

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

Results for 142 Latin American firms (own-firm changes expected during the next 12 months)

	Dec 2012	Sept 2012	June 2012
Weighted Averages for	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
Earnings growth*	10.5%	5.4%	15.5%
Capital spending	12.2%	3.5%	20.9%
Technology spending	6.6%	5.6%	16.8%
R&D spending	5.6%	6.7%	5.8%
Advertising and marketing spending	5.2%	8.6%	5.2%
Employment – full-time	3.1%	2.9%	7.4%
Employment – temporary	1.1%	-0.9%	0.4%
Outsourced Employment	-0.4%	0.1%	0.9%
Wages and Salaries	6.7%	7.4%	8.5%
Productivity	4.0%	5.8%	2.3%
Inflation (Chg in prices of own-firm products)	6.7%	4.4%	7.3%
Health Care Costs	6.4%	7.2%	5.9%
Dividends*	10.8%	5.6%	25.5%
Share Repurchases*	0.0%	1.8%	0.0%
Cash on balance sheet*	11.5%	25.6%	38.8%
Mergers and Acquisitions	Not Asked	Not Asked	41.4% plan to acquire. 16.0% plan to sell part or all of firm.
Revenue	13.2%	10.5%	20.3%

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

Latin America BUSINESS OPTIMISM

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	Dec 2012	Sept 2012	June 2012
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More opt: 51.4% Less opt: 23.2% No chg: 25.4%	More opt: 37.8% Less opt: 35.4% No chg: 26.8%	More opt: 27.0% Less opt: 43.2% No chg: 29.7%
Country optimism level	66.1	59.7	56.4
Optimism about own company	More opt: 57.0% Less opt: 20.4% No chg: 22.5%	More opt: 54.3% Less opt: 18.3% No chg: 27.4%	More opt: 45.9% Less opt: 29.7% No chg: 24.3%
Own company optimism level	71.1	69.5	69.3

Top Concerns for Latin American Businesses

MACRO CONCERNS

- Consumer Demand
- Global financial instability
- National government agenda/policies
- Price pressure

INTERNAL TO OWN FIRM

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