

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

Results for 130 European firms (own-firm changes expected during the next 12 months)

	Jun 2016	Mar 2016	Dec 2015	Sept 2015	Jun 2015
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*	10.4%	4.5%	0.7%	8.1%	6.2%
Capital spending	6.5%	6.0%	3.7%	5.8%	1.8%
Advertising and marketing spending	0.2%	4.3%	2.6%	5.4%	4.6%
Technology spending	3.3%	5.8%	4.2%	4.9%	2.6%
R&D spending	7.0%	5.0%	5.4%	3.3%	4.6%
Employment – full-time	5.6%	0.0%	3.6%	4.1%	2.3%
Employment – temporary	3.1%	-1.5%	2.0%	-0.4%	-0.3%
Outsourced Employment	11.3%	4.2%	4.8%	6.4%	5.9%
Wages and Salaries	1.7%	1.4%	3.3%	3.0%	2.2%
Productivity	11.2%	3.5%	4.8%	3.5%	4.7%
Inflation (Chg in prices of own-firm products)	1.8%	1.4%	0.5%	0.6%	0.5%
Health Care Costs	1.5%	1.8%	1.5%	1.4%	1.6%
Dividends*	0.2%	6.1%	0.0%	9.6%	4.5%
Cash on balance sheet*	5.6%	1.9%	-3.4%	21.1% Median=3.0%	3.3%
Share Repurchases*	6.5%	3.4%	0.0%	0.0%	3.2%
Revenue	5.2%	5.3%	5.1%	5.6%	3.3%
Mergers and Acquisitions	Not asked.	Not asked.	Not asked.	34.5% plan to acquire; mainly to improve industry position and cost synergies.	Not asked.

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

**European BUSINESS OPTIMISM**  
**Duke's Fuqua School of Business / CFO Magazine Business Outlook**

	<b>Jun 2016</b>	<b>Mar 2016</b>	<b>Dec 2015</b>	<b>Sept 2015</b>	<b>Jun 2015</b>
	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>
<b>Optimism about the country's economy</b>	More opt: 33.6% Less opt: 29.7% No chg: 36.7%	More opt: 17.8% Less opt: 44.4% No chg: 37.9%	More opt: 41.4% Less opt: 25.3% No chg: 33.3%	More opt: 41.6% Less opt: 22.1% No chg: 36.2%	More opt: 61.5% Less opt: 11.9% No chg: 26.7%
<b>Country optimism level</b>	55.3	53.0	58.4	57.9	60.4
<b>Optimism about own company</b>	More opt: 34.9% Less opt: 31.8% No chg: 33.3%	More opt: 34.5% Less opt: 26.8% No chg: 38.7%	More opt: 54.5% Less opt: 24.2% No chg: 21.2%	More opt: 45.3% Less opt: 20.9% No chg: 33.8%	More opt: 48.9% Less opt: 18.5% No chg: 32.6%
<b>Own company optimism level</b>	58.6	62.5	65.2	63.5	63.0

Top Concerns for European Businesses

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