

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

Results for 126 European firms (own-firm changes expected during the next 12 months)

	Mar 2011	Dec 2010	Sep 2010	Jun 2010	Feb 2010
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	Expected growth in next 12 months
	10.7%	10.4%	11.4%	12.0%	3.7%
Capital spending	4.3%	6.8%	2.8%	10.7%	0.8%
Technology spending	3.4%	1.9%	2.6%	3.8%	0.5%
R&D spending	3.2%	4.6%	0.8%	1.8%	0.5%
Advertising and marketing spending	4.5%	5.8%	0.8%	-0.8%	-2.7%
Employment – full-time	-0.6%	0.2%	0.5%	-1.6%	-1.2%
Employment – temporary	1.9%	-1.9%	0.6%	-4.5%	-4.7%
Outsourced Employment	2.7%	5.9%	4.0%	4.4%	1.5%
Wages and Salaries	2.1%	2.2%	1.5%	2.0%	2.3%
Productivity	3.7%	3.3%	3.2%	3.1%	2.2%
Inflation (Chg in prices of own-firm products)	2.5%	1.3%	0.5%	1.2%	1.2%
Health Care Costs	2.3%	1.3%	2.3%	1.8%	2.3%
Dividends*	17.4%	9.6%	1.2%	1.8%	3.4%
Share Repurchases*	2.3%	0.5%	0.0%	0.0%	0.0%
Cash on balance sheet*	8.3%	2.5%	1.3%	6.6%	1.0%
Mergers and Acquisitions	43.1% plan to acquire. 17.1% plan to sell part or all of firm.	Not asked.	Not asked.	Not asked.	28.8% plan to acquire. 12.6% plan to sell part or all of firm.
Revenue*	5.9%	Not asked.	Not asked.	Not asked.	Not asked.

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

Europe BUSINESS OPTIMISM
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	Mar 2011	Dec 2010	Sep 2010	Jun 2010	Feb 2010
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More opt: 38.9% Less opt: 23.0% No chg: 38.1%	More opt: 37.5% Less opt: 26.5% No chg: 36.0%	More opt: 42.2% Less opt: 23.0% No chg: 34.8%	More opt: 33.8% Less opt: 30.2% No chg: 36.0%	More opt: 43.6% Less opt: 18.4% No chg: 38.0%
Country optimism level	58.9	55.1	57.6	54.2	54.6
Optimism about own company	More opt: 46.8% Less opt: 22.2% No chg: 31.0%	More opt: 50.0% Less opt: 21.3% No chg: 28.7%	More opt: 48.1% Less opt: 20.0% No chg: 31.9%	More opt: 46.8% Less opt: 20.9% No chg: 32.4%	More opt: 50.9% Less opt: 21.5% No chg: 27.6%
Own company optimism level	64.2	63.8	63.6	63.0	63.6

Top Concerns for European Businesses

MACRO CONCERNS

- Consumer Demand
- Price Pressure from competitors
- Global financial instability
- Cost of fuel

INTERNAL TO OWN FIRM

- Ability to maintain margins
- Ability to Forecast Results
- Attracting and retaining qualified employees
- Maintaining Morale/Productivity