

Results for 13 Brazilian firms (own-firm changes expected during the next 12 months)

| | Sept 2016 | Jun 2016 | Mar 2015 | Dec 2015 | Jun 2015 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 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* | 5.1% | 17.4% | -16.4% Median=-10% | 1.0% | 2.5% |
| Capital spending | 3.2% | 4.7% | 3.4% | -5.5% Median=0% | -1.9% |
| Technology spending | 0.4% | 1.8% | 1.6% | 2.1% | 5.1% |
| R&D spending | 2.7% | -1.0% | 5.7% | -2.8% | 5.9% |
| Advertising and marketing spending | -0.9% | -1.0% | -4.5% | -10.8% Median=0% | -4.9% |
| Employment – full-time | -4.8% | -4.3% | -7.3% Median=0% | -8.2% Median=-5% | -1.0% |
| Wages and Salaries | 4.7% | 6.5% | 7.6% | 3.5% | 7.3% |
| Inflation (Chg in prices of own-firm products) | 5.9% | 7.8% | 4.6% | 4.7% | 9.6% |
| Health Care Costs | 9.5% | 6.2% | 7.0% | 4.1% | 11.7% |
| Revenue | -0.3% | 9.8% | 4.8% | -1.3% | 10.9% |

* 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

| | Sept 2016 | Jun 2016 | Mar 2016 | Dec 2015 | Sept 2015 |
|--------------------------------------|---|---|---|---|---|
| | 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: 69.2% Less opt: 0% No chg:30.8% | More opt: 60.7% Less opt: 10.7% No chg:28.6% | More opt: 0% Less opt: 66.7% No chg:33.3% | More opt: 14.3% Less opt: 60.0% No chg:25.7% | More opt: 5.5% Less opt: 76.4% No chg: 18.2% |
| Country optimism level | 53.3 | 54.6 | 36.3 | 41.7 | 36.9 |
| Optimism about own company | More opt: 69.2% Less opt: 15.4% No chg: 15.4% | More opt: 50.0% Less opt: 10.7% No chg: 39.3% | More opt: 23.3% Less opt: 43.3% No chg: 33.3% | More opt: 34.3% Less opt: 42.9% No chg: 22.9% | More opt: 30.9% Less opt: 49.1% No chg: 20.0% |
| Own company optimism level | 62.1 | 59.6 | 54.5 | 53.6 | 52.5 |

Top Concerns for Brazilian Businesses

- Economic Uncertainty
- Weak demand for your product/services
- Inflation
- Cost of borrowing
- Access to capital
- Government policy
- Corporate tax code
- Cost of benefits
- Difficult attracting qualified employees
- Data security