DEAL ADVISORY

September 2015

M&A PREDICTOR

RISING GLOBAL CONFIDENCE, BUT DEAL VOLUMES SLIDE

Both the appetite and capacity for M&A transactions among the world's largest corporates is expected to increase over the next 12 months, according to the latest analysts' forecasts.

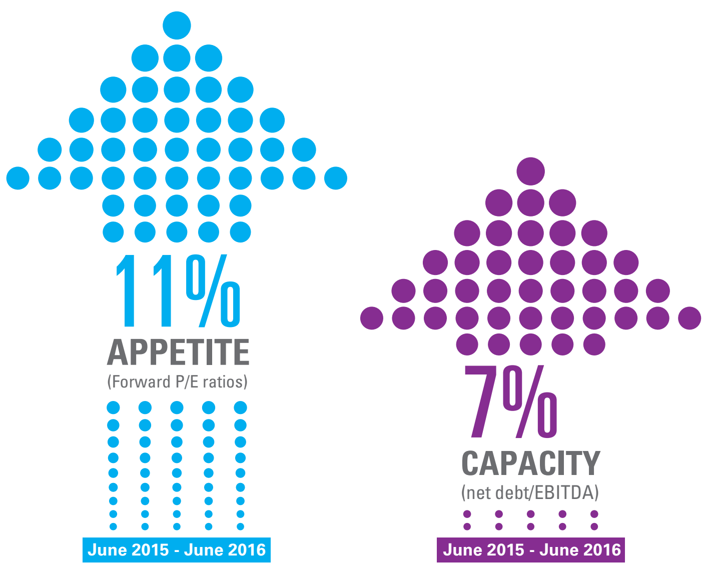
Analysts expect predicted forward P/E ratios (our measure of corporate appetite or confidence) to increase by 11 percent between June 2015 and June 2016. Over the same period, the capacity to transact of the world's largest businesses is expected to rise by 7 percent, as debts continue to be paid down and cash reserves increased.

However, the apparent positivity around global M&A opportunities is not being reflected in the volume or value of corporate transactions. Both completed deal volumes and completed deal values fell significantly over the six month period between January and June 2015.

"There has been a pause in the market," commented Leif Zierz, KPMG International's Global Head of Deal Advisory in Germany. "The continuing impact of low oil prices, market and political instabilities in some key regions should also not be overlooked. When we look at the top line numbers, they look unexceptional. On an individualized basis however, we continue to see relatively strong expectation despite a drop in earnings. There are actually some pockets of strength and opportunities to be found."

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. 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.*



Source: S&P Capital IQ/KPMG analysis

KPMG
cutting through complexity

CONFIDENCE AND CAPACITY CONTINUE TO RISE

The expected 11 percent rise in global corporate appetite for M&A transactions over the next 12 months is undoubtedly a positive sign for M&A markets. However, the global figure masks some significant regional variations. Although both North America and Europe are expected to see an increase in appetite for M&A over the next 12 months, they are not expected to match the global average increase (11 percent), with forecast growth in forward P/E ratios of 7 percent and 8 percent respectively.

The muted growth of appetite in these key M&A markets may be linked to on-going uncertainties caused by wider issues such as the continuing squeeze on oil prices and political instabilities in the Eurozone.

Expectations are slightly brighter for Africa and the Middle East, and AsPac (Japan), where the growth in M&A appetite over the next 12 months is expected to be a healthy 12 percent. In AsPac (Other) and Latin America, the figure is 25 percent.

The capacity to transact, as indicated by Net debt to EBITDA ratios, is expected to be similarly mixed, while retaining a broadly upward trend, as the largest corporates reduce their debts and build up cash reserves.

Corporates in Asia, in particular, are expected to enjoy substantial increases in their capacity to transact. In Japan, analysts forecast a 26 percent rise in the capacity to transact. In AsPac (Other), the expected increase is lower, but still a very healthy 16 percent increase. "The long-term scenario looks promising for the ASPAC region, helped by political stability and the establishment of the ASEAN Economic Community. More specifically, there has been a growing interest of Asian PE firms in Southeast Asia countries," said Bob Yap, ASPAC Head of Deal Advisory in Singapore.

The M&A capacity of corporates in Europe and North America is not expected to increase as significantly, with Net debt to EBITDA ratios expected to increase by just 1 percent in Europe and 5 percent in North America between June 2015 and June 2016.

STARK DIFFERENCES BETWEEN KEY MARKETS

There are some significant regional variations in the expected rise in global corporate appetite for M&A transactions, as political and market uncertainties continue to take a toll in key markets.

China enjoys a huge 71 percent increase in forward P/E ratios between June 2015 and June 2016, accompanied by a 15 percent rise in capacity. Although the China forecasts were made before the recent stock market corrections, they suggest a strong underlying confidence in future M&A opportunities.

"There continues to be a robust M&A market, and significant appetite for China by investors. The fluctuations have created plenty of opportunities for investors and sellers alike to consider the options," commented Jeffrey Wong, Head of Deal Advisory in China.

Compared to the global average of 11 percent, for example, the predicted increase in appetite in North America and Europe, at 7 percent and 8 percent respectively, is below par, possibly hampered by wider issues such as the continuing squeeze on oil prices and political instabilities in the Eurozone. While the capacity to transact, as indicated by net debt to EBITDA ratios, is expected to be similarly variable, while retaining a broadly upward trend, as corporates reduce their debts and retain cash.

This contrast can best be seen in the Eurozone, where Germany and Switzerland were able to increase capacity to transact by reducing debt, while France and the UK declined marginally as debt and EBITA barely budged.

In the UK, for example, expectations are in line with the Eurozone at 13 percent, but appetite saw a modest 7 percent drop. Nonetheless, Andrew Nicholson, Head of M&A in the UK, comments: "With the debt markets more accessible than they have been for some time, our view is that the capacity for deals by UK corporates is actually showing little sign of diminishing. Couple this with increasing buoyancy, a more stable economy and a greater convergence between vendor and purchaser price expectations, and all the signs are there that UK deal volumes will likely increase steadily over the coming months."

"THERE CONTINUES TO BE A ROBUST M&A MARKET, AND SIGNIFICANT APPETITE FOR CHINA BY INVESTORS. THE FLUCTUATIONS HAVE CREATED PLENTY OF OPPORTUNITIES FOR INVESTORS AND SELLERS ALIKE TO CONSIDER THE OPTIONS."

Expectations are brighter for Africa and the Middle East, Latin America and Asia Pacific, which are all expected to see above-average increases in M&A appetite.

In Latin America, expectations are still high (26 percent) despite the significant market forces. "Corporates and global investors are digesting the impacts of Brazil's struggling economy and the ongoing fallout of the Petrobras scandal; but we still expect things to pick up as people adjust to the new reality," said Matthew Tedford, Americas Head of Deal Advisory.

India is expected to see only a marginal growth in M&A appetite, at 4 percent, over the next year. In Russia, beset by political and economic uncertainties, appetite is forecast to fall by 8 percent, matched by a similar reduction in capacity.

"The figures for Russia aren't surprising as Russian M&A declined by about half in terms of number of deals and deal volume. What was left of the market was focused on a small number of large deals in H1 2015," commented Sean Tiernan, EMA Head of Deal Advisory in Russia.

SECTORS EXPECTATIONS

The tough times that continue to affect the global energy market are evident in the 19 percent fall in market capitalizations of the largest corporates in this sector, from US$4.8 billion in June 2014 to US$3.9 billion in June 2015. Profits are also down considerably, registering a 37 percent decline over the same 12-month period.

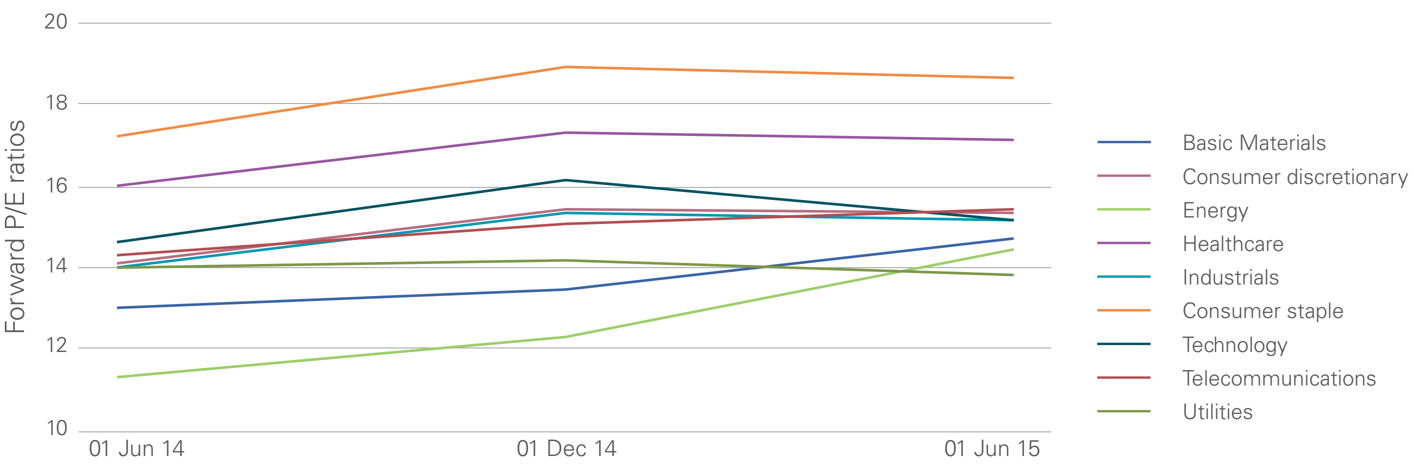
These figures are perhaps not surprising, given that it is corporates in the energy sector that are likely to be the hardest hit by the low oil prices that appear to be affecting corporate activity right across the global market.

Conversely, the healthcare sector looks more stable, with an 18 percent increase in market capitalizations and a 10 percent increase in profits, reflected in a 7 percent rise in appetite for M&A.

Telecommunications is looking strong, with an 8 percent increase in appetite, although capacity is only expected to rise by 5 percent.

Analysts expect corporates in the Consumer discretionary and Basic materials sectors, too, to be

Market confidence by industry sector



Source: S&P Capital IQ/KPMG Analysis

THERE HAS DEFINITELY BEEN A PAUSE IN THE MARKET, BUT THIS SHOULDN'T BE REGARDED AS A MARKET COLLAPSE

in good shape for potential M&A opportunities over the coming year.

In Consumer discretionary, appetite is expected to increase by 9 percent and capacity by 29 percent, while for Basic materials, appetite is expected to rise by 12 percent.

COMPLETED DEAL VOLUMES TAILING OFF

Despite the expected rise in confidence, and following a sustained surge in completed deal volumes and values over the latter half of last year, the most recent set of deals data presents a mixed picture.

While growth was maintained over the first two months of the year, between February and June 2015 there was a significant fall off in global deal volumes and values. The volume of completed deals fell by 8 percent, from 22,477 deals in February to 22,492 in June, while the value of deals saw a 30 percent reduction over the six months from January to June, from just under US$2.2 billion to just over US$1.5 billion.

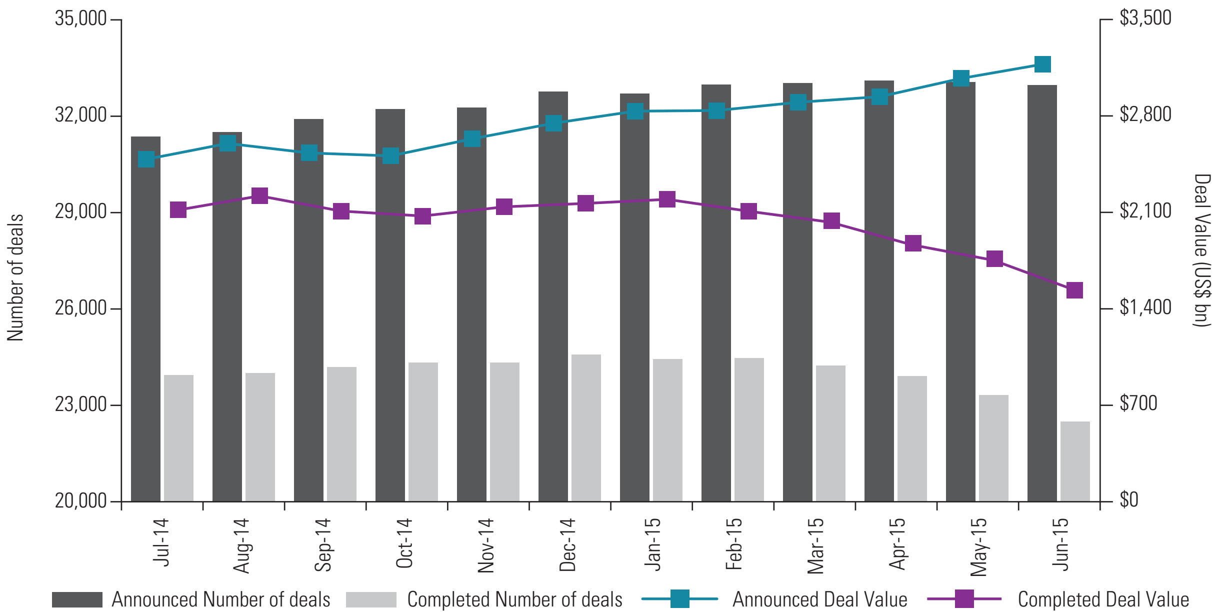
The drop-off is particularly noticeable in AsPac, often regarded as a leading barometer of current global M&A activity, where completed deal volumes fell by 14 percent between January and June 2015. Announced deals, on the other hand, rose marginally over the same period.

The Americas saw a decline of 6 percent and Europe, the Middle East and Africa a 7 percent decline in completed deals over the six months, while the decrease in the UK was marginally higher at 8 percent.

In all three regions, the volume of announced deals either remained relatively steady or, in the case of AsPac, actually increased.

"With oil prices continuing to experience new multi-year lows and credit tightening in the sector, we expect opportunistic buying, forced selling and the resetting of capital structures. If global supply and demand forces stabilize, healthy deal activity may pick up." comments Phil Isom, Global Head of M&A and Partner at KPMG in the US.

Worldwide completed and announced deals: 1 year trailing Jul 14 – Jun 15



Source: Thomson One, accessed on July 1st, 2015

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 30-Jun-14	As at 31-Dec-14	As at 30-Jun-15	% change			30-Jun-14 30-Jun-15	31-Dec-14 31-Dec-15	30-Jun-15 30-Jun-16	% change			30-Jun-14 30-Jun-15	31-Dec-14 31-Dec-15	30-Jun-15 30-Jun-16	% change			30-Jun-15 30-Jun-15	30-Jun-15 30-Jun-16	% change	30-Jun-15 30-Jun-15	30-Jun-15 30-Jun-16	% change	30-Jun-15 30-Jun-15	30-Jun-15 30-Jun-16	% 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	20	511,853	475,825	513,761	0%	(7%)	8%	38,637	34,994	34,531	(11%)	(9%)	(1%)	13.2	13.6	14.9	12%	3%	9%	68,124	69,982	3%	63,145	62,501	(1%)	1.1	1.1	4%
	AsPac : Japan (GAAP)	80	1,810,753	1,753,057	1,974,715	9%	(3%)	13%	137,864	120,945	134,312	(3%)	(12%)	11%	13.1	14.5	14.7	12%	10%	1%	533,008	428,478	(20%)	292,407	317,105	8%	1.8	1.4	(26%)
	AsPac : Other	206	4,481,472	4,746,219	5,329,923	19%	6%	12%	377,906	350,013	356,321	(6%)	(7%)	2%	11.9	13.6	15.0	26%	14%	10%	687,681	589,604	(14%)	692,768	710,047	2%	1.0	0.8	(16%)
	Europe	254	9,729,520	8,479,053	8,738,737	(10%)	(13%)	3%	724,940	612,218	605,161	(17%)	(16%)	(1%)	13.4	13.8	14.4	8%	3%	4%	1,594,969	1,481,350	(7%)	1,369,591	1,279,205	(7%)	1.2	1.2	(1%)
	LatAm	28	861,783	678,793	674,057	(22%)	(21%)	(1%)	69,027	50,978	43,211	(37%)	(26%)	(15%)	12.5	13.3	15.6	25%	7%	17%	265,564	272,613	3%	128,629	113,249	(12%)	2.1	2.4	17%
	North America	412	15,758,675	16,421,138	16,484,569	5%	4%	0%	997,428	941,632	977,102	(2%)	(6%)	4%	15.8	17.4	16.9	7%	10%	(3%)	2,071,794	1,937,601	(6%)	1,852,061	1,830,313	(1%)	1.1	1.1	(5%)
	Global:	**1,000**	**33,154,056**	**32,554,085**	**33,715,762**	**2%**	**(2%)**	**4%**	**2,345,801**	**2,110,779**	**2,150,638**	**(8%)**	**(10%)**	**2%**	**14.1**	**15.4**	**15.7**	**11%**	**9%**	**2%**	**5,221,141**	**4,779,628**	**(8%)**	**4,398,601**	**4,312,420**	**(2%)**	**1.2**	**1.1**	**(7%)**
Country	Argentina	1	16,102	14,480	15,273	(5%)	(10%)	5%	1,380	1,751	1,610	17%	27%	(8%)	11.7	8.3	9.5	(19%)	(29%)	15%	6,815	7,364	8%	5,257	4,967	(6%)	1.3	1.5	14%
	Australia	12	555,576	464,722	415,275	(25%)	(16%)	(11%)	41,086	32,059	24,855	(40%)	(22%)	(22%)	13.5	14.5	16.7	24%	7%	15%	88,531	86,972	(2%)	76,909	62,216	(19%)	1.2	1.4	21%
	Belgium	4	231,175	220,150	228,453	(1%)	(5%)	4%	11,913	11,222	11,548	(3%)	(6%)	3%	19.4	19.6	19.8	2%	1%	1%	45,608	41,949	(8%)	23,768	23,444	(1%)	1.9	1.8	(7%)
	Bermuda	3	49,971	51,325	61,944	24%	3%	21%	4,132	4,055	4,365	6%	(2%)	8%	12.1	12.7	14.2	17%	5%	12%	12,513	10,170	(19%)	10,034	10,528	5%	1.2	1.0	(23%)
	Brazil	10	400,874	292,219	297,111	(26%)	(27%)	2%	38,862	26,671	20,416	(47%)	(31%)	(23%)	10.3	11.0	14.6	41%	6%	33%	156,472	165,968	6%	61,938	52,017	(16%)	2.5	3.2	26%
	Canada	28	740,682	680,592	644,202	(13%)	(8%)	(5%)	48,209	38,210	37,180	(23%)	(21%)	(3%)	15.4	17.8	17.3	13%	16%	(3%)	227,098	230,223	1%	101,091	87,471	(13%)	2.2	2.6	17%
	Chile	4	68,042	59,485	57,858	(15%)	(13%)	(3%)	4,440	3,758	3,948	(11%)	(15%)	5%	15.3	15.8	14.7	(4%)	3%	(7%)	15,487	15,253	(2%)	9,219	9,220	0%	1.7	1.7	(2%)
	China	81	1,339,245	1,764,352	2,292,220	71%	32%	30%	120,850	113,946	120,764	(0%)	(6%)	6%	11.1	15.5	19.0	71%	40%	23%	389,418	342,628	(12%)	250,185	258,092	3%	1.6	1.3	(15%)
	Colombia	1	74,401	35,869	27,391	(63%)	(52%)	(24%)	6,734	3,400	2,240	(67%)	(50%)	(34%)	11.0	10.6	12.2	11%	(4%)	16%	14,240	15,581	9%	11,056	6,063	(45%)	1.3	2.6	100%
	Czech Republic	1	16,120	13,780	12,398	(23%)	(15%)	(10%)	1,249	1,058	931	(25%)	(15%)	(12%)	12.9	13.0	13.3	3%	1%	2%	6,397	6,098	(5%)	3,113	2,870	(8%)	2.1	2.1	3%
	Denmark	7	241,309	210,496	241,957	0%	(13%)	15%	13,892	12,638	13,597	(2%)	(9%)	8%	17.4	16.7	17.8	2%	(4%)	7%	8,476	5,588	(34%)	23,732	23,480	(1%)	0.4	0.2	(33%)
	Finland	5	92,255	89,459	79,904	(13%)	(3%)	(11%)	5,444	4,950	4,787	(12%)	(9%)	(3%)	16.9	18.1	16.7	(1%)	7%	(8%)	-5,395	-5,814	(8%)	8,120	7,536	(7%)	-0.7	-0.8	(16%)
	France	43	1,579,757	1,353,115	1,385,665	(12%)	(14%)	2%	106,038	87,598	87,180	(18%)	(17%)	(0%)	14.9	15.4	15.9	7%	4%	3%	250,277	234,327	(6%)	214,400	204,753	(4%)	1.2	1.1	(2%)
	Germany	31	1,354,027	1,206,756	1,233,277	(9%)	(11%)	2%	107,959	91,803	94,537	(12%)	(15%)	3%	12.5	13.1	13.0	4%	5%	(1%)	137,355	105,824	(23%)	201,108	201,503	0%	0.7	0.5	(23%)
	Hong Kong	21	609,638	650,672	703,924	15%	7%	8%	49,800	54,834	56,360	13%	10%	3%	12.2	11.9	12.5	2%	(3%)	5%	40,253	35,920	(11%)	115,318	119,183	3%	0.3	0.3	(14%)
	India	29	565,923	564,545	603,892	7%	(0%)	7%	39,002	37,261	39,857	2%	(4%)	7%	14.5	15.2	15.2	4%	4%	0%	59,506	53,328	(10%)	57,611	63,238	10%	1.0	0.8	(18%)
	Indonesia	3	64,126	66,880	65,652	2%	4%	(2%)	3,966	3,588	3,489	(12%)	(10%)	(3%)	16.2	18.6	18.8	16%	15%	1%	3,384	2,978	(12%)	6,517	6,482	(1%)	0.5	0.5	(12%)
	Ireland	15	346,055	362,321	414,320	20%	5%	14%	23,227	21,968	26,416	14%	(5%)	20%	14.9	16.5	15.7	5%	11%	(5%)	40,476	38,664	(4%)	32,319	36,724	14%	1.3	1.1	(16%)
	Israel	1	44,594	49,160	50,117	12%	10%	2%	3,987	4,370	4,328	9%	10%	(1%)	11.2	11.3	11.6	4%	1%	3%	9,861	8,237	(16%)	6,325	6,392	1%	1.6	1.3	(17%)
	Italy	8	279,645	212,382	220,078	(21%)	(24%)	4%	19,524	14,656	13,153	(33%)	(25%)	(10%)	14.3	14.5	16.7	17%	1%	15%	128,615	126,776	(1%)	67,419	57,032	(15%)	1.9	2.2	17%
	Japan	80	1,810,753	1,753,057	1,974,715	9%	(3%)	13%	137,864	120,945	134,312	(3%)	(12%)	11%	13.1	14.5	14.7	12%	10%	1%	533,008	428,478	(20%)	292,407	317,105	8%	1.8	1.4	(26%)
	Luxembourg	5	100,144	84,686	93,717	(6%)	(15%)	11%	6,126	5,210	4,992	(19%)	(15%)	(4%)	16.3	16.3	18.8	15%	(1%)	15%	49,749	50,663	2%	17,345	17,095	(1%)	2.9	3.0	3%
	Macau	1	60,934	39,692	27,165	(55%)	(35%)	(32%)	3,767	2,871	1,850	(51%)	(24%)	(36%)	16.2	13.8	14.7	(9%)	(15%)	6%	2,076	2,640	27%	3,217	2,250	(30%)	0.6	1.2	82%
	Malaysia	9	140,046	129,445	117,193	(16%)	(8%)	(9%)	7,890	7,023	6,221	(21%)	(11%)	(11%)	17.7	18.4	18.8	6%	4%	2%	10,348	8,468	(18%)	12,907	12,444	(4%)	0.8	0.7	(15%)
	Mexico	12	302,365	276,740	276,424	(9%)	(8%)	(0%)	17,609	15,398	14,996	(15%)	(13%)	(3%)	17.2	18.0	18.4	7%	5%	3%	72,550	68,447	(6%)	41,159	40,982	(0%)	1.8	1.7	(5%)
	Morocco	1	10,181	11,041	9,745	(4%)	8%	(12%)	813	686	682	(16%)	(16%)	(1%)	12.5	16.1	14.3	14%	28%	(11%)	1,018	1,096	8%	1,761	1,748	(1%)	0.6	0.6	8%
	Netherlands	16	748,069	653,702	655,606	(12%)	(13%)	0%	57,420	47,830	47,468	(17%)	(17%)	(1%)	13.0	13.7	13.8	6%	5%	1%	90,068	84,371	(6%)	115,850	97,967	(15%)	0.8	0.9	11%
	Nigeria	1	25,083	18,553	15,402	(39%)	(26%)	(17%)	1,798	1,163	1,233	(31%)	(35%)	6%	14.0	16.0	12.5	(10%)	14%	(22%)	1,480	-773	(152%)	1,305	1,502	15%	1.1	-0.5	(145%)
	Norway	3	145,832	98,325	103,569	(29%)	(33%)	5%	11,889	7,601	7,591	(36%)	(36%)	(0%)	12.3	12.9	13.6	11%	5%	5%	25,835	29,618	15%	35,197	30,262	(14%)	0.7	1.0	33%
	Philippines	4	45,595	48,382	50,115	10%	6%	4%	2,480	2,295	2,483	0%	(7%)	8%	18.4	21.1	20.2	10%	15%	(4%)	11,588	11,536	(0%)	4,185	4,964	19%	2.8	2.3	(16%)
	Poland	2	23,528	17,380	19,528	(17%)	(26%)	12%	1,959	1,693	1,586	(19%)	(14%)	(6%)	12.0	10.3	12.3	2%	(15%)	20%	1,743	2,888	66%	3,805	3,831	1%	0.5	0.8	65%
	Portugal	2	33,402	22,615	23,500	(30%)	(32%)	4%	1,877	1,555	1,576	(16%)	(17%)	1%	17.8	14.5	14.9	(16%)	(18%)	3%	22,250	21,845	(2%)	5,850	5,619	(4%)	3.8	3.9	2%
	Qatar	1	28,083	27,909	23,924	(15%)	(1%)	(14%)	2,495	2,212	1,744	(30%)	(11%)	(21%)	11.3	12.6	13.7	22%	12%	9%	-1,672	-1,843	(10%)	395	377	(5%)	-4.2	-4.9	(16%)
	Russia	11	414,825	228,716	285,549	(31%)	(45%)	25%	82,233	70,234	61,531	(25%)	(15%)	(12%)	5.0	3.3	4.6	(8%)	(35%)	43%	96,099	79,888	(17%)	134,535	103,930	(23%)	0.7	0.8	8%
	Saudi Arabia	7	188,394	163,828	180,908	(4%)	(13%)	10%	14,633	13,409	12,798	(13%)	(8%)	(5%)	12.9	12.2	14.1	10%	(5%)	16%	40,243	46,397	15%	28,355	26,910	(5%)	1.4	1.7	21%
	Singapore	5	109,253	110,249	120,347	10%	1%	9%	8,156	8,180	9,127	12%	0%	12%	13.4	13.5	13.2	(2%)	1%	(2%)	22,089	19,669	(11%)	11,459	13,022	14%	1.9	1.5	(22%)
	South Africa	7	175,059	164,337	184,292	5%	(6%)	12%	11,924	10,015	10,201	(14%)	(16%)	2%	14.7	16.4	18.1	23%	12%	10%	11,812	13,960	18%	17,248	16,611	(4%)	0.7	0.8	23%
	South Korea	18	502,550	446,110	440,784	(12%)	(11%)	(1%)	65,883	54,643	54,990	(17%)	(17%)	1%	7.6	8.2	8.0	5%	7%	(2%)	43,291	19,849	(54%)	96,169	104,295	8%	0.5	0.2	(58%)
	Spain	12	427,226	360,833	359,951	(16%)	(16%)	(0%)	25,591	21,189	20,942	(18%)	(17%)	(1%)	16.7	17.0	17.2	3%	2%	1%	142,981	131,550	(8%)	60,749	57,622	(5%)	2.4	2.3	(3%)
	Sweden	11	292,063	268,058	266,644	(9%)	(8%)	(1%)	18,931	15,850	16,671	(12%)	(16%)	5%	15.4	16.9	16.0	4%	10%	(5%)	20,598	15,854	(23%)	26,447	28,447	8%	0.8	0.6	(28%)
	Switzerland	22	1,219,090	1,127,840	1,139,470	(7%)	(7%)	1%	74,844	66,520	66,232	(12%)	(11%)	(0%)	16.3	17.0	17.2	6%	4%	1%	103,452	81,487	(21%)	105,323	106,266	1%	1.0	0.8	(22%)
	Taiwan	15	359,357	336,569	362,064	1%	(6%)	8%	24,199	23,880	26,961	11%	(1%)	13%	14.9	14.1	13.4	(10%)	(5%)	(5%)	-8,843	-18,546	(110%)	38,117	44,459	17%	-0.2	-0.4	(80%)
	Thailand	8	129,229	124,600	131,292	2%	(4%)	5%	10,826	9,433	9,363	(14%)	(13%)	(1%)	11.9	13.2	14.0	17%	11%	6%	26,039	24,163	(7%)	20,174	19,402	(4%)	1.3	1.2	(4%)
	Turkey	3	36,325	37,805	31,089	(14%)	4%	(18%)	3,531	3,363	2,911	(18%)	(5%)	(13%)	10.3	11.2	10.7	4%	9%	(5%)	5,386	4,798	(11%)	5,251	4,879	(7%)	1.0	1.0	(4%)
	United Arab Emirates	2	40,459	40,998	49,374	22%	1%	20%	2,988	3,138	3,545	19%	5%	13%	13.5	13.1	13.9	3%	(4%)	7%	5,382	2,909	(46%)	7,756	8,962	16%	0.7	0.3	(53%)
	United Kingdom	53	2,148,672	1,910,631	1,944,061	(10%)	(11%)	2%	151,292	125,279	121,510	(20%)	(17%)	(3%)	14.2	15.3	16.0	13%	7%	5%	425,001	424,973	(0%)	285,261	265,946	(7%)	1.5	1.6	7%
	United States	381	14,968,022	15,689,220	15,778,422	5%	5%	1%	945,087	899,367	935,557	(1%)	(5%)	4%	15.8	17.4	16.9	6%	10%	(3%)	1,832,183	1,697,208	(7%)	1,740,936	1,732,314	(0%)	1.1	1.0	(7%)
	Global:	**1,000**	**33,154,056**	**32,554,085**	**33,715,762**	**2%**	**(2%)**	**4%**	**2,345,801**	**2,110,779**	**2,150,638**	**(8%)**	**(10%)**	**2%**	**14.1**	**15.4**	**15.7**	**11%**	**9%**	**2%**	**5,221,141**	**4,779,628**	**(8%)**	**4,398,601**	**4,312,420**	**(2%)**	**1.2**	**1.1**	**(7%)**

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 30-Jun-14	As at 31-Dec-14	As at 30-Jun-15	% change			30-Jun-14 30-Jun-15	31-Dec-14 31-Dec-15	30-Jun-15 30-Jun-16	% change			30-Jun-14 30-Jun-15	31-Dec-14 31-Dec-15	30-Jun-15 30-Jun-16	% change			30-Jun-15 30-Jun-15	30-Jun-15 30-Jun-16	% change	30-Jun-15 30-Jun-15	30-Jun-15 30-Jun-16	% change	30-Jun-15 30-Jun-15	30-Jun-15 30-Jun-16	% 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	94	2,543,525	2,192,346	2,196,060	(14%)	(14%)	0%	194,933	162,068	149,612	(23%)	(17%)	(8%)	13.0	13.5	14.7	12%	4%	9%	568,596	544,394	(4%)	363,754	333,786	(8%)	1.6	1.6	4%
	Consumer discretionary	186	5,046,706	5,074,462	5,434,587	8%	1%	7%	358,492	328,992	354,834	(1%)	(8%)	8%	14.1	15.4	15.3	9%	10%	(1%)	658,929	499,499	(24%)	604,753	649,580	7%	1.1	0.8	(29%)
	Energy	100	4,790,917	3,913,487	3,867,625	(19%)	(18%)	(1%)	423,086	318,624	268,151	(37%)	(25%)	(16%)	11.3	12.3	14.4	27%	8%	17%	1,151,486	1,198,473	4%	913,271	692,279	(24%)	1.3	1.7	37%
	Healthcare	97	3,938,160	4,179,734	4,639,872	18%	6%	11%	246,261	241,303	270,700	10%	(2%)	12%	16.0	17.3	17.1	7%	8%	(1%)	351,046	244,257	(30%)	363,304	393,138	8%	1.0	0.6	(36%)
	Industrials	168	3,686,289	3,838,169	3,997,366	8%	4%	4%	262,411	251,636	262,357	(0%)	(4%)	4%	14.0	15.3	15.2	8%	9%	(0%)	695,747	651,550	(6%)	468,193	500,063	7%	1.5	1.3	(12%)
	Consumer staple	119	4,474,590	4,462,444	4,548,391	2%	(0%)	2%	260,113	236,208	244,634	(6%)	(9%)	4%	17.2	18.9	18.6	8%	10%	(2%)	597,786	558,397	(7%)	421,597	431,040	2%	1.4	1.3	(9%)
	Technology	120	5,083,316	5,384,934	5,497,687	8%	6%	2%	347,660	334,148	361,412	4%	(4%)	8%	14.6	16.1	15.2	4%	10%	(6%)	-511,821	-643,324	(26%)	501,151	542,714	8%	-1.0	-1.2	(16%)
	Telecommunications Services	54	2,199,649	2,141,058	2,255,461	3%	(3%)	5%	153,416	141,370	146,304	(5%)	(8%)	3%	14.3	15.1	15.4	8%	6%	2%	732,401	706,468	(4%)	475,012	482,558	2%	1.5	1.5	(5%)
	Utilities	62	1,390,904	1,367,451	1,278,712	(8%)	(2%)	(6%)	99,428	96,431	92,634	(7%)	(3%)	(4%)	14.0	14.2	13.8	(1%)	1%	(3%)	976,972	1,019,914	4%	287,566	287,262	(0%)	3.4	3.6	5%
	Global:	**1,000**	**33,154,056**	**32,554,085**	**33,715,762**	**2%**	**(2%)**	**4%**	**2,345,801**	**2,110,779**	**2,150,638**	**(8%)**	**(10%)**	**2%**	**14.1**	**15.4**	**15.7**	**11%**	**9%**	**2%**	**5,221,141**	**4,779,628**	**(8%)**	**4,398,601**	**4,312,420**	**(2%)**	**1.2**	**1.1**	**(7%)**
Region/Industry	Africa and Middle East - Basic Materials	5	148,248	115,249	127,717	(14%)	(22%)	11%	11,928	9,904	9,341	(22%)	(17%)	(6%)	12.4	11.6	13.7	10%	(6%)	17%	17,524	18,623	6%	19,498	17,783	(9%)	0.9	1.0	17%
	Africa and Middle East - Consumer discretionary	2	58,611	65,194	85,033	45%	11%	30%	2,713	2,628	3,274	21%	(3%)	25%	21.6	24.8	26.0	20%	15%	5%	5,362	4,504	(16%)	1,946	2,346	21%	2.8	1.9	(30%)
	Africa and Middle East - Energy	1	38,296	24,048	23,873	(38%)	(37%)	(1%)	3,537	2,313	1,871	(47%)	(35%)	(19%)	10.8	10.4	12.8	18%	(4%)	23%	370	3,742	911%	5,006	4,094	(18%)	0.1	0.9	1137%
	Africa and Middle East - Healthcare	2	57,408	65,185	63,631	11%	14%	(2%)	4,630	4,976	4,987	8%	7%	0%	12.4	13.1	12.8	3%	6%	(3%)	12,104	10,146	(16%)	7,116	7,279	2%	1.7	1.4	(18%)
	Africa and Middle East - Industrials	2	44,434	45,339	41,686	(6%)	2%	(8%)	3,208	2,943	2,677	(17%)	(8%)	(9%)	13.8	15.4	15.6	12%	11%	1%	2,845	1,665	(41%)	1,922	2,136	11%	1.5	0.8	(47%)
	Africa and Middle East - Consumer staple	2	21,022	23,465	24,109	15%	12%	3%	1,191	1,219	1,238	4%	2%	2%	17.6	19.2	19.5	10%	9%	1%	4,555	4,564	0%	1,553	1,754	13%	2.9	2.6	(11%)
	Africa and Middle East - Telecommunications Services	5	126,392	120,803	128,578	2%	(4%)	6%	10,579	10,133	10,237	(3%)	(4%)	1%	11.9	11.9	12.6	5%	(0%)	5%	411	-1,790	(535%)	21,351	22,621	6%	0.0	-0.1	(511%)
	Africa and Middle East - Utilities	1	17,442	16,543	19,133	10%	(5%)	16%	849	877	905	7%	3%	3%	20.5	18.9	21.1	3%	(8%)	12%	24,953	28,529	14%	4,753	4,489	(6%)	5.3	6.4	21%
	Japan - Basic Materials	7	100,943	103,425	107,043	6%	2%	3%	8,807	7,640	8,542	(3%)	(13%)	12%	11.5	13.5	12.5	9%	18%	(7%)	43,648	39,015	(11%)	19,095	20,870	9%	2.3	1.9	(18%)
	Japan - Consumer discretionary	17	544,025	555,834	615,908	13%	2%	11%	50,472	46,071	51,030	1%	(9%)	11%	10.8	12.1	12.1	12%	12%	0%	203,820	111,256	(45%)	90,105	99,152	10%	2.3	1.1	(50%)
	Japan - Energy	2	35,510	26,151	27,354	(23%)	(26%)	5%	3,477	2,620	2,247	(35%)	(25%)	(14%)	10.2	10.0	12.2	19%	(2%)	22%	15,694	22,193	41%	5,831	7,546	29%	2.7	2.9	9%
	Japan - Healthcare	7	81,494	83,291	99,035	22%	2%	19%	3,867	3,513	3,657	(5%)	(9%)	4%	21.1	23.7	27.1	28%	12%	14%	-4,477	-7,802	(74%)	6,945	6,872	(1%)	-0.6	-1.1	(76%)
	Japan - Industrials	17	315,236	304,920	338,696	7%	(3%)	11%	25,086	21,549	24,069	(4%)	(14%)	12%	12.6	14.2	14.1	12%	13%	(1%)	112,682	113,870	1%	48,972	52,136	6%	2.3	2.2	(5%)
	Japan - Consumer staple	11	208,040	188,969	223,151	7%	(9%)	18%	11,640	9,483	9,931	(15%)	(19%)	5%	17.9	19.9	22.5	26%	11%	13%	15,798	16,650	5%	22,444	24,158	8%	0.7	0.7	(2%)
	Japan - Technology	12	213,677	219,093	247,608	16%	3%	13%	12,595	11,436	13,976	11%	(9%)	22%	17.0	19.2	17.7	4%	13%	(8%)	-11,496	-13,867	(21%)	27,907	31,015	11%	-0.4	-0.4	(9%)
	Japan - Telecommunications Services	4	279,600	240,558	281,749	1%	(14%)	17%	20,152	16,971	18,717	(7%)	(16%)	10%	13.9	14.2	15.1	8%	2%	6%	100,930	89,689	(11%)	63,166	65,295	3%	1.6	1.4	(14%)
	Japan - Utilities	3	32,228	30,816	34,170	6%	(4%)	11%	1,768	1,662	2,142	21%	(6%)	29%	18.2	18.5	16.0	(12%)	2%	(14%)	56,409	57,474	2%	7,941	10,061	27%	7.1	5.7	(20%)
	AsPac - Basic Materials	23	544,746	479,667	495,542	(9%)	(12%)	3%	44,257	35,847	30,116	(32%)	(19%)	(16%)	12.3	13.4	16.5	34%	9%	23%	119,002	109,705	(8%)	78,316	68,577	(12%)	1.5	1.6	5%
	AsPac - Consumer discretionary	27	497,596	456,972	493,076	(1%)	(8%)	8%	50,970	46,993	46,808	(8%)	(8%)	(0%)	9.8	9.7	10.5	8%	(0%)	8%	-5,657	-16,633	(194%)	53,847	54,615	1%	-0.1	-0.3	(190%)
	AsPac - Energy	19	793,332	845,805	905,824	14%	7%	7%	80,876	66,709	58,856	(27%)	(18%)	(12%)	9.8	12.7	15.4	57%	29%	21%	223,919	208,156	(7%)	165,292	145,002	(12%)	1.4	1.4	6%
	AsPac - Healthcare	10	120,002	137,647	159,898	33%	15%	16%	5,951	5,837	6,659	12%	(2%)	14%	20.2	23.6	24.0	19%	17%	2%	4,450	2,802	(37%)	7,984	9,241	16%	0.6	0.3	(46%)
	AsPac - Industrials	42	445,831	651,032	892,878	100%	46%	37%	40,628	45,504	53,316	31%	12%	17%	11.0	14.3	16.7	53%	30%	17%	199,278	184,415	(7%)	80,230	99,042	23%	2.5	1.9	(25%)
	AsPac - Consumer staple	27	428,853	436,699	479,309	12%	2%	10%	24,696	22,562	24,249	(2%)	(9%)	7%	17.4	19.4	19.8	14%	11%	2%	9,993	4,109	(59%)	33,593	36,641	9%	0.3	0.1	(62%)
	AsPac - Technology	26	851,148	854,121	957,958	13%	0%	12%	69,545	60,650	71,989	4%	(13%)	19%	12.2	14.1	13.3	9%	15%	(6%)	-104,712	-146,334	(40%)	98,035	112,781	15%	-1.1	-1.3	(21%)
	AsPac - Telecommunications Services	17	578,150	627,820	665,036	15%	9%	6%	40,628	41,146	42,368	4%	1%	3%	14.2	15.3	15.7	10%	7%	3%	26,536	25,123	(5%)	122,863	127,731	4%	0.2	0.2	(9%)
	AsPac - Utilities	15	221,815	256,457	280,399	26%	16%	9%	20,355	24,766	21,960	8%	22%	(11%)	10.9	10.4	12.8	17%	(5%)	23%	214,871	218,261	2%	52,608	56,416	7%	4.1	3.9	(5%)
	Europe - Basic Materials	28	976,965	788,623	788,474	(19%)	(19%)	(0%)	77,720	63,405	56,725	(27%)	(18%)	(11%)	12.6	12.4	13.9	11%	(1%)	12%	199,579	191,656	(4%)	145,528	130,777	(10%)	1.4	1.5	7%
	Europe - Consumer discretionary	53	1,470,504	1,380,581	1,485,230	1%	(6%)	8%	111,760	97,738	106,114	(5%)	(13%)	9%	13.2	14.1	14.0	6%	7%	(1%)	74,700	50,052	(33%)	190,170	204,626	8%	0.4	0.2	(38%)
	Europe - Energy	20	1,459,572	973,854	995,733	(32%)	(33%)	2%	165,246	129,565	111,528	(33%)	(22%)	(14%)	8.8	7.5	8.9	1%	(15%)	19%	249,941	244,138	(2%)	343,038	255,544	(26%)	0.7	1.0	31%
	Europe - Healthcare	23	1,423,168	1,354,802	1,470,122	3%	(5%)	9%	87,309	79,469	85,878	(2%)	(9%)	8%	16.3	17.0	17.1	5%	5%	0%	143,214	120,500	(16%)	118,860	128,559	8%	1.2	0.9	(22%)
	Europe - Industrials	51	1,201,395	1,050,087	1,056,847	(12%)	(13%)	1%	83,888	70,995	71,607	(15%)	(15%)	1%	14.3	14.8	14.8	3%	3%	(0%)	146,649	125,669	(14%)	137,948	137,835	(0%)	1.1	0.9	(14%)
	Europe - Consumer staple	26	1,605,866	1,463,448	1,510,538	(6%)	(9%)	3%	91,755	78,338	81,693	(11%)	(15%)	4%	17.5	18.7	18.5	6%	7%	(1%)	217,681	190,823	(12%)	140,856	141,099	0%	1.5	1.4	(12%)
	Europe - Technology	16	421,997	429,798	431,131	2%	2%	0%	26,595	24,575	26,394	(1%)	(8%)	7%	15.9	17.5	16.3	3%	10%	(7%)	-4,690	-15,469	(230%)	36,102	37,994	5%	-0.1	-0.4	(213%)
	Europe - Telecommunications Services	16	551,325	516,460	536,787	(3%)	(6%)	4%	35,985	30,526	30,589	(15%)	(15%)	0%	15.3	16.9	17.5	15%	10%	4%	246,283	241,707	(2%)	124,265	119,522	(4%)	2.0	2.0	2%
	Europe - Utilities	21	618,730	521,400	463,874	(25%)	(16%)	(11%)	44,682	37,607	34,632	(22%)	(16%)	(8%)	13.8	13.9	13.4	(3%)	0%	(3%)	321,612	332,274	3%	132,825	123,248	(7%)	2.4	2.7	11%
	LatAm - Basic Materials	3	107,410	75,594	63,821	(41%)	(30%)	(16%)	11,827	7,097	4,771	(60%)	(40%)	(33%)	9.1	10.7	13.4	47%	17%	26%	50,649	52,414	3%	20,376	14,267	(30%)	2.5	3.7	48%
	LatAm - Consumer discretionary	3	57,957	49,869	55,120	(5%)	(14%)	11%	2,628	2,244	2,300	(12%)	(15%)	2%	22.1	22.2	24.0	9%	1%	8%	7,695	8,224	7%	4,494	4,938	10%	1.7	1.7	(3%)
	LatAm - Energy	5	219,151	123,440	124,465	(43%)	(44%)	1%	25,079	16,527	11,795	(53%)	(34%)	(29%)	8.7	7.5	10.6	21%	(15%)	41%	138,523	149,737	8%	47,106	38,441	(18%)	2.9	3.9	32%
	LatAm - Industrials	3	36,487	32,004	29,226	(20%)	(12%)	(9%)	1,923	1,581	1,600	(17%)	(18%)	1%	19.0	20.2	18.3	(4%)	7%	(10%)	4,115	3,387	(18%)	3,111	3,292	6%	1.3	1.0	(22%)
	LatAm - Consumer staple	9	285,644	250,277	254,005	(11%)	(12%)	1%	15,624	13,066	12,847	(18%)	(16%)	(2%)	18.3	19.2	19.8	8%	5%	3%	18,648	15,200	(18%)	23,898	23,796	(0%)	0.8	0.6	(18%)
	LatAm - Technology	1	32,314	24,555	26,492	(18%)	(24%)	8%	1,650	1,399	1,332	(19%)	(15%)	(5%)	19.6	17.6	19.9	2%	(10%)	13%	2,896	1,762	(39%)	1,483	1,600	8%	2.0	1.1	(44%)
	LatAm - Telecommunications Services	2	93,903	94,546	93,926	0%	1%	(1%)	8,054	7,190	6,470	(20%)	(11%)	(10%)	11.7	13.1	14.5	25%	13%	10%	35,919	35,696	(1%)	22,701	21,542	(5%)	1.6	1.7	5%
	LatAm - Utilities	2	28,918	28,509	27,002	(7%)	(1%)	(5%)	2,243	1,873	2,096	(7%)	(17%)	12%	12.9	15.2	12.9	(0%)	18%	(15%)	7,120	6,192	(13%)	5,460	5,373	(2%)	1.3	1.2	(12%)
	North America - Basic Materials	28	665,214	629,788	613,461	(8%)	(5%)	(3%)	40,394	38,175	40,117	(1%)	(5%)	5%	16.5	16.5	15.3	(7%)	0%	(7%)	138,195	132,981	(4%)	80,941	81,512	1%	1.7	1.6	(4%)
	North America - Consumer discretionary	84	2,418,014	2,566,012	2,700,221	12%	6%	5%	139,951	133,318	145,308	4%	(5%)	9%	17.3	19.2	18.6	8%	11%	(3%)	373,008	342,096	(8%)	264,192	283,903	7%	1.4	1.2	(15%)
	North America - Energy	53	2,245,057	1,920,189	1,790,375	(20%)	(14%)	(7%)	144,871	100,890	81,853	(43%)	(30%)	(19%)	15.5	19.0	21.9	41%	23%	15%	523,038	570,506	9%	346,998	241,652	(30%)	1.5	2.4	57%
	North America - Healthcare	55	2,256,088	2,538,808	2,847,185	26%	13%	12%	144,504	147,508	169,519	17%	2%	15%	15.6	17.2	16.8	8%	10%	(2%)	195,755	118,612	(39%)	222,398	241,186	8%	0.9	0.5	(44%)
	North America - Industrials	53	1,642,906	1,754,788	1,638,033	(0%)	7%	(7%)	107,678	109,063	109,088	1%	1%	0%	15.3	16.1	15.0	(2%)	5%	(7%)	230,178	222,543	(3%)	196,011	205,623	5%	1.2	1.1	(8%)
	North America - Consumer staple	44	1,925,165	2,099,588	2,057,278	7%	9%	(2%)	115,207	111,540	114,676	(0%)	(3%)	3%	16.7	18.8	17.9	7%	13%	(5%)	331,111	327,051	(1%)	199,252	203,592	2%	1.7	1.6	(3%)
	North America - Technology	65	3,564,181	3,857,368	3,834,498	8%	8%	(1%)	237,275	236,087	247,721	4%	(1%)	5%	15.0	16.3	15.5	3%	9%	(5%)	-393,819	-469,415	(19%)	337,623	359,323	6%	-1.2	-1.3	(12%)
	North America - Telecommunications Services	10	570,280	540,871	549,385	(4%)	(5%)	2%	38,018	35,404	37,922	(0%)	(7%)	7%	15.0	15.3	14.5	(3%)	2%	(5%)	322,322	316,043	(2%)	120,666	125,847	4%	2.7	2.5	(6%)
	North America - Utilities	20	471,772	513,726	454,134	(4%)	9%	(12%)	29,530	29,646	30,898	5%	0%	4%	16.0	17.3	14.7	(8%)	8%	(15%)	352,007	377,184	7%	83,980	87,675	4%	4.2	4.3	3%
	Global:	**1,000**	**33,154,056**	**32,554,085**	**33,715,762**	**2%**	**(2%)**	**4%**	**2,345,801**	**2,110,779**	**2,150,638**	**(8%)**	**(10%)**	**2%**	**14.1**	**15.4**	**15.7**	**11%**	**9%**	**2%**	**5,221,141**	**4,779,628**	**(8%)**	**4,398,601**	**4,312,420**	**(2%)**	**1.2**	**1.1**	**(7%)**

Source: Capital IQ

- A Concensus forecasts in existence on 30-Jun-14 in respect of the year ending 30-Jun-15 for net profilt and P/E
- B Concensus forecasts in existence on 31-Dec-14 in respect of the year ending 31-Dec-15 for net profilt and P/E
- C/G Concensus forecasts in existence on 30-Jun-15 in respect of the year ending 30-Jun-16 for net profilt, P/E and EBITDA
- D Actual/ Concensus net debt forecasts in existence on 30-Jun-15 in respect to the closest fiscal year end to 30-Jun-15
- E Concensus forecasts in existence on 30-Jun-15 in respect of the closest fiscal year end to 30-Jun-16
- F Concensus forecasts in existence on 30-Jun-15 in respect of the year ending 30-Jun-15

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, KPMG firms' 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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