



News

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KPMG 2007 Global Revenues Grow 17.4% to US\$19.8 billion, the Fastest Growth among the Big Four

KPMG in Hungary in the Forefront with its 33 percent Revenue Growth

KPMG, the global network of professional service firms providing Audit, Tax and Advisory services, today announced that member firm combined revenues increased to US\$19.8 billion for the fiscal year ending September 30, 2007, compared to US\$16.9 billion for the prior fiscal year, reflecting double-digit growth across all of KPMG's service lines. KPMG's combined revenues represent growth of 17.4 percent in U.S. dollars and growth of 12.7 percent in local currency terms. In Hungary, KPMG achieved revenues of HUF 14.01 billion, growing 33 percent in fiscal year ending 30 September 2007, while KPMG's regional practice (KPMG in Central and Eastern Europe) recorded revenues of EUR 300 million, growing 24 percent.

“The globalization of the world's economy, the dynamic regulatory environment and the market pressure on companies to transform themselves all contributed to increased demand for KPMG's services worldwide. These record results are the best growth rates among the Big Four” said Timothy P. Flynn, Chairman of KPMG International.¹

Service Line Revenues

Revenues in 2007 were strong across all three of KPMG's core businesses.

For **Audit**, where growth was particularly strong in Asia Pacific and among the emerging economies, revenues increased 13.3 percent to US\$9.39 billion.

Combined revenues for **Tax services** grew 20 percent to US\$3.99 billion, on the basis of strong performance in all regions globally. An ever increasing focus on risk and controls around tax, coupled with a more rigorous regulatory environment, increased the demand from multinational clients for such services as international tax, transfer pricing and trade customs assistance services.

Advisory services experienced growth in all regions and grew fastest at 22.2 percent to US\$6.43 billion, fuelled by M&A activity, heightened regulations and demand for performance improvement. We saw growth in all service lines; internal audit and regulatory services, forensic services, transaction services, information technology advisory services, financial risk management services, corporate finance, restructuring services, accounting advisory services and business performance services.

Regional trends

The Asia-Pacific region grew the fastest at more than 21 percent, with both Japan and China showing particularly strong growth. For the EMA (Europe, Middle East and Africa) region combined member firm revenues increased 20.9 percent to US\$10.67 billion. In EMA, KPMG member firms in the UK, Germany and Switzerland merged to form KPMG Europe LLP, which now has a combined total of more than 18,000 partners and staff serving clients. Across the EMA region, results were particularly strong in Central and Eastern Europe (revenues of EUR 300 million, a growth of 24 percent). Revenues in the Americas, representing a third, grew 10.6 per cent.

KPMG in Hungary

KPMG in Hungary earlier reported having achieved revenues of HUF 14.01 billion, growing 33 percent in the fiscal year ending 30 September 2007. As a result, KPMG has doubled its 2003 revenues in just four years. The firm recorded strong performance and double digit growth across audit, tax and advisory services, and is expanding its staff accordingly, today employing over 530 people.

“This growth proves that we have focused on the right industries and services. It also implies that in many cases, we have been the fastest to recognize client needs and market trends and have adjusted our service offering accordingly,” Robert Stöllinger, Senior Partner at KPMG in Hungary commented.

He added that, tax and advisory revenues had reached 50 percent of total revenues, while Tax revenues tripled in only four years.

“Growth has been driven by audit, tax and advisory work for the financial services sector and continued strong demand for advisory services in the energy, property and tourism sectors, while audit also benefited from the continuing rapid expansion in shared service centers,” Robert Stöllinger said.

He added that eight out of the firm’s top ten clients were local, rather than referred from the KPMG network. “This underlines how successful we have been in building the KPMG brand and business in Hungary, and strengthening our market position and reputation,” he commented.

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Notes to editors:

- ¹ “KPMG reported the strongest growth of the Big Four professional services companies in the past year.... KPMG reported global revenues of \$19.8bn, up 12.7 per cent in local currency terms. This compared with a 12.6 per cent increase to \$23.1bn at Deloitte, 11 per cent to \$21.1bn at Ernst & Young while PwC grew 10.5 per cent to \$25.2bn.” (**KPMG tops Big Four in global growth chart**, in Financial Times, November 29, 2007)
- The financial information set forth on these pages represents combined – not consolidated – information of the separate KPMG firms that perform professional services for clients and is combined here solely for presentation purposes. KPMG International performs no professional services for clients nor, concomitantly, generates any revenue.

Combined revenues of KPMG member firms by region (U.S. \$ billion):

KPMG regions	2007	2006	Growth in U.S. Dollars (%)
Americas	6.59	5.96	10.6%
Asia Pacific	2.55	2.10	21.6%
Europe, Middle East, Africa, South Asia	10.67	8.82	20.9%
Total	19.81	16.88	17.4%

Combined revenues of KPMG member firms by service line (U.S. \$ billion):

KPMG services	2007	2006	Growth in U.S. Dollars (%)
Audit	9.39	8.29	13.3%
Tax	3.99	3.33	20.0%
Advisory	6.43	5.26	22.2%
Total	19.81	16.88	17.4%

Staff:

Staff	2007	2006	Growth
Partners	7,160	6,894	3.9%
Professionals	92,924	84,041	10.6%
Administration	23,239	21,860	6.3%
Total	123,323	112,795	9.3%

- **KPMG in CEE¹** includes Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia.
- **KPMG in Hungary – legal structure and services**

KPMG Hungary Ltd.

Audit

KPMG Advisory Ltd.

Tax Services
Financial Advisory Services incl.
Corporate Finance
Restructuring Services
Transaction Services
Forensic Services
Property Services

KBA Education Ltd.

KPMG-BME Academy

IT Advisory, incl. Information Risk Management
Business Advisory Services
Internal Audit Services

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We operate in 145 countries and have 123,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss cooperative. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

KPMG in Hungary employs 530 people - KPMG Hungary Ltd. offers audit services, while KPMG Advisory Ltd. offers comprehensive advisory services to Hungarian and multinational companies, government bodies and foreign investors.

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