

ATTENTION: Business, Economics and Technology Editors and Reporters

30 Québec Companies Make Canada's Top 100 Corporate R&D Spenders List

Toronto – October 17, 2006 – Thirty Québec firms made Canada's *Top 100 Corporate R&D Spenders List 2006*, released today by Research Infosource Inc. Together they spent \$4.1 billion on research and development activities in fiscal 2005, an increase of 7.2% over the \$3.9 billion in fiscal 2004. In total, Canada's top 100 corporate R&D spenders invested \$12 billion in R&D in 2005, up 4.9% from the previous year.

Eight Québec companies made Research Infosource's elite \$100 Million Club, reserved for firms that posted over \$100 million in R&D expenditures: Bell Canada in 2nd place overall spent \$1.7 billion with an increase of 19.9%. Pratt & Whitney Canada in 4th position invested \$472 million, which represents a modest increase of 1.5%. Alcan Inc. is in 7th with \$275 million in R&D expenditures, a drop of 11.6%. Bombardier Inc. is in 9th place with \$212 million in spending, an increase of 10.1%, Ericsson Canada Inc. reported R&D expenditures of \$201 million, down 14.5%. Pfizer Canada Inc. increased its R&D spending by 13.2% to \$178.7 million, Merck Frosst Canada Ltd. showed a slight decrease in R&D spending, down 0.6% to \$117 million. CAE Inc. lowered R&D investments by 8.9% to \$107.6 million. Overall 17 Québec firms reported increases in R&D spending for fiscal 2005 while 13 posted decreases.

"Québec firms are investing in their future growth", says Ron Freedman, CEO of Research Infosource Inc. "Québec firms increased their R&D investments by 7.2%, which is a healthy gain."

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.