

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

Results for 215 European firms (own-firm changes expected during the next 12 months)

	Sept 2008	June 2008	March 2008	Dec 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
Capital spending	+0.8%	+2.9%	+3.7%	+4.9%
Technology spending	+2.6%	+3.3%	+8.8%	+3.9%
Advertising and marketing spending	+0.1%	-0.8%	+3.2%	+2.7%
Employment	+1.6%	-1.2%	-0.2%	-0.6%
Outsourced Employment	+5.4%	+2.9%	+3.0%	+1.5%
Wages and Salaries	+4.1%	+3.6%	+3.8%	+4.6%
Productivity	+2.9%	+2.4%	+3.3%	+3.5%
Inflation (Chg in prices of own-firm products)	+1.9%	+1.5%	+1.0%	+1.5%
Health Care Costs	+2.6%	+2.0%	+1.9%	+2.0%
Dividends*	-0.2%	+13.7%	+2.8%	+1.1%
Share Repurchases*	+0.5%	+3.3%	0.0%	+1.4%
Cash on balance sheet*	+5.0%	+4.3%	+8.8%	+1.2%
Mergers and Acquisitions	51.7% plan to acquire. 16.8% plan to sell part or all of firm.	Not asked	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.

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

**Europe BUSINESS OPTIMISM**  
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	<b>Sept 2008</b>	<b>June 2008</b>	<b>March 2008</b>	<b>Dec 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: 7.9%	More optimistic: 7.7%	More optimistic: 10.3%	More optimistic: 12.6%
	Less optimistic: 67.9%	Less optimistic: 63.5%	Less optimistic: 59.8%	Less optimistic: 56.0%
	No change: 24.2%	No change: 28.8%	No change: 29.9%	No change: 31.4%
<b>Optimism about own company</b>	More optimistic: 22.8%	More optimistic: 26.4%	More optimistic: 34.1%	More optimistic: 37.4%
	Less optimistic: 40.5%	Less optimistic: 42.8%	Less optimistic: 32.2%	Less optimistic: 33.7%
	No change: 36.7%	No change: 30.8%	No change: 33.6%	No change: 28.9%

Top Concerns for European Businesses

**MACRO CONCERNS**

- Consumer Demand
- Cost of Non-Fuel Commodities
- Credit Markets / Interest Rates
- Cost of Fuel

**INTERNAL TO OWN FIRM**

- Attracting and Retaining Qualified Employees
- Ability to Forecast Results
- Supply Chain Risk
- Managing IT Systems