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# Networks for Deal Flow

## A Canadian Business Experience

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# Objective of the presentation

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- Montreal as a joint venture location
- The Quebec Case – A Potential Model for Chile?



# Montreal

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- Strategic location between Europe and the Americas
- A market of 110 million high income consumers within 1000 km radius
- An outstanding, available, stable and competitively priced workforce
- Operating costs that are among the lowest in North America
- Tax incentives and financial assistance programs
- Good access to capital



# Climate Conducive to R&D

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- Vast network of universities
- Generous financial incentives for R&D
- Research centers:
  - National Research Council Canada (NRC)
  - CRIQ



# National Research Council Canada

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- 4000 employees
- Includes 1200 guest workers from universities (Canadians + foreigners) plus public and private sector
- Various institutes and technology centers
- Areas of Research – aerospace, biotechnology, engineering and construction, fundamental sciences, industry support, information and communications technologies and manufacturing



# Access to Financing

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- BDC
- Investissement Québec
- Fonds de Solidarité (FTQ)
- Caisse de Dépôt et Placement du Québec
- Desjardins Capital Risque
- SGF
- VARIOUS PRIVATE FUNDS



# Financial Incentives for R&D

- Quebec among the most attractive places in the world for R&D
- Summary of expenditures eligibility

	Federal	Provincial
Salaries and wages of employees	100%	100%
Subcontractors	100%	50%
Materials	100%	0%
University research contracts	100%	80%



# Quebec Research and Innovation Strategy

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- Rely on Research and Innovation to distinguish itself from other economies and thus ensure its prosperity
- Target research spending at 3% of GDP and increase private sector share of R&D financing from 60% in 2002 to 66% in 2010



# Personal experience

## Company evolution – Case study

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- Start up – 1997 – Research
- Early Stage – 1998 – Research and Business Plan
- Start up – 1999 – Implementation Phase
- 2000 – Beginning of commercial operations
- 2001 – Beginning of acquisitions
- 2002 – Monthly revenues of \$6 million



# Personal Experience Financing 1995-2000

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- Start up – NRC \$ 500K CAD
- Early Stage Financing \$ 500K CAD
- First Financing \$ 3.5 Million CAD
- Second Round \$ 5.0 Million CAD
- Third Round \$10.0 Million CAD



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The End

*Thank you for your attention*

