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M&A

MERGERS & ACQUISITIONS PREDICTOR

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Conditions are ripe for a surge in M&A activity

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CORPORATE FINANCE

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We're still ahead of the game

What is KPMG's *M&A Predictor*?

The Predictor is a forward-looking tool that helps our clients consider trends and expectations in merger and acquisition (M&A) activity. By tracking important analyst indicators up to 12 months forward, it examines the appetite and capacity for M&A deals.

The *M&A Predictor* employs two key metrics. Firstly, the rise or fall of forward price to earnings (P/E) ratios offers a good guide to overall market confidence. Secondly, to help gauge the capacity of New Zealand firms to fund future acquisitions, we look at net debt to EBITDA (earnings before tax, depreciation and amortisation) ratios.

The KPMG NZ *M&A Predictor* is produced every six months, and incorporates analyst data on companies in the NZX50*.

KPMG International also releases a Global *M&A Predictor* twice a year. This provides a similar analysis by sector and country across the globe, using 1,000 of the largest companies in the world by market capitalisation*. Within this publication we consider how trends in New Zealand compare with those being experienced globally.

The NZ data and a summary of global data by country is incorporated in the table at pages 4 & 5.

**The financial services and property sectors are excluded from both the NZ and global analysis, as net debt/EBITDA ratios in these sectors would distort the analysis. All the raw data used within the NZ and Global Predictors is sourced from S&P Capital IQ. Where possible, earnings and EBITDA data has been sourced on a pre-exceptionals basis.*

About the Author:
Tony McNaught leads KPMG New Zealand's Mergers & Acquisitions Team. He specialises in advising clients on acquisitions for both public and private companies, divestments, management buyouts, valuations, mergers, joint ventures and a broad range of other commercial issues.

Welcome to the fourth edition of KPMG's *M&A Predictor* – which continues the good news story in terms of New Zealand's deal activity.

If you read our last Predictor, you'll recall that New Zealand was really storming ahead of the rest of the world. Six months later, we're pleased to report we're still ahead of the game. Although the rest of the world is closing the gap due to the improving global outlook, New Zealand is still very much on the right side of the ledger.

This is consistent with what we're currently seeing in the marketplace, and the kind of deals we're working on at KPMG. You could characterise them as 'positive deals'. Companies are making proactive, growth-based decisions – and they're seeking opportunities for enhanced earnings and performance. It's certainly a different beat from the more negative drivers for M&A we were seeing a few years ago.

One recent example we've been involved with at KPMG is the sale of Torpedo7 to The Warehouse. It was part of The Warehouse's growth strategy to acquire a business that would give them a fresh new platform and accelerate their move into online retail.

The take-out for business owners
If you're thinking of selling, this latest *M&A Predictor* indicates there are currently a healthy number of buyers in the market, showing both capacity and appetite. On the other side, if you're looking to grow by acquisition, you're going to have a decent amount of competition. And based on the latest forward multiples, the price you're likely to pay is on the rise.

Either way, it's a good time to talk to your advisers about how to best position yourself in this increasingly active market.

Tony McNaught
Head of Mergers and Acquisitions
KPMG New Zealand

APPETITE: FORWARD P/ES (MARKET CONFIDENCE)

UP 12% SINCE JUNE 2013

CAPACITY (NET DEBT / EBITDA)

UP 8% BY DEC 2014

PROFIT EXPECTATIONS

UP 4% SINCE JUNE 2013

Business confidence up significantly in second half of 2013

After a settling of global confidence levels in mid 2013, analysts are now expecting confidence levels to improve significantly over the next 12 months, driving further appetite for M&A deals.

The key driver behind rising price to earnings (PE) ratios is the strong performance of global financial markets in the second half of 2013. Notably, there is an expectation of significant recovery across European markets – with firms in the UK, France, Germany and the Netherlands expected to trade at PE ratios some 19% to 26% up on expectations six months ago. Confidence across major US firms is also expected to improve 18%.

Confidence levels in the Asia Pacific (ASPAC) region have increased since mid 2013. This counters the significant drop in confidence noted six months ago in the previous edition of our *M&A Predictor*. The net effect is that market confidence across the ASPAC region has returned to a level observed 12 months ago. Confidence levels in Australia follow the ASPAC trend. This has been influenced in part by Australian mining company stocks, which took a hit during 2013 but have since recovered. China tells a similar story, with confidence returning to levels observed at the start of 2013. We hope that the volatility in expectations across the region is now behind us.

New Zealand firms continue to show an improvement in appetite moving forward, which mirrors the trend across global and ASPAC firms. The New Zealand sharemarket had an impressive year in 2013, with the companies in our sample showing solid growth across the entire year. Initial Public Offering (IPO) activity during 2013 was at a ten year high, with ten new listings. IPO activity in 2014 is also expected to be strong.

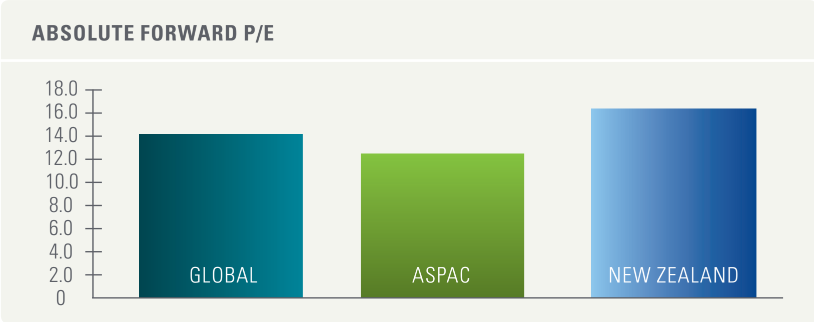
While the upcoming elections create some uncertainty, factors such as the Christchurch rebuild and the shortage of housing in Auckland will help drive growth moving forward.

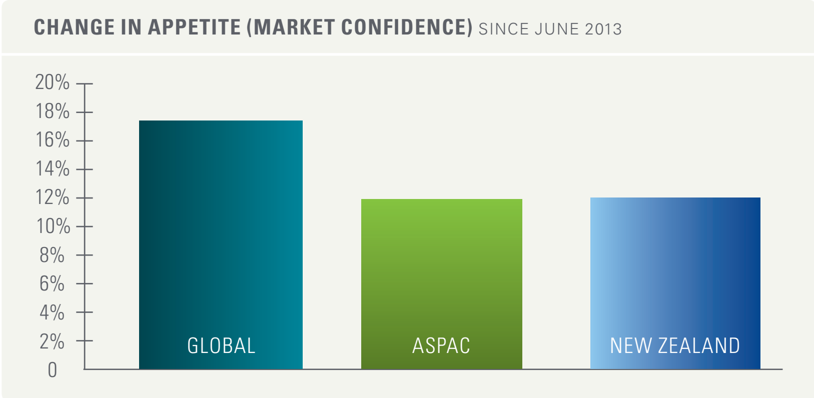
The New Zealand Institute of Economic Research (NZIER) is corroborating expectations of rising business confidence and appetite for M&A deals. Its latest survey reported confidence at the highest level in almost ten years, with 52% of businesses reporting signs of optimism[1]. In summary, we see a very positive outlook for M&A activity in New Zealand over the next 12 months.

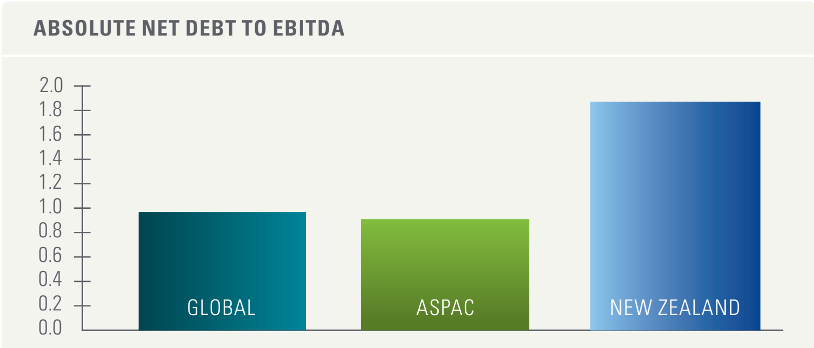
Capacity for M&A activity continues to improve

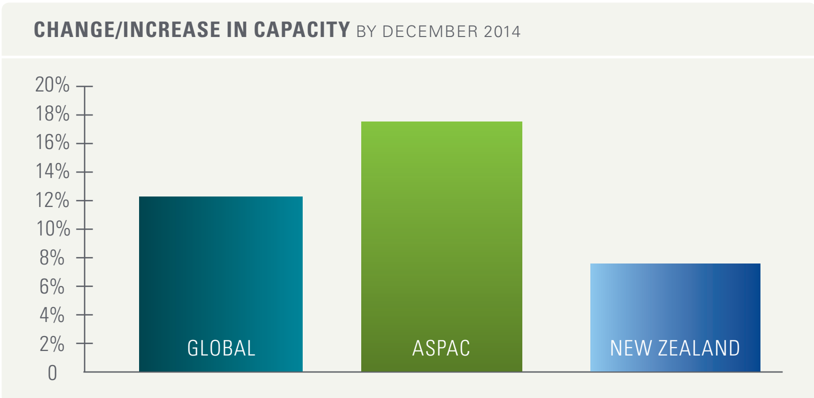
Globally, the capacity to transact is expected to continue to improve, as companies generally continue to pay down debt and build cash reserves. Global debt to EBITDA ratios are expected to fall around 12% over the next 12 months, resulting in greater M&A capacity. The debt to EBITDA ratios of New Zealand firms are expected to follow the same trend, albeit at a slower rate.

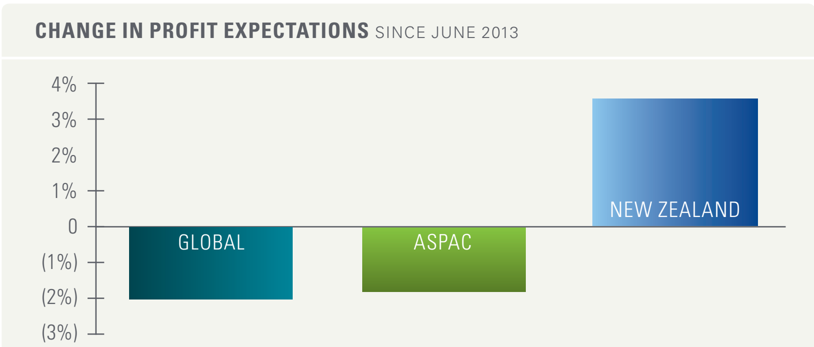
However, absolute debt levels at North American firms rose around $0.5 trillion during 2013. While these debt levels are expected to drop in 2014, even











[1] http://nzier.org.nz/media/stronger-growth-likely-quarterly-survey-of-business-opinion-january-2014-media-release, 14 January 2014

if current forecasts are met, debt levels will still be above those seen in December 2012.

Given the improvements in both confidence and the capacity to transact, we expect that M&A activity to continue to improve over the coming year, both in New Zealand and overseas.

Profits for New Zealand firms expected to rise

Profit expectations globally and in the ASPAC region have dropped slightly. Profit expectations for our key trading partners, China and Australia, are down 3% and 2% respectively. It comes as little surprise that New Zealand bucks the trend – with earnings expected to rise around 4% over the next 12 months. This appears reflective of the relative stage of New Zealand's economic recovery and our growth expectations moving forward.

Global and ASPAC deal volumes stabilised

After stabilising in late 2012, global deal volumes have dropped slightly in the first half of 2013. Historically, we have observed a lag in deals being reported and would expect the statistics to increase over time. Based on prior results, we don't expect the drop in deal numbers or values to be particularly significant once all data has been reported. Deal numbers appear to have stabilised in the second half of 2013.

ASPAC deal volume follows a similar trend to global results. Having fallen around 6% in the first half of 2013, deal numbers now look to have stabilised. The key trend for ASPAC over the last six months is that trailing deal values have dropped, with a lower average deal size in the second half of the year.

New Zealand leads the way in M&A activity levels

New Zealand deal volumes reported a healthy increase in the first few months of 2013. Despite a few slow months towards the middle of the year, deal volumes look to be rising again. Around 170 deals were completed over the past 12 months, compared to 140 in 2012.

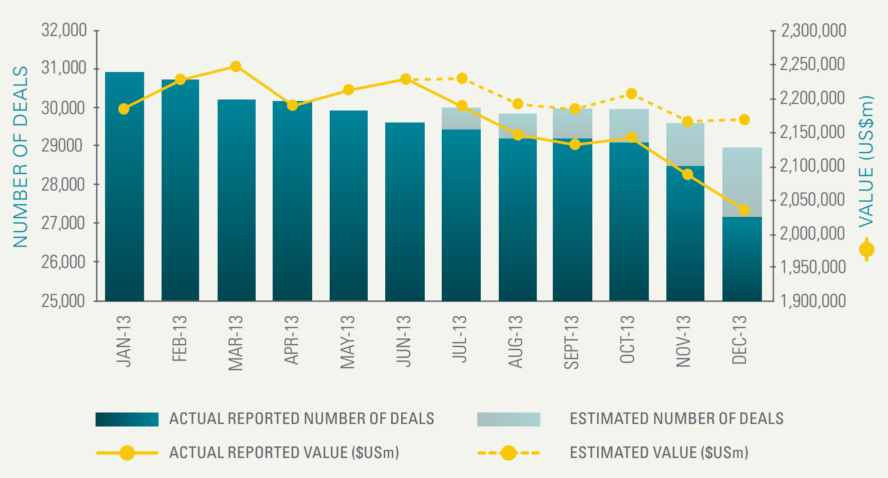
Trailing deal values remained relatively stable throughout 2013, indicating that average deal value remains fairly consistent over the year.

While global and ASPAC deal volumes appear to have bottomed out and stabilised, New Zealand volumes appear to be on the up. Indicators suggest activity levels are poised to improve further in 2014.

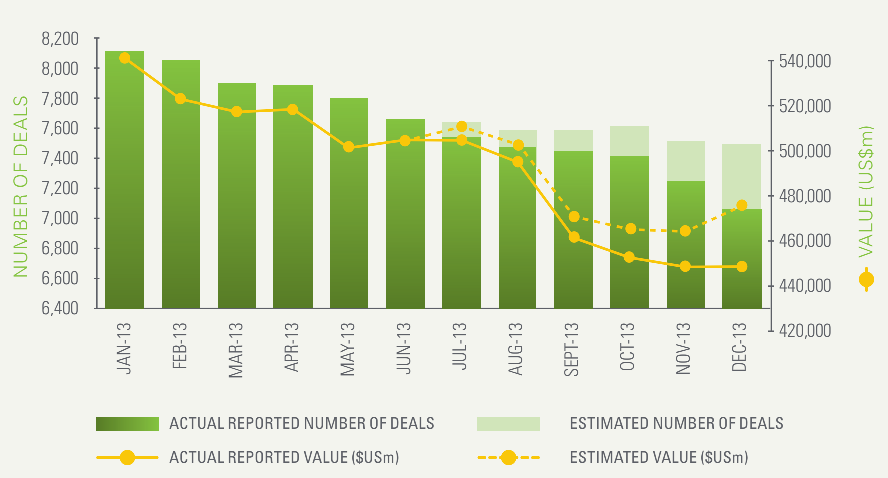
Foreign direct investment from Asia, particularly China, is likely to increase in importance for New Zealand. Despite coming from a low base, the significant growth in trade is likely to translate into M&A activity over the medium to long term.

SNAPSHOT ON TRANSACTION ACTIVITY

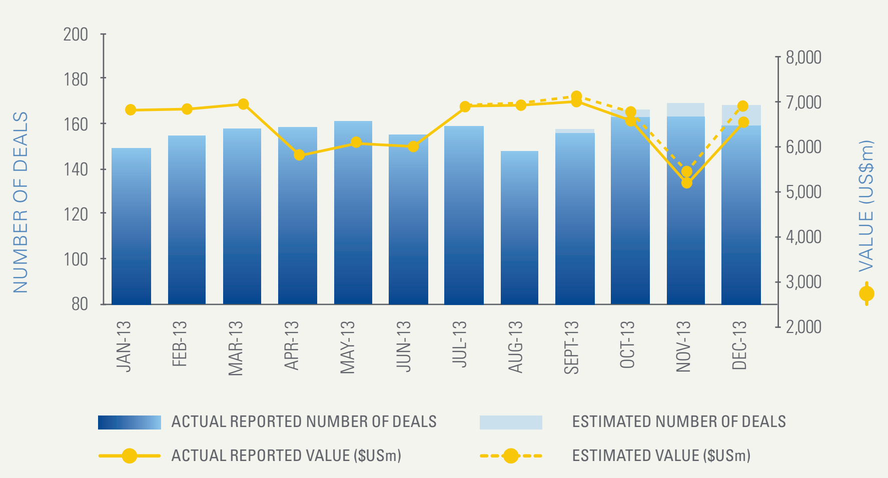
GLOBAL COMPLETED DEALS: 1 YEAR TRAILING JAN 13 – DEC 13



ASPAC COMPLETED DEALS: 1 YEAR TRAILING JAN 13 – DEC 13



NEW ZEALAND COMPLETED DEALS: 1 YEAR TRAILING JAN 13 – DEC 13



Source: Thomson Reuters and KPMG analysis

Note: Figures shown are totals for the 12 month period ended on the specified month end. Thomson Reuters database is 'live' and incorporates more data as that data becomes available. Hence, less emphasis should be placed on the more current reported data, as that dataset will likely increase over time. We have estimated the likely increase in reported transaction volumes from the last 6 months by reference to prior data sets and the average increase in reported deals over time. Deal values are estimated by applying estimated volume increment by average deal value to that date.

Country	Number of Companies	MARKET CAPITALISATION (USD)						NET PROFIT (PRE EXCEPTIONALS)					
		As at 31 Dec 12	As at 30 Jun 13	As at 31 Dec 13	% Change			31 Dec 12 – 31 Dec 13	30 Jun 13 – 30 Jun 14	31 Dec 13 – 31 Dec 14	% Change		
		A[2]	B[2]	C[2]	C vs A	B vs A	C vs B	A[2]	B[2]	C[2]	C vs A	B vs A	C vs B
Africa and Middle East	24	461,601	460,372	530,574	15%	(0%)	15%	42,619	42,440	41,150	(3%)	(0%)	(3%)
AsPac : Japan (GAAP)	83	1,516,481	1,766,076	1,908,999	26%	16%	8%	117,781	138,734	133,201	13%	18%	(4%)
AsPac : Other	169	4,078,373	3,788,641	4,193,228	3%	(7%)	11%	338,164	357,764	353,885	5%	6%	(1%)
Europe	281	7,715,391	7,735,064	9,281,830	20%	0%	20%	710,542	725,768	717,549	1%	2%	(1%)
LatAm	39	1,022,832	855,546	870,670	(15%)	(16%)	2%	79,261	72,571	67,320	(15%)	(8%)	(7%)
North America	404	12,102,333	13,300,025	15,272,332	26%	10%	15%	913,955	968,791	944,034	3%	6%	(3%)
Global	1,000	26,897,011	27,905,725	32,057,632	19%	4%	15%	2,202,322	2,306,067	2,257,139	2%	5%	(2%)
Argentina	1	7,918	8,367	17,733	124%	6%	112%	1,402	1,111	948	(32%)	(21%)	(15%)
Australia	15	614,176	511,370	589,806	(4%)	(17%)	15%	44,288	44,502	43,110	(3%)	0%	(3%)
Austria	1	11,760	14,714	15,628	33%	25%	6%	1,784	1,915	1,862	4%	7%	(3%)
Belgium	5	177,510	178,225	215,309	21%	0%	21%	10,970	11,627	11,612	6%	6%	(0%)
Bermuda	3	80,618	82,164	90,721	13%	2%	10%	5,347	5,596	5,258	(2%)	5%	(6%)
Brazil	14	406,686	318,636	335,448	(18%)	(22%)	5%	40,699	37,386	34,229	(16%)	(8%)	(8%)
Canada	36	710,144	663,225	734,580	3%	(7%)	11%	53,248	52,563	48,906	(8%)	(1%)	(7%)
Chile	5	82,210	81,095	76,268	(7%)	(1%)	(6%)	4,927	5,434	4,868	(1%)	10%	(10%)
China	44	1,047,186	966,724	1,096,482	5%	(8%)	13%	89,610	97,100	95,571	7%	8%	(2%)
Colombia	1	127,014	86,997	78,812	(38%)	(32%)	(9%)	8,732	6,614	6,888	(21%)	(24%)	4%
Czech Republic	1	19,081	12,800	13,899	(27%)	(33%)	9%	2,171	1,758	1,622	(25%)	(19%)	(8%)
Denmark	5	83,592	83,119	110,039	32%	(1%)	32%	9,973	10,753	11,529	16%	8%	7%
Finland	5	64,367	64,471	91,921	43%	0%	43%	3,338	4,206	5,139	54%	26%	22%
France	46	1,120,527	1,164,773	1,393,245	24%	4%	20%	95,201	97,858	97,731	3%	3%	(0%)
Germany	34	1,050,986	1,060,185	1,369,870	30%	1%	29%	94,994	99,527	101,990	7%	5%	2%
Hong Kong	22	672,119	621,083	683,932	2%	(8%)	10%	51,442	54,495	54,308	6%	6%	(0%)
India	23	464,106	442,843	489,615	5%	(5%)	11%	35,415	36,152	37,151	5%	2%	3%
Indonesia	4	77,992	87,941	65,015	(17%)	13%	(26%)	5,208	5,506	4,326	(17%)	6%	(21%)
Ireland	11	196,762	223,367	264,718	35%	14%	19%	14,944	16,232	16,226	9%	9%	(0%)
Israel	3	57,380	55,758	57,155	(0%)	(3%)	3%	6,538	6,695	5,485	(16%)	2%	(18%)
Italy	11	254,682	223,657	273,623	7%	(12%)	22%	25,447	23,487	21,759	(14%)	(8%)	(7%)
Japan	83	1,516,481	1,766,076	1,908,999	26%	16%	8%	117,781	138,734	133,201	13%	18%	(4%)
Kuwait	1	10,777	8,877	9,522	(12%)	(18%)	7%	936	907	874	(7%)	(3%)	(4%)
Luxembourg	5	86,490	73,399	98,350	14%	(15%)	34%	5,816	6,410	5,589	(4%)	10%	(13%)
Macau	3	56,180	62,157	105,615	88%	11%	70%	3,295	4,143	4,637	41%	26%	12%
Malaysia	9	108,630	112,057	111,651	3%	3%	(0%)	6,237	6,265	5,852	(6%)	0%	(7%)
Mexico	16	381,294	346,627	344,979	(10%)	(9%)	(0%)	22,381	20,912	19,255	(14%)	(7%)	(8%)
Morocco	1	11,022	10,208	10,334	(6%)	(7%)	1%	875	837	864	(1%)	(4%)	3%
Netherlands	23	638,155	660,294	778,719	22%	3%	18%	59,957	64,074	61,077	2%	7%	(5%)
Nigeria	1	13,964	19,103	23,301	67%	37%	22%	1,406	1,495	1,463	4%	6%	(2%)
Norway	4	134,688	114,944	134,811	0%	(15%)	17%	14,347	13,274	12,384	(14%)	(7%)	(7%)
Panama	1	4,409	5,774	8,852	101%	31%	53%	421	513	505	20%	22%	(1%)
Papua New Guinea	1	9,715	9,483	9,743	0%	(2%)	3%	170	318	327	93%	88%	3%
Peru	1	13,302	8,051	8,576	(36%)	(39%)	7%	699	600	628	(10%)	(14%)	5%
Philippines	2	26,697	30,253	25,717	(4%)	13%	(15%)	1,603	1,665	1,617	1%	4%	(3%)
Poland	2	20,898	18,906	20,162	(4%)	(10%)	7%	1,993	1,796	2,011	1%	(10%)	12%
Portugal	3	35,910	37,154	39,252	9%	3%	6%	2,526	2,571	2,422	(4%)	2%	(6%)
Qatar	2	32,578	36,822	40,132	23%	13%	9%	3,843	3,885	3,651	(5%)	1%	(6%)
Russia	18	524,261	451,490	525,481	0%	(14%)	16%	100,716	97,822	96,417	(4%)	(3%)	(1%)
Saudi Arabia	7	149,910	152,958	185,345	24%	2%	21%	14,779	15,268	15,541	5%	3%	2%
Singapore	8	132,289	131,587	136,783	3%	(1%)	4%	9,413	9,861	9,453	0%	5%	(4%)
South Africa	7	156,735	139,757	164,901	5%	(11%)	18%	11,541	10,495	10,436	(10%)	(9%)	(1%)
South Korea	18	467,296	404,802	474,376	2%	(13%)	17%	62,543	66,986	67,882	9%	7%	1%
Spain	12	303,802	303,198	393,840	30%	(0%)	30%	25,699	25,583	25,509	(1%)	(0%)	(0%)
Sweden	13	278,979	272,003	328,004	18%	(3%)	21%	19,720	20,358	19,754	0%	3%	(3%)
Switzerland	28	957,762	1,065,367	1,222,356	28%	11%	15%	70,627	76,640	76,296	8%	9%	(0%)
Taiwan	13	280,245	280,318	293,353	5%	0%	5%	18,497	19,422	19,412	5%	5%	(0%)
Thailand	7	121,743	128,022	111,140	(9%)	5%	(13%)	10,444	11,348	10,237	(2%)	9%	(10%)
Turkey	4	49,284	46,557	40,720	(17%)	(6%)	(13%)	4,537	4,716	4,329	(5%)	4%	(8%)
United Arab Emirates	2	29,234	36,890	39,883	36%	26%	8%	2,701	2,857	2,836	5%	6%	(1%)
United Kingdom	50	1,705,895	1,666,439	1,951,881	14%	(2%)	17%	145,784	145,161	142,292	(2%)	(0%)	(2%)
United States	365	11,311,571	12,554,636	14,447,030	28%	11%	15%	855,361	910,631	889,869	4%	6%	(2%)
Global:	1,000	26,897,011	27,905,725	32,057,632	19%	4%	15%	2,202,322	2,306,067	2,257,139	2%	5%	(2%)
AsPac	289	5,641,159	5,608,158	6,164,254	9%	(1%)	10%	459,145	500,120	490,839	7%	9%	(2%)
New Zealand	37	46,305	53,441	62,027	34%	15%	16%	3,199	3,623	3,753	17%	13%	4%

[2] Refer page 7

Country	Number of Companies	P/E						Net Debt			EBITDA			(Net debt)/(EBITDA)		
		31 Dec 12	30 Jun 13	31 Dec 13	% Change			31 Dec 13	31 Dec 13	% Change	31 Dec 13	31 Dec 13	% Change	31 Dec 13	31 Dec 13	% Change
		31 Dec 13	30 Jun 14	31 Dec 14				31 Dec 13	31 Dec 14		31 Dec 13	31 Dec 14		31 Dec 13	31 Dec 14	
		A[2]	B[2]	C[2]	C vs A	B vs A	C vs B	D[2]	E[2]		F[2]	G[2]		D/F	E/G	
Africa and Middle East	26	10.8	10.8	12.9	19%	0%	19%	48,552	42,680	(12%)	74,848	78,661	5%	0.6	0.5	(16%)
AsPac: Japan (GAAP)	95	12.9	12.7	14.3	11%	(1%)	13%	548,856	489,567	(11%)	315,533	345,851	10%	1.7	1.4	(19%)
AsPac: Other	181	12.1	10.6	11.8	(2%)	(12%)	12%	552,798	507,364	(8%)	680,565	750,128	10%	0.8	0.7	(17%)
Europe	254	10.9	10.7	12.9	19%	(2%)	21%	1,849,846	1,714,761	(7%)	1,579,399	1,657,516	5%	1.2	1.0	(12%)
LatAm	46	12.9	11.8	12.9	0%	(9%)	10%	245,499	257,855	5%	153,388	164,213	7%	1.6	1.6	(2%)
North America	398	13.2	13.7	16.2	22%	4%	18%	1,949,802	1,872,831	(4%)	1,823,650	1,973,323	8%	1.1	0.9	(11%)
Global	1,000	12.2	12.1	14.2	16%	(1%)	17%	5,195,353	4,885,058	(6%)	4,627,382	4,969,692	7%	1.1	1.0	(12%)
Argentina	1	5.6	7.5	18.7	231%	33%	148%	3,697	3,703	0%	3,572	4,208	18%	1.0	0.9	(15%)
Australia	15	13.9	11.5	13.7	(1%)	(17%)	19%	106,474	103,727	(3%)	87,156	94,757	9%	1.2	1.1	(10%)
Austria	1	6.6	7.7	8.4	27%	17%	9%	5,194	5,368	3%	6,542	6,953	6%	0.8	0.8	(3%)
Belgium	5	16.2	15.3	18.5	15%	(5%)	21%	45,802	40,635	(11%)	23,648	26,171	11%	1.9	1.6	(20%)
Bermuda	3	15.1	14.7	17.3	14%	(3%)	18%	26,009	26,873	3%	12,287	14,093	15%	2.1	1.9	(10%)
Brazil	14	10.0	8.5	9.8	(2%)	(15%)	15%	152,597	169,983	11%	74,308	80,435	8%	2.1	2.1	3%
Canada	36	13.3	12.6	15.0	13%	(5%)	19%	206,647	223,186	8%	113,074	124,509	10%	1.8	1.8	(2%)
Chile	5	16.7	14.9	15.7	(6%)	(11%)	5%	19,549	18,000	(8%)	11,113	11,906	7%	1.8	1.5	(14%)
China	44	11.7	10.0	11.5	(2%)	(15%)	15%	261,415	264,808	1%	221,443	243,101	10%	1.2	1.1	(8%)
Colombia	1	14.5	13.2	11.4	(21%)	(10%)	(13%)	8,033	9,706	21%	15,476	15,348	(1%)	0.5	0.6	22%
Czech Republic	1	8.8	7.3	8.6	(3%)	(17%)	18%	8,678	8,657	(0%)	4,099	3,678	(10%)	2.1	2.4	11%
Denmark	5	8.4	7.7	9.5	14%	(8%)	23%	19,408	18,001	(7%)	23,210	24,988	8%	0.8	0.7	(14%)
Finland	5	19.3	15.3	17.9	(7%)	(21%)	17%	11,069	4,824	(56%)	9,445	10,139	7%	1.2	0.5	(59%)
France	46	11.8	11.9	14.3	21%	1%	20%	329,392	305,647	(7%)	244,136	256,223	5%	1.3	1.2	(12%)
Germany	34	11.1	10.7	13.4	21%	(4%)	26%	178,361	146,861	(18%)	229,173	244,841	7%	0.8	0.6	(23%)
Hong Kong	22	13.1	11.4	12.6	(4%)	(13%)	10%	18,328	13,380	(27%)	107,180	114,015	6%	0.2	0.1	(31%)
India	23	13.1	12.2	13.2	1%	(7%)	8%	13,367	3,434	(74%)	55,519	64,989	17%	0.2	0.1	(78%)
Indonesia	4	15.0	16.0	15.0	0%	7%	(6%)	2,888	2,228	(23%)	7,404	8,116	10%	0.4	0.3	(30%)
Ireland	11	13.2	13.8	16.3	24%	5%	19%	16,189	14,960	(8%)	24,945	26,915	8%	0.6	0.6	(14%)
Israel	3	8.8	8.3	10.4	19%	(5%)	25%	10,069	8,283	(18%)	8,170	8,469	4%	1.2	1.0	(21%)
Italy	11	10.0	9.5	12.6	26%	(5%)	32%	190,367	184,734	(3%)	97,021	100,823	4%	2.0	1.8	(7%)
Japan	83	12.9	12.7	14.3	11%	(1%)	13%	548,856	489,567	(11%)	315,533	345,851	10%	1.7	1.4	(19%)
Kuwait	1	11.5	9.8	10.9	(5%)	(15%)	11%	1,360	1,179	(13%)	1,885	1,976	5%	0.7	0.6	(17%)
Luxembourg	5	14.9	11.5	17.6	18%	(23%)	54%	25,351	24,445	(4%)	14,848	16,729	13%	1.7	1.5	(14%)
Macau	3	17.1	15.0	22.8	34%	(12%)	52%	196	889	354%	4,698	5,643	20%	0.0	0.2	278%
Malaysia	9	17.4	17.9	19.1	10%	3%	7%	1,775	857	(52%)	10,383	11,373	10%	0.2	0.1	(56%)
Mexico	16	17.0	16.6	17.9	5%	(3%)	8%	62,132	56,361	(9%)	47,050	50,446	7%	1.3	1.1	(15%)
Morocco	1	12.6	12.2	12.0	(5%)	(3%)	(2%)	802	787	(2%)	1,996	1,981	(1%)	0.4	0.4	(1%)
Netherlands	23	10.6	10.3	12.7	20%	(3%)	24%	128,965	119,260	(8%)	132,199	142,351	8%	1.0	0.8	(14%)
Nigeria	1	9.9	12.8	15.9	60%	29%	25%	-417	-363	(13%)	1,503	1,869	24%	-0.3	-0.2	(30%)
Norway	4	9.4	8.7	10.9	16%	(8%)	26%	15,846	17,132	8%	47,369	48,200	2%	0.3	0.4	6%
Panama	1	10.5	11.3	17.5	67%	8%	56%	485	353	(27%)	660	752	14%	0.7	0.5	(36%)
Papua New Guinea	1	57.3	29.8	29.8	(48%)	(48%)	0%	3,757	4,548	21%	416	728	75%	9.0	6.2	(31%)
Peru	1	19.0	13.4	13.7	(28%)	(30%)	2%	-994	-250	(75%)	1,210	1,118	(8%)	-0.8	-0.2	(73%)
Philippines	2	16.7	18.2	15.9	(5%)	9%	(12%)	5,342	5,171	(3%)	3,093	3,262	5%	1.7	1.6	(8%)
Poland	2	10.5	10.5	10.0	(4%)	0%	(5%)	1,984	2,299	16%	4,748	4,381	(8%)	0.4	0.5	26%
Portugal	3	14.2	14.5	16.2	14%	2%	12%	28,217	27,781	(2%)	7,680	8,010	4%	3.7	3.5	(6%)
Qatar	2	8.5	9.5	11.0	30%	12%	16%	5,023	3,024	(40%)	6,782	7,050	4%	0.7	0.4	(42%)
Russia	18	5.2	4.6	5.5	5%	(11%)	18%	140,594	132,214	(6%)	185,857	184,990	(0%)	0.8	0.7	(6%)
Saudi Arabia	7	10.1	10.0	11.9	18%	(1%)	19%	27,341	23,889	(13%)	29,448	30,978	5%	0.9	0.8	(17%)
Singapore	8	14.1	13.3	14.5	3%	(5%)	8%	18,049	17,828	(1%)	15,593	16,681	7%	1.2	1.1	(8%)
South Africa	7	13.6	13.3	15.8	16%	(2%)	19%	3,878	5,459	41%	18,480	19,384	5%	0.2	0.3	34%
South Korea	18	7.5	6.0	7.0	(6%)	(19%)	16%	88,166	61,752	(30%)	117,064	130,306	11%	0.8	0.5	(37%)
Spain	12	11.8	11.9	15.4	31%	0%	30%	180,551	165,721	(8%)	81,611	80,906	(1%)	2.2	2.0	(7%)
Sweden	13	14.1	13.4	16.6	17%	(6%)	24%	26,514	21,261	(20%)	32,282	36,169	12%	0.8	0.6	(28%)
Switzerland	28	13.6	13.9	16.0	18%	3%	15%	121,439	101,279	(17%)	120,934	131,496	9%	1.0	0.8	(23%)
Taiwan	13	15.2	14.4	15.1	(0%)	(5%)	5%	8,347	5,536	(34%)	31,722	36,269	14%	0.3	0.2	(42%)
Thailand	7	11.7	11.3	10.9	(7%)	(3%)	(4%)	24,695	23,208	(6%)	18,893	20,887	11%	1.3	1.1	(15%)
Turkey	4	10.9	9.9	9.4	(13%)	(9%)	(5%)	6,482	3,910	(40%)	7,154	8,020	12%	0.9	0.5	(46%)
United Arab Emirates	2	10.8	12.9	14.1	30%	19%	9%	496	420	(15%)	6,584	6,954	6%	0.1	0.1	(20%)
United Kingdom	50	11.7	11.5	13.7	17%	(2%)	19%	369,443	369,772	0%	282,501	295,531	5%	1.3	1.3	(4%)
United States	365	13.2	13.8	16.2	23%	4%	18%	1,717,146	1,622,772	(5%)	1,698,290	1,834,721	8%	1.0	0.9	(13%)
Global:	1,000	12.2	12.1	14.2	16%	(1%)	17%	5,195,353	4,885,058	(6%)	4,627,382	4,969,692	7%	1.1	1.0	(12%)
AsPac	289	12.3	11.2	12.6	2%	(9%)	12%	1,119,487	1,015,851	(9%)	1,004,878	1,106,061	10%	1.1	0.9	(18%)
New Zealand	37	14.5	14.8	16.5	14%	2%	12%	17,833	18,920	6%	8,781	10,083	15%	2.0	1.9	(8%)

[2] Refer page 7

About KPMG Corporate Finance

KPMG's Corporate Finance team provides objective, unbiased advice on a range of financial transactions undertaken by corporations, financial institutions and government departments. Our team is fluent and insightful across an array of services in today's increasingly complex financial marketplace.

We advise buyers, sellers, borrowers, lenders and financial investors in:

- equity capital raising, including public offerings and placements
- debt capital raising: corporate, sovereign, project and structured finance
- capital restructuring and securitisations
- acquisitions, mergers, takeovers and buy-outs
- divestitures and demergers
- joint ventures and transaction alliances.

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Notes and References

[2] **A** Consensus forecasts in existence on 31 December 2012 in respect of the year ending 31 December 2013 for net profit and P/E • **B** Consensus forecasts in existence on 30 June 2013 in respect of the year ending 30 June 2014 for net profit and P/E • **C/G** Consensus forecasts in existence on 31 December 2013 in respect of the year ending 31 December 2014 for net profit, P/E and EBITDA • **D** Actual/consensus net debt forecasts in existence on 31 December 2013 in respect to the closest fiscal year end to 31 December 2013 • **E** Consensus forecasts in existence on 31 December 2013 in respect of the closest fiscal year end to 31 December 2014 • **F** Consensus forecasts in existence on 31 December 2013 in respect of the year ending 31 December 2013.

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