

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

Results for 280 Latin American firms (own-firm changes expected during the next 12 months)

	Jun 2013	Mar 2013	Dec 2012	Sept 2012	Jun 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	Expected growth in next 12 months
Earnings growth*	11.5%	18.0%	10.5%	5.4%	15.5%
Capital spending	4.3%	7.4%	12.2%	3.5%	20.9%
Technology spending	8.3%	8.5%	6.6%	5.6%	16.8%
R&D spending	6.9%	4.1%	5.6%	6.7%	5.8%
Advertising and marketing spending	9.6%	6.2%	5.2%	8.6%	5.2%
Employment – full-time	4.8%	5.9%	3.1%	2.9%	7.4%
Employment – temporary	2.7%	1.7%	1.1%	-0.9%	0.4%
Outsourced Employment	3.1%	2.5%	-0.4%	0.1%	0.9%
Wages and Salaries	6.5%	5.3%	6.7%	7.4%	8.5%
Productivity	4.8%	6.0%	4.0%	5.8%	2.3%
Inflation (Chg in prices of own-firm products)	2.5%	4.4%	6.7%	4.4%	7.3%
Health Care Costs	6.3%	5.9%	6.4%	7.2%	5.9%
Dividends*	5.4%	21.4%	10.8%	5.6%	25.5%
Share Repurchases*	0.0%	0.8%	0.0%	1.8%	0.0%
Cash on balance sheet*	-3.3%	0.2%	11.5%	25.6%	38.8%
Revenue	11.2%	11.2%	13.2%	10.5%	20.3%
Mergers and Acquisitions	Not asked.	31.3% plan to acquire; Foreign targets in 28.6% of acq. 14.6% plan to sell part or all of firm.	Not asked.	Not asked.	41.4% plan to acquire. 16.0% plan to sell part or all of firm.

* 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.

Latin America BUSINESS OPTIMISM

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	Jun 2013	Mar 2013	Dec 2012	Sept 2012	Jun 2012
	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: 24.3% Less opt: 46.4% No chg: 29.3%	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	66.1	69.0	66.1	59.7	56.4
Optimism about own company	More opt: 42.9% Less opt: 25.7% No chg: 31.4%	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	71.6	69.4	71.1	69.5	69.3

Top Concerns for Latin American Businesses

MACRO CONCERNS

- Consumer Demand
- Federal government policies
- Price pressure
- Global financial instability

INTERNAL TO OWN FIRM

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