

ATTENTION: Business, Economics and Technology Editors and Reporters

British Columbia Leads in Corporate R&D Spending with Substantial Gains in Fiscal 2009

Toronto - October 27, 2010 – British Columbia was the only province to report positive growth in R&D spending in Fiscal 2009, according to *Canada's Top 100 Corporate R&D Spenders List 2010* released today by Research Infosource Inc. (www.researchinfosource.com). Combined R&D spending of 11 top companies in British Columbia grew by 66.4%, reaching \$1.04 billion in Fiscal 2009, up from \$624.5 million in Fiscal 2008, whereas, Canada's overall corporate spending on R&D decreased again this year. Canada's top corporate R&D companies spent \$10.22 billion in R&D 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.

Rank		Company	R&D Expenditures	
2009	2008		FY2009 (\$Million)	% Change 2008-2009
4	11	TELUS	\$653.0	211.0
24	41	Sierra Wireless	\$94.7	83.9
35	28	PMC Sierra	\$60.5	-17.7
45	49	MacDonald, Dettwiler and Associates	\$43.6	-6.0
52	72	Westport Innovations	\$33.0	23.7
54	63	QLT	\$32.7	3.6
56	46	Cardiome Pharma	\$30.5	-37.5
57	52	Ballard Power Systems	\$30.4	-23.3
64	35	Angiotech Pharmaceuticals	\$27.1	-52.3
79	97	Tekmira Pharmaceuticals	\$18.7	11.4
91	80	Teck Resources	\$15.0	-34.8

"Top 100 spending in BC was the bright spot in an otherwise dim situation. However, spending dropped at a number of leading firms, which does not bode well for the future", 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		Company	R&D Expenditures	
2009			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.

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