

Global review

2014

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EY is committed to doing its part in building a better working world.

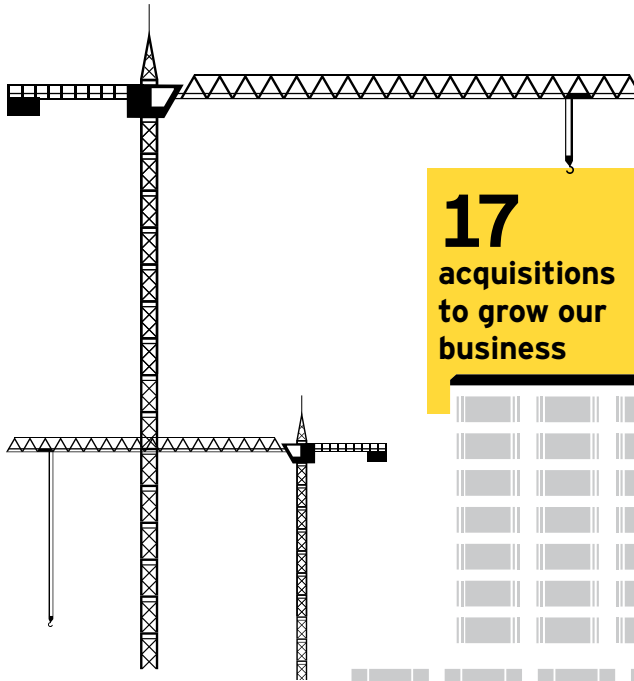
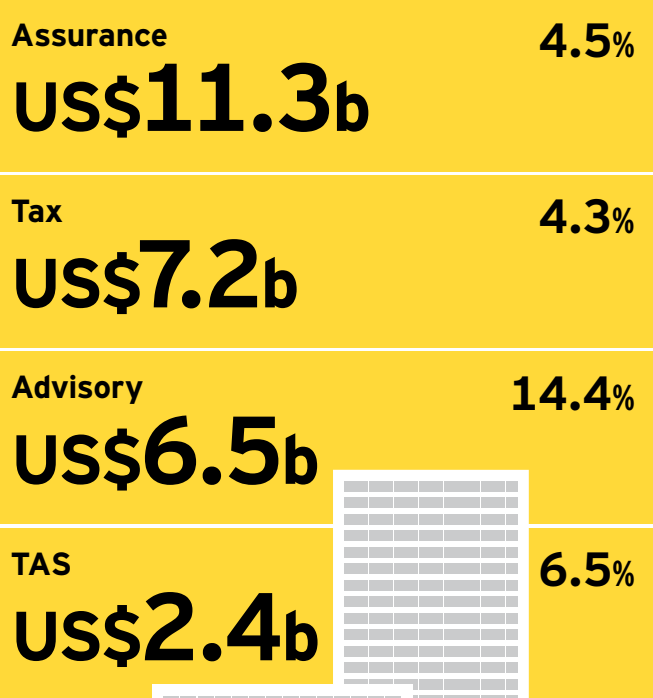
The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over.

A better working world also develops talent in all its forms and encourages collaboration. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world.

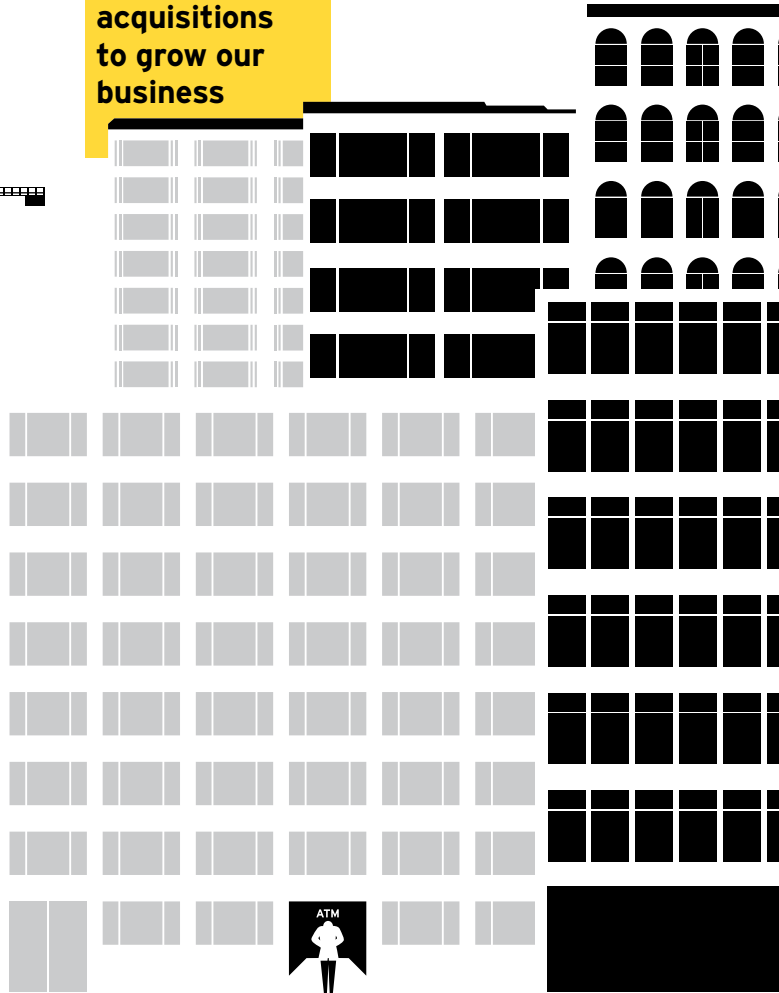
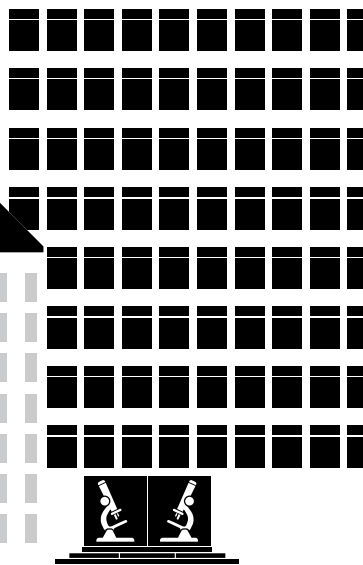
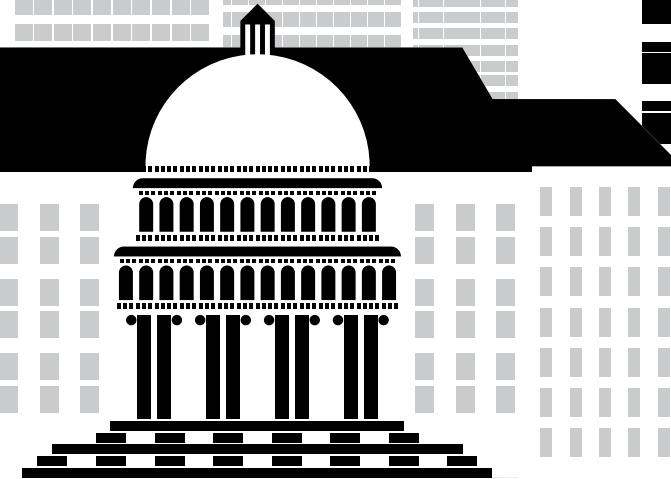
We know that although we have a role to play, building a better working world requires extensive collaboration. We engage with the world. We use our global reach and our relationships with clients, governments and not-for-profit organizations to create positive change.

Service line growth

New acquisitions



17 acquisitions to grow our business



Government and public sector

Life sciences

Banking and capital markets

Strongest performing sectors

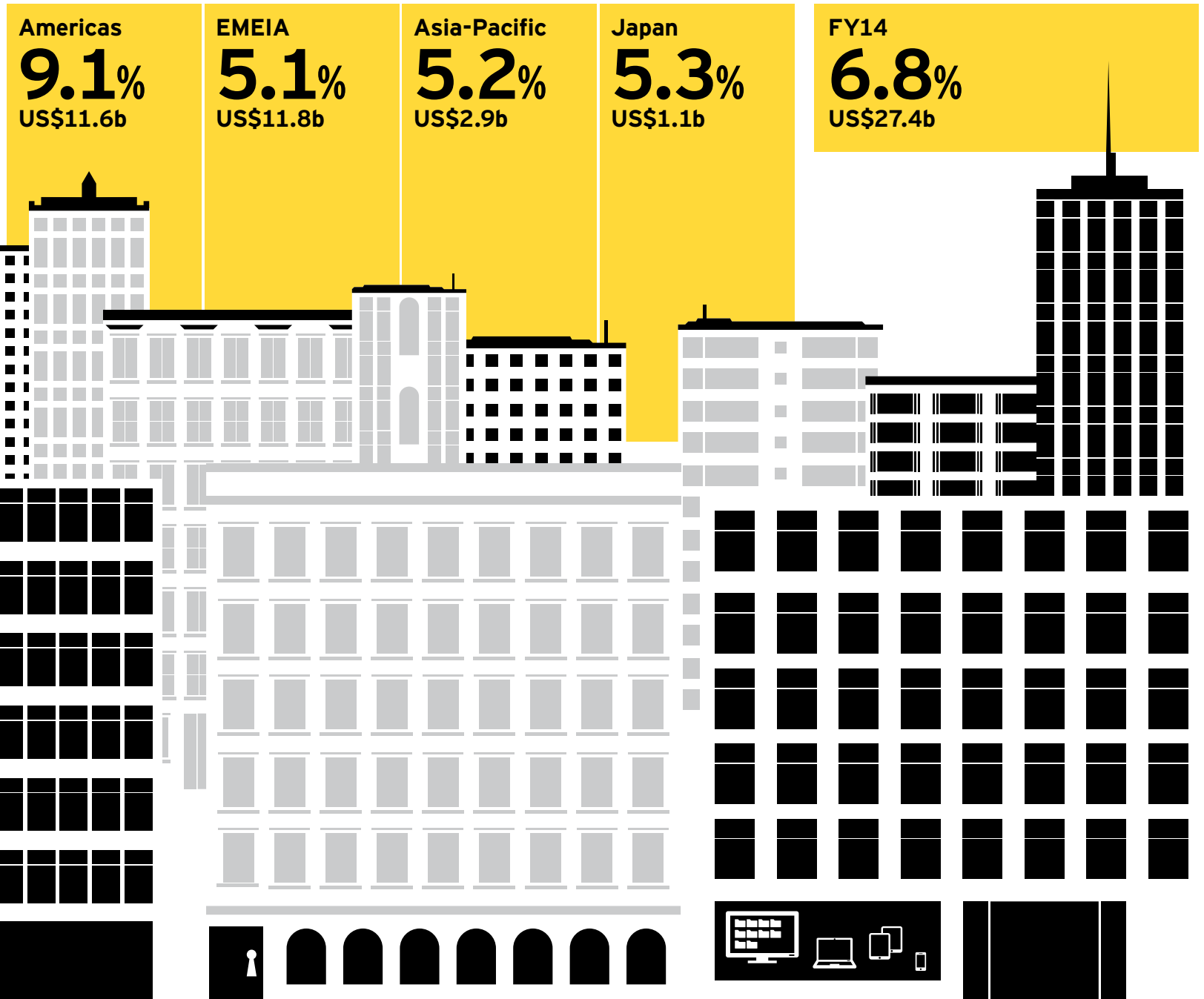
26% of newly promoted partners are women



Women at EY

Growth in our Areas

EY global revenue



Private equity

Technology

190,000

With 190,000 people worldwide, EY has never been stronger

All time high

60,000+

EY is determined to attract the best people

New hires



EY is recognized as the most attractive destination for business graduates in professional services

Destination



16

Consecutive years on FORTUNE'S Best Companies to Work For list

Winner



A year of change

Change is inescapable. Whether you view change as good or bad, it's how you respond to it that matters.

You can see this change in the global economy, which is constantly shifting. While there are some bright spots, the financial crisis continues to cast a long shadow, and the recovery has been far from uniform. You can see this change in regulation, where government is taking a bigger role in business and people's lives. Regulatory change is reshaping

industries and increasing the complexity of operating across borders. We've seen this change in the accounting profession with the passage of the EU audit legislation, which will have a tremendous impact on many of our clients.

And you can see this change in technology, where more and more devices are connected to the internet and nearly everything we do generates vast amounts of data that can be mined for insight. The businesses that can use that data effectively are becoming more efficient, innovative and responsive to the market.

In this environment of great change we

believe that our purpose – *Building a better working world* – is particularly relevant and helps ensure that change is positive. Our purpose is present in everything we do, from our services that build trust and confidence in the capital markets to our efforts to develop outstanding leaders. It gives us energy and inspires our people to strive to achieve the best. Our commitment to building a better working world encompasses our people, our clients and the broader world.

For our people, we want the benefit of working at EY to last a lifetime. We want to help them reach their personal and professional goals. And we support them

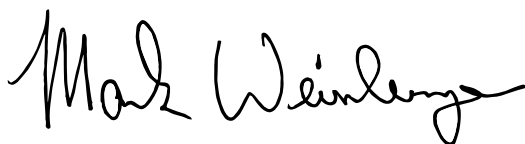
by investing in their learning and development, providing a flexible working environment and the opportunity to work in diverse, high-performing teams. In the last year, our firms hired more than 60,000 people and welcomed our largest-ever group of new partners. This reflects the strength of the people we have coming through the ranks at EY and our confidence in the future growth of our organization.

For our clients, who depend on us to bring them insight, technical excellence is the minimum. At EY, we aim much higher – we’re committed to exceptional client service delivered by the highest-performing teams. By consistently providing it, we help our clients improve their businesses and realize sustainable economic growth.

For the broader world, we believe that in a better working world trust increases, capital flows smoothly, investors make informed decisions, businesses grow sustainably, employment rises, consumers spend, governments invest in their citizens and communities flourish. To play our part we are dedicated to delivering high-quality audits with objectivity and professional skepticism, as well as helping our clients to meet their complex tax obligations, improve their performance and better manage their capital.

In a changing world you need to adapt or be left behind. At EY, we’re adapting, and this year we have been through remarkable changes ourselves. We’re continuing to strengthen and better integrate our global organization. We’re investing in our future, including US\$1.2b in technology, US\$400m in our audit transformation program to enhance the quality and value of our audits, and US\$500m in analytics.

We have a long history that stretches back more than 150 years, and during that time we’ve seen a lot of change. And what has defined our organization is our ability to adapt, while remaining true to ourselves, our values and our purpose. This is what will continue to define us. ■



Mark A. Weinberger
EY Global Chairman and CEO

“For our clients, who depend on us to bring them insight, technical excellence is the minimum. At EY, we promise much more – we’re committed to providing exceptional client service.”

“In a changing world you need to adapt or be left behind. At EY, we’re adapting, and this year we have been through remarkable changes ourselves.”



Watch
Mark talks about how EY is responding to change at:
ey.com/globalreview2014

Follow Mark on Twitter:
[@Mark_Weinberger](https://twitter.com/Mark_Weinberger)

60,000+

In the last year, we've hired more than 60,000 people.

US\$1.2b

We're investing in our future including US\$1.2b in technology.

US\$400m

We're investing US\$400m in our audit transformation program to enhance the quality and value of our audits.

US\$500m

We're investing US\$500m in analytics.

Q&A

Q What has changed in the business environment in the last year?

A While we've seen some improvements, uncertainty still prevails in many places, and the global economy remains tough to call. While there are some bright spots – like the US and the UK, which are showing signs of strength – the effects of the financial crisis are still being felt in some regions. Much of the world has yet to return to the growth levels we saw before the financial crisis.

There are a couple of key trends that have emerged in the last year. The first one is in the economic sphere and is the divergence in directions among the four big central banks. Since the financial crisis, central banks have more or less been singing from the same hymn sheets, but now we're starting to see policies moving in different directions. This makes our clients' investment decisions that much more complex and adds uncertainty.

Moving to the political sphere an important trend this year has been the rise of nationalism. Global economic conditions have provided the opportunity for nationalistic political parties, which advocate protectionist policies, to blame trade and foreign workers for continued slow economic recovery.

Ultimately, the rise of nationalism could have major effects on trade, investment, tax policy, and on mergers and acquisitions.

Q What has had the biggest impact on EY in the last year?

A From an external perspective, regulatory change continues to play a major role. It is affecting the needs of our clients, as well as how we serve them. For example, adoption this past year of final European Union audit legislation will have a far reaching impact on our profession inside and outside of the EU.

We remain committed to supporting our clients as they work through the implications of the legislation. Among other provisions for Public Interest Entities, the legislation will impose mandatory audit firm rotation, as well as significant restrictions on the delivery of non-audit services by their auditor. We are particularly concerned about the impact that could occur from a patchwork of different laws due to the large number of options the legislation gives EU member states. These options could add significant costs and complexity over time for us and our clients.

Regulatory change can have a positive effect as well. EY supports initiatives to enhance the auditor's report. We believe expanded auditor reporting will not only help respond to investor demands, but will also help increase public confidence in financial reporting and governance. Despite some practical challenges, we believe there should be increased transparency through the auditor's report.

It is clear that the regulatory environment for the audit profession will continue to be fluid and volatile. We will continue to adapt while maintaining a focus on delivering high-quality audits through a multidisciplinary model. We are investing significant time, resources and attention to audit quality.

I am confident that EY and the audit profession overall will continue to serve the public interest and play an important role in continuing to bring confidence to the capital markets.



Mark A. Weinberger
EY Global Chairman and CEO

Q What distinguishes EY from other professional services organizations?

A At EY there are three things that we believe set us apart: our purpose, *building a better working world*, our global integration and our culture.

A couple of years ago, when we were drawing up Vision 2020, which is our plan to be the leading professional services organization by 2020, we knew purpose was the most important thing to get right. We knew that our clients and our colleagues wanted to understand our role in the world and get beyond what we do to why we do it. *Building a better working world* is the meaning behind the daily activities of our 190,000 people in member firms in more than 150 countries.

The second thing that sets us apart is how globally integrated we are. Most professional services organizations are a loose collection of national practices. But today that's outdated and not in keeping with what clients need. At EY we understand that. And over the years, we've realigned our organization into a more integrated global one – with global leadership and a global strategy rooted in our multidisciplinary model.

The third thing is our culture. We know that in a competitive environment models and services can be replicated – but culture is unique. At the heart of Vision 2020 is a culture of high-performance teaming. That means having the very best people and then having them team across the world better than anyone else to deliver exceptional client service.

And that team has to be diverse and it has to be inclusive. That starts by setting the right tone from the top. We've added several new individuals to our Global Executive in recent months and these appointments have increased the number of women and have added individuals from the emerging markets.

It is important to note that underpinning all that we do are our values: We are people who demonstrate integrity, respect and teaming; people with energy, enthusiasm and the courage to lead; people who build relationships based on doing the right thing.

"Building a better working world is the meaning behind the daily activities of our 190,000 people in member firms in more than 150 countries."

Our values

Our values define who we are as an organization and are the bedrock of our culture. They influence the way we work with each other, the way we serve our clients and engage with our communities.

People who demonstrate integrity, respect and teaming.

People with energy, enthusiasm and the courage to lead.

People who build relationships based on doing the right thing.

Q You've spoken in the past about the investments EY is making in the business. Where will you invest in the coming years?

A We've been focused on realizing operational efficiencies to help member firms generate earnings and investment capacity. This is allowing us to invest in the areas that are fundamental to EY and that will drive growth.

Clearly technology is an important growth driver and we're making a number of significant investments here. We're spending US\$1.2b in technology to improve our IT infrastructure and to introduce technology designed to transform the way we do business with our clients. Our priority has been on stabilizing and scaling our infrastructure through foundational improvements. These improvements have resulted in a network that is faster and more secure and stable. We are also increasing investment in service-line tools and core business systems.

We're investing US\$500m in our analytics expertise, recognizing the increasing value our clients place on data as a business asset. This investment includes: deploying technologies, systems and processes; acquiring talent to complement EY's existing 3,500 analytics professionals; expanding EY's analytics solution and IP development team; and building on 14 prior acquisitions in the analytics space with additional acquisitions and alliances.

We're continuing to invest in the emerging markets, despite some recent volatility, because they are an important and increasing component of our business.

Each of our service lines – Assurance, Tax, Advisory and Transaction Advisory Services – has a detailed investment plan. In Assurance that includes a US\$400m investment in state of the art audit tools and processes as part of our Audit Transformation initiative. This is to deliver on our goal to provide the highest-quality audits in the profession.

Audit Transformation comprises four key initiatives: EY Canvas, a new modern audit tool; an analytics suite of tools; a new, modern research tool; and solutions, methodologies and tools for the private middle market. Investment in audit has been supported by investments in our people, reflecting the importance of audit to our business model now and in the future.

Q EY investments have also included a number of acquisitions. Can you speak about your acquisition strategy?

A Acquisitions and combinations with other firms are an important part of our Vision 2020 growth plans across the broad range of services we offer, and EY firms completed 17 acquisitions last year. Acquisitions take time and focus. We've been building out a development office so that we have a disciplined approach in place. We're looking for acquisitions that are a good fit with our culture, strategy and people. We're focused on opportunities that are closely related to our traditional services and give careful consideration to our ability to protect our independence and brand. For example, one of our biggest acquisitions this year was KPMG Denmark.

We're very excited to have joined forces with The Parthenon Group, a global strategy consultancy with offices in Boston, London, Mumbai, San Francisco, Shanghai and Singapore. Parthenon will be part of our Transaction Advisory Services (TAS) practices and will help us work with clients to develop investment strategies across the capital life cycle.

In the US we acquired Thomson Reuters' Trust Outsourcing business, which will help us expand our tax services to the financial services and legal sectors.

And in Advisory, acquisitions play a key role in our plan to grow our strategy consulting practices to more than 2,500 professionals by 2020. Our Global Advisory Strategy Group helps clients in three areas – Innovation and Digital Enterprise Strategy, Strategic Transformation, and Industry and Market Strategy.

Q What's in store for next year?

A We're on a journey to Vision 2020. So, while we've made a lot of progress we still have a long way to go.

We've done a lot of work on mobility – offering our people the chance to take on new roles in different locations to build their skills and meet client needs – but I believe we can do more around both needs-based and developmental mobility. So we've increased our investment in mobility and we're looking at how we can improve our processes around relocating our people.

Another area where we're increasing our investment is in our industry sectors. We're hiring more people with specific sector expertise and will continue to build sector knowledge into all of our training and development. Also, we will continue to make focused investments to build out sector capabilities in the emerging markets.

And we will continue to expand and enhance our service offerings where permitted by local regulations. For example, in Tax our Law offerings are undergoing rapid expansion. Where permitted, EY lawyers work in an integrated manner with EY professionals from Tax and other service lines to deliver informed, professional guidance on the increasingly complex tax, regulatory and commercial laws of the global economy.

“Building a better working world is part of everything we do. We believe that everything we do – every audit, every tax return, every advisory opportunity, every interaction with a client or colleague – should make the working world better than it was before.”

Q It's been a year now since you unveiled your purpose. Can you share a recent example of how EY is building a better working world?

A *Building a better working world* is part of everything we do. We believe that every audit, every tax return, every advisory opportunity, every interaction with a client or colleague – should make the working world better than it was before.

Let me give you a couple of examples. Getting people home from work safely every day is a simple goal that takes a whole team to achieve. Our UK and Ireland firms' Advisory teams are working with Network Rail to achieve that goal through their “Offering Rail Better Information Services” program. The purpose of the program is to help Network Rail understand their US\$63b asset base; use information to make better decisions about whether to replace or renew assets; and undertake work more safely and efficiently.

The World Bank Group has a goal of ending extreme poverty by 2030 and boosting shared prosperity. EY has worked with the World Bank Group in 58 countries. From helping create services aimed at job creation to supporting programs on infrastructure development to those that address climate change, ours is a relationship rooted in deep collaboration, shared priorities and a mutual passion for lifting people out of poverty.

Inherent in our purpose is also how we can use our intellectual capital to drive social change. Youth unemployment is firmly on the government and business agendas. And it's on our agenda at EY. The scope of the issue is huge. We don't believe that we have all the answers, but at EY we are committed to being part of the solution and have joined the Alliance for YOUth as well as the Clinton Global Initiative. These initiatives are helping young people to access higher education, gain work experience and find employment – and fulfilling our purpose of *building a better working world*. ■

1

Assurance

Our Assurance practices serve the public interest by providing assurance to investors and others regarding companies' financial statements, and by providing robust and clear perspectives to audit committees as well as through forensic, sustainability and financial accounting advisory services that provide information for stakeholders.

10

Advisory

We work with large enterprises and government institutions on how to best protect their business and improve performance in order to enable sustainable growth.

12

Tax

We help our clients understand and manage their tax compliance and reporting obligations responsibly and proactively.

11

Transaction Advisory Services

We help businesses strategically raise, invest, preserve and optimize capital, so that they can continue to build and maintain investor confidence and seize acquisition opportunities.

13

Our services

Assurance

Our services

Our Assurance practices serve the public interest by providing assurance to investors and others regarding companies' financial statements, and by providing robust and clear perspectives to audit committees as well as through forensic, sustainability and financial accounting advisory services that provide information for stakeholders.

In the process we help promote greater trust and confidence in businesses, capital markets and economies.

Central to everything we do in Assurance is our focus on sustainable audit quality and professional skepticism.

One of the ways we seek to continue to achieve and improve both is through the increased understanding of complex challenges that comes from our integrated, multi-service-line approach. Working with EY colleagues from Tax, Advisory and TAS provides important knowledge and experience to our audit teams and enhances professional skepticism and quality.

Our multimillion dollar, multi-year Audit Transformation program is a key initiative to help us deliver against our primary aim of providing the highest-quality audits in the profession.

As part of Audit Transformation we are launching a new audit tool. Benefits of the tool include real-time updates to quickly assess risks and see the status of engagements and better project manage the complexities of an audit. Deployment of our new tool is initially limited to select engagements, with the aim of having it available for most engagements in FY15.

We are also updating our research tool, a one-stop site for accounting and auditing technical content. This will better enable our professionals to find relevant EY and external technical guidance.

We continue to make strong progress on our focus on private-company audits. For example, we have developed a streamlined audit methodology so businesses in this segment receive a more tailored approach.

In order to provide even more relevant business insights to companies, we have also invested in an innovative suite of analytics tools and techniques.

By mapping our strategy against the needs of our stakeholders and clients, we are pleased to report that our Assurance practices have once again achieved solid growth, including double-digit growth in our Fraud Investigation & Dispute Services (FIDS) and Financial Accounting Advisory Services (FAAS) in particular.

We achieved growth in spite of increased regulatory change, including the adoption of final European Union audit legislation, and we continue to support our clients in working through the implications of this and other legislation. ■



Felice Persico
EY Global Vice Chair – Assurance

69,547
Assurance professionals

Sub-service lines:

Climate Change and Sustainability Services

Financial Accounting Advisory Services

Financial Statement Audit

Fraud Investigation & Dispute Services

US\$11,277m
FY14 revenue

Tax

Our services

In Tax we help build a better working world by advising our clients on meeting their tax obligations and resolving tax controversy. We also foster open dialogue with tax administrators, government officials and other stakeholders about tax issues, the impact of policy decisions, and the contributions that companies and individuals make to society by paying the correct amount of a variety of taxes.

Significant regulatory developments, such as the Organisation for Economic Co-operation and Development's (OECD) Action Plan on Base Erosion and Profit Shifting (BEPS), and wider scrutiny of tax planning mean that clients increasingly want end-to-end tax and reporting services that drive quality, manage risk and improve efficiency and value.

To meet that need, this year we combined our Global Compliance and Reporting service with Accounting Compliance and Reporting. Uniting these offerings better enables us to serve clients across their entire life cycle – from “record to report” – helping them to fulfill their compliance and reporting requirements in an increasingly complex environment for tax regulation and accounting standards.

We also evolved existing joint service offerings to reflect the changing needs of our clients. Globalization of business is transforming company supply chains, so we teamed with Advisory to bring together our supply chain and tax competencies. By working across service lines, we help to improve companies' operating model effectiveness.

This emphasis on greater teaming is reflected in the Global Tax Executive Committee, which is made up of our leaders from around the world, executing one strategy in support of Vision 2020.

We continue to invest in being the world's most globally integrated tax business. For example, we have increased the mobility of our tax professionals into our emerging market practices. We have also grown the resources in our Global Tax Desks, our international network of experienced tax professionals who provide real-time, on-the-ground advice.

A key focus this year has been on developing new services to meet changing market demands. Our Tax Performance Advisory service helps clients improve the effectiveness of their tax function. Our expanding Law practices have doubled the number of countries where we have law capabilities that strengthen and enhance our other tax services. And our Human Resources Performance Improvement services support the effectiveness and efficiency of clients' HR function and the HR team. New services are developed through strategic acquisitions as well: the acquisition of Thomson Reuters' Trust Outsourcing business in the US will enable us to expand our service offerings to financial services organizations and law firms.

Building the best tax business requires the best people working together in high-performing teams. We do everything we can to attract high-quality talent and provide the right learning and development opportunities. Exceptional learning, challenging experiences and strong coaching develop world-class tax professionals. We also invest in identifying our future leaders, including the Young Tax Professional of the Year, to demonstrate the value of a career in Tax. The growth of our business has allowed our firms to admit 183 new partners and recruit more than 11,000 professionals, a record hiring class. This growth is only the beginning as we continue to strengthen the brand and reputation of our tax businesses. ■

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ey.com/tax



Jay Nibbe
EY Global Vice Chair – Tax

38,170
Tax professionals

Sub-service lines:

Business Tax Services

Global Compliance and Reporting

Human Capital

Indirect Tax

International Tax Services

Transaction Tax

US\$7,224m
FY14 revenue

Advisory

Our services

Our 35,000 Advisory professionals help clients manage risk and improve performance to achieve measurable and sustainable results.

From strategy formulation to purpose-driven transformation, we help corporates and governments anticipate and manage increasingly complex issues using the latest technologies. These issues include cybersecurity, analytics, and digital and disruptive technologies.

We continue to grow, innovate and acquire the services that best meet the needs of our clients. We are focused on providing problem-solving capability and issues-based consulting skills in areas such as Innovation and Digital Enterprise Strategy, Strategic Transformation, and Industry and Market Strategy.

This, together with our 14,000 Information Technology professionals, and major technology alliance relationships with SAP and IBM, has made us market leaders across a number of our services.

Our strong reputation in the market has helped us to rapidly grow our business this year, attracting nearly 10,500 professionals, including 317 new partners and executive directors, and enabling firms to complete 13 acquisitions.

Our investments in our services are being recognized in the market. In FY14 we won the *CRM Watchlist Elite* award for the second year running. Furthermore, according to *IDC MarketScape: Worldwide Strategy Consulting Services 2014 Vendor Assessment*,¹ EY is now seen as a leader in strategy consulting and the most capable of all organizations at delivering value-creating innovation.

Our Supply Chain Management services were also named a leader by *IDC MarketScape: Worldwide Supply Chain Management Business Consulting Services 2014 Vendor Assessment*.² This report highlighted our leading capabilities around helping clients expand their supply chain into new geographies, reduce supply chain costs and improve supply chain efficiency.

Operating globally has made it even easier to bring teams from around the world to help deliver for our clients and we have increased the number of international transfers by 15%. We pride ourselves on our ability to bring together a pool of professionals from around the world, people who are adept at working across disciplines, borders and cultures to bring diverse perspectives to our clients' opportunities, challenges and risks. ■



Norman Lonergan
EY Global Vice Chair – Advisory

34,534
Advisory professionals

Sub-service lines:

Customer

Finance

IT Advisory Services

People and Organizational Change

Program Management

Risk

Strategy

Supply Chain

US\$6,526m
FY14 revenue

EY insight
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1. Source: IDC MarketScape: Worldwide Strategy Consulting Services 2014 Vendor Assessment, #249462, June 2014

2. Source: IDC MarketScape: Worldwide Supply Chain Management Business Consulting Services 2014 Vendor Assessment, #250614, September 2014

Transaction Advisory Services

Our services

During the global financial crisis we transformed Transaction Advisory Services (TAS) around our clients' capital agendas – how best to raise, invest, optimize and preserve capital – in response to their changing needs.

We balanced our portfolios of clients between private equity and corporate clients, and reallocated resources from traditional services, such as Due Diligence, to high-demand services such as Transaction Strategy, Operational Implementation and Divestment Advisory Services. Throughout this transformation we outperformed the competition and maintained profitability.

Enabled by our Vision 2020 strategy we are investing significantly in TAS at a time when the merger and acquisition market is set to rebound after a five-year slump.

In FY14 more than 300 new TAS partners joined EY firms and we finalized our combination with The Parthenon Group, expanding our strategy capabilities around corporate finance, transactions and the education sector, which includes public sector and non-profit education providers, foundations, for-profit companies and service providers, more broadly. Parthenon-EY, with offices in China, India, Singapore, UK and the US, will be the cornerstone of EY's future leadership across the education agenda.

Throughout FY14 we continued to invest in our Capital Agenda strategy and deliver on EY's commitment to exceptional client service by:

- ▶ Advising on a number of the high-profile mega-deals across a number of sectors, including the highly active pharmaceutical industry.
- ▶ Delivering learning for the development of our people and the benefit of our clients.
- ▶ Further strengthening our industry capabilities so that we offer clients deep sector insight and strategic capabilities around their capital life cycle needs.
- ▶ Launching innovative new services and tools to help our clients make earlier and better decisions around transactions and capital events.
- ▶ Continuing to drive market-leading thought leadership, including the 11th edition of our *Global Capital Confidence Barometer*, which was extensively covered by television, online and print media around the world.
- ▶ Securing external recognition in the form of awards such as *Mergermarket's* European M&A Firm of the Year and *Infrastructure Journal's* Financial Advisor of the Year. ■



Pip McCrostie
EY Global Vice Chair –
Transaction Advisory Services



Sub-service lines:

Capital Transformation

Transaction Support

Transaction Tax



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2



Exceptional client service

In a world that's more complex and dynamic than ever before it is not enough to be technically excellent – our clients want professional service providers who are connected to their business, responsive to their needs and insightful.

16

Industry knowledge

Clients rightly expect our people to have relevant industry experience and the confidence to provide meaningful insights about the key issues facing their sector.

18

Analytics

With an ever-increasing volume and variety of data available turning that data into real insights that help improve business performance now sits at the top of the business agenda.

20

The middle market

For middle market companies looking for sustainable growth, the conversation needs to evolve beyond people, systems and operations.

22

Global reach

Globalization is one of the defining issues of our time. Our success depends on working seamlessly across borders.

24

Delivering quality services

Connected. Responsive. Insightful.

To us, exceptional client service means all 190,000 EY people around the globe being connected, responsive and insightful.



While our definition is consistent everywhere, from a practical perspective, each account team approaches exceptional client service in the way that best suits the needs of the client.

We asked the EY team that supports a major technology company to share their experiences of delivering exceptional client service – from Advisory, Scot Studebaker and Dave Padmos; from TAS, Mike Bursiek; from Tax, Bruce Meyer; and Business Development Executive Mike Van Maren. The account is led by Global Client Service Partner Dan Smith.

Our commitment to quality

We are keenly aware of our important role in serving the public interest, promoting transparency and supporting investor confidence and economic growth. This is one way in which we are fulfilling our purpose of building a better working world. We remain committed to building strong relationships with our clients, regulators and other stakeholders. We believe that bringing the right business and policy insights to the table is an important complement to being connected, responsive and insightful.

Q What does exceptional client service mean to you?

A Dave: Everybody talks about customer service. But to be exceptional, you really have to focus on the client's needs.

A Bruce: I agree, it's about thinking "what will help them be successful", not who in EY will manage the project or get the credit.

A Mike VM: And it's about thinking in the long-term, not just the project in front of you. I'd also add that execution is crucial. Organizations can talk about it but it's the execution – doing what you say you're going to do, every day – that counts.

Q Why is being connected so important?

A Scot: We support our client in more than 100 countries. We can't do our job unless we're connected. So we've put in place formal and informal processes that let us share information, prioritize issues and get to an answer quickly.

A Dave: Recently we were able to organize about 120 EY professionals from around the world into a cohesive team in a matter of days to support an acquisition. We can do that because everybody on the account is deeply connected to one another and to the account. We all understood the importance of the project and what was at stake and acted as one mobilized team.

Q How can an account team be more responsive?

A Scot: We're here, shoulder to shoulder, with our client at their offices every day, which helps us really understand their culture, the pressures they face, and their goals.

A Bruce: If we stay connected with each other, with the client, and with the sector, we'll not only understand the issues they have to face today but anticipate the issues they'll face tomorrow, and prepare for their impact. That could mean we bring new people onto the account, get training underway, set up introductions and meetings, so that we anticipate issues and opportunities.

A Mike B: I also spend time networking internally in EY. I want to know what our capabilities are, who the experts in EY are, where have we already had success on a particular solution and who has relevant expertise that I can share. Proactively investing the time to get to know my colleagues means I can bring the very best of EY to the table.

Q Can you share an example of being "insightful"?

A Dave: Insightful to me is when we can offer opinions or solutions that haven't been thought of before. Recently the client asked us to work on two projects. One involved centralizing the treasury and payment function, the other was about standardizing different legal entities within the wider organization. Our response was to combine the timelines and align the deliverables for the two projects. This led to major cost and time savings.

While the action reduced our short-term revenue, the relationship, trust, and potential for new opportunity show it was not only insightful, but the right decision.

A Mike VM: I'd add that being insightful is also about not being afraid to respectfully say what isn't going to work, why, and what the alternatives could be. They expect candid, honest feedback from us.

A Scot: It's about not being afraid to have difficult conversations. This builds trust, which is crucial to a relationship.

Q How can you tell when we're truly delivering exceptional client service?

A Mike B: We do use feedback forms and assessments of service quality, but honestly, you'll hear when they think you're not delivering. And then they'll go to another advisor.

A Dave P: As is often the case, a member of our team is the first person they come to when they have an issue or a challenge. The client wants to talk through the options with EY because they know we will offer solutions that work and that we will deliver.

Q Is exceptional client service unique to EY?

A Bruce: EY's culture supports exceptional client service. We're a truly collaborative organization; teaming is also something that Dan Smith (Global Client Service Partner) really emphasizes. We don't compete among service lines or geographies and there's nothing that gets in the way of putting the client front and center of everything we do. ■

The three elements of exceptional client service

Connected

Bringing all of EY to our clients with the right people in the right locations, building trust and enriching relationships.

Responsive

The desire and commitment of every person in EY to be proactive, visible and timely.

Insightful

Sharing EY experiences and a point of view tailored to our clients, thereby advancing their thinking.

Investing in industry knowledge and experience

It's not enough to be technically proficient. Our clients also expect us to have deep industry experience and knowledge, in order to provide insights and services that are appropriate to their business and the industry in which they operate.

To meet our clients' expectations, we are bringing an even stronger industry perspective into the design and delivery of our services, and how we develop our people. For example, we already provide our people with the opportunity to gain broad industry experience, but are now looking at how we can further develop our people with increased exposure to a particular industry and tailored training so that they can become true specialists.

Our clients have consistently told us that a stronger investment and focus on industry experience and knowledge is particularly valuable in the emerging markets. To that end, this year we appointed emerging market leaders

in banking, oil and gas, power and utilities, consumer products, and government and public sector, to spearhead the development of industry-focused services in these markets.

We continue to focus on developing innovative, industry-specific services that help to build a better working world, and working with industry and government to address critical matters such as access to water and energy. Furthermore, we are, and continue to be, a leading voice in the debate on issues that cross all sectors, such as the need for increased diversity on executive boards.

We work with our clients to solve the challenges of today, and to make the most of the opportunities of tomorrow, through the unique industry experience, deep knowledge and sharp insights that set EY apart. ■



Alison Kay
EY Global Vice Chair - Industry

Follow Alison on Twitter:
[@AlisonKayEY](https://twitter.com/AlisonKayEY)

"At EY our approach to developing industry knowledge, and our commitment to bringing sector-specific services to our clients that are highly relevant to their business, means we have a powerful market offering."

Alison Kay

Our industry reports provide clear points of view designed to help clients anticipate market trends and identify implications. This year, our reports include:

Winning through customer experience
Our third Global Consumer Banking Survey looks at banking through the lens of the customer. How do customers perceive their banks? What services do they expect their banks to provide? How well do their banks deliver on promises?

Business risks facing mining and metals 2014-2015
The need to address the decade-long decline in productivity due to the sector's quest for growth during the supercycle has pushed productivity to the top of our risk ranking.

Deploying autonomous vehicles
The urgency to make autonomous vehicles a reality has gathered pace recently. This report offers our take on the commercial considerations and urban mobility scenarios.

Shifting strategies: winning investor assets in a competitive landscape
This year's survey of global hedge funds finds the focus of the industry shifting to growth after five years of volatile conditions. Given the increased competition for assets, managers are taking a wide range of paths to find this growth.



Our industry focus





Seeing what matters – insights from data

Analytics is transforming how businesses operate.
It is a strategy and operational issue, not a
technology issue.



Chris Mazzei
EY Global Chief Analytics Officer

Thanks to rapidly declining computing costs, and the development of more sophisticated analytics tools, it's now commercially possible to turn disparate data into insight that businesses can use to create competitive advantage.

But analytics isn't just a technology issue. According to

Chris Mazzei, EY Global Chief Analytics Officer, "It's a strategy and operational issue that has the potential to improve the efficiency and effectiveness of just about every decision or action an organization undertakes."

That's why at EY we have embedded analytics into existing services, and built discrete analytics offerings. Chris adds: "Data by itself has limited value but when managed as a strategic asset, data can change how organizations see their business. Through analytics, we combine technical excellence with robust business acumen and help clients solve the issues that matter."

To further support our analytics strategy, EY has established a Global Analytics Center of Excellence, a virtual hub for sharing knowledge and experience, and will commit to a US\$500m multi-year investment into:

- ▶ Acquiring and developing talent in areas such as data sciences and advanced statistical modeling, to complement our existing 3,500 analytics professionals.
- ▶ Deploying technologies, systems and processes that support sector and issue-based analytics solutions.
- ▶ Expanding EY's analytics solution and IP development team in India that includes 15 PhDs and more than 100 professionals with master's degrees in various disciplines.
- ▶ Building on our prior 14 acquisitions in the analytics space with additional acquisitions and alliances.

By connecting all of our analytics professionals more effectively, we're making it easier to bring together the right EY professionals with the right skills from around the world to address our clients' specific analytics challenges and opportunities. ■

Embedding analytics into everything we do

It's an integral part of our audit transformation efforts

It's a key component of our business transformation agenda in Tax

It's core to services in Advisory such as Finance, Customer, Supply Chain, and Risk

It's integrated into all of TAS' services around capital decisions

Delivering discrete analytics services

Fraud analytics capabilities in Assurance

Human capital analytics services in Tax

Advanced analytics and information management services in Advisory

Complex decision support analytics in TAS

Using analytics to drive business improvement

EY is using analytics to help a major pharmaceutical company increase efficiency in every key function of its business.

One project examined the employee expense process. The company had been paying a service provider to look at every employee expense submission in order to identify irregular activity. This process not only didn't turn up any significant findings, but also it led to considerable red tape and operational inefficiency.

Working with EY, the company instead listed all individual annual expenses, applied statistical modeling, and ranked its employees on a risk-ranking model. Then, working closely with the internal audit team, the spotlight was turned on the 50 "riskiest" individuals, which identified multiple cases of opportunity for cost reduction.

The expenses project took eight weeks and delivered multiple benefits. It controlled heavy spenders, even if expenses were legitimate; it put everyone on alert that policy violations would be caught; it established an automated process to limit future policy violation opportunities; and it reduced the expense of outside service providers.

Gaurav Gupta, an Advisory partner on the team points out: "When it comes to analytics, it's not just the data that should be the focus. It's what you do with it that sets you apart from the competition."

Each of the analytics projects undertaken with this client has to set a path for value realization in weeks, not months or years. As Daniel Diasio, an Advisory partner adds, "We take the straightest, quickest line to realizable benefit."

David Womelsdorf, the Global Client Service Partner for the company, concludes: "Today's organizations feed off data from a huge range of internal and external sources. We now have the ability to analyze this data quickly and securely so that we can understand what has already happened, why something happened, predict what will happen in the future or work out which decision will produce the most effective results – and act on it."



Annette Kimmitt
EY Global Middle Market Leader and
Asia-Pacific Accounts Leader

Follow Annette on Twitter:
@AnnetteKimmitt

Fueling the engines of growth

“Companies in the middle market are having a significant impact on the global economy,” says Annette Kimmitt, EY Global Middle Market Leader. “These companies come in different shapes and sizes, but what they have in common is that they are focused on accelerating and sustaining their growth.

“I’m inspired by companies like Kenya Women Holding Group (KWH), which gives low-income women access to financial and non-financial services to improve their livelihood. CEO and 2014 EY World Entrepreneur Of The Year™ finalist, Dr. Jennifer Riria, views any potential obstacles to her company’s growth not as obstacles, but as opportunities to innovate to get the best results. I am sure this approach is why KWH is one of the most successful microfinance institutions in Kenya.

“I can’t think of a better way to build a better working world than by helping these middle market companies achieve their growth ambitions.”

The importance of the middle market

EY defines the middle market as companies with annual revenues between US\$20m and US\$3b

33%

Across the EU-4 (France, Germany, Italy and the UK), the middle market represents 1.5% of all companies but accounts for nearly one-third of EU-4 GDP.

5th

If the American middle market were a separate economy, it would be ranked the fifth largest in the world.

AUS\$425b

In Australia, middle-market companies create one in four full-time jobs and contribute AUS\$425b each year to the local economy.

No.1

Today we are ranked #1 (by audit share) among:



Fortune
1000 new
entrants



Russell
2000



Priority VC
portfolio
companies



PE investee
companies



World's 250
largest
family
businesses

Changing the growth conversation

In our experience, the conversation around driving growth needs to move beyond the traditional focus on people, systems and operations. The fastest-growing organizations focus on a broader set of activities.

The EY 7 drivers of growth

Helps our clients accelerate growth, create long-term customer value and establish competitive advantage.



The EY 7 drivers of growth

The EY 7 drivers of growth is the product of extensive research that takes into account the needs of companies striving for sustainable growth in a modern, digitized, customer-centric world. This broader perspective, that goes beyond people, systems and operations, helps organizations reduce the volatility usually associated with rapid growth, ensuring that growth is sustainable. We use *The EY 7 drivers of growth* to help

leaders of aspiring companies think differently about where they are today and assess where they want to be in the future. One of the ways we do this is through an EY Growth Navigator session, which brings *The EY 7 drivers of growth* together with all of our insights from working with the world's leading companies. The interactive Growth Navigator sessions give our clients the opportunity to step back from their business, get a fresh perspective on best practices that can help accelerate growth, and then use these insights to determine next steps, tailored to their unique circumstances and their ambitions for their business. ■

High-growth companies in action

Kampala-based Quality Chemical Industries Ltd. (QCIL) was considered by some advisors to be too small to work with. But Assurance partner Geoffrey Byamugisha saw it differently. "We saw it as an opportunity to help a local company with a social mission to grow."

QCIL is the only pharmaceutical company in sub-Saharan Africa to manufacture triple-combination antiretroviral (ARV) drugs for reducing the virulence of the HIV infection. By helping the organization streamline its financial reporting systems, and focus on tax compliance, transparency, and risk management, we have helped QCIL gain the confidence of the investment community, which will support its ambition to deliver more affordable medicines across sub-Saharan Africa.

EY professionals also see the value in building long-term relationships with successful companies that give back to their communities. Warby Parker, whose founders are 2013 EY Entrepreneur Of The Year winners, is just one of the socially-conscious companies EY advises that has achieved high-growth and made a meaningful community impact.

Warby Parker is transforming the eyewear industry by selling designer prescription glasses at affordable prices while also providing customers with home try-ons and free returns. Since 2010, the company has opened "brick and mortar" stores in five US states in addition to operating its thriving online business. Almost one billion people worldwide lack access to prescription glasses. Warby Parker partners with nonprofits like VisionSpring to distribute a pair of glasses to someone in need for every pair of glasses it sells.

Seamless

At EY we serve our global clients as a single team. So when Johnson & Johnson was looking for a professional services team to help them with the biggest divestiture in its history, EY was the right fit for the project and in the right locations across the globe to get the job done.



“Our work with Johnson & Johnson has spanned nearly all EY service lines, except for external audit, and what the account team members share is a passion for helping Johnson & Johnson to execute on their Credo values: to care for, improve and save lives,” says Dave DeMarco, Global Client Service Partner for Johnson & Johnson.

Johnson & Johnson has operations in more than 60 countries and is one of the world’s leading healthcare

companies. EY has long recognized that global companies need global service providers, and we have realigned our organization into a more integrated global one. This means we can access the right people to deliver seamless service worldwide.

Our understanding of the company’s business and purpose, combined with our integrated approach, positioned us well when Johnson & Johnson set out to divest its Ortho-Clinical Diagnostics (OCD) business. OCD specializes in diagnostic and medical screening tests

60

Johnson & Johnson has operations in more than 60 countries and is one of the world’s leading healthcare businesses.

and equipment with operations in more than 50 countries. Their products help healthcare professionals make better treatment decisions sooner, ensure every patient receives blood that is safe, the right type and the right unit, and enable clinical laboratories to run more efficiently.

“In keeping with the company’s Credo, we had to ensure that OCD could thrive long after it was sold,” says Ambar Boodhoo, Global Transaction Advisory Services Leader for Johnson & Johnson. “This was difficult as it had been



Dave DeMarco
Global Client Service Partner
for Johnson & Johnson



Ambar Boodhoo
Global Transaction Advisory
Services Leader for Johnson & Johnson

“We had an experienced cross-functional team that worked seamlessly alongside Johnson & Johnson to improve transaction value without hampering speed to close.”

Ambar Boodhoo

Our global organization

Over the past decade we have transformed our organization to keep in step with the changing needs of our clients.

We are organized globally around the Executive and 28 Regions. The Executive includes our global leadership, governance bodies and our four geographic Areas. Working together they oversee our global strategy, brand, business planning, investments and priorities.

This allows us to make decisions quickly, execute our strategy and provide exceptional client service wherever in the world our clients do business.

We’ve also been working hard to globalize support functions, which helps build a global mindset and underpins our global approach. At the same time, this generates cost savings that allow EY and its firms to make significant investment that will contribute to our long-term sustainability.

Managing risk

Our structure also allows us to have one global Risk Management team that is responsible for making sure we focus on the right things as we manage our business. Areas of focus include: enterprise risk, ethics, compliance, policy issues, conflicts and independence.

The Risk Management team oversees tools and processes designed to help our people meet all of our global and local compliance responsibilities and help support our client-facing teams in delivering quality and exceptional client service. And they own our Global Code of Conduct, which provides the ethical framework on which we base our decisions every day. All of our people are required to sign the Code, which is anchored in our values and underpins all that we do.

Additionally, the Risk Management team manages global tools and processes that support our people in evaluating, accepting and serving the right clients with the right services. These tools include our Global Tool for Client Acceptance and Continuance and our Service Offering Reference Tool, which allows our people to quickly assess which services can be delivered to our audit and non-audit clients.

Global Talent Hubs

EY Global Talent Hubs (GTHs) enhance the competitiveness of our account teams. GTHs help account teams win in the market by facilitating access to a diverse global talent pool that can consistently deliver high-quality service at a lower cost.

7000+
people

Services provided:

- Tax
- Assurance
- Advisory
- TAS
- Knowledge
- New services and innovation

Locations:

- India
- Argentina
- Poland
- China
- Philippines

part of the company for more than 75 years.”

Divestitures are often very complex, affecting business functions from sales and marketing to technology and people globally. A successful divestiture provides value for the seller, preserves value for the buyer to improve upon, and the process is efficient, effective and executed strategically.

“This was the largest divestiture in the company’s history. We had an experienced cross-functional team that worked seamlessly alongside Johnson & Johnson to improve

transaction value without hampering speed to close,” adds Ambar.

It was critical to have people on the ground in the US, South America, Europe, India, China and Japan. Speed was also of the essence, and the team leveraged resources in the EY Global Talent Hubs, based in different time zones, so that we could have people working on the project around the clock.

When we talk about our integrated organization at EY, it’s broader than just geographic integration. We use one set of globally aligned metrics to

manage all accounts. This means all of our people are working together toward the same goals, allowing us to work seamlessly across service lines, as well as country borders.

This transaction was led by Divestiture Advisory practice professionals and included colleagues from our Commercial Advisory, Valuation and Business Modelling, Operations Transaction Services, Supply Chain, Human Capital, Tax and Financial Accounting Advisory Services practices and the Global Life Sciences sector. Altogether more than 100 professionals

worked as an integrated team and our internal service line structure was invisible.

The result for the client was a successful divestiture. From the time the transaction was announced to the close of the deal was about six months.

“Johnson & Johnson excels at M&A but most of its focus historically has been on buying assets. With this project we helped them excel at selling,” Dave concludes. ■



3

Developing talent



Highest-performing teams

What is a highest-performing team? It's when a group of highly engaged individuals from a diverse range of backgrounds come together to deliver exceptional client service. And the benefits are realized by our people and clients.

28

Women in the workplace

Improving gender equity – at EY and in the broader business community – is an important part of EY's diversity and inclusiveness efforts.

34

Learning and development

We want the time that people spend at EY to be the most valuable of their careers. And we support that aim with one of the most comprehensive career development programs in business.

30

Global workforce

Building a mobile workforce, with a global mindset, brings great benefit to our clients, our people and our organization.

36

Diversity and inclusiveness

Diverse viewpoints lead to better answers for our clients. But diversity only works in an inclusive environment – when everybody's voice is heard and included.

32



Dialing up success

The foundation of the work we do at EY begins with the highest-performing teams that deliver exceptional client service.

“I have worked with América Móvil as it has grown from essentially a start-up in the 1990s, with a few thousand subscribers, to today, where it is one of the top five telecom companies in the world, with hundreds of millions of subscribers. Teaming across service lines, countries and cultures has been a key factor in the longevity and success of our relationship,” says Francisco Álvarez, Senior Advisory Partner for América Móvil.

The foundation of the work we do at EY is great people. But our success depends on taking it a step further. We start with great people and bring them together into diverse, inclusive, borderless teams. In short, our culture is built around high-performance teaming.

Just as no two clients are exactly alike, no two EY teams are exactly alike. Each team is built based on the specific needs of the client, but what we’ve found is that the highest-performing teams share some key characteristics: they have the right mix of people, share a vision and commit to quality and results.

América Móvil provides mobile, fixed-line, television and broadband services to hundreds of millions of customers throughout Latin America. It has operations in 18 countries in the Americas and has recently expanded into Europe.

“Last year our América Móvil team in Mexico had some major leadership changes. Despite the changes, it was seamless for the client. We met all of their deadlines, resolved complicated issues and delivered on our promises,” says Eric Larson, Global Client Service Partner for América Móvil.

What continues to unite the team is a single vision: to deliver exceptional client service, including the highest quality, in order to meet América Móvil’s expectations.

“We have continually expanded our EY team so that we have the right people in place whenever and wherever they are needed. The mix of people we have include those with experience serving the industry, deep knowledge of IFRS and the ability to respond at a moment’s notice,” continues Eric.

Carlos Carrillo, Engagement Partner for América Móvil, adds, “América Móvil is one of the most active participants in the capital markets across Latin America. So it is not just about having the right team in Mexico. It’s about having the right team in Brazil, Argentina, Colombia, the United States and every other country where it does business. There are 40 partners and about 500 team members worldwide, this number will increase now that América Móvil is expanding its footprint in Europe.”

At EY we embed a culture of high-performance teaming into all of our business processes from recruitment and performance management to learning and development. This drives better results for our clients and leads to better experiences for our people. ■



Eric Larson
Global Client Service Partner
for América Móvil



Carlos Carrillo
Engagement Partner
for América Móvil

Highest-performing teaming

The highest-performing teaming demands the most from our people but it also gives the most back. It provides opportunities to learn, develop and grow.

Eva Gutiérrez is a senior manager in the IT Risk and Assurance practice of the EY member firm in Mexico. She talks about her experience working on internal controls as part of the América Móvil team.

How has this experience benefited you?

“The experience of working on this team over the past seven years has been exciting. I’ve had the opportunity to develop my leadership skills, my teamwork has improved and my communications skills are much better. When you’re working across borders and cultures you see different styles and approaches to work. I now really see the value of working with a diverse team.”

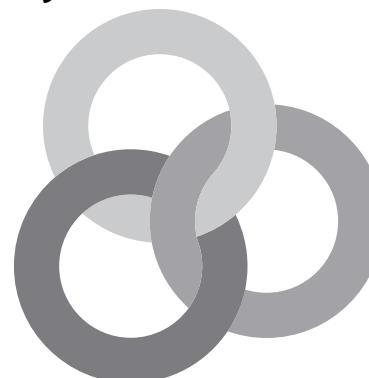
How do you work effectively across borders?

“We come together for a planning meeting that brings together our colleagues from other countries. At that meeting we share ideas, keeping ourselves open by listening to and respecting different work styles. We also outline goals for the team and each individual, so that everyone is aware of what they have to do. And we are pushed to continually improve our skills, which is also good for my personal development.”

EY’s three essentials for the highest-performing teaming

Have the right mix

Share a vision



Commit to quality and results

Work in progress

EY's commitment to career development.

We pride ourselves on developing outstanding leaders: it's one of the ways we help to build a better working world for our people. It starts with attracting great people and creating a culture of the highest-performing teaming, so that they perform better at EY than they would anywhere else. We support our people in doing this through our career development framework, EYU, which stands for "EY and You." Through EYU, every one of our 190,000 people have access to the experiences, coaching and learning they need to build successful, fulfilling careers – both in EY and beyond.

Growing through experience

We expect our people to take ownership of their careers –

to use EYU and the experiences on offer to build a personal brand that creates lasting value and, at the same time, deliver exceptional client service.

In return, our promise to our people is this: whenever you join, however long you stay, the exceptional EY experience lasts a lifetime.

This was certainly the experience of Lindsay Long, a manager in the Financial Accounting Advisory Services practice in our UK firm, who recently took part in our EY Vantage Program to help a small business in Mumbai that lends to high-impact entrepreneurs.

"Throughout my career, in New York and London, I've had great assignments with major banking clients – but I've always been interested in development economics. So when the chance came up

Three pillars of EYU – experiences, coaching and learning

We offer our people exceptional experiences that are aligned with their development needs and career goals, as well as with the needs of our clients, EY and the wider market.

Coaching helps to give people the everyday skills they need to have meaningful conversations with our people and clients.

And formal learning is accessed in a variety of formats from face-to-face to online – with 8 million hours of formal learning completed by EY people in FY14.

"When the chance came up to combine my personal passion with professional development, I leapt at it."

Lindsay Long
Manager, Financial Accounting
Advisory Services EY UK LLP

to combine my personal passion with professional development, I leapt at it.

"To go out to India as a young consultant, without a team as backup, to work directly with senior leaders, was fantastic. I got to influence decision making at the highest level and it was incredibly fulfilling to go in, determine the problem, put in a plan to fix it and see the results."

Over her six-week placement, Lindsay helped improve her client's corporate controls and credit approval process – formalizing systems to support future growth. She also helped implement measures to evaluate the impact of their loans – improving the quality of stakeholder reporting and potential to raise future capital. In doing so, Lindsay came back to EY energized and determined

675

Of our people became member-firm partners in FY14; along with 324 directly admitted partners this was our largest-ever annual partner intake.

8,000,000

Hours of formal learning completed by EY people in FY14.

The EY Vantage Program

The EY Vantage Program works with organizations Endeavor and Power of Youth to support high-impact entrepreneurs in emerging markets.

The program is both a catalyst for economic growth and a great development opportunity for our top-performing managers and senior managers, who work with entrepreneurs for up to seven weeks on a pro-bono basis.



to put her new experiences to further use.

“My placement has given me the confidence to say: ‘I can do this.’ It’s shown me I can go into a new situation and add value quickly. It’s also been fantastic for my network. In just six weeks I got to meet people who will be friends and colleagues for many years to come.

“I came back to EY determined to make a difference. I’ve joined international taskforces to develop our offerings in impact investment measurement and integrated reporting. I’ve also advised on pitching for new banking projects in India. All things I’d never have done without the placement.

“There’s no doubt it’s been a profoundly positive experience for me, both personally and professionally.” ■

Our talent development philosophy

Recognize and reward behavior, as well as results.

Be honest and transparent about what it takes to succeed at EY and in the wider world.

Encourage people to take ownership of their career and help them identify the best opportunities to succeed, in EY and out.

Make differential investments to build the skills that will see us deliver on Vision 2020.

Talent pipeline

Every year we hire tens of thousands of people around the world.

This year 675 people became partners of EY firms, joining 324 direct-admit partners – the highest partner intake we’ve ever had.

And we recognize that many of our people go on to build successful careers outside of EY.

Today, EY’s 750,000 alumni include CEOs and founders of companies, politicians and public servants, and hundreds of thousands of people doing great work in almost every sector.

EY is proud to have equipped them with the skills that have carried them through their careers.

i EY insight
More at
ey.com/careers

Differences matter

In today's complex global economy no one person has all the answers. In EY, we believe that only the highest-performing teams that maximize the power of diverse opinions, perspectives and cultural references will succeed.

Diversity is about all differences. Differences can include, but are not limited to, gender, ability, nationality, ethnicity, education, experience, religious background, sexual orientation, socioeconomic background, age group, technical skills and service line. Inclusiveness is about leveraging these differences to achieve better business results. Our goal in EY is to create an environment where all of our people feel, and are, valued; where they can bring their differences to work every day and contribute their personal best in every encounter.

To achieve our goal we embed the principles of diversity and inclusiveness (D&I) in all of our business processes. For example, we actively look for candidates with a global mindset as part of our recruitment process, and we are building the skills of all our people to enable them to team and lead inclusively.

We have made good progress on D&I but know we have more to do. Fostering an inclusive environment is our collective responsibility, which means that we need to engage everyone at EY around what D&I means and make it relevant across different markets. We have developed a roadmap for culture change, captured in a digital flipbook *D&I means growth*, that outlines what we have to do as individuals, and as an organization, to build a culture where differences matter. ■

Making diversity and inclusiveness work across our organization



Thomas Means
Manager, Assurance

"Being deaf is something that is a part of my identity and something that I deal with on a daily basis. But I didn't make it this far on my own. From the beginning the partners on my accounts made sure I had the right tools and equipment to support me in my role. Just as importantly, they take an active interest in my career – as they would to anybody in EY – and ensure I have the right experiences, coaching and training to progress.

"I really believe that people who are differently-abled did not lose their ability; they gained the ability to do it differently."

"People often talk about smashing stereotypes and being more inclusive of others, but to me, it's not just about the big events and the big parades and the big activities. True inclusiveness starts with each and every one of us and the little things that we do and say every single day – talking to our colleagues, asking questions, getting to know each other a little better."

Edyta Torpy
D&I Leader, Oceania



Max Loh
Asean and Singapore Managing Partner

"Our focus on diversity and inclusiveness is not just about demonstrating social responsibility or fair hiring; it's part of our talent and business strategy, and differentiates our employer brand in the market."

Closing the gender gap

An important piece of our diversity and inclusiveness agenda is related to the advancement of women.

The only way any organization can be its best is to include the best. Recruiting, advancing and rewarding

individuals who bring a different perspective is important to our success, and no organization can afford to overlook women and other under-represented groups as an important source of talent and leadership.

We know that diverse teams out-innovate and outperform homogeneous teams, if led inclusively. We get to better answers for our clients when women and men participate fully in the decision-making process. Our internal research bears this out – we analyzed 22,000 EY audit engagements and found that teams with a balance of gender (measured across six criteria including the gender of the leadership team and the number of team hours undertaken by each gender) outperformed, in both financial performance and quality, teams that were less balanced.

Also, it's estimated that women's impact – as employees, employers and entrepreneurs –

on the global economy over the next decade will be as significant as that of the billion-plus populations in China and India today. No organization can ignore women as part of its growth and revenue strategy.

While we've made progress to close the gender gap in our organization, we know we have more to do. This year we particularly focused on sponsorship and succession planning, so that we consider a more diverse group of people when making senior appointments within our business.

Around the world we continue to invest in sponsorship initiatives that match women managers and senior managers with the client assignments and leadership experiences they need for promotion. We are rolling out training for all of our people to raise awareness of unconscious bias, and we continually review and analyze our data to identify areas for improvement.

Our focus on women isn't limited to our own organization. We're committed to helping remove any barriers that prevent the full advancement

of women in business and the wider economy.

For example, we identify, develop and do business with women-owned businesses as part of our own procurement policy. We are a founding member of WEConnect International, which certifies women-owned businesses, and our firms are members of WEConnect Canada, WEConnect Europe and WEConnect India.

We are founding members of organizations such as the 30% Club, a group of business leaders dedicated to achieving better gender balance at all levels of a business. We also support initiatives such as the Third Billion campaign, which helps one billion underprivileged women to more fully participate in the global economy by 2025 through better access to finance, education and training.

By focusing on our own policies and initiatives, and working with governments and advocacy groups, we're making sure it's a better working world for women and men. ■

Bringing women on board

India's New Companies Act 2013 mandates a woman director on the board of every listed/public company of a particular size and stature. The EY firm in India launched *Board Readiness Workshops for Women* – the first of its kind in India – with the objective of enabling women to be even more effective in their board roles.

These workshops had a dual purpose. First, it gave participants a factual overview of the impact of the Companies Act on boards, re-emphasized the roles and responsibilities of board directors, and outlined potential pitfalls. Second, just as importantly, our workshops brought together a peer group of women directors who shared their experiences and views on how corporate India can capitalize on diversity.

 **EY insight**
More at
ey.com/women



Q&A on gender issues

We talk to Ana-Cristina Grohnert and Val Davies about closing the gender gap. Ana-Cristina is a TAS leader in EMEA Financial Services based in Eschborn. She is also Managing Partner, Talent, and D&I Partner Sponsor for our Germany, Switzerland and Austria Region. Val is Chief Operating Officer for our Africa Region, which is made up of 28 countries.

Q Ana-Cristina, what are the biggest challenges for women in business today?

A I think culture plays a big part – the perceptions, biases and gender stereotypes that we all perpetuate and reinforce subconsciously, by the things we say, the decisions we make and the behaviors we display. These are what get in the way of broader organizational and social change. I think diversity initiatives will yield only incremental improvements if we don't address fundamental underlying assumptions and beliefs.

Q And what advice would you give to a woman who has just joined EY?

A I'd encourage anybody joining EY to say "yes" to the many opportunities available. We can all surprise ourselves when we take on new challenges.

Also, find a good mentor or sponsor. It could be a man or a woman – I don't think this matters – but find someone who believes in you, who will challenge you and with whom you feel comfortable having open and honest conversations.

Q Val, did you have a role model when you joined EY?

A When I first joined EY there were very few women leaders – the African firm was a local organization with very little global exposure – and those with children were fewer still. The role models that I therefore chose were men who recognized the contribution that women could offer and encouraged women to make a career at EY and to change the firm from within.

Q And can you share any career advice for women?

A You don't always have to lead like a man would. Recognize and make the most of the strengths and differences that you can bring to business, and business decisions, as a woman. ■

In a New York state of mind

Assurance Senior Kei Hirata is spending 18 months working in our New York City office. Here he tells us about how he's grown and why he loves New York.



“When I was ten, my family moved to just outside New York City for two years, and I always wanted to come back and live here as an adult,” says Kei Hirata, an EY audit senior from the EY member firm in Tokyo. “I feel lucky that EY has given me the opportunity. You can imagine working in

another country, but you never really know what it’s like until you do it and face the challenges.”

As our clients continue to globalize, we need to be able to provide them with the right people in the right place at the right time. Mobility – deploying our people where their skills and experience are most needed – is a critical aspect of providing our clients with exceptional service. Of this year’s newly admitted EY member-firm

partners around the world, nearly one-quarter have been on international assignment in their careers. Even our clients who are focused on a single market value a broader global perspective from us.

At EY, international work experience is also increasingly important to our people, especially the more than 60% of them who are members of Generation Y, who have grown up in a world that is borderless and connected through technology.

Maximizing benefit – mitigating risk

Our clients expect seamless service regardless of where they're located, and a growing part of our service delivery depends on cross-border work. EY professionals will work on a number of clients, many of which are multinational. We expect cross-border service delivery to be an increasing source of international experience for our people and of value to our clients. We have a team in place to consult on the regulatory aspects of working in a borderless environment so that we mitigate risk and comply with all local rules.

"We see an increasing trend among organizations seeking to address their global talent needs with flexible, efficient mobility structures to fill skill gaps and

drive new market growth. It's also vital to give their future leaders the international experience so essential to business success in the 21st century," says Dina Pyron, EY Global Human Capital Leader. "My own experiences on international assignments, most recently in the UK, have given me new perspectives that have been fundamental to my ability to be an effective leader. Our Human Capital practices offer our clients a total-picture perspective when it comes to mobility to help them harness the incredible opportunities that a globally diverse workforce offers to drive business success."

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Kei Hirata
Senior, Assurance

"When I get back to Tokyo I'm going to share my experiences and encourage my colleagues to take part in mobility programs."

Kei Hirata
Senior, Assurance

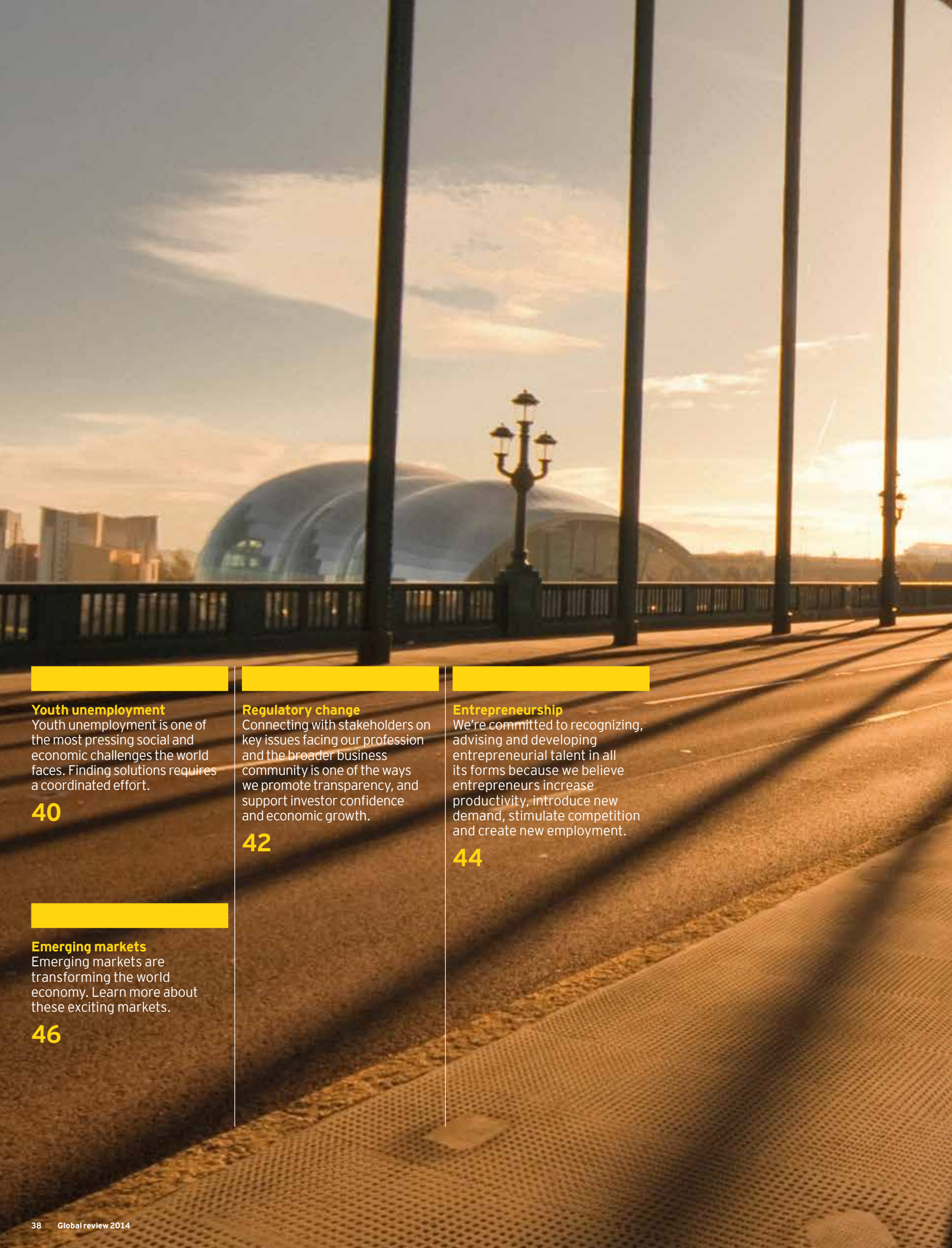
Kei is spending 18 months in New York as part of EY's Global Exchange Program (GEP), our longest-running mobility program. For Kei, living and working in New York allows him to deepen his knowledge of US GAAP and US business practices while polishing his English language skills, all of which will help him better serve global companies when he returns to Tokyo in March of 2015. Just as importantly: "Working with a very diverse team in New York and globally is helping me develop interpersonal skills and cultural knowledge that will help me lead multinational teams one day," explains Kei.

The experiences that our international assignees accumulate are as much personal as professional. "When I get back to Tokyo I'm going to share my experiences and encourage my colleagues to take part in mobility programs," says Kei. "I've made great friends here in New York, and also among other GEP participants – from 15 countries – I met during our training week. I'm sure I'll stay in touch with them throughout my career."

EY recognizes and fosters all kinds of international experience as we continue to expand our mobility programs. Mobility experiences range from working in virtual global teams, to cross-border business travel as part of an engagement or project team, to long-term international assignments of three to five years.

We offer three-month assignments for staff, seniors and managers through our Global New Horizons program, the opportunity to do volunteer work across borders in our Vantage and Earthwatch programs, the GEP that Kei is participating in, and many others. We also continue to offer long-term international assignments that give our employees the support they need to integrate into a local market and experience life living outside of their home country.

"What I will remember most when I go home is that I feel in New York there is so much energy, which is created by different people coming together," says Kei. "There are so many people who have different backgrounds – different nationalities, different cultures, different religions – but what brings them together is that they are all proud of being New Yorkers," says Kei. "I was thinking that's how EY is too – there are many different people coming together, but everyone is proud of being part of EY." ■



Youth unemployment

Youth unemployment is one of the most pressing social and economic challenges the world faces. Finding solutions requires a coordinated effort.

40

Emerging markets

Emerging markets are transforming the world economy. Learn more about these exciting markets.

46

Regulatory change

Connecting with stakeholders on key issues facing our profession and the broader business community is one of the ways we promote transparency, and support investor confidence and economic growth.

42

Entrepreneurship

We're committed to recognizing, advising and developing entrepreneurial talent in all its forms because we believe entrepreneurs increase productivity, introduce new demand, stimulate competition and create new employment.

44



4

Engaging with the world

Working it out

Some 75 million people between the ages of 15 and 24 around the world are unemployed, according to the International Labor Organization.



Rohan Malik
EY Global Government & Public Sector
Emerging Markets Leader

Follow Rohan on Twitter:
[@RohanMalik_EY](https://twitter.com/RohanMalik_EY)

Even this number might be too positive as it takes into account only those actively looking for work. For the young people affected, loss of experience and income at the start of a career often has longer-term repercussions, reducing lifetime earnings and standards of living, and even affecting health. For society, the risk of a “lost generation” is equally dramatic – representing lower tax income, higher benefits payments, loss of input, and sometimes social unrest. Addressing youth unemployment requires long-term commitment and coordination from the public and private sectors.

Brokering change

Rohan Malik, the EY Global Government & Public Sector Emerging Markets Leader, also heads the EY International Development Network. A key part of his role is to support governments in designing and implementing major transformation programs with global organizations such as the World Bank, the EU and the UN to improve a region’s attractiveness to investors. We asked him for his views on one of today’s most intractable challenges and how EY is helping to address the issue in the markets he works in.

Q What do you see as the cause of youth unemployment?

A The financial crisis certainly played its part, as well as shifting demographics – the number of young people in these markets is rapidly rising. But, for me, the issue is exacerbated by a failure to attract private sector investment. That’s vital, as in robust economies nine out of every ten jobs are created by the private sector. Governments need to focus on five things: improving the investment climate, in particular the cost and time of doing business; making it easy to set up a business; supporting small-scale enterprises in their formative years; addressing skills gaps; and putting in place the right infrastructure.

Q Is this a government or a private sector problem?

A Policymakers take ownership of the issue but, rightly, don’t see themselves as the solution. Their role instead is to create the right environment for the private sector to create jobs and bring in capital and management expertise.

Q So how does EY get involved?

A We’re a vital link between the private and public sector. Take our work with one of India’s state governments as an example. Here we worked with the government to identify high-potential industry sectors and incentives to attract investors. We then

spoke to potential investors and asked them what more they needed – what skills gaps would need filling today and in 15 years’ time, what infrastructure was required, and so on – and started to get those programs in place. We got the time to set up a business and the time to connect to water and electricity down substantially. The result: a US\$8b pipeline of investment and 200,000 potential jobs.

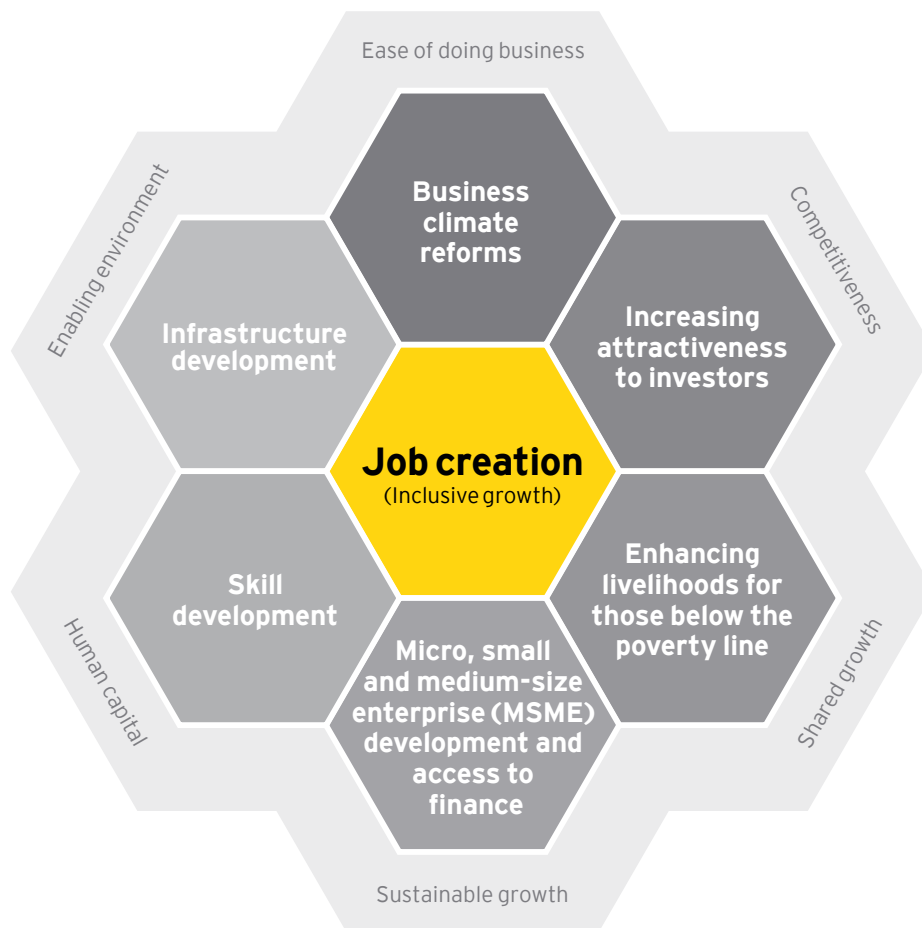
We’re not a typical development contractor operating from the sidelines – we’re there for the long term, focusing on legacy, not just the completion of a project. We were one of the first to set up our operations in developing countries, and we continue to invest heavily in the development of our practices in these markets. That’s what building a better working world is all about – sustainable and inclusive growth, with the ultimate goal of prosperity for all.

Q Are we anywhere near solving the problem?

A We’re moving in the right direction, but the task is far from complete as there are deep-rooted issues to overcome. Over the past four years we’ve had 12 projects in India like the one I mentioned, and we’re replicating that model in the Middle East and Africa. Scaling these around the world will help achieve our goal of a sustainable, prosperous world for all. ■

Helping governments around the world design and implement job-creation initiatives

EY's private-sector development offering



Spurring G20 growth

EY's *Power of Three* report analyzes how governments, entrepreneurs and corporations can spur growth across the G20. It also highlights the need to take more action to improve support for entrepreneurs.

Building on this research, we've published two reports focused on youth unemployment across the G20. *Avoiding a lost generation: young entrepreneurs identify five imperatives for action* includes feedback from 1,000 entrepreneurs on initiatives that would boost their activities. *Avoiding a lost generation: ten key recommendations to support youth entrepreneurship across the G20* includes actionable guidance based on best practices adopted by governments across the G20. Since this report was published, the G20 has included a detailed commitment to reducing youth unemployment in its November 2014 Leaders' Communiqué.

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Read more at:
ey.com/g20
ey.com/lostgen

From collaboration to creation

By working with clients – from governments to companies of any size – to embed sustainable business practices, we help foster the right conditions for increased employment, investment and growth. We also address youth employment in three targeted ways: supporting entrepreneurs – who are solid job creators in both good times and bad; helping to improve young people's skills to match employers' needs; and through our many alliances and initiatives around the world, creating opportunities or stimulating debate and solutions.

In FY14, EY firms hired 40,000 graduates around the world and are highly selective about filling those positions. At the same time, we help those who may not be job-ready. We run programs to ease the transition from study to employment – including tens of thousands of internships. We also collaborate with educational institutions to help students see their futures differently and to learn entrepreneurial skills that will help them create their own jobs or improve their workplace readiness. In 2014, we joined two great youth initiatives: The Alliance for YOUth and the Clinton Global Initiative.



The Alliance for YOUth

An alliance of companies committed to solving youth unemployment in Europe through apprenticeships, meaningful work experience and internships. On joining, we pledged 55,000 traineeships and 35,000 internships across Europe by 2020.

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For more details on all our initiatives to tackle youth unemployment visit www.ey.com/youthjobcreation

Clinton Global Initiative

As part of an alliance of stakeholders we made a commitment to the CGI, a non-profit organization set up by former US President Bill Clinton to bring leaders together to take action on global challenges, to support opportunities, particularly employment, for youth in the US. This includes a commitment to expand the College MAP (Mentoring for Access and Persistence) program, which helps students apply to college and seek financial aid.

Issues that matter

The global public policy environment for audit, reporting and tax continues to be highly volatile.

The world is demanding greater corporate transparency and at the same time regulators are moving to exert more control. Governments and regulators continue to be nationally focused while businesses, investors and markets increasingly operate across borders. Therefore, complying with the changing regulations on national, regional and international levels continues to grow in complexity.

This complexity underscores the important role we play in promoting transparency and supporting investor confidence and economic growth. EY has extensive financial reporting and corporate governance knowledge and experience across markets and geographies. We use this knowledge to fuel discussions around

regulatory changes with our clients, business leaders, investors, regulators, standard setters, legislators and academics. That's because we see the power that comes from strong networks. We believe that the best answers are found when the most people are contributing to the discussion.

Our scale and global reach mean that we can play an important role in convening and participating in discussions of issues that are central to business as a whole. We focus our efforts in those areas that best match our business, knowledge and skills. These include corporate governance, audit and financial reporting and other matters that affect capital markets more broadly.

EY engages directly with global organizations and participates in global forums, such as those held by the World Economic Forum in Davos and elsewhere, that bring together thought leaders on issues important to us and our stakeholders. ■

Understanding the investor perspective

Investors are among our key stakeholders. EY has continued to increase our investor engagement around the world to make sure we understand investor perspectives on auditing, financial reporting, corporate governance and other capital-market issues.

In the US, our Center for Board Matters is committed to bringing together and engaging with boards, audit-committee members and investors to exchange ideas and insights. Using our professional competencies, relationships and proprietary corporate-governance database, we are able to identify trends and emerging governance issues. This allows us to deliver timely and balanced insights, data-rich content and practical tools and analysis to boards, audit committees, institutional investors and others interested in governance topics.

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For more information visit
ey.com/boardmatters

Fostering dialogue with regulators

Policymakers in many countries are continuing to scrutinize how much tax multinational companies pay and where they pay it. The Organisation for Economic Cooperation and Development (OECD) is addressing the issue through the Base Erosion and Profit Shifting (BEPS) project. This project looks at the interaction of tax rules of individual countries and seeks to develop an internationally coordinated approach to protecting countries' tax bases, while also protecting against double taxation of cross-border business activity.

The BEPS project is a major undertaking that could lead to fundamental changes to the international tax environment. EY formed a coalition, the Global BEPS Working Group, that is made up of global companies from a wide range of industries.

"These companies have come together to focus on the implications of the BEPS initiative for their businesses and to engage proactively with OECD and government policymakers as specific proposals are being developed," says Barbara Angus, EY Global Strategic International Tax Policy Services Leader.

"EY serves as a facilitator and intermediary, assisting the companies in analyzing the potential impact of these proposals and developing recommendations for modifications or alternative approaches. Our goal is to foster constructive dialogue between our clients and government representatives so that the ultimate result is an international tax system that aligns with global business."

Working with standard setters

Stakeholders around the world are saying very clearly they want more information – about companies, about the financial statements and about the audit. While stakeholders still want the auditor to give a pass/fail opinion, they also want more insights and perspectives from auditors and a better understanding of the significant issues that the auditor has dealt with in performing the audit.

Dan Montgomery has spent six years leading the International Auditing and Assurance Standards Board (IAASB) project on improving the auditor's report including the past three years as the IAASB's Deputy Chair.

"Changes to the auditor's report are seen as essential to the public interest, particularly in light of the calls for more information and transparency from auditors in the wake of the financial crisis," says Dan. "Given the scope of the changes we're talking about, it's critical to make sure that all stakeholders have the opportunity to be part of the discussion. We will see significant changes to the auditor's report that involve a very different form of communication from auditors."

"Because of the importance of such changes in the public interest, it was necessary for the IAASB – and for me, in my role as project leader and IAASB Deputy Chair – to have extensive involvement in the public consultation and outreach with global stakeholders. EY has been incredibly supportive of my involvement and has given me the flexibility to dedicate a significant amount of time to this important project," Dan continues.

"We're looking at the needs of each group of stakeholders and looking for solutions that strike an appropriate balance of views. We've heard from investor and corporate governance groups, regulators, audit firms, national standard setters, government bodies, and preparers of financial statements. Getting this right is critical, because it will have a broad impact on maintaining confidence in the audit and the continued relevance of the auditing profession."



Dan Montgomery
Deputy Chair, International Auditing and Assurance Standards Board

"Changes to the auditor's report are seen as essential in the public interest, particularly in light of the calls for more information and transparency from auditors in the wake of the financial crisis."

Dan Montgomery



Barbara Angus
EY Global Strategic International Tax Policy Services Leader

Connecting business leaders

Today's audit committees play a significant role in corporate governance to maintain stakeholder confidence.

EY, through its relationship with Tapestry Networks, has organized Audit Committee Leadership Networks composed of audit committee chairs drawn from leading companies in Europe and North America. Network members meet regularly to discuss current and emerging issues that dominate the audit environment, and exchange best practices.

For example, in 2014, with the passage of audit legislation in the European Union, audit firm rotation was a key topic of discussion. Although the legislation has yet to take effect, we are already seeing many more tenders across Europe.

In many parts of the world, the audit committee takes the lead in choosing a new auditor. Changing auditors is complex and potentially disruptive and the selection process can be complicated and time-consuming. Members of the European Audit Committee Leadership Network recently discussed their most important auditor-selection criteria.

By encouraging audit committee chairs to share best practices, EY is working to support the successful implementation of the legislation to serve the needs of investors and companies.

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Extraordinary people

Entrepreneurs are extraordinary people. They create new technologies, business models, services and products that fundamentally change the global competitive landscape. In the process they generate wealth, make economies more competitive and communities more vibrant.



Entrepreneurs operate at every level of society: fresh thinkers at global corporations, visionaries at pre-IPO firms, and social entrepreneurs working on some of the world's most pressing problems. Our decades-long focus on this important group of women and men has given us a deep understanding of how entrepreneurial businesses grow, and made us world leaders in recognizing, advising and developing outstanding entrepreneurial talent.

Recognizing entrepreneurial talent

Entrepreneur Of The Year™ is the only international award program to celebrate the important contributions that entrepreneurs make to their communities, their countries and to the global economy.

We continue to expand our program internationally – there are now 145 programs in 60 countries, culminating every year in the World Entrepreneur Of The Year celebrations in Monaco. This year's World Entrepreneur Of The Year winner was India's Uday Kotak, founder of Kotak Mahindra Bank. The company has progressed from seed capital of less than US\$250,000 to an international group with US\$2.8b in revenues and 605 fully-fledged branches across India and international offices in London, New York, Dubai, Abu Dhabi, Mauritius and Singapore.

Advising entrepreneurial talent

One of the ways we advise entrepreneurial talent is through our EY Entrepreneurial Winning Women™ program. Women-owned

companies are currently not growing to the degree they could. Businesses owned by men are three-and-a-half times as likely to reach US\$1 million in annual revenues. EY's Entrepreneurial Winning Women program takes a select group of women whose businesses show real potential to grow and helps them do just that.

We provide access to informal, one-to-one guidance and support; share the latest information and research about business strategies and practices; identify potential partners, strategic alliances, customers and suppliers as well as prospective sources of private capital; and increase national and regional visibility for these women and their companies among corporate executives, investors and the media.

Developing entrepreneurial talent

We're committed to developing tomorrow's entrepreneurial talent today, through organizations such as the Network For Teaching Entrepreneurship (NFTE). NFTE works with low-income youth, channeling their inherent skills and talents through business education so that they get excited about staying in school. All NFTE participants graduate with a business plan and are supported as they launch their business.

EY sponsors NFTE; our people also work with students as guest speakers, business-plan coaches, business-plan judges and internship hosts. We fund NFTE scholarships around the world and aim to have an EY partner on every NFTE affiliate board globally. ■

EY's Strategic Growth Forum™ launches in China

This year we hosted more than 1,000 business leaders from 560 companies and 35 countries at the first EY Strategic Growth Forum to be held in Shanghai. Our Strategic Growth Forums connect CEOs, entrepreneurs, advisors and other senior business leaders, who also have opportunities to meet potential customers, investors, partners, acquisition targets and buyers. Our international reach means clients not only have access to our own knowledge and insight, but also access to a community of professionals with experience and business interests in fast-growth companies. We hold Strategic Growth Forums in nine countries on five continents.



Have you seen?

EY's Center for Entrepreneurship and Innovation has all of our research and thought leadership on entrepreneurship for every size and style of company, in both mature and emerging market economies.

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Busting emerging market myths

To make the most of emerging-market opportunities, companies must challenge some long-held assumptions.

By Rajiv Memani

EY Global Emerging Markets Committee Chairman and Chairman - India Region.



Myth 1 The emerging markets are the BRICs

Emerging markets share some or all of the following characteristics: they have a low-to-medium average income; they have a large population; they're rich in natural resources; and they're going through rapid regulatory changes.

So in that respect Brazil, Russia, India and China are rightly considered emerging markets. But so, for example, are Mexico, Indonesia and parts of Africa, as they also share these characteristics. Each emerging market is unique; businesses shouldn't necessarily think in terms of an overarching emerging-markets plan. They should instead tailor their strategy to particular countries or regions.



Myth 2 Only big companies can succeed in the emerging markets

What's more important than size is a company's ability to adapt to local market conditions. Government policies, and market and cost structures, are different in each country and affect all companies regardless of size.



Myth 3 An online business model won't work in an emerging market

There are potentially many online business opportunities in emerging markets, particularly through smartphones. A case in point is Africa, where 70% of the population has a mobile phone, but only 20% of African families have a bank account. As internet connectivity generally improves, and technology costs go down, some businesses in the emerging markets will leapfrog directly to online opportunities. However, a successful online presence in an emerging market does require deep local knowledge of a range of different issues. These include buying and payment preferences, the popularity of existing brands, the most appropriate logistics, custom duties and tax, and much more. In that respect, on-the-ground relationships, or joint-ventures, are important success factors regardless of the business model.



Myth 4
I can translate my current success in a developed market to success in an emerging market

Companies that have strong brands in the high-end premium segment, or a unique technological advantage, have to adapt less if they move into an emerging market. Mass market players have to be prepared to adapt much more, around pricing, cost structure, local consumer preference and so on. When entering an emerging market, these companies have to not only develop specific products or innovative packages/services that are attractive to highly cost-conscious consumers, but also they have to re-think the whole supply chain and delivery model to ensure cost efficiencies and profitability.



Myth 5
Given the economic slowdown in emerging markets, they're just not worth entering now

There are some emerging markets where growth has slowed but that's not to overlook their medium and long-term potential. And emerging markets, while characterized by high-growth potential, come with a level of volatility that's to be expected. All in all the increase in purchasing power, the rise of a middle class, improvements in education, technological innovations, urbanization – all of these factors are significant contributors to sustained, future growth in emerging markets.

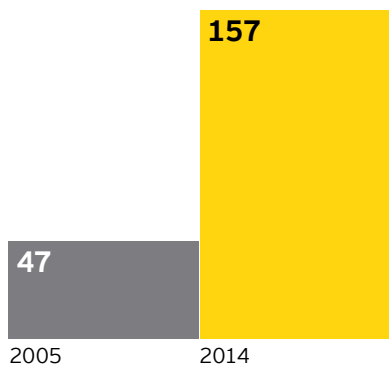


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 Chairman and Chairman - India Region

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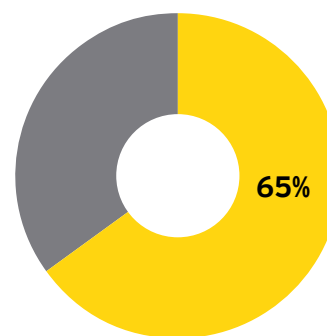
Emerging markets – by the numbers



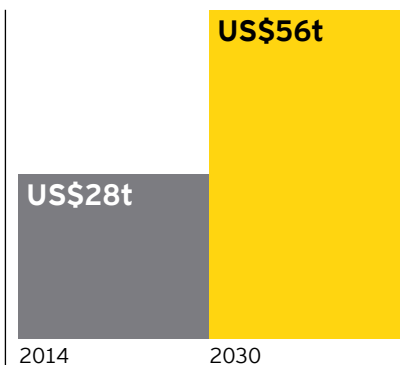
In 2005, 47 of the Global Fortune 500 were headquartered in emerging markets. In 2014 the number is 157.



By 2020 BRIC countries will add a combined US\$3.3 trillion to their consumer spending, a figure that's equivalent to another France and Germany combined.



By 2050, emerging markets will account for 65% of the global economy.



The combined purchasing power of the global middle classes will double by 2030 to US\$56 trillion. More than 80% of this demand will come from Asia.



5

Facts and figures

Leadership team

At EY we have strong global leadership that sets one single global strategy and agenda.

50

Global Governance Council

The Global Governance Council is EY's main advisory body.

52

Areas and Regions

Our 28 Regions are grouped into four geographic Areas: Americas; Europe, Middle East, India and Africa (EMEIA); Asia-Pacific; and Japan. This structure is streamlined, allowing us to provide exceptional client service wherever in the world our clients do business.

53

EY revenues

With combined global revenues of US\$27.4b, EY's financial success allows us to make investments in our people and business.

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Leadership team

Facts and figures

Global Executive

Mark A. Weinberger

Global Chairman and Chief Executive Officer
Washington, DC

John F. Ferraro

Global Chief Operating Officer
London

Carmine Di Sibio

Global Managing Partner – Client Service
New York

Lou Pagnutti

Global Managing Partner – Business
Enablement
London

Beth Brooke-Marciniak

Global Vice Chair – Public Policy
Washington, DC

Nancy Altobello

Global Vice Chair – Talent
New York

David Holtze

Global Vice Chair – Finance
London

Christian Mouillon

Global Vice Chair – Risk Management
Paris

Felice Persico

Global Vice Chair – Assurance
Milan

Norman Lonergan

Global Vice Chair – Advisory
London

Jay Nibbe

Global Vice Chair – Tax
London

Pip McCrostie

Global Vice Chair – Transaction
Advisory Services
London

Steve Howe

Area Managing Partner – Americas
New York

Steven Phan

Area Managing Partner – Asia-Pacific
Singapore

Mark Otty

Area Managing Partner – EMEA
London

Koichi Hanabusa

Area Managing Partner – Japan
Tokyo

Uschi Schreiber

Global Vice Chair – Markets and Chair
of the Global Accounts Committee
New York

Rajiv Memani

Chair of Emerging Markets Committee
Gurgaon

Albert Ng

Representative of Emerging Market Practices
Beijing

Americas

Steve Howe

Area Managing Partner – Americas
New York

Trent Henry

Canada
Toronto

Rick Fezell

Central (US)
Chicago

Michael Inserra

Financial Services Organization
New York

Ronen Barel

Israel
Tel Aviv

Francisco Álvarez

Mexico and Central America
Mexico City

Scott Halliday

Northeast (US)
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Karole Lloyd

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Rudi Braes
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Central and Southeast Europe
Warsaw

Joe Watt
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Andy Baldwin
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Jean-Pierre Letartre
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Paris

Georg Graf Waldersee
GSA
Berlin

Rajiv Memani
India
Gurgaon

Donato Iacovone
Mediterranean
Rome

Abdulaziz Al-Sowailim
MENA
Riyadh

Erik Mamelund
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Oslo

Steve Varley
UK&I
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Asia-Pacific

Steven Phan
Area Managing Partner – Asia-Pacific
Singapore

Max Loh
Asean
Singapore

Tony Johnson
Financial Services Organization
Hong Kong

Albert Ng
Greater China
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SeungWha Gweon
Korea
Seoul

Rob McLeod
Oceania
Sydney

Japan

Koichi Hanabusa
Area Managing Partner – Japan
Tokyo

Industry

Alison Kay
Global Vice Chair – Industry
Power & Utilities
London

Randy Miller
Automotive & Transportation
Chicago

Bill Schlich
Banking & Capital Markets
New York

Kristina Rogers
Consumer Products
Istanbul

George Atalla
Government & Public Sector
McLean

Shaun Crawford
Insurance
London

Glen Giovannetti
Life Sciences
Boston

John Nendick
Media & Entertainment
Los Angeles

Mike Elliott
Mining & Metals
Sydney

Dale Nijoka
Oil & Gas
Houston

Jeff Bunder
Private Equity
New York

Howard Roth
Real Estate, Hospitality & Construction
New York

Patrick Hyek
Technology
San Jose

Prashant Singhal
Telecommunications
Gurgaon

Mike Lee
Wealth & Asset Management
New York

Global Governance Council

Facts and figures

The Global Governance Council consists of 35 senior client-serving partners drawn from member firms across the four EY Areas, as well as four independent non-executive members.

These partners, who otherwise do not hold senior management roles, are elected by their peers.

They advise EY on policies and strategies. The approval of the Global Governance Council is required for a number of significant matters that could affect the organization.

Akira Toda
Tokyo

Albert Anelli
Montreal

Andrea Weichert
São Paulo

Andrew Miller
St. Louis

Celestine Munda
Nairobi

Coen Boogaart *
Amsterdam

Donald Zimmerman
Atlanta

Eric Golenvaux
Brussels

Francisco González Carrera
Madrid

Istvan Havas
Budapest

Jay Persaud
Philadelphia

Johan van den Bos
Amsterdam

John Cole
London

Jonathan McCarter
Houston

Katsuhiko Hara
Tokyo

Kelly Grier
Chicago

Klaus Mangold ***
Stuttgart

Laurence Avram Diday
Paris

Leslie Fiorentino
Boston

Marcello Gelashvili
Moscow

Mark Beischel
Cincinnati

Mark Olson ***
Washington, DC

Meredith Scott
Sydney

Michael Wachtel
Melbourne

Owen Chan
Hong Kong

Pekka Luoma
Helsinki

Penny Stocks **
London

Peter Tryhane
New York

Richard Lambert ***
London

Samar Obaid
Amman

Shirley Edwards
McLean

Shyamala Gopinath ***
Mumbai

Sonu Iyer
New Delhi

Stefan Viering
Stuttgart

Steve Wills
London

Tae Wook Park
Seoul

Tarsicio Guevara
Mexico City

Thomas Stenz
Zurich

Voon Kar Yong
Kuching

* FY14 Presiding Partner

** FY15 Presiding Partner-elect

*** Independent Non-Executive

Areas and Regions

Facts and figures

Americas

Canada

Central (US)

Financial Services Organization

Bahamas, Bermuda, British Virgin Islands, Cayman Islands, United States

Israel

Mexico and Central America

Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama

Northeast (US)

South America

Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela

Southeast (US)

Aruba, Barbados, Curacao, Jamaica, Trinidad and Tobago

Southwest (US)

West (US)

EMEA

Africa

Angola, Botswana, Cameroon, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Seychelles, South Africa, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe

BeNe

Belgium, Netherlands

Central and Southeast Europe

Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Kosovo, Latvia, Lithuania, FYR of Macedonia, Malta, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey

CIS

Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russia, Ukraine, Uzbekistan

Financial Services Organization

FraMaLux

Algeria, France, Luxembourg, Monaco, Morocco, Tunisia

GSA

Austria, Germany, Liechtenstein, Switzerland

India

Bangladesh, India

Mediterranean

Italy, Portugal, Spain

Middle East and North Africa

Afghanistan, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Pakistan, Palestinian Authority, Qatar, Saudi Arabia, Syria, United Arab Emirates

Nordics

Denmark, Finland, Iceland, Norway, Sweden

UK & Ireland

Republic of Ireland, United Kingdom

Asia-Pacific

Asean

Brunei, Cambodia, Guam, Indonesia, Laos, Malaysia, Maldives, Myanmar, N. Mariana Islands, Philippines, Singapore, Sri Lanka, Thailand, Vietnam

Financial Services Organization

Greater China

Mainland China, Hong Kong, Macau, Taiwan, Mongolia

Korea

Oceania

Australia, Fiji, New Zealand, Papua New Guinea

Japan

EY revenues

Facts and figures

People

Total 188,292

● EMEIA

90,564

● Americas

58,411

● Asia-Pacific

32,051

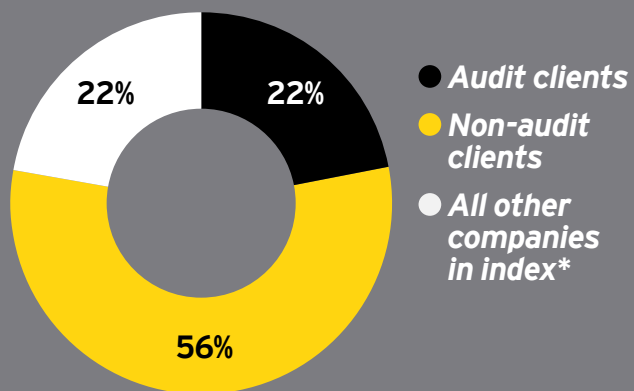
● Japan

7,266



2014 Fortune Global 500

Percentage of clients served by EY firms



Revenue US\$ millions

Total 27,369

● EMEIA

11,780

● Americas

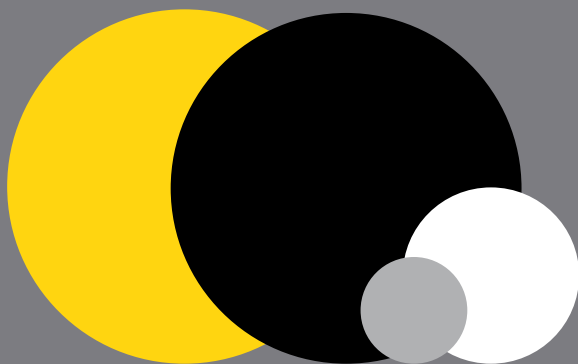
11,542

● Asia-Pacific

2,949

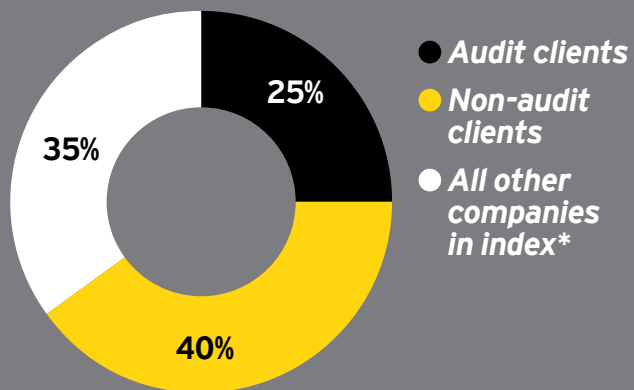
● Japan

1,098



2014 Forbes Global 2000

Percentage of clients served by EY firms



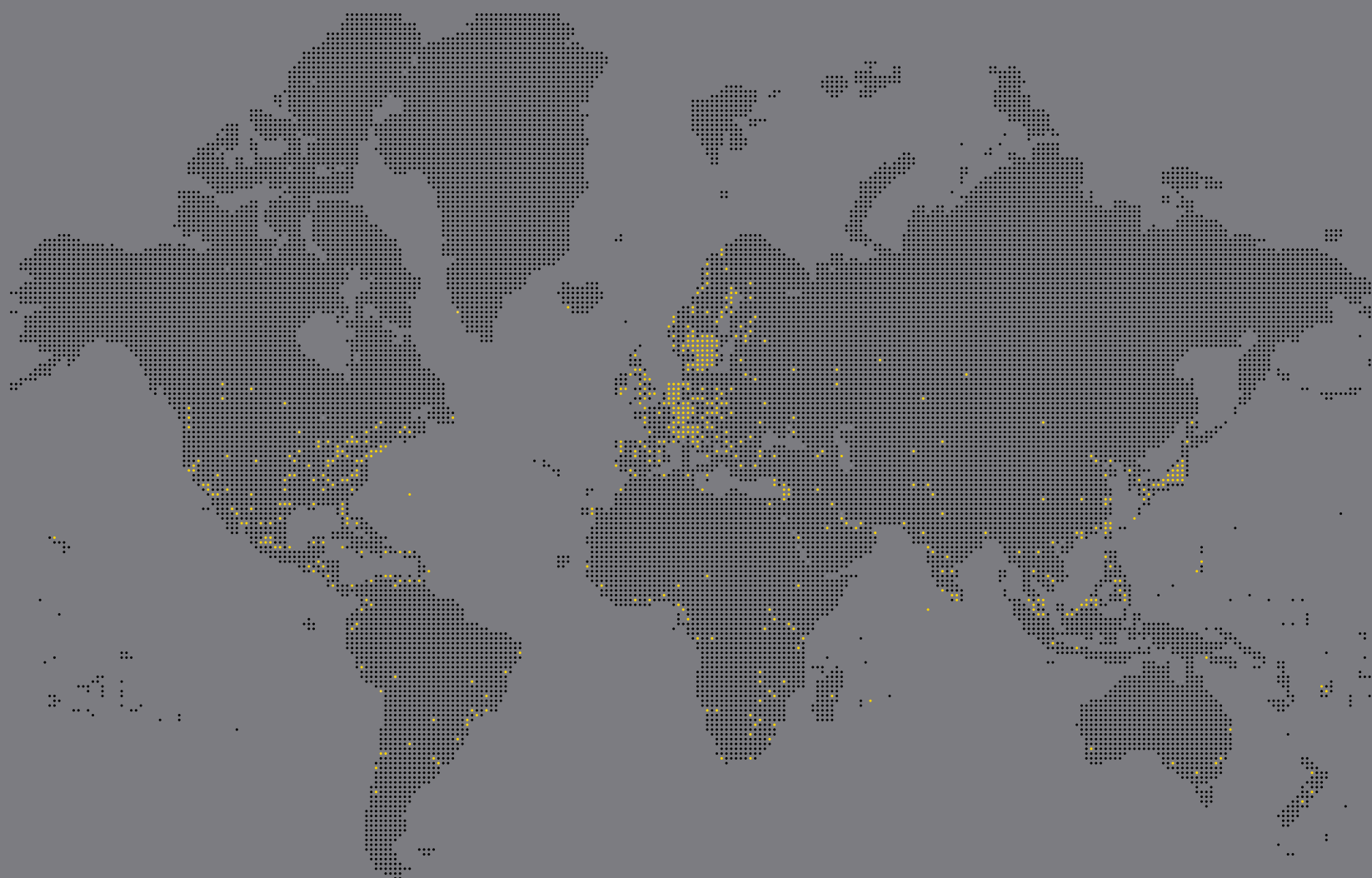
*EY revenues less than US\$500k in FY14

Revenue US\$ millions

Area	FY14	FY13	% Change	
			US\$	local currency
Americas	11,542	10,750	7.4	9.1
EMEIA	11,780	10,943	7.6	5.1
Asia-Pacific	2,949	2,934	0.5	5.2
Japan	1,098	1,202	(8.7)	5.3
Total	27,369	25,829	6.0	6.8

Service line	FY14	FY13	% Change	
			US\$	local currency
Assurance	11,277	10,936	3.1	4.5
Tax	7,224	6,946	4.0	4.3
Advisory	6,526	5,751	13.5	14.4
TAS	2,342	2,196	6.6	6.5
Total	27,369	25,829	6.0	6.8

Locations



Basis of presentation

Revenues include expenses billed to clients. For purposes of reporting combined global revenues, revenues between member firms have been eliminated. Headcount numbers reflect personnel as of 30 June of each fiscal year.

People

Area	FY14	FY13	% Change	Service line	FY14	FY13	% Change
Americas	58,411	53,835	8.5	Assurance	69,547	66,156	5.1
EMEIA	90,564	84,224	7.5	Tax	38,170	35,358	8.0
Asia-Pacific	32,051	29,893	7.2	Advisory	34,534	29,747	16.1
Japan	7,266	6,856	6.0	TAS	9,311	8,776	6.1
Total	188,292	174,808	7.7	Practice support	36,730	34,771	5.6
				Total	188,292	174,808	7.7

Design

Studio 2br

Print

Westerham

Photography

MVP Pictureworks, Inc – P4

John Wildgoose – P31, P32, P35, P38, P48





Assurance | Tax | Transactions | Advisory

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