

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

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

	Dec 2008	Sept 2008	June 2008	March 2008
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	-11.0%	+0.8%	+2.9%	+3.7%
Technology spending	-3.8%	+2.6%	+3.3%	+8.8%
Advertising and marketing spending	-9.1%	+0.1%	-0.8%	+3.2%
Employment	-5.8%	+1.6%	-1.2%	-0.2%
Outsourced Employment	-2.1%	+5.4%	+2.9%	+3.0%
Wages and Salaries	+2.8%	+4.1%	+3.6%	+3.8%
Productivity	+3.1%	+2.9%	+2.4%	+3.3%
Inflation (Chg in prices of own-firm products)	0.0%	+1.9%	+1.5%	+1.0%
Health Care Costs	+0.6%	+2.6%	+2.0%	+1.9%
Dividends*	-2.6%	-0.2%	+13.7%	+2.8%
Share Repurchases*	-2.0%	+0.5%	+3.3%	0.0%
Cash on balance sheet*	-2.5%	+5.0%	+4.3%	+8.8%
Mergers and Acquisitions	Not asked	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.

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

Europe BUSINESS OPTIMISM
Duke's Fuqua School of Business / CFO Magazine Business Outlook

	Dec 2008	Sept 2008	June 2008	March 2008
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 1.6%	More optimistic: 7.9%	More optimistic: 7.7%	More optimistic: 10.3%
	Less optimistic: 86.0%	Less optimistic: 67.9%	Less optimistic: 63.5%	Less optimistic: 59.8%
	No change: 12.4%	No change: 24.2%	No change: 28.8%	No change: 29.9%
Optimism about own company	More optimistic: 8.6%	More optimistic: 22.8%	More optimistic: 26.4%	More optimistic: 34.1%
	Less optimistic: 69.9%	Less optimistic: 40.5%	Less optimistic: 42.8%	Less optimistic: 32.2%
	No change: 21.5%	No change: 36.7%	No change: 30.8%	No change: 33.6%

Top Concerns for European Businesses

MACRO CONCERNS

- Consumer Demand
- Credit Markets / Interest Rates
- The Financial / Banking System
- Volatility of Foreign Currencies

INTERNAL TO OWN FIRM

- Ability to Forecast Results
- Working Capital Management
- Maintaining Morale / Productivity During Economic Downturn
- Attracting and Retaining Qualified Employees