

MANITOBA

ECONOMIC AND FISCAL FACTS

STRONG ECONOMY. STRONG FINANCES.

Manitoba led all provinces in capital investment growth in 2007, and will be the strongest in the country in 2008 according to Statistics Canada projections. Private investment in the province is expected to increase 22%, bringing the growth in private capital spending over the last three years to 53%.

Manitoba's economy outperformed Canada over the last two years. Private forecasters predict that Manitoba will continue to grow faster than Canada again in 2008 and 2009.

The surge in capital investment and the projections for continuing solid economic performance reflect the high level of confidence in Manitoba's diversified and stable economy. Record employment rates, robust retail sales and strong results in manufacturing, construction and mining all underscore the Manitoba economy's record of success.

At the same time, the province's robust economic performance, combined with balanced and responsible financial management, has contributed to solid fiscal performance. Manitoba's 2008 Budget projects a summary budget surplus of \$96 million in 2008/09, while current projections estimate that the surplus for 2007/08 will be \$329 million, well above the 2007 Budget forecast. For core government operations, this year marks the ninth consecutive balanced budget.

Manitoba's financial management record has led to several improvements to Manitoba's credit ratings. Most recently, Standard & Poor's boosted Manitoba's credit rating to AA in December 2007. The Province is rated Aa1 by Moody's Investors Service.



The Limestone station is Manitoba's largest generating facility with capacity of 1,250 Megawatts. Construction of the new 200 Megawatt Wuskwatim generating station is underway. The new station will cost approximately \$1.6 billion and is scheduled for completion in 2012.

MESSAGE FROM THE PREMIER



In April, we introduced Manitoba's ninth consecutive balanced budget. This continues our approach of prudent fiscal management, strategic public investments and debt and pension liability reduction.

One of the major factors behind our strong fiscal record has been Manitoba's solid economic performance over the past eight years. In 2007, Manitoba continued to post strong economic results, outpacing the national economic performance in the vast majority of indicators.

While the international economic outlook remains uncertain, private forecasters agree that Manitoba's economic outlook remains bright. A diverse economy, diversified export base and a stable, competitive business environment will propel Manitoba's growth ahead of Canada's for the third consecutive year in 2008.

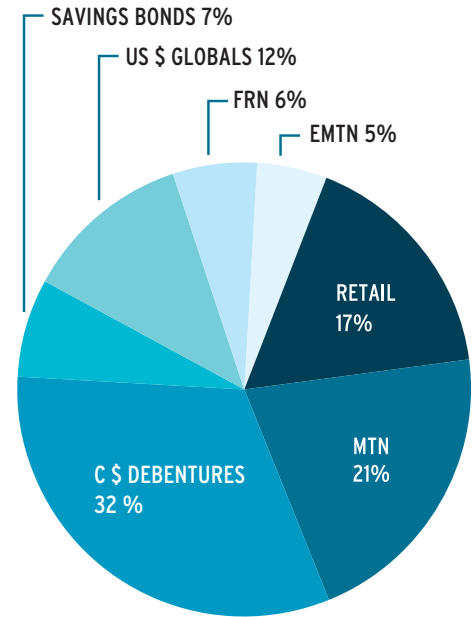
According to Statistics Canada, in 2008 Manitoba is expected to lead the country in capital investment growth for the second straight year. Private sector capital investment will also be the strongest among provinces this year, growing by a remarkable 22% and bringing the increase over the last three years to more than 50%.

Manitoba's strong, stable economy, our enterprising business community, our well-trained work force and sound fiscal leadership will contribute to continued success for Manitoba's economy. I invite you to find out more about Manitoba.

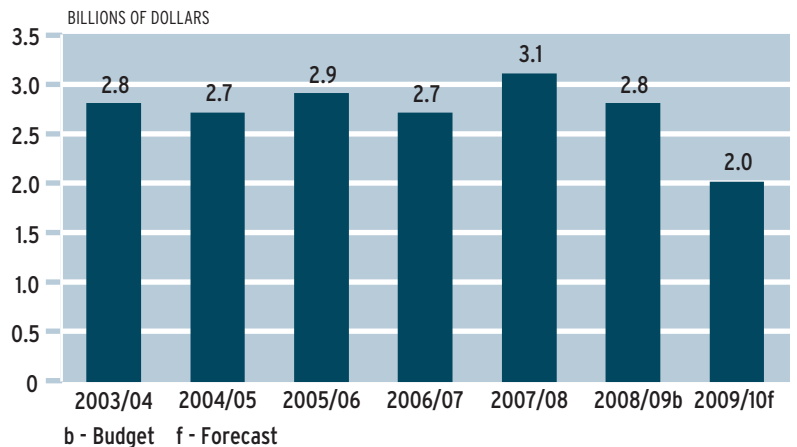
GARY DOER | Premier

FUNDING SOURCES

APRIL 2003 TO MARCH 2008



MANITOBA LONG TERM BORROWING PROGRAM



“Manitoba relies on multi-year fiscal planning, prudent economic and revenue assumptions and ongoing expenditure restraint to maintain a strong financial profile. Furthermore, management adheres to conservative debt and investment management policies, which limits the province’s exposure to market-related risks.”

- MOODY'S INVESTORS SERVICE, November 2007

STRONG FINANCES. STABLE OUTLOOK.

In April, the government introduced the Province's ninth consecutive balanced budget. The Budget continues to reflect a responsible and balanced approach to the province's finances: repaying debt and reducing pension liabilities, introducing further affordable tax reductions and increasing funding for key priority programs.

BUDGET 2008 WILL:

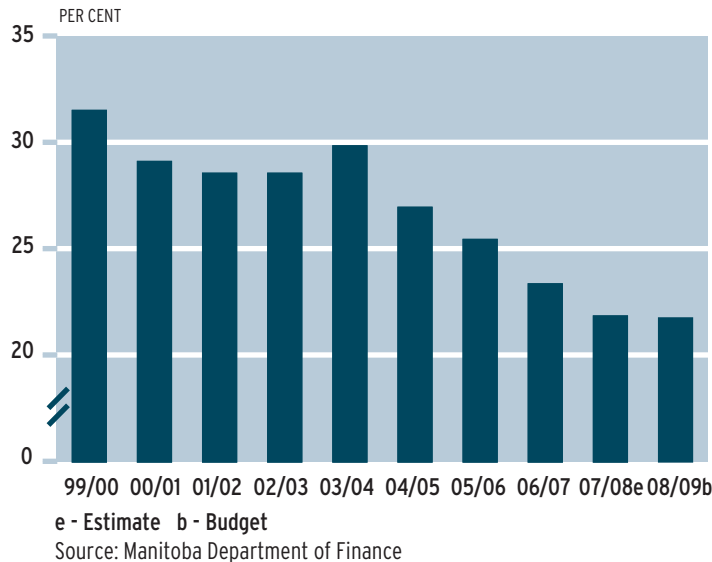
- Continue to pay down the debt a further \$110 million, bringing debt repayments over the last nine years to \$924 million. Manitoba's prudent debt management will bring the net debt to GDP ratio down to 21.7% this year, a reduction of almost one third since 2000. Over the same period, the debt servicing cost relative to revenue has been cut in half.
- Introduce further affordable tax reductions in order to boost the province's competitiveness and enhance affordability. New personal and business tax reductions will save Manitobans \$182 million annually.
- Target priority programs, including infrastructure investment, health care, education and the environment with increased funding. Overall, expenditures are budgeted to increase 3.3% from projected 2007/08 spending levels.

Overall, Manitoba's summary budget surplus – the balance which includes the operations of government business enterprises, health authorities and educational organizations – is projected at \$96 million in 2008/09. Over the subsequent two years, the Budget projects surpluses of \$92 million per year.

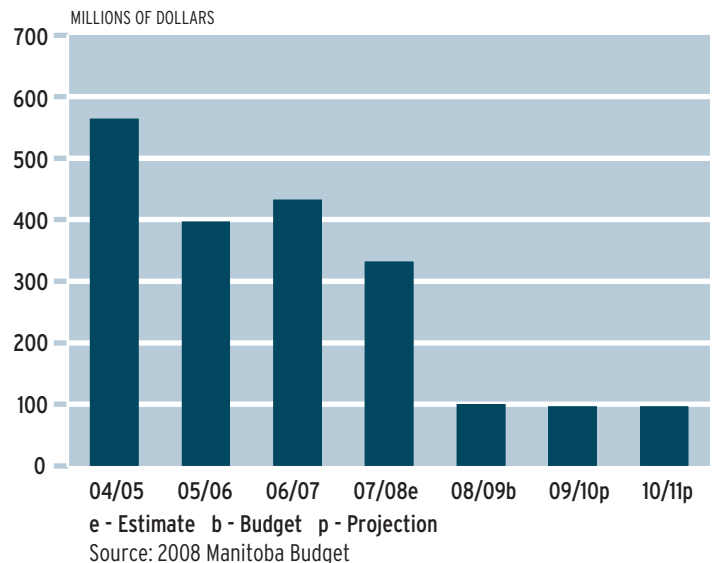
“The Manitoba economy will fire on all cylinders again this year”.

- CONFERENCE BOARD OF CANADA, March 2008

MANITOBA NET DEBT TO GDP RATIO, 1999/00 - 2008/09b



MANITOBA SUMMARY BUDGET SURPLUS, 2004/05 - 2010/11p



MANITOBA CREDIT RATINGS

Manitoba has a high-quality provincial credit rating. Credit rating agencies have recognized the province for its sound financial management with several credit rating upgrades over the past five years. Most recently, Standard & Poor's boosted the Province's credit rating to AA.

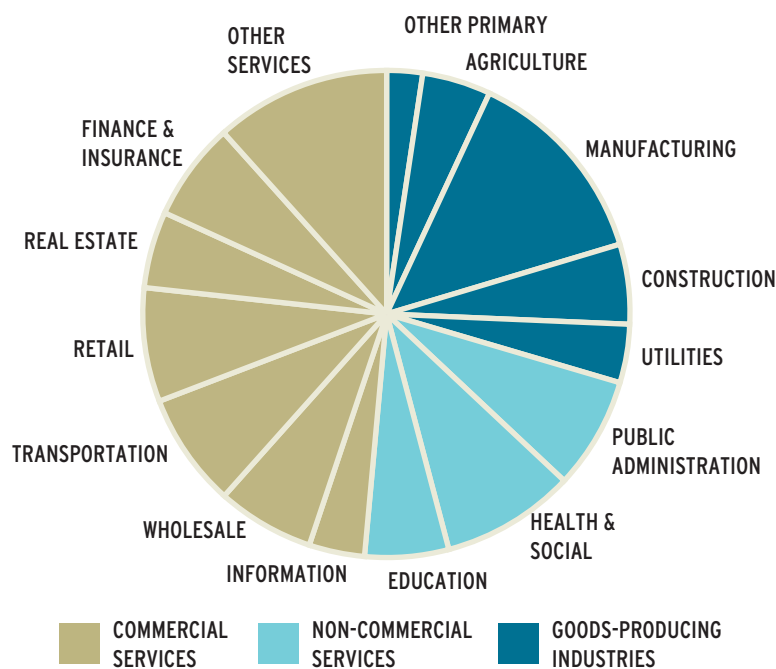
Moody's Investors Service	Aa1
Standard & Poor's	AA
Dominion Bond Rating Service	A (high)

MANITOBA ECONOMIC PERFORMANCE, 2005-2007

GROWTH RATES UNLESS SPECIFIED	2005	2006	2007
Real GDP	2.8	3.3	3.0
Retail Sales	5.9	3.9	8.8
Employment	0.6	1.2	1.6
Unemployment Rate (%)	4.8	4.3	4.4
Average Weekly Earnings	3.8	2.6	4.2
Foreign Exports	-0.9	10.6	13.5
Capital Investment	2.0	14.6	16.8
Housing Starts	6.6	6.3	14.1
Manufacturing Sales	3.3	8.3	8.1
Value of Mining Production	12.1	66.1	17.2
Consumer Price Index	2.7	2.0	2.0
Farm Cash Receipts	-2.3	-3.0	18.0
Population	0.3	0.4	0.7

Sources: Statistics Canada and Manitoba Bureau of Statistics

MANITOBA'S ECONOMY BY INDUSTRY, 2007



“Manitoba’s economy is highly diversified, which adds stability and lessens the volatility associated with economic cycles.”

- MOODY’S INVESTORS SERVICE, November 2007

MANITOBA QUICK FACTS

Premier	Honourable Gary Doer
Minister of Finance	Honourable Gregory Selinger
Governing Party	New Democratic Party
Date of Next General Election	Before June 2012
Capital City	Winnipeg
Population (January 1, 2008)	1,193,600
Gross Domestic Product (2008f)	\$50 billion
Largest Industry	Manufacturing, 12% of GDP (\$16 billion sales)
Farm Cash Receipts	\$4.3 billion (Principally wheat, oilseeds, hogs and cattle)
Mineral Production	\$3.1 billion (Principally nickel, oil, zinc and copper)
Foreign Merchandise Exports	\$11.6 billion (USA 72%; China & Hong Kong 7%; Japan 4%)

“All combined, Manitoba is one of the better-positioned provinces to weather a U.S. slowdown.” - RBC ECONOMICS RESEARCH, April 2008