



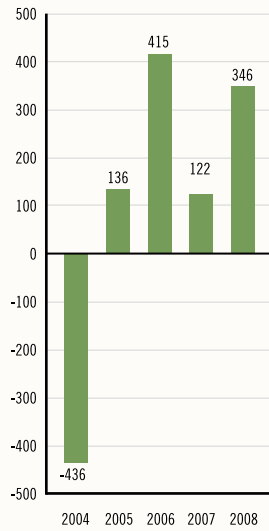
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A transmission line near Poplar Point is silhouetted against the backdrop of the striking northern lights.

- Manitoba Hydro's new 22-storey corporate office was nearing completion by the end of the fiscal year. The building will be a signature landmark in downtown Winnipeg and a showcase for energy-efficient building technology.
- Construction at the Wuskwatim Generating Station on the Burntwood River included completion of the all-weather access road, excavation at the site, and development of the construction camps. Also energized this year was the 230-kV transmission line from Thompson to the site.
- Manitoba Hydro recorded a net income of \$346 million in the fiscal year, the second highest in the corporation's history.
- Manitobans installed over 920 geothermal heat pump systems in 2007, a 40 per cent increase over 2006. The province is the national per capita leader in the adoption of geothermal heat pump technology in residential heating systems.
- Discussions started with a developer of a proposed new wind energy project near St. Joseph, Manitoba after proposals from several potential developers were appraised.
- Manitoba Hydro signed power sales agreements—subject to confirmation—with Minnesota Power in December 2007 and Wisconsin Public Service at the end of the fiscal year.
- Manitoba Hydro was the largest exporter of electricity in Canada in the fiscal year.
- The corporation announced that it would build a new high voltage direct current transmission line on the west side of the province. The line will originate in northern Manitoba and terminate in southeast Winnipeg.
- Manitoba Hydro received an award from the Canadian Gas Association for the best safety performance for gas utilities in Canada.

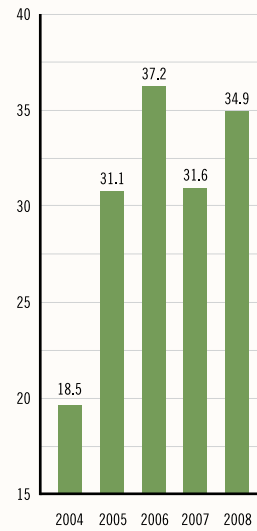
## NET INCOME

millions of dollars



## TOTAL GENERATION

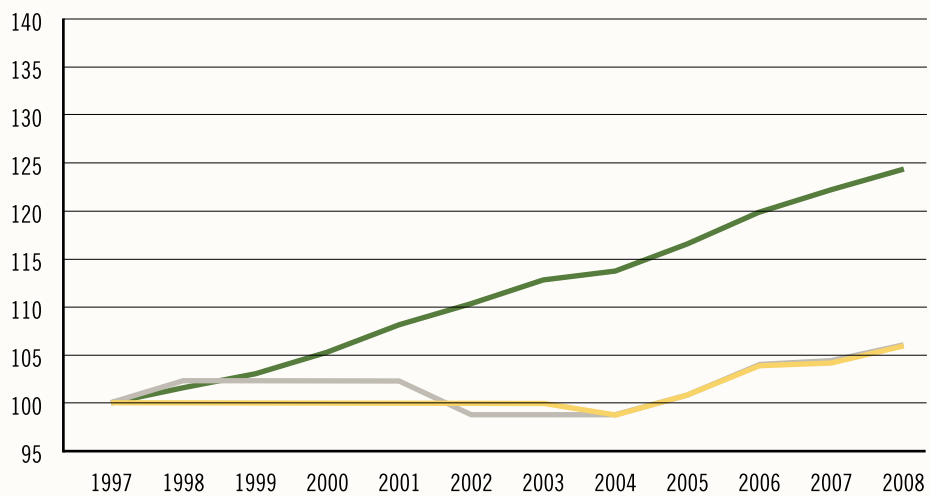
billions of kWh



## ELECTRICITY RATE CHANGES VS. MANITOBA CONSUMER PRICE INDEX

(1997 = 100)

- CONSUMER PRICE INDEX
- RESIDENTIAL
- INDUSTRIAL



## FINANCIAL RESULTS

	ELECTRICITY		NATURAL GAS		TOTAL	
	2008	2007	2008	2007	2008	2007
<b>Revenue</b>						
			<i>millions of dollars</i>			
Manitoba	1 097	1 040	528	508	1 625	1 548
Extraprovincial	625	592	-	-	625	592
	<u>1 722</u>	<u>1 632</u>	<u>528</u>	<u>508</u>	<u>2 250</u>	<u>2 140</u>
<b>Cost of gas sold</b>	-	-	386	379	386	379
<b>Expenses</b>	1 382	1 511	136	128	1 518	1 639
<b>Net income</b>	<u>340</u>	<u>121</u>	<u>6</u>	<u>1</u>	<u>346</u>	<u>122</u>
<b>Retained earnings</b>	<u>1 795</u>	<u>1 386</u>	<u>27</u>	<u>21</u>	<u>1 822</u>	<u>1 407</u>

## OPERATING STATISTICS

	2008	2007	Increase/(Decrease)
<b>Electrical Operations</b>			
Sales		<i>billions of kilowatt-hours</i>	
Manitoba sales	21.0	20.5	0.5
Extraprovincial sales	10.6	8.2	2.4
System supply		<i>billions of kilowatt-hours</i>	
Generation	35.4	32.1	3.3
Imports	0.6	1.8	(1.2)
Manitoba peak load	4 273	<i>thousands of kilowatts</i>	
		4 184	89

	2008	2007	Increase/(Decrease)
<b>Natural Gas Deliveries</b>			
		<i>millions of cubic metres</i>	
Residential sales	647	620	27
Commercial and industrial sales	891	844	47
	<u>1 538</u>	<u>1 464</u>	<u>74</u>
Transportation service	618	592	26
	<u>2 156</u>	<u>2 056</u>	<u>100</u>