

Investment Status Report



A FEW SUCCESS STORIES

- ✓ **DaimlerChrysler AG's Freightliner** (July, 2000) unit has agreed to purchase Western Star Trucks Holdings Ltd, a Canadian heavy-duty truck maker based BC, in a deal worth C\$670M.
- ✓ **Rexel:** (July 20, 2000) annoncé la signature d'un accord avec son concurrent canadien Westburne en vue d'acquérir ce dernier au prix de 701,26 millions d'euros (987M de dollars Can). Coté à la bourse de Toronto, Westburne a réalisé un chiffre d'affaires consolidé de 1,78 milliard d'euros en 1999 et est le premier distributeur de matériel électrique au Canada, selon Rexel. Avec cette acquisition, Rexel estime passer de la 5e à la 3e place sur le marché de la distribution de matériel électrique en Amérique du Nord.
- ✓ **British Energy plc** (July, 2000) announced an agreement with Ontario Power Generation (OG) to lease two nuclear power plants on the Bruce site in Ontario for C\$625M initially, followed by annual rental payments, the first of which is estimated at C\$108M.
- ✓ **Centrica plc**, (July, 2000) a leading British energy supplier, announced it will acquire Direct Energy Marketing Ltd, a Calgary-based energy supply company for C\$912M. Direct Energy is the largest integrated natural gas wholesaler to residential and small business customers in Canada. Centrica plc, is in aggressive investment mode.
- ✓ **Rolls-Royce** (July 5, 2000) of the UK announced a new investment of \$213M in an R&D project in Montreal to develop the next generation of industrial gas turbine engines. Approximately 200 new skilled jobs could be created.
- ✓ **Alcatel** (July, 2000) a fait l'acquisition de Innovative Fibers de Gatineau pour un montant de 175M \$US (chiffre d'affaires: 22M \$Can). Cette entreprise canadienne a été acquise pour son savoir-faire unique dans les composantes de fibre optique et les 25% de part de marché qu'elle occupe. Des investissements de près de 30M \$Can seront fait au cours de la prochaine année et le nombre d'employés devrait rapidement augmenter.
- ✓ **Schering Canada Inc. (July, 2000)** is investing \$24.9M to expand and refurbish its manufacturing plant in Pointe Claire and create 176 jobs during the next three years.
- ✓ **Organic Inc.**, (July, 2000) a Calif.-based Internet services company, officially opened its Toronto offices July 6, securing some terrific clients (Bank of Montreal and Daimler Chrysler Canada), 50 professional jobs and will be adding 10 more a month.
- ✓ **STMicroelectronics** (June 6, 2000) a annoncé le 6 juin l'établissement à Ottawa de son "centre d'excellence" pour les technologies haut débit destinées aux produits réseaux optiques. L'entreprise annonce en outre l'agrandissement de son centre de conception pour mieux répondre à la demande de ses clients stratégiques, au premier rang desquels Nortel Networks. La société envisage également d'établir un centre de R&D, toujours dans la région d'Ottawa. Le montant exact de ces investissements n'est pas encore connu.

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- Ube Industries Ltd.** (June, 2000) of Japan announced that it plans to build a factory for aluminum wheels in Sarnia, Ontario. The company intends to establish a wholly owned subsidiary and begin construction of the plant, which will have an annual capacity of 2.25 million units. The plant is slated to begin operating in 2002, and the project is expected to cost about \$200-300 million.
- ✓ **DaimlerChrysler Canada Inc.** (June, 2000) announced that it will invest at least \$1.5 billion to modernize and expand its Windsor (Ontario) commercial van assembly plant featuring new manufacturing operations, thereby securing 2,100 existing jobs.
 - ✓ **Convergys Corporation** (June, 2000), a US-based company providing billings and customer management services, will open a 575 seat high-end customer service center in St. John's, Newfoundland, creating 1,000 jobs.
 - ✓ **La société française GameLoft** (June, 2000) ouvrira un centre mondial de développement de services et de contenu sur l'internet consacré aux jeux en réseau. Le projet devrait créer 400 emplois à Montréal d'ici 2005. La compagnie est une filiale d'Ubi Soft qui a déjà créé quelques 500 emplois dans le secteur du multimédia à Montréal depuis 3 ans. Le pilote automobile Jacques Villeneuve s'est associé au projet.
 - ✓ **Merck Frosst Canada** (June, 2000) announced an investment of \$250 million over 3 years, for laboratory and office facilities in its Kirkland, Quebec operation. This project is financed entirely by the Canadian operation.
 - ✓ **Techspace Aero** (June, 2000) will establish an engineering and design department for the design of parts of engines for planes and rockets in Montreal rather than in the United States. This investment should create between 35 and 50 positions for engineers over 3 years.
 - ✓ **Aventis** (June, 2000): La ville de Laval, au nord de Montréal, a été choisie pour accueillir le siège social d'Aventis Pharma au Canada (550 personnes). La compagnie investit annuellement 50 millions de dollars dans la recherche et le développement en collaboration avec 380 centres de recherche partout au pays.
 - ✓ **Marconi** (June, 2000) announced it will invest US\$250 million in new premises and staff in Ottawa to expand its Routing and Switching Solutions Development Team. As part of the expansion, Marconi expects to hire 100 new employees this year and a total of 400 over the next five years.
 - ✓ **Danone** (May, 2000) s'est portée acquéreur de l'usine de Naya à Mirabel, en faillite depuis décembre 1999, pour un montant supérieur à 50 millions de dollars. Les activités de la compagnie en Colombie-Britannique ne font pas partie de cette entente. Danone possède les marques d'eau Labrador, Laurentienne et Evian.

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- ✓ **Nortel Networks** (April, 2000) announced a \$143 M new investment in Ottawa on capital and leasing costs, and operating expenses, for three new buildings, each of approximately 200,000 square feet. Each site will accommodate approximately 850 knowledge workers - slightly more than half are expected to be new hires.
- ✓ **Trulife Healthcare** (April, 2000) of Ireland has decided to develop and expand its Canadian plant over the next few years. Final figures on new jobs and investment in capital projects are not yet available.
- ✓ **Toyota Motor Manufacturing Canada** (TMMC) (April, 2000) - announced a \$600 million investment in Cambridge, Ontario to increase the plant's capacity to 220,000 units/year. The plant will produce the Lexus RX300 sports utility vehicle, the first time ever that a Lexus model will be produced outside Japan. The investment will increase employment by 300 new jobs to a total of 3,000.
- ✓ **Texas-based Electronic Data Systems Corp.** (March, 2000) is moving its main customer service centre to Sydney, N.S., from Raleigh, North Carolina. This call centre will create 900 jobs with project costs estimated to be \$32.3 million.
- ✓ **Club Méditerranée** (March, 2000) - announced an investment of almost CDN \$65M for the construction of its first village in Canada located in Mont. Tremblant, Quebec. The village will include a 350 room hotel and will employ 200 people. The facility is scheduled to open in November, 2001.
- ✓ **Rolls Royce** (March, 2000) will invest CDN \$82M in a "turbine engine test cell" to be located in Montreal. The facility will test the industrial gas turbine engines manufactured at Rolls Royce's Lachine plant.
- ✓ **Cisco Systems Inc.** (February, 2000) - Cisco is dramatically expanding its Ottawa R&D facilities to strengthen its position in the optical networking industry. The San Jose, CA, company will add up to 600,000 square feet at its Ottawa Development Centre, based in Kanata, and create 2,400 jobs.
- ✓ **Parke-Davis** (February, 2000) - New Jersey-based Parke-Davis has signed an agreement with Toronto-based IMI International Medical Innovations Inc. for the use of IMI's Cholesterol 1,2,3™ test system in a Phase II study to monitor the effects of a new drug for the treatment of atherosclerosis, or plaque. The three-minute skin test will be used in the study at eight Canadian hospitals.
- ✓ **Biovail Corp.** (February, 2000) of Toronto, has formed a strategic alliance with Hemispherix Biopharma, Inc. of Philadelphia, to focus on the treatment of various viral and immune disorders in the Canadian market. Hemispherix is involved in the manufacture and development of new drug entities in the nucleic acid class for chronic viral diseases and immune system disorders including CFS, HIV and hepatitis.
- ✓ **Silicon Access Technology**, (February, 2000) a three-year-old 70-person high tech company based in San Jose, California, is opening a small development centre in Kanata to design network architecture/software for microchips. The company stated that Ottawa has the third largest pool of networking talent in NA after San Jose and Boston.

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- ✓ **Universal American Financial** (February, 2000) announced that it will close PennCorp's operations in Raleigh, NC and move these services for American policy holders to Mississauga creating over 95 new jobs. The facility will service American policy holders from Canada. The company estimates that annual savings (to be realized in 2001 and in subsequent years) will exceed US \$4M.
- ✓ **Lineage Biomedical Inc.** (February, 2000) - of St.John's Nfld., signed an MOU with Gemini Holdings plc of Cambridge, England, on Feb. 4 to establish a 50/50 joint venture in genetics research to be named Newfound Genomics. The JV will establish a genetics-based research facility in Nfld. to identify disease-causing genes in such fields as diabetes, heart disease and obesity. A DNA storage facility in Nfld. will allow DNA collected in that province to remain there.
- ✓ **The Encore Group of Bermuda**, (February, 2000) has made a commitment to Ontario- based LifeTECH for a deal worth \$12 million over three years plus a percentage of future revenues from commercialisation of two new diagnostic assays, one for cholesterol and the other for kidney disease. The proposed deal calls for LifeTECH to complete the development and commercialisation of the two patented assays.
- ✓ **Jungbunzlauer:** (January, 2000) This Swiss based company will begin construction of a \$100M, world-scale citric acid manufacturing facility serving all of North, Central and South America in Port Colborne, Ontario in May, creating 100 new jobs. As a result CASCO will expand its Port Colborne facilities.
- ✓ **Genzyme** (January, 2000) - has a new collaborative agreement with Mississauga-based Skye Pharma Tech. Inc., a cardiovascular genomics company focused primarily on stroke diagnosis. The agreement entails up to a \$15M investment.
- ✓ **Circuit Foil du Luxembourg** (January, 2000) - \$130 million investment in a copper foil plant located in Granby Quebec. SGF in Quebec contributed \$32 million in financing for the project.
- ✓ **SemBioSys Genetics Inc:** (January, 2000) SemBio Sys, a Calgary-based biotechnology company, has signed a substantial multi-year product development agreement with Novartis Agricultural Discovery Institute, Inc. in which NADII will fund the development of a proprietary product. NADII is directly funded by Novartis of Switzerland.
- ✓ **Cable & Wireless:** (January, 2000) Cable & Wireless has taken a decision to include a Canadian component in its global strategy to expand its Canadian networks (focusing on Montreal and Toronto) by investing \$75million over five years. C&W will focus primarily on data services for business customers in Canada.
- ✓ **Sofireva** (January 2000) - The French cosmetics company announced an investment of 8M\$ for the construction of a new manufacturing plant in Sherbrooke, Quebec. The investment will create more than 200 jobs.

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- ✓ **Proctor & Gamble** (December 1999) - \$200 million expansion of its plant in Belleville and a \$60 million upgrade of its Brockville facility.
- ✓ **ACT Genomics** (December 1999) - investment of up to \$15 million over 2-3 years in an R&D operation working with the Biotechnology Institute of the NRC.
- ✓ **Fujisawa Pharmaceutical Co.** (December 1999) - has taken an equity stake in a Canadian start-up focussing on a new cancer treatment research. The initial investment made through Fujisawa Canada is \$500,000.
- ✓ **Rhodia** (December 1999) - opened a new plant in Mississauga specializing in the production of nylon fabric for use in the automotive sector. Total investment was \$30 million. Further expansion is planned for upcoming years.
- ✓ **Glywed** (December 1999) - has approved a \$35 million investment upgrade to IPEX (thermoplastic piping) its Canadian subsidiary. Concerns over low levels of available labour in the US resulted in the investment being placed in Canada.
- ✓ **Toyoda Gosei Ltd.** (Nov. 1999) - is increasing its investment in Canada by adding another plant in the Sarnia area valued at \$60 million.
- ✓ **Korea Resources Corporation** (November, 1999)- invested \$5.2 million in the Knife Lake Copper property in northern Saskatchewan.
- ✓ **Ericsson** (October, 1999) - announced \$196 million investment for new world mandate to develop third generation (3G) wireless telecommunications solutions. The investment also means the creation of 130 new engineering positions at Ericsson's R&D centre in Montreal, QC. The role of the federal government included the allocation of frequency spectrum for evaluating 3G technology. Provincially, Investissement Quebec will contribute up to \$4.5 million.
- ✓ **Siemens** (October, 1999) - established Siemens Business Services Canada, Inc. to target IT markets in Canada. Headquartered in Mississauga, ON, and employing approximately 100 people across Canada, the new company will deliver IT services and solutions through Siemens Canada Ltd.'s existing coast to coast sales channels. Stated goal is to become the IT services provider of choice in Canada.
- ✓ **General Motors of Canada Ltd.** (September, 1999) - announced a \$20 million investment in R&D that will create 160 high-tech engineering and skilled trade jobs. GM will create a regional engineering centre in Oshawa, ON, that will be capable of complete vehicle design and development. PM and Minister Manley participated. No federal or provincial financial assistance was provided.

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- ✓ **Cisco** (September, 1999) - on Sept. 1, Minister Manley participated in the ribbon-cutting ceremony of Cisco Systems Inc.'s new research facility in Kanata. Cisco acquired Skystone Systems, a Canadian R&D company of 35 people, in summer 1997 and retained the R&D activities in Canada. The group has grown to 140 people with plans to grow to 250 at this new facility. A further expansion announcement is expected shortly.

- ✓ **IBM Canada** (July, 1999) - July 6, IBM announced its investment in a major software development project. Federal and provincial support (TPC, HRDC and Ontario's MET) totaled \$42 million. IBM will increase its investment in the development of its' software product from \$20 to \$40 million a year by 2001 and anticipates investing an average of \$200 million a year in R&D at its Software Solutions Lab over the next five years, much of it in e-commerce

- ✓ **Ethypharm** (July, 1999) - The French pharmaceutical firm announced a \$15 million investment in Laval, QC to set up its North American headquarters at the Laval Science and High Technology Park. Ethylpharm will employ 58 people in Laval, mostly scientific staff. Ethylpharm's operations include drug preformulation and formulation, manufacturing initiation pilot projects and manufacturing of clinical samples. Its clientele includes major pharmaceutical firms such as Merck Frosst, Astra Zeneca and Bristol-Myers Squibb. Ethylpharm's annual sales exceed \$110 million.

- ✓ **Bristol-Myers Squibb Canada** (June, 1999) - the company will invest another \$5 million in its Cadiac, QC. Pharmaceutical Research Institute this year to upgrade facility for supplying medication doses for human clinical trials throughout the world.

- ✓ **Toshiba Corporation** (May, 1999) - entered into an agreement with MOSAID Technologies Inc., (an Ottawa-based semiconductor company known for its chip design innovation). The agreement enables them to develop, manufacture, and market a system-on-a-chip for the network switching market. Toshiba will invest \$13 million toward the development costs for the device. A \$20 million TPC contribution facilitated MOSAID to undertake this new development activity.

- ✓ **Motorola Canada Ltd.** (May, 1999) - the creation of a new Motorola Canada Software Center in Montreal. It is expected that the software center will create hundreds of engineering and related jobs within 10 years, with a projected investment of over \$100 million. Engineer talent, top-notch Universities, high tech infrastructure, and Quebec government support were the key factors.