

Asian Companies Set to Benefit from the Eurozone Crisis, According to Research from FTI Consulting

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- Asian companies are more likely to make strategic acquisitions in the European Union than those from other major economies outside of the eurozone**
- Significant minority of non-European business leaders think the euro will not survive 2012**
 - The UK's status elevated in response to the eurozone crisis**
 - Businesses outside of Europe call on their political leaders to help Europe's economy**

DAVOS, Switzerland, Jan. 23, 2012 /PRNewswire/ -- Asian companies are more intent on finding investment opportunities in Europe than those in the Middle East or North America, according to research from FTI Consulting, Inc. (NYSE: FCN), the global business advisory firm dedicated to helping organisations protect and enhance their enterprise value.

The FTI Eurozone Poll, a survey of 800 business leaders in Asia, the Middle East and North America gauging their response to the eurozone crisis, found that 45% of businesses in Asia are either currently doing or looking to make strategic acquisitions in Europe in the next 12 months, compared with just 14% in the Middle East and 7% in North America.

Overall, the research highlighted a buoyant mood in Asia: Sixty-seven percent of companies in the region are looking to invest in innovation, and 50% are focused on organic growth. However, it is clear that Europe is seen by Asian companies to provide more fertile ground for acquisitions, with fewer (35%) looking at strategic acquisitions outside of the eurozone.

Business leaders in the Middle East and North America claim less exposure towards the economic problems of Europe but are more negative. Seventy percent of executives in North America say their businesses have remained untouched by the eurozone crisis, but of those where it has had an impact, 25% say it is negative and just 6% positive. Similarly, in the Middle East, 38% say the crisis has had an unfavourable impact, compared with 16% favourable. By contrast, 73% of businesses in Asia have been impacted, with an even split of positive and negative.

"It's easy for businesses outside of Europe to view the crisis with a mixture of relief that they are outside of the zone yet still fear the contagion may infect their own markets," said Mark Malloch-Brown, EMEA Chairman, FTI Consulting. "But in any period of systemic dislocation, there will be winners and losers. Asset prices now are significantly lower than they had been, meaning significant benefits for those investors alert and prepared for the risks. The next 12 months will see massive shifts in corporate ownership, creating opportunities and risks for companies both in and out of the eurozone.

"Our research highlights that Asian businesses have the right business fundamentals and, more important, the right mentality to take advantage of the changing landscape," he added.

Other findings from the FTI Eurozone Poll

Significant minority think the euro will not survive 2012

While the FTI Consulting research highlights that the majority of business leaders outside of the eurozone think the euro will survive, a significant majority are less confident of its future. Nearly a third (31%) of respondents strongly or slightly agree that the euro will not last the year, with a further 64% thinking that at least one of the 17 members will stop using the currency by the end of 2012, and that sentiment was evenly spread across the three main regions. Certainly, many companies are preparing for the worst. Sixty-three percent have or would request changes in contracts with eurozone countries to include scenarios for exit. Furthermore, the stability of the euro is seen as a critical issue by nearly two-thirds (61%) of respondents.

The UK's status elevated in response to the eurozone crisis

The research from FTI Consulting highlights that the UK's reputation amongst executives outside of Europe has risen, as the UK's continental counterparts are seen to be more impacted by the sovereign debt crises and concerns over the currency. In total 72% of respondents to the FTI Consulting survey agree that the UK will increase in importance as a gateway to Europe, split across the regions as follows: 78% in Asia, 71% in North America and 64% in the Middle East.

While the findings support the idea of the United Kingdom as a safe haven for foreign investors, it is far from clear that the data represent a ringing endorsement for the UK government's decision to separate itself from the euro problem. The research establishes that many executives outside of Europe want greater stability in the eurozone, and an overwhelming majority (83%) now believe the Germans will lead the recovery.

When asked about the performance of the leaders of the major European economies, the survey highlighted ambivalence and indicated little variation between the Big Three: German Chancellor Angela Merkel rated highest with a performance rating of 6.3 out of 10, compared with 5.6 out of 10 for both David Cameron, UK Prime Minister, and Nicolas Sarkozy, the French president.

Businesses call on their political leaders to help Europe's economy

Business leaders outside of the eurozone are surprisingly supportive of intervention from their own political leaders, according to the FTI Consulting research. In total, 69% of respondents agree that their country's leaders should support the European Union in its recovery process. The sentiment is felt strongest in Asia, where a large majority (78%) support intervention, unsurprising given its own exposure and commercial interest in the region. However, there still is strong support in North America (63%) for government intervention, even as the United States gears up for its presidential race, indicating that businesses in the United States and Canada still will feel an economic chill if the eurozone crisis deepens.

Furthermore, there are split views on the responsibilities of business and governments to provide a solution to the crisis. A slight majority, 56%, favour the market as opposed to a government-led solution, with the Asians and North Americans most supportive at 60% and 56%, respectively, and the Middle East businesses split almost equally.

About the FTI Eurozone Poll

Research was conducted online by the Strategy Consulting and Research team at FTI Consulting from 9 to 16 January 2012 with more than 800 C-suite executives involved in strategic decisions for their private organisation. Respondents were drawn from affiliate panel databases. The three regions and countries within were selected based upon the known amount of trade they presently conduct with countries in the European Union and prospects for increased prominence. Respondents from each of the three key regions totalled 351 in Asia, 236 in the Middle East and 221 in North America. A breakdown of responses by each country involved is possible where the total number of respondents exceeds 50.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,800 employees located in 23 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The company generated \$1.4 billion in revenues during fiscal year 2010. More information can be found at www.fticonsulting.co.uk.

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