

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

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

	Sept 2007				
Weighted Averages for Earnings growth*	Expected growth in next 12 months +7.4%				
Capital spending	+14.6%				
Advertising and marketing spending	+6.9%				
Technology spending	+6.0%				
Employment	+10.6%				
Outsourced Employment	+4.7%				
Wages and Salaries	+8.1%				
Productivity	+5.6%				
Inflation (Chg in prices of own-firm products)	+1.6%				
Health Care Costs	+4.8%				
Dividends*	+3.1%				
Cash on balance sheet*	+8.8%				
Inventory	+6.4%				
Mergers and Acquisitions	46.9% increasing 2.3% decreasing				
Business Terrorism Index (out of 100)	Not asked				
Share Repurchases*	+0.5%				

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

Chinese BUSINESS OPTIMISM
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	Sept 2007
	Compared to last qtr.
Optimism about the country's economy	More optimistic: 41.3% Less optimistic: 29.3% No change: 29.3%
Optimism about own company	More optimistic: 50.8% Less optimistic: 24.7% No change: 24.5%

Top Concerns for Chinese Businesses:

- Cost of Labor (Wages, Salary, Bonus)
- Regulatory Changes
- Currency Values
- Consumer Demand
- Credit Markets/Interest Rates
- Cost of Fuel