

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

Results for 90 Brazilian firms (own-firm changes expected during the next 12 months)

	Sept 2013	Jun 2013	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	Expected growth in next 12 months	Expected growth in next 12 months
Earnings growth*	14.4%	19.7%	24.7%	11.9%	5.2%
Capital spending	7.3%	1.9%	3.4%	7.2%	6.2%
Technology spending	7.4%	3.6%	7.9%	7.9%	9.0%
R&D spending	4.1%	9.8%	5.0%	6.5%	8.4%
Advertising and marketing spending	2.1%	21.2%	5.8%	3.2%	9.7%
Employment – full-time	5.1%	2.7%	3.9%	3.3%	4.2%
Employment – temporary	5.3%	2.1%	1.8%	-0.3%	-0.3%
Outsourced Employment	1.0%	1.7%	3.0%	-0.9%	-2.0%
Wages and Salaries	8.1%	8.0%	5.9%	7.1%	7.6%
Productivity	4.0%	5.0%	4.7%	3.0%	5.7%
Inflation (Chg in prices of own-firm products)	3.0%	6.4%	5.2%	7.7%	5.4%
Health Care Costs	10.1%	8.4%	8.0%	9.2%	8.8%
Dividends*	11.2%	3.0%	20.3%	10.9%	8.4%
Share Repurchases*	0%	0%	0.0%	0.0%	0.0%
Cash on balance sheet*	-0.1%	-12.0%	14.7%	8.1%	27.1%
Mergers and Acquisitions	Not asked.	Not asked.	37.7% plan to acquire; Foreign targets in 17.4% of acq. 2.1% plan to sell part or all of firm.	Not asked	Not asked
Revenue	7.8%	14.9%	9.2%	13.6%	14.3%

* 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**

	Sept 2013	Jun 2013	Mar 2013	Dec 2012	Sept 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: 7.8% Less opt: 71.1% No chg: 21.1%	More opt: 19.6% Less opt: 45.7% No chg: 34.8%	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	54.7	61.4	63.5	60.1	62.6
Optimism about own company	More opt: 42.2% Less opt: 33.3% No chg: 24.4%	More opt: 50.0% Less opt: 28.3% No chg: 21.7%	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	67.5	68.1	64.6	67.9	67.1

Top Concerns for Brazilian Businesses**MACRO CONCERNS**

- Currency risk
- Corporate tax rates
- Federal Government Policies
- Price pressure from competitors

INTERNAL TO OWN FIRM

- Ability to Maintain Margins
- Attracting and retaining qualified employees
- Working capital management
- Maintaining morale/productivity