

Results for 35 Brazilian firms (own-firm changes expected during the next 12 months)

	Dec 2015	Jun 2015	Jun 2015	Mar 2015	Dec 2014
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*	1.0%	2.5%	-2.8%	-13.1%	0.4%
Capital spending	-5.5% Median=0%	-1.9%	-8.3%	0.8%	-4.4%
Technology spending	2.1%	5.1%	-5.8%	-0.1%	3.3%
R&D spending	-2.8%	5.9%	-7.2%	-1.8%	3.5%
Advertising and marketing spending	-10.8% Median=0%	-4.9%	-7.4%	-1.0%	-0.1%
Employment – full-time	-8.2% Median=-5%	-1.0%	-6.6%	-0.8%	0.4%
Employment – temporary	-7.9%	-2.0%	-4.2%	-1.5%	0.5%
Outsourced Employment	1.7%	-3.6%	-9.6%	-1.9%	-0.4%
Wages and Salaries	3.5%	7.3%	5.6%	7.5%	8.1%
Productivity	7.1%	1.6%	3.4%	3.0%	1.7%
Inflation (Chg in prices of own-firm products)	4.7%	9.6%	10.6%	3.3%	4.2%
Health Care Costs	4.1%	11.7%	10.4%	12.0%	10.0%
Dividends*	4.1%	-5.1%	-23.6%	-29.4%	6.1%
Share Repurchases*	0%	0%	0%	0%	0%
Cash on balance sheet*	1.9%	-5.9%	-22.3%	-11.1%	-4.1%
Mergers and Acquisitions	Not asked.	25.9% plan to acquire; mainly for industry position improvement and consolidation.	Not asked.	9.8% plan to acquire; Foreign targets in 12.5% of acq. 11.4% plan to sell part or all of firm.	Not asked
Revenue	-1.3%	10.9%	-0.8%	2.3%	6.8%

\* 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>Dec 2015</b>	<b>Sept 2015</b>	<b>Jun 2015</b>	<b>Mar 2015</b>	<b>Dec 2014</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: 14.3% Less opt: 60.0% No chg:25.7%	More opt: 5.5% Less opt: 76.4% No chg: 18.2%	More opt: 15.6% Less opt: 62.5% No chg: 21.9%	More opt: 0% Less opt: 95.7% No chg:4.3%	More opt: 16.3% Less opt: 58.1% No chg:25.6%
<b>Country optimism level</b>	41.7	36.9	35.7	40.6	50.3
<b>Optimism about own company</b>	More opt: 34.3% Less opt: 42.9% No chg: 22.9%	More opt: 30.9% Less opt: 49.1% No chg: 20.0%	More opt: 21.9% Less opt: 53.1% No chg: 25.0%	More opt: 13.0% Less opt: 54.3% No chg: 32.6%	More opt: 32.6% Less opt: 30.2% No chg: 37.2%
<b>Own company optimism level</b>	53.6	52.5	46.2	56.6	67.7

Top Concerns for Brazilian Businesses

- Economic Uncertainty
- Government policy
- Inflation
- Currency risk
- Weak demand for your product/services
- Cost of borrowing
- Access to capital
- Rising input or commodity costs
- Rising wages and salaries
- Corporate tax code [domestic]