



News Release

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Ontario Government Infuses \$26 Million into Kitchener Digital Media Hub

"The Communitech Hub: Digital Media & Mobile Accelerator" to Drive New Enterprises and Jobs in Waterloo Region

Waterloo Region, ON (November 6, 2009) – Ontario's Minister of Research and Innovation John Milloy, MPP for Kitchener-Centre, today announced that the province is providing \$26 million to Communitech to create Ontario's hub for digital media tools, technology and applications. The Communitech Hub: Digital Media & Mobile Accelerator will serve as a 'club-house' of innovation for digital media companies and entrepreneurs and drive creation of new companies and jobs in Waterloo Region and throughout Ontario.

"Ontario is already recognized as a global leader in the digital media sector and today we are sending a clear signal to digital entrepreneurs everywhere – Ontario means business. The Hub will strengthen our ability to support innovators right here in Waterloo Region and across the province, as they work to turn new ideas into new jobs and globally-competitive businesses," said Minister Milloy.

The Hub will also have R&D and capital support from established companies in the Waterloo region including RIM, Open Text Corporation, Christie Digital Systems, Agfa HealthCare, and Dalsa as well as the City of Kitchener.

"Waterloo Region is a perfect fit for The Hub. We are home to globally-recognized research and industry leaders, a highly-skilled workforce, and now – the business development and commercialization muscle that we need to help build Ontario's digital economy," said Leeanna Pendergast, MPP for Kitchener-Conestoga.

Communitech, the region's organization dedicated to commercialization of innovation, has championed The Hub project to support businesses at all stages of their growth and enhance the tech sector overall. It is also the host organization of the new Canadian Digital Media Network - a federal centre of excellence designed to interconnect Canada's clusters of digital media expertise.

"Our focus is business-driven commercialization of high-tech innovations, and we believe the Province has invested in The Hub because Communitech has a track record of success in supporting companies at all stages in their evolution from start-up to multi-national success story. Canada needs even more tech success stories and we're here to help create those," said Iain Klugman, president and CEO of Communitech.

Some features of The Hub will include:

- 30,000 square foot open innovation hub 'club house' bringing together knowledge, activities, tools and expertise;
- 2,000 square feet dedicated to enabling entrepreneurs to 'incubate' ideas in close proximity to tools and services they need to succeed;
- 8,000 square feet allocated to partner lab space with platforms and tools provided by established partner companies including RIM, Open Text, Agfa HealthCare, and Christie Digital Systems;
- A versatile immersive environment with reconfigurable projection and display systems;
- Full audio-visual production studios including advanced equipment such as scalable sensors, cameras and media capture equipment;
- Medical imaging software platforms for development purposes;
- A suite of expert resources including entrepreneurs in residence, project manager support, marketing and branding expertise.

"Speaking on behalf of all the partner companies involved in this venture, we're delighted at the level of commitment provided by the Province which demonstrates strong support for the high-tech community and digital media in particular. This is a strategic investment in Ontario's future," said Tom Jenkins, Executive Chairman & Chief Strategy Officer of Open Text and Chair of the Canadian Digital Media Network Advisory Board.

About Communitech

Communitech www.communitech.ca is the regional hub for the commercialization of innovation in Waterloo Region, creating economic prosperity by removing barriers to the creation and growth of tech companies.

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The Communitech Hub: Digital Media & Mobile Accelerator – “The Hub” -- Backgrounder

Why is the Province of Ontario investing substantially in a digital media hub?

Ontario's Innovation Agenda includes three key areas for investment: clean technology; life sciences and advanced health technology; and digital media & information and communications technology. The Hub is aligned with those priorities and will incubate new digital media businesses and create new high-tech jobs for Ontarians. As some sectors of our economy struggle and evolve, investment in a digital economy will ensure future prosperity through creating more companies, products and jobs in Ontario and across Canada.

Why is The Hub being located in Waterloo Region?

The Waterloo Tech Region is home to more than 550 high-tech firms with a total valuation of more than \$15 billion, and with demonstrated strength and momentum in digital media and mobile computing. Waterloo Region's leading companies are willing to help early-stage companies get a start and prosper by contributing to The Hub through financial contributions as well as by providing high-tech equipment for R&D. As the tech community thrives the benefits of that prosperity are shared throughout the region and the province. It's a natural fit for a high-tech incubation hub to be located at the heart of the Waterloo Tech Region.

The Waterloo Tech Region includes:

- Canada's largest high-tech company: Research In Motion (RIM)
- Canada's largest software company: Open Text
- The world's leading projection technology company: Christie Digital Systems

Those three leaders plus Agfa HealthCare and Dalsa, as well as the City of Kitchener, are all contributing to the establishment of The Hub and its ongoing success. Strategic partner platforms will enable research, commercialization, and job creation activity in mobile computing, digital asset management and electronic health applications.

What other hubs will be created?

The Waterloo University Stratford Institute has already been announced as another hub in the Canadian Digital Media Network -- a corridor of collaboration across Canada. The Stratford Institute -- a think-tank, integrator and training institute -- will ensure that the digital media industry in Canada can be supported by graduates equipped with both technical and creative capabilities. Hubs will be established in other centers over time.

When will The Hub be open for business?

Target opening will be spring 2010.

Who is going to be running The Hub?

Communitech, Canada's leading organization fostering high-tech commercialization of innovation, will operate The Hub. Communitech has a 12-year track record of supporting and growing technology companies at any stage in their development from start-up, to small-medium business, to global player.

What will The Hub be all about?

The Hub will be a high-tech 'club-house' where innovators and experts can collaborate and develop new initiatives in an open concept environment designed to advance the tools, technology and applications segments of the digital media and mobile computing industries. Some of the features it will offer are:

- state-of-the-art visualization tools and technologies, made available for R&D opportunities for academic and business users
- on-site venture support and project management services to aid in creating start-up companies
- business development expertise to connect companies with global markets
- access to angel funding and venture capital to support new digital media companies in Ontario
- connectivity with other hubs across Ontario and Canada to facilitate research and business partnerships.

Why are established businesses contributing to The Hub?

Innovation is the life-blood of any high-tech business and established businesses benefit from the new ideas and energy of start-ups. That's why companies such as RIM, Open Text, Christie Digital Systems, Agfa HealthCare, and Dalsa are willing to give time, R&D funding and equipment to The Hub to jump-start new ventures. Established companies focused on global competition are often unable to divert resources from their core business to explore new ventures. So start-ups that germinate at The Hub may develop leading-edge products and solutions that will benefit the existing companies through expertise, software or hardware licensing or acquisitions.

What is the overall goal of the Canadian Digital Media Network?

The Hub serves to anchor the new Canadian Digital Media Network - created in early 2009 with \$10.7 million in federal funding to link Canada's digital media clusters from coast-to-coast, creating a digital convergence corridor and enabling collaboration between researchers, implementers and entrepreneurs. The goal is to accelerate the creation of successful new digital media businesses and contribute to Canada's digital economy.

What is included when we use the term digital media?

Digital media takes current computing and content digitization to the next level – known as 3.0 – spanning everything from making broadcast-quality content available on mobile devices, to digitizing medical records to improve the quality and speed of health care. Digital media affects all Canadians in many ways, the most obvious being through use of mobile applications on handheld devices and watching broadcast-quality video on computers. Perhaps surprisingly, it also has applications for many segments including health care, education, finance, manufacturing and even geological exploration and mining.

Why is digital media important to Canada?

The global economy is going digital and will be based on a technology infrastructure. Countries that invest in and develop a digital platform and economy will be in a position to lead and succeed. Creating a digital economy happens through deliberate investment and creation of opportunity for entrepreneurs to develop leading-edge solutions.

Worldwide the digital media sector is one of the fastest-growing segments of the knowledge economy and its double-digit growth rate will help drive the global media market up to US \$2.2 trillion within the next five years, as reported by PriceWaterhouseCoopers' Global Entertainment and Media Outlook: 2008-2012.

The Council of Canadian Academies has identified new media as having greatest momentum and the highest growth prospects for Canada, second only to the oilsands. The scope of the opportunity means that Canada cannot afford to be left behind in the digital economy.

“The Hub”: What it Means to Tech Sector Leaders

“Open Text is more than pleased to contribute to and participate in the activities of The Hub. This will prove to be a key incubation site for creative businesses that will accelerate new products in the digital media and mobile applications space. Canada needs this kind of support and Ontario is playing a leading role in enabling the digital economy to become a reality.”

Tom Jenkins, Executive Chairman & Chief Strategy Officer Open Text and Chair of the Canadian Digital Media Network Advisory Board

“As the leading company in digital projection technology, Christie Digital Systems is committed to encouraging high-tech innovation in digital media. This is both a creative and a technical market space and the environment being created at The Hub will enable collaboration between entrepreneurs, designers, and technicians to develop next-generation concepts.”

Gerry Remers, President and Chief Operating Officer, Christie Digital Systems Canada, Inc.

“Agfa HealthCare is a leading provider of IT-enabled clinical workflow and diagnostic imaging solutions. The use of Digital Media in the HealthCare sector looks to bring information to the fingertips of health care providers with an aim to improve patient care here in Canada. We look forward to contributing to the ongoing success of The Hub.”

Jeff Nesbitt, Vice President Government Relations and Strategic Programs, Agfa HealthCare

“One of the reasons that Intel is located in Canada is the goldmine of high-tech innovation and resources here. The Hub is another Canadian asset that will benefit the high-tech sector overall and serve as the core of the Canadian Digital Media Network connecting entrepreneurs, educators, industry and government across the country. It's a welcome addition to the tech community.”

Doug Cooper, Country Manager, Intel Canada

“Given my focus on new venture creation at Wesley Clover, I'm delighted to see the Ontario government's investment in The Hub which will serve as an incubation platform for new businesses. This is the kind of commitment needed to ensure a strong high-tech sector for Canada and a positive climate for entrepreneurial ventures.”

Andrew Fisher, Executive Vice-President, Wesley Clover

“The City of Kitchener is a proud supporter of The Communitech Hub: Digital Media & Mobile Accelerator which will further enhance the strong high-tech community in this region, and enable business and job creation. Kitchener and Waterloo Region have the resident talent, spirit of innovation, and expertise to ensure that digital start-ups succeed and thrive as so many of our established companies have done.”

Mayor Carl Zehr, City of Kitchener