



CEMA Business Barometer

Survey report March 2015



General view on the markets has improved

Summary of the March survey

Since its recent lowest level in November 2014, the business climate of the European agricultural machinery industry has permanently improved. The reason behind is mainly a less unfavorable expectation for sales in the near future. Nevertheless, it remains unclear where a new growth should take place, as only two of the 15 European countries and regions in scope are currently seen on the rise: Spain and Switzerland. Behind those two markets, a rather flat development is foreseen for the UK, the Czech Republic and Poland, according to the CEMA survey.

For France and Germany - both markets having a weight of 35-40% within the EU - the perspectives continue to be “bullish”, with around 10% decline for 2015. This trend is confirmed by the last order intake estimates.

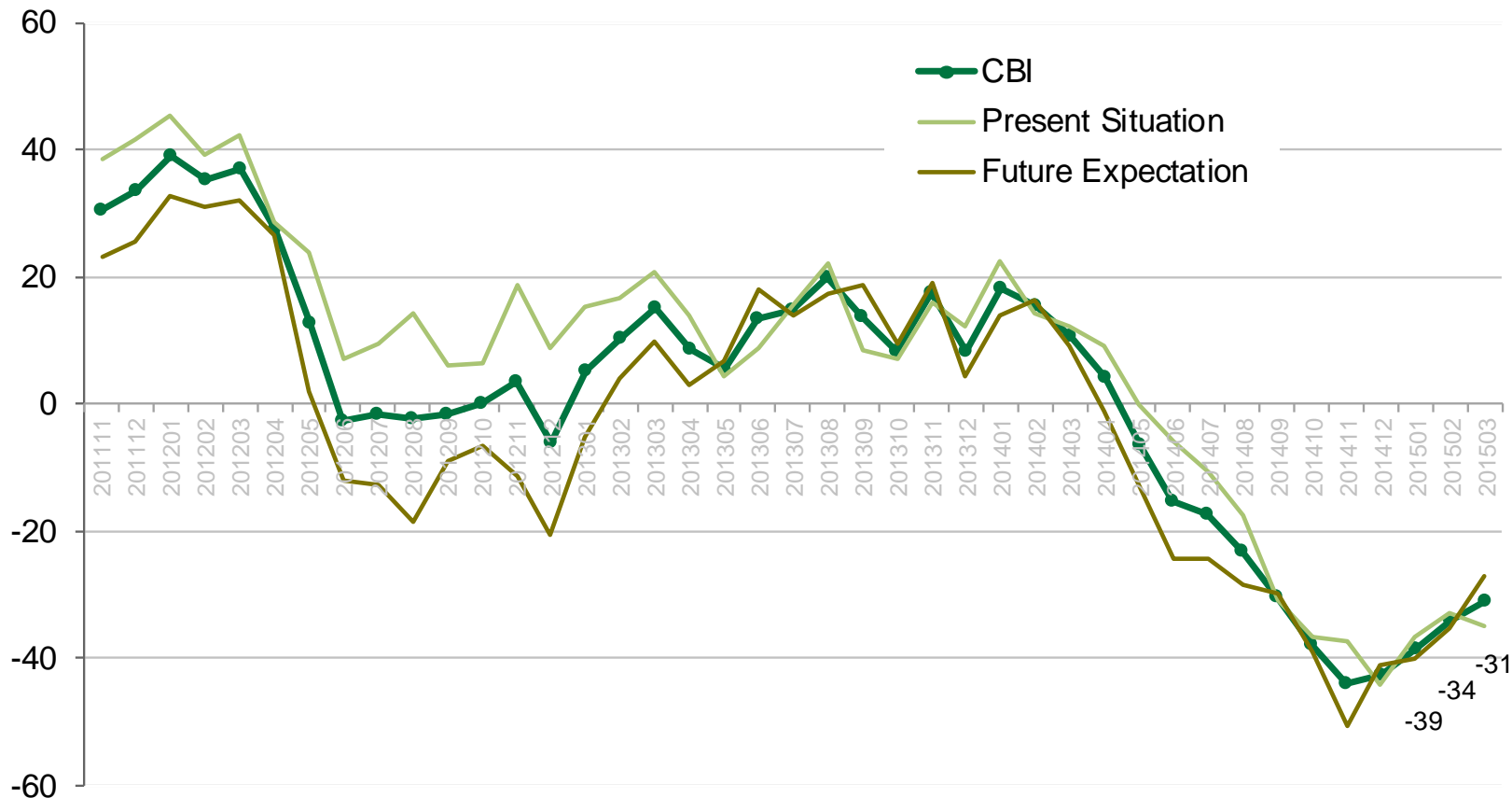
For both the EU and outside EU markets, the total new order levels of the industry declined by another 5% approximately in February.

An update of the quarterly turnover forecast for 2015 lead to similar results compared to December: An expected decline by around 3% for the total Western European industry. Every third company sees certain growth for their business in 2015, while 60% of the answers range from “flat” to -20%.

In the international context, the European industry sees an above average decline of the markets in their home region, while the general expectation for the overseas markets – including the USA – is not that bad.

Constant and slight increase of the CEMA Business climate index

CEMA Business Climate Index (CBI)

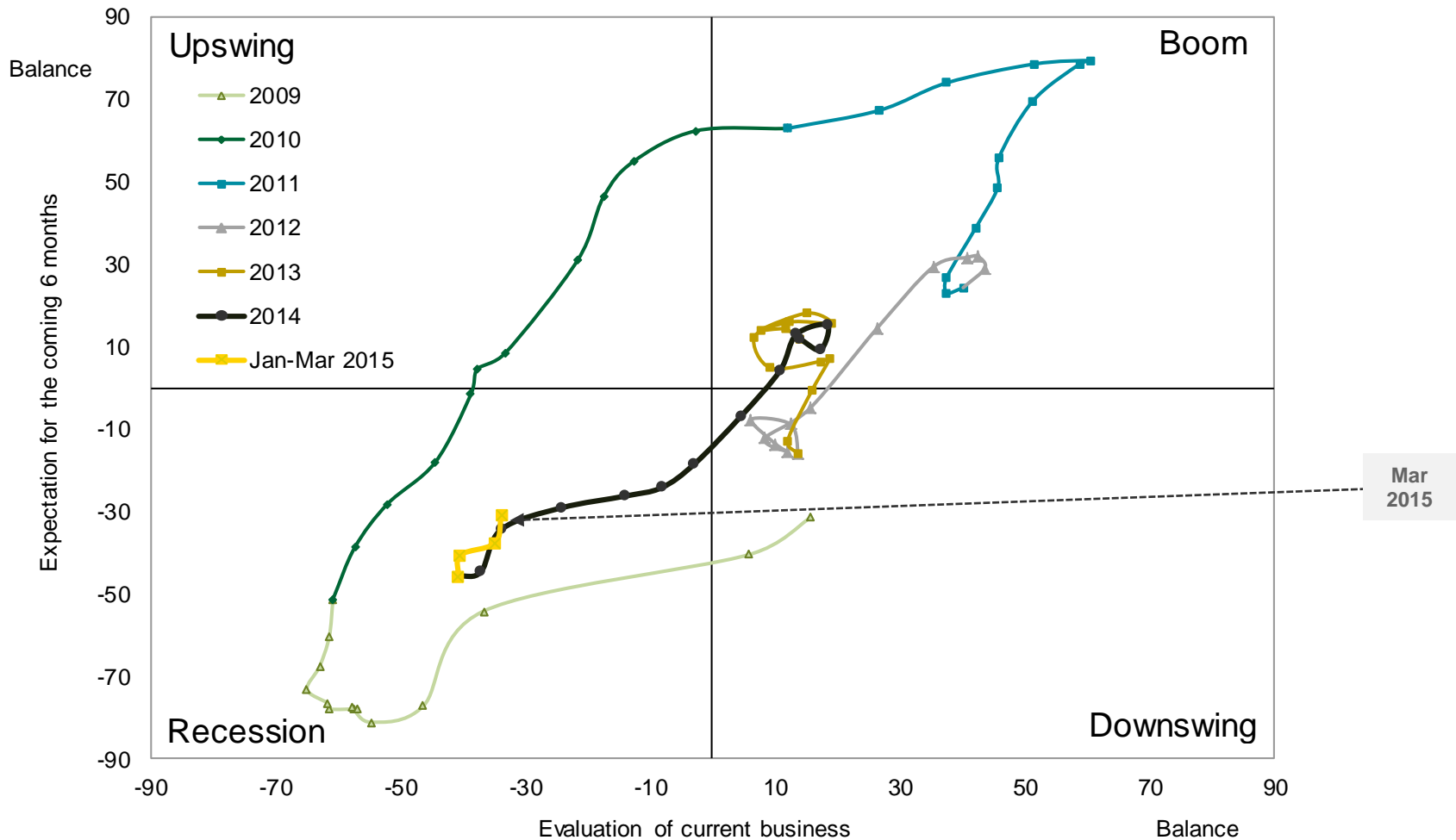


Source: CEMA Business Barometer

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

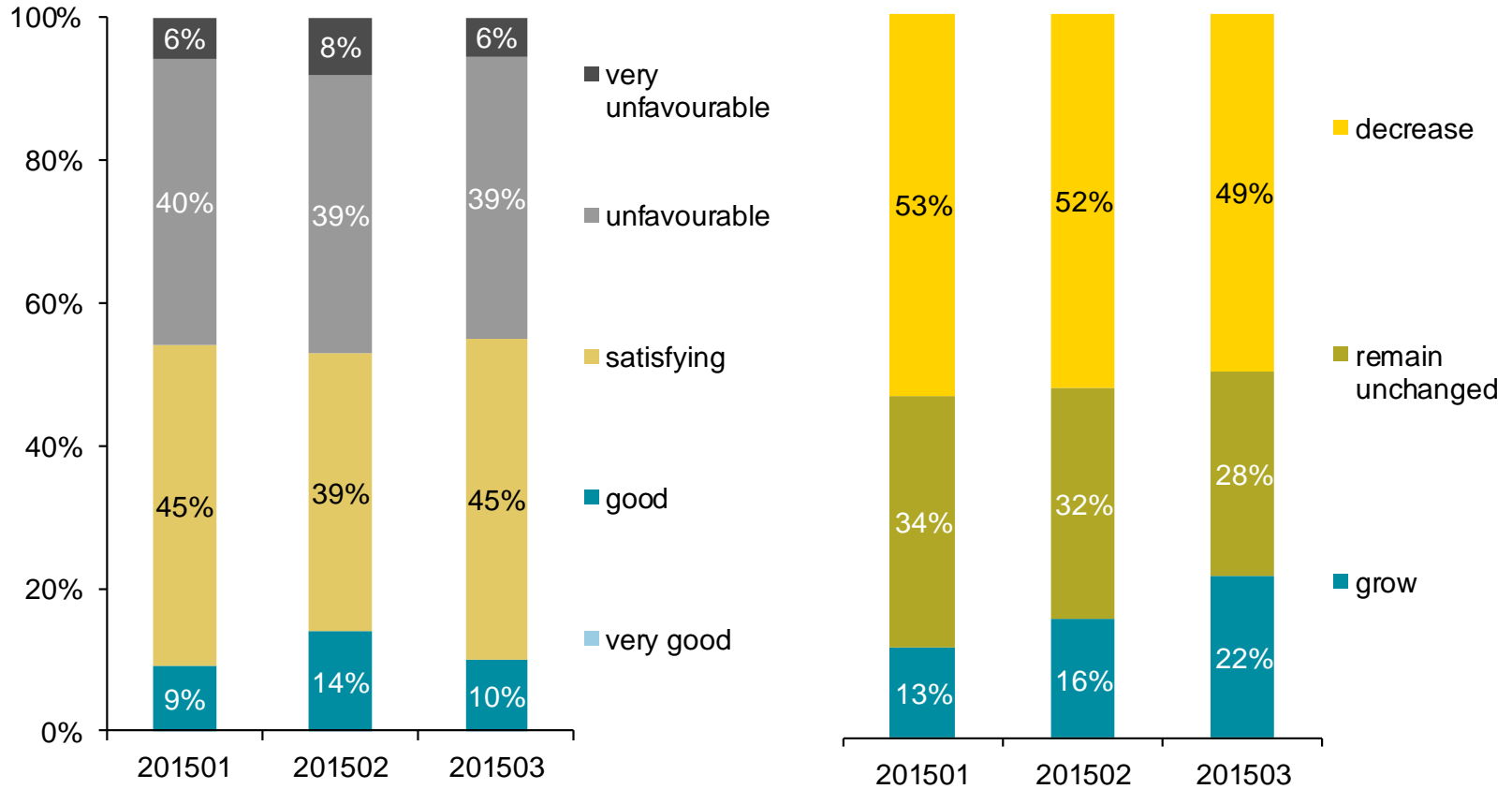


Source: CEMA Business Barometer, each value as an average of the last two months

Optimists are getting some ground referring to near future sales

Question: We consider our current business to be

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

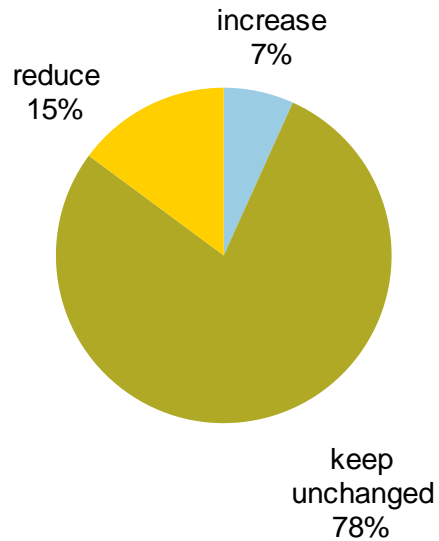


Source: CEMA Business Barometer

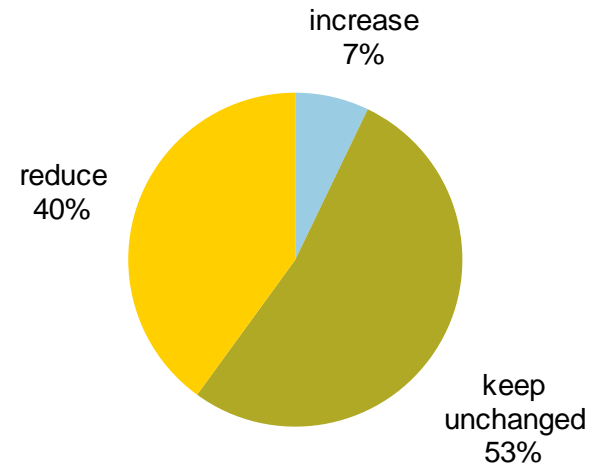
Employment reduction for temporary workers

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer March 2015