

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

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

	March 2007	Nov/Dec 2006	Sept 2006	June 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
	+10.2%	+9.84%	+11.09%	+17.86%
Capital spending	+5.8%	+5.16%	+6.04%	+4.73%
Advertising and marketing spending	+3.3%	+5.77%	+2.72%	Not asked
Technology spending	+3.2%	+5.03%	+5.27%	+4.35%
Employment	+0.8%	+1.47%	-0.21%	-1.44%
Outsourced Employment	+3.8%	+1.61%	+6.10%	+3.35%
Wages and Salaries	+3.4%	+3.73%	+2.98%	+2.90%
Productivity	+3.1%	+3.61%	+3.25%	+3.19%
Inflation (Chg in prices of own-firm products)	+1.3%	+1.05%	+1.73%	+1.08%
Health Care Costs	+2.2%	+2.03%	+1.63%	+2.39%
Dividends*	+4.5%	+2.98%	+13.78%	+6.31%
Cash on balance sheet*	+0.1%	+4.61%	+9.82%	+1.00%
Inventory	-1.1%	-0.39%	+1.02%	-0.22%
Mergers and Acquisitions	34.1% increasing 9.8% decreasing	47.4% increasing 5.2% decreasing	34.2% increasing 16.7% decreasing	35.4% increasing 14.2% decreasing
Business Terrorism Index (out of 100)	Not asked		Index: 14.7 Hurting Bottom line: 15.4%	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: 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%	More optimistic: 39.8% Less optimistic: 22.1% No change: 38.1%
Optimism about own company	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%	More optimistic: 52.8% Less optimistic: 21.7% No change: 25.6%