

CANADA'S TELECOMMUNICATIONS VALUE ADVANTAGE

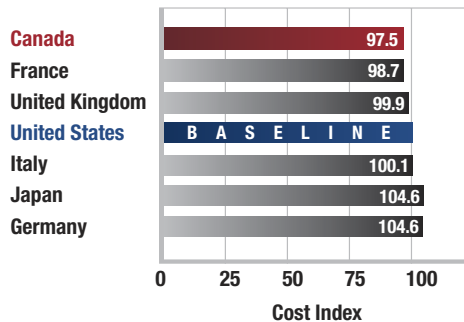
TELECOMMUNICATIONS. NEW NETWORKING OPPORTUNITIES.

Canada finished first in the G7 with a 2.5 percentage point cost advantage over the U.S. – making a huge difference to your bottom line. These are findings from the *Competitive Alternatives: KPMG's Guide to International Business Costs, 2006 edition* which provides a comprehensive analysis of telecommunications production costs in nine countries and 128 cities in North America, Europe and Asia-Pacific. Canada's information and communications technology sector generated revenues of Cdn\$136 billion in 2004. This sector invests heavily in research and development with an estimated Cdn\$5.2 billion in 2005, encompassing a workforce of 570,000 highly educated individuals.



KPMG's operational model looked at manufacturers of specialized telecommunications equipment for either a wired or a wireless environment. The production workforce was heavily weighted toward highly qualified professional/technical and skilled operators.

TELECOM EQUIPMENT MANUFACTURING G7 Results (US = 100.0)



Source: *Competitive Alternatives: KPMG's Guide to International Business Costs, 2006 edition.*

THE BOTTOM LINE:

- Canada ranks No. 1 in the G7 as the most cost-competitive investment location in the telecommunications sector.
- Canada's telecommunications industry strategically benefits from the country's cost-competitiveness in its software design and Web and multimedia sectors in which it's also ranked No. 1 in the G7.
- Canada offers the lowest labour and benefit costs in the G7 for the sector, as well as the lowest interest and depreciation costs.
- Nine Canadian cities rank among the top 10 lowest-cost G7 locations, with St. John's leading the way.

To find out more about investment opportunities in Canada, visit www.investincanada.gc.ca.



LOW-COST HOT SPOTS

1. St. John's
2. Moncton
3. Sherbrooke
4. Halifax
5. Saskatoon
6. Charlottetown
7. Edmonton
8. Quebec City
9. Winnipeg