



WORD ON THE STREET

CentreVenture Development Corporation was created in June 1999 as an arms length agency of the City of Winnipeg. Our mandated area covers one of the largest downtowns in North America. CentreVenture's directive is to stimulate downtown revitalization by creating an environment for private sector businesses and government to work together and to promote the downtown to investors, businesses and residents.



A Message from the Mayor of Winnipeg



A Message from the President & CEO of CentreVenture

SINCE 1999, CENTREVENTURE HAS WORKED TO REVITALIZE DOWNTOWN. THIS TIMELINE HIGHLIGHTS THE MAJOR DOWNTOWN PROJECTS UNDERTAKEN WITHIN THE PAST FIVE YEARS...COMMERCIAL...HOSTELLING INTERNATIONAL

The City of Winnipeg created CentreVenture Development Corporation back in 1999 to spearhead the revitalization of downtown Winnipeg. New development in our downtown is taking place at an extraordinary rate. Not only is downtown transforming, Winnipeg is becoming a preferred city of choice for private sector investment.

Over the past five years, significant strides have been made. Citizens, private business and civic and provincial governments all have a stake in the downtown residential program. It's incredible to think that since we started this initiative, we've approved nearly 2,000 new housing units in downtown.

We have spent a lot of time and energy in creating the Sports, Hospitality and Entertainment District, better known as the SHED. Making an investment in Winnipeg's downtown and funneling public tax dollars into revitalizing the area into a place for living, dining, working and entertainment may be the city's most important next step. In the last five years, we've seen over \$1.3 billion invested in this area.

Add the thrilling return of the NHL, the \$180-million expansion of the Winnipeg Convention Centre, the Centrepoint mixed-use complex, the newly opened Metropolitan Entertainment Centre, and what emerges is a picture of Winnipeg whose vibrant outlook is attracting attention from all parts of the country and beyond.

I encourage everyone to re-discover the sights and sounds of downtown. We will exceed expectations each and every time.

Sam Katz, Mayor

Five years ago our Board and CentreVenture faced some critical decisions in an attempt to kick start downtown renewal. CentreVenture's future was uncertain. In 2007, the Board and management were contemplating developing a business plan that would wind down the organization. After considerable deliberation, we determined that the way forward was through innovative thinking, purpose and calculated risk-taking.

Today, I see reason for optimism when I walk through downtown. There is a renewed energy and we are all determined to make a difference in downtown. Together, we are shaping and creating a vibrant downtown for future generations. They are the reason we must remain focused on our goals and steward our resources carefully over the next few years. I believe this is a pivotal moment for downtown's revitalization.

This past year, there has been promising residential growth, the continuation of Main Street Renewal and the emergence of our Sports, Hospitality and Entertainment District (SHED). Supporting private development and protecting over \$1.3 billion of investment in and around the SHED is and will be critical to the long-term success of the District.

Our volunteer Board of Directors is at the heart of CentreVenture's excellence. With their continued support and guidance we are able to pursue new initiatives, while continuing to finish what we have started. By not losing sight of our core goals, CentreVenture strives to make downtown a vibrant and sustainable city centre.

Ross McGowan, President & CEO of CentreVenture

WORD ON THE STREET

MISSION:

To serve as an advocate for downtown and a leader in promoting development by identifying opportunities, creating partnerships, forming innovative improvement strategies, providing information and by serving as an accessible conduit to support initiatives.

VISION:

To be the leader and catalyst in creating a downtown of which all Winnipeggers can be proud; a downtown that reflects the vibrancy of the whole city. To realize a downtown that will contribute to Winnipeg and Manitoba's reputation as a great place to live, work and visit. In short, to make downtown a better place.

VALUES:

- Effective leadership in downtown development
- Passionate advocacy on behalf of downtown stakeholders
- Transparency in providing open access to assistance, information and professional guidance
- Professional and accountable in all business activities
- Collaboration with all partners and stakeholders in revitalizing the downtown

CentreVenture is about making things happen. We want to be a leader and collaborator with the goal of making our downtown a better place for everyone. We're proud of the difference we've made so far, and humbled by the support we've had along the way.

While we continue to promote our slice of the city, we can't do it alone. We rely on your help and the value of a good reputation: the real Word on the Street.

ON THE COVER: Red River College student Randy Grieg serves up lunch at the newly-opened Paterson GlobalFoods Institute, home to the College's School of Hospitality and Culinary Arts.



2007-2012

Over the past five years, renewal efforts in downtown have been due to a group of dedicated organizations that have utilized the powerful tools of business and altruism to support a long-term common vision.

CentreVenture continues to be a strong advocate for public and private sector investment for identifying partnership opportunities. Collaboration between the public and private sectors has been essential to the successful revitalization that continues to shape downtown.

MAIN STREET

A once forlorn stretch of downtown's Main Street is coming to life. Looking back, efforts to revitalize this stretch of downtown's Main Street was difficult as entrepreneurs attempted to work with financial institutions to breathe life back into derelict and vacated buildings; most felt that there was too much risk associated with investing in this area. However, a noticeable shift took place when the Winnipeg Regional Health Authority (WRHA) became the primary tenant and paved the way for Main Street's revitalization.

DESTINATIONS...CENTRAL PARK...SUMMER/10...OLD MARKET SQUARE PARK...JUL/10...COMMERCIAL...WRHA HEADQUARTERS & DOWNTOWN ACCESS CLINIC...SEP/10...BEDFORD PARKADE...OCT/10...UNITED WAY...NOV/10...KELL

A Remarkable 2012

In April 2012, the Province of Manitoba and the City of Winnipeg announced the approval for tax increment financing (TIF) for CentreVenture's strategy to stimulate private and public investment downtown with a focus on the blocks surrounding Portage Avenue. A major accomplishment was to advance the Portage Avenue Development Strategy and the emerging Sports, Hospitality and Entertainment District (SHED).

The Province and City will utilize TIF to support the development of the Sports, Hospitality and Entertainment District in between the MTS Centre and the Winnipeg Convention Centre. A joint Manitoba/Winnipeg/CentreVenture steering committee will adopt a master plan for the SHED and identify projects and incentives that will enhance and stimulate private and public investment in the District.

TIF is a tool that allows the City and the Province to use the increased property value created by a significant development, like the Longboat/ALT Hotel project across from the MTS Centre, to finance projects or incentives that support economic and social development in the surrounding area.

As part of our continued efforts to carry out our three-year business plan, our goals for 2012 were to:

Complete the master plan for the SHED, including working towards the development of its marketing strategy and brand.

Development of the SHED master plan got underway in 2012 and is expected to be completed by mid-2013. The SHED master plan will create the vision that is supported by policies, guidelines, and priorities.

The SHED master plan will:

- define what the SHED is and provide clarity on design and development expectations within the District.
- provide direction on specific tactics, actions, decision-making processes for long-term development and management of the District.
- serve as a promotional tool that can be used to raise the profile and awareness of the District (including direction on how to market the District on an ongoing basis).

CentreVenture completed an extensive branding exercise for the SHED. The logo and accompanying website will be launched in 2013.

A communications and marketing strategy is being developed to allow property owners to capitalize on opportunities within the District.



WRHA

In fall 2010, WRHA's facility on Main Street opened to meet the health and social service needs of the downtown community. The building was designed to be a welcoming environment that addresses the needs of patients, their families and staff by bringing together health and social services under one roof. The ACCESS Centre, which provides health and social services, is located at grade at the corner of Logan Avenue and Main Street, while the upper two floors of the building provide space for WRHA's regional offices.

Since moving to our Main Street location, the WRHA not only has a bricks-and-mortar presence, but also strives to be involved in the community.

We have developed a special partnership with William Whyte School where staff contribute their lunch hours reading to students, and during the holiday season help flip pancakes, pour juice, and serve students during a very special visit from Santa. Money collected throughout the year from our Casual Fridays is used to ensure graduates have a new outfit to wear to their graduation, and this has helped increased attendance.

- Arlene Wilgosh, President and CEO of WRHA

Y HOUSE...WINTER/10...CENTRE FOR YOUTH EXCELLENCE...DEC/11...STREETSCAPING – SHED PHASE I...SUMMER/12...MET ENTERTAINMENT CENTRE...NOV/12...PATERSON GLOBALFOODS INSTITUTE/RED RIVER COLLEGE...

Continue to support Canad Inns in realizing the restoration and redevelopment of the Metropolitan Theatre, a national historic site and one of the first development projects within the SHED.

The newly-named Metropolitan Entertainment Centre (owned by Canad Inns) held its grand opening in November 2012. Restoration of this national heritage site was a huge undertaking and \$20 million has been invested to return the building to its original state of grandeur. The Centre has three kitchens, a rooftop patio, and is available for bookings and special events.

Support the planned redevelopment of key MPI properties within the SHED.

Manitoba Public Insurance issued an expression of interest for the development rights for two large downtown surface parking lots — Carlton Street between Graham Avenue and St. Mary Avenue and another on Donald Street south of St. Mary Avenue. Manitoba Public Insurance awarded Longboat a one-year exclusive option to prepare detailed development plans for the properties.

Implement Phase I of the streetscape program on Donald Street from Portage to Graham, along with prototypical development of the funnelator, signage, banners, lighting, seating. This will set the framework and standard for further investment in the District.

In August, construction commenced on Donald Street between Portage and Graham to kick off the first phase of streetscaping in the SHED. The SHED will include an array of elements intended to give the District a lively atmosphere and distinct character. The first phase of planned streetscape improvements include widened sidewalks, new lighting, illuminated banners, street trees and new street furnishings, including the first funnelator prototype. Specialized signage and wayfinding, facade/storefront improvements, transportation improvements and enhancements to the skywalk system are also being planned.

Work closely with downtown businesses and property owners, the City of Winnipeg, Winnipeg Police Service, the Province and Manitoba Liquor and Lotteries Corporation to address and resolve the impact of offsite sales and over consumption in the Portage Avenue district.

CentreVenture Development Corporation purchased the St. Regis Hotel and accompanying surface parking lots. This purchase was a strategic acquisition as part of the broader plan to advance its Portage Avenue Development Strategy.

CentreVenture Development Corporation will continue to work closely with the City of Winnipeg, the Province of Manitoba, Winnipeg Police Service, downtown partners and property owners to advance a more comprehensive downtown safety strategy.



THE UNITED WAY

Like the WRHA, the United Way Agency was also considering a move to Main Street; they were outgrowing their existing office space and identified the need to be closer to their constituents. In 2010, a new, three-storey building on Main Street at the Disraeli Freeway was built to house the agency's local headquarters. The main floor is devoted to a storefront office for agencies or people looking for referrals, as well as training and meeting rooms. There is also incubation space for not-for-profits and social entrepreneurs who need interim work space.

We feel excited to be part of this diverse and growing neighbourhood. Having welcomed thousands of people through our doors at 580 Main Street since we opened two years ago, our first floor is dedicated to providing an environment for groups and organizations from our neighbourhood and beyond to meet, collaborate, teach and learn. Ultimately, our home in the heart of Winnipeg enables us to serve our community more effectively.

- Susan Lewis, President & CEO of United Way of Winnipeg

FEB/13...STREETSCAPING – CULTURAL DISTRICT – PHASE 1...APR/13...HARBOURMASTER – BOUTIQUE HOTEL AND RESTAURANT...OCT/13 est...CENTREPOINT...SUMMER/14 est...670 MAIN STREET – COMMERCIAL DEVELOPMENT

Complete development of the Avenue Building and commence development of the A&B Sound Block.

In April 2012, Premier Selinger, Mayor Katz, CentreVenture and developers Mark and Rick Hofer officially opened The Avenue on Portage – the \$12.5-million transformation of a long-derelict and historic building was ready for tenants to move in. The Avenue and the adjacent Hample Building on Portage's 200-block were overhauled to create 75 apartments, ground-floor commercial space and a parkade where a basement used to be. The not-for-profit agency Employment Solutions for Immigrants Inc./Manitoba Start, has leased the ground floor of the Avenue Building and the bottom three floors of the Hample Building.

Redevelopment of the former A&B Sound Block is well under way. This LEED Silver development will include a 20-storey, 150-room hotel, commercial uses at grade, four floors of Class 'A' office space and a 200-unit condo tower with 400+ stall parkade at its base. It encapsulates everything CentreVenture is trying to do downtown and everything that makes places great – providing a mix of commercial and residential uses, activity at the street, high quality architecture and much needed density.

Announce, in conjunction with the Winnipeg Convention Centre, the successful proponent of their approved expansion.

The RFP process to select a proponent for the expansion was concluded and the Winnipeg Convention Centre announced the firm of Stuart Olson Dominion Construction Ltd. (SODC).

SODC has been engaged to design and construct the \$180-million expansion of the Winnipeg Convention Centre. CentreVenture is an active member of the Winnipeg Convention Centre's building expansion committee. Construction is expected to get underway in 2013.

Support the Downtown Residential Development Grant program.

Established in 2010, the Downtown Residential Development Grant (DRDG) Program has successfully stimulated residential development in downtown Winnipeg, particularly in the Exchange District.

The Penthouse on Princess, located at 100 Princess Street in the former Penthouse Furniture building, was the first completed condominium project that received funding from the \$40 million City-Provincial Downtown Residential Development Grant Program. This 60-unit, \$12.3-million, six-storey upscale development officially opened in June 2012.

The DRDG Program has attracted numerous residential developers to build in downtown Winnipeg. The Program can potentially quadruple the number of residential units brought onto the market annually in downtown Winnipeg. The majority of residential projects in-development as a result of the DRDG are located in the Exchange Waterfront District.

CentreVenture is currently working on The Exchange Waterfront District Neighbourhood Development Plan. The Plan will propose strategies and initiatives aimed at stimulating demand in the



BELL HOTEL

The Bell Hotel Supportive Housing complex on north Main Street has been redeveloped into 42 self-contained suites of affordable, permanent housing for formerly, chronically homeless people. The philosophy behind the project is “Housing First” – before a person’s issues can be addressed, they first need a roof over their heads and a stable living situation. Situated in stable housing, an individual can begin to regain the self-confidence and control over their lives that became lost when they became homeless. There are signs of progress as many tenants participate in different ‘community’ groups offered at the Bell: meditation groups,

a tenant-run computer class, tenant-run movie nights and volunteer opportunities etc. A recovery support group is being held for tenants who struggle with addiction, and is led by one tenant who has remained sober for over one year; a number of tenants are working hard on their sobriety. Tenants are also giving back to the community by volunteering at community-based organizations: Chez Nous and Lighthouse Mission. Two tenants are enrolled in school and one is currently working. As well, the use of emergency medical services have significantly decreased as tenants are receiving access to proper health care.

T...SUMMER/14...STREETSCAPING – CULTURAL DISTRICT – PHASE 2...FALL/15 est...RESIDENTIAL...FAIRCHILD LOFTS...FALL/06...RESIDENCES ON YORK...SPRING/09...SKY WATERFRONT (PHASE 1)...WINTER/09...YOCUBE (PHASE

District and managing supply for future growth. The Plan aligns with the objectives of the City’s OurWinnipeg Direction Strategy, the Downtown Residential Development Strategy and the Province of Manitoba’s Winnipeg Regeneration Strategy, all of which share the objective of increasing downtown residential density. The Plan is expected to be rolled out in 2013.

The Plan’s five priorities to stimulate demand and create a vibrant residential, mixed-use neighbourhood include:

- Improving the image and awareness of the Exchange Waterfront District
- Providing amenities to support a residential population
- Resolving parking and transportation issues
- Providing a purchaser incentive program
- Improving the physical environment

Cultural District Streetscaping

As a result of the concentrated residential and other private sector development in the Exchange Waterfront District, a lively and vibrant Cultural District is beginning to emerge. As part of CentreVenture’s Neighbourhood Development Plan, Phase I of the streetscape along Market Avenue commenced in late summer 2012, and will be fully completed summer 2013 to celebrate the historical and cultural significance of the District.

On Market Avenue, the entrance way to the Cultural District is home to a one-of-kind urban light installation composed of 68 interactive light sculptures. The piece, called “Listening Lights,”

extends along the Cultural District’s famous Market Avenue, complemented by new street trees and expanded sidewalks.

Inspired by the northern legend that when one whistles, the Northern Lights become more intense and dance towards the whistler, this permanent light installation reacts with the public, creating an ambient and evolving digital Aurora Borealis. The prisms were designed as an interactive light installation and to allow for a unique pedestrian experience. The goal is to engage the public with the mystery and magic surrounding the Aurora Borealis.

A Declaration for the Future

As we look ahead at the next three to five years our mantra will be “Stay the Course”. Together we will work to ensure that downtown continues to remain resilient, and to capitalize on the opportunities that are within our reach. We will forge ahead to continue revitalizing our city centre and improve the overall experience in the downtown. From encouraging a mix of retail, restaurants and housing, to improving and enhancing the streetscape – we will continue to transform our city centre into a destination that attracts residents and visitors.

CentreVenture is committed to playing a key role in the downtown revitalization process, implementing the SHED master plan and working to create urban residential neighbourhoods. However, we cannot accomplish this without solid working partnerships with other key players in the public, private and non-profit sectors to move forward with downtown’s revitalization.



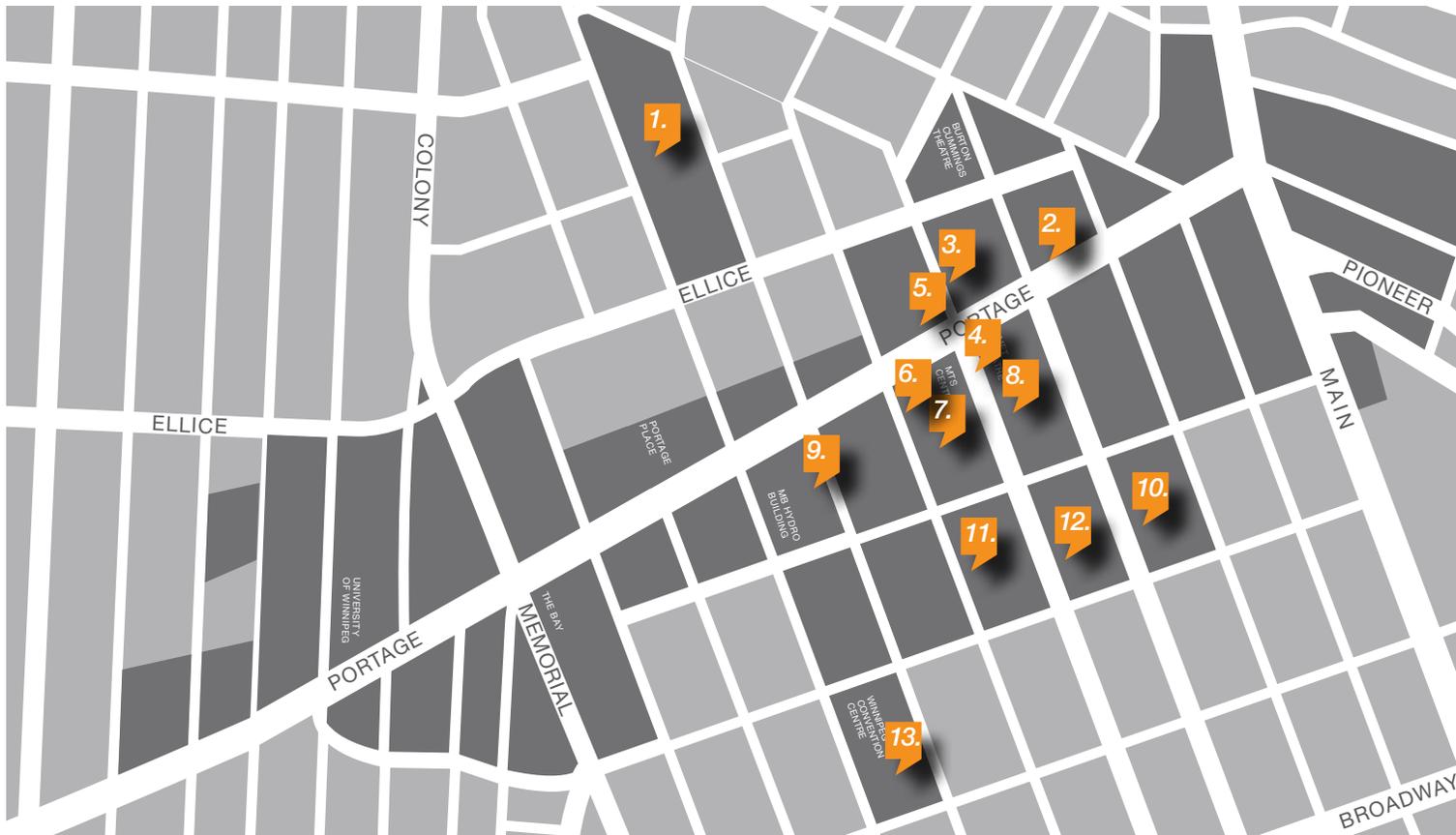
Recreational programs can do wonders for kids. Not only does playing help build strong bodies, but kids gain inner strength and self-esteem. They learn social skills. Everyone deserves that chance.

- Keith Tarry, People & Ministry Developer of YFC Winnipeg

CENTRE FOR YOUTH EXCELLENCE

Another significant development contributing to Main Street's revitalization efforts was the Centre for Youth Excellence project. This development was another major building block to advance the comprehensive revitalization of the North Main area as a sustainable community, and now provides a much needed recreation resource for the area offering constructive

1)...JUN/10...THE EDGE ON PRINCESS...FALL/10...CENTRE VILLAGE...OCT/10...THE BELL HOTEL...AUG/11...THE AVENUE ON PORTAGE...APR/12...PENTHOUSE ON PRINCESS...JUN/12...DISTRICT CONDOS (PHASE I)...FALL/12...DISTRICT CONDOS (PHASE II)





recreational opportunities and a safe place to gather for thousands of youth. The 50,000-square-foot facility houses an indoor skate park, drop-in centre, job skills and training centre, counseling centre, dance and performing arts studio, fitness centre, climbing wall, multipurpose theatre and a gymnasium for floor hockey, volleyball, basketball, and soccer.

Our objective (remains) the same...to get more people living downtown. If you want to have a safe, vibrant downtown, you have to have people living there 24/7. If you want to have services, you need people living nearby to support them.

- Sam Katz, Mayor of the City of Winnipeg

RICT CONDOS (PHASE II)...FALL/12...CHARD HOUSING/ABORIGINAL CENTRE...FALL/12...LOFTWORKS...FALL/12...62M...SPRING/13 est...LOFT APARTMENTS...MAY/13...YOUCUBE (PHASE II)...JUN/13...H2O ON WATERFRONT



Investment Overview: Portage Avenue and SHED

- 1. Central Park \$4.5m
- 2. Avenue Building \$12.5m
- 3. Canada Building \$8m
- 4. Donald Streetscape \$2.9m
- 5. Centre Point \$130m
- 6. Winnipeg Jets \$170m
- 7. MTS Centre \$130m
- 8. Metropolitan Theatre \$20m
- 9. Manitoba Hydro \$278m
- 10. Winnipeg Police Headquarters \$194m
- 11. MPI Parking Lots \$250m
- 12. Millennium Library Park \$2.1m
- 13. Winnipeg Convention Centre \$180m

TOTAL:
\$1,382,000,000



PATERSON GLOBALFOODS INSTITUTE

Red River College is a front-runner in Canada when it comes to providing students with a state-of-the-art post-secondary training facility for hospitality and culinary training situated in the heart of the Downtown's Exchange District. Modeled after the best European schools, Paterson GlobalFoods Institute, (formerly the Union Bank Tower) is a completely renovated 11-storey historic building that combines culinary, baking and pastry arts, mixology and hospitality management with a student residence. The showcase piece is Jane's, the anchor

restaurant. Formerly the main bank hall, it has been carefully converted to an opulent 90-seat fine dining restaurant.

We are going to attract people from around the world to Winnipeg with this world-class facility. Learning and working in a space like this really inspires staff and students to do their best. The institute will attract and graduate the best hospitality people in Canada.

- Stephanie Forsyth, President of Red River College

(PHASE I)...SUMMER/13 est...PEACE TOWER...SUMMER/13 est...VERNAUS PROJECT...SUMMER/13 est...SKY WATERFRONT PHASE II...FALL/13 est...DISTRICT CONDOS (PHASE III)...FEB/14 EST...H2O ON WATERFRONT (PHASE II)

225,500*

sq. ft. of new buildings and refurbished heritage buildings replaced vacant and derelict buildings

\$86,500,000*

of investment into Main Street Revitalization initiative

1,900%

increase of property taxes levied on redeveloped properties

* Main Street Revitalization since 2007



Leadership & Planning

To ensure the continued success of our economic development and business, retail and residential recruitment efforts, CentreVenture provides leadership in downtown development. By both working with and advocating on behalf of all downtown partners and stakeholders, CentreVenture contributes to a strong and vital urban community.

Advocacy

CentreVenture works with investors and developers to find solutions customized to their specific needs. From identifying suitable development opportunities to securing financing, from expediting procedural processes to hands-on brokering of business deals, we encourage downtown revitalization initiatives and appropriate public/private partnerships.



CentreVenture Staff (left to right)

- Ross McGowan President & CEO
- Loretta Martin Manager of Residential & Community Economic Development
- Tom Janzen Development Manager
- Patty Nero Communications & Marketing Coordinator
- Brittany Shewchuk Planner
- Sandra Henry Controller

Collaborations

CentreVenture works side-by-side with residents, businesses, institutions, property owners, public agencies and other civic organizations. The following are just some of the organizations and committees that we work with to advance our long-term vision to strengthen downtown Winnipeg's position and enhance its economic prosperity and competitive advance.

These committees include:

- City of Winnipeg
- Winnipeg Police Service
- Winnipeg Parking Authority
- Province of Manitoba
- Downtown BIZ
- Exchange BIZ
- West End BIZ
- The Forks North Portage
- Winnipeg Chamber of Commerce
- ANIM & World Trade Centre
- Economic Development Winnipeg Inc.
- Yes! Winnipeg
- Tourism Winnipeg
- University of Winnipeg
- Red River College
- Winnipeg Convention Centre
- Residents of the Exchange District



Letter from the Chairman of the Board

Few would argue that over the past five years, Winnipeg's downtown has undergone significant changes. As a result, we are seeing a true resurgence on Main Street, an increase in residential and the emerging SHED beginning to take shape.

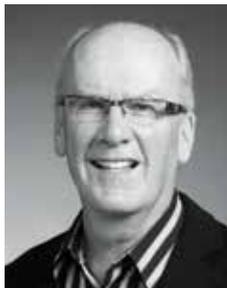
In 2012, the grand opening of both the Avenue Building and the iconic Met Theatre were significant milestones as these projects date back to 2007 when they were taken on by CentreVenture.

We bid farewell to board member, Sanford Riley and welcome Doug Harvey. I extend a heartfelt thank you to all board members who selflessly devote their time, expertise and support to shepherd CentreVenture's direction and initiatives.

On behalf of our board members, we are very proud of the accomplishments of CentreVenture during the past five years and as a result, downtown's renewed vibrancy has been a catalyst for attracting investment and economic activity.

Looking ahead, 2013 will conclude our three year business plan, and we will focus on charting our course for the next three years. I am pleased to report that CentreVenture remains focused and will continue to create a vibrant, diverse and economically sustainable downtown.

Curt Vossen
Board Chair



Board Members (top row left to right)

Curt Vossen (Board Chair) – President, Richardson International Ltd.

Scott Stirton (Vice Chair) – CEO, Smith Carter Architects and Engineers Inc.

Richard Olfert (Secretary/Treasurer) – Partner, Deloitte & Touche LLP

Rick Bachalo – Vice President, Mortgage Investments, Great-West Life Assurance Company

Ashleigh Everett – President & Corporate Secretary, Royal Canadian Securities Limited

Kevin McGarry – President & CEO, Intelligent Hospital System Ltd.

(bottom row left to right)

Rob Johnston – Regional President, Manitoba, Saskatchewan & Northwest Ontario, Royal Bank of Canada

Doug Harvey – President, Maxim Truck and Trailer

Financial Statements

For the year ended December 31, 2012

CENTREVENTURE'S FINANCIAL REPORTING

Management, in accordance with Canadian Public Sector Accounting Standards, has prepared CentreVenture's financial statements for the year ended December 31, 2012. The Corporation's 2012 financial statements have been audited by the firm BDO Canada LLP. The Auditor's Report provided the Corporation with an unqualified audit opinion. These audited financial statements have also been reviewed and approved by the Corporation's Board of Directors. The Statements of Financial Position and Operations included herein are excerpts from the Corporation's audited financial statements. The 2012 audited financial statements are available from CentreVenture upon request.

MANAGEMENT'S COMMENTARY ON CENTREVENTURE'S FINANCIAL POSITION

The change in the Corporation's financial position from 2011 to 2012 reflects the direction established by CentreVenture's strategic plan. The Corporation's plan contemplates that equity will be gradually reduced as a result of community investments that contribute to the revitalization of Winnipeg's downtown. The Corporation's financial statements are consolidated with our wholly owned subsidiary, Centre Village Housing Inc., which operates under common management.

MANAGEMENT'S COMMENTARY ON 2012 OPERATIONS

CentreVenture's operations achieved the targeted break-even, while the Urban Development Bank deficit of \$934,156 continued to reflect the commitment to invest assets in the revitalization of downtown Winnipeg.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands)

December 31	2012	2011
Assets		
Current Assets		
Cash and bank	\$ -	144
Cash held in trust	6,785	-
Accounts receivable and prepaid expenses	1,516	1,547
Property held for resale	1,037	2,496
Current portion of mortgages and loans receivable	4,209	1,778
	13,546	5,965
Mortgages receivable	2,331	2,904
Loans receivable	2,863	3,802
Investment in government business	0	-
Capital assets	9,140	9,777
	\$ 27,880	\$ 22,448
Liabilities and Net Assets		
Current Liabilities		
Bank indebtedness	\$ 6,827	\$ -
Accounts payable and accrued liabilities	646	493
Deferred grant revenue	676	680
Current portion of long-term debt	163	156
	8,312	1,328
Long-term debt	4,129	4,291
Deferred government assistance	6,158	6,610
	18,599	12,230
Net Assets		
Invested in capital assets	1,034	1,194
General	97	97
Urban Development Bank	8,151	8,927
	9,281	10,218
	\$ 27,880	\$ 22,448

CONSOLIDATED STATEMENT OF OPERATIONS (in thousands)

For the year ended December 31

	2012		2011	
	General	Urban Development Bank	Total	Total
Revenue				
Grant				
City of Winnipeg	\$ 300	\$ -	\$ 300	\$ 293
Province of Manitoba	-	53	53	51
Designated grants	-	748	748	589
Interest	494	-	494	469
Commission and development fees	60	-	60	82
Rental	28	630	658	546
Sale of properties	-	1,525	1,525	891
Other	-	140	140	-
	882	3,096	3,978	2,922
Expenditures				
Administration	700	2	702	665
Amortization	34	626	660	305
Bank charges and interest	2	-	2	2
Interest on long-term debt	-	90	90	91
Cost of properties	-	1,912	1,912	643
Grants paid out				
Designated revenues	-	280	280	433
Insurance	10	16	26	23
Office	79	-	79	80
Professional fees				
Contract management	-	210	210	104
IT and other	11	-	11	18
Legal, accounting and transactional costs	20	446	467	146
Marketing	29	20	49	30
Project development	-	33	33	231
Property rental	-	345	345	212
Bad debt	-	35	35	-
Community investment	-	12	12	510
	885	4,030	4,915	3,493
Excess (deficiency) of revenue over expenditures for the year	\$ (3)	\$ (934)	\$ (937)	\$ (571)
Comprised of:				
Operating surplus				34
Urban Bank				(440)
Invested in capital assets				(165)
				\$ (571)

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Winnipeg, MB R3B 1B7
204.954.7733
centventure.com

New address effective Sept. 1, 2013
88-333 St. Mary Avenue
cityplace, 2nd floor
Winnipeg, Manitoba R3C 4A5



centventure
development corporation