

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

Toronto - October 20, 2009 – Thirty-one Québec firms made *Canada's Top 100 R&D Spenders List* released today by Research Infosource Inc. www.researchinfosource.com. Accounting for 31% of total Top 100 R&D spending, together Québec companies invested \$3.12 billion in research and development (R&D) in fiscal 2008, a drop of -7.5% from \$3.38 billion the previous year. Overall Canadian firms spent \$10.09 billion in fiscal 2008, a decrease of -0.2% over 2007.

In Fiscal 2008, 8 of the 19 top-ranking companies were from Québec - with spending of \$100 million or more in 2008: **BCE Inc.** continued in 2nd place overall with \$985 million in R&D spending, a decrease of -21.8% from 2007. **Pratt & Whitney Canada Corp.** also maintained their 4th place ranking from last year, spending \$442 million in 2008. In 10th place this year, **sanofi-aventis Group** dropped one spot from last year, spending \$211.5 million, a slight increase over 2007 of 2.1%. **Bombardier Inc.** moved up 1 spot to #12 from 13th place with a substantial increase in R&D spending of 22.0%, reaching \$182.3 million. **Ericsson Canada Inc.** held onto 14th spot again this year, although their R&D spending decreased by -14.3%, dropping to \$126 million. **Pfizer Canada Inc.** climbed 2 spots to 15 with \$122.9 million in R&D spending, an increase of 7.8%. **CAE Inc.** also moved up in the rankings 5 spots to #16 from 21st last year with a large increase in R&D spending of 26.8% to \$113.1 million. Once again **Hydro-Québec** ranked 19th with \$100 million in R&D spending in Fiscal 2008.

"Québec is the only region to post a decline in R&D spending", says Ron Freedman, CEO of Research Infosource Inc. "On a positive note, several companies made substantial gains in spending. But many of the leading firms reported declines in spending."

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 Medicago 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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