

QUARTERLY ECONOMIC HIGHLIGHTS

1st Quarter 2010

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Winnipeg Inc.

Economic Indicator Highlights

Winnipeg (Metropolitan Area) 1st Quarter 2010

	Q1 2010	% Change from Q1 2009	2010 Outlook* (% change from 2009)
Population**	742,400	1.5	1.5
Employment	395,900	-0.2	0.9
Unemployment Rate (%)	5.5	0.8	0.6
Gross Domestic Product at Basic Prices (Annual Millions \$2002)*	25,578	2.2	2.2
Retail Sales (Annual \$ Millions)*	9,670	3.8	3.8
Personal Disposable Income Per Capita (Annual \$)*	29,730	1.8	1.8
Consumer Price Index (2002=100)	114.3	0.5	1.8
Total Building Permits Value (\$ Millions)	240.6	45.3	
Average Residential Detached Housing Price (\$)	224,760	11.0	
Housing Starts	663	71.8	

Note: * Conference Board of Canada's preliminary annual projections and estimates – Metropolitan Outlook Spring 2010. Subject to adjustments in subsequent projections.

Source: The Conference Board of Canada, Statistics Canada, Canada Mortgage and Housing Corporation (CMHC) and WinnipegREALTORS®. **2009 CMA population from Statistics Canada.



TRENDS in 2010

CANADA

Canada's economy began 2010 by achieving positive GDP growth, job creation and building momentum from the economic recovery that started in the third quarter of 2009. Areas of the economy leading the recovery include construction, service producing industries, wholesale and retail trade. The Conference Board of Canada, in their Spring 2010 Metropolitan Outlook, forecasts Canada's real gross domestic product will grow by 2.8% in 2010, followed by 3.3% in 2011.

Statistics Canada reported Canada's real GDP growth increased by 1.5% in the first quarter of 2010. Final domestic demand increased by 1.1% as consumer spending on homes, goods and services continued to grow from the previous quarter, increasing inventory levels which were down in all four quarters of 2009.

Global economic challenges remain as several industrialized countries are dealing with high debt, deficits, unemployment and weak consumer demand. Among G7 nations, Canada's economy has fared better than most and is better positioned to weather a slow global economic recovery. Factors include a healthy financial sector, job creation, domestic demand for goods and services and relatively better household, corporate and government finances. Canada also remains a safe place to invest, is attractive for immigration and has a relatively strong currency. In 2010, the value of the Canadian dollar against the U.S. dollar ranged from 96 cents at the beginning of the year to 93 cents at the end of the second quarter.

At the end of the first quarter, the world price of oil was \$84 (WTI, US\$/barrel). Currently, the WTO price of oil averages around \$72 (WTI, US\$/barrel). The massive oil spill in the Gulf of Mexico has not affected world oil prices, but that could change if new safety and operational requirements are implemented in the U.S. and globally. The price of natural gas increased from the start of the year and is currently valued around \$4.71 (US\$, mmbtu). Among other commodities, prices for most metals with the exception of gold haven't changed much in the first half of 2010. The value of pulp and newsprint increased while demand and the price for lumber is down.

In the first quarter of 2010, the Bank of Canada's overnight rate of 0.25% remained unchanged from the previous quarter. However, it was raised in the second quarter to 0.5%, where it currently sits. The prime rate was 2.25% at the end of the first quarter and recently advanced to 2.5%. Canada's benchmark 10-year bonds yield averaged 3.45%, 3-month treasury bills averaged near 0.2% and Canada's inflation rate was 1.6% during the first quarter of 2010.

National employment increased by 0.2% in quarter one, while the labour force grew by 1%. The national unemployment rate of 8.2% in the first quarter remained unchanged from the fourth quarter of 2009 (8.3%). The national unemployment rate currently sits at 7.9%.

WINNIPEG

In their Spring 2010 Metropolitan Outlook, the Conference Board of Canada forecasted real GDP growth for Winnipeg in 2010 of 2.2%. Despite Winnipeg's economy contracting by 0.5% in 2009, the city has performed well considering the national decline in gross domestic product was 2.5%. The Conference Board predicts Winnipeg's economy will keep pace with the national average in the coming years with growth of 2.4% in 2011 and 3.3% in 2012.

After a year of slow to no job growth, Winnipeg's employment situation remained static in the first quarter of 2010. The Conference Board is projecting employment growth in Winnipeg of 0.9% this year. Job gains are expected in a number of areas of the economy including construction, manufacturing, aerospace, service industries, retail and the public sector. Winnipeg's aerospace industry will benefit from a number of high profile agreements: Standard Aero's contract with WestJet for engine maintenance; Bristol Aerospace is manufacturing aircraft components for the U.S. military; and the Boeing facility is manufacturing parts for the new Dreamliner aircraft.

Retail sales in Manitoba and Winnipeg were solid as Manitoba's first quarter retail sales were up 8% from the previous year. The Conference Board of Canada predicts Winnipeg's retail sales will grow by nearly 4% in 2010 which is similar to the national average.

In the first quarter of 2010, Winnipeg's overall building permit values experienced strong growth of 45% over the same period last year. Growth in building permit values occurred in all market areas with the exception of industrial construction. After a difficult year in 2009, Winnipeg's residential building permit values advanced by 45% in the first quarter of 2010. Statistics Canada reported first quarter single family housing starts increased by 26% and total housing starts climbed by a dramatic 72%. Non-residential construction activity also posted strong growth in the first quarter with commercial building permit values improving by 54% over the same period last year.

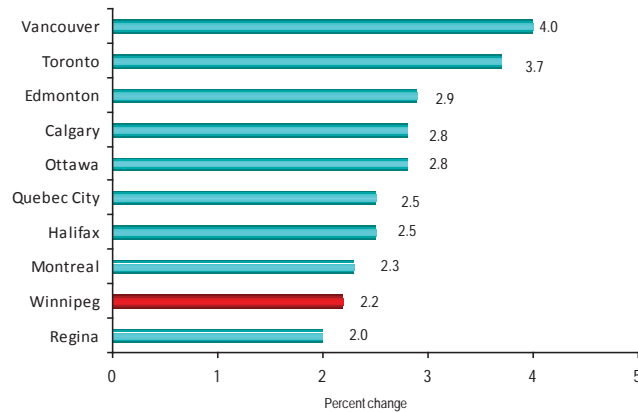
WinnipegREALTORS® reported the number of homes sold during the first quarter of 2010 was up by nearly 11% from 2009 and dollar volume also improved by 20% over the first quarter of 2009. Nearly two out of three homes listed on MLS have sold this year.

The Manitoba Bureau of Statistics reported that during the first quarter of 2010 Manitoba's exports declined by 11.5%. The drop in export activity is due mainly to continued economic challenges in the U.S. However, exports to key overseas markets in decline during 2009 have recovered. These markets include Australia, China, Mexico and the United Kingdom. Exports of petroleum products increased just under 400% in the first quarter. Exports of various metals, pork and aerospace parts have also increased. Manitoba's manufacturing shipments posted a drop in the first quarter of 2010, however, the Conference Board is forecasting Winnipeg's overall manufacturing output in 2010 to improve by 2.4%.



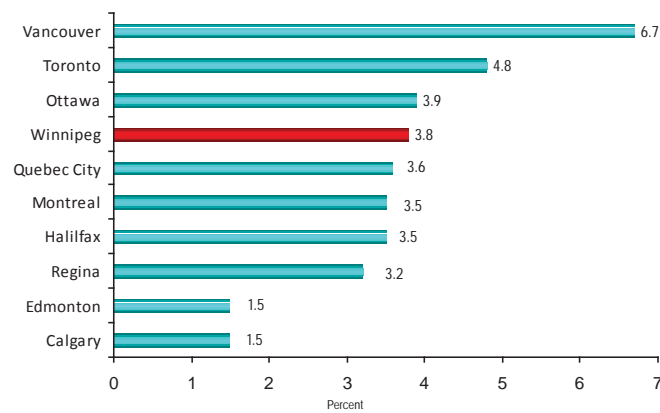
SELECT CITY COMPARISONS

**Projected Real Gross Domestic Product
Annual Percent Change 2009-2010
Select Metropolitan Areas**



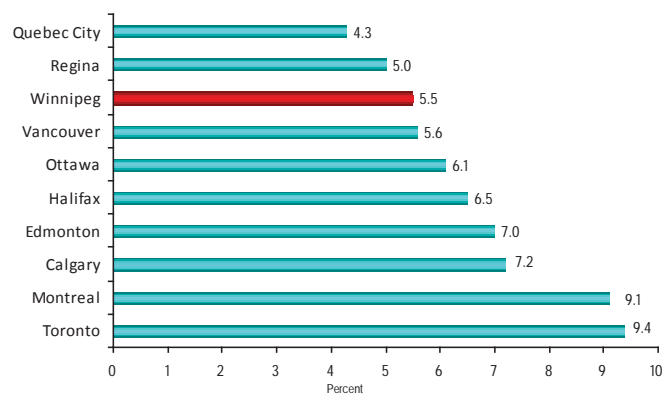
Source: Conference Board of Canada –
Metropolitan Outlook Spring 2010

**Projected Retail Sales Growth
Annual Percent Change 2009 - 2010
Select Metropolitan Areas**



Source: Conference Board of Canada –
Metropolitan Outlook Spring 2010

**Unemployment Rate
Select Metropolitan Areas Q1 2010**



Source: Statistics Canada

LABOUR FORCE INDICATORS (1st Quarter Year-to-Date)

Winnipeg	Q1 2010 YTD	Q1 2009 YTD	% Change YTD
Population 15 yrs plus (000)	598.0	588.4	1.6
Labour Force (000)	419.2	416.5	0.6
Employment (000)	395.9	396.8	-0.2
Unemployment (000)	23.3	19.7	18.3
Not in Labour Force (000)	178.8	171.9	4.0
Unemployment Rate*	5.5	4.7	0.8*
Participation Rate*	70.1	70.8	-0.7*
Employment Rate*	66.2	67.4	-1.2*

Manitoba	Q1 2010 YTD	Q1 2009 YTD	% Change YTD
Population 15 yrs plus (000)	930.6	916.8	1.5
Labour Force (000)	646.5	637.0	1.5
Employment (000)	612.0	606.3	0.9
Unemployment (000)	34.5	30.7	12.4
Not in Labour Force (000)	284.1	279.8	1.5
Unemployment Rate*	5.3	4.8	0.5*
Participation Rate*	69.5	69.5	0.0*
Employment Rate*	65.8	66.1	-0.3*

Canada	Q1 2010 YTD	Q1 2009 YTD	% Change YTD
Population 15 yrs plus (000)	27,554.4	27,159.0	1.5
Labour Force (000)	18,466.4	18,300.7	0.9
Employment (000)	16,944.3	16,906.5	0.2
Unemployment (000)	1,522.1	1,394.2	9.2
Not in Labour Force (000)	9,088.0	8,858.3	2.6
Unemployment Rate*	8.2	7.6	0.6*
Participation Rate*	67.0	67.4	-0.4*
Employment Rate*	61.5	62.2	-0.7*

Source: Statistics Canada

* rate change only



REAL ESTATE INDICATORS (1st Quarter Year-to-Date)

Building Permit Values (\$000s)

Winnipeg	Q1 2010 YTD	Q1 2009 YTD	% Change YTD
Total residential & non-residential	\$240,550	\$165,520	45.3
Residential	\$165,437	\$113,798	45.4
Non-Residential	\$75,113	\$51,722	45.2
Industrial	\$4,634	\$5,293	-12.5
Commercial	\$48,148	\$31,227	54.2
Institutional & governmental	\$22,331	\$15,202	46.9

Source: Statistics Canada

Housing Market Activity

Canada	Q1 2010 YTD	Q1 2009 YTD	% Change YTD
MLS Average House Price	\$341,965	\$286,488	19.4
Winnipeg			
MLS Average Detached Sale Price	\$224,760	\$202,432	11.0
MLS Residential Unit Sales	2,309	2,089	10.5
MLS Dollar Volume (\$ millions)	\$494	\$411	20.2
Single Family Housing Starts	364	288	26.4
Total Housing Starts	663	386	71.8

Source: Statistics Canada
Winnipeg REALTORS®
Canada Mortgage & Housing Corporation

Office Space

Class A Average (Downtown) Net Rent	\$16.91	\$16.81	0.6
Overall Vacancy*	6.2%	7.7%	-1.5
Class B Average Net Rent	\$13.22	\$13.19	0.2
Overall Vacancy*	12.2%	8.2%	4.0
Class C Average Net Rent	\$9.11	\$10.31	-11.6
Overall Vacancy*	8.4%	5.7%	2.7
Total Office Space			
Average Rent	\$11.97	\$12.84	-6.8
Average Overall Vacancy*	9.3%	7.0%	2.3

Source: Cushman & Wakefield LePage

* rate change only

OTHER INDICATORS (1st Quarter Year-to-Date)

Manufacturing Shipments (\$ millions)	Q1 2010 YTD	Q1 2009 YTD	% Change YTD
Canada	\$132,032.9	\$122,405.5	7.9
Manitoba	\$3,470.8	\$3,808.6	-8.9

Source: Statistics Canada

Retail Trade (\$ millions)

Canada	\$93,841.3	\$87,301.0	7.5
Manitoba	\$3,370.4	\$3,123.9	7.9

Source: Statistics Canada

Merchandise Exports (\$ millions)

Canada	\$100,503	\$96,521	4.1
Manitoba	\$2,524	\$2,853	-11.5

Source: Statistics Canada (balance of payments basis)
Manitoba Bureau of Statistics

Average Weekly Earnings

Canada	\$840	\$819	2.5
Manitoba	\$774	\$766	1.1

Source: Statistics Canada

Bankruptcies - Winnipeg CMA

Consumers	325	388	-16.2
Businesses	10	7	42.9

Source: Industry Canada

Consumer Price Index

Canada			
All Items	115.4	113.6	1.6
Winnipeg			
All Items	114.3	112.7	0.5

Source: Statistics Canada

Airport Statistics

Total Passenger Volumes	865,121	878,055	-1.5
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Source: Winnipeg Airports Authority

Financial (YTD average)

Prime Rate	2.3%	2.8%	-0.6
Exchange Rate (Cdn \$ in US \$)	\$1.04	\$1.24	-16.2
Canada 10-year Benchmark Bond	3.5%	3.0%	0.5

Source: Bank of Canada

Credit Rating - City of Winnipeg

Standard & Poor's	AA
Moody's Investor Services	Aa1



ABOUT US

ECONOMIC DEVELOPMENT WINNIPEG INC.

As the global economy begins to rebound, no time is more relevant than now to realize an opportunity exists to create a greater return on investment for Winnipeg and Manitoba.

From the opening of the striking new world-class Winnipeg James Armstrong Richardson International Airport terminal -- to the initial transportation framework at CentrePort Canada -- to the hundreds of millions of dollars in direct visitor spending the Canadian Museum for Human Rights will impart on the city -- this is a time of significant change within Winnipeg. It is also a time of significant change within Economic Development Winnipeg Inc.

This past spring, Destination Winnipeg restructured and returned to its roots as Economic Development Winnipeg Inc.

The decision to restructure was the result of an in-depth review and analysis of the organization's mandate to ensure its activities were focused on promoting and influencing economic growth.

With 92% of Canadian economic development agencies using "Economic Development" to characterize their corporate identity, it was essential the organization keep in step with the Canadian landscape and change its name to reflect its mandate.

It was also the right time to refine the original mandate to create a clear, concise organizational framework strategically focused on stimulating economic growth in the nine key sectors that represent the underpinning of the city of Winnipeg economy.

Mandate:

To lead, facilitate and promote Winnipeg's economic development and tourism development efforts.

Mission:

To promote and influence economic growth in Winnipeg.

Economic Development and Tourism Winnipeg:
Each have a forward-thinking business plan focused on leading and engaging a broad and diverse spectrum of stakeholders in collaboration to reduce fragmentation, as well as to promote and realize economic growth.

Economic Development focuses its efforts on nine key sectors of Winnipeg's economy:

- Aerospace
- Agri-food
- Advanced Manufacturing
- Life Sciences
- Information Communication and Technology
- Energy and Environment
- Transportation and Distribution
- Financial Services
- Tourism

Economic Development's goals are to:

- Lead efforts to support local growth and investment
- Lead investment attraction efforts by collaborating with stakeholders
- Build the capacity of existing industry sectors
- Mobilize and engage stakeholders in the economic development process
- Promote awareness of Winnipeg's competitive advantages

Tourism development is a key economic driver for Winnipeg. This sector generates more than 13,000 jobs and represents approximately 2.8 million visitors to the city annually, resulting in more than \$500-million in direct expenditures each year.

Tourism Winnipeg is so important to the city of Winnipeg it operates with its own mandate:

To promote economic growth in Winnipeg through tourism-related initiatives and investment.

Tourism Winnipeg's goals are to:

- Lead efforts to attract meetings and conventions, sports and special events, travel trade and leisure travel
- Raise the awareness of Winnipeg in external tourism markets
- Collaborate with strategic partners to increase tourism

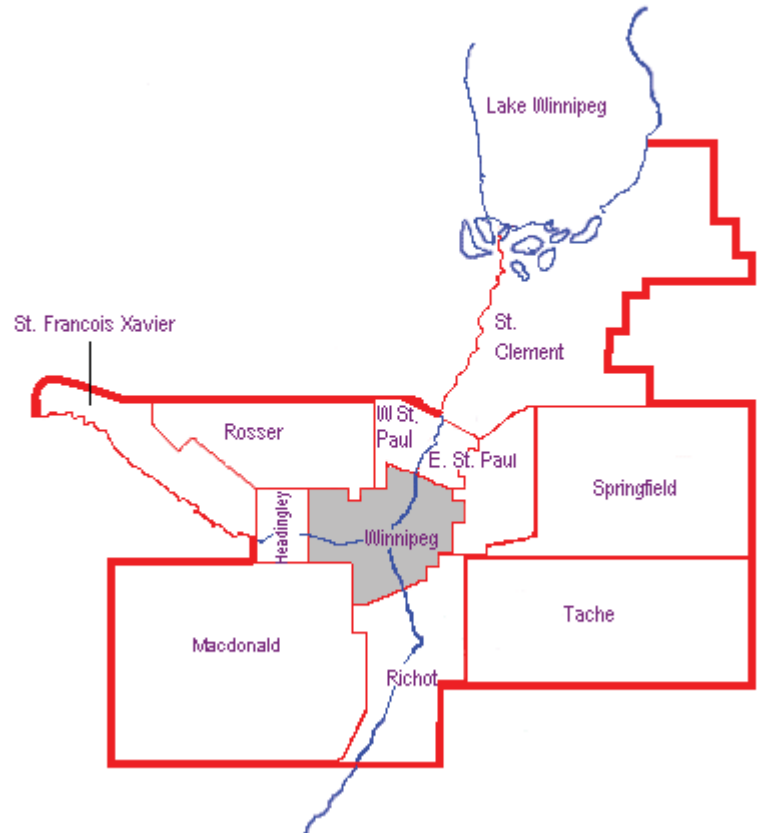


WINNIPEG CMA

Census Metropolitan Area (CMA) refers to the municipalities assigned by Statistics Canada on the basis of labour market and commuting criteria, comparable to the U.S. Metropolitan Statistical Area (MSA). The Winnipeg CMA is comprised of the city of Winnipeg plus 10 adjacent municipalities. The city of Winnipeg represents the large majority of economic activity and over 90% of the population in the CMA.

Winnipeg lies in the heart of Canada and geographic centre of North America. Winnipeg has the most diverse economy of major cities in Canada. Winnipeg is an economic hub, a major trade and transportation centre, an arts and culture centre, and a city of creativity and diversity.

Key industries include: transportation and distribution, aerospace, finance and insurance, life sciences and biotechnology, information and communications technology, media, tourism, electric power, apparel, furniture and advanced manufacturing.



Economic Development Winnipeg Inc.

Economic Development Winnipeg Inc. and its divisions are supported by marketing, communications and media relations. Their role is to support Economic Development and Tourism Winnipeg as the ideal place to live, work, invest and visit.

Disclaimer: Economic Development Winnipeg Inc. endeavours to provide accurate information gathered from a variety of sources, but makes no representation or guarantee on the reliability and accuracy of such information.