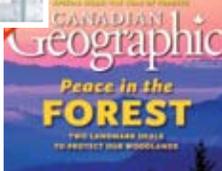
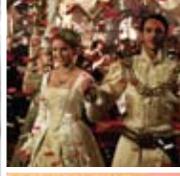
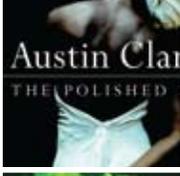
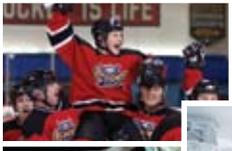


OMDC Year in Review 2010-2011

Supporting Ontario's Creative Industries

We've got it going



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Our Mission: The Ontario Media Development Corporation, an agency of the Ontario Ministry of Tourism and Culture, is the central catalyst for Ontario’s cultural media cluster. It promotes, enhances and leverages investment, jobs and original content creation in the province’s book and magazine publishing, film and television, music and interactive digital media industries.

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We've got it going



What We Do

The Ontario Media Development Corporation stimulates investment and employment in six cultural media industries in Ontario: book and magazine publishing, film and television, music and interactive digital media.

How We Do It

- Funding – the Book Fund, the Film Fund, the Magazine Fund, the Music Fund, the Interactive Digital Media Fund, the Export Funds, the Entertainment and Creative Cluster Partnerships Fund, and the Intellectual Property Development Fund.
- Tax Credits – the Ontario Film & Television Tax Credit (OFTTC), the Ontario Production Services Tax Credit (OPSTC), the Ontario Computer Animation and Special Effects tax credit (OCASE), the Ontario Interactive Digital Media Tax Credit (OIDMTC), the Ontario Book Publishing Tax Credit (OBPTC), and the Ontario Sound Recording Tax Credit (OSRTC).
- The Ontario Film Commission – markets Ontario's film and television production industry at home and abroad, providing free customized scouting and location services, introductions to local partners and services and maintaining the industry's award-winning online locations database (accessible 24/7 from anywhere).
- Cross-sector initiatives and strategic partnerships – including From Page To Screen, The International Financing Forum (IFF) at the Toronto International Film Festival, Producers Lab Toronto.
- Industry Development Program – providing targeted support to a range of trade organizations, markets and festivals.
- Support, participation and sponsorship of a wide range of marketing, outreach, education and research activities.

Message from the Chair and the President and Chief Executive Officer

OMDC plays a leading role in supporting Ontario's creative economy by providing innovative programs, services and funding for the book and magazine publishing, film and television, interactive digital media and music industries.

In 2010-11, our creative industries continued to prove that in Ontario, 'We've really got it going ON!' At \$964.3 million, 2010 film and television production spending increased by almost \$18 million over 2009 (the best showing in 10 years) – despite fierce competition from other jurisdictions. The \$964 million in production activity accounted for more than 23,000 full-time direct and spin-off jobs.

Foreign television series spending spiked in 2010 contributing \$118.9 million to the economy, compared to \$58 million in 2009 – a 105.1% increase. This reflects the continuing influence of the Ontario Government's 2009 enhancements to the Ontario Production Services Tax Credit (OPSTC), which was expanded from 25% of eligible labour to include all eligible Ontario production costs.

Book and magazine publishing, music and interactive digital media industries also prospered during the fiscal year, and their achievements were showcased in OMDC's multimedia advertising campaign.

Ontario's IDM sector generates annual gross revenue of \$1.5 billion and employs 16,000 people in the province. With more than 82%* of all Ontarians online (*2007 – latest available figure), the IDM sector in Ontario also creates considerable opportunity for cross-sector collaboration that ripples across all creative industries. We anticipate that this sector will continue to lead economic growth in the cluster.

OMDC was proud to have played a leading role in bringing the 40th Anniversary 2011 JUNO Awards back to Toronto—where it all began! We were especially pleased to host the 2011 JUNO Awards Ontario Nominees' Luncheon, which featured many of our internationally acclaimed artists and members of Ontario's independent music industry—along with leaders from government, business, media and the entertainment cluster.

OMDC's Annual Report is organized under six key themes that drive our activities: *Our Information and Electronic Future, Creative Collaboration and Cross-Sector Synergies, Ontario's*

Creative Media in the Global Marketplace, Celebrating Ontario's Achievements, Innovative Financial Support and Research.

A few of the 2010-11 fiscal year highlights include:

- The Interactive Digital Media (IDM) Fund awarded \$2 million to 19 projects during the fiscal year.
- The OMDC Film Fund provided support of \$3.95 million for 15 development and 15 production applications, generating total spending of \$75.6 million and about 7,033 weeks of work. Every dollar invested by OMDC in production projects generated an additional \$19.86 in production financing for Film Fund films.
- Through the Entertainment and Creative Cluster Partnerships Fund ("the Partnerships Fund"), we provided \$2.9 million in funding to a combined 108 partners and 19 projects with project budgets totaling \$7.7 million.
- The Intellectual Property Development Fund ("the IP Fund"), which helps screen-based companies move ideas from development to production, invested \$5.5 million in grants for a total estimate of development expenditures of \$38.3 million.
- OMDC's Tax Credits department issued 1,252 certificates with a value of \$272 million for projects valued at \$2.9 billion.

We are grateful for the confidence that the Government of Ontario continues to place in OMDC, and for the excellent support and hard work provided by our Board, management and staff.

Sincerely,



Kevin Shea
Chair



Karen Thorne-Stone
President and CEO



Ontario's Creative Industries

Book, Magazine, Film, TV, Music and Interactive Digital Media

In 2010, Ontario's creative sector employed 300,000 and contributed over \$12.2 billion to the provincial economy. *We've got it going ON.*



► The Queen donned 3D glasses at Pinewood Toronto Studios.

The vigour of Ontario's film and television industries was evidenced by solid growth during 2010*, to \$964.3 million from \$946.3 in 2009*. (*Note: figures are for calendar year)

Despite a sluggish U.S. economy, the province attracted major feature film productions, including Universal Studio's *The Thing* and Spyglass Entertainment's *The Vow*.

The small screen did big business as well: foreign spending in television more than doubled in 2010, bringing in \$118.9 million for high-profile series such as *Breakout Kings*



▲ On the set of *The Thing*

(20th Century Fox/A&E Network); *Covert Affairs* and *Nikita* (Warner Brothers Television); *Warehouse 13* Season 3 (NBC/Universal Television); and *The Kennedys*, an eight-hour miniseries (Muse Entertainment).

Every \$1 million of film & TV production creates more than 24 full-time and spin-off jobs for Ontario. That's 430 more jobs in 2010.

Domestic productions had another stellar year. *Resident Evil: Afterlife*, shot in Ontario in 2009, broke box-office records for a Canadian release, taking in over \$300 million worldwide. Homegrown television series *Rookie Blue* earned the highest summer-debut ratings in U.S. network ABC's history. And



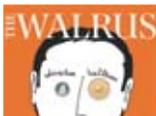
▲ *Resident Evil: Afterlife*

the documentary *RUSH: Beyond the Lighted Stage* won international acclaim, including the Heineken Audience Award at the 2010 Tribeca Film Festival.

Foreign TV spending up 105%

"I love shooting in Toronto as evidenced by the fact I've been involved with four films here; three as a producer (*The Hurricane*, *Dawn of the Dead* and *The Thing*) and one as director (*Flash of Genius*). It's a city that welcomes filmmakers and has truly nurtured an artistic climate. The talent base, especially in terms of crew, is as good as it gets."

– Marc Abraham, Producer *The Thing*, Universal Studios



Film and TV Production Activity for 2010-11 Fiscal Year

■ Domestic ■ Foreign

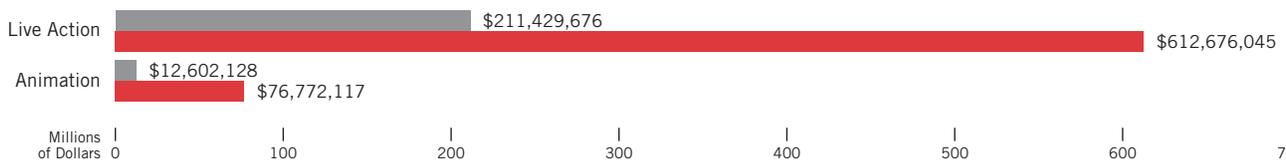
2010-11 Production Activity



2010-11 Breakdown of Production Activity by Format



2010-11 Breakdown of Production Activity by Production Type



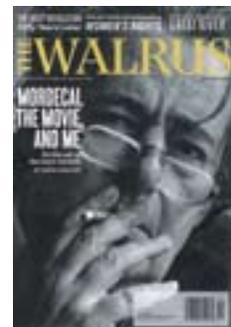
Ontario's Creative and Entertainment Cluster third largest in North America

The rest of the creative sector was similarly active in 2010. Building on the momentum of previous years, book and magazine publishing, music and interactive digital media (IDM) experienced steady growth. In fact, Ontario's entire creative and entertainment cluster – the third largest in North America, after California and New York – contributed \$12.2 billion to Ontario's GDP. Over the past decade the sector has created more than 80,000 new jobs, more than double that of the Ontario economy as a whole.

The OMDC Magazine Fund provided \$1.8 million to 48 projects, 37 of which had a digital component.

Early in 2010, the Ontario government approved long-term stable funding for the OMDC, over and above funds earmarked for specific programs.

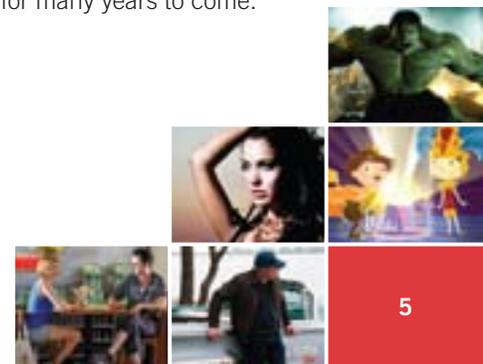
This was a testament to the vital economic and cultural importance of the province's creative



▲ The excellence of Ontario magazines is widely recognized outside the province: *The Walrus* earned six gold and four silver awards at the 34th National Magazine Awards.

industries, and of the OMDC's role in stimulating their growth and innovation. Ontario has proven its viability as a world-class centre of creativity, with highly trained talent from respected colleges and universities, and a well-developed cultural media infrastructure. By supporting the Ontario Media Development Corporation's mandate

to promote the global competitiveness of the sector, the province ensures that "We've got it going ON" for many years to come.



Our Information and Electronic Future

Interactive Digital Media (IDM)

IDM: a \$1.5-billion industry in Ontario

As the global appetite for digital content continues to grow, with digital spending expected to make up one-third of entertainment and media dollars by 2014, Ontario is ideally positioned to play a leading role. Our educational facilities, R&D capabilities and reputation for innovation are second to none. With OMDC programs and initiatives providing both opportunities and support, Ontario's content creators and producers can make the most of their strong competitive advantage in digital animation, game development and mobile content.

Supporting Ontario's dynamic digital media sector is a key priority of the Ontario Media Development Corporation, which funds digital content and capacity development in books, magazines, film, television and music.

In 2010, the OMDC Interactive Digital Media Fund invested \$2 million in 19 interactive projects. Since 2005, the IDM Fund has awarded \$7.7 million to 76 projects with a combined budget of \$32.7 million, creating close to 700 jobs.

- Ontario has quickly established itself as a global hub for mobile application development across a variety of platforms. OMDC IDM Fund-recipient zinc Roe, a leading creator of online content for children, collected a 2010 World Mobile Summit Award for its *Tickle Tap App* series.
- OMDC supports the expansion of digital capacity across all creative media sectors to achieve business development goals. For Kids Can Press, the OMDC Book Fund enabled upgrades to their website including educator-directed video content, online marketing materials for authors and illustrators and targeted initiatives to promote backlist titles.

► Tickle Tap Apps



In 2010, the OMDC Partnerships Fund provided \$2.9 million to support 19 projects that will leverage an additional \$7.7 million from 108 partners.

Promoting Collaboration and Innovation

The OMDC Entertainment and Creative Cluster Partnerships Fund (a.k.a. The Partnerships Fund) stimulates growth in Ontario's creative media industries by fostering strategic partnerships that promote capacity-building, marketing, innovation and skills development. Since its inception in 2006, the Partnerships Fund has provided almost \$12.7 million in support of 79 projects involving 487 partners with total budgets of \$33 million.

- In February 2011, Hot Docs received Partnerships Fund support for *Docs On Demand: Phase 2*. Project partners will evaluate digital aggregator systems and explore alternate funding models to expand financing and distribution opportunities for Ontario's documentary filmmakers.

"The Partnerships Fund has enabled CIMA to work towards developing its Music Export Portal and Mobile Application, a mobile digital transformation project ensuring Ontario's music industry is one touch away to a world of consumers."

– Grant Dexter, Chair of Canadian Independent Music Association (CIMA)

Ontario's interactive industry comprises over 1,000 companies, creating 16,000 highly skilled jobs and \$1.5 billion in annual revenues.

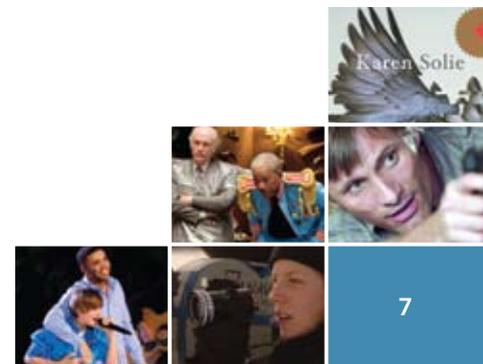
- The Partnerships Fund helped create Magazines Canada Digital Newsstand, which now offers more than 150 titles online, and helps Ontario magazines reach readers all over the world. Enhancements to the site, including dynamic marketing and archiving functions as well as mobile-friendly websites, are in development.



powered by  **zinio™**

magazinescanada.zinio.com

▲ With OMDC support, Magazines Canada has created a Digital Newsstand, offering more than 150 titles online. Canadian magazines, large and small, can easily reach new readers all over the world.



Creative Collaboration and Cross-Sector Synergies

Every economy is defined and driven in large measure by the “clusters” of business and industry that grow and prosper within it, and Ontario is no exception. A cluster is a group of interrelated enterprises in the same region, which together support a pool of skills, technologies and resources that make them more competitive.

Clusters thrive on collaboration – among firms, across sectors and with academic and other research- and innovation-focused institutions. Fostering that collaboration is a central function of the OMDC. The open exchange of ideas and expertise gives Ontario’s cultural media cluster the clout to compete and succeed against global rivals with larger talent pools and deeper pockets.

The OMDC promotes cross-sector collaboration and strategic business partnerships through its own initiatives, and through joint ventures with other organizations across Canada and around the world.

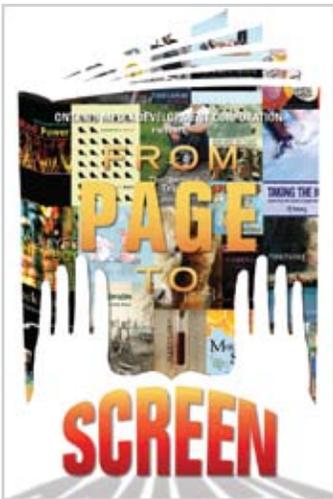
- Inaugurated this year to promote international co-productions, Producers Lab Toronto, a joint venture between European Film Promotion, OMDC and Toronto International Film Festival (TIFF), brought together 12 up-and-coming European feature film producers with 12 of their Canadian counterparts for three days of knowledge-sharing, networking and bridge-building, during TIFF in September 2010.



▲ Keynote speaker Virginia Heffernan of *The New York Times*, at Digital Dialogue, an OMDC-hosted conference fostering collaboration between content creators, investors and policy makers, on key issues facing cultural media in the digital economy.



Since 2005, more than 25 projects presented at IFF have gone into production, including 11 projects from Ontario.



▲ Poster: *From Page to Screen*

- OMDC's Fourth Annual *From Page to Screen* (FPTS) Event held on March 9, 2011 brought together 26 representatives from the book publishing industry for one-on-one scheduled meetings with 47 producers. Created to encourage large- and small-screen adaptation of works by Ontario authors, the "speed-dating" event has resulted in six deals to date since its inception in 2008, including Gil Adamson's *The Outlander*, published by House of Anansi Press and co-opted by Strada Films and Triptych Media; and Kate Pullinger's *The Mistress of Nothing*, published by McArthur & Company and optioned by Markham Street Films.

"I would like to thank you very much for organizing such a great event. Meeting the producers in such a concentrated way is not only interesting (especially for seeing what the trends are: boys, 8-12, comedy) but such an efficient use of our, publisher and producer, time. I also would like to say what a pleasure it is to take part in such a well-run event. As with last year I am sure we will get a couple of deals from these meetings, especially since we met a number of producers a second time which definitely builds relationships."

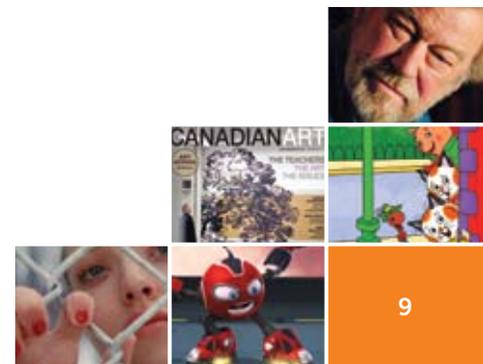
– Barbara Howson, *House of Anansi and Greenwood Books*

- OMDC's fifth International Financing Forum (IFF) held during the Toronto International Film Festival was a two-day event that brokered 300 one-on-one meetings between 40 local and international filmmakers and more than 30 high-ranking industry financing executives. The event featured roundtable discussions and networking receptions as well as a symposium on the state of the film industry.



▲ IFF Opening Panel members Mike Goodridge, Screen International; Eamonn Bowles, Magnolia Pictures; Tanya Seghatchian, UK Film Council; and Jonathan King, Participant Media. The panel discussed the genre trend in the marketplace and its impact on the types of films being financed.

- An initiative of the Entertainment and Creative Cluster Partnerships Fund, Canadian Music Week's "Spotlight on Latin America, 2012" will create new alliances and opportunities for Ontario's music sector. The project, which encompasses new media, mobile, gaming and film as well as recording, publishing and touring, will help local music companies develop new channels for marketing and distribution.



Ontario's Creative Media in the Global Marketplace



▲ Saidah Baba Talibah – MIDEM 2011 Showcase

The OMDC Export Fund gives Ontario's creative industries the funding to pursue international development opportunities, enabling them to establish a presence at market events and explore strategic partnerships through targeted sales trips. In 2010, the Export Fund supported the export activities of 161 companies across five sectors: 28 book, 28 film, 44 television, 29 music and 32 interactive digital media. Representatives of these companies made 600 trips to 274 foreign markets.

Export Fund: \$1.6 million to 161 Ontario companies in books, film, TV, music and interactive digital media.

In addition, the OMDC promotes the province's creative industries at important international events, including the AFCI Locations Trade Show, American Film Market, Berlin Film Festival, Bologna and Frankfurt Book Fairs, Cannes Film Festival, Game Developers Conference, MIDEM, MIPCOM, MIP-TV, SXSW, to name just a few.

▼ Metric, *Last Gang Records*

“The OMDC has been very supportive of our company and our artists over the past few years. Through programs like the Music Fund and the Export Fund, our company and our artists have been able to attain success worldwide and here at home. We are fortunate to represent three Ontario-based artists nominated for Juno Awards this year – Justin Nozuka, Hail The Villain and Finger Eleven – and they each have benefitted from the OMDC's support to Coalition Music. We are very lucky to have the OMDC in our corner.”

– Rob Lanni,
Co-Founder, Coalition Music

- In April, OMDC hosted a delegation of UK television producers. The day included a briefing at OMDC, followed by a CASO briefing at Starz Animation (now called Arc Productions) and a networking reception co-hosted by OMDC and the UK Consul-General.
- In August, OMDC's President and CEO, Karen Thorne-Stone, was invited to speak about screen industry policy, programs,





▲ 2010 US Studio FAM Tour at Niagara Falls

market and business climate in Ontario / Canada to a conference for film, television and games industry representatives and senior political staff in Copenhagen. Thorne-Stone also led a delegation of Ontario producers to participate in a co-production forum at the Haugesund Film Festival in Norway which featured a 'Spotlight on Canada'. The program was sponsored by the Norwegian Embassy in Canada. Along with John Barrack of the Canadian Media Production Association (CMPA), Thorne-Stone presented to the forum on the benefits of co-producing in Canada. Strategic partnerships developed from the outbound mission and Ontario producers forged new ties. OMDC had the opportunity to reciprocate and hosted a visiting Danish delegation in November 2010.

- Through its Film Commission, the OMDC markets the province as a preferred destination for foreign and domestic filmmakers. Knowledgeable staff provide producers with location scouting and facilitation services, streamline processes and coordinate with other agencies and officials, all at no cost.

“If our pilot is successful, the OMDC Film Commission scouting services will have been a major part of bringing this 13x1hr series (which I hope will go for many seasons) to Ontario. We were able to make a creative pitch for why Ontario is the best fit for this series, due to the specificities of our Showrunner’s vision, which you were able to match with photographs and information about some terrific Ontario towns. The stakes were high and you really delivered for eOne, for the people from this province that we will hire for this show, and for the future of scripted homegrown series in Ontario.”

– Rachel Fulford, Vice President, Creative Affairs, Entertainment One

- In September 2010, the OMDC Film Commission hosted a Familiarization Tour (FAM Tour) to introduce L.A. film producers and studio executives with the breadth and depth of Ontario’s production capabilities. Highlights of the four-day event included tours of studio facilities at Pinewood, Showline and Cinespace; a 3D FLIC demonstration at Starz Animation (now called Arc Productions); location tours of Toronto, Hamilton and Niagara Falls; and other related events sponsored by industry partners.
- This was followed up in January 2011 by a successful trade mission to L.A. organized jointly by the OMDC and the City of Toronto’s Film and Television Office, and with sponsorship from FilmOntario, the venture promoted the advantages of producing screen-based content in Toronto and Ontario to over 100 Hollywood decision makers.
- The OMDC, with funding from the City of Toronto, maintains a full-time marketing presence in Los Angeles. The L.A. office provides on-the-ground support and services to attract U.S. productions to Ontario and helps domestic stakeholders access the Hollywood marketplace. In 2010, with assistance from the L.A. office, 16 productions, worth \$210 million, chose to work in Ontario.

The award-winning Digital Locations Library offers online access to an interactive digital database of almost 200,000 images, representing over 9,500 Ontario locations, allowing virtual scouting from anywhere in the world.



Ten English and seven French books were short-listed for the 23rd Annual Trillium Book Award, Ontario's prestigious literary award.

The Trillium Book Award/Prix Trillium, which encourages excellence in literature, has been bestowed upon internationally acclaimed authors such as Margaret Atwood, Michael Ondaatje, Alice Munro, Wayson Choy, Maurice Henrie and Marguerite Andersen.

Events leading up to the June 24th gala luncheon included a reception hosted by Open Book and an authors' dinner and

reading. Interest in the awards reached an all-time high, generating over 57 million media impressions.

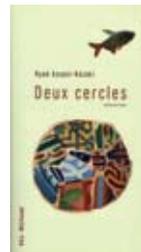
The two major English and French winners each received \$20,000; their publishers received \$2,500 to promote the winning titles. The English and French poetry winners were awarded \$10,000 each, with \$2,000 going to their publishers. All finalists were given a \$500 honorarium.

23rd Trillium Book Award Winners

23rd Trillium Book Awards were presented to:



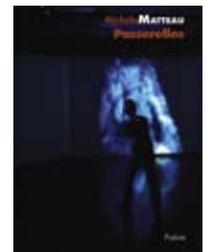
▲ English-Language:
Ian Brown, *The Boy in the Moon*
(Random House Canada)



▲ French-Language:
Ryad Assani-Razaki,
Deux cercles (VLB éditeur)



▲ English-Language
Poetry: Karen Solie,
Pigeon (House of Anansi Press)



▲ French-Language
Poetry: Michèle
Matteau, *Passerelles*
(Les Éditions L'Interligne)





▲ Michael McGowan, producer/director of *Score: A Hockey Musical*

Celebrate Ontario is the OMDC's annual salute to Ontario films and filmmakers, held during the Toronto International Film Festival. On September 10th, more than 600 key players from the creative industries, government, media and academia met to network and explore business opportunities at the Design Exchange. The guest speaker was producer/director Michael McGowan, whose lighthearted *Score: A Hockey Musical* was the Opening Gala film at TIFF.

The achievements of Ontario companies in other creative sectors earned accolades as well. The 2010 Canadian New Media Awards recognized Xenophile Media (Best Kids' Interactive); while Delvinia's Adam Froman was singled out for the 2010 Special Achievement Award.

Our IDM creators were well represented at the 2010 Gemini Awards, with marbledmedia's *Taste Buds* picking up a trophy for Best Cross-Platform project, and *Love Letters to the Future* winning Best Original Program or Series for Xenophile Media.

LOVE LETTERS TO THE FUTURE



▲ 2010 Gemini Award Winner, Best Original Program or Series produced for Digital Media – Non-Fiction: *Love Letters to the Future* (Xenophile Media Inc.); Amit Breuer, Maayan Cohen, (not pictured: Patrick Crowe and Thomas Wallner)



▲ 2010 Gemini Award Winner, Best Cross-Platform Project: Children's and Youth: *Taste Buds* (marbledmedia); Mark Bishop, Matthew Hornburg, Ted Brunt, Sasha Boersma and Johnny Kalangis

Photos by George Pimental / Courtesy of the ACCT

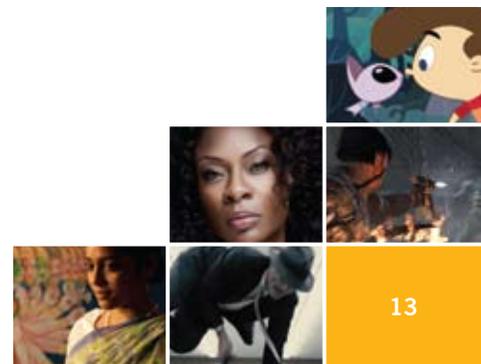
On February 7, 2011, OMDC celebrated past and present recipients of OMDC's Interactive Digital Media Fund (IDM Fund) at our first ever **OMDC IDM Showcase**. OMDC IDM Fund commenced in 2005 and was renewed in 2008 by the provincial government to encourage growth in Ontario's innovative economy.



▲ At OMDC's IDM Showcase: Little Guy Games' Tom Frencel and Bill Kouretsos and Metanet Software's Raigan Burns



▲ BattleGoat Studios' David Thompson, Daxon Flynn and George Geczy exhibiting at OMDC's IDM Showcase



Celebrating Ontario's Achievements

continued

Home to the most vibrant music scene in Canada, Ontario played host to the **40th Anniversary JUNO Awards** in March. The OMDC sponsored a week of music-related events, culminating in the broadcast itself, which drew the largest television audience in JUNO history. Highlights of the lead-up activities included sold-out “decades” concerts in Toronto; and the OMDC’s JUNO Awards Nominees’ Luncheon, which was emceed by hip hop artist Wes “Maestro” Williams and attended by 235 artists and industry stakeholders. The Ontario music industry continued to show its strength during awards season, earning 42 JUNO nominations, and five of ten slots on the 2010 Polaris Music Prize short list.

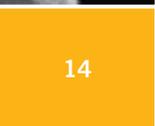


▲ 2011 JUNO Awards host Drake with Chilly Gonzales

Photo by CAPAS/Photo. JUNO broadcast at Air-Canada Centre, Toronto, Ontario.



▲ OMDC Kicks Off JUNO Week With Ontario JUNO Nominees' Luncheon



Total \$2 million of support to Industry Development Program supported 56 innovative initiatives.

\$10 million to help ideas hatch

OMDC's Industry Development Program

provides support to Ontario's cultural entrepreneurs by partnering with established trade and event organizations to offer initiatives, events and activities that stimulate the growth of the cultural media industries. Through this program, OMDC provided two million dollars supporting 56 initiatives that focussed on business opportunities for Ontario companies that create and sell content in the book, film, interactive digital media, magazine, music or television industries, and any combination of these industries. These included Magazine Canada's *Business Media Development Summits*, the Ottawa International Animation Festival's *Television Animation Conference*, Interactive Ontario's *GameON Finance*, Canadian Independent Music Association's *Showcase at MIDEM* and *SXSW* and Association of Canadian Book Publishers' *Ontario Library Association 2011 Super Conference Collective Display* to name a few.

From Dream to Screen

A pilot program administered by the OMDC, the Intellectual Property Development Fund (IP Fund) was launched in 2009 to stimulate innovation in the creative sector by rebating early-stage development costs for screen-based properties.

The IP Fund helps companies with a proven record in television, film, video games, webisodes, mobisodes, internet properties and other screen-based content recoup 30% of the expenses incurred getting projects off the ground. Moving ideas from development into production involves a long list of expenditures such as story rights, concept art, game design, technical specification documentation, prototypes and pitch materials.

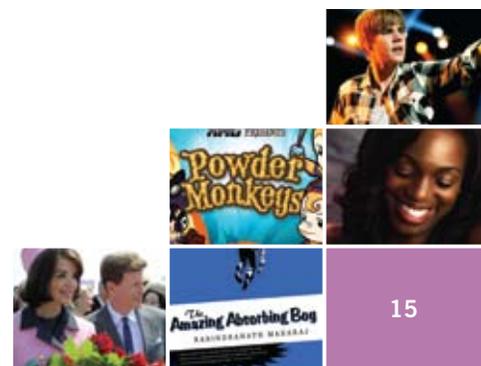
Development of a single console game can take years to complete, at a cost of \$4-\$5 million.

"The Intellectual Property Development Fund had an instant impact on our company and enabled us to be more ambitious in our development undertakings. Our development slate of television series and documentaries is now poised to turn into a production slate. For every \$1 we spend in development, we generate, on average, \$500 in production. Thank you for sharing the risks associated with development – we look forward to sharing the rewards of this investment with Ontarians who work on our shows and enjoy them on big screens and small."

– Peter Raymont, President,
White Pine Pictures

The OMDC Film Fund was established in 2005 to provide support for domestic feature films in the final stages of development and production financing. Since then, more than \$17 million has been invested to support 134 films, providing more than 27,665 weeks of employment for Ontario's flourishing production community.

The fund enables Ontario-based filmmakers to complete their financing, providing up to \$25,000 for development projects and up to \$400,000 for production funding. OMDC Film Fund-supported productions involve outstanding filmmakers such as David Cronenberg, Deepa Mehta, Sarah Polley, Don Shebib and David Weaver.





▲ *Force of Nature: The David Suzuki Movie*

The 2010 OMDC Film Fund awarded \$3.6 million of production funding to 15 domestic feature films.

Kudos for recent OMDC Film Fund recipients:

- TIFF screened seven OMDC-supported films: *A Beginner's Guide to Endings; The Bang Bang Club; Barney's Version; Force of Nature: The David Suzuki Movie; Oliver Sherman; Score: A Hockey Musical; and The Whistleblower.* Another OMDC-supported film, *Trigger*, was chosen to open the TIFF Bell Lightbox.

- *Barney's Version* earned seven 2011 Genie Awards, as well as a Golden Globe (for lead actor Paul Giamatti) and an Oscar® nomination.

Every \$1 of OMDC support attracted an additional \$19.86 for Ontario filmmakers in 2010-2011.

- *Force of Nature: The David Suzuki Movie* picked up the Cadillac People's Choice Documentary Award at TIFF as well as winning the International Award Of Excellence at the Canadian Environmental Media Awards.

- *RUSH: Beyond the Lighted Stage* won the 2010 Heineken Audience Award at the Tribeca Film Festival, was nominated for a 2010 Grammy and went on to win a 2011 JUNO for Music DVD of the Year.



▲ Filmmakers Scot McFadyen and Sam Dunn compare notes with Rush rock icons Geddy Lee and Alex Lifeson at the Hot Docs premiere of *Rush: Beyond the Lighted Stage*.

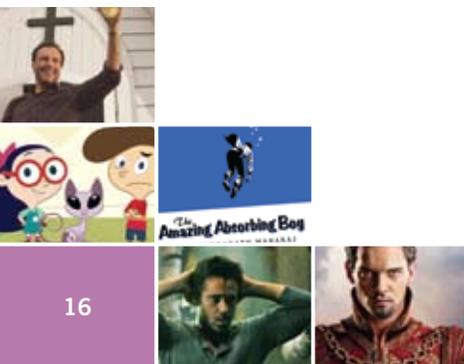


▲ DrinkBox Studios – *Tales from Space: About a Blob*

Independent digital game developer DrinkBox Studios drew upon the IDM Fund to create proprietary software for their homegrown project, *Tales from Space: About a Blob*. Thanks to OMDC support, the company now has innovative technology for use on future projects, as well as intellectual property rights, which will provide a future revenue stream. *About a Blob* was released early in 2011 as part of Sony Computer Entertainment America's "Pub Fund" program.

"The OMDC's IDM Fund was extremely helpful in assisting DrinkBox Studios in completing our first original game title: *Tales from Space: About a Blob*. The fund gave us a real competitive advantage and allowed us to employ the people needed to bring our concept all the way to market."

– Ryan MacLean, CEO, DrinkBox Studios Inc.



Enhancing tax programs

In cooperation with the Canada Revenue Agency, the OMDC manages six tax credit programs, which provide a stable and reliable source of financial support, of vital importance to the cultural media sectors:

Ontario Book Publishing Tax Credit (OBPTC), a 30% refundable tax credit on eligible expenditures to publish and market books by Canadian authors; available to Ontario-based Canadian corporations.

Ontario Film and Television Tax Credit (OFTTC), a 35% refundable tax credit on Ontario labour expenditures for film and television productions produced by Ontario-based Canadian corporations.

Ontario Production Services Tax Credit (OPSTC), a 25% refundable tax credit on Ontario production expenditures (both labour and non-labour costs as well as all post-production) for film and television productions by Canadian or foreign-controlled corporations.

Ontario Computer Animation and Special Effects Tax Credit (OCASE), a 20% refundable tax credit on Ontario labour expenditures for digital animation and visual effects created in Ontario for film and television productions.

Ontario Sound Recording Tax Credit (OSRTC), a 20% refundable tax credit on eligible expenditures to produce and market sound recordings by Canadian artists; available to Ontario-based Canadian corporations.

Ontario Interactive Digital Media Tax Credit (OIDMTC), a 40% refundable tax credit (35% for development under fee-for-service) on eligible expenditures to develop IDM products in Ontario; available to Canadian and foreign-controlled corporations.



In March, the government announced an enhancement to the Ontario Book Publishing Tax Credit, expanding the window of eligibility for marketing expenditures to include pre-publication marketing costs.

During 2010-2011, several tax credit milestones were reached. Certificates were issued for the 4,000th Ontario Film & Television Tax Credit,

the 3,000th Ontario Sound Recording Tax Credit, the 2,500th Ontario Book Publishing Tax Credit, the 1,000th Ontario Production Services Tax Credit, the 500th Ontario Interactive Digital Media Tax Credit and the 500th Ontario Computer Animation and Special Effects Tax Credit. In the fifteen years since the first tax credit was introduced, the tax credit programs have supported over 12,290 projects.

Tax Credit Chart for 2010-2011

	Applications Received	Number of Certificates Issued	Number of Projects	Total Value of Estimated Tax Credits	Project Value
OBPTC	562	389	389	\$2,740,831	\$9,603,071
OSRTC	160	287	112	\$1,476,031	\$8,041,394*
OFTTC	310	275	275	\$111,851,131	\$703,618,710
OPSTC	135	95	95	\$99,886,394	\$1,709,553,391
OCASE	71	79	241	\$17,970,475	\$208,739,933
OIDMTC	197	127	414	\$38,373,354	\$232,560,410
Grand Total for all Tax Credits 2010/11	1,435	1,252	1,526	\$272,298,216	\$2,872,116,910

OCASE and OIDMTC applications are based on the applicant's fiscal year of activity and may include multiple productions. Up to 3 OSRTC certificates, for each fiscal year, are issued for each album.

*In 2010/2011 the methodology for reporting Project Value for OSRTC changed and this column reflects the restated numbers based on the new methodology. Total Value of Estimated Tax Credits reflects certificates issued in the fiscal year, NOT production activity in that period.

In 2010-2011, the OMDC and Canada Revenue Agency delivered tax credits for the book publishing, film and television, music, and interactive digital media sectors worth \$272 million in support of 1,526 projects with budgets totaling almost \$2.9 billion.



Advancing the knowledge

Ontario supports research, innovation and the “knowledge-economy” industries. The creative media cluster is an integral part of that. The OMDC conducts and supports research that advances knowledge and fosters growth in all six sectors of the cultural media. In addition to commissioning our own proprietary research, we provide funding to studies undertaken by industry partners, trade organizations and other stakeholders.

OMDC also provides funding to industry partners for research projects. In 2010-11, the reports that were published during the year were:

- *Towards a Framework for Digital Rights*, June 9, 2010
- *Economic Activity Associated with the 2008-09 Operations of the Toronto International Film Festival (TIFF)*, June 23, 2010
- *Canadian Business Press Information Sources Study*, May 20, 2010
- *Working Capital Publishing Stabilization Program*, October 21, 2010
- *Study of Canadian Feature Film Sales to TV Broadcasters*, March 2, 2011
- *The Red Oasis: A Report on Canadian Films in Canadian Schools*, March 9, 2011
- An additional study commissioned by OMDC during the year, *Directions in New Financing for the Cultural Media Industries*, was published in April 2010

All research is available in the OMDC Online Research Library.

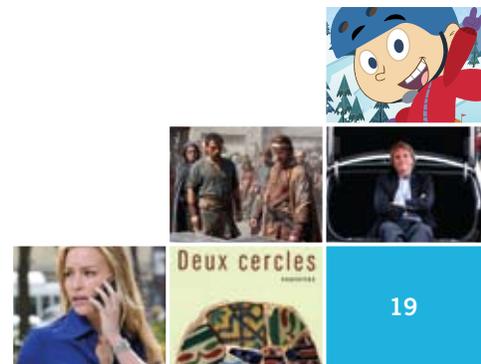
We also champion Ontario’s cultural media industries to other levels of government. Last year, five submissions were made by the OMDC: two to the CRTC; two to the Department of Canadian Heritage; and one to Industry Canada’s consultation on a National Digital Economy Strategy.

OMDC Online Research Library

Introduced in 2009, the OMDC Online Research Library offers stakeholders, clients and members of the public 24/7 access to a fully searchable database of cultural media research and statistics. There are now 320 documents in the Online Library.

In March, the OMDC team that developed the Online Research Library was recognized with an Applause Award from the Ministry of Culture and Tourism.

Over the past 12 months, the Online Library had 974 unique visitors, who conducted a total of 2,883 searches.



Getting the message out

Ontario is a global hub for content creation and distribution, boasting creative industries that are growing faster than the economy. The Ontario Media Development Corporation is actively promoting the capabilities and accomplishments of the cultural media cluster – which encompasses book and magazine publishing, film and television, music and interactive digital media – with dynamic marketing that lets the whole world know “We’ve got it going ON” in Ontario.

Traffic to the website continues to increase, with 275,776 visits and 671,460 page views logged in 2010.

Early in 2011, the OMDC unveiled an international multimedia advertising campaign showcasing Ontario’s thriving cultural media sector, and encouraging investors and consumers alike to “be part of it.” The campaign launched on television with advertising that features works by more than 80 Ontario companies, including a soundtrack by the band Metric, winner of a 2010 JUNO Award. Uploaded to YouTube in various formats, the spot has received over 5,000 hits. Print ads placed in Canadian, U.S. and U.K. trade and consumer publications as well as online components and an interactive website support the messaging, while a new Facebook page and Twitter feed expand the OMDC’s social media activities.

Over the past several years, tax credit volumes have risen over 87%. Fund applications have doubled. Program offerings have increased 215%, with a 40% jump in the number of payments processed.

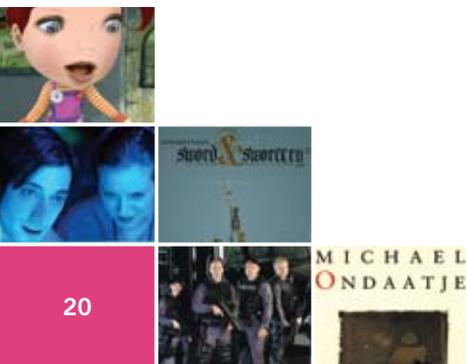
In the midst of dramatic growth and activity, the OMDC has maintained concerted efforts to improve our processes, working hard to find better, faster, simpler ways to serve our clients.

Last year, the Online Application Portal (OAP) was launched to streamline the application process for all OMDC programs. Response from stakeholders has been overwhelmingly positive: paperless and secure, the portal enables applicants to upload and store documents, track the status of applications and communicate with the OMDC. In April 2011, tax credits joined the other OMDC programs, which accept applications only through the OAP.

Throughout the year, OMDC staff conducted frequent workshops and information sessions to educate interested parties – from budding artists and students in the cultural media streams, to industry groups and international business partners – about how to benefit from and apply for OMDC support. Stakeholder outreach continues to be a key OMDC priority.

In addition, ongoing research and consultation helps us to refine and refocus OMDC programs and services, enabling us to keep pace with changing needs, and address opportunities as they arise.

Improving the process



Looking Ahead

In accordance with our Five Year Strategic Plan, we are working to ensure that the OMDC continues to be relevant to the sectors we serve, that we're positioned to respond effectively to emerging challenges, and that

we take full advantage of opportunities to strengthen Ontario's book, magazine, film, television, music and interactive digital media industries, as cultural and economic leaders within Canada and the world at large.

In the year ahead, our objectives are to:

- **Improve access to capital** by enhancing the ability to attract public and private investment, and create partnerships with other areas of government



- **Promote digital evolution** by implementing ideas and strategies based on industry consultation



- **Encourage collaboration** by delivering cross-sector outreach opportunities to stimulate business prospects for technology and distribution firms and OMDC stakeholders



- **Broaden market intelligence** by being an information hub, acquiring and sharing knowledge that will increase the competitiveness of Ontario's creative industries



- **Support content development and market access** by investing in innovation, marketing Ontario companies and products both locally and globally, and promoting the province as a centre of excellence

2011–2012 goals



We've got it going  OMDC.on.ca

