



**Paul | Weiss**

## **Outlook for Asian M&A**

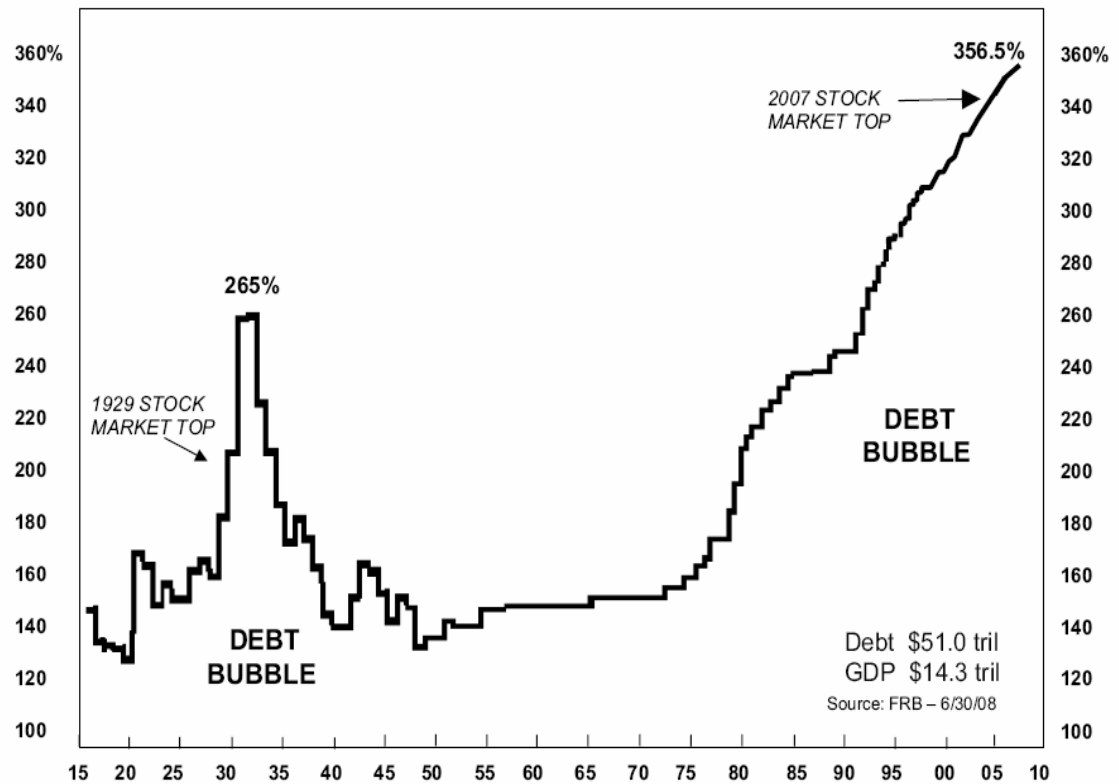
**Asia Business Conference –  
Harvard Business School**

February 2009

Toby S. Myerson

# The U.S. Debt Bubble

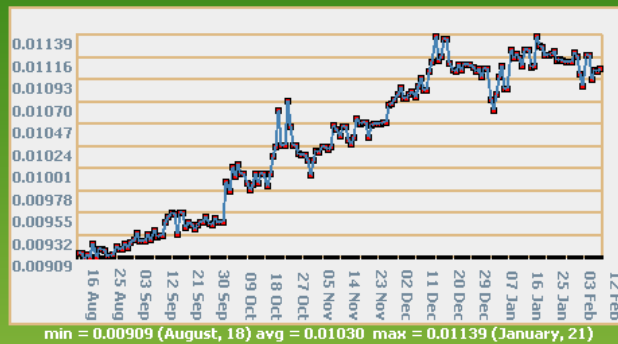
TOTAL CREDIT MARKET DEBT (ALL SECTORS) AS % OF U.S. GDP



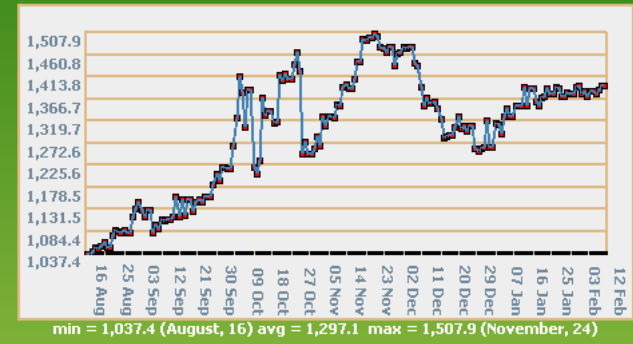
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# Asian Currencies Increase in Value Against the U.S. Dollar

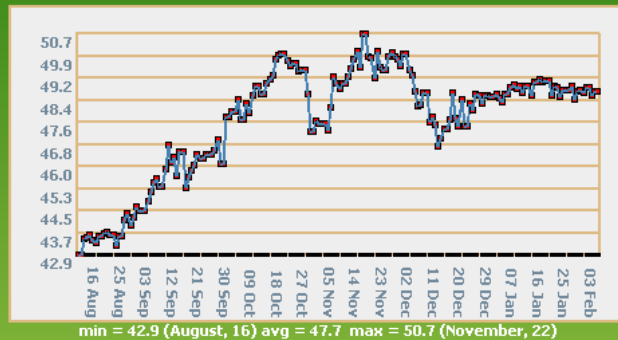
US Dollars (USD) to 1 Japanese Yen (JPY)



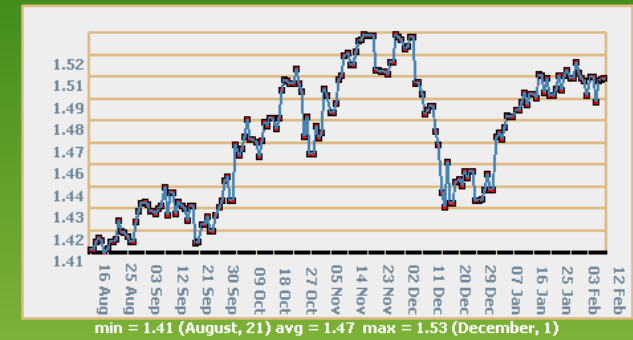
Korean Won (KRW) to 1 US Dollar (USD)



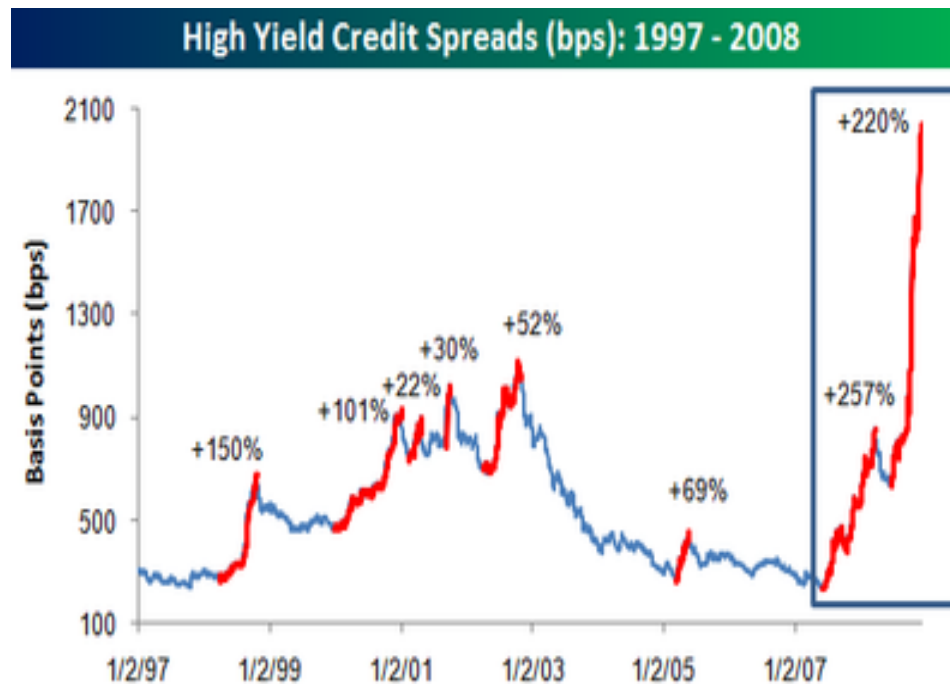
Indian Rupees (INR) to 1 US Dollar (USD)



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

February 2009

## Crossborder Transactions

### Deals in 2008

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

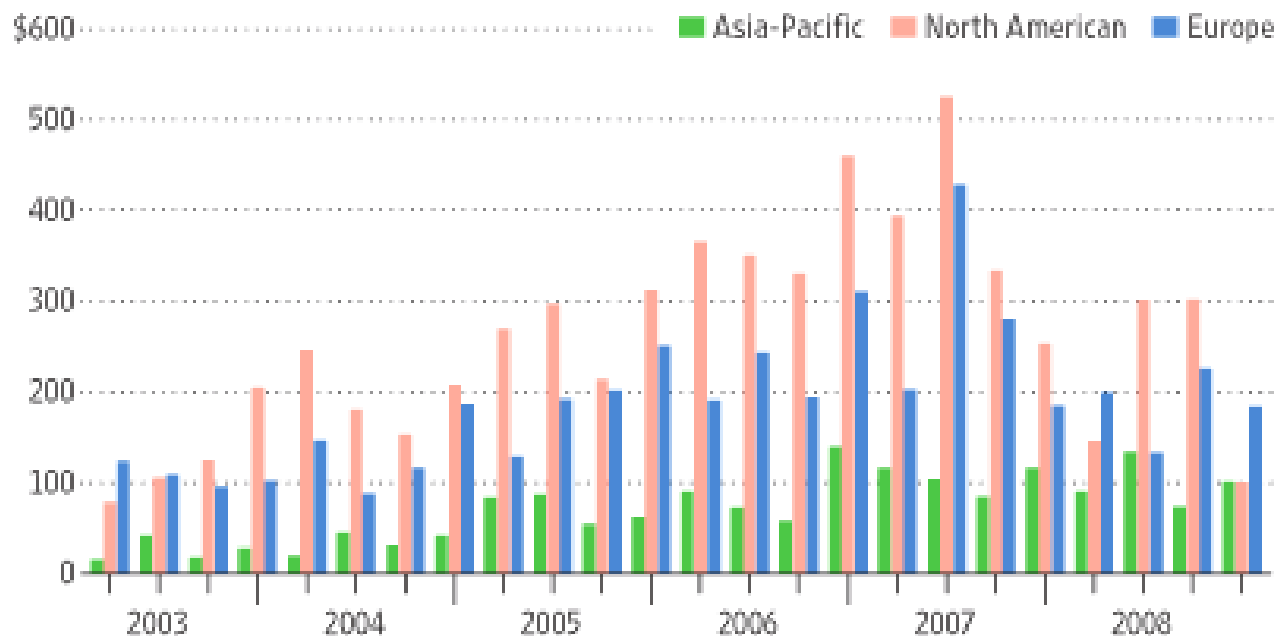
Top 10 acquirers	No. of deals	2008 value, in billions	Chg. from '07
U.S.	2,057	 \$188.57	-26%
France	486	 118.95	-15
U.K.	1,011	 101.81	-67
Switzerland	329	 88.59	+80
Japan	364	 77.76	+231
Belgium	109	 64.68	+280
Germany	585	 57.45	-65
China	239	 52.09	+101
Russia	148	 27.59	+34
Italy	150	 26.65	-78

Source: Dealogic

## 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](http://www.mergermarket.com)

February 2009