

Results for 81 Brazilian firms (own-firm changes expected during the next 12 months)

| | Dec 2017 | Sept 2017 | Jun 2017 | Mar 2017 | Dec 2016 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 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* | 24.9% Median = 23.7% | 14.9% Median = 5.0% | -16.9% | 13.8% | -8.2% |
| Capital spending | 7.2% | 4.8% | 0.4% | -14.8% Median = -12.6% | 7.9% |
| Advertising and marketing spending | 4.2% | 3.6% | -0.2% | 5.2% | 18.1% |
| Technology spending | 3.7% | 3.1% | 2.8% | 4.9% | 8.7% |
| R&D spending | 5.4% | 4.0% | -5.7% | 5.7% | 5.2% |
| Employment – full-time | 0.4% | 5.1% | -8.3% Median = -5.1% | -0.8% | -1.9% |
| Wages and Salaries | 3.4% | 4.1 | 3.5% | 5.7% | 8.0% |
| Inflation (Chg in prices of own-firm products) | 3.1% | 0.3% | 1.9% | 2.8% | 5.5% |
| Health Care Costs | 6.2% | 7.7% | 7.3% | 6.2% | 15.3% |
| Revenue | 8.4% | 14.8% Median = 10.0% | -0.4% | 12.4% | 13.4% |

* 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

| | Dec 2017 | Sept 2017 | Jun 2017 | Mar 2017 | Dec 2016 |
|--------------------------------------|---|---|---|--|--|
| | 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: 70.4% Less opt: 14.8% No chg:14.8% | More opt: 57.4% Less opt: 6.4% No chg:36.2% | More opt: 36.4% Less opt: 36.4% No chg:27.3% | More opt: 80.0% Less opt: 0% No chg:20.0% | More opt: 50.0% Less opt: 0% No chg:50.0% |
| Country optimism level | 60.6 | 57.2 | 52.7 | 58.0 | 57.3 |
| Optimism about own company | More opt: 69.1% Less opt: 14.8% No chg: 16.0% | More opt: 57.4% Less opt: 14.9% No chg: 27.7% | More opt: 31.8% Less opt: 36.4% No chg: 31.8% | More opt: 70.0% Less opt: 0.0% No chg: 30.0% | More opt: 50.0% Less opt: 8.3% No chg: 41.7% |
| Own company optimism level | 65.4 | 60.9 | 57.5 | 57.0 | 63.7 |

Top Concerns for Brazilian Businesses

- Economic Uncertainty
- Government policies
- Weak demand for your product/services
- Regulatory requirements
- Corporate tax code
- Employee productivity
- Access to capital
- Costs of benefits
- Cost of borrowing
- Currency risk