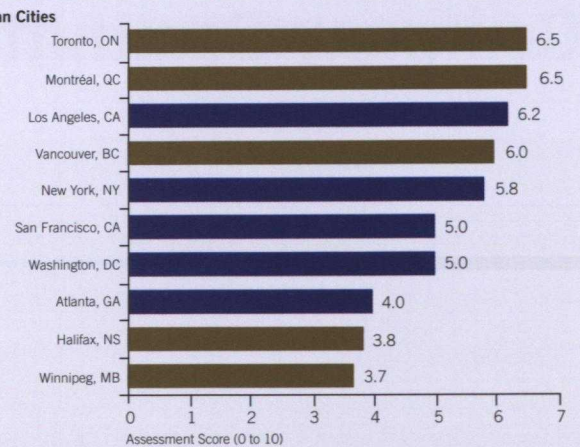


Canadian cities provide the best operating-cost performance in the North American Digital Media Games sector . . .



. . . and have some of the North American sector's most experienced creative artists and software and hardware developers.



#### INDEX\* OF NET PRESENT VALUE OF OPERATING COSTS OF A REPRESENTATIVE GAME AND MULTIMEDIA DEVELOPMENT STUDIO IN CANADIAN CITIES, COMPARED TO OTHER NORTH AMERICAN CITIES

Source: IBM-Plant Location International 2009.

\* This index measures the NPV of operating costs of representative projects in the Digital Media Games sector. This international location benchmarking exercise, conducted by IBM-Plant Location International (IBM-PLI), analyzes the comparative cost and qualitative factors of doing business in various locations, applying the approach that is used when screening candidates for corporate investment projects. The benchmarking study examines 250 to 300 financial and qualitative location indicators in the assessment of each industry subsector.

#### PRESENCE OF EXPERIENCED GAMING-RELATED EMPLOYEES (HIGHEST-RANKING CITIES IN NORTH AMERICA)\*

Source: IBM-Plant Location International 2009.

\* Based on evaluation of the overall size of the labour pool, the number of gaming employees such as programmers, film and video industry staff, the size of the student population and the tightness of the labour market.

# In the Canadian Digital Media Games Sector, Creativity is Child's Play

The digital media games industry is a vital contributor to Canada's knowledge economy. As one of the fastest-growing sectors in the Canadian technology market, digital media games present a lucrative opportunity for investors. In 2008, approximately 250 game development companies employed 14,000 people and posted over \$2.2 billion in revenues. Some 500 firms work across the entire digital games value chain: hardware, development tools, supporting tools and services, developers and publishers.

The digital media games industry is a magnet for inward direct investment, attracting many of the industry's largest players. Activision, Disney, Electronic Arts (EA), Eidos, Koei, Microsoft Games, THQ, Ubisoft—these are just a few of the firms that have established or expanded Canadian operations.

Digital media companies choose Canada for many reasons. With the country's high quality of life, solid industry credentials and large creative-talent base as well as access to 60 universities offering gaming studies, these multinationals feel right at home. They recruit

well-trained staff from Canadian schools such as the Centre for Digital Media, Simon Fraser University, the University of British Columbia, Sheridan, Seneca and Centennial colleges, CEGEP de Matane, Université de Sherbrooke, the National Animation Design Centre and the University of New Brunswick. Canada's proximity to the United States and its central location relative to Asia, Europe and the growing South American market also make it an ideal business location.

The advantages don't end there. The Canadian government is actively growing the digital media games industry, through programs and partnerships that encourage many of the largest game developers to come to Canada. For example, the Scientific Research and Experimental Development (SR&ED) initiative and the National Research Council's Industrial Research Assistance Program (IRAP) enable Canadian-based companies to reduce their development costs by providing rebates for money spent on wages and infrastructure. The government also offers other programs that provide tax benefits, grants, industry knowledge and expertise.