

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

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

	June 2006	March 2006	Nov/Dec 2005	Sept 2005
Weighted Averages for Earnings growth*	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
	+17.86	+7.97%	+9.32%	+8.24%
Capital spending	+4.73	+6.0%	+5.13%	+5.03%
Advertising and marketing spending	Not asked	+4.07%	+3.85%	Not asked
Technology spending	+4.35	+4.26%	+3.86%	+4.17%
Employment	-1.44	-0.05%	-0.70%	+0.15%
Outsourced Employment	+3.35	+3.34%	+12.07%	+4.03%
Wages and Salaries	+2.90	+3.17%	+4.21%	+3.58%
Productivity	+3.19	+4.31%	+3.18%	+3.20%
Inflation (Chg in prices of own-firm products)	+1.08	+0.08%	+0.49%	+2.3%
Health Care Costs	+2.39	+2.13%	+3.39%	+2.17%
Dividends*	+6.31	-0.58%	+0.27%	+5.01%
Cash on balance sheet*	+1.00	-4.34%	+2.73%	+6.13%
Inventory	-0.22	-0.52%	-0.94%	-0.34%
Mergers and Acquisitions	35.4% increasing 14.2% decreasing	40.8% increasing 8.3% decreasing	33.0% increasing 16.8% decreasing	42.4% increasing 3.2% decreasing
Business Terrorism Index (out of 100)	Not asked	Not asked	Not asked	Index: 18.65 Hurting Bottom line: 20.3%

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

Europe BUSINESS OPTIMISM

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	June 2006	March 2006	Nov/Dec 2005	Sept 2005
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 39.8% Less optimistic: 22.1% No change: 38.1%	More optimistic: 45.8% Less optimistic: 15.7% No change: 38.6%	More optimistic: 35.3% Less optimistic: 26.6% No change: 38.1%	More optimistic: 41.5% Less optimistic: 20.7% No change: 37.8%
Optimism about own company	More optimistic: 52.8% Less optimistic: 21.7% No change: 25.6%	More optimistic: 53.6% Less optimistic: 21.2% No change: 25.2%	More optimistic: 48.6% Less optimistic: 29.1% No change: 22.3%	More optimistic: 52.2% Less optimistic: 18.7% No change: 29.1%