

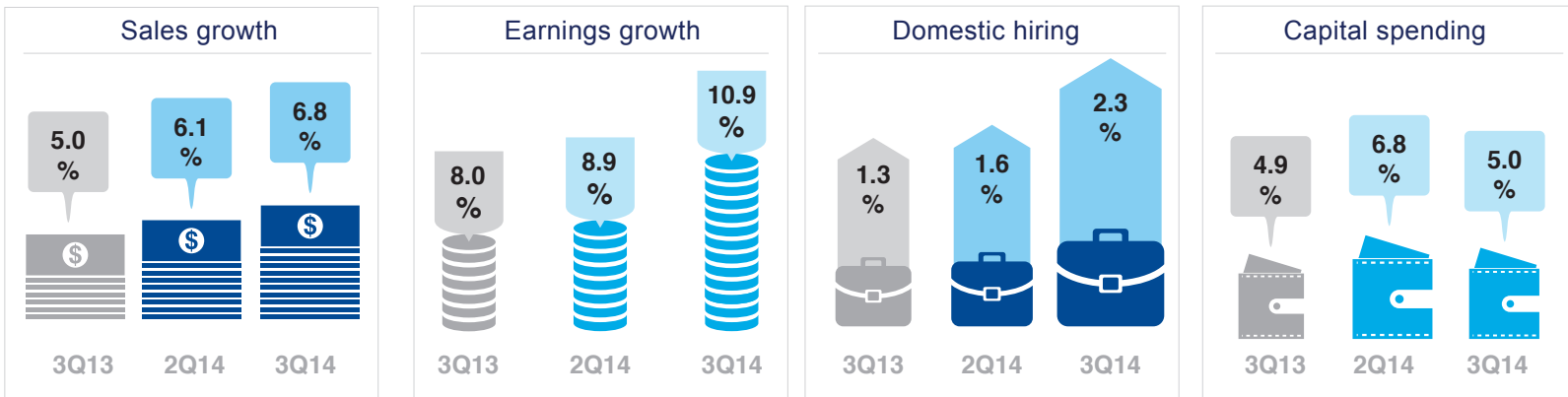
CFO Signals™

What North America's top finance executives are thinking – and doing

Surveyed Chief Financial Officers (CFOs) upgraded their forecasts of the year ahead on key company metrics in the third quarter in a sign of growing optimism. However, capital spending forecasts hit their second lowest level in the survey's history while concerns over geopolitics and tax reform returned, suggesting some obstacles to growth remain.

Company growth projections²

Sales and earnings growth and domestic hiring forecasts increased significantly year-over-year and from the second quarter of 2014. However, CFOs are less optimistic about the picture one year from now, particularly in regards to Europe and North America.



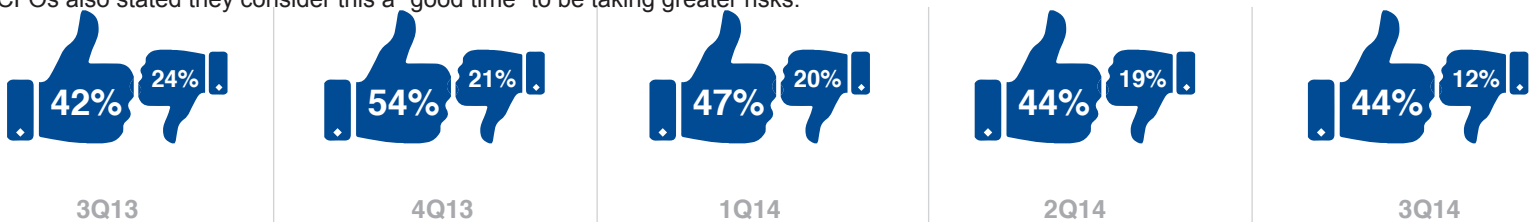
Economy optimism³

Views of North America are still strongest, with 44 percent of CFOs describing conditions as good (up from 40 percent last quarter), and 55 percent expecting better conditions in a year (down from 60 percent last quarter). Twenty-seven percent regard China's economy as good (up from 24 percent), and 29 percent expect improvement (up from 21 percent). Just five percent describe Europe as good, and only 23 percent see it improving over the next year.



Own-Company optimism⁴

For the sixth straight quarter, net-optimism increased in 3Q14. Forty-four percent of CFOs express rising optimism (about even with last quarter), and just 12 percent express increasing pessimism — the lowest proportion since the survey began in 2Q10. Over 60 percent of CFOs also stated they consider this a "good time" to be taking greater risks.



1. These are a subset of the full CFO Signals Q3 findings. The full report is available at <http://www.deloitte.com/us/pr/cfosignals2014Q3>.
 2. Quarterly numbers represent CFOs expected change year-over-year. Averages have been adjusted to eliminate the effects of stark outliers.
 3. These figures are the average CFO rating based on five-point scales for current state ("very bad" to "very good") and expected state one year from now ("much worse" to "much better").
 4. Figures represent percent of CFOs saying their optimism regarding their organization's prospects is higher/lower than the previous quarter. The balance of CFOs indicated no change in sentiment.

The 3Q Deloitte CFO Signals survey was conducted between August 8, 2014 and August 22, 2014. Eighty-three percent of the 103 CFO respondents were from organizations with more than \$1 billion in annual revenues and 75 percent were from publicly-traded organizations.

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