GLOBAL BRIEFING
Doing Business in Brazil

SÃO PAULO
BRAZIL
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Economic State & Development: Macro-economy – Brazil

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Objectives

❖ Current Economy
  o Weak GDP and High Inflation
  o Brazilian Income
  o Business Comportment

❖ Labor Market
  o Productivity
  o Changes
  o Diversity
Brazilian macro-economic Scenario

**INCOME**
- Brazilian Income + 4,8% (last year)
- 52% Brazilian Middle Class (C)
- Income: R$ 2,900,00
- Household Income +45% (last 10 years)
- Retail: 2012 - 7,1% 2013 - 6,3%

**INDICATORS**
- Inflation: 5,4% 2012 6,0% 2013
- Selic Tax: 7,2% - 2012 7,9% - 2013
- Dollar: R$ 2,09 – 2012 R$ 2,15 – 2013

**MARKET**
- More than 1,161 million new jobs (last 12 months)
- Unemployment: 2012 - 5,7% Forecast 2013 - 5,8%

**7th GLOBAL ECONOMY**
- Nominal 2011 GDP: $2,21T
- 2012 GDP growth forecast: +1,6%
- 2013 GDP growth forecast: +1,5%

Source: BC Brasil, Focus Economics, Fazenda.gov, HIS – Global Insight, Niielsen, FecomercioSP
Brazilian macro-economic Scenario

- Infrastructure
- Labor Law Costs
- Tax Complexity
- Education
- Control Inflation
- Trade Barriers
- Income Distribution
Productivity is the factor in the economic growth of a country…

(Data from 2001 to 2011)
Productivity growth

(Data from 2000 to 2008)
University – age between 25 to 34

- South Korea: 63%
- Japan: 56%
- France: 43%
- United States: 41%
- Chile: 35%
- Germany: 26%
- Brazil: 12%
The Korean Peninsula at Night
What needs to be done to change this scenario?

How productivity increases in a country?

- **Education**: 34%
- **Infrastructure**: 16%
- **Business Environment**: 27%
- **Innovation & Technology**: 10%
- **Divestment**: 13%
Best Investment

More Efficienly

Breaking Paradigms

Smarter

Education

Redesign Work

GLOBAL BRIEFING

Changes in labor market...

“Do we need to work so much?”

The difficulty of keeping the balance between the professional life and personal.
Multinationals are loosing their executives to Brazilian companies…

Executives in Brazil receive the highest salaries and bonus in the world…

<table>
<thead>
<tr>
<th></th>
<th>Salary</th>
<th>Bonus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>425</td>
<td>302</td>
<td>727</td>
</tr>
<tr>
<td>China</td>
<td>252</td>
<td>204</td>
<td>456</td>
</tr>
<tr>
<td>United States</td>
<td>309</td>
<td>145</td>
<td>454</td>
</tr>
<tr>
<td>Germany</td>
<td>285</td>
<td>165</td>
<td>450</td>
</tr>
</tbody>
</table>

(annual values in thousands dollars)
The middle value about salaries...
Women’s participation in the labor market is showing continued growth...

**Global Ranking of the Women in Leadership Position**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>46%</td>
</tr>
<tr>
<td>Bosnia</td>
<td>39%</td>
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<tr>
<td>Thailand</td>
<td>39%</td>
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<tr>
<td>Philippines</td>
<td>39%</td>
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<tr>
<td>Georgia</td>
<td>38%</td>
</tr>
<tr>
<td>Italy</td>
<td>36%</td>
</tr>
<tr>
<td>Brazil</td>
<td>27%</td>
</tr>
<tr>
<td>China</td>
<td>25%</td>
</tr>
<tr>
<td>United States</td>
<td>17%</td>
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<tr>
<td>United Arab</td>
<td>15%</td>
</tr>
<tr>
<td>Denmark</td>
<td>15%</td>
</tr>
<tr>
<td>India</td>
<td>14%</td>
</tr>
<tr>
<td>Germany</td>
<td>13%</td>
</tr>
<tr>
<td>Japan</td>
<td>5%</td>
</tr>
</tbody>
</table>
Brazil: Women in Leadership

Women’s Positions in Brazil

- Leadership in HR: 16%
- Financial Directors: 15%
- CFOs: 13%
- CEOs: 3%

CEO Position

- Australia: 30%
- Thailand: 29%
- Italy: 20%
- Russia: 15%
- India: 10%
- China: 9%
- Brazil: 3%
- Global Average: 9%

Board of Directions

- Colombia: 5.7%
- Mexico: 5.4%
- Brazil: 3.4%
- Chile: 9.9%

Source: Revista Você RH – 15/05/2012 / 25/10/2012 / Grant Thornton

Pay Equity?

(data from 2010)