

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

Results for 175 European firms (own-firm changes expected during the next 12 months)

	Sept 2013	Jun 2013	Mar 2013	Dec 2012	Sept 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*	2.9%	4.6%	7.5%	0.8%	4.5%
Capital spending	3.1%	3.4%	1.5%	3.5%	-4.7%
Technology spending	5.1%	1.3%	4.2%	0.3%	0.4%
R&D spending	4.5%	0.0%	2.7%	0.8%	0.2%
Advertising and marketing spending	0.3%	0.1%	-0.6%	2.1%	-2.3%
Employment – full-time	-1.8%	-2.2%	-3.7%	-0.6%	-2.6%
Employment – temporary	-2.4%	-3.0%	-7.4%	-1.1%	-4.1%
Outsourced Employment	3.4%	5.2%	4.7%	1.1%	3.6%
Wages and Salaries	1.6%	2.0%	1.2%	0.1%	0.9%
Productivity	2.6%	2.5%	2.2%	3.1%	1.7%
Inflation (Chg in prices of own-firm products)	0.2%	0.8%	0.8%	0.9%	0.8%
Health Care Costs	1.2%	1.8%	1.4%	1.6%	-0.4%
Dividends*	2.4%	0.5%	1.6%	2.9%	5.6%
Share Repurchases*	0%	5.2%	0.0%	0.0%	0.0%
Cash on balance sheet*	4.3%	1.3%	7.8%	2.5%	8.2%
Revenue	3.6%	2.9%	2.8%	4.7%	1.7%
Mergers and Acquisitions	Not asked.	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.

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

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

	<b>Sept 2013</b>	<b>Jun 2013</b>	<b>Mar 2013</b>	<b>Dec 2012</b>	<b>Sept 2012</b>
	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>
<b>Optimism about the country's economy</b>	More opt: 50.0% Less opt: 15.5% No chg: 34.5%	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%
<b>Country optimism level</b>	55.7	53.2	52.7	51.7	49.1
<b>Optimism about own company</b>	More opt: 47.1% Less opt: 18.4% No chg: 34.5%	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%
<b>Own company optimism level</b>	64.2	61.1	59.3	61.7	57.6

Top Concerns for European Businesses

**MACRO CONCERNS**

- Consumer Demand
- Price pressure from competitors
- Global financial instability
- National budget deficit

**INTERNAL TO OWN FIRM**

- Ability to maintain margins
- Attracting and retaining qualified employees
- Ability to forecast results
- Working capital management