

KPMG FIRMS' COMBINED GLOBAL REVENUES RISE TO US\$16.9 BILLION

Strong performance in fast growing economies - Audit grows 9 percent ... Tax up 6 percent ... Advisory up 13 percent

Amsterdam, November 30, 2006

KPMG, the global network of professional service firms providing Audit, Tax and Advisory services, today announced member firm combined revenues of US\$16.9 billion for 2006 (2005: US\$15.7 billion).

This represents growth of 7.6 percent in U.S. dollars for the fiscal year ended September 30, 2006. In local currency terms, KPMG's revenue growth during the year was 9.6 percent.

Other key developments include:

- Growth rose to an average of 42 percent among KPMG member firms representing fast developing countries of Brazil, Russia, India and China – the so-called 'BRIC' nations
- Significant new KPMG firms' clients in 2006 include BASF, Bank of England, Petrobras, Banco do Brasil, and Mitsubishi Tokyo Bank
- The number of people working in KPMG member firms worldwide rose to 113,000

Mike Rake, Chairman of KPMG International, said:

"Overall, this has been another strong year for KPMG, marked by exceptional performances in some of the key areas of the world. Increasingly, KPMG member firms are distinguished by the high standards and integrity of the services they deliver – and by the quality and capability of their people. They have been recruiting widely to meet the growing demand for their services. I am confident that KPMG can build further on this success in 2007."

Performance and investment

With local growth of 13.7 percent, Asia Pacific was KPMG's fastest growing region, followed by Europe, Middle East and Africa (12.4 percent) and Americas (4.3 percent).

During 2006, KPMG member firms benefited from their strategy to continue to invest in people, technology and geographical capabilities – especially in those parts of the world where business and corporate activity is expanding rapidly, such as India, China, Russia and Latin America.

- KPMG's member firm in China opened three new offices, and in 2007 it intends to open a further two or three. Much of the demand for KPMG's services is from privately owned

companies wanting to expand and raise capital

- In India, one more office was opened at Pune in Western India – joining KPMG in India's established offices in Mumbai, New Delhi, Bangalore, Chennai, Kolkata and Hyderabad
- In 2006, KPMG invested substantially through an Ibero-America initiative in the major countries of South America. In particular, KPMG firms' capabilities in Tax services have been strengthened with an expansion in the number of professional staff

Advisory was the fastest growing service line at 12.9 percent, while combined revenues for Audit rose by 8.9 percent, and Tax services grew by 6.4 percent.

A key decision has been to create a single Advisory function on a global basis – by merging KPMG's Financial Advisory and Risk Advisory services. The new Advisory business will combine deep technical experience and capability in nine service lines, and is aimed at better addressing market needs for KPMG firms' clients.

The Chief Executive of KPMG International, Mike Wareing, said:

“We saw opportunities in some of the fast developing markets early, and have invested carefully. We are now starting to reap the rewards of those decisions. We also saw increased activity in our firms' Advisory practices, because of buoyant global stock markets.

“Our priorities for the KPMG network remain clear: for KPMG member firms to provide multi-disciplinary, consistent and quality services, and to ensure professionalism and integrity in all our relationships with clients.”

People and development

A critical element of KPMG's global vision is to be recognized as 'employers of choice' - to recruit, retain and develop the best people. Good progress is being made, with a number of member firms receiving external award recognition.

In the U.K. KPMG was named as The Sunday Times 'Best Big Company To Work For', while KPMG firms' in South Africa, New Zealand and Australia were all named as top graduate employers.

The U.S. member firm was recognized as an outstanding employer by a variety of national media outlets and organizations. In a survey of the '50 Best Places to Launch a Career' for college graduates, introduced this year by Business Week magazine, the U.S. firm was ranked 15th.

Global support and initiatives such as Compass (a global learning and development program)

work alongside member firms to help ensure people can maximize their potential. One outcome was that the number of hours in which KPMG people participated in training and development activities increased to more than eight million.

There are now more than 6,800 partners in KPMG member firms in 148 countries. During the year, KPMG member firms appointed a total of 595 new partners and 16,000 new graduates. The total number of KPMG employees globally rose to 113,000, a rise of nine percent on the prior year.

As a global network, KPMG recognizes that it has a responsibility to make a significant difference to the well-being and prosperity of communities around the world.

KPMG International appointed Lord Hastings* as its first International Director of Corporate Citizenship. He joined from the global broadcasting organization, the BBC, where he was head of corporate social responsibility.

His role will be to develop a program of activities in which KPMG people can find new effective ways of applying their skills – such as problem solving, financial and business skills – to find long lasting solutions to problems faced by communities in need.

Mike Rake said:

“What we have done so successfully within the KPMG network in 2006 is to see the spread of our culture and values – wherever KPMG operates in the world. This is critical to the way we serve our firms’ clients, attract and develop the best people and care for the communities and environments in which we work, and a key part of the KPMG strategy in 2007.”