

39 Ontario Companies on Canada's Top 100 Corporate R&D Spenders List According to Research Infosource

Toronto- October 23, 2008 – Thirty-nine Ontario-based companies made *Canada's Top 100 Corporate R&D Spenders List 2008* published by Research Infosource (www.researchinfosource.com). Together they invested \$5.6 billion in R&D in fiscal 2007, up 1.2% from 2006. Overall Canadian companies invested \$10.3 billion in R&D in fiscal 2007, down -3% over fiscal 2006.

Only ten Ontario-based companies posted decreased R&D spending for fiscal 2007: Nortel Networks (-15.8%), AstraZeneca Canada (-4%), Honeywell Canada (-3.8%), Janssen-Ortho (-2.4%), Aastra Technologies (-8.8%), Mitel Networks (-10.4%), Gennum (-2%), DALSA (-0.1%), Zarlink Semiconductor (-17.4%), and Xerox Canada (-0.7%).

"The picture for Ontario R&D brightens considerably when Nortel Networks is removed from the equation", says Ron Freedman, CEO of Research Infosource. Looking at the 38 remaining companies, Ontario's R&D investment grew by 12.4% in fiscal 2007".

Ten Ontario firms made Research Infosource's elite \$100 Million Club, reserved for companies that invested \$100 million or more in R&D in fiscal 2007: Nortel, Magna International, IBM Canada, Atomic Energy of Canada, Research in Motion, Alcatel-Lucent, Apotex, GlaxoSmithKline Canada, Cognos and Biovail.

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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