

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

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

	Sept 2006	June 2006	March 2006	Nov/Dec 2005
	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
Weighted Averages for Earnings growth*	+11.09%	+17.86%	+7.97%	+9.32%
Capital spending	+6.04%	+4.73%	+6.0%	+5.13%
Advertising and marketing spending	+2.72%	Not asked	+4.07%	+3.85%
Technology spending	+5.27%	+4.35%	+4.26%	+3.86%
Employment	-0.21%	-1.44%	-0.05%	-0.70%
Outsourced Employment	+6.10%	+3.35%	+3.34%	+12.07%
Wages and Salaries	+2.98%	+2.90%	+3.17%	+4.21%
Productivity	+3.25%	+3.19%	+4.31%	+3.18%
Inflation (Chg in prices of own-firm products)	+1.73%	+1.08%	+0.08%	+0.49%
Health Care Costs	+1.63%	+2.39%	+2.13%	+3.39%
Dividends*	+13.78%	+6.31%	-0.58%	+0.27%
Cash on balance sheet*	+9.82%	+1.00%	-4.34%	+2.73%
Inventory	+1.02%	-0.22%	-0.52%	-0.94%
Mergers and Acquisitions	34.2% increasing 16.7% decreasing	35.4% increasing 14.2% decreasing	40.8% increasing 8.3% decreasing	33.0% increasing 16.8% decreasing
Business Terrorism Index (out of 100)	Index: 14.7 Hurting Bottom line: 15.4%	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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	Sept 2005	June 2006	March 2006	Nov/Dec 2005
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 43.0% Less optimistic: 16.2% No change: 40.8%	More optimistic: 39.8% Less optimistic: 22.1% No change: 38.1%	More optimistic: 45.8% Less optimistic: 15.7% No change: 38.6%	More optimistic: 35.3% Less optimistic: 26.6% No change: 38.1%
Optimism about own company	More optimistic: 53.9% Less optimistic: 16.7% No change: 29.4%	More optimistic: 52.8% Less optimistic: 21.7% No change: 25.6%	More optimistic: 53.6% Less optimistic: 21.2% No change: 25.2%	More optimistic: 48.6% Less optimistic: 29.1% No change: 22.3%