

12 B.C. Companies Make Canada's Top 100 Corporate R&D Spenders List According to Research Infosource

Toronto – October 23, 2008 – Twelve B.C. based companies made *Canada's Top 100 R&D Spenders List 2008* released today by Research Infosource Inc. (www.researchinfosource.com). Together they spent \$625.2 million on R&D in fiscal 2007, down -3.3% from 2006. Revenues however were up by 3.4% from \$17.8 billion in fiscal 2006 to \$18.4 billion in 2007. Overall Canadian companies invested \$10.3 billion in R&D in fiscal 2007, down -3% over fiscal 2006.

B.C. Companies

Rank 2007	Rank 2006	Company	% Change in Revenue 2007	% Change in R&D Spending 2007	Total R&D Spending 2007
20	24	PMC Sierra	3.7	-14.4	\$90.2 million
26	19	TELUS	4.5	-34.6	\$85 million
35	41	Ballard Power Systems	24.7	6	\$62.9 million
38	47	Angiotech Pharmaceuticals	-13.5	12.7	\$58 million
40	56	Cardiome Pharma Corp.	-76.4	30.7	\$56.8 million
45	54	MacDonald Dettwiler & Associates	14.4	16.6	\$52 million
47	38	QLT	-30.8	-22	\$50 million
49	45	Aspreva Pharmaceuticals	11.4	-12.4	\$47.6 million
57	63	Sierra Wireless	88.4	14.8	\$41.8 million
66	92	Teck Cominco	-2.6	88.2	\$32 million
76	74	Westport Innovations	38.9	5.5	\$27 million
85	98	Xantrex Technology	40.4	46.7	\$22.1 million

“Companies in British Columbia mirror the rest of Canada”, says Ron Freedman, CEO of Research Infosource. “Although they are showing gains in revenue, that money is not flowing back into R&D investments.”

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%). Medicure 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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