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## **Canada M&A Deals Hit Record High in 2007-Crosbie**

By: Frank Pingue

TORONTO, Feb 21 (Reuters) - The value of mergers and acquisitions in Canada hit a record high in 2007, led by deals for telecom company BCE Inc (BCE.TO: Quote, Profile, Research) and aluminum maker Alcan Inc, investment bank Crosbie & Co said on Thursday.

The value of transactions reached C\$370 billion (\$366 billion) last year, a 44 percent jump from C\$257 billion in 2006, which was the previous record high.

Crosbie said the C\$51 billion deal for BCE in the second quarter by a group of private-equity firms, and Rio Tinto Ltd's (RIO.AX: Quote, Profile, Research) C\$40 billion deal for Alcan in the third quarter underpinned the rise.

Despite the increased value of transactions, Crosbie said the number of announced deals fell 4 percent in 2007 to 1,941 from 2,020 in 2006. .

Crosbie said there were 425 transactions worth C\$52.5 billion in the fourth quarter, which was the lowest level of activity since the third quarter of 2005.

While worries about the economic outlook and nagging credit crunch concerns weigh on M&A activity, Crosbie said overall levels have remained high by historical standards.

"The key issue is what happens to the economy in the first half of 2008 and whether the negative trend in M&A activity continues," Ian Macdonell, managing director at Crosbie, said in a release.