



QUARTERLY REPORT ON PROGRESS

Q4.2011

“The last time the world was racked by financial upheaval, Manitoba was a relative haven of stability. Through the worst of the 2008-2009 meltdown, the provincial economy was as flat as its prairie landscape—which is a very good showing in calamitous times. Its once meteoric neighbours, resource rich Alberta and Saskatchewan, fell off a cliff. The Manitoba miracle is rooted in being un-miraculous, a middle province in the middle of the country. That even-keeled nature means that over the past five years, it has been on average Canada’s best-performing provincial economy.”

~ **Globe and Mail, “On an even keel, Manitoba miracle takes shape,” by Gordon Pitts, October 3, 2011**



For the past several decades, Winnipeg’s incremental, steady growth may not have appeared as “sexy” to investors as the lure of a quick buck in seemingly more lucrative marketplaces. Nor did the city’s stories seem as appealing to the business media, who were busy covering lurid tales of executives risking it all to make their fortunes overnight. But the real estate bubble and ensuing worldwide recession of 2009 have changed all of that—possibly forever.

Current Global Situation: 3 Major Issues

1. Investor confidence has been rattled. A prolonged worldwide economic downturn means that businesses are hungry for **stability**.
2. The global talent wars have begun. Companies locate in places that have deep labour pools—the **capacity** to attract the skilled workers they need.
3. All business is global. Locations that emphasize **diversity**—and the business advantages that go along with it—will have a clear advantage.

During a time when consumer and investor confidence has reached all-time lows, when international competition for business and labour has grown ever more fierce, and when all business takes place on a global scale, Winnipeg finds itself in an enviable position.

Its economic **stability**—once considered more of a potential liability than an asset – is now a key selling point for the city, which owes its solid foundation to a broad array of thriving industry sectors. Winnipeg has the **capacity** to attract world-class talent thanks to its innovative, forward-thinking Provincial Nominee Program. And its emphasis on **diversity** comes at a time when multiculturalism is not only expected, but demanded by multinational corporations.

Manitoba’s largest city—the fabled tortoise—looks poised to beat many of its European, American and even Canadian competitors and

counterparts—the once proverbial hares of the race. U.S. budget woes have left businesses reeling in uncertain tax climates, and more companies than ever are craving a stable and predictable location from which to operate and produce their goods.

Today the momentum and excitement surrounding Winnipeg is palpable, and the evidence for its success in attracting and retaining businesses and people is everywhere. In the past two years alone, Winnipeg has witnessed several significant milestones, including the:

Return of the NHL – Winnipeg Jets. Thanks True North - go Jets go!

Significant redevelopment at Assiniboine Park and Zoo

Development of CentrePort Canada – the country’s first inland port

Unveiling of the new terminal at Winnipeg James Armstrong Richardson International Airport

Building of Investors Group Field – the new home for the CFL’s Winnipeg Blue Bombers

Construction of an IKEA store at the 1.5 million sq. ft. Sterling Lyon Parkway Development

Expansion of the Winnipeg Convention Centre

Momentum of the Manitoba Provincial Nominee Program

Downtown redevelopment by CentreVenture

Continued development of The Forks National Historic Site

Construction of the Canadian Museum for Human Rights

Hosting of Centrallia’s business-to-business matchmaking forum

Opening of the Richardson College for the Environment and Science Complex and advanced development at the University of Winnipeg

Reinvestment in the city by major companies, such as Magellan and Maple Leaf Foods

Winnipeg's Key Rankings

KPMG Competitive Alternatives 2010 – Winnipeg ranked number one as the most cost-effective city for aerospace manufacturing in all of North America

IBM-Plant Location International – Winnipeg ranked number one as most cost-effective city for aerospace manufacturing

Hydro Quebec Comparison of Electricity Prices in Major North American Cities 2010 – Winnipeg offers the lowest cost of electricity of major metro areas in the U.S. and Canada

Intelligent Community Forum's Smart21 Communities – Winnipeg ranked among the top cities for two years in a row

Winnipeg's "First, Largest, Only" Assets

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Lowest electricity costs in North America among major metros

One of the best R&D tax regimes in the world

Unique cold-weather engine testing facilities

Centre for Aerospace Technology and Training – one of three facilities on the continent

Level four biocontainment lab—one of only 15 in the world

Top two bus manufacturers in North America

Number one airport for scheduled freight flights

Lowest average wages for manufacturing

Most affordable residential real estate of any major city in Canada

Among the most affordable cities in Canada to live and do business

Most aggressive immigration program in North America

The list could truly go on and on. Combine all of this with more than \$3.25 billion in real estate and infrastructure development happening in Winnipeg, and you have a city alive and awash with unprecedented activity and opportunity.

The Conference Board of Canada recently stated that Winnipeg is expected to rank in the top half of Canadian CMA's for economic growth in 2012. Winnipeg's manufacturing sector is forecast to post its best performance since 2007, which will help lift overall economic growth to 2.4 per cent in 2012.

Great news to kick off 2012!

Marina R. James MBA
President & CEO

Business planning and performance



Economic Development Winnipeg Inc. (EDW) welcomed Mary Jane Loustel, national aboriginal program executive for IBM Canada, as the elected chair of the Economic Development Winnipeg Inc. board of directors. Loustel replaces former chair, Nick Logan, president and CEO of National Leasing.

Loustel brings a wealth of experience to the position thanks to her previous role as head of the Women's Enterprise Centre. Loustel has worked in the post-secondary education, finance and business services sectors providing leadership in strategic, financial and operational planning. Her current role as part of the IBM Canada Aboriginal Strategy is to advance aboriginal participation in the technology sector and economy.

A major project for EDW this year was the development of a marketing blueprint for Winnipeg. The marketing blueprint, created in consultation with members of the Winnipeg Partnership Committee, was developed to help raise the profile of Winnipeg and position itself around the world as one of the top locations for businesses and foreign direct investment by promoting three key features: the city's stable and growing economy, its capacity to attract and retain talent and its diversity—a key asset in a global economy.

Economic Development Activity

Business Retention, Expansion, Attraction and Launch

Yes! Winnipeg, an initiative of Economic Development Winnipeg Inc., is a business development team dedicated to growing and strengthening Winnipeg's economy.

In Q4, Yes! Winnipeg played an instrumental role in eight transactions that will collectively employ 146 people in Winnipeg. In 2011 Yes! Winnipeg was involved in 18 successful transactions that will collectively employ 507 people, accounting for 91 per cent of the year-one goal of 560 jobs.

Yes! Winnipeg is presently working on 47 active opportunities including:

Securing the expansion of a local agriculture company

Attracting a multinational corporation's energy division to establish a presence here

Attracting a manufacturing facility here for the transportation sector

Securing the presence of a corporate contact centre operation

Assisting to launch a new bio-fibre production facility

Capacity Building

EDW developed a proposal for phase two of the financial literacy capital planning initiative, which aims to increase financial knowledge and skill amongst local entrepreneurs.

The Agri-business Alliance and EDW held their second meeting to discuss ideas and solutions for growing the sector. EDW has decided to use a facilitator to find areas of potential action to help achieve this goal.

Work is underway to create a bi-national bio-product consortium. EDW coordinated and conducted meetings with the Composites Innovation Centre, research institutes, universities and development agencies in Grand Forks and Fargo.

Competitive Intelligence

For the second year in a row, Winnipeg was selected as one of ICF's Smart21 cities globally. The award recognizes 21 communities for their use of broadband technology to facilitate social and economic development. Winnipeg was one of four Canadian cities recognized this year. EDW also participated in the I-Canada Intelligent Communities Forum in Windsor, Ontario to discuss strategies on connecting intelligent communities across Canada.

EDW completed and updated site selection and economic performance indicators on the economy and industry sectors. This information is used to illustrate the competitiveness of Winnipeg as a desirable place for investment. EDW also completed the annual 2012 research and information plan.

In partnership with the International Organization for Economic Cooperation and Development, Human Resources Skills Development Canada and the Alliance of Manitoba Sector Councils, EDW participated in a roundtable focused on skills training and development in small and medium-sized business ventures.

Partnerships

In an effort to build knowledge in the agri-food community on cereal grain research, EDW participated in a session at the Richardson Centre for Nutraceuticals and Functional Foods focused on recruitment of food scientists.

A new partnership is being formed between EDW and the Greater Minneapolis-St. Paul Partnership, a new development agency. EDW is focused on developing a partnership with this agency in life sciences.



Economic Development Marketing Activity

Winnipeg's Q3 2011 Quarterly Economic Highlights were distributed to more than 3,000 recipients. EDW developed nine enhanced digital sector profiles, featuring advantages and influencers within each sector. The profiles can be found online at: <http://www.economicdevelopmentwinnipeg.com/strategic-sectors/strategic-sectors>.

Economic Development Media Relations Activity

Economic Development Winnipeg responded to four editorial requests, including the Leader magazine on Winnipeg's economy and BIO Business magazine for a Winnipeg biotechnology sector profile story.

EDW tracked coverage on CBC and in the Winnipeg Free Press on the topic of the new \$6 million Nordic-Spa Nature from Quebec opening in Winnipeg. EDW also received coverage in the Winnipeg Free Press on Winnipeg being selected as one of Intelligent Community Forum (ICF)'s Smart21 Communities.

EDW and the city of Winnipeg continue to receive media exposure from local, national and international sources in print, radio, blogs and social media. Total earned media year to date is estimated at \$819,747, which includes 122 economic development media stories. Of note, Canadian Commerce & Industry Magazine ran a cover story valued at \$41,000 on Winnipeg's stable economy and exciting new developments.

Tourism Winnipeg Activity

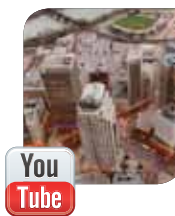


Tourism Winnipeg kicked off the holiday season by developing and hosting its first holiday industry event at The Fairmont Hotel with 175 attendees. Details on the new Winnipeg Tourism Awards of Distinction program taking place on May 10, 2012 were announced at this event.

Senior vice president Chantal Sturk-Nadeau of Tourism Winnipeg and Economic Development Winnipeg Inc. president and CEO Marina R. James attended the Tourism Industry Association of Canada's (TIAC) annual conference in Ottawa. This event connects the tourism industry with elected officials and decision-makers at the departments and agencies that impact the industry.

Future Meetings and Conventions Market Attraction

Tourism Winnipeg and partners secured 195 new conferences in 2011, attracting approximately 52,485 delegates and associated direct spending of \$49 million. In trend with 2010, Tourism Winnipeg secured 192 conferences, representing 51,893 delegates and associated spending of \$49 million.



Tourism Winnipeg created a new meetings and conventions video now posted on Winnipeg's YouTube Channel. The video showcases the city's exciting transformation and convention amenities. It will be used to help increase visitation by generating buzz amongst national and international clients considering holding events in Winnipeg. It is designed to entice delegates to sign up for conventions in Winnipeg when they see what they city has to offer.

2011 Meeting and Convention Results

Winnipeg maintained the number of tracked meetings and conventions held in 2011 with 185, the same as in 2010. Total delegate attendance in 2011 was 45,415 compared to 51,331 in 2010. As a result, the direct spending in 2011 was \$43 million compared to \$47 million in 2010.

The meetings and conventions team played a key role in securing conferences awarded to Winnipeg including: 2014 Soil Conservations of Canada, 2015 Canadian Paediatric Society and 2015 The Wildlife Society.

Meetings and Conventions Sales Activity

Tourism Winnipeg and Team Winnipeg, a consortium marketing partnership 57 partners strong, held another successful Eastern Consortium in Ottawa in late October. The objective was to host meeting planners and association executives at a reception to sell Winnipeg as the destination and to provide buyers with a positive Winnipeg experience. The theme of the 2011 event was "GAME ON!" This was the perfect opportunity for clients and their guests to experience the city's sporty side in celebration of our Winnipeg Blue Bombers, Winnipeg Goldeyes, curling, golf, and of course the long awaited return of the NHL and the rebirth of the Winnipeg Jets. The event was a hit as 38 organizations attended along with 19 Team Winnipeg partners. Tourism Winnipeg is negotiating with 20 of the organizations with dates that span until 2021.

Travel Trade Activities



Natalie Theisen joined the team as sales manager, travel trade. Natalie will be working on increasing group travel trade to Winnipeg. She comes to the position with a bachelor of commerce in hospitality and tourism management.

Director of market development Karen Goossen attended the NTA marketplace, engaging with tour operators. As a result, there were 10 new leads for future business. The appointments also helped build awareness and generate interest in group travel to Winnipeg with the development of the Canadian Museum for Human Rights.

Twenty industry partners and Tourism Winnipeg participated in a strategic planning session to increase travel trade business to Winnipeg and build on the momentum of the Winnipeg Tour Connection. The discussion focused on leveraging tourism opportunities to grow group travel in Winnipeg with new tourism products, including the Canadian Museum for Human Rights and Journey to Churchill at Assiniboine Park Zoo.

Visitor Services Activity

Visitor experience manager Sharon Kubrakovich gave presentations on the latest Winnipeg events and visitor information to front-line staff as part of the visitor experiences program. In 2011, more than 16 hotels and the Downtown Winnipeg BIZ have participated, where they gained valuable knowledge on things visitors can see and do during their time here in Winnipeg.

In 2011, there were 358 orders comprising a total of 273,017 pieces of Tourism Winnipeg collateral materials distributed.

Tourism Marketing Activity



Tourism Winnipeg launched its first-ever "neighbourhoods" web portal, highlighting Winnipeg's diverse communities from upscale Academy Road to the artsy Exchange District to boho Osborne Village. There are 23 neighbourhoods and more than 330 suggestions for people to spend their leisure time and dollars visiting attractions, dining out and shopping. The neighbourhoods portal is located at: www.tourismwinnipeg.com/visitors/neighbourhoods.

Tourism Winnipeg updated and distributed volume four of Factoids, a brochure filled with fun facts about Winnipeg. The new 2012 Visitor's Guide was also completed and printed, featuring new information about the city's neighbourhoods, updated event, dining, shopping and attraction descriptions, and maps. Factoids and the 2012 Visitor's Guide are found at:

<http://www.tourismwinnipeg.com/about-tourism-winnipeg/publications-resources/publications/visitor-publications>

Looking to boost leisure visitation over the holidays, Tourism Winnipeg launched an advertising campaign in five rural publications, including the *Brandon Sun*, *Dauphin Herald*, *Opasquia Times*, *Kenora Daily Miner* and the *Thompson Citizen*, along with radio spots on CJOB promoting holiday shopping.

Tourism Media Relations Activity



Gillian Leschasin has filled the role of manager of communications and media relations while Nisha Tuli is on maternity leave. Gillian's previous media experience includes positions at the Manitoban, CityTV, CBC, *Where Winnipeg* magazine and *Ciao!* magazine. Gillian will be responsible for the travel media program and corporate communications.

Tourism Winnipeg hosted three travel writers, including Kerry Banks, a writer for *Going Places* and *Going West* magazines, Lucas Aykroyd, a contributor for *to IIHF.com* and *Up!* (West Jet's in-flight magazine) and Richard White, a contributor for *Up!*

Learn about the city's connection to James Bond, local rock and roll legends, local haunted spots and more in Tourism Winnipeg's brand new *Legends & Tales* story ideas booklet, packed with unique and intriguing ideas for travel media. *Legends & Tales* is available at:

<http://www.tourismwinnipeg.com/about-tourism-winnipeg/publications-resources/publications>



Media relations also responded to 95 media requests for images, information and interviews in 2011. Of interest, Winnipeg received significant coverage in *Sports Travel* magazine about the return of the Winnipeg Jets. Total earned media for the year is \$4.147 million with 391 stories tracked.