

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

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

	Sept 2007	June 2007	March 2007	Nov/Dec 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
Weighted Averages for Earnings growth*	+14.6%	+10.8%	+10.2%	+9.84%
Capital spending	+7.1%	+4.1%	+5.8%	+5.16%
Advertising and marketing spending	+1.9%	+2.7%	+3.3%	+5.77%
Technology spending	+4.9%	+1.4%	+3.2%	+5.03%
Employment	0.0%	-2.4%	+0.8%	+1.47%
Outsourced Employment	+2.4%	+3.1%	+3.8%	+1.61%
Wages and Salaries	+3.7%	+3.6%	+3.4%	+3.73%
Productivity	+3.5%	+4.0%	+3.1%	+3.61%
Inflation (Chg in prices of own-firm products)	+2.2%	+0.5%	+1.3%	+1.05%
Health Care Costs	+1.4%	+2.6%	+2.2%	+2.03%
Dividends*	+8.1%	+7.0%	+4.5%	+2.98%
Cash on balance sheet*	+6.3%	+5.5%	+0.1%	+4.61%
Inventory	-0.4%	+2.7%	-1.1%	-0.39%
Mergers and Acquisitions	40.2% increasing 12.3% decreasing	27.0% increasing 14.9% decreasing	34.1% increasing 9.8% decreasing	47.4% increasing 5.2% decreasing
Business Terrorism Index (out of 100)	Not asked	Not asked	Not asked	Not asked
Share Repurchases*	+8.4%	+3.0%	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 2007	June 2007	March 2007	Nov/Dec 2006
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 25.7% Less optimistic: 37.1% No change: 37.1%	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%
Optimism about own company	More optimistic: 46.3% Less optimistic: 26.3% No change: 27.4%	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%

Top Concerns for European Businesses:

- Cost of Labor (wages, salary, bonuses)
- Skilled Labor Shortage
- Consumer Demand
- Cost of Non-Fuel Commodities
- Credit Markets/Interest Rates
- Foreign Competition