

BOYD REPORT EXCERPTS

Question:
**Where is the lowest cost location for
Light Manufacturing in North America?**

Answer: New Brunswick, Canada

New Brunswick, Canada, has the lowest total operating cost of 50 locations analyzed in North America, according to The Boyd Company.

Light manufacturing plant operating costs that vary with major geographically-variable factors have been projected by The Boyd Company and scaled to a 75,000 sq. ft. production plant employing 200 hourly workers and shipping over-the-road to key North American regional markets.

The format of the cost exhibits permits the corporate planner to tailor cost data, facility specifications, shipping patterns, and exchange rate assumptions to reflect alternate scales of operation and market expectations. Operating costs that do not vary significantly with geography, including relocation and start-up costs, were held constant and not considered.

In New Brunswick, operating costs are an astonishing 52% lower than in San Jose.

San Jose, California	\$15,325,000
Sacramento, California	\$13,237,000
Modesto, California	\$12,852,000
Orange County, California	\$12,742,000
San Diego, California	\$12,553,000
Los Angeles/Long Beach, California	\$12,479,000
Fresno, California	\$12,149,000
Boston, Massachusetts	\$11,690,000
Riverside/San Bernardino, California	\$11,665,000
Detroit, Michigan	\$11,434,000
Rochester, New York	\$11,271,000
Buffalo, New York	\$11,251,000
Toledo, Ohio	\$11,165,000
Wilmington, Delaware	\$11,132,000
Cleveland, Ohio	\$10,940,000
Worcester, Massachusetts	\$10,932,000
Albany, New York	\$10,925,000
Hartford, Connecticut	\$10,850,000
Syracuse, New York	\$10,786,000
Houston, Texas	\$10,667,000
Pittsburgh, Pennsylvania	\$10,664,000
Milwaukee, Wisconsin	\$10,635,000
Philadelphia, Pennsylvania	\$10,562,000
Vancouver, Canada	\$10,519,000
York, Pennsylvania	\$10,322,000
Grand Rapids, Michigan	\$10,307,000
Allentown/Bethlehem, Pennsylvania	\$10,253,000
Westchester County, New York	\$10,143,000
Springfield, Massachusetts	\$10,119,000
Harrisburg/Lebanon, Pennsylvania	\$10,058,000
Nassau/Suffolk, New York	\$ 9,966,000
Chicago, Illinois	\$ 9,953,000
Dallas, Texas	\$ 9,939,000
Raleigh/Durham, North Carolina	\$ 9,834,000
Akron, Ohio	\$ 9,833,000
Lancaster, Pennsylvania	\$ 9,815,000
Stamford/Norwalk, Connecticut	\$ 9,763,000
Atlanta, Georgia	\$ 9,751,000
Portland, Maine	\$ 9,695,000
Richmond, Virginia	\$ 9,653,000
Providence, Rhode Island	\$ 9,526,000
Utica-Rome, New York	\$ 9,522,000
Wilkes Barre/Hazleton, Pennsylvania	\$ 9,392,000
Scranton, Pennsylvania	\$ 9,283,000
Binghamton, New York	\$ 9,161,000
Greensboro/High Point, North Carolina	\$ 9,141,000
Greenville/Spartanburg, South Carolina	\$ 8,763,000
Montreal, Canada	\$ 7,945,000
Toronto, Canada	\$ 7,931,000
New Brunswick, Canada	\$ 7,409,000

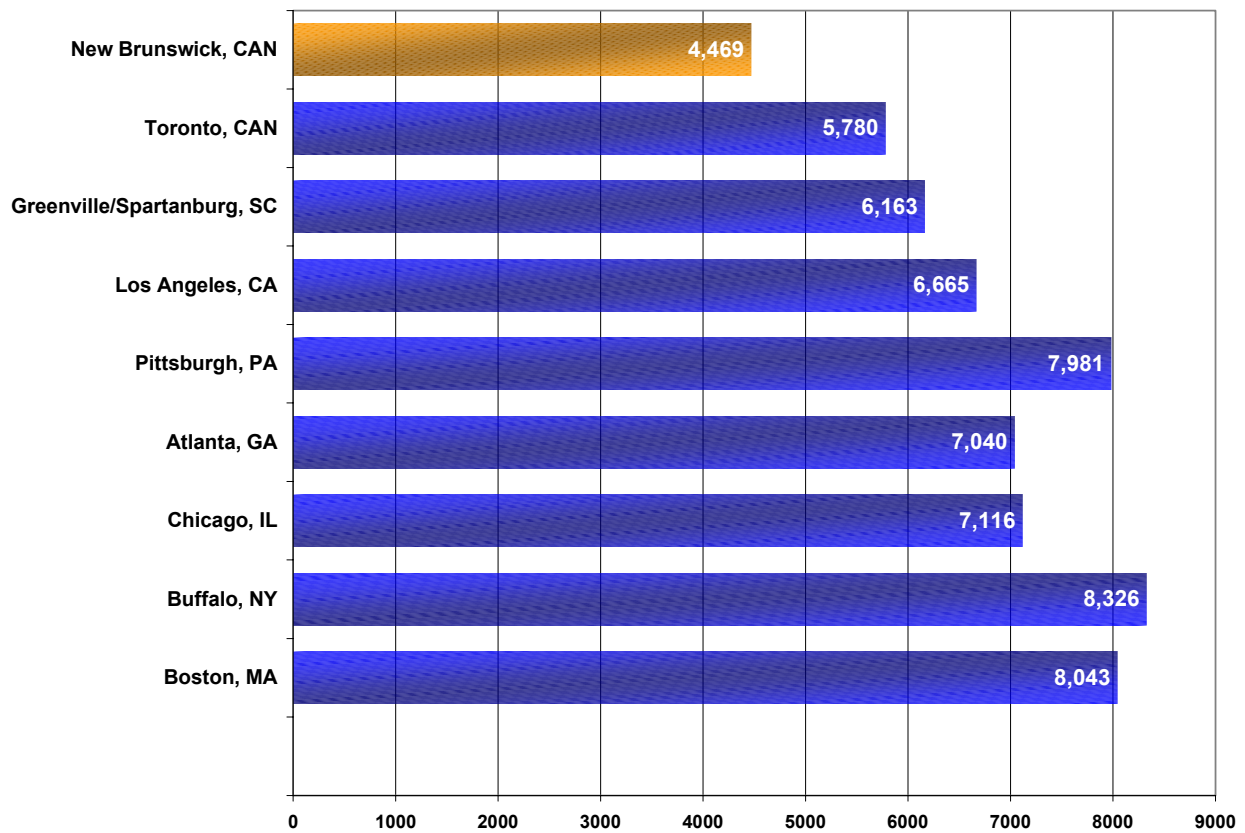
The locations in the Boyd analysis all house regional concentrations of light manufacturing operations. Regional U.S. benchmark centers of industrial activity such as Boston, Buffalo, Chicago, Atlanta, Pittsburgh, Dallas, and Los Angeles are included as are several lower cost production centers in the U.S. Southeast. Canadian production sites include Vancouver, Montreal, Toronto and New Brunswick.

Labor costs are lowest in New Brunswick at \$4.5 million USD.

Labor is the single largest geographically variable operating cost in the site selection process for a new light manufacturing plant.

In the analysis, total annual nonexempt labor costs range from a high of \$8.7 million in Detroit to a low of \$4.5 million in New Brunswick.

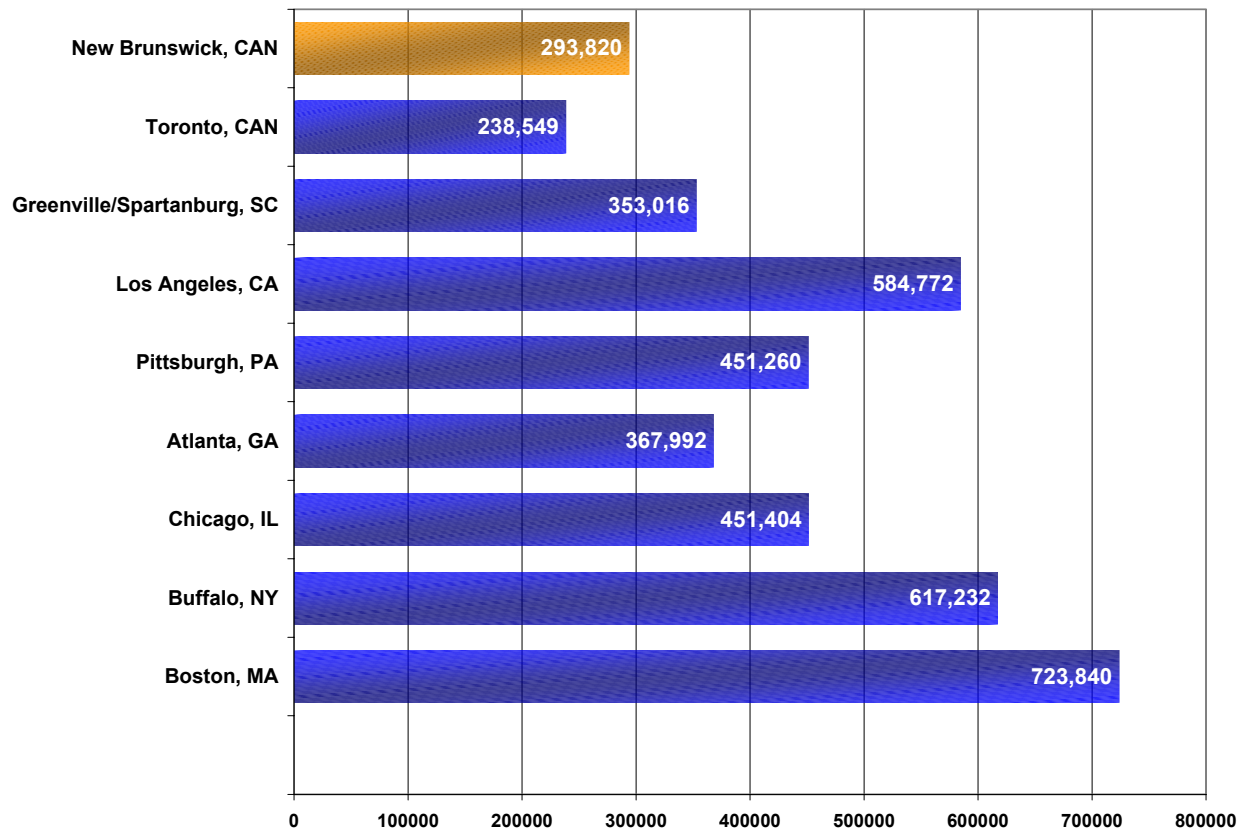
Fringe benefits are included as a percent of payroll. (Costs in New Brunswick are presented in U.S. dollars at an exchange rate of 0.667). Labor costs for exempt management personnel (i.e. management and technical staff) were not included in the analysis. These salaries would tend not to vary significantly by geography, but rather by Individual company compensation practices.



Excerpts from "A comparative North American cost analysis for light manufacturing" by The Boyd Company, Inc., location consultants, Princeton, New Jersey.

At \$293,820 USD a year, electric power costs in New Brunswick are among the lowest in North America.

Annual electric power costs reflect industrial rate schedules of the respective local electric utilities based on a monthly demand of 1,000 kW and an annual usage of 7.8 million kWh. Total annual electric power costs range from a high of \$874,476 in Westchester County, NY to a low of \$209,832 in Vancouver, CAN.

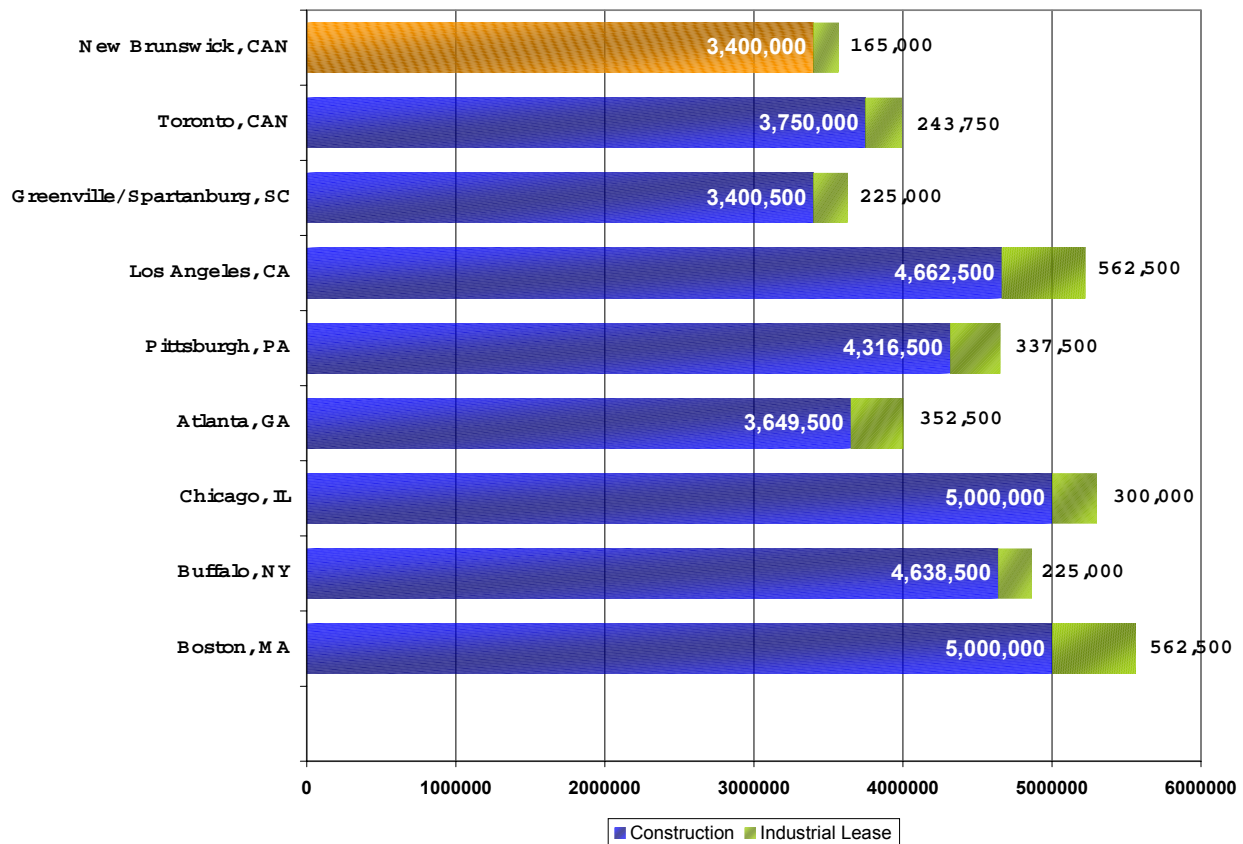


Excerpts from "A comparative North American cost analysis for light manufacturing" by The Boyd Company, Inc., location consultants, Princeton, New Jersey.

In New Brunswick, Industrial lease costs and Construction costs are among the lowest in North America.

Industrial lease costs are based on 75,000 sq. ft. of new leasable light manufacturing space. Estimated industrial lease costs range from a high of \$1,125,000 a year in San Jose, CA to a low of \$131,250 in Springfield, MA.

Estimated construction costs based on \$5.0 million in tenant improvement projects/expansions (Chicago, IL-based), range from a high of \$5,755,000 in Nassau/Suffolk, NY to a low of \$3,400,000 in New Brunswick, CAN.

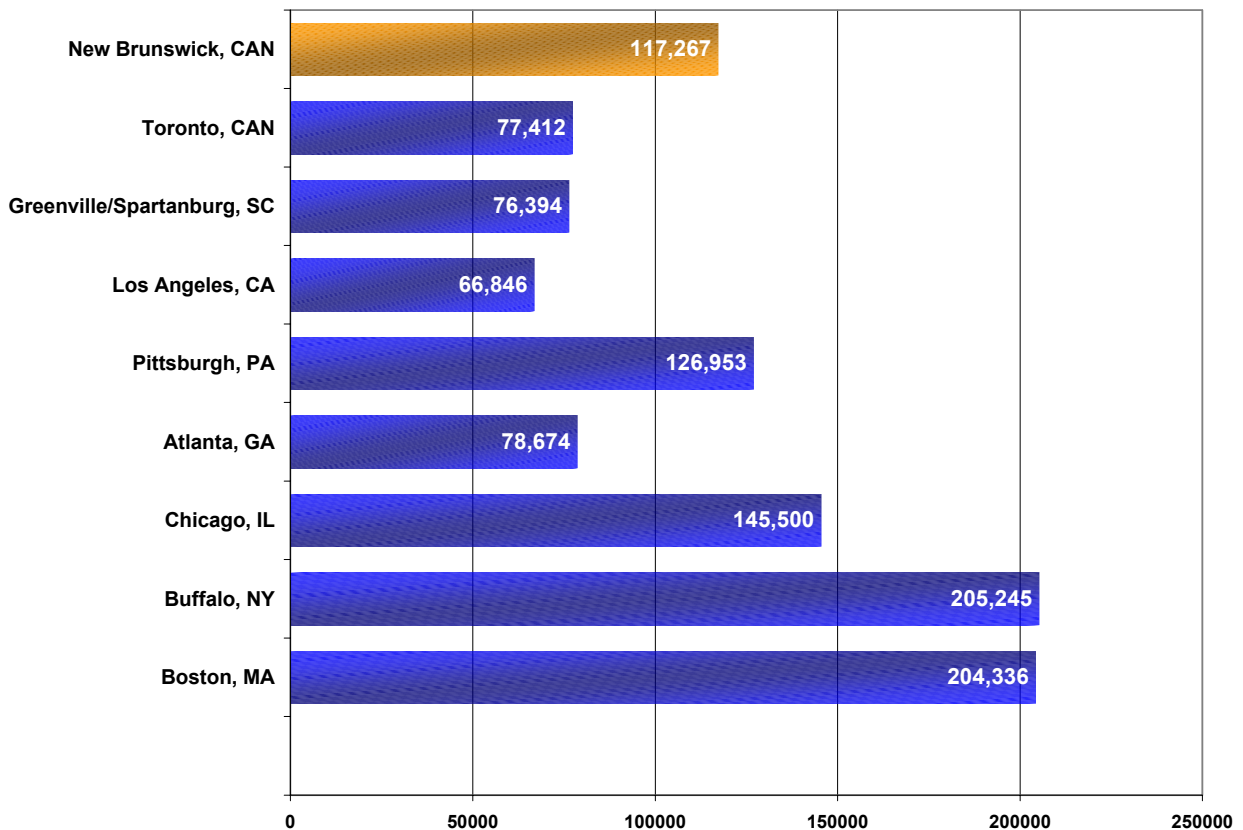


Excerpts from "A comparative North American cost analysis for light manufacturing" by The Boyd Company, Inc., location consultants, Princeton, New Jersey.

Total annual heating and air conditioning costs in New Brunswick are better than average at \$117,267 USD.

Other occupancy costs include heating and air conditioning. Heating and air conditioning costs range from a low of \$49,650 in Vancouver, CAN to a high of \$239,130 in Westchester County, New York. Differences in cost reflect varying climatic conditions and differences in power costs.

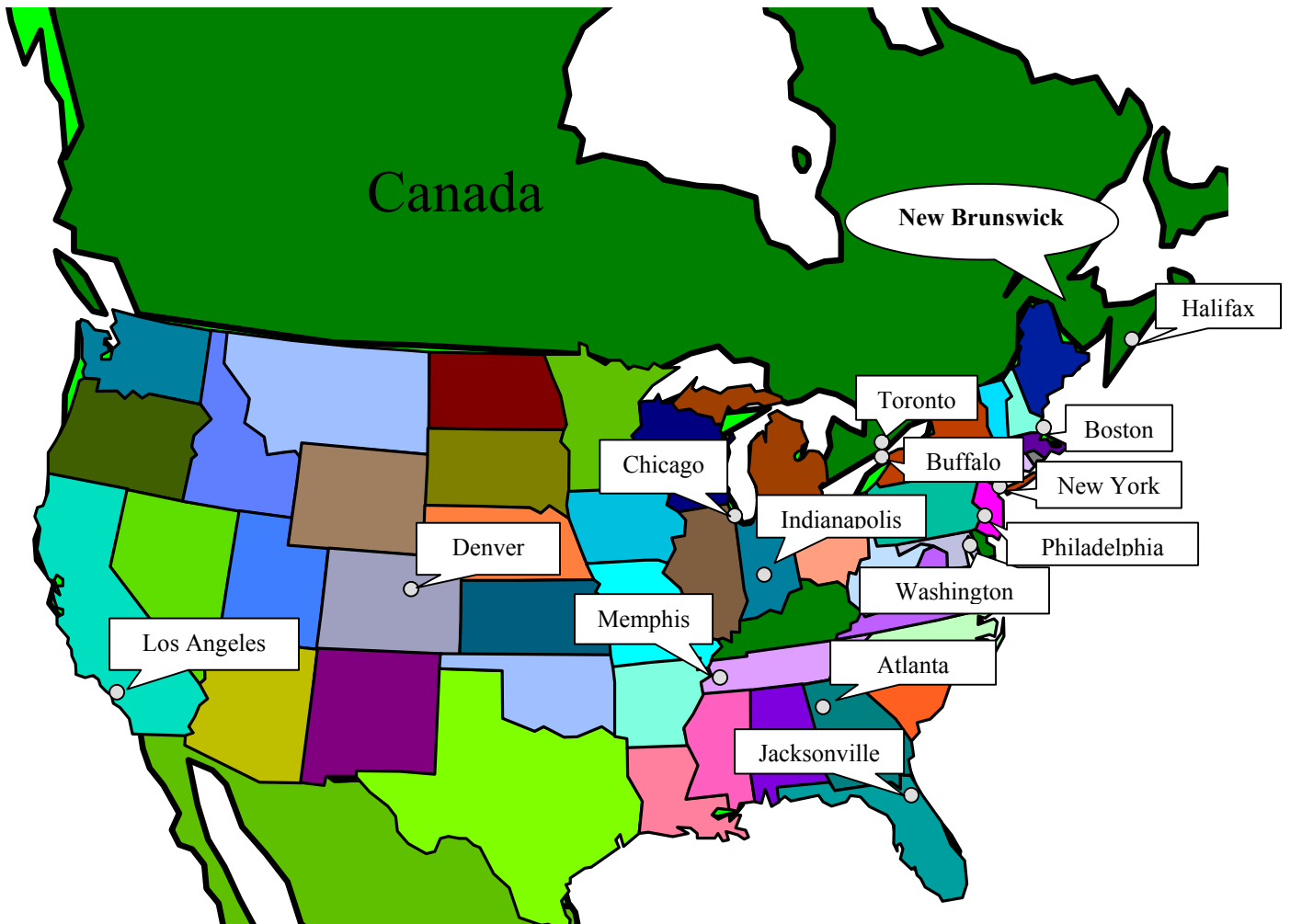
Differences in cost reflect varying climatic conditions and differences in power costs. Estimates are based on heating 75,000 sq. ft. of light manufacturing, warehouse and office space, and air conditioning 15,000 sq. ft. of office space.



Excerpts from "A comparative North American cost analysis for light manufacturing" by The Boyd Company, Inc., location consultants, Princeton, New Jersey.

Total transportation costs in New Brunswick are competitive at \$2,045,433 USD.

Over-the-road shipping costs were based on a 14 gateway city market region. In post NAFTA era, transportation costs are more a function of logistics, exchange rate dynamics, empty back haul opportunities, and availability of competing carriers. New Brunswick is most competitive against westerly U.S. locations, where shipping costs are highest out of San Jose, CA at \$4,597,307 USD.



Excerpts from "A comparative North American cost analysis for light manufacturing" by The Boyd Company, Inc., location consultants, Princeton, New Jersey.