

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 2015	Dec 2014	Sept 2014	Jun 2014	Mar 2014
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*	4.2%	8.3%	6.4%	13.5%	9.9%
Capital spending	6.2%	4.2%	3.6%	3.5%	3.7%
Technology spending	5.1%	6.4%	3.6%	3.7%	4.8%
R&D spending	4.3%	1.5%	2.6%	5.2%	2.8%
Advertising and marketing spending	0.5%	2.6%	1.9%	2.9%	2.1%
Employment – full-time	-0.4%	0.3%	0%	-0.2%	-0.8%
Employment – temporary	-1.4%	-0.4%	-0.1%	0.3%	-3.3%
Outsourced Employment	0.9%	9.2%	2.7%	0.6%	-10.6%
Wages and Salaries	1.8%	3.3%	2.1%	1.5%	2.9%
Productivity	3.1%	2.8%	2.4%	2.5%	4.9%
Inflation (Chg in prices of own-firm products)	0.4%	1.0%	1.8%	-0.3%	0.6%
Health Care Costs	1.2%	2.5%	1.9%	3.0%	-0.6%
Dividends*	5.4%	5.3%	2.0%	3.3%	4.1%
Share Repurchases*	1.5%	-0.1%	1.1%	5.4%	2.8%
Cash on balance sheet*	2.5%	1.6%	5.6%	5.4%	2.2%
Revenue	4.2%	6.1%	5.5%	4.0%	4.9%
Mergers and Acquisitions	32.6% plan to acquire; Foreign targets in 54.9% of acq. 21.7% plan to sell part or all of firm	Not asked.	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.

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

European BUSINESS OPTIMISM
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	Mar 2015	Dec 2014	Sept 2014	Jun 2014	Mar 2014
	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: 47.8% Less opt: 18.4% No chg: 33.8%	More opt: 32.1% Less opt: 28.3% No chg: 39.6%	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%
Country optimism level	57.9	53.5	60.9	53.5 Median=60	58.5 Median=60
Optimism about own company	More opt: 48.9% Less opt: 20.0% No chg: 31.1%	More opt: 42.8% Less opt: 25.2% No chg: 32.1%	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%
Own company optimism level	65.6	61.5	63.8	58.6 Median=60	62.7 Median=65

Top Concerns for European Businesses

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