



KPMG
International
Annual Review
2006

Performance
highlights

KPMG INTERNATIONAL

Performance highlights

In 2006 we made substantial investments in some of the world's fastest-growing markets. We are strengthening our capabilities to support member firms' clients and developing new opportunities with a broad range of businesses and stakeholders.

KPMG member firms achieved a combined revenue of USD16.88 billion (2005: USD15.69) in the year to September 30, 2006. This represents an increase of 9.6 percent in local currency terms and 7.6 percent in U.S. dollars.

The results reflect significant growth in KPMG's geographic regions worldwide, particularly the fast-growing markets of India, China, Russia and Latin America where we have invested heavily. We saw growth across all our main service lines—Audit, Tax and Advisory—and growing demand for multidisciplinary advice based on our in-depth knowledge of industry markets and sectors.

The largest percentage growth was in KPMG's Asia Pacific region, which recorded revenue of USD2.10 billion, an increase of 13.7 percent. This was closely followed by KPMG member firms in the Europe, Middle East and Africa region, which recorded revenue of USD8.82 billion, an increase of 12.4 percent. In the Americas, revenue grew by 4.3 percent to USD5.96 billion.

We are continuing to invest in people, technology and delivery capabilities—especially in those parts of the world where business and corporate activity are expanding rapidly. In 2006 the BRIC countries had an overall growth rate of 42.1 percent.

USD **16.9** billion

Combined revenue of member firms

This represents a steady growth of 9.6 percent in local currency and 7.6 percent in U.S. dollars.

42%

Average growth in BRIC countries

Our decision to invest early and heavily in important new markets in Asia, Europe and Latin America is reaping strong returns.

113,000

Number of people worldwide

The number of people employed by KPMG member firms grew by 9 percent.

8million

Number of development hours

We look to recruit the best people by being the employer of choice in every one of our markets. Offering people real opportunities to develop their skills and knowledge is essential to that goal.

595

Number of new partners

The leadership of member firms is being constantly refreshed with the appointment of new partners. There are now more than 6,800 KPMG partners in 148 countries, including 595 appointed in 2006.

16,000

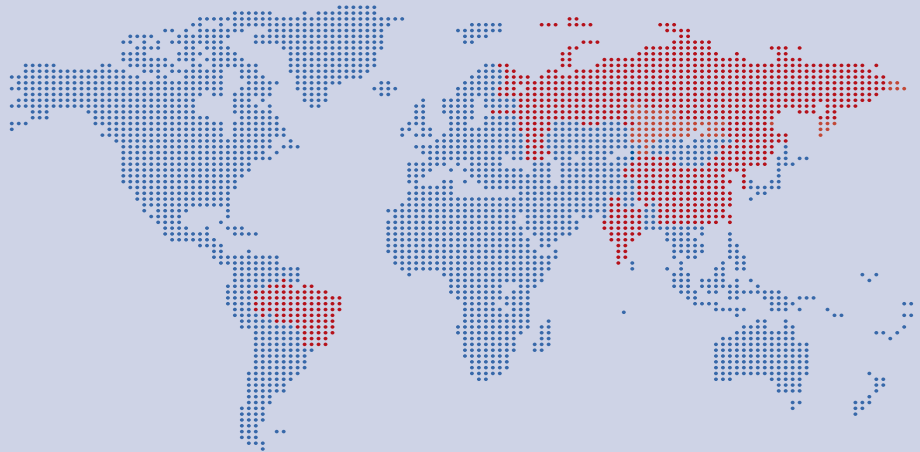
Number of graduates

In 2006 we hired some 16,000 graduates and 13,000 experienced professionals globally.

42%

Overall BRIC countries growth

Growth in revenue rose to an average of 42 percent among member firms in Brazil, Russia, India and China.



We have invested heavily in the fastest-developing economies, including China, India, Russia and Latin America, and we have seen particularly strong growth for KPMG in return. Together with growth in a number of other European and Asian markets, this made 2006 another good year for KPMG member firms, with combined revenue up 9.6 percent in local currency to USD16.9 billion. KPMG firms strengthened their position in many important markets and sectors in 2006 and are well positioned to achieve further strong growth in 2007.

Mike Rake

Chairman—KPMG International

India

KPMG in India opened a new office in Pune, western India, in 2006. This joins our established offices in Mumbai, Delhi, Bangalore, Chennai, Kolkata and Hyderabad. Local currency revenue growth was very strong at 47 percent, with a notable 52 percent increase in Tax services.

Brazil

KPMG in Brazil achieved strong growth and secured key engagements with Petrobras and Banco do Brasil in 2006. Local currency revenue increased by 30 percent.

China

We opened three new offices in mainland China in 2006 and intend to open up to three additional offices in 2007. A number of China Desks across the KPMG network provide member firms and clients with unique access to information and advice on operating in China. Local currency revenue increased by 46 percent.

Russia

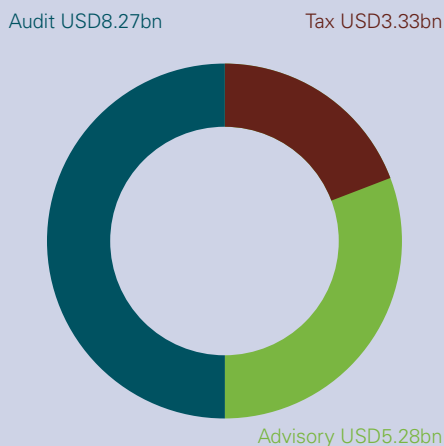
KPMG in Russia achieved strong local currency revenue growth of 48 percent in 2006, including 50 percent growth in Tax services.

USD 16.9 billion

Combined revenue of member firms

This represents a steady growth of 9.6 percent in local currency and 7.6 percent in U.S. dollars.

Combined revenue by Function



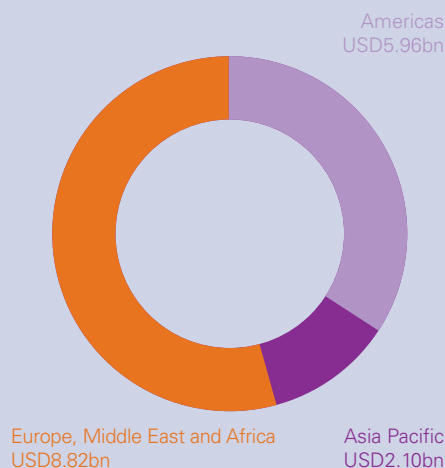
Audit
USD8.27 billion
local currency +8.9 percent
USD +6.0 percent

Tax
USD3.33 billion
local currency +6.4 percent
USD +4.9 percent

Advisory
USD5.28 billion
local currency +12.9 percent
USD +12.0 percent

Source: KPMG International, 2006

Combined revenue by Region



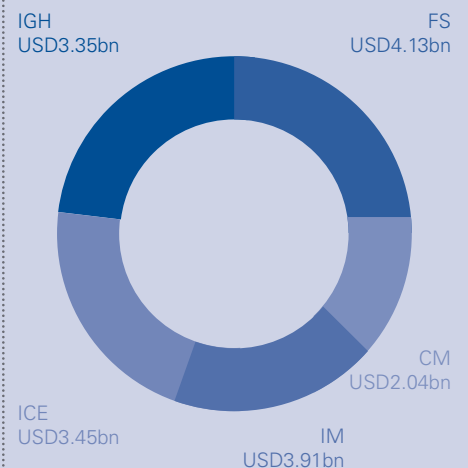
Europe, Middle East and Africa
USD8.82 billion
local currency +12.4 percent
USD +8.9 percent

Americas
USD5.96 billion
local currency +4.3 percent
USD +5.1 percent

Asia Pacific
USD2.10 billion
local currency +13.7 percent
USD +9.5 percent

Source: KPMG International, 2006

Combined revenue by Industry Group



FS—Financial Services
USD4.13 billion
local currency +11.3 percent USD +7.0 percent

CM—Consumer Markets
USD2.04 billion
local currency +4.0 percent USD +4.2 percent

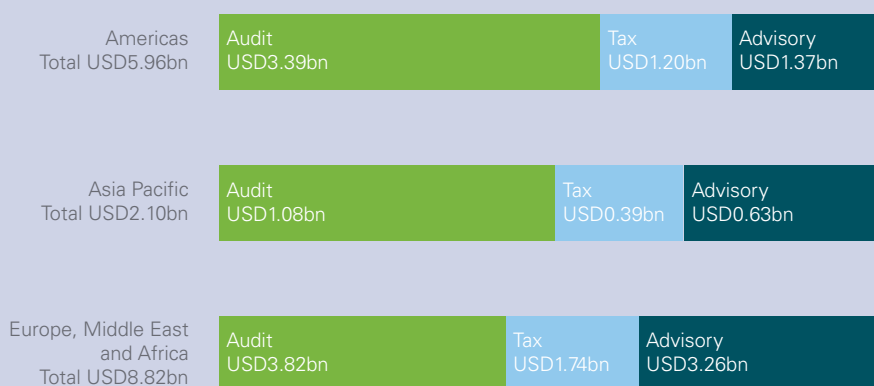
IM—Industrial Markets
USD3.91 billion
local currency +11.9 percent USD +12.4 percent

ICE—Information, Communications & Entertainment
USD3.45 billion
local currency +7.1 percent USD +5.2 percent

IGH—Infrastructure, Government & Healthcare
USD3.35 billion
local currency +10.9 percent USD +7.6 percent

Source: KPMG International, 2006

Revenue by Region

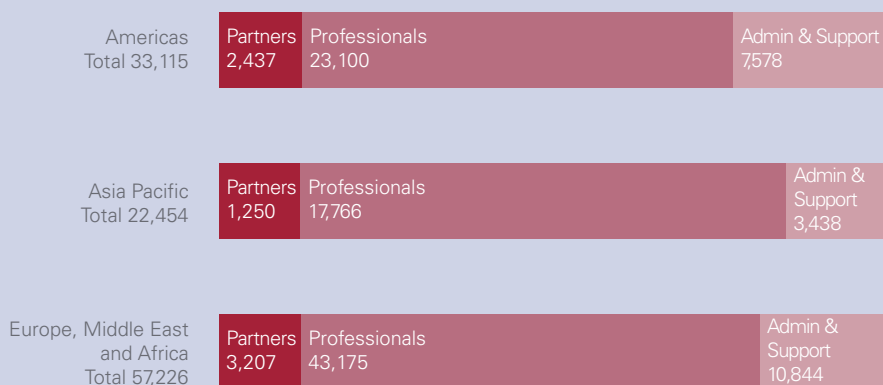


Source: KPMG International, 2006

People by Region

9%

In 2006 KPMG member firms employed 9 percent more people than in 2005. We have a strong and growing presence in all our main markets.



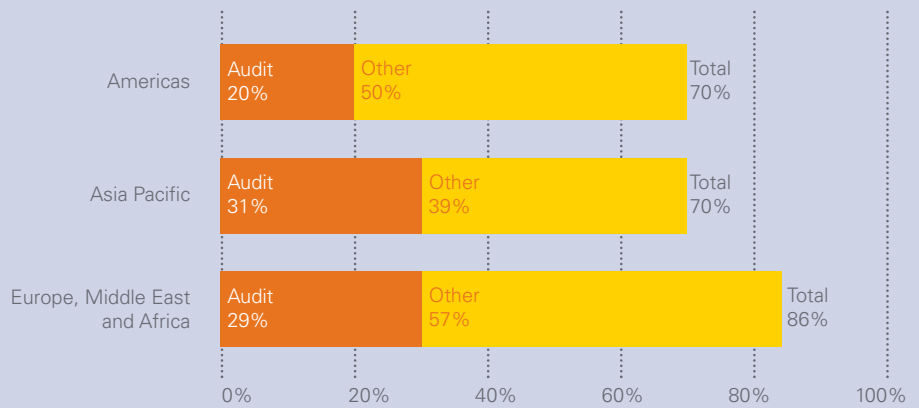
Source: KPMG International, 2006

KPMG market share of Fortune Global 500

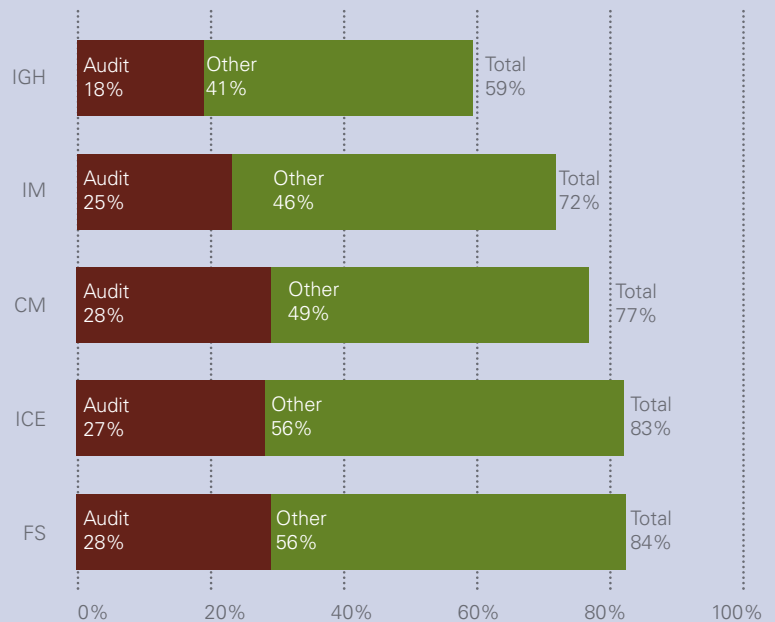
76%

KPMG member firms provide services to 76 percent of the companies listed on the Fortune Global 500.

Subsidiaries have been omitted where the parent company is also on the listing. "Audit" is the count of companies on the list for which a KPMG firm is the external auditor (either alone or jointly) at a global level. "Other" is the number of remaining companies from which KPMG earned revenue from services, including Tax and Advisory, in excess of USD500,000 in 2006. "Total" is the sum of the percentage of Fortune Global 500 companies to which we provide either audit or other services to.



Source: KPMG International, 2006



Source: KPMG International, 2006

KPMG operates in the following territories:

Americas

Argentina
Brazil
Canada
Chile
Colombia
Ecuador
Israel
Mexico
Peru
Puerto Rico
United States of America
Uruguay
Venezuela
Virgin Islands (U.S.)

Central America subregion

Costa Rica
Dominican Republic
El Salvador
Guatemala
Honduras
Nicaragua
Panama (Republic)

Asia Pacific

Australia
Brunei Darussalam
Cambodia (Kingdom of)
China, Macau and Hong Kong SAR
Cook Islands
Fiji Islands
Indonesia
Japan
Korea (Republic of)
Lao People's Democratic Republic
Malaysia
New Zealand
Papua New Guinea
Philippines
Singapore
Taiwan
Thailand
Vietnam

Europe, Middle East & Africa

Algeria
Andorra (Principality of)
Austria
Belgium
Cyprus
Denmark
Finland
France
French Polynesia
Germany
Greece
Iceland
India
Ireland (Republic)
Italy
Ivory Coast
Liechtenstein
Luxembourg
Morocco
Netherlands
New Caledonia
Norway
Portugal
Senegal
Spain
Sweden
Switzerland
Tunisia
Turkey
United Kingdom

Africa subregion

Angola
Botswana
Ghana
Kenya
Malawi
Mauritius
Mozambique
Namibia
Nigeria
Sierra Leone
South Africa
Swaziland
Tanzania
Uganda
Zambia
Zimbabwe

Central and Eastern Europe subregion

Albania
Bosnia & Herzegovina
Bulgaria
Croatia
Czech Republic
Estonia
Hungary
Kosovo
Latvia

Lithuania
Macedonia (Republic of)
Moldova (Republic of)
Montenegro
Poland
Romania
Serbia
Slovakia
Slovenia

Commonwealth of Independent States subregion

Armenia (Republic of)
Azerbaijan
Georgia
Kazakhstan
Kyrgyzstan
Russia
Ukraine
Uzbekistan (Republic of)

Middle East and South Asia subregion

Afghanistan
Bahrain
Bangladesh
Egypt
Iran
Kuwait
Lebanon
Maldives (Republic)
Oman (Sultanate of)
Pakistan
Qatar
Saudi Arabia
Sri Lanka
Syria
United Arab Emirates
Yemen (Republic of)

The Offshore Group subregion

Anguilla, B.W.I.
Antigua and Barbuda
Aruba
Bahamas
Barbados
Bermuda
British Virgin Islands
Cayman Islands, B.W.I.
Channel Islands
Isle of Man
Jamaica
Malta
Netherlands Antilles
St. Lucia
St. Vincent and the Grenadines
Surinam
Trinidad & Tobago
Turks & Caicos Islands, B.W.I.

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