



Biotechnology and Life Sciences

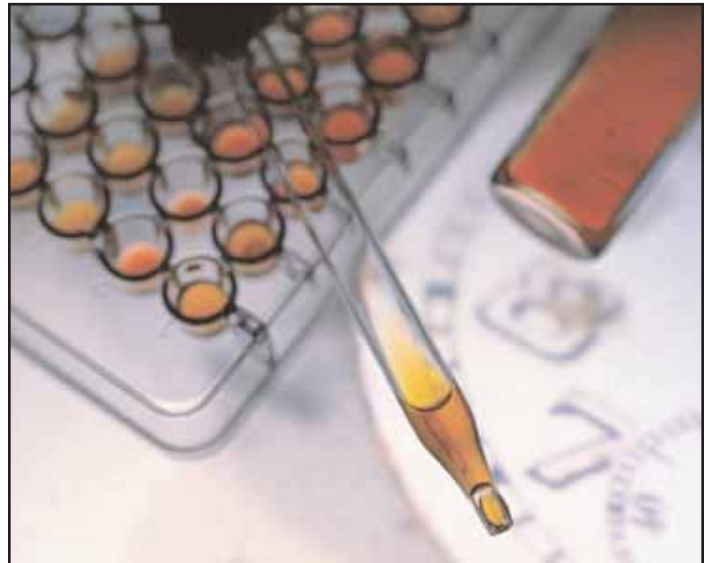
*" . . . Infrastructure matters.
Good people have to be there. And,
of course, tax credits help . . . "*

When you think about a biotech or life sciences location, think Ontario East. We're ready for your business.

Infrastructure

Ontario East's chief biotech clusters are in the Ottawa, Kingston and Peterborough areas.

Ottawa: Ottawa is home to Canada's funding and regulatory agencies, 20 life sciences research institutes and programs, and more than 100 life



Ontario East has lower combined corporate income taxes than those of the United States—and Canadian and Ontario tax credits that cut the after-tax cost of \$100 of R&D expenditures to about \$42.



Large and growing clusters in the Ottawa, Kingston and Peterborough areas employ 75,000 people and generate annual sales of about \$9 billion.

sciences companies. Ottawa is also the site of the 22-acre Ottawa Life Sciences Technology Park, which has development capacity greater than 450,000 sq. ft. Ottawa hosts a leading biotech incubator. And venture capital investment in Ottawa's life sciences sector has grown every year this decade. It was close to \$58.7 million in 2005.

Kingston: Kingston's health sciences sector employs about 5,500 people and has an annual output valued at more than \$490 million. The new 37,500 sq. ft. Cancer Research Institute at Queen's University will bring together 200 researchers. Kingston is also home to many biotech companies, a commercialization centre and a 70,000 sq. ft. business incubator. The Eastern Lake Ontario Regional Innovation Network is a hub of activity supporting bio-based development and working with communities such as Gananoque, Quinte, Kingston, and Lennox & Addington.

Peterborough: The Greater Peterborough Regional DNA Cluster includes partners Trent University, Fleming College, Ontario's Ministry of Natural Resources and local government. It aims to commercialize technologies in DNA profiling, bioinformatics, the environmental sciences, forensics, natural resources management and related life sciences.

The Workforce

About 29,000 students graduate in Ontario every year in mathematics, engineering, science or the health professions. Many of them will have studied or will work in institutions like the University of Ottawa, with its 10 research centers and institutes, in similar settings in Carleton University, in the research institutes of Canada's National Research Council or in the other health-related research institutes in Ottawa, Kingston, Peterborough and other Ontario East communities.

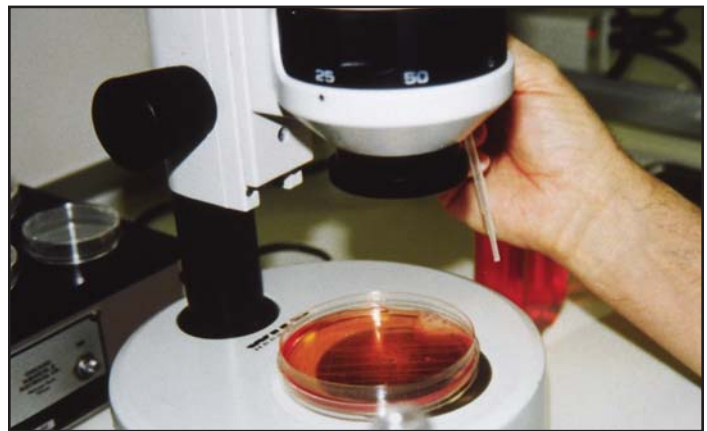
Ottawa is second in North America to San Jose, CA, in the proportion of its workforce (11.6%) working in science and engineering disciplines. The next closest Canadian city was Calgary (7.6%).

Lower Taxes

Ontario East's combined corporate income tax rate for manufacturers, 36.5%, is lower than the U.S. average, which is 39.5%—and Canadian and Ontario R&D tax credits cut the after-tax cost of \$100 of R&D expenditures to about \$42. Thanks to our universal health care coverage, Ontario employers pay one-sixth the amount for health care paid by U.S. employers.

Pharmaceutical Manufacturing in Ontario East

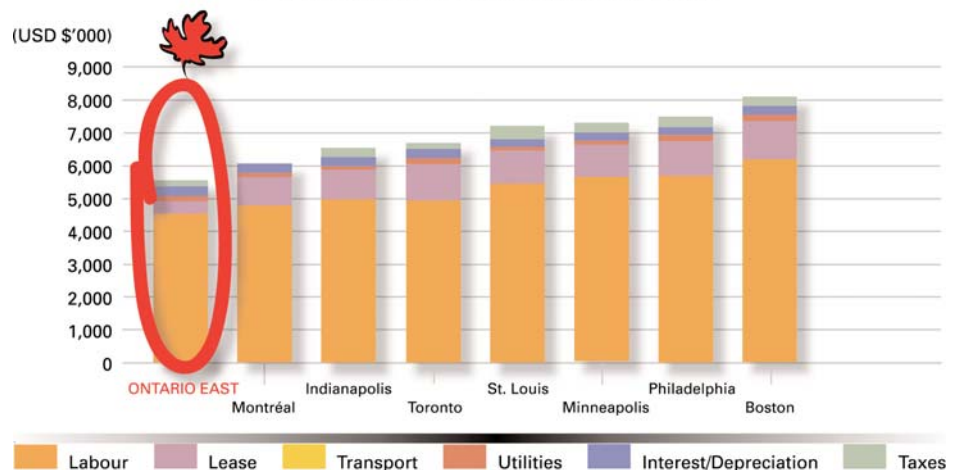
Ontario East is home to pharmaceutical manufacturers that include contract pharmaceutical company Trillium, in Brockville, one of the largest businesses of its kind in the region.



Our workforce, with its exceptionally high education levels and track record of innovation and success, operates in a setting that includes research programs at leading universities, national research centers and Canada's funding and regulatory agencies

The recent KPMG Competitive Alternatives study, highlights the ONTARIO EAST cost advantage over other locations

COMPETITIVE ALTERNATIVES.COM
Industry: Biotechnology; Operation: Biomedical R&D
10-Year Average Annual Total Location-Sensitive Costs



Source: KPMG Competitive Alternatives.com, 2006



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