

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

Results for 190 European firms (own-firm changes expected during the next 12 months)

	Sept 2014	Jun 2014	Mar 2014	Dec 2013	Sept 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*	6.4%	13.5%	9.9%	2.3%	2.9%
Capital spending	3.6%	3.5%	3.7%	-0.7%	3.1%
Technology spending	3.6%	3.7%	4.8%	5.5%	5.1%
R&D spending	2.6%	5.2%	2.8%	4.1%	4.5%
Advertising and marketing spending	1.9%	2.9%	2.1%	6.3%	0.3%
Employment – full-time	0%	-0.2%	-0.8%	-1.4%	-1.8%
Employment – temporary	-0.1%	0.3%	-3.3%	-0.9%	-2.4%
Outsourced Employment	2.7%	0.6%	-10.6%	4.2%	3.4%
Wages and Salaries	2.1%	1.5%	2.9%	2.2%	1.6%
Productivity	2.4%	2.5%	4.9%	1.7%	2.6%
Inflation (Chg in prices of own-firm products)	1.8%	-0.3%	0.6%	-1.6%	0.2%
Health Care Costs	1.9%	3.0%	-0.6%	0.4%	1.2%
Dividends*	2.0%	3.3%	4.1%	1.3%	2.4%
Share Repurchases*	1.1%	5.4%	2.8%	10.5%	0%
Cash on balance sheet*	5.6%	5.4%	2.2%	4.1%	4.3%
Revenue	5.5%	4.0%	4.9%	2.8%	3.6%
Mergers and Acquisitions	Not asked.	Not asked.	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.

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

European BUSINESS OPTIMISM
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	Sept 2014	Jun 2014	Mar 2014	Dec 2013	Sept 2013
	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: 42.2% Less opt: 25.1% No chg: 32.6%	More opt: 52.6% Less opt: 19.7% No chg: 27.7%	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%
Country optimism level	60.9	53.5 Median=60	58.5 Median=60	56.4	55.7
Optimism about own company	More opt: 37.2% Less opt: 25.0% No chg: 37.8%	More opt: 50.7% Less opt: 22.1% No chg: 27.7%	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%
Own company optimism level	63.8	58.6 Median=60	62.7 Median=65	62.3	64.2

Top Concerns for European Businesses

- Economic Uncertainty
- Government policy
- Weak demand for your product/services
- Attracting and retaining qualified employees
- Regulatory requirements
- Geopolitical/Health Crises
- Employee morale
- Employee productivity
- Currency risk
- Rising wages and salaries