



ASEAN 6 – M&A Deals

A Pickering Pacific study of trends in M&A deals in six major ASEAN countries for 2010

Objective

Pickering Pacific regularly conducts research to identify the main trends in the M&A markets of six major ASEAN countries. This issue covers 2010. This paper is the sixth update of our initial research paper published in October 2008.

Notes

For the purpose of this study, the “ASEAN-6” countries reviewed are: Indonesia, Malaysia, Singapore, Thailand, The Philippines and Vietnam. This study does not cover any other ASEAN countries.

All M&A data are extracted from the Thomson Reuters database unless otherwise stated. The Thomson Reuters database only includes a portion of the deals that have occurred during the relevant period.

All “announced deals” in the Thomson Reuters database are taken into account, regardless of whether they were terminated later on.

Some parties do not make public the value of their transaction. All statistics on deal value¹ exclude all the deals for which no value has been disclosed.

Some deals are reported without indication of the acquirer’s country. Statistics on the breakdown between foreign and domestic buyers exclude all the deals for which no acquirer’s country has been indicated.

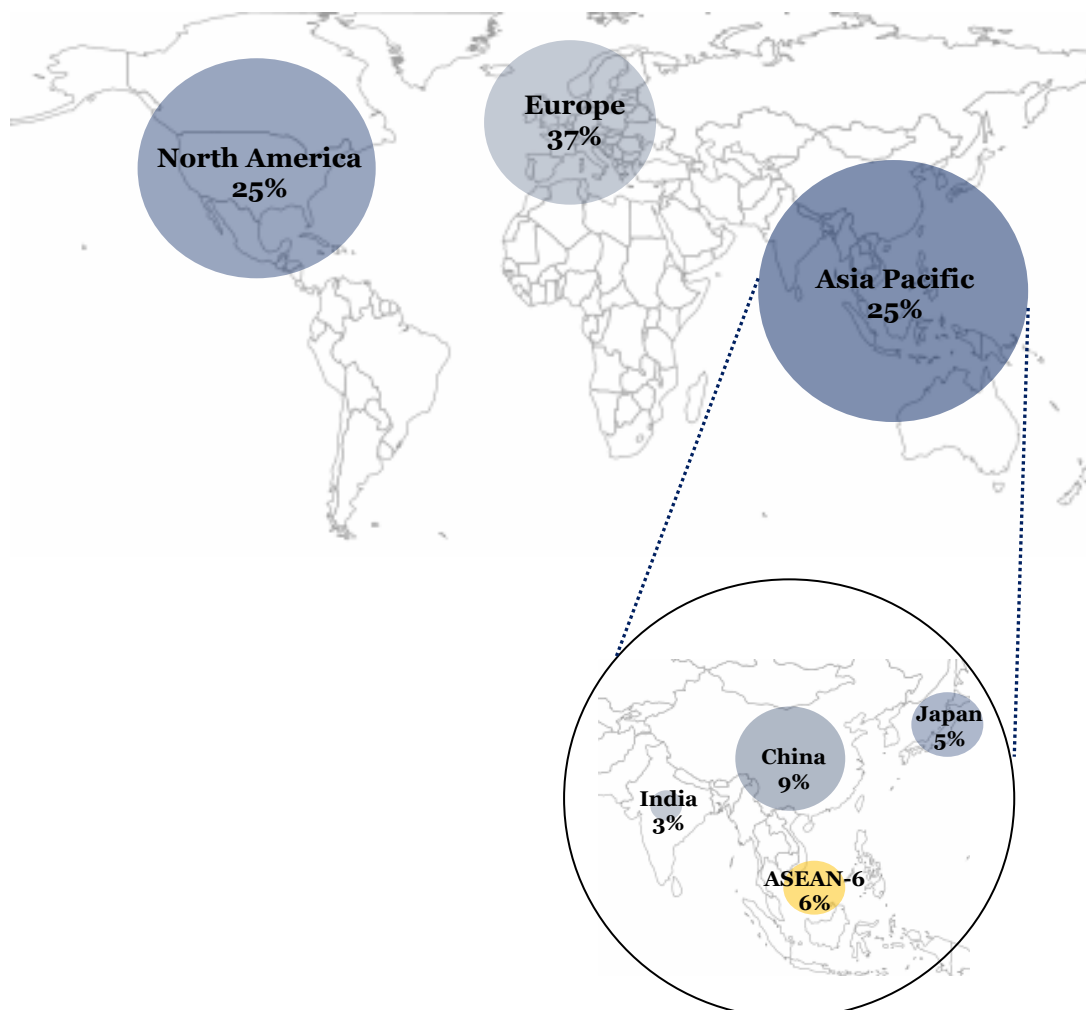
All amounts are in US dollars (USD) unless otherwise stated.

“Mid-market” deals refer to any M&A deal up to a value of USD 150m.

¹ Total deal value, average deal size and breakdown between mid-market and large deals.

M&A activity in Southeast Asia in 2010

Global M&A Deals by Region (In-bound)

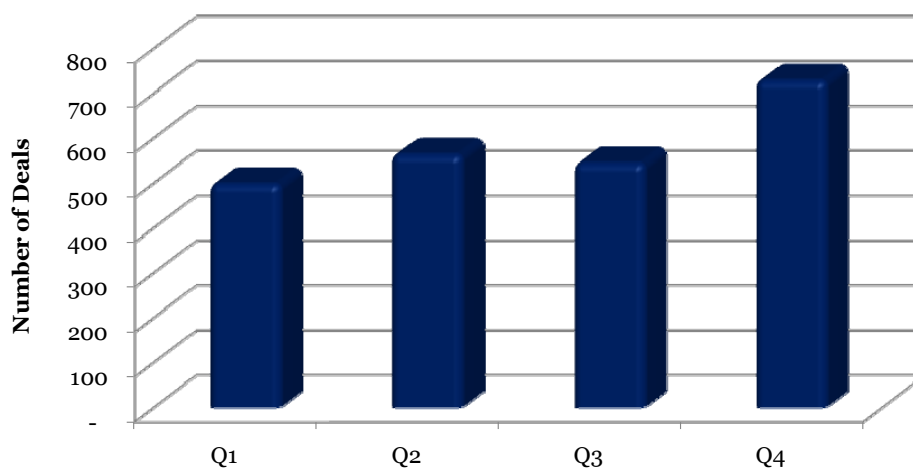


Source: Thomson Reuters, Pickering Pacific Analysis. In-bound deals announced in 2010.

On a global scale, Asia-Pacific stood for a quarter of the in-bound deal² volume in 2010. Transactions in ASEAN-6 countries accounted for 6% of the deals concluded worldwide and 24% of the deals done in Asia. The strength of the M&A market in Southeast Asia is still evident amidst the emerging markets of India and China.

² In-bound deals are deals for which the targets are situated in the specified region.

M&A Deals in ASEAN-6 - Deal Overview



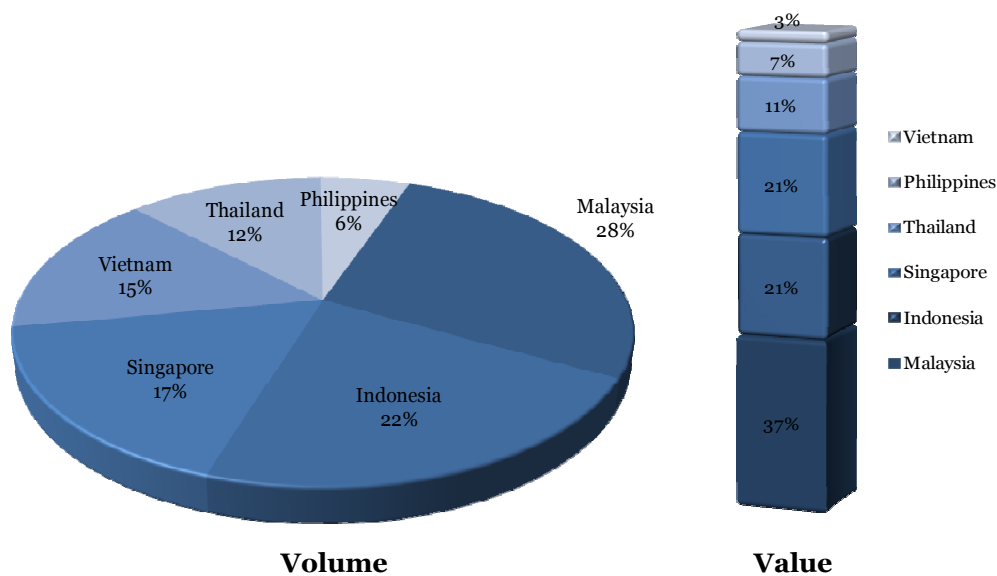
	Q1	Q2	Q3	Q4	Total
Number of deals	499	564	545	729	2,337
Deals with value disclosed	267	303	328	439	1,337
Value in USD bn	10.3	8.4	13.0	29.0	60.7
Average deal size USD m	38.7	27.6	39.7	66.0	45.4

Source: Thomson Reuters, Pickering Pacific Analysis. For the value of deals and average deal size, deals with no disclosed value have been excluded.

In 2010, 2,337 deals were announced for a total disclosed amount of USD 60.7bn. The average deal size was USD 45.4m over this period.

After a steady activity during the first three quarters of 2010, deal activity saw a surge in the last quarter with 729 deals recorded. The average deal size also picked during this period to reach USD 66m.

M&A Deals in ASEAN-6 – Breakdown by Country

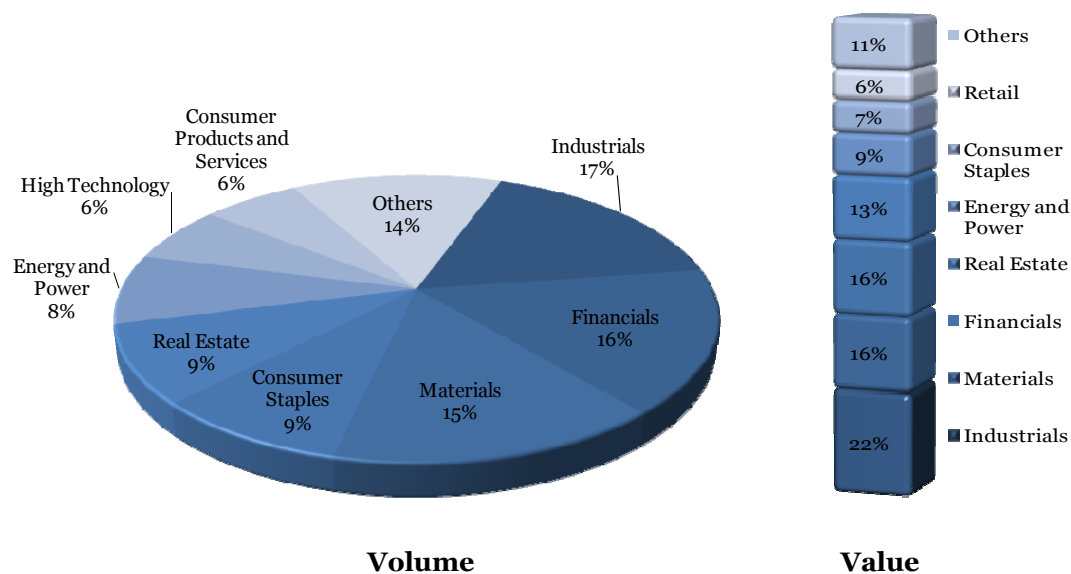


Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown by value, deals with no disclosed value have been excluded.

Malaysia and Indonesia were the most active target countries for 2010 with 1,155 deals representing half of the ASEAN-6 M&A volume. In terms of value, Malaysia dominated the market with USD 22.4bn representing 37% of the total value of ASEAN-6 M&A deals for 2010.

Although this may only be a temporary surge, it is interesting to note the development of Indonesia as a target country. Traditionally, Singapore and Malaysia have led the field as destinations for M&A investments in Southeast Asia.

M&A Deals in ASEAN-6 – Breakdown by Sector



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown by value, deals with no disclosed value have been excluded.

Deals in 2010 were fairly well spread out among the different sectors of the ASEAN-6 economies.

With 401 and 375 deals respectively, the financial and industrial sectors led the deal flow standing respectively for 17% and 16% of the deal volume. In terms of value, the industrial sector represented the most active sector with 22% of the total value.

Within the industrial sector, the building and infrastructure activities led the deal flow representing 73% of the deal volume. Over the past two years most of the ASEAN-6 countries resorted to extraordinary stimulus measures to restart or enhance the growth of their economies, the main measure being infrastructure spending. The M&A activity in the building and infrastructure activities has certainly been encouraged by these governmental measures.

The largest deals in this sector involved Tanayong, a Thai real estate developer. Tanayong acquired two transport companies, SiamRail Transport & Infrastructure for USD 759 m and Bangkok Mass Transit System for USD 604 m. The rationale behind these acquisitions was to facilitate Tanayong’s development of its property assets situated along the Bangkok sky train lines. They also bring steadier cash flow to the company.

Key Industry Insights

Industrial

The industrial sector was one of the most active industries in terms of both deal volume and value with 401 deals registered worth USD 13.6bn in 2010.

Governmental infrastructure spending through the various stimulus plans has largely contributed to this sector. Large government-commissioned projects have brought pressures on firms to merge and or acquire in order to attain a required level of capacity and reap economies of scale. The return to this sector of financial investors (i.e. private equity, pension funds, and equity income funds) has probably been the catalyst for the M&A recovery in the industrial market.

Financial Services

The financial services sector was one of the most active industries in terms of both deal volume and value with 375 deals registered worth USD 9.6bn in 2010.

The most significant deal involved Thanachart Bank which acquired a 47% stake in Siam City Bank for a total value of USD 1bn in March 2010. With this acquisition, Thanachart raised its share in Siam City Bank to 99% becoming Thailand's fifth-biggest bank. Siam City Bank is a Bangkok-based provider of commercial banking services formerly owned by Financial Institutions Development Fund (FIDF), a state-owned fund.

Thanachart Bank was competing with HSBC and Korea Development Bank on the bid. The bank is owned at 51% by Thanachart Capital while Canada's Bank of Nova Scotia holds the rest, foreign banks being limited to 49% stakes in Thai banks. Bank of Nova Scotia has spent about USD 2bn on foreign acquisitions since 2007. This acquisition reflects a trend from banks in mature countries to expand in less-mature markets, especially in Asia.

Energy and Power

M&A activity in the energy sector is usually highly correlated to oil and gas prices. Yet, the recent oil price rebound has not yet fully translated into a rush into M&A deals. For 2010, 184 transactions were recorded standing only for 8% of total M&A volume for the region. Market and regulatory uncertainties (e.g., linked to the recent oil leakages in the Gulf of Mexico and Australia) are still taking their toll on M&A activity as investors remained cautious.

High Technology

With 152 transactions recorded in 2010, the high-tech sector represented 6% of the regional M&A volume. The volume of deals in this sector is poised to increase in the next quarters. The improving valuations coupled with the need for companies to complete their product portfolios will indeed favor M&A activity.

As mobile access to the Internet continues to grow in ease and importance, application developers, hardware manufacturers, infrastructure vendors, and carriers alike are fighting for users' attention. The acquisitions of niche players in real-time search and location-based applications will provide a boost to deal making.

Security solutions will remain of great importance across both the public and commercial sectors. This makes a good opportunity for M&A as there are a number of small and midsize IT security firms that would make ideal add-ons to infrastructure vendors³.

Media and Entertainment

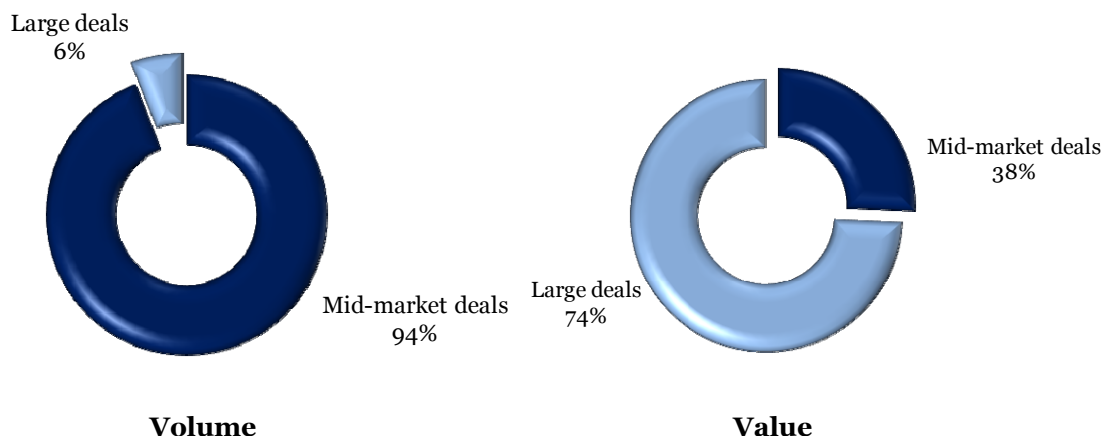
The media and entertainment sector represented 5% of M&A transactions volume in 2010. The pace of consumers' migration to new digital platforms is running well ahead of the industry's expectations. Changing consumer behavior is impacting on all segments of the entertainment and media industry, as companies search for the right role and positioning in the digital value chain that is now taking shape.

The companies will continue to seek out consolidation plays within core competencies as means of improving market share and profitability. On the other hand, as part of their efforts to strengthen core businesses, media conglomerates continue to shed non-core businesses⁴.

³ Economist Intelligence Unit

⁴ Economist Intelligence Unit

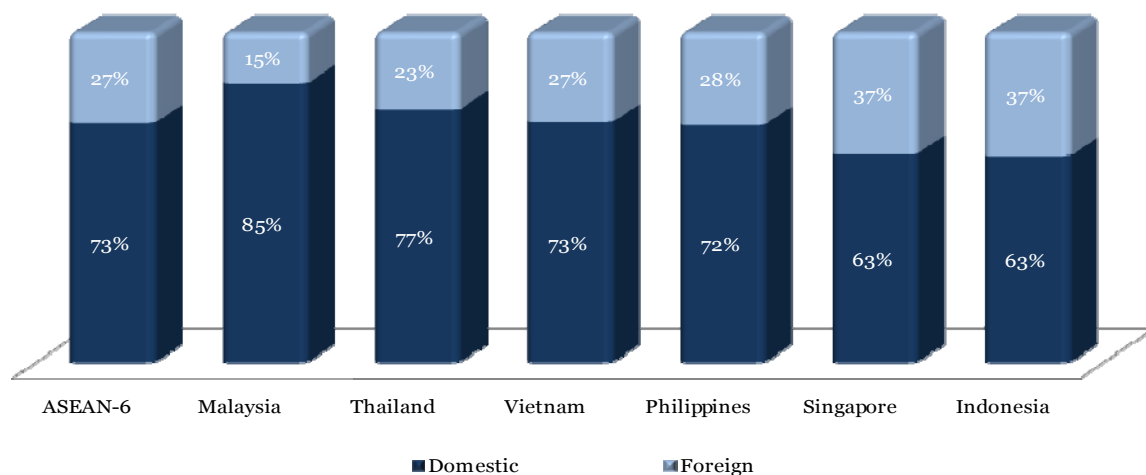
M&A Deals in ASEAN-6 - Mid-Market vs. Large Deals



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. Mid-market deals refer to any M&A deal up to USD 150m. For the breakdown in volume and value between mid-market and large deals, deals with no disclosed value have been excluded.

Due to the size and structure of the ASEAN-6 economies, its M&A market mainly consists of mid-market deals. In 2010, mid-market deals represented 94% of the transactions in volume. Whilst large deals accounted for the remaining 6% of the deal volume, they accounted for 74% of deal value (USD 45.1bn). Almost nine transactions out of ten were below USD 50m.

M&A Deals in ASEAN-6 - Cross-Border vs. Domestic Deals (in volume)



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown between foreign and domestic buyers, deals without the acquirer country have been excluded.

M&A transactions in ASEAN-6 countries were mainly done by domestic buyers which accounted for 73% of the deals in volume. The breakdown between domestic and foreign buyers was slightly different among the countries. Malaysia has the highest percentage of domestic buyers (85%). This importance of the domestic market contributes to Malaysia's number one place in ASEAN-6 as a target market.

Intra-regional transactions played a large role since 72% of foreign buyers were Asian investors. Singapore and Malaysia led the acquiring countries, accounting for more than a half of these acquirers.

M&A deals in ASEAN 6 - Top 5 completed deals

Date	Target	Acquirer	Value in USD m	Industry	Target Country
Q3 2010	Tanjong PLC	Tanjong Capital	1,427	Energy & Power	Malaysia
Q3 2010	Titan Chemicals	Henam Petrochemical	1,264	Materials	Malaysia
Q1 2010	Siam City Bank	Thanachart Bank	1,078	Financials	Thailand
Q4 2010	Sunrise	UEM Land	981	Real estate	Malaysia
Q3 2010	Fraser & Neave	Kirin	975	Consumer staples	Singapore

Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded from 2010

ASEAN-6 Key Statistics

	2010 Population in million	2009 FDI inflow in USD bn	2010 GDP in USD bn	GDP Growth 10 vs. 09	2010 GDP per capita USD PPP ⁽¹⁾	Inflation 10 vs. 09
Singapore	5.1	16.3	182.7	15.0%	57,238	2.8%
Malaysia	28.3	1.4	218.9	6.7%	14,603	2.2%
Thailand	67.6	5.9	312.6	7.5%	8,643	3.1%
Indonesia	234.5	4.8	695.1	6.0%	4,380	5.1%
The Philippines	94.0	1.9	189.1	7.0%	3,725	4.5%
Vietnam	88.3	7.6	101.9	6.5%	3,123	8.4%
ASEAN-6	517.8	37.9	1,700.3	-	-	-

Sources: IMF estimates for population, GDP, GDP growth and GDP per capita and inflation. ASEAN and Macro-economic Surveillance Unit for FDI.

In 2010, ASEAN-6 countries had a combined population of over 517m people with a cumulative gross domestic product of USD 1,700bn. After having experienced recession in 2009, the economies of ASEAN-6 countries were back on the growth track. Singapore recorded the most impressive recovery with a growth rate of 15%. All the other countries experienced strong growth at a rate of 6% to 7%.

Malaysia and Singapore were severely hit by the 2009 downturn as their GDP are highly dependent on world trade growth. Both have initiated massive fiscal stimulus and recovery is underway. The economy of Singapore has spectacularly rebounded driven by strong exports and stellar performance in tourism-related sectors.

In Thailand, despite the political turmoil of the beginning of the year, the economy expanded considerably thanks to the strength of the exports of the manufacturing sector.

On the back of a very healthy growth rate in 2009, Indonesia's economy continued to grow driven by consumer spending, investment, and exports.

In the Philippines, economic growth surpassed the government's target in 2010 as services, industry and agriculture expanded strongly in the last quarter of the year and the election spending drove the economy for the first three quarters.

In Vietnam, the government has moved swiftly to expand fiscal and monetary policy, and this has helped to buffer the shock of declining export demand in 2009. It recorded a 6.5% growth rate for 2010.

ASEAN-6 countries are playing an increasingly significant role globally, especially after the 2009 economic downturn that saw countries in the region emerge as some of the fastest growing economies in the world.

Insights by Country for 2010

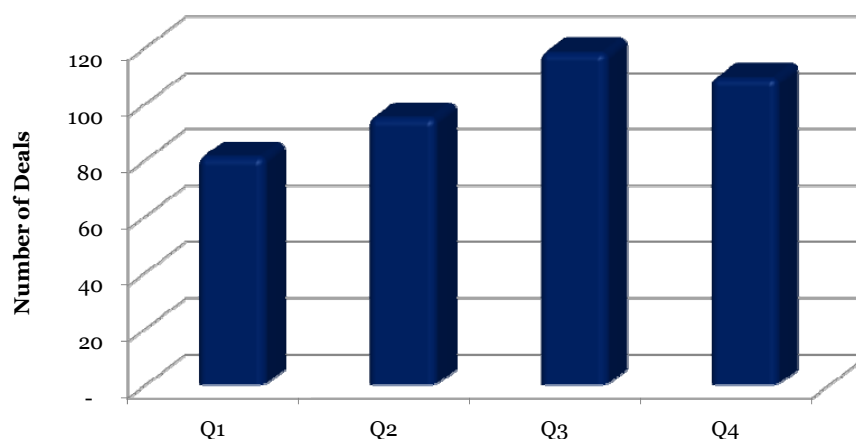


Singapore

Key facts

2010 GDP	USD 182.7bn
GDP growth 09-10	15.0%
Major industries	Electronics, Financial Services, Chemicals
2010 M&A deals	403

M&A Deals in Singapore - Deal Overview



	Q1	Q2	Q3	Q4	Total
Number of deals	81	95	118	109	403
Deals with value disclosed	55	60	71	76	262
Value in USD bn	2.9	1.0	4.3	4.6	12.8
Average deal size USD m	53.0	16.3	60.5	61.1	49.0

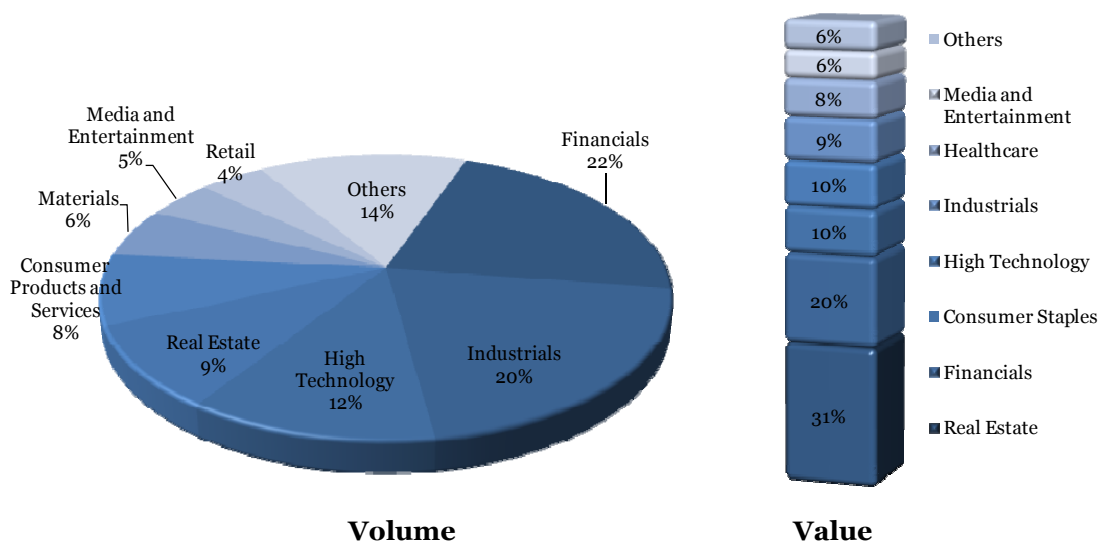
Source: Thomson Reuters, Pickering Pacific Analysis. For the value of deals and average deal size, deals with no disclosed value have been excluded.

403 deals were recorded in 2010. Out of these recorded deals, 262 were reported with a total disclosed deal value amounting to USD 12.8bn. The second half of 2010 saw a rebound both in volume and value with an increase of respectively 29% and 130% compared to the first half of the year.

In 2010, 90% of the deals recorded had a deal size of less than USD 150m. The average deal size over the period is USD 49m.

The deals done by foreign players stood for 63% of the deal volume. A high proportion of these buyers are from neighboring Malaysia (19%), followed by the United States and Hong Kong, each accounting for approximately 10%. Whereas the average domestic deal size was USD 40m, the average foreign deal size was almost twice that amount.

M&A Deals in Singapore – Breakdown by Sector



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown by value, deals with no disclosed value have been excluded.

Singapore’s financial and industrial sectors remained the most active in terms of volume with respectively 88 and 82 deals. The real estate sector topped the chart in value with USD 3.9bn worth of transactions.

Within this industrial sector, the engineering and construction activity represented 21% of the deal volume. The largest industrial deal was Asia Genko’s USD 425m acquisition by an investor group led by Morgan Stanley Infrastructure Partners. Asian Genco is an infrastructure development company with investments in power generation assets in India.

The consumer staples sector represented 10% of the deals in value with only 3% of the deals in terms of volume. The largest deal involved Japan’s Kirin which bought a 14.7% stake in

beer and property conglomerate Fraser & Neave from Singapore state investor Temasek for USD 975m to accelerate its expansion in Asia. The transaction was primarily aimed at bolstering its soft drinks and dairy products businesses in South East Asia. Kirin has spent nearly USD 5bn on acquisitions in the past two years to diversify its operations and grow outside its saturated home market. In 2009, it invested USD1.5bn for 48% of San Miguel Brewery, the beer arm of South East Asia's biggest food and drinks group, San Miguel.

M&A Deals in Singapore – Top 5 Completed Deals

Date	Target	Acquirer	Value in USD m	Industry	Acquirer Nation
Q3 2010	Fraser & Neave	Kirin Holdings	975	Consumer Staples	Japan
Q1 2010	Parkway Holdings	Fortis Healthcare	685	Healthcare	India
Q3 2010	Alkas Realty	Total Apex	638	Financials	Singapore
Q1 2010	Asia Genco	Investor Group	425	Industrials	U.S.A
Q3 2010	Chevron House	Deka Immobilien Invest	405	Real Estate	Germany

Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010.



Malaysia

Key facts

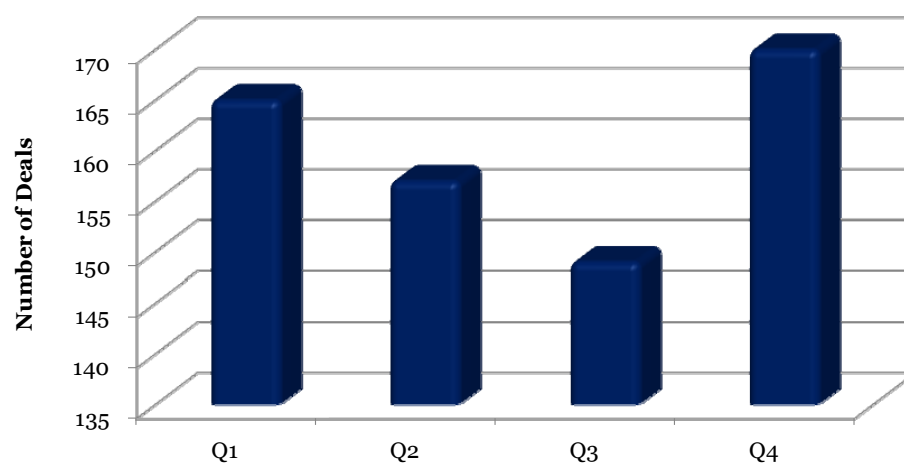
2010 GDP USD 218.9bn

GDP growth 09-10 6.7%

Major industries Electronics, Oil & Gas, Palm Oil

2010 M&A deals 641

M&A Deals in Malaysia - Deal Overview



	Q1	Q2	Q3	Q4	Total
Number of deals	165	157	149	170	641
Deals with value disclosed	80	84	83	107	354
Value in USD bn	1.6	2.1	4.3	14.1	22.2
Average deal size USD m	20.6	25.5	52.3	131.4	62.7

Source: Thomson Reuters, Pickering Pacific Analysis. For the value of deals and average deal size, deals with no disclosed value have been excluded.

A total of 641 deals were recorded in Malaysia in 2010. Out of these deals, 354 deals were announced with a total disclosed value of USD 22.2bn.

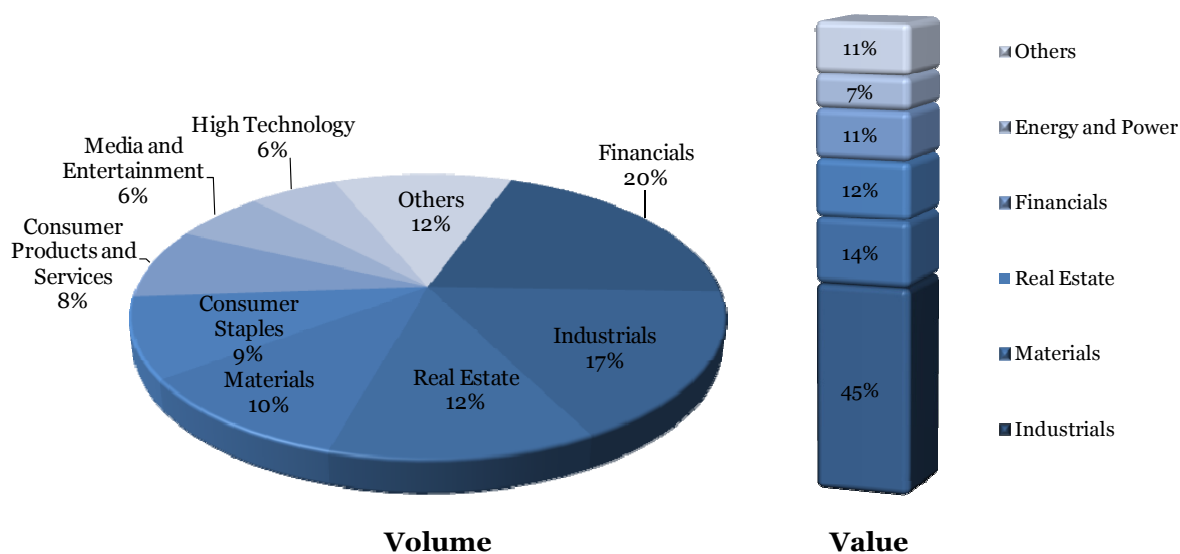
M&A activity declined in the third quarter of 2010 after the robust levels of activity recorded at the beginning of the year. The deal activity recovered during the last quarter of the year with 170 deals recorded worth USD 14bn.

One large deal announced in the last quarter was the primary driver of the year’s total deal value. Plus Expressways, Malaysia’s largest and most profitable toll company which is controlled by the state-owned Khazanah Nasional has received several offers from different investors group for a value of USD 8.3bn.

Mid-market transactions stood for 94% of the deal volume but only 38% of the deal value. The average value of mid-market deals was USD 13m reaching a total value of USD 4.3bn. Large deals amounted to USD 17.9bn with an average deal size of USD 815m.

The Malaysian M&A market was dominated by domestic investors who represented 85% of the deals in volume and 78% in value. This rate is the highest in the ASEAN-6 countries. In June 2009, Malaysia Prime Minister announced a comprehensive deregulation of the investment guidelines administered by the Foreign Investment Committee (FIC). The measures implemented constitute a major easing of investment regulations and should increase the number of acquisitions by foreign players in the coming years.

M&A Deals in Malaysia – Breakdown by Sector



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown by value, deals with no disclosed value have been excluded.

Deals in 2010 were fairly well spread out among the different sectors of the Malaysian economy. The financial sector accounted for 20% of the number of transactions with 88 transactions.

It was followed by the industrial sector with 82 deals representing 17% of the deal volume. The industrial sector topped the chart in terms of deal value with a total of USD 9.9bn. Plus Express' announced deal accounted for the vast majority of the deal value.

M&A Deals in Malaysia – Top 5 Completed Deals

Date	Target	Acquirer	Value in USD m	Industry	Acquirer Nation
Q3 2010	Tanjong	Tanjong Capital	1,427	Energy and Power	Malaysia
Q3 2010	Titan Chemicals	Honam Petrochemical	1,264	Materials	South Korea
Q4 2010	Sunrise	UEM Land Holdings	981	Real Estate	Malaysia
Q3 2010	MEASAT Global	Measat Global Network	201	Telecommunications	Malaysia
Q3 2010	Natural Oleochemicals	PGEO Group	153	Materials	Malaysia

Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010.



Thailand

Key facts

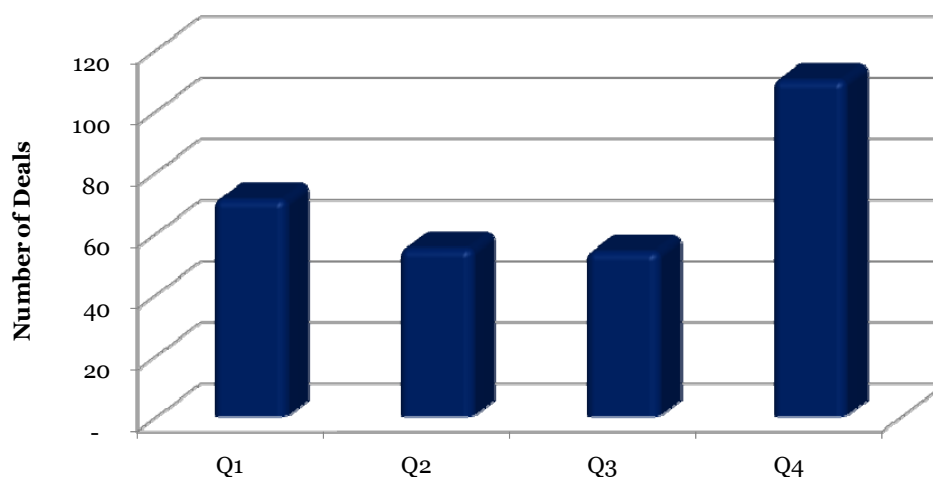
2010 GDP USD 312.6bn

GDP growth 09-10 7.5%

Major industries Automotive, Textile, Electronics

2010 M&A deals 290

M&A Deals in Thailand - Deal Overview



	Q1	Q2	Q3	Q4	Total
Number of deals	71	55	54	110	290
Deals with value disclosed	54	45	46	84	229
Value in USD bn	2.9	0.6	0.8	2.7	7.0
Average deal size USD m	53.4	12.6	18.1	32.0	30.5

Source: Thomson Reuters, Pickering Pacific Analysis. For the value of deals and average deal size, deals with no disclosed value have been excluded.

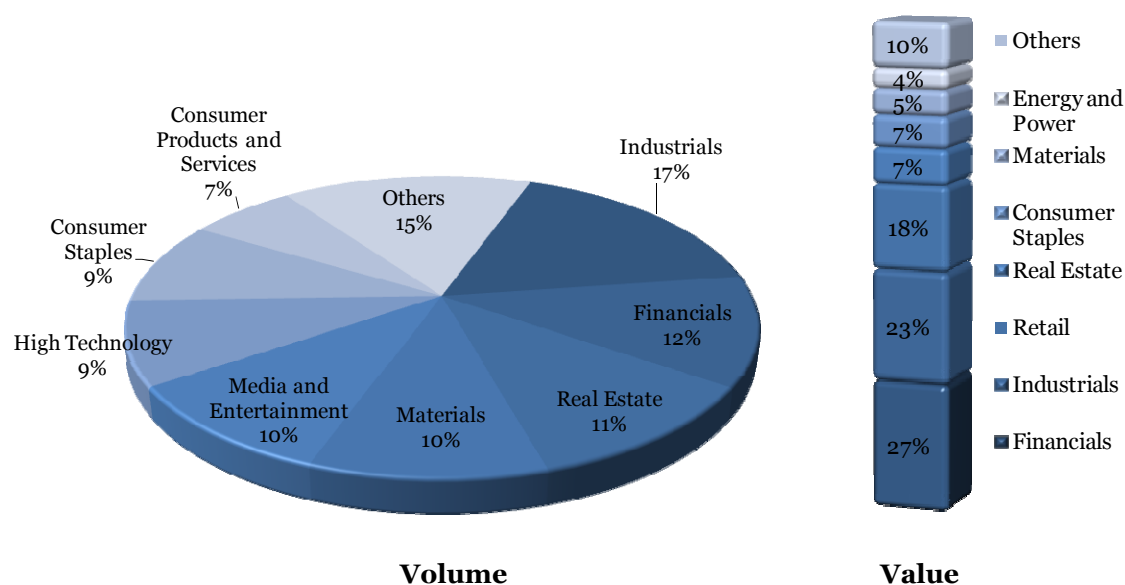
In 2010, 290 deals were announced for a total disclosed value of USD 7.0bn. After a relatively low level activity during the first three quarters of 2010, deal activity saw a surge in the last quarter with 110 deals recorded. The low deal volume could have been attributable to the unstable political climate which still largely prevails today.

The M&A deal market in Thailand is dominated by mid-market transactions; 97% of deals were concluded for less than USD 150m.

Transactions done by domestic buyers represented 77% of the deal volume. The average domestic deal size amounted to USD 16m whereas the average deal size for foreign buyers reached USD 35m.

With 47 deals, Asian buyers were the largest contingent of foreign buyers accounting for 72% of the deals done by foreign companies. Singapore buyers were top on the list with 17 deals followed by Japan and Malaysia, each taking up 25% of these deals. Japan has traditionally been an important investor in Thailand.

M&A Deals in Thailand – Breakdown by Sector



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown by value, deals with no disclosed value have been excluded.

The industrial and financial sectors led the M&A deal volume with 50 and 34 transactions respectively. The industrial sector represented 23% of the deal value i.e., USD 1.6bn.

The largest deals in this sector involved Tanayong, a Thai real estate developer. Tanayong acquired two transport companies, SiamRail Transport & Infrastructure for USD 759 m and Bangkok Mass Transit System for USD 604 m. The rationale behind these acquisitions was

to facilitate Tanayong's development of its property assets situated along the Bangkok sky train lines. They also bring steadier cash flow to the company.

M&A Deals in Thailand – Top 5 Completed Deals

Date	Target	Acquirer	Value in USD m	Industry	Acquirer Nation
Q1 2010	Siam City Bank	Thanachart Bank	1,078	Financials	Thailand
Q1 2010	Siam Rail Transport & Infrastructure	Tanayong	759	Industrials	Thailand
Q1 2010	Bangkok Mass Transit System	Tanayong	604	Industrials	Thailand
Q3 2010	East Asiatic Public	Brenntag	208	Financials	Belgium
Q2 2010	BTS Group	Investor Group	198	Real Estate	Thailand

Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010.

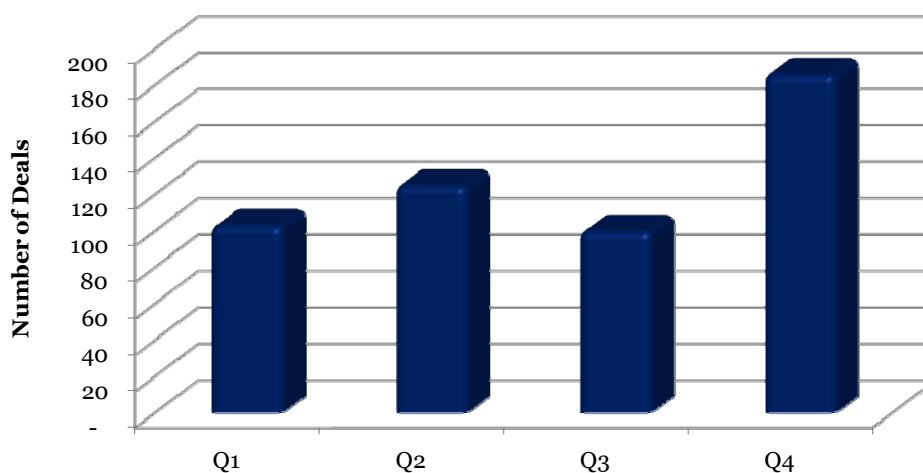


Indonesia

Key facts

2010 GDP	USD 695.1bn
GDP growth 09-10	6.0%
Major industries	Oil & Gas, Mining, Textile
2010 M&A deals	514

M&A Deals in Indonesia - Deal Overview



	Q1	Q2	Q3	Q4	Total
Number of deals	103	125	100	186	514
Deals with value disclosed	41	45	53	80	219
Value in USD bn	0.8	4.1	1.7	6.3	12.9
Average deal size USD m	19.8	91.3	31.3	78.5	58.7

Source: Thomson Reuters, Pickering Pacific Analysis. For the value of deals and average deal size, deals with no disclosed value have been excluded.

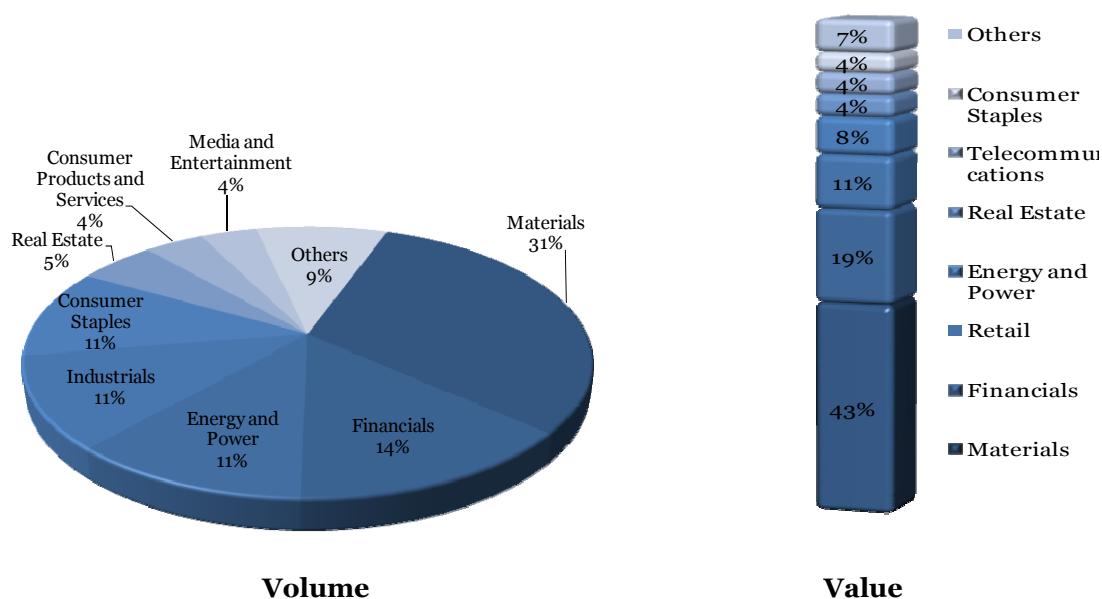
A total of 514 deals were recorded in Indonesia in 2010 for a total disclosed value of USD 12.9bn. After a steady activity during the first three quarters of 2010, deal activity saw a

surge in the last quarter with 186 deals recorded. The average deal size was very fluctuant over the quarters with a low at USD 19m and a high at USD 78.5m.

Mid-market deals represented 90% of deals in volume with 181 deals registered and 16% of deals in value (USD 1.9bn). The average mid-market deal size was USD 11m. During the same period, large deals accounted for 10% of M&A deals in volume with 27 deals but stood for 84% of all deals in value with a total disclosed value of USD 10.1bn. The average large deal size was USD 374m.

Deals done by foreign investors represented 37% of the deals in volume and 64% in value. Eight foreign deals out of ten were done by Asian companies, with firms from Singapore and Malaysia making up the bulk of these Asian buyers.

M&A Deals in Indonesia – Breakdown by Sector



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown by value, deals with no disclosed value have been excluded.

With 159 deals for a total disclosed value of USD 5.5bn, the materials sector accounted for 31% of the deal volume and 43% of the deal value. More than a half of the deals in the materials sector involved coal mines.

Vallar, a natural resources fund founded by Nathaniel Rothschild, announced the two largest deals in the coal mines industry. The United Kingdom's fund agreed on a USD3 bn deal with Indonesia's number one coal producer Bumi Resources (USD 1.4bn) and number five coal producer Berau Coal Energy (USD 1.6bn). An investment vehicle will buy 25% of Bumi and 75% of Berau in a cash and stock transaction. The transactions are expected to be completed in the first quarter of 2011.

Two of the five largest deals completed of the period were in the material sector (see table at the end of this section). The largest completed deal involved KEPCO, the South Korean state-owned power company which acquired a 20% stake in Bayan Resources for a total value of USD 523m.

M&A Deals in Indonesia – Top 5 Completed Deals

Date	Target	Acquirer	Value in USD m	Industry	Acquirer Nation
Q3 2010	Chandra Asri	Tri Polyta Indonesia	540	Materials	Indonesia
Q3 2010	Bayan Resources	KEPCO	523	Materials	South Korea
Q4 2010	Sumber Alfaria Trijaya	Sigmantara Alfindo	204	Retail	Indonesia
Q3 2010	Mitratama Perkasa	Nusantara Pratama Indah	190	Industrials	Indonesia
Q4 2010	Gold Capital	First REIT	132	Healthcare	Singapore

Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010.

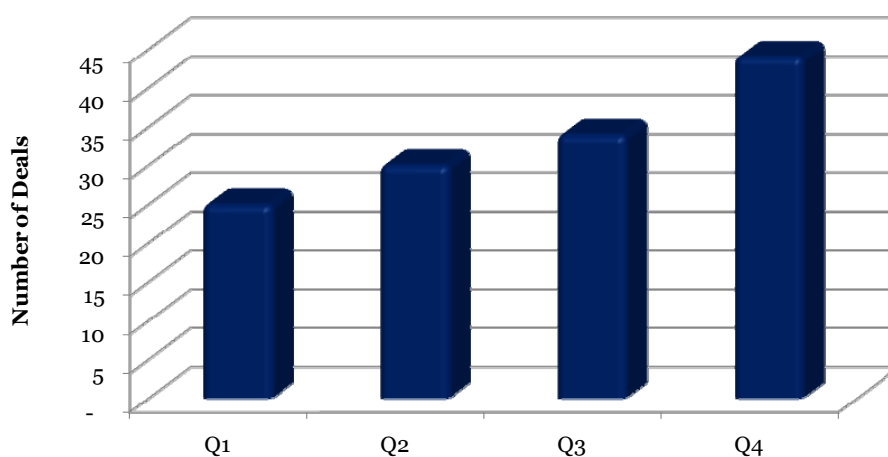


The Philippines

Key facts

2010 GDP	USD 189.1bn
GDP growth 09-10	7.0%
Major industries	Agriculture, Electronics, Business Process Outsourcing
2010 M&A deals	133

M&A Deals in The Philippines - Deal Overview



	Q1	Q2	Q3	Q4	Total
Number of deals	25	30	34	44	133
Deals with value disclosed	13	12	16	14	55
Value in USD bn	1.8	0.3	1.4	0.7	4.2
Average deal size USD m	140.2	22.4	86.6	51.0	76.2

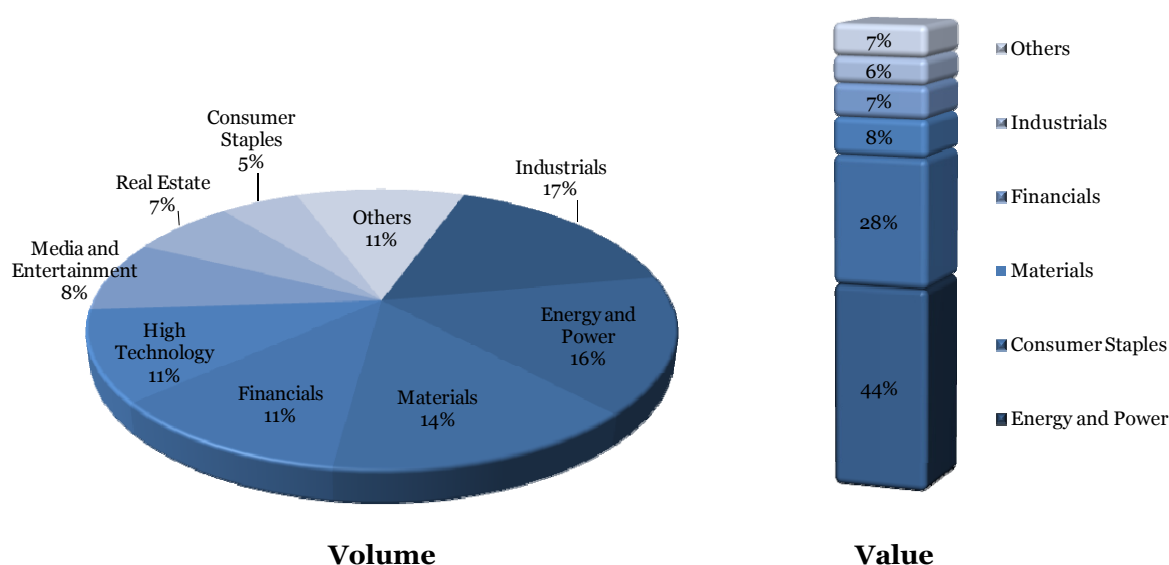
Source: Thomson Reuters, Pickering Pacific Analysis. For the value of deals and average deal size, deals with no disclosed value have been excluded.

In 2010, 133 deals have been recorded in the Philippines with a total disclosed value of USD 4.2bn. The activity had steadily increased over the year. The average deal size reached a peak in the first quarter of the year at USD 140m.

Mid-market deals represented 90% of deals in volume with 38 transactions registered. In terms of value, mid-market deals accounted for 16% of all deals with a total of USD 609m. The average mid-market deal size was USD 16m. During the same period, 10 large deals have been registered with a disclosed value of USD 3.2bn. The average large deal size was USD 325m.

Foreign investors represented 28% of announced deals and 24% in value. Much of the USD 1.0bn worth of foreign acquisitions arose from the acquisition of Santa Rita power station owned by First Gas from KEPCO (USD 400m). The bulk of foreign buyers came from Asia-Pacific. With 24 transactions, Asian buyers represented 70% of the deals announced by foreign acquirers.

M&A Deals in The Philippines – Breakdown by Sector



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown by value, deals with no disclosed value have been excluded.

Though the industrial sector topped the chart in terms of volume with 22 deals, it only represented 6% of the deal value with a total of USD 240m.

The energy sector represented 16% of the deal volume but almost half of the deal value. The most significant deal was the acquisition of Petron Corp, Philippines' biggest oil refiner, by San Miguel Corp. The transaction is stepping up the conglomerate's transformation into a heavy industry group. San Miguel has been moving away from its traditional food and drinks businesses and into power, mining, telecommunications, oil refining and infrastructure to fuel faster profit growth.

With 7 deals worth USD 1.3bn, the consumer staples sector was quite active. Most of the transactions involved San Miguel Corp which is divesting its food and beverages activities.

M&A Deals in The Philippines – Top 5 Completed Deals

	Date	Target	Acquirer	Value in USD m	Industry	Acquirer Nation
1	Q3	Petron	San Miguel Corp	599	Energy & Power	Philippines
2	Q1	Monte Oro Grid	One Taipan	350	Energy & Power	Philippines
3	Q1	Philex Mining	Two Rivers Pacific	206	Materials	Philippines
4	Q2	Banco De Oro Unibank	Investor Group	150	Financials	U. S.A
5	Q1	Energy Development	PhilPlan First	110	Energy & Power	Philippines

Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010.



Vietnam

Key facts

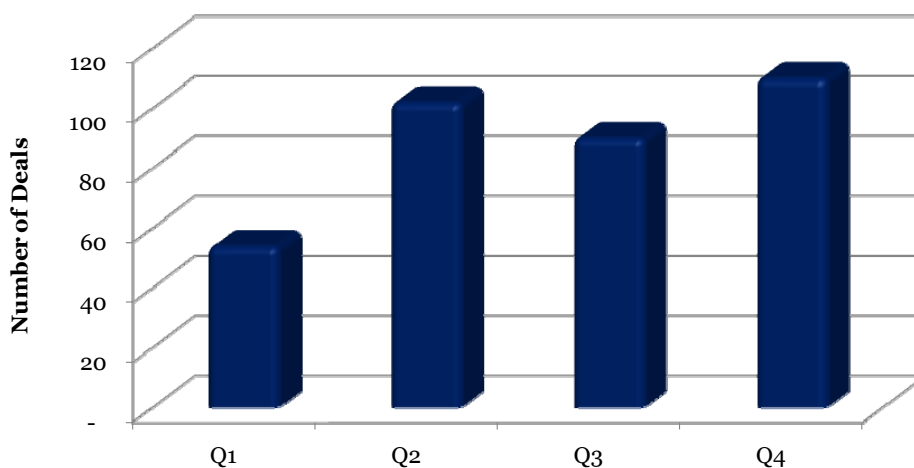
2010 GDP USD 101.9bn

GDP growth 09-10 6.5%

Major industries Agriculture, Consumer Electronics, Basic Materials

2010 M&A deals 356

M&A Deals in Vietnam - Deal Overview



	Q1	Q2	Q3	Q4	Total
Number of deals	54	102	90	110	356
Deals with value disclosed	24	57	59	78	218
Value in USD bn	0.2	0.3	0.5	0.6	1.6
Average deal size USD m	10.1	5.1	8.4	7.7	7.5

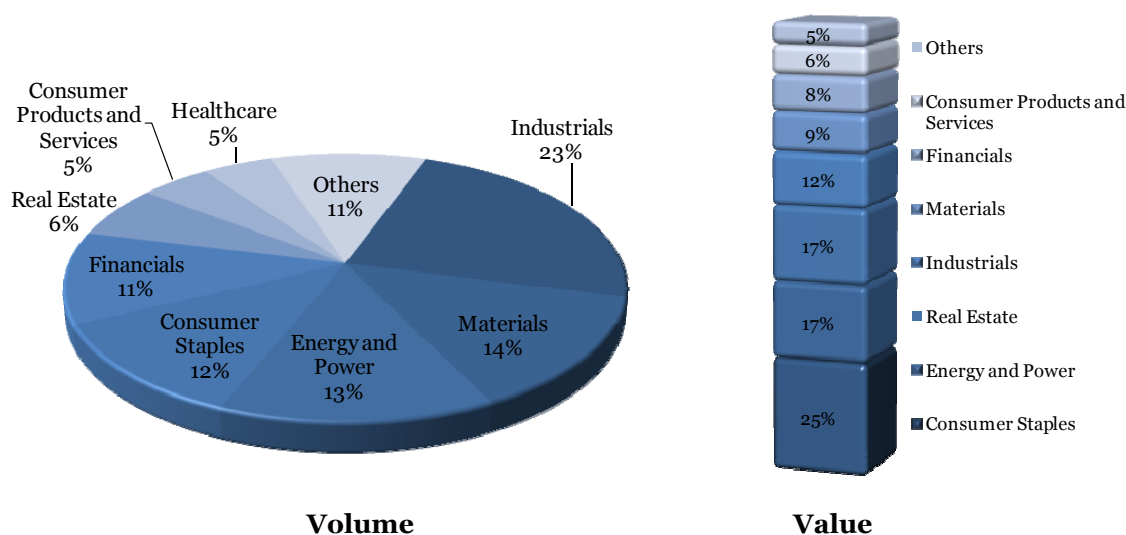
Source: Thomson Reuters, Pickering Pacific Analysis. For the value of deals and average deal size, deals with no disclosed value have been excluded.

In 2010, 356 deals were recorded. Out of these deals, 218 were reported with a disclosed deal value of USD 1.6bn.

All deals recorded during this period were mid-market transactions. 95% of the deals were less than USD 50m. The average deal size was still small in comparison to other ASEAN-6 countries reaching only USD 7.5m.

27% of the M&A buyers were foreign investors. Asian companies, in particular firms from Japan and Singapore, made up the bulk of these buyers, accounting for half of the deals concluded by foreigners deals. The average deal size was USD 13m for deals completed by foreign investors compared to USD 6m for deals done by domestic players.

M&A Deals in Vietnam – Breakdown by Sector



Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010. For the breakdown by value, deals with no disclosed value have been excluded.

A sizeable portion of the M&A transactions came from the industrial sector, which accounted for 23% of the number of deals recorded in 2010.

With a disclosed value reaching USD 400m, consumer staples deals accounted for a quarter of the value of the deals recorded in 2010. Two of the largest deals were within this sector (see page 32).

Within the consumer staples sector, the food and beverages (F&B) sector represented 60% of the deal volume with 25 deals. The Vietnamese F&B market drew foreign investors’ attention because of its high potential for growth. This market is highly fragmented with fierce competition and represents a significant opportunity for M&A.

M&A Deals in Vietnam – Top 5 Completed Deals

Date	Target	Acquirer	Value in USD m	Industry	Acquirer Nation
Q4 2010	Petro Vietnam Gas	Investors	96	Energy & Power	Vietnam
Q4 2010	Société de Bourbon	Sacombank Securities	67	Consumer Staples	Vietnam
Q3 2010	Real Estate Corp	Investor Group	62	Real Estate	Vietnam
Q3 2010	Vinamilk-Saigon Coffee	Dang Thanh	40	Consumer Staples	Vietnam
Q2 2010	Thien An Investment	Sacombank Securities	30	Real Estate	Vietnam

Source: Thomson Reuters, Pickering Pacific Analysis. Deals recorded in 2010.

For further information, please contact: info@pickeringpacific.com

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