

Performance Adjusted for Inflation Effects

Examples and Simulations

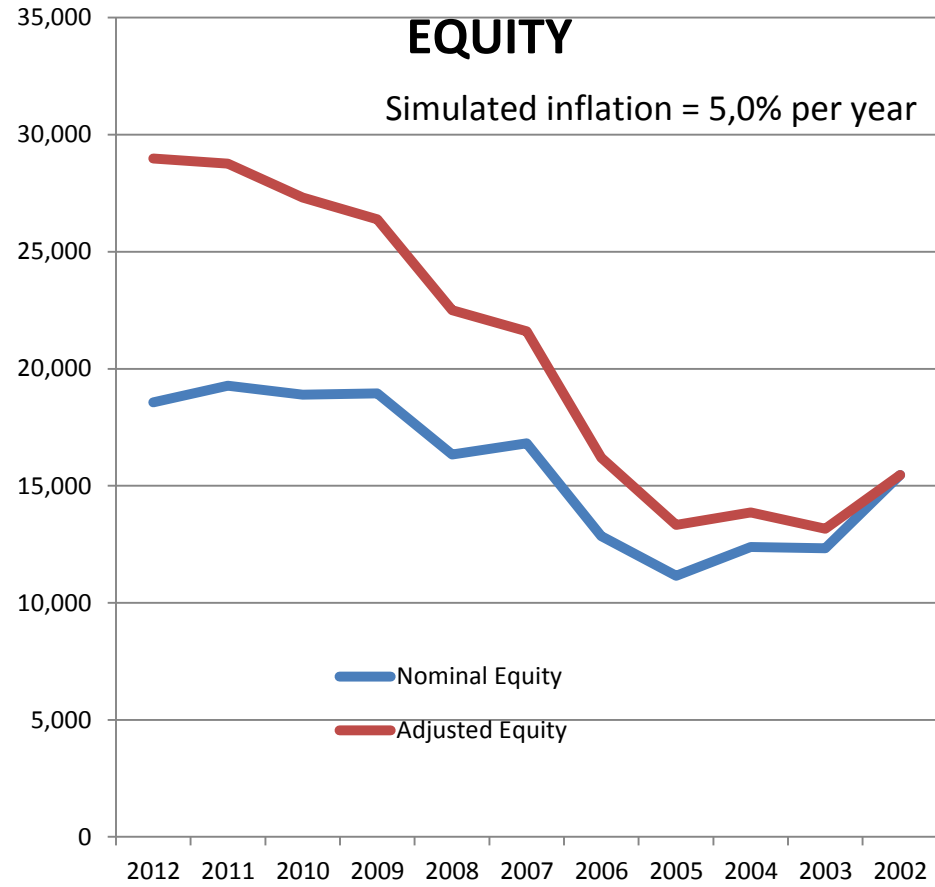
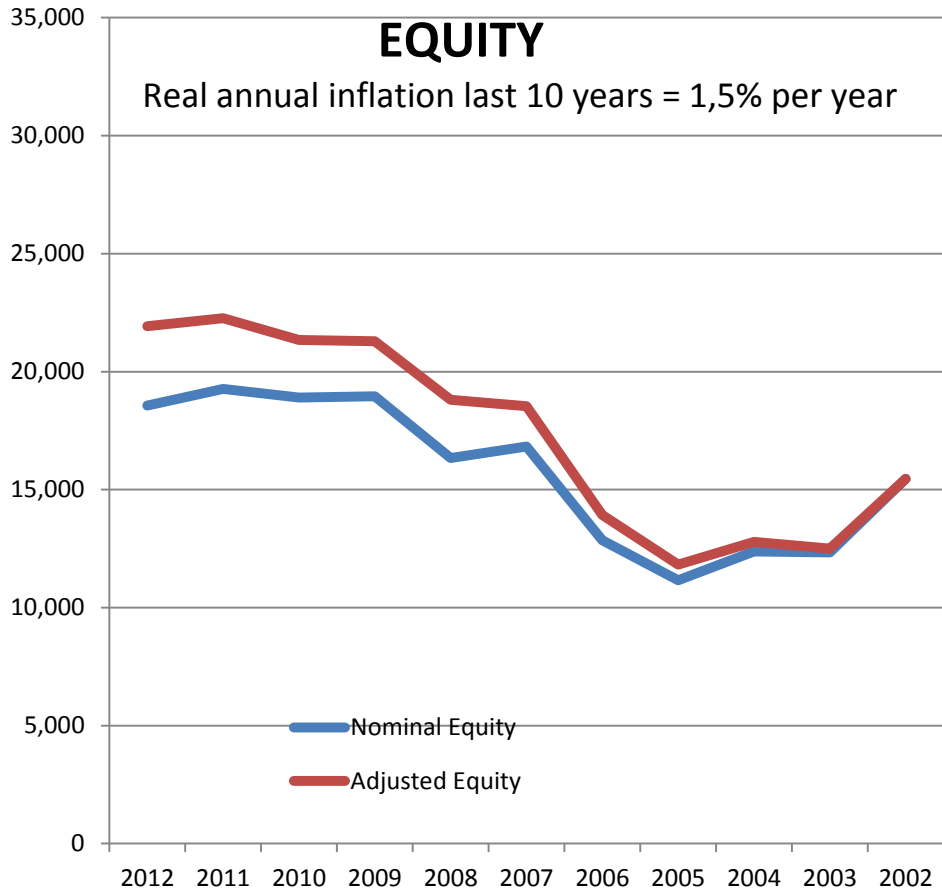
Europe

Data compiled by Professor Ariovaldo dos Santos – Brazil

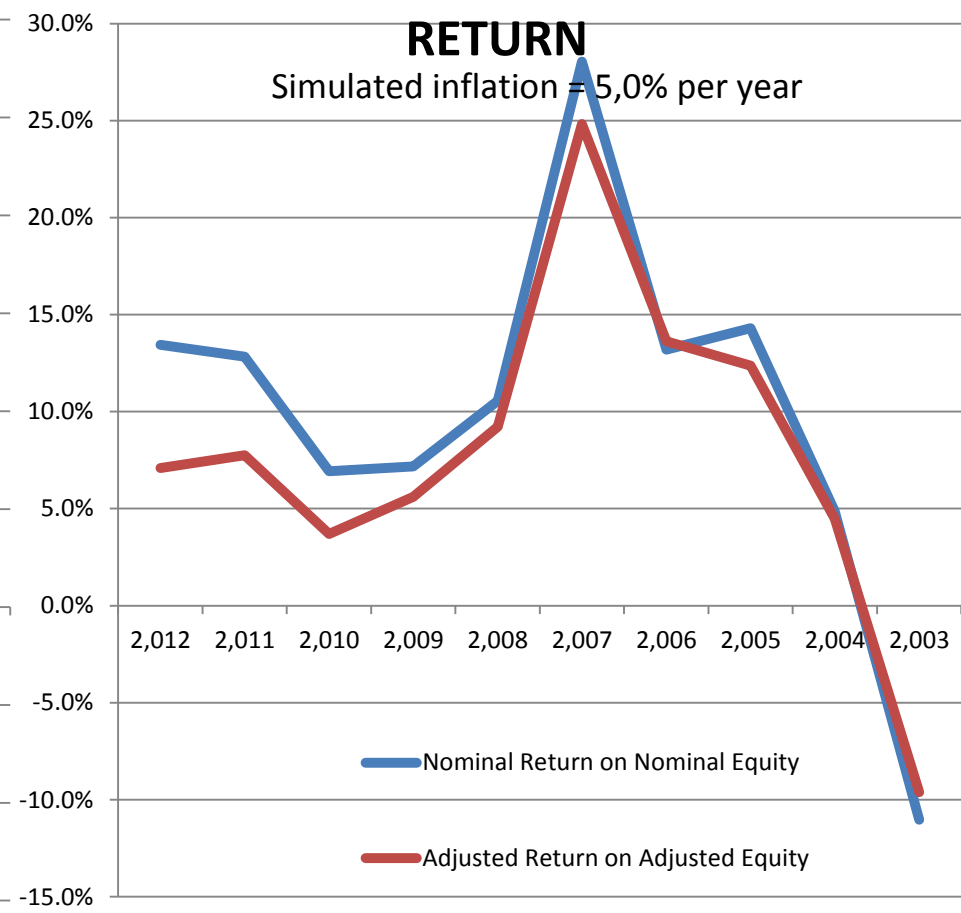
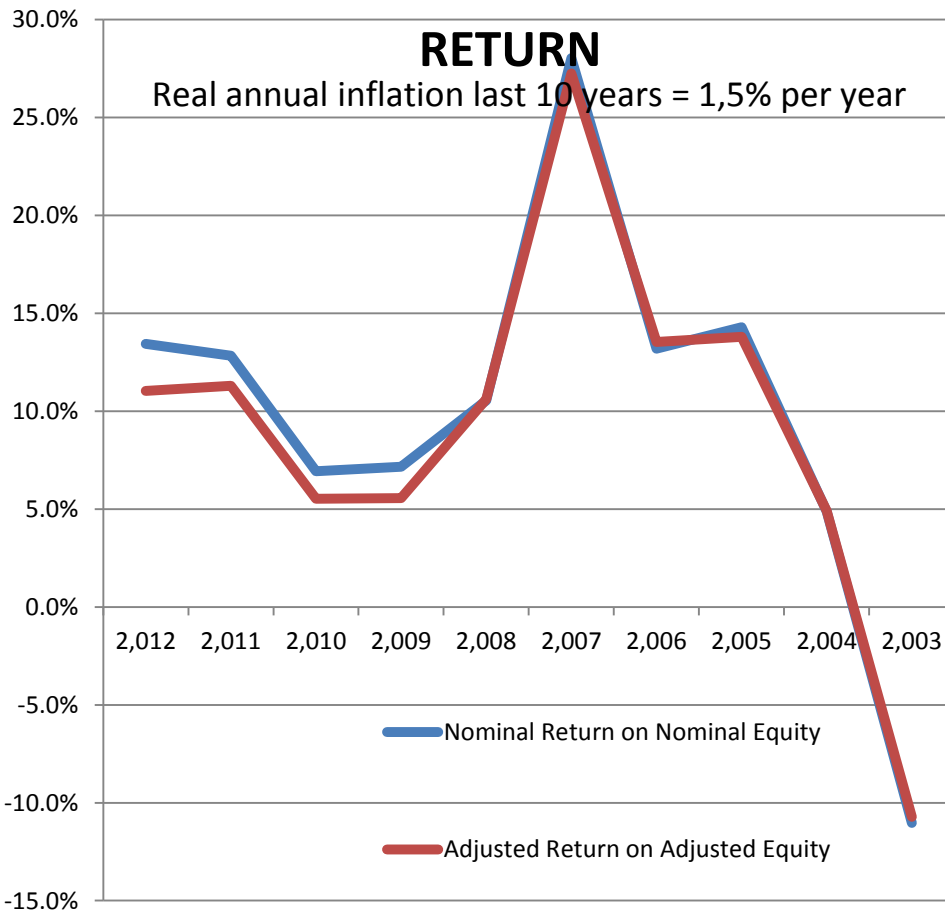
Background

- Exercise period - 2002 – 2012: 11 years starting when Euro notes entered in circulation in Eurozone.
- 9 European companies key financial data public available.
- Local inflation for such selected companies.
- Inflation published by IMF.
- Inflation impact estimated based on averages of year inflation of nonmonetary assets/liability.
- Inventory was not adjusted by inflation.
- Inflation impact was also estimated at a 5% annual level since it is a regular inflation level at certain Latin America countries.

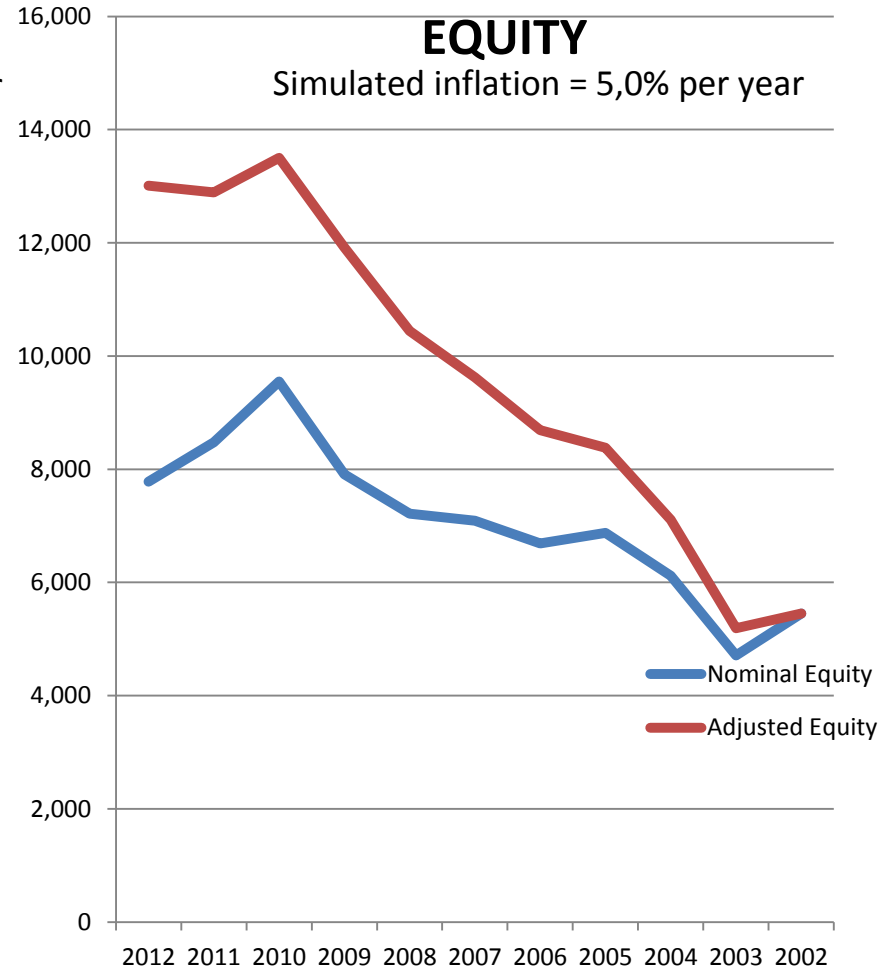
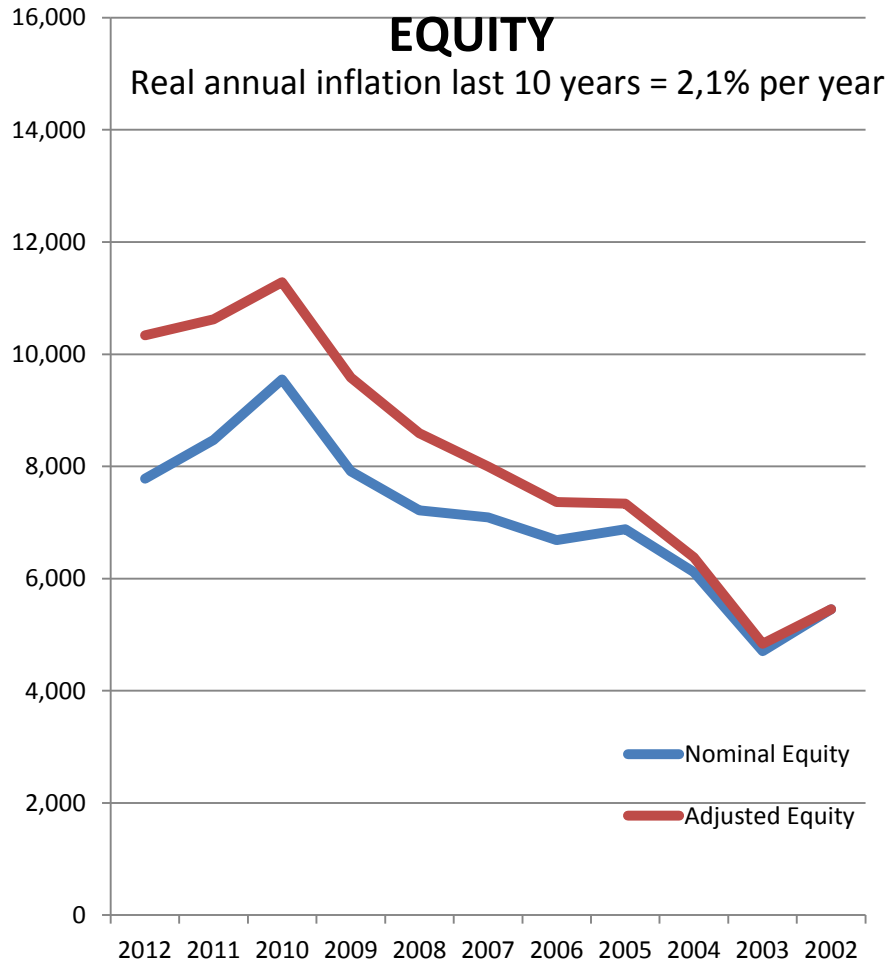
Bayer (accum. inflation in 10 years = 19%)



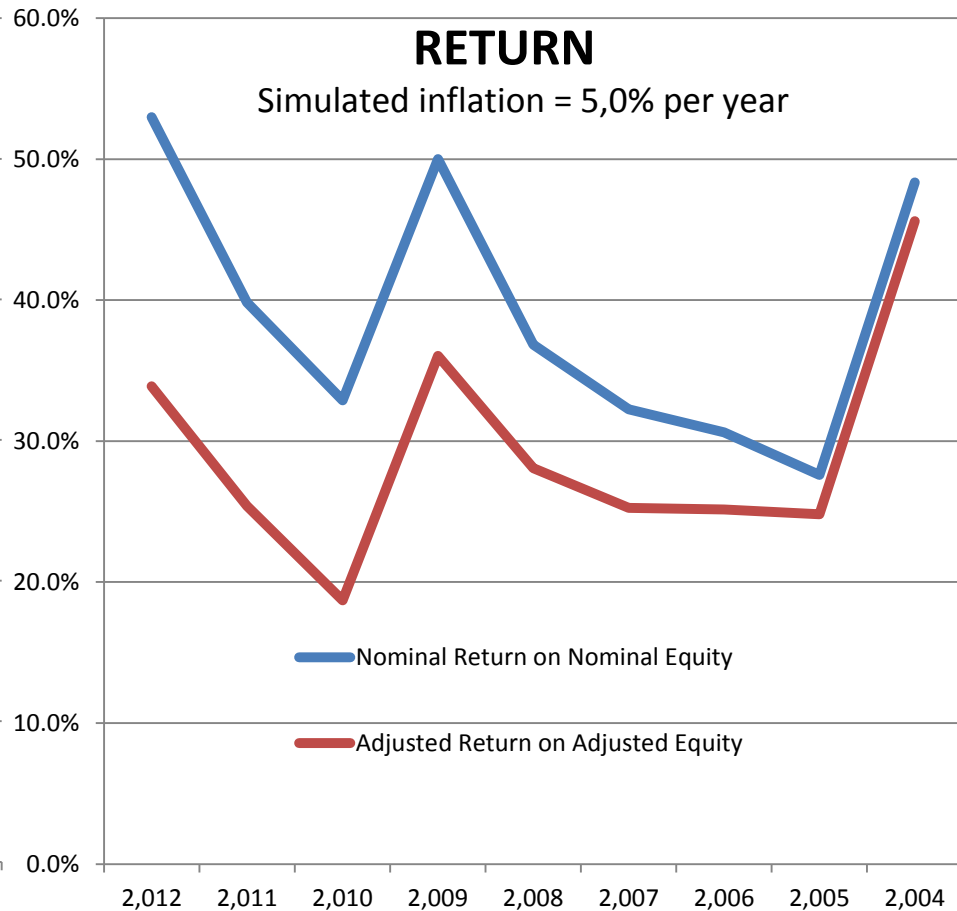
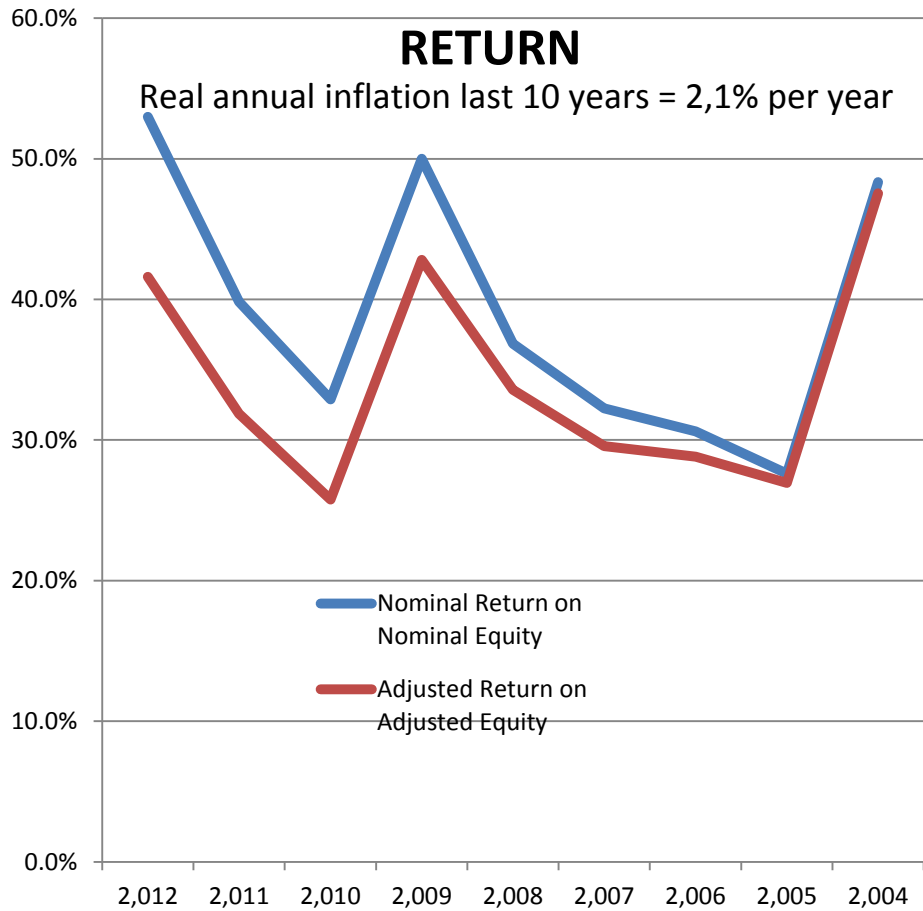
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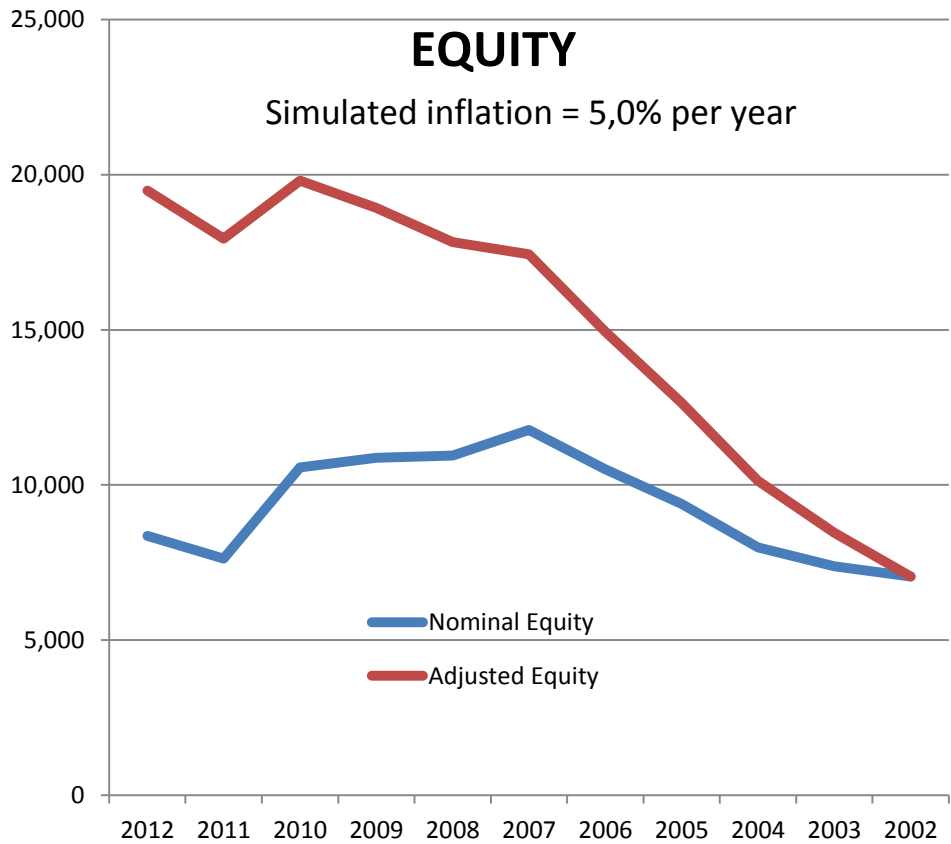
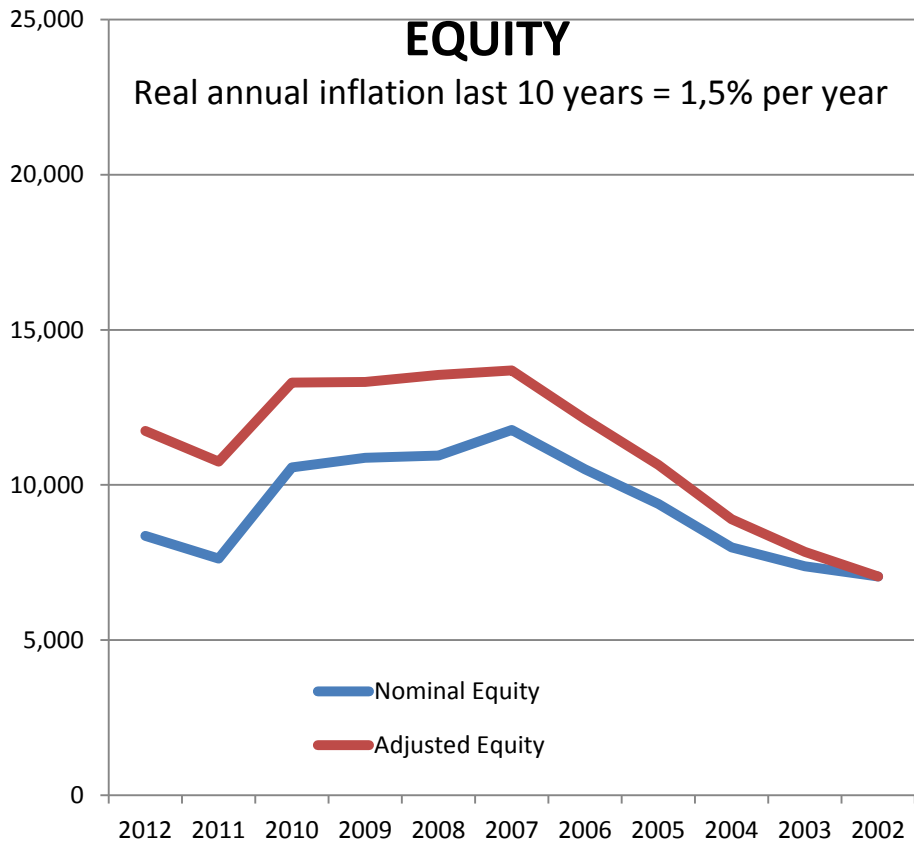
British Tobacco (accum. inflation in 10 years = 29%)



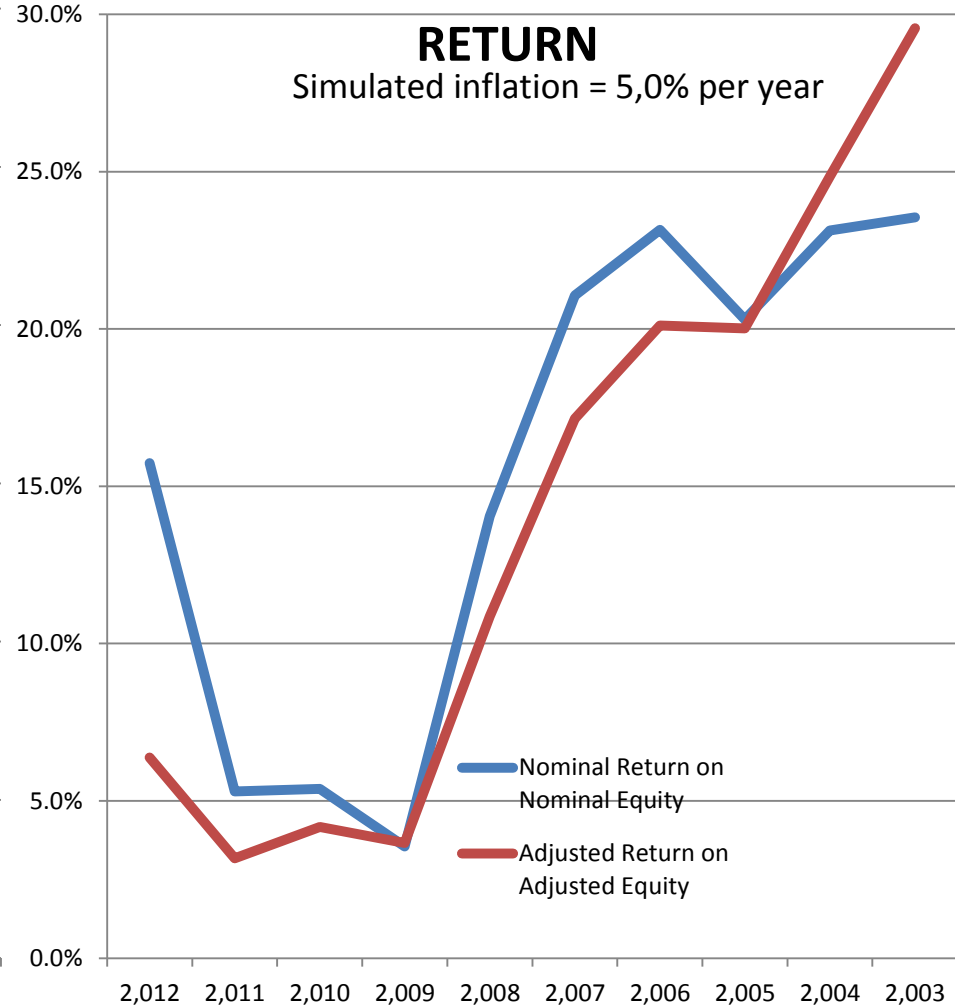
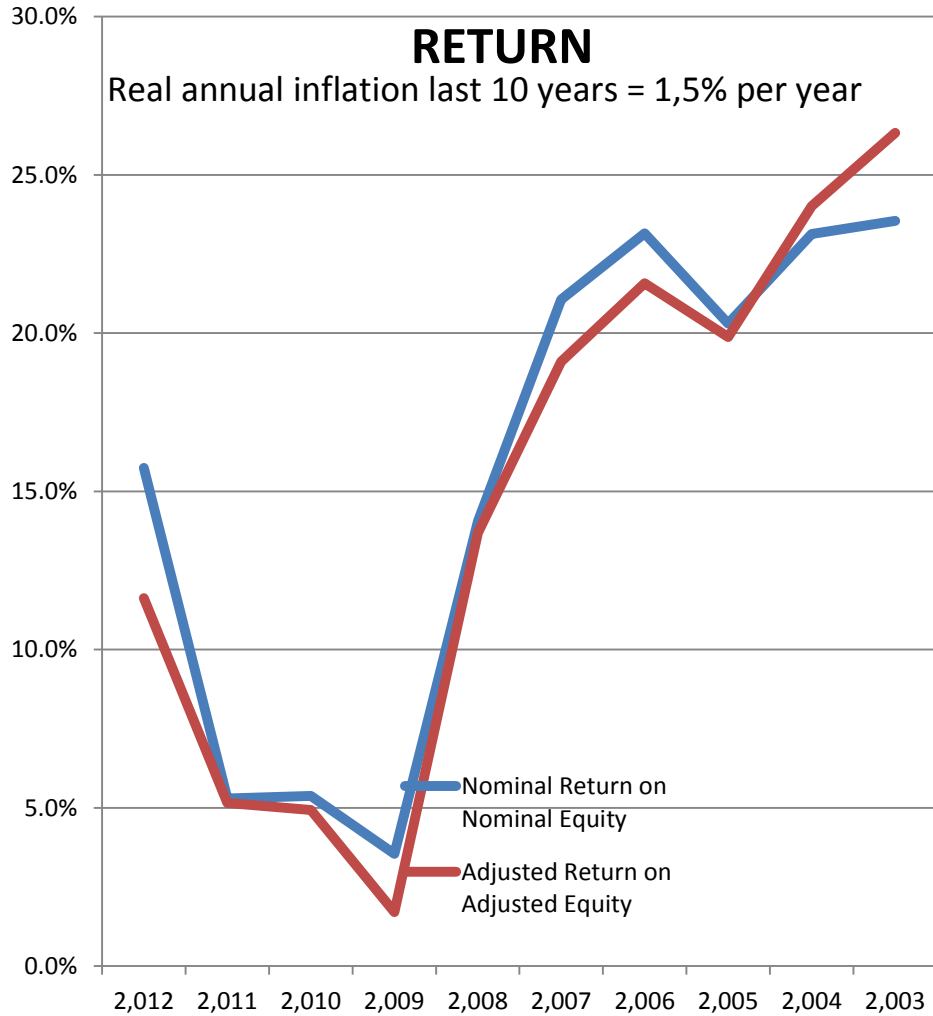
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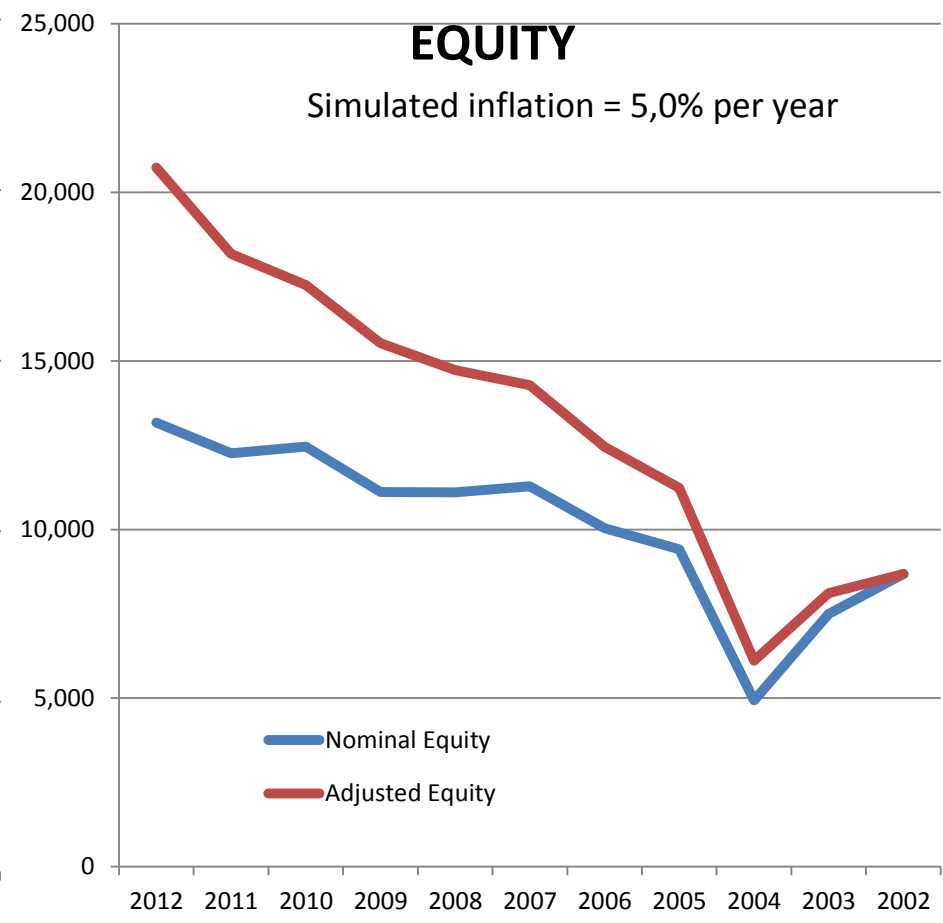
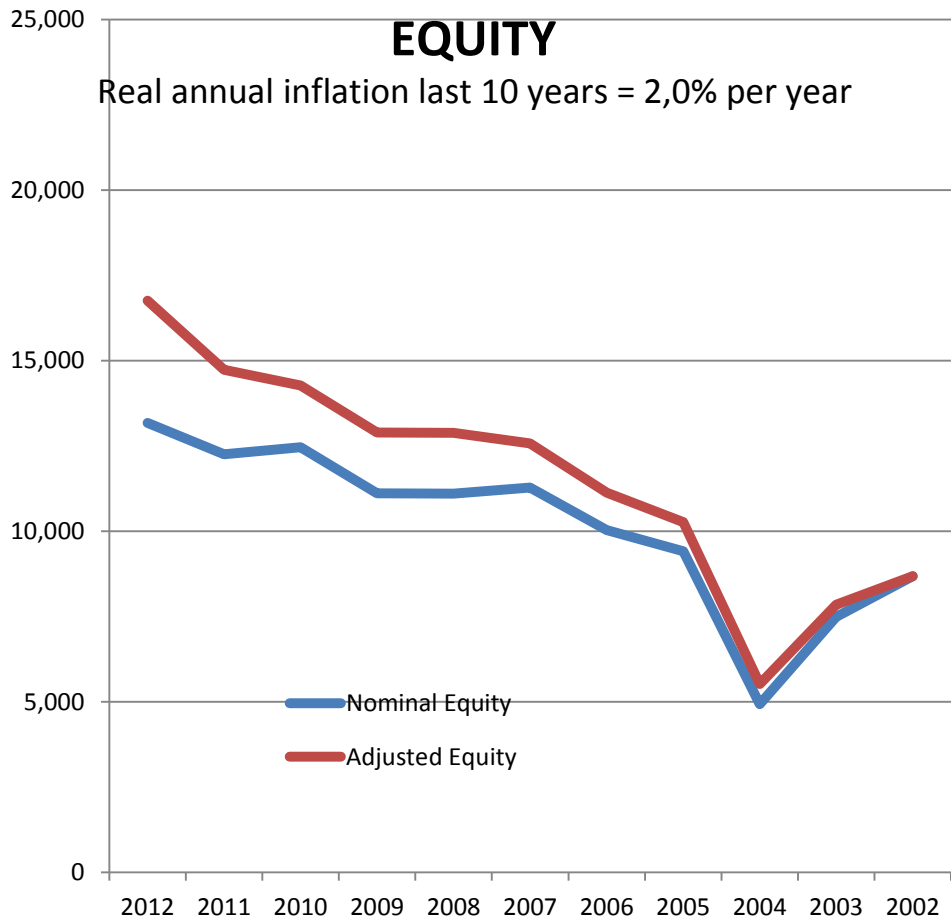
Carrefour (accum. inflation in 10 years = 19%)



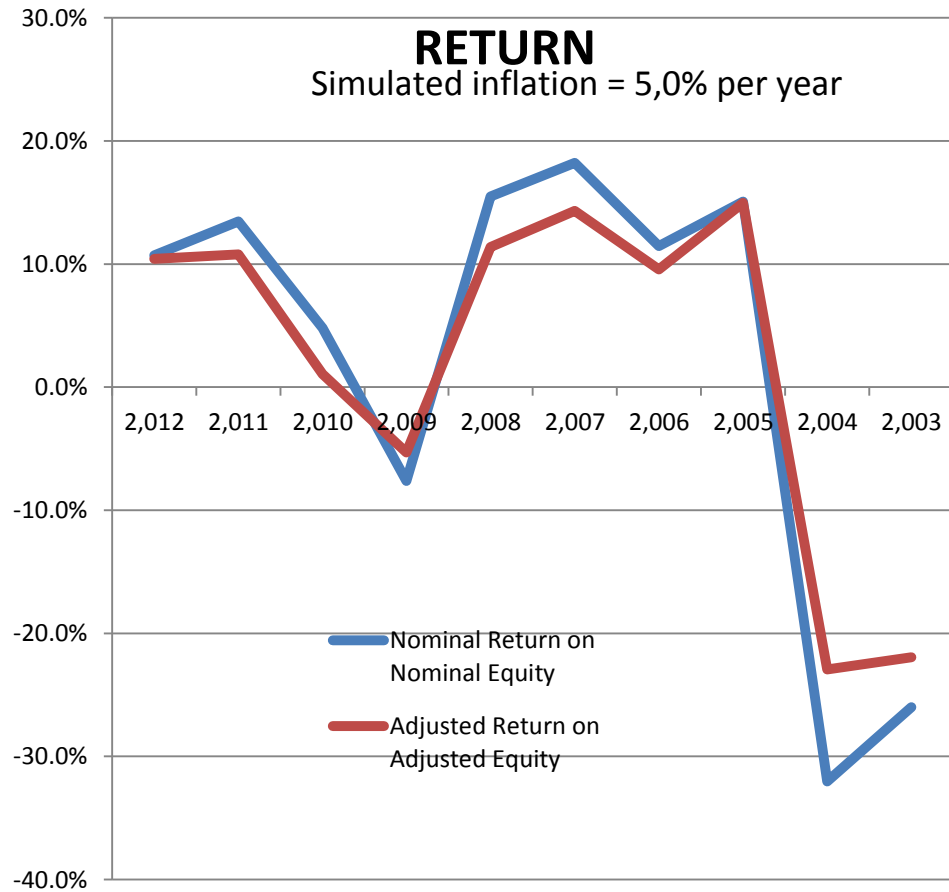
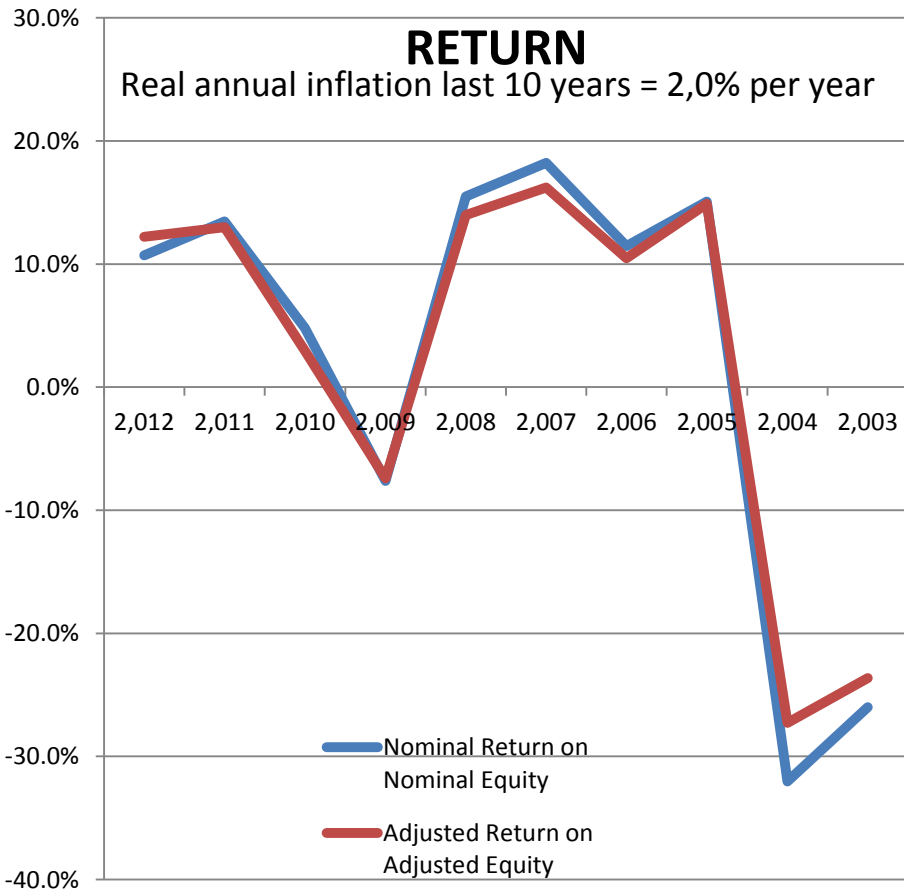
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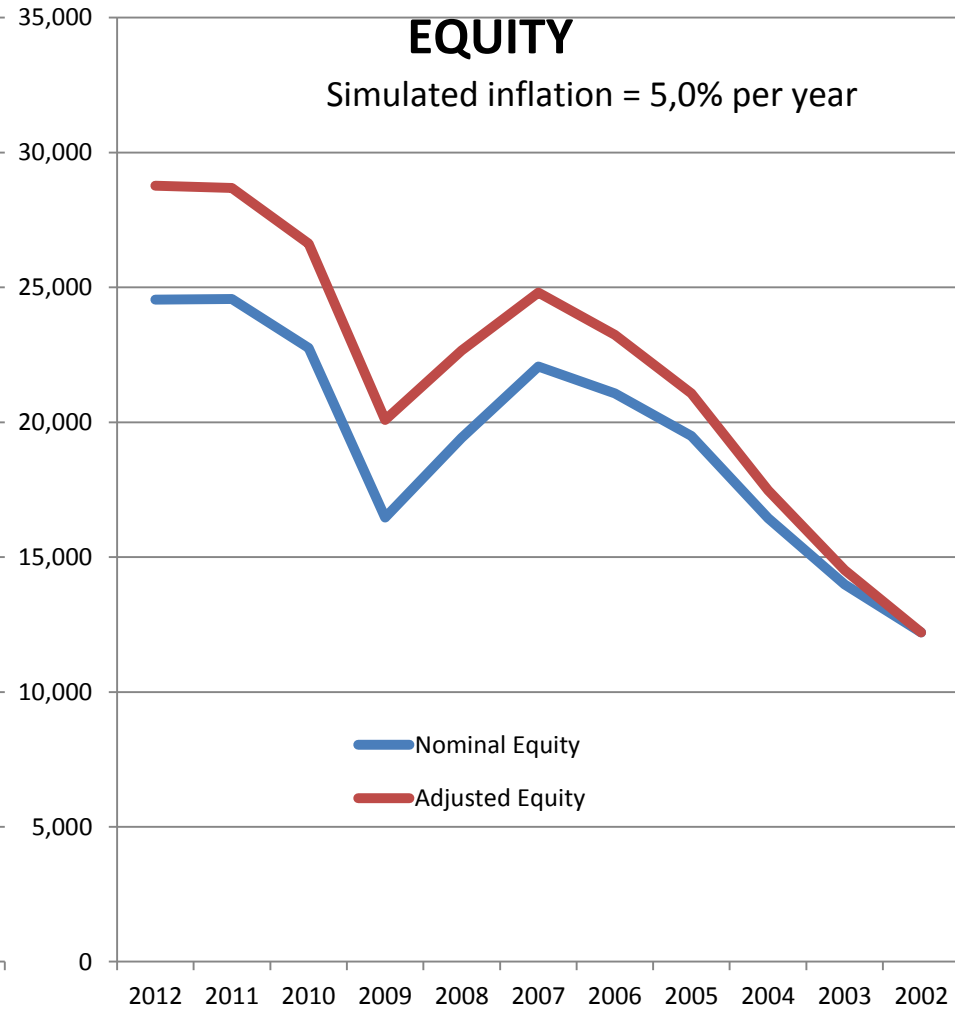
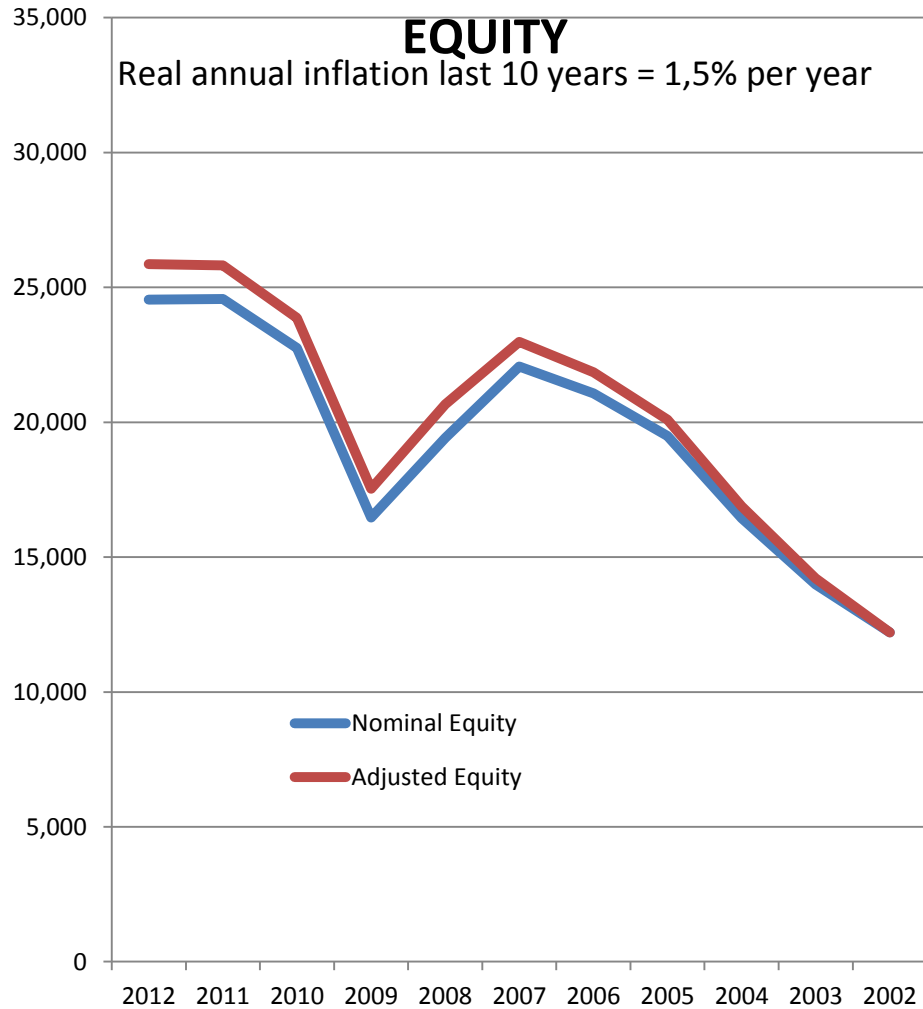
Fiat (accum. inflation in 10 years = 26%)



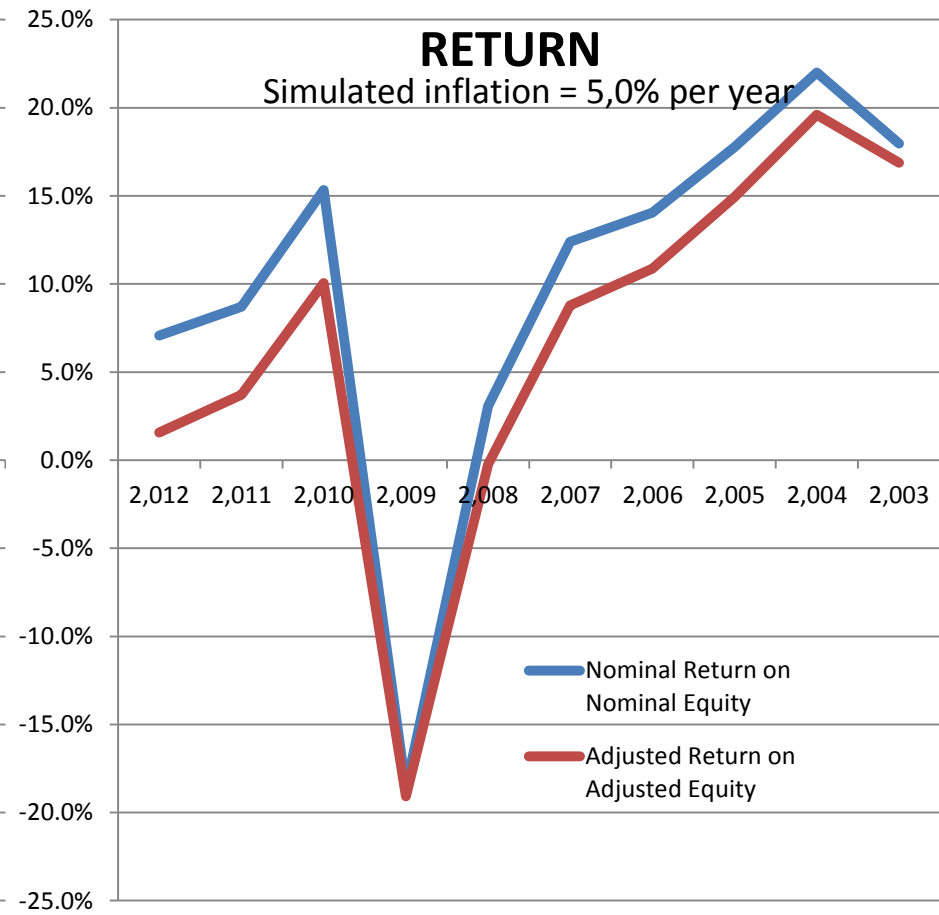
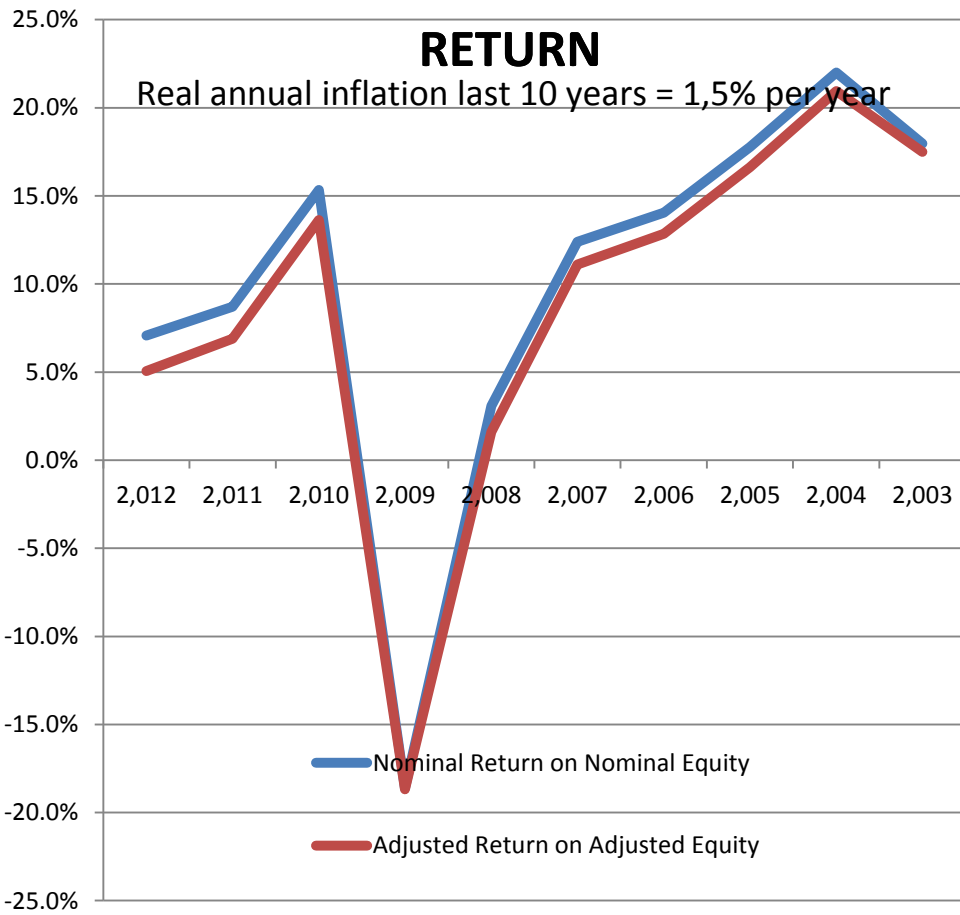
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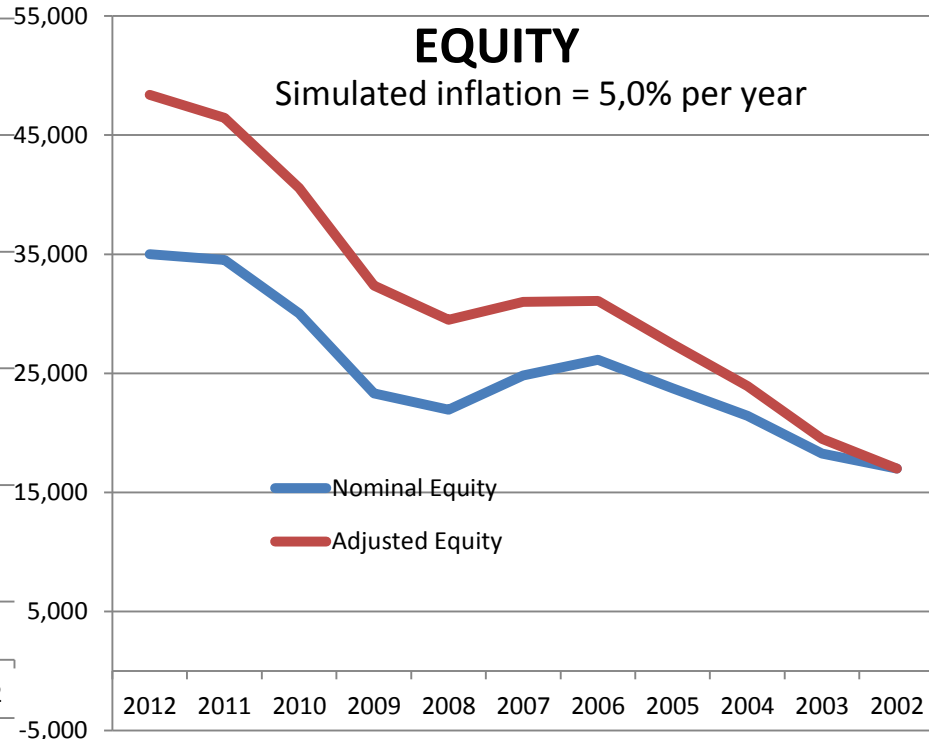
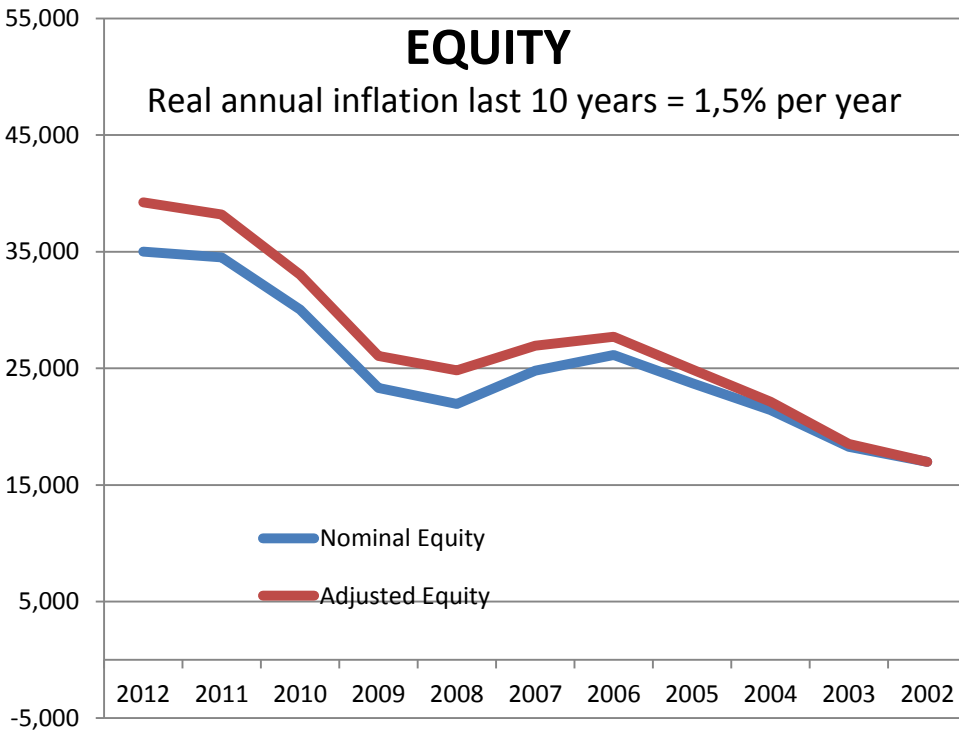
Renault (inflation rate in 10 years = 19%)



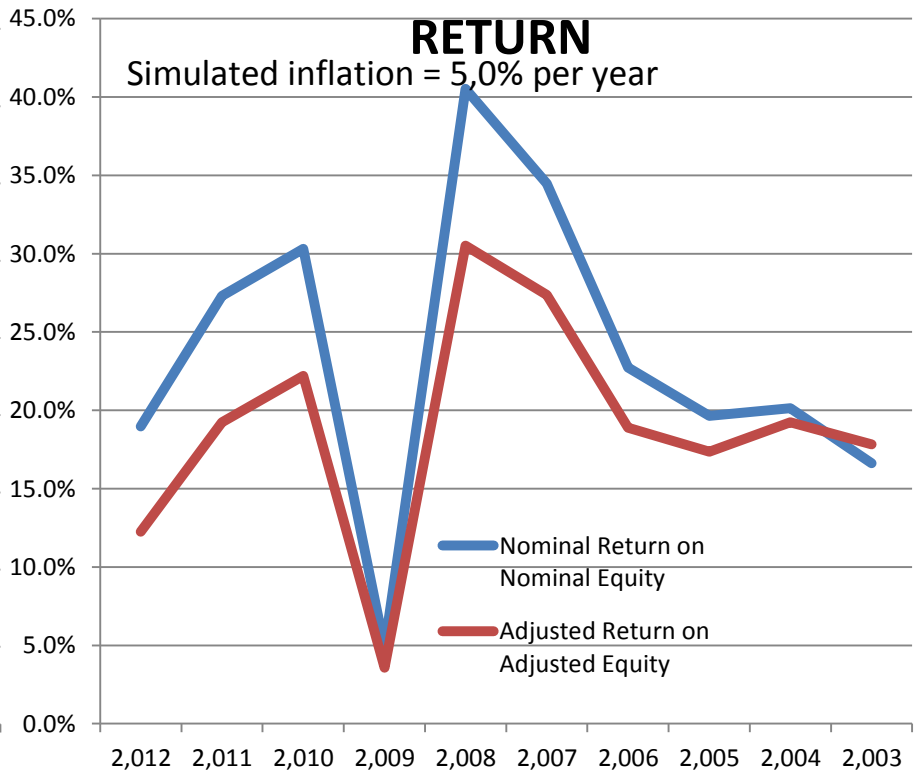
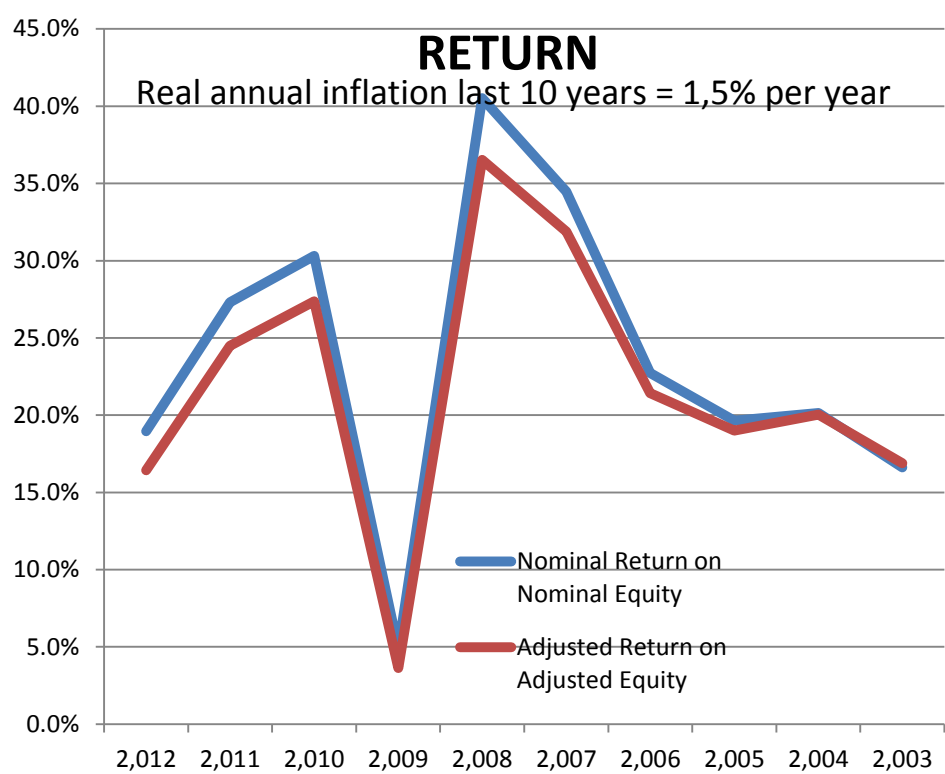
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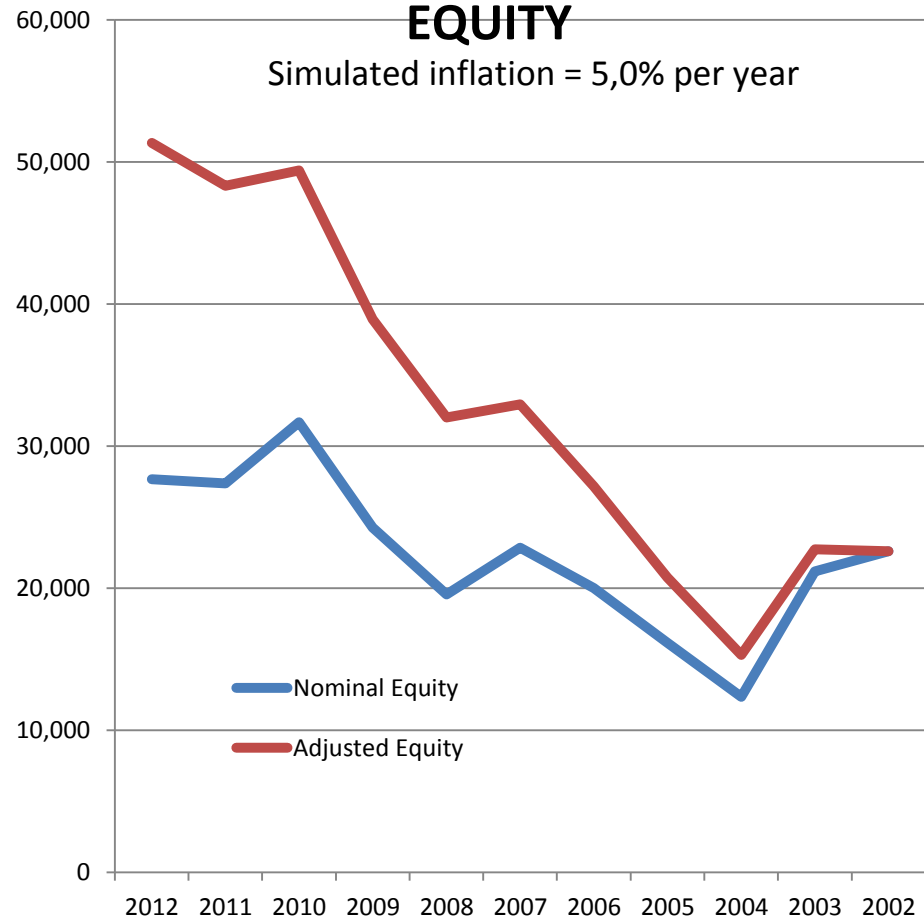
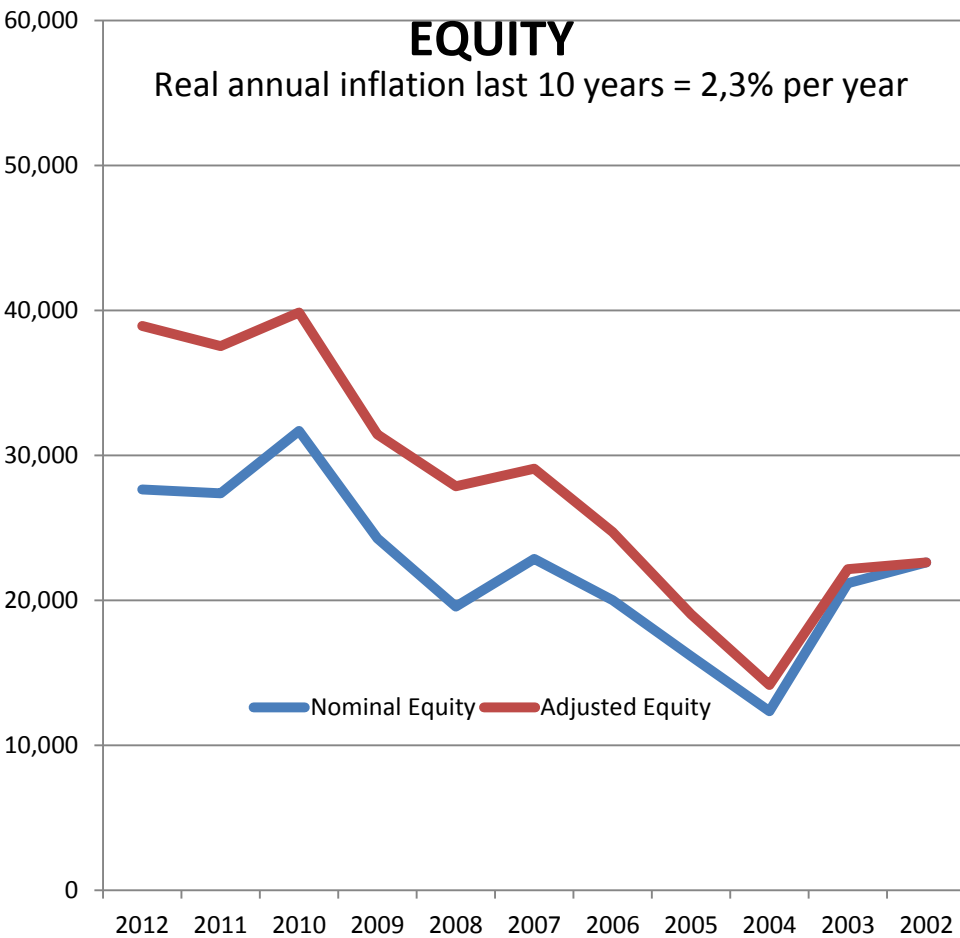
Scania (accum. inflation in 10 years = 19%)



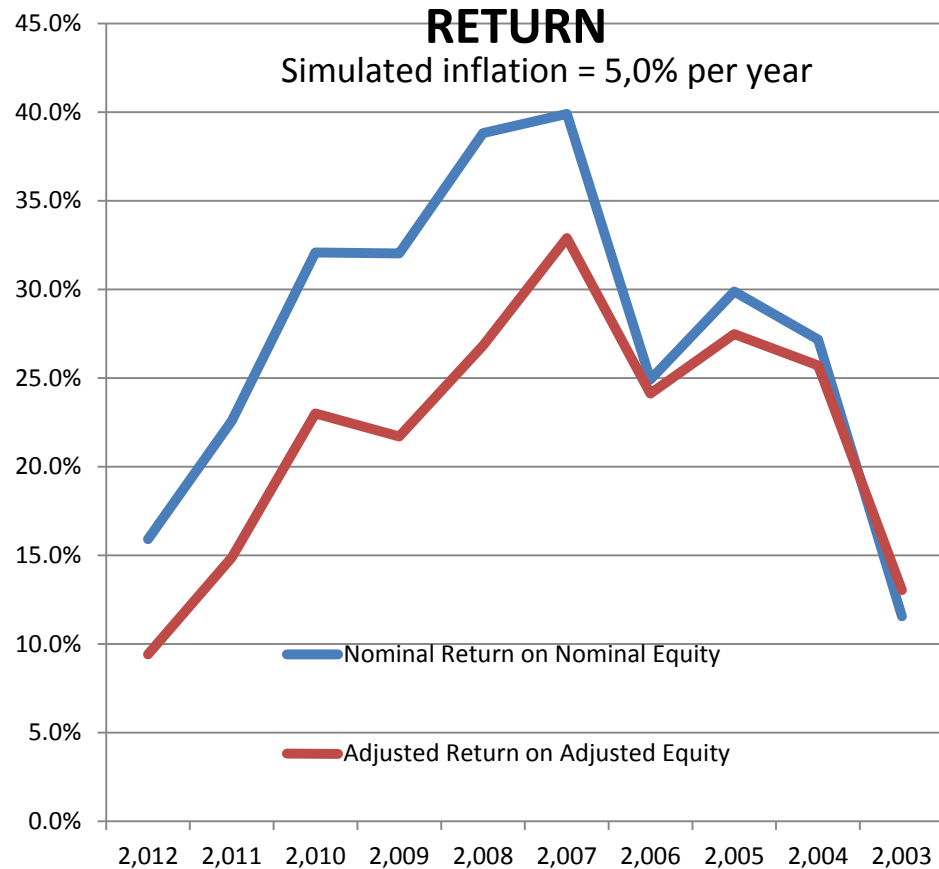
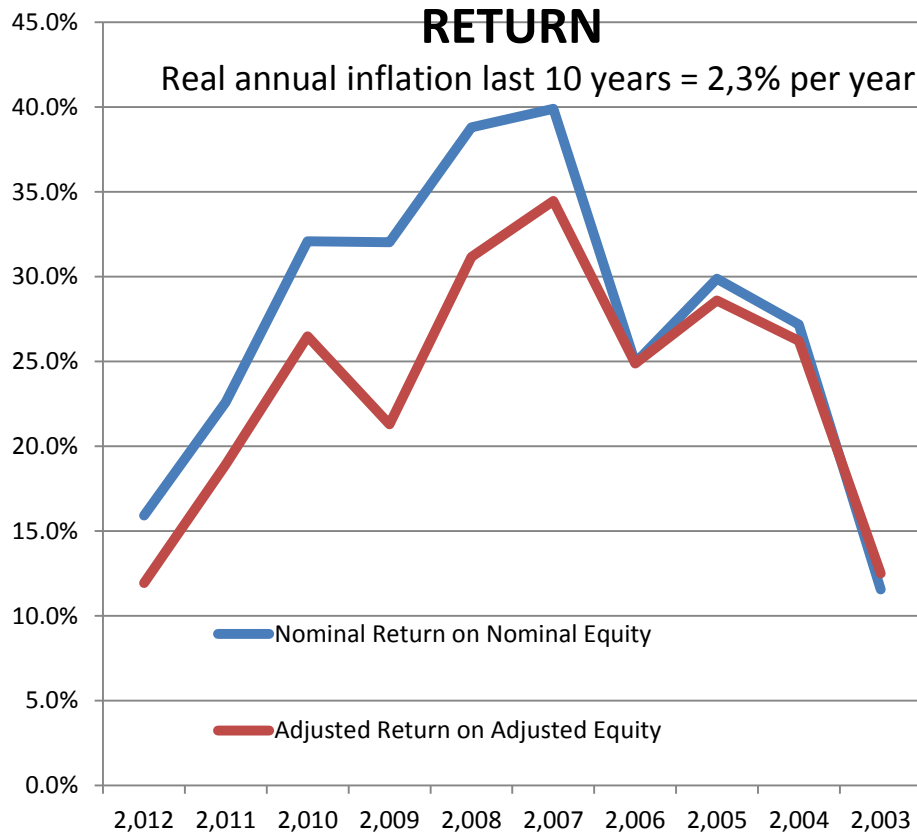
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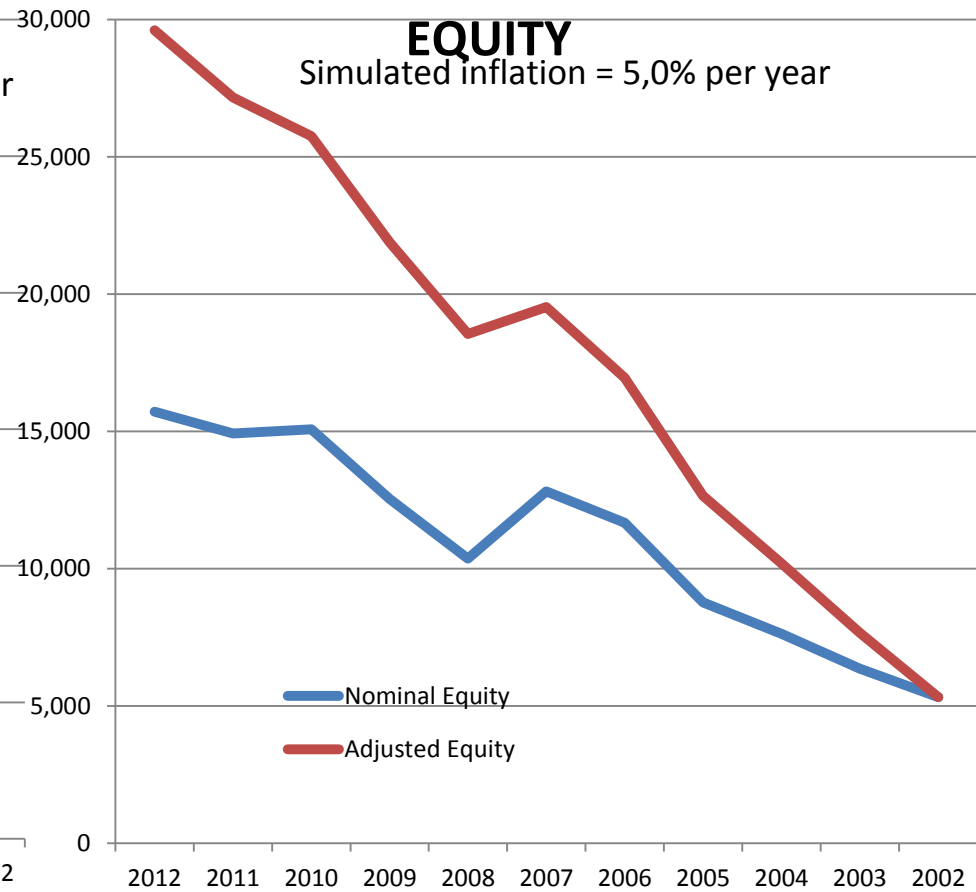
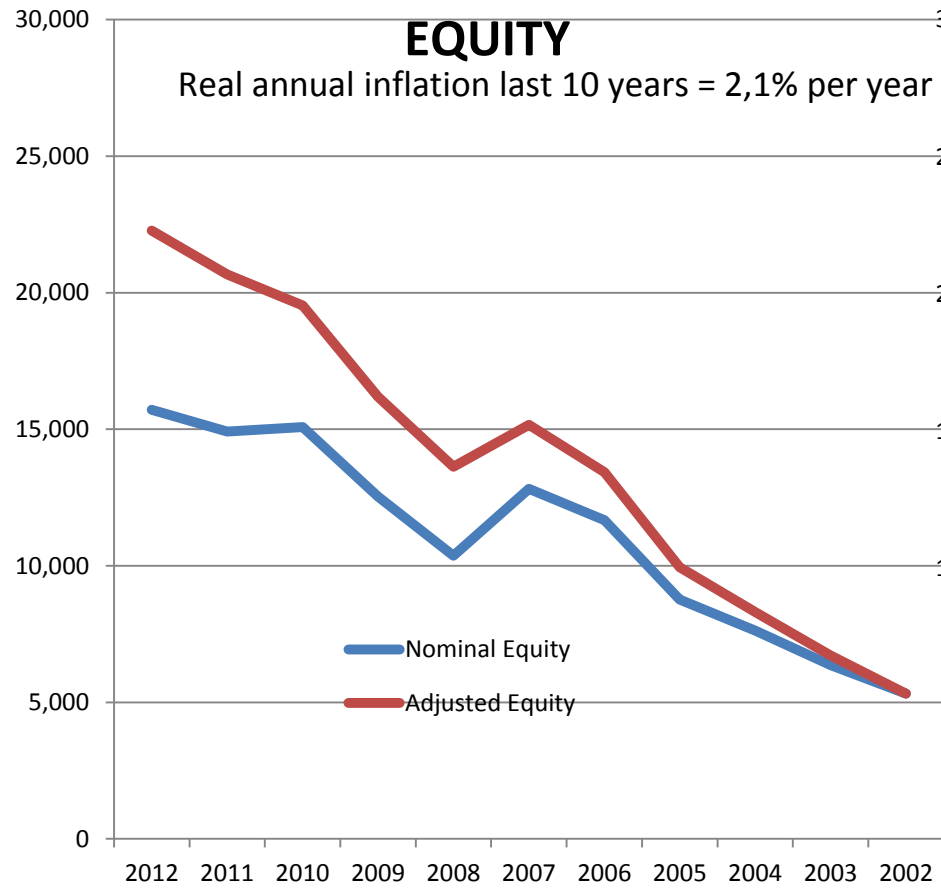
Telefonica (accum. inflation in 10 years = 31%)



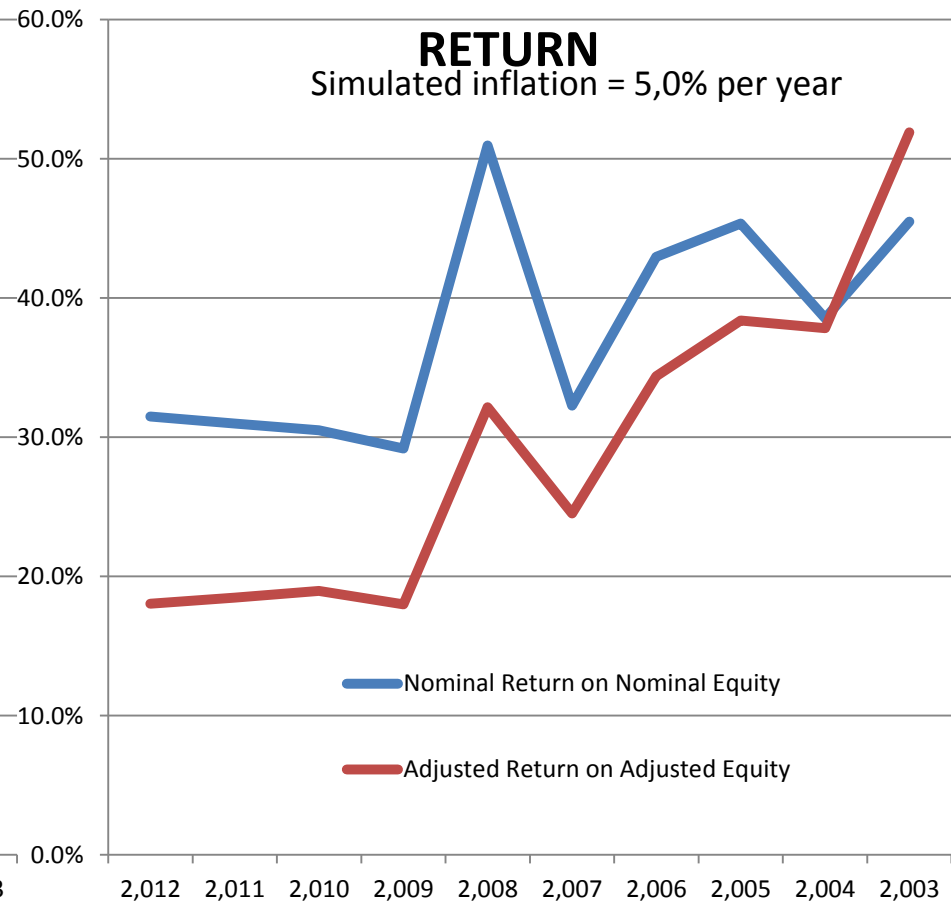
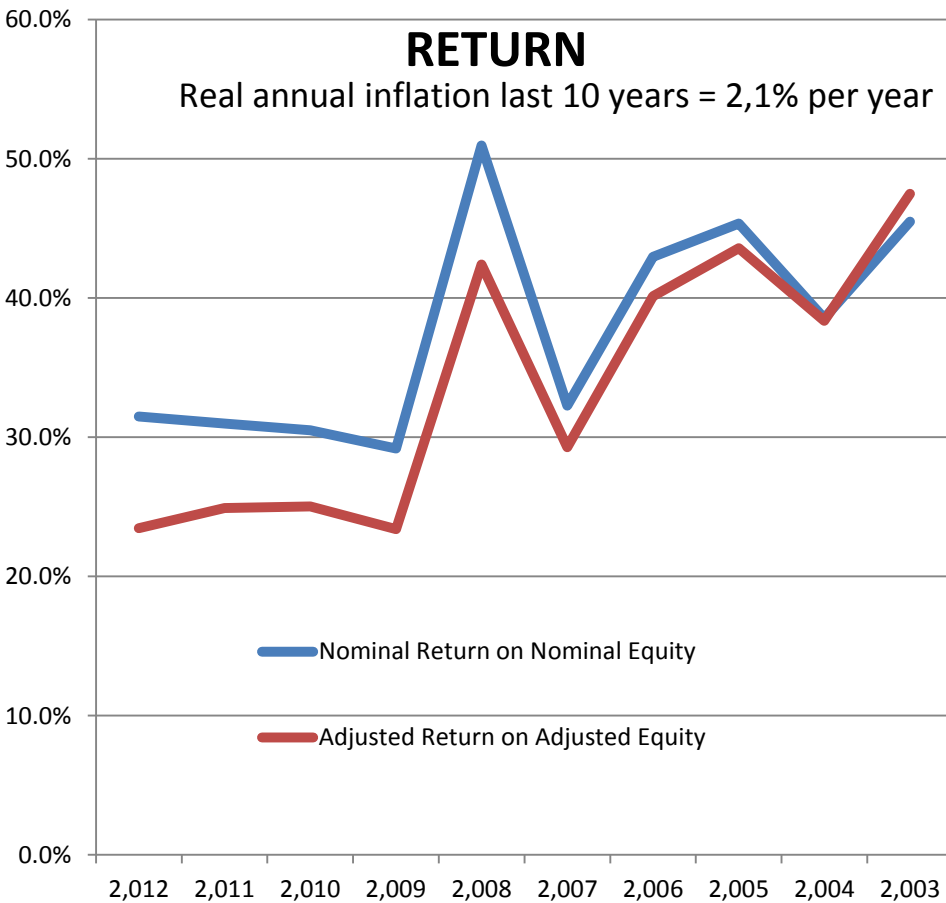
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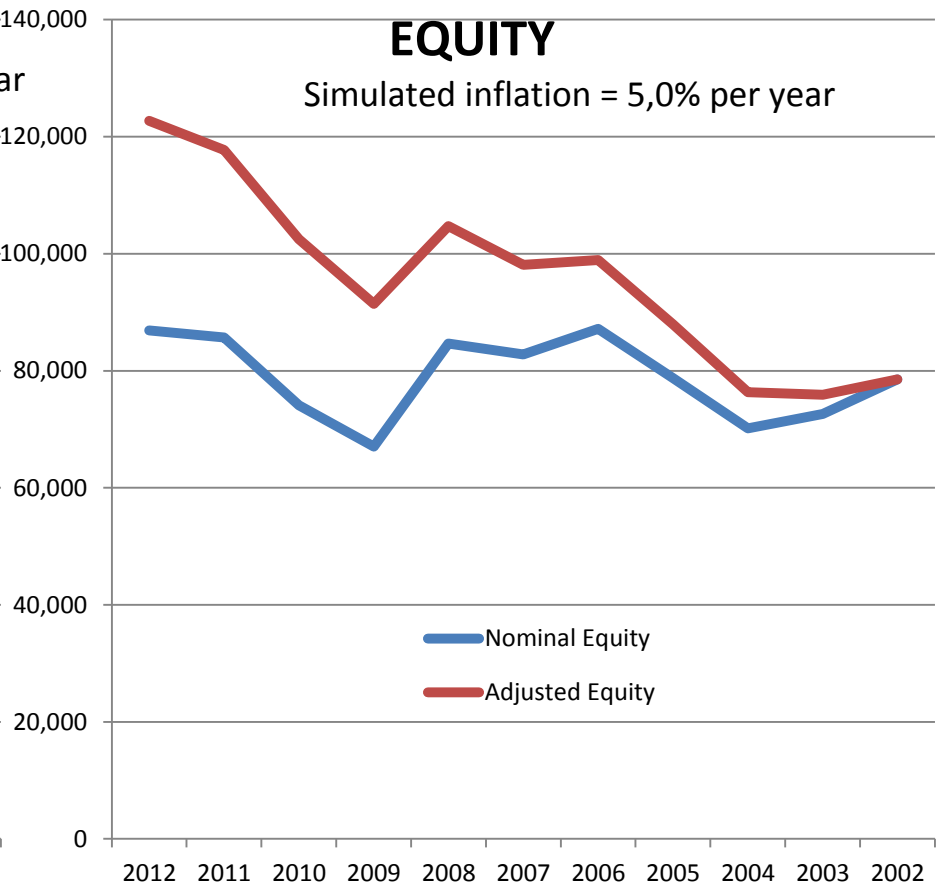
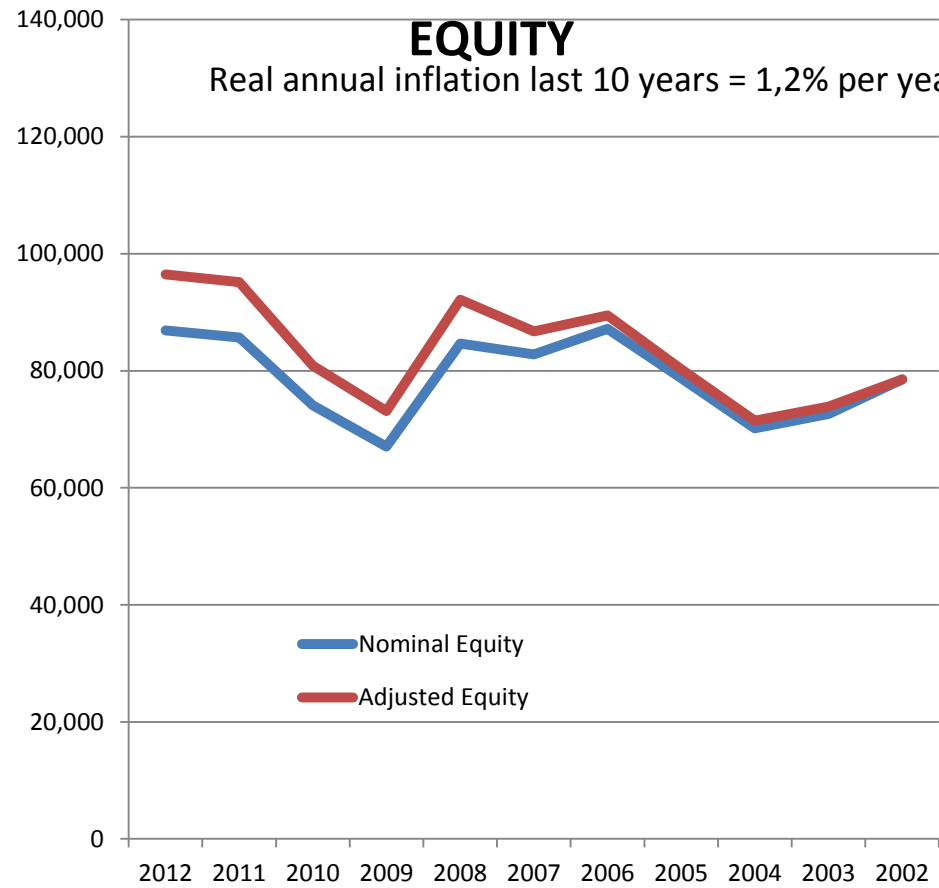
Unilever (accum. inflation in 10 years = 29%)



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Volvo (accum. Inflation in 10 years = 15%)



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