

# Overview

## Regional themes

- Deal values reached new highs in 2006 with multi-billion dollar transactions happening across many territories in the region
- Private equity investment continued apace, with global funds making their presence felt amidst increased domestic fund activity
- A healthy level of cross-border activity within Asia continued, most noticeably between the Southern Asian territories

## North Asia

- China continued its impressive growth story, with a noticeable shift to domestic led transactions and will continue to beneficially impact the Hong Kong market
- Despite a dip in deals in Japan in 2006, Japanese companies have grown increasingly confident in sourcing strategic targets overseas
- A handful of mega-deals helped strengthen the South Korean M&A market amidst political uncertainties from the North
- Ongoing consolidation in the financial sector and integration in the technology sector continue to dominate Taiwanese M&A

## South Asia

- Expect the M&A uptrend in India to continue, with several large deals already in the pipeline for 2007 and a number of private equity funds raising new money
- Transactions in the palm oil and oleochemicals sectors helped push Malaysian deal values to record levels in 2006
- An uncertain political environment in Thailand may negatively affect the market in 2007
- More stable political and economic environments in the Philippines and Indonesia have helped restore investors' confidence
- Economic reforms and key anchor investments helped Vietnamese M&A to continue its predicted climb

## Australasia

- Australia has seen unprecedented levels of activity with the entry of global private equity players and a new scale of mega-deals
- Australian led interest buoyed activity in the New Zealand M&A market in 2006