

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

Results for 135 European firms (own-firm changes expected during the next 12 months)

	Sep 2010	Jun 2010	Feb 2010	Dec 2009	Sep 2009
Weighted Averages for	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
Earnings growth*	11.4%	12.0%	3.7%	9.5%	0.7%
Capital spending	2.8%	10.7%	0.8%	-3.7%	-4.1%
Technology spending	2.6%	3.8%	0.5%	-2.8%	-1.8%
R&D spending	0.8%	1.8%	0.5%	2.3%	-1.7%
Advertising and marketing spending	0.8%	-0.8%	-2.7%	-5.7%	-4.6%
Employment – full-time	0.5%	-1.6%	-1.2%	-2.6%	-3.2%
Employment – temporary	0.6%	-4.5%	-4.7%	-7.2%	Not asked.
Outsourced Employment	4.0%	4.4%	1.5%	-0.5%	-0.3%
Wages and Salaries	1.5%	2.0%	2.3%	1.0%	1.8%
Productivity	3.2%	3.1%	2.2%	3.8%	1.7%
Inflation (Chg in prices of own-firm products)	0.5%	1.2%	1.2%	-0.2%	0.1%
Health Care Costs	2.3%	1.8%	2.3%	1.4%	1.0%
Dividends*	1.2%	1.8%	3.4%	3.0%	-1.9%
Share Repurchases*	0.0%	0.0%	0.0%	-0.3%	0.0%
Cash on balance sheet*	1.3%	6.6%	1.0%	-13.6%	6.0%
Mergers and Acquisitions	Not asked.	Not asked.	28.8% plan to acquire. 12.6% plan to sell part or all of firm.	Not asked.	Not asked.

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

Europe BUSINESS OPTIMISM

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	Sep 2010	Jun 2010	Feb 2010	Dec 2009	Sep 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: 42.2% Less optimistic: 23.0% No change: 34.8%	More optimistic: 33.8% Less optimistic: 30.2% No change: 36.0%	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%
Optimism about own company	More optimistic: 48.1% Less optimistic: 20.0% No change: 31.9%	More optimistic: 46.8% Less optimistic: 20.9% No change: 32.4%	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%

Top Concerns for European Businesses

MACRO CONCERNS

- Price Pressure from Competitors
- Consumer Demand
- Competition
- Government Policy

INTERNAL TO OWN FIRM

- Ability to Maintain Margins
- Working Capital Management
- Maintaining Morale/Productivity
- Attracting and Retaining Qualified Employees