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FOR IMMEDIATE RELEASE

**CANADA'S BUYOUT MARKET IN 2013:
MODERATE GROWTH, RECORD BREAKING FUNDRAISING**

TORONTO: Deal-making activity in Canada's buyout and related private equity (PE) market showed moderate growth in 2013 with disclosed values of transactions totaling \$12.3 billion as of December 31st, up 5% from the \$11.8 billion reported in 2012, but still enough to make 2013 the highest since 2008. In contrast fundraising in 2013 was the highest since 2006 with new capital committed totaling \$16.1 billion. These were among the findings of a statistical report released today by CVCA- Canada's Venture Capital & Private Equity Association and research partner Thomson Reuters.

Market Trends

Transactional volume was slightly lower on a year-over-year basis. Control-stake acquisitions, growth-related and other PE deals (announced and completed) in the domestic market totaled 320 in 2013, or 4% below the number of deals done in 2012.

Canadian buyout-PE market activity received a significant bounce in the final three months of 2013, when 105 transactions accounted for disclosed values totaling \$7.7 billion. Dollar flows in this period were responsible for more than 60% of total flows reported for the whole of last year.

The growth spurt in market activity in Canada between October and December was reflected in a number of major PE-backed transactions. These included the final close of Toronto-based Hudson's Bay's add-on acquisition of Saks and the final close of Toronto-based LifeLabs Medical Laboratory Services' add-on acquisition of CML Healthcare. Other important deals in this period included the announced buyout of Québec City-based Atrium Innovations and the announced take-private deal involving Mississauga-based Patheon.

At the end of December, five large-cap transactions sized \$500 million or greater captured over half of all disclosed disbursements made in the Canadian market. Deals sized between \$100 million and \$500 million took the second largest share of the total, or 30%, while deals sized less than \$100 million accounted for the balance.

Commenting on the results, Peter van der Velden, President of the CVCA and Managing General Partner of Lumira Capital Corp. noted "2013 was an outstanding year for private equity in Canada with the sector enjoying continued growth in the value of private equity investment, continued breadth in the range of businesses funded by private equity and of course a record year for fund raising."

Trends by Sector

Canadian manufacturing and processing companies accounted for the largest share of buyout-PE deal-making last year, or 16% of total transactions. In second spot was market activity

involving oil and gas businesses, which garnered a 12% share of the reported number in 2013, followed by mining-related activity, which took an 11% share.

Trends in Fundraising

The fundraising activity of Canadian buyout, mezzanine and other PE firms in 2013 broke all prior annual market records. New capital committed to partnerships and other fund offerings totaled \$16.1 billion at the end of December, which is more than triple the \$4.9 billion committed to funds in 2012. Indeed, fundraising activity last year was the highest since 2006 – the last record-breaking year in the domestic market. It's worth noting that three funds accounted for 60% of the total funds raised in 2013.

New commitments went to 35 Canadian funds, many of which saw significant increases in size relative to predecessor funds, a trend that helped drive the much larger fundraising totals of 2013. The number of successful fund-raisers was also up from the year before, when activity was led by 27 funds.

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CVCA

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To arrange an interview with Peter van der Velden, President of the CVCA and Managing General Partner of Lumira Capital Corp, or Mike Woollatt, CVCA's CEO, please contact Lauren Linton, Director of Marketing, llinton@cvca.ca .

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