

ATTENTION: Business, Economics and Technology Editors and Reporters

Alberta's Corporate R&D Spending Declines -9.2% in Fiscal 2009

Toronto - October 27, 2010 – Alberta's top companies posted a combined drop in R&D spending in Fiscal 2009 of -9.2%, according to *Canada's Top 100 Corporate R&D Spenders List 2010* released today by Research Infosource Inc. (www.researchinfosource.com). R&D spending of 11 top companies in Alberta totaled \$563.6 million in Fiscal 2009, dropping from \$620.6 million in Fiscal 2008. Revenues also fell significantly by -32.2% during the period. Overall, Canada's top corporate R&D companies invested \$10.22 billion in R&D activities in Fiscal 2009, down from \$10.4 billion in Fiscal 2008, a decrease of -1.8%. This continues a negative trend in R&D spending for the 4th consecutive year. For the first time in almost a decade, the Top 100 companies posted a substantial drop in revenue of -16.4% as the full force of the world economic situation hit home.

The top ranked company in Alberta in Fiscal 2009 was **Suncor Energy** placing in 13th spot with \$172.7 million in R&D spending, down -13.7% from Fiscal 2008. **Imperial Oil** followed in 25th place, gaining 1 spot from last year with \$89.0 million in R&D spending in Fiscal 2009, up from \$83.0 million, a growth of 7.2%. **Synchrude Canada** #37 with \$56.2 million in R&D spending, also reported a positive spending growth of 11.7%. Next in the rankings of Alberta-based companies was **NOVA Chemicals** #43, dropping 7 spots with a -17.6% decrease in R&D spending of \$45.7 million, down from \$55.4 million in Fiscal 2008. NOVA Chemicals also reported a substantial revenue drop of -41.1%. **Nexen** this year placed #44 and jumped 12 places with a 50.0% increase in R&D spending to \$45.0 million, up from \$30.0 million the year prior, while revenues dropped -34.1%. **EnCana** reported \$30.7 million in R&D spending to place in #55 spot. **SMART Technologies** climbed to #60 from #88 with a growth of 30.1% in R&D spending, reaching \$28.6 million, up from \$21.9 million. Revenues at SMART also grew by 32.5% over the period. **BioMS Medical** placed #61, dropping from #48 with a -38.7% drop in spending to \$28.5 million, down from \$46.5 million, while revenues also fell by -13.2%. **Cenovus Energy** ranked #63 with \$27.3 million in R&D spending, slightly down (-0.4%) from Fiscal 2008. **Husky Energy** maintained their #66 spot with \$26.4 million, down -12.2% from \$30.0 million. Husky Energy also reported a steep drop in revenue of -39.0%. **Resverlogix** placed #97 with \$13.6 million in R&D spending in Fiscal 2009, posting a -7.6% drop from Fiscal 2008.

"R&D spending and revenues dropped more sharply in Alberta than in the country as a whole. Soft oil prices obviously had an effect in the oil and gas sector. But there were some bright spots, particularly at SMART Technologies, which moved up sharply in our ranking", said Ron Freedman, CEO of Research Infosource.

\$100 Million Club

Twenty-two companies qualified for Research Infosource's elite \$100 Million Club - firms that reported \$100 million or more in research spending in Fiscal 2009 - up from 19 firms last year. Together these companies spent \$7.42 billion in Fiscal 2009, accounting for 73% of total spending. However, half of these elite firms registered declines in their R&D spending between Fiscal 2008 and Fiscal 2009. The Top 6 companies - **Research In Motion**, **Nortel Networks**, **BCE**, **TELUS**, **IBM Canada** and **Magna International** - all reported more than \$500 million in R&D spending. New to the Club were **Suncor Energy**, **Biovail** (now part of Valeant Pharmaceuticals International), **Ontario Power Generation** and **Novartis Pharmaceuticals Canada**.

Rank 2009	Company	R&D Expenditures	
		FY2009 (\$Million)	% Change 2008-2009
1	Research In Motion	\$1,101.8	51.0
2	Nortel Networks	\$864.5	-48.5
3	BCE	\$806.0	-18.0
4	TELUS	\$653.0	211.0
5	IBM Canada	\$556.5	40.2
6	Magna International	\$553.9	-20.1
7	Pratt & Whitney Canada	\$398.0	-10.0
8	Atomic Energy of Canada	\$393.1	19.3

Rank 2009	Company	R&D Expenditures	
		FY2009 (\$Million)	% Change 2008-2009
9	Alcatel-Lucent	\$224.0	-5.5
10	Ericsson Canada	\$197.0	56.3
11	Apotex	\$188.8	-13.8
12	sanofi-aventis Group	\$181.6	-14.1
13	Suncor Energy Inc.	\$172.7	-13.7
14	Bombardier	\$161.0	-11.7
15	GlaxoSmithKline Canada	\$147.8	-1.3
16	Biovail	\$137.9	39.4
17	Open Text	\$132.7	17.5
18	CAE	\$121.6	7.5
19	Ontario Power Generation	\$112.0	49.3
20	Novartis Pharmaceuticals Canada	\$110.0	14.6
21	Pfizer Canada	\$109.4	-11.0
22	Hydro-Québec	\$100.0	0.0

Gainers and Losers

Overall, 44 companies reported positive growth in Fiscal 2009, 55 companies reported declines and 1 company reported the same (0% growth). Ten companies on the Top 100 list reported increases of 50% or more. Topping the list of gainers were **TELUS** (211%), following on another substantial increase in Fiscal 2008 of 147.1%. Next up was **Enablence Technologies** (183.1%), **Sierra Wireless** (83.9%), **Enobia Pharma** (62.2%), **Ericsson Canada** (56.3%), **Evertz Technologies** (54.2%), **DragonWave** (52.7%), **Rogers Communications** (52.5%), **Research In Motion** (51%) and rounding out the top 10 was **Nexen** (50%). Significant decreases were also reported by some well-known firms in Fiscal 2009 including **Angiotech Pharmaceuticals** (-52.3%), **Labopharm** (-44.7%) and **Tembec** (-42.3%).

Regional Scene

On a regional basis, British Columbia was the only province with positive R&D spending growth with combined spending for 11 top companies expanding by a substantial 66.4% in Fiscal 2009. However, in the other regions, R&D spending dropped between Fiscal 2008 and Fiscal 2009: Alberta's 11 companies had a combined decrease of -9.2%, Quebec's 29 companies (-8.4%) and Ontario's 44 companies (-4.4%).

In Fiscal 2009, Ontario accounted for 55% of the total R&D spending with \$5.64 billion, Quebec held 28% of the total share with \$2.82 billion, British Columbia with 10% and \$1.04 billion and Alberta with 6% of the total and \$563.6 million.

Industry Sectors

Looking at the leading industry sectors, 13 Communications/telecom equipment companies accounted for 27% of the total R&D spending with \$2.76 billion, decreasing by -10.9% in Fiscal 2009. The 28 Pharmaceuticals/biotechnology companies accounted for 17% of the total with \$1.72 billion, dropping -5.7% during the period. Telecommunications services with 4 companies accounted for 15% of the total (\$1.56 billion), registering a combined increase of 22.2%. The 10 Software and computer services companies accounted for 9% of R&D spending, Aerospace 7%, Energy/oil & gas and Electric power 6%, and Automotive 6% of total R&D spending in Fiscal 2009.

Canada's Top 100 Corporate R&D Spenders List 2010 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*, specialized reports and produces *The Innovation Atlas of Canada*™ – a web-based mapping and data information tool.