

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

Results for 30 Brazilian firms (own-firm changes expected during the next 12 months)

	Mar 2015	Dec 2015	Jun 2015	Jun 2015	Mar 2015
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*	-16.4% Median=-10%	1.0%	2.5%	-2.8%	-13.1%
Capital spending	3.4%	-5.5% Median=0%	-1.9%	-8.3%	0.8%
Technology spending	1.6%	2.1%	5.1%	-5.8%	-0.1%
R&D spending	5.7%	-2.8%	5.9%	-7.2%	-1.8%
Advertising and marketing spending	-4.5%	-10.8% Median=0%	-4.9%	-7.4%	-1.0%
Employment – full-time	-7.3% Median=0%	-8.2% Median=-5%	-1.0%	-6.6%	-0.8%
Employment – temporary	-2.9%	-7.9%	-2.0%	-4.2%	-1.5%
Outsourced Employment	-0.4%	1.7%	-3.6%	-9.6%	-1.9%
Wages and Salaries	7.6%	3.5%	7.3%	5.6%	7.5%
Productivity	1.8%	7.1%	1.6%	3.4%	3.0%
Inflation (Chg in prices of own-firm products)	4.6%	4.7%	9.6%	10.6%	3.3%
Health Care Costs	7.0%	4.1%	11.7%	10.4%	12.0%
Dividends*	6.6%	4.1%	-5.1%	-23.6%	-29.4%
Share Repurchases*	0%	0%	0%	0%	0%
Cash on balance sheet*	-8.7%	1.9%	-5.9%	-22.3%	-11.1%
Mergers and Acquisitions	Not asked.	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.
Revenue	4.8%	-1.3%	10.9%	-0.8%	2.3%

* 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**

	Mar 2016	Dec 2015	Sept 2015	Jun 2015	Mar 2015
	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: 0% Less opt: 66.7% No chg:33.3%	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%
Country optimism level	36.3	41.7	36.9	35.7	40.6
Optimism about own company	More opt: 23.3% Less opt: 43.3% No chg: 33.3%	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%
Own company optimism level	54.5	53.6	52.5	46.2	56.6

Top Concerns for Brazilian Businesses

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