

42 Ontario Firms Make Canada's Top 100 R&D Spenders List According to Research Infosource Inc.

Toronto - October 20, 2009 – Forty-two Ontario firms made *Canada's Top 100 R&D Spenders List* released today by Research Infosource Inc. www.researchinfosource.com. Accounting for 56% of total Top 100 R&D spending, together Ontario companies invested \$5.68 billion in research and development (R&D) in fiscal 2008, an increase of 2.3% from \$5.56 billion the previous year. Overall Canadian firms spent \$10.09 billion in fiscal 2008, a decrease of -0.2% over 2007.

Notably, eleven of the Top 20 companies were from Ontario:

#1 Nortel Networks Corporation maintained 1st position for its final year in the face of a -9.4% decrease in R&D spending in Fiscal 2008 to \$1.68 billion. Revenues also decreased by 5.6% to \$11.1 billion.

#3 Magna International Inc. also maintained 3rd place with decreasing R&D spending of -4.5%, bringing their R&D spending to \$692.9 million in 2008. Decreasing revenues were also reported during the period of -9.8%.

#5 IBM Canada Ltd was again in 5th spot with \$397 million in spending, an increase of 5.3%.

#6 Research In Motion Limited moved up a spot with a huge increase in spending of 51.1% to \$383.6 million, while also increasing their revenues by 96.2% to \$6.4 billion in Fiscal 2008.

#7 Atomic Energy of Canada Limited lost a spot with spending of \$329.4 million, an increase of 14.0%.

#8 Alcatel-Lucent held onto to their rank with virtually no growth in R&D spending this year (0.4%) to \$237 million.

#9 Apotex Inc. gained a spot, increasing their spending by 20.4% to \$218.9 million. Revenues also increased substantially by 31.9%, reaching \$1.3 billion.

#13 GlaxoSmithKline Canada lost a spot, with a decline in spending of -16.1%, dropping their R&D spending to \$149.8 million. Revenues also dropped in Fiscal 2008 by -4.4%.

#17 Open Text Corporation gained 10 spots over last year with an increase of R&D spending of 32.8%, bringing them back into the \$100 Million Club with \$112.9 million, up from \$85 million in 2007.

#18 Aastra Technologies Limited leaped up from 41st position last year with a huge increase of 91.3%, which also placed them into the \$100 Million Club for the first time with \$105.5 million in spending in 2008. Equally impressive was their increase in revenues of 37.2% over the same period.

#20 Biovail Corporation dropped 4 places from #16 last year with a decrease of -22.0% in spending to \$99 million. Revenues also fell by -10.9% to \$807.2 million.

“So far, so good for Ontario's R&D companies”, said Ron Freedman, CEO of Research Infosource. “Many leading Ontario firms managed to increase their R&D spending last year, but not nearly as fast as their increased revenues.”

Regional Picture

Looking at R&D spending by region for 2008, British Columbia's 13 firms spent \$664.5 million, up 5.6% from \$629.3 million in 2007. In Alberta, 11 companies on the Top 100 list posted R&D expenditures of \$490 million in 2008, up 5.9% from \$462.9 million in 2007. Two Manitoba based companies (Cangene Corporation and Medicure Inc.) made the list together posting \$90.9 million in

R&D spending in 2008 compared to \$53.7 million in 2007, an increase of 69.2%. In Ontario, 42 companies made the list, spending \$5.68 billion on R&D in 2008, up 2.3% from 2007's figure of \$5.56 billion. R&D spending declined in Québec, with their 31 firms down -7.5% from \$3.38 billion in 2007 to \$3.12 billion in 2008. New Brunswick-based Bell Aliant was the only firm from the Atlantic Provinces to make the list, posting \$33.8 million in R&D spending an increase of 42.7% in fiscal 2008.

Industry Sectors

The Communications/telecommunication sector dominated Top 100 spending again in fiscal 2008. Together these eleven firms accounted for 27% of total R&D spending, an increase of 1.5%. Leaving Nortel Networks out of the equation, the remaining 10 firms posted a very impressive 26.3% increase in R&D expenditures. The Pharmaceuticals/biotechnology sector was next in total spending with their 31 firms accounting for 19% of total R&D spending. Four companies in the Telecommunications services sector were responsible for 13% of Top 100 spending. The Aerospace sector accounted for 8% of spending, Automotive 7% and Software and computer services 7%.

Gainers and Losers

Ten companies on the Top 100 list posted increases of over 60% in R&D spending in fiscal 2008. Leading the pack was Allen-Vanguard with a whopping 263.5% jump in R&D spending, followed by ArcelorMittal Dofasco with a 151.9% increase in 2nd place, TELUS with 147.1 % in 3rd, Husky Energy at 122.2% in 4th and rounding out the top 5 is Cangene with 104.7%. Several well-know firms posted significant declines in R&D spending, including Ballard Power Systems, down -37.0%, QLT down -36.8%, Tembec down -29.9% and Teck Resources down -28.1%.

The complete *Canada's Top 100 Corporate R&D Spenders List 2009* 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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