

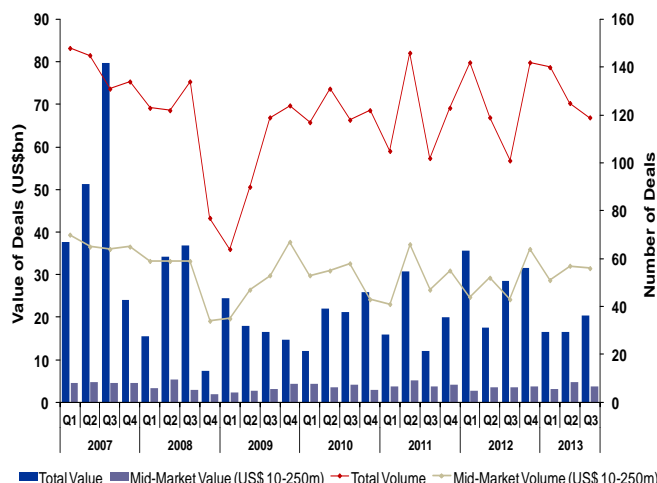
Canada M&A Trend Report: Q1-Q3 2013



Overview

- M&A activity in Canada during Q1-Q3 2013 (US\$ 53.4bn) fell to its lowest levels since Q1-Q3 2004 (US\$ 28.4bn), down 34.6% by deal value on the first three quarters of 2012 (US\$ 81.6bn, 362 deals). At the same time, this year saw the highest number of announced transactions since Q1-Q3 2007 (424 deals) with 359 deals.
- Deal size could offer one explanation for the downward trend. While large-cap transactions were down 41.9% by deal value and 40.8% by deal count between Q1-Q3 2013 (US\$ 41.6bn, 29 deals) and Q1-Q3 2012 (US\$ 71.6bn, 49 deals), mid-market M&A saw an increase of 18% in both categories during the same period. Small-cap deals were also on the rise: 192 deals worth US\$ 220m in Q1-Q3 2013 compared to 175 deals worth US\$ 154m in the previous period.
- The Energy, Mining & Utilities sector (US\$ 16bn, 98 transactions), generally the most active sector in Canada, maintained its top position with a 30% market share by deal value and a 25.5% share by deal count.
- At the same time, Consumer (US\$18.5bn) saw an impressive 388% increase in deal value from Q1-Q3 2012 (US\$ 3.8bn) as a result of two mega-deals: Loblaw Companies' acquisition of Shoppers Drug Mart for US\$ 12.2bn and Sobeys' purchase of Canada Safeway for US\$ 5.7bn.
- Inbound investments into Canada through Q1-Q3 2013 (US\$ 15.6bn) dropped drastically from the previous period (US\$ 52.3bn), a 70.2% decrease. However, domestic acquisitions (US\$ 37.8bn, 216 deals) somewhat made up for the change, up 29.1% on the comparable period last year (US\$ 29.3bn).

M&A Trend: Canada

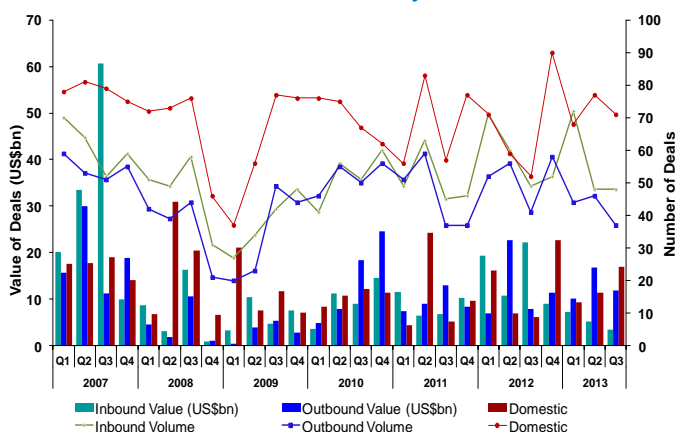


- RBC Capital Markets** (US\$ 28.1bn, 26 deals) maintained its position as the leading Financial Advisor by deal value and deal count in Q1-Q3 2013
- Osler, Hoskin & Harcourt** (US\$ 32.4bn, 56 deals) climbed two spots to become the top Legal Advisor by deal value, overtaking **Stikeman Elliott** (US\$ 30.3bn, 62 deals), which advised on the largest number of deals this year

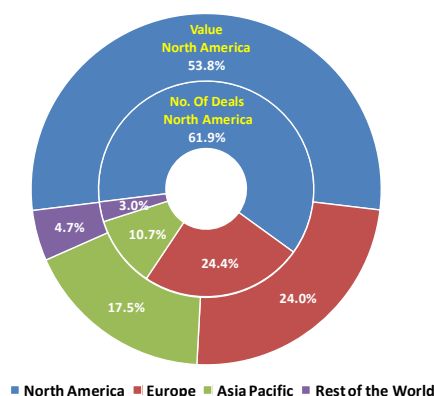
Industry Analysis

Sector	Q1-Q3 2013			Q1-Q3 2012			Change	
	Value (US\$m)	Mrk share	Deal count	Value (US\$m)	Mrk share	Deal count	Value (%)	Deal count
Energy, Mining & Utilities	16,009	30.0%	98	46,479	57.0%	107	-65.6%	-9
Financial Services	1,987	3.7%	29	5,591	6.9%	22	-64.5%	7
Industrials & Chemicals	2,290	4.3%	52	4,134	5.1%	69	-44.6%	-17
Pharma, Medical & Biotech	2,626	4.9%	17	1,338	1.6%	15	96.3%	2
Consumer	18,461	34.5%	21	3,787	4.6%	36	388%	-15
Telecommunications	1,284	2.4%	7	-	-	-	-	-
Business Services	1,951	3.7%	55	2,499	3.1%	32	-21.9%	23
Technology	925	1.7%	43	1,914	2.3%	38	-51.7%	5
Transport	97	0.2%	6	98	0.1%	6	-1.0%	0
Real Estate	5,366	10.0%	4	3,187	3.9%	6	68.4%	-2
Construction	584	1.1%	17	329	0.4%	9	77.5%	8
Media	217	0.4%	15	3,821	4.7%	11	-94.3%	4
Leisure	428	0.8%	11	202	0.2%	6	111.9%	5
Agriculture	1,215	2.3%	8	8,189	10.0%	4	-85.2%	4
Defence	-	-	1	11	0.0%	1	-	0
Total	53,440		384	81,579		362	-34.5%	22

Cross-Border Analysis



Inbound Country Analysis – Top 4 Acquirers by Value



Canada M&A Trend Report: Q1-Q3 2013



Top Deals

Ann. Date	Bidder company	Target Company	Seller company	Bidder Advisors	Target/Seller Advisors	Deal Value (US\$m)
15-Jul-13	Loblaws Companies Limited	Shoppers Drug Mart Corporation		FA: Bank of America Merrill Lynch LA: Borden Ladner Gervais; Torys; Advising FA: Davies Ward Phillips & Vineberg	FA: RBC Capital Markets LA: Osler, Hoskin & Harcourt	12,249
12-Jun-13	Sobeys Inc	Canada Safeway Limited	Safeway Inc	FA: Morgan Stanley; Scotiabank LA: Stewart McKelvey; Stikeman Elliott; Sullivan & Cromwell; Advising FA: Fasken Martineau Dumoulin	FA: Goldman Sachs LA: Blake, Cassels & Graydon; Latham & Watkins	5,688
16-Jan-13	H&R Real Estate Investment Trust	Primaris Retail REIT		FA: TD Securities LA: Blake, Cassels & Graydon; Osler, Hoskin & Harcourt; Advising FA: Torys	FA: Canaccord Genuity; Evercore Partners LA: Cassels Brock & Blackwell; McCarthy Tetrault; Paul Weiss Rifkind Wharton & Garrison	4,617
26-Feb-13	Imperial Oil Limited	Celtic Exploration Ltd (50% Stake)	Exxon Mobil Corporation	FA: - LA: -	FA: - LA: Borden Ladner Gervais	1,984
29-Sep-13	Pacific Rubiales Energy Corp	Petrominerales Ltd		FA: Bank of America Merrill Lynch LA: Norton Rose Fulbright	FA: TD Securities LA: McCarthy Tetrault; Torys	1,543

Financial Advisor League Table by Value

Rank 2012	Rank Q1-Q3 2013	House	Value (US\$m)	Deal count	% Value change
1	1	RBC Capital Markets	28,142	26	-47.5%
3	2	Goldman Sachs	27,148	14	-15.5%
4	3	Bank of America Merrill Lynch	24,225	15	-4.7%
17	4	Morgan Stanley	17,611	12	148%
15	5	JPMorgan	13,585	11	72.1%
18	6	Deutsche Bank	13,390	7	114.8%
5	7	Scotiabank	9,292	11	-55.9%
7	8	TD Securities	8,632	17	-56.3%
11	9	Credit Suisse	8,290	5	-10.3%
2	10	BMO Capital Markets	6,834	19	-81.2%
10	11	Canaccord Genuity	6,652	8	-36.4%
13	12	CIBC World Markets	5,293	11	-35.4%
9	13	Barclays	5,274	8	-52.1%
27	14	Evercore Partners	4,717	3	71.8%
21	15	GMP Securities	4,334	17	-7.4%

Financial Advisor League Table by Deal Count

Rank 2012	Rank Q1-Q3 2013	House	Value (US\$m)	Deal count	Count change
1	1	RBC Capital Markets	28,142	26	-23
2	2	BMO Capital Markets	6,834	19	-5
3	3	TD Securities	8,632	17	-2
6	4	GMP Securities	4,334	17	0
11	5	Bank of America Merrill Lynch	24,225	15	3
10	6	Goldman Sachs	27,148	14	1
17	7	Morgan Stanley	17,611	12	4
9	8	Macquarie Group	2,083	12	-2
15	9	JPMorgan	13,585	11	2
7	10	Scotiabank	9,292	11	-5
12	11	CIBC World Markets	5,293	11	-1
42	12	Raymond James & Associates	2,074	10	7
5	13	National Bank Financial	889	10	-7
25	14	Dundee Capital Markets	605	9	2
24	15	PwC	132	9	2

Legal Advisor League Table by Value

Rank 2012	Rank Q1-Q3 2013	House	Value (US\$m)	Deal count	% Value change
3	1	Osler, Hoskin & Harcourt	32,410	56	9.0%
1	2	Stikeman Elliott	30,343	62	-31.3%
15	3	Torys	28,465	33	69.5%
2	4	Blake, Cassels & Graydon	17,074	61	-57.8%
9	5	Cleary Gottlieb Steen & Hamilton	16,147	5	-17.1%
32	6	Skadden Arps Slate Meagher & Flom	15,613	12	237%
43	7	Borden Ladner Gervais	15,497	21	384%
25	8	Latham & Watkins	14,722	10	146%
19	9	Davies Ward Phillips & Vineberg	13,879	16	22.3%
6	10	McCarthy Tetrault	9,746	31	-52.7%
27	11	Cassels Brock & Blackwell	8,112	17	60.3%
14	12	Fasken Martineau Dumoulin	8,041	22	-54.4%
17	13	Sullivan & Cromwell	7,990	4	-40.8%
4	14	Paul Weiss Rifkind Wharton & Garrison	7,277	10	-69.5%
-	15	Proskauer Rose	6,000	2	-

Legal Advisor League Table by Deal Count

Rank 2012	Rank Q1-Q3 2013	House	Value (US\$m)	Deal count	Count change
1	1	Stikeman Elliott	30,343	62	-10
2	2	Blake, Cassels & Graydon	17,074	61	-1
5	3	Osler, Hoskin & Harcourt	32,410	56	18
3	4	Gowling Lafleur Henderson	2,180	36	-9
8	5	Torys	28,465	33	11
4	6	McCarthy Tetrault	9,746	31	-8
7	7	Fasken Martineau Dumoulin	8,041	22	-13
9	8	Borden Ladner Gervais	15,497	21	-1
15	9	Heenan Blaikie	1,242	19	3
13	10	Cassels Brock & Blackwell	8,112	17	-1
6	11	Norton Rose Fulbright	4,592	17	-18
12	12	Davies Ward Phillips & Vineberg	13,879	16	-3
14	13	Goodmans	4,878	14	-2
11	14	Bennett Jones	2,363	13	-6
17	15	Skadden Arps Slate Meagher & Flom	15,613	12	-2

Notes

All data is based on announced transactions over US\$ 5m. Deals with undisclosed deal values are included where the target's turnover exceeds US\$ 10m. Activities excluded include property transactions and restructurings where the ultimate shareholders' interests are not changed.

- M&A Trend: Based on the dominant geography of the target company being Canada. Excludes lapsed and withdrawn bids
- Cross-border M&A: Inbound refers to cross-border M&A where the dominant geography of the target company is Canada.
- Top Announced Deals: Based on the dominant geography of the target being Canada. Excludes lapsed and withdrawn bids.
- Industry Analysis: Based on the dominant geography of the target company being Canada. Industry sectors represent the primary industry sector of the target company only. Excludes lapsed and withdrawn bids
-
- League Tables: Based on the dominant geography of the target, bidder or seller company being Canada. The financial advisor tables exclude lapsed and withdrawn bids and the legal advisor tables include lapsed and withdrawn bids. Previous period changes refer to the period Q1-Q3 2012 unless specified otherwise

Criteria

All data correct as of **10 October 2013**

Press Contact:

Chrissy Carney
Chrissy.Carney@mergermarket.com
Tel: +1 646 378 3118

Deal Submissions:

Richard Myers
Richard.Myers@mergermarket.com
Tel: +1 212 500 1393

Sales:

Sales.Americas@mergermarket.com
Tel: +44 207010 6100