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## **Canadian Deal-Making Jumps 44% to Record**

By Grant Surridge, Financial Post

Merger and acquisition activity in Canada battled through the credit crunch to hit an all-time high last year.

The total market rose 44% to \$370-billion in 2007 on 1,941 deals, according to data compiled by the Financial Post Crosbie.

The previous record of \$257-billion on 2,020 transactions came in 2006. The new record reflected some of the largest deals in Canadian M&A history, including the announced \$51-billion acquisition of BCE Inc. and the \$40-billion deal for Alcan Inc. There were 60 transactions over \$1-billion, compared with 51 in 2006.

But the end of cheap debt weighed on dealmaking as the year closed, with 425 announced transactions worth \$52.5-billion representing the lowest level of activity since the third quarter of 2005.

"While growing concerns about the economic outlook together with the ongoing credit crunch are certainly hurting the M&A market, overall activity levels have remained respectable by historical standards" said Ian Macdonell, managing director of Crosbie & Co, a Toronto based Investment Bank.

Transactions over \$100-million involving private equity groups and pension funds fell from 78 (\$85-billion) in the first half of 2007 to 13 (\$11-billion) in the second half.

Notable deals in the fourth quarter included TD Bank's \$8.5-billion scoop-up of Commerce Bancorp and Royal Bank's \$2.2-billion purchase of RBTT Financial.