cutting through complexity

M&A PREDICTOR

JULY 2013

What is KPMG's M&A Predictor?

Appetite for deals still fragile

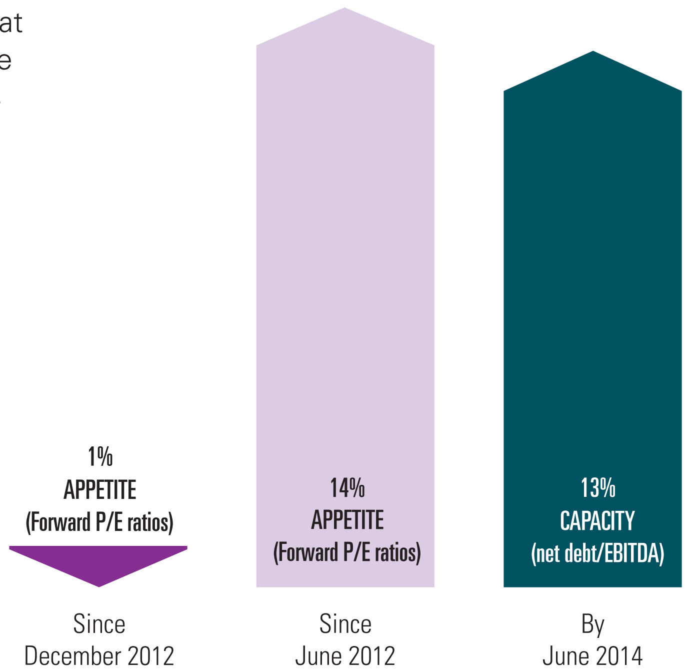
Analysts are expecting the world's largest corporates to show an increasing appetite for deals compared with June 2012, with predicted forward P/E ratios (our measure of corporate appetite) 14 percent higher than 12 months ago. However, macroeconomic factors (such as nervousness over the continuation of quantitative easing) continue to impact forward P/E ratios which have returned to the levels seen at the start of the year.

Despite the uncertainty in the markets, the capacity to transact, as measured by forecast net debt to EBITDA, holds steady with an expected improvement of 13 percent over the next year.

KPMG's M&A Predictor is a forward-looking tool that helps member firm clients to forecast worldwide trends in mergers and acquisitions. The Predictor was established in 2007. It looks at the appetite and capacity for M&A deals by tracking and projecting important indicators 12 months forward. The rise or fall of forward P/E (price/earnings) ratios offers a good guide to the overall market confidence, while net debt to EBITDA (earnings before interest, tax, depreciation and amortization) ratios helps gauge the capacity of companies to fund future acquisitions.

The Predictor covers the world by sector and region. It is produced twice a year, using data comprising 1,000 of the largest companies in the world by market capitalization.*

Tom Franks
Global Head of Corporate Finance



Source: S&P Capital IQ/KPMG analysis

*The financial services and property sectors are excluded from our analysis, as net debt/EBITDA ratios are not considered relevant in these industries. All the raw data within the Predictor is sourced from Capital IQ. Where possible, earnings and EBITDA data is on a pre-exceptionals basis with the exception of Japan, for which GAAP has been used.

> The capacity to transact continues to rise as companies pay down debt.

Regions echo global trends

The nervousness around global appetite in recent months is reflected in all regions except North America, where predicted forward P/E ratios are up 4 percent over the past 6 months to June 2013. However, confidence in the M&A market is still higher than a year ago in all markets.

The capacity to transact continues to rise as companies pay down debt. Global net debt to EBITDA ratios are expected to fall 13 percent over the next 12 months. This trend is seen across the regions, to varying levels. Africa and the Middle East will see a significant increase in capacity, with a forecast 34 percent increase by next year.

According to Tom Franks, Global Head of Corporate Finance at KPMG, "Despite several years of forecast growth in capacity, the market is clearly still affected by macroeconomic factors which are driving down M&A volumes. This imbalance is likely to lead to continuing tensions between companies and their investors over how to use 'surplus' cash."

Sector performance variable

Healthcare, Consumer Discretionary and Industrials are the strongest sectors, with forward P/E ratios up 20, 20 and 21 percent respectively over 12 months. Even in the past 6 months, where confidence has been shaky across the market, Healthcare is up 9 percent over the past 6 months to June 2013. Consumer Staples and Telecommincations show slight increases in confidence in the same period, with a 1 percent and 3 percent rise. Basic Materials has had the most dramatic shift, with a 16 percent decrease in confidence over the past 6 months.

In terms of capacity, the Technology sector continues to command a strong position as it improves its cash reserves, with an anticipated increase in capacity by 29 percent over the next year. Healthcare is another strong performer, with its net debt to EBITDA ratios expected to fall – and thereby increasing capacity – by 54 percent.

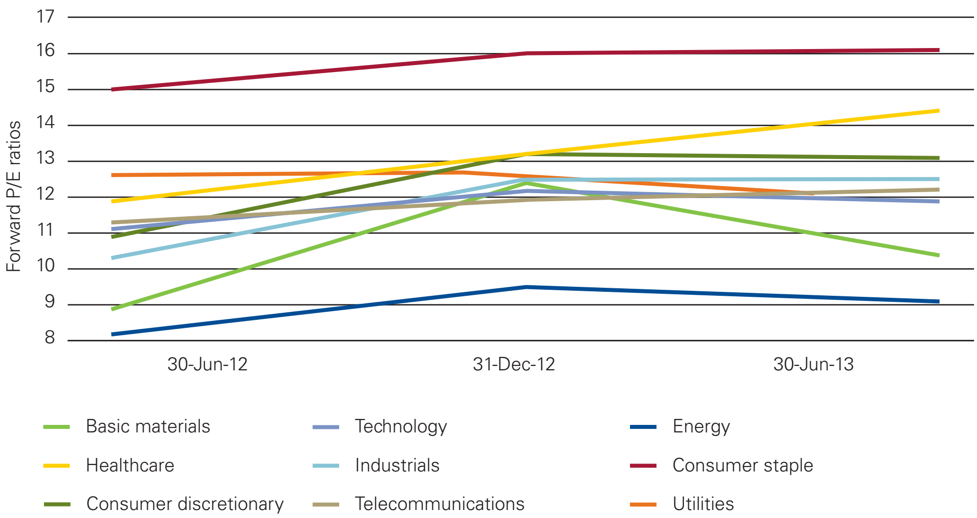
Some bright spots in a muted market

Japan is one of the brightest spots in the analysts' data, with a 24 percent year-on-year increase in appetite and an 8 percent increase in capacity.

"The increased expectations for both capacity and appetite agree with what we hear from company leadership. Domestic stock markets have been reacting positively to the monetary policies being implemented by Abe leadership. We expect deal volume to increase with market prices as more potential sellers become willing to transact," says Hikaru Okada, Head of Corporate Finance, KPMG in Japan.

Similarly, the US continues to outperform the market even when times are tough. Forward P/E ratios are 4 percent higher than 6 months ago – modest but positive in an uncertain market – and 14 percent up year-on-year. The US's capacity to transact is robust, with an expected improvement of 20 percent over the next year.

Market confidence by industry sector



Source: S&P Capital IQ/KPMG Analysis

> The market is still clearly affected by macroeconomic factors which are driving down M&A volumes.

"Despite uncertainty in the global economy the US M&A market has held fairly constant," commented Phil Isom, Head of Corporate Finance, KPMG in the US, "relatively easy access to capital has been a strong driver for deal flow."

Global merger levels down while values hold on

The total number of deals completed worldwide within the past 12 months has continued its downward trajectory, down almost 10 percent between June 2012 and June 2013. AsPac and EMA are the two regions which have had a particular decline in volumes in the past year.

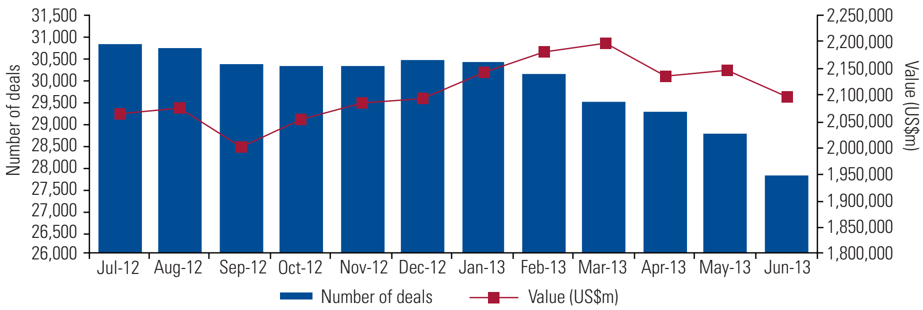
After a brief rally at the start of the year, global deal values are back at 2012 year end levels and worryingly look to be on a declining trend.

"The evidence from the top 1,000 companies is that while confidence is fragile, it is there, and this is reflected in average (as opposed to total) deal values, which continue to increase. Beyond the largest corporates, however, the mid-market and below is continuing to struggle," commented Tom Franks.

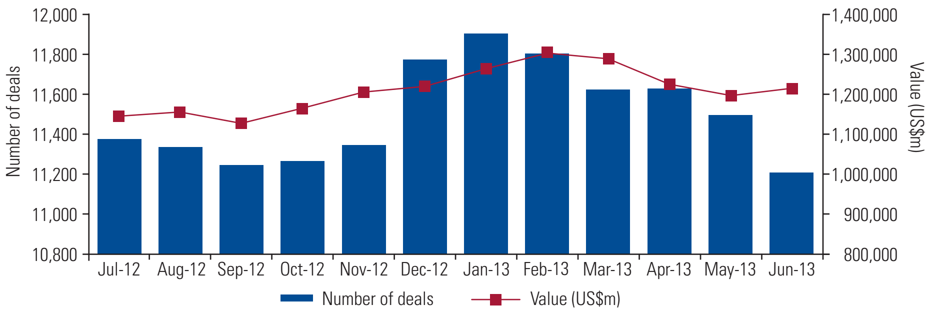
Despite some uncertainty in the last few months, confidence in the M&A market is still higher than it was a year ago, across all markets. This confidence, combined with a continued capacity to transact, should lead to a lift in the M&A market.

According to Bob Cowell, at KPMG Makinson Cowell, "The rise in appetites over 12 months shows that shareholders in all regions are still hungry for growth and, despite ongoing difficulties in the markets, are supportive of inorganic growth where it's a viable option."

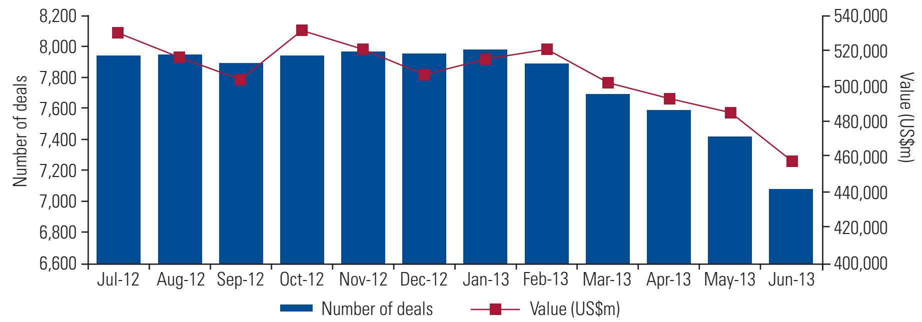
Worldwide completed deals: 1 year trailing Jul 12 – Jun 13



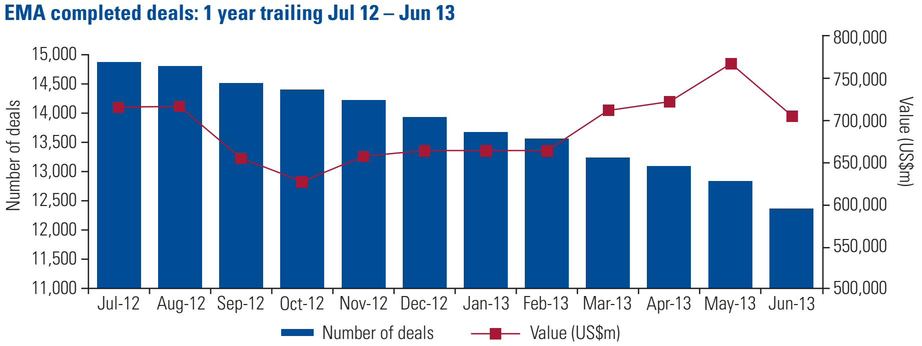
Americas completed deals: 1 year trailing Jul 12 – Jun 13



AsPac completed deals: 1 year trailing Jul 12 – Jun 13



EMA completed deals: 1 year trailing Jul 12 – Jun 13



Source: Thomson Reuters SDC/KPMG analysis
Note: Figures shown are totals for the 12 month period up to the specified date

All figures are in US$m

	Number of Companies	Market Cap As at 30-Jun-12	Market Cap As at 31-Dec-12	Market Cap As at 30-Jun-13	Market Cap % change			Net Profit (Pre Exce) 30-Jun-12 30-Jun-13	Net Profit (Pre Exce) 31-Dec-12 31-Dec-13	Net Profit (Pre Exce) 30-Jun-13 30-Jun-14	Net Profit % change			P/E 30-Jun-12 30-Jun-13	P/E 31-Dec-12 31-Dec-13	P/E 30-Jun-13 30-Jun-14	P/E % change			Net Debt 30-Jun-13 30-Jun-13	Net Debt 30-Jun-13 30-Jun-14	Net Debt % Change	EBITDA 30-Jun-13 30-Jun-13	EBITDA 30-Jun-13 30-Jun-14	EBITDA % Change	(Net Debt)/(EBITDA) 30-Jun-13 30-Jun-13	(Net Debt)/(EBITDA) 30-Jun-13 30-Jun-14	(Net Debt)/(EBITDA) % change
		A	B	C	C vs A	B vs A	C vs B	A	B	C	C vs A	B vs A	C vs B	A	B	C	C vs A	B vs A	C vs B	D	E		F	G		D/F	E/G	
Region																												
Africa and Middle East	26	449,521	483,866	478,917	7%	8%	(1%)	46,530	43,737	43,498	(7%)	(6%)	(1%)	9.7	11.1	11.0	14%	15%	(0%)	50,976	32,822	(36%)	79,499	77,674	(2%)	0.6	0.4	(34%)
AsPac : Japan (GAAP)	95	1,570,402	1,609,759	1,889,758	20%	3%	17%	153,896	126,016	149,237	(3%)	(18%)	18%	10.2	12.8	12.7	24%	25%	(1%)	681,505	633,029	(7%)	362,811	364,476	0%	1.9	1.7	(8%)
AsPac : Other	181	3,773,974	4,226,847	3,925,979	4%	12%	(7%)	366,199	346,274	366,292	0%	(5%)	6%	10.3	12.2	10.7	4%	18%	(12%)	556,489	495,911	(11%)	634,902	690,335	9%	0.9	0.7	(18%)
Europe	254	6,731,822	7,675,734	7,695,166	14%	14%	0%	740,836	703,736	721,427	(3%)	(5%)	3%	9.1	10.9	10.7	17%	20%	(2%)	1,619,515	1,481,845	(9%)	1,518,098	1,517,108	(0%)	1.1	1.0	(8%)
LatAm	46	1,151,750	1,242,678	1,055,210	(8%)	8%	(15%)	99,213	89,307	83,007	(16%)	(10%)	(7%)	11.6	13.9	12.7	10%	20%	(9%)	238,692	245,895	3%	171,765	176,269	3%	1.4	1.4	0%
North America	398	11,397,916	11,752,380	12,901,960	13%	3%	10%	945,500	885,478	937,973	(1%)	(6%)	6%	12.1	13.3	13.8	14%	10%	4%	1,594,814	1,366,019	(14%)	1,745,994	1,805,858	3%	0.9	0.8	(17%)
Global:	**1,000**	**25,075,386**	**26,991,262**	**27,946,989**	**11%**	**8%**	**4%**	**2,352,175**	**2,194,548**	**2,301,433**	**(2%)**	**(7%)**	**5%**	**10.7**	**12.3**	**12.1**	**14%**	**15%**	**(1%)**	**4,741,992**	**4,255,521**	**(10%)**	**4,513,070**	**4,631,721**	**3%**	**1.1**	**0.9**	**(13%)**
Country																												
Argentina	1	7,145	7,918	8,367	17%	11%	6%	1,621	1,402	1,111	(31%)	(14%)	(21%)	4.4	5.6	7.5	71%	28%	33%	3,053	2,719	(11%)	3,587	3,277	(9%)	0.9	0.8	(3%)
Australia	16	532,851	624,819	520,253	(2%)	17%	(17%)	56,061	44,911	45,451	(19%)	(20%)	1%	9.5	13.9	11.4	20%	46%	(18%)	106,710	105,536	(1%)	89,098	88,832	(0%)	1.2	1.2	(1%)
Austria	1	10,239	11,760	14,714	44%	15%	25%	1,926	1,784	1,918	(0%)	(7%)	8%	5.3	6.6	7.7	44%	24%	16%	3,229	2,920	(10%)	6,648	6,597	(1%)	0.5	0.4	(9%)
Belgium	4	148,068	168,211	171,076	16%	14%	2%	9,696	10,088	10,933	13%	4%	8%	15.3	16.7	15.6	2%	9%	(6%)	42,014	37,367	(11%)	20,064	21,550	7%	2.1	1.7	(17%)
Bermuda	3	67,723	80,618	82,164	21%	19%	2%	5,481	5,347	5,589	2%	(2%)	5%	12.4	15.1	14.7	19%	22%	(3%)	23,319	23,935	3%	12,680	13,527	7%	1.8	1.8	(4%)
Brazil	18	536,997	567,036	466,718	(13%)	6%	(18%)	56,841	48,412	45,620	(20%)	(15%)	(6%)	9.4	11.7	10.2	8%	24%	(13%)	148,640	161,789	9%	84,825	91,091	7%	1.8	1.8	1%
Canada	33	621,099	669,972	610,921	(2%)	8%	(9%)	55,329	50,148	48,170	(13%)	(9%)	(4%)	11.2	13.4	12.7	13%	19%	(5%)	177,283	182,821	3%	111,535	109,431	(2%)	1.6	1.7	5%
Chile	7	103,846	108,563	105,360	1%	5%	(3%)	6,892	6,210	6,782	(2%)	(10%)	9%	15.1	17.5	15.5	3%	16%	(11%)	30,989	30,572	(1%)	13,743	14,551	6%	2.3	2.1	(7%)
China	44	1,013,952	1,078,854	975,689	(4%)	6%	(10%)	99,871	92,277	98,649	(1%)	(8%)	7%	10.2	11.7	9.9	(3%)	15%	(15%)	257,557	252,479	(2%)	193,004	217,423	13%	1.3	1.2	(13%)
Colombia	2	120,713	136,004	94,425	(22%)	13%	(31%)	10,145	9,376	6,907	(32%)	(8%)	(26%)	11.9	14.5	13.7	15%	22%	(6%)	4,425	5,779	31%	18,041	15,788	(12%)	0.2	0.4	49%
Czech Republic	1	18,491	19,081	12,800	(31%)	3%	(33%)	2,177	2,171	1,769	(19%)	(0%)	(18%)	8.5	8.8	7.2	(15%)	3%	(18%)	8,829	8,934	1%	4,522	4,084	(10%)	2.0	2.2	12%
Denmark	5	134,655	153,903	149,766	11%	14%	(3%)	9,232	9,973	10,760	17%	8%	8%	14.6	15.4	13.9	(5%)	6%	(10%)	19,664	17,880	(9%)	22,568	22,425	(1%)	0.9	0.8	(8%)
Finland	4	46,408	58,261	59,303	28%	26%	2%	3,141	2,802	3,610	15%	(11%)	29%	14.8	20.8	16.4	11%	41%	(21%)	5,182	4,113	(21%)	6,056	7,466	23%	0.9	0.6	(36%)
France	37	912,551	1,049,095	1,093,276	20%	15%	4%	88,081	87,803	90,874	3%	(0%)	3%	10.4	11.9	12.0	16%	15%	1%	243,620	218,707	(10%)	214,363	211,758	(1%)	1.1	1.0	(9%)
Germany	30	821,217	1,023,094	1,028,869	25%	25%	1%	93,945	93,059	97,883	4%	(1%)	5%	8.7	11.0	10.5	20%	26%	(4%)	164,550	133,315	(19%)	217,052	212,173	(2%)	0.8	0.6	(17%)
Hong Kong	20	575,221	649,861	599,096	4%	13%	(8%)	51,325	50,174	52,841	3%	(2%)	5%	11.2	13.0	11.3	1%	16%	(12%)	26,224	16,088	(39%)	96,326	103,958	8%	0.3	0.2	(43%)
India	24	438,862	476,944	459,996	5%	9%	(4%)	34,927	34,577	35,980	3%	(1%)	4%	12.6	13.8	12.8	2%	10%	(7%)	19,143	8,835	(54%)	52,933	56,415	7%	0.4	0.2	(57%)
Indonesia	8	106,444	113,774	125,548	18%	7%	10%	7,337	7,269	7,842	7%	(1%)	8%	14.5	15.7	16.0	10%	8%	2%	2,510	1,618	(36%)	11,274	12,143	8%	0.2	0.1	(40%)
Ireland	10	159,703	186,995	211,989	33%	17%	13%	15,677	14,393	15,568	(1%)	(8%)	8%	10.2	13.0	13.6	34%	28%	5%	13,957	8,191	(41%)	24,154	24,285	1%	0.6	0.3	(42%)
Israel	3	58,308	57,380	55,515	(5%)	(2%)	(3%)	7,333	6,538	6,694	(9%)	(11%)	2%	8.0	8.8	8.3	4%	10%	(5%)	9,534	5,639	(41%)	9,479	9,117	(4%)	1.0	0.6	(39%)
Italy	11	215,203	251,023	230,133	7%	17%	(8%)	27,167	25,571	24,504	(10%)	(6%)	(4%)	7.9	9.8	9.4	19%	24%	(4%)	170,654	165,946	(3%)	104,175	100,586	(3%)	1.6	1.6	1%
Japan	95	1,570,402	1,609,759	1,889,758	20%	3%	17%	153,896	126,016	149,237	(3%)	(18%)	18%	10.2	12.8	12.7	24%	25%	(1%)	681,505	633,029	(7%)	362,811	364,476	0%	1.9	1.7	(8%)
Kuwait	1	10,266	10,777	8,877	(14%)	5%	(18%)	1,102	936	907	(18%)	(15%)	(3%)	9.3	11.5	9.8	5%	24%	(15%)	1,353	381	(72%)	2,048	1,944	(5%)	0.7	0.2	(70%)
Luxembourg	4	68,141	77,507	66,174	(3%)	14%	(15%)	7,637	5,121	5,848	(23%)	(33%)	14%	8.9	15.1	11.3	27%	70%	(25%)	22,280	19,467	(13%)	13,297	13,488	1%	1.7	1.4	(14%)
Macau	3	43,222	56,180	62,155	44%	30%	11%	3,745	3,295	4,137	10%	(12%)	26%	11.5	17.1	15.0	30%	48%	(12%)	529	914	73%	3,604	4,515	25%	0.1	0.2	38%
Malaysia	10	117,901	130,715	132,873	13%	11%	2%	7,686	7,457	7,424	(3%)	(3%)	(0%)	15.3	17.5	17.9	17%	14%	2%	1,850	193	(90%)	13,951	13,840	(1%)	0.1	0.0	(90%)
Mexico	17	370,465	409,854	372,289	0%	11%	(9%)	22,905	23,209	21,987	(4%)	1%	(5%)	16.2	17.7	16.9	5%	9%	(4%)	52,807	45,576	(14%)	50,210	50,524	1%	1.1	0.9	(14%)
Morocco	1	11,181	11,022	10,208	(9%)	(1%)	(7%)	885	875	843	(5%)	(1%)	(4%)	12.6	12.6	12.1	(4%)	(0%)	(4%)	695	654	(6%)	1,945	1,962	1%	0.4	0.3	(7%)
Netherlands	20	564,048	631,830	643,036	14%	12%	2%	62,960	59,470	63,398	1%	(6%)	7%	9.0	10.6	10.1	13%	19%	(5%)	112,166	105,175	(6%)	129,713	137,299	6%	0.9	0.8	(11%)
Nigeria	1	11,498	13,964	19,103	66%	21%	37%	1,459	1,406	1,495	2%	(4%)	6%	7.9	9.9	12.8	62%	26%	29%	945	898	(5%)	1,167	1,566	34%	0.8	0.6	(29%)
Norway	5	130,719	143,485	123,214	(6%)	10%	(14%)	15,087	14,899	13,775	(9%)	(1%)	(8%)	8.7	9.6	8.9	3%	11%	(7%)	16,635	18,578	12%	56,655	48,110	(15%)	0.3	0.4	32%
Papua New Guinea	1	8,967	9,715	9,483	6%	8%	(2%)	179	170	317	77%	(5%)	87%	50.1	57.3	29.9	(40%)	14%	(48%)	3,889	4,340	12%	400	390	(3%)	9.7	11.1	15%
Peru	1	12,585	13,302	8,051	(36%)	6%	(39%)	809	699	600	(26%)	(14%)	(14%)	15.6	19.0	13.4	(14%)	22%	(30%)	-1,223	-540	(56%)	1,360	1,037	(24%)	-0.9	-0.5	(42%)
Philippines	3	31,117	33,855	38,874	25%	9%	15%	1,992	2,043	2,104	6%	3%	3%	15.6	16.6	18.5	18%	6%	12%	4,189	4,363	4%	4,014	3,990	(1%)	1.0	1.1	5%
Poland	2	18,237	20,898	18,906	4%	15%	(10%)	2,073	1,993	1,797	(13%)	(4%)	(10%)	8.8	10.5	10.5	20%	19%	0%	1,548	2,955	91%	4,081	3,983	(2%)	0.4	0.7	96%
Portugal	3	29,645	35,910	35,811	21%	21%	(0%)	2,636	2,526	2,567	(3%)	(4%)	2%	11.2	14.2	14.0	24%	26%	(2%)	26,525	26,156	(1%)	7,297	7,455	2%	3.6	3.5	(3%)
Qatar	2	27,984	32,578	36,822	32%	16%	13%	3,585	3,843	3,890	9%	7%	1%	7.8	8.5	9.5	21%	9%	12%	4,692	1,495	(68%)	7,079	5,032	(29%)	0.7	0.3	(55%)
Russia	17	458,293	509,388	438,760	(4%)	11%	(14%)	105,640	100,173	96,981	(8%)	(5%)	(3%)	4.3	5.1	4.5	4%	17%	(11%)	125,171	124,103	(1%)	170,735	172,914	1%	0.7	0.7	(2%)
Saudi Arabia	7	146,092	151,350	154,051	5%	4%	2%	15,348	14,831	15,249	(1%)	(3%)	3%	9.5	10.2	10.1	6%	7%	(1%)	28,917	20,087	(31%)	29,166	30,434	4%	1.0	0.7	(33%)
Singapore	9	134,580	143,722	141,374	5%	7%	(2%)	11,232	10,035	10,431	(7%)	(11%)	4%	12.0	14.3	13.6	13%	20%	(5%)	20,299	18,889	(7%)	17,323	16,979	(2%)	1.2	1.1	(5%)
South Africa	9	155,697	177,560	157,452	1%	14%	(11%)	14,081	12,607	11,564	(18%)	(10%)	(8%)	11.1	14.1	13.6	23%	27%	(3%)	4,425	3,347	(24%)	22,681	21,048	(7%)	0.2	0.2	(18%)
South Korea	18	388,070	466,779	405,459	4%	20%	(13%)	59,886	63,195	67,757	13%	6%	7%	6.5	7.4	6.0	(8%)	14%	(19%)	89,586	60,807	(32%)	106,183	117,728	11%	0.8	0.5	(39%)
Spain	11	244,776	297,183	295,791	21%	21%	(0%)	25,467	25,007	24,939	(2%)	(2%)	(0%)	9.6	11.9	11.9	23%	24%	(0%)	169,046	151,945	(10%)	79,598	77,493	(3%)	2.1	2.0	(8%)
Sweden	12	237,116	272,546	264,602	12%	15%	(3%)	20,095	19,151	19,799	(1%)	(5%)	3%	11.8	14.2	13.4	13%	21%	(6%)	21,053	14,614	(31%)	32,888	32,004	(3%)	0.6	0.5	(29%)
Switzerland	25	820,093	937,430	1,045,868	28%	14%	12%	71,754	69,067	75,435	5%	(4%)	9%	11.4	13.6	13.9	21%	19%	2%	120,049	95,652	(20%)	108,027	119,093	10%	1.1	0.8	(28%)
Taiwan	15	269,342	303,674	305,573	13%	13%	1%	20,426	19,524	21,011	3%	(4%)	8%	13.2	15.6	14.5	10%	18%	(6%)	6,196	2,463	(60%)	27,346	32,058	17%	0.2	0.1	(66%)
Thailand	10	113,445	137,955	149,607	32%	22%	8%	11,532	11,349	12,347	7%	(2%)	9%	9.8	12.2	12.1	23%	24%	(0%)	17,807	19,386	9%	19,446	22,064	13%	0.9	0.9	(4%)
Turkey	5	48,418	57,811	55,144	14%	19%	(5%)	5,063	4,989	5,136	1%	(1%)	3%	9.6	11.6	10.7	12%	21%	(7%)	2,299	1,790	(22%)	9,612	9,385	(2%)	0.2	0.2	(20%)
United Arab Emirates	2	28,496	29,234	36,890	29%	3%	26%	2,736	2,701	2,857	4%	(1%)	6%	10.4	10.8	12.9	24%	4%	19%	415	321	(23%)	5,934	6,573	11%	0.1	0.0	(30%)
United Kingdom	47	1,645,801	1,770,323	1,735,935	5%	8%	(2%)	171,383	153,695	153,931	(10%)	(10%)	0%	9.6	11.5	11.3	17%	20%	(2%)	331,045	324,036	(2%)	286,596	284,961	(1%)	1.2	1.1	(2%)
United States	362	10,709,094	11,001,790	12,208,875	14%	3%	11%	884,690	829,984	884,213	(0%)	(6%)	7%	12.1	13.3	13.8	14%	10%	4%	1,394,213	1,159,263	(17%)	1,621,779	1,682,900	4%	0.9	0.7	(20%)
Global:	**1,000**	**25,075,386**	**26,991,262**	**27,946,989**	**11%**	**8%**	**4%**	**2,352,175**	**2,194,548**	**2,301,433**	**(2%)**	**(7%)**	**5%**	**10.7**	**12.3**	**12.1**	**14%**	**15%**	**(1%)**	**4,741,992**	**4,255,521**	**(10%)**	**4,513,070**	**4,631,721**	**3%**	**1.1**	**0.9**	**(13%)**

Source: S&P Capital IQ/KPMG analysis • A Concensus forecasts in existence on 30-June-12 in respect of the year ending 30-June-13 for net profit and P/E • B Concensus forecasts in existence on 31-Dec-12 in respect of the year ending 31-Dec-13 for net profit and P/E • C/G Concensus forecasts in existence on 30-June-13 in respect of the year ending 30-June-14 for net profilt, P/E and EBITDA • D Actual/ Concensus net debt forecasts in existence on 30-June-13 in respect to the closest fiscal year end to 30-June-13 • E Concensus forecasts in existence on 30-June-13 in respect of the closest fiscal year end to 30-June-14 • F Concensus forecasts in existence on 30-June-13 in respect of the year ending 30-June-13

All figures are in US$m

		Number of Companies	Market Cap As at 30-Jun-12	Market Cap As at 31-Dec-12	Market Cap As at 30-Jun-13	Market Cap % change			Net Profit (Pre Exce) 30-Jun-12 30-Jun-13	Net Profit (Pre Exce) 31-Dec-12 31-Dec-13	Net Profit (Pre Exce) 30-Jun-13 30-Jun-14	Net Profit % change			P/E 30-Jun-12 30-Jun-13	P/E 31-Dec-12 31-Dec-13	P/E 30-Jun-13 30-Jun-14	P/E % change			Net Debt 30-Jun-13 30-Jun-13	Net Debt 30-Jun-13 30-Jun-14	Net Debt % Change	EBITDA 30-Jun-13 30-Jun-13	EBITDA 30-Jun-13 30-Jun-14	EBITDA % Change	(Net Debt)/(EBITDA) 30-Jun-13 30-Jun-13	(Net Debt)/(EBITDA) 30-Jun-13 30-Jun-14	(Net Debt)/(EBITDA) % change
			A	B	C	C vs A	B vs A	C vs B	A	B	C	C vs A	B vs A	C vs B	A	B	C	C vs A	B vs A	C vs B	D	E		F	G		D/F	E/G	
Industry	Basic Materials	97	2,257,036	2,554,103	2,187,003	(3%)	13%	(14%)	253,466	205,158	209,923	(17%)	(19%)	2%	8.9	12.4	10.4	17%	40%	(16%)	545,517	512,422	(6%)	389,112	406,630	5%	1.4	1.3	(10%)
	Consumer discretionary	168	3,177,030	3,597,355	4,049,957	27%	13%	13%	291,012	273,273	309,974	7%	(6%)	13%	10.9	13.2	13.1	20%	21%	(1%)	463,707	398,651	(14%)	545,834	581,370	7%	0.8	0.7	(19%)
	Energy	121	4,139,408	4,406,002	4,235,131	2%	6%	(4%)	507,632	464,826	465,971	(8%)	(8%)	0%	8.2	9.5	9.1	11%	16%	(4%)	986,152	1,027,495	4%	1,046,326	1,069,182	2%	0.9	1.0	2%
	Healthcare	83	2,542,680	2,728,774	3,097,690	22%	7%	14%	212,880	206,029	215,247	1%	(3%)	4%	11.9	13.2	14.4	20%	11%	9%	190,466	86,307	(55%)	343,218	335,651	(2%)	0.6	0.3	(54%)
	Industrials	168	2,645,779	2,948,018	3,147,687	19%	11%	7%	257,429	236,189	252,702	(2%)	(8%)	7%	10.3	12.5	12.5	21%	21%	(0%)	765,650	695,771	(9%)	464,020	471,542	2%	1.7	1.5	(11%)
	Consumer staple	125	3,625,356	3,834,484	4,070,532	12%	6%	6%	242,233	240,197	252,910	4%	(1%)	5%	15.0	16.0	16.1	8%	7%	1%	518,873	476,418	(8%)	422,312	441,415	5%	1.2	1.1	(12%)
	Technology	106	3,545,421	3,694,290	3,855,190	9%	4%	4%	320,544	304,693	323,984	1%	(5%)	6%	11.1	12.1	11.9	8%	10%	(2%)	-480,174	-653,831	36%	455,573	481,246	6%	-1.1	-1.4	29%
	Telecommunications Services	61	1,962,412	2,022,989	2,075,741	6%	3%	3%	172,939	169,381	169,467	(2%)	(2%)	0%	11.3	11.9	12.2	8%	5%	3%	625,628	580,299	(7%)	533,126	526,631	(1%)	1.2	1.1	(6%)
	Utilities	71	1,180,263	1,205,246	1,228,058	4%	2%	2%	94,040	94,802	101,256	8%	1%	7%	12.6	12.7	12.1	(3%)	1%	(5%)	1,126,173	1,131,991	1%	313,548	318,052	1%	3.6	3.6	(1%)
Global:		**1,000**	**25,075,386**	**26,991,262**	**27,946,989**	**11%**	**8%**	**4%**	**2,352,175**	**2,194,548**	**2,301,433**	**(2%)**	**(7%)**	**5%**	**10.7**	**12.3**	**12.1**	**14%**	**15%**	**(1%)**	**4,741,992**	**4,255,521**	**(10%)**	**4,513,070**	**4,631,721**	**3%**	**1.1**	**0.9**	**(13%)**
Region/Industry	Africa and Middle East - Basic Materials	7	154,281	156,868	148,423	(4%)	2%	(5%)	16,278	14,358	14,105	(13%)	(12%)	(2%)	9.5	10.9	10.5	11%	15%	(4%)	10,529	2,705	(74%)	23,667	25,251	7%	0.4	0.1	(76%)
	Africa and Middle East - Consumer discretionary	1	20,446	24,680	28,987	42%	21%	17%	1,054	1,065	1,270	21%	1%	19%	19.4	23.2	22.8	18%	19%	(2%)	1,021	982	(4%)	874	895	2%	1.2	1.1	(6%)
	Africa and Middle East - Energy	1	25,180	27,322	27,734	10%	9%	2%	3,674	3,145	2,914	(21%)	(14%)	(7%)	6.9	8.7	9.5	39%	27%	10%	252	348	38%	5,814	5,242	(10%)	0.0	0.1	54%
	Africa and Middle East - Healthcare	2	41,069	41,460	43,816	7%	1%	6%	5,436	4,816	5,083	(6%)	(11%)	6%	7.6	8.6	8.6	14%	14%	0%	10,955	7,176	(34%)	7,310	7,037	(4%)	1.5	1.0	(32%)
	Africa and Middle East - Industrials	3	34,503	41,064	46,582	35%	19%	13%	3,822	3,881	4,000	5%	2%	3%	9.0	10.6	11.6	29%	17%	10%	2,710	1,235	(54%)	5,186	3,011	(42%)	0.5	0.4	(22%)
	Africa and Middle East - Consumer staple	2	17,356	19,673	17,490	1%	13%	(11%)	965	954	977	1%	(1%)	2%	18.0	20.6	17.9	(1%)	15%	(13%)	2,106	2,158	2%	1,395	1,438	3%	1.5	1.5	(1%)
	Africa and Middle East - Technology	1	10,280	9,757	9,759	(5%)	(5%)	0%	750	711	724	(3%)	(5%)	2%	13.7	13.7	13.5	(2%)	0%	(2%)	-2,116	-2,696	27%	805	816	1%	-2.6	-3.3	26%
	Africa and Middle East - Telecommunications Services	8	132,073	148,155	141,792	7%	12%	(4%)	13,869	14,056	13,524	(2%)	1%	(4%)	9.5	10.5	10.5	10%	11%	(1%)	8,831	3,689	(58%)	30,932	30,047	(3%)	0.3	0.1	(57%)
	Africa and Middle East - Utilities	1	14,332	14,887	14,332	(0%)	4%	(4%)	683	751	901	32%	10%	20%	21.0	19.8	15.9	(24%)	(6%)	(20%)	16,689	17,225	3%	3,516	3,938	12%	4.7	4.4	(8%)
	Japan - Basic Materials	6	71,613	83,594	95,690	34%	17%	14%	6,891	4,839	7,500	9%	(30%)	55%	10.4	17.3	12.8	23%	66%	(26%)	36,998	32,446	(12%)	14,914	17,221	15%	2.5	1.9	(24%)
	Japan - Consumer discretionary	23	448,644	483,688	606,661	35%	8%	25%	45,083	34,453	50,744	13%	(24%)	47%	10.0	14.0	12.0	20%	41%	(15%)	149,946	138,281	(8%)	95,289	103,547	9%	1.6	1.3	(15%)
	Japan - Energy	2	32,998	33,196	27,281	(17%)	1%	(18%)	4,652	3,624	3,524	(24%)	(22%)	(3%)	7.1	9.2	7.7	9%	29%	(16%)	24,845	25,395	2%	14,271	11,942	(16%)	1.7	2.1	22%
	Japan - Healthcare	8	119,096	117,218	131,851	11%	(2%)	12%	7,940	7,226	6,684	(16%)	(9%)	(7%)	15.0	16.2	19.7	32%	8%	22%	-7,695	-12,285	60%	14,844	14,101	(5%)	-0.5	-0.9	68%
	Japan - Industrials	26	359,909	377,308	403,066	12%	5%	7%	46,259	37,140	37,509	(19%)	(20%)	1%	7.8	10.2	10.7	38%	31%	6%	272,174	263,606	(3%)	77,461	73,959	(5%)	3.5	3.6	1%
	Japan - Consumer staple	8	98,331	93,560	114,174	16%	(5%)	22%	7,095	6,380	6,214	(12%)	(10%)	(3%)	13.9	14.7	18.4	33%	6%	25%	20,605	19,808	(4%)	20,401	18,871	(7%)	1.0	1.0	4%
	Japan - Technology	13	201,376	200,842	221,755	10%	(0%)	10%	16,133	13,282	14,884	(8%)	(18%)	12%	12.5	15.1	14.9	19%	21%	(1%)	-9,085	-17,700	95%	34,774	36,428	5%	-0.3	-0.5	86%
	Japan - Telecommunications Services	4	190,607	177,788	235,037	23%	(7%)	32%	22,471	20,477	19,188	(15%)	(9%)	(6%)	8.5	8.7	12.2	44%	2%	41%	46,461	35,609	(23%)	77,795	72,343	(7%)	0.6	0.5	(18%)
	Japan - Utilities	5	47,827	42,564	54,243	13%	(11%)	27%	-2,628	-1,406	2,990	(214%)	(47%)	(313%)	-18.2	-30.3	18.1	(200%)	66%	(160%)	147,257	147,868	0%	13,062	16,064	23%	11.3	9.2	(18%)
	AsPac - Basic Materials	21	518,042	599,368	471,490	(9%)	16%	(21%)	58,955	45,165	46,517	(21%)	(23%)	3%	8.8	13.3	10.1	15%	51%	(24%)	100,604	94,221	(6%)	79,506	81,929	3%	1.3	1.2	(9%)
	AsPac - Consumer discretionary	29	389,554	452,296	442,990	14%	16%	(2%)	45,708	44,503	46,548	2%	(3%)	5%	8.5	10.2	9.5	12%	19%	(6%)	23,453	12,110	(48%)	60,700	65,185	7%	0.4	0.2	(52%)
	AsPac - Energy	22	839,239	910,102	797,311	(5%)	8%	(12%)	93,030	85,676	87,278	(6%)	(8%)	2%	9.0	10.6	9.1	1%	18%	(14%)	187,949	192,785	3%	166,096	183,641	11%	1.1	1.0	(7%)
	AsPac - Healthcare	4	43,542	55,082	62,376	43%	27%	13%	2,243	2,426	2,826	26%	8%	16%	19.4	22.7	22.1	14%	17%	(3%)	-708	-1,672	136%	3,087	3,434	11%	-0.2	-0.5	112%
	AsPac - Industrials	26	308,291	345,487	319,377	4%	12%	(8%)	30,191	27,687	29,656	(2%)	(8%)	7%	10.2	12.5	10.8	5%	22%	(14%)	98,743	95,553	(3%)	49,166	51,039	4%	2.0	1.9	(7%)
	AsPac - Consumer staple	26	408,619	432,021	430,118	5%	6%	(0%)	24,249	24,265	24,785	2%	0%	2%	16.9	17.8	17.4	3%	6%	(3%)	6,641	401	(94%)	34,018	36,216	6%	0.2	0.0	(94%)
	AsPac - Technology	17	502,731	581,296	571,647	14%	16%	(2%)	49,607	55,141	63,116	27%	11%	14%	10.1	10.5	9.1	(11%)	4%	(14%)	-67,159	-102,439	53%	83,843	98,635	18%	-0.8	-1.0	30%
	AsPac - Telecommunications Services	21	564,474	631,511	612,783	9%	12%	(3%)	47,310	45,948	47,210	(0%)	(3%)	3%	11.9	13.7	13.0	9%	15%	(6%)	39,970	32,685	(18%)	123,992	128,556	4%	0.3	0.3	(21%)
	AsPac - Utilities	15	199,482	219,684	217,885	9%	10%	(1%)	14,905	15,463	18,355	23%	4%	19%	13.4	14.2	11.9	(11%)	6%	(16%)	166,996	172,267	3%	34,493	41,701	21%	4.8	4.1	(15%)
	Europe - Basic Materials	28	737,029	886,932	774,256	5%	20%	(13%)	92,413	73,646	78,824	(15%)	(20%)	7%	8.0	12.0	9.8	23%	51%	(18%)	229,064	218,801	(4%)	151,261	159,067	5%	1.5	1.4	(9%)
	Europe - Consumer discretionary	40	787,770	975,836	997,436	27%	24%	2%	85,226	84,908	89,520	5%	(0%)	5%	9.2	11.5	11.1	21%	24%	(3%)	3,637	-18,846	(618%)	165,708	167,354	1%	0.0	-0.1	(613%)
	Europe - Energy	27	1,168,527	1,252,082	1,135,220	(3%)	7%	(9%)	202,823	189,536	184,479	(9%)	(7%)	(3%)	5.8	6.6	6.2	7%	15%	(7%)	244,772	251,066	3%	417,306	413,246	(1%)	0.6	0.6	4%
	Europe - Healthcare	18	852,545	962,944	1,074,307	26%	13%	12%	74,907	75,701	77,838	4%	1%	3%	11.4	12.7	13.8	21%	12%	9%	77,481	49,576	(36%)	118,733	118,555	(0%)	0.7	0.4	(36%)
	Europe - Industrials	57	803,302	962,917	1,006,556	25%	20%	5%	77,356	75,609	82,011	6%	(2%)	8%	10.4	12.7	12.3	18%	23%	(4%)	175,247	151,524	(14%)	155,140	158,768	2%	1.1	1.0	(16%)
	Europe - Consumer staple	32	1,209,479	1,366,723	1,425,079	18%	13%	4%	88,381	88,809	92,381	5%	0%	4%	13.7	15.4	15.4	13%	12%	0%	218,477	196,370	(10%)	155,083	160,645	4%	1.4	1.2	(13%)
	Europe - Technology	17	270,789	339,242	358,225	32%	25%	6%	22,211	20,495	24,140	9%	(8%)	18%	12.2	16.6	14.8	22%	36%	(10%)	-21,582	-33,444	55%	33,548	35,706	6%	-0.6	-0.9	46%
	Europe - Telecommunications Services	16	472,432	478,511	494,639	5%	1%	3%	50,469	49,706	49,386	(2%)	(2%)	(1%)	9.4	9.6	10.0	7%	3%	4%	293,911	281,342	(4%)	160,977	153,286	(5%)	1.8	1.8	1%
	Europe - Utilities	19	429,951	450,546	429,448	(0%)	5%	(5%)	47,050	45,328	42,848	(9%)	(4%)	(5%)	9.1	9.9	10.0	10%	9%	1%	398,508	385,456	(3%)	160,342	150,482	(6%)	2.5	2.6	3%
	LatAm - Basic Materials	10	225,103	249,485	166,220	(26%)	11%	(33%)	26,863	20,388	17,897	(33%)	(24%)	(12%)	8.4	12.2	9.3	11%	46%	(24%)	53,144	53,868	1%	36,222	36,901	2%	1.5	1.5	(1%)
	LatAm - Consumer discretionary	3	45,673	54,042	56,902	25%	18%	5%	2,537	2,558	2,673	5%	1%	5%	18.0	21.1	21.3	18%	17%	1%	7,280	6,909	(5%)	4,648	5,101	10%	1.6	1.4	(14%)
	LatAm - Energy	5	271,681	289,710	215,868	(21%)	7%	(25%)	31,620	28,527	24,487	(23%)	(10%)	(14%)	8.6	10.2	8.8	3%	18%	(13%)	101,110	115,993	15%	52,825	54,666	3%	1.9	2.1	11%
	LatAm - Industrials	4	37,365	46,997	42,552	14%	26%	(9%)	2,381	2,325	2,683	13%	(2%)	15%	15.7	20.2	15.9	1%	29%	(22%)	16,165	16,069	(1%)	5,283	6,139	16%	3.1	2.6	(14%)
	LatAm - Consumer staple	15	348,666	406,126	385,044	10%	16%	(5%)	17,903	17,701	19,343	8%	(1%)	9%	19.5	22.9	19.9	2%	18%	(13%)	12,922	8,614	(33%)	29,646	32,625	10%	0.4	0.3	(39%)
	LatAm - Technology	1	19,048	18,204	19,824	4%	(4%)	9%	1,190	1,235	1,294	9%	4%	5%	16.0	14.7	15.3	(4%)	(8%)	4%	458	148	(68%)	1,826	1,821	(0%)	0.3	0.1	(68%)
	LatAm - Telecommunications Services	3	139,286	122,849	112,693	(19%)	(12%)	(8%)	11,380	11,530	9,688	(15%)	1%	(16%)	12.2	10.7	11.6	(5%)	(13%)	9%	28,767	26,827	(7%)	28,500	27,186	(5%)	1.0	1.0	(2%)
	LatAm - Utilities	5	64,928	55,264	56,108	(14%)	(15%)	2%	5,340	5,043	4,941	(7%)	(6%)	(2%)	12.2	11.0	11.4	(7%)	(10%)	4%	18,847	17,465	(7%)	12,815	11,832	(8%)	1.5	1.5	0%
	North America - Basic Materials	25	550,968	577,855	530,923	(4%)	5%	(8%)	52,067	46,762	45,079	(13%)	(10%)	(4%)	10.6	12.4	11.8	11%	17%	(5%)	115,179	110,380	(4%)	83,542	86,261	3%	1.4	1.3	(7%)
	North America - Consumer discretionary	72	1,484,942	1,606,813	1,916,981	29%	8%	19%	111,404	105,787	119,218	7%	(5%)	13%	13.3	15.2	16.1	21%	14%	6%	278,370	259,214	(7%)	218,614	239,289	9%	1.3	1.1	(15%)
	North America - Energy	64	1,801,783	1,893,589	2,031,716	13%	5%	7%	171,833	154,318	163,288	(5%)	(10%)	6%	10.5	12.3	12.4	19%	17%	1%	427,225	441,908	3%	390,014	400,445	3%	1.1	1.1	1%
	North America - Healthcare	51	1,486,428	1,552,070	1,785,339	20%	4%	15%	122,354	115,861	122,816	0%	(5%)	6%	12.1	13.4	14.5	20%	10%	9%	110,432	43,511	(61%)	199,244	192,526	(3%)	0.6	0.2	(59%)
	North America - Industrials	52	1,102,408	1,174,243	1,329,554	21%	7%	13%	97,421	89,548	96,843	(1%)	(8%)	8%	11.3	13.1	13.7	21%	16%	5%	200,611	167,784	(16%)	171,784	178,626	4%	1.2	0.9	(20%)
	North America - Consumer staple	42	1,542,905	1,516,381	1,698,627	10%	(2%)	12%	103,640	102,088	109,210	5%	(1%)	7%	14.9	14.9	15.6	4%	(0%)	5%	258,123	249,066	(4%)	181,769	191,620	5%	1.4	1.3	(8%)
	North America - Technology	57	2,541,197	2,544,950	2,673,980	5%	0%	5%	230,653	213,828	219,826	(5%)	(7%)	3%	11.0	11.9	12.2	10%	8%	2%	-380,689	-497,699	31%	300,778	307,841	2%	-1.3	-1.6	28%
	North America - Telecommunications Services	9	463,542	464,176	478,799	3%	0%	3%	27,439	27,663	30,471	11%	1%	10%	16.9	16.8	15.7	(7%)	(1%)	(6%)	207,688	200,147	(4%)	110,930	115,214	4%	1.9	1.7	(7%)
	North America - Utilities	26	423,743	422,301	456,042	8%	(0%)	8%	28,690	29,623	31,221	9%	3%	5%	14.8	14.3	14.6	(1%)	(3%)	2%	377,877	391,710	4%	89,320	94,035	5%	4.2	4.2	(2%)
Global:		**1,000**	**25,075,386**	**26,991,262**	**27,946,989**	**11%**	**8%**	**4%**	**2,352,175**	**2,194,548**	**2,301,433**	**(2%)**	**(7%)**	**5%**	**10.7**	**12.3**	**12.1**	**14%**	**15%**	**(1%)**	**4,741,992**	**4,255,521**	**(10%)**	**4,513,070**	**4,631,721**	**3%**	**1.1**	**0.9**	**(13%)**

Source: S&P Capital IQ / KPMG analysis
- A Concensus forecasts in existence on 30-June-12 in respect of the year ending 30-June-13 for net profit and P/E
- B Concensus forecasts in existence on 31-Dec-12 in respect of the year ending 31-Dec-13 for net profit and P/E
- C/G Concensus forecasts in existence on 30-June-13 in respect of the year ending 30-June-14 for net profit, P/E and EBITDA
- D Actual/ Concensus net debt forecasts in existence on 30-June-13 in respect to the closest fiscal year end to 30-June-13
- E Concensus forecasts in existence on 30-June-13 in respect of the closest fiscal year end to 30-June-14
- F Concensus forecasts in existence on 30-June-13 in respect of the year ending 30-June-13

KPMG’s Global M&A team

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