

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

Results for 137 European firms (own-firm changes expected during the next 12 months)

	Jun 2014	Mar 2014	Dec 2013	Sept 2013	Jun 2013
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*	13.5%	9.9%	2.3%	2.9%	4.6%
Capital spending	3.5%	3.7%	-0.7%	3.1%	3.4%
Technology spending	3.7%	4.8%	5.5%	5.1%	1.3%
R&D spending	5.2%	2.8%	4.1%	4.5%	0.0%
Advertising and marketing spending	2.9%	2.1%	6.3%	0.3%	0.1%
Employment – full-time	-0.2%	-0.8%	-1.4%	-1.8%	-2.2%
Employment – temporary	0.3%	-3.3%	-0.9%	-2.4%	-3.0%
Outsourced Employment	0.6%	-10.6%	4.2%	3.4%	5.2%
Wages and Salaries	1.5%	2.9%	2.2%	1.6%	2.0%
Productivity	2.5%	4.9%	1.7%	2.6%	2.5%
Inflation (Chg in prices of own-firm products)	-0.3%	0.6%	-1.6%	0.2%	0.8%
Health Care Costs	3.0%	-0.6%	0.4%	1.2%	1.8%
Dividends*	3.3%	4.1%	1.3%	2.4%	0.5%
Share Repurchases*	5.4%	2.8%	10.5%	0%	5.2%
Cash on balance sheet*	5.4%	2.2%	4.1%	4.3%	1.3%
Revenue	4.0%	4.9%	2.8%	3.6%	2.9%
Mergers and Acquisitions	Not asked.	31.2% plan to acquire; Foreign targets in 55.7% of acq. 24.1% 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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	<b>Jun 2014</b>	<b>Mar 2014</b>	<b>Dec 2013</b>	<b>Sept 2013</b>	<b>Jun 2013</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: 52.6% Less opt: 19.7% No chg: 27.7%	More opt: 62.8% Less opt: 14.6% No chg: 22.6%	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%
<b>Country optimism level</b>	53.5 Median=60	58.5 Median=60	56.4	55.7	53.2
<b>Optimism about own company</b>	More opt: 50.7% Less opt: 22.1% No chg: 27.7%	More opt: 50.4% Less opt: 15.6% No chg: 34.1%	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%
<b>Own company optimism level</b>	58.6 Median=60	62.7 Median=65	62.3	64.2	61.1

Top Concerns for European Businesses

- Economic Uncertainty
- Government policy
- Attracting and retaining qualified employees
- Underlying demand for your product/services
- Regulatory requirements
- Employee morale and productivity
- Currency risk
- Wages and salaries
- Cost of benefits
- Corporate tax code