



Société générale
de financement
du Québec



Teaming up to measure up

Information and communication technologies (ICT)

www.sgfqc.com

Information and Communication Technologies (ICT)

SGF offers custom financing for the expansion of Québec ICT companies. We also support major technological projects and foreign companies, which want to establish such projects in Québec.

Our Objective / To encourage the strengthening and growth of Québec ICT companies.

Our action plan / To establish financial partnerships with companies which are active in growing market segments that are promising for Québec's economic development.

The ICT sector constitutes a global industry characterized by increasing consolidation

The ICT industry is evolving into a global value chain where clients, suppliers and partners deal with one another all over the world. Since 2003, we have witnessed increasing concentration in some sectors of the industry, which results in larger companies and fiercer competition. In fact, the 250 largest companies in the world become even more dominant, cornering 49% of revenue in 2005 compared to 46% in 2000.

The ICT sector in Québec is very fragmented

The ICT industry in Québec is built on numerous small businesses that can find it difficult to wield meaningful leverage. According to information from E & B Data, nearly 80% of ICT companies in Québec have 25 employees or less.

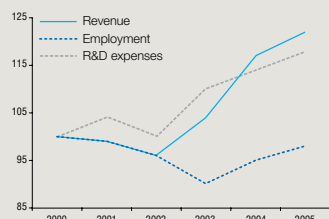
This fragmentation represents a handicap at a time when the industry is increasingly consolidating its position. Only 165 companies have more than 100 employees and Québec has very few major companies, or firms of international renown.

SGF focuses on growth capital for companies which:

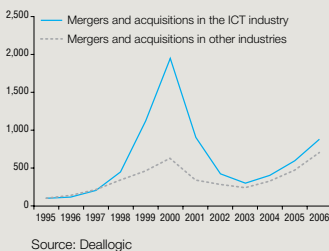
- are profitable, private or public, medium or large
- have a well defined expansion program with measurable financial impact
- are led by an expert team
- have products, processes or a business model which sets them apart
- are targeting a growth market
- have strong competitive advantages
- are offering proven technology

MERGERS AND ACQUISITIONS: among the main growth and consolidation factors in the ICT sector

Development of operations of
the top 250 global companies in ICT
(2000 – 2005)



Development of transnational mergers
and acquisitions in the ICT sector
(1995 – 2006)





SGF's target sectors in ICT

Although SGF is interested in all segments of the information and communication technologies industry, we have identified 11 target sectors where Québec has the advantages needed to increase its competitiveness here and on international markets:

Digital animation	Internet	Outsourcing
Interactive entertainment	Technological infrastructures	Health Care
Telecommunications	Security	Optical / Photonics Technologies
Software	IT services	

Investment criteria

The projects looked at in the ICT sector correspond to one of SGF's three strategic orientations:

- 1 - Projects that have a mobilizing impact, with partners from outside Québec.
- 2 - Companies in specific industries seeking to consolidate and expand within Québec.
- 3 - Profitable Québec companies seeking to accelerate growth.

In line with its guidelines, SGF offers custom financing, mainly in the form of equity participation:

Minimum investment threshold	\$10 million
Equity participation	20 to 49%
Investment time horizon	5 to 12 years



From left to right:

Jean Houde, Director - Investments, Health Care, Optical and Photonics Technologies
Christine Beaubien, Director - Investments, Digital Animation, Interactive Entertainment and Telecommunications
André Petitclerc, Director - Investments, computer Security, IT Services and Outsourcing
Pierre Puglièse, Senior Vice President - Investments, Technologies and Life Sciences
Jean Bourbonnais, Director - Investments, Software, Internet and Technological Infrastructures

Teaming up to measure up

To contribute to the growth of Québec companies in the information and communication technologies sector, both here and in markets abroad, you have to measure up to the competition.

We place an experienced team at your disposal, which focuses on its partners' needs and is proactive in the search for solutions to establish a financial partnership with SGF.

If you have a project that measures up, we can team up with you



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