

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

Results for 221 European firms (own-firm changes expected during the next 12 months)

	Mar 2009	Dec 2008	Sept 2008	June 2008
<b>Weighted Averages for Earnings growth*</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>
	-10.5%	-7.6%	+5.0%	+3.1%
<b>Capital spending</b>	-15.6%	-11.0%	+0.8%	+2.9%
<b>Technology spending</b>	-6.2%	-3.8%	+2.6%	+3.3%
<b>Advertising and marketing spending</b>	-9.1%	-9.1%	+0.1%	-0.8%
<b>Employment</b>	-7.6%	-5.8%	+1.6%	-1.2%
<b>Outsourced Employment</b>	-4.0%	-2.1%	+5.4%	+2.9%
<b>Wages and Salaries</b>	1.2%	+2.8%	+4.1%	+3.6%
<b>Productivity</b>	0.2%	+3.1%	+2.9%	+2.4%
<b>Inflation (Chg in prices of own-firm products)</b>	-0.1%	0.0%	+1.9%	+1.5%
<b>Health Care Costs</b>	0.7%	+0.6%	+2.6%	+2.0%
<b>Dividends*</b>	-12.7%	-2.6%	-0.2%	+13.7%
<b>Share Repurchases*</b>	-1.0%	-2.0%	+0.5%	+3.3%
<b>Cash on balance sheet*</b>	-7.5%	-2.5%	+5.0%	+4.3%
<b>Mergers and Acquisitions</b>	24.0% plan to acquire. 20.1% plan to sell part or all of firm.	Not asked	51.7% plan to acquire. 16.8% plan to sell part or all of firm.	Not asked

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

**Europe BUSINESS OPTIMISM**  
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	<b>Feb 2009</b>	<b>Dec 2008</b>	<b>Sept 2008</b>	<b>June 2008</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: 1.6%	More optimistic: 7.9%	More optimistic: 7.7%
	Less optimistic: 78.3%	Less optimistic: 86.0%	Less optimistic: 67.9%	Less optimistic: 63.5%
	No change: 14.0%	No change: 12.4%	No change: 24.2%	No change: 28.8%
<b>Optimism about own company</b>	More optimistic: 10.5%	More optimistic: 8.6%	More optimistic: 22.8%	More optimistic: 26.4%
	Less optimistic: 62.7%	Less optimistic: 69.9%	Less optimistic: 40.5%	Less optimistic: 42.8%
	No change: 26.8%	No change: 21.5%	No change: 36.7%	No change: 30.8%

Top Concerns for European Businesses

**MACRO CONCERNS**

- Consumer Demand
- The Financial / Banking System
- Credit Markets / Interest Rates
- Volatility of Foreign Currencies

**INTERNAL TO OWN FIRM**

- Ability to Forecast Results
- Working Capital Management
- Maintaining Morale / Productivity During Economic Downturn
- Counterparty Risk