

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

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

| | Dec 2009 | Sep 2009 | May 2009 | Feb 2009 | Dec 2008 |
|---|--|--|--|---|--|
| 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 | Expected growth in next 12 months |
| | 6.7% | 1.7% | -9.2% | 1.8% | +4.2% |
| Capital spending | 7.8% | 5.9% | 0.2% | -7.0% | -4.0% |
| Technology spending | 8.1% | 3.5% | 0.7% | 3.4% | +1.4% |
| R&D spending | 8.0% | 4.8% | 3.2% | Not asked. | Not asked. |
| Advertising and marketing spending | 3.8% | 1.7% | -3.5% | -1.2% | +1.3% |
| Employment | 4.5% | 1.6% | -1.1% | -1.1% | -1.4% |
| Outsourced Employment | 2.0% | -0.4% | 1.2% | 0.7% | -2.9% |
| Wages and Salaries | 7.2% | 3.0% | -0.2% | -0.1% | +2.0% |
| Productivity | 6.7% | 3.8% | 1.8% | 0.6% | -0.2% |
| Inflation (Chg in prices of own-firm products) | 0.9% | -0.4% | -3.4% | -2.0% | -1.9% |
| Health Care Costs | 3.0% | 2.4% | 1.0% | 1.8% | +2.7% |
| Dividends* | 7.6% | 0.4% | 2.3% | -1.1% | +0.5% |
| Share Repurchases* | 1.0% | 0.2% | 0.5% | 0.9% | +1.0% |
| Cash on balance sheet* | 4.0% | 4.5% | 1.0% | -1.7% | -1.3% |
| Mergers and Acquisitions | Not asked. | Not asked. | Not asked. | 12.2% plan to acquire. 22.5% plan to sell part or all of firm. | Not asked. |

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

Chinese BUSINESS OPTIMISM

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| | Dec 2009 | Sep 2009 | May 2009 | Feb 2009 | Dec 2008 |
|---|--|--|--|--|---|
| | Compared to last qtr. | Compared to last qtr. | Compared to last qtr. | Compared to last qtr. | Compared to last qtr. |
| Optimism about the country's economy | More optimistic: 62.4% Less optimistic: 22.5% No change: 15.1% | More optimistic: 53.9% Less optimistic: 30.0% No change: 16.1% | More optimistic: 47.4% Less optimistic: 34.3% No change: 18.3% | More optimistic: 19.8% Less optimistic: 63.9% No change: 16.3% | More optimistic: 5.8% Less optimistic: 78.4% No change: 15.8% |
| Optimism about own company | More optimistic: 58.8% Less optimistic: 22.7% No change: 18.5% | More optimistic: 54.3% Less optimistic: 29.1% No change: 16.6% | More optimistic: 43.8% Less optimistic: 35.8% No change: 20.5% | More optimistic: 20.8% Less optimistic: 57.6% No change: 21.6% | More optimistic: 8.9% Less optimistic: 65.1% No change: 26.0% |

Top Concerns for Chinese Businesses

MACRO CONCERNS

- Domestic Competition
- Consumer Demand
- Price Pressure
- Government Policy

INTERNAL TO OWN FIRM

- Attracting and Retaining Qualified Employees
- Margin Maintenance
- Ability to Forecast Results
- Working Capital Management