ANNUAL REPORT 2008–2009

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION

ONTARIO *Yours to discover* | OTMPC

BOARD OF DIRECTORS

OTMPC'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, 2008–2009

Mr. William M. Duron, Chair
Chief Executive Officer, Royal Agricultural Winter Fair
Toronto
June 14, 2005–June 13, 2010

Mr. Antoni Cimolino, Vice Chair
General Director, Stratford Festival of Canada
Stratford
February 6, 2002–December 5, 2009

Mr. Fareed M. Amin
Deputy Minister
Ministry of Economic Development and Trade
Toronto
February 13, 2008–February 12, 2010

Ms. Anna Buchnea
General Manager
Sales Development and Communications
Air Canada
Toronto
April 2, 2008–April 1, 2010

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–July 22, 2009

Mr. Ken Lambert
Vice President, Sales and 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

Mr. Allan Luby
President, Captain, Lake Navigation (Kenora) Ltd.
Kenora
June 27, 2007–June 27, 2011

Mr. Jim Marchbank
Chief Executive Officer, Science North
Sudbury
September 24, 2008–September 23, 2011

Mr. Brian Richardson
Vice President, Brand Marketing and Communications
Fairmont Hotels and Resorts
Toronto
June 11, 2008–June 10, 2011

Mr. Jack Robinson
Chief Executive Officer, CN Tower
Toronto
June 11, 2008–June 10, 2011

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

CORPORATE CONTACTS

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

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

ONTARIO Yours to discover | OTMPC

OTMPC 2008–2009 ANNUAL REPORT

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MESSAGE FROM THE CHAIR

THERE IS NO DOUBT THAT ONTARIO'S TOURISM INDUSTRY is facing a different operating environment today as a result of market conditions impacting the industry in recent years.

Major shifts in consumer interests and behaviour have combined with a number of economic and regulatory factors to significantly impact travel patterns. To survive and thrive, the new environment requires the industry to be responsive to the ever-evolving consumer mood.

RESPONDING TO MARKET CONDITIONS AND CONSUMER MOOD

In 2008–2009, increasing competition from other destinations and a strong Canadian dollar shifted the playing field for Ontario from price competition to quality of products and experiences. In addition, the industry faced pressures that will remain part of travel costs in the years to come including new passport requirements for travel across the Canada/United States border and high fuel prices, which impacted travel from border markets and domestically.

By far the biggest challenge facing the tourism industry in 2008–2009, and all industries, was a global recession. Declining consumer confidence and discretionary spending had an immediate impact on travel. However, research undertaken in early 2009 showed that Ontario pleasure travellers were still interested in travelling in the province (82 per cent) over the next 12 months rather than forego travel entirely.

In this highly competitive environment, building and enhancing Ontario's strong brand, web offerings and partnerships were a core strategy in delivering Ontario Tourism Marketing Partnership Corporation's (OTMPC) 2008–2009 business plan.

BUILDING A STRONG PROFILE AND PARTNERSHIPS TO COMPETE

With more and more destinations vying for consumers' travel time and budget, it is essential that the Ontario brand maintain a competitive share-of-voice. In 2008–2009, OTMPC invested additional media support across a number of channels for the highly successful "There's No Place Like This" campaign that was launched the previous year. Thanks to these efforts and others, the campaign has generated more than one million trips and $183 million in revenue from March 2007 to Winter 2009.[1]

1. TNS Facts, Brand and Advertising Study.

Strong relationships with key industry players, including the Canadian Tourism Commission (CTC), destination marketing organizations, leading industry associations, well-known tour operators and government partners, helped extend marketing efforts in domestic and international markets. Some outstanding examples of successful partnership activities undertaken in this fiscal year include:

- OTMPC launched a new marketing strategy for Northern Ontario in partnership with Industry Canada/FedNor, Northern Ontario Heritage Fund Corporation (NOHFC) and Northern Ontario industry partners to lure more visitors to the North. One of the first tactics from this strategy is a web portal (northernontario.travel) that acts as a gateway for consumers to plan and buy a Northern Ontario experience.
- OTMPC worked with Ontario partners to host 700 German travel agents at the 2008 DERTOUR Travel Academy, the most recognized and reputable leisure travel convention in the world. As a result of this first-hand exposure and based on DERTOUR's history of increasing visitors to the host destination, Ontario looks forward to luring more travellers from the German market over the next few years.
- OTMPC conducted the first-ever joint Ontario Tourism Summit in partnership with the Tourism Industry Association of Ontario (TIAO) to bring the industry together for learning and networking. The 2008 Summit garnered the highest attendance in its four-year history, generating more than 580 delegates.

I am pleased to report that, based on OTMPC's annual stakeholder survey, our industry satisfaction rating increased for the third consecutive year. I believe this demonstrates that we are on the right track in delivering the programs necessary to help the industry compete and win. Working together, we can build a solid foundation and partnerships today that will see us through tomorrow.

William M. Duron
Chair
Ontario Tourism Marketing Partnership Corporation

MESSAGE FROM THE PRESIDENT

TRANSFORMATION. THAT ONE WORD BEST DESCRIBES OTMPC'S 2008–2009 fiscal year, as the organization entered year one of a three-year strategy.

Building on ground-breaking research and brand-building activities conducted in 2007–2008, OTMPC focused its priorities this fiscal year on strengthening the Ontario brand and implementing a consumer segment approach to all North American marketing activities. While significant strides were made the previous year in identifying Ontario's best prospect customers in North America, marketing programs were implemented for the first time in 2008–2009 targeting the customer segments identified in both Ontario and the United States.

TARGETING ONTARIO'S BEST PROSPECT CUSTOMERS

To complement OTMPC's mass marketing efforts, multi-media programs were implemented for three consumer segments identified by the research:

- Families requiring kid-friendly activities such as resorts, theme parks, zoos, science centres and attractions;
- Adventurers looking for rejuvenating escapes such as wine and culinary adventures, spas, golf and theatre; and
- Avids seeking outdoor adventures such as angling, paddling, hiking and motorsports.

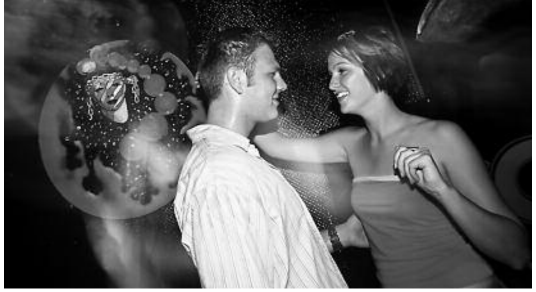
To realize the full benefits of the segment strategy, OTMPC focused significant resources on revamping the architecture and content of ontariotravel.net to cater specifically to each consumer segment including a segmented database for more effective use of email marketing. Additionally, the segment strategy made use of search engine optimization and search engine marketing programs (SEO/SEM) to generate a greater number of interested, pre-committed consumers and to ensure that ontariotravel.net appeared consistently at or near the top of search lists.

Results from these programs will serve as benchmarks for the coming year. Of course, the ultimate success of the best prospect customer programs relies on the affinity that consumers have for the overall Ontario brand. The greater the emotional connection, the greater the motivation to discover more of what Ontario has to offer.

BUILDING A STRONG EMOTIONAL CONNECTION WITH CONSUMERS

OTMPC took its highly successful "There's No Place Like This" campaign to new heights in 2008–2009. Building on previous efforts, OTMPC integrated the brand into all media channels from web to print to video.

The campaign's appeal has proven to be a very effective means of connecting with Ontarians on an emotional level. The campaign not only achieved its highest advertising recall (89 per cent) in the summer of 2008, but also won Marketing Campaign of the Year at the 2008 National Awards for Tourism Excellence.




To help government and industry partners leverage the Ontario brand, OTMPC created and launched a step-by-step brand toolkit. In the first four months of adoption, four in 10 industry partners indicated that they were aware of the toolkit and, of those who were aware, one in four had already used it.[1]

WORKING TOGETHER TO LEVERAGE RESOURCES AND REACH

Working with industry and government partners, OTMPC continues to focus on leveraging collective resources and extending its marketing reach to influence travel to and within Ontario.

A prime example is the launch of a five-year marketing strategy in partnership with FedNor/Industry Canada and NOHFC. Early tactics from this program include a Northern Ontario portal northernontario.travel entirely supported by content from Northern Ontario tourism industry partners and a multi-media consumer campaign in the Chicago area showcasing "Ontario, Canada's Great Outdoors."

To reach overseas markets, OTMPC continued to partner with the Canadian Tourism Commission, Ontario partners and overseas tour operators.

Examples include hosting 700 German travel agents at the 2008 DERTOUR Travel Academy in November and the continued roll-out of partnered consumer advertising campaigns in the United Kingdom, Mexico and Germany.

Coming up, OTMPC will be working with partners to leverage a series of high-profile international events scheduled for 2010, such as the 2010 Olympic and Paralympic Winter Games in Vancouver and the G8 Summit in Muskoka, Ontario, to attract overseas visitors.

I look forward to working with all partners in the coming year to tell the Ontario story to the world. There's really no place like this!

Robin Garrett
President and Chief Executive Officer
Ontario Tourism Marketing Partnership Corporation

1. OTMPC's 2009 Annual Satisfaction Survey conducted among approximately 8,000 industry stakeholders in January 2009.

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 Ontario's 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 and 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. One example of the programs undertaken is the annual Ontario Tourism Summit, a business conference to provide education and networking opportunities for more than 450 tourism executives.

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 or 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 five industry-led working committees reporting through committee chairs. They are comprised of 12 to 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 and 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.

OPERATIONAL PERFORMANCE

IN 2008–2009, OTMPC FOCUSED ITS ACTIVITIES ON FOUR SIGNATURE DELIVERABLES:

1. BUILD A STRONG BRAND THAT SHOWCASES ONTARIO'S DIVERSE EXPERIENCES.
2. INCREASE THE NUMBER OF CONSUMERS WE "TOUCH" (VIA WEB, DIRECT MAIL, MEDIA AND TRAVEL CENTRE VISITS).
3. LEVERAGE PARTNERSHIPS WITH INDUSTRY BY INCREASING PRIVATE-SECTOR FINANCIAL CONTRIBUTIONS.
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

Summer

Multiple campaigns were launched to support the summer 2008 season. The effort included a number of firsts:

- Targeting of the best prospect consumer segments in Canada and the United States;
- A campaign geared specifically to children and teens in Ontario;
- Use of a French-speaking Quebecois personality as spokesperson in Montreal;
- Greater inter-linkage between Ontariotravel.net and the Northern portal.

A number of fairly new initiatives and directions were built upon as well:

- Ongoing employment of the successful "There's No Place Like This" campaign;
- Continuation of the long-term strategy of building a stronger presence in two key mid markets – New York City and Boston.

Tracking results suggest that the Ontario brand is moving in the right direction domestically. In the Montreal market, destination awareness, Ontario's image ratings and interest in travelling to Ontario increased during the summer. Gains in interest have been recorded in both the English and French segments of the Montreal market, and the disparity between the two cultural groups has narrowed to some degree.

Fall

The economic downturn in fall 2008 negatively impacted some gains in domestic interest in travel in Ontario and in Quebec, among Francophones who have been traditionally more willing to travel in Ontario:

- Ontario residents were enthusiastic about travel within the province earlier. Lower interest within this group may be transitory and stems almost exclusively from general economic uncertainty than from concerns specific to Ontario's destinations.
- In Quebec, Francophones may be less willing to "take a chance" on Ontario than they were earlier – essentially withdrawing the tentative support exhibited earlier.

In the US near markets (Cleveland, Detroit, Buffalo, Rochester), the economic slowdown may have had some beneficial impact, given that some of those who would have travelled more broadly now considered Ontario for long trips. The fall advertising campaign supporting Ontario's tourism offering performed reasonably well relative to the investment.

Winter

The primary goal of the Winter 2008 campaign was to motivate Ontarians to discover their province; namely, to keep Ontarians at home. The campaign built upon creative expressions introduced to the marketplace in 2007. This campaign represented the second phase of "There's No Place Like This"; the creative tied back to earlier TV, print, and web campaigns.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES		2007–2008 Results			2008–2009 Targets			2008–2009 Results				Comments
				Ont	**Que**	**US**	**Ont**	**Que**	**US**	**Ont**	**Que**	**US Near-Mkt**	**US Mid-Mkt**	
Build a strong brand that showcases Ontario's diverse experiences	To increase Ontario's brand awareness in all four seasons in key markets (domestic and 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)	Summer:	63%	41%	23%	66%	30%	24%	66%	45%	17%	2%	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.
			Fall:	58%	33%	23%	63%	22%	22%	58%	40%	20%	1%	
			Winter:	64%	n/a	21%	59%	22%	22%	68%	n/a*	15%	1%	

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2007–2008 Results				2008–2009 Targets			2008–2009 Results				Comments
				Ont (/10)	**Que (/10)**	**US (/10)**	**Ont (/10)**	**Que (/10)**	**US (/10)**	**Ont (/10)**	**Que (/10)**	**US (/10) Near-Mkt**	**US (/10) Mid-Mkt**	
Build a strong brand that showcases Ontario's diverse experiences *(continued)*	To strengthen Ontario's distinct brand image versus the competition	Good place for short getaways	Summer:	8.8	7.1	n/a*	8.8	6.9	8.0	8.9	7.4	7.9	6.0	*There was no campaign in market.
			Fall:	8.7	7.6	7.5	8.9	7.0	7.6	8.5	7.2	7.7	5.9	
			Winter:	8.9	n/a*	7.6	8.8	7.0	7.7	8.9	n/a*	7.3	6.1	
		A place where it is easy to have a vacation	Summer:	8.7	7.4	n/a*	8.7	7.4	7.5	9.0	7.8	7.5	7.1	
			Fall:	8.8	8.0	7.4	8.6	7.4	7.4	8.6	7.7	7.6	6.8	
			Winter:	8.9	n/a*	7.7	8.4	7.2	7.3	9.0	n/a*	7.3	7.1	
		A place that has a lot to see and do	Summer:	8.8	7.4	n/a*	8.7	7.2	8.5	8.9	7.6	8.2	7.6	
			Fall:	8.7	7.5	8.0	8.7	7.3	8.1	8.5	7.4	8.1	7.4	
			Winter:	8.9	n/a*	8.2	8.7	7.0	8.1	8.9	n/a*	7.9	7.6	
		A place where you can experience something new and different	Summer:	7.9	6.7	n/a*	7.5	6.3	8.1	8.0	6.9	7.8	7.6	
			Fall:	7.7	7.0	7.6	7.5	6.4	7.6	7.5	6.6	7.6	7.4	
			Winter:	8.0	n/a*	7.8	7.5	6.0	7.8	8.0	n/a*	7.5	7.5	

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2007–2008 Results	2008–2009 Targets	2008–2009 Results	Comments
Build a strong brand that showcases Ontario's diverse experiences *(continued)*	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: $4.70 Fall: $4.60 Winter: $0.60	Summer: $6.70 Fall: $8.00 Winter: $5.80	Summer: $5.50 Fall: $71.00 Winter: $18.70 (Ontario only)	Large investment in the summer diluted ROI results for the summer campaign; inversely a smaller investment in the fall resulted in an inflated fall ROI.

Respondents to the ROI survey were asked the extent to which any Ontario advertising they had seen or heard within the past few months influenced their decision to take any pleasure trips to/within Ontario during June, July and August. ROI was measured using the following definition: Definite recall of at least one (any) summer ad and state that Ontario advertising significantly influenced their decision to travel to and within Ontario.

2.

INCREASE THE NUMBER OF CONSUMERS 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 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.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2007–2008 Results	2008–2009 Targets	2008–2009 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	$165.4M	$152.0M	**$222.6M**	Benchmark year; new collection service used to collect data.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2007–2008 Results	2008–2009 Targets	2008–2009 Results	Comments
Ontario Travel Information Centres	To increase visitation to the Ontario Travel Information Centres	Number of visitors to the Ontario Travel Information Centres	$1.2M	$1.4M	**$1.0M**	The majority of OTICs are located at Ontario-US border crossings. Confusion about documentation requirements, high gas prices and the economic downturn have continued to negatively impact US visitation which has negatively impacted OTIC visitation.
	To increase the number of direct interactions between consumers and travel counsellors	Number of consumer inquiries serviced	435K	460K	**378K**	Decreased US visitation has also negatively impacted consumer inquiry results.
Interactive Marketing	To provide information and generate interest in travel to Ontario	Unique website user sessions	2.7M	2.8M	**3.0M**	

3.

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, to help support marketing programs developed by partners, and to demonstrate 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; to help communities across the province stage signature events (e.g., Toronto International Film Festival, Ottawa International Jazz Festival, Sudbury Comedy Festival and the Niagara Ice Wine Festival), as well as local community-level festivals and events across the province.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2007–2008 Results	2008–2009 Targets	2008–2009 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	$2.3M	$2.6M	**$1.8M**	First year of segmented marketing approach and the reduced print partnership opportunities negatively affected cash results.
		Leverage – the dollar amount that OTMPC's investment in a partner's program (private and public) triggers in additional investment	$10.7M	$6.7M	**$11.2M**	Overseas activities (in particular DERTOUR) created new leverage opportunities for industry which resulted in performance above target.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2007–2008 Results	2008–2009 Targets	2008–2009 Results	Comments
Industry Partnerships *(continued)*	To increase revenues as a result of advertising sales	Direct sales revenues	$1.8M	$1.6M	**$1.5M**	Direct sales remained flat, slightly below target due to a poor economic climate.
	To increase revenues generated through advertising sales, merchandising and currency exchange services	Ontario Travel Information Centre revenues	$549K	$600K	**$300K**	Significant reduction in revenue as a result of a major partner (currency exchange supplier) not renewing a multi-year contract due to rising Canadian dollar.

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.

4.

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

IMPROVING ORGANIZATIONAL EFFECTIVENESS is a key commitment for OTMPC. The vision of OTMPC is to become Ontario's premier tourism marketer. OTMPC's corporate priorities include: having a visitor focus; striving for marketing excellence; and building and maintaining effective partnerships through a strong, results-driven team.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2007–2008 Results	2008–2009 Targets	2008–2009 Results	Comments
Organizational Effectiveness	To improve industry satisfaction with OTMPC programs and services	Industry satisfaction with OTMPC programs and services	6.4/10	6.6/10	**6.5/10**	To address industry satisfaction results from 2007, OTMPC implemented a corporate communications strategy to improve industry knowledge of OTMPC's mandate and ongoing marketing activities.

PROGRAM	OBJECTIVES	PERFORMANCE MEASURES	2007–2008 Results	2008–2009 Targets	2008–2009 Results	Comments
Organizational Effectiveness *(continued)*	To improve organizational effectiveness	Measure degree to which employees feel engaged	73%	N/A	N/A	Measured every two years. Next results reported in Annual Report 2009-2010. Target set for 2009, 73%; OTMPC to maintain level of engagement.

OTMPC's annual Stakeholder Satisfaction Survey conducted by Ipsos-Reid. 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.

FINANCIAL STATEMENTS

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009:

> AUDITOR'S REPORT

> BALANCE SHEET

> STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

> STATEMENT OF CASH FLOWS

> NOTES TO FINANCIAL STATEMENTS

AUDITOR'S REPORT
OTMPC 2008–2009

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, 2009 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, 2009 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 7, 2009

BALANCE SHEET
OTMPC 2008–2009

March 31	2009 ($ 000)	2008 ($ 000)
ASSETS		
Current		
Cash and cash equivalents	**2,893**	7,804
Accounts receivable	**1,461**	2,619
Due from the Province	**2,824**	4,851
Prepaid expenses	**542**	175
	7,720	15,449
Capital assets (Note 3)	**3,797**	1,598
	11,517	17,047
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**6,084**	11,842
Deferred revenue (Note 4)	**568**	149
	6,652	11,991
Equity		
Accumulated Surplus	**4,865**	5,056
	11,517	17,047

Approved on behalf of the Board:

Chair

Director

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS OTMPC 2008–2009

For the year ended March 31	2009 ($ 000)	2008 ($ 000)
Revenues		
Province of Ontario Grant (Note 5)	**52,629**	72,524
Advertising sales	**2,147**	3,306
Travel Information Centres–sales and rentals	**699**	900
Interest income	**202**	438
Trade promotions	**571**	277
Government of Canada	**104**	125
Marketing research and other revenue	**266**	205
	56,618	77,775
Expenses		
Advertising and marketing	**32,806**	57,612
Partnerships and sales	**3,166**	2,282
Travel Information Centres (Note 6)	**6,346**	6,285
Administration (Note 7)	**6,617**	6,276
Tourism consumer information services	**3,184**	3,335
Events marketing program	**2,760**	3,619
Research	**1,365**	990
Amortization of capital assets	**465**	650
Board and committee expenses (Note 8)	**100**	175
	56,809	81,224
Deficiency of revenues over expenses	**(191)**	(3,449)
Accumulated surplus, beginning of year	**5,056**	8,505
Accumulated surplus, end of year	**4,865**	5,056

STATEMENT OF CASH FLOWS
OTMPC 2008–2009

For the year ended March 31	2009 ($ 000)	2008 ($ 000)
Cash provided by operating activities		
Excess (deficiency) of revenues over expenses	**(191)**	(3,449)
Add (deduct) non-cash items:		
Amortization of capital assets	**465**	650
	274	(2,799)
Change in non-cash working capital	**(2,521)**	792
	(2,247)	(2,007)
Cash used in investing and financing activities		
Capital asset additions	**(2,664)**	(1,163)
Decrease in cash during the year	**(4,911)**	(3,170)
Cash and cash equivalents, beginning of year	**7,804**	10,974
Cash and cash equivalents, end of year	**2,893**	7,804

NOTES TO FINANCIAL STATEMENTS
OTMPC 2008–2009

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.

(h) Capital Management
CICA Handbook Section 1535, “Capital Disclosures,” requires certain disclosures of an entity’s objectives, policies and processes for managing capital. The standard is effective for financial statements relating to fiscal years beginning on or after October 1, 2007.

The Corporation’s capital consists of its accumulated surplus. The Corporation’s primary objective of capital management is to ensure that it has sufficient resources to continue to promote tourism in Ontario. The Corporation is not subject to any externally imposed capital requirements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) New Accounting Pronouncements

Standards for Not-for-Profit Organization

The CICA has issued a number of amendments to existing Handbook sections as well as issued a new Handbook section all related primarily to presentation and disclosure items affecting not-for-profit organizations. The amendments and new section are applicable for interim and annual financial statements for fiscal periods beginning on or after January 1, 2009 and are as follows:

- Section 1540 Amendments – Interim Financial Statements
- Section 4400 Amendments – Financial Statements Presentation by Not-for-Profit Organizations
- Section 4460 Amendments – Disclosure of related party transaction by Not-for-Profit Organizations
- Section 4470 Amendments – Disclosure of Allocated Expenses by Not-for-Profit Organizations

The Corporation is currently evaluating the impact of these new standards on its financial statements.

3. CAPITAL ASSETS

	2009 ($ 000)			2008 ($ 000)
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Furniture	**307**	**31**	**276**	3
Leasehold improvements	**1,514**	**152**	**1,362**	192
Tourism consumer information system	**2,876**	**717**	**2,159**	1,403
	4,697	**900**	**3,797**	1,598

4. DEFERRED REVENUE

	2009 ($ 000)	2008 ($ 000)
VANOC Funding	**450**	–
Advertising programs	**118**	149
	568	149

5. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding from the Province as follows:

	2009 ($ 000)	2008 ($ 000)
Core funding	**39,441**	38,983
Fall Economic Stimulus Package	**–**	20,000
Brand Essence Program	**8,161**	6,933
Travel Information Centres	**4,331**	4,331
Deferred from 2006/2007	**–**	1,787
Summer Experience Program	**286**	284
Northern Ontario Heritage Fund	**135**	206
Events Marketing	**275**	–
	52,629	72,524

6. TRAVEL INFORMATION CENTRES

The expenditures for the Travel Information Centres are as follows:

	2009 ($ 000)	2008 ($ 000)
Salaries and benefits	**3,401**	3,347
Accommodation	**1,839**	1,816
Services	**414**	519
Transportation and communications	**188**	188
Supplies and equipment	**113**	84
Merchandise for sale	**391**	331
	6,346	6,285

The Corporation's contributions related to the PSPF and OPSEU pension funds for the year were $135,868 (2008 – $137,235) 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:

	2009 ($ 000)	2008 ($ 000)
Salaries and benefits	**5,466**	5,206
Services	**859**	686
Transportation and communications	**238**	279
Supplies and equipment	**54**	105
	6,617	6,276

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 $306,863 (2008 – $305,223) 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.

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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 2008, this disclosure requirement is as follows:

Name	Position	Salary	Taxable Benefits
Garrett, Robin	President/Chief Executive Officer	$172,216	$295
Lanyon, Mary-Ann	Vice President, Marketing & Sales	$131,288	$231
Kenny, William	Vice President, Industry Relations	$128,478	$229
Rowland, Nancy	Director, Corporate Services	$114,036	$194
Rubinstein, Suzanne	Director, Ontario Travel Information Centres	$110,374	$193
Mathias, Raymond	Director, Overseas Marketing	$107,181	$171
Maxwell, Carol	Director, North American Marketing	$104,489	$186
Milner, Christopher	Director, Northern Partnerships	$104,162	$185
Holliday, Julia	Director, Interactive Marketing & Call Centre	$104,140	$185
Nahm, Jane	Operations Manager	$103,380	$157
Waldbrook, Loriann	Manager, Strategic Partnership	$100,690	$177

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)
2010	776
2011	689
2012	686
2013	686
2014	627
Thereafter	2,113

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. Management is vigorously defending its position and the outcome is not determinable.