

## Weighted Averages for Duke's Fuqua School of Business/ CFO Magazine Business Outlook

	June 2005	March 2005	Dec. 2004	Sept. 2004*
	Expected growth in next 12 month:	Expected growth in next 12 month:	Expected growth in next 12 month:	Expected growth in next 12 mo.
Earnings growth**	+10.1%	+10.4%	+11.5%	+13.4%
Capital spending**	+4.5%	+5.4%	+3.8%	+4.7%
Sales Revenue	+7.3%			
Advertising and marketing spending**	+2.9%	+0.9%	+2.3%	+4.8%
Technology spending**	+5.8%	+3.8%	+4.9%	+5.8%
Employment**	+1.4%	+1.7%	+0.8%	+3.1%
Outsourced Employment**	+6.5%	+2.7%	+4.3%	+6.4%
Wages and Salaries**	+3.4%	+3.3%	+3.3%	+4.1%
Productivity**	+3.6%	+3.0%	+3.9%	+3.4%
Change in prices**	+2.1%	+2.0%	+1.7%	+1.9%
Health Care Costs**	+8.9%	+9.0%	+8.4%	+8.8%
Dividends**	+6.5%	+4.6%		
Mergers and Acquisitions**	39.4% increasing 8.6% decreasing			
Business Terrorism Index (out of 100)	Not asked	Index: 18.0 Hurting bottom line: 34.9%	Index: 19.4 Hurting bottom line: 36.4%	

\*From survey conducted by Duke University (i.e., not from joint Duke/CFO Magazine survey)

\*\* numbers for public firms only.

## BUSINESS OPTIMISM

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

	June 2005	March 2005	Dec. 2004	Sept. 2004*
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
<b>Optimism about the U.S. economy</b>	More optimistic: 40.1% Less optimistic: 25.9% No change: 34.0%	More optimistic: 46.4% Less optimistic: 17.7% No change: 35.8%	More optimistic: 54.2% Less optimistic: 20.5% No change: 25.3%	More optimistic: 55.7% Less optimistic: 24.4% No change: 19.9%
<b>Optimism about own company</b>	More optimistic: 53.7% Less optimistic: 22.2% No change: 24.2%	More optimistic: 51.9% Less optimistic: 19.8% No change: 28.3%	More optimistic: 61.0% Less optimistic: 16.2% No change: 22.7%	More optimistic: 59.3% Less optimistic: 20.6% No change: 20.1%

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#### Other Key Results for June 2005 survey

- Business Optimism at a 3-year low
- 83% of CFOs say that Fed funds rate of 4% would slow U.S. economic growth
- Rising energy and raw material prices leading to price increases at 53% of firms
- Free-floating Chinese currency would help 15% of U.S. firms, hurt 11%
- Congress's #1 task should be to reduce federal budget deficit
  
- Only 16% of European CFOs are optimists, nearly half are pessimists, about their own countries' growth prospects
- Employment will fall 0.7% in Europe, with 38% of firms laying people off

#### Top Concerns for U.S. Businesses

- Health Care Costs
- High Fuel Costs
- Increased Interest Rates
- Reduced Pricing Power
- Fear of increased Regulation