DEAL ADVISORY

February 2015

M&A PREDICTOR

RISE IN DEAL COMPLETIONS REFLECTS GROWING CONFIDENCE IN M&A MARKETS

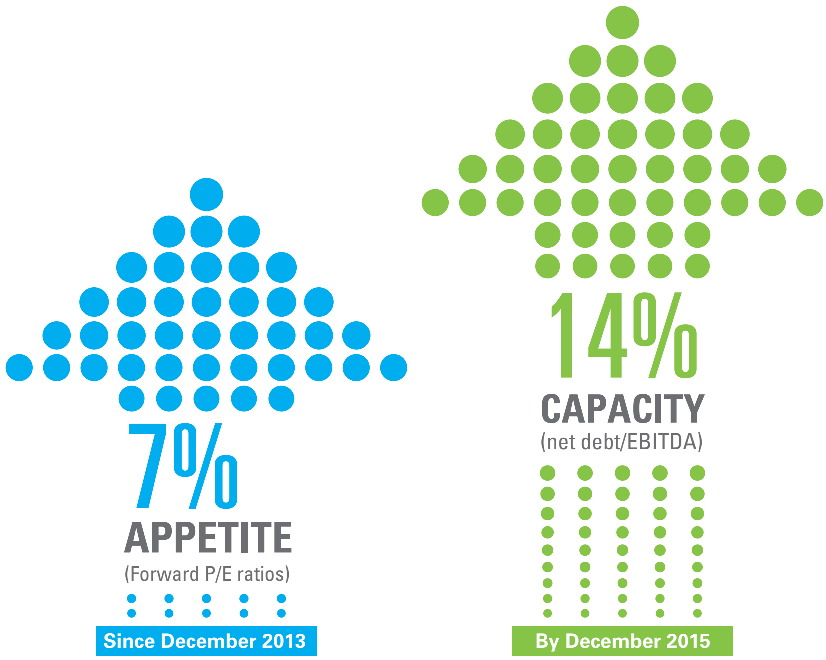
The world's largest corporates are expected to show an increased appetite for M&A deals and will likely have more capacity to fund prospective transactions in 2015, according to the latest analyst expectations.

Analysts are expecting the world's largest corporates to show an increasing appetite for deals, with predicted forward P/E ratios (our measure of corporate appetite) 7 percent higher than 12 months ago. The capacity to transact, as measured by forecast net debt to EBITDA, is expected to improve 14 percent over the next year, with the largest companies paying down debt and stockpiling cash.

This rise in both appetite and capacity is already being reflected in the level of transactions completed, with both completed deal volumes and deal values over the last 6 months reversing the downward trend of recent years.

WHAT IS KPMG'S M&A PREDICTOR?

KPMG's M&A Predictor is a forward-looking tool that helps member firm clients to forecast worldwide trends in mergers and acquisitions. 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.*



Source: S&P Capital IQ/KPMG analysis

KPMG
cutting through complexity

"THE GLOBAL PREDICTOR DATA INDICATES A RETURN OF CONFIDENCE IN THE M&A MARKETS."

A POSITIVE PICTURE, BUT CHALLENGES REMAIN IN SOME KEY MARKETS

Most global regions are predicted to show a rising level of confidence through 2015, according to analysts' expectations.

"The global Predictor data indicates a return of confidence in the M&A markets. For the first time in almost 3 years, this confidence is driving M&A transactions activity, with both deal volumes and deal values moving in a positive direction during the second half of 2014," said Leif Zierz, KPMG International's Global Head of Deal Advisory and a partner at KPMG in Germany.

In North America, predicted forward P/E ratios for the largest corporates rose 8 percent during 2014. While Asia Pacific (excluding Japan) recorded the strongest figures of any region, with predicted forward P/E ratios rising 12 percent in the same period.

European corporates also showed an increase in confidence, but continuing economic frailties in the Eurozone and political uncertainties in relations with Russia appear to be having an impact. Against this backdrop, it is perhaps not surprising that forward P/E ratios in Europe rose only a modest 4 percent over the year.

The capacity of corporates to fund M&A transactions continues to rise as companies pay down debt. Global net debt to EBITDA ratios are expected to fall 14 percent over the next 12 months. This anticipated uptick in capacity is reflected across all regions, except Latin America where capacity is unchanged, at zero percent.

BRAZIL AND RUSSIA STRUGGLING

The positive global picture contrasts with some interesting data at a country level. Russia's economic troubles, for example, sent M&A confidence tumbling 34 percent during 2014, with market capitalizations of the largest corporates plummeting 43 percent in just 6 months. "The combination of sanctions and the economic downturn is really affecting business confidence and in particular the short term willingness to invest," says Sean Tiernan, EMA Head of Deal Advisory and a partner at KPMG in Russia. "We do not expect an uptick in M&A activity until both the geo-political and macro-economic outlook improve."

In Brazil, confidence rose just 1 percent over the year, and the anticipated capacity to transact fell by 5 percent, as debt levels rose. The lackluster data is at least partly explained by the decline in global commodities and energy prices over the past year – two sectors that are central to the overall health of the Brazilian economy.

"There are a few mega companies, particularly in the hard-hit energy and natural resources sector, which have a disproportionate effect on the Brazilian stock market. However, if you look at the bigger picture, confidence is still on an upward trajectory over the past 5 years, and there is plenty of space for M&A to pick up again," explains Cláudio Ramos, Head of Deal Advisory in South America and a partner at KPMG in Brazil.

GERMANY IN GOOD SHAPE

On the face of it, the data from Germany shows a modest 5 percent rise in projected deal confidence between July and December 2014 after a reversion by 6 percent between December 2013 and July 2014, masking an overall 1 percent decline over the year. But Leif Zierz, cautions against reading too much into the confidence figures. "Over recent years, the Predictor has shown an upward trend for confidence in the German market, therefore while the Predictor data suggests that

"THERE ARE A FEW MEGA COMPANIES, PARTICULARLY IN THE HARD-HIT ENERGY AND NATURAL RESOURCES SECTOR, WHICH HAVE A DISPROPORTIONATE EFFECT ON THE BRAZILIAN STOCK MARKET."

confidence among German corporates is currently stable, I would counter that the general mood for doing M&A transactions is rather good due to a good war chest. We have seen an increased number of larger M&A transactions in Germany during the last 6 months and I expect this to continue and be followed by mid-to-smaller size deals."

Indeed, a predicted 21 percent improvement in the capacity to transact suggests that German corporates are well placed to capitalize on M&A opportunities going forward.

TOUGH TIMES FOR ENERGY AND NATURAL RESOURCES

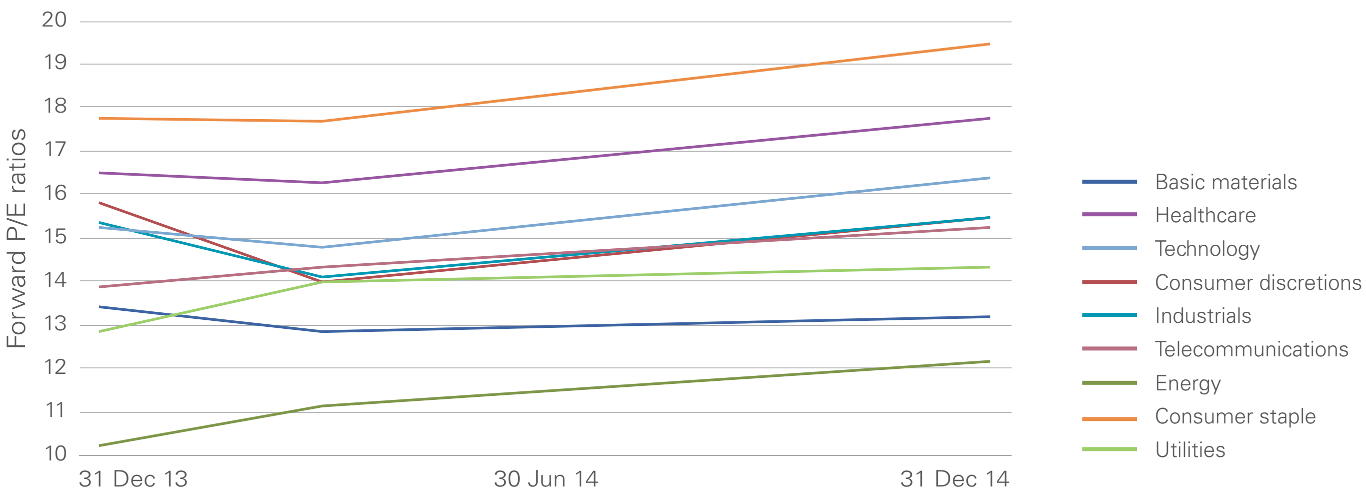
Falling oil and commodities prices, as could be expected, put a squeeze on corporates in the energy industry. Profits and market capitalization fell by 23 percent and 10 percent respectively during the past year. The predicted capacity to transact also declined, as debt levels increased, with an anticipated 17 percent reduction in capacity over the next year. Energy is the only industry in the analysts' data which shows a decrease in capacity.

It was a different story for healthcare, which showed a 7 percent increase in corporate appetite to do transactions compared with 12 months ago and an anticipated increase in capacity of 33 percent to do deals over the next year.

Technology continues to command a strong position as it improves its cash reserves, resulting in an expected increase in capacity of 73 percent over the next year.

According to Philip Isom, Global Head of M&A, Deal Advisory, and a partner at KPMG in the US, "Going forward, it will be interesting to see what impact falling energy and commodities prices have on corporate confidence and deals levels, as these are crucial sectors in a number of key markets."

Market confidence by industry sector



Source: S&P Capital IQ/KPMG Analysis

"IT'S ENCOURAGING TO SEE A POSITIVE GLOBAL PICTURE AFTER SEVERAL YEARS OF MUTED PERFORMANCE."

DEALS ON THE UP

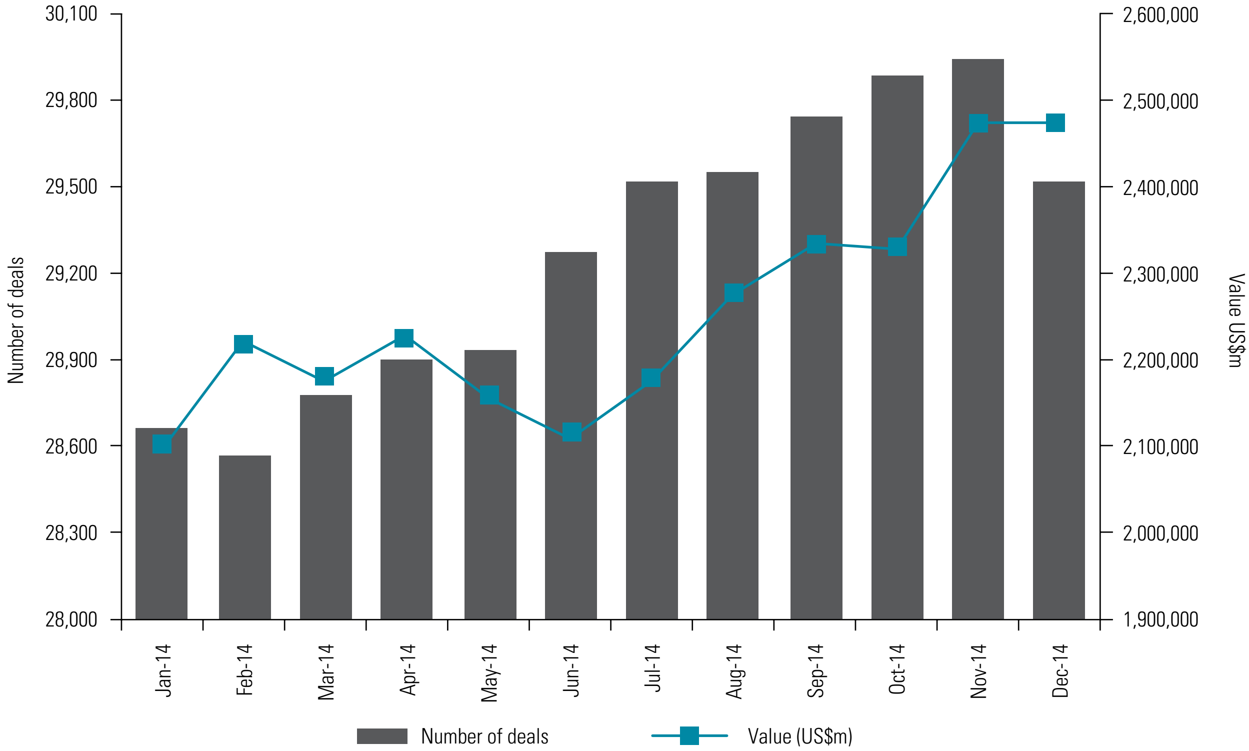
This rise in both appetite and capacity is already being reflected in the level of transactions completed, with both completed deal volumes and deal values over the last 6 months reversing the downward trend of recent years. Trailing 12-month statistics show values for worldwide completed deals rose from US$2.09 trillion in January 2014 to US$2.45 trillion in December 2014. In the same period, deal volumes rose from 28,733 to 29,511.

The second half of the year in particular saw a notable rise in deal volume and values, an indication, perhaps, of the positive sentiment returning to M&A markets.

In particular, North America, Europe and the UK all ended 2014 with their highest level of deal values for the year.

"It's encouraging to see a positive global picture after several years of muted performance," commented Philip Isom. "It's been a good year for M&A overall, particularly in North America where debt markets have recovered."

Worldwide completed deals: 1 year trailing Jan 14 – Dec 14



Source: Thomson Reuters SDC

All figures are in US$m

		Number of Companies	Market Cap						Net Profit (Pre Exce)						P/E						Net Debt			EBITDA			(Net debt)/(EBITDA)		
			As at 31-Dec-13	As at 30-Jun-14	As at 31-Dec-14	% change			31-Dec-13 31-Dec-14	30-Jun-14 30-Jun-15	31-Dec-14 31-Dec-15	% change			31-Dec-13 31-Dec-14	30-Jun-14 30-Jun-15	31-Dec-14 31-Dec-15	% change			31-Dec-14	31-Dec-15	% change	31-Dec-14	31-Dec-15	% change	31-Dec-14	31-Dec-15	% 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	23	510,474	553,993	512,306	0%	9%	(8%)	39,703	42,409	38,042	(4%)	7%	(10%)	12.9	13.1	13.5	5%	2%	3%	78,703	64,313	(18%)	69,922	72,578	4%	1.1	0.9	(21%)
Region	AsPac: Japan (GAAP)	71	1,632,113	1,647,124	1,600,197	(2%)	1%	(3%)	112,335	126,457	111,729	(1%)	13%	(12%)	14.5	13.0	14.3	(1%)	(10%)	10%	526,452	395,275	(25%)	268,233	295,619	10%	2.0	1.3	(32%)
Region	AsPac: Other	194	4,246,350	4,471,310	4,683,715	10%	5%	5%	357,848	379,482	352,090	(2%)	6%	(7%)	11.9	11.8	13.3	12%	(1%)	13%	666,449	614,100	(8%)	715,406	772,610	8%	0.9	0.8	(15%)
Region	Europe	254	9,099,905	9,501,767	8,314,976	(9%)	4%	(12%)	679,912	707,683	599,455	(12%)	4%	(15%)	13.4	13.4	13.9	4%	0%	3%	1,585,968	1,484,769	(6%)	1,355,126	1,404,649	4%	1.2	1.1	(10%)
Region	LatAm	32	895,990	905,122	713,997	(20%)	1%	(21%)	67,205	71,456	53,059	(21%)	6%	(26%)	13.3	12.7	13.5	1%	(5%)	6%	249,615	268,614	8%	134,644	144,477	7%	1.9	1.9	0%
Region	North America	426	15,166,452	16,188,820	16,800,979	11%	7%	4%	934,520	1,021,798	961,522	3%	9%	(6%)	16.2	15.8	17.5	8%	(2%)	10%	2,128,977	1,925,099	(10%)	1,906,140	1,994,102	5%	1.1	1.0	(14%)
	Global:	**1,000**	**31,551,284**	**33,268,136**	**32,626,170**	**3%**	**5%**	**(2%)**	**2,191,523**	**2,349,285**	**2,115,897**	**(3%)**	**7%**	**(10%)**	**14.4**	**14.2**	**15.4**	**7%**	**(2%)**	**9%**	**5,236,164**	**4,752,171**	**(9%)**	**4,449,471**	**4,684,034**	**5%**	**1.2**	**1.0**	**(14%)**
Country	Argentina	1	17,733	16,102	14,480	(18%)	(9%)	(10%)	908	1,380	1,750	93%	52%	27%	19.5	11.7	8.3	(58%)	(40%)	(29%)	4,826	7,020	45%	5,089	5,782	14%	0.9	1.2	28%
Country	Australia	10	505,395	512,247	417,501	(17%)	1%	(18%)	36,729	38,765	30,223	(18%)	6%	(22%)	13.8	13.2	13.8	0%	(4%)	5%	76,556	80,966	6%	74,939	72,594	(3%)	1.0	1.1	9%
Country	Belgium	4	206,560	231,175	220,150	7%	12%	(5%)	11,077	11,913	11,225	1%	8%	(6%)	18.6	19.4	19.6	5%	4%	1%	45,044	40,680	(10%)	23,956	25,254	5%	1.9	1.6	(14%)
Country	Bermuda	3	61,380	71,382	90,975	48%	16%	27%	3,877	4,132	4,055	5%	7%	(2%)	15.8	17.3	22.4	42%	9%	30%	11,794	11,839	0%	10,545	11,876	13%	1.1	1.0	(11%)
Country	Brazil	14	430,937	449,352	332,474	(23%)	4%	(26%)	37,866	41,765	28,978	(23%)	10%	(31%)	11.4	10.8	11.5	1%	(5%)	7%	150,125	170,556	14%	68,355	73,850	8%	2.2	2.3	5%
Country	Canada	30	664,460	761,129	701,350	6%	15%	(8%)	45,229	49,484	39,475	(13%)	9%	(20%)	14.7	15.4	17.8	21%	5%	16%	230,691	228,217	(1%)	106,648	105,120	(1%)	2.2	2.2	0%
Country	Chile	4	66,080	68,042	59,485	(10%)	3%	(13%)	4,265	4,440	3,758	(12%)	4%	(15%)	15.5	15.3	15.8	2%	(1%)	3%	15,329	14,665	(4%)	9,208	10,152	10%	1.7	1.4	(13%)
Country	China	63	1,232,523	1,223,089	1,636,956	33%	(1%)	34%	109,146	117,712	112,229	3%	8%	(5%)	11.3	10.4	14.6	29%	(8%)	40%	385,093	374,080	(3%)	254,048	282,090	11%	1.5	1.3	(13%)
Country	Colombia	1	78,812	74,401	35,869	(54%)	(6%)	(52%)	6,889	6,662	3,400	(51%)	(3%)	(49%)	11.4	11.2	10.5	(8%)	(2%)	(6%)	10,743	12,639	18%	11,108	10,060	(9%)	1.0	1.3	30%
Country	Czech Republic	1	13,899	16,120	13,780	(1%)	16%	(15%)	1,626	1,249	1,058	(35%)	(23%)	(15%)	8.5	12.9	13.0	52%	51%	1%	7,085	7,177	1%	3,119	2,883	(8%)	2.3	2.5	10%
Country	Denmark	6	194,447	230,105	202,319	4%	18%	(12%)	11,985	13,330	12,107	1%	11%	(9%)	16.2	17.3	16.7	3%	6%	(3%)	11,246	9,839	(13%)	22,134	23,380	6%	0.5	0.4	(17%)
Country	Finland	5	91,921	92,255	89,459	(3%)	0%	(3%)	5,084	5,444	4,952	(3%)	7%	(9%)	18.1	16.9	18.1	(0%)	(6%)	7%	1,849	-46	(102%)	8,132	8,623	6%	0.2	0.0	(102%)
Country	France	46	1,429,351	1,513,479	1,312,427	(8%)	6%	(13%)	95,907	104,291	86,041	(10%)	9%	(17%)	14.9	14.5	15.3	2%	(3%)	5%	278,409	260,800	(6%)	214,468	228,148	6%	1.3	1.1	(12%)
Country	Germany	32	1,353,219	1,363,221	1,215,405	(10%)	1%	(11%)	101,282	108,526	92,285	(9%)	7%	(15%)	13.4	12.6	13.2	(1%)	(6%)	5%	141,768	121,364	(14%)	201,303	217,418	8%	0.7	0.6	(21%)
Country	Hong Kong	21	655,806	644,509	674,918	3%	(2%)	5%	52,744	50,575	54,897	4%	(4%)	9%	12.4	12.7	12.3	(1%)	2%	(4%)	14,965	17,909	20%	117,715	125,355	6%	0.1	0.1	12%
Country	India	31	468,443	577,714	568,919	21%	23%	(2%)	34,439	38,999	36,704	7%	13%	(6%)	13.6	14.8	15.5	14%	9%	5%	60,406	39,896	(34%)	58,003	66,486	15%	1.0	0.6	(42%)
Country	Indonesia	5	71,658	84,216	88,054	23%	18%	5%	4,735	5,299	4,892	3%	12%	(8%)	15.1	15.9	18.0	19%	5%	13%	4,612	3,128	(32%)	8,467	9,281	10%	0.5	0.3	(38%)
Country	Ireland	15	301,500	335,481	352,385	17%	11%	5%	18,461	21,141	20,780	13%	15%	(2%)	16.3	15.9	17.0	4%	(3%)	7%	27,196	18,718	(31%)	30,751	33,674	10%	0.9	0.6	(37%)
Country	Israel	3	57,155	68,273	73,378	28%	19%	7%	5,485	5,696	5,994	9%	4%	5%	10.4	12.0	12.2	17%	15%	2%	8,775	6,812	(22%)	8,485	8,677	2%	1.0	0.8	(24%)
Country	Italy	9	254,251	290,245	221,536	(13%)	14%	(24%)	20,331	20,245	15,325	(25%)	(0%)	(24%)	12.5	14.3	14.5	16%	15%	1%	150,303	147,365	(2%)	69,738	69,341	(1%)	2.2	2.1	(1%)
Country	Japan	71	1,632,113	1,647,124	1,600,197	(2%)	1%	(3%)	112,335	126,457	111,729	(1%)	13%	(12%)	14.5	13.0	14.3	(1%)	(10%)	10%	526,452	395,275	(25%)	268,233	295,619	10%	2.0	1.3	(32%)
Country	Luxembourg	4	88,244	84,615	65,100	(26%)	(4%)	(23%)	5,077	5,997	4,804	(5%)	18%	(20%)	17.4	14.1	13.6	(22%)	(19%)	(4%)	20,521	19,642	(4%)	13,168	13,993	6%	1.6	1.4	(10%)
Country	Macau	3	105,617	94,472	63,996	(39%)	(11%)	(32%)	4,637	5,830	4,491	(3%)	26%	(23%)	22.8	16.2	14.3	(37%)	(29%)	(12%)	1,507	4,804	219%	5,282	5,434	3%	0.3	0.9	210%
Country	Malaysia	11	153,186	161,997	147,609	(4%)	6%	(9%)	8,676	9,082	7,998	(8%)	5%	(12%)	17.7	17.8	18.5	5%	1%	3%	10,945	6,316	(42%)	15,503	16,897	9%	0.7	0.4	(47%)
Country	Mexico	12	302,427	297,225	271,689	(10%)	(2%)	(9%)	17,277	17,208	15,173	(12%)	(0%)	(12%)	17.5	17.3	17.9	2%	(1%)	4%	68,593	63,735	(7%)	40,885	44,633	9%	1.7	1.4	(15%)
Country	Morocco	1	10,326	10,181	11,041	7%	(1%)	8%	864	813	691	(20%)	(6%)	(15%)	11.9	12.5	16.0	34%	5%	28%	903	917	2%	1,766	1,881	7%	0.5	0.5	(5%)
Country	Netherlands	17	655,371	712,777	632,956	(3%)	9%	(11%)	53,213	54,504	46,699	(12%)	2%	(14%)	12.3	13.1	13.6	10%	6%	4%	97,030	92,209	(5%)	111,156	107,883	(3%)	0.9	0.9	(2%)
Country	Nigeria	1	23,301	25,083	18,553	(20%)	8%	(26%)	1,463	1,798	1,163	(21%)	23%	(35%)	15.9	14.0	16.0	0%	(12%)	14%	1,318	1,404	6%	1,354	1,621	20%	1.0	0.9	(11%)
Country	Norway	4	134,811	156,752	109,898	(18%)	16%	(30%)	12,367	12,476	8,394	(32%)	1%	(33%)	10.9	12.6	13.1	20%	15%	4%	19,273	20,803	8%	37,264	35,277	(5%)	0.5	0.6	14%
Country	Papua New Guinea	1	9,743	13,853	9,831	1%	42%	(29%)	327	900	627	92%	175%	(30%)	29.8	15.4	15.7	(47%)	(48%)	2%	3,742	3,303	(12%)	1,178	1,479	26%	3.2	2.2	(30%)
Country	Philippines	4	37,279	45,595	48,382	30%	22%	6%	2,180	2,480	2,294	5%	14%	(7%)	17.1	18.4	21.1	23%	8%	15%	9,115	9,177	1%	4,362	4,647	7%	2.1	2.0	(5%)
Country	Poland	1	10,090	13,329	9,969	(1%)	32%	(25%)	906	1,049	942	4%	16%	(10%)	11.1	12.7	10.6	(5%)	14%	(17%)	-237	1,213	611%	2,201	2,073	(6%)	-0.1	0.6	642%
Country	Portugal	1	13,343	18,212	14,152	6%	36%	(22%)	1,251	1,336	1,144	(9%)	7%	(14%)	10.7	13.6	12.4	16%	28%	(9%)	20,670	19,789	(4%)	4,259	4,383	3%	4.9	4.5	(7%)
Country	Qatar	2	40,132	38,544	38,806	(3%)	(4%)	1%	3,651	3,464	3,074	(16%)	(5%)	(11%)	11.0	11.1	12.6	15%	1%	13%	5,820	5,007	(14%)	4,094	4,628	13%	1.4	1.1	(24%)
Country	Russia	10	389,375	387,979	221,604	(43%)	(0%)	(43%)	79,368	78,901	68,287	(14%)	(1%)	(13%)	4.9	4.9	3.2	(34%)	0%	(34%)	99,919	87,386	(13%)	134,953	132,293	(2%)	0.7	0.7	(11%)
Country	Saudi Arabia	8	190,674	205,229	172,834	(9%)	8%	(16%)	15,604	16,509	14,679	(6%)	6%	(11%)	12.2	12.4	11.8	(4%)	2%	(5%)	46,858	42,284	(10%)	30,071	31,259	4%	1.6	1.4	(13%)
Country	Singapore	7	127,039	134,944	131,894	4%	6%	(2%)	8,971	9,852	9,645	8%	10%	(2%)	14.2	13.7	13.7	(3%)	(3%)	(0%)	23,120	22,142	(4%)	15,684	16,881	8%	1.5	1.3	(11%)
Country	South Africa	6	149,003	166,224	156,697	5%	12%	(6%)	9,800	11,142	9,309	(5%)	14%	(16%)	15.2	14.9	16.8	11%	(2%)	13%	9,772	7,684	(21%)	15,812	16,350	3%	0.6	0.5	(24%)
Country	South Korea	16	461,594	495,587	436,913	(5%)	7%	(12%)	64,683	65,502	54,982	(15%)	1%	(16%)	7.1	7.6	7.9	11%	6%	5%	51,603	34,476	(33%)	101,752	108,753	7%	0.5	0.3	(37%)
Country	Spain	12	393,840	427,343	360,923	(8%)	9%	(16%)	25,608	25,591	21,198	(17%)	(0%)	(17%)	15.4	16.7	17.0	11%	9%	2%	155,408	147,924	(5%)	61,519	65,016	6%	2.5	2.3	(10%)
Country	Sweden	12	310,225	301,431	276,875	(11%)	(3%)	(8%)	18,666	19,554	16,377	(12%)	5%	(16%)	16.6	15.4	16.9	2%	(7%)	10%	20,696	16,495	(20%)	27,478	30,841	12%	0.8	0.5	(29%)
Country	Switzerland	23	1,149,880	1,231,416	1,137,943	(1%)	7%	(8%)	70,662	75,416	66,923	(5%)	7%	(11%)	16.3	16.3	17.0	4%	0%	4%	86,637	74,497	(14%)	106,905	115,176	8%	0.8	0.6	(20%)
Country	Taiwan	15	310,894	363,235	341,165	10%	17%	(6%)	21,083	24,787	24,567	17%	18%	(1%)	14.7	14.7	13.9	(6%)	(1%)	(5%)	934	-6,857	(834%)	39,310	43,087	10%	0.0	-0.2	(770%)
Country	Thailand	7	107,173	119,852	117,578	10%	12%	(2%)	9,499	9,699	8,542	(10%)	2%	(12%)	11.3	12.4	13.8	22%	10%	11%	23,852	24,760	4%	19,164	19,627	2%	1.2	1.3	1%
Country	Turkey	3	31,746	36,325	37,805	19%	14%	4%	3,571	3,531	3,363	(6%)	(1%)	(5%)	8.9	10.3	11.2	26%	16%	9%	4,324	4,755	10%	5,406	6,122	13%	0.8	0.8	(3%)
Country	United Arab Emirates	2	39,883	40,459	40,998	3%	1%	1%	2,836	2,988	3,132	10%	5%	5%	14.1	13.5	13.1	(7%)	(4%)	(3%)	5,256	206	(96%)	8,340	8,162	(2%)	0.6	0.0	(96%)
Country	United Kingdom	49	2,077,833	2,059,506	1,820,290	(12%)	(1%)	(12%)	143,472	143,187	117,551	(18%)	(0%)	(18%)	14.5	14.4	15.5	7%	(1%)	8%	398,830	394,162	(1%)	277,216	282,871	2%	1.4	1.4	(3%)
Country	United States	393	14,440,612	15,356,309	16,008,654	11%	6%	4%	885,414	968,183	917,992	4%	9%	(5%)	16.3	15.9	17.4	7%	(3%)	10%	1,886,493	1,685,043	(11%)	1,788,946	1,877,106	5%	1.1	0.9	(15%)
	Global:	**1,000**	**31,551,284**	**33,268,136**	**32,626,170**	**3%**	**5%**	**(2%)**	**2,191,523**	**2,349,285**	**2,115,897**	**(3%)**	**7%**	**(10%)**	**14.4**	**14.2**	**15.4**	**7%**	**(2%)**	**9%**	**5,236,164**	**4,752,171**	**(9%)**	**4,449,471**	**4,684,034**	**5%**	**1.2**	**1.0**	**(14%)**

Source: Capital IQ

All figures are in US$m

		Number of Companies	Market Cap						Net Profit (Pre Exce)						P/E						Net Debt			EBITDA			(Net debt)/(EBITDA)		
			As at 31-Dec-13	As at 30-Jun-14	As at 31-Dec-14	% change			31-Dec-13 31-Dec-14	30-Jun-14 30-Jun-15	31-Dec-14 31-Dec-15	% change			31-Dec-13 31-Dec-14	30-Jun-14 30-Jun-15	31-Dec-14 31-Dec-15	% change			31-Dec-14 31-Dec-14	31-Dec-14 31-Dec-15	% change	31-Dec-14 31-Dec-14	31-Dec-14 31-Dec-15	% change	31-Dec-14 31-Dec-14	31-Dec-14 31-Dec-15	% 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	89	2,432,541	2,521,335	2,164,171	(11%)	4%	(14%)	180,350	193,565	162,146	(10%)	7%	(16%)	13.5	13.0	13.3	(1%)	(3%)	2%	567,930	549,267	(3%)	366,832	386,500	5%	1.5	1.4	(8%)
	Consumer discretionary	190	5,057,904	5,086,901	5,085,498	1%	1%	(0%)	325,156	362,743	331,951	2%	12%	(8%)	15.6	14.0	15.3	(2%)	(10%)	9%	639,791	495,621	(23%)	606,773	686,487	13%	1.1	0.7	(32%)
	Energy	104	4,414,406	4,885,084	3,974,800	(10%)	11%	(19%)	413,726	425,062	320,018	(23%)	3%	(25%)	10.7	11.5	12.4	16%	8%	8%	1,078,856	1,192,887	11%	950,368	899,287	(5%)	1.1	1.3	17%
	Healthcare	91	3,601,100	3,950,161	4,206,314	17%	10%	6%	221,119	246,498	241,977	9%	11%	(2%)	16.3	16.0	17.4	7%	(2%)	8%	258,918	188,238	(27%)	362,414	390,344	8%	0.7	0.5	(33%)
	Industrials	167	3,625,184	3,758,485	3,888,473	7%	4%	3%	238,916	266,052	253,799	6%	11%	(5%)	15.2	14.1	15.3	1%	(7%)	8%	700,938	650,856	(7%)	474,879	524,137	10%	1.5	1.2	(16%)
	Consumer staple	114	4,205,489	4,373,314	4,361,233	4%	4%	(0%)	241,416	252,924	231,042	(4%)	5%	(9%)	17.4	17.3	18.9	8%	(1%)	9%	556,838	533,377	(4%)	414,877	441,165	6%	1.3	1.2	(10%)
	Technology	118	4,734,661	5,046,234	5,352,095	13%	7%	6%	314,399	344,452	331,247	5%	10%	(4%)	15.1	14.7	16.2	7%	(3%)	10%	-300,295	-570,380	(90%)	500,069	548,293	10%	-0.6	-1.0	(73%)
	Telecommunications Services	57	2,194,274	2,185,962	2,148,047	(2%)	(0%)	(2%)	157,609	153,370	142,519	(10%)	(3%)	(7%)	13.9	14.3	15.1	8%	2%	6%	686,875	671,113	(2%)	471,886	491,519	4%	1.5	1.4	(6%)
	Utilities	70	1,285,725	1,460,660	1,445,539	12%	14%	(1%)	98,832	104,619	101,200	2%	6%	(3%)	13.0	14.0	14.3	10%	7%	2%	1,046,311	1,041,192	(0%)	301,372	316,302	5%	3.5	3.3	(5%)
	Global:	**1,000**	**31,551,284**	**33,268,136**	**32,626,170**	**3%**	**5%**	**(2%)**	**2,191,523**	**2,349,285**	**2,115,897**	**(3%)**	**7%**	**(10%)**	**14.4**	**14.2**	**15.4**	**7%**	**(2%)**	**9%**	**5,236,164**	**4,752,171**	**(9%)**	**4,449,471**	**4,684,034**	**5%**	**1.2**	**1.0**	**(14%)**
Region/Industry	Africa and Middle East - Basic Materials	5	145,010	150,308	116,564	(20%)	4%	(22%)	11,394	12,154	10,113	(11%)	7%	(17%)	12.7	12.4	11.5	(9%)	(3%)	(7%)	20,192	16,724	(17%)	19,446	20,568	6%	1.0	0.8	(22%)
	Africa and Middle East - Consumer discretionary	2	49,449	58,366	64,921	31%	18%	11%	2,158	2,670	2,579	20%	24%	(3%)	22.9	21.9	25.2	10%	(5%)	15%	7,077	4,135	(42%)	1,988	2,485	25%	3.6	1.7	(53%)
	Africa and Middle East - Energy	1	31,559	38,296	24,047	(24%)	21%	(37%)	3,128	3,537	2,313	(26%)	13%	(35%)	10.1	10.8	10.4	3%	7%	(4%)	-1,047	806	177%	4,820	4,443	(8%)	-0.2	0.2	183%
	Africa and Middle East - Healthcare	2	45,535	57,408	65,185	43%	26%	14%	4,456	4,630	4,977	12%	4%	7%	10.2	12.4	13.1	28%	21%	6%	12,278	9,602	(22%)	7,126	7,197	1%	1.7	1.3	(23%)
	Africa and Middle East - Industrials	2	42,762	44,434	45,339	6%	4%	2%	3,173	3,208	2,937	(7%)	1%	(8%)	13.5	13.8	15.4	15%	3%	11%	1,369	2,411	76%	1,960	2,228	14%	0.7	1.1	55%
	Africa and Middle East - Consumer staple	2	17,333	21,022	23,465	35%	21%	12%	989	1,191	1,219	23%	20%	2%	17.5	17.6	19.2	10%	1%	9%	4,409	4,418	0%	1,514	1,862	23%	2.9	2.4	(19%)
	Africa and Middle East - Technology	1	12,670	12,789	14,990	18%	1%	17%	705	743	757	7%	5%	2%	18.0	17.2	19.8	10%	(4%)	15%	-2,741	-2,988	(9%)	863	924	7%	-3.2	-3.2	(2%)
	Africa and Middle East - Telecommunications Services	7	149,992	153,929	141,252	(6%)	3%	(8%)	12,776	13,425	12,269	(4%)	5%	(9%)	11.7	11.5	11.5	(2%)	(2%)	0%	12,069	3,090	(74%)	27,453	28,329	3%	0.4	0.1	(75%)
	Africa and Middle East - Utilities	1	16,165	17,442	16,543	2%	8%	(5%)	923	849	877	(5%)	(8%)	3%	17.5	20.5	18.9	8%	17%	(8%)	25,096	26,115	4%	4,753	4,543	(4%)	5.3	5.7	9%
	Japan - Basic Materials	5	91,337	88,237	89,660	(2%)	(3%)	2%	6,631	7,444	6,480	(2%)	12%	(13%)	13.8	11.9	13.8	0%	(14%)	17%	36,088	29,183	(19%)	14,722	16,285	11%	2.5	1.8	(27%)
	Japan - Consumer discretionary	19	582,613	567,985	581,485	(0%)	(3%)	2%	47,434	52,826	48,101	1%	11%	(9%)	12.3	10.8	12.1	(2%)	(12%)	12%	223,449	116,133	(48%)	93,615	109,546	17%	2.4	1.1	(56%)
	Japan - Energy	2	31,515	35,510	26,151	(17%)	13%	(26%)	3,368	3,477	2,620	(22%)	3%	(25%)	9.4	10.2	10.0	7%	9%	(2%)	21,879	21,642	(1%)	8,700	9,045	4%	2.5	2.4	(5%)
	Japan - Healthcare	4	38,147	43,428	43,754	15%	14%	1%	1,533	1,797	1,614	5%	17%	(10%)	24.9	24.2	27.1	9%	(3%)	12%	-31	-1,109	(3477%)	3,160	3,648	15%	0.0	-0.3	(2998%)
	Japan - Industrials	17	310,423	322,856	314,803	1%	4%	(2%)	21,878	25,590	22,299	2%	17%	(13%)	14.2	12.6	14.1	(1%)	(11%)	12%	118,457	117,173	(1%)	48,739	53,093	9%	2.4	2.2	(9%)
	Japan - Consumer staple	7	104,449	114,584	108,682	4%	10%	(5%)	4,922	5,540	4,625	(6%)	13%	(17%)	21.2	20.7	23.5	11%	(3%)	14%	10,271	8,724	(15%)	12,868	13,677	6%	0.8	0.6	(20%)
	Japan - Technology	12	218,063	222,060	226,077	4%	2%	2%	11,337	12,900	11,678	3%	14%	(9%)	19.2	17.2	19.4	1%	(11%)	12%	-12,011	-17,071	(42%)	27,604	29,435	7%	-0.4	-0.6	(33%)
	Japan - Telecommunications Services	3	233,403	228,662	187,332	(20%)	(2%)	(18%)	14,114	15,548	13,076	(7%)	10%	(16%)	16.5	14.7	14.3	(13%)	(11%)	(3%)	96,681	88,950	(8%)	53,583	55,313	3%	1.8	1.6	(11%)
	Japan - Utilities	2	22,164	23,803	22,254	0%	7%	(7%)	1,118	1,337	1,236	11%	20%	(8%)	19.8	17.8	18.0	(9%)	(10%)	1%	31,671	31,650	(0%)	5,241	5,576	6%	6.0	5.7	(6%)
	AsPac - Basic Materials	21	537,314	538,837	465,479	(13%)	0%	(14%)	42,172	44,239	36,480	(13%)	5%	(18%)	12.7	12.2	12.8	0%	(4%)	5%	116,536	112,440	(4%)	83,364	84,991	2%	1.4	1.3	(5%)
	AsPac - Consumer discretionary	31	555,171	549,354	496,884	(10%)	(1%)	(10%)	47,989	55,220	49,813	4%	15%	(10%)	11.6	9.9	10.0	(14%)	(14%)	0%	2,414	-6,367	(364%)	60,064	72,719	21%	0.0	-0.1	(318%)
	AsPac - Energy	16	727,849	777,644	822,819	13%	7%	6%	77,974	79,032	65,723	(16%)	1%	(17%)	9.3	9.8	12.5	34%	5%	27%	207,294	216,633	5%	170,860	177,168	4%	1.2	1.2	1%
	AsPac - Healthcare	8	77,490	82,438	96,092	24%	6%	17%	3,246	3,962	3,986	23%	22%	1%	23.9	20.8	24.1	1%	(13%)	16%	1,752	1,898	8%	5,834	6,942	19%	0.3	0.3	(9%)
	AsPac - Industrials	32	380,372	395,386	563,620	48%	4%	43%	33,479	36,750	41,743	25%	10%	14%	11.4	10.8	13.5	19%	(5%)	25%	154,489	142,671	(8%)	75,006	84,404	13%	2.1	1.7	(18%)
	AsPac - Consumer staple	25	401,200	420,295	422,744	5%	5%	1%	22,283	24,234	22,072	(1%)	9%	(9%)	18.0	17.3	19.2	6%	(4%)	10%	8,094	6,464	(20%)	32,670	36,249	11%	0.2	0.2	(28%)
	AsPac - Technology	24	746,254	853,910	864,204	16%	14%	1%	65,146	70,902	62,284	(4%)	9%	(12%)	11.5	12.0	13.9	21%	5%	15%	-88,449	-116,540	(32%)	103,252	112,825	9%	-0.9	-1.0	(21%)
	AsPac - Telecommunications Services	19	585,334	594,005	646,346	10%	1%	9%	44,167	41,549	42,150	(5%)	(6%)	1%	13.3	14.3	15.3	16%	8%	7%	36,777	38,751	5%	126,383	134,072	6%	0.3	0.3	(1%)
	AsPac - Utilities	18	235,365	259,441	305,528	30%	10%	18%	21,393	23,596	27,840	30%	10%	18%	11.0	11.0	11.0	(0%)	(0%)	(0%)	227,543	218,150	(4%)	57,974	63,240	9%	3.9	3.4	(12%)
	Europe - Basic Materials	29	936,467	985,980	802,496	(14%)	5%	(19%)	69,835	78,432	65,046	(7%)	12%	(17%)	13.4	12.6	12.3	(8%)	(6%)	(2%)	217,401	206,231	(5%)	149,170	156,243	5%	1.5	1.3	(9%)
	Europe - Consumer discretionary	50	1,388,648	1,423,536	1,324,464	(5%)	3%	(7%)	99,208	109,548	95,698	(4%)	10%	(13%)	14.0	13.0	13.8	(1%)	(7%)	7%	65,730	52,600	(20%)	183,672	204,635	11%	0.4	0.3	(28%)
	Europe - Energy	16	1,157,795	1,266,688	837,879	(28%)	9%	(34%)	153,595	152,866	119,319	(22%)	(0%)	(22%)	7.5	8.3	7.0	(7%)	10%	(15%)	223,392	229,889	3%	330,943	312,145	(6%)	0.7	0.7	9%
	Europe - Healthcare	22	1,260,710	1,393,794	1,323,768	5%	11%	(5%)	80,976	83,688	76,250	(6%)	3%	(9%)	15.6	16.7	17.4	12%	7%	4%	110,606	91,588	(17%)	115,380	123,853	7%	1.0	0.7	(23%)
	Europe - Industrials	57	1,239,019	1,253,583	1,105,578	(11%)	1%	(12%)	80,420	87,721	73,854	(8%)	9%	(16%)	15.4	14.3	15.0	(3%)	(7%)	5%	173,361	159,709	(8%)	143,013	158,050	11%	1.2	1.0	(17%)
	Europe - Consumer staple	26	1,504,197	1,578,637	1,432,614	(5%)	5%	(9%)	86,468	89,366	76,951	(11%)	3%	(14%)	17.4	17.7	18.6	7%	2%	5%	204,682	184,194	(10%)	141,054	147,860	5%	1.5	1.2	(14%)
	Europe - Technology	17	440,543	431,557	439,055	(0%)	(2%)	2%	25,005	27,254	25,340	1%	9%	(7%)	17.6	15.8	17.3	(2%)	(10%)	9%	-12,746	-20,893	(64%)	36,988	41,675	13%	-0.3	-0.5	(45%)
	Europe - Telecommunications Services	16	641,300	564,666	543,395	(15%)	(12%)	(4%)	42,234	35,411	30,557	(28%)	(16%)	(14%)	15.2	15.9	17.8	17%	5%	12%	239,602	234,083	(2%)	123,901	126,572	2%	1.9	1.8	(4%)
	Europe - Utilities	21	531,225	603,327	505,726	(5%)	14%	(16%)	42,171	43,395	36,440	(14%)	3%	(16%)	12.6	13.9	13.9	10%	10%	(0%)	363,939	347,369	(5%)	131,005	133,616	2%	2.8	2.6	(6%)
	LatAm - Basic Materials	4	123,743	118,381	84,393	(32%)	(4%)	(29%)	12,908	12,155	7,137	(45%)	(6%)	(41%)	9.6	9.7	11.8	23%	2%	21%	46,875	50,965	9%	21,775	22,150	2%	2.2	2.3	7%
	LatAm - Consumer discretionary	3	43,537	49,385	45,483	4%	13%	(8%)	2,001	2,340	2,231	11%	17%	(5%)	21.8	21.1	20.4	(6%)	(3%)	(3%)	7,663	6,911	(10%)	4,308	4,997	16%	1.8	1.4	(22%)
	LatAm - Energy	5	217,548	219,151	123,440	(43%)	1%	(44%)	22,123	25,007	16,646	(25%)	13%	(33%)	9.8	8.8	7.4	(25%)	(11%)	(15%)	130,545	151,020	16%	46,944	50,647	8%	2.8	3.0	7%
	LatAm - Industrials	4	48,010	50,900	42,240	(12%)	6%	(17%)	2,498	2,795	2,133	(15%)	12%	(24%)	19.2	18.2	19.8	3%	(5%)	9%	6,213	5,856	(6%)	4,634	5,216	13%	1.3	1.1	(16%)
	LatAm - Consumer staple	10	299,108	298,007	260,110	(13%)	(0%)	(13%)	14,804	16,399	13,751	(7%)	11%	(16%)	20.2	18.2	18.9	(6%)	(10%)	4%	17,273	15,310	(11%)	25,652	28,262	10%	0.7	0.5	(20%)
	LatAm - Technology	1	21,837	32,314	24,555	12%	48%	(24%)	1,281	1,650	1,399	9%	29%	(15%)	17.0	19.6	17.6	3%	15%	(10%)	630	396	(37%)	1,486	1,716	15%	0.4	0.2	(46%)
	LatAm - Telecommunications Services	3	115,272	108,065	105,268	(9%)	(6%)	(3%)	9,409	8,868	7,889	(16%)	(6%)	(11%)	12.3	12.2	13.3	9%	(1%)	9%	34,388	32,548	(5%)	24,424	25,514	4%	1.4	1.3	(9%)
	LatAm - Utilities	2	26,936	28,918	28,509	6%	7%	(1%)	2,180	2,243	1,873	(14%)	3%	(17%)	12.4	12.9	15.2	23%	4%	18%	6,028	5,607	(7%)	5,420	5,975	10%	1.1	0.9	(16%)
	North America - Basic Materials	25	598,671	639,593	605,580	1%	7%	(5%)	37,411	39,142	36,890	(1%)	5%	(6%)	16.0	16.3	16.4	3%	2%	0%	130,839	133,723	2%	78,355	86,264	10%	1.7	1.6	(7%)
	North America - Consumer discretionary	85	2,438,487	2,438,275	2,572,261	5%	(0%)	5%	126,366	140,139	133,528	6%	11%	(5%)	19.3	17.4	19.3	(0%)	(10%)	11%	333,458	322,209	(3%)	263,125	292,106	11%	1.3	1.1	(13%)
	North America - Energy	64	2,248,140	2,547,795	2,140,464	(5%)	13%	(16%)	153,538	161,144	113,397	(26%)	5%	(30%)	14.6	15.8	18.9	29%	8%	19%	496,794	572,897	15%	388,100	345,839	(11%)	1.3	1.7	29%
	North America - Healthcare	55	2,179,218	2,373,092	2,677,515	23%	9%	13%	130,908	152,420	155,150	19%	16%	2%	16.6	15.6	17.3	4%	(6%)	11%	134,313	86,258	(36%)	230,914	248,705	8%	0.6	0.3	(40%)
	North America - Industrials	55	1,604,597	1,691,325	1,816,893	13%	5%	7%	97,468	109,987	110,833	14%	13%	1%	16.5	15.4	16.4	(0%)	(7%)	7%	247,050	223,037	(10%)	201,528	221,146	10%	1.2	1.0	(18%)
	North America - Consumer staple	44	1,879,202	1,940,769	2,113,619	12%	3%	9%	111,950	116,194	112,424	0%	4%	(3%)	16.8	16.7	18.8	12%	(0%)	13%	312,111	314,268	1%	201,120	213,254	6%	1.6	1.5	(5%)
	North America - Technology	63	3,295,295	3,493,604	3,783,214	15%	6%	8%	210,925	231,003	229,788	9%	10%	(1%)	15.6	15.1	16.5	5%	(3%)	9%	-184,979	-413,285	(123%)	329,875	361,719	10%	-0.6	-1.1	(104%)
	North America - Telecommunications Services	9	468,972	536,636	524,454	12%	14%	(2%)	34,909	38,569	36,578	5%	10%	(5%)	13.4	13.9	14.3	7%	4%	3%	267,357	273,691	2%	116,142	121,719	5%	2.3	2.2	(2%)
	North America - Utilities	26	453,870	527,730	566,980	25%	16%	7%	31,046	33,200	32,934	6%	7%	(1%)	14.6	15.9	17.2	18%	9%	8%	392,034	412,302	5%	96,979	103,352	7%	4.0	4.0	(1%)
	Global:	**1,000**	**31,551,284**	**33,268,136**	**32,626,170**	**3%**	**5%**	**(2%)**	**2,191,523**	**2,349,285**	**2,115,897**	**(3%)**	**7%**	**(10%)**	**14.4**	**14.2**	**15.4**	**7%**	**(2%)**	**9%**	**5,236,164**	**4,752,171**	**(9%)**	**4,449,471**	**4,684,034**	**5%**	**1.2**	**1.0**	**(14%)**

Source: Capital IQ

• A Concensus forecasts in existence on 31-Dec-13 in respect of the year ending 31-Dec-14 for net profilt and P/E • B Concensus forecasts in existence on 30-June-14 in respect of the year ending 30-June-15 for net profilt and P/E • C/G Concensus forecasts in existence on 31-Dec-14 in respect of the year ending 31-Dec-15 for net profit, P/E and EBITDA
• D Actual/ Concensus net debt forecasts in existence on 31-Dec-14 in respect to the closest fiscal year end to 31-Dec-14 • E Concensus forecasts in existence on 31-Dec-14 in respect of the closest fiscal year end to 31-Dec-15 • F Concensus forecasts in existence on 31-Dec-14 in respect of the year ending 31-Dec-14

Deal Advisory: Delivering real results

KPMG's integrated team of specialists works at deal speed to help you find, secure and drive value throughout your business transformation and transaction lifecycle. By thinking like an investor, our M&A specialists can support you – whether you are on the buy side or the sell side – to see beyond immediate challenges to drive strategic change.

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* 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 S&P 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.

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