Global CFO Signals

An Uneven Recovery

Q2 2013 Deloitte Member Firms' CFO Surveys: Australia, Austria, Belgium, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Ireland, Latvia, Lithuania, Netherlands, North America, Romania, Serbia, Slovakia, Slovenia, Switzerland, and the United Kingdom

DTTL Global CFO signals
August 2013

About the DTTL Global CFO Program

The Deloitte Touche Tohmatsu Limited (DTTL) Global Chief Financial Officer (CFO) Program is a CFO-centric strategic initiative that brings together a multidisciplinary team of senior Deloitte member-firm partners and experienced professionals to help CFOs effectively address the different challenges and demands they experience in their role. The DTTL Global CFO Program and network of Deloitte member firms harness the breadth of Deloitte member firms' capabilities to deliver forward-thinking perspectives and fresh insights to help CFOs manage the complexities of their role, drive more value in their organization, and adapt to the changing strategic shifts in the market.

About Deloitte Member Firm CFO Surveys

Twenty Deloitte member firms' CFO surveys, covering 42 countries, are conducted on a quarterly, biannual, or annual basis. The surveys conducted are "pulse surveys" intended to provide CFOs with information regarding their CFO peers' thinking across a variety of topics. They are not, nor are they intended to be, scientific in any way, including the number of respondents, selection of respondents, or response rate, especially within individual industries. Accordingly, this report summarizes findings for the surveyed populations but does not necessarily indicate economic or industry wide perceptions or trends. Further, the focus, timing, and respondent group for each survey may vary. Please refer to "About Deloitte Member Firms' CFO Surveys" (page 31) for member-firm contacts and information on the scope and survey demographics for each survey.

About DTTL's Global CFO Signals

The purpose of DTTL's *Global CFO Signals* report is to provide highlights of recent CFO survey results from Deloitte member firms. This issue includes the results of the second-quarter 2013 CFO surveys from member firms in the following geographies:

Australia: Safe to go back into the water?
Austria: Uncertainty on the rise again
Belgium: Call for action
Bulgaria: Intensifying vigilance
Croatia: Caution on the verge
Czech Republic: All eyes on corporates
Estonia: Economic stability emerging
Hungary: Preparing for tough times
Ireland: Riding the tide of uncertainty
Latvia: Driven by people
Lithuania: Mixed feelings
Netherlands: Optimism rises further
North America: An air of optimism
Romania: Business as usual
Serbia: In a sea of uncertainty
Slovakia: Pessimistic sentiments
Slovenia: Braced for contraction
Switzerland: Recovery continues
United Kingdom: Planning for growth

Global Contacts

Sanford A Cockrell III
Global Leader
Global CFO Program
Deloitte Touche Tohmatsu Limited
scockrell@deloitte.com

Lori Calabro
Editor, *Global CFO Signals*
Global CFO Program
Deloitte Touche Tohmatsu Limited
localabro@deloitte.com

Jennifer Chu
Former Chief of Staff
Global CFO Program
Deloitte Touche Tohmatsu Limited
jennchu@deloitte.com

For additional copies of this report, please email:
GlobalCFOProgram@deloitte.com

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Global CFO Signals
CFO Sentiment in Second-Quarter 2013

There's a recovery out there. Didn't you get the memo?

Judging from the results of the latest *Global CFO Signals*, there is a bit of a disconnect in the outlooks of finance executives worldwide—both for their home countries and their own companies. While the positive views held by CFOs in North America and in several European countries have become increasingly solid, some others in Central Europe and particularly Australia are moving in the opposite direction. And those negative sentiments persist despite the fact that such factors as the euro crisis, the U.S. fiscal cliff, and slowing consumer demand are fading from the headlines.

First, the good news: In this issue of *Global CFO Signals*, which features surveys from 19 geographies (including inaugural surveys from Estonia, Latvia, and Lithuania); the strength of CFOs' optimism in certain regions clearly stands out. In the UK, for example, business optimism has risen for the fourth consecutive quarter and is well above average. Buoyed by the strength of their home economies, nearly 60% of North American CFOs express rising optimism, and just 13% express rising pessimism (the lowest proportion in the history of the survey). And even in Ireland, which slipped into recession in Q2, a net 36% of CFOs are optimistic about their companies' prospects, up 3% from last quarter.

That optimism is also translating into expansionary tactics and investment in some countries. In Switzerland, for example, almost one-third of CFOs expect to make capital expenditures, which is twice as many as a year ago. In the Netherlands, more than half (57%) of CFOs expect M&A activity to rise, and risk appetite among UK CFOs is at its highest level since the survey began.

Trouble spots persist, however. In Belgium, where 88% of CFOs do not believe their home economies will recover this year, CFOs are particularly concerned about the negative impact of government policies on their businesses. In Central Europe, stagflation is expected in countries such as Bulgaria, the Czech Republic, and Hungary. And perhaps most troubling, CFO optimism took a nosedive in Australia, driven by fears of a slowdown in China and uncertainty over federal-government policy there.

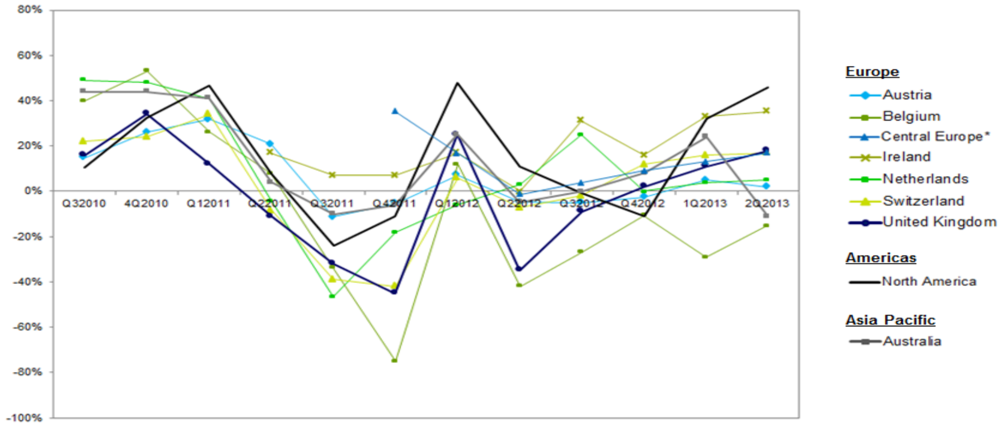
Still, despite continued uncertainty over regulation, taxes, and other economic factors, CFOs globally seem united in their push for growth. More than half of Australia's CFOs, for example, showed renewed interest in M&A despite their dour outlooks, and almost half of Serbian CFOs are optimistic about their financial prospects even though 10% are predicting recession. They, like some of their counterparts, might not like what they see in the economic forecast, but seem determined to ride the tide of uncertainty. What follows is a synopsis of sentiment by geography:

North America

In North America, net CFO optimism (the difference between the percentage of CFOs expressing rising optimism and those expressing falling optimism) continued to rebound, rising from a strong +32 last quarter to an even stronger +46 this time. The primary cause of growing optimism seems to be CFOs' perception of the North American economies. Nearly 30% of CFOs rate

CFO Sentiment: Net Change in Optimism

Net % of CFOs who are more optimistic about the financial prospects of their company now than three months ago.



*A trend line has been plotted for this country as the survey is conducted on a semi-annual or annual basis.

Please note that the surveys conducted vary in timing, sample size and demographic of respondents. As such, these survey responses may not be a statistically accurate representation of the countries / regions identified. Please refer to the end of this publication for information on the scope and survey demographics for each participating survey.

the region's economic health as more good than bad, and just 9% rate it as more bad than good. Moreover, nearly two-thirds of CFOs are optimistic about the trajectory of North American economies. Their optimism translated into higher mean sales-growth expectations (5.7%* vs.5.4%* last quarter), and CFOs pointed out that their top use for cash over the next year will be for organic and inorganic growth. They did have concerns about expanding internationally, however, including currency risks and governments' increasingly aggressive efforts to tax foreign companies' profits.

Europe

Across Europe, views remain somewhat mixed. While CFOs voice increased optimism over their businesses' prospects in the UK, Ireland, and the Netherlands, CFOs in Austria and Belgium do not share their enthusiasm. In addition, some 27% of Austria's CFOs believe that the economy in that country will decline compared with 19% in the last survey. Moreover, while 56% of Switzerland's CFOs have a positive outlook on their country's prospects, their business expectations are mixed as well, with 75% expecting revenues to increase in the next 12 months, but only 30% expecting margins to follow suit. Still, given cheap and available credit in several countries, many CFOs across the region seem to be poised to take advantage of current conditions to increase market share and expand capacity.

Central Europe

The outlooks in the 13 Central Europe countries reporting (the Albania/Kosovo and Polish surveys were not available for this edition of *Global CFO Signals*) remain as diverse as the countries themselves. The mini-boom in the Baltic states of Estonia, Latvia, and Lithuania, for example, is supporting more positive attitudes toward risk and expectations for the future. But few CFOs are "very optimistic" since there are few grounds for excessive confidence in the region. And CFOs in the region's larger economies—such as the Czech Republic—remain cautious due to the continued pressures among the key trading partners of Western Europe. Almost 30% of the Czech Republic's CFOs, in fact, expect a recession in the next 12 months. Still, despite the uncertainty, there appears to be an emerging consensus that recovery will be on track for most countries by 2017, and many CFOs remain focused on revenue growth in the meantime.

Asia Pacific

Finally, the Australian survey offers a cautionary tale in the Asia/Pacific region. After three quarters of escalating optimism, confidence among CFOs there plummeted in Q2. In fact, net optimism dropped to its lowest level since the survey began, falling from 24% in Q1 to -11% this quarter. Still, while upcoming federal elections affected CFO confidence, finance executives there did not see them as a reason for deferring capital expenditures, acquisitions, divestments, or hiring. Given that the survey was conducted during continued commentary about Australia's economic challenges post the mining investment boom, that may partly explain the substantial drop in confidence. Or it may just be that the Australians know something the rest of the world is ignoring.

*All numbers with asterisks are averages that have been adjusted to eliminate the effects of stark outliers

Global CFO Signals

CFO Priorities: A Global Perspective

Mixed on risk

Risk appetite has grown in many of the countries eyeing growth this quarter. In the UK, for example, symptomatic of the upbeat mood, a record 45% of CFOs say that now is a good time to take risk onto their balance sheets. At the same time, the availability and cost of capital there is cheaper and more easily available than at any time in the last six years (at least if you are large corporate, that is). In the Netherlands, 31% of CFOs report an increased risk appetite—the highest level in the last two years. And in Switzerland, where risk appetite has been increasing for several quarters, expected investments are also on the rise. Within Central Europe, however, the attitude toward risk runs the gamut with 0% of CFOs in Slovenia saying now is a good time to take on risk to 35% of CFOs in Estonia who take that view. Most CFOs in that region rate new credit as “normally available." But whether CFOs take advantage of the available financing remains to be seen. In Australia, where credit is considered cheaper and more available than at any other time in recent years, risk appetite has dipped again, with just under one quarter (24%) of CFOs believing that now is a good time to take greater risk onto their balance sheets.

Go forth and expand

How and where companies plan to grow remains top of mind among finance executives. For North America’s CFOs, growth is a top use of cash for three-quarters of all companies, with organic growth ahead of inorganic growth. The bias is still substantially toward current geographies—likely driven by both heavy reliance on the North American markets and the region’s comparative economic health. The story is similar for UK-facing companies (those that derive more than 70% of their revenues from the UK), which are now more expansionary than any time in the past two years. And in Belgium, CFOs’ expectations for M&A activity went down slightly, but still half of respondents expect M&A activity to increase over the next 12 months. Meanwhile, despite economic uncertainty across Central Europe, most of the countries are hunting for growth both in their domestic markets and in other markets such as Russia and Turkey. To achieve it, about half of CFOs expect to see a slight increase in M&A this year, some of which will be due to the sale of distressed assets, Western investors divesting, and private equity playing a larger role. Still, not everyone is committed. More than half (56%) of Ireland’s CFOs categorize their corporate strategy as expansionary, but 63% cite market uncertainty as the most negative influence on their companies’ investment plans in the next 12 months.

The China factor

While many CFO surveys focus on the state of their home economies, it is clear that finance executives also pay close attention to other markets. Nearly two-thirds of North America's CFOs, for example, are optimistic about the trajectory of their own economies, but 53% of them are also optimistic about China (only 14% are optimistic about Europe). And when it comes to growth, 18% (23% last quarter) of North America's CFOs say that the state of the Chinese economy is a top growth tailwind, while in the technology sector, that figure jumps to nearly 45%. The picture is very different in Asia/Pacific, where Australia's CFOs are less concerned about U.S. and European economic issues, but the slowdown in China has made a major dent in confidence. In fact, 85% of Australian CFOs cited it as a negative impact, up from 34% in Q1 2013. This makes China the biggest concern for Australian CFOs, reflecting the challenges and concerns that are continuing to emerge after the mining investment boom. Of course, CFOs in both Australia and North America are evaluating the same 7.5% growth in China for the second quarter (down from 7.7% in Q1, according to the National Bureau of Statistics of China). It just seems they are viewing it through very different lens.

Shoring up finance

Seeking to improve finance remains a top priority. In Ireland, CFOs cited strategic planning (27%); budgeting/financial planning (20%); and risk management (15%) as the top three areas for improvement in order to shore up finance's capabilities. Similarly, in Estonia, CFOs were asked where their own knowledge needed improvement, and almost half cited marketing, while another 28% named sales. To grow their impact either as individuals or as a function means having the right people in place, of course. That's why it may not be surprising that almost three-quarters of Ireland's CFOs maintain that retention of talent has remained a priority despite pressures to engage in cost cutting and downsizing. Meanwhile, across Central Europe, about two-thirds of all respondents do not expect finance talent shortages. But those that will exist, quite possibly could be at senior levels. In Romania, for example, 28% of CFOs predict a significant shortages in key roles—roles that could prove crucial in leading companies back to profitability in that fragile economy. Of course, there are other reasons why shoring up both corporate and finance performance could ultimately pay off: Several of the metrics driving the incentive pay of North American CFOs are often affected by bottom-line measures such as share prices and earnings, as well as by measures like asset efficiency and liquidity that are often influenced by strong finance function performance.

Deloitte Member Firm CFO Surveys:

Second Quarter 2013 Highlights

Australia

Safe to go back in the water?

Optimism plummets

Following three quarters of escalating optimism, confidence among Australian CFOs took a dive in Q2, reaching its lowest level since the Australian survey began in 2009. Specifically, net optimism among CFOs fell from 24% last quarter to -11% this time. Despite this, more than half (52%) of CFOs are broadly unchanged in their views regarding their companies' financial prospects.

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The optimism levels were most profoundly influenced by the slowdown in China, with 85% of CFOs citing it as a negative impact, up from 34% who felt this way in Q1. This makes China the biggest concern for Australian CFOs. Still, uncertainty about Australia's federal-government policy continued to have a significant negative impact on 75% of CFOs, consistent with the past few quarters.

Australia's CFOs remain less concerned about economic issues in the U.S. and Europe. In fact, 48% of respondents felt the U.S. economy had a positive impact on their confidence. However, some 28% still felt that the European economic conditions made them feel less confident.

As expected, falling interest rates (the RBA cut the official rate to an all-time low of 2.75% in May) and the depreciation of the Australian dollar also had a positive impact on CFO optimism, at 44% and 46% respectively. Some 63% of respondents felt that the multispeed economy continues to hurting business, indicating that the dollar may have farther to fall.

In stark contrast, CFOs in North America and the UK continue to ride a wave of improving confidence, enjoying their highest levels of optimism in recent years. CFO sentiment in Australia has previously tracked in line across the three regions: this is the first time there has been a significant divergence.

Highlights from the Q2 2013 Australian CFO Survey:

- Net optimism fell from 24% to -11% following three consecutive quarters of rising optimism. It is the lowest level of confidence since the survey began.
- The slowdown in China had the biggest negative impact on CFOs' optimism, edging out the previous front-runner, Australian government policy.
- Appetite for risk dipped again: only a quarter of CFOs believe now is a good time to take risk onto the balance sheet.
- More than half of CFOs showed renewed interest in M&A, while organic growth remains the leading business strategy for the year ahead.
- Views on interest rates shifted significantly: two-thirds of CFOs expect rates to fall further below 2.75%, compared to 8% who predicted that last quarter.

Impact of uncertainty

Australia's CFOs reported that their general levels of economic uncertainty have crept up again; 83% gauged economic uncertainty as above normal, up from 58% last quarter. Most believe that this will be with us for more than another year. Appetite for risk also dipped; less than a quarter of respondents considered this to be a good time to take risk onto the balance sheet.

These levels of uncertainty were driven to an extent by the forthcoming federal election which was having a negative impact on the confidence of almost half the CFOs. But interestingly, CFOs were not letting the election get in the way of such business strategies as capital expenditure (87%), acquisitions (81%), or hiring (85%).

Interest rates/dollar provide relief

The depreciation of the Australian dollar had a positive impact on CFO optimism. More than half (52%) of CFOs said the lower dollar has improved their company's financial prospects, while 83% said it has improved Australia's global competitiveness. CFOs expect the value of the Australian dollar to shift down significantly over the coming year, in the wake of its recent depreciation.

Similarly, CFOs are expecting interest rates to fall further. Some 65% of CFOs expect rates to land below 2.75% in the next 12 months, compared with only 8% who predicted this in the Q1 survey.

Credit cheaper, available

CFOs stated that credit is cheaper and more available now than at any other time since the survey began, clearly influenced by the recent fall in interest rates.

The popularity of bank borrowing has continued to surge; 79% of the CFOs surveyed viewed it as an attractive or very attractive option. Meanwhile, the appeal of corporate debt, internal funding and equity has remained fairly stable compared with the previous quarter.

CFOs were divided on the outlook for leverage, with 28% expecting it to increase, and 24% planning to reduce it. This suggests that while debt is more available and affordable, companies are still exercising caution and conservatism with their own balance sheets—a possible forward indicator of things to come.

Metrics and strategies

Expectations for revenue growth have weakened slightly compared with the previous two quarters, with 65% of CFOs expecting an increase. The focus remains on improving operating cash flows, with decreasing discretionary spending and financing costs also expected. On the employment front, 37% of CFOs expect to increase headcount in the next 12 months, up from 34% last quarter.

As for strategies going forward, there are signs of renewed interest in M&A among 54% of CFOs, up from 40% for the first-quarter 2013, which reflects ongoing consolidation in the economy. Organic growth continued to be a strategic priority for 63% of respondents, and close to half identified introducing new products and services or expanding into new markets and renegotiating finance facilities. On the other hand, it will be a quiet year ahead for capital raisings and asset disposals, with 80% of respondents reporting no planned movement in these areas.

Austria

Uncertainty on the rise again

Highlights from the July 2013 Austrian CFO survey:

- Some 27% of CFOs believe that the economy will decline compared to 19% in the last survey.
- For 37% of the finance executives surveyed, revenues are expected to remain unchanged in the coming months; 43% expect an increase.
- A quarter of CFOs are planning to invest more in the next few months even though the climate for making investments is expected to worsen.
- More than half (57%) of CFOs plan to retain their current staff levels over the coming months; 25% expect a decrease.

Rise in downturn fears

The outlook of Austria’s CFOs toward economic development has declined since the last survey. Currently, 27% of CFOs think there will be a downturn in the economy, compared with 19% last quarter. Only 36% of the surveyed finance executives think the economy will remain stable (47% in the last survey), while 34% expect conditions to improve. At the same time, 28% expect a decrease in the Austrian stock market, while 44% believe there won’t be any change.

Revenue expectations decline slightly

After rising twice in a row, the revenue generated by the participating companies is expected to decrease slightly, according to our newest survey. In our current survey 43% of the questioned finance executives believe that they will see an increase in their revenues compared with 48% in the last edition. The number of Austria’s CFOs who predict that their revenue will stay the same as in the previous quarter increased to 37%.

When it comes to jobs, the majority of companies (57%) still intend to keep their staff at current levels. Only 15% intend to increase their level of staff in the upcoming months compared with 21% in our last survey. A quarter of CFOs expect a decrease in employee levels in the near future.

Investing more despite outlook

Even though a quarter of the questioned CFOs think that the climate for investments will become worse over the coming months, 25% are planning to invest more in the next month, and 35% say they will invest the same.

Still, there has been a decrease (21% to 20%) in the number of finance executives who think that M&A will play an important role in the next few months, as well as a decrease in the number who believe that M&A will not play an important role in the coming quarter (25% to 22%). Compared with 25% in our previous study, 35% of Austria’s CFOs now view the topic of M&As neutrally.

Although the number of CFOs who rate the credit availability for their companies as “really well” increased from 22% to 24%, the number of CFOs who rate the availability of credit for their companies as “good” decreased from 27% to 20%.

Slowly responding to enforcement

This quarter for the third consecutive time, we asked how many of the concerned companies have already taken measures to prepare for the introduction of an enforcement agency. Some 14% responded that they have already implemented their enforcement strategies.

Belgium
Call for action

Remaining cautious

Belgian CFO confidence has gone up slightly in the second quarter, but remains low and below the long-term average. For close to 40% of CFOs, in fact, the financial prospects for their companies remain broadly unchanged.

CFOs are most of all worried about the timing and the pace of the economic recovery as well as the competitive positioning of their companies. The potentially negative impact of government policies and additional regulation completes the top three key concerns. For companies that focus their business mainly on the Belgian market, the negative impact of policies and regulation has actually become the number one concern. Out of the six recommendations recently made by the European Commission to the Belgian authorities, CFOs say shifting taxes and restoring competiveness will have the most positive impact on their businesses.

Looking forward, 88% of CFOs do not expect the Belgian economy to recover this year, while 27% do not even anticipate an uptick before 2015. Moreover, over 30% of respondents rate the likelihood that the Belgian economy will enter into a new recession high. For the Eurozone, over 40% expect to see further contraction.

Still not on budget

Second-quarter financials were once again disappointing. Halfway through 2013, close to 50% of the respondents' organizations are already behind budget, and about the same percentage also expects to be behind budget by the end of the calendar year. Companies that generate most of their revenues in Belgium seem to be doing somewhat better compared to budget than those that have a more international focus: 60% of organizations that generate over 70% of their turnover outside Belgium lag behind budget, as compared to 40% for organizations with over 70% in Belgian revenues.

Highlights from the Q2 2013 Belgian CFO survey:

- CFOs' perceptions on financial and economic uncertainty have slightly improved compared to a year ago. In Q2, 73% rate the level as above normal or high, down from 85% last year.
- For close to 40% of respondents, sentiment about the financial prospects for their company remains broadly unchanged.
- Half of CFOs report their companies have not been able to achieve their second quarter financial budgets and will not be able to make up the gap in the second half of the year.
- CFOs are very critical of the impact of government policy: the vast majority of CFOs report current policies are inappropriate and not contributing to the long-term success of businesses in Belgium.

Credit conditions recover

Not everything is bad news. Economic and financial uncertainty has decreased compared to last year (73% vs. 85%). Moreover, credit is relatively cheap and more available than at any time in the last 18 months. Bond issuance and bank borrowing are deemed attractive, and interestingly also equity issuance has become attractive for the first time in two years. Finance is available for (many of) those wanting to expand, but CFOs seem to find little opportunity to invest.

For about a third of respondents bank borrowing remains somewhat hard to get. The survey does not provide any indication that smaller businesses have more difficult access to bank borrowing than larger ones.

Worried about demand

The expected timing for acceleration of growth in demand of CFOs' businesses’ products and services continues to shift backwards: More than 40% of the respondents do not believe that growth in demand for their products and services will increase again in the next 12 months, and close to 30% do not think growth will pick up before 2015.

As far as their business strategies are concerned, CFOs' priorities have not changed compared to the previous quarter: In the next 12 months organizations will mainly focus on defensive strategies like increasing productivity/efficiency, cost management, and cash flow management. CFOs are cautions in planning for growth.

In fact, secular or long-term growth for products or services continues to be the main stimulating driver for investment plans. Whereas last quarter, CFOs still reported that the actual or expected growth in emerging markets had been a stimulating factor in the past 12 months, it is now no longer driving investments. Overall, CFOs see little opportunity to invest, be it in Belgium, in the Eurozone of overseas.

Belgian-policy complaints

Belgian CFOs’ perceptions on the adequacy of priority setting by the Belgian government has reached an all-time low: a total of 68% rate the way in which the federal government is setting the right priorities for financial and economic policy making as negative (net balance -63%).

In fact, CFOs are unhappy about almost all current policy definitions in Belgium, especially with regard to the labor market and taxation. From their point of view, current policy setting is not contributing to the long-term success of business in Belgium. The monetary policy, which is a Eurozone policy, is perceived as more appropriate for the long-term success of businesses in Belgium.

Bulgaria
Intensifying vigilance

Highlights from the H1 2013 Bulgarian CFO Survey:

- CFO optimism has declined: only 40% of CFOs now are very or somewhat optimistic about the financial prospects of their companies, compared to 67% in the last survey.
- Almost 90% of CFOs perceive the level of external financial and economic uncertainty as high or above normal.
- Economic stagnation is seen as the most likely scenario for Bulgaria, with 83% of CFOs predicting it, compared to 61% last November.
- New investments are a top priority for less than 6% of CFOs, compared to 28% last time.

Noticeable fall in expectations

The second Bulgarian CFO Survey, which was conducted in the wake of a recent change of government in Bulgaria, reflects an environment where near-term visibility is challenged, ultimately affecting business priorities.

Specifically, Bulgaria's CFOs have noticeably reduced their macroeconomic forecasts. The expectation that Bulgaria was heading for stagnation in 2013, which was shared by 61% of CFOs in the last survey, now finds further support with 83% of respondents. At this time, only 3% of Bulgaria's CFOs foresee the threat of recession.

Still, almost 90% perceive the level of external financial and economic uncertainty as high or above normal. The proportion of respondents who shared similar views is now higher compared with six months ago when 72% of the finance executives agreed that external uncertainty was at these levels. And when it comes to unemployment, CFOs are divided: 43% expect the level to increase slightly, and another 43% believe it will stay at last year's levels.

Optimistic declines too

Concerning their companies, CFO optimism has declined over the past six months. The previous survey reported 67% of Bulgaria's CFOs felt very or somewhat optimistic about the financial prospects for their companies, whereas today only 40% of respondents hold this opinion. Six months ago, none of the respondents shared a less optimistic view; today, 17% are skeptical.

More liquidity, less investment

CFOs stay firmly focused on growth, their attitudes practically unchanged over the last six months. Revenue growth in present and new markets is among the top two priorities of around 68% and 60% of respondents, respectively. This resilient attitude, however, is not mirrored by CFOs' positions on making new investments, with almost 50% placing it in the bottom half of their priority lists, and only one out of four ranking it in the top tier. This is a noticeable shift in attitudes from our previous survey, when the figures stood at 33% and 45% respectively, and suggested availability of spare capacity to support targeted growth. Liquidity issues in certain businesses could also be a contributing factor as well; 57% of the CFOs list improving liquidity as a top one-or-two priority, compared with 41% six months ago.

Little appetite for risk

Taking on more balance-sheet risk should be avoided in the opinion of 91% of CFOs. Six months ago, almost 28% thought it was a good time for risk-taking, and attitudes are distinctly more conservative now. This stance is a logical consequence of the increased pessimism about general economic uncertainty and financial prospects, and is echoed by the lower appetite for new investments. Such investments are now a priority for less than 6% of the respondents, compared with 28% in the last survey.

Croatia

Caution on the verge

No significant recovery

On the verge of EU accession, Croatia continues to be one of the least growing markets in Central Europe. More than half of Croatian companies did not grow their turnover and profits in 2012. In addition, the latest adjusted predictions show that no significant recovery can be expected in 2013.

The spring 2013 survey indicates that 58% of Croatia's CFOs believe that the financial prospects of their companies are either unchanged or less optimistic than in the autumn of 2012. This is a negative trend from last time, when 51% of CFOs expected their companies' financial prospects either to remain unchanged or become less positive.

Negative trends are also reported regarding CFOs' willingness to take greater risks onto their balance sheets, with more than 81% unwilling to do so. In addition, more than 97% of participants rated the level of financial and economic uncertainty as above normal, which is also worse than six months ago, when 90% gave such a rating.

Priorities for 2013

Looking ahead, the most important task for Croatia's CFOs is a combination of revenue growth, especially from existing markets (44.7%), and cost reduction (28.9% direct; 31.6% indirect). Liquidity remains high priority for 40% of CFOs.

Consistent with these findings, the proportion of Croatia's CFOs who are not keen on new investments remains relatively high, with more than a third not perceiving new investments to be a high priority. This result is somewhat better than last time, when half of the respondents didn't consider new investments to be a priority. The main reason for this unwillingness to invest can be found in CFOs' previously mentioned caution and risk aversion as well as the generally negative sentiments on the market.

Highlights from the H1 2013 Croatian CFO Survey:

- Some 51% of Croatian CFOs believe the financial prospects of their companies are either unchanged or less optimistic, down from 63%.
- Whereas only 21% of CFOs expected a recession in Croatia in the last survey, 51% now expect it in 2013.
- The percentage of CFOs who believe unemployment will rise significantly rose from 3% last survey to 16%.
- Just over 40% of CFOs are planning to reduce their debt ratios, compared to 33% in the spring survey.

New credit difficult, expensive

Almost 40% of the surveyed CFOs believe that new credit will be difficult to obtain, which is a significant increase from the 33% recorded in the last survey. A growing ratio of non-performing loans is still present in bank portfolios, driving lenders to impose additional provisions and demand unfavorable financing terms.

Furthermore, only 29% of the CFOs expect financing costs to increase, which is the same as six months ago. More CFOs expect financing costs to remain at the same level, and more actually expect them to decrease. This belief has probably emerged because that while the banks have available capital, there are no projects in which they can invest.

Availability of talent

Almost one-third of Croatian CFOs expect talent shortages in the finance area over the next year. These shortages are mostly expected at senior (five or more years of experience) and top management levels.

Czech Republic

All eyes on corporates

Muted expectations

In the last year, the Czech economy experienced a recession, and the situation has continued in the first half of 2013. The economic decline, which has been going on for the last five quarters, has brought the Czech economy to a total year-on-year decline of 1.3%. This happened despite the fact that the economies of the country's key business partners were doing relatively well throughout most of 2012. For example, the German economy experienced a growth of 0.7%. Thus, it is not surprising that the economies in neighboring countries within Central and Eastern Europe were doing significantly better than that of the Czech Republic.

Regarding macro-economic indicators, CFOs are more optimistic than the majority of economic analysts. Still, from their perspective, the Czech Republic's CFOs do not have high expectations for future GDP growth. Some 65% of respondents expect stagnation in the country's GDP (growth between 0% and1.5%) and 28% expect a recession.

Impact on optimism

The financial outlooks for companies and the perception of external financial and economic uncertainty follow the trend described in the past surveys. For example, 75% of CFOs rate the level of external financial or economic uncertainty as above normal or high compared with 73% in the last survey. There are significantly fewer strikingly negative or positive expectations, which might be interpreted as a kind of acceptance of the current state of the economy. The CFOs are well aware of economic opportunities and threats and the measures taken in past periods provide a sound basis for slightly more-optimistic expectations.

Highlights from the H1 2013 Czech Republic CFO Survey:

- Some 65% of CFOs expect stagnation in the country's GDP (growth between 0% and 1.5%).
- Currently, 67% of CFOs do not think this is a good time to take risk onto their balance sheets, down from 81% in the last survey.
- Only slightly more than a 11% of companies see equity funding as attractive.
- Some 30% of Czech CFOs see business remodelling or restructuring as a strong priority in the next 12 months, up from 23% in the last survey.
- Half of all respondents expect M&A activity to increase somewhat in the next 12 months.

Taking on risk

CFOs have been willing to take greater risk despite the uncertain and difficult situation. Currently, 67% of Czech CFOs say this is not a good time to take risk onto their balance sheets, but that's down from 81% in the last survey. This may be explained by the fact that companies are mostly able to service their debts. Some 30% expect that capacity to increase somewhat or significantly in the next three years.

Focus on current markets

Asked about their business focus for the coming year, the majority of CFOs in the Czech Republic sees searching for new ways of increasing sales as the highest, priority. There has been an interesting change in the attitude toward the sales growth. Whereas in our first surveys CFOs stressed the necessity to enter new markets, in the two latest surveys they claimed their priority was to increase sales on current markets.

Estonia
Economic stability emerging

GDP set for modest growth

Based on their experience and the behavior of the market, a significant proportion of respondents (77%) predict modest GDP growth for 2013 (1.5%-3%). Similar expectations are expressed in the Bank of Estonia's economic forecasts. A significantly lower proportion of financial managers are more optimistic; 16% of respondents believe that GDP could grow by more than 3% in 2013. Only 7% believe that economic growth in Estonia will not exceed 1.5%. Overall, Estonia's CFOs are tending to anticipate stability and moderate growth.

In addition, the fact that half of the Estonia's CFOs consider the financial prospects of their entities to be the same as six months ago indicates that the economic environment has stabilized. At the same time, approximately 40% of the CFOs surveyed appear to be more optimistic about their future prospects. Although optimistic and neutral attitudes prevail, 11% of respondents consider their future financial position and prospects to be less attractive.

New normality emerging

Some 57% of the CFOs surveyed believe that the financial and economic uncertainty that their companies are facing is at a normal level. This shows that they have accepted the conditions of the "new normal."

The rest of the respondents (43%) consider the financial and economic uncertainty to be at a higher level than before. These companies have assumed a cautious position, seeing it as extremely important to continue monitoring changes in the economic environment because of continuing anticipated uncertainty.

Highlights from the H1 2013 Estonian CFO Survey:

- Estonia's financial leaders expect greater stability and slight positive GDP growth, with a majority forecasting a modest 1.5-3%.
- Some 67% of Estonian financial managers predict that there will not be shortages in the near future among finance professionals,
- Over half (57%) of respondents assess the overall level of financial and economic uncertainty faced by their companies to be normal,
- About two-thirds of the surveyed CFOs think that right now is not a good time to take financial risks.

Focused on growth

Estonia's CFOs in the survey rank those priority areas on which they plan to focus most of their attention for the next 12 months. The highest ranking was awarded to achieving sales growth in existing markets. The reduction of direct costs is also very important, while growing revenue from entering new markets is a mid-ranking priority.

Less important to Estonia's CFOs is making new investments, which may indicate a cautious mood and a passive attitude towards short-term macro-economic well-being. Just 10% believe that improving liquidity is their greatest priority.

No talent shortages

CFOs do not expect to see shortages among finance professionals during the next year. While 67% believe there will be no shortage, respondents also stressed the complexity of finding good, experienced specialists and midlevel managers.

Hungary
Preparing for tough times

Highlights from the H1 2013 Hungarian CFO Survey:

- Some 58% of Hungarian CFOs expect stagnation (growth of 0-1.5%).
- A year ago, more than half of CFOs expected a moderate increase in M&A, but the number has fallen to 31% in the current survey.
- CFOs believe that increasing equity is a more unattractive idea than a year ago, though 63% still see it as neutral.
- Almost three quarters of companies do not believe the time is right to take on increased levels of risk.
- According to 85% of CFOs, there will be no shortage of financial talent during the next year, which is the best result recorded in the region.

Pessimistic predictions

The expectations of Hungary's CFOs regarding GDP growth in 2013 are in line with the forecasts of various international and Hungarian organizations. Some 58% of respondents expect stagnation (0%-1.5%), while 40% expect recession. Only 2% forecast moderate growth.

Despite the fact that respondents do not expect growth, their opinions are still more optimistic than six months ago when 12% more predicted recession and less than half anticipated stagnation. In addition, compared with the previous survey, respondents were slightly more positive about the level of external economic and financial uncertainty and prospects for economic growth. Their opinions were again divided, however. Significantly fewer respondents mentioned very high uncertainty, while the number of those experiencing moderate uncertainty has increased since the end of last year.

Regulatory and tax challenges

It is no surprise that the key business objective for the next 12 months is to increase revenue both from existing and new markets. Major challenges include uncertainty regarding the ever-changing regulatory background, tax and legal compliance, as well as risks arising from volatile foreign exchange rates. The redesign and restructuring of business processes and the reduction of direct costs are high priority areas for the great majority of Hungary's CFOs. More than two-thirds of responding finance chiefs (73%) do not believe the time is right to take on increased levels of risk.

Negative toward M&A

CFOs are increasingly pessimistic regarding the future level of M&A in Hungary. A year ago, more than half of the respondents expected a moderate increase in activity, but that number fell to 31% in the first half of 2013, and those expecting stagnation rose to 49%. This negative tendency derives again from the uncertainty caused by the adverse economic outlook. Due to the large capital requirements needed for a merger or acquisition, the level of risk is higher. This negative tendency is detectible not only in CFOs' opinions, but also in the limited number of actual transactions taking place in Hungary.

Divided on financing

CFOs' opinions are divide on the costs of finance over the next 12 months: 34% expect them to increase somewhat and 23% expect a decrease. Still, 58% of Hungary's CFOs believe that bank loans are hard to obtain, and only 7% see them as an attractive option.

Sufficient talent

There is sufficient financial talent in Hungary. According to 85% of CFOs, there will be no shortage during the next year, which is the best result recorded by any country in the region.

Ireland

Riding the tide of uncertainty

Recession returns

The second quarter of 2013 was significant for Ireland, both politically and economically. Internationally, the quarter opened on a positive note, as the economic unrest brought about by the Cypriot banking crisis eased within Europe.

Domestically, the Government displayed its continued commitment to public sector reform. The terms of the revised Croke Park II Agreement were negotiated, emerging in the form of the Haddington Road Agreement, and a campaign was launched for the abolition of the Seanad (State of Ireland). While previous surveys have suggested that Ireland's CFOs recognize the need for existing austerity measures, only 2% of respondents this quarter consider further austerity an effective step on the road to recovery. In fact, CFOs ranked job creation as the most critical step to recovery. These sentiments are not unfounded and echo the International Monetary Fund's (IMF) warning that the country faces an "acute unemployment crisis." These comments offer little reassurance that Ireland will be in a position to exit the IMF bailout program by the end of the year and only serve to increase uncertainty surrounding the looming Budget 2014.

CFO sentiment also indicates the need for economic growth, as Ireland's CFOs consider that low economic growth and market uncertainty as posing the greatest threats to their businesses. Their concerns are not unjustified as the close of the quarter saw Ireland descend into recession for the first time since 2009.

Highlights from the Q2 2013 Irish CFO survey:

- Net optimism remains relatively stable this quarter at 36%.
- Some 81% of CFOs believe their companies' revenue will increase over the next 12 months.
- According to 63% of the CFOs, market uncertainty will have a negative impact on their companies' investment plans over the next 12 months.
- To 35% of CFO respondents, the Government should focus on job creation to stimulate economic growth and recovery.
- Almost a third of respondents believe that bank borrowing will increase over the next 12 months.
- Only 2% of respondents believe further austerity measures would be effective in Ireland's recovery.

Optimism amid the uncertainty

Still, business optimism is rising. A net 36% of Ireland's CFOs surveyed this quarter are optimistic about the financial prospects of their firms—an increase of 3% over the previous quarter. They believe their revenues and operating cash flows will increase—81% and 76% respectively. In addition, CFOs expect their operating costs to decline (52%), which obviously influences the positive outlook on operating cash flows.

Confidence in the domestic capital market also appears to be on the rise as CFOs believe domestic credit is cheaper and more available now than any other time in recent years. In fact, a net 12% of respondents currently believe that financing is easily attainable, and a net 27% of respondents believe that new credit is costly, down from 53% in Q12013.

No appetite for risk

Still, Ireland's CFOs are fairly united in their view that it is not an opportune time to take greater risks onto their companies' balance sheets (71%). In addition, 82% of CFO respondents specified that their company's level of debt has either decreased or remained static over the past year. This suggests that companies are continuing with prudent strategies regarding funding with an ongoing focus on risk management. The decrease in leverage this quarter is in line with the marked increase in preference for equity as a source of funding. In contrast however, equity is viewed by surveyed respondents as the most difficult source of funding to attain.

Bent on expanding

Business strategies are considered expansionary according to the majority CFO respondents, although now 13% more respondents deem their strategy defensive than did in Q1 2013. The survey results also suggest that companies are not only reliant on the domestic market but that actual or expected growth for its European counterparts and in the U.S. and Asia contribute to the robustness of the investment plans of Irish companies.

Despite that outlook, there are multiple factors affecting companies' investment plans. The dominant concern for Ireland's CFOs currently is market uncertainty, with 63% of respondents believing this will have a negative impact on their investment plans for the next 12 months. Some 7% of the CFOs surveyed cite the cost of—and difficulty in raising—financing as being major worries for their business. On the other hand, long-term growth for businesses' products and services is considered as having the most positive influence on companies' investment plans.

Latvia
Driven by people

Moderately economic growth

In 2011, Latvia's real GDP growth reached 5.5%. In the first three quarters of 2012, real GDP grew by 5.7% year-on-year, and Latvia was one of the EU's fastest-growing economies in 2012. This growth was mainly attributed to significant increases in consumer demand and exports.

However, considering the expected weak economic growth in the EU, it is estimated that growth in real GDP will slow down in 2013. More than 88% of Latvia's CFOs expect moderate economic growth of between 1.5% and 3% in 2013, and 11.4% expect economic stagnation with a growth rate between 0% and 1.5%. Only 12.4% expect GDP to grow by more than 3%.

According to the survey results, it is expected that the retail and service industries will experience the most rapid growth in the next 12 months, closely followed by the manufacturing, real estate, and construction sectors.

Most pessimistic in the Baltics

When asked how Latvian CFOs would rate the general level of external financial and economic uncertainties facing their business, more than 70% still believe that the economic situation is uncertain, and 42% say the level is high or very high. That makes Latvia the most pessimistic Baltic state.

In the view of 29% of CFOs surveyed, reducing taxes is the most important growth factor for the Latvian economy over the next five years. Furthermore, 19% of participating CFOs believe that the development of technologies will be the most important growth factor for the Latvian economy, while 16% believe it will be state support to business (for example, EU funds and tax incentives).

Highlights from the H1 2013 Latvian CFO survey:

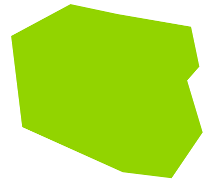
- Moderate economic growth is expected in 2013 (real GDP growth between 1.5% and 3%) by 88% of CFOs
- The fastest-growing industries in the next 12 months are expected to be retail and services, closely followed by manufacturing, real estate, and construction.
- Growing revenues from existing and new markets is seen as a top priority for Latvian companies in the year ahead.
- For 41% of CFOs, employees are the most important success factor for their companies.
- Latvian CFOs expect that M&A transactions in their home country and other Baltic states will remain mediocre in 2013.
- Most CFOs expect that Russia and other former Soviet Union countries will me the most economically important partners for Latvia in the next five-year period. 2013.

Focus on revenue growth

Latvia's CFOs state that in the coming 12 months their business focus will be on increasing revenue: more than 49% of surveyed CFOs plan to focus on increasing revenue from current markets and 22% on expanding into new markets. Just 14% of CFOs state that their business focus will be on reducing costs, closely followed by improving liquidity. This might be explained by the fact that between 2009 and 2011, Latvian companies completed significant restructuring and cost-cutting programs.

Employees rule

CFOs believe that their employees are the most important success factor for their companies, closely followed by products and services. Just 2% believe that advanced technologies ensure business success.



Lithuania
Mixed feelings

Optimistic about growth

In terms of macroeconomic forecasts, Lithuania's CFOs, as well as their Estonian and Latvian colleagues, are clearly most optimistic, which reflects the forecasts by the IMF, the Ministry of Finance, the Bank of Lithuania and most analysts who expect the economy to grow by 2%-3.2% in 2013 and predict the unemployment to go down slightly. Some 90.4% of Lithuania's CFOs expect economic growth; while just Estonians are more optimistic with 93.4%, and Latvians are close—88.6%.

In fact, an overwhelming majority of Lithuania's CFOs (84%) agree that the GDP will most likely grow moderately, by 1.5%-3%; 6% would opt for higher than 3% growth, and 10% think there will be zero growth or contraction of up to 1.5%.

To Lithuania's CFOs, one factor that would significantly impact their businesses would be to join the Eurozone: 68% of those surveyed say it would have a significant impact; 10% say the impact would be very significant. In addition, the same 68% of CFOs consider the introduction of the euro to have a positive impact.

Business focused on revenues

As for business focus, increasing revenues from existing markets is the foremost priority for Lithuania's CFOs (62%). Similarly, 60% consider the expansion into new markets a priority as well. In the opinion of CFOs, cost reduction—both direct (54%) and indirect costs (47%)—remains of high importance, but options after dramatic cost cutting in the aftermath of the financial crisis are rather limited. New investments, together with liquidity management, are considered important as well with 52% and 48% citing theme, though just 3% of CFOs think liquidity will be of the utmost importance.

Highlights from the H1 2013 Lithuanian CFO survey:

- Only 16% of Lithuanian CFOs expect a norm level of external financial and economic uncertainty to face their businesses; 84% expect it to be above normal or high.
- Some 72% of CFOs do not believe that now is a good time to take greater risk on the balance sheet.
- In Lithuanian CFOs' opinion, cost reduction – both direct (54%) and indirect (47%) – remains of high importance.
- Some 68% of CFOs consider that the introduction of the euro will have a positive impact on their businesses; 23% see no big difference.
- The majority (68%) agree that joining the Eurozone would significantly impact their businesses.

Credit available

Lithuania's CFOs are positive about the availability of new credit: 70% of them claim that it is normally available, while 17% think it is still difficult as a result of the crisis, and 13% do not see any problems at all. The majority of CFOs realistically expect a slight increase in borrowing costs for companies (68%); 23% think they will remain the same; and 6% expect them to decrease a little.

Mergers on the horizon?

The level of mergers and acquisitions was rather low during the previous several years, but 61% of CFOs expect it to increase somewhat and 32% see no patterns for change, while a small minority of 6% think it is likely to go down a little.

Netherlands
Optimism rises further

Economy remains depressed

Standard & Poor's expects the Dutch economy to remain depressed because of the high household debt, falling house prices, public-spending cuts, and the reluctance of banks to lend. The rating agency emphasized that economic growth is too dependent on exports. In June of this year, the volume of exports of goods was up 1.7% from June 2012, according to Statistics Netherland.

In 2013, the Dutch economy is expected to decline by 1%, which is 0.5% lower than CPB Netherlands Bureau for Economic Policy Analysis's estimate last March. Going forward, 2014 is expected to show a modest recovery of 1% growth.

Inching forward

Given the continued weak economy, it is no surprise that CFO optimism in the Netherlands has shown only little improvement compared to Q1 2013. Some 47% of CFOs say that financial prospects for their company remain unchanged, but the net percentage of CFO who report being more optimistic only increased from 4% to 14%.

That modest, and fragile, optimism seems to be driven by taking internal measures and the good availability of credit.

Another reason for higher optimism might be that the current economic and financial situation is seen as the new reality. From that point of view, things can only get better. Some 11% of CFOs in the Netherlands rate the current situation as normal. But still 89% of them believe their companies face an above normal, high, or very high level of economic uncertainty versus 88% in Q1 2013.

Credit more available

Risk appetite is the highest since Q4 2010. Some 31% of CFOs indicate that now is a good time to take more balance-sheet-related risks, compared with 8% in the previous quarter.

Highlights from the Q2 2013 Dutch CFO survey:

- Dutch CFOs are more optimistic than they were three months ago.
- Some 11% of CFOs see the current financial and economic situation as new reality.
- There is a change in attitude towards taking more balance sheet related risk, with 31% of CFOs willing to do so, the highest score in two years.
- A full 69% expect their cash flow to increase mainly driven by changes in gross margin, products/services, and capital expenditures
- An increase in private equity transactions is expected by 63% of CFOs.

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More than half of Dutch CFOs (52%) indicated that the cost of credit remains unchanged. This quarter, 36**%** of CFOs also see bank borrowing as second–best source of external funding (Q1 2013: 29%). But corporate debt is still perceived as the most attractive source of funding overall. The availability of credit recovered significantly from -13% in the previous quarter to 36% now.

Equity is not seen as an attractive source of funding. Practically no CFO is (very) likely to issue equity over the next 12 months.

Still positive toward M&A

More than half of CFOs (57% compared with 71% last quarter) expect M&A activity levels to rise over the next 12 months. Some 63% believe that private equity transactions will increase. In addition, 17% indicated that they expect to be involved in an acquisition, 20% believe that they will be divesting assets and/or subsidiaries, and 14% expect to enter a strategic partnership or a joint venture.

North America
An air of optimism

Optimistic, but cautious

On its face, this quarter seems a lot like the last. Companies are performing relatively well, but they're still doing it mostly through tight cost management and intense business focus, and not by riding waves of growing customer demand.

The most acute risks in Europe and the U.S. still appear to have been averted, but Europe remains dragged down by tight credit and balance-sheet repair. Growth in North America and China, while relatively steady, has not been strong enough to markedly bolster domestic hiring or investment. And North America's CFOs are still wary of the near- and long-term effects of monetary, fiscal, and regulatory policy worldwide.

But despite all these similarities, this quarter feels notably different. CFOs' responses this quarter seem to indicate an air of optimism that has been mostly absent for well over a year. Perhaps the best news is that CFOs mostly see North America's economies as healthy, and they are particularly bullish about where they will be next year. And at a company level, more are positive about their own prospects than has been the case since the first quarter of 2012.

But also apparent in this quarter's findings seems to be the notion that, even though their appetite for risk and growth is increasing, companies' approaches will be as measured and methodical as those that have helped them preserve earnings over the past several years. Continued reluctance to accelerate longer-term investments and a maintained focus on shoring up key risks both serve as reminders that downside risks are still a strong concern and flexibility remains an asset.

Highlights from the Q2 2013 North American CFO survey:

- CFO optimism continued to rebound this quarter, rising from a strong +32 last quarter to an even stronger +46 this quarter. .
- Growth and profitability expectations remain modest this quarter, with sales growth expectations only slightly higher at 5.7% (still below the 7% long-term average) and earnings growth lower at 10.3%* (well below the 12.3% historical average).
- Domestic hiring growth expectations improved to a still-muted 2.4% (the U.S. sits at just 1.3%, and 21% of all CFOs still expect cuts).
- More CFOs rate North America's economic health as good than as bad, and nearly two-thirds are optimistic about the region's trajectory. By comparison, 53% are optimistic about China; 14% are optimistic about Europe.
- Nearly 60% of CFOs think U.S. equities are overvalued, and only 4% think they are undervalued.
- CFOs say their top uses of cash will be investments in organic and inorganic growth – well ahead of alternatives like funding operational improvement efforts.

Signs of life

Notwithstanding their continuing concerns, the signs that North America's CFOs and their companies are feeling less wary and more confident are pervasive in this quarter's survey results. CFO optimism continued to rebound, rising from a strong +32 last quarter to an even stronger +46 this quarter. Nearly 60% of CFOs express rising optimism, with just 13% expressing rising pessimism (the lowest proportion since the survey began).

Companies' rising optimism is spilling over into their strategic plans. Even more than last quarter, the vast majority of North America's CFOs say that their companies are focused on pursuing opportunity over limiting risk, and that they are much more focused on growing and scaling than on contracting and rationalizing. Moreover, CFOs say the top two uses of cash in 2013 will be investments in organic and inorganic growth—well ahead of alternatives like funding operational improvement efforts and holding cash as a risk hedge. What they don't dedicate to growth investments will be mostly used to pay down debt, buy back stock, and pay dividends—not actions generally associated with strong concerns about the future.

The primary cause of rising optimism seems to be CFOs' perception of the North American economies. Nearly 30% of CFOs rate the region's economic health as more good than bad, and just 9% rate it as more bad than good. Moreover, nearly two-thirds of CFOs are optimistic about the trajectory of North American economies; by comparison, 53% are optimistic about China, and just 14% are optimistic about Europe.

Not there yet

Although nearly three-fourths of CFOs say North America's economic progress is the business environment's most positive force for growth, they also overwhelmingly say U.S. equity markets (which are up about 17% year-to-date) are over-valued, and their growth and profitability expectations remain modest. Sales growth expectations are only slightly higher this quarter at 5.7% (still below the 7% long-term average), and earnings growth declined to 10.3%* (well below the 12.3% historical average).

Modest growth expectations continue to take a toll on investment. At 7.5%, capital-spending growth expectations are below their long-term survey average, and domestic hiring growth expectations are still muted at 2.4% (the U.S. sits at just 1.3%, and 21% of all CFOs expect cuts). Instead of committing to these longer-term investments, CFOs say their companies are more likely to give cash back to shareholders; dividend growth expectations reached their highest level in nearly three years, and share buybacks are expected to be one of the top uses of cash for 2013.

Underlying these expectations are lingering concerns about the actions of governments worldwide. CFOs name fiscal, regulatory, and environmental policy as their top three growth impediments overall (economic stagnation and competitive pressures are next), and companies considering growth outside North America are concerned about governments' more aggressive pursuit of foreign companies' profits, taxes on passive income, and taxes on repatriated earnings.

Perhaps not surprisingly, CFOs reveal a continuing focus on protecting earnings and managing risk. Over the past five years, CFOs say their companies have taken extensive steps to improve risk awareness, clarify responsibility, and plan for risk events. The dominant focus has been on operational risk, but CFOs say they have also gotten much more aggressive about financial risks in general and about de-risking their retirement liabilities in particular.

Aligned CFO compensation

On top of their executive obligation to pursue growth and profitability, CFOs have another strong motivator—their compensation. Nearly two-thirds of CFOs say growth has a moderate or strong impact on their pay—and that's just through direct growth metrics that don't account for the impact of growth on other metrics like share prices.

Growth is important, but profitability is still king when it comes to driving CFO compensation. More than 95% of respondents report at least moderate influence and 75% report strong influence. But it is interesting to note that economic performance (through metrics like ROIC that incorporate both income-statement and balance-sheet measures) are the next strongest driver of CFO pay, with more than 70% of North America's CFOs reporting moderate or strong influence. Also interesting is that measures more limited to the functional scope of finance (factors like liquidity, cost of capital, treasury returns, and tax efficiency) are considerably less influential— but there are important industry differences.

*All numbers with asterisks are averages that have been adjusted to eliminate the effects of stark outliers.

Romania
Business as usual

Expecting stagnation

While Romania's CFOs express cautious optimism regarding their own companies, they are less positive toward the overall economy; 70% of survey respondents expect stagnation of the Romanian economy in the next 12 months, down from 81%, while 10% fear recession (up from 4.8% in December 2012).

Optimism about the economic outlook has slightly deteriorated in the aftermath of recent developments around the Eurozone, currently the main trading partner for Romania (more than 70%) and for the entire region of Central Europe. Despite significant downward corrections of expected GDP growth in recent months, Romania still benefits from strong key indicators. They include high foreign-exchange reserves (which stand at EUR 36 billion, according to CEEMEA Business Group, Emerging Markets in 2013-14), falling inflation rates, and a good potential for agricultural harvests which also offer room for further exploitation.

Other factors to consider when balancing the positives and negatives include the emergence of a growing SME sector, an expected increase in EU funding over the next decade, and the need to plug gaps in infrastructure through investment and development. In addition, the levels of education in Romania continue to be relatively good, feeding local competitiveness.

Moving forward nonetheless

Most respondents (90%) consider risk levels as high or above normal, a considerably higher percentage than in the previous edition of the report, when just over 71% of respondents agreed with these statements. These opinions reflect the impact of the neighboring economies from Southeast Central Europe in particular and general European business sentiment.

Highlights from the H1 2013 Romanian CFO Survey:

- Some 70% of respondents expect the Romanian economy to stagnate in the year to come; down from 81% in the last survey.
- Financial and economic uncertainty remains high (45%) or above normal (45%).
- Compared to 28.6% in our previous survey, 40% of respondents say they are fairly optimistic about their company's financial prospects.
- The percentage of CFOs who are confident that their companies' financing costs will decrease over the year to come has more than doubled (9.5% vs. 20%).
- Business remodelling and restructuring remain strong priorities for 20% of respondents.

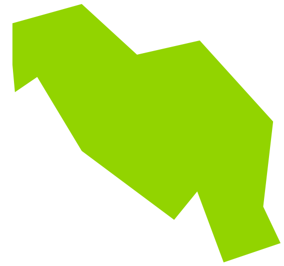
Still, Romania's CFOs express more confidence when it comes to their own companies, with 40% saying that they are fairly optimistic about their financial prospects, slightly up from 33.4% in the previous survey. At the same time, 15% express less optimism in this respect (versus 19%). The improved sentiments may be attributed partly to a slight improvement to political environment which was a major concern during the last half of 2012.

Aiming for revenue growth

Achieving revenue growth in current and new markets is still the number one priority for most CFOs, and there has been an interesting increase in their view on penetrating new markets: 66.6% place this target at the top of their agenda, compared with 47.7% in the previous survey. Increased interest in new markets might be directly linked to a more important role for new investments, with 20% identifying this option as a primary focus for their companies (up from 14.3%).

Serbia

In a sea of uncertainty



Optimistic despite stagnation

The Serbian economy is struggling and is set to grow more slowly due to the Europe wide crisis, which will hinder investment and trade. Growth is slow because of a poor export performance; in addition, the country continues to face high unemployment, a lack of confidence, and low industrial production. It is very likely that this situation will remain unchanged for the near future. Growth of just 0.5% is predicted for 2013. The dinar is currently stable, though its slide may continue. Interest rates recently increased again to 11.5%, and are likely to go up to 12%-13% in the next few months. Increasing interest rates will keep the currency stable, but they will also depress growth and investment activities.

Despite the fragile economic performance of the last couple of years, Serbia is expected to return to the path of strong GDP growth (by an annual average of 3.6% by 2017) if it successfully progresses toward EU accession, which should secure stable foreign-capital inflows.

Within this environment, 49% of CFOs are fairly optimistic about their financial prospects compared with six months ago, while 46% see no change or are less optimistic. This is strong indication that within the Serbian economy there are as yet no clear, uniform views on ways to develop effective strategies for moving away from recession. .

Focused on growing revenues

Nearly half (47%) of CFOs place growing revenues in current or new markets as their key priority for the next year, while 44% will focus on reducing costs and improving liquidity. This corresponds to an overall impression among CFOs regarding the outlook for the Serbian economy; they are being “stretched” between strategies on the one hand to preserve market share or consolidate internally through the better use of available resources, and on the other hand to achieve growth.

Highlights from the H1 2013 Serbian CFO Survey:

- Serbian CFOs predict that the economy will slow down (as many as 72% predict stagnation with GDP growth below 1.5%)
- Some 90% of surveyed CFOs did not believe that this is a good time to be taking greater risk onto company balance sheets.
- Nearly half (47%) of respondents place growing revenues in current and/or new markets as their top priority for the next year.
- Only 9% of CFOs are searching for new investment opportunities.
- Almost 40% of CFOs expect shortages in talent in finance over the next year, with 78% anticipating a particular impact on senior and top management positions.

This issue is strongly influenced by the market position of the responding companies. It is also affected by their current appetite for risk, which to some extent is not in line with growth expectations; 90% have low risk appetite, and only 9% are searching for new investment opportunities.

Moreover, 43% of Serbia’s CFOs believe that their current business strategies will provide stability for their operations for the next three years, while 57% see business remodeling and/or restructuring as likely to be their priority over the next 12 months.

Top-level talent at risk

Some 38% of Serbia’s CFOs expect talent shortages in the finance over the next year, with 78% anticipating a particular impact at the senior and top management levels. The way in which this question is resolved may prove to be of great importance, as will other matters influencing the future prospects of those companies that are committed to competition. .

Slovakia
Pessimistic sentiments

Continued trend of skepticism

The results of the Slovakian CFO survey suggest a continuation of skepticism among the country's most senior financial managers, despite some signs of economic improvement. The persistence of these pessimistic sentiments appears to stem mainly from uncertainty about future macroeconomic trends, as well as external threats that may negatively influence companies.

Some 66% of Slovakia's CFOs, in fact, expect their economy to stagnate in 2013 (that is, no growth or a maximum year-on-year growth of 1.5%). This is 30% more than in the late-2012 survey, when 60% of CFOs surveyed expected moderate growth. This decline in expectations can also be seen in the share of respondents anticipating economic recession. Eleven percent of CFOs predict recession in 2013, compared with just 4% last year. Economic expansion is expected by only 5% of respondents.

Growth prospects tepid

CFOs do not feel that the prospects of Slovak companies have changed particularly since the last survey. Only 7% of respondents (0% in 2012) see their sales and profit in a highly-optimistic light. Twenty-seven percent of respondents (36% in 2012) see a slightly more optimistic financial prospect (that is, single-digit growth). The across-the-board increase in the corporate income-tax rate from 19% to 23%, and the introduction of special taxes for companies operating in regulated industries have been specified in previous surveys as the greatest threats to growth.

According to the CFOs surveyed, the main priorities in the next 12 months will mainly involve increasing their sales from existing markets (that is, an increase in market penetration).

Some 61% of CFOs indicated that this option is the most or second-most important area for their companies. Businesses will therefore fight to maintain their position in the domestic market, which is likely to result in fiercer competition among major players. Reducing direct corporate costs, which was ranked as either the highest or second-highest priority by 59% of CFO respondents, continues to be a key priority. Reducing indirect costs ranked third.

Compared with our 2012 surveys, there has been a gradual shift by companies from a primary focus on reducing costs (both direct and indirect) toward growth targets. That said, the effort to decrease indirect costs will continue throughout 2013. CFOs still believe that their companies have weaknesses in this area.

Highlights from the H1 2013 Slovakian CFO Survey:

- Some 66% of CFOs expect the Slovak economy to stagnate in 2013, which is 30% more than in the last survey.
- An increase in the unemployment rate is expected by 84% of CFOs (70% expect a moderate increase and 14% a significant increase)
- Since 2012, companies have gradually moved from a primary focus on decreasing costs to growth targets.
- A third of the participating CFOs envisage a shortage of qualified and talented employees in financing in the short term.

Slovenia
Braced for contraction

Dour conditions continue

Slovenia's GDP in the final quarter of 2012 contracted by 3% year-on-year, due to decreased household consumption, a lack of corporate investment activity, and the government's austerity program. The Slovenian credit rating decreased to Baa2 in September 2012, which, together with the overleveraged corporate sector, resulted in restricted access to the international capital markets. And foreign sources such as the European Commission and the Institute of International Finance expect the second part of the double-dip recession that Slovenia entered in 2012 to last at least until 2015.

Little wonder that among the Central European countries reporting this quarter, Slovenia's CFOs remain the most pessimistic about expectations for their country's growth. In terms of GDP growth, 70% of CFOs agree with the national and international institutions that forecast that Slovene GDP will decline further in 2013. Expectations regarding GDP are somewhat better than in 2012, as 30% of CFOs believe that Slovenia will manage to grow between 0 and 1.5% in 2013 despite the deep concerns about the state of the economy. Moreover, 80% of CFOs agree with forecasts and expect unemployment to increase in 2013, down from the 96% of CFOs that correctly anticipated that unemployment would increase in 2012. Twenty-three percent of CFOs expect a significant increase in unemployment that will bring about a decrease in disposable income and household spending.

Sentiment improves

In spite of the dire projections and expectations for 2013 of local and international bodies, CFO sentiment has improved significantly since late 2012 (at least in relation to the companies the surveyed CFOs work for). Almost 27% of CFOs now feel somewhat optimistic about the financial prospects for their companies, which is up by 12 percentage points from the previous survey.

Highlights from the H1 2013 Slovenia CFO Survey:

- The vast majority of respondents (87%) agree that new credit is difficult to obtain 57% expect that financing costs will increase moderately.
- The number of CFOs who feel that the current level of financial and economic uncertainty is normal has fallen from 11% in 2012 to 3%.
- An overwhelming majority of CFOs (86%) believe there will not be any talent shortages in finance in the next 12 months.
- Most CFOs (55%) believe there will be no change in M&A activity in Slovenia in the next 12 months, while 35% expect a slight increase.

The proportion of CFOs who are less optimistic about the future decreased from 52% in late 2012 to just 30% in March 2013. This may be related to the ever-cheaper financing that can be found outside Slovenia, which is available for financing the Slovene subsidiaries of large international companies. This gives international companies a significant advantage over locally owned companies, which have access only to the expensive and severely restricted credit on the Slovene market.

Focus on liquidity

CFOs state that their business focus in the coming 12 months will be on improving liquidity, closely followed by revenue growth in current and new markets. The least important area of consideration highlighted by the CFOs was new investments.

Switzerland

Recovery continues

Trending upward

Continuing global economic stability, the easing of the tension around currencies, and a robust domestic market all support a brighter mood among Switzerland's CFOs in the last few months. In fact, in the current survey, 56% have an optimistic outlook for the Swiss economy in the next 12 months, compared with 53% last quarter. Only 5% of the country's CFOs are pessimistic.

Moreover, recent volatility in the financial markets has not hurt the positive sentiment. CFOs are also responding positively to what appears to be a calming of the euro crisis. And the CFOs' optimistic outlook is also reflected in their responses to the question regarding recession: only 15% expect a recession in Switzerland within the next two years.

Mixed corporate outlook

When it comes to their own companies, however, CFOs' outlook appears to be more cautious. For the last several quarters, there has been a sideways trend. The net balance of the expectations decreased slightly from 17% in the previous quarter to 16%. However, almost half of CFOs do not expect any changes.

The outlook for revenues over the next 12 months, however, has improved significantly among Switzerland's CFOs. Three-quarters are expecting an increase in revenues, while only 10% expect a decrease. Revenue prospects are back to the levels last seen at the beginning of 2011.

Expectations for operating margins have also slowly recovered over the last few quarters, although CFOs are less optimistic than they are for revenues. Companies are still exposed to noticeable pressure on margins, with 35% of CFOs expecting a decrease in margins in the next 12 months, and 30% expecting an increase. The net balance therefore remains negative (-5%).

Highlights from the Q2 2013 Swiss CFO Survey:

- Some 56% of CFOs have a positive economic outlook for Switzerland, while only 5% have a negative outlook.
- The corporate outlook is mixed. Some 36% of CFOs report an improvement in their company's financial situation during the last three months, while 19% have seen deterioration.
- Half of the CFOs surveyed consider the weakening demand from foreign markets as a risk compared to 65% a year ago.
- Cash remains king. For 81% of CFOs, increasing cash flow is their highest strategic priority.
- Just over 30% of CFOs expect higher capital expenditures in the next 12 months, twice as many as a year ago.
- The average expected exchange rate for the Swiss Franc to the euro in 12 months is 1.25, which is significantly higher than the exchange rate floor.

Moderate risks

CFOs continue to view the overall risk environment as moderate, although they are concerned about the risk of weaker foreign demand. Worries regarding higher input costs have increased significantly (for example, energy or upstream products), despite moderating commodity prices and negative inflation. Meanwhile, concerns regarding deteriorating cash flow have been on the rise since Q4 2012. Maintaining or increasing cash flow and liquidity reserves are priorities.

In fact, this quarter respondents view the increase of cash flows as the most important defensive corporate strategy. While CFOs have highlighted the significance of increasing cash flow in previous quarters, this quarter the number who considered it a high priority rose by a further 5 percentage points. Why is it so important for companies to hold cash reserves right now? Some of the reasons are rather expansive, such as holding cash for future investments or acquisitions, the reason most often given. Others are rather defensive in nature, such as the need for safety and independence. The absence of attractive investment opportunities was also mentioned quite often.

Planned investment increase

Despite the strong focus on cash reserves, companies are not entirely defensive. On the contrary, risk appetite has been increasing for a year and during the current quarter reached its highest level since the mid-2011. Even though risk tolerance in general is on the rise, there are still more companies that are risk averse (approximately two-thirds).

Expectations regarding capital expenditures and recruitment are also improving, although CFOs are still cautious particularly in regard to revenue expectations.

Several factors—both positive and negative—are having an impact on companies' current investment decisions. According to Switzerland's CFOs, the biggest positive impact on investment plans stems from the long-term demand for their company's products/services. The biggest hurdles are economic and financial uncertainties, and the strength of the Swiss franc. Overall, the possible obstacles for investment plans are considered to be rather low.

Interest rate increase?

One other bright spot: concerns about a continued rise in the Switzerland's Franc have eased since the end of 2012. On average CFOs expect a EUR/CHF exchange rate of 1.25 in 12 months (1.24 in the previous quarter). The Swiss National Bank's (SNB) consistent and successful defense of the exchange-rate floor has boosted CFOs' confidence that the Swiss franc will not return to its previous strength in the near future.

Moreover, CFOs expect only a moderate inflation rate of 1.2% for Switzerland in the next two years. This is one of the lowest levels since we started asking this question in 2010. The massive expansion of monetary supply by many central banks and the associated risk of a rise in inflation do not seem to be of much concern to CFOs at this point.

Despite the low inflation 80% of CFOs believe that the period of record low interest rates is nearly over, and expect the SNB to increase interest rates in the next two years. However, 20% do not expect a more restrictive monetary policy during this time period.

United Kingdom
Planning for growth

Eyes on expansion

The latest UK CFO survey took place in the second half of June, a period of turbulence in financial markets, and one marked by concerns about the withdrawal of quantitative easing in the U.S. and a cash crunch in China. Nonetheless, CFOs' perceptions of macroeconomic and financial uncertainty facing their businesses have fallen to a three-year low.

Earlier this year, CFO respondents said that economic and financial uncertainty was the biggest single factor weighing on investment. A less risky environment clearly bodes well for business investment. CFOs' expectations for hiring and investment are back to where they were in early 2011 when the world seemed set fair for recovery. In addition, for large companies', shortages of capital no longer stand in the way of investment. UK CFOs report that credit is cheaper and more easily available than at any time in the past six years.

External uncertainties ease

Business optimism has risen for the fourth consecutive quarter and is now well above average. Several factors are driving that optimism CFO perceptions of economic uncertainty, for example, have fallen significantly since 2012: 73% of CFOs believe their businesses face an above normal, high or very high level of external macroeconomic uncertainty, down from a peak of 97% in late 2011. In addition, fears about a breakup of the euro area have continued to ease. The probability CFOs assign to a breakup in the next 12 months has fallen from 36% to 9% in the last year. Moreover, concerns about the UK sliding back into recession have eased. On average, CFOs assign a 23% chance of the UK experiencing a recession in the next two years.

Highlights from the Q2 2013 UK CFO Survey:

- Some 73% of CFOs believe their businesses face an above normal, high, or very high level of economic uncertainty, down from a peak of 97% in late 2011.
- Concerns about the UK sliding back into recession have eased. On average, CFOs assign a 23% chance to the UK experiencing a recession in the next two years.
- The probability CFOs assign to the euro area breaking up in the next 12 months has fallen from 36% to 9% in the last year.
- Risk appetite among CFOs is at the highest level since the survey began, with 45% saying now is a good time to take risk onto the balance sheet.
- CFOs' expectations for revenue and profit growth are at the highest level in two-and-a-half years.

Rising risk appetite

Improving business sentiment and reduced perceptions of uncertainty have bolstered corporate risk appetite too. Risk appetite is at the highest level since the survey began, with 45% of UK CFOs saying now is a good time to take greater risk onto their balance sheets. Finance executives also report a continued improvement in their companies' financing conditions. They see credit as being cheaper and more easily available now than at any time in the past six years. Raising debt, through bond issuance or bank borrowing, remains CFOs' clear favorite for financing their businesses. But equity issuance has also gained favor among finance chiefs this year. The general picture from this survey is of a corporate sector which is unconstrained by capital shortages.

Less defensive, growth oriented

CFOs' expectations for revenue and profit growth are at the highest level in two-and-a-half-years. And going forward, finance chiefs are placing greater emphasis on expansion through introducing new products or services (38%) and by acquisition (21%). They have also softened their focus on cost reduction to the lowest level in two years (34%)

Moreover, CFOs' expectations for hiring, investment and discretionary spending are back to where they were in early 2011 when the world seemed set fair for recovery.

Assessing UK government policy

Our special question this quarter assesses CFOs' thinking on the tasks facing the new governor of the Bank of England, Mark Carney. CFOs expressed strong support for the Bank's performance on inflation (65%), sterling (85%), and providing monetary stimulus to the economy (94%).

Mr. Carney also faces challenges. A majority of UK CFOs rate the Bank's performance on getting credit to the economy as inadequate or worse. And a clear majority does not believe that the Bank will be able to meet its mandate and keep inflation below its stated 2.0% target (85%).

Deloitte Member Firm CFO Surveys

About Deloitte Member Firms' CFO Surveys

Twenty Deloitte member firm CFO surveys, covering 42 countries, are conducted by Deloitte member firms on a quarterly, biannual, or annual basis. The objective of these surveys is to collect CFOs' opinions on a range of areas including economic outlook, financial markets, business trends, their organizations, and CFO careers. The focus and timing of each member firm's survey varies.

The following summarizes the survey scope and population of the participating member firms for this quarter. Member firms' CFO surveys can be accessed at www.deloitte.com/cfoconnect.

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Member Firm	Contacts	Frequency	Survey Scope and Population
Australia	**Stephen Gustafson** Partner +61 (0) 2 9322 7325 sgustafson@deloitte.com.au	Quarterly	Conducted between June 26, 2013 and July 12, 2013; 54 CFOs participated, representing businesses with a combined market value of approximately AUD $220 billion or 16% of the Australian-quoted equity market.
Austria	**Mag. Gerhard Marterbauer** Partner +43 1 537 00 4600 gmarterbauer@deloitte.at	Quarterly	Conducted in July 2013; 115 CFOs and financial executives participated, representing a broad range of industries. Of the participating companies, 27% have revenues in excess of €1 billion, and 40% have revenues greater than €100 million.
Belgium	**Thierry Van Schoubroeck** Partner + 32 2 749 56 04 tvanschoubroeck@deloitte.com	Quarterly	Conducted between June 10, 2012 and June 26, 2012; 115 CFOs completed the survey. The participating CFOs are active in variety of industries, 27% of the participating companies have a turnover of over €1 billion, 43% of between €100 million and €1 billion, and 30% of less than €100 million.
Bulgaria	**Vasko Raichev** Partner, CFO Program Leader vraichev@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Central Europe	**Gavin Flook** Regional Managing Partner + 32 2 749 56 04 gflook@deloitte.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Croatia	**Juraj Moravek** Partner, Audit +385 (1) 2351 905 jmoravek@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Czech Republic	**Martin Tesar** Partner in charge, Audit + 420 246 042 525 mtesar@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Estonia	**Veiko Hintsov** Partner vhintsov@deloitteCE.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.

Member Firm	Contacts	Frequency	Survey Scope and Population
Hungary	**Timothy Mahon** Partner, Enterprise Risk Services + 36 1 428 6832 tmahon@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Ireland	**Shane Mohan** Partner +353 1 417 2543 smohan@deloitte.ie	Quarterly	Conducted in June and July 2013; CFOs of listed companies, large private companies, and Irish subsidiaries of overseas multinational companies participated.
Latvia	**Robert Stugis** Partner +371 6 707 41 20 rstugis@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Lithuania	**Linas Galvele** Director +370 5 255 3022 lgalvele@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Netherlands	**Jan de Rooij** Partner +31 (0) 6 5336 6208 JandeRooij@deloitte.nl	Quarterly	Conducted between July 2, 2013 and July 22, 2013; 36 CFOs representing a net turnover per company of approximately €2.5 billion, completed the survey. The responding companies can be categorized as follows: less than €100 million (3%), €100–499 million (26%), €500–999 million (15%), €1–4.9 billion (32%), more than €5 billion (15%), unknown (9%).
North America *(U.S., Canada, Mexico)*	**Greg Dickinson** N.A. CFO Survey Director +1 213 553 1030 gdickinson@deloitte.com	Quarterly	Conducted between May 13, 2012 and May 24, 2012; 105 CFOs participated from across the United States, Canada, and Mexico. Some 70% of respondents represent CFOs from public companies, and 80% are from companies with more than USD $1B in annual revenue.
Romania	**Pieter Wessel** Partner, Deloitte Tax +40 (21) 2075 242 pwessel@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Serbia	**NadaSudic** Partner +381 11 3812 110 nsudic@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries participants; all were CFOs in a broad range of industries.
Slovak Republic	**Zuzana Letkova** Partner, Audit +421 (2) 582 49 213 zletkova@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries; all were CFOs in a broad range of industries.
Slovenia	**Yuri Sidorovich** Partner, Audit ysidorovich@deloittece.com	Biannual	All Central European CFO surveys were conducted between February 18, 2013 and April 1, 2013; 668 participants in 13 countries ; all were CFOs in a broad range of industries.
Switzerland	**Dr. Michael Grampp** Chief Economist +41 44 421 68 17 mgrampp@deloitte.ch	Quarterly	Conducted between May 27, 2013 and June 17, 2013; 120 CFOs participated, with 30% representing listed companies and the remaining 70% representing large private companies.
United Kingdom	**Ian Stewart** Chief Economist +44 020 7007 9386 istewart@deloitte.co.uk	Quarterly	Conducted between June 14, 2013 and June 28, 2013; 135 CFOs participated, including CFOs of 37 FTSE 100 and 45 FTSE 250 companies. The rest were CFOs of other UK-listed companies, large private companies, and UK subsidiaries of major companies listed overseas. The combined market value of the 92 UK-listed companies surveyed is £684 billion, or approximately 32% of the UK quoted equity market.