PROSPECTUS **February 15, 2006**

PROVINCE OF MANITOBA

(Canada)

U.S.$2,500,000,000

Euro Medium Term Note Programme

On 1st December, 1995, Province of Manitoba (the ''Issuer'' or the ''Province'') established a U.S.$1,000,000,000 Euro Medium Term Note Programme, as amended and supplemented from time to time (the ''Programme''). This Prospectus supersedes the previous offering circulars describing the Programme. Any Notes, as defined below, issued under the Programme on or after the date of this Prospectus are issued subject to the provisions herein. This Prospectus does not affect any Notes already issued.

Under this Programme, the Issuer may from time to time issue Notes (the ''Notes'') denominated in any currency agreed by the Issuer and the relevant Dealer (as defined below). The Notes will have maturities as determined from time to time subject, in the case of specific currencies, to all applicable legal, regulatory or central bank requirements and, subject as set out herein, to the maximum aggregate nominal amount of all Notes from time to time outstanding not exceeding U.S.$2,500,000,000 (or its equivalent in other currencies), calculated as described herein.

The Notes will be issued on a continuing basis to one or more of the dealers herein (each a ''Dealer'' and together the ''Dealers'', which expression shall include any additional person appointed by the Province as a dealer under the Programme from time to time either for a specific issue or on an ongoing basis).

Application has been made to the Financial Services Authority in its capacity as competent authority (the ''UK Listing Authority'') under the *Financial Services and Markets Act 2000* (the ''FSMA'') for Notes issued under the Programme during the twelve months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the ''Official List'') and to the London Stock Exchange plc (the ''London Stock Exchange'') for such Notes to be admitted to trading on either the London Stock Exchange's Gilt Edged and Fixed Interest Market (the ''Market'') or on the Professional Securities Market (''PSM''). References in this Prospectus to Notes being ''listed'' (and all related references) shall mean that Notes have been admitted, as appropriate, to trading on the Market or the PSM and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 93/22/EEC (the ''Investment Services Directive''). The PSM is not a regulated market for the purposes of the Investment Services Directive. Notice of the aggregate nominal amount of, interest payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Tranche (as defined below) of Notes will be set forth in one or more final terms supplements (each a ''Final Terms'') which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche. The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to such issue. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer intends to request pursuant to section 87 of the FSMA and section 5.3.2 of the UK Listing Authority Prospectus Rules that the UK Listing Authority provide the competent authority in certain Member States of the European Economic Area with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive together with a copy of the Prospectus accompanied by any translation of the summary required by such countries.

Copies of each Final Terms will be available for inspection, subject as provided below, on weekdays during normal business hours at the specified office of the Agent (as defined below) set out at the end of this Prospectus and for collection from the office of the Assistant Deputy Minister, Treasury Division, Province of Manitoba, Legislative Building, Winnipeg, Manitoba, Canada. In addition, copies of each Final Terms relating to Notes which are either admitted to trading on the Market or the PSM or offered in the United Kingdom in circumstances where a prospectus is required to be published in accordance with Directive 2003/71/EC (the ''Prospectus Directive'') can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/ under ''Province of Manitoba'' and the headline ''Publication of Prospectus''. Copies of each Final Terms relating to Notes which are admitted to trading on any other regulated market in the European Economic Area or offered in any other Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be available for viewing in accordance with Article 14.2 of the Prospectus Directive and the rules and regulations of the relevant regulated market. Copies of each Final Terms relating to any other Notes will only be available for inspection by a holder of such Notes upon production of evidence satisfactory to the Agent or the Issuer as to the identity of such holder.

See ''Risk Factors'' on pages 8 through 11 for a discussion of certain risks that should be considered in connection with an investment in certain types of Notes which may be offered under the Programme.

Unless otherwise provided in an applicable Final Terms, the Notes of each issue will be represented by a temporary global Note which will be deposited on the issue date thereof with a common depositary for Euroclear Bank S.A./N.V., in its capacity as operator of the Euroclear System (''Euroclear'') and Clearstream Banking, société anonyme (''Clearstream, Luxembourg'') or as otherwise agreed, as further described under ''Issue Procedures''. Beneficial interests in a temporary global Note will be exchangeable for beneficial interests in a permanent global Note or, if so provided in the applicable Final Terms, for definitive Notes only in the manner and upon compliance with the procedures described under ''Issue Procedures''. Beneficial interests in a permanent global Note will be exchanged for definitive Notes upon compliance with certain procedures.

The Programme has been rated AA– by Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. (''Standard & Poor's'') and Aa2 by Moody's Investors Service Limited (''Moody's''). Notes issued under the Programme may be rated or unrated (in each case as specified in the applicable Final Terms). Where such a Series is rated, its rating will not necessarily be the same as the ratings applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes set out herein, in which event (in the case of Notes to be admitted to the Official List and to trading on the London Stock Exchange) a supplemental prospectus or Stand-Alone Prospectus (as defined herein), if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger for the Programme

CIBC World Markets

Dealers

CIBC World Markets **Citigroup**
Credit Suisse **Merrill Lynch International**
RBC Capital Markets **TD Securities**

This Prospectus comprises (i) a base prospectus (''Base Prospectus'') for the purposes of Article 5.4 of the Prospectus Directive and (ii) listing particulars (''Listing Particulars'') for the purposes of the Listing Rules Instrument 2005 (''Listing Rules''). References to Prospectus herein include the Listing Particulars unless the context otherwise requires.

The Issuer (the ''Responsible Person'') accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Responsible Person, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

This Prospectus is approved by the UK Listing Authority as required by the FSMA in relation to Notes issued under the Programme during the period of 12 months from the date of this Prospectus. This Prospectus is to be read in conjunction with any supplements hereto as may be approved by the UK Listing Authority from time to time and with all documents which are incorporated herein or therein by reference (see ''Documents Incorporated by Reference'') and, in relation to the final terms of any particular Tranche of Notes, the applicable Final Terms. This Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes. The Dealers accept no liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with this Prospectus or the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with this Prospectus or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Prospectus, nor any of the information incorporated by reference nor any other information supplied in connection with the Programme or the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as recommendations by the Issuer or any of the Dealers that any recipient of this Prospectus, or any information incorporated by reference or any other information supplied in connection with this Prospectus or the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus, nor any information incorporated by reference nor any other information supplied in connection with this Prospectus or the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to purchase any of the Notes.

The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and any Final Terms and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus, any Notes or any other offering material come must inform themselves about, and observe, any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such an offer or a solicitation by anyone not authorised so to act. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of the Notes in the United States, the European Economic Area (including the United Kingdom) and Japan (see ''Subscription and Sale''). The Notes have not been and will not be registered under the United States Securities Act of 1933 as amended and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see ''Subscription and Sale''). The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that Notes may be lawfully offered, in

compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer (other than the filing of this Prospectus with, and its approval by, the UK Listing Authority and the request for certificates of approval in certain Members States of the EEA noted on the front cover hereof) or any Dealer that would permit a public offering of the Notes or distribution of the Prospectus in a jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisements or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

In this Prospectus, references to ''Cdn.$'' are to Canadian dollars, references to ''U.S. dollars'' and ''U.S.$'' are to United States dollars, references to ''euro'' and ''€'' are to the currency of the member states that adopt a single currency in accordance with the Treaty establishing the European Community, as amended, references to ''sterling'' and ''£'' are to United Kingdom pounds sterling and references to ''yen'' are to Japanese yen. References herein to the ''European Economic Area'' or ''EEA'' are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGERS(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES (PROVIDED THAT, IN THE CASE OF ANY TRANCHE OF NOTES TO BE ADMITTED TO TRADING ON THE MARKET OR ANY OTHER REGULATED MARKET FOR THE PURPOSES OF THE INVESTMENT SERVICES DIRECTIVE, THE AGGREGATE PRINCIPAL AMOUNT OF NOTES ALLOTTED DOES NOT EXCEED 105 PER CENT. OF THE AGGREGATE PRINCIPAL AMOUNT OF THE RELEVANT TRANCHE) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) WILL UNDERTAKE STABILISING ACTION. ANY STABILISING ACTION MAY COMMENCE ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF COMMENCED, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES.

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SUMMARY*

This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area no civil liability will attach to the Responsible Person in any such Member State solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the Final Terms relevant thereto. Notes may also be issued in such other form and on such other terms as the Issuer may from time to time agree with the relevant Dealer(s), in which case a supplemental prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes. Words and expressions defined in ''Form of the Notes'', ''Applicable Final Terms'' and ''Terms and Conditions of the Notes'' below shall have the same meanings in this summary.

Essential Characteristics of the Issuer

General Information

The Province of Manitoba is located in the center of Canada, north of the States of Minnesota and North Dakota. It is the most easterly of the three Provinces of Manitoba, Saskatchewan and Alberta, which together constitute the Prairie Region of Canada. Manitoba is bounded on the east by the Province of Ontario, on the north by Hudson Bay and the Territory of Nunavut, and on the west by the Province of Saskatchewan. The Province has 400 miles of northern coastline bordering on Hudson Bay. The only seaport in the Prairie Region is located at Churchill on Hudson Bay.

Of Manitoba's total area of 251,000 square miles, 39,000 square miles are lakes and rivers and 163,000 square miles are lands owned by the Province. Cultivated land comprises 30,000 square miles in the southern part of the Province. The northern part of the Province, which is part of the Canadian Shield, is composed largely of timberlands and extensive areas of mineralized rock structure.

The estimated population of Manitoba on July 1, 2005 was 1,177,600, of whom approximately 707,700 lived in the Winnipeg Census Metropolitan Area. Winnipeg, the capital of the Province, has a diversified economic base with significant activity in a variety of manufacturing and service sectors. The city is also a major rail, truck and air transportation hub by virtue of its geographical position in the center of the continent.

The second largest city in the Province is Brandon, with a population of approximately 40,000. Brandon, in western Manitoba, is a major supply center for the agriculture industry, as well as an agriculture-related manufacturing center.

Constitutional Framework

Canada consists of a federation of provinces and Federal territories. A constitutional division of powers between the Federal and provincial governments was established by the *British North America Act, 1867*, an Act of the Parliament of the United Kingdom. By later enactments, including the *Constitution Act, 1982*, the power to amend the Constitution of Canada (the ''Constitution'') was transferred to Canada.

Under the Constitution, the Provinces are assigned jurisdiction over health care, education, municipal institutions, property and civil rights, natural resources and other matters of purely provincial or local concern. Each Province has exclusive jurisdiction over the borrowing of money on the sole credit of that Province. The Parliament of Canada has jurisdiction over all areas not assigned exclusively to the provincial legislatures, including such matters as aboriginal persons, the federal public debt and property, the regulation of trade and commerce, currency and coinage, banks and banking, national defense, foreign affairs, postal services, interprovincial transportation and communications undertakings.

Various Constitutional issues have been under discussion in Canada for a number of years. On August 20, 1998, in response to a reference from the Federal Government, the Supreme Court of Canada ruled that under the Constitution of Canada and international law, Quebec may not secede unilaterally from Canada, but that if the

* This summary has been prepared in accordance with Article 5(2) of the Prospectus Directive and, for the avoidance of doubt, relates only to issues of Notes with a denomination per unit of less than €50,000.

people of Quebec voted to secede by a clear majority vote on a clear question, the other Provinces and the Federal Government would be obliged to enter negotiations with Quebec with respect to secession, such negotiations to be guided by constitutional principles, including federalism, democracy, constitutionalism and the rule of law, and the protection of minorities.

Provincial Government

The Provincial Government has general responsibility for the administration of all governmental activities and functions within Manitoba, other than those which are under the jurisdiction of the Federal Government. It carries out certain of these responsibilities through Provincial agencies, boards, commissions and Crown organizations. Certain other responsibilities have been delegated to municipalities and semi-autonomous bodies such as school boards and regional health authorities.

The executive power in the Province of Manitoba is vested in the Lieutenant Governor acting on the advice of the Executive Council, which is responsible to the Legislative Assembly. The Lieutenant Governor is appointed by the Governor General of Canada in Council.

The Executive Council, which includes the Premier and Ministers of Departments of the Provincial Government, is appointed by the Lieutenant Governor usually on the nomination of the leader of the party with the largest number of members in the Legislative Assembly. Members of the Executive Council are usually members of the Legislative Assembly.

The Legislative Assembly has 57 members who are elected for a term of five years subject to earlier dissolution of the Assembly by the Lieutenant Governor, usually on the recommendation of the Executive Council. In the latest general election of members of the Legislative Assembly, held on June 3, 2003, the New Democratic Party was elected to a majority of seats.

Essential Characteristics and Risks Associated with the Notes

Under this Programme, the Issuer may from time to time issue Notes denominated in any currency agreed by the Issuer and the relevant Dealer(s). The Notes will have maturities of one month or longer or such other maturity as may be allowed or required. The Issuer may issue Fixed Rate Notes, Floating Rate Notes, Index Linked Notes, Dual Currency Notes, Zero Coupon Notes, Partly Paid Notes, Instalment Notes and any other type of Notes agreed between the Issuer and the relevant Dealer(s). The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes in the Prospectus, as modified and supplemented by the applicable Final Terms and any supplemental Prospectus.

Application has been made for Notes issued under the Programme to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market. Application has also been made for the Notes to be admitted to the London Stock Exchange’s Professional Securities Market. Notes may also be issued under the Programme on an unlisted basis or be admitted to listing, trading and/or quotation by other stock exchanges, listing authorities and/or quotation systems, and the Final Terms applicable to a Series will specify whether or not Notes of such Series have been admitted to the Official List and admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market or Professional Securities Market or admitted to listing, trading and/or quotation by any other stock exchange, listing authority and/or quotation system.

The Notes may be offered for sale only to non-U.S. person in reliance on and in accordance with Regulation S and in accordance with applicable laws.

Unless otherwise specified in the applicable Final Terms, the Notes of each issue will be in bearer form with or without coupons and will initially be represented by one or more temporary global Notes which will be deposited on the issue date thereof with a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or as otherwise agreed. Interests in a temporary global Note will be exchangeable for interests in a permanent global Note upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. Interests in a permanent global Note will be exchangeable for definitive Notes only in the limited circumstances described in ‘‘Terms and Conditions of the Notes — Definitive Certificates’’ or as specified in the applicable Final Terms.

The Notes will be governed by, and construed in accordance with, the laws of the Province of Manitoba and the federal laws of Canada applicable therein.

The Notes will constitute legal, valid and binding, direct, unconditional and unsecured obligations of the Issuer. Payments of principal of and interest on the Notes shall be charged upon and payable out of the Consolidated Fund of Manitoba. The Consolidated Fund of Manitoba is the fund into which all public moneys of the Province of Manitoba, however arising or received, are paid. The Notes will rank pari passu amongst themselves and equally with all other unsecured debentures, bonds, notes or other similar securities constituting general obligations of the Issuer.

The events of default applicable to Notes are limited to (i) non payment (subject to a grace period) of principal and interest and (ii) failure to perform or observe any other term, agreement or condition contained in the Notes (subject to a grace period).

If the Issuer shall at any time secure any other debenture, bond or note of the Issuer by any lien, pledge or other charge upon any of its present or future assets or revenues, the Notes shall share in and be secured by such lien, pledge or other charge equally and rateably with such other debenture, bond or note.

Subject to applicable Manitoba law, the Issuer's obligation to make any payment on any Note, Receipt or Coupon will be extinguished six years after the date such payment is due unless such right to payment is judicially exercised prior to the expiration of such six-year period.

The Notes may be redeemed prior to maturity at par or at such other Redemption Amount as may be specified in the relevant Final Terms. Early redemption may reduce the return on investment provided by the relevant Note compared to the return that would have been achieved had the Notes been redeemed at maturity.

The Notes may have no active trading market or such market might not be very liquid which may affect the ability of the investor to sell the Notes.

Notes issued under the Programme may be linked to one or more indices or other underlying variable. Any such Notes may entail significant risks not associated with a similar investment in fixed or floating rate debt securities, including a return that may be significantly less than the return available on an investment in Fixed Rate Notes or Floating Rate Notes. In some cases such Notes may also carry the risk of a total or partial loss of principal.

The Issuer enjoys no right of immunity under Manitoba law from suit or judgment (see ''Legal and Arbitration Proceedings'' below).

In addition to those noted above, there are other factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see ''Risk Factors'' below).

RISK FACTORS

The Issuer believes that the following factors are material for the purpose of assessing the market risks associated with Notes issued under the Programme.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effect on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors in that in some cases they may lose the value of their entire investment or part of it. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

If the Final Terms provide for an Issuer Call Option, the Issuer may redeem all or some of the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a ''Relevant Factor''). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factors, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factors, the greater the effect on yield.

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Note with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Criminal Rate of Interest

The Notes will be governed by the laws of the Province of Manitoba and the federal laws of Canada applicable therein. Canada has a Criminal Code which prohibits the receipt of ''interest'' at a ''criminal rate'' (namely, an effective annual rate of interest of 60%). Accordingly, the provisions for the payment of interest or a Maturity Redemption Amount in excess of the aggregate principal amount of the Notes may not be enforceable if the provision provides for the payment of ''interest'' in excess of an effective annual rate of interest of 60%.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

European Union Savings Directive

Under European Council Directive 2003/48/EC on taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria, Belgium and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

If a payment to an individual were to be made or collected through a Member State or non-EU country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Trading in the Clearing Systems

In relation to an issue of Notes which have a minimum Specified Denomination and are tradeable in the clearing systems in amounts above such minimum Specified Denomination which are smaller than it, should definitive Notes be required to be issued, a holder of Notes who does not have an integral multiple of the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum Specified Denomination.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the ''Investor's Currency'') other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings might not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings might not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Interests of Dealers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been approved by the Financial Services Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Prospectus:

(a) The Issuer's Budget 2005 dated March 8, 2005;

(b) the Issuer's Annual Report for the year ended March 31, 2005, which includes annual summary financial statements for the fiscal years ended March 31, 2005 and 2004 (excluding the Auditor General's reports thereon);

(c) Exhibit 99.1 of the Issuer's form 18-K dated October 27, 2005 and filed with the United States Securities and Exchange Commission (the ''SEC'') on October 27, 2005 (the rest of this 18-K is either not relevant to the Notes or covered elsewhere in this Prospectus); and

(d) Exhibit 99.1 of the Issuer's form 18-K/A dated December 29, 2005 and filed with the SEC on December 29, 2005 (the rest of this 18-K/A is either not relevant to the Notes or covered elsewhere in this Prospectus),

provided also that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Copies of the Prospectus and the documents incorporated by reference in this Prospectus (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/ under ''Province of Manitoba'' and the headline ''Publication of Prospectus'' and (ii) will be available for inspection during normal business hours at the specified office in London, England of Citibank, N.A., the initial issuing and principal paying agent for the Notes (the ''Agent'') and can be obtained from the office of the Assistant Deputy Minister, Treasury Division, Province of Manitoba, Legislative Building, Winnipeg, Manitoba. The documents described in paragraphs (a) and (b) above will also be posted on the official website of the Issuer at http://www.gov.mb.ca.

In respect of Notes to be admitted to the Market, the Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to the Base Prospectus or publish a new Base Prospectus (in each case, published in accordance with the Prospectus Directive) for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in ''Subscription and Sale'') that it will comply with section 87G of the FSMA.

In respect of Notes to be admitted to the PSM, the Issuer will, in the event of (a) a significant change affecting any matter contained in the Listing Particulars the inclusion of which was required by Section 80 of the FSMA or by the Listing Rules or (b) a significant new matter arises in respect of which information would have been required to be included if it had arisen when the Listing Particulars were published, the Issuer shall publish supplemental Listing Particulars or new Listing Particulars as may be required by the UK Listing Authority. The Issuer has undertaken in the Programme Agreement (as defined in ''Subscription and Sale'') that it will comply with Section 81 of the FSMA.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme the Issuer may from time to time issue Notes denominated in any currency with maturities as determined from time to time (subject, in the case of specific currencies, to all applicable legal, regulatory and central bank requirements). The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes attached to, endorsed upon or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms, attached to or endorsed upon such Notes, the form of which is set out under ''Issue Procedures''.

Subject as set out herein, this Prospectus and any supplement will only be valid for the admission of Notes to the Official List and to trading on the London Stock Exchange and/or admission to any other relevant stock exchange in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under this Programme, does not exceed U.S.$2,500,000,000 or its equivalent in other currencies. For the purpose only of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(a) the U.S. dollar equivalent of Notes denominated in a Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes, described under ''Issue Procedures'') other than U.S. dollars shall be determined as of the date of the agreement to issue such Notes (the ''Agreement Date'') or, if commercial banks or foreign exchange markets in London are not open on the Agreement Date, on the preceding day on which commercial banks and foreign exchange markets are open in London, in each case on the basis of the spot rate for sale of U.S. dollars against the purchase of such Specified Currency at 11.00 a.m. (London time) on the relevant day in the London foreign exchange market quoted by any leading bank active in the market selected by the Agent, by reference to the nominal amount of such Notes outstanding on the relevant day (determined in accordance with the provisions of (b), (c) and (d) below, to the extent applicable);

(b) the U.S. dollar equivalent of Dual Currency Notes and Index Linked Notes (each as specified in the applicable Final Terms in relation to the relevant Notes, described under ''Issue Procedures'') shall be calculated in the manner specified in (a) above by reference to the nominal amount of such Notes on the issue date thereof;

(c) the U.S. dollar equivalent of Partly Paid Notes (as specified in the applicable Final Terms in relation to the relevant Notes, described under ''Issue Procedures'') shall be calculated in the manner specified in (a) above by reference to the nominal amount thereof, regardless of the amount paid up on such Notes; and

(d) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes, described under ''Issue Procedures'') and any other Notes issued at a discount or premium shall be calculated in the manner specified in (a) above by reference to the net proceeds received by the Issuer for such Notes.

KEY FEATURES OF THE PROGRAMME AND THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Series of Notes, the applicable Final Terms. Words and expressions defined under ''Issue Procedures'' and ''Terms and Conditions of the Notes'' shall have the same meanings in this summary.

Issuer:	Province of Manitoba
Description:	Euro Medium Term Note Programme
Arranger:	Canadian Imperial Bank of Commerce, London Branch
Dealers:	Canadian Imperial Bank of Commerce, London Branch Citigroup Global Markets Limited Credit Suisse Securities (Europe) Limited Merrill Lynch International Royal Bank of Canada Europe Limited The Toronto-Dominion Bank and any other Dealers appointed from time to time by the Province in accordance with the Programme Agreement either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Regulatory Matters:	Notes shall be issued in compliance with applicable regulations and guidelines from time to time (see ''Subscription and Sale''). **Notes which have a maturity of less than one year** Notes which have a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See ''Subscription and Sale''.
Issuing and Principal Paying Agent:	Citibank, N.A., London
Paying Agent:	Dexia Banque Internationale à Luxembourg, Luxembourg
Programme Amount:	The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed U.S.$2,500,000,000 (or its equivalent in other currencies calculated as described herein).
Distribution:	Notes may be distributed by way of private placement or (subject to any applicable selling restrictions) public offering and in each case on a syndicated or non-syndicated basis.
Method of Issue:	Notes will be issued on a continuous basis in series (each a ''Series''). The Notes comprising each Series will have one or more issue dates, the same maturity date and will bear interest (if any) on the same basis and at the same rate (except in respect of the first payment of interest) and on terms otherwise identical. The Notes of each Series are intended to be interchangeable with all other Notes of that Series. The Notes of any Series with the same issue date and interest commencement date will comprise a tranche (a ''Tranche''). A Final Terms will be published in respect of each Tranche. Alternatively, the Issuer may agree with any Dealer to issue a particular Tranche of Notes under the Programme pursuant to a stand-alone prospectus (each a ''Stand-Alone Prospectus'') prepared in connection with such Tranche. The terms and conditions applicable to each Tranche which is the subject of a Stand-Alone Prospectus will be those set out herein under ''Terms and Conditions of the Notes'' as supplemented, modified or replaced by the relevant

Stand-Alone Prospectus. In the case of a Tranche of Notes which is the subject of a Stand-Alone Prospectus, each reference in this Prospectus to information being set out, specified, stated, shown indicated or otherwise provided for in the relevant Stand-Alone Prospectus and, as applicable, each other reference to Final Terms in the Prospectus shall be read and construed as a reference to such Stand-Alone Prospectus.

Specified Currencies: Subject to compliance with applicable legal and/or regulatory requirements, Notes may be denominated in any currency as may be agreed between the Issuer and the relevant Dealer (as indicated in the relevant Final Terms) including, without limitation, euro, sterling, Canadian dollars, U.S. dollars and Japanese yen.

Redenomination: The applicable Final Terms may provide that certain Notes may be redenominated into euro. If so, the wording of the redenomination provisions will be set out in full in the applicable Final Terms.

Maturities: Notes may have any maturity as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms), subject to any minimum or maximum maturity as may be required from time to time by the relevant central bank (or equivalent body (however called) in respect of certain currencies.

Issue Price: Notes may be issued at par or at a discount to, or premium over, par and may be issued on a fully paid or a partly paid basis.

Form of Notes: Each Tranche of Notes will initially be represented by a temporary global Note which will be deposited on the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg or as otherwise agreed and which will be exchangeable for a permanent global Note not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership. Unless otherwise specified in the applicable Final Terms, a permanent global Note or Notes representing a Series of Notes will be exchanged (free of charge) in whole for security-printed definitive Notes with receipts in respect of instalments of principal (if any) attached and (unless they are Zero Coupon Notes) interest coupons and talons for further coupons (if any) attached only in the limited circumstances described in ''Terms and Conditions of the Notes — Definitive Certificates''. Any beneficial interest in a temporary or permanent global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg or any other agreed clearance system, as the case may be.

Fixed Rate Notes: Interest in respect of Fixed Rate Notes will be payable in arrear on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption.

Interest in respect of Fixed Rate Notes will be calculated on the basis of such Fixed Day Count Fraction (as defined in Condition 4(a) of the Terms and Conditions of the Notes) as indicated in the applicable Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest calculated on the same basis as the floating amounts under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps & Derivatives Association, Inc. (''ISDA''), and as amended, supplemented or updated as at the Issue Date of the first Tranche of Notes of the relevant Series) (the ''ISDA Definitions'') or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

Index Linked Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index Linked Interest Notes and Index Linked Redemption Amount Notes (collectively, ''Index Linked Notes'' and individually, an ''Index Linked Note'') will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms, or, as the case may be, applicable supplement to this Prospectus).

If any interest payable on a Note, or any portion of the nominal amount of a Note in excess of its issue price, is to be calculated by reference to an index or formula or any Note is issued as partly paid, such interest or principal, as the case may be, may be subject to Canadian withholding tax. Additional opinions from Canadian tax counsel may be required. See ''Canadian Tax Considerations''.

Other Provisions in relation to Floating Rate Notes and Index Linked Interest Notes: Floating Rate Notes and Indexed Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes will be payable in arrear on the last day of each Interest Period as selected prior to issue by the Issuer and the relevant Dealer and will be calculated on the basis of such Day Count Fraction (as defined in Condition 4(b)) as may be agreed between the Issuer and the relevant Dealer as indicated in the applicable Final Terms.

Interest Payment Date(s) or Interest Period(s): Notes will have such interest payment date(s) or period(s) as indicated in the applicable Final Terms.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies and based on such rates of exchange as the Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).

Zero Coupon Notes: Zero Coupon Notes will be sold at a discount to their nominal amount and will not bear interest other than in relation to interest due after the Maturity Date.

Other Notes: Terms applicable to Partly Paid Notes, Instalment Notes and any other type of Note to be issued by the Issuer will be agreed between the Issuer and the relevant Dealer (as specified in the applicable Final Terms).

Redemption and Purchase: Except as provided in the immediately following paragraphs, in specified instalments, for taxation reasons, or following an Event of Default, Notes will not be redeemable prior to their stated maturity.

The applicable Final Terms relating to each Tranche of Notes will indicate whether the Notes can be redeemed prior to their stated maturity or that such Notes will be redeemable at the option of the Issuer (''Issuer Call Option'') and/or the Noteholders (''Noteholder Put Option'') upon giving not more than 60 days' nor less than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer as the case may be on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in the applicable Final Terms.

Notes denominated in certain currencies may not be redeemed or purchased prior to any minimum time as may be required from time to time by the relevant monetary authority. Notes with a maturity of less than one year may be subject to restrictions on their denomination and distribution. See ''Regulatory Matters'' above.

Denominations: Notes will be issued in such denominations as indicated in the applicable Final Terms subject to such minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body, however called) or any laws or regulations applicable to the issuer or to the relevant currency. See ''Regulatory Matters'' above.

In the event that the Issuer chooses to issue in minimum denominations greater than €1,000 or its equivalent in other currencies (e.g. €50,000), for so long as the relevant Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes, if provided in the applicable Final Terms, may be tradeable in nominal amounts equal to the minimum denomination and integral multiples of €1,000 in addition thereto (or, if the relevant Notes are denominated in a currency other than euro, the equivalent minimum amount in such currency at the time of issue and integral multiples in addition thereto as specified in the applicable Final Terms).

Taxation: All payments in respect of the Notes will be made without withholding or deduction for or on account of any taxes or other charges imposed by any governmental authority or agency in Canada, except as provided in Condition 9. In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover amounts so withheld or deducted (see ''Terms and Conditions of the Notes — Taxation'').

Status of the Notes: The Notes will constitute legal, valid and binding, direct, unconditional and unsecured obligations of the Issuer. Payments of principal of and interest on the Notes shall be charged upon and payable out of the Consolidated Fund of Manitoba. The Consolidated Fund of Manitoba is the fund into which all public moneys of the Province of Manitoba, however arising or received, are paid. The Notes will rank pari passu amongst themselves and equally with all other unsecured debentures, bonds, notes or other similar securities constituting general obligations of the Issuer.

Cross Default: None.

Negative Pledge: If the Issuer shall at any time secure any other debenture, bond or note of the Issuer by any lien, pledge or other charge upon any of its present or future assets or revenues, the Notes shall share in and be secured by such lien, pledge or other charge equally and rateably with such other debenture, bond or note.

Rating: The Programme has been rated AA– by Standard & Poor's and Aa2 by Moody's. Series of Notes issued under the Programme may be rated or unrated (as specified in the applicable Final Terms). Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A security rating is not a

	recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other.
Listing and Admission to Trading:	Application has been made for the Notes issued under the Programme during the twelve month period from the date of the Prospectus to be admitted to the Official List and to be admitted to trading on the Market or the PSM. Notes may also be admitted to listing, trading and/or quotation by other stock exchanges, listing authorities and/or quotation systems as may be agreed between the Issuer and the relevant Dealer in relation to each issue. Unlisted Notes may also be issued. The applicable Final Terms will state whether or not such Notes have been admitted to trading on the Market or PSM or admitted to listing, trading and/or quotation by any other stock exchange, listing authority and/or quotation system.
Governing Law:	The Notes will be governed by, and construed in accordance with, the laws of the Province of Manitoba and the federal laws of Canada applicable therein.
Non-U.S. Selling Restrictions:	There are specific restrictions on the offer and sale of the Notes and the distribution of offering materials in the European Economic Area (including the United Kingdom) and Japan and there will be such other restrictions as may be required in connection with a particular issue of Notes. See ''Subscription and Sale''.
U.S. Selling Restrictions:	Regulation S, Category 1, TEFRA D, unless otherwise specified in the applicable Final Terms. The Notes are not eligible under Rule 144A of the Securities Act of 1933, as amended (see ''Subscription and Sale'').

ISSUE PROCEDURES

Unless otherwise provided in an applicable Final Terms, each issue of Notes will initially be represented by a temporary global Note, without receipts, interest coupons or talons, which will be delivered to a common depositary for Euroclear and/or Clearstream, Luxembourg. Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

If an interest payment date for any Notes occurs while such Notes are represented by a temporary Global Note (as defined below in the Terms and Conditions of the Notes), the related interest payment will be made against presentation of the temporary Global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the temporary Global Note) has been received by Euroclear and/or Clearstream, Luxembourg. On or after the date (the ''Exchange Date'') which is 40 days after the date on which the temporary Global Note is issued, interests in the temporary Global Note will be exchangeable for interests in a permanent Global Note or, if so provided in an applicable Final Terms, for security printed Definitive Notes (as defined below in the Terms and Conditions of the Notes) upon certification of non-U.S. beneficial ownership. No payments will be made on a temporary Global Note after the Exchange Date unless exchange for a beneficial interest in a permanent Global Note is improperly refused by the Agent (as defined below in the Terms and Conditions of the Notes). Payments of principal or interest (if any) in respect of a permanent Global Note will be made through Euroclear and Clearstream, Luxembourg against presentation or surrender, as the case may be, of the permanent Global Note without any requirement for certification. Unless otherwise provided in an applicable Final Terms, the permanent Global Note or Notes representing a Series of Notes will be exchanged (free of charge) in whole for security-printed Definitive Notes with, where applicable, receipts in respect of instalments of principal, interest coupons and talons attached, only in the limited circumstances described in ''Terms and Conditions of the Notes — Definitive Certificates''. Temporary and permanent Global Notes and Definitive Notes will be issued by the Agent pursuant to the Agency Agreement. Until exchanged for Definitive Notes, the holder of a beneficial interest in any global Note shall in all respects be entitled to the same benefits as the holder of Definitive Notes, receipts and interest coupons, subject as set out in the Conditions.

The following legend will appear on all Global Notes, all Definitive Notes with an original maturity of more than 365 days and on all receipts, interest coupons and talons relating to such Notes:

> ''Any United States person (as defined in the Internal Revenue Code of the United States) who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code of the United States.''

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition or payment of principal in respect of Notes, receipts or interest coupons.

Direct Rights

Each global Note provides that the holder may cause Notes represented by such global Note to become due and repayable in the circumstances described under ''Terms and Conditions of the Notes — Events of Default'' by stating in the notice to the Agent the nominal amount of the Notes that are becoming due and repayable. If the principal in respect of any Note becoming due and repayable in such circumstances is not paid before 8:00 p.m. (London time) on the relevant due date, the holder of the global Note representing such Notes may elect for direct enforcement rights against the Issuer in favour of the persons with beneficial interests in such Notes as accountholders within the relevant clearance systems.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche issued under the Programme and will contain such of the following information (which may be modified in relation to any particular issue of Notes by agreement between the Issuer, the Agent (to the extent that the obligations of the Agent under the Programme are affected by such modification(s)) and the relevant Dealer(s) or (as the case may be) Lead Manager, as is applicable in respect of such Notes (all references to numbered Conditions being to the Terms and Conditions of the relevant Notes)).

FINAL TERMS

Final Terms dated [ ]

PROVINCE OF MANITOBA

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the U.S.$2,500,000,000 Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated ● [and the supplemental Prospectus dated ●][1] which [together] constitute[s] [a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the ''Prospectus Directive'')/listing particulars for the purposes of Chapter 4 of the FSA's Listing Rules]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with such Prospectus [as so supplemented]. [Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus.] [The Prospectus [and the supplemental Prospectus] [is][are] available for viewing during normal business hours at the offices of the Issuing and Principal Paying Agent, 5 Carmelite Street, London EC4Y 0PA and on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/ under ''Province of Manitoba'' and the headline ''Publication of Prospectus'' and copies may be obtained from office of the Assistant Deputy Minister, Treasury Division, Legislative Building, Winnipeg, Manitoba, Canada R3C 0V8.

The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the ''Conditions'') set forth in the Offering Circular dated [original date] [and the supplemental Prospectus dated ●][1]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the ''Prospectus Directive'')] and must be read in conjunction with the Prospectus dated ● [and the supplemental Prospectus dated ●], which [together] constitute[s] [a base prospectus for the purposes of the Prospectus Directive/listing particulars for the purposes of Chapter 4 of the FSA's Listing Rules], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] [and the supplemental Prospectus dated ●][1] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Offering Circular/Prospectuses] dated [original date] and ● [and the supplemental Prospectuses dated ● and ●]. The Offering Circular [and the supplemental Prospectuses are available for viewing during normal business hours at the offices of the Issuing and Principal Paying Agent, 5 Carmelite Street, London EC4Y 0PA and on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/ under ''Province of Manitoba'' and the headline ''Publication of Prospectus'' and copies may be obtained office of the Assistant Deputy Minister, Treasury Division, Legislative Building, Winnipeg, Manitoba, Canada R3C 0V8.]

[*Include whichever of the following apply or specify as ''Not Applicable'' (N/A). Note that the numbering should remain as set out below, even if ''Not Applicable'' is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*]

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[1] Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

[*When completing any final terms or adding any other final terms or information, consideration should be given as to whether such terms or information constitute ''significant new factors'' and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive. If so, to avoid rescission rights applicable to a supplement, one can do a Stand-Alone Prospectus incorporating by reference the Registration Document and Securities Note elements of the Prospectus and including these Final Terms (but renamed Pricing Supplement) and specific Risk Factors (if any) and a summary.*]

1.	Issuer:	Province of Manitoba
2.	[(i)] Series Number:	[ ]
	[(ii) Tranche Number:	[ ]]
	(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)	
3.	Specified Currency or Currencies:	[ ]
4.	Aggregate Nominal Amount [of Notes admitted to trading][2]:	
	— Tranche:	[ ]
	— Series:	[*Insert total nominal amount of outstanding Notes, including the Tranche which is the subject of the Final Terms.]*
5.	Issue Price:	[ ] per cent. of the Nominal Amount [plus accrued interest from *[insert date] (in the case of fungible issues only, if applicable)]*
6.	Specified Denominations:	[ ] [(See paragraph 11 of Part B as to trading of the Notes while they are represented by a Global Note.)] *Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).*
7.	[(i)] Issue Date:	[ ]
	[(ii) Interest Commencement Date:	[ ]]
8.	Maturity Date:	[*(Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year.)]*
9.	Interest Basis:	[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR]+/– [ ] per cent Floating Rate] [Zero Coupon] [Index Linked Interest] [*specify other*] (further particulars specified below)

[2] Add for an issue of Notes with a denomination of at least €50,000 to be admitted to trading on an EU Regulated Market (''Wholesale Notes'').

10.	Redemption/Payment Basis[3]:	[Redemption at Nominal Amount] [Index Linked Redemption Amount] [Dual Currency] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/ Payment Basis.*]
12.	Put/Call Options:	[Noteholder Put Option] [Issuer Call Option] [(further particulars specified below)]
13.	[(i)] Status of the Notes:	Senior
	[(ii)] [Date of approval for issuance of Notes obtained]:	[ ] [and, [ ], respectively]] *(N.B. Only relevant where new order in council is required for the particular Tranche of Notes)*
14.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i) Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
	(ii) Interest Payment Date(s):	[ ] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of ''Business Day''*]/[not adjusted]
	(iii) Fixed Coupon Amount[(s)]:	[ ] per [ ] in nominal amount
	(iv) Broken Amount(s):	[*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Dates to which they relate.*]
	(v) Fixed Day Count Fraction:	[30/360 / Actual/Actual (ICMA) / other] [*(Day Count Fraction should be Actual/Actual (ICMA) for all fixed rate issues other than those denominated in U.S. dollars unless otherwise agreed.)*]

[3] If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. A prospectus supplement may need to be prepared, approved and published.

	(vi)	Determination Date(s):	[ ] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of long or short coupon*] *(NB: Only relevant where Fixed Day Count Fraction is Actual/Actual (ICMA).)*
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[*Give details*]
16.	**Floating Rate Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i)	Specified Period(s):	[ ]
	(ii)	Specified Interest Payment Dates:	[ ]
	(iii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ [*specify other*]]
	(iv)	Additional Business Centre(s):	[ ]
	(v)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ ISDA Determination/ *specify other*]
	(vi)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent) (the ''Calculation Agent''):	[ ]
	(vii)	Screen Rate Determination:	[ ]
		— Reference Rate:	[ ] (*Either LIBOR, EURIBOR or other, although additional information is required if other — including amendments to fall back provisions in the Agency Agreement.*)
		— Interest Determination Date(s):	[ ] (*Second London business day prior to the start of each Interest Period if LIBOR (other than euro LIBOR or sterling LIBOR) and the first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
		— Relevant Screen Page:	[ ] (*In the case of EURIBOR if not Telerate 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.*)
	(viii)	ISDA Determination:	
		— Floating Rate Option (which may refer to a Rate Option specified in the ISDA Definitions):	[ ]
		— Designated Maturity:	[ ]
		— Reset Date:	[ ]
	(ix)	Margin(s):	[+/–][ ] per cent. Per annum
	(x)	Minimum Rate of Interest:	[ ] per cent. per annum

	(xi) Maximum Rate of Interest:	[ ] per cent. per annum
	(xii) Day Count Fraction:	[''Actual/365'' or ''Actual/Actual (ISDA)''/ ''Actual/365 (Fixed)''/''Actual/365 (sterling)''/ ''Actual/360''/''30/360'', ''360/360'' or ''Bond Basis''/''30E/360'' or ''Eurobond Basis'' (*see Condition 4(b) for alternatives.*)]
	(xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
17.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i) Accrual Yield:	[ ] per cent. per annum
	(ii) Reference Price:	
	(iii) Any other formula/basis of determining amount payable:	[ ]
	(iv) Day Count Fraction in relation to Early Redemption Amounts and late payments:	[Condition 5(e)(iii) apply/specify other]
18.	**Index Linked Interest Note Provisions** *(If any interest payable on a Note, or any portion of the nominal amount of a Note in excess of its issue price, is to be calculated by reference to an index or formula or any Note is issued as partly paid, such interest or principal, as the case may be, may be subject to Canadian non-resident withholding tax. Additional opinions from Canadian tax counsel may be required.)*	[Applicable/Not Applicable] (*If not applicable, delete the remaining* subparagraphs of this paragraph.)
	(i) Index/Formula:	[*give or annex details*]
	(ii) Name and address of Calculation Agent responsible for calculating the interest due:	[ ]
	(iii) Provisions for determining coupon where calculated by reference to Index and/or Formula:	[ ]
	(iv) Interest Determination Date(s):	[ ]
	(v) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[ ]
	(vi) Specified Period(s):	[ ]
	(vii) Specified Interest Payment Dates:	[ ]
	(viii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ *specify other*]

(ix)	Additional Business Centre(s):	[ ]
(x)	Minimum Rate of Interest:	[ ] per cent. per annum
(xi)	Maximum Rate of Interest:	[ ] per cent. per annum
(xix)	Day Count Fraction:	[ ]

19. **Dual Currency Note Provisions**[4] — [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)

(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
(ii)	Name and address of Calculation Agent, if any, responsible for calculating the principal and/or interest payable:	[ ]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[ ]
(iii)	Person at whose option Specified Currency(ies) is/are payable:	[*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]

PROVISIONS RELATING TO REDEMPTION

20. **Issuer Call Option:** — [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)

(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Note of [ ] specified denomination
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[ ]
	(b) Maximum Redemption Amount:	[ ]
(iv)	Notice period (if other than as set out in the Conditions):	[ ] *If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, between the Issuer and the Agent.*

[4] If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. A prospectus supplement may need to be prepared, approved and published.

21.	**Noteholder Put Option:**	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph.*)
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Note of [ ] specified denomination
	(iii) Notice period (if other than as set out in the Conditions):	[ ] *If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, between the Issuer and the Agent.*
22.	**Final Redemption Amount**[5]	[ ] per Note of [ ] specified denomination/Other/see Appendix] *(N.B.: In relation to any issue of Notes which are expressed at paragraph 6 above to have a minimum denomination and tradeable amounts above such minimum denomination which are smaller than it, the following wording should be added: ''For the avoidance of doubt, in the case of a holding of [ ] in excess of [ ] as envisaged in paragraph [6] above, such holding will be redeemed at its nominal amount.'')*
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:	
	(i) Index/Formula/variable:	[*give or annex details*]
	(ii) Calculation Agent responsible for calculating the Final Redemption Amount:	[ ]
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[ ]
	(iv) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[ ]
23.	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 5(e)):	[ ]

[5] If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. A prospectus supplement may need to be prepared, approved and published.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	[Temporary Global Note exchangeable on or after (*specify Exchange Date*) for a permanent Global Note which is exchangeable for Definitive Notes on 45 days' notice given at any time.] [Temporary Global Note exchangeable for Definitive Notes not earlier than (*specify the Exchange Date*).] [Permanent Global Note exchangeable for Definitive Notes on 45 days' notice given at any time.]
25.	Additional Financial Centre(s) or other special provisions relating to Payment Business Days:	[Not Applicable/*give details*] (*Note that this item relates to the place of payment and not interest period end date, to which items 15(ii), 16(iv) and 18(ix) relate.*)
26.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes give details*]
27.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*]
28.	Details relating to Instalment Notes: amount of each instalment (''Instalment Amount''), date on which each payment is to be made (''Instalment Date''):	[Not Applicable/*give details*]
29.	Redenomination applicable:	Redenomination [not] applicable (*If Redenomination is applicable, specify wording including any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)*)
30.	Consolidation provisions:	[Not Applicable/The provisions annexed to this Final Terms apply.]
31.	Other final terms or special Conditions:	[Not Applicable/*give details*] *If alternate terms and conditions are to be used, please add the following here:* (*When adding any other final terms consideration should be given as to whether such terms constitute ''significant new factors'' and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.*)

DISTRIBUTION

32. (i)	If syndicated, names [and addresses]* of Managers [and underwriting commitments]*:	[Not Applicable/*give names, [addresses and underwriting commitments*]* *[(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a ''best efforts'' basis if such entities are not the same as the Managers.)]**
[(ii)	Date of Subscription Agreement:	[ ]]*
[(iii)]	Stabilising Manager (if any):	[Not Applicable/*give name*]
33.	If non-syndicated, name [and address]* of Dealer(s):	[Not Applicable/*give name(s)[and address(es)*] *
34.	[Total commission and concession:	[ ] per cent. of the Aggregate Nominal Amount]*
35.	Additional selling restrictions (including any modifications to those contained in the [Prospectus/ Listing Particulars] noted above):	[Not Applicable/*give details*]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to have admitted to the [Official List of the FSA] and admitted to trading on the [[Gilt Edged and Fixed Interest Market/Professional Securities Market] of the London Stock Exchange plc] the issue of Notes described herein pursuant to the U.S.$2,500,000,000 Euro Medium Term Note Programme of Province of Manitoba.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [● has been extracted from ● . The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by ● , no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: ____

Duly authorised signatory

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* Exclude for Wholesale Notes.

PART B — OTHER INFORMATION

1. LISTING

(i) Listing:	[London/other (*specify*)/None]
(ii) Admission to trading:	[Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
[(iii) Estimate of total expenses related to admission to trading:	[ ]]*

2. RATINGS

Ratings:	The Notes to be issued have been rated: [S & P: [ ]] [Moody's: [ ]] [[Other]: [ ]] *[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider if Notes have a denomination of less than €50,000 (or equivalent in another currency.]*** (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. [NOTIFICATION

The Financial Services Authority [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

''Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.'']

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* Include for Wholesale Notes.

** Exclude for Wholesale Notes.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer:	[ ] (*See ''Use of Proceeds'' wording in the Prospectus. If reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)]
[(ii)] Estimated net proceeds:	● (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
[(iii)] Estimated total expenses:	● . *[Expenses are required to be broken down into each principal intended use and presented in order of priority of such uses.]* (*If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.*)

6. [*Fixed Rate Notes only* — YIELD

Indication of yield:	● . [Calculated as [*include details of method of calculation in summary form*] on the Issue Date.]* [As set out above,]* the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. [*Floating Rate Notes only* — HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Telerate].]*

8. [*Index-Linked or other variable-linked Notes only* — PERFORMANCE OF INDEX/ FORMULA/OTHER VARIABLE, [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS]* AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]**]*

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* Exclude for Wholesale Notes.

** Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

9. [Dual Currency Notes only — PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]*

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]**]

10. OPERATIONAL INFORMATION

ISIN Code:	[ ]
Common Code:	[ ]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any) and if applicable a statement that it or they should be sole Paying Agent(s) for the Series:	[Not Applicable/*give name(s) and address(es)*]
The aggregate Nominal Amount of Notes issued has been translated into U.S. dollars at the rate of [ ], producing a sum of:	[Not Applicable] [U.S.$]

11. GENERAL

Tradeable Amount:	[●] So long as the Notes are represented by a Global Note, and [specify relevant clearing system(s)] so permit, the Notes shall be tradeable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and integral multiples of the Tradeable Amount in excess thereof.
Whether TEFRA D rules applicable or TEFRA rules not applicable:	[TEFRA D rules applicable/TEFRA rules not applicable]

* Exclude for Wholesale Notes.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be attached to, endorsed upon or incorporated by reference into each Global Note and Definitive Note, provided that the relevant Final Terms in relation to any Tranche (as defined below) of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with such Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Series of Notes. Part A of the applicable Final Terms (or the relevant provisions thereof) will be attached to, endorsed upon or incorporated by reference to each Global Note and Definitive Note. All capitalized terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms.

This Note is one of a Series (the ''Notes'', which expression shall mean (i) in relation to any Notes represented by a Note in global form (a ''Global Note''), units of the lowest Specified Denomination in the Specified Currency of the Notes, (ii) definitive Notes and (iii) any Global Note) issued subject to, and with the benefit of, an Agency Agreement amended and restated as of 15 February, 2006 (such agreement, as may be amended and as further amended from time to time, the ''Agency Agreement'') and made between the Issuer, Citibank, N.A. as issuing and principal paying agent (the ''Agent'', which expression shall include any successor issuing and principal paying agent) and the other paying agent named therein (together with the Agent, the ''Paying Agents'', which expression shall include any additional or successor paying agents).

As used herein, ''Series'' means all Notes which are denominated in the same currency and which have the same Maturity Date, Interest Basis, Redemption/Payment Basis and Interest Payment Dates (if any) (all as indicated in the applicable Final Terms) and the terms of which (save for the Issue Date, the Interest Commencement Date and/or the Issue Price (as indicated as aforesaid)) are otherwise identical (including whether or not the Notes are listed) and the expressions ''Notes of the relevant Series'' and ''holders of Notes of the relevant Series'' and related expressions shall be construed accordingly. As used herein, ''Tranche'' means all Notes of the same Series with the same Issue Date, Issue Price and Interest Commencement Date. The Issuer may create and issue additional Tranches in accordance with Condition 15.

Part A of the Final Terms (or the relevant provisions thereof) applicable to this Note may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Series of Notes. References herein to the ''applicable Final Terms'' are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed upon each Note.

Copies of the Agency Agreement (which contains the forms of Final Terms) and the Final Terms applicable to this Series of Notes are available for inspection during normal business hours at the specified office of the Agent in London, England and for collection from the office of the Assistant Deputy Minister, Treasury Division, Province of Manitoba, Legislative Building, Winnipeg, Manitoba. The holders of the Notes (the ''Noteholders'', which expression shall, in relation to any Notes represented by a Global Note, be construed as provided in Condition 1), the holders of the Coupons (the ''Couponholders'') and the holders of Receipts (the ''Receiptholders'') are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms, which are binding on them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. Form, Title and Transfer

The Notes are issued in bearer form in the Specified Currency as specified in the applicable Final Terms and in the case of definitive Notes, serially numbered in Specified Currency and the Specified Denomination.

So long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable in any nominal amounts of at least the Specified Denomination (or if there is more than one Specified Denomination, the lowest Specified Denomination) and integral multiples of the Tradeable Amount specified in the applicable Final Terms.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or an Index Linked Interest Note or any appropriate combination thereof, depending upon the interest/payment basis specified in the applicable Final Terms. It may also be an Index Linked Redemption Amount Note (collectively with Index Linked Interest Notes, ''Index Linked Notes'' or individually, ''Index Linked Note''), an Instalment Note, a Partly Paid Note, a Dual Currency Note or a combination of the foregoing, depending on the Redemption/

Payment basis shown in the applicable Final Terms. Wherever Dual Currency Notes or Index Linked Interest Notes bear interest on a fixed or floating rate basis or do not bear interest, the provisions in these Terms and Conditions relating to Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, respectively, shall, where the context so admits, apply to such Dual Currency Notes or Index Linked Interest Notes. Where this Note is an Index Linked Note, the appropriate provisions of these Terms and Conditions will apply accordingly.

Notes in definitive form (''Definitive Notes''), if issued, will be serially numbered in the Specified Currency. Interest bearing Definitive Notes will (unless otherwise indicated in the applicable Final Terms) have interest coupons (''Coupons'') and, if applicable, talons for further coupons (''Talons'') attached. Definitive Notes repayable in instalments will have receipts (''Receipts'') attached for the payment of the instalments of principal (other than the final instalment). Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The holder of each Receipt or Coupon, whether or not such Receipt or Coupon is attached to a Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Note. The Issuer, the Agent and any other Paying Agent may deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below regarding beneficial interests in such Global Note. Unmatured Receipts and Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer.

For so long as any of the Notes are represented by a Global Note, each person who is for the time being shown in the records of Euroclear Bank S.A./N.V. in its capacity as operator of the Euroclear system (''Euroclear'') or Clearstream Banking, société anonyme (''Clearstream, Luxembourg''), as the case may be, as the holder of a particular nominal amount of such Global Note (in which regard any certificate or other document issued by any such clearance system as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than, save as specifically otherwise provided in the relevant global Note, for the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, the Agent and any other Paying Agent solely in the bearer of the Global Note, in accordance with and subject to its terms (and the expressions ''Noteholder'', ''holder of Notes'' and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent and specified in the applicable Final Terms.

2. Status of Notes and Negative Pledge

The Notes will constitute legal, valid and binding, direct, unconditional and unsecured obligations of the Issuer. Payment of principal of and interest on the Notes will constitute a charge on and be payable out of the Consolidated Fund of Manitoba. The Notes will rank pari passu amongst themselves and equally with all other unsecured debentures, bonds, notes or other similar securities constituting general obligations of the Issuer.

If the Issuer shall at any time secure any other debenture, bond or note of the Issuer by any lien, pledge or other charge upon any of its present or future assets or revenues, the Notes shall share in and be secured by such lien, pledge or other charge equally and rateably with such other debenture, bond or note.

3. Definitive Notes

Unless otherwise specified in the applicable Final Terms, beneficial interests in a permanent Global Note will only be exchangeable in whole but not in part by the owners of beneficial interests in such Global Note for security-printed Definitive Notes, if such exchange is permitted by applicable law and (i) in the case of a permanent Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg if Euroclear or Clearstream, Luxembourg, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so and the Issuer and the Agent do not appoint a qualified successor within 90 days of the occurrence of any such event or (ii) upon the occurrence of an Event of Default (as defined in Condition 10) and the relevant clearing system acting on instructions of any owner of a beneficial interest in the permanent Global Note having requested in writing Definitive Notes from the Agent; or (iii) if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 9 which would not be suffered were Definitive Notes to be issued and a certificate to such effect (signed by two authorised signatories of the Issuer) is delivered to the Agent for display to the Noteholders together with a request that Definitive Notes be issued. In such circumstances, the Issuer will cause sufficient Definitive Notes to be executed and delivered as soon as practicable (and in any event within 45 days of the occurrence of any of the circumstances described in (i) above or the making of the written request described in (ii) or (iii) above) to the Agent, and/or Paying Agent, as the case may be, (the ''Permanent Exchange Date'') for completion, authentication and delivery, free of charge, to the relevant Noteholders.

4. Interest

(a) Interest on Fixed Rate Notes

(i) Interest Payment Dates

Each Fixed Rate Note bears interest on its outstanding nominal amount (or if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest specified in the applicable Final Terms payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on a Interest Payment Date. Except as hereinafter provided, the amount of interest payable on each Interest Payment Date (excluding such Interest Payment Date) will amount to the Fixed Coupon Amount. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Interest Payment Date, will amount to the Broken Amount specified in the applicable Final Terms. If the Maturity Date is not a Interest Payment Date, interest from and including the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to but excluding the Maturity Date will amount to the Broken Amount specified in the applicable Final Terms.

(ii) Method of Calculation

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination and in the case of Notes represented by a Global Note, the Tradeable Amount, if any, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

For the purposes of these Conditions, ''Fixed Day Count Fraction'' means in respect of the calculation of an amount of interest in accordance with Condition 4(a):

(A) if ''Actual/Actual (ICMA)'' is specified in the applicable Final Terms:

(a) in the case of the Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant payment date (the ''Accrual Period'') is equal to or shorter than the Determination Period, as described below, during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(B) if ''30/360'' is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to, but excluding, the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360;

For the purposes of these Conditions:

''Determination Period'' means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date following, such date); and

''sub-unit'' means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note or Index Linked Interest Note bears interest on its outstanding nominal amount (or if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date and such interest will be payable in arrear on either:

(A) The Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) If no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an ''Interest Payment Date'') which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date (or other date) should occur or (y) if any Interest Payment Date (or other date) would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is: —

(A) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (or other date)(i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date (or other date); or

(B) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

In this Condition 4(*b*), ''Business Day'' means (unless otherwise stated in the applicable Final Terms) a day which is both:

(1) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and

(2) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign exchange currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) and which if the Specified Currency is Australian dollars, shall be Sydney and, in the case of New Zealand dollars, shall be Auckland and Wellington or (2) in relation to any sum payable in euro, a day on which the TARGET System (as defined below) is open.

''TARGET System'' means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus the Margin (if any, as specified in the applicable Final Terms). For the purposes of this subparagraph (iii), ''ISDA Rate'' for any Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions (as amended and updated as at the Issue Date of the first tranche of the Notes of the relevant Series) published by the International Swaps and Derivatives Association, Inc. (the ''ISDA Definitions'') and under which:

(A) the Floating Rate Option (which may refer to a Rate Option in the ISDA Definitions) is as specified in the applicable Final Terms;

(B) the Designated Maturity is the period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (''LIBOR'') or on the Euro inter-bank offered rate (''EURIBOR'') for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purpose of this subparagraph (iii), ''Floating Rate'', ''Calculation Agent'', ''Floating Rate Option'', ''Rate Option'', ''Designated Maturity'' and ''Reset Date'' have the meanings given to those terms in the ISDA Definitions.

When this subparagraph (iii) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under subparagraph (vi) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (iii).

(iv) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or otherwise in accordance with market convention) of the offered quotations,

(expressed as a percentage rate per annum), for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) in the case of LIBOR or, where EURIBOR is the applicable Reference Rate, 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus the Margin (if any, as specified in the applicable Final Terms), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) above, fewer than three of such offered quotations appears, in each case as at such time, the Agent shall request (i) in the case of LIBOR, the principal London office of each of the Reference Banks (as defined below) or (ii) in the case of EURIBOR, the principal Euro-zone (as defined below) office of each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency, in an amount approximately equal to the aggregate nominal amount of the Notes of the relevant Tranche, for the relevant Interest Period to leading banks in the London inter-bank market or where EURIBOR is the applicable Reference Rate, in the Euro-zone inter-bank market, at approximately 11.00 a.m. (London time or, where EURIBOR is the applicable Reference Rate, Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or otherwise in accordance with market convention) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or otherwise in accordance with market convention) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or otherwise in accordance with market convention) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offering, as at 11.00 a.m. (London time or, where EURIBOR is the applicable Reference Rate, Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market or where EURIBOR is the applicable Reference Rate, in the Euro-zone inter-bank market, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Agent and the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London inter-bank market or where EURIBOR is the applicable Reference Rate, in the Euro-zone inter-bank market (or, as the case may be, the quotations of such bank or banks to the Agent) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

''Euro-zone'' means the region comprised of Member States of the European economic and monetary union that adopt the euro as the single currency in accordance with the Treaty establishing the European Community, as amended.

The expression ''Reference Banks'' means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Agent or as specified in the applicable Final Terms.

If the Reference Rate from time to time in respect of Floating Rate Notes or Index Linked Interest Notes is specified as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

''Relevant Screen Page'' means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Money 3000 Service (''Reuters'') and the MoneyLine Telerate Monitor (''Telerate'')) as may be specified in the applicable Final Terms for the purposes of providing a Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information services, in each case as may be nominated by the person or organization providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

(v) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the following provisions is less than such Minimum Rate of Interest, the Rate of Interest for such period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the following provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amount

The Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Index Linked Interest Notes, will, on or as soon as practicable after each date on which the Rate of Interest is to be determined, determine the Rate of Interest (subject to any Minimum or Maximum Rate of Interest specified in the applicable Final Terms). In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as possible after calculating same. The Agent will calculate the amount of interest (the ''Interest Amount'') payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination and Tradeable Amount, if any, for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

For the purposes of these Conditions, ''Day Count Fraction'' means, in respect of the calculation amount of interest in accordance with Condition 4(b) for any Interest Period:

(A) If ''Actual/365'' or ''Actual/Actual (ISDA)'' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls on a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in the non-leap year divided by 365);

(B) If ''Actual/365 (Fixed)'' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) If ''Actual/365 (sterling)'' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) If ''Actual/360'' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) If ''30/360'', ''360/360'' or ''Bond Basis'' is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes the last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(F) If ''30E/360'' or ''Eurobond Basis'' is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vii) Notification of Rate of Interest and Interest Amount

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified by the Agent (in the case of Floating Rate Notes, or Index Linked Interest Notes which are admitted to the Official List of the UK Listing Authority (the ''Official List'') and admitted to trading on the London Stock Exchange plc (the ''London Stock Exchange'')) to the UK Listing Authority and the London Stock Exchange and, if applicable, to any other stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or admitted to trading, and to be given in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. For the purposes of this subparagraph (vii), the expression ''London Business Day'' means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign exchange currency deposits) in London.

(viii) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Agent, or if applicable, the Calculation Agent shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Agent and the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Zero Coupon Notes

Where a Zero Coupon Note becomes due and payable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 5(e) as its Amortised Face Amount, as defined below in Condition 5(e)(iii). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield specified in the applicable Final Terms.

(d) Interest on Dual Currency Notes

In the case of Dual Currency Notes, if the Rate of Interest is to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in accordance with the provisions of Condition 4(b) as if the references therein to the Agent were to the Calculation Agent specified in the applicable Final Terms.

(e) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes) interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(f) Accrual of Interest

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the rate as provided herein.

(g) Interest Act (Canada) Disclosure

For the purpose of disclosure pursuant to the *Interest Act* (Canada), where interest is required to be calculated on the basis of a 360-day year or any other period of time that is less than a calendar year, the yearly rate of interest which is equivalent to the Rate of Interest for any period of less than one calendar year may be determined by multiplying such Rate of Interest by a fraction, the numerator of which is the actual number of days in the 12-month period constituting such calendar year and the denominator of which is 360 or such other period of time that is less than a calendar year, as the case may be.

5. Redemption and Purchase

(a) At Maturity

Unless previously repaid, each Note will be repaid by the Issuer at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) Early Redemption for Tax Reasons

If, as a result of any change in the laws of Canada or any province, territory or political division thereof or the interpretation or administration of any such laws, which change becomes effective on or after the latest Issue Date of the Notes of this Series, the Issuer would, on the occasion of the next payment due in respect of the Notes of this Series, be required to pay additional amounts as provided in Condition 9, the Issuer may at its option, having given not more than 60 days' nor less than 30 days' notice (or such other notice period as may be specified in the applicable Final Terms) to the Agent and to the holders of the Notes of this Series in accordance with Condition 13 (which notice shall be irrevocable), at any time or, if the Notes of this Series are Floating Rate Notes, on any Interest Payment Date, repay all, but not some only, of the Notes of this Series each at its Early Redemption Amount referred to in Condition 5(e) below, together, if appropriate, with interest accrued to, but excluding, the date of repayment. Upon the expiry of such notice, the Issuer shall be bound to repay the Notes of this Series accordingly.

(c) Early Redemption at the Option of the Issuer (''Issuer Call Option'')

If Issuer Call Option is specified in the applicable Final Terms as being applicable, the Issuer may, upon giving not more than 60 days' nor less than 30 days' notice (or such other notice period as may be specified in the applicable Final Terms) to the Agent and to the holders of the Notes of this Series in accordance with Condition 13 (which notice shall be irrevocable), repay all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) indicated in the applicable Final Terms together, if appropriate, with interest accrued to but excluding such Optional Redemption Date. In the event of a redemption of some only of such Notes, such redemption must be for an amount being not less than the Minimum Redemption Amount or not greater than the Maximum Redemption Amount, as indicated in the applicable Final Terms. In the case of a partial redemption of Definitive Notes, the Notes to be redeemed will be selected individually by lot not more than 60 days prior to the date fixed for redemption in such place as the Agent may approve and in such manner as it deems appropriate and notice of the Notes called for redemption will be given in accordance with Condition 13 not less than 30 days prior to the date fixed for redemption, subject to applicable laws and stock exchange requirements. In the case of a partial redemption of Global Notes, the relevant Notes will be redeemed in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, subject to applicable laws and stock exchange requirements.

(d) Early Redemption at the Option of the Noteholders (''Noteholder Put Option'')

If Noteholder Put Option is specified in the applicable Final Terms as being applicable, upon the holder of any Note giving not more than 60 days' nor less than 30 days' notice (or such other period specified in the Final Terms) to the Issuer in accordance with Condition 13 (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to and in accordance with the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together, if appropriate, with interest accrued to but excluding such Optional Redemption Date.

(e) Early Redemption Amounts

For the purposes of paragraph *(b)* above and Condition 10, Notes will be redeemed at an amount (the ''Early Redemption Amount'') calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price and payable in the Specified Currency in which the Notes are denominated, at the Final Redemption Amount thereof; or

(ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be lesser or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Final Terms or, if no such amount or manner is set out in the applicable Final Terms, at their nominal amount; or

(iii) in the case of Zero Coupon Notes, at an amount (the ''Amortised Face Amount'') equal to:

(A) the sum of (x) the Reference Price specified in the applicable Final Terms and (y) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or

(B) if the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (b) above or upon its becoming due and repayable as provided in Condition 10 is not paid or available for payment when due, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount of such Zero Coupon Note calculated as provided above as though the references in clause (A) to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the ''Reference Date'') which is the earlier of:

(1) the date on which all amounts due in respect of the Note have been paid; and

(2) the date on which the full amount of the moneys repayable has been received by the Agent and notice to that effect has been given in accordance with Condition 13.

The calculation of the Amortised Face Amount in accordance with this clause (B) will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the nominal amount of such Note together with interest at a rate per annum equal to the Accrual Yield.

Where any such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or on such other calculation basis as may be specified in the applicable Final Terms.

(f) Instalments

Any Note which is repayable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of Definitive Notes, all instalments (other than the final instalment) will be paid against surrender of the relevant Receipt (which must be presented with the Note to which it appertains) and, in the case of the final instalment, against surrender of the relevant Note, all as more fully described in Condition 6.

(g) Purchases

Subject to any applicable legal or regulatory restrictions, the Issuer may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts and Coupons appertaining thereto are surrendered therewith) in the open market or by private treaty at any price. If purchases are made by tender, tenders must be available to all holders of Notes of the relevant Series alike.

(h) Cancellation

All Notes redeemed by the Issuer as aforesaid will be cancelled forthwith and any Notes purchased by the Issuer as aforesaid may, at the option of the Issuer, be surrendered to the Agent and cancelled. Any Notes to be cancelled shall be cancelled, together with all unmatured Receipts and Coupons attached thereto or surrendered or purchased therewith, and may not be resold or reissued.

(i) Further Provisions applicable to Redemption Amount and Instalment Amounts

(i) The provisions of Conditions 4(b)(vi), (vii) and (viii) shall apply with necessary adaptations to any determination or calculation of the Redemption Amount or any Instalment Amount required by the applicable Final Terms to be made by the Calculation Agent.

(ii) References herein to ''Redemption Amount'' shall mean, as appropriate, the Final Redemption Amount, the final Instalment Amount and the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms.

6. Payments

(a) Method of Payment

Subject as provided below:

(i) Payments in a Specified Currency other than euro or U.S. dollars will be made by credit or transfer to an account in the Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency.

(ii) Payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

(iii) Payments in U.S. dollars will be made by credit or transfer to a U.S. dollar account maintained by the payee outside of the United States, at the option of the payee, or by a cheque drawn on a United States bank.

In no event will payment of amounts due in respect of Notes be made by a cheque mailed to an address, or by transfer or credit to an account at a bank located, in the United States (which expression, as used herein, means the United States of America, including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction).

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9. References to ''Specified Currency'' include any successor currency under applicable law.

(b) Payments in respect of Definitive Notes

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the Specified Currency in the manner provided in paragraph (a) above against surrender of Definitive Notes and payments of interest in respect of the Definitive Notes will (subject as provided below) be made in the Specified Currency in the manner provided in paragraph *(a)* above against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Notwithstanding the foregoing, if the Definitive Notes are denominated or payable in U.S. dollars, payments in respect of the Definitive Notes will only be made at the specified office of a Paying Agent in the

United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount owing in respect of the Notes in the manner provided above when due;

(ii) payment of the full amount owing in respect of the Notes at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Payments of instalments of principal (if any), other than the final instalment in respect of Definitive Notes, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant instalment together with the relevant Definitive Note to which it appertains. Upon any Definitive Note becoming due and payable prior to its stated Maturity Date, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof. Unmatured Receipts and Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) must be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the aggregate amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time after the Relevant Date (as defined in Condition 9) in respect of such principal and before the expiry of the prescription period under Condition 12. Upon any such Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof. A ''*Long Maturity Note*'' is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

(c) Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Global Notes will (subject as provided below) be made in the manner specified above and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of such Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

Subject as provided below (i) the holder of the relevant Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid and (ii) each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for the holder's share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Global Note. In certain limited circumstances described in the relevant Global Note in which payments in respect of a Global Note are not made when due, owners of beneficial interests in such Global Note may become entitled to proceed directly against the Issuer.

(d) Payment of Accrued Interest on Redemption

If the due date for redemption of any Note in definitive form is not an Interest Payment Date, interest (if any) accrued in respect of such Note from and including the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

(e) Payment Business Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Business Day (as defined below), the holder thereof shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless specified in the applicable Final Terms, ''Payment Business Day'' means any day which subject to Condition 12, is:

(i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation;

(B) London; and

(C) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre) and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland and Wellington, respectively or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(f) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable under Condition 9 in respect of principal;

(ii) the Optional Redemption Amount of the Notes;

(iii) the Final Redemption Amount of the Notes;

(iv) the Early Redemption Amount of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts; and

(vi) any premium and any other amounts which may be payable under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 9 in respect of interest.

7. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out on the Notes. In acting under the Agency Agreement, the Agent and the other Paying Agents will act solely as agents of the Issuer and do not assume any obligations or relationships of agency or trust to or with the Noteholders, Receiptholders or Couponholders, except that (without affecting the obligations of the Issuer to the Noteholders, Receiptholders and Couponholders to repay Notes and to pay interest thereon) funds received for the payment of the principal of or interest on the Notes shall be held by each of them in trust for the Noteholders, Receiptholders and/or Couponholders until the expiration of the relevant period of prescription under Condition 12.

The Issuer is entitled to vary or terminate the appointment of the Agent or any other Paying Agent and/or appoint additional or other paying agents and/or approve any change in the specified office through which the Agent or any other Paying Agent acts, provided that:

(i) so long as any Notes are outstanding, there will at all times be an Agent;

(ii) so long as any Notes are outstanding, there will at all times be a Paying Agent (which may be the Agent) with a specified office in a leading financial centre approved by the Agent in continental Europe; and

(iii) so long as any Notes are listed and/or admitted to trading on any stock exchange or other relevant authority, there will at all times be a Paying Agent (which may be the Agent) with a specified office in each location as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(iv) the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 6(*b*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' nor more than 45 days' prior notice thereof shall have been given to the Agent and the Noteholders in accordance with Condition 13 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Interest Payment Date or Instalment Date. Notwithstanding the foregoing, the Issuer may, with immediate effect, appoint a Paying Agent with respect to a particular Series of Notes without the requirement to give notice to Noteholders other than Noteholders of such Series (if any).

8. Exchange of Talons

On and after the Interest Payment Date, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including, if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Note to which it appertains, a further Talon, subject to the provisions of Condition 6(b) and Condition 12. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

9. Taxation

All payments of principal and interest by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the Government of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders, the Receiptholders or the Couponholders, as the case may be, after such withholding or deduction, shall equal the respective amounts of principal or interest which would have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amount shall be payable with respect to any Note, Receipt or Coupon:

(i) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of the holder having some connection with Canada other than the mere holding or use outside Canada, or ownership as a non-resident of Canada, of such Note, Receipt or Coupon; or

(ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on or before such thirtieth day; or

(iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union.

As used herein, the ''Relevant Date'' means:

(A) the date on which such payment first becomes due; or

(B) if the full amount of the moneys payable has not been received by the Agent on or prior to such due date, the date on which, the full amount of such moneys, has been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 13.

10. Events of Default

In case one or more of the following events (hereinafter referred to as ''Events of Default'') shall have occurred and be continuing, that is to say:

(a) if the Issuer shall fail to pay principal due on any of the Notes for a period of 15 days after the date when due;

(b) if the Issuer shall fail to pay any interest due under any of the Notes for a period of 30 days after the date when due; or

(c) if the Issuer shall fail to perform or observe any term, covenant or agreement contained in any of the Notes for a period of 60 days after the date on which written notice of such failure, requiring the Issuer to remedy the same, shall first have been given to the Agent by the holder of any Note at the time outstanding,

then in each and every such case the nominal amount of any Note together with all accrued interest thereon shall, at the option of and upon written notice to the Issuer by the holder thereof, mature and become immediately due and payable on the date that such written notice is received by the Issuer, unless prior to the receipt of such notice all Events of Default in respect of all the Notes shall have been cured.

11. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be mutilated, defaced, destroyed, lost or stolen, it may be replaced at the specified office of the Agent or any other Paying Agent (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations, upon payment by the claimant of the expenses incurred by the Issuer, Agent or Paying Agent, as the case may be, in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Issuer, Agent or Paying Agent, as the case may be, may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Prescription

Subject to applicable law, the Notes, Receipts and Coupons will become void unless presented for payment within a period of six years from the Relevant Date (as defined in Condition 9) relating thereto. Any moneys paid by the Issuer to the Agent for the payment of principal or interest in respect of the Notes and remaining unclaimed when the Notes, Receipts or Coupons become void shall forthwith be repaid to the Issuer and all liability with respect thereto shall thereupon cease. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 12 or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

13. Notices

Notices in respect of the Notes, save where another effective means of communication has been specified in the applicable Final Terms, shall be published in one leading English language newspaper with circulation in the United Kingdom (which is expected to be the *Financial Times*) or, if this is not practicable, one other such English language newspaper as the Issuer, in consultation with the Agent, shall decide. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading. Any such notice shall be deemed to have been given on the date of the first publication.

There may, so long as the Global Notes for this Series are held in their entirety on behalf of Euroclear or Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to the relevant clearance system for communication by it to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes of this Series on the seventh day after the day on which the said notice was given to Euroclear or Clearstream, Luxembourg, as the case may be.

Any notice to the Agent shall be given to it in writing at its specified office or to such other address as shall have been notified to the holders of Notes, Receipts and Coupons in accordance with this Condition. Notwithstanding the foregoing, so long as any of the Notes of this Series are represented by a Global Note, such notice may be given by any holder of a Note of this Series to the Agent via Euroclear or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear or Clearstream, Luxembourg may approve for this purpose.

14. Currency Indemnity

If, under any applicable law and whether pursuant to a judgment being made or registered against the Issuer or for any other reason, any payment under or in connection with the Notes is made or is to be satisfied in a currency (the ''other currency'') other than the Specified Currency then, to the extent that the payment (when converted into the Specified Currency at the rate of exchange on the date of payment) falls short of the amount due under the terms of the Notes, the Issuer shall, as a separate and independent obligation, indemnify and hold harmless the relevant Noteholder against the amount of such shortfall. For the purpose of this Condition 14, ''rate of exchange'' means the noon spot delivery quotations (London time) on the London foreign exchange market on the date of payment to purchase the Specified Currency with the other currency as determined by the Agent.

15. Further Issues

The Issuer may from time to time without notice to or the consent of the Noteholders create and issue further notes having the same rights, restrictions, terms and conditions as the Notes in all respects (or in all respects save for the Issue Date, the first payment of interest thereon and/or the Issue Price) so that the same shall be consolidated and form a single Series with the Notes.

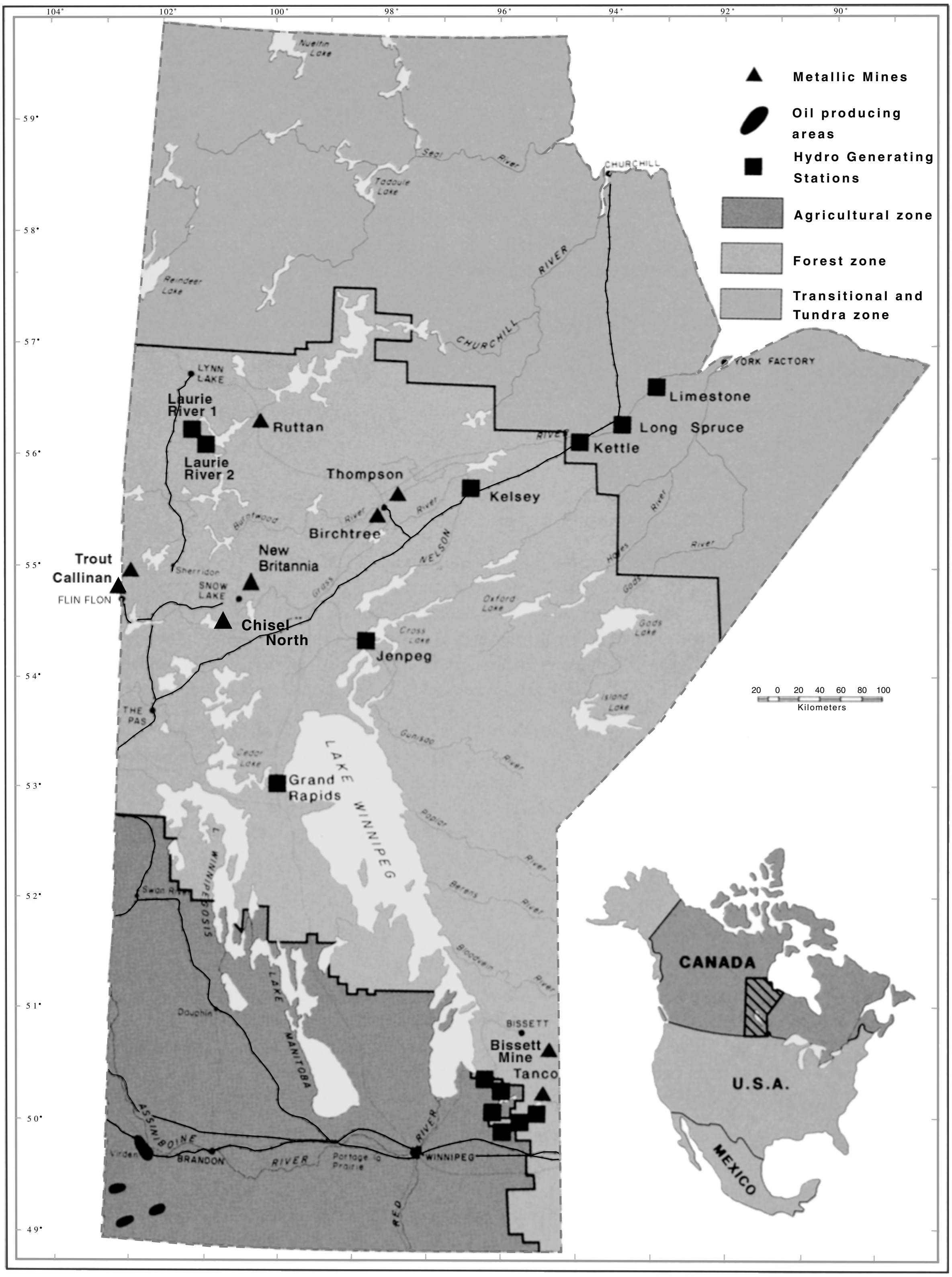
16. Governing Law

The Agency Agreement and the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of the Province of Manitoba and the federal laws of Canada applicable therein.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be paid to the credit of the Province and may be used to meet charges and expenses lawfully authorised to be defrayed from it, for making loans to Crown corporations or for other purposes permitted by *The Financial Administration Act* (Manitoba). If, in relation to any particular issue of Notes there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

MAP OF THE PROVINCE



DESCRIPTION OF THE PROVINCE

General Information

The Province of Manitoba is located in the center of Canada, north of the States of Minnesota and North Dakota. It is the most easterly of the three Provinces of Manitoba, Saskatchewan and Alberta, which together constitute the Prairie Region of Canada. Manitoba is bounded on the east by the Province of Ontario, on the north by Hudson Bay and the Territory of Nunavut, and on the west by the Province of Saskatchewan. The Province has 400 miles of northern coastline bordering on Hudson Bay. The only seaport in the Prairie Region is located at Churchill on Hudson Bay.

Of Manitoba's total area of 251,000 square miles, 39,000 square miles are lakes and rivers and 163,000 square miles are lands owned by the Province. Cultivated land comprises 30,000 square miles in the southern part of the Province. The northern part of the Province, which is part of the Canadian Shield, is composed largely of timberlands and extensive areas of mineralized rock structure.

The estimated population of Manitoba on July 1, 2005 was 1,177,600, of whom approximately 707,700 lived in the Winnipeg Census Metropolitan Area. Winnipeg, the capital of the Province, has a diversified economic base with significant activity in a variety of manufacturing and service sectors. The city is also a major rail, truck and air transportation hub by virtue of its geographical position in the center of the continent.

The second largest city in the Province is Brandon, with a population of approximately 40,000. Brandon, in western Manitoba, is a major supply center for the agriculture industry, as well as an agriculture-related manufacturing center.

Constitutional Framework

Canada consists of a federation of provinces and Federal territories. A constitutional division of powers between the Federal and provincial governments was established by the *British North America Act, 1867*, an Act of the Parliament of the United Kingdom. By later enactments, including the *Constitution Act, 1982*, the power to amend the Constitution of Canada (the ''Constitution'') was transferred to Canada.

Under the Constitution, the Provinces are assigned jurisdiction over health care, education, municipal institutions, property and civil rights, natural resources and other matters of purely provincial or local concern. Each Province has exclusive jurisdiction over the borrowing of money on the sole credit of that Province. The Parliament of Canada has jurisdiction over all areas not assigned exclusively to the provincial legislatures, including such matters as aboriginal persons, the federal public debt and property, the regulation of trade and commerce, currency and coinage, banks and banking, national defense, foreign affairs, postal services, interprovincial transportation and communications undertakings.

Various Constitutional issues have been under discussion in Canada for a number of years. On August 20, 1998, in response to a reference from the Federal Government, the Supreme Court of Canada ruled that under the Constitution of Canada and international law, Quebec may not secede unilaterally from Canada, but that if the people of Quebec voted to secede by a clear majority vote on a clear question, the other Provinces and the Federal Government would be obliged to enter negotiations with Quebec with respect to secession, such negotiations to be guided by constitutional principles, including federalism, democracy, constitutionalism and the rule of law, and the protection of minorities.

Provincial Government

The Provincial Government has general responsibility for the administration of all governmental activities and functions within Manitoba, other than those which are under the jurisdiction of the Federal Government. It carries out certain of these responsibilities through Provincial agencies, boards, commissions and Crown organizations. Certain other responsibilities have been delegated to municipalities and semi-autonomous bodies such as school boards and regional health authorities.

The executive power in the Province of Manitoba is vested in the Lieutenant Governor acting on the advice of the Executive Council, which is responsible to the Legislative Assembly. The Lieutenant Governor is appointed by the Governor General of Canada in Council.

The Executive Council, which includes the Premier and Ministers of Departments of the Provincial Government, is appointed by the Lieutenant Governor usually on the nomination of the leader of the party with the largest number of members in the Legislative Assembly. Members of the Executive Council are usually members of the Legislative Assembly.

The Legislative Assembly has 57 members who are elected for a term of five years subject to earlier dissolution of the Assembly by the Lieutenant Governor, usually on the recommendation of the Executive Council. In the latest general election of members of the Legislative Assembly, held on June 3, 2003, the New Democratic Party was elected to a majority of seats.

The following table sets forth the results of the three most recent elections of the Province.

	1995	*1999*	*2003*
New Democrat	23	32	35
Progressive Conservative	31	24	20
Liberal	3	1	2
Total	57	57	57

ECONOMY

General

Manitoba has a diversified economy. Its major industries are manufacturing; finance, insurance and real estate; transportation and storage; retail trade; wholesale trade; agriculture; information and culture; and construction. The largest components of manufacturing are food processing, transportation equipment, machinery, chemicals, wood, fabricated metals, plastics and rubber, furniture and printing. Agricultural production is diversified between crops and livestock. In transportation, Manitoba is a major center for truck, rail and air transport, and there is a deep-sea port at Churchill on Hudson Bay. The Province exports a large portion of its production.

The following table sets forth growth rates in 2004 for key economic indicators and selected sectors of the economy for Manitoba and Canada, as well as the unemployment rate for 2004.

	Manitoba	*Canada*
Single-Detached Housing Starts	10.1%	4.8%
Retail Sales	6.7	4.7
Manufacturing Shipments	10.1	8.5
Gross Domestic Product	5.5	6.1
Real Gross Domestic Product	2.8	2.9
Capital Investment	9.9	8.5
Foreign Merchandise Exports	7.7	8.7
Farm Cash Receipts	9.4	6.1
Value of Mineral Production	36.0	13.4
Consumer Price Index	2.0	1.9
Employment	0.9	1.8
Average Unemployment Rate	5.3	7.2

Year-to-date data for 2005 indicate that utilities, retail sales, single detached housing starts, manufacturing shipments, employment and foreign merchandise exports are increasing. Farm cash receipts have decreased in 2005. According to the February 2005 Statistics Canada survey of investment intentions, capital investment is expected to increase by 7.1% to $7.3 billion, as public investment increases 17.7% while private investment increases 3.6%.

The following table sets forth selected indicators of economic activity and the compound annual growth rates for Manitoba and Canada for the years 2000 through 2004. In this table and throughout this document, compound annual growth rates are calculated by distributing the aggregate amount of growth during the period on the basis of a constant annual rate of growth compounded annually.

SELECTED ECONOMIC INDICATORS

	Year Ended December 31,					Compound Annual Growth Rate
	2000	*2001*	*2002*	*2003*	*2004*	*2000-2004*
	(In millions of dollars unless otherwise indicated)					
Nominal Gross Domestic Product[1]						
Manitoba	$ 34,042	$ 35,149	$ 36,859	$ 38,074	$ 40,181	4.2%
Canada	1,076,577	1,708,048	1,154,204	1,216,191	1,290,185	4.6
Real Gross Domestic Product						
Manitoba[2]	$ 32,801	$ 33,108	$ 33,904	$ 34,447	$ 35,422	1.9
Change	4.3%	0.9%	2.4%	1.6%	2.8%	—
Canada[2]	$1,020,488	$1,038,702	$1,070,789	$1,092,388	$1,124,428	2.5
Change	5.2%	1.8%	3.1%	2.0%	2.9%	—
Personal Income	$ 28,371	$ 29,259	$ 30,021	$ 30,760	$ 32,009	3.1
Personal Income Per Capita (in Dollars)	24,735	25,421	25,970	26,472	27,358	2.6
Retail Sales	9,337	9,878	10,570	10,953	11,692	5.8
Capital Investment	5,520	5,803	6,013	6,163	6,774	5.3
Single-Detached Housing Starts (Units)	2,3438	2,460	3,016	3,165	3,484	10.4
Change in Consumer Price Index						
Manitoba	2.5%	2.6%	1.6%	1.8%	2.0%	—
Canada	2.7	2.6	2.2	2.8	1.9	—
Population (July 1) (in thousands)						
Manitoba	1,147	1,151	1,156	1,162	1,170	0.5
Canada	30,689	31,021	31,373	31,669	31,974	1.0
Employment (in thousands)	551.7	554.3	567.4	570.6	576.0	1.1
Average Unemployment Rate	5.0%	5.0%	5.1%	5.0%	5.3%	—
Average exchange rate (C$ per U.S.$)	1.4852	1.5484	1.5704	1.4015	1.3015	—

(1) At market prices.

(2) Expressed in 1997 dollars.

Sources: Statistics Canada, Manitoba Bureau of Statistics and Manitoba Department of Finance.

Economic Structure

The Province has a diversified economy. In 2004, goods producing industries accounted for 26.3% of real gross domestic product at basic prices. Manufacturing accounted for 12.3% of real gross domestic product at basic prices, agriculture for 4.7% and construction for 4.6%. The commercial service sector accounted for 54.0% of real gross domestic product at basic prices, and the non-commercial service sector for 19.7%.

The following table sets forth the Real Gross Domestic Product by industry at basic prices and the compound annual growth rates for the years 2000 through 2004.

REAL GROSS DOMESTIC PRODUCT AT BASIC PRICES BY INDUSTRY[1]

	Year Ended December 31,					Compound Annual Growth Rate
	2000	2001	2002	2003	2004	2000-2004
	(In millions of 1997 dollars)					
Goods Producing Industries						
Manufacturing	$ 3,918	$ 3,856	$ 3,916	$ 3,906	$ 4,046	0.8%
Agriculture	1,700	1,399	1,448	1,589	1,538	–2.5
Construction	1,204	1,416	1,422	1,449	1,517	5.9
Utilities	1,020	1,023	967	871	887	–3.4
Mining	673	627	576	508	549	–5.0
Forestry, Fishing and Trapping	67	71	76	77	81	4.9
Total Goods Producing Industries	8,583	8,392	8,405	8,402	8,619	0.1
Service Producing Industries Commercial Services						
Finance, Insurance and Real Estate	3,151	3,268	3,486	3,572	3,694	4.1
Owner-Occupied Dwellings[2]	2,717	2,773	2,825	2,892	2,970	2.3
Transportation and Storage	2,148	2,131	2,125	2,144	2,174	0.3
Retail Trade	1,754	1,880	1,975	2,057	2,149	5.2
Wholesale Trade	1,883	1,913	2,024	2,091	2,131	3.1
Information and Culture	1,272	1,365	1,442	1,508	1,537	4.8
Professional and Scientific	753	752	764	807	833	2.6
Accommodation, Food and Beverage	769	816	815	793	774	0.2
Business Services	440	461	473	488	498	3.1
Other Services	842	892	916	926	938	2.7
Total Commercial Services Industries	15,728	16,252	16,845	17,278	17,699	3.0
Non-commercial Services						
Health and Welfare	2,223	2,318	2,397	2,477	2,528	3.3
Education	1,574	1,565	1,594	1,615	1,654	1.2
Federal Administration	950	947	965	986	995	1.2
Provincial Administration	787	699	692	683	689	–3.3
Municipal Administration	542	526	551	558	594	2.3
Total Non-commercial Services Industries	6,075	6,056	6,198	6319	6,459	1.5
Total Service Producing Industries	21,804	22,308	23,043	23,598	24,158	2.6
Real Gross Domestic Product at Basic Prices[3]	$30,320	$30,604	$31,340	$31,871	$32,778	2.0

(1) Real gross domestic product measures value added and therefore differs from the value of production or the value of shipments by industry. Real gross domestic product at basic prices is the sum of all factor incomes from production in the Province. Real gross domestic product at basic prices plus indirect taxes, minus subsidies, equals real gross domestic product at market prices. Amounts in the table are expressed in 1997 dollars.

(2) Imputed rent value of Owner-Occupied Dwellings.

(3) Total real gross domestic product at basic prices does not equal the sum of real gross domestic product by industry due to the chaining of dollars.

Source: Manitoba Bureau of Statistics.

Manufacturing. Manufacturing is the largest sector of the Manitoba economy and is well diversified with the four largest industries accounting for only 51.2% of the value of total shipments in 2004.

The largest industry, food, accounts for 23.1% of total shipments, and produces a broad range of products. The next largest industries are: transportation equipment, primarily buses and aerospace equipment (14.2% of shipments); machinery, mainly agricultural implements (7.3% of shipments); and chemicals, primarily farm chemicals and pharmaceuticals (6.5% of shipments). The remaining industries range in size from 6.4% to 1.2% of shipments.

In 2004, manufacturing shipments increased 10.1% due to increased production in the wood, fabricated metals, food and machinery industries.

The following table sets forth the gross value of manufacturing shipments and the compound annual growth rates of the principal Manitoba manufacturing industries for the years 2000 through 2004.

GROSS VALUE OF MANUFACTURING SHIPMENTS

	Year Ended December 31,					Compound Annual Growth Rate
	2000	2001	2002	2003	2004	2000-2004
	(In millions of dollars)					
Non-durables						
Food	$2,492.6	$ 2,442.7	$ 2,431.9	$ 2,456.8	$ 2,893.4	3.8%
Chemicals	544.5	635.9	635.0	814.2	817.2	10.7
Plastics and Rubber	467.8	511.9	537.7	568.4	606.3	6.7
Printing	513.1	547.2	515.6	509.7	506.3	–0.3
Clothing	376.6	293.3	274.2	261.5	259.9	–8.9
Beverages	220.3	211.9	209.6	208.0	203.3	–2.0
Other Non-durables	746.4	715.1	677.3	582.7	571.2	–6.5
Durables						
Transportation Equipment	1,729.3	1,789.8	1,638.7	1,697.0	1,785.0	0.8
Machinery	809.1	788.5	880.4	801.5	917.3	3.2
Wood Products	588.5	597.3	630.5	666.1	800.4	8.0
Fabricated Metals	605.3	582.0	585.2	620.3	738.0	5.1
Furniture	510.0	498.9	549.3	543.8	541.5	1.5
Electrical and Electronics	259.8	233.1	212.6	165.9	146.3	–13.4
Other Durables	1,575.6	1,496.3	1,442.3	1,481.2	1,741.9	2.5
Total	$11,438.9	$11,343.8	$11,220.3	$11,377.1	$12,528.2	2.3

Source: Statistics Canada.

In the first eight months of 2005, the value of manufacturing shipments increased 4.6% compared to the first eight months of 2004. The increase is principally due to a 17.5% increase in fabricated metals, an 11.4% increase in electrical equipment, a 10.9% increase in transportation equipment and a 10.7% increase in machinery. Overall, nine of fourteen categories of manufacturing shipments reported increases.

Agriculture. Farm cash receipts are divided between crops and livestock and are well diversified within these major sectors of production.

In 2004, farm cash receipts increased 9.4%. Crop receipts increased 4.7% due to higher receipts from wheat, vegetables and oilseeds reflecting a draw down of inventories. Livestock receipts increased 6.8% as a result of an increase of 22.8% in hog receipts which was partially offset by a 22.0% decline in cattle and calves. Most other types of livestock receipts increased. Direct payments increased 48.9%.

The following table sets forth farm cash receipts and the compound annual growth rates for the years 2000 through 2004.

FARM CASH RECEIPTS

	Year Ended December 31,					Compound Annual Growth Rate
	2000	*2001*	*2002*	*2003*	*2004*	*2000-2004*
	(In millions of dollars)					
Crops						
Oilseeds	$ 371.4	$ 416.1	$ 587.7	$ 626.6	$ 669.3	15.9%
Wheat	447.3	586.3	658.4	457.8	550.5	5.3
Vegetables	176.9	202.4	203.4	202.5	222.5	5.9
Specialty and Forage	172.7	154.1	212.7	227.1	164.6	–1.2
Other Grains	117.8	193.5	212.2	165.8	141.8	4.7
Other[1]	26.4	–33.0	43.3	20.5	31.6	4.6
Total Crops	1,312.5	1,519.3	1,917.7	1,700.3	1,780.3	7.9
Livestock						
Hogs	669.7	805.7	719.0	762.7	936.7	8.8
Cattle and Calves	484.2	573.5	555.8	340.7	265.9	–13.9
Dairy	154.0	158.0	163.9	174.4	178.8	3.8
Poultry and Eggs	141.8	149.5	149.8	153.7	161.0	3.2
Other Livestock	101.1	113.0	128.1	129.8	125.4	5.5
Total Livestock	1,550.9	1,799.7	1,716.5	1,561.3	1,667.8	1.8
Direct Payments	287.1	382.1	219.0	308.1	458.7	12.4
Total	$3,150.5	$3,701.1	$3,853.2	$3,569.8	$3,906.9	5.5
Net Cash Income[2]	$ 587.1	$ 911.6	$ 924.9	$ 509.4	$ 761.5	6.7

(1) Includes other crops, and, as a negative amount, deferred payments on all crops.

(2) Represents farm cash receipts less operating expenses.

Source: Statistics Canada.

In 2000 and 2001, Direct Payments include payments under the temporary disaster income assistance programs for farm producers implemented by the provincial and Federal Governments in respect of poor weather conditions in the Province. These weather conditions prevented or delayed crop seeding in some regions. These payments were $48.1 million in 2000 and $117.6 million in 2001. Direct Payments in 2000 also include a one-time $100 million payment to crop producers to compensate them for the elimination of transportation subsidies. In 2004, Direct Payments to Manitoba agriculture producers increased mainly due to $86.6 million in income support payments provided to crop and livestock producers under the new Federal Transitional Industry Support program, $79.0 million from the Canadian Agricultural Income Stabilization program, an increase of $38.0 million in Net Income Stabilization payments and an increase of $26.1 million in crop insurance payments.

On May 20, 2003, the Canadian Food Inspection Agency (''CFIA'') announced that tests had confirmed that a case of Bovine Spongiform Encephalopathy (''BSE'') had been found in a single beef cow in the Province of Alberta. The inspection system prevented the meat from entering the food chain. More than 2,700 animals were destroyed and tested as part of the CFIA's investigation, which is now concluded. All test results for BSE were negative and the investigation did not identify any additional cases.

On May 20, 2003, the United States Department of Agriculture (''USDA'') placed Canada under its BSE restriction guidelines and announced that it would not accept any live ruminants (cattle, sheep and certain other hoofed animals) or ruminant products from Canada pending further investigation. Several other countries also imposed import restrictions. On August 8, 2003, the USDA announced that it would begin to accept applications for import permits for certain boneless ruminant products, including boneless bovine meat from cattle under 30 months of age. Several other countries followed the U.S. lead and resumed the import of certain Canadian beef products.

The closure of the Canada-U.S. border to Canadian ruminants and ruminant products adversely impacted the Canadian ruminant industry. The Canadian Government and certain provincial governments, including the

Government of Manitoba, announced various programs to provide support to the industry. Discussions between the United States and Canada concerning the development of rules to allow for the resumption of the importation of live ruminants and other ruminant products into the United States resulted in the reopening of the border in July 2005.

On March 5, 2004, the National Pork Producers Council in the United States, along with state pork producer organizations, filed anti-dumping and countervailing duty petitions with the United States government against Canadian swine exporters. On October 15, 2004, the U.S. Department of Commerce announced that, as a result of their investigations, a preliminary duty of 14.06% will be applied to live swine exports from Canada. Manitoba accounts for approximately half of Canada's live swine exports to the United States, and, in 2004 exported live swine valued at approximately $352 million to that country. The International Trade Commission officially found that Canadian swine exporters were causing no injury to the U.S. industry resulting from alleged ''dumping'' in April 2005. The 14.06% duty on swine exports has been lifted.

In the first six months of 2005, farm cash receipts decreased 2.7% from the same period in 2004. Crop cash receipts decreased 30.1%, primarily due to lower production volumes, with the decreases occurring across all the major crop categories except vegetables and horticulture. Livestock cash receipts increased 14.7% with cattle and calves increasing 84.8% and hog receipts increasing 7.1%. Direct Payments increased $142.3 million or 64.7%.

In 2005, crop production volumes are expected to be below 2004 levels, which should lead to lower production values as cool wet conditions during the planting and growing season affected parts of Manitoba. The value of livestock production in Manitoba is expected to increase following the reopening of the Canada-U.S. border.

Minerals. The principal metals produced in Manitoba are nickel, copper, zinc, and gold. Other metals include cobalt, tantalum, platinum and silver. Industrial minerals produced consist principally of sand and gravel, peat moss, stone, and lime.

The two companies with the largest mining operations in Manitoba, accounting for approximately 71% of all mineral production, are Inco Limited, which produces mainly nickel, copper and cobalt, and Hudson Bay Mining and Smelting Co., Limited, which produces mainly copper and zinc.

In 2004, the total value of mineral production in Manitoba increased 36.0% to $1,428 million. The value of metal production increased 41.4% in 2004 as a result of higher prices for nickel. Nickel accounted for 49% of the total value of mineral production in 2004. The value of zinc and copper production increased as a result of higher production volumes and higher prices. The value of petroleum production increased 23.9%, reflecting higher prices, while the value of industrial mineral production increased 10.7%.

The following table sets forth the gross value of mineral production and the compound annual growth rates for the years 2000 through 2004.

GROSS VALUE OF MINERAL PRODUCTION

	Year Ended December 31,					*Compound Annual Growth Rate*
	2000	*2001*	*2002*	*2003*	*2004*	*2000-2004*
	(In millions of dollars)					
Metals						
Nickel	$ 561.6	$ 412.2	$ 403.4	$ 523.0	$ 698.0	5.6%
Copper	129.9	97.1	96.0	69.6	148.0	3.3
Zinc	133.8	129.3	118.3	97.3	135.6	0.3
Gold	95.0	86.3	85.6	63.1	74.9	–5.8
Other Metals	68.9	66.5	50.7	44.3	71.0	0.8
Total Metals	989.3	791.5	754.0	797.2	1,127.5	3.3
Petroleum	163.9	135.0	150.1	157.4	195.0	4.4
Industrial Minerals	79.5	93.6	96.5	95.0	105.1	7.2
Total	$1,232.7	$1,020.1	$1,000.5	$1,049.6	$1,427.6	3.7

Sources: Statistics Canada and Manitoba Department of Energy and Mines.

Overall mining values are expected to increase in 2005. Higher prices for metals, especially zinc and copper, combined with production volumes near 2004 levels will increase the overall value of production in the province.

With the closure of the New Britannia mine in Snow Lake in 2005 Manitoba no longer has a primary producer of gold. San Gold Corporation is conducting exploration in and around Bissett to increase their gold reserve, before making a decision to actually begin mining and producing gold.

Services. The service sector comprises a wide range of activities including transportation, finance, trade, tourism and personal services. From 2000 through 2004, commercial service industries accounted for 48.9% of average total employment in Manitoba, and non-commercial (primarily publicly funded) services accounted for 26.3%.

Winnipeg is an air, rail and trucking hub, connected to Canadian and international markets. Both of Canada's national railways pass through Winnipeg where they have large operations. Several of Canada's largest trucking firms are headquartered in Manitoba. Because Winnipeg International Airport is one of the few that does not have nighttime landing restrictions, and is centrally located in North America, it is a major hub for courier services.

Commodity trading and financial services are important components of Winnipeg's economy. In particular, the city is the center of Canada's grain trade. The Canadian Wheat Board is located in Winnipeg. The Winnipeg Commodity Exchange is the only commodity exchange, and the second largest futures exchange, in Canada. Nine grain companies have their head office or Canadian head office in Winnipeg. Winnipeg is also the headquarters of Canada's largest mutual fund company, Investors Group, and one of Canada's largest life insurance companies, Great-West Lifeco Inc.

Manitoba's central location, low-cost office space and multilingual labor force have contributed to the expansion of call centers (telemarketing and customer service centers) in the Province. Data processing and engineering are important extra-provincial export-oriented industries. Winnipeg is the headquarters for Canwest Global Communications Corp., one of the largest media companies in Canada.

Winnipeg serves as a regional shopping center for all of southern Manitoba. In 2004, retail sales in Manitoba increased 6.7% to $11.7 billion. In the first eight months of 2005, retail sales increased 7.3% compared to the same period of 2004.

The Province has a well-developed tourism industry. As a result of Manitoba's central location, the Province attracts national and international convention activity. Winnipeg serves as a regional entertainment center for portions of North Dakota, Minnesota and northwestern Ontario. Manitoba has an excellent resource base for outdoor recreational activities and has many public and private tourism facilities. In 2004, estimated tourism expenditures by both residents of Manitoba and visitors were $1,440 million, an increase of 3.6% from 2003.

Merchandise Exports

In 2004, total merchandise exports amounted to $23.2 billion, an increase of 3.5% from 2003, and were equal to 57.7% of GDP at market prices. Foreign countries accounted for 47.8% of merchandise exports and other Canadian provinces and territories accounted for the balance. In 2004, of the total foreign merchandise exports, 72.8% were to the United States, 15.0% to Asia, 4.5% to Europe and 2.9% to Mexico.

Over the five years 2000 to 2004, exports to the United States increased by 3.1% (representing a compound annual growth rate of 0.8%) and exports to all other countries increased by 57.1% (representing a compound annual growth rate of 12.0%).

The following table sets forth foreign exports by commodity and the compound annual growth rates for the years 2000 through 2004.

FOREIGN EXPORTS BY COMMODITY(1)

	Year Ended December 31,					Compound Annual Growth Rate
	2000	*2001*	*2002*	*2003*	*2004*	*2000-2004*
	(In millions of dollars)					
Manufacturing						
Food	$ 830.1	$ 996.0	$1,058.6	$1,056.3	$1,139.4	8.2%
Primary Metals	745.8	803.5	847.1	870.2	963.0	6.6
Transportation Equipment	1,053.0	1,139.7	944.9	878.4	931.5	–3.0
Machinery	584.8	535.9	679.8	620.8	727.8	5.6
Wood Products	540.6	531.4	573.3	553.0	638.4	4.2
Chemicals	359.2	418.1	398.1	459.7	457.7	6.2
Paper and Allied	268.6	254.9	267.1	298.6	300.5	2.8
Plastics	178.5	210.5	221.4	229.1	233.9	7.0
Electrical and Electronic	274.7	273.8	188.2	187.9	192.2	–8.5
Printing and Publishing	124.8	165.6	195.2	182.7	183.9	10.2
Fabricated Metal	95.1	126.1	119.2	116.2	130.8	8.3
Furniture and Fixtures	158.2	171.5	166.8	125.2	111.1	–8.5
Clothing and Textiles	188.1	150.2	139.9	117.7	95.2	–15.7
Other	345.3	252.1	305.1	333.6	336.8	–0.6
Total Manufacturing	5,746.8	6,029.3	6,104.8	6,029.2	6,442.2	2.9
Agriculture						
Wheat	511.0	690.4	582.6	621.8	899.3	15.2
Oilseeds	390.4	445.2	397.6	694.0	675.1	14.7
Hogs	207.6	247.5	246.0	276.4	352.4	14.1
Other Grains	135.7	179.7	136.0	176.2	191.3	9.0
Vegetables	125.7	166.4	152.5	161.6	143.4	3.3
Cattle	188.3	257.7	273.2	106.7	0.0	N/M
Other Agriculture	35.5	43.1	51.0	35.5	32.6	–2.1
Total Agriculture	1,594.1	2,030.0	1,839.0	2,072.2	2,294.1	9.5
Electricity	442.7	534.7	390.5	263.7	379.7	–3.8
Other Primary	43.8	50.4	35.8	31.4	30.2	–8.9
Oil Trans Shipment	596.0	664.1	756.5	488.6	400.9	–9.4
Other	255.4	267.8	279.5	279.7	322.6	6.0
Total	$8,678.8	$9,576.2	$9,406.2	$9,164.8	$9,869.8	3.3

(1) Most export data, except for some principal grains, are based on port-of-exit information; consequently, data for several categories do not reflect the true value of provincial foreign exports. The above data for 2004 include two items that do not truly reflect foreign exports of Manitoba products. Oil Trans Shipment represents crude oil production that originated in Alberta and Saskatchewan and was shipped through the Province. The value of nickel exports is $511.6 million. This does not include an estimated $149.1 million of nickel which was exported through Ontario.

Source: Statistics Canada.

Total foreign exports for the first eight months of 2005 were up 0.1% compared to the first eight months of 2004. On a year-to-date basis, exports to the United States have increased by 3.9% while exports to other countries have decreased by 10.1%.

Imports and Exports

In 2004, the value of Manitoba's exports of goods and services increased by 6.5% to a total of $24.3 billion, based on the Provincial Economic Accounts data from Statistics Canada. Total imports increased by 4.8% in 2004 to $25.6 billion. The overall trade balance improved by $0.3 billion in 2004.

Manitoba's total exports are split relatively evenly between foreign markets and the rest of Canada. International exports of goods and services accounted for 49.8% ($12.1 billion) of the total exports, while interprovincial exports accounted for 50.2% ($12.2 billion).

Goods exports account for 90.8% of all international exports while services exports account for 9.2%. The top five industrial export categories were: transportation equipment (15.4% of total international exports), agricultural products (15.0%), machinery and equipment (9.3%), primary metals products (9.0%) and food and beverage products (7.5%).

Goods exports account for 51.6% of all interprovincial exports while service exports account for 48.4%. The top five industrial export categories were: wholesale and retail trade (13.6 % of total interprovincial exports), food and beverage products (12.7%), agricultural products (10.6%), transportation and storage (8.1%) and finance, insurance and real estate (7.0%).

International imports of goods and services accounted for 44.4% ($11.4 billion) of the total imports to Manitoba, while interprovincial imports accounted for 55.6% ($14.2 billion).

Goods imports account for 85.6% of all international imports while service imports account for 14.4%. The top five industrial imports categories were: transportation equipment (18.2% of total international imports), machinery and equipment products (15.2%), electrical and electronic products (8.6%), chemicals and pharmaceuticals (8.0%) and food and beverage (5.9%).

Goods imports account for 59.9% of all interprovincial imports while service imports account for 40.1%. The top five industrial goods imports categories were: food and beverage products (12.8%), chemicals and pharmaceuticals (11.9%), finance, insurance and real estate (10.3%), accommodation services (9.8%) and business and computer services (8.3%).

The United States accounted for 75.0% of Manitoba's total foreign commodity exports in 2004, below the national average of 84.7%.

Capital Investment

In 2004, capital investment increased 9.9%. The largest percentage increases in capital investment occurred in other capital, (primarily accommodation, food services, arts, entertainment and recreation), utilities, professional and scientific, transportation and storage and housing. The largest decreases in capital investment occurred in minerals, retail trade, real estate and education. The Statistics Canada survey of investment intentions published in February 2005 indicates that capital investment in 2005 is expected to increase by 7.1%. Private capital investment is expected to increase 3.6% and public investment to increase 17.7%. The largest increases are expected to occur in utilities, public administration, minerals, and transportation and storage. The largest decreases are expected to occur in other services and health care and social services.

The following table sets forth categories of capital investment and the compound annual growth rates for the years 2000 through 2004.

CAPITAL INVESTMENT

	Year Ended December 31,					Compound Annual Growth Rate
	2000	2001	2002	2003	2004	2000-2004
	(In millions of dollars)					
Housing	$ 911.6	$1,018.9	$1,136.9	$1,256.8	$1,531.0	13.8%
Public Administration	513.3	560.0	570.8	619.2	674.3	7.1
Utilities	405.4	524.0	500.3	475.2	645.1	12.3
Transportation and Storage	377.2	422.2	387.3	401.2	501.7	7.4
Finance and Insurance	406.3	407.0	446.2	407.5	457.4	3.0
Manufacturing	671.9	583.7	551.7	461.4	422.4	–11.0
Agriculture	399.6	355.6	436.8	414.4	405.1	0.3
Information and Culture	251.9	364.0	355.8	299.1	337.0	7.5
Real Estate	260.5	240.2	344.6	293.6	249.5	–1.1
Retail Trade	250.6	209.8	173.6	269.2	216.3	–3.6
Health Care and Social Services	204.9	159.2	152.9	213.3	199.9	–0.6
Minerals	238.5	250.9	266.0	285.4	196.0	–4.8
Wholesale Trade	145.1	142.2	152.6	165.5	175.5	4.9
Construction	103.3	135.0	142.4	149.9	161.4	11.8
Education	119.8	149.5	142.7	155.4	132.3	2.5
Professional and Scientific	120.7	94.0	74.8	89.7	118.9	–0.4
Other	139.8	186.4	177.1	206.0	350.5	25.8
Total	$5,520.4	$5,802.6	$6,012.5	$6,162.8	$6,774.3	5.3
Private	$4,210.9	$4,442.0	$4,649.2	$4,720.7	$5,101.4	4.9
Public	1,309.5	1,360.6	1,363.3	1,442.1	1,672.9	6.3

Source: Statistics Canada.

Labor Force

In 2004, employment increased by 0.9% with growth occurring in forestry, fishing and mining; public administration; information, culture and recreation; education and health services; professional and administrative services; finance, insurance and real estate; construction; and manufacturing. There was no change in employment in wholesale and retail trade. Declines were recorded in accommodation and food services; transportation and storage; utilities; and agriculture. In 2004, the average unemployment rate in Manitoba was 5.3%, the second lowest of any province in Canada and significantly lower than Canada's rate of 7.2%.

The following table sets forth selected labor force statistics for Manitoba and Canada for the years 2000 through 2004.

LABOR FORCE

	Annual Averages				
	2000	2001	2002	2003	2004
	(In thousands unless otherwise indicated)				
Labor Force	580.5	583.7	597.7	600.4	608.2
Employment	551.7	554.3	567.4	570.6	576.0
Participation Rate (%)	67.8	67.8	69.0	68.7	69.0
Participation Rate (Canada) (%)	65.8	65.9	66.9	67.5	67.6
Unemployment Rate (%)	5.0	5.0	5.1	5.0	5.3
Unemployment Rate (Canada) (%)	6.8	7.2	7.7	7.6	7.2

Source: Statistics Canada.

In the first nine months of 2005, seasonally adjusted employment in Manitoba increased 0.8% compared to the same period for 2004, reaching 579,100. Employment increases were recorded in finance, insurance and real estate; information, culture and recreation; accommodation and food services; agriculture; construction; education and health services; and professional and administrative. Declines were recorded in public administration; transportation and storage; manufacturing; utilities; wholesale and retail trade; and forestry, fishing and mining.

In the first nine months of 2005, the seasonally adjusted unemployment rate in Manitoba averaged 4.9%, down from 5.3% in the same period in 2004. In the first nine months of 2005, the seasonally adjusted unemployment rate in Canada averaged 6.8%. Manitoba's seasonally adjusted labor force participation rate over the first nine months of 2005 averaged 68.6%, down from 69.0% in the same period of 2004.

Energy

Refined petroleum and natural gas provided 38.3% and 32.9%, respectively, of the Province's total energy needs in 2003, while 26.6% was provided by hydro-electric energy generated in the Province. For more information on hydro-electric energy generated in the Province, see ''The Manitoba Hydro-Electric Board.''

GOVERNMENT FINANCES

Under the Constitution, the Province has the power to impose direct taxation within the Province in order to raise revenue for Provincial purposes. It also has exclusive jurisdiction over the borrowing of money on the sole credit of the Province.

Under the statutes of the Province, public money is deposited to the credit of the Minister of Finance and forms part of the Consolidated Fund of the Province. Money necessary to carry out the operations of the Province in each fiscal year is voted by the Legislative Assembly, with the exception of those expenses for which provision has already been made by special legislation, such as amounts required to service the debt of the Province and to fulfill guarantees made by the Province. In addition, the Lieutenant Governor in Council may, when the Legislative Assembly is not in session, authorize expenses that are urgently and immediately required for the public good through the issuance of special warrants.

The Summary Financial Statements of the Government of the Province of Manitoba reflect the financial results of the Government Reporting Entity, which consists of the Consolidated Fund plus Crown organizations and Government Business Enterprises (i.e. entities whose principal activity is carrying on a business, such as Manitoba Hydro-Electric Board, Manitoba Public Insurance Corporation, Manitoba Liquor Control Commission and Manitoba Lotteries Corporation). These financial statements consolidate the financial statements of all of the organizations comprising the Government Reporting Entity, except for Government Business Enterprises, which are accounted for by the modified equity method of accounting. The purpose of the Summary Financial Statements is to report fully the nature and extent of the financial affairs and resources for which the Government is ultimately responsible.

In order to be considered a part of the Government's Reporting Entity for the ''Summary Financial Statements'', an organization must be accountable for the administration of its financial affairs and resources to a minister of the Government, or directly to the Legislature, and must be owned and/or controlled by the Government, as determined by legislative provisions or by a majority holding of voting share capital. The financial operations of organizations which are not part of the Government Reporting Entity are reflected in the Summary Financial Statements only to the extent that:

1. they receive money from or pay money to the Government, or
2. any non-recoverable deficits they incur are adjusted against the amounts loaned, advanced or invested in them by the Government, or
3. where the Government has no loans, advances or investments involved, any losses they incur, which are assumed by the Government, are recorded as accrued charges.

Crown organizations are consolidated after adjusting them to a basis consistent with the accounting policies of the Government Reporting Entity. Inter-entity accounts and transactions are eliminated upon consolidation, except for retail sales tax and the levy for health and education, which remain on a gross basis as operating expenses and revenue. Where the fiscal year-end of Crown organizations is not the same as that of the Government Reporting Entity and their transactions significantly affect the financial statements, they are updated to March 31.

Government Business Enterprises maintain their accounts in accordance with accounting principles which are generally accepted for business enterprises and which are considered appropriate to their individual objectives and circumstances. They are reported by the modified equity method of accounting without adjusting them to a basis consistent with that of the Government Reporting Entity. Under the modified equity method, the Province includes the Government Business Enterprises' net assets and net income by adjusting the investment shown in the Province's Summary Statement of Financial Position and by presenting the net income as a separate item on the Province's Summary Statement of Revenue and Expense. The financial results of business enterprises are not updated to March 31 notwithstanding that their fiscal year-end may not be the same as that of the Government Reporting Entity except when transactions which would significantly affect the Summary Financial Statement occur during the intervening period. Inter-entity accounts and transactions are not eliminated, nor are normal inter-entity operating transactions disclosed separately.

As of fiscal year 2005, all health care facilities are included in the Summary Financial Statements. Prior years revenue and expenses have been restated on this basis.

The Consolidated Fund of the Province reflects the transactions and balances of the Operating Fund (which records the operations of government departments and programs), the Trust Fund (which records the trust administration function) and other special funds of the Province, such as the Fiscal Stabilization Fund and the Debt Retirement Fund, on a combined basis. The Legislative Assembly's budgeting process is based on the Operating Fund, and compliance with the Province's balanced budget legislation is measured by reference to the Operating Fund.

The revenues and expenses of the Provincial Government are recorded in the Summary Financial Statements on an accrual basis with the following specific account policies:

(a) **Government of Canada Receipts** — Generally, entitlements from the Government of Canada for transfer payments, the transfer having been authorized and any eligibility criteria met, as well as for the Province's share of individual and corporation income tax pursuant to the Federal-Provincial Tax Collection Agreements, are recorded on a cash basis for cash receipts received up to March 31 plus an accrual of prior period adjustments determined before June 30 each year.

(b) **Other Revenue** — All other revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Recoveries of the debt servicing costs on self-supporting debt of government business enterprises are recorded as a reduction of debt servicing expense.

(c) **Expenses** — All expenses incurred for goods and services received are recorded on an accrual basis. Exceptions to this policy involve the acquisition of inventories acquired for the government's use that are reflected as expenses when incurred.

Expenses include provisional amounts recorded in anticipation of costs which are quantifiable and have been identified as obligations. Government transfers are recognized as expenses in the period during which the transaction is authorized and any eligibility criteria are met.

The Summary Financial Statements do not include revenue and expenses of local government bodies such as municipalities and school boards which carry out certain responsibilities delegated by the Province, except that provincial assistance provided to those entities is included in the accounts of the Province as an expense.

The Summary Financial Statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for senior Governments as recommended by the Canadian Institute of Chartered Accounts (CICA).

The accounts and financial statements of the Province are examined by the Auditor General who is responsible to the Legislative Assembly and is required to make a report to the Legislative Assembly with respect to each fiscal year.

STATEMENT OF REVENUE AND EXPENSE OF THE GOVERNMENT REPORTING ENTITY[1]

	Year Ended March 31,				
	2001	*2002*	*2003*	*2004*	*2005*
	(In millions of dollars)				
Revenue					
Manitoba Collections:					
Retail sales tax	$ 933	$ 966	$1,007	$1,064	$1,125
Fuel taxes	224	223	231	233	235
Levy for health and education	239	244	257	268	287
Mining Tax	45	9	18	22	—
Other taxes	376	401	461	480	572
Fees and other revenue	1,520	1,668	1,669	1,710	1,793
Income taxes:					
Corporation income tax	444	306	160	289	374
Individual income tax	1,757	1,659	1,636	1,720	1,787
Federal transfers:					
Equalization	1,339	1,399	1,338	1,414	1,699
Canada Health and Social Transfer	545	685	756	917	1,006
Federal Health Supplement	92	—	—	—	—
Medical Equipment Fund	—	3	16	21	30
Health Reform Fund	—	—	—	37	55
Primary Health Care Transition Fund	—	—	1	7	9
Shared cost and other	312	263	294	320	352
Total Revenue	7,826	7,826	7,844	8,502	9,324
Expenses					
Health	2,616	2,837	3,058	3,408	3,559
Education	1,915	1,998	2,059	2,168	2,254
Family Services and Housing	854	893	930	961	1,020
Community, Economic and Resource Development	942	908	960	979	1,087
Justice and Other Government	655	685	724	755	754
Debt Servicing	1,127	1,039	824	799	767
Total Expenses	8,109	8,360	8,555	9,070	9,441
Net Revenue (Expenses) Before Extraordinary Item	(283)	(534)	(711)	(568)	(117)
Adjustment to estimate for Federal accounting error	—	—	51	—	—
Net Revenue (Expenses)	(283)	(534)	(660)	(568)	(117)
Net Income (loss) from Government Business Enterprises	714	524	476	(11)	716
Summary Net Income (Loss)	$ 431	$ (10)	$ (184)	$ (579)	$ 599

[1] Earlier years are restated to conform with the 2005 presentation.

Budget

The Provincial Government prepares a budget for each fiscal year, which estimates revenue and expenses for the Operating Fund. The Fiscal Stabilization Fund serves to cushion fluctuations in provincial revenue and provide a more stable basis for fiscal decisions. The Fund is also available for special initiatives. The Fiscal Stabilization Fund earns interest. Transfers to and from the Fiscal Stabilization Fund are determined by the Minister of Finance, subject to approval by the Lieutenant Governor in Council. At March 31, 2005, the Fiscal Stabilization Fund had $486 million in liquid assets.

The Balanced Budget, Debt Repayment and Taxpayer Accountability Act (the ''Balanced Budget Act'') requires the total expenses of the Operating Fund (both current and amortization of capital assets) (including transfers to the Debt Retirement Fund) to be no greater than revenue (including transfers from the Fiscal Stabilization Fund). Debt repayments in the Debt Retirement Fund also include payments toward the pension liability of the government. The exceptions in the determination of a positive or negative balance for the Balanced Budget Act include war, disaster or a single year decline in revenue of 5.0% or more which is not the result of change in Manitoba taxation laws. Proceeds from the sale of a Crown corporation may not be used in determining whether there is a positive or negative balance for a fiscal year.

If a deficit not allowed under the Balanced Budget Act is incurred, the salaries of all members of the Executive Council will be reduced, and the shortfall is required to be made up in the subsequent year. These provisions do not apply in the fiscal year during which an election results in a change in the party forming the Government. The Balanced Budget Act requires minimum, annual payments to the Debt Retirement Fund, which currently are at a level of $110 million per year, for the purpose of retiring the net general-purpose debt and pension liability of the Province. The Balanced Budget Act limits tax increases by requiring the approval of voters in a referendum before the rates of four major taxes may be increased. At present, these four taxes account for about three-quarters of own source revenue and about one-half of total revenue. Exceptions are allowed for revenue-neutral rebalancing of Provincial tax rates, and for offsetting changes in federal and provincial taxes.

BALANCED BUDGET ACT COMPLIANCE AND BUDGETED FINANCING REQUIREMENT

	Year Ending March 31,				*Budget Estimate*
	2002	*2003*	*2004*	*2005*	*2006*
	(In millions of dollars)				
Total Revenue before Transfer from Fiscal Stabilization Fund and Extraordinary Item	$6,747	$6,970	$7,306	$8,140	$8,177
Extraordinary Item — Adjustment to estimate for Federal accounting error	—	51	—	—	—
Total Revenue before Transfer from Fiscal Stabilization Fund	6,747	7,021	7,306	8,140	8,177
Total Expenses Before Transfer to Debt Retirement Fund	6,738	6,943	7,440	7,635	8,064
Operating Fund Surplus (Deficit) Before Transfers	9	78	(133)	505	113
Transfer from Fiscal Stabilization Fund	150	23	171	—	—
Transfer to Debt Retirement Fund	(96)	(96)	(96)	(99)	(110)
Operating Fund Surplus (Deficit)	63	5	(59)	406	3
Adjustment for Balanced Budget Legislation purposes: Disaster Expenditures [(1)]	—	—	71	—	—
Budgetary Surplus for Balanced Budget Legislation purposes	$ 63	$ 5	$ 13	$ 406	$ 3

Financing Requirements	
Refinancing	
For General Government Programs	$1,553
For The Manitoba Hydro-Electric Board	243
For Other Self-Sustaining Programs	208
New Cash Requirements	
For General Government Capital Investments	127
For The Manitoba Hydro-Electric Board	265
For Other Self-Sustaining Programs	130
Total Provincial Financing Requirement	$2,526

(1) Under The Balanced Budget Act, the Government is not required to include in the determination of the annual operating balance, an expenditure required in the fiscal year as a result of a natural or other disaster in Manitoba that could not have been anticipated and affects the Province or a region of the Province in a manner that is of urgent public concern. In 2004 expenditures totalling $71 million that relate primarily to exceptional costs incurred from forest fire suppression activities and BSE are considered to qualify for exemption under this provision.

Total Operating Fund expenses before transfers to the Debt Retirement Fund for the year ended March 31, 2005 were $7,635.6 million, up $164.4 million from the budget estimate of $7,471.2 million, reflecting higher than anticipated healthcare expenditures and capital grant expenses primarily as a result of a change in accounting standards associated with funding to colleges and school divisions as well as increased grants to universities. Total Operating Fund Revenue was $8,139.6 million or $569.0 million higher than the budget estimate of $7,570.6, reflecting higher than budgeted revenue from the Government of Canada for Equalization and the Canada Health and Social Transfer of $471.9 million combined with higher than budgeted tax revenue of $42.6 million and higher than budgeted other own-source revenue of $54.5 million. After a transfer to the Debt Retirement Fund of $98.5 million, the Budgetary Surplus for Balanced Budget Legislation purposes was $405.5 million, $402.5 million higher than budgeted.

The budget for the fiscal year ending March 31, 2006 was presented to the Legislature on March 8, 2005.

The following discussion of Operating Fund Revenue and Operating Fund Expenses reflects budgeted and actual amounts used in the budgetary process of the Legislative Assembly and for purposes of the Balanced Budget Act, which may differ from corresponding amounts reflected in the Summary Financial Statements.

Operating Fund Revenue

Provincial Source Revenues. Of its Total Revenue Before Transfer from Fiscal Stabilization Fund budgeted for the fiscal year ending March 31, 2006 of $8,176.6 million, the Province expects to derive $5,123.4 million or about 65.8% from provincial sources. In the fiscal year ending March 31, 2005, Total Revenue Before Transfer from Fiscal Stabilization Fund was $8,139.6 million, of which $5,257.5 million was derived from provincial sources.

Taxation in Canada is constitutionally divided between the Federal and Provincial Governments. The Federal Government collects taxes partly for its own expenditures and partly for distribution to the provinces. The Federal Government has authority to apply both direct and indirect taxes while provinces generally may apply direct taxes only. However, provinces may apply limited indirect taxation in the resource field. Local governments derive their taxing powers from the provinces.

The personal income tax field is shared by the Federal and Provincial Governments. The Province has a personal income tax with 3 brackets and rates ranging up to 17.4% applied directly to taxable income, subject to certain tax credits which are generally recorded as expenses. The personal income tax is collected on the Province's behalf by the Federal Government. Personal income tax revenue in the fiscal year ending March 31, 2006 is budgeted at $1,876.9 million, up from $1,787.3 million received in the previous fiscal year.

The Province levies a tax on the taxable income of corporations. The tax rate on taxable income of small businesses (currently with active business income of less than $400,000) is 5% with a planned reduction to 4.5% on January 1, 2006 and to 4.0% on January 1, 2007. The rate for large businesses was reduced from 15.5% of taxable income to 15.0% on January 1, 2005, with a further reduction to 14.5% on July 1, 2006 and 14.0% on July 1, 2007. Corporation income tax revenue for the fiscal year ending March 31, 2006 is budgeted at $365.6 million, compared to $374.2 million received in the previous fiscal year.

The Province applies a tax at a general rate of 7% on retail sales of most tangible personal property, with major exemptions in respect of food for home consumption, children's clothing under $150, custom software, most farm machinery and prescription drugs. Retail sales tax revenue in the fiscal year ending March 31, 2006 is budgeted at $1,180.8 million, up from $1,130.2 million received in the previous fiscal year.

The Province levies a tax of 11.5¢ per litre on gasoline, and 10.9¢ per litre on motive fuels. For the fiscal year ending March 31, 2006, the revenues from gasoline and motive fuel taxes are budgeted at $233.5 million, down from $234.9 million received in the previous fiscal year. There is also a tobacco tax of 17.5¢ per cigarette and 16.5¢ per gram of fine-cut tobacco. Total tobacco tax revenue for the fiscal year ending March 31, 2006 is budgeted at $203.7 million, up from $203.5 million received in the previous fiscal year.

A levy for financing health and post-secondary education is applied to total compensation paid to employees by Manitoba employers. Employers with annual payrolls under $1 million are exempt and those with payrolls between $1 million and $2 million are subject to reduced rates. The tax rate on taxable payroll is 2.15%. For the fiscal year ending March 31, 2006, the levy is budgeted to yield $294.3 million, up from $287.0 million received in the previous fiscal year.

Federal Government Transfers. Transfer payments from the Federal Government are budgeted to provide $2,796.3 million, or approximately 34.2% of the Province's Total Revenue before Transfer from Fiscal Stabilization Fund budgeted in the fiscal year ending March 31, 2006. This compares to $2,919.1 million obtained in the previous fiscal year. Unconditional transfers, primarily receipts under a Federally funded provincial revenue equalization formula and cash payments under the Canada Health Transfer (''CHT'') and Canada Social Transfer (''CST''), account for $2,647.5 million, or approximately 32.4% of total budgetary revenue. Conditional transfers, consisting mainly of federal cost-sharing payments in respect of programs for social and economic development, account for the remainder of Federal Government transfers. Unconditional transfers in the fiscal year ending March 31, 2005 were $2,691.8 million.

The largest and most important of these Federal-provincial financing arrangements are authorized by the *Federal-Provincial Fiscal Arrangements Act*, (the ''Federal Act''). The Federal Act establishes the concept of tax revenue equalization on a per capita basis to a value established by a formula incorporating a representative average tax system of the provinces. The Province budgeted unconditional revenue of $1,601.0 million from

Federal equalization payments in the fiscal year ending March 31, 2006, down from $1,699.5 million received in the previous fiscal year.

During the First Ministers' Meeting of September 13-15, 2004, the Federal Government announced changes to the Equalization Program. These changes included establishing the total entitlement to the Equalization receiving provinces at $10.9 billion for the 2005/06 entitlement year, and increasing the entitlement by 3.5% per annum in each subsequent entitlement year. The Federal Government has also convened a panel of experts to provide advice on the future allocation of equalization payments among the provinces. The panel is scheduled to report to the Federal Government before the end of 2005. The Federal Government has indicated that a new approach to the allocation of Equalization among the provinces will be implemented in the 2006/07 entitlement year.

The CHT and CST Arrangements provide Federal assistance to the Province in respect of its health care, post-secondary education, early learning and childcare and social service programs through transfers of taxing authority and cash payments. The amount of Federal assistance is not determined in relation to actual program costs, but rather is calculated on the basis of per capita entitlements. The total cash component of these arrangements is budgeted at $1,046.5 million for Manitoba for the fiscal year ending March 31, 2006 compared to $992.3 million received in the previous fiscal year. In addition $26.4 million for other health funds will be received in fiscal year 2005/06.

On September 16, 2004, the Federal, Provincial and Territorial governments reached an agreement to provide additional Federal assistance in respect of Provincial and Territorial health care programs. Under this agreement the Federal Government committed increased funding to Provincial and Territorial governments of $2.1 billion in the fiscal year ending March 31, 2005, $3.1 billion in the fiscal year ending March 31, 2006 and $3.4 billion in the fiscal year ending March 31, 2007. Manitoba's share of the increase in Federal funding will be in proportion to its share of the national population, which in 2004, was approximately 3.7%.

The new agreement also provides an escalator clause for the CHT. The new national CHT payment to Provincial and Territorial governments, $19.0 billion for the fiscal year ending March 31, 2006, will be escalated by 6.0% per annum beginning in the fiscal year ending March 31, 2007.

As part of this agreement, Provincial and Territorial governments have committed to an action plan to improve access to health care, including reduced waiting times for procedures, improved home care coverage, cooperation on a national pharmaceutical strategy and a pan-Canadian public health strategy.

In the fiscal year ending March 31, 2005, the Province received a non-recurring payment of $131 million from the Federal Government in respect of healthcare waiting time reduction measures to be implemented in 2005/06 and subsequent fiscal years.

The Federal Act includes a stabilization formula, which provides for federal grants and interest-free loans if revenue from a province's own sources plus equalization falls below 95% of the previous year's level, excluding variations of natural resource revenue. The Federal Act also provides a limited guarantee arrangement to compensate provinces for certain losses incurred during the calendar year in which a national personal income tax change results in provincial income tax reductions.

In January 2002, the Federal Government discovered a long-standing error with respect to personal income tax remittances to provinces for taxes collected by the Federal Government on behalf of the provinces. Several provinces, including Manitoba, received overpayments. Transfer payments of most provinces were also impacted by this error. The Federal Government has recovered from Manitoba a total of $168 million related to the 2000 tax year remittances and has recovered a further $61 million for the 2001 tax year. In September 2002, the Federal Government announced a settlement with the provinces affected by this error and an amendment to equalization regulations which resulted in Manitoba receiving an additional $138 million for 2001/02. In accordance with the settlement, Manitoba will reimburse the Federal Government $91 million, to be paid in ten equal annual installments beginning in 2004/05. Also, as part of the settlement, Manitoba received a $140 million transitional payment in 2002/03. This payment offset a similar amount which had been budgeted as equalization revenue in the Budget Estimate 2003 and which was not received.

Operating Fund Expenses

Health and Community Services. For the fiscal year ending March 31, 2006, expenditure on Health and Community Services is budgeted at $4,384.7 million, an increase of 4.7% over the prior year. This is the largest single expense category and represents 53.6% of the Province's total budgeted expenses and transfer to Debt Retirement Fund. Health and Community Services includes the Universal Health Benefits Plan under which hospital and medical care is available to Manitoba residents without charge. Under this Plan, the Province pays all the operating costs as well as the debt servicing costs of approved capital construction for hospitals and personal care institutions. The Province has budgeted the gross cost of services under the Plan at $3,389.8 million for the fiscal year ending March 31, 2006, an increase of 4.7% over the prior year's budget.

Also included in this category is $969.3 million budgeted for the Province's social security program which provides income security, financial assistance to the elderly, rehabilitation services for physically and mentally handicapped persons and child welfare services.

Education. Education expenditure for the fiscal year ending March 31, 2006 is budgeted at $1,560.6 million, an increase of 4.6% over the prior year, and represents 19.1% of Manitoba's total budgeted expenses and transfer to Debt Retirement Fund. The major portion of this expense, amounting to $958.1 million, is for providing direct financial support to local school divisions for the approved cost of public schools in the Province as well as the debt servicing costs of approved capital construction for schools. The additional funds required to operate the public schools, plus any special projects undertaken by the school divisions, are derived from a property tax on the residents of the divisions.

This expenditure also includes financial support for the four universities and the three community colleges in the Province, which is budgeted to amount to $556.4 million for the fiscal year ending March 31, 2006.

Economic and Resource Development. Expenditure on economic and resource development is budgeted at $837.5 million for the fiscal year ending March 31, 2006, an increase of 10.1% from the prior year mainly due to increases in Agriculture & Food expenditures caused by cool and wet weather conditions affecting crop yields. This represents 10.2% of Manitoba's total budgeted expenses and transfer to the Debt Retirement Fund. The largest item in this category is Transportation and Government Services, amounting to $388.9 million.

Consumer Services, Public Protection and Other Government Services. Expenditure for Consumer Services, Public Protection and Other Government Services is budgeted at $618.7 million, an increase of 5.1% over the prior year increase.

Other. The Province also provides property and cost-of-living tax credits to residents of Manitoba, budgeted at $235.5 million for the fiscal year ending March 31, 2006.

Expenditure for Provincial assistance to local governments is budgeted at $222.1 million for the fiscal year ending March 31, 2006 and includes $100.6 million for grants to the City of Winnipeg and $15.1 million for grants in lieu of taxes to municipalities.

The net cost of servicing total direct public debt after deducting recoveries from Crown Organizations, investment earnings and interest on department's capital asset is budgeted at $268.9 million, an increase of 11.8% over the prior year primarily due to higher interest rates. For the fiscal year ending March 31, 2006, the gross interest expense for the Province's direct funded debt is estimated to be $1,217.4 million, which is reduced by $209.6 million of interest income, $654.9 million of debt on which interest is recovered from Crown Organizations and other government entities and $83.8 million in interest recovery on department's capital asset purchases.

CROWN ORGANIZATIONS AND GOVERNMENT BUSINESS ENTERPRISES

The Province provides certain services and promotes certain types of social and economic development through Crown organizations and Government Business Enterprises (''Crown organizations'') which have access to financial assistance from the Province through advances, equity investments, guaranteed borrowings, loans and grants. Crown organizations such as The Manitoba Hydro-Electric Board are intended to operate on a commercial basis, rather than being subsidized by the Province. The Province also operates other Crown organizations, such as The Manitoba Agricultural Credit Corporation and The Manitoba Housing and Renewal Corporation, on a partially subsidized basis with funds provided from departmental appropriations. With the exception of The Liquor Control Commission and The Manitoba Lotteries Corporation, the profits of which are transferred to the Province, Crown organizations generally retain their profits for their own requirements. However, Manitoba Hydro was authorized to distribute retained earnings to the Province for the fiscal year ending 2003. Loans, advances, investments and grants are made as required for the operations of the organizations pursuant to appropriations in the Provincial Budget or through specific enactment by the Legislative Assembly.

A valuation allowance is provided in the accounts of the Province for decreases in the value of loans and advances made to Crown organizations, and is adjusted annually for changes that occur in the estimated realizable value of these assets, based on financial results applicable to the most recent fiscal year completed prior to April 1. The allowance is intended to provide for any accumulated operating and capital deficits of Crown organizations. This allowance as at March 31, 2005, was $340.1 million in respect of the Province's total loans and advances to its Crown organizations in the amount of $7,743.9 million at such date.

The following table summarizes the loans and advances of the Province's principal Crown organizations for the years 2001 through 2005 and the allowance for losses on realization of assets as at March 31, 2005:

LOANS AND ADVANCES TO CROWN ORGANIZATIONS AND GOVERNMENT BUSINESS ENTERPRISES[1]

	As at March 31,					
	2001	*2002*	*2003*	*2004*	*2005*	*2005 Valuation Allowance*
	(In thousands of dollars)					
The Manitoba Hydro-Electric Board[2]	$7,017,104	$7,221,434	$6,374,894	$6,492,818	$6,547,535	$ —
The Manitoba Housing and Renewal Corporation[3]	355,007	351,968	345,052	336,739	328,654	245,528
The Manitoba Agricultural Credit Corporation	314,545	326,423	311,627	373,388	364,477	41,595
The Manitoba Lotteries Corporation	170,000	170,000	173,700	173,076	246,094	—
Manitoba Development Corporation	88,168	104,378	107,184	122,407	118,788	47,891
Other	84,809	90,022	77,666	64,487	138,434	5,055
Total	$8,029,633	$8,264,225	$7,390,123	$7,562,915	$7,743,983	$340,069

[1] Crown Organizations and Government Business Enterprises also have debt not guaranteed by the Province which consists of $176.3 million held by Canada Mortgage and Housing Corporation, an agency of the Federal Government, $13.1 million held by various First Nation Bands and $3.0 million of assumed mortgages on existing property.

[2] Provincial advances have been adjusted by the foreign currency fluctuation on the Direct Debt of the Province for which Manitoba Hydro is responsible.

[3] It is the policy of the Government to create or change valuation allowances to reflect the estimated realizable value of loans made to crown agencies, boards and commissions. This assessment is based on a review of the organization's most recent financial statements and any accumulated deficit adjusted by prospective recoveries from future operations. Because it was determined that Manitoba Housing and Renewal Corporation (MHRC), in prior years, had not been amortizing their tangible capital assets in accordance with Canadian GAAP, MHRC's accumulated deficit, for the year ended March 31, 2003, was understated and had to be increased to reflect additional accumulated amortization. As a result, there was an increase made to the MHRC valuation allowance of $229 million, an increase in accumulated deficit of $230 million and a decrease in expense of $1 million.

The Manitoba Hydro-Electric Board provides for a supply of electrical power adequate for the needs of Manitoba, and promotes economy and efficiency in the generation, distribution, supply and use of electrical power within Manitoba. See ''The Manitoba Hydro-Electric Board.'' Pursuant to legislation enacted in 2001, the Government may not privatize Manitoba Hydro unless approved by the voters of Manitoba in a referendum.

The Manitoba Housing and Renewal Corporation undertakes the construction of housing projects and administers various provincially subsidized housing programs, including rental subsidies for low income families, housing grants for elderly persons and housing improvement programs.

At March 31, 2005, the Corporation had total assets of $368.4 million represented by $78.4 million of projects completed or under construction, owned land held for development and/or sale having a book value of $14.5 million, loans and mortgages receivable of $160.8 million and other assets of $114.7 million.

The Manitoba Agricultural Credit Corporation provides credit for farmers principally through direct loans for capital purposes secured by first mortgages held by the Corporation and through guarantees of loans by chartered banks.

At March 31, 2005, the Corporation had total assets of $344.4 million, of which $255.4 million represented receivables secured by first mortgages on farmland and buildings. For the fiscal year ended March 31, 2005, the Corporation's operating deficit was $2.3 million, after a Provincial operating grant of $6.4 million. As at March 31, 2005, the accumulated deficit of the Corporation was $38.9 million, primarily representing an allowance for doubtful accounts which the Province will fund as accounts are written off.

PUBLIC DEBT

Debt Record

The Province has always paid the full face amount of the principal of and premium and interest on (a) every direct obligation issued by it and (b) every indirect obligation on which it has been required to implement its guarantee, all promptly when due in the currency in which and country where payable at the time of payment thereof, subject during wartime to any applicable laws and regulations forbidding trading with the enemy.

Direct Funded Debt of the Province

The Province borrows to fund its net cash requirement. The following table summarizes the direct funded debt of the Province by currency as at March 31 for the years 2001 through 2005.

DIRECT FUNDED DEBT OF THE PROVINCE[(1)]

	As at March 31,				
	2001	*2002*	*2003*	*2004*	*2005*[(2)]
	(In thousands of dollars)				
Direct Funded Debt Payable in:					
Canadian Dollars[(3)]	$11,548,212	$11,807,490	$11,812,749	$13,120,739	$14,162,084
Issues hedged to Canadian Dollars	2,624,374	3,221,628	3,348,799	3,210,936	2,946,914
U.S. Dollars	4,765,523	3,734,567	3,305,925	2,227,850	2,056,320
Issues hedged to U.S. Dollars	1,015,640	1,555,051	939,179	957,913	884,160
Total Direct Funded Debt	19,953,749	20,318,736	19,406,652	19,517,438	20,049,478
Less: Sinking Funds	6,188,797	6,485,514	5,805,288	4,730,421	4,553,259
Net Direct Funded Debt	$13,764,952	$13,833,222	$13,601,364	$14,787,017	$15,496,219
Raised for the purpose of:					
General Government Programs[(4)]	$ 6,788,756	$ 6,643,283	$ 6,641,425	$ 6,859,058	$ 6,952,033
The Manitoba Hydro-Electric Board	5,670,440	5,701,237	5,398,925	5,764,322	5,968,455
Other Self-Sustaining Debt	1,305,756	1,488,702	1,561,014	1,685,995	2,079,217
Loans Payable to Government Business Enterprises and Other[(5)]	—	—	—	477,642	496,514
Net Direct Funded Debt	$13,764,952	$13,833,222	$13,601,364	$14,787,017	$15,496,219

(1) Debentures payable in U.S. dollars and other foreign currencies are stated at the Canadian dollar equivalent using the exchange rates in effect on March 31 each year adjusted for any foreign currency contracts entered into for settlement after those dates. All U.S. dollar debt has either been hedged to Canadian dollars or is the responsibility of Manitoba Hydro, which has significant U.S. dollar revenues.

(2) For additional information as to the direct funded debt of the Province, see ''Tables of Supplementary Information — Table III'' contained in Exhibit 99.1 of the Issuer's 18-K which is incorporated by reference in this Prospectus. Subsequent to March 31, 2005, the Province issued funded debt of $1,633 million in Canadian dollars, which was issued to finance maturing issues and for self-sustaining programs including Manitoba Hydro.

(3) Direct funded debt payable in Canadian dollars includes debentures held by the Canada Pension Plan Investment Fund. Such securities are payable 20 years after their respective dates of issue, are not negotiable, transferable or assignable, but are redeemable in whole or in part before maturity at the option of the Minister of Finance of Canada, on six months' prior notice, when he deems it necessary in order to meet the requirements of the Canada Pension Plan. At March 31, 2004 and 2005, the amounts of such debentures were $1,002 million and $883 million, respectively.

(4) Debt for general government programs consists of the total direct funded debt of the Province less debt issued for self-sustaining purposes.

(5) In Fiscal Year 2004, the Province, in accordance with Canadian GAAP, changed its accounting treatment for certain amounts owed to the Federal Government and for debentures issued by certain school boards and hospitals, the debt service of which is paid with grants from the Government.

Amounts owed to the Federal Government over time, which were previously treated as accounts payable are now accounted for as loans payable.

With respect to debentures issued by school boards and hospitals, previously the Province recognized expense over the life of the debentures as grants for debt service were made. Now the obligation to fund debt service is expensed in full at the time the debenture is issued. The debentures are held by the Provincial Sinking

Fund and Manitoba Public Insurance (MPI) (a crown corporation). Debentures held by MPI are recorded as ''Loans Payable to Government Business Enterprises''.

The Government also recognized a loan payable in respect of the pension liability of the Manitoba Liquor Control Commission.

The Province has not restated the financial statements of previous years. The effect of this change for prior years was reflected in the accumulated deficit and in the increase in loans payable recorded by the Province.

Guaranteed Debt of the Province

The following table summarizes the guaranteed debt of the Province by currency and purpose of issue as at March 31 for the years 2001 through 2005.

GUARANTEED DEBT OF THE PROVINCE[1]

	As at March 31,				
	2001	*2002*	*2003*	*2004*	*2005*
	(In thousands of dollars)				
Guaranteed Debt Payable in:					
Canadian Dollars	$416,102	$595,190	$979,202	$910,083	$660,075
U.S. Dollars	—	—	—	12,450	0
Total Guaranteed Debt	416,102	595,190	979,202	922,533	660,075
Less: Sinking Funds	25,084	25,447	26,292	30,217	7,890
Net Guaranteed Debt[2]	$391,018	$569,743	$952,910	$892,316	$652,185
Issued by:					
The Manitoba Hydro-Electric Board	$382,086	$562,014	$944,831	$884,281	$646,560
Other	8,932	7,729	8,079	8,035	5,625
Net Guaranteed Debt[2]	$391,018	$569,743	$952,910	$892,316	$652,185

(1) Debentures payable in U.S. dollars are stated at the Canadian dollar equivalent using the exchange rate in effect on March 31 each year adjusted for any foreign currency contracts entered into for settlement after those dates.

(2) The table does not include contingent obligations in the amount of $23.4 million as at March 31, 2005, comprised of $0.5 million of mortgages, and $22.9 million of bank lines of credit.

For additional information as to guaranteed debt, see ''Tables of Supplementary Information — Table IV'' contained in Exhibit 99.1 of the Issuer's 18-K which is incorporated by reference in this Prospectus.

Maturity Schedule

The following table sets forth the maturity schedule by currency of the direct funded and guaranteed debt of the Province as at March 31, 2005:

MATURITY SCHEDULE
DIRECT AND GUARANTEED DEBT[(1)]

Years Ending March 31,	*Canadian Dollars[(2)]*	*U.S. Dollars[(2)(3)]*	*Gross Maturities*	*Estimated Sinking Funds Withdrawal*	*Net Maturities*
	(In millions of dollars)				
Short-Term Debt	$ 384	$ 0	$ 384	$ 0	$ 384
2006	1,705	244	1,949	243	1,706
2007	1,413	605	2,018	301	1,717
2008	1,893	0	1,893	175	1,718
2009	1,998	298	2,296	593	1,703
2010	978	480	1,458	774	684
	8,371	1,627	9,998	2,086	7,912
2011-2015	3,023	466	3,489	778	2,711
2016-2025	3,160	847	4,007	1,513	2,494
2026-2044	2,488	0	2,488	141	2,347
2006-2019 Government Business Enterprises	361	0	361	0	361
2006-2025 Health Care Facilities	239	0	239	43	196
2006-2016 Government of Canada	127	0	127	0	127
	$17,769	$2,940	$20,709	$4,561	$16,148

(1) The table does not include contingent obligations in the amount of $23.4 million as at March 31, 2005, comprised of $0.5 million of mortgages, and $22.9 million of bank lines of credit.

(2) Debt payable in Canadian dollars and U.S. dollars includes debt swapped from other currencies.

(3) Debt payable in U.S. dollars (U.S.$2.43 billion) is stated at the Canadian dollar equivalent at March 31, 2005.

Sinking Funds

The Minister of Finance may provide for the creation and management of sinking funds for the orderly retirement of debt. The Minister of Finance may authorize, by directive, the amount, if any, to be allocated to the Province's sinking fund. The amount allocated to the sinking fund by the Province for the fiscal year ended March 31, 2005, was $254.2 million including the transfer of all amounts out of the Debt Retirement Fund as required every five years. Currently, the Province's sinking fund is invested principally in securities issued or guaranteed by Canadian provinces.

Manitoba Hydro is required by statute to provide, prior to its fiscal year end in each year, amounts for sinking funds which are not less than the sum of (a) 1% of the debt of and Provincial advances to Manitoba Hydro outstanding at the preceding fiscal year end and (b) 4% of the balance of cash and book value of securities in the sinking fund at such date. Interest earned on money and securities in the sinking fund is paid to Manitoba Hydro.

Unfunded Debt

The unfunded debt of the Province as at March 31, 2005 amounted to $1,352 million, including $378 million of accounts payable, $225 million of accrued interest and $749 million of other accrued charges. This unfunded debt was offset by current assets of the Province in the amount of $1,213 million, represented by $396 million of March 2005 tax revenue receivables, $147 million of other receivables, $30 million of interest receivable and $132 million of accounts receivable from the Federal and other governments and $602 million in cash and equivalents, less a valuation allowance of $94 million.

Consolidated Funded Debt of the Manitoba Public Sector

The Province supervises all financial activities of the Manitoba public sector. Certain public sector entities issue debt in their own names, which is not guaranteed by the Province. Accordingly, not all funding within the public sector is reflected in the Province's financial statements. The following table sets forth the consolidated funded debt of the Manitoba public sector at March 31 for each of the years 2001 through 2005.

CONSOLIDATED FUNDED DEBT OF THE MANITOBA PUBLIC SECTOR

	As at March 31,				
	2001	*2002*	*2003*	*2004*	*2005*
	(In millions of dollars)				
Issued for the purpose of:					
General Government Programs	$ 9,955	$10,147	$10,373	$10,055	$10,181
Less Sinking Funds	(3,158)	(3,496)	(3,723)	(3,188)	(3,223)
Net General Government Programs	6,797	6,651	6,650	6,867	6,958
The Manitoba Hydro-Electric Board	7,655	7,845	7,382	7,422	7,215
Less Sinking Funds	(1,374)	(1,547)	(1,004)	(761)	(587)
Net Manitoba Hydro-Electric Board	6,281	6,298	6,378	6,661	6,628
Other Crown Organizations, Public Sector Entities and Loans Payable	5,213	5,062	4,502	4,196	4,293
Less Sinking Funds	(2,142)	(1,976)	(1,578)	(1,179)	(1,016)
Net Other Crown Organizations, Public Sector Entities and Loans Payable	3,071	3,086	2,924	3,017	3,277
Net Public Sector Debt	$16,149	$16,035	$15,952	$16,545	$16,863
Consisting of:					
Direct Debt of the Province[(1)]	$19,723	$19,920	$18,959	$18,539	$18,695
Guaranteed Debt of the Province[(1)]	416	595	979	923	660
Non-Guaranteed Debt of Crown Organizations, Other Public Sector Entities and Loans Payable	2,684	2,539	2,319	2,211	2,334
Total Public Sector Debt	22,823	23,054	22,257	21,673	21,689
Less: Accumulated Sinking Funds	(6,674)	(7,019)	(6,305)	(5,128)	(4,826)
Net Public Sector Debt	$16,149	$16,035	$15,952	$16,545	$16,863

[(1)] U.S. and other foreign currency debt included in the Direct Debt of the Province and the Guaranteed Debt of the Province are stated at the Canadian dollar equivalent using the exchange rates in effect on March 31 each year.

Selected Debt Information

The following table sets forth certain information as to the funded debt of the Province as well as debt issued for general government programs (all net of accumulated sinking funds) as at March 31 for the years 2001 through 2005, including per capita data based upon population at July 1 of the preceding calendar year:

PUBLIC SECTOR DEBT INFORMATION

	As at March 31,				
	2001	*2002*	*2003*	*2004*	*2005*
Total Net Consolidated Funded Debt of the Manitoba Public Sector (in millions)	$16,149	$16,035	$15,952	$16,545	$16,863
Per Capita	14,079	13,931	13,799	14,238	14,413
As a Percent of Personal Income	56.9%	54.8%	53.1%	53.8%	52.7%
As a Percent of Gross Domestic Product	47.4	45.6	43.3	43.5	42.0
Total Net Direct Funded Debt of the Province (in millions)	$13,765	$13,833	$13,601	$14,787	$15,496
Per Capita	12,001	12,018	11,766	12,725	13,244
As a Percent of Personal Income	48.5%	47.3%	45.3%	48.1%	48.4%
As a Percent of Gross Domestic Product	40.4	39.4	36.9	38.8	38.6
Net Debt Issued for General Government Programs (in millions)	$ 6,798	$ 6,651	$ 6,650	$ 6,867	$ 6,958
Per Capita	5,927	5,778	5,753	5,910	5,947
As a Percent of Personal Income	24.0%	22.7%	22.2%	22.3%	21.7%
As a Percent of Gross Domestic Product	20.0	18.9	18.0	18.0	17.3
Net Cost of Servicing General Government Program Debt as a Percent of Provincial Revenue	6.5%	5.3%	4.1%	3.7%	2.6%

Pension Liability

The Government is required by legislation to pay 50% of the pension disbursements made to retired Provincial employees (with the exception of the share payable by Government agencies for their employees) and to retired contributors to the Teachers' Retirement Allowances Fund (TRAF). Such payments are charged to departmental appropriations as incurred. Prior to March 31, 2001, no provision was made to fund current or past service obligations of the Government to the Civil Service Superannuation Fund (CSSF) or to the TRAF. The reserves held in these Funds represent only the employees' obligation towards the total pension liability, except as described in the following paragraph.

Certain amendments to the *Civil Service Superannuation Act* were made in 1992, which required that the CSSF establish and fund a separate account in an amount sufficient to cover the Province's actuarial costs of the 1992 amendments to the Act. The CSSF account maintained on behalf of the Province at March 31, 2005 was $38 million ($34 million in 2004).

An actuarial valuation and report of the Government's liability to the CSSF was completed as at December 31, 2004. The report also provided a formula to update the liability on an annual basis. In accordance with this formula, the Government's actuarial liability to the CSSF has been calculated on an indexed basis at $1,625 million as at March 31, 2005 ($1,545 million in 2004).

An actuarial report for TRAF was completed as of January 1, 2004 and provides a formula to update the Government's pension liability, resulting in an actuarial liability on an indexed basis of $2,078 million at March 31, 2005 ($1,971 million in 2004).

The Pension Plan for Members of the Legislative Assembly (MLAs) provides MLAs elected prior to April 25, 1995 defined pension benefits based on years of service. For those elected after April 25, 1995, the Act provides for defined contribution benefits as well as defined pension benefits for service prior to April 25, 1995. An actuarial valuation was completed as of March 2003 and provides a formula to update the liability on an annual basis. The Government's liability is calculated to be $33 million at March 31, 2005 ($32 million in 2004).

An actuarial report was completed for the Judge's Supplemental Plan as at March 31, 2003 and provides a formula to update the Government's pension liability, resulting in an actuarial liability on an indexed basis of $23 million at March 31, 2005 ($21 million in 2004).

The estimated actuarial pension liability for the Government and Crown organizations, including unamortized actuarial gains and losses (which does not include Government Business Enterprises such as Manitoba Hydro), may be summarized as follows:

	As at March 31,	
	2004	*2005*
	(In millions of dollars)	
Civil Service Superannuation Fund	$1,545	$1,625
Members of Legislative Assembly	32	33
Teachers' Retirement Allowances Fund	1,971	2,078
Judge's Supplemental Pension Plan and Other Plans	23	25
Total	$3,571	$3,761

Currently, the Province allocates a portion of its annual payments to the Debt Retirement Fund to fund its unfunded pension liability and sets aside funding for the pension costs of all new employees. These amounts have been transferred to the Pension Assets Fund which was established to provide for the future retirement of the government's pension liability. The current balance of the Pension Assets Fund is $382 million ($267 million in 2004).

Manitoba Hydro employees are eligible for pensions under the Civil Service Superannuation Act, which requires Manitoba Hydro to contribute 50% of the pension disbursements made to retired employees. Based on an actuarial formula, Manitoba Hydro and its subsidiaries have a liability for pension obligations at March 31, 2005 of approximately $630 million ($573 million in 2004), and has assets of $674 million as at March 31, 2005 ($609 million in 2004). These amounts are not included in the above totals.

THE MANITOBA HYDRO-ELECTRIC BOARD

The Manitoba Hydro-Electric Board (''Manitoba Hydro'') was established in 1949 by an Act of the Legislature of the Province as an agent of the Crown of the Province to provide for a supply of electrical power adequate for the needs of Manitoba, and to promote economy and efficiency in the generation, distribution, supply and use of electrical power within Manitoba.

In 1997, amendments were made to the *Manitoba Hydro Act* to allow wholesale competition and transmission access in the Manitoba electrical market and allow Manitoba Hydro to offer new products and services, create subsidiaries and enter into joint ventures and business alliances. The amendments also provided Manitoba Hydro with explicit authority to build new generation for export.

In 1999, Manitoba Hydro purchased Centra Gas Manitoba Inc. (''Centra Gas''), the primary gas distribution utility in Manitoba with approximately 256,000 residential, commercial and industrial customers.

In 2002, Manitoba Hydro purchased all of the assets and liabilities of Winnipeg Hydro from the City of Winnipeg. As part of the terms of the purchase, Manitoba Hydro agreed to commence construction of an office complex in downtown Winnipeg within five years of the date of purchase. Construction of the building has begun with an estimated completion date of late 2007 at an estimated cost of $258 million.

As a result of the Winnipeg Hydro acquisition, Manitoba Hydro is now serving electric customers throughout Manitoba. The electrical systems of Manitoba Hydro and the former Winnipeg Hydro are interconnected and operate as an integrated system.

Manitoba Hydro currently provides electricity to approximately 506,000 customers and natural gas service to approximately 256,000 customers within the province. In addition, it exports electricity to approximately 40 electric utilities in the U.S., Ontario and Saskatchewan.

At March 31, 2005, Manitoba Hydro's total generating capability was 5,480 megawatts. Of this generating capability, hydro-electric stations represented 91.2%, thermal-electric (natural gas and coal) stations 8.6% and diesel-electric stations 0.2%. The diesel electric stations serve four isolated communities in northern Manitoba that are too remote to be served from the integrated system.

For the fiscal year ended March 31, 2005, 94.8% of the Manitoba integrated system energy supply of 32.8 billion kilowatt-hours was provided by self-renewing hydro-electric generation. The portion of total supply provided by thermal generation was 1.3% and by imports was 3.9%.

Operations

Net income from consolidated operations for the fiscal year ended March 31, 2005 was $136 million, compared to the net loss of $436 million in the previous fiscal year. The increase was attributable to a rebound in hydraulic generation stemming from a significant improvement in water flows over last year. The prolonged drought conditions in the previous fiscal year resulted in reduced electricity sales to extraprovincial customers and increased fuel and power purchases to support firm supply commitments.

Electricity

As at March 31, 2005, Manitoba Hydro owned and operated 14 hydro-electric generating stations having a total installed electric generating capability of 4,999 megawatts, including five stations with a total capability of 3,924 megawatts located on the Nelson River. Manitoba Hydro also operated two thermal-electric generating stations having a total installed capability of 471 megawatts and four isolated diesel sites having an installed capacity of 9 megawatts.

As at March 31, 2005, the high voltage transmission facilities of Manitoba Hydro consisted of approximately 11,426 circuit kilometers, representing a total investment of $737 million.

For purposes of exporting firm energy and for the interchange of power on a short-term basis to provide for economy of operations and system emergencies, Manitoba Hydro maintains interconnections with power facilities in the Provinces of Saskatchewan and Ontario and in the States of North Dakota and Minnesota. Manitoba Hydro's interconnections with Saskatchewan have a total transfer capability of 550,000 kilowatts and interconnections with Ontario have a transfer capability of 300,000 kilowatts. The interconnections with the United States have a total export transfer capability of 2,250,000 kilowatts and import transfer capability of 1,050,000 kilowatts.

During the fiscal year ended March 31, 2005, Manitoba Hydro sold a total of 29.3 billion kilowatt-hours of electricity, representing an increase of 23.8% from the fiscal year ended March 31, 2004. Scheduled extraprovincial sales accounted for 9.6 billion kilowatt-hours, or 32.7% of total electricity sales for the fiscal year ended March 31, 2005. Scheduled imports accounted for 1.3 billion kilowatt-hours, a decrease of 81.9% from the fiscal year ended March 31, 2004.

Natural Gas

Manitoba Hydro's subsidiary, Centra Gas provides natural gas distribution and related energy services to approximately 256,000 customers that are located in nearly 100 communities throughout southern Manitoba. Centra Gas owns a network of transmission (1,728 kilometers) and distribution (6,910 kilometers) mains to meet the natural gas requirements of its customers.

For the year ended March 31, 2005, Centra Gas had total gas deliveries of 76.1 billion cubic feet. These gas deliveries were comprised of 24.0 billion cubic feet to residential customers, 32.4 billion cubic feet to commercial and industrial customers and 19.7 billion cubic feet of transportation deliveries.

Rate Matters

Manitoba Hydro's rates for electricity sales within the province are set on a cost of service basis and are subject to review and approval by The Public Utilities Board of Manitoba (''PUB''). In order to address the financial impacts of the drought experienced during the 2003-04 fiscal year, the PUB approved a general rate increase of 5% effective August 1, 2004 and two conditional increases of 2.25% effective April 1, 2005 and October 1, 2005 across all customer classes. Manitoba Hydro withdrew the request for the second 2.25% rate increase scheduled for October 1, 2005 as improved water conditions have significantly improved financial results for the 2005-06 fiscal year. Prior to these rate increases, residential rates had not increased since 1997 and large industrial customer rates had not increased since 1992.

Centra Gas files quarterly rate applications with the PUB based on the twelve-month forward price for Western Canadian gas supplies, which are designed to pass through to customers the full impact of primary gas price changes. Centra also makes periodic rate applications for changes in non-commodity costs. In July 2005, the PUB approved general rate increases of 2.0% effective February 1, 2005 and 1.0% effective May 1, 2006 for gas customers.

STATISTICAL INFORMATION

The following table sets forth certain statistical information for the last five years.

	Year Ended March 31,				
	2001	2002	2003	2004	2005
Electricity					
Installed Generating Capability Including Winnipeg Hydro (in megawatts)	5,219	5,240	5,475	5,481	5,480
Manitoba Firm Peak Demand (in Megawatts)	3,637	3,760	3,916	3,959	4,146
Manitoba & Winnipeg Hydro System Electric Energy (in millions of kilowatt-hours)					
Generated	32,697	32,643	29,178	19,349	31,554
Purchased	333	1,512	3,043	7,053	1,279
	33,030	34,155	32,221	26,402	32,833
Electric Energy Sales[1] (in millions of kilowatt-hours)					
Manitoba	16,653	16,916	18,907	19,280	19,735
Extraprovincial	12,065	12,091	9,459	4,395	9,569
Total Electric Energy Sales	28,718	29,007	28,366	23,675	29,304
Revenue from Sale of Power (in thousands of dollars)					
Manitoba	$ 781,064	$ 786,036	$ 875,841	$ 918,231	$ 938,756
Extraprovincial	479,673	587,893	463,428	350,994	553,727
Total Revenue from Sale of Power	$1,260,737	$1,373,929	$1,339,269	$1,269,225	$1,492,483
Number of Customers (at end of period)	403,040	405,535	497,725	501,650	505,666
Average Revenue per kilowatt-hour					
Manitoba	4.69¢	4.65¢	4.63¢	4.76¢	4.76¢
Extraprovincial	3.98	4.86	4.90	5.03	5.79
Average Cost per kilowatt-hour of Electric Energy Sold (excluding finance expense)	2.13¢	2.46¢	2.95¢	4.79¢	3.04¢
Natural Gas					
Gas Deliveries (in billions of cubic feet)					
Residential	24.7	22.8	25.2	23.0	24.0
Commercial/Industrial	34.4	31.7	34.6	31.5	32.4
Transportation	17.6	17.7	22.6	20.4	19.7
Total Gas Deliveries	76.7	72.2	82.4	74.9	76.1
Number of Customers (at end of period)	248,074	249,351	251,273	253,631	255,925
Revenue from Sale of Natural Gas (in thousands of dollars)					
Residential	$ 239,969	$ 224,704	$ 247,413	$ 234,781	$ 244,178
Commercial/Industrial	258,672	248,045	260,832	251,994	257,995
Transportation	1,836	4,127	4,016	4,354	4,440
Other	2,803	2,471	2,587	2,517	2,228
Total Revenue from the Sale of Natural Gas	$ 503,280	$ 479,347	$ 514,848	$ 493,646	$ 508,841

[1] Manitoba energy sales are based on the net energy transfer to Winnipeg Hydro to the September 3, 2002 acquisition date and exclude internal energy use. Extraprovincial energy sales and power purchased are based on scheduled energy deliveries and exclude energy supplied out of province for delivery out of province.

For information with respect to the operating financial results, balance sheet and statement of changes in financial position of Manitoba Hydro, see ''Tables of Supplementary Information — Tables V, VI and VII'' contained in Exhibit 99.1 of the Issuer's 18-K which is incorporated by reference in this Prospectus.

Construction Program

The following table summarizes Manitoba Hydro's capital expenditure for improvements and expansion of its facilities during the four-year period ended March 31, 2005, and the estimated capital expenditure to meet future demands for electricity and natural gas in the province during the five-year period ending March 31, 2010.

CAPITAL EXPENDITURE

	Year Ending March 31,						
					Estimated		
	2002	2003	2004	2005	2006	2007	2008-2010
	(In thousands of dollars)						
Electricity							
Generating Plant	$153,070	$153,982	$110,644	$136,555	$218,131	$279,755	$1,103,544
Major Transmission & Stations	95,169	116,447	128,500	142,395	100,007	81,312	272,392
Distribution & Other	171,743	192,366	213,523	185,398	220,151	283,490	720,876
Natural Gas							
Distribution & Other	18,740	21,658	31,572	22,695	25,410	32,056	131,460
	$438,722	$484,453	$484,239	$487,043	$563,699	$676,613	$2,228,272

Capital expenditures, excluding new generation and transmission expenditures, are estimated to total $2,220 million for the five-year period ending March 31, 2010. Manitoba Hydro expects internally generated funds to be $2,049 million or approximately 99% of these capital expenditures during this period. These amounts do not include any of the possible new hydraulic projects discussed below.

Manitoba Hydro has signed an agreement to purchase 99 megawatts of wind energy from AirSource Power. The project will include the installation of 63 wind turbines. The Corporation intends to issue requests for proposals for another 150MW in wind generation by 2009 and continues to work with the Province to examine the feasibility of adding further wind power to the grid in future years.

Manitoba Hydro has five generating stations with a total installed generating capability of 3,924 megawatts along the Nelson River. Manitoba Hydro estimates the total potential hydro-electric generating capacity of the overall Nelson River development to be in excess of 7,500 megawatts.

Based on Manitoba electricity needs, and after including the resources provided by wind, conservation initiatives, and upgrading of existing facilities, it is projected that no new major hydraulic generation will be required to serve the Manitoba domestic market and committed export requirements until at least 2024. However, Manitoba Hydro is actively exploring the feasibility of building one or more new hydro-electric generating stations prior to 2024 in order to take advantage of export market opportunities. Agreements in principle that involve partnership arrangements and equity participation have been reached with First Nations in the vicinity of these projects. Manitoba Hydro and Nisichawayasihk Cree Nation (NCN) expect to conclude negotiations in 2005 on an agreement to develop the Wuskwatim Generating Station. Through this agreement, NCN will acquire up to a 33% partnership interest in the station. NCN is proceeding with their community consultations in Nelson House leading up to a ratification vote anticipated in December 2005. Provided that necessary licenses and government approvals are received, construction is anticipated to commence shortly after a favourable outcome on the NCN ratification and signing of the Project Development Agreement for a 2011/12 in-service date.

Manitoba and Ontario continue discussions involving a major new interconnection between the two provinces. If an agreement can be reached it would also include a long-term power sale from Manitoba to Ontario which would require the development of the 1,250 megawatt Conawapa hydraulic generating station in northern Manitoba, and possibly additional hydraulic stations. Discussions also include the possibility of upgrading the existing interconnection between the provinces to deliver power from Manitoba to northwestern Ontario. This delivery over the existing and upgraded transmission lines would occur prior to the in-service date of a major new interconnection.

As a result of Manitoba Hydro's generation and transmission activities in the past, a number of communities have experienced adverse impacts. To provide fair compensation to these communities, Manitoba Hydro has been engaged in discussions to reach settlement agreements. As of March 31, 2005, Manitoba Hydro has committed $571 million for remedial works, compensation and/or mitigation initiatives, negotiated settlement agreements with four of the five communities covered by the 1977 Northern Flood Agreement (''NFA'') and reached compensation/mitigation agreements with numerous communities outside the NFA. Manitoba Hydro and the Province continue to work with Cross Lake First Nation to develop and implement an action plan for fulfillment of obligations under the NFA. In addition, discussions are ongoing to reach concluding arrangements with the remaining communities not covered by the NFA.

In late 2004 and early 2005, the Fox Lake Cree Nation and War Lake First Nation ratified settlement agreements with Manitoba Hydro and the Province that address adverse effects of past hydroelectric development in the lower Nelson River area. Manitoba Hydro's financial commitment for the settlement agreements is $16.4 million over 15 years.

MANITOBA INTEGRATED SYSTEM
EXISTING AND POTENTIAL GENERATING STATIONS

EXISTING GENERATING STATIONS

Generating Station	*River*	*Winter Capability*
		(in Megawatts)
Jenpeg	Nelson	131
Kelsey	Nelson	223
Kettle	Nelson	1,220
Long Spruce	Nelson	1,010
Limestone	Nelson	1,340
Pine Falls	Winnipeg	88
Great Falls	Winnipeg	133
McArthur Falls	Winnipeg	55
Seven Sisters	Winnipeg	165
Slave Falls	Winnipeg	67
Pointe Du Bois	Winnipeg	78
Grand Rapids	Saskatchewan	479
Laurie River I and II	Laurie	10
Total Hydraulic Capability		4,999
Brandon & Selkirk Thermal		471
Total Integrated System Capability		5,470
POTENTIAL HYDRAULIC SITES(1)		
Conawapa	Nelson	1,250
Gillam Island	Nelson	820
Gull/Keeyask	Nelson	620
Whitemud	Nelson	310
Red Rock	Nelson	190
Wuskwatim	Burntwood	200
Manasan	Burntwood	195
First Rapids	Burntwood	225
Notigi	Burntwood	100
		3,910
Total		9,380

(1) Net capacity addition to the integrated system.

Export Power Sales

Manitoba Hydro has a contract with Northern States Power Company (''NSP''), (a subsidiary of Xcel Energy), for the export of 500 megawatts of firm power until 2015.

Manitoba Hydro has signed 150 megawatt Seasonal Diversity Exchange Agreements with United Power Association and with NSP, which will continue until 2015 and 2019, respectively. A third Seasonal Diversity Exchange for 200 megawatts with NSP will continue until 2016. These Seasonal Diversity Exchange Agreements provide that power may be exported from Manitoba in the summer months and returned to Manitoba in the winter months.

Other long-term export power sales include:

- 50 megawatt sale to Otter Tail Power 2000-2010
- Sale to Minnesota Municipal Power Agency 2000-2012:
  - 60 megawatts from 2000-2009
  - 30 megawatts from 2010-2012
- 100 megawatt sale to Wisconsin Public Service 2002-2007
- 50 megawatt sale to Great River Energy 2002-2007
- 50 megawatt sale to Minnesota Power 2005-2009

Manitoba Hydro makes short-term and long-term power sales on an on-going basis to numerous utilities and marketers in the upper mid-west United States and in Canada. Manitoba Hydro monitors the creditworthiness of and exposures to export sales customers in order to minimize credit risk.

In September 2001, Manitoba Hydro announced it had reached a Coordination Agreement with the Midwest Independent Transmission System Operator, Inc. (''the Midwest ISO'') which allows Manitoba Hydro to participate in the Midwest ISO. The Midwest ISO began full operations in February 2002. The relationship with the Midwest ISO provides Manitoba Hydro with non- discriminatory transmission access to the membership base of the Midwest ISO. From its headquarters in central Indiana, the Midwest ISO serves as an independent agent for its transmission-owning members, and, with the inclusion of committed operations, controls an interconnected transmission grid encompassing more than 122,000 megawatts of generation capacity over 111,000 miles of high voltage transmission lines in all or parts of 15 states and parts of Canada. Effective April 1, 2005, the Midwest ISO began operation of a new centrally operated electricity market referred to as MISO Day II. This new market operates similarly to other trading exchanges where power sales and purchases are transacted directly with the exchange rather than utilities transacting directly with one another. The new market offers a broader range of electricity products, thereby providing more sales opportunities to Manitoba Hydro.

CANADIAN FOREIGN EXCHANGE

Canada maintains a floating exchange rate. Average noon spot exchange rates against the U.S. dollar, in which direct and guaranteed debt of the Province is denominated, expressed in Canadian dollars, are shown in the table below for the calendar year 2000 through 2004.

	Average Noon Spot Rates				
Foreign Currency	*2000*	*2001*	*2002*	*2003*	*2004*
	(Canadian dollars per unit of foreign currency)				
United States Dollars[1]	$1.4852	$1.5484	$1.5704	$1.4015	$1.3015

[1] The high and low spot rates for the U.S. dollar expressed in Canadian dollars are as follows:

	2000	*2001*	*2002*	*2003*	*2004*
High	$1.5632	$1.6050	$1.6132	$1.5747	$1.3968
Low	1.4378	1.4901	1.5110	1.2924	1.1774

Source: Bank of Canada.

At March 31, 2005, the noon spot exchange rate for U.S. dollars as reported by Bank of Canada, expressed in Canadian dollars, was $1.2096.

Summary Financial Statements

Summary Statement of Revenue and Expense

The following table sets forth the Summary Statement of Revenue and Expense for the year ended March 31, 2005 (with comparative figures for 2004).

	2004	2005
	(In millions of dollars)	
REVENUE		
Manitoba Collections:		
Retail sales tax	1,064	1,125
Fuel taxes	233	235
Levy for health and education	268	287
Mining tax	22	0
Other taxes	480	572
Fees and other revenue	1,710	1,793
Income taxes:		
Corporation income tax	289	374
Individual income tax	1,720	1,787
Federal transfers:		
Equalization	1,414	1,699
Canada Health and Social Transfer	917	1,006
Medical Equipment Fund	21	30
Health Reform Fund	37	55
Primary Care Transition Fund	7	9
Shared cost and other	320	352
TOTAL REVENUE	8,375	9,324
EXPENSES		
Health	3,408	3,559
Education	2,168	2,254
Family Services and Housing	961	1,020
Community, Economic and Resource Development	979	1,087
Justice and Other Government	755	754
Debt Servicing	799	767
TOTAL EXPENSES	9,070	9,441
Net (loss) before net income (loss) from government business enterprises	(568)	(117)
Net income (loss) from government business enterprises	(11)	716
SUMMARY NET INCOME (LOSS)	(579)	599

Summary Statement of Financial Position

The following table sets forth the Summary Statement of Financial Position as at March 31, 2005 (with comparative figures for 2004).

	2004	2005
	(millions)	
FINANCIAL ASSETS		
Cash and cash equivalents	$ 706	$ 1,107
Temporary investments	207	277
Amounts receivable	765	896
Inventories	38	36
Portfolio investments	369	527
Loans and advances	642	626
Equity in Government Business Enterprises	949	1,235
Other long-term investments	7	4
TOTAL ASSETS	3,683	4,708
LIABILITIES		
Borrowings	18,206	18,388
Less: Sinking funds	(3,070)	(2,729)
Less: Debt incurred for and repayable by The Manitoba Hydro-Electric Board and Manitoba Lotteries Corporation	(5,937)	(6,215)
	9,199	9,444
Less: Unamortized foreign currency fluctuation	(89)	(84)
Net borrowings	9,110	9,360
Accounts payable, accrued charges, provisions and deferrals	2,020	2,142
Pension liability	3,571	3,761
TOTAL LIABILITIES	14,701	15,263
NET DEBT	$(11,018)	$(10,555)
NON-FINANCIAL ASSETS		
Tangible capital assets	$ 3,684	$ 3,848
ACCUMULATED DEFICIT[1]	$ (7,334)	$ (6,707)

(1) Material adjustments may result from changes in accounting policy or from the correction of an error which are attributable to and identifiable with prior periods. In accordance with Canadian GAAP changes in accounting policies and correction of errors have resulted in changes in the comparative figures of the financial statements and the opening balance of the accumulated deficit. In the March 31, 2005 fiscal year, restatements to the March 31, 2004 accumulated deficit and loss for the year were made to apply changes in accounting policies and due to correction of errors.

A. Adjustments were made to the opening accumulated deficit for the March 31, 2004 fiscal year to recognize the impact of changing accounting policies. These adjustments were made to recognize infrastructure tangible capital assets, such as provincial highways, bridges and land acquired for public use ($1,171 million decrease); to recognize the liability associated with the Province of Manitoba Long Term Disability Income Plan in accordance with changes to public sector accounting standards for post employment benefits ($26 million increase); and to fully consolidate the non-devolved health care facilities on a basis consistent with other Government reporting entities ($260 million decrease).

Adjustments were made to the opening accumulated deficit for the March 31, 2004 fiscal year to apply changes due to correction of errors. These adjustments were made: to recognize the liability associated with long term workers compensation claims ($6 million increase); to recognize the Crop Reinsurance Fund of Manitoba ($22 million decrease); and to recognize accrued interest payable on school and hospital debentures ($18 million increase).

The net effect of these adjustments is a $1,403 million decrease to March 31, 2004 opening accumulated deficit.

B. In the March 31, 2005 fiscal year further adjustments were made to the March 31, 2004 accumulated deficit. These adjustments were made: to recognize infrastructure tangible capital assets ($15 million decrease); to recognize the liability associated with the Province of Manitoba Long Term Disability Income Plan ($1 million increase); to recognize the consolidation of the non-devolved health care facilities ($2 million decrease); to recognize the liability associated with long term workers compensation claims ($1 million increase); and to recognize a loan provision for a loan loss related to advances to Manitoba Agriculture Credit Corporation ($10 million decrease). The net effect of these changes is a $25 million decrease to the March 31, 2004 summary net loss.

C. In the March 31, 2005 fiscal year the Workers Compensation Board elected to change its accounting policies on the recognition of gains and losses in accordance with changes to accounting standards on their recognition of these gains and losses. As a result of this change the accumulated deficit for March 31, 2005 decreased by $28 million.

Summary Statement of Cash Flow

The following table sets forth the Summary Statement of Cash Flow as at March 31, 2005 (with comparative figures for 2004).

	2004	*2005*
	($ millions)	
Cash and cash equivalents provided by (used in)		
Operating activities:		
Summary net loss for the year	(579)	599
Changes in non-cash items:		
Temporary investments	21	(70)
Amounts receivable	(12)	(127)
Valuation allowance	19	4
Inventories	(1)	2
Portfolio investments	(133)	(158)
Accounts payable, accrued charges, provisions and Deferrals	5	122
Pension liability	141	190
Amortization of foreign currency fluctuation	3	6
Amortization of debt discount	8	8
Amortization of investment discounts and premiums	(2)	(1)
Workers Compensation Board Investment premiums	—	28
Disposal of tangible capital assets	4	4
Amortization of tangible capital assets	246	250
	(280)	857
Changes in equity in Government Business Enterprises	420	(286)
	140	571
Tangible capital assets		
Acquisition of tangible capital assets	(431)	(418)
Investing activities:		
Made	(1,163)	(584)
Realized	542	140
	(621)	(444)
Financing activities:		
Debt issued	2,967	2,675
Debt redeemed	(2,776)	(2,180)
Changes in sinking funds	637	197
	828	692
Increase (decrease in cash and cash equivalents	(84)	401
Cash and cash equivalents, beginning of year	790	706
Cash and cash equivalents, end of year	706	1,107

Summary Financial Statements — Government Enterprises[1]

Summary of Operating Results and Financial Position

The following table sets forth the Summary of Operating Results and Financial Position for the year ended March 31, 2005* (with comparative figures for 2004).

	Utilities	*Insurance*	*Finance*	*Resource Development*	*Total 2004*	*Total 2005*
			(In millions of dollars)			
Results of Operations						
Revenues:						
From operations	2,017	1,106	1,131	—	3,830	4,254
Expenses:						
From operations	1,379	981	662	2	3,344	3,024
Debt servicing	502	—	12	—	497	514
Total Expenses	1,881	981	674	2	3,841	3,538
Net Income	136	125	457	(2)	(11)	716
Transfers to the government	—	—	(458)	—	(409)	(458)
Net increase (decrease) in equity in Government Business Enterprises	136	125	(1)	(2)	(420)	258
Net increase (decrease) in equity in Government Business Enterprises resulting from:						
Increase (decrease) in equity in Government Business Enterprises					(420)	258
Net increase (decrease) in equity in Government Business Enterprises					(420)	258

* For enterprises whose fiscal year is prior to March 31, the amounts reflected are as at their fiscal year end.

(1) Government Business Enterprises consist of the following as at March 31, 2005:

Utilities:

Manitoba Hydro-Electric Board

Insurance:

Manitoba Public Insurance Corporation

Workers Compensation Board

Finance:

Manitoba Liquor Control Commission

Manitoba Lotteries Corporation

Manitoba Product Stewardship Corporation

Resource Development:

Leaf Rapids Town Properties Ltd.

Manitoba Hazardous Waste Management Corporation

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement amended and restated as of 15 February, 2006 (such agreement, as amended and as may be further amended from time to time, the ''Programme Agreement''), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under ''Issue Procedures'' and ''Terms and Conditions of the Notes'' above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

The following is a description of the contractual and other restrictions applicable to the Programme:

United States

Regulation S, Category 1, TEFRA D, unless otherwise specified in the applicable Final Terms. The Notes are not eligible under Rule 144A of the Securities Act of 1933 as amended (the ''Securities Act'').

The Notes have not been, and will not be, registered under the Securities Act and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each Dealer will be required to agree that it will not offer, sell or deliver any Notes in bearer form within the United States or to U.S. persons except as permitted by the Programme Agreement.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of Index Linked Notes and Dual Currency Notes will be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree, as specified in the applicable Final Terms, or supplemental prospectus, as appropriate. Each Dealer will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a ''Relevant Member State''), each Dealer has represented and agreed, and each other Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the ''Relevant Implementation Date'') it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

(a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an ''offer of Notes to the public'' in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression ''Prospectus Directive'' means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each other Dealer appointed under the Programme will be required to represent and agree, that:—

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue and sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the ''Securities and Exchange Law''). Each Dealer has agreed, and each other Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of and otherwise under circumstances which will result in compliance with, the Securities and Exchange Law and all other applicable laws, regulations and ministerial guidelines of Japan promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

General

Each Dealer has agreed and each other Dealer appointed under the Programme will be required to agree that it will comply, to the best of its knowledge, in good faith and on reasonable grounds after making all reasonable investigation, with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Prospectus, any Final Terms or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor. Other than with respect to the approval of the Prospectus by the UK Listing Authority, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any Final Terms, in any country or jurisdiction where action for that purpose is required.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

The Programme Agreement provides that without prejudice to the obligations of the Dealers described in the paragraph of this ''General'' section, Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of changes in, or a change in the interpretation of, the relevant law, regulation or directive after the date hereof no longer be applicable. Any such modification may be set out in the applicable Final Terms issued in respect of the issue of the Notes to which it relates or in a supplement to this Prospectus.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

CANADIAN TAX CONSIDERATIONS

The following summarises the income tax considerations as of the date of this Prospectus under the laws of Canada generally applicable to a holder of Notes who acquires Notes pursuant to this Prospectus, and who, at all relevant times, for the purposes of the *Income Tax Act* (Canada) (the ''Act'') and any applicable income tax convention, is not resident and is not deemed to be resident in Canada and who does not use or hold and is not deemed to use or hold Notes in or in the course of carrying on a business in Canada and is not an insurer carrying on an insurance business in Canada and elsewhere (a ''Non-resident Holder'').

This summary is based upon the provisions of the Act in force on this date and the regulations thereunder (the ''Regulations''), proposed amendments to the Act and the Regulations publicly announced prior to the date hereof and the current administrative practices and policies published by the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax legislation or any income tax convention between Canada and another country.

The Canadian federal income tax considerations applicable to particular Notes, may be described in the Final Terms relevant to such Notes, in which case the following summary will be superseded thereby to the extent indicated in such Final Terms.

The Issuer is not required to withhold tax from interest or principal paid or credited by it in respect of Notes to a Non-resident Holder unless, generally, all or any part of the interest, or of any amount deemed by the Act to be interest, payable on the Notes is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares of a corporation. However, interest, or amounts deemed by the Act to be interest, payable on Notes that is contingent or dependent upon any of the criteria described above will be exempt from withholding tax if the Notes are ''prescribed obligations'' under the Act. A ''prescribed obligation'' under the Act is a debt obligation the terms or conditions of which provide for an adjustment to the amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon any of the criteria described above. *If any interest payable on a Note, or any portion of the nominal amount of such a Note in excess of its issue price, is to be calculated by reference to an index or formula or any Note is issued as partly paid, such interest or principal, as the case may be, may be subject to Canadian non resident withholding tax.*

Subject to the foregoing, a Non-resident Holder is not taxable on income or capital gains under the Act in respect of the Notes, or interest thereon.

The summary of Canadian income tax considerations above is of a general nature only and is not, and should not be construed to be, advice to any particular holder of Notes. Prospective holders should consult their tax advisers for advice regarding the income tax considerations applicable to them.

GENERAL INFORMATION

Listing and Admission to Trading

The Listing of Notes on the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). Any Tranche of Notes which is to be listed on the Official List and to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market will be admitted separately upon submission of the relevant Final Terms and any other information required, subject to the issue of the relevant Global Note representing the Notes of that Tranche. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. The listing of the Programme in respect of such Notes is expected to be granted on or around February 21, 2006.

Listing on Other Stock Exchanges and Admission to Other Markets

Notes may be listed, or admitted to trading, as the case may be, on other or further stock exchange(s) or market(s).

Post-issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any issue of Notes.

Authorisation

The establishment of the Programme has been duly authorised by an Order of the Lieutenant Governor in Council of the Province No. 589/1995 dated 1st November, 1995 pursuant to *The Financial Administration Act* (Manitoba) R.S.M. 1987, c. F55, as amended by an Order of the Lieutenant Governor in Council of the Province No. 72/2004 dated 11th February, 2004 pursuant to *The Financial Administration Act* (Manitoba), C.C.S.M., c. F55. By Order of the Lieutenant Governor in Council of the Province No. 157/2005 dated 27th April, 2005 pursuant to *The Financial Administration Act* (Manitoba), C.C.S.M., c. F55, the Province was authorised to raise money by way of loan to a maximum amount of Cdn.$2,000,000,000. Further or supplemental Orders of the Lieutenant Governor in Council of the Province may be obtained to enable the Province to raise money by way of loan in excess of the current limit of Cdn.$2,000,000,000. All consents, approvals, authorisations or other orders of all other regulatory authorities required by the Province under the laws of Canada have been given for the Province to undertake and perform its obligations under the Programme Agreement and the Agency Agreement and will be obtained for the issue and sale of the Notes.

Legal and Arbitration Proceedings

There are no, and have not been any, governmental, legal, arbitration or administrative proceedings involving the Issuer (and, so far as the Issuer is aware, no such proceedings are pending or threatened) which may have or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position of the Issuer.

The Issuer may be sued in the courts of the Province of Manitoba in accordance with *The Proceedings Against the Crown Act* (Manitoba) with regard to any claims arising out of or relating to the obligations of the Issuer under the Programme Agreement, the Agency Agreement or the Notes. No law of the Province of Manitoba requires any authorisation, consent or approval of any public official or authority for suit to be brought or judgment to be obtained against the Issuer arising out of or relating to the obligations of the Issuer under the Programme Agreement, the Agency Agreement or the Notes; nor is there any immunity from jurisdiction available to the Issuer in any such action. Although no execution or attachment or process in the nature thereof shall be issued out of any court of the Province of Manitoba for enforcing payment by the Issuer of money or costs, any order of a court of the Province of Manitoba for the payment of money, by way of damages or otherwise, or of costs by the Issuer is required to be paid out of the Consolidated Fund of the Province of Manitoba upon presentation to the Minister of Finance of the Province of Manitoba of a certificate of such court as to such order.

No Significant Change

Since 31 March, 2005, the end of the last fiscal year of the Issuer, there has been no significant change, or any developments involving a prospective significant change, in the financial position of the Issuer.

Clearance Systems

The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The appropriate common code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg or any other agreed clearance system will be contained in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms. The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210, Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

European Union Withholding Tax Directive

Under European Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria, Belgium and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

Documents Available for Inspection

For so long as the Programme remains in effect or while any Notes are outstanding:

(a) a copy of *The Financial Administration Act* (Manitoba);

(b) copies of the Issuer's most recently published Annual Report which includes annual summary financial statements for the last two fiscal years (including the Auditor General's report thereon), Quarterly Report; Annual Budget and Budget Updates;

(c) the Programme Agreement;

(d) the Agency Agreement (incorporating the forms of the temporary Global Note, permanent Global Note and Definitive Notes);

(e) each Final Terms for a Tranche of Notes that is offered to the public or admitted to trading on a regulated market in any Member State of the European Economic Area in circumstances requiring publication of a prospectus in accordance with Directive 2003/71/EC and any relevant implementing measure;

(f) a copy of the Prospectus together with any supplemental Listing Particulars or supplemental Prospectus or further Prospectus; and

(g) a copy of the subscription agreement for Notes issued on a syndicated basis which are admitted to the Official List,

will be available for inspection during normal business hours at the specified office of the Agent in London, England and for collection from the office of the Assistant Deputy Minister, Treasury Division, Province of Manitoba, Legislative Building, Winnipeg, Manitoba.

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