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

## Results for 35 Brazilian firms (own-firm changes expected during the next 12 months)

Weighted Averages for growth in next 12 months         Expected growth in next 12 months         growth in next 12 months         Expected growth in next 12 months         growth in next 12 months         Expected growth in next 12 months         Growth in next		Dec 2015	Jun 2015	Jun 2015	Mar 2015	Dec 2014
Capital spending	Weighted Averages for	growth in next	growth in next	growth in next	growth in next	growth in next
Technology spending	Earnings growth*	1.0%	2.5%	-2.8%	-13.1%	0.4%
R&D spending         -2.8%         5.9%         -7.2%         -1.8%         3.5%           Advertising and marketing spending         -10.8% Median=0%         -4.9%         -7.4%         -1.0%         -0.1%           Employment – full-time         -8.2% Median=-5%         -1.0%         -6.6%         -0.8%         0.4%           Employment – temporary         -7.9%         -2.0%         -4.2%         -1.5%         0.5%           Outsourced Employment         1.7%         -3.6%         -9.6%         -1.9%         -0.4%           Wages and Salaries         3.5%         7.3%         5.6%         7.5%         8.1%           Productivity         7.1%         1.6%         3.4%         3.0%         1.7%           Inflation (Chg in prices of own-firm products)         4.7%         9.6%         10.6%         3.3%         4.2%           Health Care Costs         4.1%         11.7%         10.4%         12.0%         10.0%           Dividends*         4.1%         -5.1%         -23.6%         -29.4%         6.1%           Share Repurchases*         0%         0%         0%         0%         0%           Cash on balance sheet*         1.9%         -5.9%         -22.3%         -11.1% <td< th=""><th>Capital spending</th><th></th><th>-1.9%</th><th>-8.3%</th><th>0.8%</th><th>-4.4%</th></td<>	Capital spending		-1.9%	-8.3%	0.8%	-4.4%
Advertising and marketing spending	Technology spending	2.1%	5.1%	-5.8%	-0.1%	3.3%
marketing spending         Median=0%         -4.9%         -7.4%         -1.0%         -0.1%           Employment – full-time         -8.2% Median=-5%         -1.0%         -6.6%         -0.8%         0.4%           Employment – temporary         -7.9%         -2.0%         -4.2%         -1.5%         0.5%           Outsourced Employment         1.7%         -3.6%         -9.6%         -1.9%         -0.4%           Wages and Salaries         3.5%         7.3%         5.6%         7.5%         8.1%           Productivity         7.1%         1.6%         3.4%         3.0%         1.7%           Inflation (Chg in prices of own-firm products)         4.7%         9.6%         10.6%         3.3%         4.2%           Health Care Costs         4.1%         11.7%         10.4%         12.0%         10.0%           Dividends*         4.1%         -5.1%         -23.6%         -29.4%         6.1%           Share Repurchases*         0%         0%         0%         0%         0%           Cash on balance sheet*         1.9%         -5.9%         -22.3%         -11.1%         -4.1%           Mergers and Acquisitions         Not asked.         Not asked.         Not asked.         Not asked.	R&D spending	-2.8%	5.9%	-7.2%	-1.8%	3.5%
Employment – full-time         Median=-5%         -1.0%         -6.6%         -0.8%         0.4%           Employment – temporary         -7.9%         -2.0%         -4.2%         -1.5%         0.5%           Outsourced Employment         1.7%         -3.6%         -9.6%         -1.9%         -0.4%           Wages and Salaries         3.5%         7.3%         5.6%         7.5%         8.1%           Productivity         7.1%         1.6%         3.4%         3.0%         1.7%           Inflation (Cbg in prices of own-firm products)         4.7%         9.6%         10.6%         3.3%         4.2%           Health Care Costs         4.1%         11.7%         10.4%         12.0%         10.0%           Dividends*         4.1%         -5.1%         -23.6%         -29.4%         6.1%           Share Repurchases*         0%         0%         0%         0%         0%           Cash on balance sheet*         1.9%         -5.9%         -22.3%         -11.1%         -4.1%           Mergers and Acquisitions         Not asked.         25.9% plan to acquire; mainly for industry position improvement and consolidation.         Not asked.         Not asked.         Not asked.         Not asked.         Not asked.         Not asked. </th <th></th> <td></td> <td>-4.9%</td> <td>-7.4%</td> <td>-1.0%</td> <td>-0.1%</td>			-4.9%	-7.4%	-1.0%	-0.1%
temporary         -7.3%         -2.0%         -4.2%         -1.3%         0.3%           Outsourced Employment         1.7%         -3.6%         -9.6%         -1.9%         -0.4%           Wages and Salaries         3.5%         7.3%         5.6%         7.5%         8.1%           Productivity         7.1%         1.6%         3.4%         3.0%         1.7%           Inflation (Chg in prices of own-firm products)         4.7%         9.6%         10.6%         3.3%         4.2%           Health Care Costs         4.1%         11.7%         10.4%         12.0%         10.0%           Dividends*         4.1%         -5.1%         -23.6%         -29.4%         6.1%           Share Repurchases*         0%         0%         0%         0%         0%           Cash on balance sheet*         1.9%         -5.9%         -22.3%         -11.1%         -4.1%           Mergers and Acquisitions         Not asked.         Not asked.         9.8% plan to acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part or all of firm.         Not asked.         Not asked.	Employment – full-time		-1.0%	-6.6%	-0.8%	0.4%
Employment         1.7%         -3.6%         -9.6%         -1.9%         -0.4%           Wages and Salaries         3.5%         7.3%         5.6%         7.5%         8.1%           Productivity         7.1%         1.6%         3.4%         3.0%         1.7%           Inflation (Chg in prices of own-firm products)         4.7%         9.6%         10.6%         3.3%         4.2%           Health Care Costs         4.1%         11.7%         10.4%         12.0%         10.0%           Dividends*         4.1%         -5.1%         -23.6%         -29.4%         6.1%           Share Repurchases*         0%         0%         0%         0%         0%           Cash on balance sheet*         1.9%         -5.9%         -22.3%         -11.1%         -4.1%           Mergers and Acquisitions         Not asked.         25.9% plan to acquire; mainly for industry position improvement and consolidation.         Not asked.         9.8% plan to acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part or all of firm.         Not asked.         Not asked.         Not asked.		-7.9%	-2.0%	-4.2%	-1.5%	0.5%
Productivity         7.1%         1.6%         3.4%         3.0%         1.7%           Inflation (Chg in prices of own-firm products)         4.7%         9.6%         10.6%         3.3%         4.2%           Health Care Costs         4.1%         11.7%         10.4%         12.0%         10.0%           Dividends*         4.1%         -5.1%         -23.6%         -29.4%         6.1%           Share Repurchases*         0%         0%         0%         0%         0%           Cash on balance sheet*         1.9%         -5.9%         -22.3%         -11.1%         -4.1%           Mergers and Acquisitions         Not asked.         Not asked.         9.8% plan to acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part or all of firm.         Not asked		1.7%	-3.6%	-9.6%	-1.9%	-0.4%
Inflation (Chg in prices of own-firm products)         4.7%         9.6%         10.6%         3.3%         4.2%           Health Care Costs         4.1%         11.7%         10.4%         12.0%         10.0%           Dividends*         4.1%         -5.1%         -23.6%         -29.4%         6.1%           Share Repurchases*         0%         0%         0%         0%         0%           Cash on balance sheet*         1.9%         -5.9%         -22.3%         -11.1%         -4.1%           Mergers and Acquisitions         Not asked.         25.9% plan to acquire; mainly for industry position improvement and consolidation.         Not asked.         9.8% plan to acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part or all of firm.         Not asked         Not asked	Wages and Salaries	3.5%	7.3%	5.6%	7.5%	8.1%
Of own-firm products)         4.7%         9.6%         10.6%         3.3%         4.2%           Health Care Costs         4.1%         11.7%         10.4%         12.0%         10.0%           Dividends*         4.1%         -5.1%         -23.6%         -29.4%         6.1%           Share Repurchases*         0%         0%         0%         0%         0%           Cash on balance sheet*         1.9%         -5.9%         -22.3%         -11.1%         -4.1%           Mergers and Acquisitions         Not asked.         9.8% plan to acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part or all of firm.         Not asked.         Not asked.         Not asked.	Productivity	7.1%	1.6%	3.4%	3.0%	1.7%
Dividends* 4.1% -5.1% -23.6% -29.4% 6.1%  Share Repurchases* 0% 0% 0% 0% 0%  Cash on balance sheet* 1.9% -5.9% -22.3% -11.1% -4.1%  Mergers and Acquisitions  Not asked. Position improvement and consolidation.  Not asked. Not asked. Position improvement and consolidation.		4.7%	9.6%	10.6%	3.3%	4.2%
Share Repurchases*0%0%0%0%Cash on balance sheet*1.9%-5.9%-22.3%-11.1%-4.1%Mergers and AcquisitionsNot asked.25.9% plan to acquire; mainly for industry position improvement and consolidation.Not asked.9.8% plan to acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part or all of firm.	Health Care Costs	4.1%	11.7%	10.4%	12.0%	10.0%
Cash on balance sheet*  1.9%  -5.9%  -22.3%  -11.1%  -4.1%  25.9% plan to acquire; mainly for industry position improvement and consolidation.  Not asked.  Not asked.  Not asked.  Not asked.  Not asked.  Position improvement and consolidation.	Dividends*	4.1%	-5.1%	-23.6%	-29.4%	6.1%
Mergers and Acquisitions  Not asked.  Page 9.8% plan to acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part or all of firm.	Share Repurchases*	0%	0%	0%	0%	0%
Mergers and Acquisitions  Not asked.  of acq. 11.4% plan to sell part or all of firm.	Cash on balance sheet*	1.9%	-5.9%	-22.3%	-11.1%	-4.1%
<b>Revenue</b> -1.3% 10.9% -0.8% 2.3% 6.8%		Not asked.	acquire; mainly for industry position improvement and	Not asked.	acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part	Not asked
	Revenue	-1.3%	10.9%	-0.8%	2.3%	6.8%

<sup>\*</sup> 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

	Dec 2015	Sept 2015	Jun 2015	Mar 2015	Dec 2014
	Compared to last qtr.				
Optimism about the country's economy	More opt: 14.3% Less opt: 60.0% No chg:25.7%	More opt: 5.5% Less opt: 76.4% No chg: 18.2%	More opt: 15.6% Less opt: 62.5% No chg: 21.9%	More opt: 0% Less opt: 95.7% No chg:4.3%	More opt: 16.3% Less opt: 58.1% No chg:25.6%
Country optimism level	41.7	36.9	35.7	40.6	50.3
Optimism about own company	More opt: 34.3% Less opt: 42.9% No chg: 22.9%	More opt: 30.9% Less opt: 49.1% No chg: 20.0%	More opt: 21.9% Less opt: 53.1% No chg: 25.0%	More opt: 13.0% Less opt: 54.3% No chg: 32.6%	More opt: 32.6% Less opt: 30.2% No chg: 37.2%
Own company optimism level	53.6	52.5	46.2	56.6	67.7

## Top Concerns for Brazilian Businesses

- Economic Uncertainty
- Government policy
- Inflation
- Currency risk
- Weak demand for your product/services
- Cost of borrowing
- Access to capital
- Rising input or commodity costs
- Rising wages and salaries
- Corporate tax code [domestic]