



## FTI Consulting Study Highlights Investor Demand for "CEO Statesmen"

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### Research Finds That Executives Should Play a More Active Role in Policy and Regulatory Debates to Protect Their Businesses

WEST PALM BEACH, Fla., March 8, 2012 /PRNewswire/ -- Shareholders believe corporate chief executive officers of companies with interests in the United States should be engaged in Washington, D.C., policy debates, according to a new survey of institutional investors conducted by the Strategic Communications practice of FTI Consulting (NYSE: FCN). The report's findings run counter to a viewpoint in corporate America that the machinations of government and public policy are no place for corporate executives. In fact, the message from the FTI Consulting research is that analysts and investors not only give their permission for CEOs to engage in the political process — these analysts and stakeholders mandate it.

The study, entitled *The CEO as Statesman*, shows that institutional investors believe that decisions made in Washington, D.C., have had a significant negative impact on the value of investors' portfolios. By extension, investors want the management of their portfolio companies to explain how public policy can affect the business and how those executives are managing the impact of policy changes.

With respect to CEO-level engagement inside the Beltway, investors and analysts are clear. More than 85 percent of participants in the study feel CEOs must proactively engage with policymakers to help protect shareholder value. Not surprisingly, chief executives that connect with D.C. influencers are significantly more likely to be seen in a positive light by institutional investors, who would welcome greater transparency into efforts of companies that aim to shape government action.

"Much has been made of the gulf between Wall Street and Capitol Hill and, while many corporate leaders are alarmed by the increased oversight of business as a response to the Great Recession, few CEOs have made it part of their mission to engage in policy debates," said Edward Reilly, Global Chief Executive Officer of the Strategic Communications practice at FTI Consulting. "When you consider just how much even a small policy shift can shape a market — not to mention more serious overhauls on the magnitude of healthcare, financial services regulation and America's corporate tax rate — it is self-evident that executives must be part of the dialogue. Along with customers, suppliers and investors, policymakers can be critical to the success of a business, and this constituency cannot be left to chance."

#### Policy Threats to Enterprise Value

Investors want CEOs to protect their interests in Washington, D.C., according to these key findings from *The CEO as Statesman*:

- A large percentage (89 percent) believe that current policy decisions are important to investors' portfolios.
- Nearly all (95 percent) overwhelmingly report that the impact of the decisions coming out of Washington, D.C., has been negative for investment portfolios.
- Eighty-six percent wish for CEOs to be at least moderately engaged in public policy debates related to their business. More than one-half of investors say that CEOs should be actively engaged.

According to Reilly, the research shows that company management should be required to protect its organization from political and regulatory threats. "A thoughtful and rational civic engagement program can give a CEO or company access to policymakers and opinion leaders who are interested in finding common ground and solutions that are mutually beneficial. Becoming a 'CEO Statesman' is essential to position executives above the partisan fray as policy leaders and broad advocates — for industry and for the country as a whole."

While investors are clamoring for information about the potential impact of government decisions, companies must be thoughtful and deliberate. The study concludes that there is a clear balancing act between appropriate and reasoned policymaker engagement and the desires of institutional investors.

For more information, methodology and access to the complete findings and white paper entitled, please visit <http://www.fticonsulting.com/global2/media/collateral/united-states/fti-consulting-ceo-as-statesman-2012.pdf>.

#### About the FTI Consulting *CEO as Statesman* Research

The sample consisted of N=260 American investors (analysts and portfolio managers) from 228 different firms. The study was conducted online from Dec. 9 through Dec. 19 of 2011. The total equity of assets managed by the represented firms was \$2.6 trillion, with an average equity of \$11.3 billion and a median equity of \$677.1 million. The sample was generated from Ipreo by screening for U.S. portfolio managers and analysts.

#### About the Strategic Communications Practice of FTI Consulting

The Strategic Communications practice of FTI Consulting, formerly known as FD, is one of the world's most highly regarded communications consultancies. With more than 20 years of experience advising management teams in critical situations, the Strategic Communications practice supports clients in protecting and enhancing their reputation in the capital markets, society and the political environment. Services of the Strategic Communications practice are financial communications, corporate communications and public affairs, with specialty offerings that include strategy consulting, research, creative engagement, crisis and issues management, and change communications. The Strategic Communications practice of FTI Consulting is an established market leader in M&A communications and has been for many years.

#### About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,800 employees located in 24 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 \$1.56 billion in revenues during fiscal year 2011. More information can be found at [www.fticonsulting.com](http://www.fticonsulting.com).

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