

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

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

	Dec 2007	Sept 2007			
Weighted Averages for Earnings growth*	Expected growth in next 12 months				
	+8.2%	+7.4%			
Capital spending	+13.5%	+14.6%			
Advertising and marketing spending	+6.3%	+6.9%			
Technology spending	+6.8%	+6.0%			
Employment	+7.3%	+10.6%			
Outsourced Employment	+3.4%	+4.7%			
Wages and Salaries	+8.0%	+8.1%			
Productivity	+5.2%	+5.6%			
Inflation (Chg in prices of own-firm products)	+1.6%	+1.6%			
Health Care Costs	Not asked	+4.8%			
Dividends*	+4.7%	+3.1%			
Cash on balance sheet*	+10.0%	+8.8%			
Inventory	+2.7%	+6.4%			
Mergers and Acquisitions	36.6% plan to acquire. 19.0% plan to sell part or all of firm.	Not comparable			
Business Terrorism Index (out of 100)	Not asked	Not asked			
Share Repurchases*	Not asked	+0.5%			

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

Chinese BUSINESS OPTIMISM
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	Dec 2007	Sept 2007
	Compared to last qtr.	
Optimism about the country's economy	More optimistic: 30.6%	More optimistic: 41.3%
	Less optimistic: 38.4%	Less optimistic: 29.3%
	No change: 31.0%	No change: 29.3%
Optimism about own company	More optimistic: 40.8%	More optimistic: 50.8%
	Less optimistic: 35.1%	Less optimistic: 24.7%
	No change: 24.1%	No change: 24.5%

Top Concerns for Chinese Businesses:

- Cost of Labor (Wages, Salary, Bonus)
- Currency Values
- Cost of Fuel
- Regulation
- Skilled Labor Shortage