



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

News Release

For immediate release

2008 Equity Issuance Slow out of the Gate

Toronto, May 16, 2008 – Equity financing activity in the first quarter of this year was well below that of the previous quarter. Total equity issuance in Canada fell to \$10.8 billion, down 23% from the final quarter of 2007 and 35% year over year, as activity from issuers and investors were impacted by volatile market conditions. On the trading front, volumes held up despite continued uncertainties in global markets and economic conditions, as 37 billion shares were exchanged on the TSX and TSX Venture combined. However, uncertainty in the market caused investors to turn away from small cap stocks to more established companies. Trading activity on the TSX Venture dropped 24% from Q4 while trading on Canada's senior exchange reached a record setting 25.5 billion in the quarter. The Investment Industry Association of Canada (IIAC) issued today its quarterly [Review of Equity New Issues & Trading](#), which highlights some of the market conditions that impacted equity markets at the start of the year.

Overall financings in the first quarter were dragged lower from the previous period as a result of reduced common equity offerings. Impacted by concerns of a potential spill-over from a weak U.S. economic outlook, common equity issues declined 25% quarter over quarter, largely due to a lack of initial public offerings (IPOs). Income trust offerings continued their descent, down 68% quarter over quarter. Preferred share issuance was a bright spot, rebounding 17% from last quarter mainly due to financial institutions strengthening their capital base.

"The pull back witnessed in the first quarter was expected given increased uncertainty about the future outlook. Compared to global equity markets, Canada continues to demonstrate resiliency under adverse market conditions," said Ian Russell, President and CEO of the Investment Industry Association.

Visit www.iiac.ca for the Association's commentary and statistics in its quarterly publication ***Review of Equity New Issues and Trading***.

The Investment Industry Association of Canada (IIAC) advances the position of the Canadian investment industry on regulatory and public policy issues. As the professional association for the industry, IIAC has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

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