

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

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

	Feb 2010	Dec 2009	Sep 2009	May 2009	Feb 2009
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	Expected growth in next 12 months
	3.7%	9.5%	0.7%	-14.6%	-10.5%
Capital spending	0.8%	-3.7%	-4.1%	-11.3%	-15.6%
Technology spending	0.5%	-2.8%	-1.8%	-2.9%	-6.2%
R&D spending	0.5%	2.3%	-1.7%	-1.5%	Not asked.
Advertising and marketing spending	-2.7%	-5.7%	-4.6%	-9.5%	-9.1%
Employment	-1.2%	-2.6%	-3.2%	-5.9%	-7.6%
Outsourced Employment	1.5%	-0.5%	-0.3%	-1.3%	-4.0%
Wages and Salaries	2.3%	1.0%	1.8%	0.0%	1.2%
Productivity	2.2%	3.8%	1.7%	1.7%	0.2%
Inflation (Chg in prices of own-firm products)	1.2%	-0.2%	0.1%	-1.0%	-0.1%
Health Care Costs	2.3%	1.4%	1.0%	0.6%	0.7%
Dividends*	3.4%	3.0%	-1.9%	-12.5%	-12.7%
Share Repurchases*	0.0%	-0.3%	0.0%	-2.9%	-1.0%
Cash on balance sheet*	1.0%	-13.6%	6.0%	5.6%	-7.5%
Mergers and Acquisitions	28.8% plan to acquire. 12.6% plan to sell part or all of firm.	Not asked.	Not asked.	Not asked.	24.0% plan to acquire. 20.1% plan to sell part or all of firm.

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

Europe BUSINESS OPTIMISM

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	Feb 2010	Dec 2009	Sep 2009	May 2009	Feb 2009
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 43.6% Less optimistic: 18.4% No change: 38.0%	More optimistic: 44.3% Less optimistic: 18.6% No change: 37.2%	More optimistic: 51.5% Less optimistic: 14.8% No change: 33.7%	More optimistic: 30.4% Less optimistic: 31.3% No change: 38.3%	More optimistic: 7.7% Less optimistic: 78.3% No change: 14.0%
Optimism about own company	More optimistic: 50.9% Less optimistic: 21.5% No change: 27.6%	More optimistic: 47.5% Less optimistic: 14.9% No change: 37.6%	More optimistic: 47.0% Less optimistic: 18.5% No change: 34.4%	More optimistic: 29.5% Less optimistic: 35.2% No change: 35.2%	More optimistic: 10.5% Less optimistic: 62.7% No change: 26.8%

Top Concerns for European Businesses

MACRO CONCERNS

- Consumer Demand
- Price Pressure from Competitors
- Domestic Competition
- Credit Markets / Interest Rates

INTERNAL TO OWN FIRM

- Ability to maintain margins
- Ability to forecast results
- Working capital management
- Maintaining employee morale