

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

Results for 118 European firms (own-firm changes expected during the next 12 months)

	Jun 2011	Mar 2011	Dec 2010	Sep 2010	Jun 2010
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*	5.7%	10.7%	10.4%	11.4%	12.0%
Capital spending	3.5%	4.3%	6.8%	2.8%	10.7%
Technology spending	3.7%	3.4%	1.9%	2.6%	3.8%
R&D spending	3.7%	3.2%	4.6%	0.8%	1.8%
Advertising and marketing spending	2.0%	4.5%	5.8%	0.8%	-0.8%
Employment – full-time	3.6%	-0.6%	0.2%	0.5%	-1.6%
Employment – temporary	0.1%	1.9%	-1.9%	0.6%	-4.5%
Outsourced Employment	2.8%	2.7%	5.9%	4.0%	4.4%
Wages and Salaries	2.8%	2.1%	2.2%	1.5%	2.0%
Productivity	2.7%	3.7%	3.3%	3.2%	3.1%
Inflation (Chg in prices of own-firm products)	1.6%	2.5%	1.3%	0.5%	1.2%
Health Care Costs	3.8%	2.3%	1.3%	2.3%	1.8%
Dividends*	3.6%	17.4%	9.6%	1.2%	1.8%
Share Repurchases*	0.5%	2.3%	0.5%	0.0%	0.0%
Cash on balance sheet*	4.1%	8.3%	2.5%	1.3%	6.6%
Mergers and Acquisitions	Not asked.	43.1% plan to acquire. 17.1% plan to sell part or all of firm.	Not asked.	Not asked.	Not asked.
Revenue*	4.6%	5.9%	Not asked.	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

	Jun 2011	Mar 2011	Dec 2010	Sep 2010	Jun 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: 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%	More opt: 33.8% Less opt: 30.2% No chg: 36.0%
Country optimism level	58.5	58.9	55.1	57.6	54.2
Optimism about own company	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%	More opt: 46.8% Less opt: 20.9% No chg: 32.4%
Own company optimism level	62.9	64.2	63.8	63.6	63.0

Top Concerns for European Businesses

MACRO CONCERNS

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

INTERNAL TO OWN FIRM

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