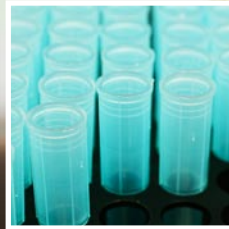
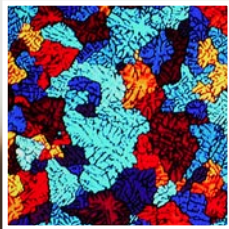
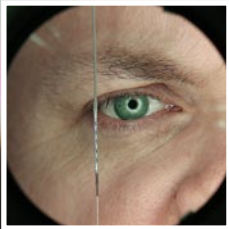
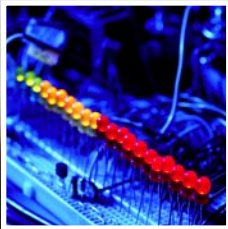


We're the Go-To source for
S&T and innovation in Canada.
And we're looking for partners.
From all over the world.

National Research Council Canada



National Research
Council Canada

Conseil national
de recherches Canada

Canada

Canada's National Research Council

Intellectual and Commercialization Partners to Thinkers and Doers

NRC is the Go-To source for Science, Technology and Innovation in Canada. NRC innovates; it integrates; it accelerates.

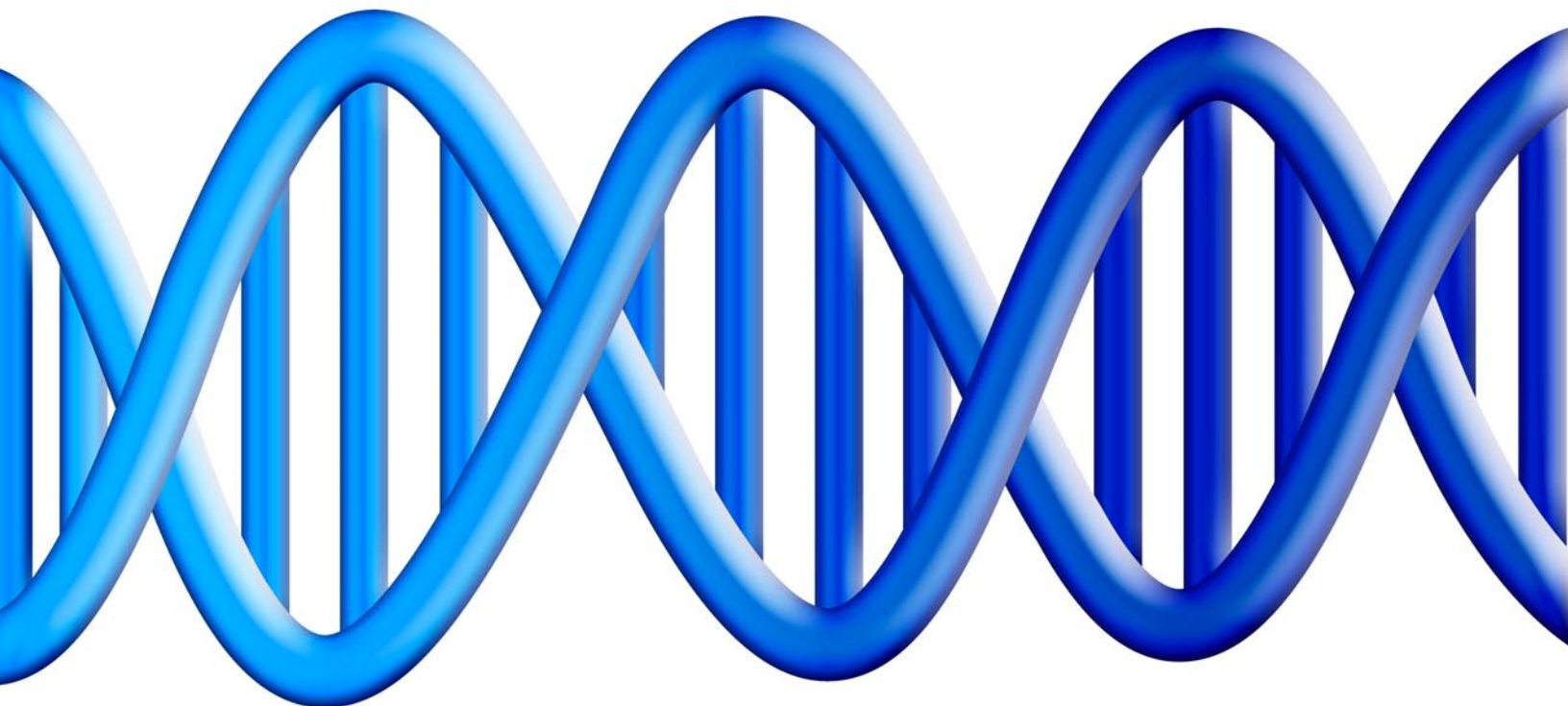


Scientific and technological breakthroughs are a product of creative minds. But they are also inspired by connecting creative minds with one another. And connecting is one of the things NRC does best.

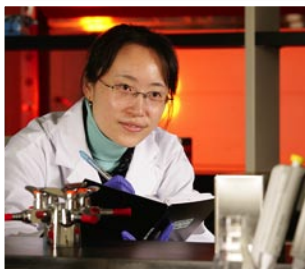
NRC's proven record of delivering world-class R&D is only the starting point for the role it plays in stimulating Canadian and international innovation. NRC connects innovators with one another, not just within Canada, but around the globe. We forge great collaborations—the kind that produce more exciting research faster, then get it out to where it can be applied.

NRC also links innovators with institutions and commercial interests, providing the tools to channel innovation into opportunity and success in the marketplace.

If you're a scientist, engineer or entrepreneur in Canada or anywhere else, we're here for you. We want to be valued as one of the world's best national research and innovation organizations. Connect with us.



Research + Commercialization: A One-Two Punch



NRC has the brains, the brawn and the determination to make things happen in Canada's science and technology community and beyond.

NRC's budget of \$700 million a year reflects Canada's commitment to innovation. Our scientists, engineers, technicians, advisors and managers think beyond the lab to match ambitious people with exciting scientific, technical and commercial opportunities.

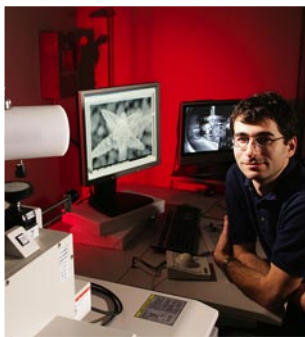


NRC operates world-class research facilities as well as information, technology and innovation support networks located strategically across Canada. We're into biotechnology, information technologies, aerospace, construction, nanotechnology, photonics, astronomy, fuel cells, ocean engineering, material sciences... it's a long and exciting list.

NRC offers top flight scientists and technical experts the opportunity to work with and network with the best and the brightest, on projects that can make a difference to the world. NRC and its people take prize research results to market through licensing agreements and spin-off companies.

Reaching Out to Partners

You don't have to work for NRC to benefit from what we have. We're well known as extremely useful partners to research institutions, universities and entrepreneurs around the globe. NRC is an active player in international research collaborations and partnerships—over 60 formal arrangements with 22 nations along with hundreds of informal alliances.



Several Canadian cities have focused their efforts on developing technology clusters, built around scientific and technical expertise in a number of fields. NRC has had a big hand in helping these clusters grow by adding its full range of R&D and innovation strengths.

NRC provides Canadian-based companies with technology advice, business intelligence, and research assistance, as well as access to national and international networks through its NRC Industrial Research Assistance Program and the NRC Canada Institute for Scientific and Technical Information.



“...the programme (with NRC) has enabled each side to take advantage of unique facilities not otherwise available and brought many young scientists into contact with research leaders of the highest international reputation.”
Dr. Lloyd Anderson
Director, British Council Science, 2003

National Research Council

Knowledge is Our Business

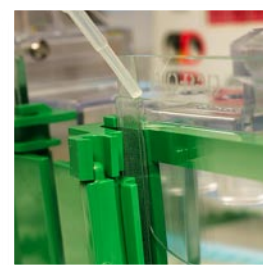
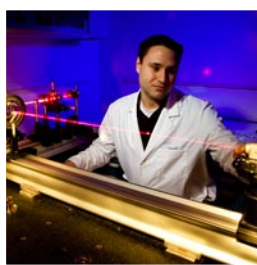
NRC's core resources are intelligence and knowledge. While NRC has become a very effective commercial lever, we've earned our reputation through long-standing research expertise, scientific standards work and our high-quality scientific and technical publishing.

We collaborate, not only in Canada's interests but also in those of global science and technology. Over NRC's 90-year history, our people have earned international acclaim for leading edge research and innovation.

No other Canadian organization can take pride in bringing home a Nobel Prize for science, an Academy Award from the movie industry and helping Canada capture Olympic Gold.

“Thank you for sharing your energy, enthusiasm and experience, and helping Canadian Skeleton athletes to achieve best-ever Olympic results. The athletes were able to stand at the start line knowing they had an edge over their competition.”

Teresa Schlachter
Bobsleigh Canada Skeleton



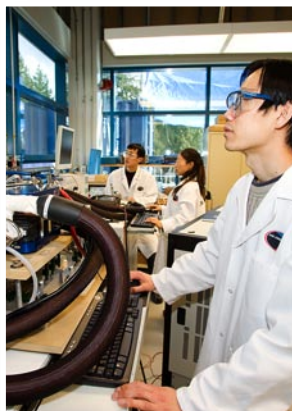
Experimenting, Connecting and Collecting

At NRC, we have a reputation both for thought and for action. We connect thinkers and doers. And we collect knowledge from around the world. NRC is an unmatched global source of information—it has one of the world's most comprehensive collections of literature in science, technology and medicine. Its publishing arm, the NRC Research Press, produces 16 international journals of research plus books and conference proceedings.

Transforming Science into Commerce

NRC licenses the technologies it develops, helping companies gain footholds in new and exciting markets.

More than 60 NRC spin-off companies have been launched since 1995, accounting for \$375 million in private investment. One of NRC's latest spin-offs, Novadaq Technologies, recently received approval from the U.S. Food and Drug Administration for its medical imaging technology.



Over the years, NRC has built relationships with thousands of companies, nationally and internationally. In 2004-2005 nearly 1,400 clients received fee-for-service R&D support.



NRC Support for SMEs

The NRC Industrial Assistance Research Program provides a range of technical and business advisory services to growth-oriented Canadian-based SMEs.

The program is delivered by an extensive network of 260 professionals in 100 communities across the country. NRC advisors work directly with clients to stimulate innovative R&D and commercialization of new products and services, often matching SMEs with the kind of institutional and commercial support they need.

Research and Development Incentives

The Canadian Government's tax incentive program, which encourages businesses around the world to conduct R&D in Canada, is the most generous in the G7.

- Firms are allowed to deduct current and capital Scientific Research and Experimental Development (SR&ED) expenditures to reduce taxable income in the most current year—or carry these expenditures forward indefinitely to reduce tax liability in future years.
- Companies receive investment tax credits (ITCs) of 20% or 35% on qualifying expenditures through a cash refund, a reduction of taxes payable, or both. The unused ITCs can be carried back for three years, or forwarded for up to ten years.

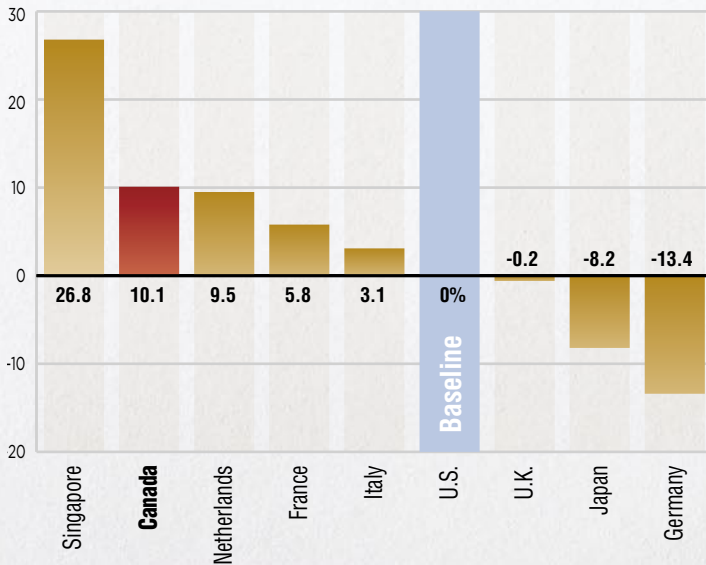
Canada's R&D Tax Advantages

	Canada	United States
1	Permanent program	Temporary program – periodically renewable through Act of Congress
2	Tax credits may be refundable	Tax credits are only non-refundable
3	R&D expenditures can be carried forward indefinitely	Must be deducted in the year incurred or capitalized
4	Salaries, material, contracts, overheads, and incremental costs may qualify	Only salaries, supplies, and 65% on contracts qualify
5	Capital equipment for R&D may qualify	R&D capital equipment does not qualify
6	Volume-based tax credits	Incremental tax credits
7	Research performed in Canada and funded by non-residents may qualify	Research funded by non-residents does not qualify

Canada holds a significant R&D cost advantage over most nations.

Biomedical Research and Development

Percent cost advantage (disadvantage) relative to the United States. U.S. cost index is taken as the baseline.



Source: *Competitive Alternatives: KPMG's guide to international business costs*. 2006 Edition.

In March 2006, KPMG released a detailed study analyzing business costs in nine countries, including the United States, Canada, Britain, France, Germany, Italy, the Netherlands, Japan and Singapore.

Canada recorded sizable cost advantages over other G7 countries, trailing only Singapore in the overall standings. The R&D cost advantage over most nations—based on biomedical research and development—was significant.

The four leading cost locations in Canada and the United States were all Canadian cities: Quebec City, Saskatoon, Montréal and Vancouver.

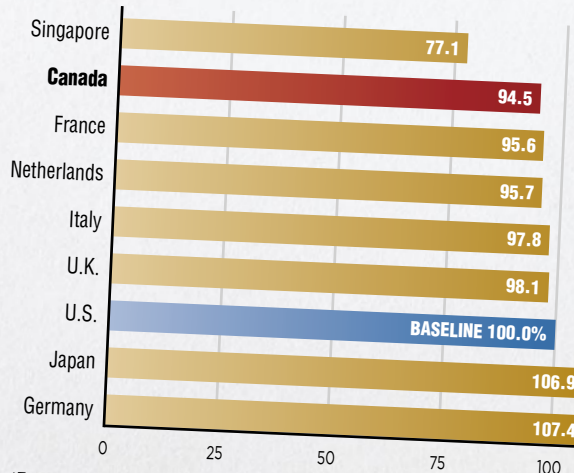
One of Canada's key cost advantages proved to be Canada's generous tax treatment for R&D. The KPMG report underlines that Canada has by far the lowest average corporate tax rate for tax eligible R&D of all nations in the study.

If you would like more details, see www.CompetitiveAlternatives.com

Canada leads the G7 countries for low business costs.

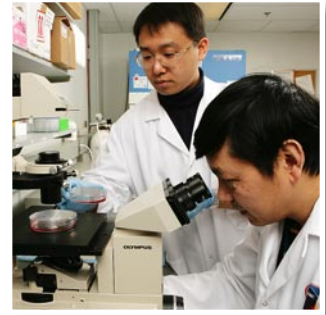
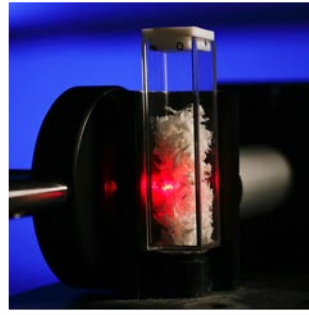
Comparison of Annual Costs — 12 Industry Average

Overall business operation average in 12 industries.* Percent cost relative to the United States.



*Total business costs comprise the sum of location-sensitive costs and location-insensitive costs. Source: *Competitive Alternatives: KPMG's guide to international business costs*. 2006 Edition.

KPMG Business Study 2006

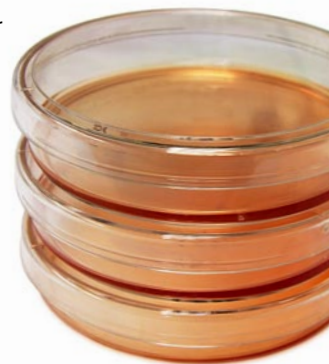


NRC Nourishes Canada's Dynamic Clusters

Clusters—significant concentrations of innovative companies gathered around a strong nucleus of R&D facilities—have become magnets to 21st century companies looking for symbiotic relationships that will lead to growth opportunities.

Canada has developed several active clusters in cities like Montréal, Ottawa, Toronto, Saskatoon, Edmonton and Vancouver, with more coming along in Atlantic Canada and elsewhere.

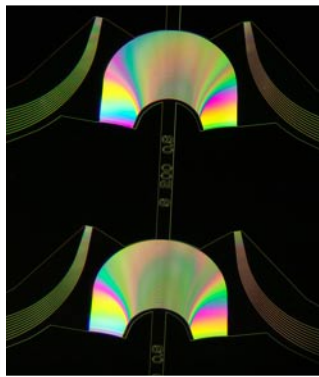
The National Research Council has been deeply involved in Canadian cluster development for decades, and continues to bring together scientific, technological and entrepreneurial interests in actual and potential hot spots across the country.



Examples – Ottawa's IT and Photonics Expertise

Photonics

Ottawa is considered to be among the top five photonics clusters in the world. That didn't happen by accident. In the 1980s, NRC led an Ottawa-area initiative known as the Solid State Optoelectronics Consortium, connecting Ottawa firms (including Nortel and JDS Uniphase), federal government laboratories (including NRC and the Communications Research Centre) and local universities (Carleton and the University of Ottawa).



After studying the prospects for the growth of photonics, this team forged some focused, long-term collaborations. Their foresight led to Ottawa establishing itself in this fast-paced enabling technology.

Thirty years later, NRC is still stimulating innovation in the nation's capital. Together with government and university partners, NRC has built a world-class photonics fabrication facility to provide clients with prototyping services to bridge the gap between research and commercialization.

IT Success

Ottawa-based XYZ RGB, a firm already well known in the Hollywood film industry, recently graduated from one of NRC's Industry Partnership Facilities. The firm grew out of NRC's ground breaking 3D laser scanning technology. Its breathtaking special effects have been shown off in several successful movies, including *King Kong* and *Lord of the Rings: The Return of the King*.

If You Want to be an NRC Partner, Contact Us!

For more information, visit NRC's web site at www.nrc-cnrc.gc.ca, or contact NRC at: 1 (877) 672-2672 • E-mail: info@nrc-cnrc.gc.ca



National Research Council Stirs Innovation in Canada's Top Clusters



Nobel winners have helped define NRC's reputation...

“...a national research facility recognized as a genuine success.”

Sir Harold Kroto
1996 Nobel Laureate in Chemistry, recalling his early work at NRC

Canada is a great place to connect with first-class researchers and first-class business opportunities. The NRC will help you do that.

www.nrc-cnrc.gc.ca

