ANNUAL REPORT

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION

07/08

2007–2008

ONTARIO Yours to discover | OTMPC

BOARD OF DIRECTORS

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION'S BOARD OF DIRECTORS provides industry leadership, and policy and strategic direction to the operation of OTMPC. The Board is responsible for the overall management of OTMPC and is ultimately accountable to the Minister of Tourism.

Board Directors, 2007–2008

Mr. William M. Duron, Chair
Chief Executive Officer, Royal Agricultural Winter Fair
Toronto
June 14, 2007–June 13, 2010

Mr. Antoni Cimolino, Vice Chair
General Director, Stratford Festival of Canada
Stratford
February 6, 2002–March 22, 2009

Mr. Fareed M. Amin
Deputy Minister, Ministry of Economic Development and Trade
Toronto
February 13, 2008–February 12, 2009

Ms. Bonnie Crombie
Partner, Pinnacle Policy Group
Toronto
March 23, 2006–April 22, 2007

Mr. Gilbert (Bud) Dickson
Owner, Canoe Canada Outfitters
Atikokan
September 20, 2006–September 19, 2009

Mr. Paul Dinner
Director, Business Development
Real Estate and Hospitality Markets
Royal Bank of Canada
Burlington
February 6, 2002–March 22, 2009

Mr. Michel Gauthier
President, MGB Tourfest Inc.
Ottawa
June 1, 2005–May 31, 2007

Mr. Ken Lambert
Vice President, Sales & Marketing, Delta Hotels
Toronto
April 12, 2002–April 10, 2008

Mr. Charles Lorimer
Vice President, Sales and Marketing, ClubLink Corporation
King City
November 15, 2006–November 14, 2009

Ms. Helen Young
Managing Director, Inn on the Twenty Ltd.
Jordan
November 15, 2006–November 14, 2009

CORPORATE CONTACTS

Ontario Tourism Marketing Partnership Corporation
900 Bay Street
10th Floor, Hearst Block
Toronto, Ontario M7A 2E1
Canada

OTMPC Inquiries
Phone: 1-800-263-7836
Fax: 416-314-7574
E-mail: tourism.partnership@mtr.gov.on.ca

Travel Information for Ontario
1-800-668-2746 (English)
1-800-268-3736 (French)

Partner site: www.tourismpartners.com
Consumer site: www.ontariotravel.net

ONTARIO Yours to discover | OTMPC

ANNUAL REPORT OTMPC 2007–2008

TABLE OF CONTENTS

MESSAGE FROM THE CHAIR

TOURISM IS AN INCREASINGLY COMPETITIVE INDUSTRY. New destinations are becoming available. Shifts in consumer interests have resulted in an increased demand for unique experiences and adventures.

A proliferation of competitive advertising activity has made the tourism marketing world more cluttered. Advertising spending in Canada has increased 124 per cent by other provinces, with much of it being spent in Ontario, making Ontario the biggest market in Canada for other jurisdictions.

At the same time, visitation within Ontario and from the United States is being impacted by a number of socio-economic factors. The appreciation of the Canadian dollar versus the US dollar has led to an increase in international travel by Canadians. Rising gas prices, a sluggish economy and confusion over passport requirements all contribute to a tendency for Americans to stay close to home. In overseas markets, a growing middle class in some emerging markets may provide opportunities for Ontario. Moderate growth in visitation is forecasted overall for overseas markets, with visits expected to reach 2.3 million by 2010.

To meet these challenges and capitalize on the opportunities, the Ontario Tourism Marketing Partnership Corporation (OTMPC) is evolving its marketing activities to spend smarter and work collaboratively with partners to more effectively achieve our mutual objective of increased tourism receipts.

WORKING TOGETHER TO WIN TOGETHER

As the lead marketer for the province of Ontario, OTMPC's role is to bring industry partners and government together to collaborate on win-win marketing solutions. For its part, OTMPC brings to the table a strong marketing vision and brand through the 'There's No Place Like This' campaign launched in March 2007.

With thanks to the Ministry of Tourism for a significant one-time boost in funding as part of the Government of Ontario's economic stimulus package, OTMPC was able to engage in some serious brand building activities in 2007–2008, which we will continue to leverage in the years to come. In addition, OTMPC developed and launched a three-year strategy with a strong focus on the consumer, which will help the entire industry cut through the clutter and be more competitive.

Tourism is one of the best showcases of our culture and way of life to the world. Ontario continues to be highly regarded for its outdoor product offering, and the unfolding cultural renaissance presents new and exciting opportunities to showcase Ontario in a new and different way to consumers.

I thank the Board of Directors, the Minister of Tourism and OTMPC staff for their ongoing commitment and passion to showing the world that there is no place like this!

To industry partners, I remind them that partnership is a two-way street. If all parties engage, we can be more effective. Together, we can continue to foster a prosperous, sustainable future for Ontario tourism.

William M. Duron
Chair
Ontario Tourism Marketing Partnership Corporation

MESSAGE FROM THE PRESIDENT

FROM A MARKETING POINT OF VIEW, 2007–2008 WAS ONE OF THE MOST AGGRESSIVE AND AMBITIOUS YEARS YET. To achieve our vision of being the 'premier tourism marketer,' OTMPC developed a focused strategy with a clear accountability framework.

This framework recognizes our accountability to three key stakeholders – the Board of Directors, the Province of Ontario, and industry partners. This accountability framework establishes a scorecard of success measures and corporate priorities that OTMPC will achieve over the next three years. The success measures include: being consumer focused, exhibiting marketing excellence, building effective partnerships, ensuring we have a strong team, and being results driven.

REIGNITING ONTARIANS' PRIDE IN THEIR PROVINCE

OTMPC's most significant effort in 2007–2008 was a brand campaign focused on the Ontario market, which represents 76 per cent of the province's tourism market. Launched in March 2007, the 'There's No Place Like This' campaign used every available media channel including television, cinema, radio, a print campaign in multiple languages, billboards, transit, web marketing and corner store media.

Using close-ups of people experiencing moments of high delight, the campaign's emotional appeal proved to be an effective means of connecting with Ontarians and made Ontario stand out against the competition. This tactic is at the core of what has become one of the most popular government promotions ever.

By the end of summer 2007, the campaign successfully reignited Ontarians' pride and interest in exploring their province at a time when the tourism sector was facing many challenges.

According to advertising tracking results, the summer campaign generated 248,000 trips (200,000 of which were overnight trips) representing $50 million in revenue as compared to $37 million generated by the 2006 summer campaign, and $28 million generated by the 2005 summer campaign.

Continuing on the success of the campaign and with additional investment from the Ontario government in December 2007, the campaign was extended in Ontario and the United States (Detroit, Cleveland, Boston and New York City) in early 2008 during popular shows such as the Super Bowl, the US Primaries and the Oscars.

SUMMER CAMPAIGN RESULTS
(Revenues Generated)

AFTER NEW BRAND LAUNCH	
2007	$50 million
PREVIOUS SUMMER CAMPAIGNS	
2006	$37 million
2005	$28 million

TARGETING CONSUMERS EFFECTIVELY

While mass media plays an important role in building overall brand awareness, today's consumers are pressed for time and demand a more personal approach before they buy.

To meet these demands, OTMPC conducted groundbreaking research in 2007 – some of the most extensive geodemographic analysis of

MESSAGE FROM THE PRESIDENT (CONTINUED)

Ontario's target consumers ever compiled – to identify, locate and quantify Ontario's best customer prospects. Four target segments were identified in both Canada and the United States.

With this research, OTMPC is armed with knowledge about who the target consumers are, what they want, and importantly, what media channels are best to reach them. The research also shows how they like to receive information and where they go to look for it including new media channels through the internet, which creates year-round marketing opportunities. With new technology and more sophisticated target research, OTMPC can effectively tailor its marketing packages directly to consumer needs and build an ongoing relationship with them for the future.

The research also identified consumer segments specific to Northern Ontario and these segments are being incorporated into a new five-year marketing strategy currently being developed. Working in partnership with Industry Canada/FedNor and the Ministry of Northern Development and Mines (MNDM), through the Strategic Tourism Development and Marketing Partnership for Northern Ontario, and in consultation with over 500 industry stakeholders, a strategy is being created to align and coordinate marketing efforts among industry partners in Northern Ontario.

I look forward to the year ahead, as we put this research into use and launch programs for two of the segments (families and upscale adventurers), and as we complete and launch the new marketing strategy for Northern Ontario. We will continue to partner with the industry because we understand the power of working together to make all of our dollars go further.

Robin Garrett
President & CEO
Ontario Tourism Marketing Partnership Corporation

CORPORATE OVERVIEW

CORPORATE MANDATE: To market Ontario, in partnership with the private and public sectors, as a premier, year-round travel destination and to maximize opportunities in the tourism sector for the overall benefit of Ontario.

MISSION

To grow Ontario's tourism sector year-round by stimulating increased consumer spending and visits and by generating greater partnership participation. The Corporation works strategically, proactively and collaboratively with the tourism industry to market Ontario's tourism experiences and leverage multi-year marketing opportunities and investments in key markets. By working to improve continuously and evolve as a successful private/public partnership, OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, year-round destination.

VISION

To be the premier tourism marketer.

CORE FUNCTIONS

Consumer Marketing: OTMPC's consumer marketing efforts use a multi-media approach to connect with consumers. Mass media is used to build awareness of Ontario as a great destination and motivate consumers to seek more information online, while web activities allow consumers to get as much detail as they need to plan their trip.

Media Relations: OTMPC undertakes to develop and maintain close working relationships with members of the media in priority Canadian, US and overseas markets with special emphasis on customized individual media tours, as well as media marketplaces and events.

Northern Ontario: A specific program is designed to foster visitation to Northern Ontario, focusing on marketing the region's world-class outdoor products, including fishing, snowmobiling and paddling.

Travel Trade: OTMPC promotes and facilitates the sale of Ontario market-ready tourism products and experiences by working closely and directly with tour operators, wholesalers, travel agents and automobile clubs. The Ontario brand is promoted through joint marketing campaigns, trade conventions, marketplaces and select events in domestic, US and overseas markets.

Meetings, Conventions & Incentive Travel (MC&IT): OTMPC aggressively markets Ontario's diverse meeting destinations and products through industry partnership activities to generate increased leads through strategic sales and marketing in Canada, the United States and overseas.

Industry Relations: The Industry Relations Unit works to effectively partner with the tourism industry to market Ontario as a year-round travel destination.

Partner Sales: OTMPC offers its partners the opportunity to market their products under the Ontario brand and to enter important markets that might not otherwise be accessible. These sales efforts assist industry partners to reach visitor markets with strong, compelling messages linked to a multi-million-dollar annual program.

Ontario Travel Information Centres (OTICs): OTICs are Ontario's official welcome centres. Operated by OTMPC, they provide visitors with essential, practical, on-the-spot information and advice on where to go and what to see and do in Ontario.

Corporate Communications: Working closely with marketing, sales and media relations staff, Corporate Communications develops and implements targeted, strategic communications and public relations programs that proactively enhance OTMPC's profile with external and internal audiences. The annual Ontario Tourism Summit, a business conference for more than 450 tourism executives to provide education and networking opportunities, is one example of the programs undertaken.

CORPORATE GOVERNANCE

THE ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION
reports to an industry-led volunteer Board of Directors.

The Board directs OTMPC's overall strategies and operations and is accountable to the Minister of Tourism. Board Directors may also sit on one of four committees – the Executive Committee, the Finance and Audit Committee, the Marketing Performance Assessment Committee and the Nominations Committee. OTMPC works with more than 100 committed industry members through its corporate governance structure.

- **EXECUTIVE COMMITTEE**
  The Executive Committee sets priorities and recommends objectives and strategies to the Board.

- **FINANCE AND AUDIT COMMITTEE**
  The Finance and Audit Committee oversees and monitors OTMPC's financial reporting.

- **MARKETING PERFORMANCE ASSESSMENT COMMITTEE**
  The Marketing Performance Assessment Committee ensures appropriate performance measures are in place and reviewed on a regular basis.

- **NOMINATIONS COMMITTEE**
  The Nominations Committee is responsible for succession planning for the committees and Board.

The Board relies on input from six industry-led working committees reporting through committee chairs. They are comprised of 12–15 volunteer members. Committees and OTMPC staff collaborate to develop marketing strategies, tactics and partnership programs that make up the annual OTMPC marketing plan.

COMMITTEE	FUNCTION
North America Committee	Identifies, develops and monitors marketing strategies, tactics and programs for the domestic and key US markets.
Meetings, Conventions & Incentive Travel (MC&IT) Sub-Committee	A sub-committee of the North America Committee that identifies, develops and monitors marketing strategies, tactics and programs for key MC&IT markets.
Northern Tourism Marketing Committee	Identifies, develops and monitors marketing strategies, tactics and programs for key Northern markets.
Overseas Committee	Identifies, develops and monitors marketing strategies, tactics and programs for key Asia-Pacific and European markets.
Outdoor Committee	Identifies, develops and facilitates outdoor experiences, packaging programs and product alliances.
Town and Country Committee	Identifies, develops and facilitates touring experiences, packaging programs and product alliances.

OPERATIONAL PERFORMANCE

MEASURING PERFORMANCE AGAINST FOUR KEY DELIVERABLES

IN 2007–2008, OTMPC FOCUSED ITS ACTIVITIES ON FOUR SIGNATURE DELIVERABLES:

1. BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE EXPERIENCES BOTH CULTURAL AND OUTDOOR BY USING INNOVATIVE TECHNIQUES AND TECHNOLOGY TO MARKET ONTARIO
2. EXECUTE MARKETING PROGRAMS THAT LEVERAGE PARTNERSHIPS WITH INDUSTRY BY INCREASING PRIVATE SECTOR FINANCIAL CONTRIBUTIONS
3. INCREASE THE NUMBER OF CONSUMERS WE 'TOUCH' (VIA WEB, DIRECT MAIL, MEDIA AND TRAVEL CENTRE VISITS)
4. IMPROVE ORGANIZATIONAL EFFECTIVENESS WITH A FOCUS ON EMPLOYEE ENGAGEMENT AND DEVELOPMENT OF CLEAR PERFORMANCE GOALS

FINAL RESULTS FOR THESE DELIVERABLES ARE OUTLINED IN THE FOLLOWING PERFORMANCE TABLES.

1.

<< BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE EXPERIENCES BOTH CULTURAL AND OUTDOOR

BY USING INNOVATIVE TECHNIQUES AND TECHNOLOGY TO MARKET ONTARIO >>

IN 2007–2008, OTMPC INVESTED IN REINFORCING ONTARIO'S OVERALL BRAND IMAGE through the launch of its 'There's No Place Like This' multi-media campaign, anchored by television, in the Ontario market. The campaign was successful in creating pride of place and motivating Ontarians to discover more of what the province has to offer.

Ontario took a more tactical approach in Quebec, with a series of themed full-page newspaper ads (English and French) in the Montreal market during the summer. The US campaign targeted Detroit during the summer and fall period with a television, radio and event promotion. A fall magazine campaign targeted Boston while a winter consumer event in the highly visible Bryant Park in New York City increased visibility for Ontario's winter product experiences.

In addition, OTMPC received one-time funding of $20 million in conjunction with the Ontario government's Fall Economic Statement, to expand tourism marketing initiatives to attract new domestic and international visitors to communities, attractions and events across the province. This provided enhanced support for winter tourism and helped ensure that Ontario was on the consideration list for spring/summer travel.

Investments in the 'There's No Place Like This' campaign were also used to enhance seasonal websites and to introduce innovative tools with a consumer focus to help connect potential travellers with Ontario travel ideas. These included:

- seasonally themed stories to bring the experiences to life and opportunities to link to travel packages for purchase;
- a 'Travel Ideas Tool' that presents customized travel ideas with a link to tourism operator websites for fulfillment;
- a downloadable 'Ontario Travel Tool' which delivers a travel idea to a consumer's desktop every day based on the type of activities they select;
- a 'Virtual Print on Demand' tool which allows the consumer to customize a travel guide and have it delivered to them by mail. This tool was subsequently updated to a 'Virtual Download on Demand' tool in order to increase delivery time; and
- a new splash page for www.ontariotravel.net that lets consumers view the 'There's No Place Like This' television commercials, see the locations of the shots, download the song and also connect to great Ontario travel ideas.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results			2007–2008 Targets				2007–2008 Results			Comments
			Ont	**Que**	**US**		**Ont**	**Que**	**US**	**Ont**	**Que**	**US**	
2007–2008 'There's No Place Like This' Brand Campaign (Ontario, Quebec, United States) Brand campaign to position Ontario as a fun, easy, diverse, and dynamic travel destination to increase overnight stays	To increase Ontario's brand awareness in all four seasons in key markets (domestic & US) in order to stimulate travel to Ontario	Awareness of Ontario for short getaways through use of market based consumer surveys (which destination or place first comes to mind when thinking of taking a short getaway of 1–3 days away from home)	66%	30%	24%	Summer:	70%	30%	23%	63%	41%	23%	Based on advertising tracking studies, revenues generated by advertising in Ontario, Montreal and US markets reached $99 million in the summer and fall of 2007. This compares to $81 million in 2006.
			63%	33%	21%	Fall:	70%	22%	22%	58%	33%	23%	
			59%	32%	21%	Winter:	63%	22%	22%	64%	n/a*	21%	
	To strengthen Ontario's distinct brand image versus the competition		**Ont (/10)**	**Que (/10)**	**US (/10)**		**Ont (/10)**	**Que (/10)**	**US (/10)**	**Ont (/10)**	**Que (/10)**	**US (/10)**	Overall, the brand image was strengthened within Ontario indicating that the 'There's No Place Like This' campaign was successful in positioning Ontario as a fun, easy, diverse and dynamic place to visit. *Note: There was no campaign in market.
		Good place for short getaways	8.7	6.8	7.9	Summer:	8.7	6.9	7.9	8.8	7.1	n/a*	
			8.8	7.0	7.5	Fall:	8.8	7.0	7.4	8.7	7.6	7.5	
			8.7	7.3	7.7	Winter:	8.7	7.0	7.6	8.9	n/a*	7.6	
		A place where it is easy to have a vacation	8.7	7.3	7.7	Summer:	8.7	7.4	7.5	8.7	7.4	n/a*	
			8.6	7.5	7.4	Fall:	8.6	7.4	7.4	8.8	8.0	7.4	
			8.7	7.7	7.6	Winter:	8.4	7.2	7.3	8.9	n/a*	7.7	
		A place that has a lot to see and do	8.6	7.2	8.4	Summer:	8.6	7.2	8.4	8.8	7.4	n/a*	
			8.6	7.3	8.0	Fall:	8.6	7.2	8.0	8.7	7.5	8.0	
			8.6	7.6	8.1	Winter:	8.6	7.0	8.0	8.9	n/a*	8.2	
		A place where you can experience something new and different	7.4	6.3	8.0	Summer:	7.4	6.3	8.0	7.9	6.7	n/a*	
			7.4	6.4	7.5	Fall:	7.4	6.4	7.5	7.7	7.0	7.6	
			7.5	6.7	7.5	Winter:	7.2	6.0	7.7	8.0	n/a*	7.8	

Source: TNS Canadian Facts Brand and Advertising Tracking Study, 2007–2008. The study is conducted after each advertising campaign using an online panel with Ontario residents (n=900), Montreal residents (n=300) and near US market residents (n=1000).

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Core Program *(continued)* **2007–2008 Brand Campaign** (Ontario, Quebec, United States)	To increase return on brand and partnered program investments made by OTMPC	Return on Investment (ROI) is the incremental visitor spending for every dollar invested by OTMPC through brand and partnered programs across domestic and US markets	Summer: $11.90 Fall: $8.30 Winter: $11.00	Summer: $10.00 Fall: $8.00 Winter: $7.00	Summer: $4.70 Fall: $4.60 Winter: $0.60	ROI decreased in 2007–2008 compared to the previous fiscal year due to two major factors: • significant one-time investment to develop the 'There's No Place Like This' campaign both in summer and winter; • economic environment (i.e. strong Canadian dollar, changes to passport rules, etc.) which made it more attractive for Ontarians to travel to US and Americans to stay closer to home. In addition, the winter campaign in 2007–2008 was specifically impacted by: • start of a long-term strategy/ investment to enter mid-markets in the United States for the first time; and • a release date later in the season to align with the brand campaign and one-time funding.

Source: TNS Canadian Facts Brand and Advertising Tracking Study, 2007–2008. The study is conducted after each advertising campaign using an online panel with Ontario residents (n=900), Montreal residents (n=300) and near US market residents (n=1000). The study also tracks trips and visitor spending generated by each advertising campaign. This information is then related to the amount spent on the advertising campaign in order to determine the return on investment (ROI).

2.

<< EXECUTE MARKETING PROGRAMS THAT LEVERAGE PARTNERSHIPS WITH INDUSTRY

BY INCREASING PRIVATE SECTOR FINANCIAL CONTRIBUTIONS >>

PARTNERSHIPS WITH INDUSTRY CONTINUE TO BE KEY TO OTMPC'S SUCCESS, helping to reach more consumers and use resources most efficiently and effectively. OTMPC leverages partnerships with industry by increasing private-sector financial contributions.

This additional funding allows OTMPC to show more leadership to private and public sector stakeholders and partners, helps support marketing programs developed by partners, and demonstrates to non-traditional partners that OTMPC can match their investments.

Investing in festivals and events increases tourism, bringing new visitors to communities across Ontario and contributing to a strong and prosperous economy. Through the Tourism Event Marketing Partnership Program (TEMPP), OTMPC invests in:

- world-class events in Ontario to attract visitors;
- helping communities across the province stage signature events (e.g. Toronto International Film Festival, Ottawa International Jazz Festival, Laugh Out Loud (LOL) Sudbury Comedy Festival and the Niagara Ice Wine Festival); and
- marketing events and festivals at the community level across the province.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Industry Partnerships	To develop partnered (public and private) programs with the tourism industry thereby leveraging OTMPC's marketing investment for the benefit of Ontario's tourism industry	Cash – dollar amount received by OTMPC for participation in OTMPC delivered programs	$2.8M	$2.3M	$2.3M	OTMPC continued to generate significant investment by partners into OTMPC led initiatives. In 2007, OTMPC allocated more resources to support partner led initiatives (i.e. additional TEMPP funding from Ministry for new and larger events such as Luminato, and funding for Northern Ontario programs from Strategic Tourism Marketing Partnership for Northern Ontario) thereby increasing leverage. Overall, OTMPC increased marketing activity as a result of partnering with industry.
		Leverage – the dollar amount that OTMPC's investment in a partner's program (private and public) triggers in additional investment	$7.8M	$6.6M	$10.7M	
	To increase revenues as a result of advertising sales	Direct sales revenues	$1.5M	$1.5M	$1.8M	

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Industry Partnerships *(continued)*	To increase revenues generated through advertising sales, merchandising and currency exchange services	Ontario Travel Information Centre revenues	\$770K	\$800K	\$549K	Significant reduction in revenue (\$500K) as a result of a major partner (currency exchange supplier) not renewing a multi-year contract due to rising Canadian dollar.
Tourism Event Marketing Partnership Program (TEMPP) Supports the marketing of key Ontario tourism events and festivals	To support the marketing of festivals and events with the potential to strengthen Ontario's brand image and increase visitation, overnight stays and expenditure across all regions of the province	Number of events/festivals funded Total funds invested	102 \$2.3M	105 \$3.5M	105 \$3.5M	TEMPP and IPPP saw increased spending in 2007–2008. TEMPP received one-time additional funding from the Ministry and IPPP experienced above average demand.
Industry Partnership Proposal Program (IPPP) Encourages co-operative and innovative industry marketing activities that increase tourism revenue and are consistent with, but do not duplicate, OTMPC's marketing programs	To work with industry partners to create innovative, targeted marketing programs that develop shoulder season visibility, promote regional packages, extend visitor length of stay and increase market reach and measurable tourism revenue from priority domestic and US markets	Total funds invested Total leverage	\$500K \$750K	\$700K \$1M	\$667K \$1M	

Note: OTMPC's investment in partner-led marketing initiatives is partially matched by partners thereby increasing the amount of marketing to consumers and driving increased visitation for the overall benefit of the province.

3.

<< INCREASE THE NUMBER OF CONSUMERS THAT WE 'TOUCH'

VIA WEB, DIRECT MAIL, MEDIA AND TRAVEL CENTRE VISITS >>

OTMPC'S MISSION IS TO GROW THE TOURISM INDUSTRY BY INCREASING consumer spending and visits in partnership with the industry. To interact with consumers in 2007–2008, OTMPC optimized the number of touch points through traditional media vehicles.

The goal was to present a series of compelling messages highlighting the Ontario tourism experiences year-round through high profile consumer events and promotions, increased editorial exposure and online interactive marketing tools.

In overseas markets, OTMPC stepped up its efforts to 'touch' consumers in priority markets. OTMPC conducted its own consumer advertising campaigns in the United Kingdom and Mexico, in addition to participating in joint campaigns led by the Canadian Tourism Commission (CTC) in the United Kingdom and Germany. In addition, one-time funding from the Ontario government's Fall Economic Statement enabled OTMPC to conduct a global campaign to promote the Rideau Heritage Route, which received Ontario's first UNESCO World Heritage site designation in June 2007.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Media/Public Relations (PR)	To develop effective media promotions strategies that showcase Ontario's unique experiences	Program's operational costs leverage significant advertising/PR value (value of unpaid article or media coverage if OTMPC was to purchase coverage in key markets) in all priority markets	$152M	$150M	$165.4M	Media results increased in both overseas and North American markets due to: • more television coverage in North American outlets such as the snow globe in New York City broadcast on *Good Morning America*, the *War of 1812* documentary on PBS and *Canada AM* travel segments.* *(continued)*

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Media/Public Relations (PR) ***(continued)***						• more promotional activities in Europe and Asia-Pacific such as the *Maple Generation Family* program broadcast on South Korea's major TV network (KBS) and German wire story with Deutsche Presse Association that generated extensive regional exposure across the country as a result of an Ontario hosted fam tour. *As added value, television coverage is posted on media websites generating additional consumer exposure. The value of the additional exposure is not captured in the final results.
Couponing ***Attractions Ontario*** Annual *Passport* Magazine and Coupon Book that optimizes visitation for Ontario's diverse attractions	To produce and distribute the Attractions Ontario *Passport* Magazine and Fun Pass coupon booklet in collaboration with Ontario agencies and attractions to increase visitations	Attractions Ontario • Booklets distributed • Coupons redeemed	1.1M 42,757	1.1M 43,000	1.1M 42,312	Both coupon programs have been fairly consistent in their redemption rates.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Couponing *(continued)* ***Fun Pass*** Program providing elementary school students with one free admission to each of 15 provincial attractions		Fun Pass • Booklets distributed • Coupons redeemed	1.5M 44,002	1.52M 50,050	1.53M 50,351	
Ontario Travel Information Centres	To increase visitation to the Ontario Travel Information Centres	Number of visitors to the Ontario Travel Information Centres	1.4M	1.4M	1.2M	A 15% decrease in visits to the centres, which are located near the Ontario-US border, is reflective of decreased border crossings from the United States and decreased visits experienced by the entire Ontario tourism industry.
	To increase the number of direct interactions between consumers and travel counsellors	Number of consumer inquiries serviced	442K	455K	435K	Although visits have decreased, the number of inquiries serviced remains stable and travel counsellors are spending more time with visitors.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
***Ontario Travel Discoveries* Magazine** Produce and distribute consumer magazine two times a year featuring stories about travel to Ontario destinations	To provide information to domestic consumers and promote Ontario as a diverse and dynamic destination to encourage visitation	Distribution • Summer • Fall • Winter Readership survey • Used for travel planning • Passed on to others • Recommended to others • Copy retention	English French 400K 10K 300K 10K 250K 10K • 70% • 67% • 58% • 8 months (avg.)	English French 400K 10K 300K 10K 250K 10K n/a	English French 400K 10K 300K 10K 250K 10K n/a	The magazine was redesigned to align with the new marketing strategy. No additional readership research was undertaken.
Interactive Marketing	To provide information and generate interest in travel to Ontario	Unique website user sessions and measuring time spent on site	User Sessions Summer: 1.28M Fall: 672,000 Winter: 651,000 Summer: 7.6 min Fall: 6.7 min Winter: 6.9 min	User Sessions Summer: 900,000 Fall: 603,000 Winter: 634,000 Summer: 5.0 min Fall: 7.0 min Winter: 6.3 min	User Sessions Summer: 1.85M Fall: 602,000 Winter: 1.069M Summer: 9.2 min Fall: 7.4 min Winter: 8.4 min	Overall, visits to the consumer website increased 14% year over year. Continued to see growth of user sessions and time spent across all sessions, which is consistent with the consumer trend towards increased use of this medium.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Interactive Marketing *(continued)*	To increase visitation to and awareness of northern Ontario as a world class outdoor destination Four core experience based programs: • angling • hunting • motorsports • nature & adventure	Interactive results for outdoor websites • user sessions • time spent • click through to partner pages and packages	1M 9.5 minutes n/a	1.2M 8.0 minutes Establish benchmark	1.9M 7.5 minutes 142,533	Increased user sessions as a result of more targeted retail tactics, which drove to the websites, as well as increased consumer use of web for research.
	To increase traffic to industry partner sites in order to allow consumers to purchase packages	Number of consumers directed to partner sites to close the sale	n/a	Establish benchmarks for each category (outdoor, angling, hunting)	outdoor: 102,241 angling: 28,273 hunting: 6,138	

4.

<< IMPROVE ORGANIZATIONAL EFFECTIVENESS WITH A FOCUS ON EMPLOYEE *ENGAGEMENT AND DEVELOPMENT OF CLEAR PERFORMANCE GOALS* >>

IN 2007–2008, IMPROVING ORGANIZATIONAL EFFECTIVENESS WAS A KEY COMMITMENT FOR OTMPC. Staff across the organization worked to develop an 'Accountability Framework' that defined the organization's vision and corporate priorities, and outlined how each person contributed to achieving the corporation's goals.

The vision of OTMPC is to become the premier tourism marketer.

The corporate priorities are:
- visitor focus
- marketing excellence
- effective partnerships
- strong team and
- results driven.

Creation of the framework was critical to developing a three-year strategy and strengthening the team in order to deliver strong marketing and partnership programs that help grow Ontario's tourism industry.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Organizational Effectiveness	To improve industry satisfaction with OTMPC programs and services	Industry satisfaction with OTMPC programs and services	6.2/10	6.8/10	6.4/10	OTMPC demonstrated improvement over 2006–2007 in terms of overall satisfaction with programs and services, and specifically industry communications and access to staff. OTMPC's annual Stakeholder Satisfaction Survey was conducted by Ipsos-Reid in January 2008. The study is conducted among Ontario tourism industry members who are subscribers to OTMPC's stakeholder newsletter or are registered with the OTMPC industry website tourismpartners.com. In total 9,974 survey invitations were sent to stakeholders, of which 766 completed the survey for a response rate of 8%.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2006–2007 Results	2007–2008 Targets	2007–2008 Results	Comments
Organizational Effectiveness *(continued)*	To improve organizational effectiveness	Measure degree to which employees feel engaged	Benchmark established at 73% employee engagement rating	Maintain employee engagement at 73%	n/a	Results expected in 2008–2009 (Ontario Public Service survey scheduled every two years).

FINANCIAL STATEMENTS

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2008:

AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS OF
ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION**

We have audited the balance sheet of Ontario Tourism Marketing Partnership Corporation as at March 31, 2008 and the statements of operations and accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants, Licensed Public Accountants
Mississauga, Ontario
May 9, 2008

OTMPC 2007–2008
BALANCE SHEET

March 31	2008 ($ 000)	2007 ($ 000)
ASSETS		
Current		
Cash and cash equivalents	**7,804**	10,974
Accounts receivable	**2,619**	1,578
Due from the Province	**4,851**	1,229
Prepaid expenses	**175**	1,189
	15,449	14,970
Capital assets (Note 3)	**1,598**	1,085
	17,047	16,055
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**11,842**	5,575
Deferred revenue (Note 4)	**149**	1,975
	11,991	7,550
Equity		
Accumulated Surplus	**5,056**	8,505
	17,047	16,055

Approved on behalf of the Board:

Chair

Director

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31	2008 ($ 000)	2007 ($ 000)
Revenues		
Province of Ontario Grant (Note 5)	**72,524**	58,658
Advertising sales	**3,306**	3,236
Travel Information Centres–sales and rentals	**900**	1,042
Interest income	**438**	387
Trade promotions	**277**	344
Government of Canada	**125**	115
Marketing research and other revenue	**205**	227
	77,775	64,009
Expenses		
Advertising and sales promotion	**50,960**	39,374
Trade development	**8,196**	5,503
Travel Information Centres (Note 6)	**6,285**	5,901
Administration (Note 7)	**6,276**	6,155
Tourism consumer information services	**3,335**	4,891
Events marketing program	**4,357**	3,065
Research	**990**	1,151
Amortization of capital assets	**650**	1,061
Board and committee expenses (Note 8)	**175**	140
	81,224	67,241
Excess (deficiency) of revenues over expenses	**(3,449)**	(3,232)
Accumulated surplus, beginning of year	**8,505**	11,737
Accumulated surplus, end of year	**5,056**	8,505

OTMPC 2007–2008
STATEMENT OF CASH FLOWS

For the year ended March 31	2008 ($ 000)	2007 ($ 000)
Cash provided by operating activities		
Excess (deficiency) of revenues over expenses	**(3,449)**	(3,232)
Add (deduct) non-cash items:		
Amortization of capital assets	**650**	1,061
	(2,799)	(2,171)
Change in non-cash working capital	**792**	(8,503)
	(2,007)	(10,674)
Cash used in investing and financing activities		
Loan receivable	**–**	3,087
Capital asset additions	**(1,163)**	(445)
	(1,163)	2,642
Increase (decrease) in cash during the year	**(3,170)**	(8,032)
Cash and cash equivalents, beginning of year	**10,974**	19,006
Cash and cash equivalents, end of year	**7,804**	10,974

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF CORPORATION

The Ontario Tourism Marketing Partnership Corporation (OTMPC) was established as a corporation without share capital on November 30, 1998 pursuant to Ontario Regulation 618/98 made under the *Development Corporations Act*. The Regulation was amended by Ontario Regulation 271/04 in September, 2004 to extend the mandate of the Corporation indefinitely. The Corporation commenced active operations on April 1, 1999. The objects of the Ontario Tourism Marketing Partnership Corporation are:

(a) to market Ontario as a travel destination;
(b) to undertake joint marketing initiatives with the tourism industry;
(c) to support and assist the marketing efforts of the tourism industry; and
(d) in co-operation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The Corporation enters into agreements with private and public sector partners in order to add value to tourism marketing programs. The Corporation tracks the dollar value (leverage, in-kind) of such agreements to demonstrate the impact of the Corporation's investment on the partnered marketing programs. Partner revenues and expenses are not included in the Corporation's financial statements.

The Corporation is a not-for-profit organization, and thus not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are the representations of management and are prepared in accordance with Canadian generally accepted accounting principles.

(b) Revenue Recognition

Province of Ontario Grant

The Corporation is funded primarily by the Province of Ontario. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in a subsequent period.

Advertising Sales and Travel Information Centres – Sales and rentals

Revenue from advertising sales and Travel Information Centres – sales and rentals is recognized in the period in which the service is provided or the program is run, the amount can be reasonably estimated and collection is reasonably assured.

Interest Income

Interest income is recognized in the period in which it is earned.

Other

Other revenue items are recognized in the period in which they relate, when the amount can be reasonably estimated and collection is reasonably assured.

(c) Partner Support

The Corporation benefits from services provided by the tourism industry, such as transportation costs (airline and bus tickets), and accommodation and meal costs (discounted or free hotel rooms and restaurant charges). Because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents
Cash and cash equivalents consist of bank balances and term deposits that are readily convertible into cash with original maturity dates of less than 90 days.

(e) Capital Assets
All capital assets are recorded at cost except for contributed capital assets which are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the asset, with half a year amortization taken in the year of acquisition and disposition. All capital assets are amortized over three to five years.

(f) Use of Estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

(g) Financial Instruments
Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, credit or currency risks associated with its financial instruments. The fair value of the Corporation's financial instruments approximates their carrying values, unless otherwise noted.

The Corporation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Loans and receivables
These assets are non-derivative financial assets, recognized at fair value, resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of services to customers (accounts receivable), but also incorporate other types of contractual monetary assets.

Other financial liabilities
Other financial liabilities are recognized at fair value and include trade payables and other short-term monetary liabilities.

3. CAPITAL ASSETS

	2008 ($ 000)			2007 ($ 000)
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Furniture	**279**	**276**	**3**	8
Leasehold improvements	**621**	**429**	**192**	9
Tourism consumer information system	**5,425**	**4,022**	**1,403**	1,008
Assets under Capital Lease	**589**	**589**	**–**	60
	6,914	**5,316**	**1,598**	1,085

4. DEFERRED REVENUE

	2008 ($ 000)	2007 ($ 000)
Brand Essence Program	**–**	1,787
Advertising programs	**149**	188
	149	1,975
Less: Current Portion	**(149)**	(1,975)
	0	0

5. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding from the Province as follows:

	2008 ($ 000)	2007 ($ 000)
Core funding	**38,983**	39,176
Fall Economic Stimulus Package	**20,000**	–
Brand Essence Program	**6,933**	9,613
Travel Information Centres	**4,331**	4,166
Deferred from 2006/2007	**1,787**	4,981
Summer Experience Program	**284**	275
Northern Ontario Heritage Fund	**206**	410
Miscellaneous Advertising	**–**	37
	72,524	58,658

6. TRAVEL INFORMATION CENTRES

The expenditures for the Travel Information Centres are as follows:

	2008 ($ 000)	2007 ($ 000)
Salaries and benefits	**3,347**	3,159
Accommodation	**1,816**	1,700
Services	**519**	593
Transportation and communications	**188**	118
Supplies and equipment	**84**	70
Merchandise for sale	**331**	261
	6,285	5,901

The Corporation's contributions related to the PSPF and OPSEU pension funds for the year were $137,235 (2007 – $125,663) and are included in salaries and benefits.

7. ADMINISTRATIVE EXPENSES

Certain costs of administration such as legal and human resources support services, were provided by the Ministry of Tourism without charge. All other administrative expenses are borne by the Corporation and are as follows:

	2008 ($ 000)	2007 ($ 000)
Salaries and benefits	**5,206**	5,003
Services	**686**	719
Transportation and communications	**279**	285
Supplies and equipment	**105**	148
	6,276	6,155

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund), which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to these pension plans. The Corporation's contributions related to the PSPF and OPSEU Pension Fund for the year were $305,223 (2007 – $267,711) and are included in salaries and benefits.

Costs of post-retirement non-pension employee benefits are paid by the Management Board Secretariat and are not included in administrative expenses.

8. BOARD AND COMMITTEE EXPENSES

Board and committee members are reimbursed for travel expenses incurred to attend Board of Directors and related committee meetings. Board and committee members do not receive per diems to attend board and committee meetings.

9. SALARY DISCLOSURE

Section 3(5) of the *Public Sector Salary Disclosure Act, 1996* required disclosure of Ontario public-sector employees who were paid an annual salary in excess of $100,000. For the Corporation, in the calendar year 2007, this disclosure requirement is as follows:

Name	Position	Salary ($)	Taxable Benefits ($)
Garrett, Robin	Chief Executive Officer/President	$165,829	$280
Lanyon, Mary-Ann	Vice President, Marketing	$124,596	$220
Kenny, William	Vice President, Industry Relations	$120,762	$214
Rowland, Nancy	Director, Corporate Services	$106,538	$184
Hamazaki, Harvey	Trade Consultant, Asia	$104,056	$206
Helinski, Diane	Media Coordinator, Europe	$101,119	$194
Rubinstein, Suzanne	Director, Ontario Travel Information Centres	$101,975	$179
Nahm, Jane	Operations Lead	$100,390	$147
Kotz, Gabrielle	Trade Consultant, Europe	$100,978	$201

10. COMMITMENTS

The Corporation has various operating leases for its premises. The minimum annual lease payments for the next five years are as follows:

	($ 000)
2009	359
2010	268
2011	181
2012	181
2013	181

11. CONTINGENT LIABILITY

The Corporation is involved in a dispute with a former supplier over amounts billed to the Corporation of approximately $1.5 million. The outcome is not determinable. However, being conservative, the Corporation has accrued $232,000 for any potential liability.