

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

Results for 204 Latin American firms (own-firm changes expected during the next 12 months)

	Mar 2013	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	Expected growth in next 12 months
Earnings growth*	18.0%	10.5%	5.4%	15.5%
Capital spending	7.4%	12.2%	3.5%	20.9%
Technology spending	8.5%	6.6%	5.6%	16.8%
R&D spending	4.1%	5.6%	6.7%	5.8%
Advertising and marketing spending	6.2%	5.2%	8.6%	5.2%
Employment – full-time	5.9%	3.1%	2.9%	7.4%
Employment – temporary	1.7%	1.1%	-0.9%	0.4%
Outsourced Employment	2.5%	-0.4%	0.1%	0.9%
Wages and Salaries	5.3%	6.7%	7.4%	8.5%
Productivity	6.0%	4.0%	5.8%	2.3%
Inflation (Chg in prices of own-firm products)	4.4%	6.7%	4.4%	7.3%
Health Care Costs	5.9%	6.4%	7.2%	5.9%
Dividends*	21.4%	10.8%	5.6%	25.5%
Share Repurchases*	0.8%	0.0%	1.8%	0.0%
Cash on balance sheet*	0.2%	11.5%	25.6%	38.8%
Mergers and Acquisitions	31.3% plan to acquire; Foreign targets in 28.6% of acq.	Not Asked	Not Asked	41.4% plan to acquire. 16.0% plan to sell part or all of firm.
Revenue	11.2%	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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	Mar 2013	Dec 2012	Sept 2012	June 2012
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More opt: 52.5% Less opt: 18.3% No chg: 29.2%	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	69.0	66.1	59.7	56.4
Optimism about own company	More opt: 56.9% Less opt: 19.3% No chg: 23.8%	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	69.4	71.1	69.5	69.3

Top Concerns for Latin American Businesses

MACRO CONCERNS

- Consumer Demand
- Price pressure
- National government agenda/policies
- Corporate tax code

INTERNAL TO OWN FIRM

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