

11 Alberta Companies Made Canada's Top 100 Corporate R&D Spenders List According to Research Infosource

Toronto – October 23, 2008 – Eleven Alberta-based companies made *Canada's Top 100 Corporate R&D Spenders List 2008* released by Research Infosource Inc. (www.researchinfosource.com). In fiscal 2007, together they spent \$512.6 million on R&D, down -11% from the \$576 million investment in 2006. Overall Canadian companies invested \$10.3 billion in R&D in fiscal 2007, down -3% over fiscal 2006.

Imperial Oil was the highest-ranking Alberta company in 22nd place up from 30th with an impressive increase in R&D expenditures of 21.9% on a 2.3% increase in revenues. EnCana Corporation dropped from 16th in 2006 to 31st in 2007 with a disappointing -48.8% decrease in R&D spending on a 23.9% jump in revenue. NOVA Chemicals Corporation moved up two spots from 44th to 42nd despite a -7.1% decline in R&D investment on a -2.1% decrease in revenues. Syncrude Canada dropped from 35th to 43rd place with a -21.8% drop in R&D spending, while Petro-Canada climbed to 44th position from 66th with a massive 52.9% increase in R&D spending. Posting a -32.4% drop in R&D expenditures, Suncor Energy slipped from 29th to 46th. Nexen Inc. also lost ground, moving from 46th to 59th with a -24.5% decrease in R&D spending, BioMS Medical Corp. went from 65th to 61st with a 10.6% hike in R&D expenditures. Isotechnika climbed from 80th to 72nd posting a 32.8% jump in R&D spending. Penn West Energy Trust is in 87th place. Holding 99th spot, same as last year, is Trican Well Service.

“At -11%, the decline in R&D investments in Alberta is well below the average figure for Canada, which dropped by only 3%”, says Ron Freedman, CEO of Research Infosource. “This is disappointing given the booming economy.”

Regional Picture

Looking at the numbers by region for fiscal 2007, British Columbia's 12 companies spent \$625.2 million on R&D, a -3.3% drop over last year. In Alberta, the 11 companies on the Top 100 list spent \$512.6 million, a decrease of -11%. In Ontario, 39 companies spent \$5.6 billion, a small increase of 1.2%. Removing Nortel from the mix, gives them a significant jump of 12.4%. Together the 31 Quebec-based companies for which we have complete data showed a decline of -8.2%, in R&D spending for fiscal 2007.

Industry Sectors

Looking across industry sectors, information technology companies, dominated Top 100 spending in 2007, accounting for 51% of Top 100 spending, a drop from 53% of the total the year prior. The communications/telecom equipment accounted for 27% of the total, down from 28% in fiscal 2006. Standouts were Research In Motion, where R&D spending jumped 42.0% in fiscal 2007, and Alcatel-Lucent, where spending increased by 26.1% over the period. However, if Nortel Networks' result is omitted, this sector accounted for 11% of total spending

in fiscal 2007, versus 9% in fiscal 2006. Three companies in telecommunication services accounted for 13% of Top 100 spending, down from 15% of the total in 2006. Taking up the slack were 32 companies in the pharmaceutical/biotechnology sector, which accounted for 19% of total spending in fiscal 2007, compared with 18% the prior year.

Gainers and Losers

Natural resource companies were well represented among the 10 companies that had the strongest growth in R&D spending. Penn West Energy Trust led the pack with a 435.1% gain in spending. Teck Cominco (88.2%) and Petro-Canada (52.9%) also fared well. So too did a number of information technology firms, led by Corel Corporation (63.7%), Sandvine Corporation (57.9%), and MOSAID Technologies (52.3%). Medicago Inc. (128.4%) led companies in the Pharma/biotechnology sector in growth. A number of household names suffered substantial declines in R&D spending in fiscal 2007, which is worrisome. EnCana and Tembec both reduced their spending by more than 40%, whereas TELUS, Suncor Energy and Axcan Pharma all had declines of over 30%.

The complete *Canada's Top 100 Corporate R&D Spenders List 2008* is available on the Research Infosource website, www.researchinfosource.com. 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.

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