



CEMA Business Barometer

Survey report September 2014



Steady downturn of European business

Summary of the September survey

This survey summarizes the development for turnover and order intake during the summer month of August. Certainly, this is not a major sales period for new agricultural machines, but the weakness of the company results, both for Europe and outside Europe, is remarkable. On the other hand, one has to consider that August 2013 was on a high level.

Meanwhile, both the implement and the harvesting/tractor segment represent the companies that are most worried about their perspectives in the coming months. In addition, the livestock equipment manufacturers, in previous months being the sector with ongoing high dynamics, announces much lower expectations for the next half year now.

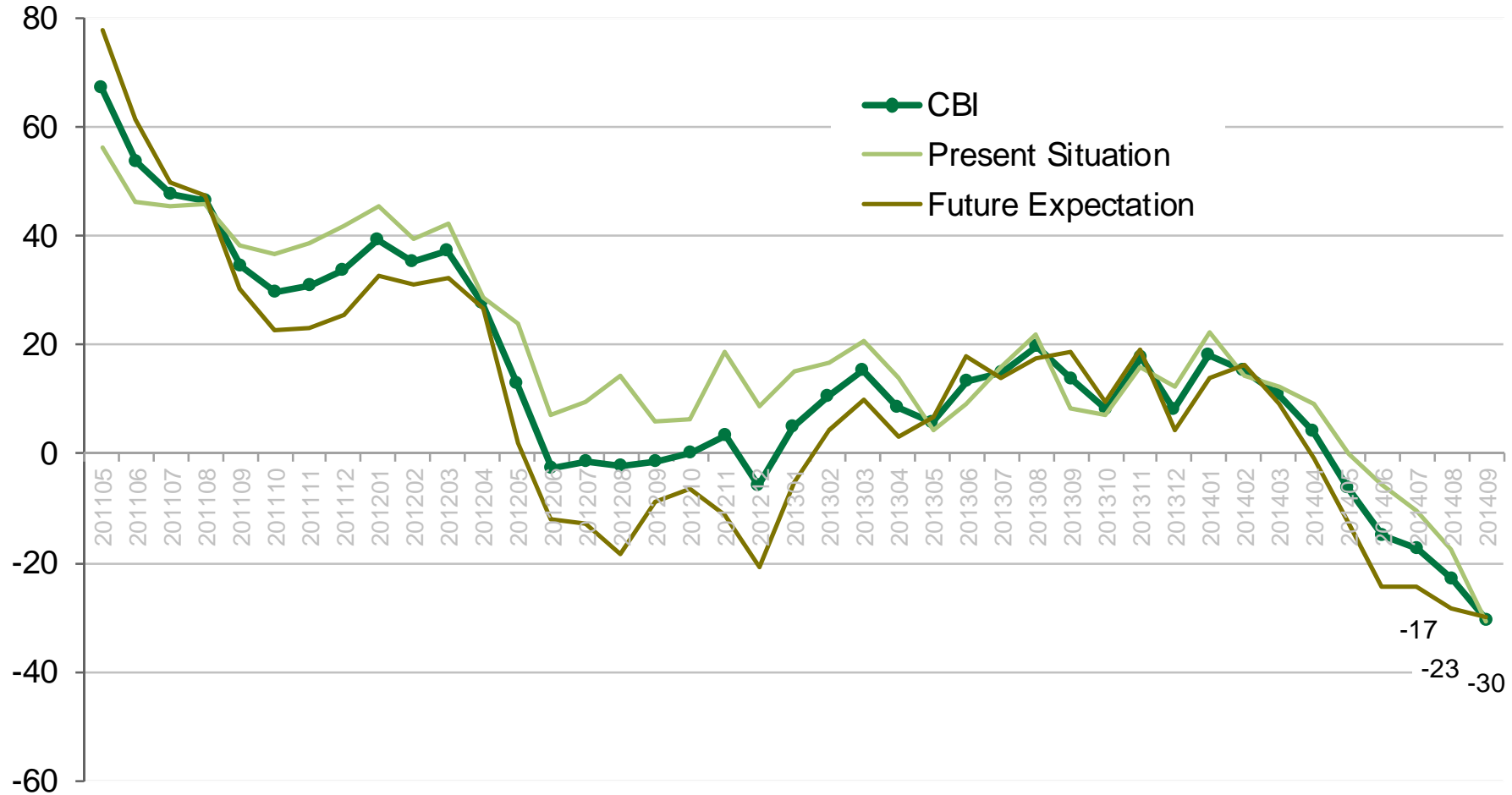
80% of the French manufacturers are currently dissatisfied with their business situation. Their domestic market – apart from the Eastern European countries – shows the highest decline on the continent. Merely 12% of the interviewed persons think that this will change in the next six months. There are just two markets left on the CEMA market ranking for which a (slight) growth is forecast: Spain and Great Britain. But also for these countries, only every third estimate is positive, and these are not anticipating a growth by >10%.

A different message comes from the turnover forecast 2014 and 2015: There are still many companies that will be able to publish higher revenues for this year, especially those with products for the livestock sector, and still every second manufacturer calculates with a slight increase for 2015. Illusion or new opportunities?

The reaction on the current order decline is a higher layoff for the temporary workers.

Business Climate Index Development

CEMA Business Climate Index (CBI)

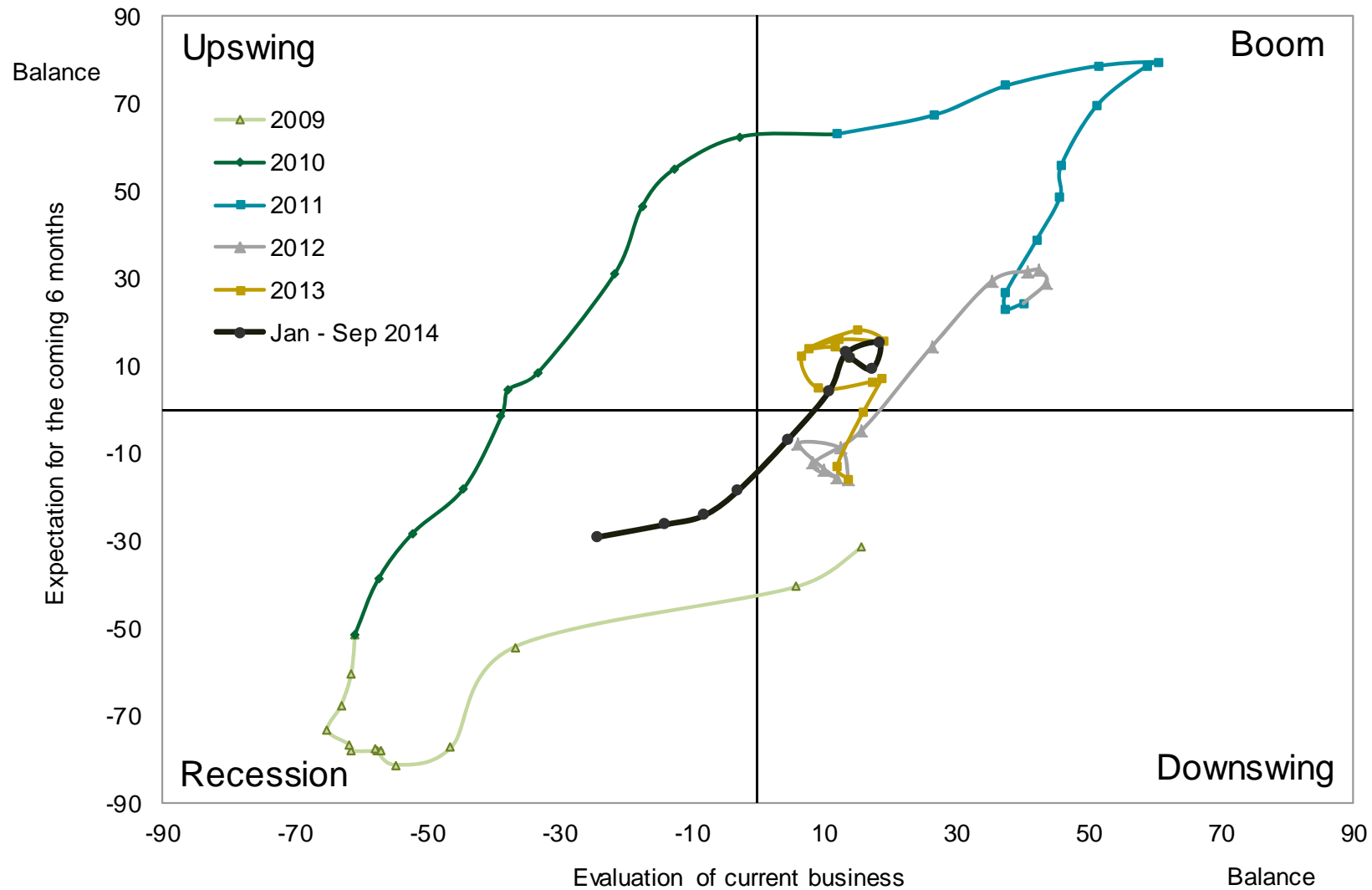


Source: CEMA Business Barometer

Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

Business Climate

Illustration of Business Cycle



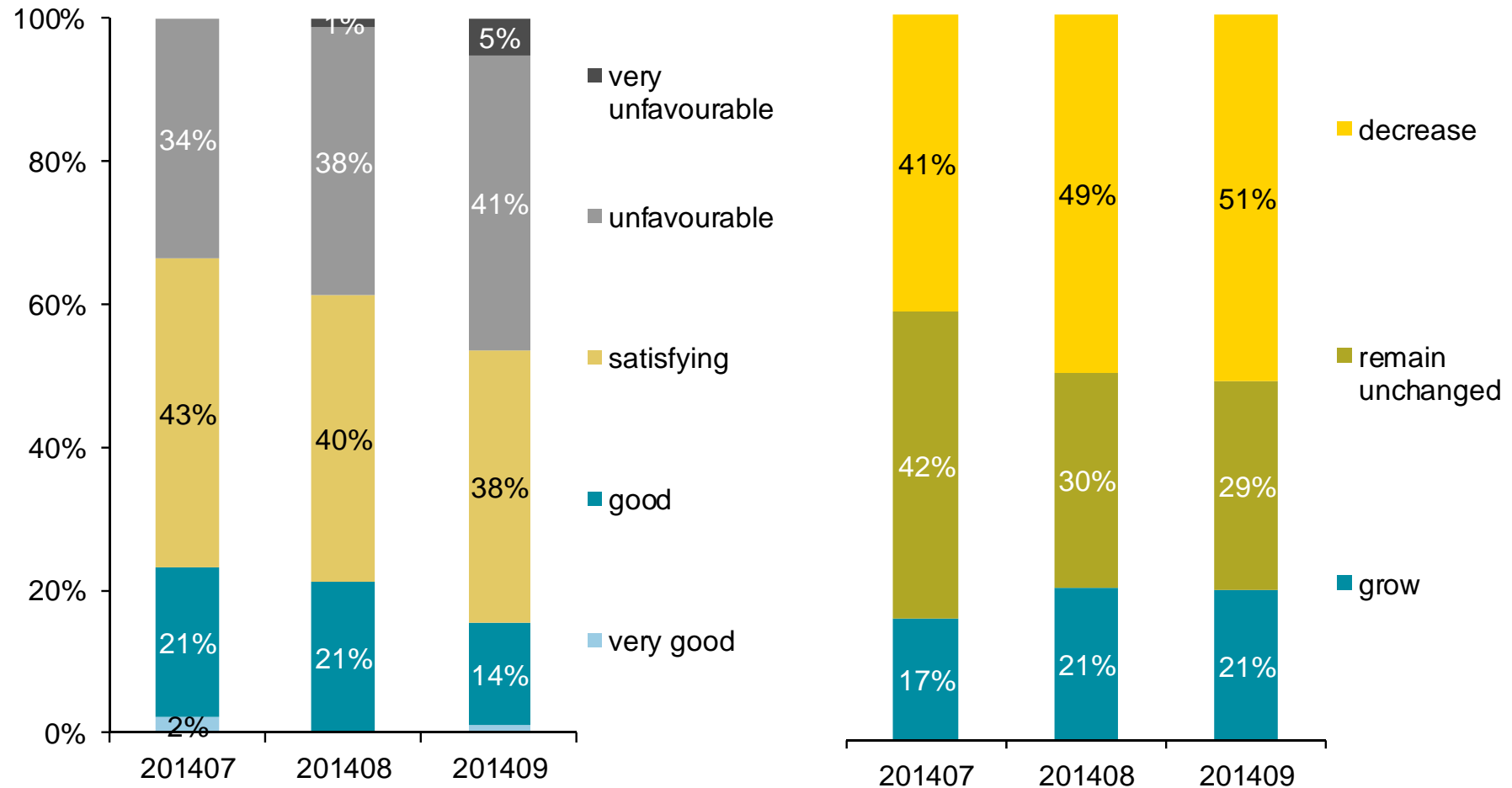
Source: CEMA Business Barometer, each value as an average of the last two months

Business Climate

Current Evaluation and Expectations

Question: We consider our current business to be

Question: We expect our overall turnover within the next 6 months to....

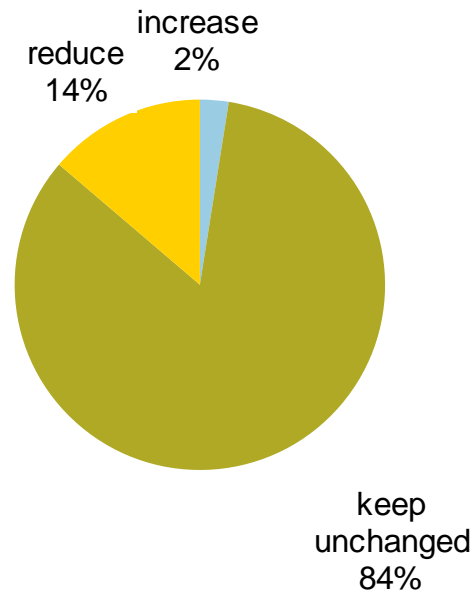


Source: CEMA Business Barometer

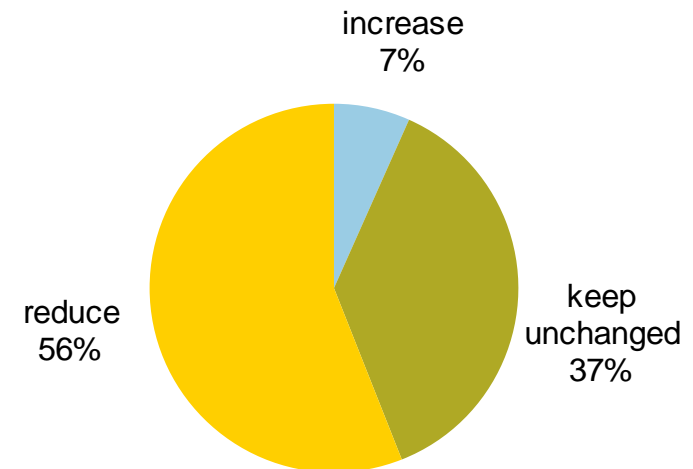
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer September 2014