

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

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

	March 2006	Nov/Dec 2005	Sept 2005	June 2005
Weighted Averages for Earnings growth*	Expected growth in next 12 months +7.97%	Expected growth in next 12 months +9.32%	Expected growth in next 12 months +8.24%	Expected growth in next 12 months +8.72%
Capital spending	+6.0%	+5.13%	+5.03%	+5.41%
Advertising and marketing spending	+4.07%	+3.85%	Not asked	+4.01%
Technology spending	+4.26%	+3.86%	+4.17%	+2.73%
Employment	-0.05%	-0.70%	+0.15%	-0.65%
Outsourced Employment	+3.34%	+12.07%	+4.03%	+1.50%
Wages and Salaries	+3.17%	+4.21%	+3.58%	+2.62%
Productivity	+4.31%	+3.18%	+3.20%	+2.83%
Inflation (Chg in prices of own-firm products)	+0.08%	+0.49%	+2.3%	+1.23%
Health Care Costs	+2.13%	+3.39%	+2.17%	Not asked
Dividends*	-0.58%	+0.27%	+5.01%	+4.29%
Cash on balance sheet*	-4.34%	+2.73%	+6.13%	Not asked
Inventory	-0.52%	-0.94%	-0.34%	Not asked
Mergers and Acquisitions	40.8% increasing 8.3% decreasing	33.0% increasing 16.8% decreasing	42.4% increasing 3.2% decreasing	46.7% increasing 20.0% decreasing
Business Terrorism Index (out of 100)	Not asked	Not asked	Index: 18.65 Hurting Bottom line: 20.3%	Not asked

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

Europe BUSINESS OPTIMISM

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	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 45.8% Less optimistic: 15.7% No change: 38.6%	More optimistic: 35.3% Less optimistic: 26.6% No change: 38.1%	More optimistic: 41.5% Less optimistic: 20.7% No change: 37.8%	More optimistic: 16% Less optimistic: 48% No change: 36.0%
Optimism about own company	More optimistic: 53.6% Less optimistic: 21.2% No change: 25.2%	More optimistic: 48.6% Less optimistic: 29.1% No change: 22.3%	More optimistic: 52.2% Less optimistic: 18.7% No change: 29.1%	More optimistic: 46.1% Less optimistic: 25.0% No change: 28.9%