

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

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

	June 2008	March 2008	Dec 2007	Sept 2007
	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
<b>Weighted Averages for Earnings growth*</b>	+3.1%	+7.8%	6.6%	+14.6%
<b>Capital spending</b>	+2.9%	+3.7%	+4.9%	+7.1%
<b>Advertising and marketing spending</b>	-0.8%	+3.2%	+2.7%	+1.9%
<b>Technology spending</b>	+3.3%	+8.8%	+3.9%	+4.9%
<b>Employment</b>	-1.2%	-0.2%	-0.6%	0.0%
<b>Outsourced Employment</b>	+2.9%	+3.0%	+1.5%	+2.4%
<b>Wages and Salaries</b>	+3.6%	+3.8%	+4.6%	+3.7%
<b>Productivity</b>	+2.4%	+3.3%	+3.5%	+3.5%
<b>Inflation (Chg in prices of own-firm products)</b>	+1.5%	+1.0%	+1.5%	+2.2%
<b>Health Care Costs</b>	+2.0%	+1.9%	+2.0%	+1.4%
<b>Dividends*</b>	+13.7%	+2.8%	+1.1%	+8.1%
<b>Cash on balance sheet*</b>	+4.3%	+8.8%	+1.2%	+6.3%
<b>Inventory</b>	Not asked	Not asked	+1.2%	-0.4%
<b>Mergers and Acquisitions</b>	Not asked	45.2% plan to acquire. 15.1% plan to sell part or all of firm.	47.6% plan to acquire. 16.8% plan to sell part or all of firm.	Not comparable
<b>Business Terrorism Index (out of 100)</b>	Not asked	Not asked	Not asked	Not asked
<b>Share Repurchases*</b>	+3.3%	0.0%	+1.4%	+8.4%

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

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

	<b>June 2008</b>	<b>March 2008</b>	<b>Dec 2007</b>	<b>Sept 2007</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 optimistic: 7.7%	More optimistic: 10.3%	More optimistic: 12.6%	More optimistic: 25.7%
	Less optimistic: 63.5%	Less optimistic: 59.8%	Less optimistic: 56.0%	Less optimistic: 37.1%
	No change: 28.8%	No change: 29.9%	No change: 31.4%	No change: 37.1%
<b>Optimism about own company</b>	More optimistic: 26.4%	More optimistic: 34.1%	More optimistic: 37.4%	More optimistic: 46.3%
	Less optimistic: 42.8%	Less optimistic: 32.2%	Less optimistic: 33.7%	Less optimistic: 26.3%
	No change: 30.8%	No change: 33.6%	No change: 28.9%	No change: 27.4%

Top Concerns for European Businesses

**MACRO CONCERNS**

- Consumer Demand
- Cost of Fuel
- Cost of Non-Fuel Commodities
- Credit Markets / Interest Rates

**INTERNAL TO OWN FIRM**

- Attracting and Retaining Qualified Employees
- Ability to Forecast Results
- Supply Chain Risk
- Managing IT Systems