



PROVINCE OF SASKATCHEWAN

(CANADA)

2003-04 BUDGET

(Financial Highlights of 2003-04 BUDGET, March 28, 2003)

March 28, 2003

10th consecutive balanced budget achieved

Revenue, Expense and Budget Balance (\$ Millions)

| | Estimated 2003-04 | Forecast 2002-03 | Actual 2001-02 |
|---------------------------|----------------------|---------------------|-------------------|
| Revenue | \$ 6,228.0 | \$ 6,404.5 | \$ 6,059.1 |
| Operating Expenditure | 5,970.6 | 5,784.4 | 5,721.2 |
| Operating Surplus | \$ 257.4 | \$ 620.1 | \$ 337.9 |
| Servicing the Public Debt | (650.0) | (618.0) | (616.8) |
| Fiscal Stabilization Fund | 392.7 | — | 280.0 |
| Budget Balance | \$ 0.1 | \$ 2.1 | \$ 1.1 |

Budget balanced without Fiscal Stabilization Fund transfer

Debt of the Province as at March 31 (\$ Millions)

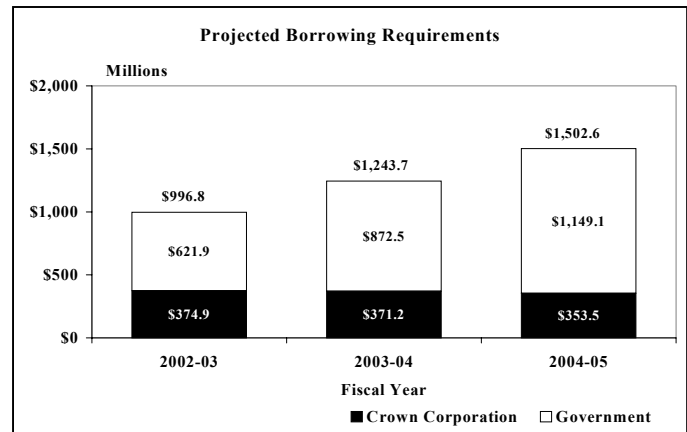
| | Estimated 2004 | Forecast 2003 | Actual 2002 |
|--------------------------|--------------------|--------------------|--------------------|
| Crown Corporation | | | |
| Gross Debt | \$ 3,978.0 | \$ 3,865.4 | \$ 3,921.1 |
| Guaranteed Debt | 16.5 | 40.7 | 37.4 |
| Sinking Funds | 217.7 | 190.9 | 312.9 |
| Crown Corporation Debt | \$ 3,776.8 | \$ 3,715.2 | \$ 3,645.6 |
| Government | | | |
| Gross Debt | \$ 9,059.7 | \$ 8,532.8 | \$ 8,165.9 |
| Guaranteed Debt | 123.7 | 160.0 | 223.4 |
| Sinking Funds | 751.2 | 681.6 | 604.0 |
| Government Debt | \$ 8,432.2 | \$ 8,011.2 | \$ 7,785.3 |
| Total Debt | \$ 12,209.0 | \$ 11,726.4 | \$ 11,430.9 |

10 credit rating upgrades since 1995

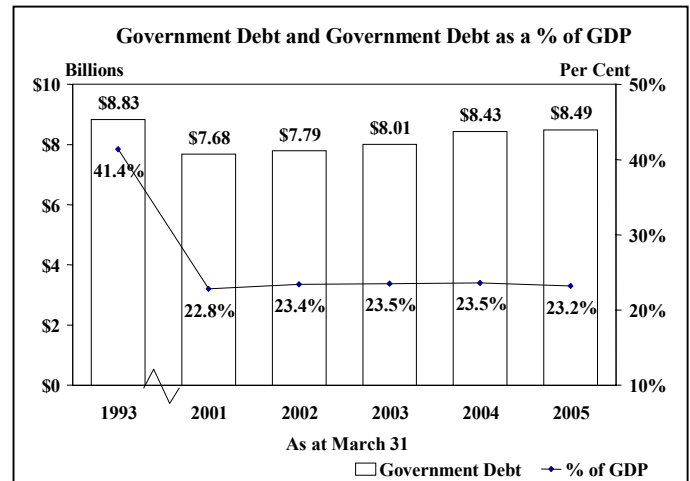
Credit Ratings of the Province

| | |
|------------------------------|-----|
| Standard & Poor's | A+ |
| Moody's Investors Service | AA3 |
| Dominion Bond Rating Service | A |

Borrowing requirements are primarily for government debt



Government debt stable as a percentage of GDP



“Building for the Future” is a vision, a plan, our government has for Saskatchewan.

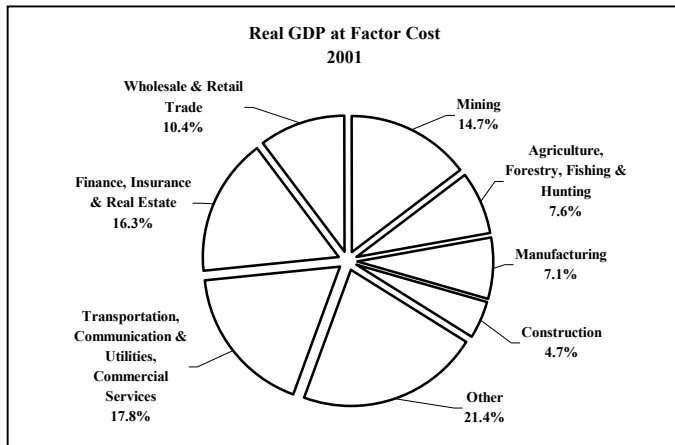
Building for the future is about building momentum – for growth and opportunity. It’s about building programs and support for Saskatchewan people.

*Honourable Jim Melenchuk
Minister of Finance*

2002-03 Borrowing Activities

| Issue Date | Maturity Date | Interest Rate | Principal Amount (\$ Millions) |
|---|-----------------------------|---------------|-----------------------------------|
| Saskatchewan Savings Bonds Series 11 | | | |
| July 15, 2002 | July 15, 2007 | 3.25% | \$ 52.6 |
| CPP Debentures | | | |
| September 2002 - March 2003 | September 2022 - March 2023 | 5.73% - 6.01% | 41.2 |
| Capital Markets | | | |
| Promissory Notes | | | 153.0 |
| September 16, 2002 | September 5, 2042 | 5.70% | 50.0 |
| September 20, 2002 and January 29, 2003 | December 3, 2012 | 5.25% | 350.0 |
| September 24, 2002 and December 11, 2002 | September 24, 2009 | 4.75% | 250.0 |
| January 15, 2003 | September 5, 2031 | 6.40% | 100.0 |
| Borrowing Completed | | | \$ 996.8 |

Mining is the largest goods-producing sector of the economy, followed by agriculture.



Source: Statistics Canada

Agricultural output tumbled but the non-agricultural component of the economy ramped up.

- Employment growth in 2002, at 9,700 jobs, vastly exceeded expectations.
- Saskatchewan's unemployment rate went down to 5.7 per cent, one of only three Canadian provinces that saw its unemployment rate decrease in 2002.
- Retail sales went up 7.2 per cent, the second highest growth in Canada.
- New motor vehicles sales grew 8.4 per cent.
- Housing starts rose 24.4 per cent.
- The value of crude oil sales was up 21.9 per cent in the first 11 months of 2002.
- Potash sales and production increased 5.0 per cent and 4.6 per cent respectively.
- Total oil and gas drilling was up 5.7 per cent.
- A record 1,872 natural gas wells were drilled, up 34.2 per cent from 2001.

Gross debt due within one year totals 8.0 per cent; average term to maturity 8½ years.

Gross Debt Maturity Schedule as at March 31, 2003 (\$ Millions)

| | Canadian Dollar Debt | Foreign Debt* (in Cdn \$) | Gross Debt |
|---------------|----------------------|---------------------------|--------------------|
| 2003-04 | \$ 886.8 | \$ 74.4 | \$ 961.2 |
| 2004-05 | 1,317.1 | — | 1,317.1 |
| 2005-06 | 1,007.8 | — | 1,007.8 |
| 2006-07 | 1,246.4 | — | 1,246.4 |
| 2007-08 | 622.0 | 288.5 | 910.5 |
| 1 - 5 years | \$ 5,080.1 | \$ 362.9 | \$ 5,443.0 |
| 6 - 10 years | 2,888.0 | 297.4 | 3,185.4 |
| 11 - 15 years | 590.9 | 446.1 | 1,037.0 |
| 16 - 20 years | 418.1 | 1,189.7 | 1,607.8 |
| 21 - 25 years | 175.0 | — | 175.0 |
| 26 - 30 years | 900.0 | — | 900.0 |
| 31 - 40 years | 50.0 | — | 50.0 |
| Total | \$ 10,102.1 | \$ 2,296.1 | \$ 12,398.2 |

* Consists only of U.S. dollar debt

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