

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

Results for 166 European firms (own-firm changes expected during the next 12 months)

	Dec 2011	Sep 2011	Jun 2011	Mar 2011	Dec 2010
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*	1.1%	-0.8%	5.7%	10.7%	10.4%
Capital spending	0.4%	3.2%	3.5%	4.3%	6.8%
Technology spending	0.5%	0.6%	3.7%	3.4%	1.9%
R&D spending	2.3%	2.0%	3.7%	3.2%	4.6%
Advertising and marketing spending	-0.5%	-0.7%	2.0%	4.5%	5.8%
Employment – full-time	0.0%	-0.5%	3.6%	-0.6%	0.2%
Employment – temporary	-1.9%	-5.4%	0.1%	1.9%	-1.9%
Outsourced Employment	3.9%	4.2%	2.8%	2.7%	5.9%
Wages and Salaries	1.6%	3.0%	2.8%	2.1%	2.2%
Productivity	4.2%	3.5%	2.7%	3.7%	3.3%
Inflation (Chg in prices of own-firm products)	-0.8%	0.5%	1.6%	2.5%	1.3%
Health Care Costs	2.2%	1.3%	3.8%	2.3%	1.3%
Dividends*	2.9%	-0.8%	3.6%	17.4%	9.6%
Share Repurchases*	3.3%	4.5%	0.5%	2.3%	0.5%
Cash on balance sheet*	1.2%	3.4%	4.1%	8.3%	2.5%
Mergers and Acquisitions	Not asked.	Not asked.	Not asked.	43.1% plan to acquire. 17.1% plan to sell part or all of firm.	Not asked.
Revenue	4.3%	0.9%	7.0%	5.5%	Not asked.

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

Europe BUSINESS OPTIMISM

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	Dec 2011	Sep 2011	Jun 2011	Mar 2011	Dec 2010
	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: 12.9% Less opt: 65.6% No chg: 21.5%	More opt: 13.0% Less opt: 63.8% No chg: 23.2%	More opt: 28.2% Less opt: 22.2% No chg: 49.6%	More opt: 38.9% Less opt: 23.0% No chg: 38.1%	More opt: 37.5% Less opt: 26.5% No chg: 36.0%
Country optimism level	48.3	54.2	58.5	58.9	55.1
Optimism about own company	More opt: 23.3% Less opt: 46.6% No chg: 30.1%	More opt: 25.3% Less opt: 43.3% No chg: 31.5%	More opt: 39.8% Less opt: 16.9% No chg: 43.2%	More opt: 46.8% Less opt: 22.2% No chg: 31.0%	More opt: 50.0% Less opt: 21.3% No chg: 28.7%
Own company optimism level	57.5	63.3	62.9	64.2	63.8

Top Concerns for European Businesses

MACRO CONCERNS

- Consumer Demand
- Global financial instability
- Price Pressure from competitors
- Credit markets/interest rates

INTERNAL TO OWN FIRM

- Ability to maintain margins
- Ability to Forecast Results
- Working capital management
- Maintaining morale/productivity