

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

Results for 141 European firms (own-firm changes expected during the next 12 months)

	Dec 2013	Sept 2013	Jun 2013	Mar 2013	Dec 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*	2.3%	2.9%	4.6%	7.5%	0.8%
Capital spending	-0.7%	3.1%	3.4%	1.5%	3.5%
Technology spending	5.5%	5.1%	1.3%	4.2%	0.3%
R&D spending	4.1%	4.5%	0.0%	2.7%	0.8%
Advertising and marketing spending	6.3%	0.3%	0.1%	-0.6%	2.1%
Employment – full-time	-1.4%	-1.8%	-2.2%	-3.7%	-0.6%
Employment – temporary	-0.9%	-2.4%	-3.0%	-7.4%	-1.1%
Outsourced Employment	4.2%	3.4%	5.2%	4.7%	1.1%
Wages and Salaries	2.2%	1.6%	2.0%	1.2%	0.1%
Productivity	1.7%	2.6%	2.5%	2.2%	3.1%
Inflation (Chg in prices of own-firm products)	-1.6%	0.2%	0.8%	0.8%	0.9%
Health Care Costs	0.4%	1.2%	1.8%	1.4%	1.6%
Dividends*	1.3%	2.4%	0.5%	1.6%	2.9%
Share Repurchases*	10.5%	0%	5.2%	0.0%	0.0%
Cash on balance sheet*	4.1%	4.3%	1.3%	7.8%	2.5%
Revenue	2.8%	3.6%	2.9%	2.8%	4.7%
Mergers and Acquisitions	Not asked.	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.

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

European BUSINESS OPTIMISM
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	Dec 2013	Sept 2013	Jun 2013	Mar 2013	Dec 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: 45% Less opt: 17.9% No chg: 37.1%	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%
Country optimism level	56.4	55.7	53.2	52.7	51.7
Optimism about own company	More opt: 48.9% Less opt: 16.3% No chg: 34.8%	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%
Own company optimism level	62.3	64.2	61.1	59.3	61.7

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
- Ability to forecast results
- Working capital management
- Balance sheet weakness