



USA

Duke University/CFO Magazine Special Study on the Costs of Terrorism - U.S. - September 11, 2006

3. What are the top three concerns your corporation faces? (rank #1, #2, #3)

(N=434)

	Mean & SD	1st	2nd	3rd
Other:	1.67 0.77	25 5.8%	15 3.5%	9 2.1%
Cost of fuel	1.81 0.80	56 12.9%	44 10.1%	31 7.1%
Consumer demand	1.84 0.85	84 19.4%	47 10.8%	54 12.4%
Interest rates	1.90 0.82	48 11.1%	39 9.0%	36 8.3%
Cost of labor (wages, salaries, bonuses)	1.95 0.81	61 14.1%	60 13.8%	53 12.2%
Skilled labor shortage	2.01 0.74	31 7.1%	53 12.2%	32 7.4%
Regulation	2.02 0.80	31 7.1%	37 8.5%	33 7.6%
Cost of non-fuel commodities	2.03 0.84	34 7.8%	31 7.1%	37 8.5%
Terrorism	2.04 0.91	9 2.1%	5 1.2%	10 2.3%
Foreign competition	2.17 0.80	13 3.0%	18 4.1%	22 5.1%
Health care costs	2.20 0.75	31 7.1%	62 14.3%	62 14.3%
Currency values	2.38 0.75	5 1.2%	10 2.3%	17 3.9%
Litigation	2.38 0.70	4 0.9%	13 3.0%	17 3.9%
Political stability	2.39 0.74	7 1.6%	14 3.2%	25 5.8%



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Revenue Weighted for Firms That Existed 5 Years Ago: 9. Security & Indirect Costs of Terrorism

	Mean	SD	95% CI	Median	Minimum	Maximum
Before September 11, 2001, approximately how large were your company's annual direct costs for security, as a percentage of revenue?	1.72	2.41	1.68 - 1.76	1	0	14.83
Today, how large are those direct costs for security?	2.82	3.72	2.76 - 2.88	1.10	0	17.25
Today, how large are the indirect costs of terrorism on your company? (Please include costs such as lost productivity or reduced consumer spending due to terror fears)	1.76	1.90	1.73 - 1.80	1	0	5.59

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Q9b. How has your company been affected by terrorism or the threat of terrorism? (Check all that apply)

	Number	Percent
There has been little to no impact	216	49.8 %
There have been physical act(s) of terrorism on our firm or firms in our industry	29	6.7 %
Fear of terrorism hurts our firm (e.g., terror fears have affected our customers or have made our company less inclined to invest)	61	14.1 %
Increased infrastructure and or software spending, such as for the creation of satellite operations	117	27.0 %
Carrying more inventory in case of disruption	26	6.0 %
Increased planning for business disruptions	184	42.4 %
Increased hedging of key inputs	24	5.5 %
Insurance for acts of terrorism	123	28.3 %
Insurance for business interruptions resulting from terrorism	93	21.4 %
Reduced air travel	91	21.0 %
Diversifying into other lines of business as a hedge	13	3.0 %
Added employment positions, such as head of security	52	12.0 %
High cost of oil and energy	172	39.6 %
Other	29	6.7 %
Total	1230	

Number of Cases = 434
 Number of Responses = 1230
 Average Number Of Responses Per Case = 2.8
 Number Of Cases With At Least One Response = 425
 Response Percent = 97.9 %



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Q9b. How has your company been affected by terrorism or the threat of terrorism?

[Other]

increased business

Growth of our core business in Counter Terrorism

Higher sales to deal with customer concerns

Concern about travel

Additional regulatory costs such as OFAC

immigration of skilled labor

(Increased data regulation

Loss of productivity

increase in our projects NBC - CBR

restrictions on inbound visa employees

indirect impact via stock market

Increased costs to comply with new regulatory mandates (we are a US bank)

Contra pattern - We are in the security sector

Increased consumer demand for services

Stress

Increased revenue from security services offered

Restricted entry to the US for foreigners benefits our business

selling of insurance without coverage

keep out of certain markets

re-routing, increased legislative activity

Requirements to assure that none of our funding goes to terrorist groups

Increased shipping controls

Cost of added regulations

false bomb scare by employee who wanted to miss half a day.

Locations are more secure and more communication with employees

Reduction in travel

Disaster preparedness has expanded

Increased legislative lobbying for more action against terrorist activity

Increase in direct costs due to security at ports



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September 11, 2006**

9c & 9d. Negative impact of terrorism.

	Mean	SD	Median	Minimum	Maximum	95% CI	Total
9c. On a scale of 0 to 100, what impact is the threat of terrorism having on your business? (0 means no impact, 100 means maximum negative impact)	15.57	18.89	10	0	90	13.71 - 17.43	396
9d. What number on this scale would indicate that the threat of terrorism is affecting your profitability? (If your answer in 9c is greater than this answer, it means that the threat of terrorism is affecting your profitability).	17.24	20.59	10	0	95	15.18 - 19.31	382
9c minus 9d	-1.40	16.27	0	-70	90	-3.03 - 0.23	382

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9. Negative impact of terrorism.

Cut-off negative impact	Number	Percent
Threat of terrorism is affecting your profitability.	132	33.7 %
Negative impact and cut-off negative impact are equal	154	39.3 %
Threat of terrorism is not affecting your profitability.	106	27.0 %
Total	392	100.0 %

Missing Cases = 14
Response Percent = 96.6 %



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September 11, 2006**

Check here if the threat of terrorism has benefited (on net) your firm

	Number	Percent
Checked	28	6.5 %
Not Checked	406	93.5 %
Total	434	100.0 %

Missing Cases = 0
Response Percent = 100.0 %

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September 11, 2006**

Threat of terrorism has benefited (on net) your firm - Industry

Agrivultural Supply Chain
Aviation
banking5
Behavioral healthcare
CBR/NBC Air Filtration Equipment & Products
Counter Terrorism Services for Government and Commerical Sectors
Defense
Education (online)
electrical and electronic equipment manufacturer
engineering/construction
Government Contractor / Airline Communications
Healthcare
High End Corporate Catering
Insurance
insurance
IT Security
IT services to Government
Manufacturer of products utilized for cooking at home.
Military Missles & hardware
personal safety products/ food safety products
Pharma
Pharmaceutical research
Private Aviation
residential construction
telecommunications
Textiles
Tobacco
Transportation Infrastructure Consulting



EUROPE

Duke University/Erasmus University/CFO Magazine Special Study on the Costs of Terrorism - Europe - September 11, 2006

3. What are the top three concerns your corporation faces? (rank #1, #2, #3)

(N=124)

	Mean & SD	1st	2nd	3rd
Other:	1.50 0.76	5 4.0%	2 1.6%	1 0.8%
Consumer demand	1.72 0.84	28 22.6%	12 9.7%	13 10.5%
Cost of non-fuel commodities	1.73 0.84	17 13.7%	8 6.5%	8 6.5%
Litigation	1.75 0.96	2 1.6%	1 0.8%	1 0.8%
Skilled labor shortage	1.83 0.69	16 12.9%	24 19.4%	8 6.5%
Cost of fuel	1.90 0.96	15 12.1%	3 2.4%	12 9.7%
Cost of labor (wages, salaries, bonuses)	2.03 0.80	18 14.5%	23 18.5%	20 16.1%
Regulation	2.05 0.81	11 8.9%	13 10.5%	13 10.5%
Interest rates	2.08 0.78	6 4.8%	10 8.1%	8 6.5%
Health care costs	2.14 0.69	1 0.8%	4 3.2%	2 1.6%
Foreign competition	2.20 0.76	10 8.1%	19 15.3%	20 16.1%
Political stability	2.38 0.87	3 2.4%	2 1.6%	8 6.5%
Currency values	2.43 0.76	2 1.6%	4 3.2%	8 6.5%
Terrorism	2.64 0.67	1 0.8%	2 1.6%	8 6.5%



Duke University/Erasmus University/CFO Magazine Special Study on the Costs of Terrorism - Europe - September 11, 2006

Revenue Weighted for Firms That Existed 5 Years Ago: 9. Security & Indirect Costs of Terrorism

	Mean	SD	95% CI	Median	Minimum	Maximum
Before September 11, 2001, approximately how large were your company's annual direct costs for security, as a percentage of revenue?	1.14	1.20	1.03 - 1.24	1	0	5
Today, how large are those direct costs for security?	1.82	2.22	1.63 - 2.02	1	0	10.65
Today, how large are the indirect costs of terrorism on your company? (Please include costs such as lost productivity or reduced consumer spending due to terror fears)						

Duke University/Erasmus University/CFO Magazine Special Study on the Costs of Terrorism - Europe - September 11, 2006

Q8b. How has your company been affected by terrorism or the threat of terrorism? (Check all that apply)

	Number	Percent
There has been little to no impact	50	40.3 %
There have been physical act(s) of terrorism on our firm or firms in our industry	2	1.6 %
Fear of terrorism hurts our firm (e.g., terror fears have affected our customers or have made our company less inclined to invest)	9	7.3 %
Increased infrastructure and or software spending, such as for the creation of satellite operations	8	6.5 %
Carrying more inventory in case of disruption	9	7.3 %
Increased planning for business disruptions	23	18.5 %
Increased hedging of key inputs	1	0.8 %
Insurance for acts of terrorism	15	12.1 %
Insurance for business interruptions resulting from terrorism	15	12.1 %
Reduced air travel	21	16.9 %
Diversifying into other lines of business as a hedge	1	0.8 %
Added employment positions, such as head of security	6	4.8 %
High cost of oil and energy	30	24.2 %
Other	2	1.6 %
Total	192	

Number of Cases = 124
 Number of Responses = 192
 Average Number Of Responses Per Case = 1.5
 Number Of Cases With At Least One Response = 75



Response Percent = 60.5 %



Duke University/Erasmus University/CFO Magazine Special Study on the Costs of Terrorism - Europe - September 11, 2006

9c & 9d. Negative impact of terrorism.

	Mean	SD	Median	Minimum	Maximum	95% CI	Total
8c. On a scale of 0 to 100, what impact is the threat of terrorism having on your business? (0 means no impact, 100 means maximum negative impact)	16.04	18.56	10	0	70	11.70 - 20.39	70
8d. What number on this scale would indicate that the threat of terrorism is affecting your profitability? (If your answer in 8c is greater than this answer, it means that the threat of terrorism is affecting your profitability).	21.05	24.05	10	0	90	15.15 - 26.94	64
9c minus 9d	-4.41	15.65	0	-45	25	-8.24 - -0.57	64

Duke University/Erasmus University/CFO Magazine Special Study on the Costs of Terrorism - Europe - September 11, 2006

9. Negative impact of terrorism.

<u>Cut-off negative impact</u>	<u>Number</u>	<u>Percent</u>
Threat of terrorism is affecting your profitability.	20	18.0 %
Negative impact and cut-off negative impact are equal	70	63.1 %
Threat of terrorism is not affecting your profitability.	21	18.9 %
Total	111	100.0 %

Missing Cases = 6
 Response Percent = 94.9 %



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Check here if the threat of terrorism has benefited (on net) your firm

	Number	Percent
Checked	7	5.6 %
Not Checked	117	94.4 %
Total	124	100.0 %

Missing Cases = 0
Response Percent = 100.0 %

Duke University/Erasmus University/CFO Magazine Special Study on the Costs of Terrorism - Europe - September 11, 2006

Threat of terrorism has benefited (on net) your firm - Industry

Communication, Security
construction
Insurance
Smart Cards
telecommunications
tractors & spare parts
Verification, Testing and Certification services



ASIA

Duke University/CFO Magazine Special Study on the Costs of Terrorism - Asia - September 11, 2006

3. What are the top three concerns your corporation faces? (rank #1, #2, #3)

(N=103)

	Mean & SD	1st	2nd	3rd
Other:	1.73 0.80	7 6.8%	5 4.9%	3 2.9%
Skilled labor shortage	1.81 0.67	12 11.7%	19 18.4%	5 4.9%
Regulation	1.91 0.86	13 12.6%	9 8.7%	10 9.7%
Cost of fuel	1.93 0.82	16 15.5%	15 14.6%	13 12.6%
Cost of labor (wages, salaries, bonuses)	1.94 0.72	14 13.6%	24 23.3%	11 10.7%
Consumer demand	2.03 0.90	15 14.6%	8 7.8%	16 15.5%
Foreign competition	2.11 0.89	9 8.7%	6 5.8%	12 11.7%
Cost of non-fuel commodities	2.17 0.72	4 3.9%	11 10.7%	8 7.8%
Currency values	2.18 0.81	4 3.9%	6 5.8%	7 6.8%
Interest rates	2.18 0.88	10 9.7%	7 6.8%	16 15.5%
Terrorism	2.20 0.84	1 1.0%	2 1.9%	2 1.9%
Political stability	2.27 0.88	4 3.9%	3 2.9%	8 7.8%
Litigation	2.50 0.55	0 0.0%	3 2.9%	3 2.9%
Health care costs	2.67 0.52	0 0.0%	2 1.9%	4 3.9%



Duke University/CFO Magazine Special Study on the Costs of Terrorism - Asia - September 11, 2006

Revenue Weighted for Firms That Existed 5 Years Ago: 9. Security & Indirect Costs of Terrorism

	Mean	SD	Median	Minimum	Maximum	95% CI	Total
Before September 11, 2001, approximately how large were your company's annual direct costs for security, as a percentage of revenue?	1.63	2.88	1	0	17.83	1.34 - 1.91	395
Today, how large are those direct costs for security?	1.93	2.94	1	0	18.42	1.64 - 2.22	395
Today, how large are the indirect costs of terrorism on your company? (Please include costs such as lost productivity or reduced consumer spending due to terror fears)	1.49	1.63	1	0	5.44	1.32 - 1.66	356

Duke University/CFO Magazine Special Study on the Costs of Terrorism - Asia - September 11, 2006

Q10b. How has your company been affected by terrorism or the threat of terrorism? (Check all that apply)

	Number	Percent
There has been little to no impact	63	61.2 %
There have been physical act(s) of terrorism on our firm or firms in our industry	6	5.8 %
Fear of terrorism hurts our firm (e.g., terror fears have affected our customers or have made our company less inclined to invest)	12	11.7 %
Increased infrastructure and or software spending, such as for the creation of satellite operations	16	15.5 %
Carrying more inventory in case of disruption	5	4.9 %
Increased planning for business disruptions	28	27.2 %
Increased hedging of key inputs	7	6.8 %
Insurance for acts of terrorism	23	22.3 %
Insurance for business interruptions resulting from terrorism	20	19.4 %
Reduced air travel	16	15.5 %
Diversifying into other lines of business as a hedge	2	1.9 %
Added employment positions, such as head of security	13	12.6 %
High cost of oil and energy	32	31.1 %
Other	2	1.9 %
Total	245	

Number of Cases = 103
 Number of Responses = 245
 Average Number Of Responses Per Case = 2.4
 Number Of Cases With At Least One Response = 97



Response Percent = 94.2 %



Duke University/CFO Magazine Special Study on the Costs of Terrorism - Asia - September 11, 2006

9c & 9d. Negative impact of terrorism.

	Mean	SD	Median	Minimum	Maximum	95% CI	Total
10c. On a scale of 0 to 100, what impact is the threat of terrorism having on your business? (0 means no impact, 100 means maximum negative impact)	16.59	22.50	6	0	90	11.97 - 21.22	91
10d. What number on this scale would indicate that the threat of terrorism is affecting your profitability? (If your answer in 9C is greater than this answer, it means that the threat of terrorism is affecting your profitability).	14.29	21.95	5	0	95	9.63 - 18.96	85
9c minus 9d	2.65	11.34	0	-50	40	0.24 - 5.06	85

Duke University/CFO Magazine Special Study on the Costs of Terrorism - Asia - September 11, 2006

9. Negative impact of terrorism.

<u>Cut-off negative impact</u>	<u>Number</u>	<u>Percent</u>
Threat of terrorism is affecting your profitability.	33	35.1 %
Negative impact and cut-off negative impact are equal	49	52.1 %
Threat of terrorism is not affecting your profitability.	12	12.8 %
Total	94	100.0 %

Missing Cases = 6
 Response Percent = 94.0 %



**Duke University/CFO Magazine Special Study on the Costs of Terrorism - Asia -
September 11, 2006**

Check here if the threat of terrorism has benefited (on net) your firm

	Number	Percent
Checked	3	2.9 %
Not Checked	100	97.1 %
Total	103	100.0 %

Missing Cases = 0
Response Percent = 100.0 %

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Threat of terrorism has benefited (on net) your firm - Industry

INSURANCE
Oil Transportation
Publishing of News Magazine