

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

Results for 58 Brazilian firms (own-firm changes expected during the next 12 months)

	Sept 2014	Jun 2014	Mar 2014	Dec 2013	Sept 2013
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*	-5.9%	1.2%	16.5%	10.5%	14.4%
Capital spending	1.4%	-1.6%	2.5%	3.5	7.3%
Technology spending	3.4%	7.7%	4.4%	4.0%	7.4%
R&D spending	3.9%	5.5%	2.2%	1.2%	4.1%
Advertising and marketing spending	6.1%	2.1%	2.2%	3.3%	2.1%
Employment – full-time	4.8%	2.5%	2.2%	2.6%	5.1%
Employment – temporary	-1.3%	-1.9%	-0.4%	0.7%	5.3%
Outsourced Employment	1.3%	0.9%	0.4%	1.0%	1.0%
Wages and Salaries	6.8%	7.3%	7%	7.9%	8.1%
Productivity	1.6%	3.1%	4.7%	0.6%	4.0%
Inflation (Chg in prices of own-firm products)	3.3%	4.7%	4.7%	2.4%	3.0%
Health Care Costs	9.2%	10.6%	8.2%	6.6%	10.1%
Dividends*	-5.8%	8.8%	-5.3%	7.4%	11.2%
Share Repurchases*	0%	0%	0%	0%	0%
Cash on balance sheet*	-11.3%	3.1%	-0.7%	-3.8%	-0.1%
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	6.5%	8.5%	8.9%	8.4%	7.8%

\* 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

	<b>Sept 2014</b>	<b>Jun 2014</b>	<b>Mar 2014</b>	<b>Dec 2013</b>	<b>Sept 2013</b>
	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>
<b>Optimism about the country's economy</b>	More opt: 8.8% Less opt: 64.9% No chg: 26.3%	More opt: 4.2% Less opt: 62.5% No chg: 33.3%	More opt: 9.5% Less opt: 68.3% No chg: 22.2%	More opt: 11.8% Less opt: 45.1% No chg: 43.1%	More opt: 7.8% Less opt: 71.1% No chg: 21.1%
<b>Country optimism level</b>	46.9	49.5	52.6	53.3	54.7
<b>Optimism about own company</b>	More opt: 27.6% Less opt: 41.4% No chg: 31.0%	More opt: 27.1% Less opt: 33.3% No chg: 39.6%	More opt: 31.7% Less opt: 30.2% No chg: 38.1%	More opt: 49.0% Less opt: 21.6% No chg: 29.4%	More opt: 42.2% Less opt: 33.3% No chg: 24.4%
<b>Own company optimism level</b>	60.9	59.7	63.3	66.2	67.5

Top Concerns for Brazilian Businesses

- Economic Uncertainty
- Inflation
- Government policy
- Regulatory requirements
- Rising input or commodity costs
- Weak demand for your product/services
- Rising wages and salaries
- Cost of borrowing
- Cost of benefits
- Corporate tax code (domestic)