

ATTENTION: Business, Economics and Technology Editors and Reporters

44 Ontario Companies Make Canada's Top 100 R&D Spenders List

Toronto – October 17, 2006 – Forty-four Ontario companies made Canada's Top 100 Corporate R&D Spenders List 2006, released today by Research Infosource Inc. Together these firms invested \$6.6 billion in research and development activities in fiscal 2005, up 1.7% from 2004. Overall Canada's top 100 corporate R&D spenders invested \$12 billion in R&D in 2005, up 4.9% from the previous year.

Eleven Ontario firms qualified for Research Infosource's \$100 Million Club. In overall first place is Nortel Networks, Magna International is 3rd, ATI Technologies (5th) IBM Canada Ltd. (6th) Atomic Energy of Canada Ltd. (8th), Alcatel Canada Inc. (11th), Apotex Inc. (12th), GlaxoSmithKline (14th), Cognos Incorporated (15th), Research in Motion (17th), and Biovail Corporation (20th).

"The good news is that of the 44 Ontario companies on the list, only 11 decreased their R&D expenditures from fiscal 2004 to 2005", says Ron Freedman, CEO of Research Infosource Inc. "This group included Nortel Networks, which lowered its R&D spending by 11.8%, from \$2.5 billion to \$2.2 billion. Given Nortel's dominance of Canada's R&D scene, its numbers can mask underlying trends. Removing Nortel from the calculations for Ontario brightens the picture. Without Nortel, Ontario firms increased their R&D spending by 10.6% rather than 1.7% with Nortel in the mix."

Looking at various industry sectors, communications/telecom accounted for 26% of R&D investments in fiscal 2005, pharmaceuticals/biotechnology (16%), telecommunications services also (16%), aerospace (8%), software and computer services (7%), automotive (7%), energy/oil and gas (6%), computer equipment 4%, mining and metals (3%), electronic parts and components (2%).

Examining the regional picture, British Columbia's 13 top 100 companies accounted for \$693.6 million in R&D spending or 6% of the total for fiscal 2005. This represents an increase of 14.1%. For the Prairies, 10 companies in Alberta spent \$519.1 million for 4% of the total and an increase of 4.1% with Manitoba's single entry on the list chalking up \$43 million in R&D expenditures. Ontario and Quebec based firms accounted for the lion's share of R&D spending. With 55% of the total, Ontario's 44 companies invested \$6.6 billion in R&D in fiscal 2005, up 1.7% from the previous year. Removing Nortel from the calculation moves Ontario companies' growth in R&D spending to an impressive 10.6%. The 30 companies in Quebec spent \$4.1 billion for 34% of the total and a strong increase of 7.2%.

The complete *Canada's Top 100 Corporate R&D Spenders List 2006* is available on the Research Infosource website, www.researchinfosource.com. An in-depth *Canada's Top Corporate R&D Spenders Report 2006*, based on over 650 companies, is slated for publication later this year. Research Infosource Inc., a division of The Impact Group, is Canada's source of R&D intelligence. Drawing from an extensive database, Research Infosource Inc. publishes *Canada's Top 100 Corporate R&D Spenders List*, *Canada's Top 50 Research Universities List*, and specialized reports.