

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

Results for 138 European firms (own-firm changes expected during the next 12 months)

	Mar 2014	Dec 2013	Sept 2013	Jun 2013	Mar 2013
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*	9.9%	2.3%	2.9%	4.6%	7.5%
Capital spending	3.7%	-0.7%	3.1%	3.4%	1.5%
Technology spending	4.8%	5.5%	5.1%	1.3%	4.2%
R&D spending	2.8%	4.1%	4.5%	0.0%	2.7%
Advertising and marketing spending	2.1%	6.3%	0.3%	0.1%	-0.6%
Employment – full-time	-0.8%	-1.4%	-1.8%	-2.2%	-3.7%
Employment – temporary	-3.3%	-0.9%	-2.4%	-3.0%	-7.4%
Outsourced Employment	-10.6%	4.2%	3.4%	5.2%	4.7%
Wages and Salaries	2.9%	2.2%	1.6%	2.0%	1.2%
Productivity	4.9%	1.7%	2.6%	2.5%	2.2%
Inflation (Chg in prices of own-firm products)	0.6%	-1.6%	0.2%	0.8%	0.8%
Health Care Costs	-0.6%	0.4%	1.2%	1.8%	1.4%
Dividends*	4.1%	1.3%	2.4%	0.5%	1.6%
Share Repurchases*	2.8%	10.5%	0%	5.2%	0.0%
Cash on balance sheet*	2.2%	4.1%	4.3%	1.3%	7.8%
Revenue	4.9%	2.8%	3.6%	2.9%	2.8%
Mergers and Acquisitions	31.2% plan to acquire; Foreign targets in 55.7% of acq. 24.1% plan to sell part or all of firm.	Not asked.	Not asked.	Not asked.	30.1% plan to acquire; Foreign targets in 50.2% of acq. 22.5% plan to sell part or all of firm.

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

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

	<b>Mar 2014</b>	<b>Dec 2013</b>	<b>Sept 2013</b>	<b>Jun 2013</b>	<b>Mar 2013</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>Compared to last qtr.</b>
<b>Optimism about the country's economy</b>	More opt: 62.8% Less opt: 14.6% No chg: 22.6%	More opt: 45% Less opt: 17.9% No chg: 37.1%	More opt: 50.0% Less opt: 15.5% No chg: 34.5%	More opt: 33.3% Less opt: 28.8% No chg: 37.9%	More opt: 30.5% Less opt: 30.5% No chg: 39.0%
<b>Country optimism level</b>	58.5	56.4	55.7	53.2	52.7
<b>Optimism about own company</b>	More opt: 50.4% Less opt: 15.6% No chg: 34.1%	More opt: 48.9% Less opt: 16.3% No chg: 34.8%	More opt: 47.1% Less opt: 18.4% No chg: 34.5%	More opt: 42.1% Less opt: 23.7% No chg: 34.2%	More opt: 36.9% Less opt: 28.4% No chg: 34.7%
<b>Own company optimism level</b>	62.7	62.3	64.2	61.1	59.3

Top Concerns for European Businesses

**MACRO CONCERNS**

- Consumer Demand
- Price pressure from competitors
- National budget deficit
- Foreign competition

**INTERNAL TO OWN FIRM**

- Ability to maintain margins
- Attracting and retaining qualified employees
- Ability to forecast results
- Working capital management