

PEMD ASSISTANCE BY PROGRAM ELEMENT

In 1993, the program was restructured to facilitate the provision of assistance for the execution of a company's multi-activity one or two year Market Development Strateg (MDS). This is considered to have significantly improved the effectiveness of the program. In addition to reducing paperwork and administration costs for both industry and government, it has also contributed to a long-term planned approach that is more market-focussed.

The total amount of assistance expended (or claimed) by PEMD applicants can be more or less than the amount of assistance actually approved in the current

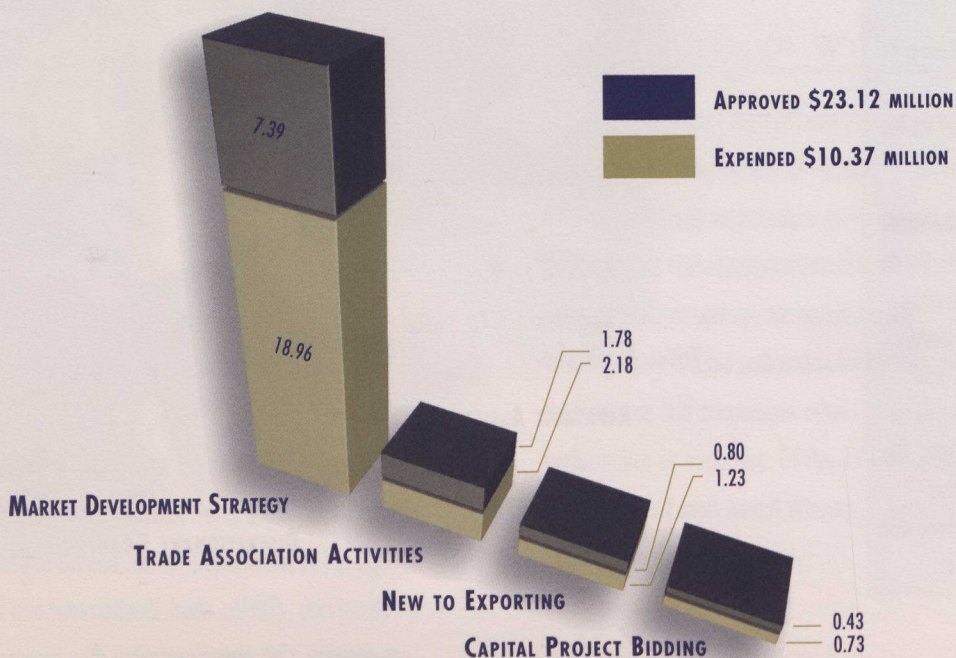
fiscal year for two reasons. Firstly, the amount of assistance approved is based on an estimate of the amount of money that the applicant company proposes to spend and the amount spent is usually less than anticipated. Secondly, since an applicant can have a one or two year marketing plan with activities occurring over a 24 month period, PEMD assistance may have been approved in the 97-98 fiscal year but the claims only filed in the 98-99 fiscal year. Therefore, there is no direct relationship between the total amount of assistance expended and the total amount of assistance approved in the same fiscal year.

PEMD SUCCESS STORY

Mr. Joe Wiseman
 President
 INNOVA Multimedia Ltd.
 Stephenville,
 Newfoundland

"We secured a distributor in Hong Kong and are in negotiations in Japan."

ASSISTANCE BY PROGRAM ELEMENT 1998-99 (\$ MILLIONS)



The \$23.12 million in approved assistance pertains to applications which were approved in the current fiscal year.

The \$10.37 million in assistance expenditures pertains to claims against PEMD applications which were approved in previous fiscal years and in the current fiscal year.