

News release

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Contact Zuzana Sehnalová, Marketing & Communications Leader, PwC
Tel.: +421 (0) 2 59350 133
Mobile: +421 (0)911 357 151
zuzana.sehnalova@sk.pwc.com

Expectations of the global economy and revenues growth are optimistic. CEOs see opportunities mostly in the new technologies.

According to the Slovak CEO Survey 2014 conducted by PwC and Forbes

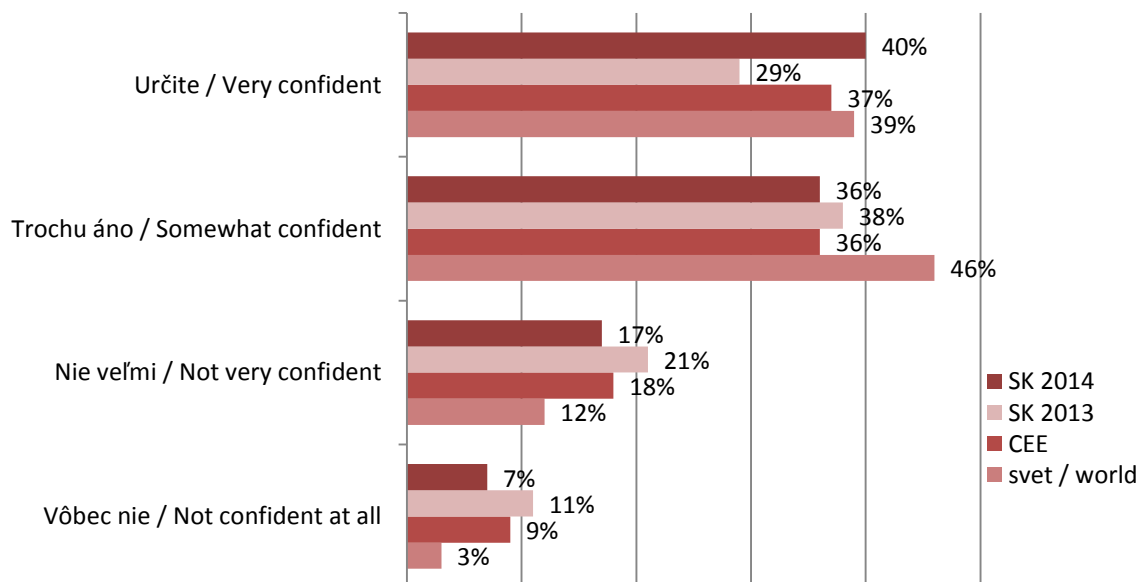
PwC and Forbes magazine surveyed how CEOs view prospects for the business environment in Slovakia. 122 CEOs of firms in Slovakia shared their opinions and experience with us in the Slovak CEO Survey 2014.

Expectations of the global economy and revenues growth

CEOs in Slovakia are much more optimistic than last year. Whilst last year only 15% of them expected that development of the global economy would improve in the following year, that number grew to 45% this year.

Openness of our economy causes the confidence in macro-data improvement to be reflected in the brighter expectations of CEOs regarding their own businesses. As much as 40% of CEOs believe that revenues of their firms in Slovakia will definitely grow, 36% identified 'rather yes' as the answer (last year it was 29% and 38%, respectively).

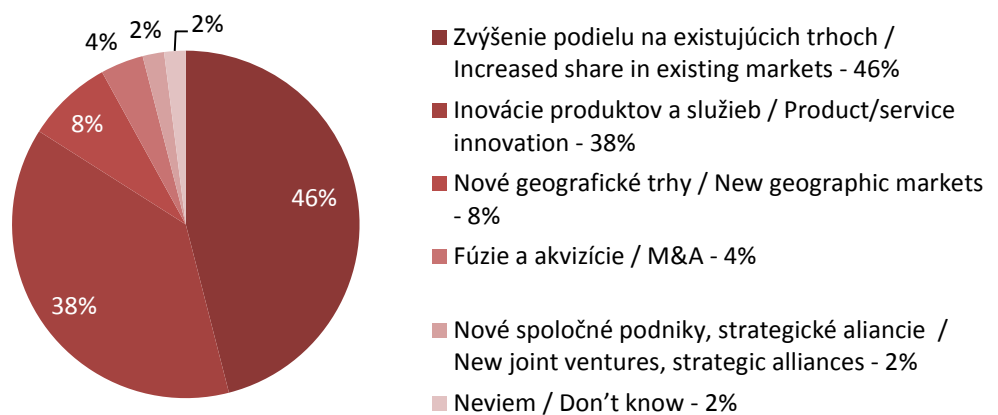
How confident are you about your company's prospects for revenue growth over the next 12 months?



Top opportunities for growth: organic growth and innovation

Innovations, which came out a winner in our survey last year when evaluating major opportunities for the growth of business, retained a high ranking this year also. As much as 38% of CEOs identified innovation as their primary choice. However, it was beaten this time: 46% of respondents consider increasing their share in the existing market as their top opportunity for growth – so an organic growth where the firm already operates.

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Where are investments directed in Slovakia? Technologies recorded the most significant increase

CEOs have learnt from the crisis years that investments in operational effectiveness are inevitable in order to overcome the competition battle successfully. Over half of CEOs (54%) have included them among their three major investment priorities.

The priorities further include continuous improvement of client services (48%), which may be achieved in different ways, such as implementation of new technologies. And in particular, it was new technologies that improved their investment priorities' ranking the most. Whilst last year only less than one-third of CEO's included them in their selection, this year it was 44%. About one-third of respondents intend to invest in R&D in the following 12 months.

What are your top investment priorities over the next 12 months? Respondents could select three areas.

Improving operational effectiveness (56% 2013)	54%
Enhancing customer service (61% 2013)	48%
Implementing new technology (32% 2013)	44%
Growing your customer base (37% 2013)	40%
R&D and innovation (31% 2013)	34%
Manufacturing capacity (17% 2013)	26%
Filling talent gaps (8% 2013)	15%
New M&A, joint ventures, strategic alliances (13% 2013)	12%
Securing raw materials or components (5% 2013)	2%



"We can see the combination of investment in technologies and a focus on client services in many examples globally as well as within Slovakia. Telecommunications firms have been battling for customers on the web for a long time already, and energy companies compete using new digital strategies. Banks seek to differentiate themselves with innovative mobile applications, and in some cases most of their communication is dedicated to these products. The common attributes of these services are the simplicity of access to it, mobility, and the new service.

The digitalisation of our homes may become another significant trend (Google recently purchased Nest, a company offering intelligent thermostats and fire alarms, for USD 3.2 billion), as may car digitalisation (at the recent Geneva Auto Show, Apple announced the integration of their iPhone system into the main display of certain new cars; Google is developing its own system). In American car advertisements, the majority of airtime is devoted to these 'smart' elements. Since technologies can be very disruptive to proven business models, digital strategy often decides whether or not a firm will exist." says Alexander Šrank, Partner of PwC.

You can find more information about the Slovak CEO 2014 conducted by PwC and Forbes magazine at www.pwc.com/sk/ceo-survey.

Information about PwC's Global CEO Survey is accessible at www.pwc.com/ceosurvey.

Notes for editors

Slovak CEO Survey 2014

The Survey was conducted by consultancy firm PwC in co-operation with the Slovak edition of Forbes magazine. The CEOs contacted replied via an on-line or printed questionnaire from 1 December 2013 to 28 February 2014. 122 top representatives from various industry sectors of companies operating in the Slovak market participated in the Survey.

Characteristics of companies represented in the survey:

Type: 56% a subsidiary or branch of an international parent company, 40% privately owned Slovak company, 4% a subsidiary of a Slovak company in this country.

Years of doing business in Slovakia: 48% 5 – 15 years, 40% 15 – 25 years, 9% over 25 years, 3% less than 5 years.

Revenues: 31% EUR 5 – EUR 15 million, 18% EUR 15 – EUR 30 million, 18% EUR 30 – EUR 100 million, 14% less than EUR 5 million, 10% over EUR 250 million, 9% EUR 100 – EUR 250 million

About Forbes magazine

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