

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

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

	Sept 2012	May 2012	Mar 2012	Dec 2011	Sept 2011
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*	4.5%	-1.7%	4.3%	1.1%	-0.8%
Capital spending	-4.7%	-0.9%	2.7%	0.4%	3.2%
Technology spending	0.4%	4.0%	3.4%	0.5%	0.6%
R&D spending	0.2%	1.5%	4.0%	2.3%	2.0%
Advertising and marketing spending	-2.3%	0.9%	0.5%	-0.5%	-0.7%
Employment – full-time	-2.6%	0.7%	-1.5%	0.0%	-0.5%
Employment – temporary	-4.1%	1.1%	-4.8%	-1.9%	-5.4%
Outsourced Employment	3.6%	1.8%	4.0%	3.9%	4.2%
Wages and Salaries	0.9%	4.8%	2.6%	1.6%	3.0%
Productivity	1.7%	2.9%	3.1%	4.2%	3.5%
Inflation (Chg in prices of own-firm products)	0.8%	-0.4%	1.0%	-0.8%	0.5%
Health Care Costs	-0.4%	1.2%	0.9%	2.2%	1.3%
Dividends*	5.6%	2.6%	2.9%	2.9%	-0.8%
Share Repurchases*	0.0%	1.5%	0.0%	3.3%	4.5%
Cash on balance sheet*	8.2%	0.1%	-3.2%	1.2%	3.4%
Mergers and Acquisitions	Not asked.	Not asked.	36% plan to acquire. 14.8% plan to sell part or all of firm.	Not asked.	Not asked.
Revenue	1.7%	1.2%	2.6%	4.3%	0.9%

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

Europe BUSINESS OPTIMISM

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	Sept 2012	May 2012	Mar 2012	Dec 2011	Sept 2011
	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: 19.9% Less opt: 45.8% No chg: 34.3%	More opt: 20.8% Less opt: 51.5% No chg: 27.7%	More opt: 32.1% Less opt: 32.7% No chg: 35.2%	More opt: 12.9% Less opt: 65.6% No chg: 21.5%	More opt: 13.0% Less opt: 63.8% No chg: 23.2%
Country optimism level	49.1	52.1	54.0	48.3	54.2
Optimism about own company	More opt: 28.3% Less opt: 36.7% No chg: 34.9%	More opt: 29.4% Less opt: 38.2% No chg: 32.4%	More opt: 36.9% Less opt: 30.6% No chg: 32.5%	More opt: 23.3% Less opt: 46.6% No chg: 30.1%	More opt: 25.3% Less opt: 43.3% No chg: 31.5%
Own company optimism level	57.6	60.9	59.2	57.5	63.3

Top Concerns for European Businesses

MACRO CONCERNS

- Consumer Demand
- Global financial instability
- National budget deficit
- Credit markets/interest rates

INTERNAL TO OWN FIRM

- Ability to maintain margins
- Ability to forecast results
- Working capital management
- Maintaining morale/productivity