

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

Results for 68 Brazilian firms (own-firm changes expected during the next 12 months)

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

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

Brazilian BUSINESS OPTIMISM

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	Mar 2013	Dec 2012	Sept 2012
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	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%
Country optimism level	63.5	60.1	62.6
Optimism about own company	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%
Own company optimism level	64.6	67.9	67.1

Top Concerns for Brazilian Businesses

MACRO CONCERNS

- Corporate tax code
- Consumer Demand
- Government Policies
- Currency risk

INTERNAL TO OWN FIRM

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