4) Net cash flow from operations is added to Cash on the Balance Sheet.

5) The initial investment is partially financed with debt. Debt servicing costs are expensed in the year that they are incurred. No principal payments are made during the 10-year horizon and the level of debt remains fixed.

6) An initial investment in inventory is made in Year 0. Inventory levels are assumed to remain fixed over the ten-year horizon. In the United States, this assumptions will tend to understate tax liabilities.

7) Material costs are based on a pre-determined percentage of sales. The percentage will vary with the industry type. The base cost of materials does not change between locations. However, sales taxes are calculated in addition, where applicable.

8) The operations qualify for Manufacturing and Processing tax rates.

9) Interest and property taxes during construction are capitalized in the cost of buildings.

10) Machinery and equipment is assumed to have zero scrap value and no capital gains are realized on the sale of capital assets.

11) In Canada, the provincial Corporation Capital Tax, where applicable, and the Canadian Large Corporations Tax are calculated on capital employed (i.e., liabilities, owner's equity and retained earnings).

12) In Canada, the half-year rule applies to capital investments, except in the case of R&D capital investments.

13) Research and development (R&D) costs are expensed in the year that they are incurred. Where the tax liability is less than tax credits for R&D, the credits are carried forward. In the United States, Research and Experimentation tax credits are reduced to reflect taxation at the maximum rate. We have assumed that all research and development or experimentation expenses will qualify for tax credits in all locations.

14) In the United States, state taxes paid are deductible for federal tax calculation purposes.

15) Withholding taxes and personal taxation matters are beyond the scope of this analysis.