

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

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

	June 2007	March 2007	Nov/Dec 2006	Sept 2006
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
	+10.8%	+10.2%	+9.84%	+11.09%
Capital spending	+4.1%	+5.8%	+5.16%	+6.04%
Advertising and marketing spending	+2.7%	+3.3%	+5.77%	+2.72%
Technology spending	+1.4%	+3.2%	+5.03%	+5.27%
Employment	-2.4%	+0.8%	+1.47%	-0.21%
Outsourced Employment	+3.1%	+3.8%	+1.61%	+6.10%
Wages and Salaries	+3.6%	+3.4%	+3.73%	+2.98%
Productivity	+4.0%	+3.1%	+3.61%	+3.25%
Inflation (Chg in prices of own-firm products)	+0.5%	+1.3%	+1.05%	+1.73%
Health Care Costs	+2.6%	+2.2%	+2.03%	+1.63%
Dividends*	+7.0%	+4.5%	+2.98%	+13.78%
Cash on balance sheet*	+5.5%	+0.1%	+4.61%	+9.82%
Inventory	+2.7%	-1.1%	-0.39%	+1.02%
Mergers and Acquisitions	27.0% increasing 14.9% decreasing	34.1% increasing 9.8% decreasing	47.4% increasing 5.2% decreasing	34.2% increasing 16.7% decreasing
Business Terrorism Index (out of 100)	Not asked	Not asked	Not asked	Index: 14.7 Hurting Bottom line: 15.4%
Share Repurchases*	+3.0%	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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	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 41.2% Less optimistic: 18.2% No change: 40.5%	More optimistic: 48.3% Less optimistic: 19.5% No change: 32.2%	More optimistic: 47.2% Less optimistic: 16.1% No change: 36.8%	More optimistic: 43.0% Less optimistic: 16.2% No change: 40.8%
Optimism about own company	More optimistic: 43.5% Less optimistic: 24.5% No change: 32.0%	More optimistic: 57.6% Less optimistic: 14.4% No change: 28.0%	More optimistic: 58.8% Less optimistic: 17.5% No change: 23.7%	More optimistic: 53.9% Less optimistic: 16.7% No change: 29.4%

Top Concerns for European Businesses:

- Cost of Labor (wages, salary, bonuses)
- Skilled Labor Shortage
- Consumer Demand
- Foreign Competition
- Regulation
- Cost of Non-Fuel Commodities