

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

Toronto- October 24, 2008 – Thirty-three Québec-based companies are on *Canada's Top 100 Corporate R&D Spenders List 2008* released today by Research Infosource Inc. (www.researchinfosource.com). Together they spent \$3.6 billion on R&D in fiscal 2007. Overall Canadian companies invested \$10.3 billion in R&D in fiscal 2007, down -3% over fiscal 2006.

Nine Québec firms made Research Infosource's elite \$100 Million Club, reserved for companies that invested \$100 million or more in R&D in fiscal 2007: BCE (\$1.26 billion), Pratt & Whitney Canada (\$444 million), sanofi-aventis Group (\$207.2 million), AbitibiBowater Inc. (\$180 million), Bombardier (149.4 million), Ericsson Canada (\$147 million), Pfizer Canada (\$114 million), Merck Frosst Canada (\$110 million) and Hydro-Québec (\$100 million).

"In Québec, BCE's numbers have an significant impact on R&D figures", says Ron Freedman, CEO of Research Infosource. "With BCE, R&D investment in Québec shows a drop of -8.2%. Removing BCE gives a smaller decrease of -4.7%".

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.

-30-

Information:

Ron Freedman, CEO, Research Infosource, 416-481-7070 ext. 31
Janet Sandor, Director of Communications, 416-481-7070 ext. 25