

QUÉBEC'S
GAME
DEVELOPMENT
INDUSTRY

A Blockbuster Success



GROWING JUST GOT EASIER



Québec, a Hot Spot in Digital Entertainment

The birthplace of software pioneers Softimage and Discreet Logic and companies like A2M, Frima Studio and Sarbakan, Québec now ranks among the hottest spots in the world for the development of computer games and digital content.

Thanks to a creative workforce, low operating costs and generous government support, Québec's game development industry has enjoyed 600% growth since 2003.

Québec has attracted many industry leaders like Ubisoft, Electronic Arts, Activision, Eidos and THQ, as well as related companies specializing in testing, localization, sound effects, music, animation and special effects.

In addition to these distinguished firms, Québec offers a solid network of world-renowned specialty schools, universities and colleges that provide complete, customized training to meet industry needs.



Airborne Mobile
(www.airbornemobile.com)

Alchemic Dream
(www.alchemicdream.net)

Alliance numérique
(www.alliancenumérique.com)

Artificial Mind & Movement (A2M)
(www.a2m.com)

**Association québécoise
des technologies**
(www.aqt.ca)

Audiokinetic
(www.audiokinetic.com)

Autodesk Media and Entertainment
(www.autodesk.com)

Babel Media
(www.babelmedia.com)

Beenox
(www.beenox.com)

Bluberi Gaming Technologies
(www.bluberi.com)

Bug-Tracker
(www.bug-tracker.com)

Cellfishmedia
(www.cellfishmedia.com)

Creo
(www.creo.ca)

Darwin Dimensions
(www.darwindimensions.com)

DTI Software
(www.dtisoft.com)

EA Montréal
(www.ea.com)

EA Mobile Games
(www.eamobile.com)

Eidos-Montréal
(www.eidosmontreal.com)

Enzyme Testing Labs
(www.enzyme.org)

Frima Studio
(www.frimastudio.com)

Fugitive Interactive
(www.fugitive-interactive.com)



"Montréal is envied as a leader in the multimedia field. There are few cities that can make that boast. An exceptional talent pool and a level of creativity and innovation, supported by excellent schools and by the government, make Montréal a business location like no other in the world. Its record over the last 10 years is convincing proof."

Stéphane D'Astous
*Managing Director,
Eidos-Montréal, 2009*

10 Reasons to Open Your New Studio in Québec

- >_ You'll gain access to a workforce that's skilled, experienced and readily available.
- >_ You'll benefit from public and private educational institutions that are recognized worldwide and focused on industry needs.
- >_ Operating costs for a studio in Québec are much lower than in Europe and the United States.
- >_ Our tax credits are among the most generous in the world.
- >_ The strongest growth in the game development industry in North America has been in Québec (600% since 2003).
- >_ Of the five world leaders in the industry, three have set up shop here.
- >_ You can take advantage of a large network of publishers and providers of quality assurance and localization services.
- >_ On the cultural front, Québec serves as a hub between the United States and Europe, making it ideal for producing titles aimed at both markets.
- >_ Several of the most well-known original titles were created here, not to mention a hundred games inspired by Hollywood productions.
- >_ Québec has an extraordinary natural resource: creativity.

Funcom
(www.funcom.com)
Gameloft
(www.gameloft.com)
IGDA
(www.igda.org/montreal)
Ingenio
(www.lotoquebec.com/ingenio/)
Kutoka
(www.kutoka.com)
Longtail Studios
(www.longtailstudios.com)
Ludia
(www.ludia.com)

Mistic Software
(www.mistic-software.com)
Presagis – A.I. Implant
(www.presagis.com)
Quazal
(www.quazal.com)
Sarbakan
(www.sarbakan.com)
Side City Studios
(www.sidecity.com)
SIGGRAPH
(www.montreal.siggraph.org)
Toon Boom
(www.toonboom.com)

Tribal Nova
(www.tribalnova.com)
Triotech Amusement
(www.trio-tech.com)
Ubisoft
(www.ubisoft.com)
3dvia Virtools
(www.3ds.com/products/3dvia/3dvia-virtools/)
VMC Game Labs
(www.vmcgamelabs.com)
Wave Generation
(www.wavegeneration.ca)
Wendigo Studios
(www.wendigostudios.com)

Québec Takes Gaming Seriously

Québec's digital entertainment industry encompasses more than 80 companies involved in games development, publishing, production services, software and middleware. These companies employ 7,000 people and generate many other jobs indirectly.

The core of the industry is formed by about 50 development studios that provide work for 5,000 people. These companies benefit from a very competitive business environment, especially with operating costs that are more than 20% lower than in the United States, nearly 24% lower than in Europe and nearly 30% lower than in Japan. Also, they can qualify for a tax credit of up to 37.5% of their total payroll.

A Preview of Your Business Network

LEADING DEVELOPERS

- >_ Ubisoft
- >_ Electronic Arts
- >_ A2M
- >_ Eidos
- >_ Activision (Beenox)
- >_ Bioware
- >_ Mystic Software

MOBILE GAMES

- >_ EA Mobile
- >_ Gameloft
- >_ Frima Studio
- >_ Airborne Mobile
- >_ Longtail Studios

ONLINE GAMES

- >_ Funcom
- >_ Sarbakan
- >_ Frima Studio
- >_ DTI Software
- >_ Wendigo

SOFTWARE PUBLISHERS

- >_ Autodesk
- >_ Quazal
- >_ Toon Boom
- >_ Presagis / A.I. Implant
- >_ Alchemic Dream
- >_ Kynogon

EDUTAINMENT

- >_ Kutoka
- >_ Creo
- >_ Tribal Nova

>_ QA, LOCALIZATION, TESTING

- >_ Bug-Tracker
- >_ VMC Game Labs
- >_ Babel Media
- >_ Enzyme Testing Labs

INTERACTIVE LOTTERY GAMES

- >_ Ingenio (Loto-Québec)
- >_ Side City Studios
- >_ Bluberi Gaming Technologies

ASSOCIATIONS

- >_ Alliance numérique: business network for the multimedia and interactive digital content industry in Québec.
- >_ Association québécoise des technologies (AQT): business development network for high-tech companies.
- >_ IGDA: networking association for developers.
- >_ SIGGRAPH: scientific and professional association for researchers, professionals and artists active in computer graphics and interactive techniques.

WORLD-CLASS EVENTS

- >_ Montréal International Game Summit
www.sijm.ca





“I recruit people around the world, but I can tell you, there’s exceptional creativity in Montréal I’ve never seen elsewhere.”

Anne Mezei

Vice-President of Human Resources,
Autodesk Media and Entertainment

The Creative Talent You Need

In Québec, over 5,000 university students graduate every year in computer science and multimedia-related fields. Besides its colleges and universities, Québec is home to world-renowned private schools including:

- >_ National Animation and Design Centre (NAD) www.centrenad.com
- >_ National Institute of Digital Entertainment (ENDI) www.endi.qc.ca
- >_ National Audio-Visual Institute (INIS) www.inis.qc.ca

As well, companies can receive government support and team up with higher education institutions to set up programs tailored to industry needs. Among the options offered are:

- >_ Université Laval in Québec City: three-year university program in the art and science of animation
- >_ Université de Montréal: master’s degree program in game design
- >_ Concordia University: three-year program in digital design and art
- >_ Université de Sherbrooke: master’s degree program in video game development
- >_ École Polytechnique: multimedia specialization in the computer engineering program (also offered in most engineering schools)

STUDENT ENROLLMENT AND DEGREES AWARDED (2008) COMPUTER SCIENCES AND RELATED PROGRAMS

Programs	Bachelor's		Master's and Ph.D.		Total	
	Students	Graduates	Students	Graduates	Students	Graduates
Computer sciences						
Computer science	4,137	1,126	1,375	402	5,512	1,528
Computer engineering	956	195	182	54	1,138	249
Electrical, electronic and telecom engineering	2,951	673	1,261	402	4,212	1,075
Subtotal	8,044	1,994	2,818	858	10,862	2,852
Related programs						
Communications and journalism	4,822	1,503	750	219	5,572	1,722
Graphic design	1,093	231	16	9	1,109	240
Filmmaking	1,005	288	136	30	1,141	318
Subtotal	6,920	2,022	902	258	7,822	2,280
Total	14,964	4,016	3,720	1,116	18,684	5,132

Source: Ministère de l'Éducation du Québec, Gestion des données sur les effectifs universitaires, 2009.



Cut Your Operating Costs

According to a KPMG comparative study conducted in 2010, annual operating costs for a high-tech software company are, on average, more than 20% lower in Québec than in U.S. cities. This advantage results from lower salaries and lower employers' contributions to employee benefits. Employer-sponsored benefits (such as contributions to private health insurance plans, leaves of absence, vacations and other benefits) account for 25% of gross pay in the United States and 18% in Québec, according to the same KPMG study.

COMPARISON OF ANNUAL OPERATING COSTS

Development of multimedia content (United States = 100)

>_ Montréal, QC	86.2
>_ Vancouver, BC	88.8
>_ Toronto, ON	91.4
>_ Seattle, WA	100.1
>_ San Diego, CA	100.3
>_ Boston, MA	102.2
>_ London, UK	103.1
>_ New York, NY	103.5
>_ San Francisco	105.8
>_ Paris, FR	109.7
>_ Tokyo, JP	109.9

Source: KPMG's Guide to International Business Location, 2010 edition.

Note: The model takes into consideration labour, electricity, transportation and telecommunication costs, interest, depreciation and taxes.

ESTIMATED MEDIAN SALARIES (WITHOUT BENEFITS IN US\$) COMPUTER AND DATA PROCESSING SERVICES

Information Technology, Software Services Annual salary (median in US\$)				
Montréal, QC	Atlanta, GA	San Francisco, CA	Dallas, TX	Seattle, WA
Programmer Analyst				
71,326	72,458	87,818	74,432	77,908
Systems Programmer				
71,969	72,699	88,101	74,686	78,147
Quality Assurance Analyst				
73,342	71,956	87,228	73,902	77,416
Project Manager (Experience)				
85,110	86,429	104,271	88,489	99,055

Source: Economic Research Institute, July 2010. Data as of July 1, 2010.
Exchange rate: C\$1.00 = US\$0.9725. Bank of Canada, average April-June 2010.



“We chose Montréal for several reasons. The city has amazing creative talent, lower production costs than in Norway, and a large pool of companies in the industry. We also appreciate the city’s culture and vibe, not to mention Investissement Québec’s support.”

Trond Arne Aas
CEO of Funcom

Tax Credits to Stimulate the Industry

Québec has a generous tax credit program aimed specifically at companies in the IT and multimedia sectors.

PRODUCTION OF MULTIMEDIA TITLES

You can reduce operating costs by taking advantage of the Québec government’s refundable tax credits for the production of multimedia titles. Depending on the title or the category of titles produced, assistance can represent up to 37.5% of labour costs.

ELIGIBLE RELATED TITLES: FILMS, ANIMATION AND SPECIAL EFFECTS

Films, animation and special effects related to an eligible multimedia production may now benefit from the same tax advantages as the multimedia title itself.

ONLINE GAMES AND MASSIVELY MULTIPLAYER GAMES

Eligible production efforts could include work done in the 36-month period following a release date to support the development of a multimedia title after its marketing. Sequels and certain additions may also be eligible as new projects under certain conditions.

E-BUSINESS DEVELOPMENT

The Québec government has introduced a tax credit to develop e-business in an effort to help information technologies expand across Québec and allow companies active in the field to grow. This credit amounts to 30% of eligible salaries (maximum annual credit of \$20,000 per employee).



CHOOSE INVESTISSEMENT QUÉBEC

**ARE YOU PLANNING TO EXPAND WITHIN
THE MULTIMEDIA INDUSTRY?**

CONTACT INVESTISSEMENT QUÉBEC

Combining the advantages of a financial institution and an economic development agency, we have what it takes to meet your company's needs.

OUR TEAM OF SPECIALISTS CAN HELP YOU:

- >_ Gain insight into the challenges and opportunities within Québec's multimedia industry;
- >_ Build strategic alliances with local and international partners;
- >_ Choose a location in line with your needs;
- >_ Take advantage of great tax breaks;
- >_ Find the right financing solutions including loans, loan guarantees and working capital.

CALL US TODAY



GROWING JUST GOT EASIER

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