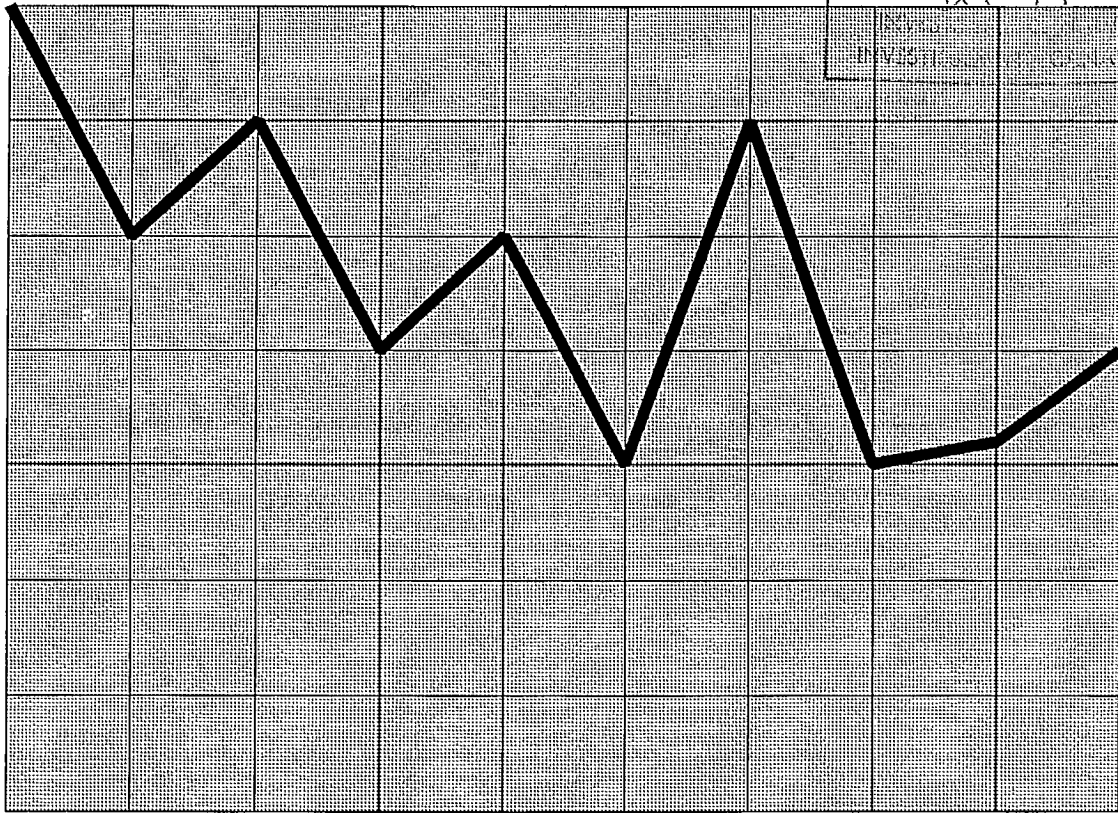


Dec 93

# MERGERS & ACQUISITIONS BULLETIN

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INVESTMENT REVIEW DIRECTORATE



INDUSTRY CANADA

INVESTMENT REVIEW DIRECTORATE

DECEMBER 1993

This is the second issue of the "Mergers & Acquisitions Bulletin". It replaced the Investment Canada "Quarterly Statistics" publication. The intent of the Bulletin is to bring together, inter alia, information from a variety of sources on merger and acquisition activity in Canada and globally. The Bulletin is published quarterly and contains the most current information available. There are 5 sources of information and each looks at merger and acquisition activity from a different perspective.

Within the various series of data, there are minor differences in the definition of an acquisition and some series use the "announcement" of an acquisition as an entry date while others use "completion" or another date as the entry date. These differences are minor and will not effect the overall trends but may affect the direct comparability of the data. The initial year of data varies from source to source but all series have at least 5 years data. All series are subject to revision at a latter date as more detailed information becomes available.

The sources of information are identified below.

#### Sources

1. The Investment Canada Act requires that acquisitions of businesses in Canada by non-Canadians be notified to Investment Canada. Above certain thresholds and depending on the nationality of the investor the acquisition may be reviewable. From 1974 to 1985, the Foreign Investment Review Agency had responsibility for reviewing foreign acquisitions of Canadian businesses. The information on acquisitions during this period have been merged with the Investment Canada data. This information provides a 20 year review of foreign acquisition activity in Canada.

Information is entered in this series when the decision is announced in the monthly press release. This is usually after the transaction is announced but before it is completed. The series includes both direct and indirect acquisitions. Investment Canada became part of Industry Canada in the summer of 1993.

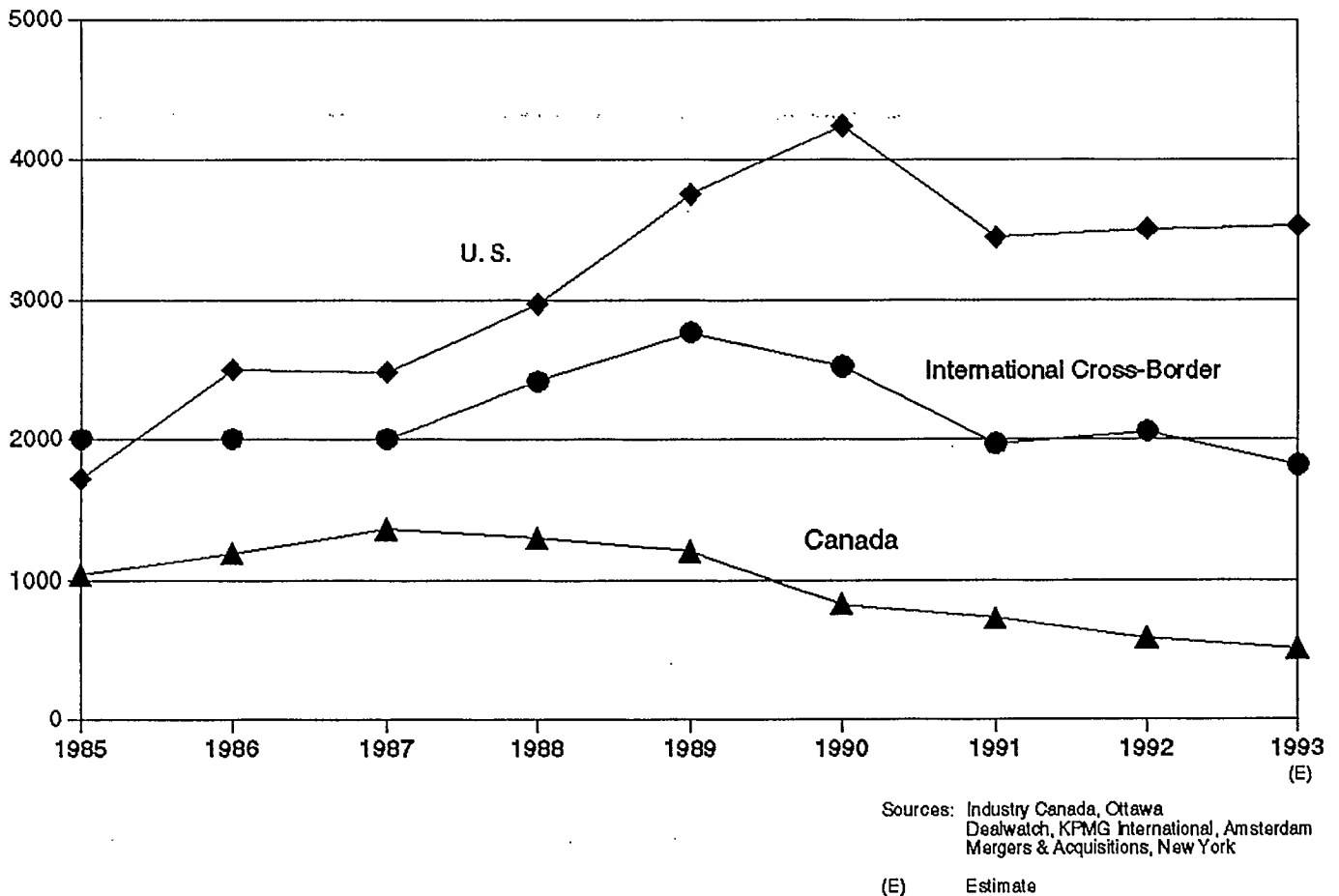
2. Mergers & Acquisitions in Canada is a monthly publication of Toronto-based Crosbie & Co. It also produces an annual Directory which gives detailed information on merger and acquisition activity in Canada. This series is compiled by date of announcement. It includes acquisitions in which one of the parties is based in Canada, ie. a Canadian company acquiring another Canadian company, a foreign company acquiring a Canadian company directly, but not indirectly, and a Canadian company acquiring or selling a business outside Canada.

3. Dealwatch The KPMG Report on International Mergers and Acquisitions is published quarterly by the international headquarters of KPMG in Amsterdam, The Netherlands. This report covers cross-border merger and acquisition activity and is a good source of international investment activity. The Bulletin takes from this publication data on Canadian acquisitions abroad. It is based on the date of completion of the acquisition.

4. Mergers & Acquisitions, Dealmaker's Journal is published bi-monthly by Investment Dealers Digest, New-York, U.S.A. The publication covers extensively mergers and acquisitions in the United States from many angles including foreign acquisitions of American businesses, LBOs, American acquisitions abroad and acquisitions in selected industries. Information entered into the series is based on the date of completion of the transaction.

5. The final source of information is the Bureau of Competition Policy, Industry Canada. The Bureau administers the Competition Act and compiles the Merger Registry which lists and summarizes reports of acquisitions that appear in the financial press and trade publications. Under this Act, acquisitions above certain thresholds, regardless of the nationality of the investor, must be notified to the Bureau of Competition Policy before the transaction is complete.

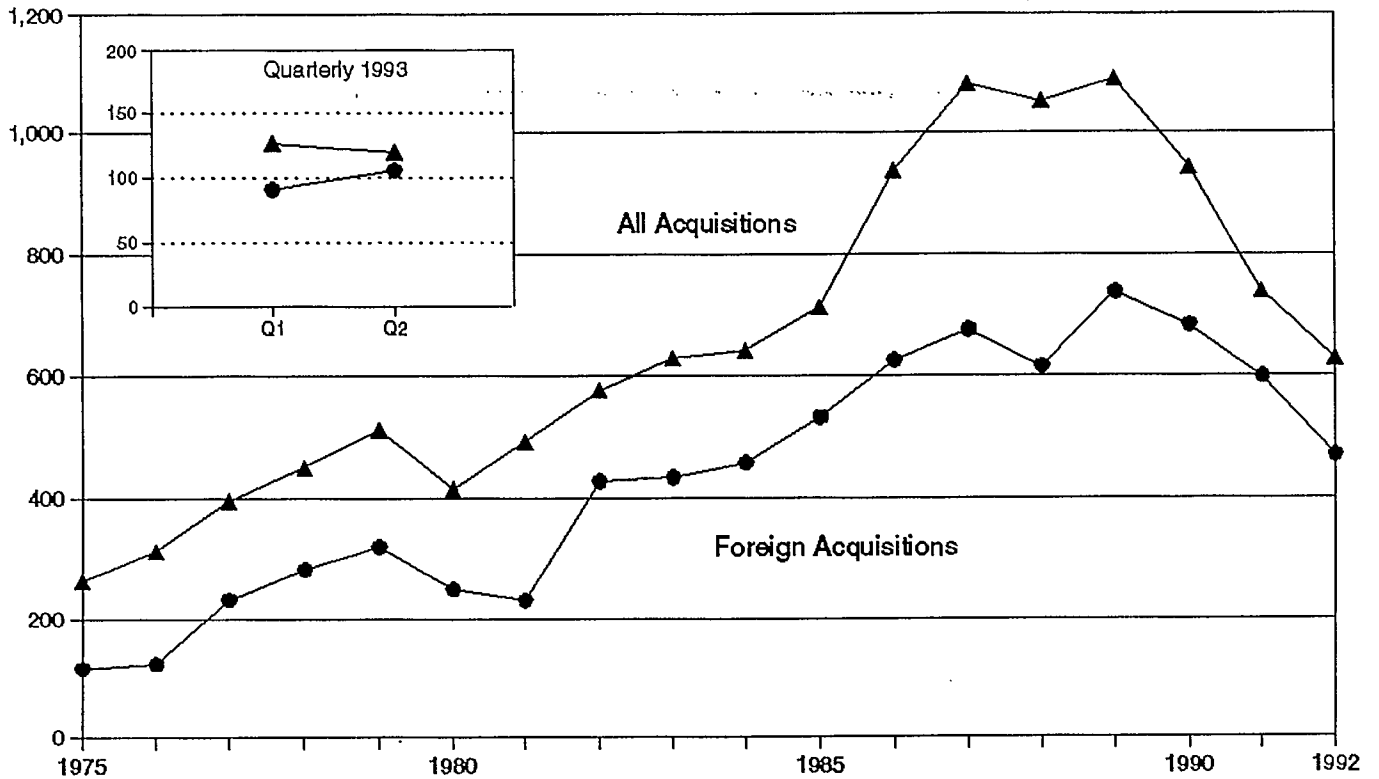
# INTERNATIONAL TRENDS IN M&As



## Highlights

- On a long term basis, merger & acquisition activity in Canada roughly parallels activity in the United States and internationally.
- However, in 1992, the number of cross-border transactions & transactions in the U.S. increased slightly as compared to the number of transactions in Canada, which decreased slightly. This difference is continuing in 1993.
- In the first quarter of 1993, there were 895 acquisitions in the U.S. and 132 in Canada. The KPMG series identified 509 cross border transactions in the first quarter of 1993.
- In the second quarter, the KPMG cross-border series identified 397 transactions. In the same quarter, there were 869 acquisitions in the U.S. and 120 in Canada.
- 1993 figures are estimates based on data for the first 6 months.

# LONG TERM ACQUISITION TREND IN CANADA



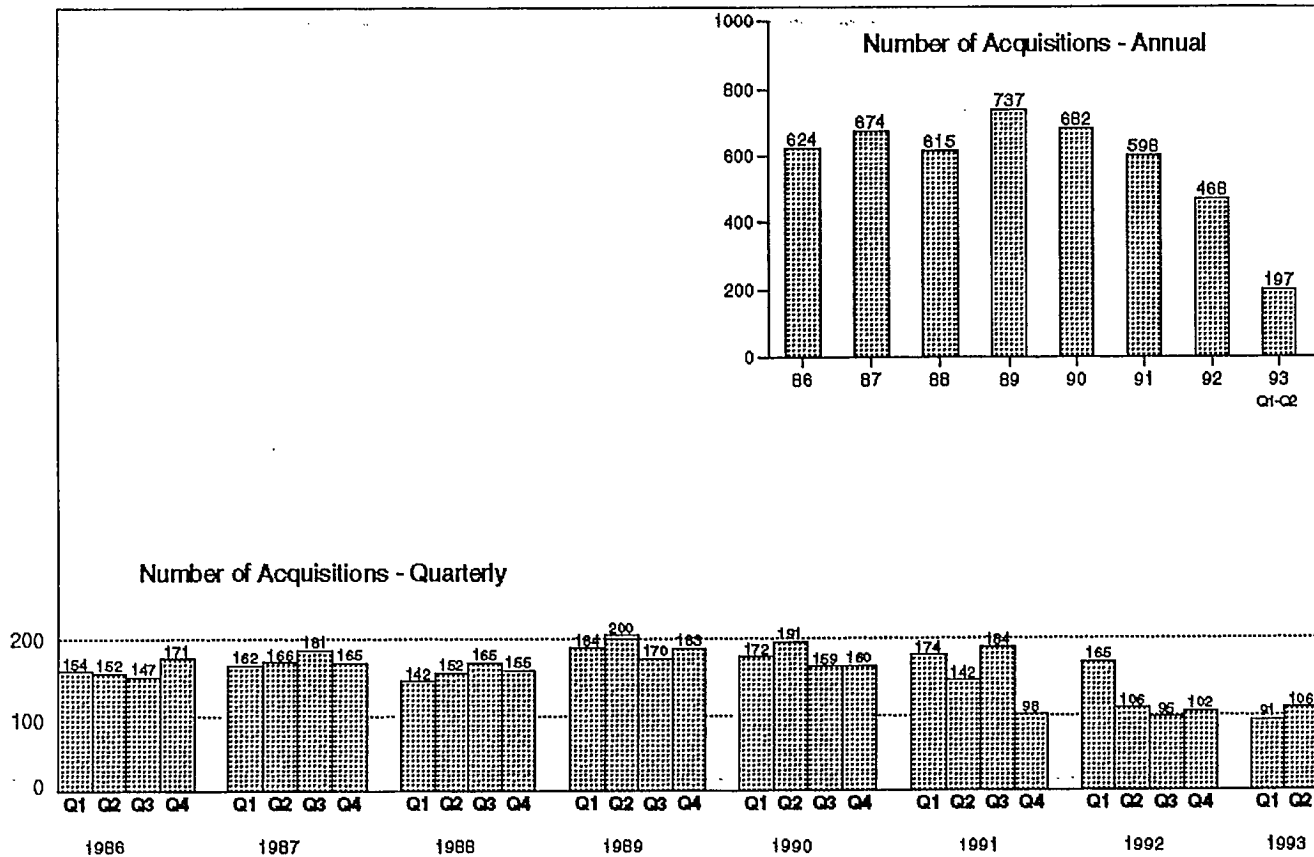
Sources: Industry Canada, Ottawa  
- Investment Review  
- Bureau of Competition Policy

## Highlights

- In the first half of this year there were 247 acquisitions in Canada identified by the Bureau of Competition Policy, of which 127 were in the first quarter and 120 in the second quarter.
- Investment Canada was notified of 91 foreign acquisitions in the first quarter and 106 in the second quarter.
- The number of acquisitions in Canada continues to decrease.

# FOREIGN ACQUISITIONS IN CANADA

## QUARTERLY FROM JANUARY 1, 1986 TO JUNE 30, 1993



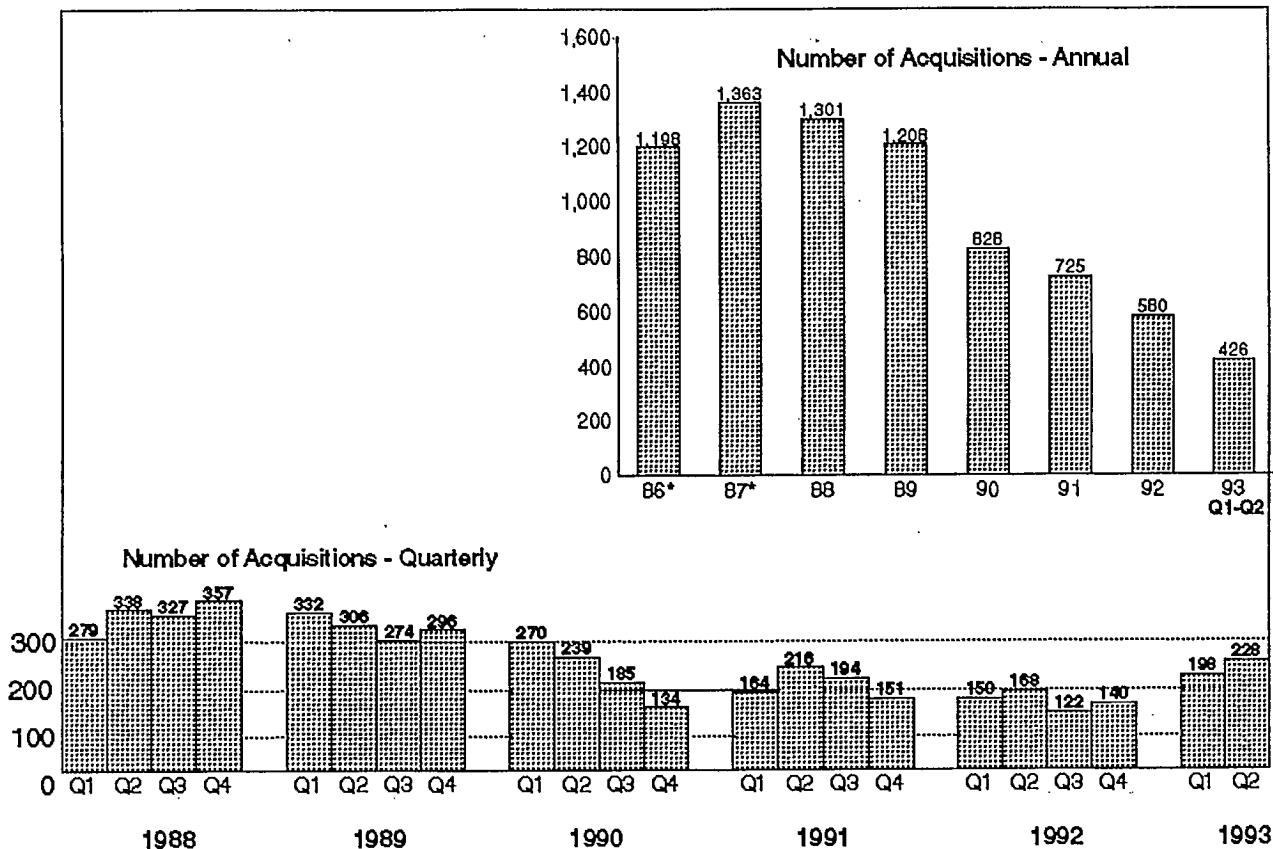
Source: Industry Canada, Ottawa  
- Investment Review

### Highlights

- The quarterly number of foreign acquisitions of businesses in Canada rose considerably in the second quarter to 106. This is the highest level in the past 4 quarters.
- Among the more prominent takeovers in the second quarter were the acquisitions of Westcoast Petroleum Ltd. by a group of Hong-Kong-based investors and Martin Travel by the Thomas Cook Group.

# ACQUISITIONS INVOLVING CANADIANS

## QUARTERLY FROM JANUARY 1, 1986 TO JUNE 30, 1993



\*Quarterly data not available

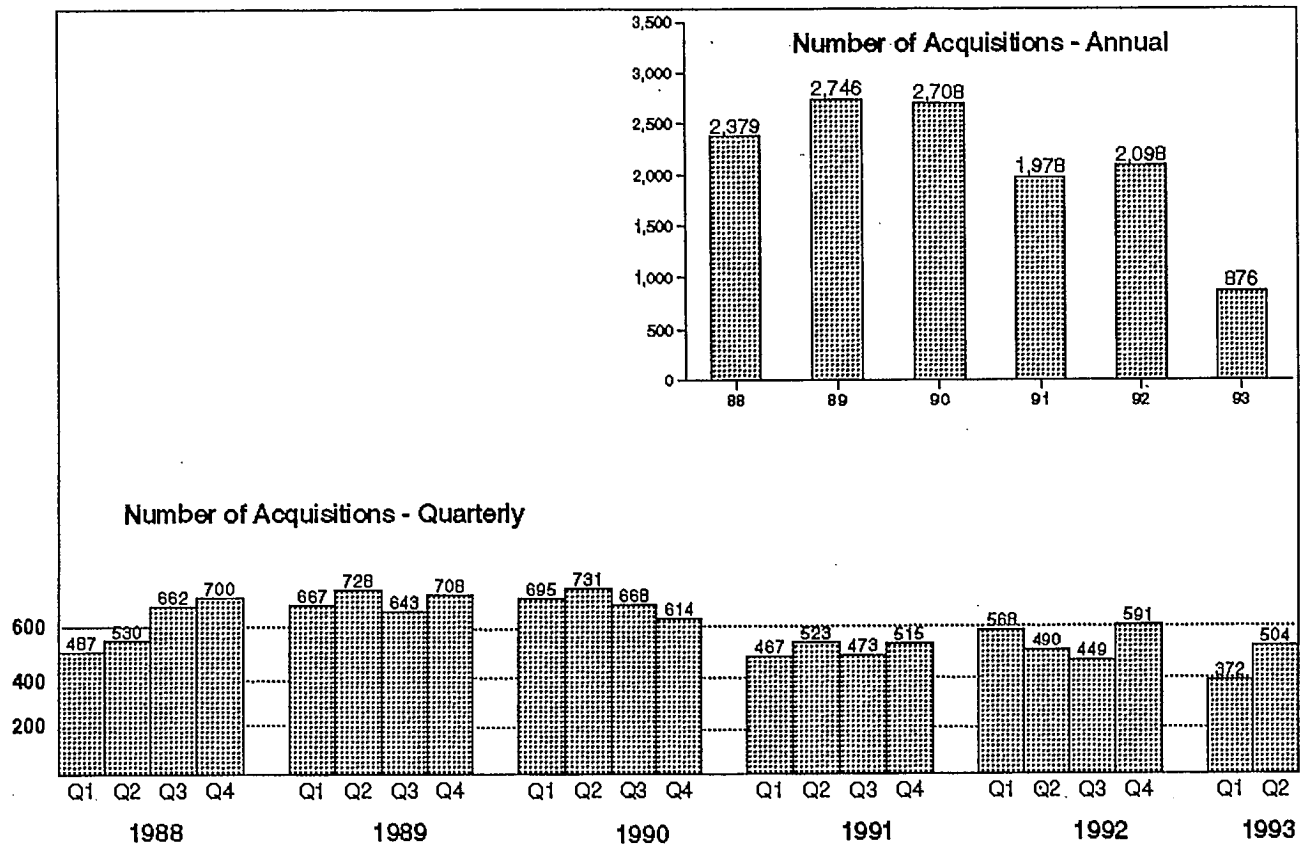
Source: Mergers & Acquisitions In Canada, Crosbie & Co., Toronto

### Highlights

- Canadian businesses were involved in 228 acquisitions transactions in the second quarter of 1993, the highest quarterly number in 12 quarters.
- The information includes acquisitions in Canada in which a Canadian is the acquiree or acquirer and also acquisitions abroad in which Canadian-based businesses were buyers or sellers.
- Of the 228 second quarter transactions, 73% were domestic acquisitions, 8% were foreign acquisitions and 19% were Canadian acquisitions or sales abroad.

# GLOBAL CROSS BORDER ACQUISITIONS

## QUARTERLY FROM JANUARY 1, 1988 TO JUNE 30, 1993



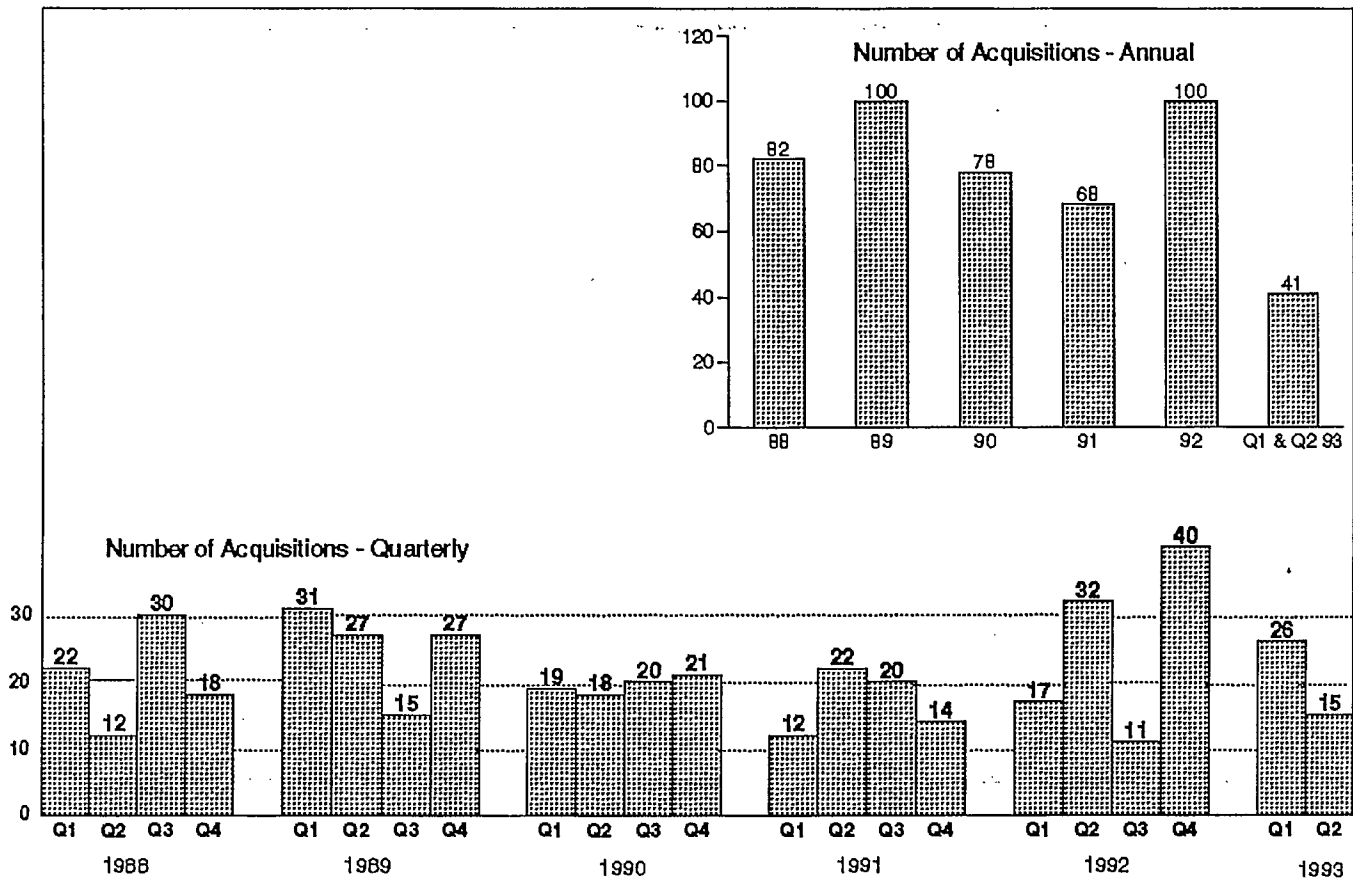
Source: KPMG International, Amsterdam

### Highlights

- The number of cross border acquisitions increased in the second quarter to over 500.
- In terms of value, the greatest activity in the first six months was in chemicals & pharmaceuticals (\$US 7.5 billions) followed by food & beverages (\$US 1.9 billions).
- Among the more prominent announced cross border acquisitions were Hanson Trust's (U.K.) acquisition of Quantum Chemical (U.S.A.), Kingfisher's (U.K.) acquisition of Darty (France), Procordia's (Sweden) acquisition of Erbamont (Italy), RTZ's (U.K.) acquisition of Nerco (U.S.A.) and General Electric's (U.S.A.) acquisition of 45 airplane leases owned by GPA (Ireland).

# CANADIAN CROSS BORDER ACQUISITIONS

## QUARTERLY FROM JANUARY 1, 1988 TO JUNE 30, 1993



Source: KPMG International, Amsterdam

### Highlights

- The number of acquisitions abroad by Canadian-based companies dropped in the second quarter.
- Among the notable acquisitions abroad by Canadian-based companies in the second quarter were Laidlaw's acquisition of National Medical Transport Network Inc. (U.S.A.) and International SemiTech Microelectronic Inc.'s acquisition of G.M. Pfaff AG (Germany).



