

MAKING TORONTO YOUR BUSINESS

ANNUAL REPORT 2012

InvestToronto

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2012 HIGHLIGHTS

22
New Investments

And

153
New Leads

From

28
Countries

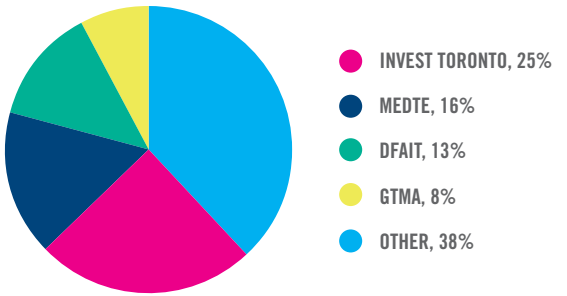
LEADS GENERATED BY TOP INVESTING COUNTRIES

CHINA	INDIA	USA	EUROPE	UK
48	27	19	17	10

LEADS GENERATED BY TOP INVESTMENT SECTORS



TOP SOURCES OF INVESTMENT LEADS



MESSAGE FROM THE PRESIDENT

Toronto is a city of opportunity. It is where people and corporations can come to expand, to learn new skills, to scale products, to acquire new talents and to launch new initiatives.



Since its founding in 1793, the 'Town of York,' that later grew to become the 'City of Toronto' in 1834, has attracted people from around the world for the opportunity it promises. Today, people continue to see the tremendous possibilities in our city, and they come to Toronto with their families to expand their businesses, to seek valuable employment, and to enjoy an exceptional quality of life.

Toronto has developed into a global city, a hub for commerce, and one of the top destinations for foreign direct investment. When stable, transparent financial and regulatory systems combine with a society that enjoys an unmatched quality of life, it creates an environment for success. Toronto is Canada's largest metropolitan region producing almost 20% of the country's GDP. In this multi-sectored economy, businesses from around the world use Toronto as a gateway not just to Canada and North America, but to the rest of the world.

Toronto is one of the best places in the world to do business. Our well-educated, culturally diverse workforce, low business taxes and competitive cost advantages ensure that investors will choose Toronto now and into the future.

Our role at Invest Toronto is to tell our clients that Toronto is a rare global location where leading edge research converges with international business expertise and advanced manufacturing capabilities, keeping us always at the forefront of research and development. That is why the best and the brightest from around the world choose to come to Toronto to take advantage of what our city has to offer, to be successful, and to contribute to Toronto's success as a global city.

For Invest Toronto, 2012 has been a year of continued relationship building. Building on the strong foundations we set in our inaugural year, and fostering the relationships we made in 2011, our team continues to work closely with our shareholder, the City of Toronto, and a variety of other partners, to source new leads and build our client base.

In addition to sourcing new leads in 2012, Invest Toronto continued to build on relationships with existing clients through return missions to key markets such as India, China, the United States and Brazil. Working with our partner agencies, we also began new relationships through our first mission to Mexico, and by developing contacts with the broader business community back at home.

Making the decision to expand a business in a foreign market is a process that can take time, and requires a great deal of preparation by the investor. In the most popular markets for attracting investment, investors are inundated by a spectrum of agencies, companies, and advisors eager to make their "pitch." In this environment, establishing trust and integrity is an important step to securing an investment. Through relationship building and superior client services, we are developing connections with clients based on mutual trust that will result in an increase in investments in the months and years to come. Our efforts to source new leads have also increased the number of prospective investors interested in expanding to Toronto.

Our team works tirelessly to show the world the opportunity that Toronto offers to their businesses. In turn, when businesses make the decision to invest in Toronto, they not only provide financial gains and create jobs for our local market, but they enhance Toronto's reputation as a global city and a safe, stable place to invest. And the world is listening. In 2012, Toronto became the fourth largest city in North America, surpassing Chicago; it became North America's new high rise metropolis; and our city became a centre for commercial real estate expansion, expected to add more prime office space in 2014 than almost any other city in the Americas.

Looking forward to 2013, we will continue to market and promote Toronto, service clients, and increase our B2B meetings. In addition, we are pleased to be working with the Business Retention and Expansion group and the Sector Specialists at the City of Toronto to continue to implement the City's Economic Growth Plan. The plan represents a new model of cooperation between each City division and agency to grow the number of high value jobs and the city's assessment base, and further increase foreign direct investment into Toronto.

Our city of opportunity is expanding at a rapid rate, because businesses all over the world are learning that if you *Invest to Succeed*, you *Invest Toronto*.



Renato Discenza
President and CEO

Success Story: *car2go*

Let's Go, Toronto!

"Invest Toronto was central to our planning process. We would not be here without the valuable insights and guidance of their dedicated, forward-thinking staff. We're confident everyone will find car2go an easy, cost-effective and environmentally responsible way to get around Toronto. Thank you very much for your support."

William Knapp, COO, car2go Canada Ltd.



In 2008, Daimler introduced a new mobility concept called car2go, based on the company's 'smart-for-two' vehicles, which are the most fuel-efficient, non-hybrid cars on the road. car2go is originally from Germany, and their North American operations are based in Austin, Texas. In November 2011, car2go launched the world's largest all-electric vehicle car-sharing network in the cities of San Diego, California, and Amsterdam, Netherlands, with the deployment of 300 smart-for-two electric drive vehicles in each city. Currently, there are more than 100,000 car2go members worldwide.

Invest Toronto was initially introduced to car2go by the Ministry of Economic Development, Trade and Employment's (MEDTEs) Business Development Representative based in Germany. During their first visit to Toronto in July of 2011, Invest Toronto arranged a roundtable for car2go with representatives from MEDTE, Toronto's Energy Efficiency Office, and Toronto's Transportation Services department. During their second visit to Toronto, car2go met with a number of parking authorities and representatives from the City's car-sharing pilot program. The company launched their Toronto operations on June 30, 2012, with 250 cars, ramping up to 300 by September, making Toronto the second city in Canada to benefit from car2go services.

TORONTO'S VALUE PROPOSITION

Invest Toronto trumpets the city's successes to the world to let international business leaders know that Canada's largest city is a dynamic, multidimensional, global city that is ready for investment.

2012 showed great momentum for our country and our city, with *Forbes Magazine* touting Canada as the best country for business in the G20. Toronto was recognized in 2012 as a world-renowned global financial centre, ranking first among the country's 25 largest cities in CIBC World Markets' *Canadian Metropolitan Economic Activity Index, 2012* rankings for the second year in a row. Both the *Global Financial Centre Index* and *The Banker* ranked Toronto in the top 10 global financial services centres in 2012, and as a result of this, more companies are choosing to locate in Toronto. All of this is thanks in part to the fact that Toronto's financial sector continues to excel, as does our booming construction sector.

STRONG AND STABLE ECONOMY

Canada continues to have the soundest banking system in the world five years in a row according to the World Economic Forum. The Economist Intelligence Unit ranked Toronto 1st for financial maturity in 2012, and our city ranked 2nd as the world's most business competitive global city according to KPMG's 2012 *Comparative Alternatives* study. The growth of Toronto's financial services sector is expected to continue according to Moody's Analytics, who stated in 2012 that Toronto will overtake London as a global banking centre by 2017.

"Abroad, Canada is identified by its values of co-ordination and consensus building, which have given your country influence beyond its years. Building a safe and stable financial system is in the best interests of the global community, but it also serves the self-interest of nations."

Christine Lagarde, Managing Director, International Monetary Fund, 2012

COMPETITIVE BUSINESS COSTS

Toronto is a leader among G7 countries in low corporate tax rates (OECD), making the city a cost-competitive jurisdiction that offers easy access to both high quality inputs and an outstanding talent pool. KPMG's *Competitive Alternatives Special Report: Focus on Tax, 2012* ranked Toronto 5th out of 55 international cities in total tax costs. Toronto had the lowest total taxes amongst cities for digital operations, and ranked third overall for R&D operations. The City of Toronto revamped its Imagination, Manufacturing, Innovation and Technology (IMIT) incentive in 2012 to help companies reduce business costs and remain competitive.

How the City of Toronto's IMIT Incentive works: Qualified applicants who are constructing a new building or renovating an existing building may save 60 to 70 per cent in designated Employment Areas – or the resulting increase in municipal property tax created by the development over a 10-year period.

City of Toronto, 2012

GLOBAL HUB OF COMMERCE

Toronto enjoys greater market proximity than any other North American city. Located within 90 minutes of New York, Chicago, Boston and Washington, it is an ideal place to headquarter North American operations. With 120 million people within a 500 mile radius of Toronto, businesses have access to a market of 461 million consumers with a combined GDP of US $17.9 trillion. Toronto's transportation infrastructure is developing rapidly to keep pace with the increasing number of people living and doing business here. A new rail line is under construction that will seamlessly connect Toronto's Pearson International Airport to the downtown core.

"I moved to Toronto almost 25 years ago because I thought it was a great place to establish a head office. In addition to being a vital transportation hub, it provides the location, people and infrastructure to make any venture viable."

Robert J. Deluce, President and Chief Executive Officer, Porter Airlines Inc. and Co-Chair of the Team Toronto Business Mission to Chicago, 2012

WORLD CLASS TALENT

Toronto's highly-skilled population makes it easy for local businesses to find employees among the well-trained graduates and experienced professionals in the city. With eight colleges and universities to choose from in Toronto and a variety of programs that are recognized internationally for their academic excellence, employers are finding the qualified talent they need for their businesses to succeed. Toronto ranked as the 2nd lowest risk city in the world for employers, according to Aon Hewitt's 2012 *People Risk Index*, and 2nd in quality of intellectual capital and innovation in PwC's 2012 *Cities of Opportunity* report.

The 2012 *Times Higher Education World Reputation Rankings*, a British publication that focuses on post-secondary education, ranked the University of Toronto number 1 in Canada and 16th in the world this year.

QUALITY OF LIFE

In 2012, *Fortune Magazine* ranked Toronto 1st overall in its international survey of cities in which to live and work, calling it among other things, the "safest city in North America." Torontonians enjoy an unmatched quality of life in one of the cleanest and greenest global cities in the world. In its annual review of the world's *Cities of Opportunity*, PwC ranked Toronto 2nd internationally for overall sustainability, and the most sustainable large city in Canada. The same report ranked Toronto 1st overall in quality of life and life satisfaction, and 2nd in the health, safety and security of its residents and visitors.

"As the *New York Times* remarked in its July 2012 '36 Hours in Toronto' feature, globalization may have dulled other cities, but 'Toronto's immigrant neighborhoods still feel linguistically, gastronomically, gloriously distinct. The cultural diversity and urbanity seem limitless.'"

"Canada on the Cutting Edge," *Meetings Focus Magazine*, 2013

INVESTMENT ATTRACTION SOURCING

Invest Toronto works with its many partners to identify, engage and secure business investment in Toronto. Building on our experience and successes in 2011, we used a variety of methods to source new leads and establish new relationships with clients in 2012.

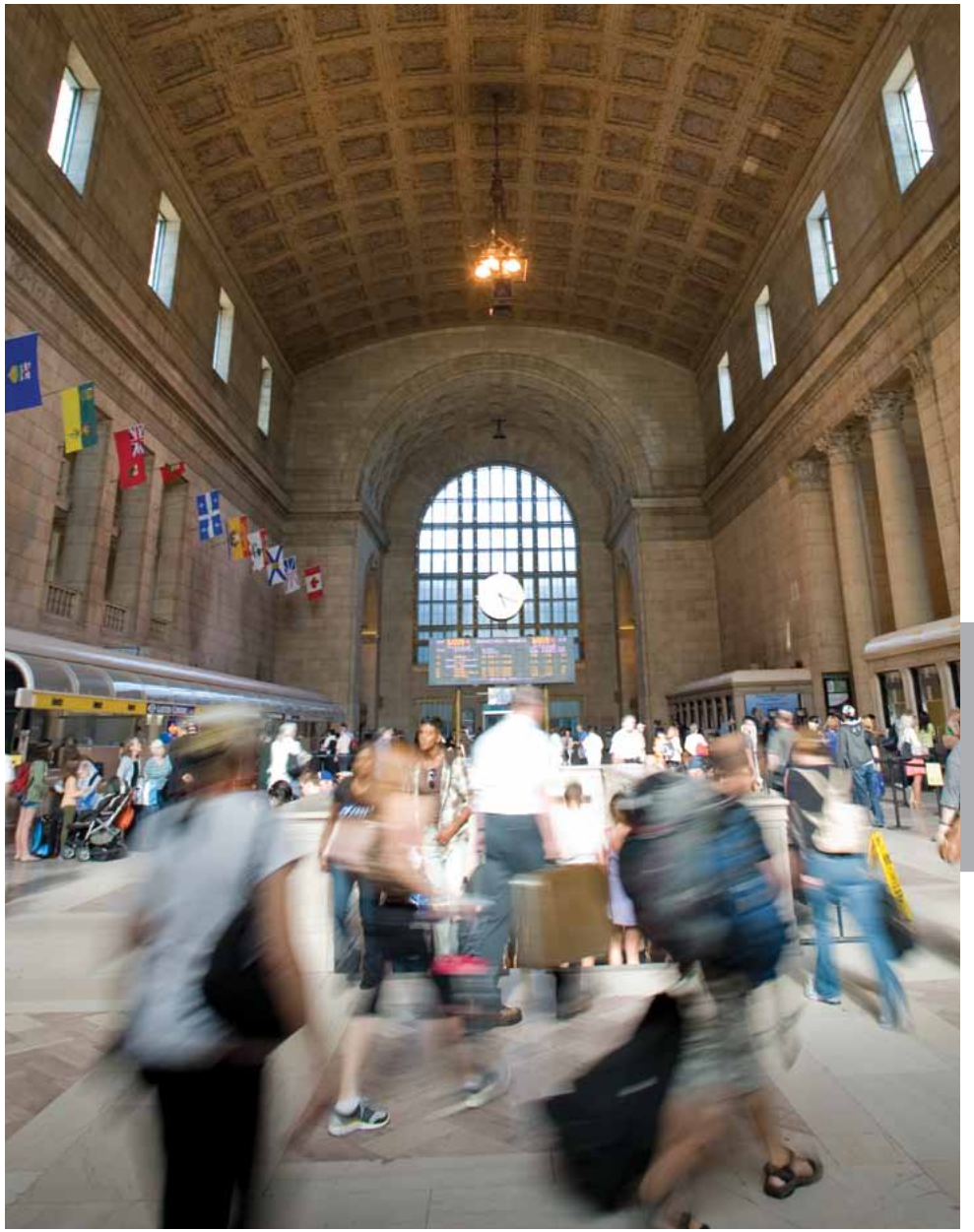
LEAD GENERATION

Lead generation involves the identification of global companies that have an interest in expanding their business with a focus on the North American market.

The function of generating leads includes a wide variety of activities, ranging from the broad to the very targeted. We perform lead generation in preparation for our in-market missions, as well as for all other client outreach activities. A funnel of potential clients is the end goal of all lead generation initiatives.

We identify companies that we engage with during missions abroad through a variety of methods, including the use of business development firms, attending in-market seminars, engaging with our partners located overseas, and conducting in-market custom research.

Locally, we engage with companies that we discover through our own research, or in response to those that reach out to us through our website. The Invest team also actively works with our local government and private sector partners to identify interested companies and connects with them here in Toronto.



IN-MARKET PARTNERS

Invest Toronto's government partners, such as the Department of Foreign Affairs and International Trade (DFAIT), the Ontario Government through the Ontario International Marketing Centres (OIMCs) operating out of foreign consulates, and a variety of private sector partners, identify and send potential leads to our Investment Services Team based on their requirements.

CUSTOMIZED TARGETING

Invest Toronto engages in large scale outreach using a number of data tools (such as Dun & Bradstreet) to identify companies and key contacts, and reaches out to engage them and determine their interest. Invest Toronto also identifies markets and sectors and tracks economic trends to acquire an in-depth understanding of international businesses in each sector.

IN-MARKET MISSIONS

Meeting with foreign business leaders, government representatives and interested investors in their home countries is fundamental to our investment attraction efforts, as it presents an invaluable opportunity for a face-to-face discussion about Toronto's value proposition. Invest Toronto is able to respond to questions and provide take away material so that businesses abroad have the information they need to make an educated decision. Our missions also create the opportunity to establish and build relationships with overseas businesses. Many of Invest Toronto's leads, new clients and successful investments are the direct result of a mission to an overseas market.

DELEGATIONS AND LOCAL CONFERENCES

Invest Toronto leverages opportunities to connect with government and business delegations that are visiting the city in order to showcase Toronto's value proposition first hand. A visit to Toronto's business district and sector specific destinations such as the Discovery District provides clients with a real picture of the business opportunities the city has to offer.

WEBSITE

The Invest Toronto website is an important resource for clients, containing reports, rankings, news articles, and success stories that help to communicate Toronto's value proposition to overseas companies conducting preliminary research online. Interested companies, site selectors and real estate firms reach out to our Investment Services Team through our website to request a meeting.

IN-MARKET SEMINARS AND CONFERENCES

Through attendance at seminars overseas, we meet with companies and have the advantage of discussing their expansion goals and needs in person.

LOCAL PARTNERS

Invest Toronto's extensive network of local business partners, as well as the federal and provincial governments, often recommend us to companies that are interested in expanding their business. We also work with local government partners such as the City of Toronto and the Greater Toronto Marketing Alliance (GTMA), who identify opportunities for us to connect with potential clients here in Toronto.

INVESTMENT ACTIVITY

Invest Toronto is building on the relationships we have established and enhancing connections with our partners, clients, and contacts both in our region and abroad.

These partnerships and relationships help us to identify new potential investors through referrals from clients and other partners who have found value in the experience and expertise that the Invest Toronto team has to offer. Leveraging these partnerships also helps us to provide the best service to our clients.

MEETING NEW CLIENTS

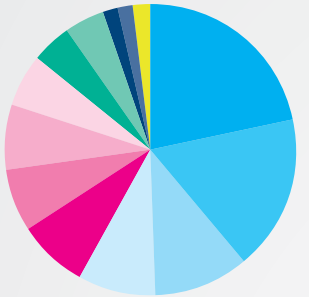
With the help of our partners, the Invest team works hard to assist and lead client servicing. We identified 153 new leads in 2012, which represent new potential investments in the Greater Toronto Area, as these companies have shortlisted the Toronto region for the expansion of their operations.

These leads came from 28 countries, and similar to previous years, the top three countries by lead count were China, India, and the United States.

This is a reflection of Invest Toronto's successful missions to those countries to help to build on relationships, foster solid local ties with business leaders, and develop stronger connections with the in-market offices of our provincial and federal government partners. In addition, our team made a return trip to Brazil and a first trip to Mexico, generating leads from each of those countries as a result of new connections in those markets.

These leads also represented 18 business sectors. As Standard and Poor's mentions in its 2012 research update, "Toronto presides over an exceptionally broad and diverse economy." While priority sectors such as ICT, Green Tech and Financial Services continue to be among the top sectors, we also see a strong interest from potential investors in a variety of other areas.

SOURCE OF INVESTMENT LEADS



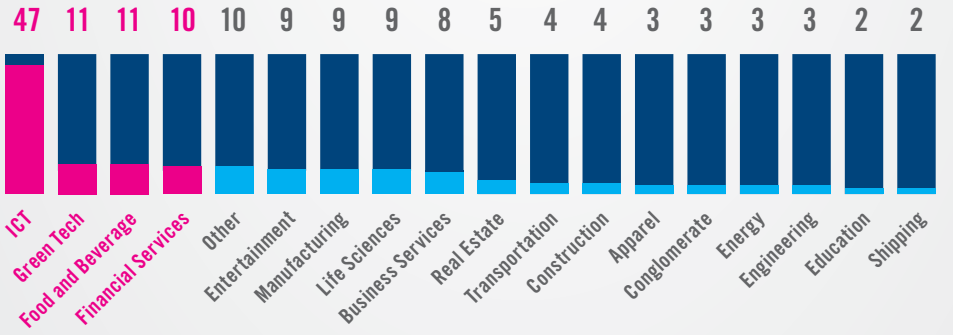
- INVEST TORONTO, 38
- MEDTE, 25
- DFAIT, 20
- GTMA, 12
- INTERNATIONAL REFERRALS, 10
- PARTNER ORGANIZATION, 9
- CITY DEPARTMENT, 8
- TRADE SHOW/ CONFERENCE, 8
- WEBSITE, 7
- CLIENT CONTACTED US, 5
- TRRA, 5
- SERVICE PROVIDER, 2
- TFSA, 2
- OTHER, 2

LEADS GENERATED BY COUNTRY

CHINA	INDIA	USA	EUROPE	UK
48	27	19	17	10

AFRICA / MID. EAST, 8
CANADA, 6
BRAZIL, 5
MEXICO, 5
ASIA, 4
AUSTRALIA, 3
DOMINICAN REPUBLIC, 1

LEADS GENERATED BY SECTOR



BUILDING STRONGER RELATIONSHIPS IN STRATEGIC MARKETS

Invest Toronto's missions to overseas markets continue to be an extremely valuable approach to connecting with potential investors and strengthening relationships with existing clients.

Each of our missions is an important opportunity to meet with businesses in their home countries, demonstrating our commitment to providing direct service to our clients and establishing our investment services team as a key partner who they can rely on. Our missions also help us to understand our clients' business lines and identify ways that we can work together. Each mission requires a great deal of preparation to ensure that we leverage every occasion to network with new leads and continue to develop relationships with our clients as we support their business expansion efforts.

In a 2011 survey conducted by Development Counsellors International (DCI) entitled "Winning Strategies," respondents were asked to rate the effectiveness of seven conventional marketing techniques used by economic development groups. 57 per cent of respondents stated that having "planned visits to corporate executives" was the most effective way to connect with business leaders. Having a face-to-face dialogue with our clients is essential to developing a real understanding of their specific needs and informing them about the Toronto market.

Invest Toronto knows how important it is to understand the market and the business processes of each of our clients in order to build a relationship based on trust and quality service. In addition, our team focuses on specific markets that have demonstrated strong economic expansion initiatives and FDI outflows to expand our reach and develop new contacts. This year, the Invest Toronto team returned to China, India and Brazil to reconnect with clients and continue to build on the partnerships we have made in those markets. In addition, we seized the opportunity to establish a new market presence in Mexico, Canada's third-largest trading partner and our NAFTA partner. Finally, our team joined the Mayor's delegation of city officials and Toronto businesses on a mission to Chicago, Illinois.









CHINA

2012 was a very important year for Invest Toronto to solidify our relationships in one of the most important markets in the world. Canada and China signed a Foreign Investment Promotion and Protection Agreement (FIPA) in September 2012, giving investors greater confidence when expanding in a foreign market.

"China continues to increase its importance as a global powerhouse as it is becoming a key outward investor. Job creation by Chinese companies through new 'greenfield' investments elsewhere in the world…increased by over 30 percent, causing China to jump to fifth position as a global investor."

Global Location Trends 2012
Annual Report, IBM Global Business Services



Foreign direct investment between Canada and China has increased more than five-fold between 2005 and 2011 to a total of $15.4 billion. According to Dealogic, a global financial data provider, Chinese investment in Canada has grown exponentially in the last decade, with Chinese companies investing a total of $22.9 billion into Canada in 2012.

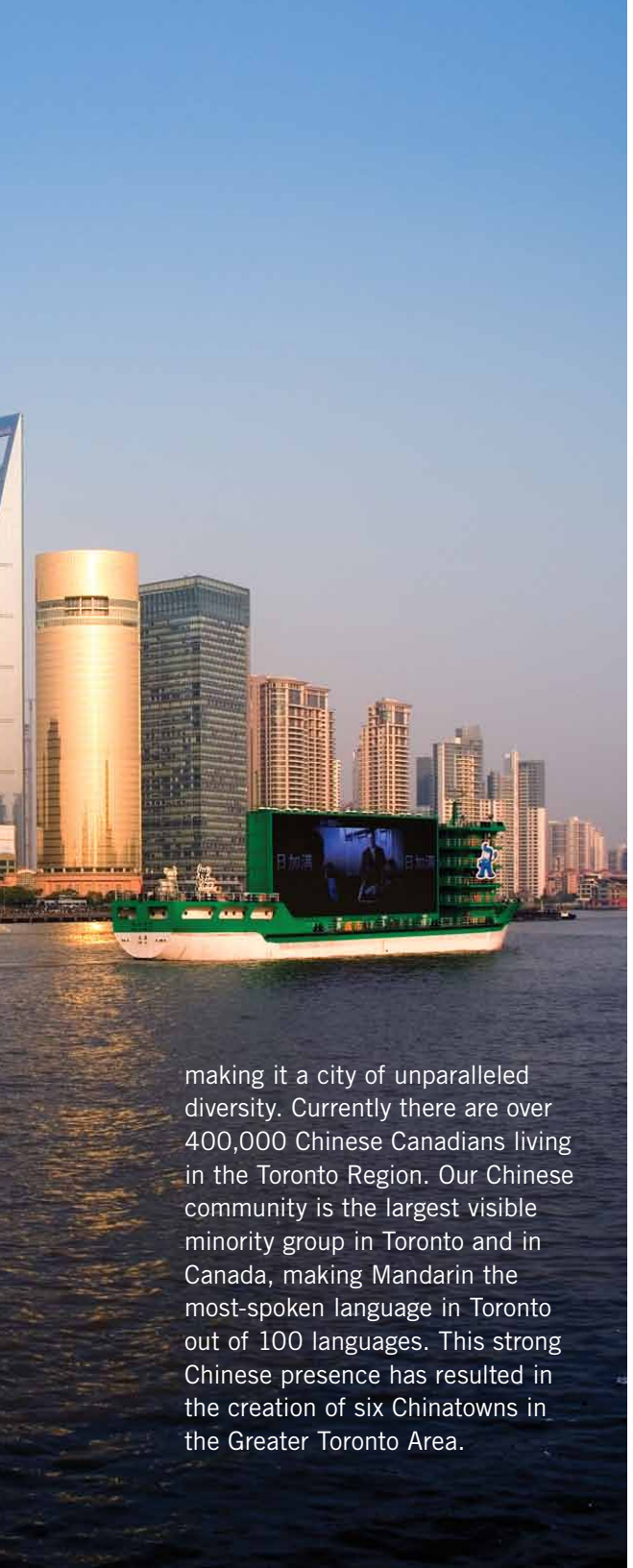
The Ministry of Commerce (MOC) of the People's Republic of China announced in May 2012 that outbound investment from China is expected to total US $150 billion in 2015.

China and Toronto boast strong Financial Services, ICT, and Life Sciences sectors, which makes Toronto an ideal location for the expansion of businesses in these sectors into North America, and is the main reason for Invest Toronto's focus on Asia.

Invest Toronto's missions to China are part of a long-term strategy to lay the groundwork for the future. Our team is building a foundation that will make Toronto an attractive location for Chinese foreign direct investment over the next decade. In 2012, Invest Toronto undertook two missions to China, visiting six different cities to meet with business accelerators, government officials, business leaders, and hold B2B meetings with Chinese companies that are interested in investing abroad.

We also attended seminars and conferences, and held a reception that provided an opportunity to connect with clients and build on our existing relationships.

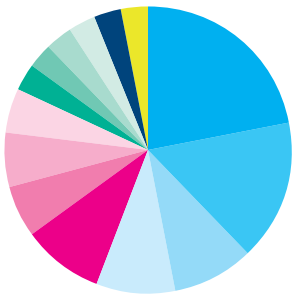
In addition to fostering relationships we have made with businesses in China, Invest Toronto also promotes the growing, vibrant Chinese population in Toronto to Chinese investors. Fifty per cent of Toronto's almost 3 million residents were born outside of Canada,



making it a city of unparalleled diversity. Currently there are over 400,000 Chinese Canadians living in the Toronto Region. Our Chinese community is the largest visible minority group in Toronto and in Canada, making Mandarin the most-spoken language in Toronto out of 100 languages. This strong Chinese presence has resulted in the creation of six Chinatowns in the Greater Toronto Area.



CHINESE MEETINGS BY SECTOR



- GREEN ENERGY AND CLEAN TECH, 22%
- FINANCIAL SERVICES, 16%
- ICT, 9%
- FOOD AND BEVERAGE, 9%
- MANUFACTURING, 9%
- PHARMACEUTICALS, 6%
- CONGLOMERATE, 6%
- OTHER, 5%
- AEROSPACE, 3%
- TRANSPORTATION, 3%
- LAW, 3%
- BIOTECHNOLOGY, 3%
- DESIGN, 3%
- APPAREL, 3%

Success Story: ***Mingyuan Medicare Development (Life Vitality)***

Tradition Meets Innovation

"Invest Toronto has been a tremendous help to us while setting up our three new Toronto locations. They have assisted us every step of the way, and continued to support us once we setup our operations. The fact that a not-for-profit organization is available to help companies with their expansion efforts is a testament to the City of Toronto, and the way they view FDI. Thanks for everything, Invest Toronto!"

May Hao, Life Vitality



Based in China, Mingyuan Medicare Development, also known as Life Vitality, saw the potential of opening a wellness centre in Canada, and chose Toronto as their destination of choice. They reached out to Invest Toronto in March 2011, requesting assistance with the process of establishing themselves in Canada.

Invest Toronto's team assisted the client with invitation letters to facilitate their visit to Canada, connected them with service providers, and sought real estate opportunities during the site selection process. Life Vitality decided to open three locations in Canada: two in Toronto and one in the Greater Toronto Area.

The Life Vitality Centres provide health programs from both Eastern and Western medicinal techniques, along with the latest research on functional, environmental and nutritional medicine.

BRAZIL

Brazil has been identified as one of the world's fastest emerging markets. In 2011, the country overtook the United Kingdom as the world's seventh largest economy in terms of GDP. As one of the first emerging markets to begin a recovery after the global financial crisis in 2008, Brazil is now expanding its presence in world markets.

By 2014, it is anticipated that Brazil will become the world's fifth-largest economy, overtaking both Britain and France.

The country boasts a strong ICT sector, jumping from 10th to 5th place in the ranking of countries that export IT services in the last two years alone. From 2000 to 2008, Brazilian ICT exports increased 163 per cent, from US $19.59 billion to US $51.63 billion. Brazil is also leading in the production of components for wind energy. Half of U.S. wind turbines and a fifth of those operating around the world currently use blades manufactured by Brazilian companies. Toronto boasts strong ICT and Green Energy sectors, enabling Brazilian companies to find a comfortable home here.

Canada and Brazil share several other traits in common, including their strong support for and investment in international athletic events. In 2007, Rio de Janeiro hosted the XV Pan American Games, and Toronto will host the 2015 Games in its redeveloped waterfront community known as the West Don Lands. In addition, Rio de Janeiro will host the 2016 Summer Olympics, only six years after the Vancouver Winter Olympics in 2010.

Invest Toronto began establishing relationships with key businesses in Brazil during our first mission led by the GTMA in 2010.



In 2012, our team took advantage of an opportunity to return to Brazil with the GTMA. The group visited three cities, taking part in conferences and attending B2B meetings with companies and industry associations, working to enhance their awareness of the robust ICT sector in the Toronto Region and promoting the region as an important investment location for IT companies.

MEXICO

As our NAFTA partner, the Mexican market represents an important long-term opportunity for the City of Toronto. The Mexican economy is growing at a rapid rate; it is expected to grow by 3.8 per cent this year, compared to 2.1 per cent in the United States.

Mexico is now Canada's third-largest trading partner, with two-way trade reaching US $34.4 billion in 2011.

The growth in the bilateral economic relationship has not been limited to trade. Canadian investments in Mexico have more than doubled since the late 1980s, making Canada one of Mexico's largest sources of foreign direct investment.

The OIMC in Mexico City recommended that Invest Toronto visit the country to further advance the economic bond between Mexico and Canada, and to facilitate foreign direct investment from Mexico into Canada and Toronto. We completed our inaugural mission to Mexico in September of 2012, spending three days in Mexico City. Our team was accompanied by MEDTE, through the local OIMC, who assisted with planning the mission and securing meetings with prospective clients. The focus of the mission was to introduce Invest Toronto to Mexican businesses, develop new opportunities, and meet with existing clients in the Mexican Financial Services and Food and Beverage Sectors.



This first mission has laid the framework for a return mission to further develop opportunities in Mexico.

USA

TEAM TORONTO BUSINESS MISSION TO CHICAGO, ILLINOIS

In September 2012, Invest Toronto joined a delegation of over eighty business people led by Toronto Mayor Rob Ford on a mission to Chicago, Illinois, to mark the beginning of a renewed Partner City relationship that was established in 1991. The mission was coordinated by the Mayor's office, the Economic Development division of the City of Toronto, and Invest Toronto, and was co-chaired by Robert J. Deluce, President and Chief Executive Officer of Porter Airlines Inc., and George A. Cohon, Founder of McDonald's Restaurants of Canada Limited. Over one hundred delegates from Chicago attended the mission. Members of the private sector participated in the mission to enhance business relationships between the two Partner Cities and facilitate networking opportunities.



The business mission focused on forging strategic alliances and encouraging investment, trade, and learning opportunities between Toronto and Chicago. In addition, the Mayors of both cities renewed the Partner City Agreement during a special ceremony, celebrating the over 20-year relationship. In the spirit of the renewed agreement, this mission also provided a venue to identify opportunities to grow investment, enhance the business climate, and stimulate greater job growth in both Toronto and Chicago.

Chicago and Toronto are the two largest cities on the Great Lakes. They are cities born of industry and commerce built on port lands with core ports and distribution hubs that thrive to this day. By travelling to Chicago, Toronto representatives had an opportunity to promote our city as an ideal investment location.

"Toronto is Canada's business and financial capital. If you're going to expand your business, Toronto should be the first place to look."

Rob Ford, Mayor of Toronto

Success Story: *ETC Global Holdings*

A Capital Move

"Invest Toronto staff have demonstrated time and time again that they are genuinely interested in the success of our business. They have not only been a reliable resource to us while navigating the various legal and jurisdictional concerns involved in establishing a new foreign business, but have also gone the extra mile to assist us in ways that go well beyond the norm."

Harvey Cloyd, CEO, ETC Global Holdings



From their headquarters in Los Angeles, California, ETC Global Holdings offers specialized transaction clearing services to a select group of securities industry professionals, providing solutions designed to assist in maximizing overall efficiencies.

Invest Toronto first connected with ETC Global Holdings in August of 2011 when they decided that they would like to offer their transaction clearing service in Canada.

MEDTE and the Toronto Financial Services Alliance (TFSA) coordinated a meeting between senior ETC executives and Invest Toronto when ETC visited the city later that year. During the executives' trip, Invest Toronto provided ETC with contacts within financial services sector-specific executive search practices, and connected them with human resources professionals who could assist the company with the development of employee agreements and manuals.

SECURING NEW INVESTMENTS

Since 2010, Invest Toronto facilitated 43 new investments in the City of Toronto and the Greater Toronto Area (GTA), 22 in 2012 alone.

Investments in the Toronto region are beneficial to residents of the City of Toronto, just as investments in the City of Toronto benefit the GTA, as these new initiatives create valuable jobs and bring in new capital that further enhances the benefit to the region. In each case, Invest Toronto was either the lead or assisted other government agencies in securing the new investments.



ALMIRALL (GTA)

SPAIN – LIFE SCIENCES

Almirall is an international pharmaceutical company that was introduced to Invest Toronto by the GTMA. Almirall's main business is the research, development, production and commercialization of pharmaceutical drugs. Their new subsidiary office in the GTA is their first investment in the Canadian market.

ASPECT RATIO ENGINEERING SERVICES (GTA)

INDIA – ENGINEERING

Aspect Ratio Engineering Services, an engineering service provider, recognized Toronto as a hub for Aerospace engineering and chose the GTA for their North American headquarters.

BAOSTEEL

CHINA – MANUFACTURING

As the second largest steel producer in the world, Baosteel was looking for a site to open a Canadian office to obtain raw materials for their operations. Their Toronto office was set up in 2012 and will be expanding over time to support their annual output of approximately 20 million tons of steel.

BBA

CANADA – ENGINEERING

BBA was looking to expand their consulting engineering operations. With the assistance of Invest Toronto and the GTMA, they now offer a complete range of services, including consulting, studies, engineering, design, commissioning and delivery, in Toronto.

CAR2GO

GERMANY – TRANSPORTATION

car2go is a new mobility concept that uses Daimler's 'smart-for-two' vehicles to create a floating car-sharing service for its members. car2go has expanded its services in Europe and into the United States, Western Canada, and now Toronto.

CHINA WINDPOWER GROUP LTD. (GTA)

CHINA – GREEN ENERGY

China Windpower Group Limited designs, constructs, operates and maintains wind farms and manufactures wind power equipment. They are now positioned in the GTA to facilitate investment in clean-tech projects in Ontario's thriving green energy sector.

CLICK MEDIA
IRELAND – ICT

Recognizing the city's strong ICT sector, Click Media, a leading publisher of lifestyle and entertainment content across all platforms, is in the process of opening an office in the Toronto area.

DDC DOLPHIN (GTA)
UK – HEALTHCARE

DDC Dolphin established a sales office in the GTA. They specialize in the design, manufacture, and installation of innovative, cutting-edge equipment in maintenance services supplying the health care sector.

ETC GLOBAL HOLDINGS
USA – FINANCIAL SERVICES

ETC Global Holdings is an electronic transaction clearing service provider offering specialized clearing services to a select group of securities industry professionals. By expanding their operations to Toronto, ETC can now leverage the opportunities available in the city's thriving financial services sector.

FOSTER MOORE
NEW ZEALAND – ICT

Foster Moore is a dedicated registry development company who was interested in growing its Canadian presence. They chose to locate in Toronto to expand their R&D activities in the North American market.

GLIDEROL (GTA)
AUSTRALIA – MACHINERY AND EQUIPMENT DISTRIBUTION

Gliderol manufactures both residential and commercial/industrial garage doors. In addition to its manufacturing facilities in the UK and Singapore, they now have a Canadian headquarters in the GTA to support Canadian industrial clients.

IDOM
SPAIN – ENGINEERING

The GTMA connected IDOM with Invest Toronto to explore options for the expansion of their business. From its new Toronto location, IDOM offers civil engineering and architecture services, as well as engineering consulting services in the development of green energy solutions.

INSCOL ACADEMY (GTA)
INDIA – EDUCATION

INSCOL Academy has opened a private college in the GTA, offering programs to help fill the gap between internationally-trained and Ontario-trained nurses. The new campus expands on their current partnership with Ontario's Niagara College.

LINK CARE SERVICES
FRANCE – ICT

Link Care Services develops patient monitoring systems that use video and software to automatically alert a health care professional if a patient requires immediate assistance. They have opened a new business development office in Toronto. Once they have reached a certain level of sales in Ontario, Link Care Services plans to open a patient monitoring centre to service the entire region.

MINGYUAN MEDICARE DEVELOPMENT COMPANY LTD. (LIFE VITALITY)
CHINA – LIFE SCIENCES

Life Vitality offers personalized health programs with doctors, therapists and instructors from state-of-the-art wellness centres. All three locations (two in Toronto and one in the GTA), focus on traditional medicine, as well as the latest scientific health studies.

NEWGEN SOFTWARE (GTA)
INDIA – ICT

The GTMA introduced Newgen Software, a pioneer in software engineering services, to Invest Toronto, who helped establish a subsidiary office in the GTA to better service its existing Canadian clients and further develop its business in the region.

NORTH CAPE (GTA)
UNITED STATES – SHIPPING

North Cape, a manufacturer and distributor of outdoor furniture, has opened a distribution facility in Mississauga to better service its Canadian clients.

SAIL CAPITAL PARTNERS
UNITED STATES – VENTURE CAPITAL

This Clean Tech venture capital firm has set up three subsidiary companies in Toronto to continue its R&D and sales operations. In addition, they have set up a $100 – $200 million fund for Canadian Clean-Tech Venture Capital.

SHOOTROUND
UK – ICT

Shootround provides a service that allows smartphone users to instantly share photos at conferences, events and parties. This startup company's future growth and product development will be run out of Toronto.

SIEL (GTA)
ITALY – MANUFACTURING

SIEL manufactures electrical components for solar panels, hydro utilities, and the automotive sector. SIEL was interested in establishing a presence in the growing Ontario market, and now uses its new distribution facility in the GTA as a launch pad into the rest of Canada and the U.S.

UBER
CANADA – ICT

Uber opened a Toronto-based subsidiary, bringing their mobile limousine app to their growing North American market. Torontonians now benefit from the use of an account-driven limousine ordering and cost-tracking service.

VECTOR CUATRO
ITALY – GREEN ENERGY

Vector Cuatro offers engineering and asset management services to solar companies. Their new branch office in Toronto provides a convenient location to service the many rising solar photovoltaic (PV) companies in Ontario.

INDIA

Following the successful missions to India in 2010 and 2011, Invest Toronto returned in March 2012 as part of our commitment to building on existing relationships and expanding our business network in this emerging market.

With a population of 1.2 billion and a GDP of US $4.735 trillion, India is one of the fastest growing economies in the world and an important economic partner for Canada. Inbound foreign direct investment from India to Canada reached US $4.4 billion in 2011, and this number is expected to grow as the two countries build deeper economic ties.

Invest Toronto's third mission to India centered on participation in two large-scale events: the Federation of Indian Chambers of Commerce and Industry (FICCI) Frames, a film and media sector tradeshow, and the India Engineering Sourcing Show (IESS).

In addition, the team strategically organized 27 B2B meetings with both new and existing clients in our target sectors: ICT, film and television, and advanced manufacturing. At the main events, Invest Toronto participated as part of a larger Canadian delegation led by DFAIT.

Invest Toronto and its partner, MEDTE, via the OIMC in Mumbai, hosted a client appreciation dinner for businesses who have already established a presence in Toronto. This event presented an ideal opportunity to reconnect with Indian companies to nurture these existing relationships in order to leverage opportunities for future growth. Social events such as this one demonstrate our commitment to our clients, which generates further support for our efforts and encourages clients to recommend us to other businesses that are interested in expanding into the North American market.

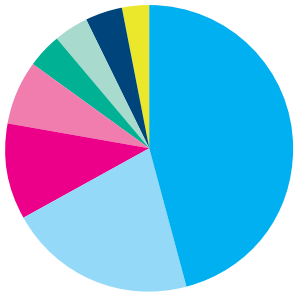


Currently, the Indian and Canadian governments are working toward a Canada-India Comprehensive Economic Partnership Agreement, which will help create a relationship that will lead to jobs, growth and long-term prosperity for both countries. This agreement will facilitate even more opportunity for investment outflows from India into Canada, as Indian companies look overseas for ways to tap into the global market.





INDIA MEETINGS BY SECTOR



- ICT/FILM, 46%
- ICT, 21%
- EDUCATION, 11%
- FINANCIAL SERVICES, 7%
- PHARMACEUTICAL, 4%
- AUTOMOTIVE, 4%
- INFRASTRUCTURE, 4%
- MEDIA, 3%

Success Story: ***INSCOL Academy***

Training that Translates



"I would like to thank Invest Toronto, who welcomed me to the city and arranged valuable meetings for me during my stay. I would without a doubt recommend Invest Toronto to any company that is looking to expand their operations in Toronto!"

Daljit S. Gujral, Managing Director,
INSCOL Healthcare Limited

INSCOL Academy assists nurses in enhancing their knowledge, skills and professional conduct by providing a wide variety of programs and exposure to the best international nursing practices. Headquartered in Chandigarh, INSCOL Academy has seven facility Centers across India and more than 20 programs at 15 Universities/Colleges in the UK, USA, Australia and New Zealand.

When INSCOL decided to pursue the opportunity to expand into Canada, they were connected to Invest Toronto by the New Delhi DFAIT office. Invest facilitated introductions with the Ministry of Training, Colleges and Universities, MEDTE, and the Ministry of Health and Long-Term Care, as well as a real estate broker, accountant, education sector specialist, legal representative, and the Ontario Association of Career Colleges.

INSCOL decided to establish their Canadian location in the GTA. They have recently acquired a facility in Mississauga, where they offer nursing specialty courses and licensing preparation programs to International Educated Nurses (IENs) who are currently in Ontario.

For the last three years, INSCOL has been offering nursing programs to nurses from India through their various partnerships with colleges and universities in Canada.

BUILDING ON OUR SUCCESS WITH OUR CLIENTS

Invest Toronto, in partnership with our shareholder, the City of Toronto, and our other private and public sector partners, offers a variety of services to our clients both before and during their establishment in Toronto.

Client servicing differs for each request, and we tailor our engagement according to our clients' specific requirements. Our involvement can take weeks, months, or years depending on the company's knowledge of Toronto, what stage they are at in contemplating their new location, and their specific needs for the successful expansion of their business.

During the "Propose" phase of our investment attraction life-cycle, our Investment Services team provides the client with customized services including benchmarking, economic and demographic analysis, and introductions to key service providers and associations.

The Invest team uses tools such as Innovation Atlas and KPMG Cost Comparatives to analyze and compare business costs for interested companies. Maintaining up to date, comprehensive economic information and business-related statistics is a critical component of our service offering to clients. These valuable tools are cost-shared with our shareholder and partner, the City of Toronto.

A Sample Client Concierge Process



MAKE CONTACT



MEET IN MARKET

551

clients served by Invest Toronto since its inception in 2010

153

added in 2012

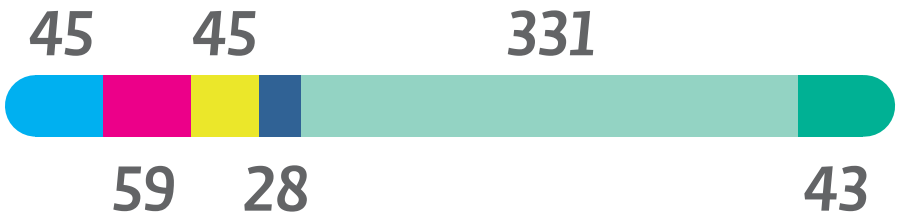


MEET SPECIALISTS



SETUP OFFICE

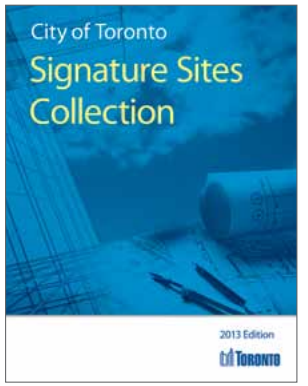
Since we began client servicing in 2010, our staff has connected with 551 clients at various stages of the investment attraction lifecycle:



STAGE/CLIENTS

- PROSPECT
- QUALIFY
- PROPOSE
- CLOSE LOST
- CLOSE – NO OPPORTUNITY
- CLOSE WON

Client services can involve anything from providing cost analysis or market information, to creating brochures and fact sheets, to hosting receptions that connect clients with service providers and public sector officials. One of the annual events we co-host for our clients, the Signature Sites Event, is led by the City of Toronto, in partnership with Build Toronto and the Toronto Port Lands Company (TPLC). This year, First Gulf Corp. hosted the event at the former Unilever factory near the foot of the Don Valley Parkway, which they are currently redeveloping. The 30-acre site will be turned into a complex of office towers, retail stores and restaurants over the next five to ten years. Signature Sites engages both current and prospective clients that are interested in meeting our respective teams as well as staff and officials at the City of Toronto. At this year's event, a publication was unveiled that showcases a collection of commercial and industrial development and redevelopment opportunities, as well as available properties in the City of Toronto. Invest uses this publication to promote opportunities to our clients and partners abroad.



Making a decision to invest or open an office in another country does not happen overnight, and the Invest Toronto team is always available to answer questions, facilitate introductions to professional service providers as well as other private and public sector partners, and offer valuable information about Toronto to assist the company's decision making process. As a dedicated concierge service, we provide ongoing, valuable support to our clients that is both timely and reliable.

While the Invest team connects with clients in a number of ways, we prioritize face-to-face meetings as the single greatest method of communication with international business leaders.

However, according to DCI's 2011 "Winning Strategies" survey, the second-best method for reaching out to clients after in-person meetings is through the internet.

We have expanded our online presence by posting information more frequently on our website, which is equipped with a tool that translates the main pages on our site into Mandarin, French, Italian, Portuguese, Spanish and German.

TOP SECTORS FOR NEW INVESTMENTS

Toronto is a global hub for business. With its robust and diverse economy, Toronto is the economic engine of Canada.

The quality of Toronto's diverse and creative workforce is unparalleled – nearly 50 per cent of the population is foreign born and our workforce is one of the most educated in the world. As Canada's largest city and the destination of choice for new immigrants to the country, the influx of talent from all over the world has produced thriving business sectors that benefit from new skills, and new and innovative ideas.



FINANCIAL SERVICES

Toronto is both the financial services capital of Canada and the fastest growing financial centre in North America, employing over 222,400 people across the region. Canada's top five banks are all headquartered in Toronto. It is the Canadian headquarters for four of the world's 25 largest banks and home to two of the largest global life insurers. Toronto also houses 55 foreign bank subsidiaries, 123 securities firms, 58 pension fund managers, and five of Canada's largest pension plans with combined assets of over US $300 billion. The Toronto Stock Exchange is the global leader in mining and clean energy listings and is the third largest exchange in North America.



INFORMATION & COMMUNICATIONS TECHNOLOGY

The Toronto Region has one of the largest ICT sectors in North America with over 175,000 professionals, 11,500 firms, and one of the strongest telecommunication infrastructures in North America. Built on a foundation of strong educational institutions, support from the government, and global market access, Toronto's ICT sector is a dynamic network consisting of traditional, large-scale market leaders, a vibrant tech startup ecosystem, and world-class digital media, gaming, and mobile application clusters. The Toronto area is home to six colleges that offer over 40 ICT-related programs, and four prominent universities with more than 21 ICT-related programs, which prepare outstanding students for careers in the ICT industry.



LIFE SCIENCES

Toronto is positioned in the middle of the newly-formed Québec-Ontario Life Sciences Corridor – the second-largest life sciences cluster in North America. In Toronto, approximately CAD$1 billion is directed annually to research activities in the city's aptly named "Discovery District," a groundbreaking 2.5km^2 research park in the downtown core with over 8 million ft^2 of facility space, including MaRS. The MaRS science, technology and research centre's Phase 2 facility will open in 2013, which will increase MaRS' footprint to over 1.5 million ft^2, making it one of the largest urban innovation hubs in the world.



GREEN TECH & CLEAN ENERGY

Toronto is leading the way as one of the most sustainable cities in the world and Canada's most sustainable large city according to Corporate Knights (2011). Through local municipal initiatives such as the green roof by-law and the practice of locating photovoltaic panels on city properties, together with provincial programs such as the Feed-In-Tariff, Toronto has become not only a city that employs sound environmental practices, but also one that leads the way in the development of new, sustainable technologies and practices.

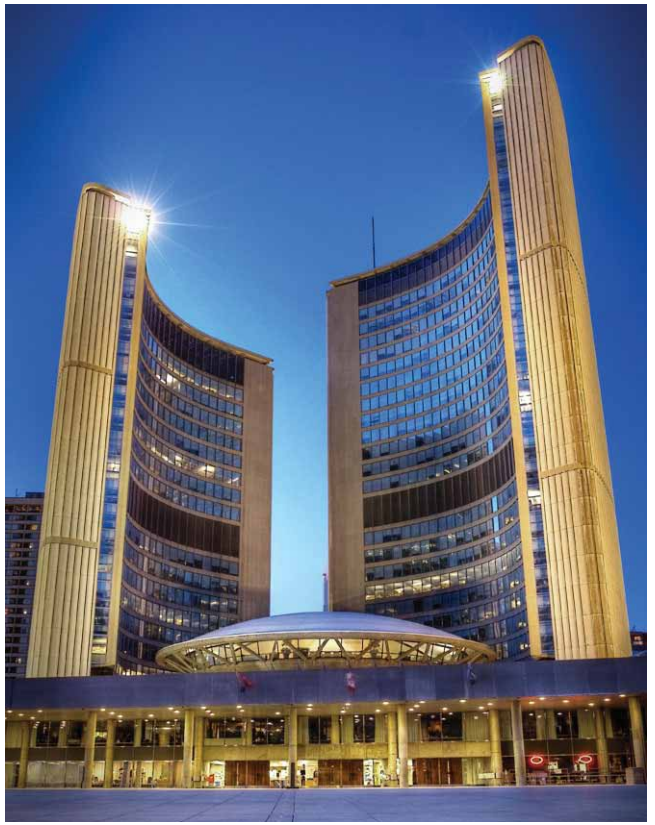


FOOD & BEVERAGE

The Toronto Region is the major decision-making centre for Canada's food and beverage industry with over 55,000 people employed and nearly half of the top-ranked manufacturers headquartered in the city. Toronto has a large ethnic and specialty foods market generated by the city's multicultural population. This, combined with the Canadian government's state-of-the-art health and safety standards, has consistently elevated Toronto's food manufacturers to the forefront of culinary trends and product development practices.

BUILDING RELATIONSHIPS WITH OUR PARTNERS

Invest Toronto continues to work closely with our partners to best assist our clients in their international expansion.



Toronto City Hall

OUR PUBLIC SECTOR PARTNERS

City of Toronto

Build Toronto

Canada China Business Council (CCBC)

Consider Canada City Alliance (CCCA)

Department of Foreign Affairs and International Trade (DFAIT)

Greater Toronto Airport Authority

Greater Toronto Board of Trade

Greater Toronto Marketing Alliance (GTMA)

Infrastructure Ontario (IO)

Invest in Canada

MaRS Discovery District

Metrolinx

Ontario Media Development Corporation (OMDC)

Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)

Ontario Ministry of Economic Development, Trade and Employment (MEDTE)

Ontario Ministry of Tourism, Culture and Sport

2015 Pan/Parapan American Games

Toronto and Region Conservation Authority (TRCA)

Toronto Financial Services Alliance (TFSA)

Toronto Port Authority

Toronto Port Lands Company (TPLC)

Tourism Toronto

Waterfront Toronto

OUR PRIVATE SECTOR PARTNERS

Accounting Firms

Banks/Financial Intermediaries

Chambers of Commerce

Consulting Firms

Human Resource Consultants

Industry Associations

Law Firms

Marketing & Communications Firms

Property Developers

Real Estate Firms

Site Selectors

Toronto Stock Exchange (TSX)

EDUCATIONAL INSTITUTIONS

Centennial College

George Brown College

Humber College

Ontario College of Art and Design (OCAD) University

Ryerson University

Seneca College

Sheridan College

University of Toronto

York University

By working with service providers and all levels of government, we gain access to information that businesses need to help make the transition to Toronto. From legal advice to real estate solutions, and from understanding taxes or the immigration process to recruiting staff and workplace regulations, Invest Toronto provides a concierge service to connect clients with our private sector partners that can guide them every step of the way, facilitating a smooth and easy business expansion process and ultimately providing them a "soft landing" in Toronto.

Our relationship with our shareholder, the City of Toronto, provides opportunities to reach out to clients in overseas markets through shared memberships in organizations such as the Canada China Business Council (CCBC). We also benefit from the expertise of City departments like the Economic Development team, including the Business Retention and Expansion group and the Sector Specialists. The City's Economic Development team helps businesses navigate municipal programs and processes and provides consultation services and hands-on solutions to assist businesses at every stage of development from start-up to growth and expansion. Just as we can be a source of leads for new potential investments for our partners, they can also be a source of leads for us. Working with our public sector partners such as the City of Toronto, the GTMA, DFAIT, and MEDTE, we can identify who would be best to work with a new client, based on their needs. In the event that we meet with clients that are interested in expanding their business to Toronto, but later determine that another location in the GTA would be more suitable for their business, we work with our partners to facilitate the investment elsewhere in the GTA. The same is true for investors looking in the GTA who are later referred to Invest Toronto should they feel that a Toronto location would benefit their business.

By leveraging our partnerships, we increase our reach both in the Toronto region and abroad by growing the business presence in Toronto and helping to promote Toronto to international clients. We participate in conferences, seminars, meetings, and trade shows to network and share best practices on investment attraction initiatives, which is always more cost effective when co-hosting or participating with partners.

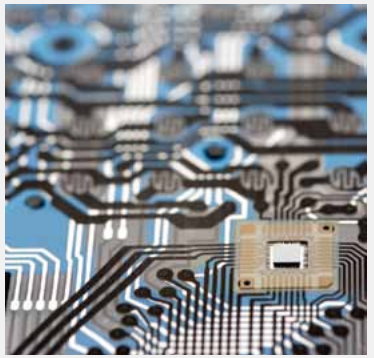
Success Story: ***Foster Moore***

Simplifying Your Business

"The team at Invest Toronto has been extremely helpful and supportive in helping us establish a presence in this fantastic city. It is an exciting but daunting task setting up business in a new city; Invest Toronto has helped to remove the daunting part."

Nick Dalton, VP/General Manager – Canada, Foster Moore

Foster Moore is a dedicated registry development company based in New Zealand. They specialize in the creation of electronic registries that are purpose-built to meet the statutory and service needs of legislative and government agencies. They offer comprehensive end-to-end solutions that significantly enhance functionality and lower the total cost of ownership of dynamic registries.



Invest Toronto first met Foster Moore in February 2012, when the former Toronto Region Research Alliance (TRRA) introduced our team to the company. We held our first official meeting with Foster Moore in May 2012, when executives from the company travelled to Toronto.

Invest Toronto assisted Foster Moore's expansion to Toronto by providing guidance on real estate solutions and hiring considerations. Now that the company is established and has begun implementing projects in Toronto, Invest Toronto and Foster Moore continue to discuss growth and expansion opportunities.

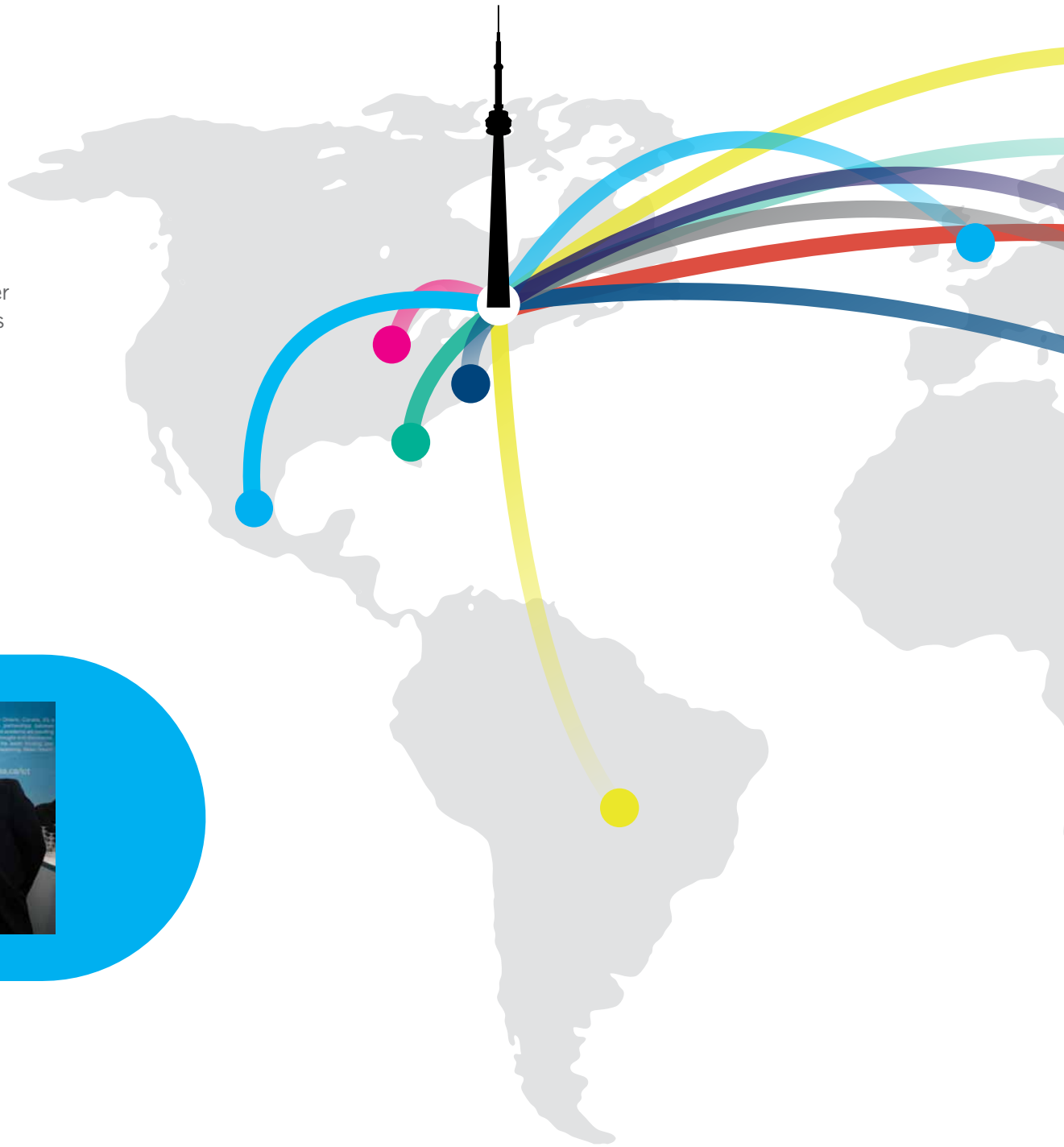
CONNECTING TO THE GLOBE LOCALLY

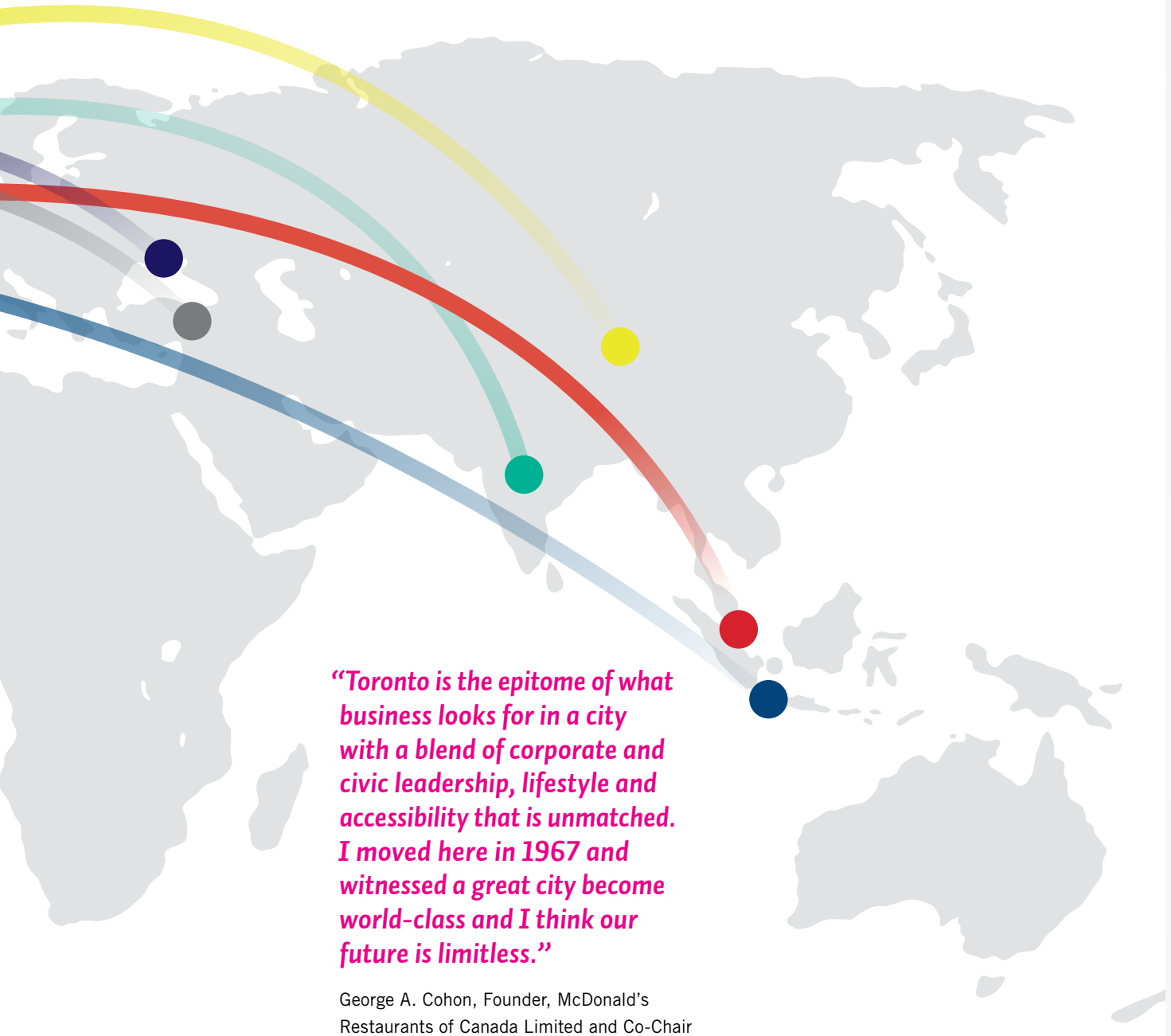
Business and Government Delegations, 2012

As the word spreads about Toronto's competitive advantages, more and more foreign delegations choose to visit Canada's largest city to get a closer look at what we have to offer. Invest Toronto maximizes these opportunities to connect with businesses from across the globe right here in Toronto. Along with our many partners, including the City of Toronto, the GTMA, the Federal Government, and the Province of Ontario, we are welcoming these delegations and inviting them to invest.









"Toronto is the epitome of what business looks for in a city with a blend of corporate and civic leadership, lifestyle and accessibility that is unmatched. I moved here in 1967 and witnessed a great city become world-class and I think our future is limitless."

George A. Cohon, Founder, McDonald's Restaurants of Canada Limited and Co-Chair of the Team Toronto Business Mission to Chicago, 2012

INVEST TORONTO

2012 BOARD OF DIRECTORS

Mayor Rob Ford
Chair

Ann Buller
Vice-chair

Alan Broadbent
Director

Craig Brown
Director

Aleem Kanji
Director

Corrado Paina
Director

Hari Panday
Director

Geoffrey Reeves
Director

Councillor Michael Thompson
Director

Michael Williams
Director

*There are currently five private sector vacancies.

2012 MANAGEMENT AND STAFF

Renato Discenza
President & CEO

Winston Young
CFO
(Shared Services with TPLC)

Terrie O'Leary
Executive Vice President, Operations

Nikki Holland
Vice President, Public Affairs

Zvi Lifshiz
Director, Investment Services

Julia Sakas
Communications & Marketing Manager

Frances Forrester
Team Lead
Investment Services

Kevin Samra
Investment Services

Giovanni Gonzalez
Investment Services & Global Markets Advisor

Shane Lee
Investment Services & Global Markets Advisor

Silvia Pellitteri
Executive Assistant to the President & CEO

Melec Abdulazis
Office Manager

INVEST TORONTO AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of Invest Toronto Inc.

We have audited the accompanying financial statements of Invest Toronto Inc., which comprise the statements of financial position as at December 31, 2012 and the statements of operations, changes in net debt and cash flows, for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Invest Toronto Inc. as at December 31, 2012 and the results of its operations, remeasurement gains and losses, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Accountants,
Licensed Public Accountants

Toronto, Ontario, April 29, 2013

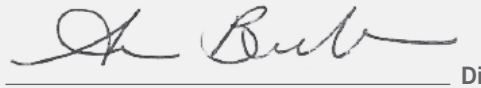
Invest Toronto Inc. Financial Statements
Statement of Financial Position

As at December 31, 2012

	Note	December 31, 2012	December 31, 2011
		$	$
Financial assets			
Cash and cash equivalents	3	222,562	1,186,107
Restricted investments	4	50,078	50,116
Amounts receivable		223,239	196,283
		495,879	1,432,506
Liabilities			
Accounts payable and accrued liabilities		295,079	331,279
Due to related parties	5b	143,958	1,069,601
Deferred contributions	5c	125,000	125,000
		564,037	1,525,880
Share capital			
Authorized and issued			
1 common share		1	1
		564,038	1,525,881
Net Debt		(68,159)	(93,375)
Non-financial assets/(liabilities)			
Tangible capital assets	6	156,623	230,179
Deferred capital contributions	7	(156,623)	(230,179)
Prepaid expenses		68,159	93,375
		68,159	93,375
Accumulated surplus		-	-

The accompanying notes are an integral part of these financial statements.

Approved on Behalf of the Board



Director



Director

Invest Toronto Inc.
Statement of Operations

For the year ended December 31, 2012

	Note	Budget (Note 12)	2012	2011
		$	$	$
Revenues				
Operating grant from TPLC	5a	2,486,000	2,458,660	2,258,349
Amortization of deferred capital contributions	7	-	89,481	86,426
Other income		-	8,975	9,080
Total Revenue		2,486,000	2,557,116	2,353,855
Expenses	5b			
Salaries and benefits		1,603,000	1,590,204	1,410,205
Professional fees and project costs		103,000	109,742	65,691
Office		240,400	226,321	265,373
Promotion and marketing		166,000	156,994	142,400
Office rent		259,600	269,115	248,124
Meeting, seminars, and conventions		114,000	115,259	135,636
Amortization of tangible capital assets		-	89,481	86,426
Total Expenses		2,486,000	2,557,116	2,353,855
Operating surplus/loss		-	-	-

The accompanying notes are an integral part of these financial statements.

Invest Toronto Inc.
Statement of Changes in Net Debt

For the year ended December 31, 2012

	Budget (Note 12)	2012	2011
	$	$	$
Operating surplus/loss		-	-
Decrease in deferred capital contribution	-	(73,556)	(73,100)
Acquisition of tangible capital assets	(14,000)	(15,925)	(13,326)
Amortization of tanigble capital assets	-	89,481	86,426
	(14,000)	-	-
Acquisition of prepaid expenses	-	(68,159)	(93,375)
Use of prepaid expense	-	93,375	22,922
	-	25,216	(70,453)
(Increase) decrease in net debt	(14,000)	25,216	(70,453)
Net debt at beginning of year	(93,375)	(93,375)	(22,922)
Net debt at end of year	(107,375)	(68,159)	(93,375)

The accompanying notes are an integral part of these financial statements.

Invest Toronto Inc.
Statement of Cash Flows

For the year ended December 31, 2012

	2012 $	2011 $
Operating transactions		
Operating surplus/loss	-	-
Amortization of tangible capital assets	89,481	86,426
Amortization of deferred capital contribution	(89,481)	(86,426)
Straight-line rent adjustment	(1,497)	3,475
	(1,497)	3,475
Change in non-cash working capital balances		
Accrual of interest on restricted investments	38	255
Amounts receivable	(26,956)	(101,219)
Prepaid expenses	25,216	(70,453)
Accounts payable and accrued liabilities	(34,703)	(53,536)
Due from related party	-	280,739
Due to related parties	(925,643)	1,007,689
	(962,048)	1,063,475
Cash provided by (applied to) operating transations	(963,545)	1,066,950
Financing transactions		
Deferred capital contributions received for tangible capital assets	15,925	13,326
Cash provided by financing transactions	15,925	13,326
Capital transactions		
Acquisition of tangible capital assets	(15,925)	(51,594)
Cash applied to capital transactions	(15,925)	(51,594)
Increase (decrease) in cash and cash equivalents during the year	(963,545)	1,028,682
Cash and cash equivalents at beginning of year	1,186,107	157,425
Cash and cash equivalents at end of year	222,562	1,186,107
Supplementary cash flow information		
Accrual of acquisition of tangible capital assets	-	(38,268)

The accompanying notes are an integral part of these financial statements

Invest Toronto Inc. Notes to Financial Statements

December 31, 2012

1. NATURE OF OPERATIONS

Invest Toronto Inc. (the Corporation) was incorporated on November 13, 2008 under the Business Corporations Act (Ontario) pursuant to S.148 of City of Toronto Act, 2006 and Ontario Regulation 609/06, City Services Corporations.

The City of Toronto owns the one issued common share of the Corporation. The mandate of the Corporation is to engage in promotional activities and services to encourage economic development to and in the City of Toronto and all ancillary and collateral matters relating thereto. The Corporation has been classified as an other governmental organization.

As a municipal corporation under Section 149(1) of the Income Tax Act (Canada), the Corporation is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). The significant accounting policies are as summarized below.

Share capital
The Corporation's one issued common share is recognized as debt and presented separately in the statement of financial position.

Revenue recognition
Revenue is reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes measurable and collection is reasonably assured.

The Corporation receives transfers of funds from the City of Toronto and the Toronto Port Lands Company (TPLC), which have certain stipulations associated with the use of the funds. These transfers are recognized as revenue in the year in which these stipulations have been met, except to the extent that the transfers give rise to a liability. A liability recognized in this manner is reduced and an equivalent amount of revenue is recognized as the liability is settled.

Transfers used for the purchase of tangible capital assets are deferred and amortized into revenues at a rate corresponding to the amortization rate of the related asset.

Financial instruments
The following table presents the classification of financial instruments:

Assets/Liabilities	Measurement
Cash	fair value
Cash equivalents	amortized cost
Restricted investments	amortized cost
Due to/from related party	amortized cost
Amounts receivable	amortized cost
Accounts payable and accrued liabilities	amortized cost

Cash and cash equivalents
Cash and cash equivalents include cash on hand and demand deposits that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments are held for the purpose of meeting short-term cash commitments rather than for investing and are redeemable within 30 days of acquisition without a penalty.

Restricted investments
Restricted investments are investments set aside as security for use of a credit facility.

Tangible capital assets
Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fixtures	5 years
Computer equipment	3 years
Leasehold improvements	straight-line over the term of the lease
Website	straight-line basis over the estimated useful life of the website, which is estimated to be 3 years.

Impairment of tangible capital assets
The Corporation reviews the valuation of tangible capital assets whenever events or changes in circumstances indicate the carrying value may not be recoverable. When indicators of impairment of tangible capital assets exist, a write down of the residual value is recognized in the statement of financial position. Write downs are not reversed.

Office occupancy costs and deferred lease escalations
The Corporation has entered into an operating lease to occupy its current head office premises. Rent expense is recorded in office occupancy costs on a straight-line basis over the term of the lease. Differences between the straight-line rent expense and the payments, as stipulated under the lease agreement, referred to as lease escalations, are included in accounts payable and accrued liabilities.

Use of estimates
The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period must disclose significant estimates. Estimates are based on the information available at the date of preparation and reviewed annually to reflect new information as it is available. Measurement uncertainty exists in the financial statements. Actual results could differ from those estimates.

3. CASH AND CASH EQUIVALENTS

As at December 31, 2012, the GIC has been redeemed, the composition of cash and cash equivalents as at December 31, 2012 and December 31, 2011 is as follows:

	2012	2011
	$	$
Cash	222,562	279,505
GICs	-	906,602
	222,562	1,186,107

Cash and cash equivalents include unrestricted cash on December 31, 2012 (2011 - includes guaranteed investments certificate (GIC) with annual yield of 1.25%. This investment was redeemed in June 2012).

4. RESTRICTED INVESTMENTS

Restricted investments include GIC of $50,000, which has been set aside as a security for a revolving credit card facility. This investment certificate has an annual yield of 0.8% (2011 – 1.20%), and a maturity date of October 22, 2013, with a provision for redemption after 30 days of acquisition. The revolving credit card facility has a $50,000 limit, and $4,680 (2011 – $32,500) has been drawn on it as at December 31, 2012 which is included in accounts payable and accrued liabilities.

5. RELATED PARTY TRANSACTIONS

a) The Corporation has received a grant from TPLC, an affiliated company owned by the City of Toronto, to cover operating and capital expenditures incurred during the year. TPLC has been designated by the City of Toronto Council to support the Corporation during the first five years of operation. At the end of the five-year term ending December 31, 2013, the agreement is automatically renewed unless terminated by either party. The total value of the grant provided by TPLC as at December 31, 2012 is $2,474,585 (2011 - $2,271,675). Of this balance, $2,458,660 (2011 - $2,258,349) has been used to fund operations and the remaining $15,925 (2011 - $13,326) has been used to fund capital additions.

b) Of the total balance of $143,958 (2011 - $1,069,601) due to related parties is an amount of $48,416 (2011 - $992,330) to be reimbursed by the Corporation to TPLC for funds advanced for operations. There is no set term of repayment for these amounts and no interest is being charged by TPLC. The Corporation has agreed with TPLC to share certain administrative, accounting and other corporate services on a cost allocation basis. During the year, the Corporation has paid to TPLC $111,870 (2011 - $10,296) as shared services costs.

The Corporation has agreed with Build Toronto Inc., an affiliated company owned by the City of Toronto, to share certain administrative, accounting and other corporate services on a cost allocation basis. Included in the total balance of due to related parties is an amount of $95,542 (2011 - $77,271) owing to Build Toronto Inc. for corporate services used. During the year, the Corporation has paid to Build Toronto Inc. $18,271 (2011 - $138,832) as shared services costs. There is no set term of repayment for this amount and no interest is being charged by Build Toronto Inc.

The transactions for shared corporate services are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

c) Deferred contributions are amounts received from Economic Development and Culture (EDC) department, a division of the City of Toronto to fund a study to be performed in 2012 or 2013. This study was not performed up to December 31, 2012.

6. TANGIBLE CAPITAL ASSETS

2012

	Cost	Accumulated amortization	Net
	$	$	$
Computer equipment	55,128	52,968	2,160
Leasehold improvements	90,646	43,817	46,829
Furniture and fixtures	139,937	67,630	72,307
Website	91,180	55,853	35,327
	376,891	220,268	156,623

2011

	Cost	Accumulated amortization	Net
	$	$	$
Computer equipment	55,128	35,551	19,577
Leasehold improvements	90,646	25,685	64,961
Furniture and fixtures	139,937	39,646	100,291
Website	75,255	29,905	45,350
	360,966	130,787	230,179

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of the following:

	2012	2011
	$	$
Balance – Beginning of year	230,179	303,279
Contributions received from TPLC	15,925	13,326
Amortization	(89,481)	(86,426)
Balance – End of year	156,623	230,179

8. EMPLOYEE BENEFITS

The Corporation makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer pension plan, on behalf of some of its employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit. The Corporation's current service contributions to the OMERS pension plan in 2012, which were expensed, totalled $94,198 (2011 - $89,135) and are included in salaries and benefits expense.

9. FINANCIAL INSTRUMENTS

Fair value

The Corporation's financial instruments consist of cash and cash equivalents, restricted investments, amounts receivable, accounts payable and accrued liabilities and due to/from related parties. The carrying values approximate their fair values due to their short-term maturity.

(CICA) Public Sector Accounting Handbook Section 3450 requires disclosure of a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of a financial asset or a financial liability at the financial statement date. The three levels are defined as follows:

- *Level 1* – Fair value is based on quoted market prices in active markets for identical financial assets or financial liabilities.
- *Level 2* – Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) financial assets or financial liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for sustainability over the full term of the financial assets or financial liabilities.
- *Level 3* – Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the financial assets or financial liabilities.

As at December 31, 2012, cash of $222,562 (2011 - $279,505) are classified as Level 1.

Risk management
The Corporation's operating activities expose it to a range of financial risks. These risks include credit risk, liquidity risk and currency risk, which are described as follows:

- *Credit risk*

  Credit risk on financial instruments is the risk of financial loss occurring as a result of default or insolvency of a counterparty on its obligation to the Corporation. The total carrying value of cash, short-term investments and amounts receivable as presented in the statement of financial position represents the maximum credit risk exposure as at the date of the financial statements. The cash deposit and GICs are held by a Schedule 1 Canadian financial institution, which reduces the Corporation's exposure to credit risk. Of the amounts receivable, $17,535 has been received subsequent to December 31, 2012 and $203,791 (2011 - $146,283) is a GST/HST refund due from Canada Revenue Agency.

- *Liquidity risk*

  Liquidity risk is the risk of being unable to settle or meet commitments as they come due. As at December 31, 2012, all obligations of the Corporation are due within one year.

- *Currency risk*

  Virtually all of the Corporation's transactions are denominated in Canadian dollars. As at December 31, 2012, the Corporation held no financial instruments that were denominated in currencies other than the Canadian dollar.

10. COMMITMENTS

Future commitments for rent of the Corporation's premises are as follows:

	$
2013	114,894
2014	114,894
2015	86,171
	315,959

11. ECONOMIC DEPENDENCE

The Corporation does not earn sufficient revenues from sources other than TPLC to fund its current operations. As a result, the Corporation is economically dependent on TPLC to fund its ongoing operations.

12. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes, and have been derived from the estimates prepared predominantly on a cash basis and approved by the Board of Directors of the Corporation.

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