



CASE STUDY

Food Processing: Dispute and Valuation

In a dispute between a juice and dairy producer and a Middle Eastern state, FTI Consulting was appointed to provide independent expert witness evidence before an international arbitral tribunal on the loss suffered by the claimant.

SITUATION

The claimant, a company producing juice and dairy products in the Middle East, considered that the respondent, a Middle Eastern state, had unlawfully threatened expropriating the land on which its producing facilities were located, thereby preventing it from making the investment necessary to sustain its operations.

The claimant sought relief for the loss caused by these measures, including losses of market share and in turn of revenues and profits.

“The Tribunal considers that the DCF method, adopted by the FTI experts in their report, [...] is the most appropriate method to quantify the amount of damages, since it is the only method which would put [Claimant] in the financial position in which it would have found itself in the absence of breach or breaches”.

OUR ROLE

FTI Consulting was appointed to provide independent expert witness evidence and assess the loss to the claimant as a result of the harmful measures. FTI Consulting’s experts assessed the capital expenditures that the claimant would likely have made in the absence of these measures and built a sophisticated discounted cash flow model comparing the financial performances of the claimant with and without these capital expenditures.

FTI Consulting experts’ assessment of the performance of the claimant in the absence of the harmful measures relied on several relevant benchmarks, such as comparable projects in similar countries and the performance of competitors of the claimant in the host state during the relevant period.

FTI Consulting’s experts concluded that the claimant had made significant losses as a result of the state’s adverse measures and provided the tribunal with a robust assessment of these losses based on a discounted cash flow model.

OUR IMPACT



The Tribunal accepted FTI Consulting’s discounted cash flow approach and assumptions almost entirely. Relying extensively on our experts’ analysis, the tribunal awarded several tens of millions of dollars in compensation to the claimant.

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