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FOR IMMEDIATE RELEASE

**Canadian Private Equity Buyouts Set New Records in 2007
Activity Levels Remain Solid through Q4**

TORONTO: Canada's Venture Capital and Private Equity Association (CVCA) together with research partner Thomson Financial today released yearend investment data for 2007, including details of fourth quarter activity.

For the full year 2007, the total value of announced buyouts of Canadian companies by private equity firms amounted to \$65.5 billion, an historic high and a dramatic increase from prior years. This total includes the pending \$46.8 billion transaction to acquire BCE Inc., however, even without that investment, total private equity buyouts amounted to \$18.7 billion last year, more than double the previous record of \$8.2 billion recorded in 2006. A total of 181 Canadian buyouts were reported in 2007, up dramatically from the previous record of 105 transactions reported in 2006.

Total reported buyout activity in the fourth quarter of 2007 amounted to \$2.3 billion, up 64% from \$1.4 billion in the fourth quarter of 2006, and a level consistent with the quarterly investment pace during 2006. A total of 42 investments were reported during the quarter, which is roughly comparable to total *annual* investment activity in 2005 and prior years.

"The continued strength of the Canadian private equity markets through the fourth quarter is very important," stated Rick Nathan, President of the CVCA and Managing Director of Kensington Capital Partners Ltd. "Following the credit crunch in mid-summer and the retreat within the very large mega-deal segment, many industry observers had expressed concern. Our fourth quarter activity levels clearly demonstrate the continuing health of the Canadian mid-market for private equity investment."

Buyouts of Canadian companies were roughly balanced between Canadian and U.S. investors through 2007. Excluding the BCE transaction, a total of \$8.0 billion in buyouts of Canadian companies were led by Canadian investors during 2007, compared to \$7.8 billion by U.S. investors and \$2.9 by other international firms.

"We need strong Canadian investors for strong Canadian companies," declared Mr. Nathan, "As Canadian companies continue to require capital from the private markets, the strength of our domestic private equity sector remains vitally important to the growth and development of our economy."

While the Canadian private equity markets grew dramatically during 2007, the very strong growth in the U.S. and other international markets demonstrate the continued need to build up our domestic market. Relative to the size of our population or GDP, the Canadian private equity market remains much smaller than its U.S. counterpart. In 2007, U.S. market activity represented approximately seven times the amount invested in Canada, or more than 25 times the total

Canadian market if the BCE transaction is excluded. Canada's position was nevertheless up strongly from the 2005-2006 periods when U.S. activity amounted to over 50 times the size of the Canadian market.

Canadian investors also significantly increased their foreign investment activity in 2007. The total announced buyouts of foreign companies by Canadian private equity investors reached \$11.2 billion in 2007, up 49% from the \$7.5 billion recorded in 2006.

CVCA

The CVCA - Canada's Venture Capital & Private Equity Association, was founded in 1974 and is the association that represents Canada's venture capital and private equity industry. Its over 1500 members are firms and organizations which manage the majority of Canada's pools of capital designated to be committed to venture capital and private equity investments. The CVCA fosters professional development, networking, communication, research and education within the venture capital and private equity sector and represents the industry in public policy matters.

To arrange an interview with Rick Nathan, President of the CVCA and Managing Director of Kensington Capital Partners, please contact Lauren Linton 416 487-4299 llinton@cvca.ca

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Thomson Financial

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To arrange an interview with Rick Nathan, President of the CVCA and Managing Director of Kensington Capital Partners, please contact Ally O'Keefe at 416-362-9000x242, aokeefe@kcpl.ca

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