

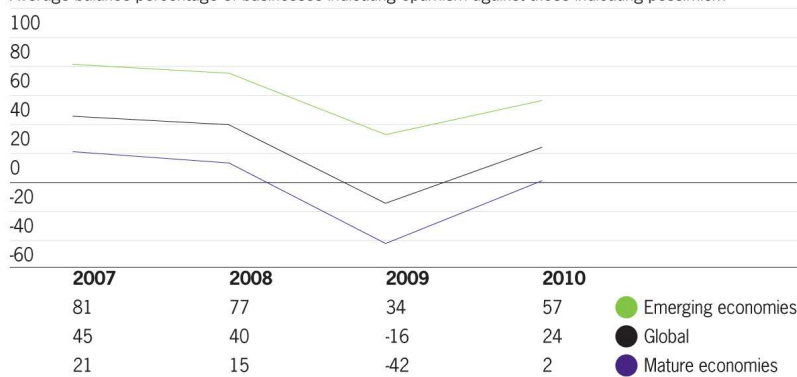
News release

Emerging markets lead the way to economic recovery

The future looks bright for emerging economies according to the Grant Thornton International Business Report 2010. A balance¹ of +57% of privately held businesses (PHBs) in 14 of the world's leading emerging markets indicated that they were optimistic about the prospects for their country's economy in the year ahead. At the same time, a balance of just +2 per cent of businesses in mature economies indicated that they were optimistic. These figures compare with a global average of +24 per cent (see figure 1).

Figure 1: Outlook for the economy over the next 12 months: 2007-2010

Average balance percentage of businesses indicating optimism against those indicating pessimism



Source: Grant Thornton IBR 2010

At an individual country level, emerging economies occupy four of the top five places in terms of optimism for the year ahead. Chile (+85% per cent), India (+84 per cent), Vietnam (+72 per cent) and Brazil (+71 per cent) are only separated by Australia (+79 per cent). Of the other emerging economies, Botswana, mainland China, South Africa, Malaysia and Poland all boast optimism balances of more than 40 per cent.

In the Grant Thornton emerging markets opportunity index (see figure 2) the top five countries this year remain the same as in the 2008. China leads the way thanks to its huge consumer market, increasingly open economy and trade growth, followed by the other developing Asian powerhouse, India. Russia, thanks to its wealth of natural resources, is third, followed by the two largest economies in Latin America - Mexico and Brazil.

¹ the balance is the proportion of businesses reporting they are optimistic less those reporting they are pessimistic.

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Figure 2: The Grant Thornton emerging markets opportunity index 2010

Rank	Country	Change in position (vs 2008)	Score 2010	Score 2008
1	Mainland China	▶	454	496
2	India	▶	222	234
3	Russia	▶	163	142
4	Mexico	▶	129	125
5	Brazil	▶	125	113
6	Turkey	▲	106	89
7	Poland	▼	102	95
8	Malaysia	▲	95	91
9	Indonesia	▼	92	92
10	Thailand	▼	87	92
11	Argentina	▲	81	84
12	Hungary	▼	80	84
13	Iran	▲	79	76
14	Chile	▲	74	72
15	South Africa	▼	71	79
16	Vietnam	▲	68	68
17	Colombia	▲	67	63
18	Egypt	▲	65	59
19	Ukraine	▼	64	69
20	Peru	▲	64	57
21	Venezuela	▼	63	64
22	Romania	▼	62	63
23	Pakistan	▼	60	63
24	Algeria	▶	60	58
25	Philippines	▼	56	69
26	Nigeria	▲	56	47
27	Bangladesh	▼	54	55

The Grant Thornton emerging markets opportunity index is based on a weighted calculation of key indicators including GDP, GDP per capita, population size, international trade, growth projections and the Human Development Index (HDI).

Sources: World Development Indicators, World Bank; World Trade Organisation; Experian; HDI United Nations Human Development Report

Says Alex MacBeath, global leader - markets for Grant Thornton International, "The importance of the emerging markets to the world economy has been brought into sharper focus as the world emerges from recession. Not only have these economies been less severely hit, but they are also recovering more quickly, with growth rates over the next two years forecast to be double that of more mature economies."

However, the survey also reports that businesses in emerging markets fear their growth prospects are being hampered by poor access to finance and a lack of highly-skilled workers to a much larger extent than their counterparts in more mature economies.

Says Alex MacBeath, "The opportunity for investors from both mature and emerging markets to feed off this optimism and help these businesses to overcome the barriers they face regarding expansion are enormous. Indeed, these markets and their businesses are developing so rapidly and powerfully that ignoring them could represent a risk to long term profitability."

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About the Grant Thornton International Business Report (IBR)

Grant Thornton IBR surveyed a sample of over 7,400 chief executive officers, managing directors, chairman or other senior executives in medium to large PHBs across 36 economies. The sample was randomly selected by number of employees or revenue of the businesses. A minimum sample size of 100 per country was surveyed in order to guarantee statistical reliability, although this number was higher in larger economies. The survey was commissioned by Grant Thornton International and conducted by an independent market research agency, Experian Business Strategies. Further details about the IBR methodology are available at: www.internationalbusinessreport.com.

About the Grant Thornton emerging markets opportunity index

The Grant Thornton emerging markets opportunity index ranks the level of opportunity for investors in 27 emerging economies across the globe. Taking account of key factors such as size, wealth, involvement in world trade, growth potential and levels of human development, it highlights these markets as investment prospects with their large, rapidly expanding and increasingly affluent economies.

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