

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

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

	June 2008	March 2008	Dec 2007	Sept 2007
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
	+2.3%	+11.1%	+8.2%	+7.4%
Capital spending	+7.9%	+16.7%	+13.5%	+14.6%
Advertising and marketing spending	+4.5%	+8.1%	+6.3%	+6.9%
Technology spending	+6.5%	+11.4%	+6.8%	+6.0%
Employment	+7.7%	+8.3%	+7.3%	+10.6%
Outsourced Employment	+2.6%	+4.9%	+3.4%	+4.7%
Wages and Salaries	+9.2%	+9.7%	+8.0%	+8.1%
Productivity	+4.8%	+7.5%	+5.2%	+5.6%
Inflation (Chg in prices of own-firm products)	+3.2%	+4.1%	+1.6%	+1.6%
Health Care Costs	+7.4%	+6.4%	Not asked	+4.8%
Dividends*	+2.8%	+2.5%	+4.7%	+3.1%
Cash on balance sheet*	+1.0%	+2.3%	+10.0%	+8.8%
Inventory	Not asked	Not asked	+2.7%	+6.4%
Mergers and Acquisitions	Not asked	47.5% plan to acquire. 22.1% plan to sell part or all of firm.	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	Not asked	Not asked
Share Repurchases*	+1.3%	+1.0%	Not asked	+0.5%

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

Chinese BUSINESS OPTIMISM
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	June 2008	March 2008	Dec 2007	Sept 2007
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 9.8% Less optimistic: 64.9% No change: 25.4%	More optimistic: 25.9% Less optimistic: 34.1% No change: 40.0%	More optimistic: 30.6% Less optimistic: 38.4% No change: 31.0%	More optimistic: 41.3% Less optimistic: 29.3% No change: 29.3%
Optimism about own company	More optimistic: 31.0% Less optimistic: 45.3% No change: 23.6%	More optimistic: 43.8% Less optimistic: 34.6% No change: 21.6%	More optimistic: 40.8% Less optimistic: 35.1% No change: 24.1%	More optimistic: 50.8% Less optimistic: 24.7% No change: 24.5%

Top Concerns for Chinese Businesses

MACRO CONCERNS

- Consumer Demand
- Inflation
- Continued Appreciation of the RMB
- Credit Markets / Interest Rates

INTERNAL TO OWN FIRM

- Attracting and Retaining Qualified Employees
- Ability to Forecast Results
- Supply Chain Risk
- Balance Sheet Weakness