

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

Results for 205 European firms (own-firm changes expected during the next 12 months)

	March 2008	Dec 2007	Sept 2007	June 2007
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
	+7.83%	6.6%	+14.6%	+10.8%
Capital spending	+3.69%	+4.9%	+7.1%	+4.1%
Advertising and marketing spending	+3.21%	+2.7%	+1.9%	+2.7%
Technology spending	+8.76%	+3.9%	+4.9%	+1.4%
Employment	-0.24%	-0.6%	0.0%	-2.4%
Outsourced Employment	+3.00%	+1.5%	+2.4%	+3.1%
Wages and Salaries	+3.80%	+4.6%	+3.7%	+3.6%
Productivity	+3.28%	+3.5%	+3.5%	+4.0%
Inflation (Chg in prices of own-firm products)	+1.03%	+1.5%	+2.2%	+0.5%
Health Care Costs	+1.91%	+2.0%	+1.4%	+2.6%
Dividends*	+2.79%	+1.1%	+8.1%	+7.0%
Cash on balance sheet*	+8.82%	+1.2%	+6.3%	+5.5%
Inventory	Not asked	+1.2%	-0.4%	+2.7%
Mergers and Acquisitions	45.2% plan to acquire. 15.1% plan to sell part or all of firm.	47.6% plan to acquire. 16.8% plan to sell part or all of firm.	Not comparable	Not comparable
Business Terrorism Index (out of 100)	Not asked	Not asked	Not asked	Not asked
Share Repurchases*	0.00%	+1.4%	+8.4%	+3.0%

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

Europe BUSINESS OPTIMISM
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	March 2008	Dec 2007	Sept 2007	June 2007
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 10.3% Less optimistic: 59.8% No change: 29.9%	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%
Optimism about own company	More optimistic: 34.1% Less optimistic: 32.2% No change: 33.6%	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%

Top Concerns for European Businesses:

MACRO CONCERNS

- Consumer Demand
- Credit Markets / Interest Rates
- Cost non-fuel commodities
- Cost of Fuel
- Devaluation of US Dollar

INTERNAL TO OWN FIRM

- Cost of non-finance labor
- Ability to forecast future results
- Supply Chain Risk
- Cost of finance related labor