

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

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

| | June 2006 | March 2006 | Nov/Dec 2005 | Sept 2005 |
|---|--|--|--|--|
| Weighted Averages for Earnings growth* | Expected growth in next 12 months | Expected growth in next 12 months | Expected growth in next 12 months | Expected growth in next 12 months |
| | +17.86 | +7.97% | +9.32% | +8.24% |
| Capital spending | +4.73 | +6.0% | +5.13% | +5.03% |
| Advertising and marketing spending | Not asked | +4.07% | +3.85% | Not asked |
| Technology spending | +4.35 | +4.26% | +3.86% | +4.17% |
| Employment | -1.44 | -0.05% | -0.70% | +0.15% |
| Outsourced Employment | +3.35 | +3.34% | +12.07% | +4.03% |
| Wages and Salaries | +2.90 | +3.17% | +4.21% | +3.58% |
| Productivity | +3.19 | +4.31% | +3.18% | +3.20% |
| Inflation (Chg in prices of own-firm products) | +1.08 | +0.08% | +0.49% | +2.3% |
| Health Care Costs | +2.39 | +2.13% | +3.39% | +2.17% |
| Dividends* | +6.31 | -0.58% | +0.27% | +5.01% |
| Cash on balance sheet* | +1.00 | -4.34% | +2.73% | +6.13% |
| Inventory | -0.22 | -0.52% | -0.94% | -0.34% |
| Mergers and Acquisitions | 35.4% increasing 14.2% decreasing | 40.8% increasing 8.3% decreasing | 33.0% increasing 16.8% decreasing | 42.4% increasing 3.2% decreasing |
| Business Terrorism Index (out of 100) | Not asked | Not asked | Not asked | Index: 18.65 Hurting Bottom line: 20.3% |

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

Europe BUSINESS OPTIMISM

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| | June 2006 | March 2006 | Nov/Dec 2005 | Sept 2005 |
|---|---|---|---|---|
| | Compared to last qtr. | Compared to last qtr. | Compared to last qtr. | Compared to last qtr. |
| Optimism about the country's economy | More optimistic: 39.8% Less optimistic: 22.1% No change: 38.1% | More optimistic: 45.8% Less optimistic: 15.7% No change: 38.6% | More optimistic: 35.3% Less optimistic: 26.6% No change: 38.1% | More optimistic: 41.5% Less optimistic: 20.7% No change: 37.8% |
| Optimism about own company | More optimistic: 52.8% Less optimistic: 21.7% No change: 25.6% | More optimistic: 53.6% Less optimistic: 21.2% No change: 25.2% | More optimistic: 48.6% Less optimistic: 29.1% No change: 22.3% | More optimistic: 52.2% Less optimistic: 18.7% No change: 29.1% |