

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

Results for 126 Asian (non-Japanese) firms (own-firm changes expected during the next 12 months)

| | June 2014 | Mar 2014 | Dec 2013 | Sept 2013 | June 2013 |
|--|-----------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Weighted Averages for | 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 |
| Earnings growth* | 5.9% | 5.1% | 7.0% | -0.9% | 4.2% |
| Capital spending | 8.3% | 2.1% | 4.6% | 3.3% | 6.3% |
| Technology spending | 5.7% | 7.9% | 9.1% | 3.2% | 3.7% |
| R&D spending | 3.4% | 6.7% | 3.4% | 2.8% | 1.7% |
| Advertising and marketing spending | 2.6% | 3.8% | 5.1% | 3.1% | 1.0% |
| Employment – full-time | 5.8% | -0.4% | 1.9% | -1.1% | 0.5% |
| Employment – temporary | -0.4% | -2.0% | -1.6% | -7.3% | -3.2% |
| Outsourced Employment | 0.9% | 3.8% | 1.1% | 1.6% | -1.4% |
| Wages and Salaries | 6.5% | 6.9% | 5.9% | 4.3% | 4.1% |
| Productivity | 4.0% | 3.7% | 3.0% | 1.6% | 2.1% |
| Inflation (Chg in prices of own-firm products) | 0.6% | 3.0% | -0.2% | -1.3% | -0.5% |
| Health Care Costs | 3.0% | 5.8% | 2.4% | 2.6% | 2.5% |
| Dividends* | 2.8% | 3.6% | 6.9% | -0.3% | 3.0% |
| Share Repurchases* | 0.0% | 0.1% | -0.4% | 1.4% | 0.8% |
| Cash on balance sheet* | 6.1% | -1.2% | 1.2% | -5.8% | -0.3% |
| Mergers and Acquisitions | Not asked. | 27.9% plan to acquire; Foreign targets in 37.4% of acq. | Not asked. | Not asked. | Not asked. |
| Revenue | 6.7% | 9.4% | 7.6% | 8.3% | 6.6% |

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

ASIA BUSINESS OPTIMISM

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| | Jun 2014 | Mar 2014 | Dec 2013 | Sept 2013 | Jun 2013 |
|---|---|---|---|---|---|
| | 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 opt: 55.2% Less opt: 21.6% No chg: 23.2% | More opt: 47.4% Less opt: 28.3% No chg: 24.3% | More opt: 47.0% Less opt: 29.8% No chg: 23.2% | More opt: 22.9% Less opt: 60.5% No chg: 16.6% | More opt: 45.9% Less opt: 30.4% No chg: 23.8% |
| Country optimism level | 64.8 | 63.6 | 63.1 | 54.3 | 61.3 |
| Optimism about own company | More opt: 47.6% Less opt: 30.6% No chg: 21.8% | More opt: 53.9% Less opt: 23.0% No chg: 23.0% | More opt: 51.2% Less opt: 28.6% No chg: 20.2% | More opt: 36.1% Less opt: 38.7% No chg: 25.2% | More opt: 47.3% Less opt: 32.4% No chg: 20.3% |
| Own company optimism level | 63.7 | 68.3 | 64.3 | 62.2 | 63.5 |

Top Concerns for Asian Businesses

- Attracting and retaining qualified employees
- Economic Uncertainty
- Government policy
- Wages and salaries
- Currency risk
- Regulatory requirements
- Employee morale and productivity
- Underlying demand for your product/services
- Input or commodity costs
- Inflation