

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

Results for 46 Brazilian firms (own-firm changes expected during the next 12 months)

	Jun 2013	Mar 2013	Dec 2012	Sept 2012
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
Earnings growth*	19.7%	24.7%	11.9%	5.2%
Capital spending	1.9%	3.4%	7.2%	6.2%
Technology spending	3.6%	7.9%	7.9%	9.0%
R&D spending	9.8%	5.0%	6.5%	8.4%
Advertising and marketing spending	21.2%	5.8%	3.2%	9.7%
Employment – full-time	2.7%	3.9%	3.3%	4.2%
Employment – temporary	2.1%	1.8%	-0.3%	-0.3%
Outsourced Employment	1.7%	3.0%	-0.9%	-2.0%
Wages and Salaries	8.0%	5.9%	7.1%	7.6%
Productivity	5.0%	4.7%	3.0%	5.7%
Inflation (Chg in prices of own-firm products)	6.4%	5.2%	7.7%	5.4%
Health Care Costs	8.4%	8.0%	9.2%	8.8%
Dividends*	3.0%	20.3%	10.9%	8.4%
Share Repurchases*	0%	0.0%	0.0%	0.0%
Cash on balance sheet*	-12.0%	14.7%	8.1%	27.1%
Mergers and Acquisitions	Not asked.	37.7% plan to acquire; Foreign targets in 17.4% of acq. 2.1% plan to sell part or all of firm.	Not asked	Not asked
Revenue	14.9%	9.2%	13.6%	14.3%

\* indicates public firms only. All other numbers are for all survey respondents (including private). The reported averages are weighted by revenue or number of employees, so that large firms are weighted more heavily.

**Brazilian BUSINESS OPTIMISM****Duke's Fuqua School of Business / CFO Magazine Business Outlook**

	<b>Jun 2013</b>	<b>Mar 2013</b>	<b>Dec 2012</b>	<b>Sept 2012</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 opt: 19.6% Less opt: 45.7% No chg: 34.8%	More opt: 48.5% Less opt: 22.1% No chg: 29.4%	More opt: 44.9% Less opt: 22.4% No chg: 32.7%	More opt: 49.2% Less opt: 23.1% No chg: 27.7%
<b>Country optimism level</b>	61.4	63.5	60.1	62.6
<b>Optimism about own company</b>	More opt: 50.0% Less opt: 28.3% No chg: 21.7%	More opt: 55.9% Less opt: 22.1% No chg: 22.1%	More opt: 59.2% Less opt: 18.4% No chg: 22.4%	More opt: 58.5% Less opt: 12.3% No chg: 29.2%
<b>Own company optimism level</b>	68.1	64.6	67.9	67.1

Top Concerns for Brazilian Businesses**MACRO CONCERNS**

- Consumer Demand
- Inflation
- Corporate tax code
- Government Policies

**INTERNAL TO OWN FIRM**

- Ability to Maintain Margins
- Attracting and retaining qualified employees
- Maintaining morale/productivity
- Working capital management