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## Canada's M&A Volume Climbs Again in Q3 - Crosbie

By: Andrea Hompkins

- \* Deal volume up 12 pct; value rises 27 pct
- \* Activity remains below pre-recession levels

The number of mergers and acquisitions announced in Canada rose 12 percent in the third quarter, the second straight quarterly increase, while the value of transactions surged 27 percent, investment bank Crosbie & Co said on Monday.

There were 221 deals announced in the quarter, valued at C\$30.2 billion (\$28.6 billion), according to data compiled by the Financial Post Crosbie report. That compares with 198 transactions valued at C\$23.8 billion in the second quarter, the report showed.

"As a result of strengthening conditions, we have seen a return of many of the market participants that were sitting on the sidelines. Buyers are again considering M&A opportunities seriously", Crosbie Managing Director Colin Walker said in a statement.

While activity has improved significantly from the apparent market bottom for mergers and acquisitions in the first quarter -- when there were just 164 deals -- Walker said activity remains well below levels seen prior to the beginning of the recession.

"It seems like we could be in a new trading range relative to the 2005-2008 period" said Walker. "Quarterly transactions have fallen from 300-400 per quarter during the top of the cycle period to something closer to 200-250 per quarter."

The report showed the rise in activity over the last two quarters has been driven largely by strategic buyers of mid-market companies, which represented 88 percent of activity in the third quarter.

Still, there were nine transactions of over C\$1 billion in the quarter, totaling C\$16.3 billion. That's up from two deals in the prior quarter totaling C\$9.7 billion.

The largest transactions in the quarter included the C\$5.6 billion combination of Petrobank Energy and Resources Ltd's ([PBG.TO](#)) Canadian business unit with Calgary-based TriStar Oil & Gas Ltd to form PetroBakken Energy Ltd ([PBN.TO](#)), Capital Power Corp's ([CPX.TO](#)) C\$2.6

billion acquisition of power generating assets from EPCOR Utilities Inc [EPCOR.UL], and China Investment Corp's C\$1.7 billion investment in Teck Resources Ltd ([TCKb.TO](#)).

Crosbie said oil and gas deals once again took the top spot in volume by sector, posting 65 transactions worth C\$10.7 billion. Industrial products was the second most active sector, with 38 deals worth C\$3.7 billion.