



Invest Québec

SR&ED Information Seminar

June 2009



GROWING JUST GOT EASIER

Invest Québec: What we do

Invest Québec is an economic development agency.
We can provide advice on choosing a location in Québec,
and offer a financial solution tailored to your needs.

Key figures 2007-2008



- 1,580 financing operations
- To support 1,190 Québec and foreign businesses
- For a total value of US\$2.9 billion
- Creating 9,723 new jobs

Québec Within Canada

Québec ranks 1st in Canada in terms of total land area and 2nd in terms of population

Real GDP: CAN\$ 252 billion

Only predominantly French-speaking province in Canada, Québec has a highly educated and bilingual workforce

Québec's economy is based on creativity, innovation and high technology

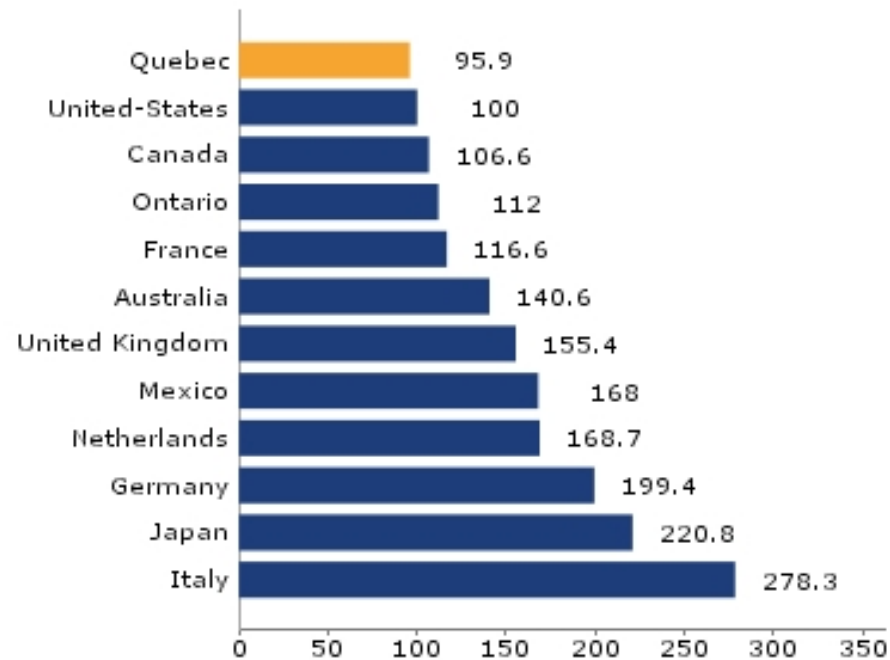


GROWING JUST GOT EASIER

Reliable, abundant and price competitive energy

INTERNATIONAL COMPARISON OF THE COST OF ELECTRICITY, 2008

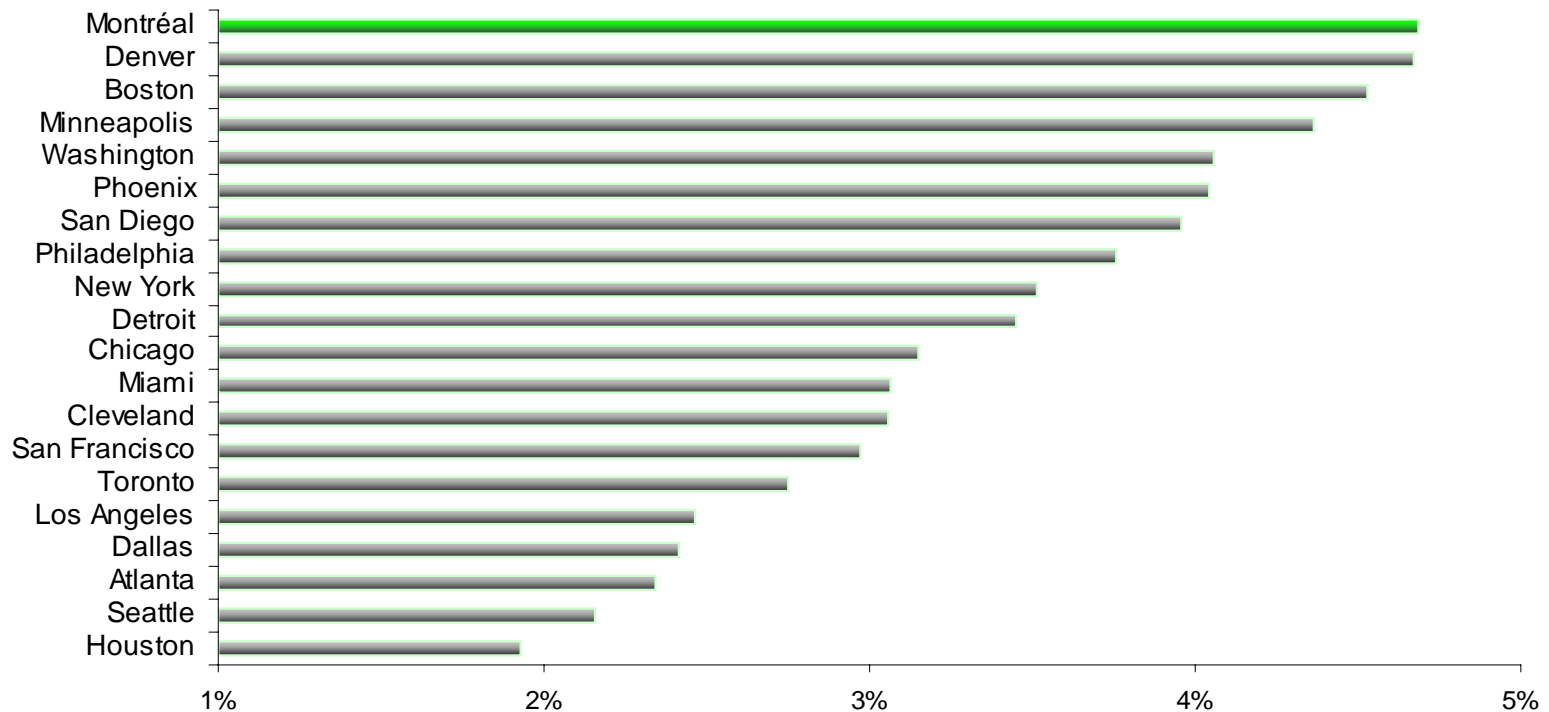
Twelve-industry average, Index: US = 100



Source: KPMG Guide to International Business Location, 2008 Updated Edition

Greater Montréal University Ranking

Greater Montréal ranks 1st in North America* for the number of university students per capita (2005, latest year available)



Sources: U.S. Department of Education and Statistics Canada – Compilation: Montréal International

* Top 20 largest metropolitan areas in North America

Québec's Clusters

Aerospace

- 62% of the Canadian industry
- \$12 billion in sales in 2007



Life science

- 420 businesses
- 32,000 qualified workers
- 13,000 researchers in the public biomedical sector



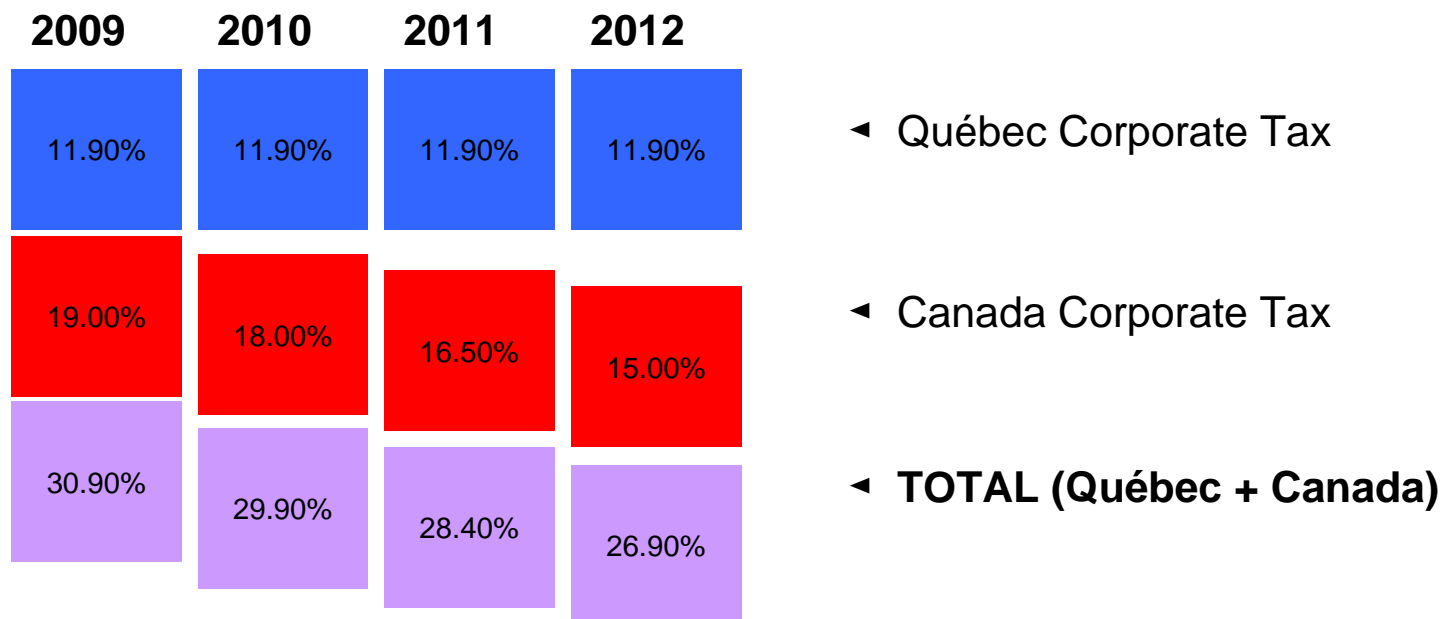
Information technology

- 6,200 firms
- 140,000 employees



Corporate Income Tax

A tax reduction initiative will bring the corporate income tax rate to 26.9% in 2012 – one of the lowest statutory tax rates of the G7 countries.



Competitive Business Operating Costs

Detroit	108.8
Chicago	107.1
Minneapolis	104.3
Denver	104.2
St-Louis	101.8
Houston	98.7
Dallas-Fort Worth	97.1
Toronto	90.8
Montréal	89.0

Index of business operating costs
(Average of U.S. cities = 100), 2008

Precision Component Manufacturing

Note: 1 US\$ = 1,2 CA\$

Source: KPMG, Competitive Alternatives, 2008 (Competitive Alternatives Interactive Cost Model - Exchange rate updated on February 10, 2009)

Interim Financing of Tax Credits

Nature

- Loan or loan guarantee (repayment guarantee on the net loss of a loan granted by a financial institution)

Terms and Conditions

- Minimum amount : \$50,000 for the SRED
- Can cover up to 80% of the net loss
- Maximum duration of financial assistance: 18 months
- The amount provided may cover up to 75% of refundable tax credits for one fiscal year (two years in some exceptional cases)

Development of E-Business

Tax credit of 30% of wages incurred before January 1, 2016.

- Max \$20 K / employee / year

Multimedia Productions

Categories	Basic Tax Credit	Enhanced Tax Credit for French Version
Multimedia productions without purchase order, for marketing	30%	37.5%
Other multimedia productions	26.25%	n/a

Tax Holiday on Salary for Foreign Researchers and Specialists

Year	Exemption
1	100%
2	100%
3	75%
4	50%
5	25%

Strategic Support for Investment Program

- Investment of at least \$5M
- A non refundable contribution for strategic projects
- A loan, interest-free loan, equity-type loan or loan repayable through royalties
- Take the form of a loan guarantee not exceeding 70% of the net loss

Emploi-Québec Training Support

- 50% of eligible costs for the implementation of a training plan
- 50% of workforce training expenses related to project start-up, prior to the hiring of new employees
- 50% of costs related to project coordination and implementation activities

How to Reach Us

Jérôme Nadeau
Business Development Manager
312.645.0398
jerome.nadeau@invest-quebec.com

Charles Jolicoeur
Project Manager
514.864.1670
charles.jolicoeur@invest-quebec.com

Invest Québec
444 N. Michigan Avenue, Suite 1900
Chicago, IL 60611
www.investquebec.biz