

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

Results for 221 European firms (own-firm changes expected during the next 12 months)

	Mar 2009	Dec 2008	Sept 2008	June 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
	-10.5%	-7.6%	+5.0%	+3.1%
Capital spending	-15.6%	-11.0%	+0.8%	+2.9%
Technology spending	-6.2%	-3.8%	+2.6%	+3.3%
Advertising and marketing spending	-9.1%	-9.1%	+0.1%	-0.8%
Employment	-7.6%	-5.8%	+1.6%	-1.2%
Outsourced Employment	-4.0%	-2.1%	+5.4%	+2.9%
Wages and Salaries	1.2%	+2.8%	+4.1%	+3.6%
Productivity	0.2%	+3.1%	+2.9%	+2.4%
Inflation (Chg in prices of own-firm products)	-0.1%	0.0%	+1.9%	+1.5%
Health Care Costs	0.7%	+0.6%	+2.6%	+2.0%
Dividends*	-12.7%	-2.6%	-0.2%	+13.7%
Share Repurchases*	-1.0%	-2.0%	+0.5%	+3.3%
Cash on balance sheet*	-7.5%	-2.5%	+5.0%	+4.3%
Mergers and Acquisitions	24.0% plan to acquire. 20.1% plan to sell part or all of firm.	Not asked	51.7% plan to acquire. 16.8% plan to sell part or all of firm.	Not asked

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

Europe BUSINESS OPTIMISM
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	Feb 2009	Dec 2008	Sept 2008	June 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: 7.7% Less optimistic: 78.3% No change: 14.0%	More optimistic: 1.6% Less optimistic: 86.0% No change: 12.4%	More optimistic: 7.9% Less optimistic: 67.9% No change: 24.2%	More optimistic: 7.7% Less optimistic: 63.5% No change: 28.8%
Optimism about own company	More optimistic: 10.5% Less optimistic: 62.7% No change: 26.8%	More optimistic: 8.6% Less optimistic: 69.9% No change: 21.5%	More optimistic: 22.8% Less optimistic: 40.5% No change: 36.7%	More optimistic: 26.4% Less optimistic: 42.8% No change: 30.8%

Top Concerns for European Businesses

MACRO CONCERNS

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

INTERNAL TO OWN FIRM

- Ability to Forecast Results
- Working Capital Management
- Maintaining Morale / Productivity During Economic Downturn
- Counterparty Risk