

Results for 63 Brazilian firms (own-firm changes expected during the next 12 months)

	Mar 2014	Dec 2013	Sept 2013	Jun 2013	Mar 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*	16.5%	10.5%	14.4%	19.7%	24.7%
Capital spending	2.5%	3.5	7.3%	1.9%	3.4%
Technology spending	4.4%	4.0%	7.4%	3.6%	7.9%
R&D spending	2.2%	1.2%	4.1%	9.8%	5.0%
Advertising and marketing spending	2.2%	3.3%	2.1%	21.2%	5.8%
Employment – full-time	2.2%	2.6%	5.1%	2.7%	3.9%
Employment – temporary	-0.4%	0.7%	5.3%	2.1%	1.8%
Outsourced Employment	0.4%	1.0%	1.0%	1.7%	3.0%
Wages and Salaries	7%	7.9%	8.1%	8.0%	5.9%
Productivity	4.7%	0.6%	4.0%	5.0%	4.7%
Inflation (Chg in prices of own-firm products)	4.7%	2.4%	3.0%	6.4%	5.2%
Health Care Costs	8.2%	6.6%	10.1%	8.4%	8.0%
Dividends*	-5.3%	7.4%	11.2%	3.0%	20.3%
Share Repurchases*	0%	0%	0%	0%	0.0%
Cash on balance sheet*	-0.7%	-3.8%	-0.1%	-12.0%	14.7%
Mergers and Acquisitions	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.	Not asked.	37.7% plan to acquire; Foreign targets in 17.4% of acq. 2.1% plan to sell part or all of firm.
Revenue	8.9%	8.4%	7.8%	14.9%	9.2%

* 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

	Mar 2014	Dec 2013	Sept 2013	Jun 2013	Mar 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: 9.5% Less opt: 68.3% No chg: 22.2%	More opt: 11.8% Less opt: 45.1% No chg: 43.1%	More opt: 7.8% Less opt: 71.1% No chg: 21.1%	More opt: 19.6% Less opt: 45.7% No chg: 34.8%	More opt: 48.5% Less opt: 22.1% No chg: 29.4%
Country optimism level	52.6	53.3	54.7	61.4	63.5
Optimism about own company	More opt: 31.7% Less opt: 30.2% No chg: 38.1%	More opt: 49.0% Less opt: 21.6% No chg: 29.4%	More opt: 42.2% Less opt: 33.3% No chg: 24.4%	More opt: 50.0% Less opt: 28.3% No chg: 21.7%	More opt: 55.9% Less opt: 22.1% No chg: 22.1%
Own company optimism level	63.3	66.2	67.5	68.1	64.6

Top Concerns for Brazilian Businesses

MACRO CONCERNS

- Federal government policies
- Corporate tax rates
- Currency risk
- Credit markets/interest rates

INTERNAL TO OWN FIRM

- Ability to Maintain Margins
- Attracting and retaining qualified employees
- Maintaining morale/productivity
- Ability to forecast results