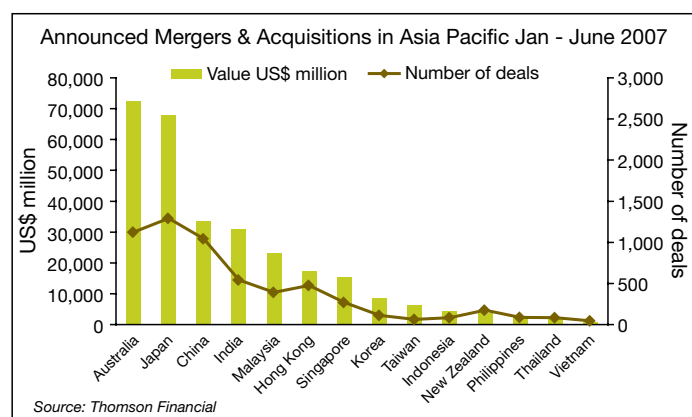


Asia-Pacific M&A Bulletin Mid-Year 2007

Foreword by Chao Choon Ong, Transactions Leader, Asia Pacific



Welcome to the twelfth edition of our Asia Pacific M&A Bulletin, a publication compiled principally with our M&A clients in mind, whether they are strategic or financial investors. The Bulletin is based on the views of our extensive network of in-country M&A professionals. These individuals encounter the day-to-day practical implications of factors affecting our region and have provided an impartial overview of the current status of the M&A market. More importantly, they have provided their views on where the market trends are heading in their own territory and factors that are likely to impact investment activity in the near future.



2007 is off to a tremendous start, in which deal values grew at unprecedented levels (41 percent compared to the first half of 2006). Notably, the deal volume was relatively flat, reflecting the proliferation of larger transactions across the region. Noteworthy among the Asia Pacific countries was India, which once again posted half-year deal values on par with the prior year's total result. Following close behind in this trend were Australia, China, Malaysia, Singapore and Vietnam, which each experienced growth of over 50 percent.

Private equity funds again took centre stage, launching headline-grabbing deals across the region. At the same time, it was not all good news as there were as many failed attempts as successful ones. Nevertheless, private equity is now firmly ensconced in most Asian markets and we expect to see larger and bolder deals as the year progresses.

As the financial services sector continually registers as the most active sector for M&A in the region, our first special feature focuses on the prospects for industry consolidation and thereby acquisition activity in the future.

With global warming topics filling the headlines as well as most CEO's agendas, we include a discussion of the carbon markets as our second special feature in this issue.

For our last special feature, we celebrate the first anniversary of the initiation of our coverage of Vietnam, with a brief synopsis of the origins of the newest Asian Tiger.

At PricewaterhouseCoopers, we have dedicated M&A professionals spread across the Asia Pacific region. Our approach to the M&A process and a sampling of services on offer are set out on page 50, with principal contacts for each territory listed inside the back cover.

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