



# TMA Conference

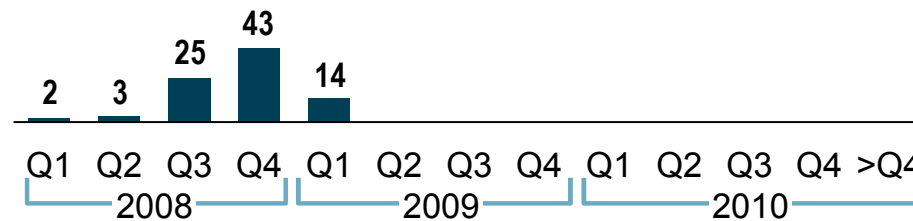
Panel: European Survey  
Max Falckenberg

Amsterdam, 18 June 2009

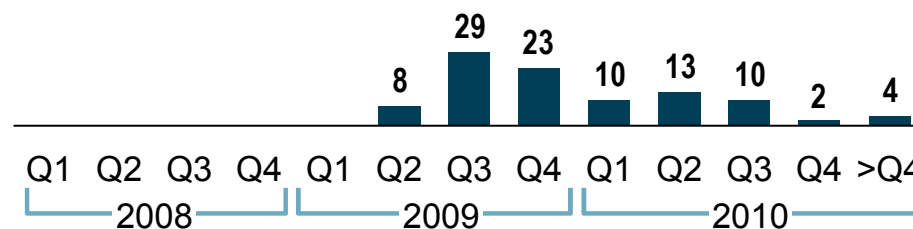
# Companies face harsh times: Trough only by the end of 2009 and recovery only expected in the middle of 2010 (22% not before 2011)

Expected development of the economic crisis [% of answers]

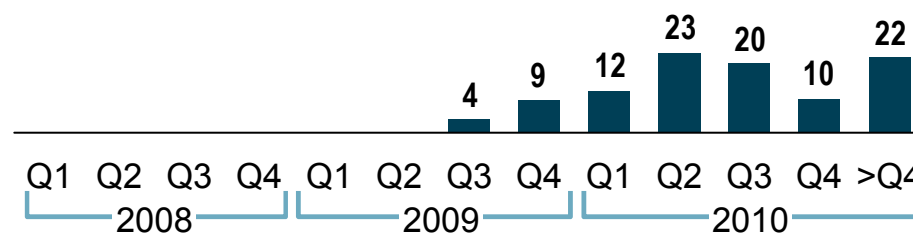
When did your company start to feel the impact of the crisis?<sup>1)</sup>



When will the economic crisis hit its trough?



When do you expect the recovery of the economy to start?



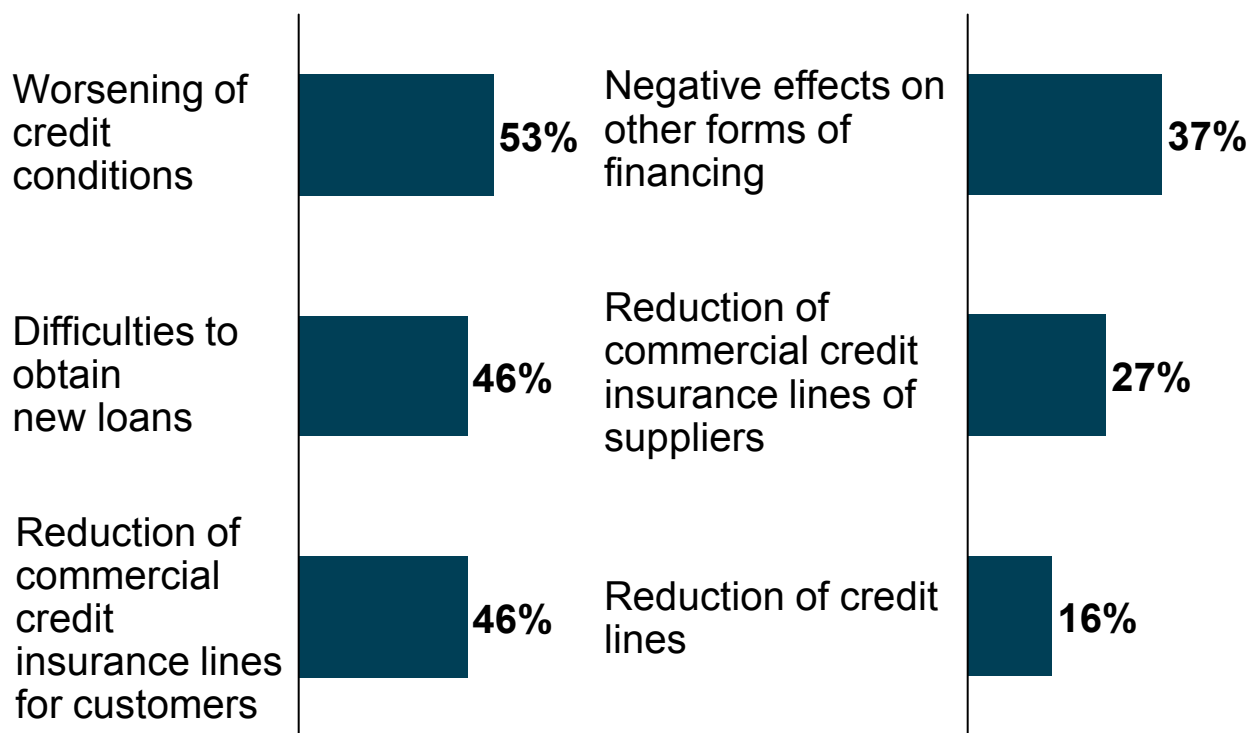
1) Difference to 100%: No implication of the crisis perceptible (13%)

## Comments

- **Majority** of companies (73%) experienced first impacts of the **crisis** by **end of 2008 (Q4)**
- This has been mirrored in the **Europe-wide negative GDP growth** end of 2008. Alone **Germany's GDP** growth dropped in Q4 2008 down to -1.7% from +1.6% in the previous year – **Q1 2009 with a heavy GDP decline of -4.1%**
- **43%** believe the economy will **recover** in the mid of **2010 (Q2/3)** – First GDP prognosis states an expected **growth of +1,1% in 2010 Europe-wide**
- **22% expect recovery not before 2011**

## Companies under high financial pressure: Loans more expensive and granted less frequently – Structural measures inevitable

Expected impact of the crisis on financing [% of answers]<sup>1)</sup>



### Comments

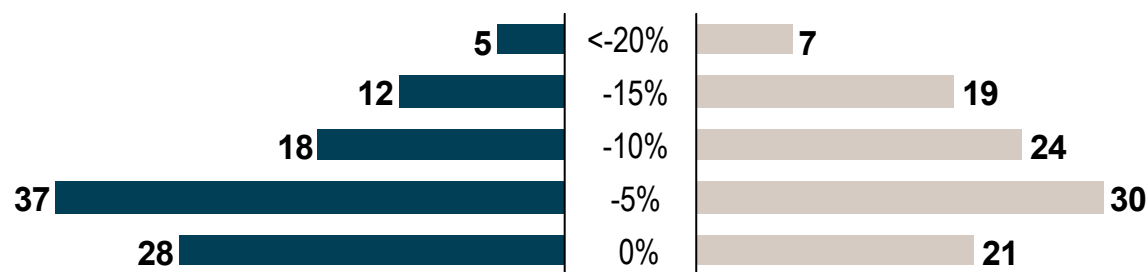
- More than half of the companies (**53%**) have experienced a **worsening of credit conditions** and 46% have increased **difficulties** to obtain **new loans** (restrictive fresh money policy)
- **16% even experienced reduction of credit lines**
- On this background **operational excellence** programs combined with **structural alignment** move into focus to increase the **in-house financing**

1) Several answers possible

## Personnel cost already reduced significantly – Second wave of layoffs and cancellation of extraordinary payments to be expected

Level and relevance of personnel cost reduction [% of answers]

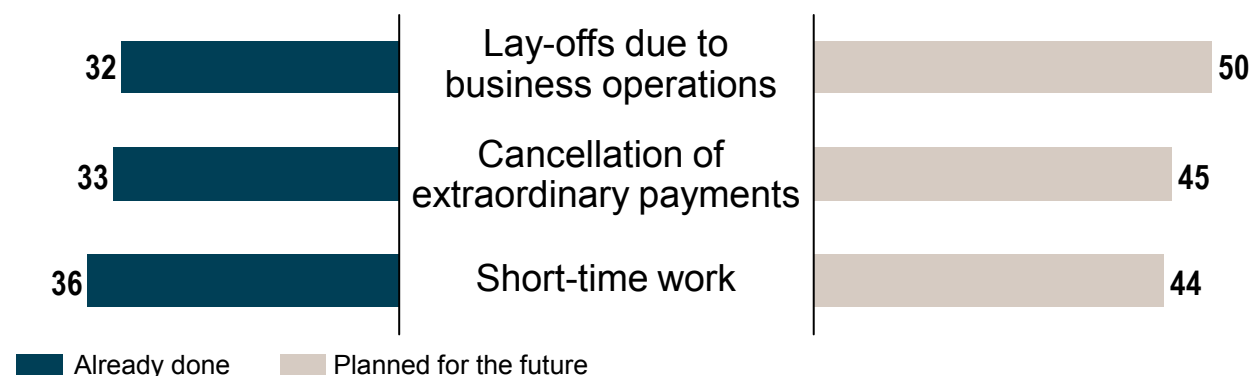
### How much has your personnel cost been reduced?



### Comments

- In times of decreasing revenues nearly across all industries, **downsizing and flexibilization** of the **cost structure** of outstanding importance – **personnel cost in special focus** due to high share in many industries

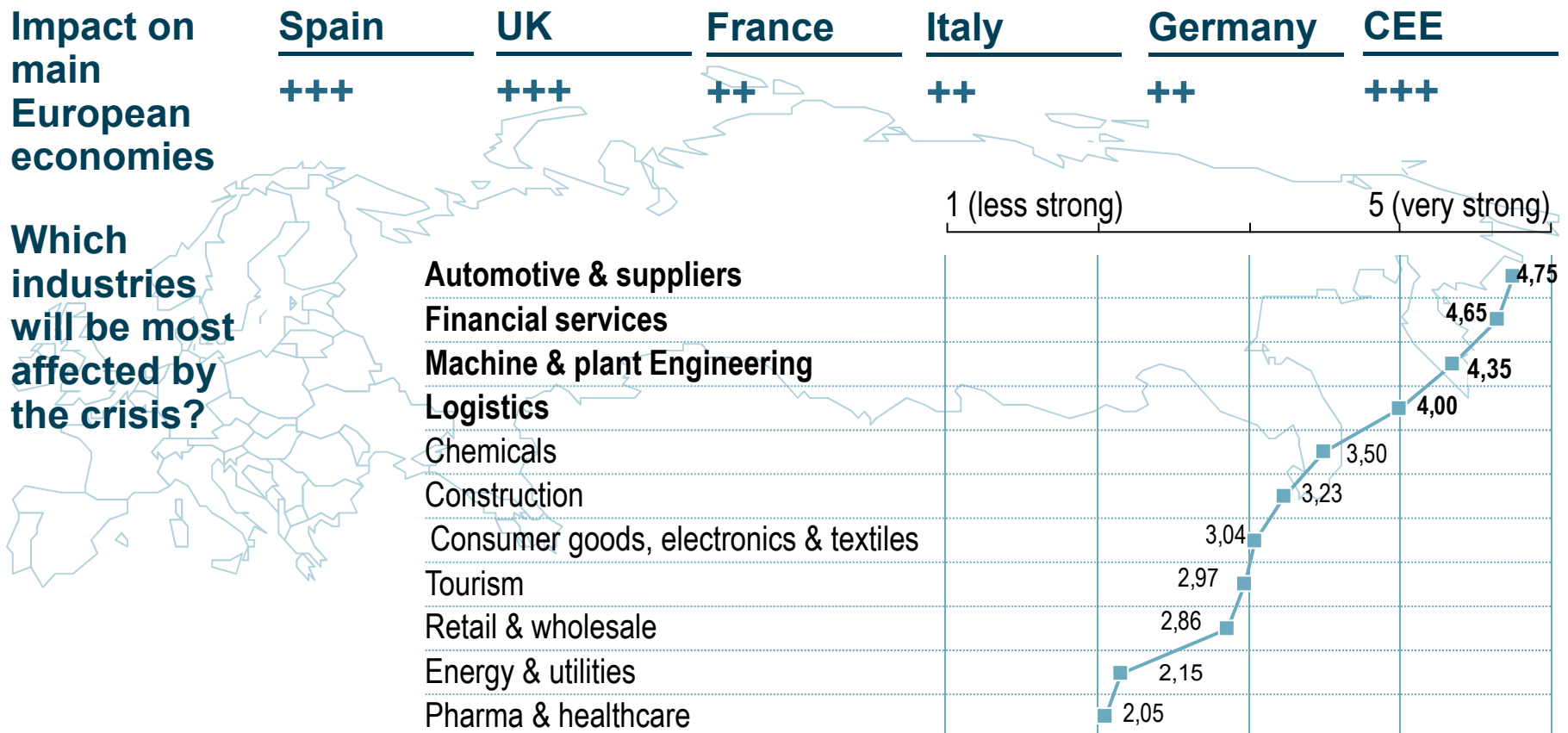
### How relevant are the personnel cost cutting measures?



- **35%** of interviewed companies already reduced their **personnel cost** by more than **10%**
- **A second wave of layoffs to be expected** with an increase from 35% to 50% – also **cancellation of extraordinary payments** planned to a much larger extent in the future

# Spain, UK and CEE worst effected economies – Strongest impact on Automotive, Financial services, engineering and logistics

Impact of crisis on main European economies and strongest effected industries



# Delivering results!