

ATTENTION: Business, Economics and Technology Editors and Reporters

**Corporate R&D Spending Continues to Fall
RIM #1 on Canada's Top 100 Corporate R&D Spenders List**

Toronto - October 27, 2010 – Corporate spending on research and development (R&D) decreased again this year, according to *Canada's Top 100 Corporate R&D Spenders List 2010* released today by Research Infosource Inc. (www.researchinfosource.com). Canada's top corporate R&D companies spent \$10.22 billion on 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. As R&D spending is a lagging, and not a leading indicator, the full impact may still be in the future. Research In Motion (RIM), the now R&D leader, reported \$1.1 billion in R&D spending in Fiscal 2009, and helped to fill the spending gap by the fading Nortel Networks.

“On the plus side, the old guard (Nortel) is being replaced by the new guard (RIM), but overall trends are disappointing. This year's spending decline, matched with a substantial fall in revenues, should be a wake-up call for policymakers that change is needed in how we support research in Canada”, 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	
		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
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

Rank	Company	R&D Expenditures	
		FY2009 (\$Million)	% Change 2008-2009
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 **Enablene 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.

-30-

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