

# COMPETITIVE ALTERNATIVES 2012 COST MODEL DETAILED COMPARISON REPORT

INDUSTRY: R&amp;D AVERAGE

RUN DATE: 03/01/2013 1:39:49  
PMOPERATION: Average of 3 operations  
(USD\$'000)

City	Calgary	Edmonton	Toronto	Vancouve	Denver	Houston	New Orle
Region	AB	AB	ON	BC	CO	TX	LA
Country	CA	CA	CA	CA	US	US	US

Exchange rate per USD\$	C\$1.020	C\$1.020	C\$1.020	C\$1.020	\$1.000	\$1.000	\$1.000
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## Initial Investment

Cash	333	333	333	333	333	333	333
Inventory	-	-	-	-	-	-	-
Fixed assets	3,383	3,383	3,383	3,383	3,383	3,383	3,383
	\$3,717	\$3,717	\$3,717	\$3,717	\$3,717	\$3,717	\$3,717

## Initial Financing

Debt	33	33	33	33	33	33	33
Equity	3,684	3,684	3,684	3,684	3,684	3,684	3,684
	\$3,717	\$3,717	\$3,717	\$3,717	\$3,717	\$3,717	\$3,717

## 10-Year Average Profit & Loss

	Calgary	Edmonton	Toronto	Vancouve	Denver	Houston	New Orle
<b>Sales</b>	10,552	10,040	10,481	10,496	10,420	10,925	10,337
<b>Location-sensitive costs</b>							
Salary and wages	4,846	4,674	4,796	4,852	4,686	4,678	4,555
Statutory plans	208	208	297	206	412	427	419
Other benefits	1,247	1,203	1,280	1,219	1,451	1,543	1,501
<b>Total labor</b>	6,301	6,085	6,373	6,276	6,549	6,648	6,474
<b>Rank, total labor</b>	3	1	4	2	6	7	5
Facility lease	1,193	947	1,144	1,219	685	1,090	633
<b>Rank, facility lease</b>	6	3	5	7	2	4	1
Surface freight	-	-	-	-	-	-	-
Air freight	-	-	-	-	-	-	-
<b>Total transportation</b>	-	-	-	-	-	-	-
<b>Rank, transportation</b>	1	1	1	1	1	1	1
Electricity	73	76	70	43	49	47	47
Gas	-	-	-	-	-	-	-
<b>Total utilities</b>	73	76	70	43	49	47	47

<i>Rank, electricity</i>	6	7	5	1	4	2	2
<i>Rank, gas</i>	1	1	1	1	1	1	1
<i>Total operating costs</i>	7,566	7,108	7,587	7,538	7,284	7,785	7,155
<i>Rank, operating costs</i>	5	1	6	4	3	7	2
	Calgary	Edmonton	Toronto	Vancouve	Denver	Houston	New Orle
Interest	-106	-108	-88	-89	-35	-34	-36
Depreciation	458	458	458	458	458	458	458
<i>Total interest, depreciation</i>	352	350	369	369	423	424	421
Income tax, national	-	-	-	-	231	232	266
Income tax, regional	-203	-196	-	-	58	43	-20
Income tax, local	-	-	-	-	-	-	-
Capital tax, national	-	-	-	-	-	-	-
Capital tax, regional	-	-	-	-	-	-	23
Sales tax	-	-	2	61	92	99	111
Property tax	-	-	-	-	31	43	27
Gross receipts tax	-	-	-	-	-	-	-
Business tax	94	-	-	-	-	-	-
Grants, subsidies	-	-	-	-	-	-	-
<i>Total taxes (net of grants)</i>	-109	-196	2	61	411	417	406
<i>Total location-sensitive costs</i>	7,809	7,262	7,958	7,968	8,117	8,625	7,982
<b>Location-insensitive costs</b>							
Materials	-	-	-	-	-	-	-
Other operating expenses	1,315	1,315	1,315	1,315	1,315	1,315	1,315
<i>Total location-insensitive costs</i>	1,315	1,315	1,315	1,315	1,315	1,315	1,315
<i>Total costs</i>	9,124	8,577	9,273	9,283	9,432	9,940	9,297
<i>Net profit after tax</i>	\$1,428	\$1,463	\$1,208	\$1,213	\$988	\$985	\$1,040
<i>% of sales</i>	13.5%	14.6%	11.5%	11.6%	9.5%	9.0%	10.1%
<b>Overall rank</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>5</b>
<b>Overall index</b>	<b>90.6</b>	<b>85.2</b>	<b>92.1</b>	<b>92.2</b>	<b>93.7</b>	<b>98.7</b>	<b>92.3</b>

## Summary Measures

	Calgary	Edmonton	Toronto	Vancouve	Denver	Houston	New Orle
Net profit before income tax	\$1,225	\$1,266	\$1,208	\$1,213	\$1,277	\$1,260	\$1,286
Effective income tax rate	-16.6%	-15.5%	-	-	22.6%	21.8%	19.1%
<i>Rank</i>	1	2	3	3	7	6	5
Property-based taxes per sq.ft.	\$2.81	-	-	-	\$0.75	\$1.05	\$0.65

Rank	7	1	1	1	5	6	4
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*Effective tax rates are not shown where results are not meaningful due to marginal profitability.*

*Effective tax rates may be negative due to refundable tax credits exceeding taxes paid.*

*Property taxes levied on landlords and passed on through office lease payments are included in office lease costs, and not shown separately as property taxes.*

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The analysis on this website is based on cost information collected primarily between July 2011 and January 2012. Taxes reflect tax rates in effect on January 1, 2012, and also incorporate any announced changes at that time to take effect at specified later dates. Exchange rates and other cost factors will, of course, change over time. Tax rates and other tax-related information are also subject to change as a result of new legislation, judicial decisions, and administrative pronouncements.

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