

Duke's Fuqua School of Business / CFO Magazine Business Outlook

Results for European firms (own-firm changes expected during the next 12 months)

	March 2007	Nov/Dec 2006	Sept 2006	June 2006
<b>Weighted Averages for Earnings growth*</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>
	+10.2%	+9.84%	+11.09%	+17.86%
<b>Capital spending</b>	+5.8%	+5.16%	+6.04%	+4.73%
<b>Advertising and marketing spending</b>	+3.3%	+5.77%	+2.72%	Not asked
<b>Technology spending</b>	+3.2%	+5.03%	+5.27%	+4.35%
<b>Employment</b>	+0.8%	+1.47%	-0.21%	-1.44%
<b>Outsourced Employment</b>	+3.8%	+1.61%	+6.10%	+3.35%
<b>Wages and Salaries</b>	+3.4%	+3.73%	+2.98%	+2.90%
<b>Productivity</b>	+3.1%	+3.61%	+3.25%	+3.19%
<b>Inflation (Chg in prices of own-firm products)</b>	+1.3%	+1.05%	+1.73%	+1.08%
<b>Health Care Costs</b>	+2.2%	+2.03%	+1.63%	+2.39%
<b>Dividends*</b>	+4.5%	+2.98%	+13.78%	+6.31%
<b>Cash on balance sheet*</b>	+0.1%	+4.61%	+9.82%	+1.00%
<b>Inventory</b>	-1.1%	-0.39%	+1.02%	-0.22%
<b>Mergers and Acquisitions</b>	34.1% increasing 9.8% decreasing	47.4% increasing 5.2% decreasing	34.2% increasing 16.7% decreasing	35.4% increasing 14.2% decreasing
<b>Business Terrorism Index (out of 100)</b>	Not asked		Index: 14.7 Hurting Bottom line: 15.4%	Not asked

\* indicates public firms only. All other numbers for all survey respondents (including private)

**Europe BUSINESS OPTIMISM**

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	<b>March 2007</b>	<b>Nov/Dec 2006</b>	<b>Sept 2006</b>	<b>June 2006</b>
	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>
<b>Optimism about the country's economy</b>	More optimistic: 48.3% Less optimistic: 19.5% No change: 32.2%	More optimistic: 47.2% Less optimistic: 16.1% No change: 36.8%	More optimistic: 43.0% Less optimistic: 16.2% No change: 40.8%	More optimistic: 39.8% Less optimistic: 22.1% No change: 38.1%
<b>Optimism about own company</b>	More optimistic: 57.6% Less optimistic: 14.4% No change: 28.0%	More optimistic: 58.8% Less optimistic: 17.5% No change: 23.7%	More optimistic: 53.9% Less optimistic: 16.7% No change: 29.4%	More optimistic: 52.8% Less optimistic: 21.7% No change: 25.6%