

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

Results for 132 Asian firms (own-firm changes expected during the next 12 months)

|                                                       | Mar 2011                                                          | Dec 2010                                 | Sep 2010                                 | Jun 2010                                 | Feb 2010                                                         |
|-------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------------------------------|
| <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>                         |
|                                                       | 8.8%                                                              | 14.3%                                    | 16.0%                                    | 10.2%                                    | 14.2%                                                            |
| <b>Capital spending</b>                               | 14.6%                                                             | 17.3%                                    | 9.3%                                     | 11.5%                                    | 15.9%                                                            |
| <b>Technology spending</b>                            | 6.7%                                                              | 9.2%                                     | 8.3%                                     | 6.8%                                     | 8.6%                                                             |
| <b>R&amp;D spending</b>                               | 6.1%                                                              | 5.6%                                     | 7.6%                                     | 8.3%                                     | 6.5%                                                             |
| <b>Advertising and marketing spending</b>             | 8.8%                                                              | 13.5%                                    | 6.9%                                     | 5.6%                                     | 9.5%                                                             |
| <b>Employment – full-time</b>                         | 9.3%                                                              | 4.6%                                     | 2.8%                                     | 6.7%                                     | 6.8%                                                             |
| <b>Employment – temporary</b>                         | 4.2%                                                              | 5.2%                                     | 4.1%                                     | 5.2%                                     | 3.5%                                                             |
| <b>Outsourced Employment</b>                          | 3.0%                                                              | 6.1%                                     | 2.3%                                     | 5.6%                                     | 7.6%                                                             |
| <b>Wages and Salaries</b>                             | 8.0%                                                              | 6.6%                                     | 6.9%                                     | 5.9%                                     | 7.7%                                                             |
| <b>Productivity</b>                                   | 6.8%                                                              | 3.6%                                     | 7.7%                                     | 4.0%                                     | 7.0%                                                             |
| <b>Inflation (Chg in prices of own-firm products)</b> | 3.8%                                                              | 5.6%                                     | 5.0%                                     | 2.4%                                     | 4.5%                                                             |
| <b>Health Care Costs</b>                              | 3.8%                                                              | 2.3%                                     | 5.8%                                     | 4.6%                                     | 5.2%                                                             |
| <b>Dividends*</b>                                     | 4.5%                                                              | 4.3%                                     | 4.9%                                     | 5.4%                                     | 9.5%                                                             |
| <b>Share Repurchases*</b>                             | 0.0%                                                              | 0.2%                                     | 0.2%                                     | 0.0%                                     | 0.9%                                                             |
| <b>Cash on balance sheet*</b>                         | -2.1%                                                             | 3.9%                                     | 15.5%                                    | 4.4%                                     | 9.5%                                                             |
| <b>Mergers and Acquisitions</b>                       | 34.4% plan to acquire.<br>15.1% plan to sell part or all of firm. | Not asked.                               | Not asked.                               | Not asked.                               | 28.9% plan to acquire.<br>9.9% plan to sell part or all of firm. |

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

## ASIA BUSINESS OPTIMISM

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|                                             | Mar 2011                                            | Dec 2010                                            | Sep 2010                                            | Jun 2010                                            | Feb 2010                                            |
|---------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
|                                             | 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: 65.2%<br>Less opt: 19.7%<br>No chg: 15.2% | More opt: 72.7%<br>Less opt: 10.2%<br>No chg: 17.2% | More opt: 74.4%<br>Less opt: 14.0%<br>No chg: 11.6% | More opt: 70.2%<br>Less opt: 19.3%<br>No chg: 10.6% | More opt: 77.3%<br>Less opt: 9.9%<br>No chg: 12.7%  |
| <b>Country optimism level</b>               | 71.5                                                | 73.1                                                | 68.3                                                | 67.5                                                | 68.8                                                |
| <b>Optimism about own company</b>           | More opt: 66.4%<br>Less opt: 16.0%<br>No chg: 17.6% | More opt: 70.3%<br>Less opt: 11.7%<br>No chg: 18.0% | More opt: 66.4%<br>Less opt: 12.5%<br>No chg: 21.1% | More opt: 66.8%<br>Less opt: 18.2%<br>No chg: 15.0% | More opt: 75.2%<br>Less opt: 12.7%<br>No chg: 12.1% |
| <b>Own company optimism level</b>           | 77.0                                                | 72.2                                                | 69.3                                                | 68.4                                                | 70.0                                                |

### Top Concerns for Asian Businesses

#### MACRO CONCERNS

- Consumer Demand
- Price Pressure
- Domestic Competition
- Cost of Fuel

#### INTERNAL TO OWN FIRM

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