

KPMG International
Annual Review 2010

Cutting through complexity

KPMG International

Annual Review 2010

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Chairman's foreword

Timothy P. Flynn, Chairman, KPMG International



Timothy P. Flynn
Chairman
KPMG International

Over the past couple of years, we have seen extraordinary changes in our economic, regulatory, political, and social environments.

The result is a world of great complexity, where markets and systems are interconnected, and where organizations must learn to navigate uncertainty, innovate, and adapt to changing realities and new market opportunities.

KPMG global research conducted in 2010 confirms this view. Interviews with executives around the world reveal that complexity has become a major factor for business. And virtually all agree that effectively managing complexity is extremely important to the success of their company.

At the same time, the majority of the executives believe that complexity is creating new opportunities. Managing complexity, they say, is an opportunity to gain competitive advantage, create new and better strategies, and make their companies more efficient. We agree with this outlook.

A year of growth and opportunity


For the KPMG network of member firms, 2010 was a positive and productive year—a year of growth in which we helped many clients around the world manage and solve complex issues.

The KPMG network also was recognized as one of the world's most attractive employers. Universum, the global talent consultant, has ranked KPMG No. 2, behind only Google, on its index of the world's most attractive employers. Universum asks students pursuing business and engineering degrees to identify "ideal" employers, and this year, KPMG moved up six places from our eighth-place ranking in 2009.

Revenues for the fiscal year ending September 30, 2010 were US\$20.63 billion, versus US\$20.11 billion for the prior fiscal year, representing an increase of 2.6 percent in U.S. dollars, a 0.1 percent increase in local currency terms.

This reflects an improving business performance across the KPMG network of firms and functional businesses worldwide.

Growth this year in Asia Pacific—KPMG's strongest performing region—continued to demonstrate the far-reaching opportunities among developing markets. Revenues in the Brazil, Russia, India, and China (BRIC) countries as a group grew 7.5 percent for the year. Also, India was



at nearly 25 percent, the fastest growing among the largest member firms in the KPMG network, reflecting continued investment and growth in the Indian economy.

Commitment to emerging markets

KPMG's commitment to emerging markets has produced meaningful growth for those country member firms. KPMG continues to actively invest in emerging markets and ensure our people have the international experience and the industry-specific competencies required by these geographies.

KPMG also continues to make significant investments in enhancing its global delivery model. These include expanding the scope of KPMG global centers in India, increasing our presence in China and other emerging markets, and deepening our capabilities in strategic markets around the world.

A bold new strategy

During this past year, we also took a fresh look at our strategy to be sure we are helping all of our stakeholders—our clients, our people, and our communities—to reach their full potential.

The results of this process, I believe, are a renewed sense of purpose about the KPMG network's role in the capital markets; an affirmation that our firms truly are delivering value and expertise; and confidence in our ability to offer leadership and new thinking for a complex, changing world.

Cutting through complexity

The KPMG International Annual Review 2010 illustrates this sense of purpose and confidence through thought leadership, client engagement examples, short profiles, and conversations among KPMG people who are helping clients deliver solutions to important challenges.

For example, a conversation between the chairmen of our Financial Services and Performance & Technology practices explores how KPMG member firms are delivering for financial services companies at a time of transformational change.

A video interview with an Australian Tax partner explains how we are working with tax authorities on the taxation process itself, helping to make it more effective and efficient for the government and for taxpayers.

An article on the "Brazil-China connection" describes how KPMG firms are helping Chinese companies grow their operations in Brazil, and how Brazilian companies capitalize on opportunities in China.

We also are working hard to manage our own risks. In fact, the KPMG network has enhanced its global risk management system to ensure that we always work with the right clients and that we have the right people serving those clients.

In a complex economic and regulatory environment, our high-performing people are making a difference by cutting through complexity, offering informed perspectives, and delivering clear solutions.

In closing, on behalf of the 7,900 partners across the KPMG network, I would like to say thank you to our 138,000 people around the world for all they do every day in serving our clients.

Section 2

Cutting through complexity





Cutting through complexity

Business leaders today contend with an extraordinarily complex and interconnected business environment.

In the wake of the financial crisis, a wave of regulation is sweeping across the world's financial markets, from the Americas to Europe to Asia.

The global economy is rebalancing as major Western economies struggle to recover from the global recession and economic power continues to shift toward the East. Today, China is the world's No. 2 economy. India is ascendant.

Governments around the world are reforming their tax policies in response to short- and long-term fiscal difficulties.

Meanwhile, globalization continues apace, bringing with it new market opportunities and steady growth in cross-border investment and international trade—along with major operational and tax compliance challenges.

KPMG member firms are engaged in these issues in every part of the world, helping to address big, potentially transformational questions: How do you perform efficiently across a far-flung global enterprise? How do you adapt to major regulatory change?

KPMG member firms are helping organizations navigate an increasingly complex global tax environment, driving performance, and managing compliance. We are helping to negotiate agreements establishing the pricing rules for certain cross-border transactions, helping to ensure price—and tax—certainty.

Our professionals also are working with tax authorities around the world, offering their expertise. All parties agree that if you can get the taxation process right, it is much easier for taxpayers to comply.

We know that the business landscape is not going to become less complex—nor can we make it so. But KPMG member firms are helping businesses and governments cut through the complexity and navigate this environment more effectively.

A conversation with Jeremy Anderson and Aidan Brennan

Complexity, change, and opportunity in financial services



Jeremy Anderson
Chairman, Global
Financial Services

How is complexity an opportunity for financial services organizations?

Anderson: In many countries, customers are calling for a return to traditional banking—or at least a simpler, more basic approach with products that are easy to understand. This is an opportunity for companies to align their business strategies with the demands of the customer.

Complexity also gives companies a great incentive to assess their operational and business strategies and get focused on the right priorities—on those initiatives that will deliver value to their customers and themselves.

Brennan: The complex regulatory environment also presents opportunities for financial service companies that can see compliance as part of their broader operating model. As regulation sweeps through financial services, companies need to adapt and comply. But to adapt successfully, they need to do more than produce reports for their regulators. They need to have a coherent operating model in which key business functions, like compliance and risk, and business decision making, are aligned and working together efficiently.

That's what KPMG firms are doing with many clients—helping them understand and manage within their regulatory environment, and perform more effectively.

The industry is undergoing transformational change. How are KPMG member firms delivering for clients globally?


Anderson: The KPMG organization is a leader in financial services. We are working with some of the largest, most complex financial services organizations in the world, in many cases helping them establish entirely new entities, the kinds of entities that require the full range of KPMG services, from Audit and Tax to Performance & Technology advice.

For example, KPMG member firms are working with a new insurance spin-off, helping the company design new financial systems and processes for today's regulatory requirements. They are working with another newly acquired company, setting up an entirely new business infrastructure, including new controls and risk procedures.

In KPMG China, firms are helping a bank incorporate global leading practices for regulation and risk management. They also are working with a major retail financial services organization to help fundamentally rethink its business model for a dramatically different business environment. A multidisciplinary team has been assembled that includes



Aidan Brennan
Chairman, Global
Performance & Technology



Performance & Technology professionals, as well as advisers from outside the Financial Services practice, to give clients the broadest possible perspective.

Brennan: Business intelligence is another area of opportunity for clients. This is especially important in a global environment, where the goal is to make the headquarters office more effective by having greater visibility into what's happening across geographies. Business intelligence systems, like the ones we are helping clients implement, can give leaders a consistent, global view of the organization.

Anderson: Financial Services is a data-hungry environment, and the need to manage large, complex sets of data is critical. Stakeholders are demanding greater transparency, and that means companies need to have the reporting, the processes, and the technology to operate the way their regulators expect.

Brennan: And we always encourage them to look forward—view transformational change as an opportunity to assess their operational strategies and improve their competitive positioning.

Mark Britnell

Seeking a cure for healthcare's ills



Mark Britnell
Chairman, Global Healthcare

No challenge is more complex—and universal—than healthcare. That is why the KPMG network is harnessing its resources to assist healthcare providers, governments, and insurers in every corner of the world. And that's a big reason Mark Britnell now leads KPMG's Global Healthcare practice.

Britnell is formerly the Director-General for Commissioning and System Management in the United Kingdom's National Health Service. He has spent his entire professional life seeking solutions to healthcare's fundamental challenges. And he knows that these issues are now converging in the developed and developing worlds.


"In developed healthcare markets—like Europe, the United States, and Australia—all health systems are facing essentially the same problems," he observes. "We're getting older, we're living longer, and we're spending more and more money on healthcare."

In developing countries, "We are seeing the emergence of a middle class," he says. "In China, for instance, there are now nearly 300 million people in its middle classes. In India, it's about 200 million people. All these people want better healthcare, and these countries must build the infrastructure to deliver it."

"The services we are providing through KPMG's Global Healthcare practice focus on just five basic propositions," says Britnell. "These, we believe, run through almost all the developed and developing economies."

Our five global healthcare propositions

1. **Maximum assurance**—good governance, good information, the right internal structures, and a well-run organization
2. **Margin improvement**—reducing operational cost while improving quality
3. **Electronic health**—using tele-medicine and technology to improve care and record keeping
4. **Organizational architecture**—public and private provision, mergers, joint ventures, private finance initiative projects, and public and private partnerships
5. **Healthcare reconfiguration**—moving care from hospital settings to lower-cost facilities in primary and community settings



Certainly, there is no simple remedy for providing healthcare efficiently and effectively. But, Britnell believes that common trends do lend themselves to common solutions. "I'm encouraged by the fact that the knowledge and experience we gain in one healthcare market can be leveraged successfully in another," he says. "And KPMG's global network is proving to be a very effective delivery model. It's the right medicine, if you will."

Tshidi Mokgabudi

Building rapid rail in South Africa



Tshidi Mokgabudi
Partner
KPMG in South Africa

One million passengers—and counting. That’s how many people have ridden Gautrain, the new rapid rail network in Gauteng, the most populous of South Africa’s nine provinces. And since 2007, KPMG in South Africa Partner Tshidi Mokgabudi has played a key role in the development of this network.

Mokgabudi leads the Infrastructure, Government, and Healthcare practices for KPMG firms in Africa. On this engagement, she has served as independent socio-economic monitor, a unique role that helps oversee the financial and socio-economic aspects of the project.

“The government of South Africa and its partners established milestones for this project, and that includes meeting a number of socio-economic targets,” she says. “For instance, in the construction of the train, a certain amount of local materials and equipment had to be used, and local labor had to be employed. That means we had to inspect the materials ourselves to make sure the cement, for example, was made in South Africa and not somewhere else. And we had to ensure that workers were not just from Gauteng province but that they had the right skills.”

The project itself is unique, the first rapid rail link in Africa and one of the first large-scale infrastructure projects to join public and private entities. In this case, Gautrain is a management agency of the South African government working with Bombela, a global consortium. It is part of a longer-term commitment to environmentally friendly public transportation in a densely populated area anchored by two major cities, Johannesburg and Pretoria.

Infrastructure is a major challenge everywhere in the world and especially in Africa, where the underlying resources, such as water and power, are often inadequate, difficult to maintain, and expensive. “That’s one of the things that makes this project so complex,” says Mokgabudi. “It’s harder to do in Africa. But that’s also what makes it so exciting.”

The construction phase of the rail link is scheduled for completion in 2011, but Mokgabudi expects to stay in her role as the operation phase of the project gets under way. Meanwhile, the KPMG firms in Africa are developing their capabilities in power, transportation, water, and healthcare. “We see a bright future for our practice and expect to be involved in public-private partnership projects across Africa,” she says.

Edge Zarrella

Head in the cloud, feet on the ground



Edge Zarrella
Partner
KPMG China

In Asia as elsewhere, cloud is a major topic of conversation among business leaders and government officials. Here, Partner Edge Zarrella explains how cloud will enable the “virtualization of a nation.”

Video transcript

Here in Asia, cloud is becoming a major point of conversation amongst business leaders and government officials. In China, we’re starting to see the virtualization of a nation.

Analysts are saying that China will spend over US\$55 billion per annum to 2014 on cloud computing technology. Now this is a 27 percent growth over prior years. For example, China Mobile will be spending over US\$52 billion over the next three years in implementing cloud technology.

Most Chinese do not have access to PC technology but they do have access to mobile phone technology. There are over 800 million mobile phone users in China.

Cloud computing is very appealing for a lot of Asians and especially Chinese companies because this is a time especially when they’re building their infrastructure, and becoming more and more globally competitive, to actually leapfrog in technology, well in advance of western countries who are still working their way through the legacy issues that they have, to actually get this technology out to a majority of their population. And that’s what’s exciting about cloud computing and KPMG’s role and how we can actually help define it for our clients.

The key thing that I see our clients should be looking at is looking at cloud computing from a business point of view rather than a technology point of view. It actually frees up investment dollars. They only pay for the technology as they go. And what’s great about this is that they can actually get innovation and actually do it in a more efficient manner rather than putting in huge capital costs. Because this is where you’re going to get the significant advantages and the transformational shift a lot of our clients are looking for in innovation.

See this video at www.kpmg.com/annualreview

Tax outsourcing for Royal Dutch Shell Managing global tax



KPMG firms have been tax advisers to Royal Dutch Shell since 2004. As KPMG in the United Kingdom Partner John Burns explains, “Our firm has been one of Shell’s main tax providers for the past six years. We’ve worked with them on projects in the Netherlands, the United Kingdom, and globally, and we’ve been successful in helping them resolve complex tax compliance issues.”

Shell operates in about 100 countries around the world, with tax personnel in about 25 of these countries. The company recently reviewed its organization to determine where in-house people were most needed and what skills were required in a particular country.

As a result of that assessment, Shell decided to begin reorganizing its global tax department, reducing the total number of people employed directly within the function and, in some cases, asking a third-party adviser to take on the domestic tax responsibilities in place of its own staff.

After a lengthy bid process, KPMG firms were assigned to provide tax support services to Shell in 24 countries in Europe. Through these services, Shell can optimize its internal tax revenue.

Soon, there will be a single KPMG tax team linked across 24 countries, coordinated by a lead partner based in the United Kingdom. “Generally, our goal will be to handle global reporting and local reporting issues for Shell,” says Burns. “We will examine their tax profile. And we will provide legislative updates when laws change. When it comes to dealing with tax in these particular countries, Shell’s responsibilities will become our responsibilities.”

To help manage a project of this scope, the KPMG team will utilize a Global Tax Management System that logs all queries and routes them to the right people for a response. It also monitors the kinds of questions KPMG professionals field and helps us detect patterns in the issues we are handling.

“There is so much complexity in local tax compliance, and without the tools and resources to manage it centrally, it was a significant challenge for the client,” says Burns. “KPMG firms have the experience and resources to lift the burden and allow Shell’s people to focus on other matters.”

A conversation with Uday Ved and Dinesh Kanabar

India growth spurs change in tax



Uday Ved (left)
Head of Tax
KPMG in India

Dinesh Kanabar (right)
Deputy CEO and Chairman of Tax
KPMG in India

How are India's tax laws changing, and why?

Ved: Over the last two decades, the Indian economy has grown significantly. In response, the government is making changes to the regulatory environment and introducing a direct taxes code as well as a goods and services tax. The direct taxes code is slated for implementation on April 1, 2012.

Kanabar: India has emerged as a top destination for foreign direct investment and a key supplier of services globally. We expect that the new direct taxes code will provide certainty in tax laws and an acceptable rate of tax. The goods and services tax will consolidate the multiple taxes currently being levied on the sale of goods and services.

What role is KPMG in India playing as these changes are being introduced?

Ved: As one of the largest tax practices in India, KPMG is creating awareness of these changes among its clients—seeking feedback—and has created an advocacy group so that the regulators get feedback on the draft legislation before it is finally enacted.

Kanabar: In our effort to update our clients on the changes, we are holding conferences, seminars, and webcasts. We are working to ensure that our clients are not only updated on the changes but also are planning for them sufficiently in advance.

How are the changes in India spurring changes at KPMG?

Ved: KPMG established its practice here in 1993, soon after the government enacted some major economic reforms. We have grown rapidly, from fewer than 1,000 people when we started to having access to about 5,000 people today, and plan to continue recruiting aggressively. We made an important investment in our Tax practice this year, having Dinesh Kanabar and his team—about 200 people in total—join our firm.

Kanabar: As a tax practice today, KPMG in India is a leader in a number of areas, including transfer pricing, mergers and acquisitions, and financial services. We are a preferred service provider to some of the largest investors in the country and work on some of the most significant matters.

Taxation in Australia

Striving for effectiveness



Rosheen Garnon
Tax National Managing Partner
KPMG Australia

Here, Tax National Managing Partner Rosheen Garnon describes KPMG Australia's role in working with the Australia Taxation Office, helping it to be more efficient and effective for the benefit of the government and the taxpayers.

Video transcript

In Australia, the Taxation Office is trying to accomplish a couple of things.

The first is to have an effective and an efficient collection of taxes, but more than that to make sure that the relationship between the Taxation Office, our client—so that's the individual or business—and also the adviser, is clear and that information is flowing easily.

KPMG has a positive relationship with the Taxation Office. We dedicate a partner full time to this role. His job is to look at the new tax law that's coming, talk to clients about it, gain their insights and take that information back to the Tax Office. So what that means, ultimately, is for our clients we have a far more effective and efficient taxation system.

Recently the federal government reviewed the Australian taxation system. Their aim is to make the system far more effective and efficient. KPMG had a valuable role in that process. We had our economists go in and undertake a review and then provide insights to the government about the effectiveness of those taxes and what impact they would have on the economy.

The way in which KPMG brings clarity to very complex issues around global and international tax systems is to really understand the client perspective.

The answer isn't always easy. Our job is to bring clarity.

See this video at www.kpmg.com/annualreview

Section 3

Succeeding in an interconnected world





Succeeding in an interconnected world

While the world economy is still trying to catch its breath, high-growth emerging markets are sprinting ahead. Companies of all sizes seeking growth—from multinational to middle market—cannot plan their futures without considering the BRIC countries, Brazil, Russia, India, and China. Nor can they afford to ignore newly emerging countries such as Vietnam, Korea, Turkey, and African countries including Nigeria.

Stephen Yiu

Focus on China



Stephen Yiu
Deputy Chairman
KPMG China

What has changed for business in China?

As China continues to grow, the regulatory environment is evolving and companies need to adapt to changing requirements.

Tax is one example. The way operations are structured in China can have significant implications—whether it is a representative office, branch, partnership, or foreign investment enterprise. Transfer pricing is an area getting particular attention and KPMG China has expanded our capability to help clients meet the changing needs for documentation and certification.

The financial services sector is growing rapidly, and with China's adoption of the Basel II banking guidelines, there are new reporting requirements. KPMG China has worked with a number of leading financial institutions in China, which include some of the world's largest banks, to develop the systems they need to collect and report the additional information required.

Are China outbound investments continuing to grow?

The vast majority of Chinese companies we talk to have done, or are planning to do, outbound merger and acquisition deals. KPMG firms have built a Global China practice to meet the needs of these companies, as well as the needs of companies looking to invest in China. We have a network of China desks globally that provide support today, and we are expanding that network and increasing the capabilities for serving our China clients wherever they do business in the world.

What else is on the horizon?

There is a lot of anticipation over foreign entities being allowed to list on the Shanghai exchange. It is still in the planning stage, but a number of large multinational clients want to prepare for this opportunity. KPMG professionals are active in working with clients and talking with regulators as they consider the many accounting and audit issues that need to be addressed.

The Brazil-China connection



In 2010, Brazil joined BRIC counterparts India and China as a leader among emerging high-growth countries. Its success is linked to several factors, including savvy political and financial policies during the financial crisis and a strong trade relationship with China. In fact, one of the more interesting developments among the BRIC nations is the trade and investment tie between China and Brazil that has become even stronger in the past two years.

“Brazil is going to China and setting up manufacturing to take advantage of labor costs there,” says David Bunce, head of Corporate Finance, KPMG in Brazil. “And Chinese companies come to Brazil and acquire middle-market companies so they can grow inorganically.”

Bunce says Chinese companies want to hit the ground running when they bring their operations to Brazil. They need business advisers familiar with labor laws, tax, compliance, and regulatory requirements, and in the case of mergers and acquisitions, due diligence, valuation, and the kind of post-deal integration that turns Chinese companies in Brazil into true multinationals.

“KPMG has been in Brazil since 1915,” says Bunce. “We have a deep understanding of the local market and are well positioned to help clients enter the marketplace here.”

Clearly, one of Brazil’s major attractions for Chinese and other investors is the size of its consumer market, now 50 million people strong, says Pedro Melo, National Chairman, KPMG in Brazil.

“Brazil is a growing consumer marketplace,” Melo says. “The middle class is growing here. There’s been a change in the level of income and in access to financing. China—along with many other nations—is finding Brazil a very attractive place to be, to tap the consumer market and to grow.”

A conversation with Moses Kgosana and Seyi Bickersteth

Turning BRIC into BRICA



Moses Kgosana
Chairman and Senior Partner
KPMG Africa Ltd.

Talk about the transformation you're seeing in Africa, from a business perspective.

Kgosana: This is a continent whose time has come. If you want to compare us with China or India, you'll see that Africa has almost the same population—almost a billion. There's a huge consumer market in Africa.

Bickersteth: The focus in Nigeria is on infrastructure, especially the power sector, and the big question is how to finance it all. At KPMG in Nigeria, we're involved in public-private partnerships that make it happen. We also are working with Nigerian financial services companies on issues of risk management and corporate governance.

Do you feel that Africa is at a competitive level with the BRIC countries?

Kgosana: We in Africa would like to change BRIC to BRICA because we truly are an emerging market with the same potential as the BRIC countries. Certainly, there's a lot of interest in Africa, particularly from Chinese and Indian clients. KPMG firms in Africa have dedicated resources to oversee Chinese investment, including Chinese partners on assignment in South Africa.

Bickersteth: Every BRIC country is doing business in Nigeria, and KPMG in Nigeria is working with them in many capacities. There's a huge Indian conglomerate. There are Russian oil and gas interests. Russia's largest aluminum company is here. A Brazilian national oil company, Chinese oil companies, and a telecom equipment company are operating in Nigeria.

What does all this change mean for clients?

Kgosana: Often, the changes result in success stories for clients. For example, MTN, the telecom company formed in 1994, is ranked 10th globally in terms of subscriber base. There's South African Breweries, which is the second largest brewer in the world, and Anglo American, the mining company, which began in South Africa and now is everywhere in the world.

Bickersteth: Let me tell you about a Nigerian success story that KPMG has been involved with. Dangote Cement was just listed on the Nigerian Stock Exchange and represents 25 percent of companies quoted on the exchange in monetary terms. Dangote Cement's ambition is to be the most capitalized cement company in the world within five years and to be listed in major stock exchanges in the world. KPMG in Nigeria is working with Dangote Cement across a broad spectrum of service offerings to realize this ambition.



Seyi Bickersteth
Head of KPMG in Nigeria

Training citizens of the world



At KPMG, people are at the core of everything we do. Leadership at KPMG is creating new opportunities for our people to work across borders to support our interconnected business world. The aim is to develop the very best talent who increasingly consider themselves global professionals and true citizens of the world.

- Rachel Campbell, Global Head of People
- KPMG among the world's most attractive employers
- KPMG Business School
- Developing passionate global citizens

Three questions for Rachel Campbell, Global Head of People



Rachel Campbell
Global Head of People

Where does KPMG want to go in this complex and rapidly changing world?

We have ambitious plans on many fronts: to expand our performance and technology capabilities; to establish ourselves as world leaders in healthcare, financial services, and other sectors; and to accelerate our growth in key emerging markets. It makes this an incredibly exciting time to be working at KPMG. People are enthusiastic about the direction we are taking and about being part of a winning culture. But to deliver these plans, we need to keep evolving our people agenda.

That means creating more opportunities for our people to learn new skills, engage across sectors, and experience the challenge of working in a different culture. We need to recruit more talented people than ever—up to 250,000 over the next five years. We are focusing more than ever before on ensuring the right people are working on the right opportunities. We are becoming more nimble and dynamic in putting client teams together, and people will be working across borders in increasing numbers to support our interconnected business world.

How does a more interconnected world affect our people and clients?

The challenges clients face are constantly evolving. So we must make sure our people have the best and most relevant learning and development so they cut through these challenges with confidence. We know people learn in different ways—we can't purely rely on the traditional brick-and-mortar settings of the past. Learning now has to be on-the-job and collaborative, via coaching and using a variety of different techniques, including classroom settings. It's clear that the most effective learning strategies use technology. Winning organizations are creating virtual learning environments, supporting continuous learning, and enabling people to have blended learning experiences.

To embrace that kind of learning and development at KPMG, we're launching KPMG Business School around the world. We've also expanded our Virtual Classroom—a learning experience that helps us deliver training to our people quickly and easily.

What does the future look like?

My ambition is that KPMG is a magnet for talent and the very best place for people to maximize their potential. That has to be good for clients as well as our people.

We have fantastic people at KPMG, but I want every client to be stunned by the quality of our people every time. That's a high bar, but we're determined that all of us have the skills, knowledge, and determination to go above and beyond to deliver. We're launching a progressive approach to how we develop our people. We're putting greater emphasis on continuous feedback and development stretch. We are critically aware of the responsibility our partners have to develop our people. We are investing heavily in learning and development, and establishing a global emerging leader program to fast-track the development of our very best people.



KPMG among the world's most attractive employers

Universum, the global talent consultant, has ranked the KPMG network No. 2, behind Google, on its index of the world's most attractive employers, based on the opinions of nearly 130,000 students worldwide.

Universum asks students pursuing business and engineering degrees to identify "ideal" employers, and this year, KPMG moved up six places from our eighth-place ranking in 2009.

"The Universum honor reflects our absolute commitment to helping our people reach their full potential and our commitment to our values, which really mean something to us and which are demonstrated in the way we work," says Rachel Campbell, Global Head of People.



KPMG Business School

It's a simple fact. By discovering new ideas and developing our skills, we become vital to clients. To facilitate that, KPMG is adopting a new approach to offering an integrated, globally consistent core curriculum to our people across the world. KPMG Business School provides our people with the expertise and global perspective to provide clear solutions to clients in a constantly changing world. In 2010, KPMG Business School was rolled out across a number of member firms in countries including Canada, China, Australia, Thailand, Korea, Singapore, and New Zealand. All other KPMG member firms will adopt the program this year.

Kaisri Nuengsigkapien

Developing passionate global citizens



Kaisri Nuengsigkapien
Chief Executive Officer
KPMG in Thailand

KPMG in Thailand employs more than 1,100 people, who work together to help clients think beyond the present, see beyond borders, and achieve long-lasting success.

An accountant by training, Kaisri Nuengsigkapien is changing perceptions at KPMG in Thailand in her role as the “Chief Encouragement Officer.” Three years ago, she launched the People Passion Department to put structure and focus around the development of people. The department has three main goals: identify staff potential, give employees the opportunity to develop that potential, and create a favorable work environment.

Nuengsigkapien is responding to her firm’s global strategy by ensuring that her staff are passionate about what they do and are well-equipped to address the challenges of globalization so as to meet the demands of clients in today’s highly interconnected and complex world. “People perform their jobs much better if their duties are aligned with their skills and passion,” she says.

Nuengsigkapien’s work is already making a difference by building a competitive advantage for her firm’s local recruiting efforts. “You don’t have to look further than your own people to create value and affect top-line growth,” she says. “This is especially true in today’s world where every company faces the challenges of globalization, which are very different from the challenges we faced in the past.”

Section 4

Quality & Risk Management





Quality & Risk Management in an increasingly complex world

In an interconnected world, news travels fast—including news about KPMG. Whether that news has a positive or negative impact on the KPMG organization’s global brand has a lot to do with the quality of our work and the effectiveness of our risk management efforts across the entire network of firms, says Larry Leva, Global Vice Chair—Quality and Risk Management.

“Global risk management at KPMG is global brand protection,” Leva says. “This is particularly important as we seek to grow our business in a challenging economic and regulatory environment. We must ensure that we deliver high-quality services to the right clients by fielding the best people with the right skills and competencies.”

Enhancing Risk Management



Larry Leva
Global Vice Chair
Quality and Risk Management

In fiscal year 2010, the Global Quality and Risk Management team led a review of KPMG International's risk management and quality monitoring strategy and introduced several important enhancements.

The goal was to develop a more comprehensive quality and risk management strategy to meet and exceed the increasing demands and expectations of clients, regulators, capital markets, and other important stakeholders. At the same time, it was important for our strategy to support professionals in the field to grow the business, comply with professional standards, and properly manage risk.

The strategy enhances an already rigorous quality and risk regime that includes Quality Performance, Risk Compliance, Global Compliance Review programs, and oversight from the Global Board's Risk and Compliance Committee.

Among other things, the review led to the introduction of the Area Quality and Risk Management Leader role. Professionals in this role carry out additional country quality and risk-monitoring activities to proactively monitor and assess the effectiveness of a member firm's quality and risk management processes, including the identification and management of their most important professional services risks.

Other important aspects of the Global Quality and Risk Management team effort included:

- A review of every global risk management policy and process to ensure it has a sound rationale and is effective and efficient in meeting a key risk objective. The review also eliminated redundant policies and processes.
- A review of all monitoring and compliance programs to address concerns of "review duplication and overload" at member firms.
- A business assessment of our risk policies and processes led by KPMG's Advisory practice. Senior partners, lead partners, and other business leaders within the KPMG network provided recommendations to improve our risk policies and processes to help KPMG professionals better achieve our growth goals while appropriately managing risk.
- A rewrite of the Global Quality and Risk Management Manual using simpler language. The new manual provides a clear business reason for each policy so professionals can fully understand the policy's purpose and its importance to them and the KPMG organization. The manual will be hosted on a new Web-based platform to enable easier access.

Watch Larry Leva speak about the importance of protecting the KPMG brand in an increasingly complex world.

Video transcript

Our brand is our most valuable asset. The reason we can compete for the best talent in the world is because of that brand. The reason we can compete for the best clients in the world is because of that KPMG brand. And one of the most important goals of global Risk Management is to protect that brand.

This past year, we have completely rewritten our global Quality and Risk Management manual to make sure that our policies are relevant and appropriately tailored to each of our three businesses. The goal was to make sure we've got the most effective and efficient policies and processes to manage risk, but at the same time, allow us to grow the business with quality clients.

See this video at www.kpmg.com/annualreview

Transparency



KPMG member firms are committed to providing high-quality professional services in an ethical and independent manner. Read KPMG International's [Transparency Report 2010](#) for a complete description of the KPMG network, its governance, structure, approach to quality control, and culture of integrity. *The Transparency Report* is produced in accordance with the standards set by Article 40 of the European Union Statutory Audit Directive.

Questions for: Joachim Schindler, Global Head of Audit



Joachim Schindler
Global Head of Audit

As Global Head of Audit, Joachim Schindler sees firsthand the unprecedented challenges multinational companies are facing amid the wave of regulation that has followed the global financial crisis. He also understands that KPMG's network of firms is well positioned to help clients navigate this new world.

Currently, Schindler is focused on how KPMG firms can support companies and the capital markets through the changes unfolding around them. One way is helping to ensure that KPMG member firms continue to deliver the high-quality audit services clients expect from them. To that end, the Audit practice is rolling out a new Audit Quality Framework. Another is helping ensure that global Audit clients have access to all the services KPMG firms are permitted to provide, specifically those from Advisory and Tax, to help them succeed in a challenging economic and regulatory environment.

What is the Audit Quality Framework?

The framework introduces a common language that describes and aligns KPMG's global Audit approach to quality at all KPMG member firms. It highlights how every partner and professional contributes to the delivery of quality. And it underscores the KPMG firms' ongoing commitment to providing clients with the global strength and consistency they expect.

The framework helps drive communication with clients and regulators about how KPMG firms embed audit quality in everything they do. It calls for the cascading of quality-related ideas and leading practices through regional and local partner meetings and training sessions for our professionals, and implementing quality process improvement as necessary.

How important are KPMG's Advisory and Tax services to supporting clients in the current economic environment and to strengthening the KPMG organization as a whole?

Audit committees and management teams are looking for help in managing risks. The services that KPMG's Advisory and Tax practices provide can help them do that and ensure that Audit clients are receiving the best possible service from KPMG firms.

Whether it's help with transactions, with tax compliance, or with any number of business issues, KPMG firms can offer clients permissible services beyond the audit. The fact that they also are the auditor and have that intimate knowledge of the company, its industry, and its concerns positions them to be the most effective provider of these permitted non-audit services.

What new opportunities exist specifically for the global Audit practice?

New opportunities for Audit exist in burgeoning sectors or industries, such as alternative energy, and significant geographical markets, such as Brazil, Russia, India, China, and Africa. We are actively investing in these markets by ensuring our people have the international experience and the industry-specific competencies required by these sectors and geographies.

Another new opportunity exists in providing attestation services outside the financial statement audit. We see a demand in the marketplace for the skill sets of KPMG's Audit, Tax, and Advisory professionals in helping companies attest that they are keeping up with the current wave of global regulations or effectively managing specific issues. Are companies living up to sustainability targets and rules in various countries? Are they effectively monitoring regulatory compliance or ensuring that they meet the requirements of a specific contract? We can help companies be confident that they are.

How does KPMG's global Audit practice prepare KPMG people to best support clients around the world and make inroads into new markets?

A key to having the right people and teams to meet the needs of clients is the global exchange of KPMG's top talent. We are constantly striving to provide Audit partners and professionals with a broad range of work experiences and exposure to cultures other than their own. This deepens their understanding of business issues outside the audit and the best approaches to working in different parts of the world. At the same time, global experience helps our people establish connections around the global network that can be leveraged to support clients wherever they operate. Last, but not least, it helps KPMG firms meet the expectations of clients' management to have advisers with broad experience across many borders and cultures.

Another way we are helping people support clients is through the outstanding technology and access to knowledge that we provide them. eAudit, our electronic global audit platform, is a good example of this. It helps ensure a globally consistent approach to global audits and provides engagement teams with the best accounting, auditing, and industry knowledge available from the KPMG organization.

Section 5

Corporate responsibility & sustainability





Corporate responsibility and sustainability

At KPMG, our approach to citizenship starts with leadership. “Our people are encouraged to use their leadership skills in helping to solve some of the world’s most complex problems,” says Michael Hastings, Lord Hastings of Scarisbrick CBE, Global Head of Citizenship and Diversity. “What are the great dilemmas in the world, and how can we put our skills and knowledge to work to do something about them?”

The strategy is focused on three pillars: tackling climate change by cutting our emissions and supporting environmental innovation; ending extreme poverty through skills-based partnerships with global NGOs; and encouraging a culture of leadership that sees every societal problem through the lens of opportunity and solutions.

Every day, KPMG people are approaching these issues with a sense of purpose, just as they strive, through responsible business practices, to build trust and confidence in the capital markets. “Client work and community service complement each other,” says Lord Hastings. “This gives us a larger purpose and a vision of involvement in the wider world.”

Two initiatives sponsored by KPMG International in 2010 demonstrate how individual initiative and innovation can make a difference for society. KPMG International and firms in the Americas were sponsors of [Racing Green Endurance](#), in which an electric race car traveled the full length of the Pan-American Highway showcasing the advancement of green technology.

[Cycle for Water](#) is another pan-Americas journey, this one undertaken by two young men on bamboo bicycles. During their 18-month trip from

Alaska to Argentina, the men are raising awareness about a global water crisis that is leaving more than 1 billion people without access to safe drinking water.

KPMG member firms already have made remarkable progress in the area of carbon impact. In early 2008, KPMG firms launched the Global Green Initiative, aimed, in part, at reducing our combined carbon footprint by 25 percent by 2010, from a 2007 baseline. The most recent results show that member firms' gross emissions have decreased 9.5 percent from 2007 to 2009. Our net emissions have dropped from 3.5 metric tons to 2.5 metric tons of carbon dioxide equivalents per full-time employee, a 29 percent decrease.

The KPMG network is deeply involved in the challenges of international development and is aligned with both the United Nations Millennium Development Goals (MDG) and the U.N. Global Compact. The 10 principles of the Global Compact inform our support for the environment, human rights, labor standards, and business ethics.

KPMG firms have a long history of taking action when natural disasters strike. In 2010, we helped raise more than US\$2.6 million for relief efforts after the Haiti earthquake and US\$1.25 million for the floods in Pakistan. Beyond that, we seek to bring about positive outcomes for these victims and often work closely with agencies on the ground to help ensure the funds are invested wisely and spur new, sustainable development.

KPMG's global citizenship strategy also serves as a model for initiatives by individual member firms. For instance, KPMG in Canada is now working with Free the Children on a multifaceted effort to assist and empower three villages in India.

"KPMG has a role to play in society that is ambitious," says Lord Hastings. "We aim to ensure that our people, clients, and communities achieve their full potential. When you join our skills and experience with our sense of purpose and values, I believe we can realize our full potential and accomplish great things."

Getting down to business in Haiti



The devastation in Haiti has prompted KPMG to respond in more ways than one, and we are using business skills and resources, as well as money, to make an even greater, more lasting difference. Watch Tim Stiles describe our Haiti relief efforts.

Video transcript

The devastation in Haiti has prompted a global response by KPMG International. From the various member firms, we have raised over US\$2.6 million for this relief effort. The other area of focus is to bring business skills, human resource capacities, and expertise to bear to assist non-governmental organizations in Haiti and those organizations that are funding them either with cash products, supplies, or other needs.

For many organizations in a post-disaster environment, it's a very difficult and very complex environment. There are many players on the ground, many actors, and many stakeholders. I think it's confusing and difficult for them to make the right decisions about what to do. Our¹ pro-bono evaluation program helps them to cut through that complexity.

It helps them to identify the important critical things—important critical operations aspects of an NGO or other organization operating in Haiti, and provides them with a higher level summary of the type of work that can be done. It simplifies the process for them and it gives them comfort that they'll be able to make the right decisions—whether they be funding the decisions or whether they would be decisions to operate on the ground and provide direct relief.

You may ask yourself, why is this important to KPMG? Why would KPMG globally undertake relief efforts in Haiti? First of all, it's a humanitarian call for help. I think it's difficult for human beings everywhere to ignore that.

KPMG has a long history of responding to global needs and global crises. But we also know that we're doing the right thing. That ties in with the Millennium Development Goals that KPMG is pursuing—gender equality, access to primary education, and alleviation of poverty. So it is a response that makes complete sense with what we're doing. There's also a benefit as well, which is that KPMG people can get involved either financially or by utilizing their skills and abilities to help bring relief efforts to the benefit of the people that were affected.

See this video at www.kpmg.com/annualreview

¹Including KPMG member firms in Brazil, Canada, Dominican Republic, Mexico, and the United States.

Yvo de Boer

Tackling the business of sustainability



Yvo de Boer
Global Adviser, KPMG Climate Change
& Sustainability Services

Yvo de Boer understands the challenges of climate change as well as anyone, having served until early 2010 as Executive Secretary of the United Nations Framework Convention on Climate Change. Today, as a global adviser for KPMG Climate Change & Sustainability Services, de Boer is helping clients assess and respond to the complexities of this challenge.

"Now is the time for businesses to engage on this issue," he says. "It is a serious international concern with major implications for the way we live and the way businesses operate. And sustainability is very much a bottom-line issue, with major opportunities for businesses to save energy and to use materials more prudently."

Looking ahead, de Boer says, "That's where you need to understand how climate policies, energy prices, and consumer demand are going to change over time and how you might need to reposition your business. And that's often where companies are looking for support. After all, if you own a biscuit factory, you're probably really good at making biscuits. But that doesn't necessarily make you an expert in climate and energy policy."

How can KPMG help? "First, I must say that sustainability and climate change are not new to KPMG," says de Boer. "KPMG people have been working on these issues for many years. Today, KPMG's Climate Change & Sustainability Services practice is well positioned to think along with clients and help them to assess the risks and opportunities that are emerging," he says. "We don't come to a client with just an Audit, Tax, or Advisory proposition, but with a more holistic approach."

And de Boer, the climate policy veteran, is hopeful that business can be a much-needed agent for change. "We've entered a new era on climate change," he says. "There is a growing realization around the world that these are very real issues that we need to come to grips with. The challenge now is implementation. Business can help shape and implement the practices that we need."

Doing our part for climate change and the environment

KPMG's network of firms is committed to having a positive impact on the environment and addressing local environmental challenges. Inspiring sustainability programs we are involved with around the world include:

- Reef Check Malaysia
- Great Barrier Reef Foundation bond issue
- Solar panel installations at schools in India
- An innovative incentive program to promote employee car sharing
- KPMG events get a little greener
- KPMG sponsors Cycle for Water
- Global Green Expedition





Reef Check Malaysia KPMG in Malaysia

Founded in 1996, Reef Check Malaysia (RCM) is part of the global Reef Check organization, the world's largest international coral reef monitoring program involving volunteer recreational divers and marine scientists.

KPMG in Malaysia is involved with RCM on two fronts: the Rainforest to Reef program (R2R) and the Eco Diver program. As part of the R2R program, KPMG in Malaysia adopted a primary school to inspire students to protect the natural environment for themselves and future generations.

KPMG in Malaysia organized its own Eco Diver team in collaboration with RCM and adopted the Soyak reef, off Tioman Island. Each year, KPMG in Malaysia sponsors the certification of up to 10 Eco Divers to monitor the reef.



Great Barrier Reef Foundation bond issue KPMG Australia

The Great Barrier Reef (GBR) is the world's largest reef system composed of more than 2,900 individual reefs and 900 islands stretching over 1,615 miles off the northeastern coastline of Australia. The Great Barrier Reef Foundation (GBRF) is an Australian not-for-profit organization that helps protect the reef.

KPMG Australia, in conjunction with Goldman Sachs, has developed a new fundraising framework to fund a substantial portfolio of research required to support the GBRF's mission of protecting and preserving Australia's Great Barrier Reef. The success of this funding has the potential to offer far-reaching and very positive impacts, touching 109 countries and more than 500 million people globally.

"It's been a deep honor for KPMG Australia to work alongside the GBRF in developing the bond and ensuring that it delivers what we all agree is a vital investment," says Michael Hastings, Lord Hastings of Scarisbrick CBE, Global Head of Citizenship and Diversity. "The GBR has become symbolic over generations as a World Heritage site that captures the rich biodiversity of species and is in itself compellingly beautiful. There is little time to protect its long-term value for the millions who would be affected by further damage and degradation. So, now is the moment to step up to the need and face the potential implications of neglect with a determination to engage with the bond opportunity and to make history together. That's our commitment."



Solar panel installations at schools in India

KPMG in India

Solar power is a responsible, clean, and economical source of energy. KPMG in India works with local schools and social organizations to provide renewable energy, ultimately improving the quality of its programs. At these institutions, which cater largely to children from underprivileged backgrounds, there is a great need to identify sustainable energy solutions.

Not only do these solar panels provide an immediate source of energy for fans and indoor and outdoor lights, but they also help reduce electricity costs and raise awareness about the importance of renewable energy among students.

Since 2008, KPMG in India has supported 11 solar projects at two local colleges, three schools, and six social organizations. The firm also supports solar projects at development partner sites and other educational institutions.



An innovative incentive program to promote employee car sharing KPMG in the United Kingdom

Through the implementation of a car-share program, KPMG in the United Kingdom avoided approximately 2.6 million miles of car travel and saved approximately US\$1.17 million in fiscal year 2010.

The car-share incentive pays the driver an extra US\$0.08 per mile for each additional KPMG employee riding in the car. Since the normal reimbursement is US\$0.62 per mile, this provides significant savings for the firm and the client when employees carpool to client engagements.

Additionally, the program falls in line with the U.K. program for passenger payments; therefore, employees are not taxed on the additional reimbursement.



KPMG events get a little greener

KPMG in the United States and KPMG in Canada

Sustainable meetings are an ongoing process and a tremendous opportunity to capitalize on the positive impact KPMG's environmental initiatives around meetings and events have on our attendees, KPMG's network of firms, and the world.

To help improve visibility of the environmental performance of its venues, KPMG in Canada's Event Management and Community Leader teams worked with the National Research group to develop a comprehensive survey that was sent to 120 venues across Canada.

The responses were scored and a ranking tool was developed that identifies venues by their sustainability commitments and practices, allowing the Canadian firm to make more informed choices when selecting event venues.

In the United States, KPMG's National Events and Meetings (E&M) team has adopted Living Green, the firm's national sustainability program, to help incorporate environmental considerations throughout the firm's meetings and events, and minimize the negative impact on the environment. The inclusion of an environmental questionnaire has been incorporated into E&M's RFP process, and sustainable venues are now considered prior to final hotel selection. Large programs are expected to meet a minimum of 10 Green Meeting Guidelines to be considered a "green" meeting.

The International Partners' Conference, recently held in Rome, was chosen to be KPMG's first global carbon-neutral conference. Voluntary Carbon Standard (VCS)-verified offsets were purchased from Carbonfund.org to support renewable energy development in India and reforestation projects in Haiti.



KPMG sponsors Cycle for Water KPMG in the Netherlands and other participating member firms

KPMG's sponsorship of the Cycle for Water initiative highlights our commitment to helping drive the education and awareness of water and sustainability issues around the world. The sponsorship originates from the Dutch firm with other local member firms participating along the route.

Joost Notenboom and Michiel Roodenburg have set out on a bicycle adventure, riding 18,641 miles from northern Alaska to southern Argentina over a period of 18 months with hopes to educate the world about those suffering from lack of clean drinking water.

KPMG firms began sponsoring this unique "green" adventure in July 2010 because the initiative correlates to KPMG's commitment to corporate citizenship and the green agenda.

[Click here](#) for more information on Cycle for Water and [here](#) to watch a brief video.



Global Green Expedition KPMG in Brazil, Denmark, Malaysia, and KPMG International

Six KPMG professionals recently returned from one of the most unique and unusual trips of their careers—the Global Green Expedition.

The Expedition began with a tour of the new site of KickStart Kids International (KKI), an orphanage sponsored by KPMG in Kenya and founded by James Woodward, an employee of KPMG Australia.

The new site is still being developed, but the participants helped plant trees and lay the foundation for what will become an environmentally friendly and sustainable living space for the children. They also visited an orphanage—about an hour outside of Nairobi—spending time with the current beneficiaries of KKI.

The rest of the trip was spent working alongside A Rocha, a nature conservation not-for-profit organization based in Watamu, a village on the northern coast of Kenya. Participants trekked through the Arabuko-Sokoke forest and Mida Creek, learning about the effects of climate change on the coastal regions of Africa and gaining a better understanding of the challenges of environmental conservation.

Section 6

Financials & organization





Financials & organization

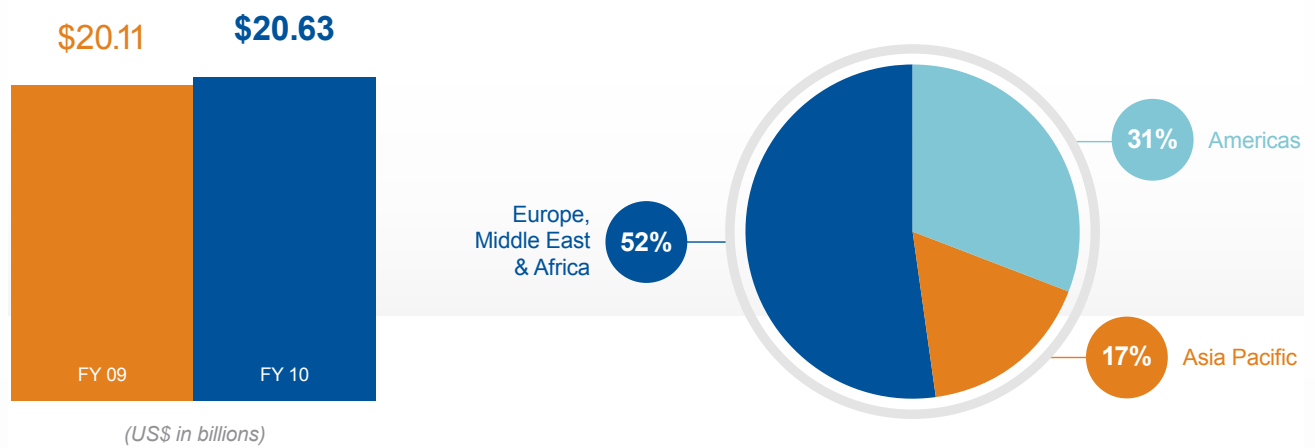
Combined revenues for KPMG member firms increased to US\$20.63 billion for the fiscal year ended September 30, 2010, versus US\$20.11 billion for the prior fiscal year.

KPMG's combined revenues for fiscal year 2010 represent growth of 2.6 percent in U.S. dollars and growth of 0.1 percent in local currency terms.

The financial information set forth represents combined information of the separate KPMG member firms that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any revenue.

Revenues

Global Total Revenues

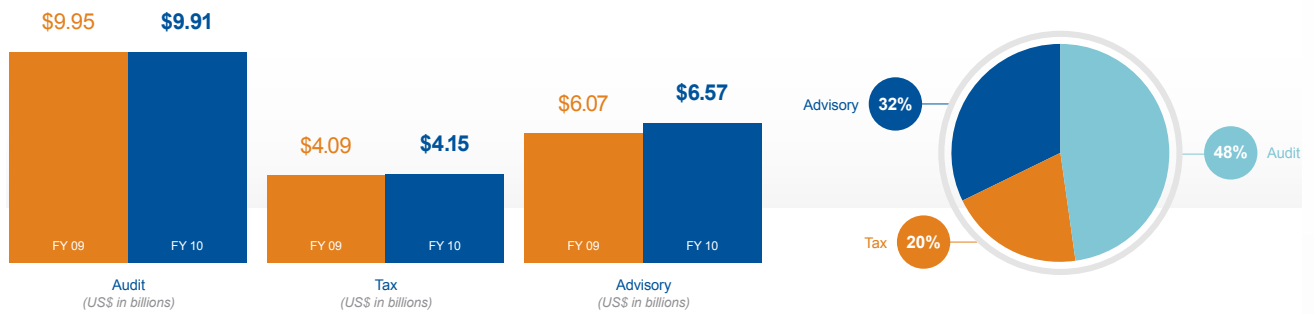


Revenues

Global Revenues by Function

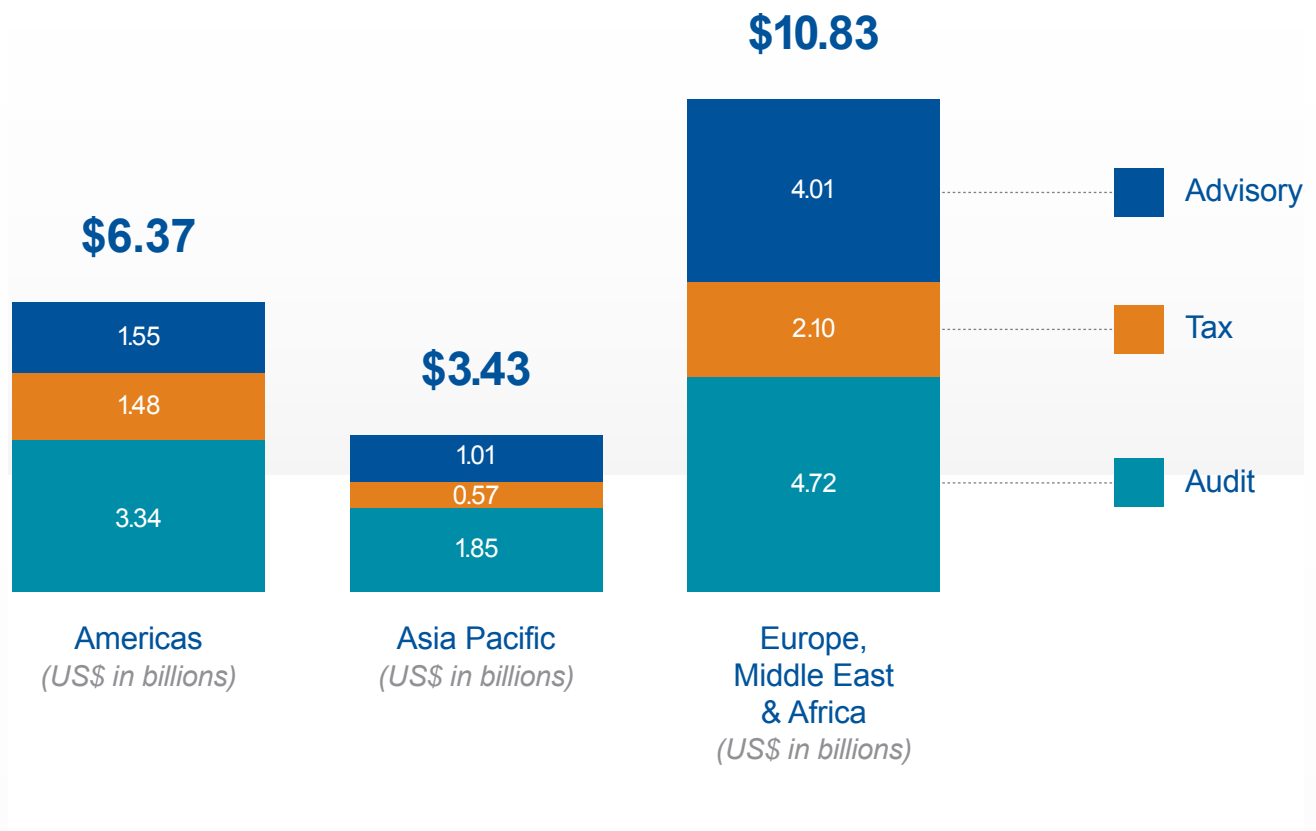
Global Revenues by Function

Fiscal Year 2010



Revenues

Global Revenues by Function & Region



Revenues

Global Revenues by Industry

Line of Business	FY 10	FY 09	Local Growth	US \$ Growth
Financial Services	5.48	5.04	5.7%	8.7%
Industrial Markets	4.91	4.94	(3.9%)	(0.7%)
Consumer Markets	2.51	2.60	(6.2%)	(3.5%)
Information, Communications & Entertainment	3.60	3.55	(1.7%)	1.4%
Infrastructure, Government & Healthcare	4.13	3.98	0.6%	3.7%
Total	20.63	20.11	0.1%	2.6%

(US\$ in billions)

People

Personnel for Fiscal Year Ended Sept. 30, 2010

	Current	Prior	
Partners	7,921	7,953	(0.4%)
Professionals	105,147	106,973	(1.7%)
Administration	24,767	25,309	(2.1%)
Total	137,835	140,235	(1.7%)

People

Fiscal Year 2010

Current	Partners	Prof. Staff	Admin. Staff	Total
Americas	2,633	25,740	7,686	36,059
Asia Pacific	1,561	24,982	4,496	31,039
Europe, Middle East & Africa	3,727	54,425	12,585	70,737
Total	7,921	105,147	24,767	137,835

People

Fiscal Year 2009

Prior Year	Partners	Prof. Staff	Admin. Staff	Total
Americas	2,711	26,633	8,174	37,518
Asia Pacific	1,514	24,978	4,440	30,932
Europe, Middle East & Africa	3,728	55,362	12,695	71,785
Total	7,953	106,973	25,309	140,235

People

% Increase

	Partners	Prof. Staff	Admin. Staff	Total
Americas	(2.9%)	(3.4%)	(6.0%)	(3.9%)
Asia Pacific	3.1%	0.0%	1.3%	0.3%
Europe, Middle East & Africa	0.0%	(1.7%)	(0.9%)	(1.5%)
Total	(0.4%)	(1.7%)	(2.1%)	(1.7%)

Leadership

Members of the global executive team

Timothy P. Flynn

Chairman, KPMG International

John B. Veihmeyer

Chairman, Americas

Carlson Tong

Chairman, ASPAC

John G. Griffith-Jones

Chairman, EMA

Joachim Schindler

Global Head of Audit

Loughlin G. Hickey

Global Head of Tax

Alan A. Buckle

Global Head of Advisory

Rachel Campbell

Global Head of People

Larry A. Leva

Global Vice Chair—Quality and Risk Management

Michael J. Andrew

Senior Partner, Australia

William B. Thomas

Senior Partner, Canada

Jean-Luc Decornoy

Senior Partner, France

Rolf Nonnenmacher

Senior Partner, Germany

Terence O'Rourke

Senior Partner, Ireland

Hideyo Uchiyama

Senior Partner, Japan

Herman H. J. Dijkhuizen

Senior Partner, Netherlands

Brian M. Ambrose

Global Chief Operating Officer

Shaun T. Kelly

Chief Operating Officer, Americas

Yap Chee Meng

Chief Operating Officer, ASPAC

Jean-Paul Thill

Chief Executive Officer, EMA

Leadership

Members of the global board

Timothy P. Flynn

Chairman, KPMG International

John B. Veihmeyer

Chairman, Americas

Carlson Tong

Chairman, ASPAC

John G. Griffith-Jones

Chairman, EMA

R. Moses Kgosana

Africa

Michael J. Andrew

Australia

Pedro Melo

Brazil

William B. Thomas

Canada

Frantisek Dostalek

Central and Eastern Europe

Andrew Cranston

Commonwealth of Independent States

Jesper Koefoed

Denmark

Jean-Luc Decornoy

France

Rolf Nonnenmacher

Germany

Russell Parera

India

Terence O'Rourke

Ireland

Domenico Fumagalli

Italy

Hideyo Uchiyama

Japan

Young Gak (Ken) Yun

Republic of Korea

Guillermo Garcia-Naranjo

Mexico

Herman H. J. Dijkhuizen

Netherlands

Sai Choy Tham

Singapore

John M. Scott

Spain

Helene Willberg

Sweden

Hubert Achermann

Switzerland

Leadership

Other global leaders

Bob Armacost

Global Head of Knowledge Management

Stuart Campbell

Chief Information Officer

Michael Hastings

Global Head of Citizenship and Diversity

Finn Meyer

Global Vice Chair

Helen Spice

Chief Financial Officer

Tom Wethered

International General Counsel

Countries

Countries/territories in which KPMG member firms operate

Americas

Argentina
Brazil
Canada
Chile
Colombia
Costa Rica
Dominican Republic
Ecuador
El Salvador
Guatemala
Honduras
Israel
Mexico
Nicaragua
Panama
Peru
United States of America
Uruguay
Venezuela

ASPAC

Australia
Brunei Darussalam
Cambodia
China
Cook Islands
Fiji Islands
Indonesia
Japan
Korea (Republic of)
Laos
Malaysia
New Zealand
Papua New Guinea
Philippines
Singapore
Taiwan
Thailand
Vietnam

Countries

Countries/territories in which KPMG member firms operate

Europe/Middle East/Africa

Algeria
 Angola
 Austria
 Cameroon
 Congo (Democratic Republic of the)
 Congo (Republic of the)
 Cyprus
 Denmark
 Finland
 France
 French Polynesia
 Greece
 Iceland
 India
 Ireland
 Italy
 Ivory Coast
 Monaco
 Morocco
 New Caledonia
 Norway
 Portugal
 Senegal
 Sweden
 Togo
 Tunisia

KPMG EUROPE LLP

Andorra⁺
 Armenia⁺
 Azerbaijan
 Belgium^{+∞}
 Georgia
 Germany[#]
 Kazakhstan
 Kyrgyzstan
 Liechtenstein
 Luxembourg

Netherlands*
 Russia⁺
 Spain[†]
 Switzerland
 Turkey^{††}
 Ukraine⁺
 United Kingdom

AFRICA SUBREGION

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

CENTRAL AND EASTERN EUROPE SUBREGION

Albania
 Belarus
 Bosnia and Herzegovina
 Bulgaria
 Croatia
 Czech Republic
 Estonia
 Hungary
 Latvia
 Lithuania
 Macedonia

Countries

Countries/territories in which KPMG member firms operate

Moldova
Montenegro
Poland
Romania
Serbia
Slovakia
Slovenia

MIDDLE EAST AND SOUTH ASIA SUBREGION

Afghanistan
Bahrain
Bangladesh
Egypt
Jordan
Kuwait
Lebanon
Maldives
Oman
Pakistan
Qatar
Saudi Arabia
Sri Lanka
Syria
United Arab Emirates
Yemen

THE OFFSHORE GROUP SUBREGION

Anguilla
Antigua and Barbuda
Aruba
Bahamas
Barbados
Bermuda
British Virgin Islands
Cayman Islands
Curaçao[&]
Gibraltar
Guernsey
Isle of Man
Jamaica
Jersey
Malta
St. Lucia
St. Maarten[&]
St. Vincent and the Grenadines
Surinam
Trinidad and Tobago
Turks and Caicos Islands

+ Certain entities in these jurisdictions are not wholly owned by KPMG Europe LLP.

∞ KPMG Europe LLP has no legal ownership of the Belgian KPMG Audit practice but has a call option.

KPMG Rechtsanwalts-gesellschaft mbH, which provides legal services in Germany, is owned by certain members of the Board of KPMG Wirtschaftsprüfungsgesellschaft.

* Netherlands does not include the KPMG Tax practice in that country.

† The Audit practice in Spain, KPMG Auditores S.L., became part of KPMG Europe LLP on 1 December 2010.

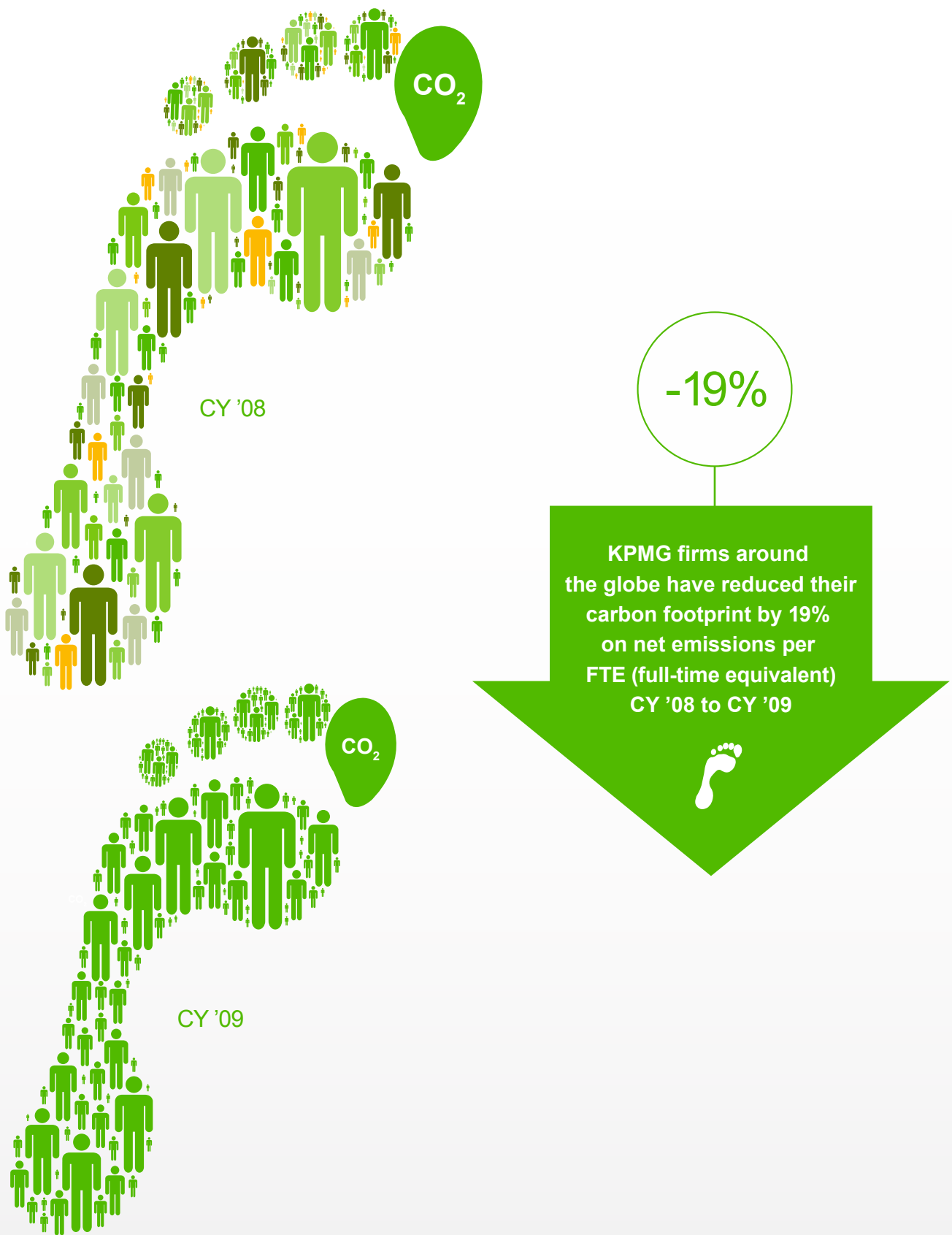
‡ KPMG Europe LLP has no legal ownership of some of the entities that are part of the Turkish firm but has a call option. KPMG İş ve Yönetim Danışmanlığı A.Ş. is fully owned by KPMG Europe LLP.

& Political changes in respect of the Netherlands Antilles after 1 October 2010 have been reflected on this list.

Global mobility assignments in Fiscal Year 2010

	Staff	Management	Partners	Total
Audit	633	383	67	1,083
Tax	178	169	15	362
Advisory	198	328	26	552
Infrastructure	38	108	10	156
Total	1,047	988	118	2,153

Global Green



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