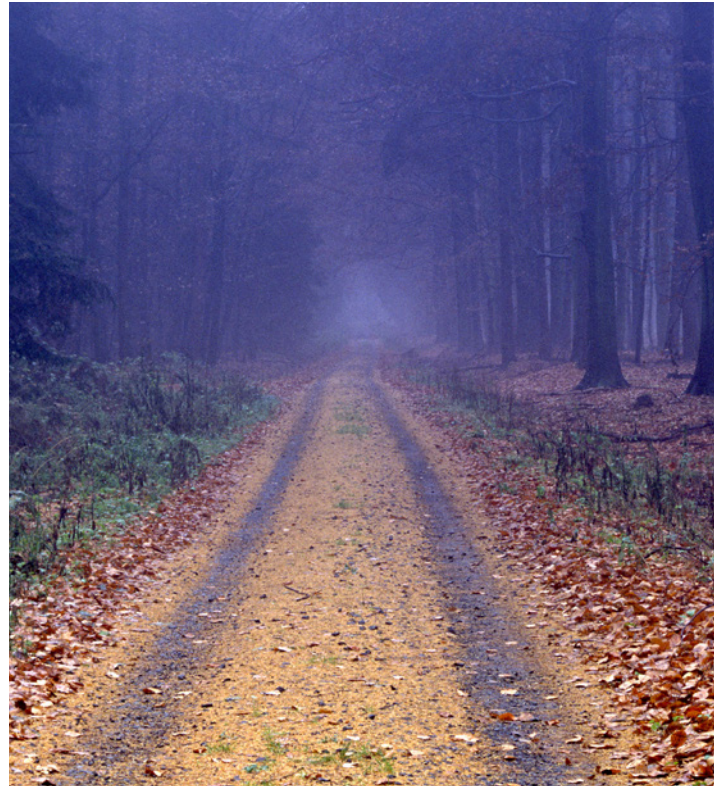


Manufacturing Trends Quarterly Q3 2014



Business outlook
Manufacturing CFOs are less optimistic in their business outlook

Growth prospects
Revenues and margins are expected to decrease over the next 12 months

Business risks
Geopolitical risks, rising labour costs and weaker foreign demand remain biggest threats

1 Deloitte CFO outlook
Confidence of Swiss CFOs about the economic outlook has decreased

2

3 Exchange rate
Strong believe that Swiss National Bank will retain the EUR/CHF1.20 exchange rate floor

4

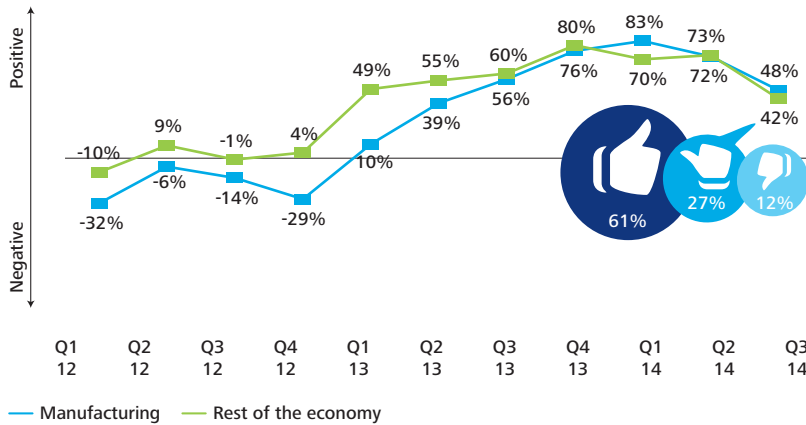
5 Strategic priorities
Ongoing cost control, organic growth and introducing new products and services are of highest priority

6

1. Deloitte CFO outlook

Confidence of Swiss CFOs about the economic outlook has decreased

Development of economic outlook (net balance) (Q1 2012 – Q3 2014)
 Question: How do you judge the economic outlook for Switzerland over the next 12 months?

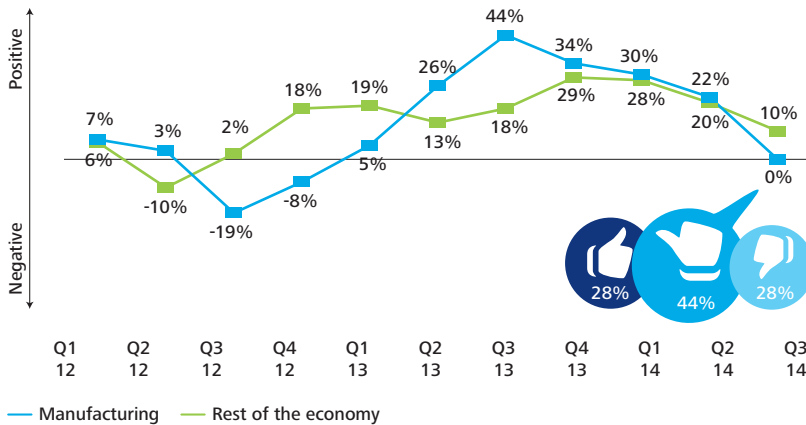


- Swiss CFOs remain in recovery mood, however confidence has decreased compared to previous quarter.
- Manufacturing CFOs judge the current **economic outlook** (Q3 2014) slightly more positive (48%) than the CFOs of the other economic sectors (42%).
- 61% of manufacturing CFOs are optimistic about the economic outlook (only 12% are negative).

2. Business outlook

Manufacturing CFOs are less optimistic in their business outlook

Development of business outlook (net balance) (Q1 2012 – Q3 2014)
 Question: Compared to three months ago, how do you feel about the financial prospects for your company?

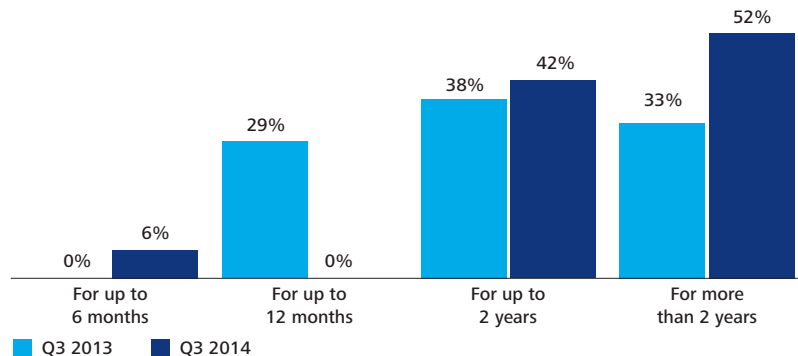


- For the first time since Q1 2013, manufacturing CFOs are again less optimistic in their current **business outlook** (Q3 2014) than CFOs of the other economic sectors.
- Only 28% of manufacturing CFOs feel positive about the financial prospects for their company.

3. Exchange rate

Strong believe that Swiss National Bank will retain the EUR/CHF1.20 exchange rate floor

Exchange rate floor (Q3 2013 vs. Q3 2014)
 Question: How long do you expect the Swiss National Bank to retain the exchange rate floor at EUR/CHF 1.20?



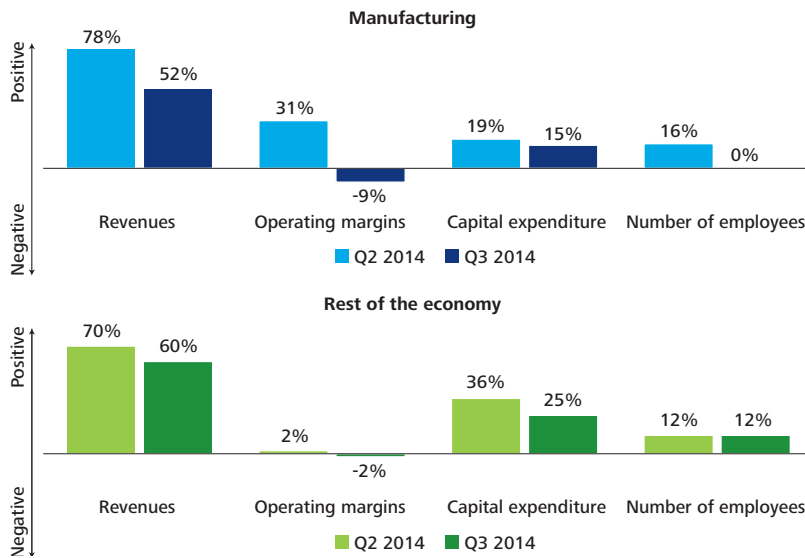
- 52% of manufacturing CFOs believe that the Swiss National Bank will retain the EUR/CHF1.20 **exchange rate floor** for at least two more years.

Notes: The net balance is the balance of positive (increase) and negative (decrease) assessments of the respondents. The figures for the exchange rate floor are only for manufacturing, excluding the rest of the economy. Sources: Deloitte CFO Surveys.

4. Growth prospects

Revenues and margins are expected to decrease over the next 12 months

Development of key metrics (net balance) (Q2 2014 vs. Q3 2014)
 Question: In your view, how are the following key metrics for Swiss corporates likely to change over the next 12 months?

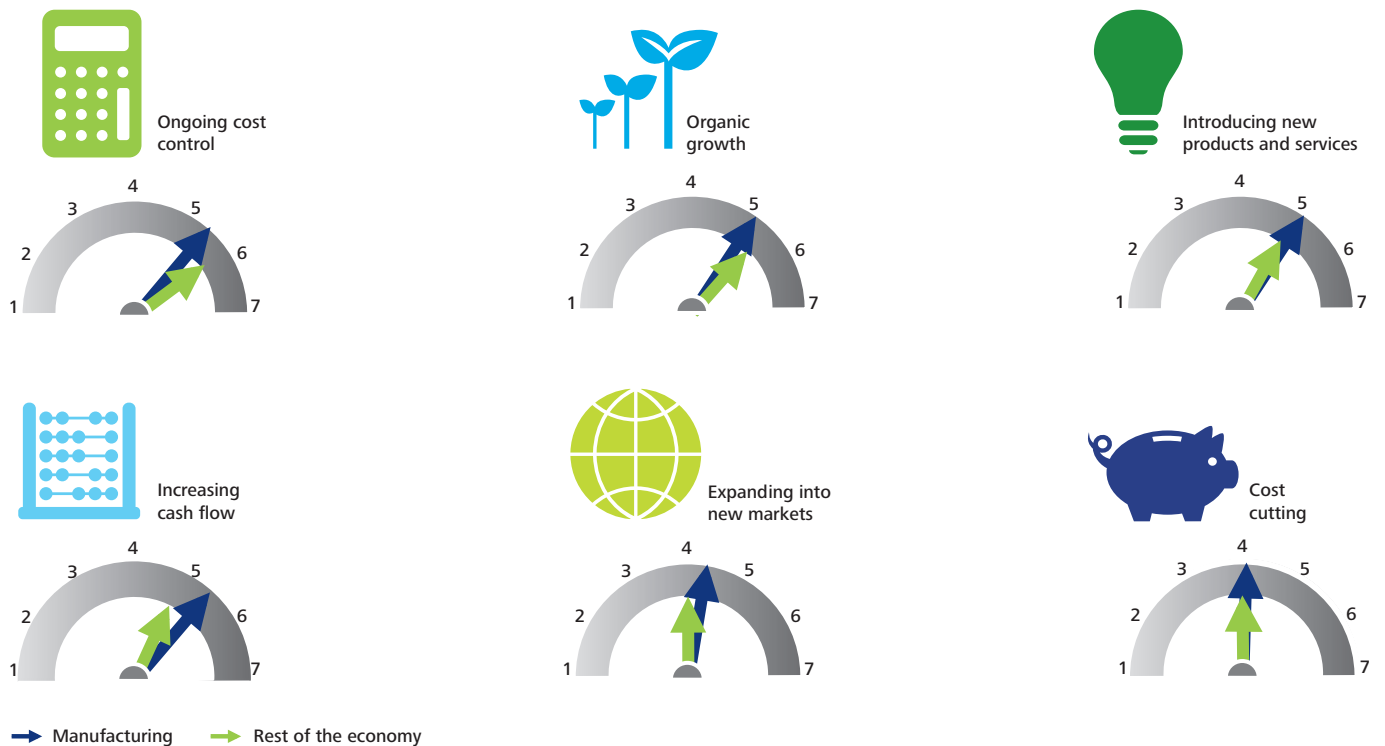


- Manufacturing CFOs have lower expectations for **revenue increases** in Q3 2014 with 52% – compared to the previous quarter (78% in Q2 2014).
- Revenue expectations for the other economic sectors are also lower.
- Expectations for **operating margins** of manufacturing CFOs have decreased from 31% in Q2 2014 to -9% in Q3 2014.
- Margin expectations are now lower than for the rest of the economy.
- With regards to **capital expenditure** expectations, the other economic sectors remain ahead of manufacturing.
- The **number of employees** are now rated lower by manufacturing CFOs.

5. Strategic priorities

Ongoing cost control, organic growth and introducing new products and services are of highest priority

Strategic priorities (scale value) (Q3 2014; scale 1-7, 1 = no priority and 7 = very high priority)
 Question: Please state to what degree the following strategies are likely to be a priority for your business over the next 12 months?



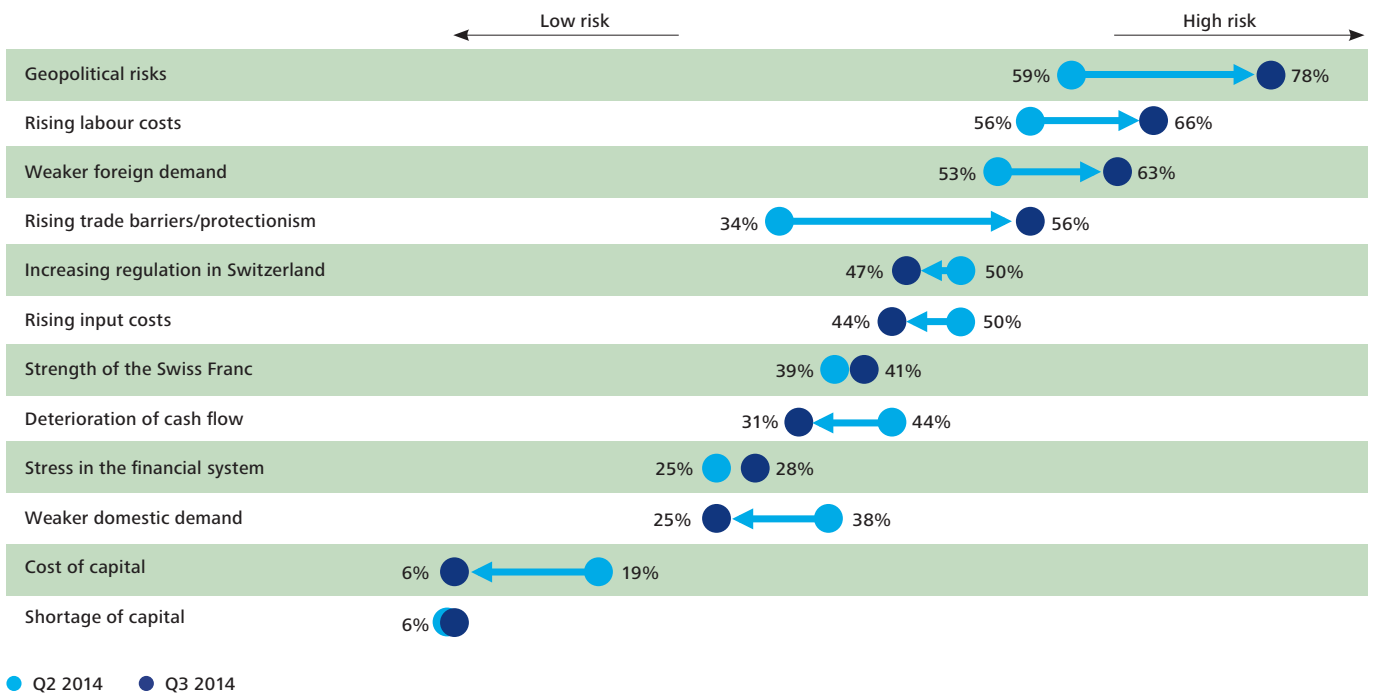
Notes: The net balance is the balance of positive (increase) and negative (decrease) assessments of the respondents. The scale value indicates the average of responses, with which the respondents ranked their strategic priorities on a scale. Sources: Deloitte CFO Surveys.

6. Business risk

Geopolitical risks, rising labour costs and weaker foreign demand remain biggest threats

Risk factors for the next 12 months (Q2 2014 vs. Q3 2014)

Question: Which of the following factors are likely to pose a significant risk to your business over the next 12 months?



Notes: The figures are only for manufacturing, excluding the rest of the economy. The percentages indicate the number of responses that rate the respective risk as high. Sources: Deloitte CFO Surveys.

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