



Canada Media Fund announces preliminary program budget and performance envelopes for 2011-2012, and the creation of a new Convergent Stream Digital Media Incentive.

The Canada Media Fund (CMF) announced today that its preliminary program budget for the upcoming year (excluding the \$100M program funding allocation that was proposed in the federal budget) will amount to \$271M. The funding allocated to each of the CMF's programs is outlined on the CMF's web site at: <http://bit.ly/gr7ok7>

All programs without exception received a preliminary funding allocation based on approximately 73% of the expected total program budget for the year (\$271M/\$371M).

The CMF also announced that it will issue broadcaster agreements tomorrow which will outline the performance envelopes allocated to broadcasters for the upcoming year. In order to enable broadcasters to ask any questions they may have pertaining to their envelope allocations, the envelope allocations will be posted on the CMF's web site by April 15, 2011.

Two distinct performance envelope amounts will be indicated in each broadcaster's agreement: the first amount is based on the preliminary program budget of \$271M and represents the amount that the CMF will commit to in the broadcaster agreement. It excludes the amount related to the 5% Digital Media Investment factor which will be released in mid-April, as this factor is based on amounts spent in the current year and therefore requires data validation as of April 1, 2011.

The second amount is based on the expected total program budget of \$371M (including the \$100M program funding allocation that was proposed in the federal budget) and is provided to assist the industry with licensing and production planning. It also includes the currently estimated amount related to the 5% Digital Media Investment factor, prior to data validation.

As stated in the CMF's prior release on March 26, 2011, the preliminary program budget of \$271M is based on confirmed sources of revenue, including the projected monthly contributions from broadcast distribution undertakings, as well as the allocation of funding of \$34.6M included in the budget of the Department of Canadian Heritage which is targeted for the CMF.

In the event that the CMF receives a further allocation of funding as a result of the adoption of a federal budget later this year, the CMF will release a supplementary program budget shortly thereafter.

The Convergent Stream Digital Media Incentive

In order to further encourage the production of value-added digital media content that is associated with CMF-funded television productions, the CMF announced today the creation of the Convergent Stream Digital Media Incentive program for 2011-2012, with an initial allocation of \$7.3M.

This incentive will take the form of a non-repayable contribution of up to 50% of a Digital Media Component's eligible costs to a per-project maximum of \$500,000. The incentive will be awarded to eligible projects on a first-come, first-served basis until resources for the incentive are depleted or until the application deadline, whichever comes first. Funding from the incentive must be applied to the production of a CMF-eligible digital media component. Projects eligible for the incentive must have a digital media component with a commitment to receive financing from a Canadian broadcaster that has exceeded its aggregate Performance Envelope spending on digital media component(s) from 2010-2011 by 25% or \$20,000, whichever is greater.

Information regarding the combination of funding from the Convergent Stream Digital Media Incentive with other CMF programs is explained in greater detail in the incentive's guidelines which can be found on the CMF's web site. <http://bit.ly/h3tonk>

The English Production Incentive

On December 20, 2010, the CMF released the Guidelines for the English Production Incentive for 2011-2012. At that time, the CMF noted that the provinces and territories that would qualify for the incentive would be announced at a later date. The CMF today announced that the following provinces and territories have qualified and will be allocated the following preliminary amounts:

§ Alberta \$839,000

§ British Columbia \$2,130,000

§ Manitoba \$896,000

§ New Brunswick \$146,000

§ Northwest Territories \$146,000

§ Nova Scotia \$1,429,000

§ Nunavut \$146,000

§ Prince Edward Island \$146,000

§ Quebec \$1,276,000

§ Yukon \$146,000

The English Production Incentive Guidelines released on December 20, 2010 stated that returning series would not be eligible for the incentive. Given additional feedback from stakeholders to the effect that access to the incentive may be critical in cases where broadcasters may not have yet made a clear determination as to whether to move ahead with a second cycle of a series when audience results for the first season may not be available for all episodes, the CMF has now adjusted this rule. For the 2011-2012 English Production Incentive, first or second cycles of a series will be eligible but third and subsequent cycles will not.