

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

Results for 136 European firms (own-firm changes expected during the next 12 months)

	Dec 2010	Sep 2010	Jun 2010	Feb 2010	Dec 2009
Weighted Averages for	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
Earnings growth*	10.4%	11.4%	12.0%	3.7%	9.5%
Capital spending	6.8%	2.8%	10.7%	0.8%	-3.7%
Technology spending	1.9%	2.6%	3.8%	0.5%	-2.8%
R&D spending	4.6%	0.8%	1.8%	0.5%	2.3%
Advertising and marketing spending	5.8%	0.8%	-0.8%	-2.7%	-5.7%
Employment – full-time	0.2%	0.5%	-1.6%	-1.2%	-2.6%
Employment – temporary	-1.9%	0.6%	-4.5%	-4.7%	-7.2%
Outsourced Employment	5.9%	4.0%	4.4%	1.5%	-0.5%
Wages and Salaries	2.2%	1.5%	2.0%	2.3%	1.0%
Productivity	3.3%	3.2%	3.1%	2.2%	3.8%
Inflation (Chg in prices of own-firm products)	1.3%	0.5%	1.2%	1.2%	-0.2%
Health Care Costs	1.3%	2.3%	1.8%	2.3%	1.4%
Dividends*	9.6%	1.2%	1.8%	3.4%	3.0%
Share Repurchases*	0.5%	0.0%	0.0%	0.0%	-0.3%
Cash on balance sheet*	2.5%	1.3%	6.6%	1.0%	-13.6%
Mergers and Acquisitions	Not asked.	Not asked.	Not asked.	28.8% plan to acquire. 12.6% 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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	Dec 2010	Sep 2010	Jun 2010	Feb 2010	Dec 2009
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More opt: 37.5% Less opt: 26.5% No chg: 36.0%	More opt: 42.2% Less opt: 23.0% No chg: 34.8%	More opt: 33.8% Less opt: 30.2% No chg: 36.0%	More opt: 43.6% Less opt: 18.4% No chg: 38.0%	More opt: 44.3% Less opt: 18.6% No chg: 37.2%
Country optimism level	55.1	57.6	54.2	54.6	53.1
Optimism about own company	More opt: 50.0% Less opt: 21.3% No chg: 28.7%	More opt: 48.1% Less opt: 20.0% No chg: 31.9%	More opt: 46.8% Less opt: 20.9% No chg: 32.4%	More opt: 50.9% Less opt: 21.5% No chg: 27.6%	More opt: 47.5% Less opt: 14.9% No chg: 37.6%
Own company optimism level	63.8	63.6	63.0	63.6	63.0

Top Concerns for European Businesses

MACRO CONCERNS

- Consumer Demand
- Price Pressure
- Financial/Banking System
- Government Policy

INTERNAL TO OWN FIRM

- Attracting and Retaining Qualified Employees
- Ability to Forecast Results
- Working Capital Management
- Maintaining Morale/Productivity