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FOR IMMEDIATE RELEASE

Buyout Industry Activity in Canada Continued at Strong Levels in 2008

TORONTO: Deal activity in Canada's buyout market demonstrated continuing resilience in 2008 with a level of investment activity comparable to 2006, according to the industry's statistical report released today by Canada's Venture Capital & Private Equity Association (CVCA) and research partner Thomson Reuters.

At the end of 2008, 112 transactions had been completed or were pending, of which 40 had a disclosed value of US\$9.1 billion. This compared with 104 transactions in 2006, of which 40 had a disclosed value of US\$9.1 billion.

Canadian buyout funds also raised CA\$5.6 billion in 2008, up 22 per cent from CA\$4.6 billion in 2007. This growth was in sharp contrast to the U.S. buyout industry where fundraising fell by 14 per cent over the same period.

"Canada's buyout industry proved to be resilient in 2008, reflecting a continuing appetite for mid-market transactions despite volatile public markets and a tighter credit environment," said Gregory Smith, President of Canada's Venture Capital and Private Equity Association (CVCA) and President, Macquarie Capital Funds Canada Ltd.

While the industry's full-year statistics were positive, the report points to a softening during the fourth quarter of 2008. Disclosed deal values in the last three months of the year totaled US\$2.1 billion, which was up slightly from the US\$1.8 billion invested in same period of 2007 but down significantly from the US\$3.0 billion invested in the third quarter of 2008. In addition, the buyout industry's deal activity in 2008 reflected a significant contribution from U.S. investors, while Canadian firms invested a total of US\$3.6 billion during the year --- the lowest level of domestic contribution since 2005.

Mr. Smith continued, "These factors, which reflect the current economic turmoil, suggest that fundraising and investments will likely be more challenging in 2009 with investors being more selective in what they choose to pursue."

"Over the past five years, Canada's buyout industry has proven its ability to drive the long-term growth and prosperity of portfolio companies, with CA\$25 to \$30 billion added to Canada's gross domestic product and 114,000 jobs created for Canadians," Mr. Smith added. "This fundamental strength, along with a traditionally active management approach, positions Canada's buyout industry to weather current economic challenges and to capitalize on new opportunities as market conditions stabilize."

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 1600

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.

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To arrange an interview with Gregory Smith, President of the CVCA and President of Macquarie Capital Funds Canada Ltd., contact Iris Roesler, 416 607-5166.

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