

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

Results for 160 European firms (own-firm changes expected during the next 12 months)

	Mar 2012	Dec 2011	Sept 2011	Jun 2011	Mar 2011
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
Earnings growth*	4.3%	1.1%	-0.8%	5.7%	10.7%
Capital spending	2.7%	0.4%	3.2%	3.5%	4.3%
Technology spending	3.4%	0.5%	0.6%	3.7%	3.4%
R&D spending	4.0%	2.3%	2.0%	3.7%	3.2%
Advertising and marketing spending	0.5%	-0.5%	-0.7%	2.0%	4.5%
Employment – full-time	-1.5%	0.0%	-0.5%	3.6%	-0.6%
Employment – temporary	-4.8%	-1.9%	-5.4%	0.1%	1.9%
Outsourced Employment	4.0%	3.9%	4.2%	2.8%	2.7%
Wages and Salaries	2.6%	1.6%	3.0%	2.8%	2.1%
Productivity	3.1%	4.2%	3.5%	2.7%	3.7%
Inflation (Chg in prices of own-firm products)	1.0%	-0.8%	0.5%	1.6%	2.5%
Health Care Costs	0.9%	2.2%	1.3%	3.8%	2.3%
Dividends*	2.9%	2.9%	-0.8%	3.6%	17.4%
Share Repurchases*	0.0%	3.3%	4.5%	0.5%	2.3%
Cash on balance sheet*	-3.2%	1.2%	3.4%	4.1%	8.3%
Mergers and Acquisitions	36% plan to acquire. 14.8% plan to sell part or all of firm.	Not asked.	Not asked.	Not asked.	43.1% plan to acquire. 17.1% plan to sell part or all of firm.
Revenue	2.6%	4.3%	0.9%	7.0%	5.5%

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

Europe BUSINESS OPTIMISM
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	Mar 2012	Dec 2011	Sept 2011	Jun 2011	Mar 2011
	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: 32.1% Less opt: 32.7% No chg: 35.2%	More opt: 12.9% Less opt: 65.6% No chg: 21.5%	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%
Country optimism level	54.0	48.3	54.2	58.5	58.9
Optimism about own company	More opt: 36.9% Less opt: 30.6% No chg: 32.5%	More opt: 23.3% Less opt: 46.6% No chg: 30.1%	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%
Own company optimism level	59.2	57.5	63.3	62.9	64.2

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