

Chairman and CEO's Letter Change for our clients

Dear Employees and Partners, dear Clients

Any organization aspiring to achieve enduring success must adapt constantly to the requirements of its environment. This may be a truism, but for that very reason is always worth revisiting. Today's most pressing questions are: As a company, are we positioned in the best possible way? Do we meet our intended purpose? Where can we improve on our services?

Ernst & Young has undergone unprecedented change in recent months, and we have done so consistently with our core target group in mind - our clients. We have implemented three significant changes, one of which is cultural and two are structural. With these changes, there is no doubt that we are now positioned as the most client-focused audit and advisory firm in our market:

- ▶ We have repositioned ourselves with "Achieving Potential - Making a Difference" as our motto and brand claim, emphasizing that we do our utmost to help clients capitalize on their opportunities.

- ▶ We have grouped 87 local Ernst & Young member firms in Europe, the Middle East, India and Africa together into a single area, EMEIA. In the same way, integrated regions were formed in the Americas and the Far East, with the result that Ernst & Young is now serving its clients as a consistently global enterprise, the most highly integrated company in its industry.
- ▶ Finally, all Financial Services offerings, i.e., services for banks and insurers, across the EMEIA area have been organized into one Financial Services Organization (FSO). As a result, we are now more focused on a single market and industry rather than on specific professional services, and, what's more, across national borders.

"Achieving Potential - Making a Difference" epitomizes our total focus on our clients' needs and potential. This is not a technical issue, but a cultural one.



*Prof. Dr. Peter Athanas, Country Managing Partner;
Andreas Müller, Chairman of the Board of Directors
(from left to right)*

Ernst & Young's business mission is not about pursuing its own aims but supporting its clients in maximizing their potential. We seek to differentiate ourselves by the way we deliver our services to clients. Clients need to feel that we think along with them and take them seriously. By meeting this objective, we set ourselves apart from our competitors. For our clients, this makes all the difference.

As a mere sequence of letters, EMEIA may seem illegible and abstract; but in the real-life marketplace this construct will break new ground. In terms of globalization, Ernst & Young has made enormous strides in the last five years. We have evolved from a network of strong but financially and managerially independent country practices into a global organization. Now we have taken the last and logical step of forming EMEIA as a geographical area. An organization based on largely independent country practices will never be able to provide multinational clients with seamless and efficient services, to consistent standards and across borders. With EMEIA, Ernst & Young has completed its migration from a network to an integrated organization. We are now ahead of all our competitors in presenting ourselves as a truly global organization that mirrors its clients in how it is organized and how it works. Unfettered by the conflicting interests of individual country practices, we are now able to put together best-in-class global teams that create value for our clients.

Our Financial Services Organization (FSO), launched in July 2008, is the ultimate proof of our specific client focus. It comprises more than 6,500 employees from Asset Management, Banking & Capital Markets, and Insurance, who work for financial services clients in the EMEIA area. The integration transcends the existing divisions between these market segments and between the local member firms. By combining resources and expertise, Ernst & Young had already established itself as a market leader in these core segments of the financial services industry. Now, its integration and the bundling of forces in the region have increased the organization's market power exponentially. Our clients in banking, insurance and asset management are set to benefit from even more cross-border synergies and multidisciplinary expertise.

"Achieving Potential - Making a Difference," EMEIA, FSO: These changes demonstrate that Ernst & Young has its finger on the market pulse. They will have a profound and lasting impact, pointing the way forward for clients and employees. Every audit and advisory services company claims to be client-focused. For some time now we have really walked this talk, focusing on the market, focusing on clients. Now the shift from a network to an integrated organization is complete.

It also creates an appropriate opportunity to pass on the baton to the next generation of partners. As we see it, this is the time to plan our succession and make way for a change of leadership at the top. As of January 1, 2009, Bruno Chiomento will replace Peter Athanas as Country Managing Partner, and Thomas Stenz will succeed Andreas Müller with effect from July 1, 2009. Having many years of experience as partners in our firm, they can be relied on to perform outstandingly in their new roles.

We would like to thank both our valued clients for the trust they have placed in us and our employees for all their hard work this past year.

Basel and Zurich, autumn 2008



Andreas Müller
Chairman of the Board of Directors



Prof. Dr. Peter Athanas
Country Managing Partner