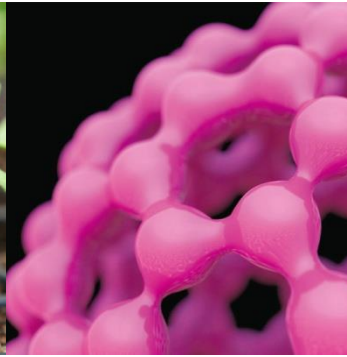
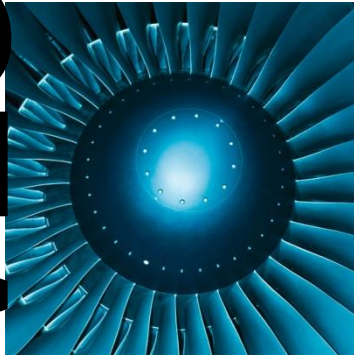


INVESTING

in your **SUCCESS!**



Québec Overview

- Area: 1,7 million km²
- Population: 8,05 million
- Workforce: 4,32 million
- Montréal: 2nd largest city in Canada
- GDP: 362.8 billion CND\$ (19.1 % of Canada)
- Exports: 65.5 billion CND\$
- Imports: 77.9 billion CND\$
- Value of CND \$: ~0.80 US\$



Investissement Québec

- Financial institution
- Economic development agency
- Mandate from the government (EDF)
- 450 employees

Around the World

Québec
Montréal
New York
Atlanta
Chicago
Los Angeles
London
Paris
Stockholm
Munich
Mumbai
Beijing
Tokyo
Seoul

12 offices **abroad**

Our Mission

Increase **investment** in Québec

FISCAL YEAR 2013-2014

Financing
operations

1,312

Authorized
financing

\$1B

Value of projects

\$4.4B

Our Activities

- Foreign investment promotion
- Aftercare services/ foreign subsidiaries
- Financing
- Equity
- Tax credits
- Management of investment funds

Financing

- Loan
- Loan guarantee
- Debt
 - Mezzanine (Participating / convertible)
 - Subordinated (Without profit sharing or equity kicker)
 - Senior (Secured or unsecured)

Equity/Investment Criteria

- IQ's Minimum Investment :
 - Equity
 - Mezzanine debt
 - Subordinated debt
 - Senior debt

} $\geq \$5 \text{ M CA}$

$\geq \$10 \text{ M CA}$
- Desired equity participation : 20% to 30% (maximum 49%)
- Investment time horizon :
 - Equity : 5 to 8 years
 - Debt : 3 to 7 years
- Approval :
 - $\leq \$10\text{M}$: by the Financing Committee
 - $> \$10\text{M}$: by the Board of Directors

Management of Investment Funds

Active funds

74

Total capitalization

\$2.4B

Commitment

\$708M

2013-2014 Highlights

- Net income: **\$38M**
- Value of Corporation's portfolio: **\$3.7B**
- Value of EDF's portfolio: **\$4.4B**
- Tax and quasi-tax (ex: permits) revenues: **\$934M**

Foreign Investment Promotion Activities

- Strategic watch (Targeting, Networks)
- Site selection
- Sector-specific comparative benefits (Industry reports, cost analysis, permits, etc.)
- Financial solutions (Equity, UNIQ, ESSOR, Tax credits)

Foreign Investments in 2013-2014

Projects

89

Total value

\$2B

Jobs created or
maintained

5,059

Aftercare Services/ Foreign Subsidiaries

- Personalized support
- Network of partners/ Annual Forum
- Strategic information
- Representation with parent company
- Financing of expansion projects
- Tax incentives

Success Stories of Japanese Companies

- Fujitsu (1000+ employees, acquisition of DMR)
- Square Enix (500 employees, acquisition of Eidos Mtl)
- Mitsubishi Tanabe Pharma (70 employees, acquisition of Medicago)
- Waterville TG (1000+ employees, sealing systems for cars)
- Aikawa (120 employees, filters for pulp and paper)
- Olympus NDT (360 employees, instruments for high precision testing)
- Koyo Bearings (230 employees, manufacture of gears for gearboxes)
- YKK : (100 employees, manufacture of zippers for high-end products)
- Bridgestone
- Sony

What Attracts Foreign Companies in Quebec

1. Skilled & Highly Trained Workforce
2. Affordable/Reliable/Clean Energy
3. Transportation & Access to Markets
4. Competitive Operating Costs

1. Skilled, Highly Trained Workers

The **largest number** of new university graduates in Canada

Every year
40,000

- 18 University establishments
- More than 60 Colleges (CEGEPS)
- Over 25% of diplomas are post-graduate



2. Affordable/Reliable/Clean Energy

Hydropower accounts for **98%** of all energy produced in Québec.

Hydroelectric generating stations release up to **100 times less** greenhouse gas than coal-fired power stations.

In Québec, electricity costs are **30.6% lower**, on average, than in the G7 countries.



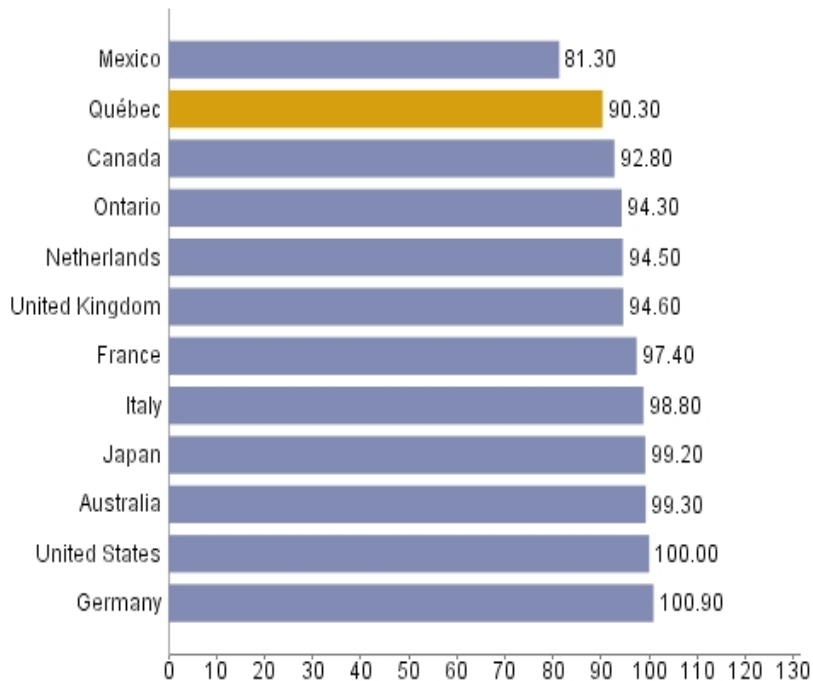
3. Vast Transportation System (NAFTA)



4. Competitive Operating Costs

COMPARISON OF TOTAL ANNUAL COSTS*

Nineteen-industry average (US=100)

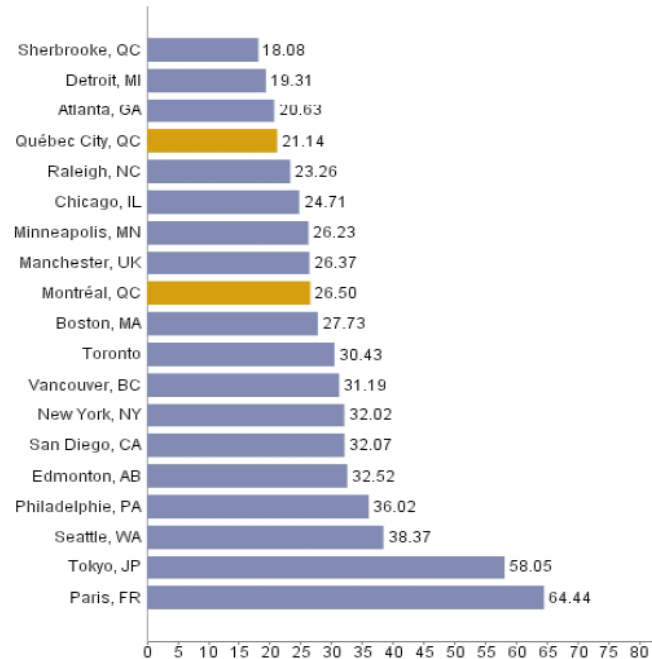


*Total annual costs include labour costs, facility costs, transportation costs, utility costs, cost of capital and taxation. Source: KPMG's Guide to International Business Location Costs, 2014 Edition

OFFICE SPACE RENTAL COSTS

COMPARISON OF ANNUAL OFFICE SPACE RENTAL COSTS - GLOBAL CITIES

Non-Manufacturing Average (US\$ per sq.ft.)



Source: KPMG's Guide to International Business Location Costs, 2014 Edition

The Financial Sector

Montreal: 3,000 companies - 100,000 professionals

- **50% in Banking and Financial Intermediation (450 co's)**



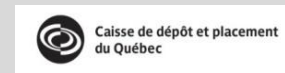
- **30% in Insurance (950 co's)**



- **15% in Securities and Fund Management (1,500 co's)**



- **Close to 250 pension fund managers**



- The derivatives arm of the TMX Group
- Montréal's FS industry generates approximately 6.2% of Québec's GDP
- The Investment Industry Association of Canada (IIAC) chose TMX's CDCC (Canadian Derivatives Clearing Corporation) to develop a central counterparty facility for the fixed income market
- Large talent pool in financial and actuarial mathematics

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