

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

Results for 215 European firms (own-firm changes expected during the next 12 months)

	Sept 2008	June 2008	March 2008	Dec 2007
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
Capital spending	+0.8%	+2.9%	+3.7%	+4.9%
Technology spending	+2.6%	+3.3%	+8.8%	+3.9%
Advertising and marketing spending	+0.1%	-0.8%	+3.2%	+2.7%
Employment	+1.6%	-1.2%	-0.2%	-0.6%
Outsourced Employment	+5.4%	+2.9%	+3.0%	+1.5%
Wages and Salaries	+4.1%	+3.6%	+3.8%	+4.6%
Productivity	+2.9%	+2.4%	+3.3%	+3.5%
Inflation (Chg in prices of own-firm products)	+1.9%	+1.5%	+1.0%	+1.5%
Health Care Costs	+2.6%	+2.0%	+1.9%	+2.0%
Dividends*	-0.2%	+13.7%	+2.8%	+1.1%
Share Repurchases*	+0.5%	+3.3%	0.0%	+1.4%
Cash on balance sheet*	+5.0%	+4.3%	+8.8%	+1.2%
Mergers and Acquisitions	51.7% plan to acquire. 16.8% plan to sell part or all of firm.	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.

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

Europe BUSINESS OPTIMISM
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	Sept 2008	June 2008	March 2008	Dec 2007
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 7.9%	More optimistic: 7.7%	More optimistic: 10.3%	More optimistic: 12.6%
	Less optimistic: 67.9%	Less optimistic: 63.5%	Less optimistic: 59.8%	Less optimistic: 56.0%
	No change: 24.2%	No change: 28.8%	No change: 29.9%	No change: 31.4%
Optimism about own company	More optimistic: 22.8%	More optimistic: 26.4%	More optimistic: 34.1%	More optimistic: 37.4%
	Less optimistic: 40.5%	Less optimistic: 42.8%	Less optimistic: 32.2%	Less optimistic: 33.7%
	No change: 36.7%	No change: 30.8%	No change: 33.6%	No change: 28.9%

Top Concerns for European Businesses

MACRO CONCERNS

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

INTERNAL TO OWN FIRM

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