

SNAPSHOT - UK GENERAL ELECTION RESEARCH

Businesses encouraged to join debate

The most unpredictable election in a generation will naturally lead to uncertainty for the City and business leaders. The dividing lines for the election are becoming clearer and surges by UKIP, the SNP, and the Green Party are forcing the hand of the more established parties.

So, what are the implications of this for businesses and investors? Are the Conservatives being forced by UKIP into developing a position on the EU and immigration that is opposed by the business community? Does Labour's strong pro-European sentiment tie-in with previous market interventionist rhetoric? What do the raft of possible electoral outcomes mean for the market and business confidence? What are the party policy developments that business, investors and the electorate should be most concerned or optimistic about?

On Wednesday 11 February 2015, FTI Consulting hosted a panel discussion on research conducted with the UK electorate to debate these issues, showing what key stakeholder groups are most concerned about in the run up to May's general election and the sentiment towards the UK's relationship with the European Union.

Undecided Voters

As the media battle intensifies towards the election on 7 May, no knock-out blow appears to have been landed by either of the two main protagonists. The hearts and minds of the electorate across the UK are still up for grabs with 19% claiming they haven't decided who to vote for yet and another 30% claim they could still be persuaded to change their vote (Graph 1).

Graph 1: Opinions of UK Voters – Making their minds up

Q. Have you made your mind up on who to vote for in the 2015 UK General Election? (Please select one response)



■ I definitely will not be voting

■ No - I have not decided who to vote for

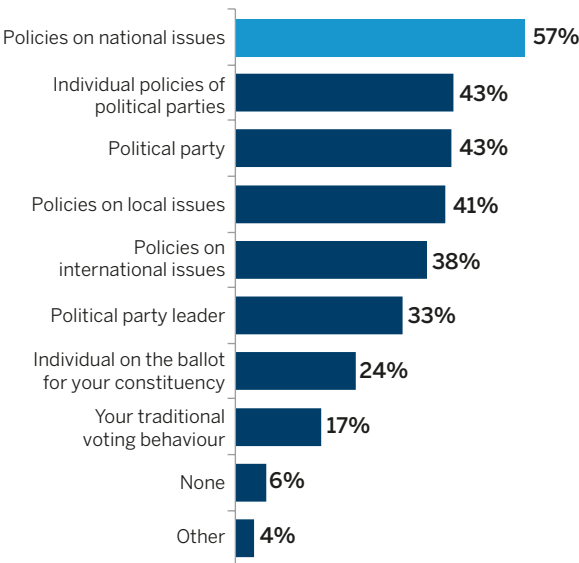
■ Partly - but I could still be persuaded to change

■ Yes - I would not change my decision

Emphasising the importance of these undecided voters, 38% of this group claim they're in a marginal constituency, with the incumbent MP in danger of losing their parliamentary seat. Yet, frustratingly for those MPs, it seems that there is little they can do to influence this decision. The research shows that they are less voting for the individual (Graph 2), but rather voting on policies on national issues (57%) and the national representatives of the main UK political parties (43%).

Graph 2: Opinions of UK Voters – Influencing decisions

Q. Assuming that you're going to vote, which of the following would significantly influence your decision on who to vote for? (Please select all that apply)

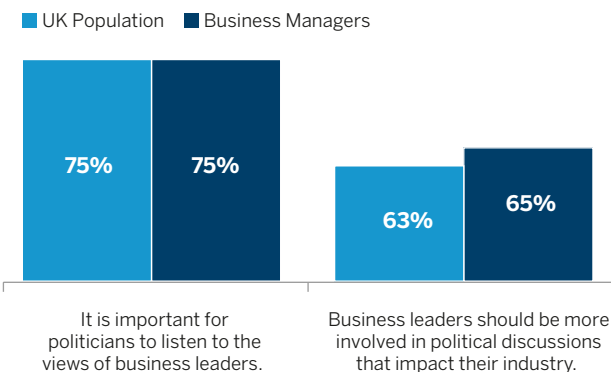


Business Leaders

With the spotlight increasingly shining on the role of business leaders in this election, our research suggests that the UK electorate are keen to see increased activism from business leaders in helping shape the debate from an economic and industry standpoint. Our research finds that almost two thirds of the UK electorate (63%) want business leaders to be much more involved in political discussions on areas that impact their industries, whilst 75% expect politicians to listen to these views and act with these comments in mind.

Graph 3: UK Voters & Business Managers – Engage & listen

Q. How strongly do you agree or disagree with the following statements?

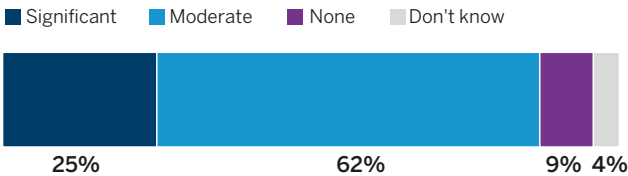


Global Institutional Investors

UK business leaders are increasingly being influenced by the attitudes of their owners and investors. Almost 9 in 10 of the Global Institutional Investors we researched (representing organisations with over USD\$3 trillion under management) want CEOs to engage in public policy discussions on issues related to their business (Graph 4). This sentiment has motivated business leaders to get more publicly involved in national debates to present the views of their organisations and the wider industries they represent to the electorate.

Graph 4: Opinions of Global Institutional Investors – CEO engagement

Q. What do you believe is the appropriate level of CEO engagement in the public policy debate on issues related to their business? (Please select one response)

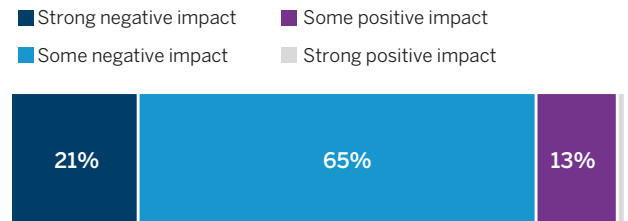


BREXIT

One of the more prominent national debates is that of the UK's relationship with the EU. Whilst general sentiment among the UK population on this issue may be mixed, business managers in the UK consider membership to be a good thing for business. 63% consider the opportunities for business to be better inside of the EU, than outside of it. This is reiterated by 56% who believe inwards investment into the UK would be higher with the country remaining in the EU. This echoes the view of investors, 86% of whom believe their UK investment portfolios will be negatively impacted should there be a BREXIT (Graph 5).

Graph 5: Global Institutional Investors – Impact of BREXIT on portfolios

Q. Should the United Kingdom withdraw from the European Union, what impact would you expect this to have on United Kingdom investment portfolios? (Please select one response)



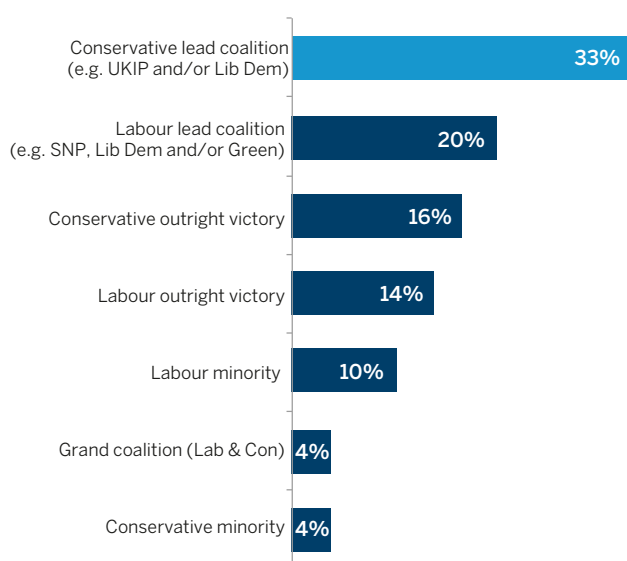
Now is the time for UK business leaders to have their voice heard. Their investors and consumers have passed them the microphone.

Forecast

With the UK General Election rapidly approaching, we asked UK business managers what they predict the final outcome will be. The results are somewhat in contrast to the closeness of polling results published in the media, with a third (33%) picking a Conservative led coalition, followed by a Labour led coalition, significantly lower at 20% (Graph 6).

Graph 6: UK Business Managers – Most likely election outcome

Q. Irrespective of your voting preference, which one of the following do you think is the MOST likely outcome of the 2015 UK General Election? (Please select one response)



Whichever party picks up the keys to Downing Street, over half of UK business managers we researched are expecting another coalition. If this scenario does play out as predicted; we would likely witness a delay in the formation of a UK government. This prospect is a concern for UK business leaders, with 73% expressing the view that this delay would hurt UK businesses. In contrast, an outright winner, whilst an unexpected outcome, is considered to be better for UK business (Graph 7).



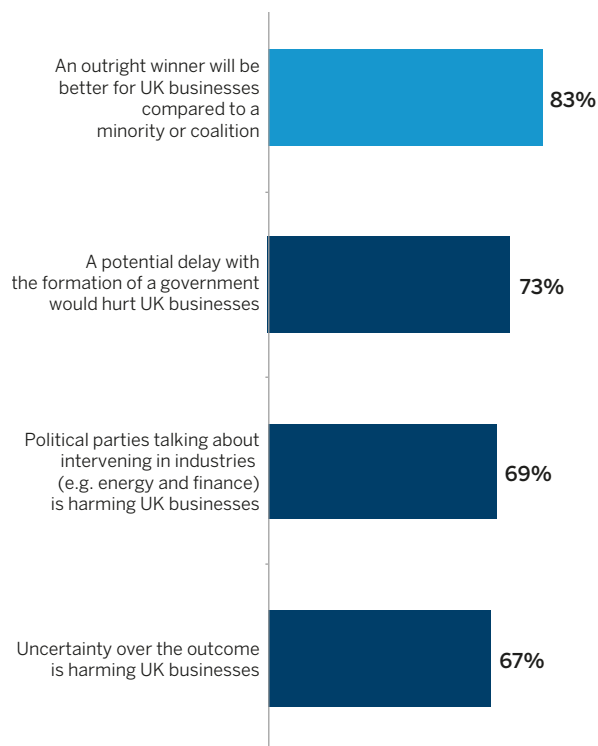
Despite various polling forecasts reported in the media, our own research shows the election outcome is far from being a foregone conclusion. Voters want to hear the voice of business and for politicians to listen.

— Dan Healy, Head of Strategy & Research



Graph 7: UK Business Managers – Good and bad for UK businesses

Q. How strongly do you agree or disagree with the following statements? (Please select one column response for each row)



In what is shaping up to be one of the most enthralling, yet increasingly unpredictable UK General Elections in recent history, it is clear that a politically engaged UK electorate has still to decide which way their vote will be cast. With an increased desire for the voice of the business community to be heard in the debate, it seems that business leaders could still have a significant role to play in determining which direction the voting pendulum will eventually swing.



Whatever one's opinion on BREXIT or the May election, in our view it's vital that decisions are taken on a properly informed basis. This is part of FTI Consulting's ongoing effort to provide impartial data and helpful intelligence for such debates.

— Alex Deane, Head of Public Affairs



RESEARCH METHODOLOGY

UK Voters – A total of n=2,111 respondents across the UK aged 18+ years. Research was conducted from 6th to 9th Feb 2015.

UK Business Managers – A total of n=368 respondents across the UK with senior business decision roles. Research was conducted from 6th to 9th Feb 2015.

Global Institutional Investors – A total of n=165 respondents with a sum of over USD\$3 trillion under management. Research was conducted from 5th to 7th Nov 2014.

All research was conducted online by FTI Consulting. Over 50 questions were asked and further details of the results and methodology can be obtained by emailing dan.healy@fticonsulting.com

Please note that the standard convention for rounding has been applied and consequently some totals do not add up to 100%.

Dan Healy
Head of Strategy Consulting &
Research
+44 (0)20 3727 1239
dan.healy@fticonsulting.com

Alex Deane
Head of UK Public Affairs
+44 (0)20 3727 1167
alex.deane@fticonsulting.com



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