

NOVEMBER 22, 2006

Merger and Acquisition Activity Hits Record

[CBC News](#)

Corporate merger and acquisition activity in Canada hit a record \$90.3 billion in the third quarter, according to an investment bank that keeps track of such things.

Crosbie & Co. said Wednesday that the total value of Canadian M&A deals in Q3 broke a six-year-old mark dating back to the dot-com era in the second quarter of 2000, when deals worth \$79.1 billion were inked.

The new record came about largely from the \$19.9-billion takeover of Canadian nickel giant Inco by Brazil's CVRD.

Other big deals included Goldcorp's \$9.5-billion US bid for Glamis Gold, Advanced Micro Devices \$5.4 billion US takeover of ATI Technologies, and Canadian Natural Resources' \$4.6-billion takeover of Anadarko Canada.

"We are in a white-hot M&A market that is broadly based and would appear to have very strong legs going into the fourth quarter," Crosbie managing director Colin Walker said in a statement. "It is proving to be an ideal time to sell businesses, and on very favourable terms."

There were 420 deals in the quarter, up from 398 in the same quarter a year earlier, Crosbie said.

Eighteen of those deals were "mega-deals," worth \$1 billion or more. Five of the 10 largest deals were by foreign interests acquiring Canadian firms.

So far this year, there have been a record 1,430 mergers and acquisitions worth \$187.4 billion. That's an increase in M&A value of 64 per cent from the same period last year.

Canadian companies are frequent buyers of foreign firms, Crosbie noted. Of the 501 cross-border deals in the first nine months of the year, Canadian firms were the buyers in 363 of the cases, while foreign companies were the buyers of Canadian firms in the other 138 transactions.