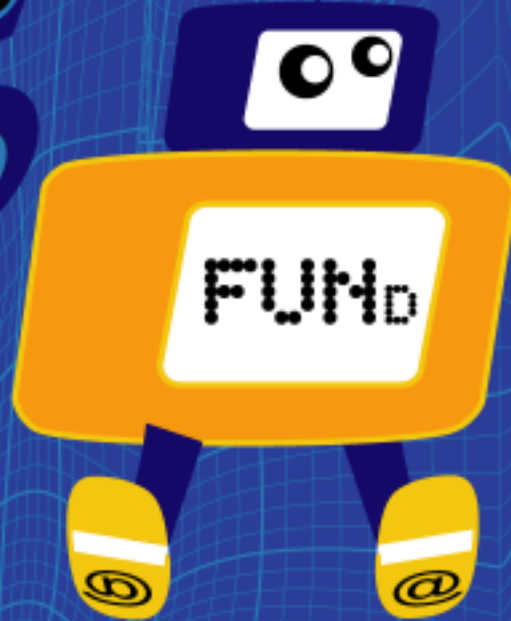




1300-318-8888

BELL BROADCAST AND NEW MEDIA FUND

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BellFund
Bell Broadcast and New Media Fund

Bell Fund

Bell Broadcast and New Media Fund



[OBJECTIVES]

- TO ENCOURAGE THE PRODUCTION OF WORLD-CLASS CANADIAN
- CONTENT FOR THE NEW MEDIA AND BROADCASTING
- MARKETPLACE AND TO STIMULATE PARTNERSHIPS BETWEEN
- NEW MEDIA AND BROADCAST PRODUCERS.

[ELIGIBLE APPLICANTS]

- MUST BE CANADIAN, AND IN THE CASE OF A COMPANY, MUST BE
- CANADIAN-CONTROLLED.
- MUST BE AN INDEPENDENT PRODUCER OR BROADCASTER-
- AFFILIATED PRODUCTION COMPANY.

[ELIGIBLE PROJECTS]

- MUST INCLUDE BOTH A NEW MEDIA COMPONENT AS WELL AS A
- TELEVISION COMPONENT.
- THE TELEVISION COMPONENT MUST BE CERTIFIED CANADIAN
- UNDER THE CRTC.
- THE TELEVISION COMPONENT MUST HAVE A BROADCAST LICENCE
- COMMITMENT FROM A CANADIAN BROADCASTER.
- THE TELEVISION COMPONENT MUST BE DESIGNATED AS A
- DRAMA, VARIETY, DOCUMENTARY, CHILDREN'S PROGRAM OR
- EDUCATIONAL PROGRAM.

[FINANCIAL PARTICIPATION]

- THE NEW MEDIA COMPONENT IS ELIGIBLE FOR A GRANT NOT TO
- EXCEED 50% OF THE COSTS OF PRODUCTION OF THE NEW MEDIA
- PROJECT, CAPPED AT \$250,000.
- THE BROADCAST COMPONENT IS ELIGIBLE FOR A LICENCE FEE
- TOP-UP OF 50% OF THE BROADCAST FEE PAID DIRECTLY BY THE
- BROADCASTER, CAPPED AT \$75,000.

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 Fax: (514) 737-9008
 e-mail: fbell@istar.ca
 www.bell.ca/fonds

ADMINISTRATION

The Bell Broadcast and New Media Fund is administered by the Independent Production Fund.

DEADLINES FOR APPLICATION:

February 1, May 1, October 1

MESSAGES



In the November 1999 issue of *Canadian Business*, the cover headline read: "How the Internet Killed Television". The article dealt not with television's demise, but with its necessary evolution as a companion medium to the Internet. Whether you agree with this extreme assessment or not, most industry veterans and observers agree that the traditional television models for production, funding, and distribution are being threatened by the technologies and business models of the Web.

The Bell Fund is at the nexus of this change. We offer assistance to producers who are embracing the new model of collaboration between broadcast and new media projects. The importance of this intersection has been validated by mergers and acquisitions that cross the boundaries of television, film, and new media, ranging from small production companies and Internet startups to realignments worth hundreds of billions of dollars.

It has been very exciting to lead the Bell Fund through this period of change, to listen to input from our constituents, to wrestle with how we may best serve them, and to measure the results of our contributions. I wish to thank the Board of Directors for maintaining our focus and relevancy, difficult tasks in a fast-changing world.

In particular, the past year has seen an increased emphasis on higher project standards, increased use of e-commerce, and a much greater awareness on the part of broadcasters and Internet producers of the synergies that take place when former industrial solitudes give way to collaborations.

While we are proud of our contributions to date, we do not underestimate the work ahead, particularly in light of our fund's new permanence and support from ExpressVu. We look forward to continuing our work with all members of the television and new media communities across Canada.

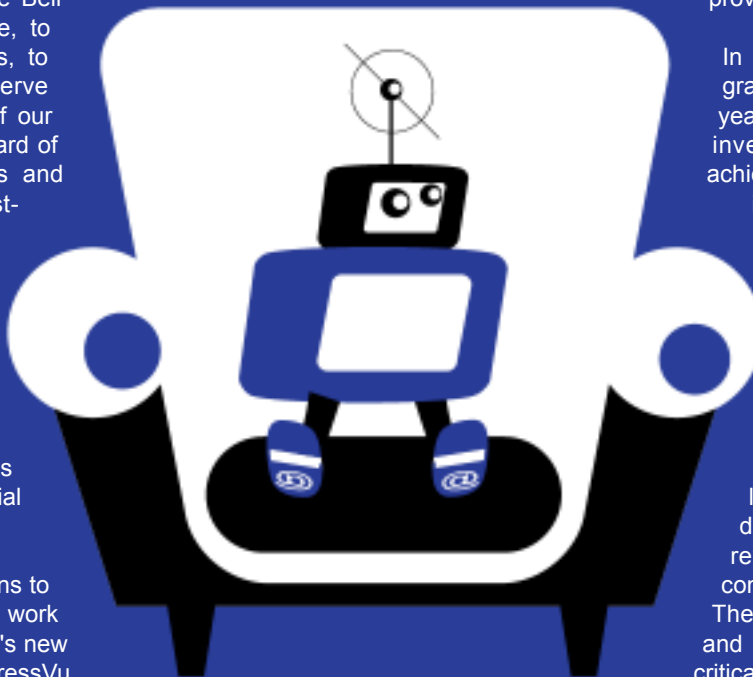
Paul Hoffert

THE CHAIR



Three years ago the Bell Broadcast and New Media fund was launched with a mandate to encourage synergies between the new media and broadcasting sectors and to stimulate partnerships between the creators of television product and interactive content. Only 3 years ago, such objectives incurred much scepticism. Today, they represent conventional thinking: indeed, we are surrounded by evidence of the convergence of television, the Internet and telephony.

The Bell Fund anticipated the evolution of the media markets of the "future" and seeded the development of the skills and innovation needed to take advantage of the new entertainment models. Producers were encouraged to take risks, push technology to the edge of its capabilities, and design compelling interactive content that could increasingly make use of broadband networks. The Bell Fund provided the expert evaluators and the funding. With the publication of its highly successful manual, *Create a Winning Proposal - The Handbook for New Media Producers*, the Bell Fund provided the training too.



In 1999, 14 projects received \$2 M in grants from the Bell Fund, bringing our 3-year total to 43 projects with over \$7 M invested in the industry. The achievements of these sites are reflected in the numerous awards they have won in Canada and internationally and their popularity is attested to by "page impression" statistics in the millions.

As the Bell Fund enters its fourth year of operation, our standards and expectations continue to increase. While content and the on-line active audience experience dominate, new business models and revenue streams are becoming key components of successful applications. The accelerating development of xDSL and other high speed networks will be a critical factor in supporting a profitable new media industry in Canada.

The CRTC recently officially certified the Bell Broadcast and New Media Fund as an independent production fund eligible to receive contributions from broadcast distribution undertakings (BDU's). This has ensured the long-term stability of the Fund with the welcome funding of our new contributor Bell ExpressVu. Television and new media producers across Canada can continue to count on the Bell Broadcast and New Media Fund for direction and support as traditional media and new media continue to evolve together.

Sheridan Scott

THE VICE CHAIR



BELL FUND BOARD OF DIRECTORS



00:00:01



[00:00:01] PAUL HOFFERT - CHAIR

Paul Hoffert is the immediate past Chair of the Ontario Arts Council, a Director of Smart Toronto, former Chair of the Academy of Canadian Cinema and Television, and an adjunct Professor at York University. The Financial Post magazine described him as one of the New Mandarins, along with Microsoft's Bill Gates. They said "Paul Hoffert's music wakes up Canadians every morning on CTV's Canada AM, but this member of the Canadian Rock & Roll Hall of Fame has been waking up the technology sector as well. He has paved the way for the information highway with projects such as Ivy, which tracks the electronic reproduction of digital property, and Intercom Ontario, a totally "wired" model community."

00:00:02



[00:00:02] SHERIDAN SCOTT - VICE CHAIR

Sheridan Scott is Chief Regulatory Officer of Bell Canada. She joined Bell as Vice President, Multimedia Law and Regulation, then became Vice President - Office of the President. Ms. Scott is a communications lawyer, spent five years at the Canada Council and the Social Science & Humanities Research Council, and has occupied a number of senior positions in the broadcasting and telecommunications sectors at the CRTC. She is Director of Opera Lyra Ottawa, Director and Vice-Chair of Canadian Women in Communications, and a member of the Ontario Digital Media Growth Fund. She has also authored several articles on communications law.

00:00:03



[00:00:03] PETER W. PLECKAITIS - TREASURER

Peter Pleckaitis is a Director in PricewaterhouseCoopers Infocom, Entertainment and Media management consulting. Previously, he was Vice President, New Media and Interactive Services at Bell Canada where he had responsibility for creating their new media programming vision across existing and emerging appliances and distribution platforms. He has over 100 programming credits and is the winner of the Technical Achievement Gemini Award for the High Definition Television Production of the 1991 Major League Baseball All Star Game.

00:00:04



[00:00:04] ANNABEL SLAIGHT

Annabel Slaight is President of The Owl Children's Trust Inc., a not-for-profit foundation which has pioneered a number of multiple media initiatives. She Executive Produced several popular children's series including The Big Comfy Couch, Hello Mrs. Cherrywinkle, and OWL/TV for PBS. She is also the founder of OWL, Chickadee, Chirp and Canadian Tree House FAMILY magazines. She is the recipient of many awards including three for lifetime achievement.

00:00:05



[00:00:05] SYLVIE LALANDE

Sylvie Lalande is Chief Communications Officer for Bell Canada. She began her career at Télémedia's CKAC in 1974 which she left in 1981 to found her own consultation company. From 1987 to 1994, she occupied several senior level positions at le Groupe Vidéotron and its affiliates, Télé-Métropole and Videoway Communications Inc. Before joining Bell in 1997, she was the President and CEO of Consortium UBI. She sits on the Board of Medialinx Interactive Inc., and Bell Distribution Inc. (Bell World).

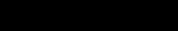
00:00:06



[00:00:06] MICHÈLE FORTIN

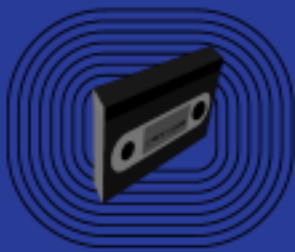
Michèle Fortin was appointed Vice-President, French Television, Canadian Broadcasting Corporation, in June 1994. In the previous two years, she had been General Manager, Programming. Before joining the CBC, Ms. Fortin held several major positions with public and private organizations, including Telefilm Canada and the Québec Department of Education. Ms. Fortin also sits on the board of NABA (North American Broadcasters Association), Ste-Justine Hospital, the CWC (Canadian Women in Communications) and the Banff International Television Festival. A native Montrealer, Ms. Fortin holds a B.Sc. in Sociology and a Master's in Public Administration from the University of California at Berkeley.

00:00:07



[00:00:07] PIERRE LAMPRON

Pierre Lampron was appointed President of TV5 for the Americas (TV5 Québec Canada, TV5 Latin America, and TV5 USA) on December 1, 1999. TV5 is the only general-interest, international French-language television network, broadcasting to over 120 homes in 117 countries, on five continents. Prior to this appointment, Mr. Lampron was President of the Société de développement des entreprises culturelles (SODEC), from 1995 to 1999. Before joining the SODEC, Mr. Lampron headed Telefilm Canada's Paris office from 1989 to 1995 and, from 1994 to 1995, the London branch as well. From 1987 to 1989, he worked at Quebec's Department of Communications, where he held various positions including Director General, Coordination and Policy. It is during this period that Mr. Lampron played a decisive role in organizing the TV5 Consortium and drafting the Access to Information Act. The Government of France has honoured Mr. Lampron's outstanding achievements in promoting cooperation in audiovisual and film production by naming him a Chevalier des arts et des lettres and inducting him into the Ordre national du mérite.



BROADCAST

NEW MEDIA

Cyber Club 1999-2000

JPL Productions inc.
Producer: Pierre Ste-Marie
Broadcaster: Groupe TVA inc.
Educational Series 26 x 30 minutes

Revised and improved version of the original season, including the participation of the audience. Computer games, the Internet and Cyber-culture are explored.



Dogs with Jobs

Dogs with Jobs Inc.
Producers: Glen Salzman, Robert DeLeskie
Broadcaster: Life Network, CBC, SRC, Canal D
Documentary series 13 x 30 minutes

The incredible worlds of working canines are explored.



Drop the Beat

Back Alley Film Productions Ltd. & Alliance Atlantis Communications
Producers: Janis Lundman, Adrienne Mitchell
Broadcaster: CBC
Dramatic series 13 x 30 minutes

The hosts of an interactive web tv hip-hop college radio series face the challenges of producing their first show.



L'Espace en vue/Space Horizons

TV Shanda inc.
Producer: Daniel Shannon
Broadcasters: TV5, TFO, SCN, ACCESS
Documentary series 7 x 52 minutes

The series illustrates the scope of scientific and technological discoveries from the space program and their impact on daily lives around the world.



Cyber Club Web site

JPL Productions inc.
Producer: Alain Dagenais
Technical Producer: Patrick Gagnon

A refined and upgraded version of the original web site reflecting the dynamic character of the cyber-universe.

Dogs with Jobs Online

Cineflix Productions
Producers: Glen Salzman
Technical Producers: Doug Woodrife, Annie Godbout

Canine information and entertainment site featuring news items, weekly training and health tips, amazing dog stories, breed info, dog park chat/forum, dog information links and searchable database, contests and screen savers.

drothebeat.com

Back Alley Film Productions Ltd. & Alliance Atlantis Communications/ Extend Media
Producer: Patrick Crowe
Technical Producer: Rob Martell

Viewers interact with the show's characters to participate in plot development and show content. Behind-the-scenes content and web TV formatted interactive site includes news, music charts, chats, polls, quizzes, games and contests.

L'Espace interactif/Space Horizons

Shanda Multimédia inc.
Producer: Daniel Shannon
Technical Producer: Ken Briscoe

A CD-ROM and web site hybrid with scientific adventure challenges, space information, and games.



BROADCAST



NEW MEDIA

For King and Empire

Breakthrough Films & Television
Producers: Ira Levy, Peter Williamson
Broadcaster: History Television
Documentary series 6 x 60 minutes

Turning points and significant battles of WW1 as seen through the eyes of Canadian soldiers.



Franklin the Turtle

Nelvana
Producer: Stephen Hodgins
Broadcaster: Family Channel
Children's series 13 x 30 minutes

Animated children's series based on the best-selling books.



Génération W

Cirrus Productions inc.
Producer: Jacques Blain
Broadcaster: Canal Famille
Children's series 26 x 30 minutes

Youth series for 9 -12 year-olds based on discovery and training with new technologies and multimedia.



Hugo et le dragon

9080-7140 Québec inc.
Producer: René Chénier
Broadcasters: SRC, TFO-TV Ontario
Family MOW

Attempting to satisfy his ferocious adolescent appetite, a young dragon travels to the Milky Way eating everything that shines in his path, including the sun. Young Hugo, armed with his telescope and his partner, a mysterious star, leave for the firmament attempting to recover the lost stars.



Mystic Women of the Middle Ages

Red Canoe Productions
Producer: David Wesley
Broadcaster: Vision TV, WTN
Documentary series 6 x 30 minutes

The bizarre, creative and historical importance of female visionaries, saints and religious mystics is explored.



For King and Empire Web Site

Hype! Inc.
Producer: Ira Levy, Peter Williamson
Technical Producers: Greg Rubidge, Corey Waiman

Using a leading-edge development tool, CineKit, the web site re-creates the experiences of WW1 from the soldier's point of view. Includes interactive maps, archives and culture from the era.

Franklin's ACTI-Village Adventures

Snap Media Corp.
Producer: Raja Khanna
Technical Producer: Matt O'Sullivan

Web adventures empower children to make decisions and choices that affect how the story evolves.

Génération W web site

Cirrus Productions
Producer: Jacques Blain
Technical Producer: Paul Verdy

New gaming platforms and a new creative approach, irreverent and unexpected, including a new Internet game designed specifically for young girls.

Hugo et le dragon

Kaomax Interactif
Producer: Pierre Olivier
Technical Producer: Michal Malinowski

Young children can relive the adventure using 3 different modules. The site also includes a Gift Centre and a series of easily accessed activities, which instruct and entertain.

Mystic Women of the Middle Ages

Red Canoe Productions
Producer: Kathleen Garay
Technical Producer: Diane Williamson

A broadband medieval environment is explored by a medieval teenage girl rebelling against her bourgeois family's plans for her. Site includes a Virtual Scriptorium for scholastic studies, and behind-the-scenes information and resources.



Parents d'aujourd'hui

Les Productions Avanti Ciné Vidéo inc.
Producers: Luc Wiseman, Jean-Claude
Lespérance, Jean Bissonette
Information/educational series 25 x 30 Minutes
Broadcaster: Société Radio-Canada

Family life themes are examined, including
health, education, finances and recreation.



La Revanche des Nerdz

Productions Pixcom inc.
Producer: André Gariépy
Broadcaster: Canal Z
Educational series 312 x 30 minutes

Daily program examining scientific,
technological and multimedia developments.



Stones of History

Sound Venture Productions
Producer: Neil Bregman
Broadcaster: History Television
Documentary x 96 minutes

A comprehensive documentary about the
Parliament Buildings, their history, scandals,
people, events and design.



Virtual Canada

BC Pictures
Producers: Bob Connolly, Bea Broda Connolly
Broadcaster: Canadian Learning Channel/
Access
Documentary x 60 minutes

A journey through Canada.



Workout Jr.

Oasis & Cipher New Media Inc.
Producer: Peter Emerson
Broadcaster: Teletoon
Educational series 20 x 2 minutes

Animated stick figures teach fitness to
Canadian teens and tweens.



Parents d'aujourd'hui

Les Productions Virgo inc. et Acme Multimédia
Ind.
Producers: Martyne Huot, Michel Chiolini
Technical Producer: Johanne Dorval

An interactive centre of information, reference
material and resources about family life. The
second season includes more entertainment and
educational content.

La Revanche des Nerdz

Productions Pixcom inc.
Producer: Normand Bélisle
Technical Producer: Jean-François Poirier

Information site about science, technology,
computers and new media.

Stones of History

Pixelera.com Inc.
Producer: Stephan Foley
Technical Producer: Wesley Dovbniak

Visitors go on a virtual tour of the Parliament
Buildings experiencing video and photoclips and
interactive games.

Virtual Canada

BC Pictures
Producers: Bob Connolly, Bea Broda Connolly
Technical Producer: Bob Connolly

Streamed video, virtual reality panoramas, virtual
reality object movies, video hyperlinks, and
interactive maps will allow users to navigate the
country.

the workoutjr.com

Cipher New Media Inc.
Producer: Gary Yentin
Technical Producer: Ryan Kelly

Customized exercises tailored to the individual
user's specifications and a fitness
education centre.



FINANCIAL STATEMENTS

AUDITOR'S REPORT



We have audited the balance sheet of the Bell Broadcast and New Media Fund [the "Organization"] as at December 31, 1999 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 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 Organization as at December 31, 1999 and the results of its operations and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles.

Campbell, Lawless and Good, Chartered Accountants, Toronto, Ontario, January 28, 2000.

BALANCE SHEET

December 31	1999 \$	1998 \$
ASSETS		
Cash		93,136
Amounts receivable	395,720	-
Investments	2,491,008	4,542,566
	2,922,818	4,635,702
LIABILITIES		
Accrued liabilities	3,250	6,000
Net assets		
Unrestricted	2,919,568	4,629,702
	2,922,818	4,635,702

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended December 31	1999 \$	1998 \$
Revenue		
Contributions	891,264	5,000,000
Interest income	165,166	157,932
	1,056,430	5,157,932
Expenses		
Operating	90,103	71,203
Administrative	89,272	81,926
	179,375	153,129
Income from operations before funding distributions	877,055	5,004,803
Funding distributions	2,587,189	2,086,606
Income (loss) from operations for the year	(1,710,134)	2,918,197
Net assets, beginning of year	4,629,702	1,711,505
Net assets, end of year	2,919,568	4,629,702

See accompanying notes..





1. NATURE OF ORGANIZATION

Bell Broadcast and New Media Fund [the "Organization"] was incorporated as a not-for-profit corporation under the Canada Business Corporations Act on September 2, 1997.

The Organization was established to encourage and increase the production of Canadian content for the domestic new media and broadcasting marketplace with a particular emphasis on encouraging the linkages between these two sectors and producing interactive content that reflects current and emerging industry needs and practices.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

Investments

Investments are recorded at cost. The investments consist of banker's acceptances with maturities of less than 365 days.

Revenue recognition

The Organization uses accrual accounting whereby interest revenue is recognized as earned and contribution revenue from Bell ExpressVu is recognized based on their monthly commitment.

3. RELATED PARTY TRANSACTIONS

During the year, the Organization paid professional fees of \$10,000 (1998 - \$10,000) to a Director.

4. ADMINISTRATIVE EXPENSES

During the year, the Organization paid \$16,200 (1998 - \$16,050) to Independent Production Fund for administration.

5. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as it would not provide any additional meaningful information.

6. COMMITMENTS

During 1999, the Organization authorized funding for ongoing projects that were not completed. As a result, at December 31, 1999, there existed commitments to pay certain amounts as follows:

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<hr/>											
Funding authorized in 1999											<input type="checkbox"/>
Television grants											423,750
New Media grants											1,590,200
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
											2,013,950
Paid during the year											<hr/>
											185,063
Funding authorized in 1999 not yet paid											1,828,887
Funding authorized in 1998 not yet paid											500,463
Funding authorized in 1997 not yet paid											67,500
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
											2,396,850
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