

EMERGING TECHNOLOGIES FUND MEETS A CRITICAL NEED FOR CAPITAL

Provincial budget provides strong support for Ontario's technology sector through co-investment fund, focus on the digital media industry, and new tax relief

WATERLOO, ON, March 30, 2009 – Waterloo Region's tech sector welcomes the announcement of Ontario's new \$250 million Emerging Technologies Fund, and supports measures in the 2009 Provincial Budget designed to stimulate company creation and job growth.

"The Province clearly understands that access to capital is one of the biggest road-blocks to company creation," says Iain Klugman, CEO and president of Communittech. "We welcome this investment, and applaud the Province's partnership model for the new fund." The Emerging Technologies Fund will invest alongside venture capital and private sector investors, following their screening, selection and due diligence processes and ensuring market-based investment decisions.

One area of emphasis for the new fund is digital media, which complements the budget's \$100 million in new investments and tax relief for the Province's digital media industry. These measures include:

- Providing \$20 million to the Ontario Media Development Corporation (OMDC);
- Investing \$10 million in a pilot program, administered through OMDC that would refund a portion of the costs associated with intellectual property development to Ontario-based companies in the screen-based industries; and
- Enhanced tax support for the creation of interactive digital media products in Ontario.

As one of the first hubs for Canada's Digital Media Network, Waterloo Region's tech sector is encouraged by this emphasis on one of the fastest-growing sectors of the Provincial economy.

Waterloo Region tech companies are also pleased with the budget's proposed improvements to the Co-op Employer Tax Credit, which will increase the maximum tax credit available from \$1,000 to \$3,000 per work placement. "As the community that pioneered co-operative education in Canada, we understand the tremendous contribution that co-op students make in companies," says Klugman, "This increased tax credit provides a strong incentive for companies to hire students, who will continue to contribute to the success of our technology industry."

-30-

Communittech is the Waterloo Region 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 Ontario and for Canada.

For more information, please contact:

Avvey Peters
Executive Director, Communications and Government Relations
519-888-9944 x 28
avvey@communittech.ca
www.communitech.ca