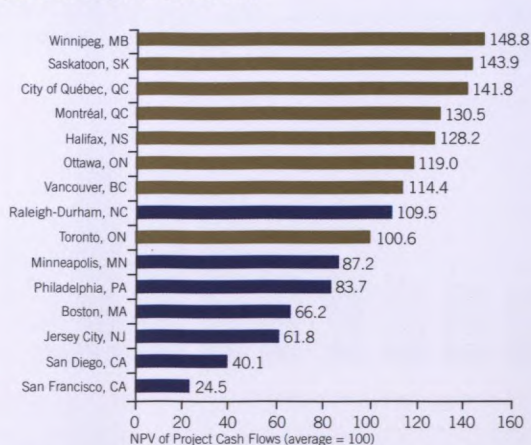


Canadian cities provide the best return on investment for biopharmaceutical research in North America . . .



. . . and have some of the lowest labour costs for skilled biotech workers among North American biotech hubs.



INDEX* OF NET PRESENT VALUE OF CASH FLOWS OF A REPRESENTATIVE R&D FACILITY FOCUSED ON DRUG DISCOVERY AND CLINICAL TRIALS IN CANADIAN CITIES, COMPARED TO OTHER NORTH AMERICAN CITIES

Source: IBM-Plant Location International 2009.

* This index measures the NPV of cash flows of representative R&D and clinical trial facilities in the biopharmaceutical sector. This international location benchmarking exercise, conducted by IBM-Plant Location International (IBM-PLI), analyzes the comparative cost and qualitative factors of doing business in various locations, applying the approach that is used when screening candidates for corporate investment projects. The benchmarking study examines 250 to 300 financial and qualitative location indicators in the assessment of each industry subsector.

ESTIMATED ANNUAL LABOUR COSTS OF A 96 FULL-TIME EQUIVALENTS BIOTECHNOLOGY OPERATION, IN NORTH AMERICAN BIOTECH HUBS

Source: IBM-PLI calculations, based on Watson Wyatt 2007/2008 and Economic Research Institute (ERI) 2008.

\$1 = US\$0.862 = MXN 10.9

The Art of Innovation in Life Sciences

From the identification of the muscular dystrophy gene to discovering new ways of creating stem cells, Canadian life-sciences innovators are at the forefront of discovery. Industry leaders are carving out global niches in biopharmaceuticals, medical devices and contract services—thanks to Canada's world-renowned research institutes and biotechnology clusters. Add Canada's 20-year patent protection and its large pool of post-graduate and post-doctoral researchers, and the potential for innovation is limited only by our imagination.

With a significant and profitable healthcare market, Canada is very attractive to life sciences companies. It is home to more than 390 pharmaceutical and 400 biotech companies that employed nearly 29,000 highly-skilled workers in 2007, making Canada the country with the third-largest number of biopharma firms in the world. In 2007, biopharma companies in Canada had sales of \$19 billion and over \$6.3 billion in exports. Canada's biopharmaceutical firms have nearly 500 products under development or on the market. Canada also leads the G7 countries in the growth of health-related research patents.

THE CANADIAN ADVANTAGE

Canada boasts numerous advantages that are beneficial to the life sciences sector. Canada has several world-leading centres of excellence in science and technology, and one of the most generous R&D tax incentives to be found in the OECD. In 2007, over \$1.3 billion was spent on biopharmaceutical-related R&D in Canada, much of it underwritten by the federal SR&ED tax credits and accelerated tax deductions for a wide variety of R&D expenditures.

In addition to the private sector, Canada's life sciences sector benefits from world-leading post-secondary institutions and research centres, producing highly-skilled biotech workers. Demonstrating innovation excellence, Canada's academic research community boasts more than 30,000 investigators in over 17 medical schools and 100 teaching hospitals.

As a result of these factors, Canada has the highest rate of increase in the G7, in biotech R&D workers, external patent applications and business expenditures on R&D, and the lowest biotech labour costs.