



OTTAWA INVESTS \$10.7 MILLION IN DIGITAL MEDIA COMMERCIALIZATION IN WATERLOO REGION AND STRATFORD

‘Corridor for Advancing Canadian Digital Media’ will be Canada’s largest concentration of digital media R&D and commercialization expertise

WATERLOO Region, ON, Jan. 22, 2009 – Communitech and the Stratford Institute of the University of Waterloo have been awarded \$10.7 million from the Minister of State (Science and Technology) to establish the Corridor for Advancing Canadian Digital Media (CACDM), which will focus on commercialization and research.

The digital media sector is one of the fastest growing industries in the knowledge economy, expected to reach US\$2.2 trillion worldwide in the next five years. Digital media is created by using visual images and video, as well as sound and user interaction software, to communicate and use information from large data sources.

The CACDM, which will provide a common space for the corporate and academic communities to come together around digital media, will have hubs in Kitchener and Stratford, ON:

- The Digital Media Convergence Centre, based in Kitchener, ON, will bring together the Waterloo Region’s expertise in digital media and mobile technology. It will generate new digital media products, applications and businesses. The centre will house digital imaging, projection and studio technologies that previously have only been available to large companies and institutions.
- The University of Waterloo’s Stratford Institute is a forward-looking research, education and convergence centre that will drive the next generation of digital media applications and content models. The institute will draw leading researchers, businesses and entrepreneurs to create, examine and commercialize opportunities in the digital media field in a global economy. It will quickly become a centre piece for collaboration, learning and sharing through conferences and workshops.

“The Corridor for Advancing Canadian Digital Media will strengthen domestic collaboration and optimize resources to create the scale and focus that will brand Canada as a leader in digital media,” says Iain Klugman, president, Communitech. “It is an exciting new venture that will attract world-class talent and investment, will create new companies and jobs, and will help existing companies innovate and grow.”

“This new centre will help Canadian researchers and entrepreneurs get more of their innovations from the lab to the marketplace,” says Gary Goodyear, Minister of State (Science and Technology). “Our government is committed to investing in research and development in order to create jobs, improve the quality of life of all Canadians and strengthen the economy for future generations.”

The scope of digital media extends well beyond film, TV and videogames with a growing number of applications in medical imaging, 3D cinema and animation, virtual prototyping in manufacturing, virtual reality environments for enhanced education and financial modelling.

“This federal investment represents a major vote of confidence in Canada's digital media sector and in our area’s emerging strengths in the field,” says Ken Coates, dean of arts at the University of Waterloo. “By supporting the Corridor for Advancing Canadian Digital Media (CACDM), the Government of Canada is providing the support needed to keep our country in the forefront of this crucial economic field.”

Today's announcement builds upon more than \$50 million in cash and in-kind support from The Corridor for Advancing Canadian Digital Media partners that include Open Text, Christie Digital, Research In Motion, Agfa Healthcare, COM DEV, and Tech Capital Partners.

"The explosion in digital media and mobile computing applications will dramatically change the way we work and interact in the decades to come," says Tom Jenkins, Executive Chairman and Chief Strategy Officer of Open Text. "The Waterloo Region has the critical mass of expertise, leading tech companies and educational institutions that can drive this global revolution in the years to come. But we have to move quickly to build on this foundation and create the right conditions for this sector to bloom. The federal government clearly sees the opportunity with its support for the Corridor for Advancing Canadian Digital Media."

Waterloo Region has a strong legacy in digital media and the sector continues to grow. Several of its digital media companies compete internationally and have strong, international partnerships.

"Christie is pleased to be one of the sponsors of the Digital Media Convergence Centre (DMCC) and to offer its expertise in strengthening Canadian digital media," remarks Gerry Remers, President and COO of Christie Digital Systems Canada, Inc. of Christie's involvement in the Corridor. "Digital media are transforming the way we access and interact with digital content. Both public and private environments are going to be imbued with new display technologies that are intelligent, immersive and three dimensional. The DMCC will foster new company growth, provide access to tools and technology, and will help brand Waterloo Region as one of the top digital media centres in the world."

The community expects that the Corridor for Advancing Canadian Digital Media will lead to the creation of new jobs, new companies and will position Canada as a global digital media leader.

"Today's announcement is further evidence of the continuing momentum of Waterloo Region's technology community," adds Klugman. "Despite the current economy, there are more than 2,000 technology positions currently available. Earlier this week, Agfa Healthcare announced plans to hire an additional 100 people in Waterloo Region. The Region's tradition of reinvention and its highly aggressive model of commercialization and collaboration have proven to be a strong engine for economic growth."

Communitech is the regional hub for the commercialization of innovation, creating economic prosperity by removing barriers to the creation and growth of technology companies. Its goal is to create more successful global businesses for Canada.

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BACKGROUND

Centres of Excellence for Commercialization and Research

The Centres of Excellence for Commercialization and Research (CECRs) bring together partners from the academic, private and public sectors to advance research and facilitate commercialization of technologies, products and services. They are a key element of the Government of Canada's Science and Technology (S&T) Strategy, *Mobilizing Science and Technology to Canada's Advantage*, introduced in May 2007. This multi-year framework is creating an environment that encourages innovation partnerships between the academic, private and public sectors, and will guide the intelligent, strategic investment of public funds.

Budget 2007 set aside a total of \$350 million to create Centres of Excellence for Commercialization and Research. The first competition, worth \$165 million, was launched in June 2007 and was aimed at creating Centres in the four S&T priority areas: health and life sciences, information and communications technologies (ICT), natural resources and energy, and environmental sciences and technologies. The Government of Canada announced 11 CECRs in February 2008. The second competition, worth \$62.3 million, was launched in May 2008 and targeted the ICT and environment sectors. The Centres are funded for five years and are expected to be self-sufficient at the end of that period.

Corridor for Advancing Canadian Digital Media (CACDM), Waterloo, ON

The Corridor for Advancing Canadian Digital Media is a joint initiative of Communtech and the Stratford Institute. It will link Canada's digital media clusters from coast to coast, creating a digital convergence corridor and enabling collaboration between researchers, implementers, and entrepreneurs. Two complementary digital media hubs – the Stratford Institute and Waterloo Region's Digital Media Convergence Centre (DMCC) – will provide the facilities for sustainable digital media activity. The Stratford Institute will offer global business-centred research activities for graduate students, commercialization support for industry, and the tools and environment necessary to foster commercially viable content creation. The DMCC will offer the latest visualization hardware and software, business start-up services, and office space for innovators in their start-up or pre start-up phase.

Backgrounder – Corridor for Advancing Canadian Digital Media (CACDM)

Communtech and the Stratford Institute have been awarded \$10.7 million in federal support for CACDM through the Centres of Excellence in Commercialization and Research Program. CACDM has already raised more than \$50M in cash and in-kind support.

The Corridor will be Canada's largest concentration of digital media research, technology development, and digital commercialization expertise. It's designed to create momentum in Canada's digital economy through focused commercialization, access to critical resources and strong partnerships between the business and research communities. The Corridor will be anchored by two hubs with complementary expertise: the Digital Media Convergence Centre (DMCC) and the University of Waterloo's Stratford Institute (SI). It will connect Canada's clusters of digital media expertise across the country.

CACDM Features

Physical Space

- Open concept hubs in Waterloo Region and Stratford
- A 'club house' where established companies, entrepreneurs, and researchers converge to share knowledge, activities, tools and expertise
- Strategic partner labs, tools, applications and infrastructure
- Subsidized leasable office space for start-ups and entrepreneurs in close proximity to the tools and services they need
- Collaboration space for meetings, conferences, public forums

Programs

- Commercialization acceleration services based on the Communitech model, including entrepreneurs-in-residence, business coaching, business plan evaluation, connections to sources of capital and strategic partner programs
- Outreach events to engage the broader community

Tools, Technology and Applications

- Labs with partner tools & development platforms available for start-up access
- HD Theatre – featuring a high-bright, HD resolution projection display offering the capability of displaying a large number of sources in both 2D and 3D simultaneously for real-time interaction.
- Versatile 2D and 3D immersive environment – a re-configurable projection and display environment that can serve companies from a number of different industry verticals.
- Full Audio-Visual production studios
- Complete array of scalable sensors, cameras, and media capture equipment
- Virtual Hospital Environment
- Access to supercomputing facilities through the University of Waterloo

Financing – seeding the industry

- \$5M seed fund to encourage new company creation
- Access to \$50M in new venture capital for digital media startups in Waterloo Region
- Access to \$150M BlackBerry Partners Fund and \$40M Wesley Clover Technologies Fund
- Syndication with VCs, angel community, government programs and global players in digital media

Connectivity

- Connectivity with other digital media hubs – regional, provincial, national and global – to build corridor breadth and depth
- Virtual space expands connectivity via a corporate social networking infrastructure connecting all hubs

Project Management

- Manage relationships between researchers, companies, entrepreneurs
- Map IP strategy and research strategy
- Manage project timelines and budgets
- Identify commercialization outcomes

Marketing/ branding

- Work to engage hubs in network to common positioning and messaging
- Create a global brand through collaborative effort with Canadian DM partners, international partners
- Develop a comprehensive marketing and outreach plan for Canada's digital brand
- Actively promote Canada's digital brand to the world

Strategic Importance of CACDM to national digital media strategy:

- \$60M cash & in kind support
- \$50M VC fund dedicated to digital media
- \$40M technology fund
- \$20M cash & in kind support
- \$12M angel investments
- \$5M seed fund
- 50 patent applications
- 7,000 new jobs
- 100 new start-up companies
- Significant FDI by global companies acquiring start-ups (i.e. Google, Agfa)
- Global companies continue to innovate, grow, and capture new market opportunities
- Canada recognized as a global digital media leader