

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

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

	Dec 2008	Sept 2008	June 2008	March 2008
	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
<b>Weighted Averages for Earnings growth*</b>	+4.2%	-5.2%	+2.3%	+11.1%
<b>Capital spending</b>	-4.0%	+1.2%	+7.9%	+16.7%
<b>Technology spending</b>	+1.4%	+5.5%	+6.5%	+11.4%
<b>Advertising and marketing spending</b>	+1.3%	+6.1%	+4.5%	+8.1%
<b>Employment</b>	-1.4%	+7.5%	+7.7%	+8.3%
<b>Outsourced Employment</b>	-2.9%	+0.9%	+2.6%	+4.9%
<b>Wages and Salaries</b>	+2.0%	+7.8%	+9.2%	+9.7%
<b>Productivity</b>	-0.2%	+4.5%	+4.8%	+7.5%
<b>Inflation (Chg in prices of own-firm products)</b>	-1.9%	0.0%	+3.2%	+4.1%
<b>Health Care Costs</b>	+2.7%	+4.6%	+7.4%	+6.4%
<b>Dividends*</b>	+0.5%	-3.6%	+2.8%	+2.5%
<b>Share Repurchases*</b>	+1.0%	0.0%	+1.3%	+1.0%
<b>Cash on balance sheet*</b>	-1.3%	-1.5%	+1.0%	+2.3%
<b>Mergers and Acquisitions</b>	Not asked	24.5% plan to acquire. 16.4% plan to sell part or all of firm.	Not asked	47.5% plan to acquire. 22.1% plan to sell part or all of firm.

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

**Chinese BUSINESS OPTIMISM**  
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	<b>Dec 2008</b>	<b>Sept 2008</b>	<b>June 2008</b>	<b>March 2008</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 optimistic: 5.8%	More optimistic: 12.8%	More optimistic: 9.8%	More optimistic: 25.9%
	Less optimistic: 78.4%	Less optimistic: 67.4%	Less optimistic: 64.9%	Less optimistic: 34.1%
	No change: 15.8%	No change: 19.9%	No change: 25.4%	No change: 40.0%
<b>Optimism about own company</b>	More optimistic: 8.9%	More optimistic: 23.1%	More optimistic: 31.0%	More optimistic: 43.8%
	Less optimistic: 65.1%	Less optimistic: 47.9%	Less optimistic: 45.3%	Less optimistic: 34.6%
	No change: 26.0%	No change: 29.0%	No change: 23.6%	No change: 21.6%

Top Concerns for Chinese Businesses

**MACRO CONCERNS**

- Consumer Demand
- Credit Markets / Interest Rates
- Volatility of the Foreign Currencies
- Foreign Competition

**INTERNAL TO OWN FIRM**

- Maintaining Morale / Productivity During Economic Downturn
- Ability to Forecast Results
- Attracting and Retaining Qualified Employees
- Supply Chain Risk