

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

Results for 178 European firms (own-firm changes expected during the next 12 months)

	Sep 2011	Jun 2011	Mar 2011	Dec 2010	Sep 2010
Weighted Averages for	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
Earnings growth*	-0.8%	5.7%	10.7%	10.4%	11.4%
Capital spending	3.2%	3.5%	4.3%	6.8%	2.8%
Technology spending	0.6%	3.7%	3.4%	1.9%	2.6%
R&D spending	2.0%	3.7%	3.2%	4.6%	0.8%
Advertising and marketing spending	-0.7%	2.0%	4.5%	5.8%	0.8%
Employment – full-time	-0.5%	3.6%	-0.6%	0.2%	0.5%
Employment – temporary	-5.4%	0.1%	1.9%	-1.9%	0.6%
Outsourced Employment	4.2%	2.8%	2.7%	5.9%	4.0%
Wages and Salaries	3.0%	2.8%	2.1%	2.2%	1.5%
Productivity	3.5%	2.7%	3.7%	3.3%	3.2%
Inflation (Chg in prices of own-firm products)	0.5%	1.6%	2.5%	1.3%	0.5%
Health Care Costs	1.3%	3.8%	2.3%	1.3%	2.3%
Dividends*	-0.8%	3.6%	17.4%	9.6%	1.2%
Share Repurchases*	4.5%	0.5%	2.3%	0.5%	0.0%
Cash on balance sheet*	3.4%	4.1%	8.3%	2.5%	1.3%
Mergers and Acquisitions	Not asked.	Not asked.	43.1% plan to acquire. 17.1% plan to sell part or all of firm.	Not asked.	Not asked.
Revenue*	Not asked.	4.6%	5.9%	Not asked.	Not asked.

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

Europe BUSINESS OPTIMISM

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

	Sep 2011	Jun 2011	Mar 2011	Dec 2010	Sep 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: 13.0% Less opt: 63.8% No chg: 23.2%	More opt: 28.2% Less opt: 22.2% No chg: 49.6%	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%
Country optimism level	54.2	58.5	58.9	55.1	57.6
Optimism about own company	More opt: 25.3% Less opt: 43.3% No chg: 31.5%	More opt: 39.8% Less opt: 16.9% No chg: 43.2%	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%
Own company optimism level	63.3	62.9	64.2	63.8	63.6

Top Concerns for European Businesses

MACRO CONCERNS

- Consumer Demand
- Global financial instability
- Price Pressure from competitors
- Credit markets/interest rates

INTERNAL TO OWN FIRM

- Ability to maintain margins
- Ability to Forecast Results
- Attracting and retaining qualified employees
- Working capital management