

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

Results for 153 European firms (own-firm changes expected during the next 12 months)

| | Jun 2013 | Mar 2013 | Dec 2012 | Sept 2012 | May 2012 |
|--|-----------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| 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* | 4.6% | 7.5% | 0.8% | 4.5% | -1.7% |
| Capital spending | 3.4% | 1.5% | 3.5% | -4.7% | -0.9% |
| Technology spending | 1.3% | 4.2% | 0.3% | 0.4% | 4.0% |
| R&D spending | 0.0% | 2.7% | 0.8% | 0.2% | 1.5% |
| Advertising and marketing spending | 0.1% | -0.6% | 2.1% | -2.3% | 0.9% |
| Employment – full-time | -2.2% | -3.7% | -0.6% | -2.6% | 0.7% |
| Employment – temporary | -3.0% | -7.4% | -1.1% | -4.1% | 1.1% |
| Outsourced Employment | 5.2% | 4.7% | 1.1% | 3.6% | 1.8% |
| Wages and Salaries | 2.0% | 1.2% | 0.1% | 0.9% | 4.8% |
| Productivity | 2.5% | 2.2% | 3.1% | 1.7% | 2.9% |
| Inflation (Chg in prices of own-firm products) | 0.8% | 0.8% | 0.9% | 0.8% | -0.4% |
| Health Care Costs | 1.8% | 1.4% | 1.6% | -0.4% | 1.2% |
| Dividends* | 0.5% | 1.6% | 2.9% | 5.6% | 2.6% |
| Share Repurchases* | 5.2% | 0.0% | 0.0% | 0.0% | 1.5% |
| Cash on balance sheet* | 1.3% | 7.8% | 2.5% | 8.2% | 0.1% |
| Revenue | 2.9% | 2.8% | 4.7% | 1.7% | 1.2% |
| Mergers and Acquisitions | Not asked. | 30.1% plan to acquire; Foreign targets in 50.2% of acq. 22.5% plan to sell part or all of firm. | Not asked. | Not asked. | Not asked. |

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

European BUSINESS OPTIMISM
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| | Jun 2013 | Mar 2013 | Dec 2012 | Sept 2012 | May 2012 |
|---|---|---|---|---|---|
| | 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 opt: 33.3% Less opt: 28.8% No chg: 37.9% | More opt: 30.5% Less opt: 30.5% No chg: 39.0% | More opt: 22.5% Less opt: 48.3% No chg: 29.2% | More opt: 19.9% Less opt: 45.8% No chg: 34.3% | More opt: 20.8% Less opt: 51.5% No chg: 27.7% |
| Country optimism level | 53.2 | 52.7 | 51.7 | 49.1 | 52.1 |
| Optimism about own company | More opt: 42.1% Less opt: 23.7% No chg: 34.2% | More opt: 36.9% Less opt: 28.4% No chg: 34.7% | More opt: 35.8% Less opt: 28.3% No chg: 35.8% | More opt: 28.3% Less opt: 36.7% No chg: 34.9% | More opt: 29.4% Less opt: 38.2% No chg: 32.4% |
| Own company optimism level | 61.1 | 59.3 | 61.7 | 57.6 | 60.9 |

Top Concerns for European Businesses

MACRO CONCERNS

- Consumer Demand
- Price pressure from competitors
- Global financial instability
- National government policies

INTERNAL TO OWN FIRM

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