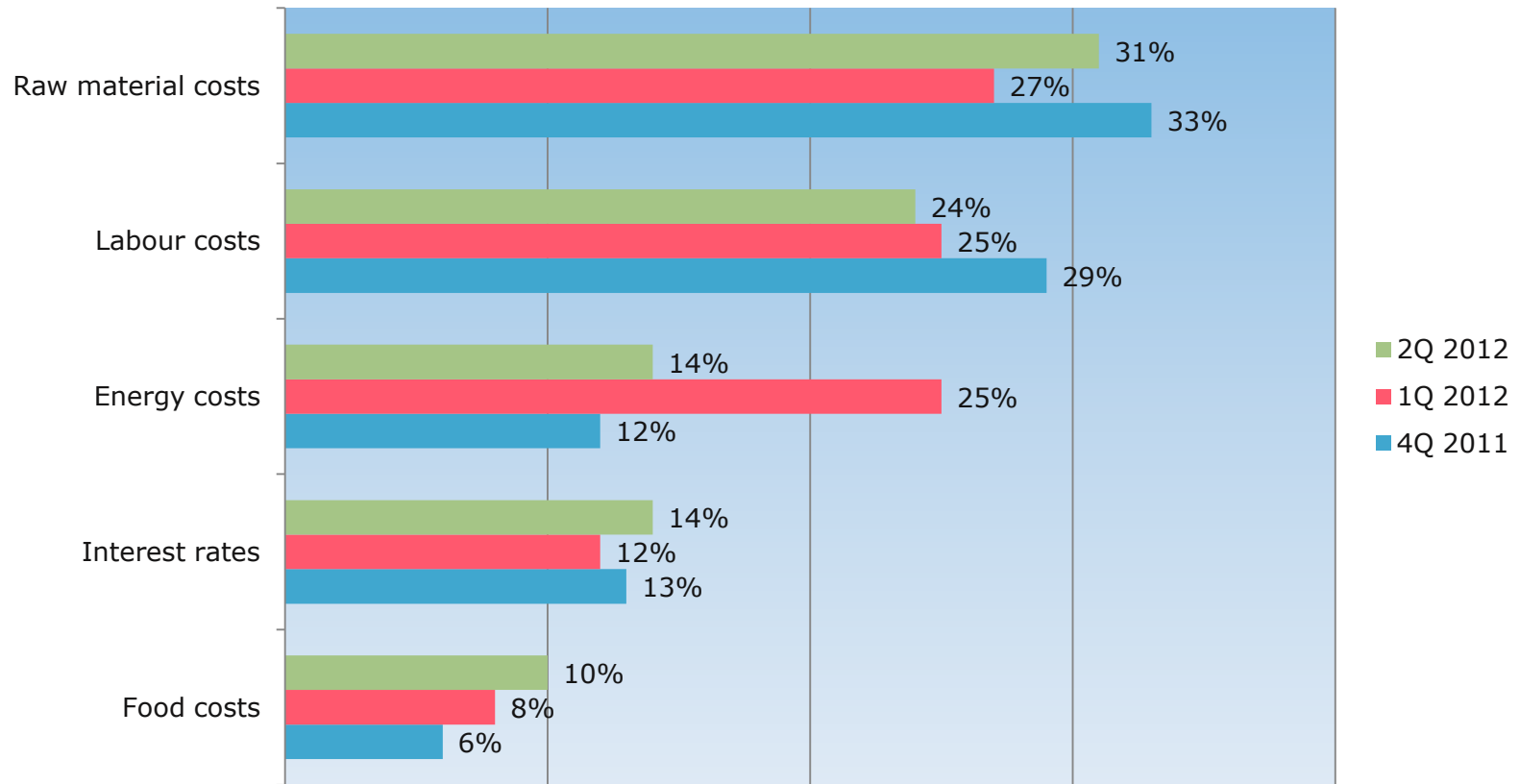
CGMA difficulty obtaining finance UK



CGMA risk of inflation vs. deflation in the UK



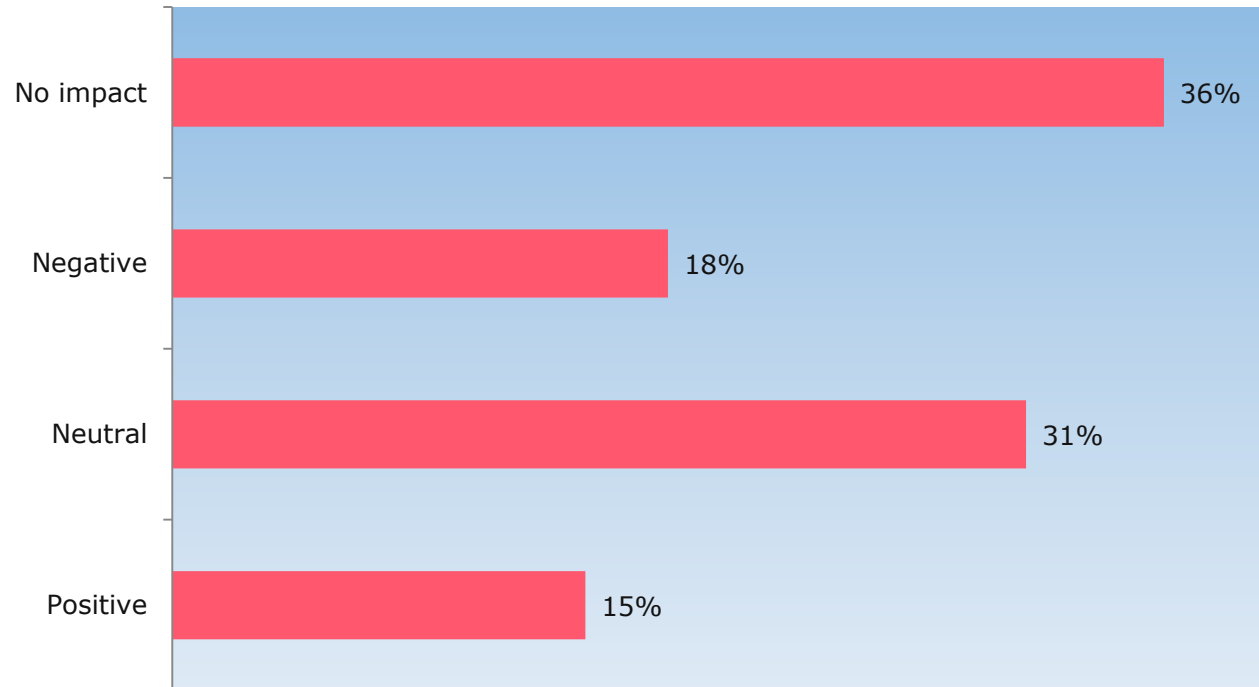
CGMA inflationary factors representing most risk – UK



CGMA top challenges for organisations in the UK

| | 4Q11 | 1Q12 | 2Q12 |
|---------------------|--|---|--|
| Challenge 1 | Domestic economic conditions | Domestic economic conditions | Domestic economic conditions |
| Challenge 2 | Global economic conditions | Global economic conditions | Global economic conditions |
| Challenge 3 | Stagnant/declining markets | Domestic competition | Domestic competition |
| Challenge 4 | Developing new products/services/markets | Materials/supplies/equipment costs | Stagnant/declining markets |
| Challenge 5 | Regulatory requirements/changes | Developing new products/services/markets | Developing new products/services/markets |
| Challenge 6 | Domestic competition | Stagnant/declining markets ^(T6) | Regulatory requirements/changes |
| Challenge 7 | Availability of skilled personnel | Regulatory requirements/changes ^(T6) | Materials/supplies/equipment costs |
| Challenge 8 | Materials/supplies/equipment costs | Availability of skilled personnel | Changing customer preferences |
| Challenge 9 | Financing (access/cost of capital) | Financing (access/cost of capital) | Availability of skilled personnel |
| Challenge 10 | Changing customer preferences | Employee and benefits costs | Employee and benefits costs |

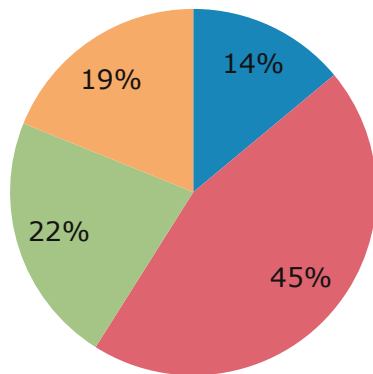
Impact of Olympics on business



Demographics

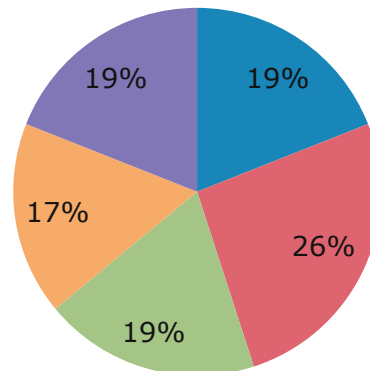
Demographics

Positions



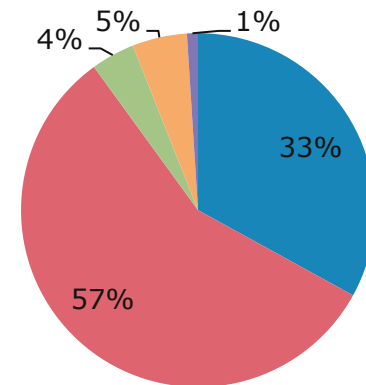
- Chair/MD/Pres/CEO/COO
- CFO/FD/VP
- Financial Controller
- Other

Size of organisation (by number of employees)



- 1-50
- 51-250
- 251-1,000
- 1,001-10,000
- 10,000+

Type of organisation



- Publicly listed company
- Privately owned company
- Government
- Not for Profit
- Other

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

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