

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

Results for 131 Asian firms (own-firm changes expected during the next 12 months)

	Dec 2010	Sep 2010	Jun 2010	Feb 2010	Dec 2009
<b>Weighted Averages for Earnings growth*</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>
	14.3%	16.0%	10.2%	14.2%	24.3%
<b>Capital spending</b>	17.3%	9.3%	11.5%	15.9%	16.0%
<b>Technology spending</b>	9.2%	8.3%	6.8%	8.6%	8.0%
<b>R&amp;D spending</b>	5.6%	7.6%	8.3%	6.5%	5.7%
<b>Advertising and marketing spending</b>	13.5%	6.9%	5.6%	9.5%	6.4%
<b>Employment – full-time</b>	4.6%	2.8%	6.7%	6.8%	4.9%
<b>Employment – temporary</b>	5.2%	4.1%	5.2%	3.5%	1.9%
<b>Outsourced Employment</b>	6.1%	2.3%	5.6%	7.6%	7.5%
<b>Wages and Salaries</b>	6.6%	6.9%	5.9%	7.7%	6.4%
<b>Productivity</b>	3.6%	7.7%	4.0%	7.0%	6.3%
<b>Inflation (Chg in prices of own-firm products)</b>	5.6%	5.0%	2.4%	4.5%	2.6%
<b>Health Care Costs</b>	2.3%	5.8%	4.6%	5.2%	5.5%
<b>Dividends*</b>	4.3%	4.9%	5.4%	9.5%	17.8%
<b>Share Repurchases*</b>	0.2%	0.2%	0.0%	0.9%	0.0%
<b>Cash on balance sheet*</b>	3.9%	15.5%	4.4%	9.5%	0.2%
<b>Mergers and Acquisitions</b>	Not asked.	Not asked.	Not asked.	28.9% plan to acquire. 9.9% plan to sell part or all of firm.	Not asked.

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

## ASIA BUSINESS OPTIMISM

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	Dec 2010	Sep 2010	Jun 2010	Feb 2010	Dec 2009
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
<b>Optimism about the country's economy</b>	More opt: 72.7% Less opt: 10.2% No chg: 17.2%	More opt: 74.4% Less opt: 14.0% No chg: 11.6%	More opt: 70.2% Less opt: 19.3% No chg: 10.6%	More opt: 77.3% Less opt: 9.9% No chg: 12.7%	More opt: 74.0% Less opt: 13.8% No chg: 12.3%
<b>Country optimism level</b>	73.1	68.3	67.5	68.8	67.4
<b>Optimism about own company</b>	More opt: 70.3% Less opt: 11.7% No chg: 18.0%	More opt: 66.4% Less opt: 12.5% No chg: 21.1%	More opt: 66.8% Less opt: 18.2% No chg: 15.0%	More opt: 75.2% Less opt: 12.7% No chg: 12.1%	More opt: 72.4% Less opt: 17.7% No chg: 9.9%
<b>Own company optimism level</b>	72.2	69.3	68.4	70.0	68.9

### Top Concerns for Asian Businesses

#### MACRO CONCERNS

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

#### INTERNAL TO OWN FIRM

- Attracting and Retaining Qualified Employees
- Ability to Forecast Results
- Maintaining Morale / Productivity
- Working Capital Management