



Paul | Weiss

Outlook for Asian M&A

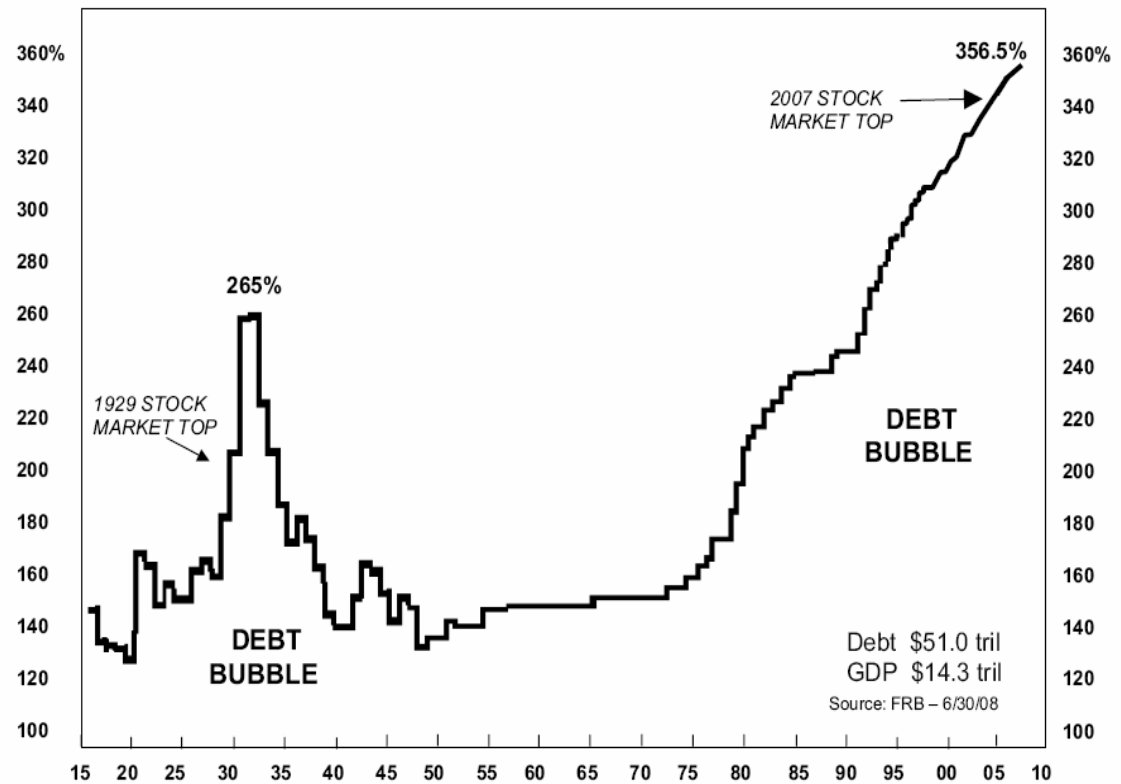
**Asia Business Conference –
Harvard Business School**

February 2009

Toby S. Myerson

The U.S. Debt Bubble

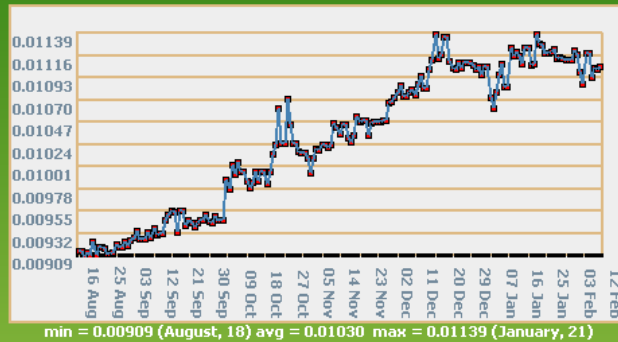
TOTAL CREDIT MARKET DEBT (ALL SECTORS) AS % OF U.S. GDP



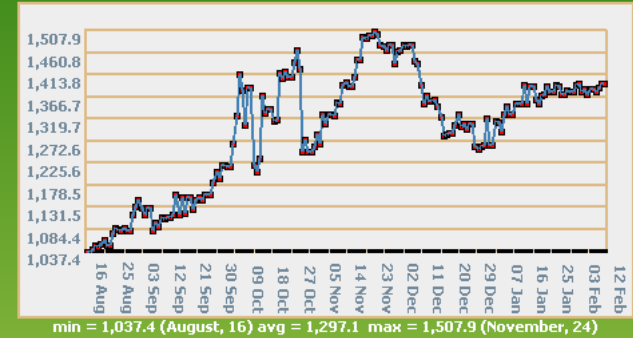
February 2009

Asian Currencies Increase in Value Against the U.S. Dollar

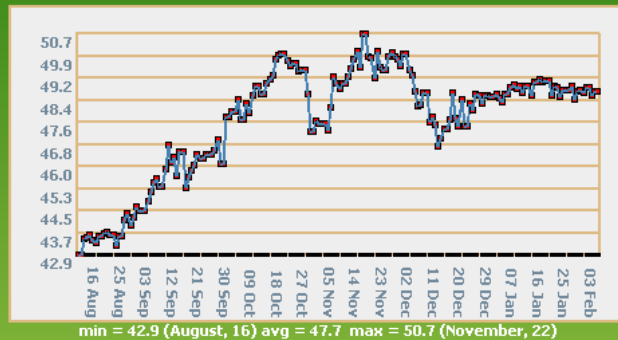
US Dollars (USD) to 1 Japanese Yen (JPY)



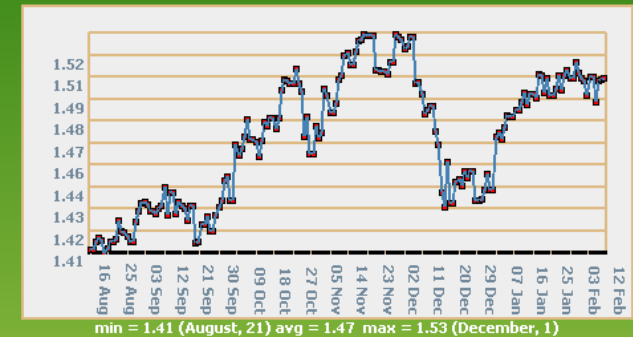
Korean Won (KRW) to 1 US Dollar (USD)



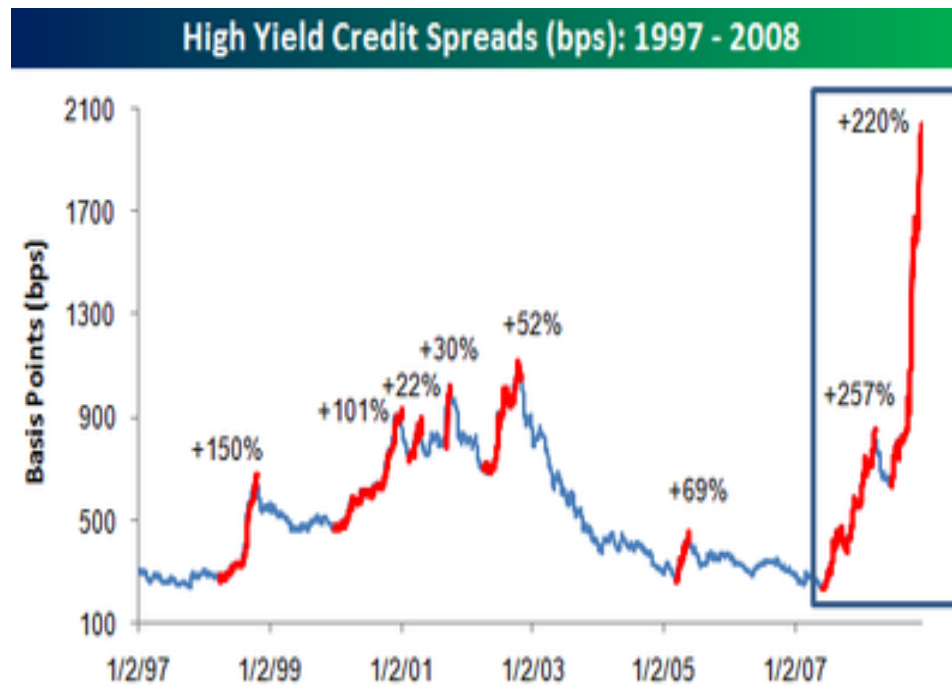
Indian Rupees (INR) to 1 US Dollar (USD)



Singapore Dollars (SGD) to 1 US Dollar (USD)



**Bargain Assets
May be Up for
Sale as
Companies Seek
to De-lever**








Spread based on Merrill Lynch indices

Moody's expects five-year global high-yield default rate to triple to 35.1% by 2013 from 10.2% in September 2008

Crossborder Transactions

Deals in 2008

Cross-border M&A deals by companies in major nations

Top 10 acquirers	No. of deals	2008 value, in billions	Chg. from '07
U.S.	2,057	 \$188.57	-26%
France	486	 118.95	-15
U.K.	1,011	 101.81	-67
Switzerland	329	 88.59	+80
Japan	364	 77.76	+231
Belgium	109	 64.68	+280
Germany	585	 57.45	-65
China	239	 52.09	+101
Russia	148	 27.59	+34
Italy	150	 26.65	-78

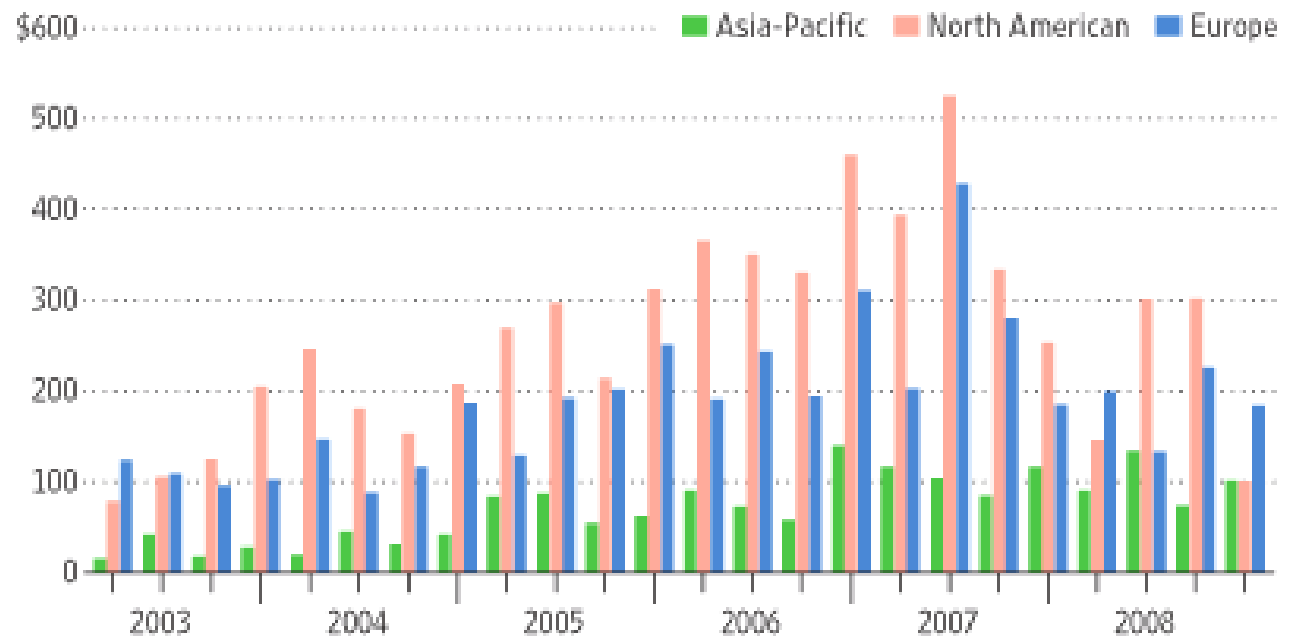
Source: Dealogic

February 2009

Crossborder Transactions

Holding up

Asia's flow of deals hasn't slowed to the extent it has elsewhere in the world. Regional value of deals in billions of dollars, arranged according to the location of the target.



Note: Excludes lapsed and withdrawn deals

Source: www.mergermarket.com

February 2009