

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

Results for 475 U.S. firms (own-firm changes expected during the next 12 months)

	March 2008	Dec 2007	Sep 2007	June 2007
Weighted Averages for Earnings growth*	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
	+8.72%	+6.7%	+8.8%	+8.6%
Capital spending	+3.26%	+4.1%	+3.2%	+5.2%
Technology spending	+3.23%	+5.4%	+4.1%	+3.9%
Advertising and marketing spending	+2.48%	+3.3%	+2.5%	+2.7%
Employment	+0.61%	+0.5%	0.0%	+0.4%
Outsourced Employment	+3.63%	+5.6%	+5.9%	+7.1%
Wages and Salaries	+3.17%	+3.6%	+3.2%	+4.2%
Productivity	+2.93%	+2.8%	+3.1%	+3.6%
Inflation (Chg in prices of own-firm products)	+2.95%	+2.8%	+2.0%	+2.3%
Health Care Costs	+6.76%	+7.0%	+6.5%	+7.3%
Dividends*	+2.42%	+5.1%	+3.8%	+4.9%
Share Repurchases*	+4.93%	+2.2%	+5.8%	+5.7%
Cash on balance sheet*	-1.22%	+0.7%	+1.1%	+2.9%
Inventory	Not asked	+0.8%	-0.2%	-0.6%
Mergers and Acquisitions	36.7% plan to acquire. 14.4% plan to sell part or all of firm.	39.8% plan to acquire. 15.8% plan to sell part or all of firm.	Not comparable	Not comparable
Business Terrorism Index (out of 100)	Not asked	Not asked	Index: 16.5 Hurting bottom line: 17.8	Not asked

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

U.S. BUSINESS OPTIMISM

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

	March 2008	Dec 2007	Sept 2007	June 2007
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the U.S. economy	More optimistic: 8.2% Less optimistic: 72.1% No change: 19.7%	More optimistic: 8.9% Less optimistic: 72.0% No change: 19.1%	More optimistic: 13.6% Less optimistic: 61.7% No change: 24.7%	More optimistic: 26.3% Less optimistic: 29.8% No change: 44.0%
Optimism about own company	More optimistic: 29.8% Less optimistic: 38.3% No change: 31.9%	More optimistic: 34.3% Less optimistic: 36.6% No change: 29.2%	More optimistic: 39.5% Less optimistic: 30.1% No change: 30.4%	More optimistic: 44.1% Less optimistic: 24.5% No change: 31.4%

Other Key Results from March 2008 survey

- 54% of CFOs say the US economy is now in recession
 - Another 24% say more than 50% chance of recession in 2008
 - 87% say no recovery until 2009
- Credit market turmoil has directly, negatively affected 35% of companies
 - 21% of AAA- and AA-rated firms, 25% of A, 39% of BBB or BB firms, and 56% of B or lower rated firms have been affected.
 - About half of those affected experienced reduced availability of credit and about half a higher cost of credit (up 118 basis points)
 - 60 percent will scale back expansion, capital spending and/or hiring
- 76% say Fed's interest rate cuts have not helped their firms
- Among firms with foreign sales, 85% say the depreciated US dollar has helped their firms' exports and competitive position abroad.
- About 37% of US firms plan to be active in the M&A market this year

Top Concerns for U.S. Businesses

MACRO CONCERNS

- Consumer Demand
- Credit Markets / Interest Rates
- Housing Market Fallout
- Cost of Fuel

INTERNAL TO OWN FIRM

- Cost of non-finance labor
- Ability to forecast future results
- Health Care Costs
- Supply Chain Risk