

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

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

	Dec 2007	Sept 2007	June 2007	March 2007
<b>Weighted Averages for Earnings growth*</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>
	6.6%	+14.6%	+10.8%	+10.2%
<b>Capital spending</b>	+4.9%	+7.1%	+4.1%	+5.8%
<b>Advertising and marketing spending</b>	+2.7%	+1.9%	+2.7%	+3.3%
<b>Technology spending</b>	+3.9%	+4.9%	+1.4%	+3.2%
<b>Employment</b>	-0.6%	0.0%	-2.4%	+0.8%
<b>Outsourced Employment</b>	+1.5%	+2.4%	+3.1%	+3.8%
<b>Wages and Salaries</b>	+4.6%	+3.7%	+3.6%	+3.4%
<b>Productivity</b>	+3.5%	+3.5%	+4.0%	+3.1%
<b>Inflation (Chg in prices of own-firm products)</b>	+1.5%	+2.2%	+0.5%	+1.3%
<b>Health Care Costs</b>	+2.0%	+1.4%	+2.6%	+2.2%
<b>Dividends*</b>	+1.1%	+8.1%	+7.0%	+4.5%
<b>Cash on balance sheet*</b>	+1.2%	+6.3%	+5.5%	+0.1%
<b>Inventory</b>	+1.2%	-0.4%	+2.7%	-1.1%
<b>Mergers and Acquisitions</b>	47.6% plan to acquire. 16.8% plan to sell part or all of firm.	Not comparable	Not comparable	Not comparable
<b>Business Terrorism Index (out of 100)</b>	Not asked	Not asked	Not asked	Not asked
<b>Share Repurchases*</b>	+1.4%	+8.4%	+3.0%	Not asked

\* indicates public firms only. All other numbers for all survey respondents (including private)

**Europe BUSINESS OPTIMISM**  
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	<b>Dec 2007</b>	<b>Sept 2007</b>	<b>June 2007</b>	<b>March 2007</b>
	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>
<b>Optimism about the country's economy</b>	More optimistic: 12.6% Less optimistic: 56.0% No change: 31.4%	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%
<b>Optimism about own company</b>	More optimistic: 37.4% Less optimistic: 33.7% No change: 28.9%	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%

Top Concerns for European Businesses:

- Cost of Labor (Wages, Salaries, Bonuses)
- Skilled Labor Shortage
- Consumer Demand
- Cost of Fuel
- Currency Values