

INVEST TO
SUCCEED.
INVEST
TORONTO.



INVEST TORONTO

Invest Toronto is your connection to the global business opportunities found in Toronto. Invest Toronto is responsible for attracting foreign direct investment into the City of Toronto. We offer one-on-one consultations to businesses and site selectors making global business investment decisions.

Our Services:

- Complimentary concierge service for businesses
- Answer all questions and enquires on investment in Toronto
- Facilitate interactions with sector experts and all three levels of government
- Provide guidance on site location and selection
- Facilitate business-to-business linkages
- Provide industry and economic benchmarking analysis
- Connect clients to qualified professional service individuals

Toronto is a Global Hub for Business

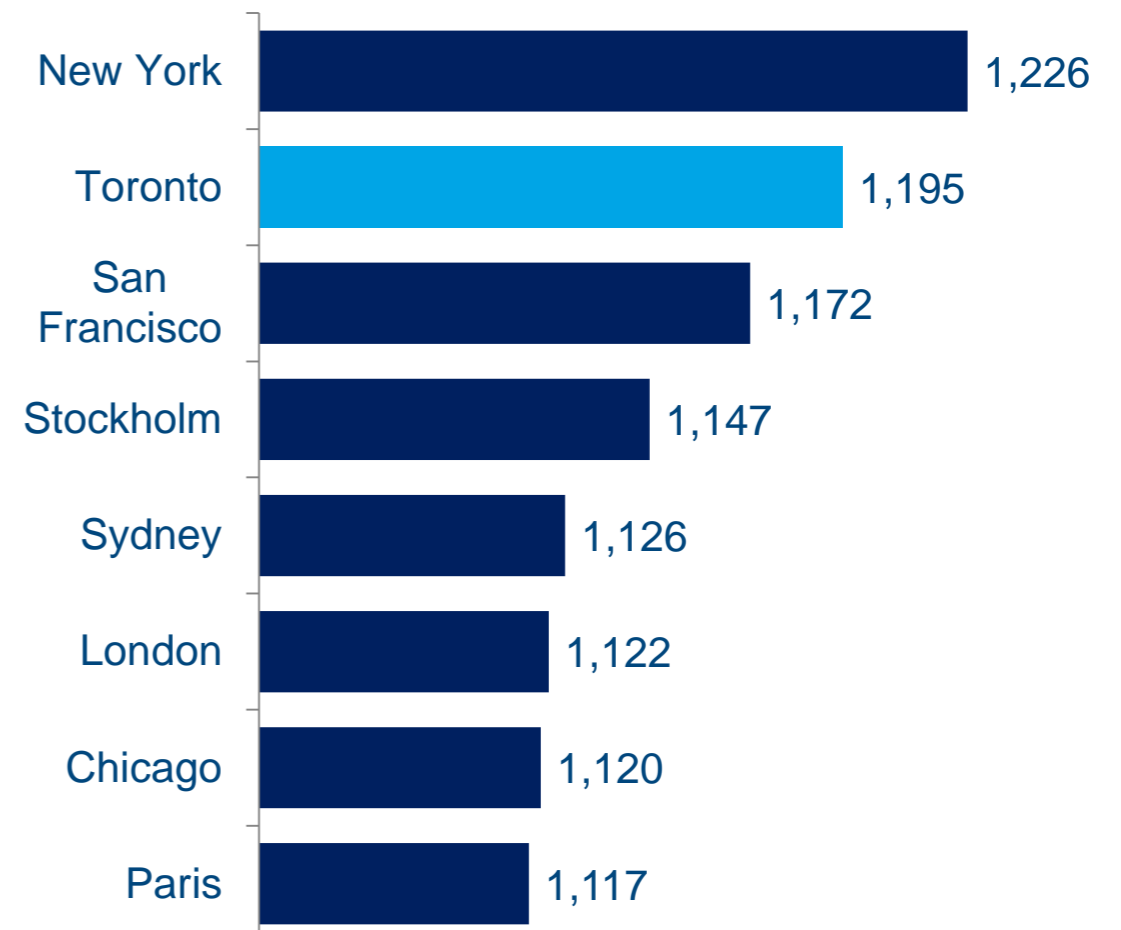


A City of Economic & Social Opportunity

Toronto's Global Standing in the PwC Cities of Opportunity Report

- Toronto ranks 1st overall in quality of life and life satisfaction
- 2nd for the quality of its Intellectual Capital and Innovation
- 2nd for Health, Safety and Security
- In the top five internationally for sustainability
- #1 globally for the number of skyscraper construction projects underway as of April 2011

Top Ranked Cities of Opportunity



Pwc, Cities of Opportunity, 2011

International Companies Choose Toronto

Why KPMG Chose Toronto

KPMG compared 28 major locations, including London, Amsterdam and New York to relocate their Global Resource Centre (finance, marketing, learning and development, and IT professionals) based on four key criteria:

- Business Environment
- Social and Physical Environment
- Availability of Space
- Accessibility to Infrastructure



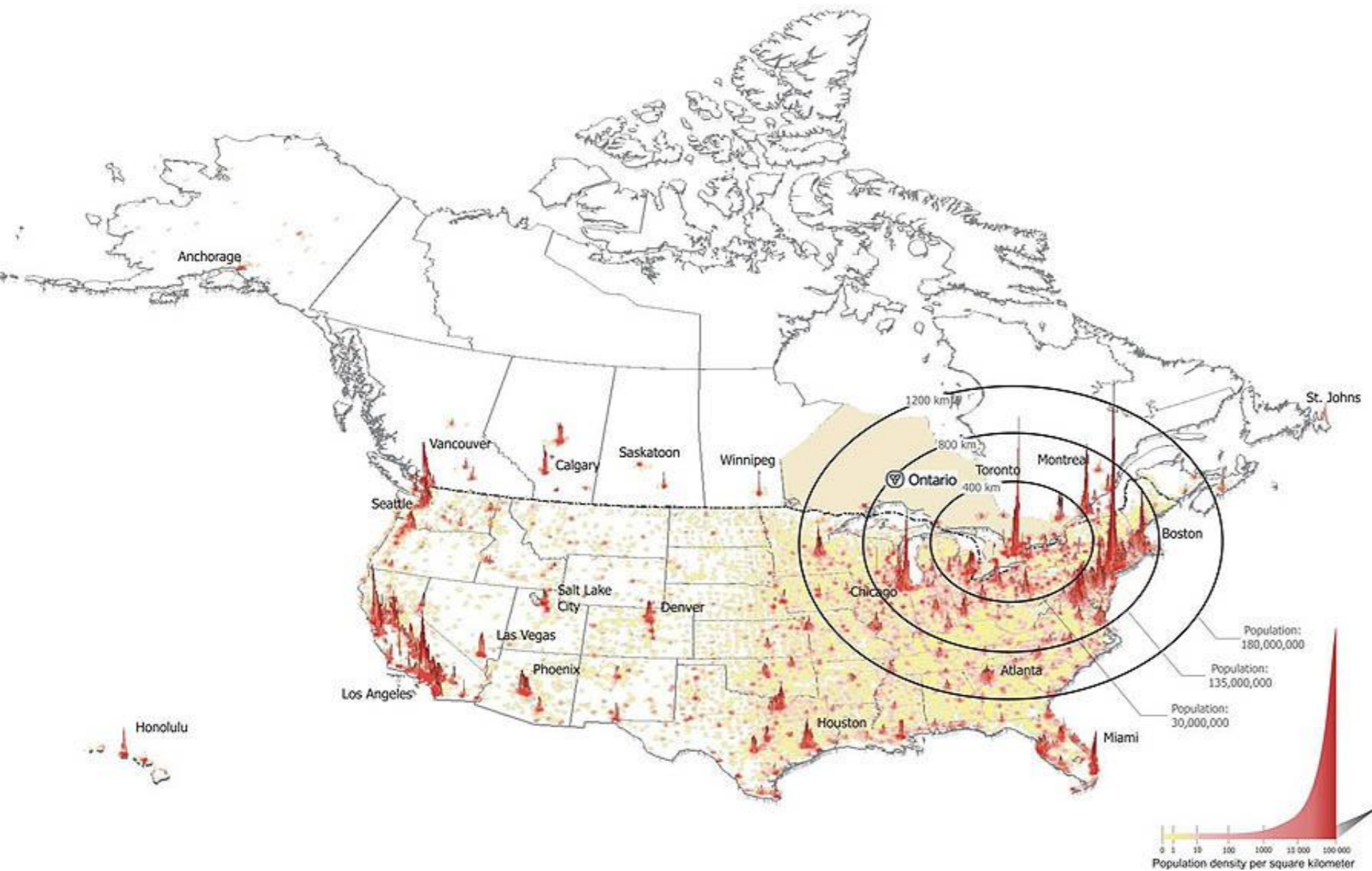
Why Chinese Investment Corporation Chose Toronto

The China Investment Corporation (CIC) is opening an office in Toronto. The office will be the main center for their North American investments. Toronto was chosen over New York and London, for CIC's first foreign office. CIC's decision was based on:

- Proximity to New York and London
- Business Friendly Environment
- Economic Stability and Resilience
- Peer Companies in Financial Services

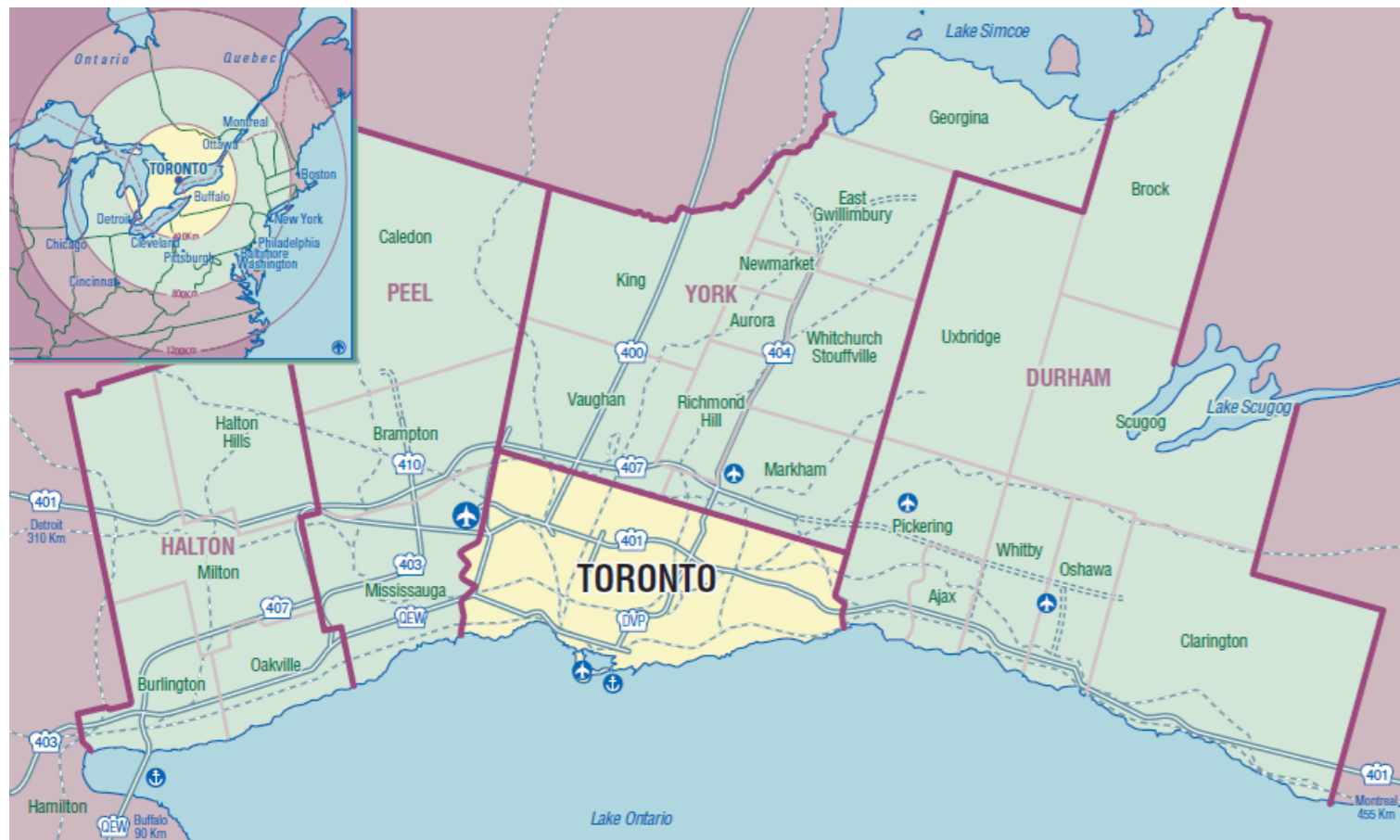


Toronto is a Prime Location with Proximity to the U.S



- Toronto businesses have access to a market of 453 million consumers with a combined GDP of about US\$17.1 trillion
- 120 million people within a 500 mile radius of Toronto
- Located within 90 minutes of New York, Chicago, Boston and Washington

The Toronto Region at a Glance



| Factor | City | Region |
|----------------------|-------------|-------------|
| Population | 2.7 Million | 5.6 Million |
| Labour Force | 1.4 Million | 3.2 Million |
| Number of Businesses | 83,000 | 174,000 |
| Office Space Ft2 | 128 Million | 179 Million |
| Retail Space Ft2 | 75 Million | 162 Million |
| Industrial Space Ft2 | 290 Million | 838 Million |

Toronto Economic Indicators, 2011

Toronto: 2 Airports Connecting Business

- Pearson International Airport is Canada's largest airport, serving over 31 million passengers annually.
- Pearson and the City's downtown airport provide non-stop and same plane service to more than 180 cities around the world.
- From Toronto's downtown airport, Porter Airlines flies to 15 locations including Boston, New York and Chicago within 90 minutes.



Toronto: Strong and Resilient Economy

- Soundest banking system in the world - **4** years in a row World Economic Forum, 2011
- All **5** major Canadian banks are headquartered in Toronto.

AAA

Sovereign Credit Rating

| | |
|------------------------|------------------|
| Standard & Poor's..... | AAA ¹ |
| Moody's | Aaa ² |
| DBRS | AAA ³ |

¹ Standard & Poor's Financial Services LLC. *Sovereign Ratings 2010*. July 2010.

² Moody's Investor Services Inc. *Canadian Ratings List*. July 2010.

³ DBRS Limited. *Sovereign Credit Ratings*. July 2010.

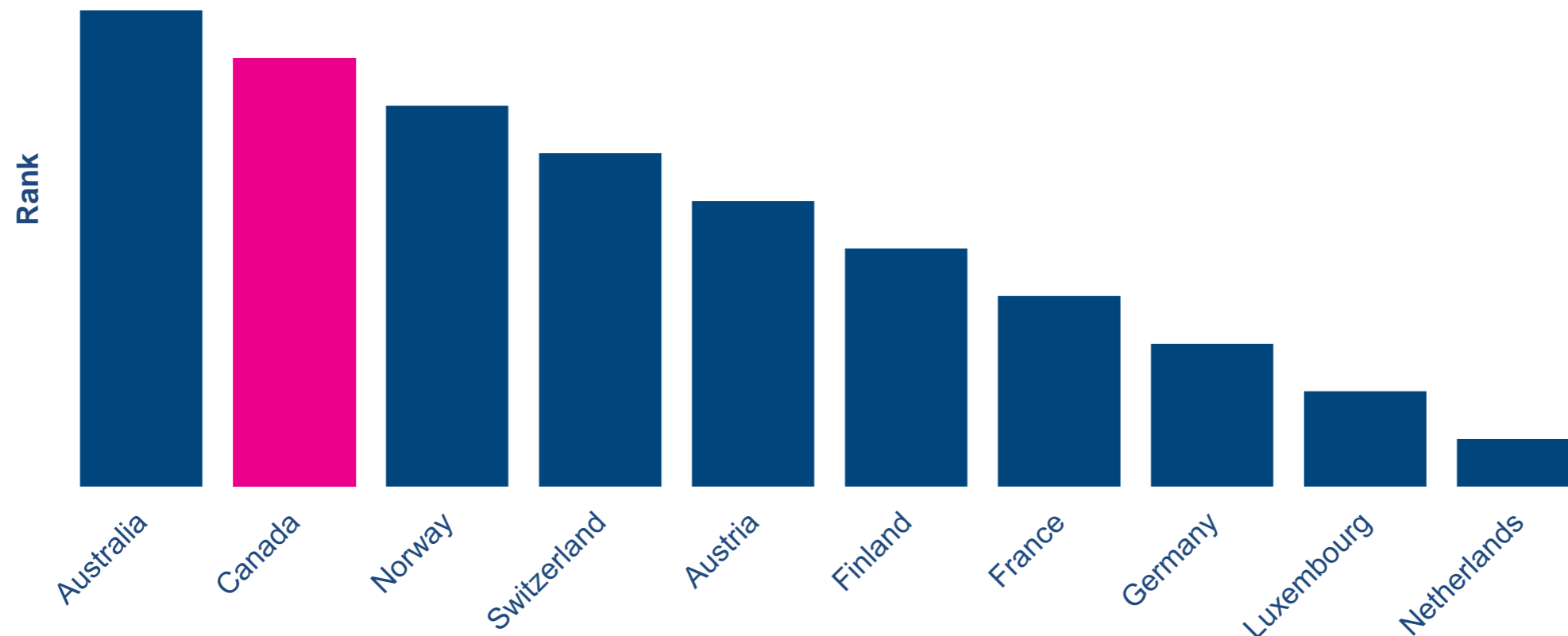
“But when things fell apart, the consequences were very different here [US] and there [Canada]. In the United States, mortgage defaults soared, some major financial institutions collapsed, and others survived only thanks to huge government bailouts. In Canada, none of that happened.”

Paul Krugman, New York Times,
January 2010



Canada is a Stable and Safe Place to Invest

Dun & Bradstreet's Global Risk Indicator Ranked Canada 2nd

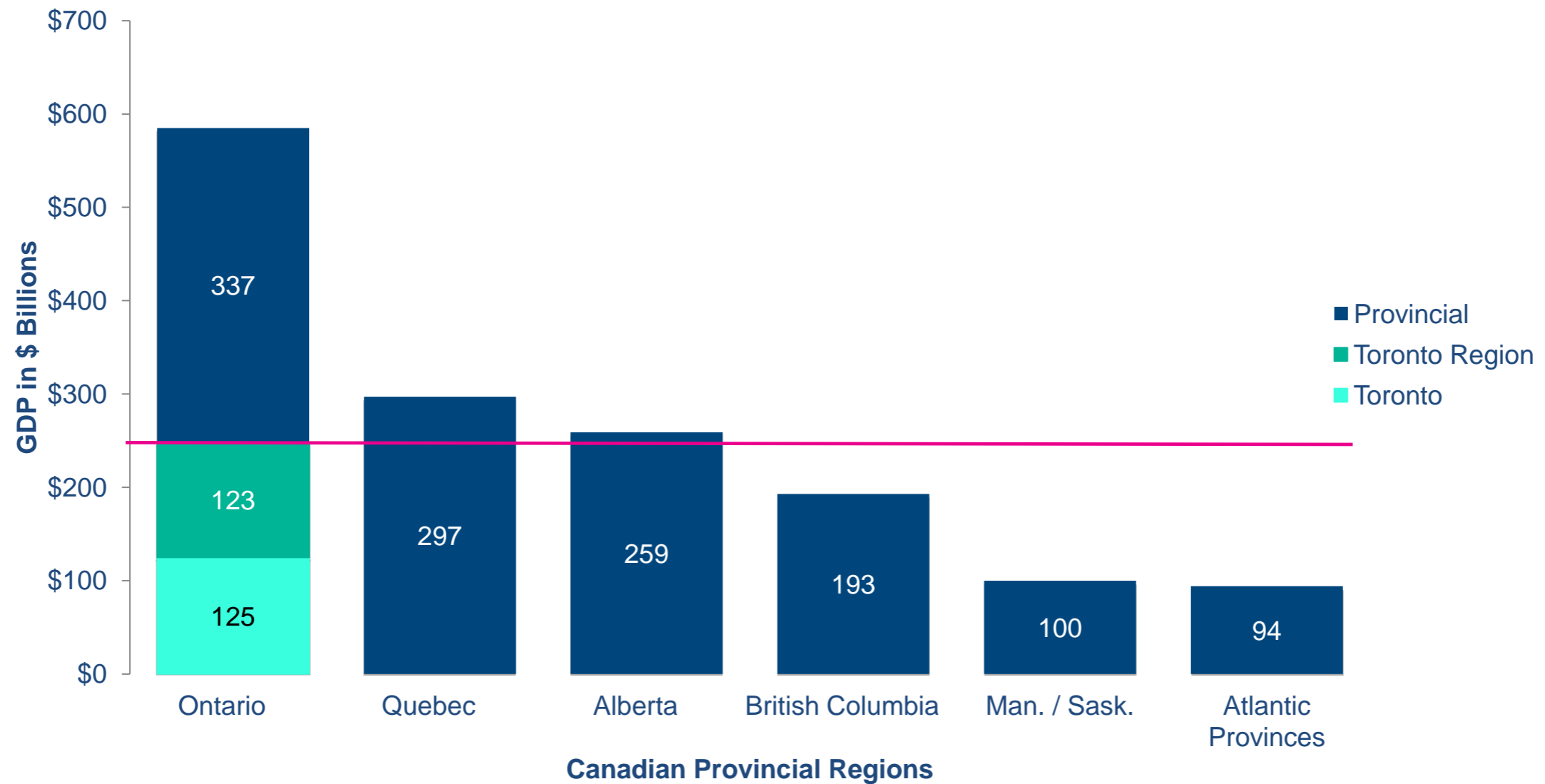


Note: The Global Risk Indicator (GRI) assesses economic, commercial, external and political risk to provide risk ratings for 131 countries worldwide.
Source: Dun & Bradstreet, August 2009

- **Forbes ranked Canada 3rd out of 127 countries for its safe business conditions, 2010**

Toronto is the Economic Engine of Canada

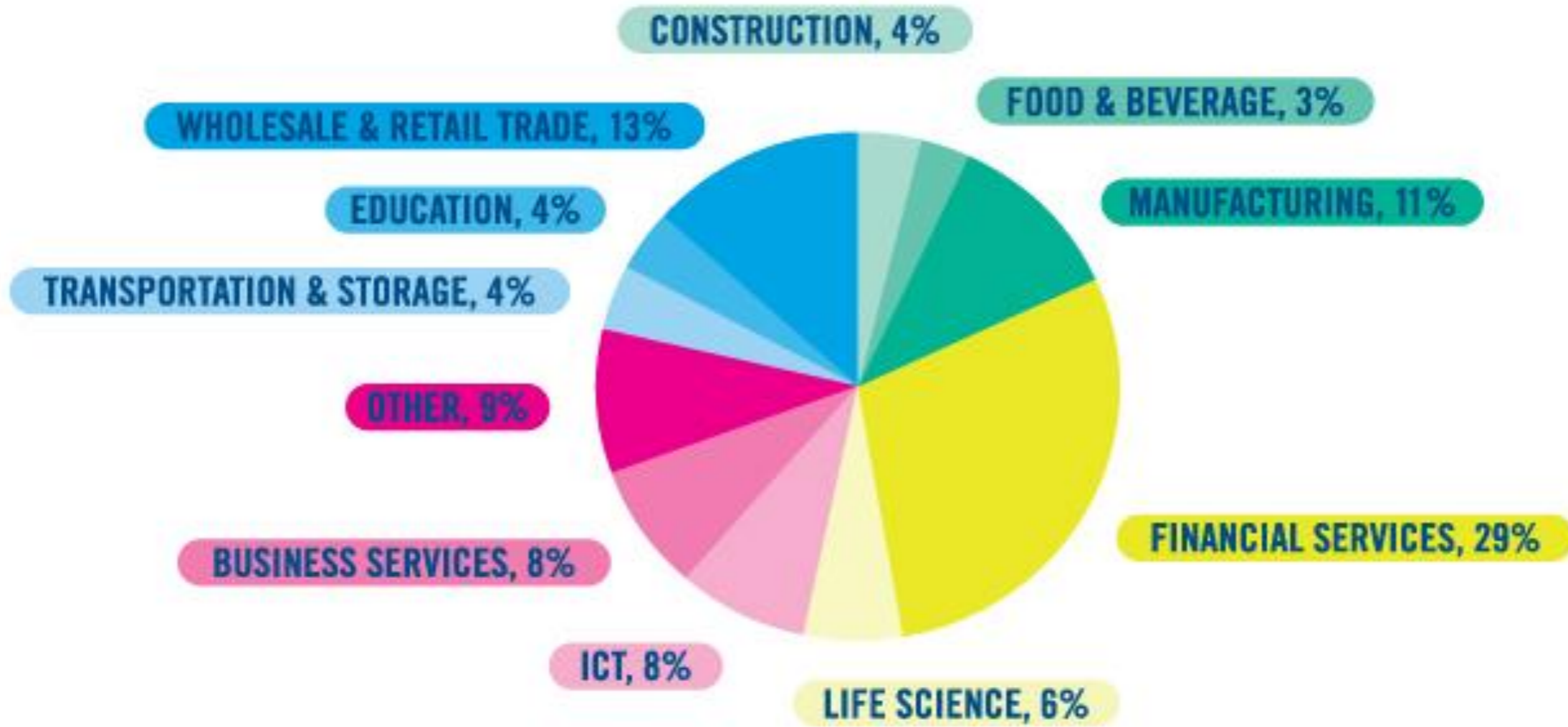
Toronto has a \$248 Billion Economy



Sources: Statistics Canada, Conference Board of Canada Metropolitan Outlook (2009)

A Diversified Regional Economy

Share of GDP (%) by Major Industry Grouping



City of Toronto Economic Model, 2010

Toronto's Economic Sectors

Financial Services - Toronto is both the financial services capital of Canada and the fastest growing financial center in North America, employing over 232,200 people. All 5 of Canada's banks are headquartered in Toronto. The City is also the Canadian headquarters of 2 of the world's largest banks, 55 foreign bank subsidiaries, 119 securities firms, 58 pension fund managers, and 3 of the top 50 global pension funds, with combined assets of over USD\$300 billion. The Toronto Stock Exchange is the global leader in mining listings and the third largest exchange in North America.

Information Communication Technology (ICT) - Toronto is one of the largest IT sectors in North America with over 161,000 professionals and the strongest telecommunication infrastructure in the country. This foundation has helped spawn Toronto's highly-connected global social network, its vibrant web start-up scene and growing digital gaming and mobile-application community. The game studio UbiSoft opened offices in Toronto to work on Splinter Cell and other high-profile projects, while Polar Mobile, a Toronto-based development outlet, is currently launching 500 software applications for Microsoft's new Windows Phone 7 – symbols of the City's commitment to the ICT sector.

Life Sciences - Toronto is home to the largest combined biomedical and biotechnology cluster in North America, with more than 140,000 people working in 1,200 firms. Approximately CAD\$1 billion is directed annually to research activities in the city's aptly named "Discovery District"; a ground breaking research park in the downtown core spanning two kilometres and over 7 million square feet of facility space.

Toronto's Economic Sectors

Green Energy & Cleantech - Toronto is leading the way as one of the most sustainable cities in the world. From water conservation and solar energy to urban wind turbines, our 36,000 employees work in over 1,700 companies to help Toronto become the centre for cleantech and alternative energy. The strength of this sector has helped generate projects like the Toronto Hydro Solar Building and Enwave's Deep Lake Water Cooling Network.

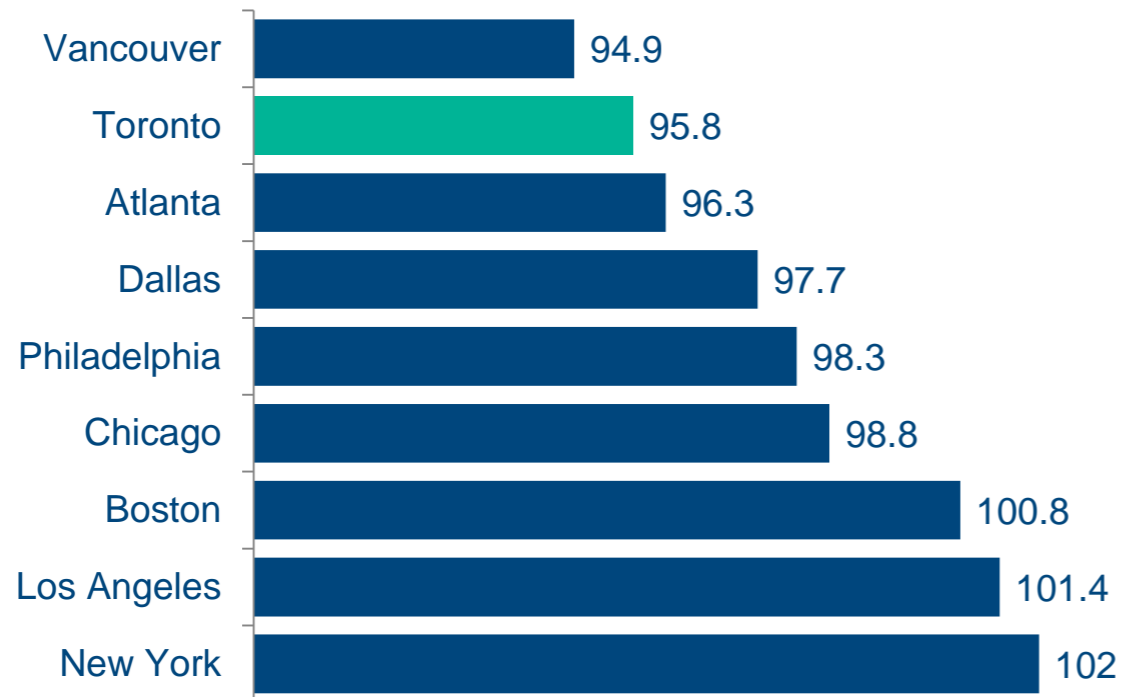
Food & Beverage - Toronto is the major decision making centre for Canada's food and beverage industry with 60,000 people employed and nearly half of the top-ranked manufacturers headquartered in the City. Toronto has a large ethnic and specialty foods market generated by the city's multicultural population. As a result, Toronto's food manufacturers are at the forefront of culinary trends and product developments. The Canadian government continues to maintain and develop their state-of-the-art health and safety standards, contributing to this growing sector.

Manufacturing & Materials - The Toronto region is Canada's advanced manufacturing and materials heartland, dominated by small and medium-size enterprises. Almost 300,000 employees, and 5,000 more graduating annually, make up the backbone of this highly-skilled workforce. In 2010, the Government of Canada announced the elimination of over 1,500 tariffs on manufacturing inputs, machinery and equipment. This will make Canada the first country in the G20 to become a tariff-free zone for manufacturers.

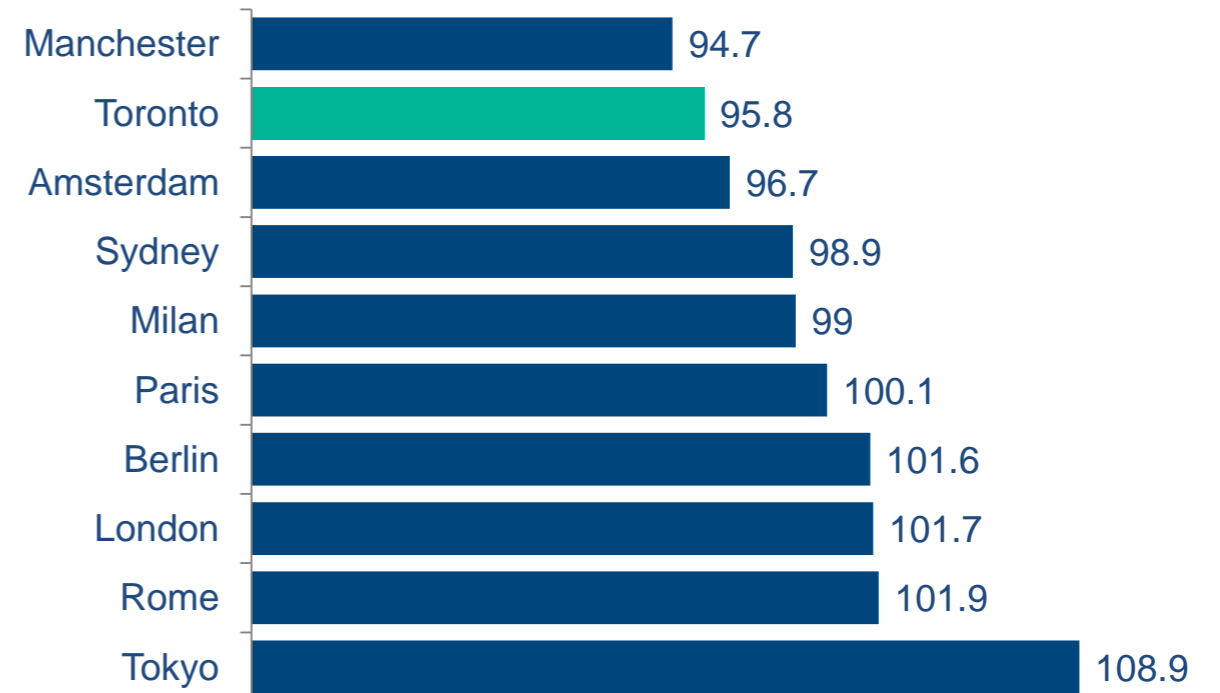
Toronto Has It All: Low Business Costs

2010 Cost Comparison, Toronto vs. International Peer Cities

North America



Global Comparison



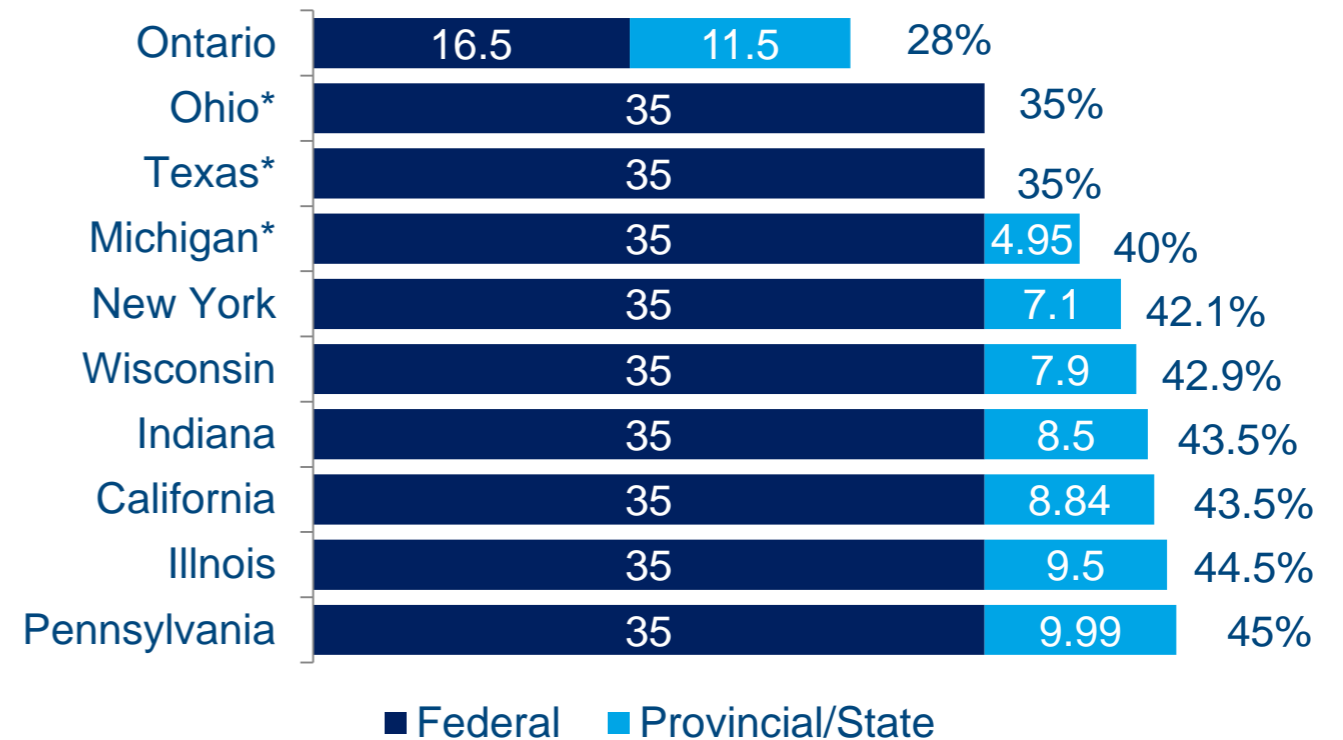
10 Year Average Total Annual Operating Costs: All Operations (USD \$000)

Source: KPMG Competitive Alternatives, 2010

Toronto Has it All: Competitive Business Taxes

- Toronto businesses are subject to Canadian and Ontario corporate taxes
- The General Federal/Ontario corporate tax rate is 28%
- The Federal/Ontario corporate tax rate on Manufacturing & Processing is 28%
- The Federal/Ontario small business tax rate is 15.5%

Competitive Corporate Income Tax Rates, Ontario vs. Selected US States, 2011



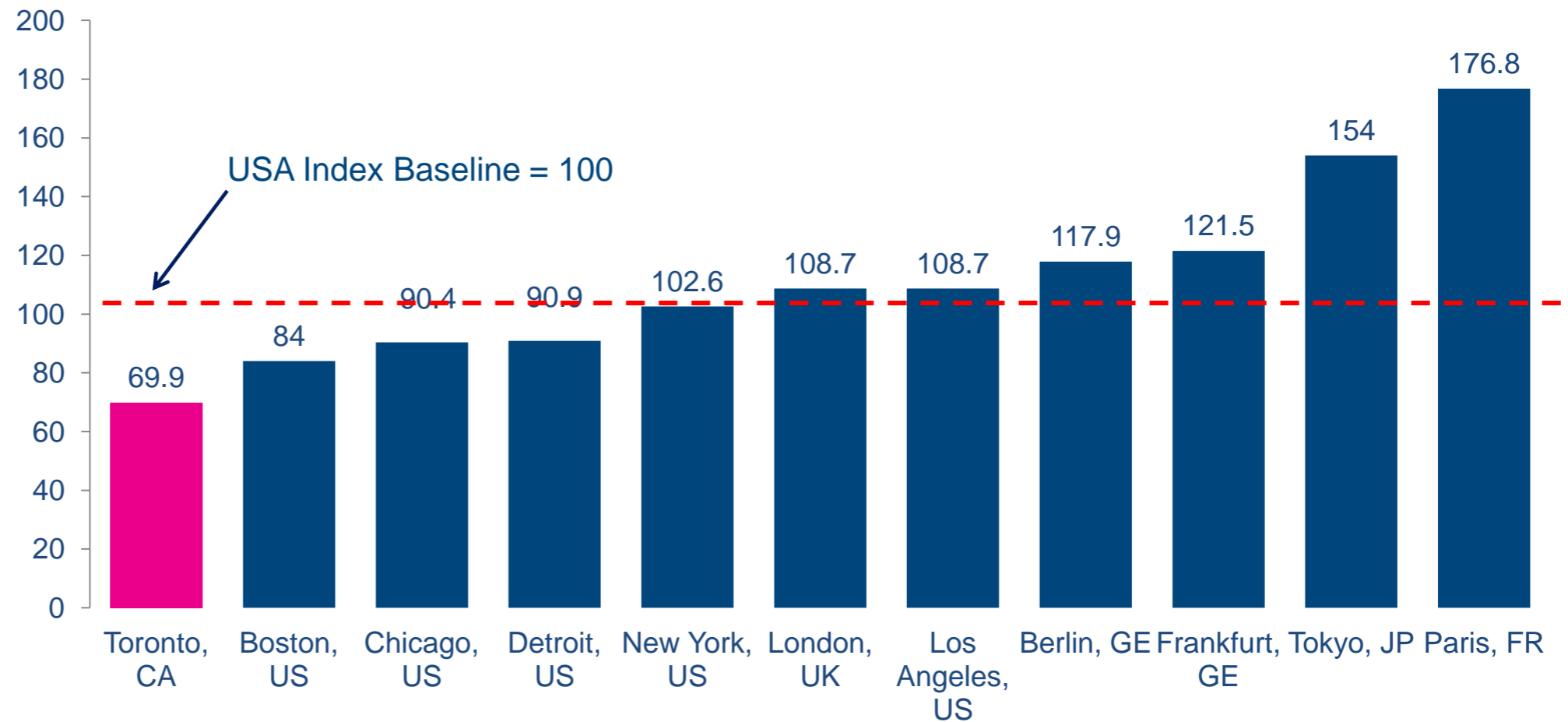
* Ohio, Texas, and Washington state have gross receipts-style business taxes.
 Source: Canadian Revenue Agency & Tax Foundation - National and State Corporate Income Tax Rates, U.S. States and OECD Countries, 2011

Canada and Ontario governments are committed to competitive tax rates. By 2013 the combined Corporate Income Tax rate will go down to 25% - lower than the United States.

Toronto's Low Total Taxes

Toronto ranks in the top 5 of all 41 cities studied in the KPMG “Competitive Alternatives Special Report: Focus on Tax”

Index of Total Tax Costs Toronto vs. Peers (2010)



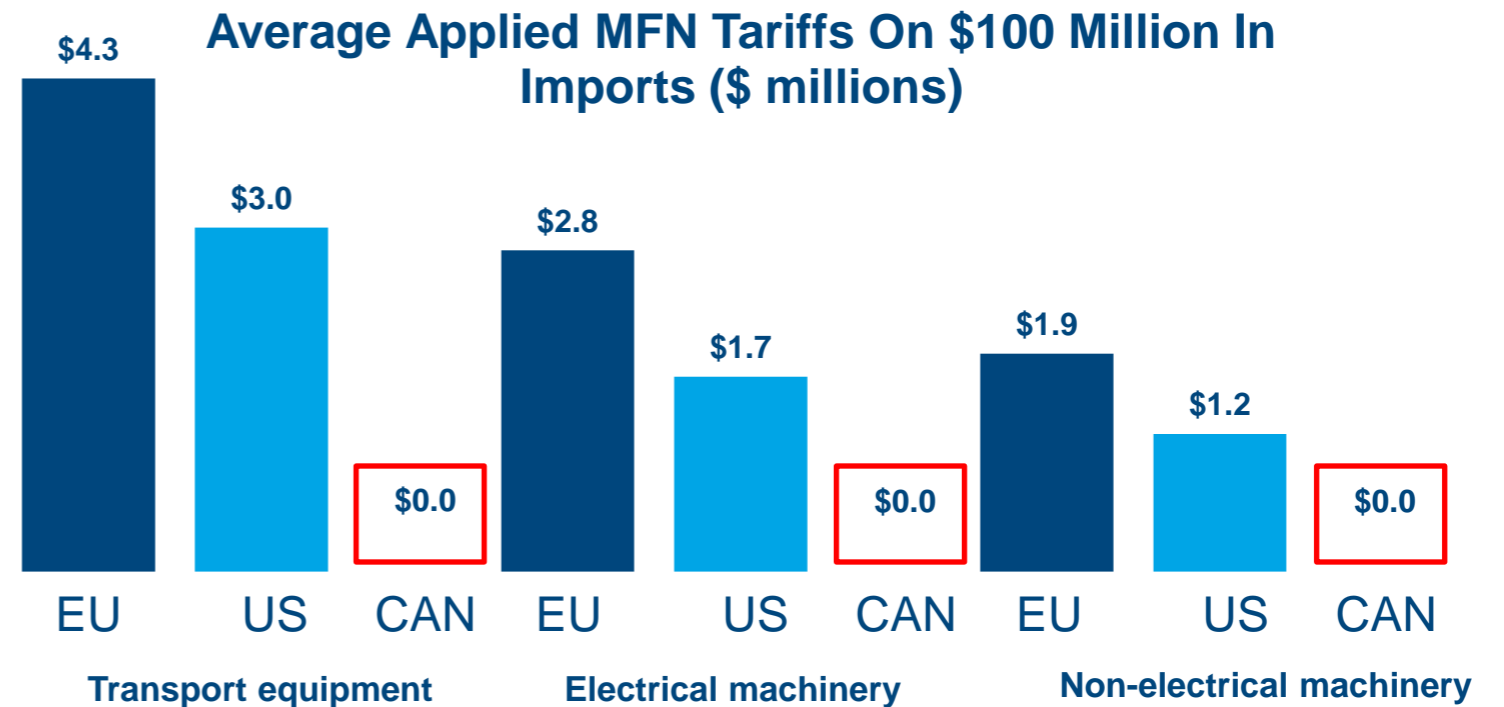
Total Tax Index includes: Corporate Income Tax, Statutory Labour Costs, and Other Corporate Taxes

Source: Invest Toronto Analysis, KPMG Competitive Alternatives, 2011

1st G20 Nation to Become a Tariff Free Zone by 2015

In the 2010 budget, the Government of Canada announced that Canada will eliminate all remaining tariffs on manufacturing inputs and machinery and equipment by 2015. Canada is **the first country in the G20 to do so.**

Source: Government of Canada. *The Federal Budget 2010.*



Source: Finance Canada. The Federal Budget, and World Trade Organization. Trade Profiles – October 2010.

The Most Generous R&D Tax Credits in the G7

- Canada & Ontario combined have one of the most generous R&D tax incentive programs in the world
- 19.4% advantage over R&D tax incentives offered in the US (Invest in Canada, 2009)
- The after-tax cost of a \$100 R&D expenditure is \$47.09
- Provided \$3.3 billion in investment tax credits to 21,000 companies in 2008 (Canada Revenue Agency, 2009)

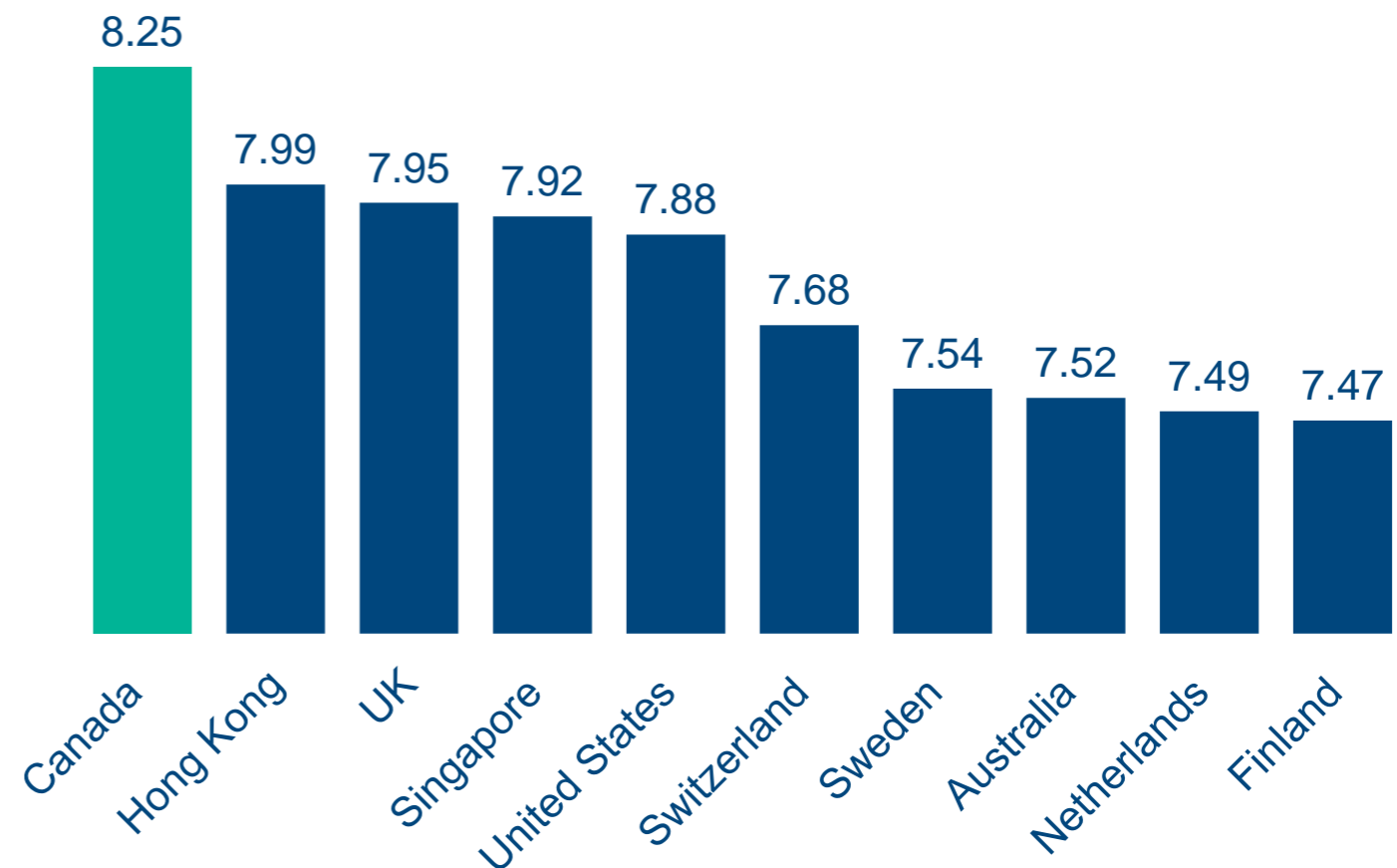
SR&ED - Small and medium -sized non-manufacturers¹ 2010: public, private or foreign owned

| | R&D Expenditures | R&D Expenditures at eligible Ontario research institutes ² |
|--|------------------|---|
| Gross Expenditure | \$ 100.00 | \$ 100.00 |
| Ontario-10% OITC ³ | \$ (10.00) | \$ (10.00) |
| Ontario - 20% OBRI Tax Credit ⁴ | | \$ (20.00) |
| Ontario - 4.5% ORDTC ⁵ | \$ (4.05) | \$ (3.15) |
| Federal investment tax credit - 20% | \$ (17.19) | \$ (13.37) |
| Tax deduction ⁶ \$68.76 x 28.5% \$53.48 x 28.5% | \$ (19.59) | \$ (15.24) |
| After-tax cost of \$100 expenditure | \$ 47.09 | \$ 36.64 |

Excellent Access to Capital

- The Milken Institute finds Canada to be the best market to access business capital, 2010
- Canada ranks 2nd on the Milken Institute's Financial & Banking Institution Sub-Index, illustrating the high capital flow between deposit-taking institutions and Canadian businesses
- In 2009, over \$1 billion in venture capital flowed to innovative and aspiring businesses in Toronto and across Canada

Capital Access Index



Source: Milken Institutes Capital Access Index, 2010

The Toronto Stock Exchange is a Global Leader

1st

In mining
Home to 55% of the
world's public mining
companies

1st

In Oil and Gas
Home to over 35% of the
world's public oil and gas
companies

1st

In Clean Technology
1st in the world by number
of listed clean technology
companies

2nd

In Listings
2nd in the world by number
of listed companies

2nd

In Technology
2nd in the world by number
of technology companies

Uniqueness

Market structure facilitates
graduation from junior market
(TSXV) to senior market (TSX)
Stronger feeder system

Toronto World Class Talent: Ready to Work

Overview of Talent

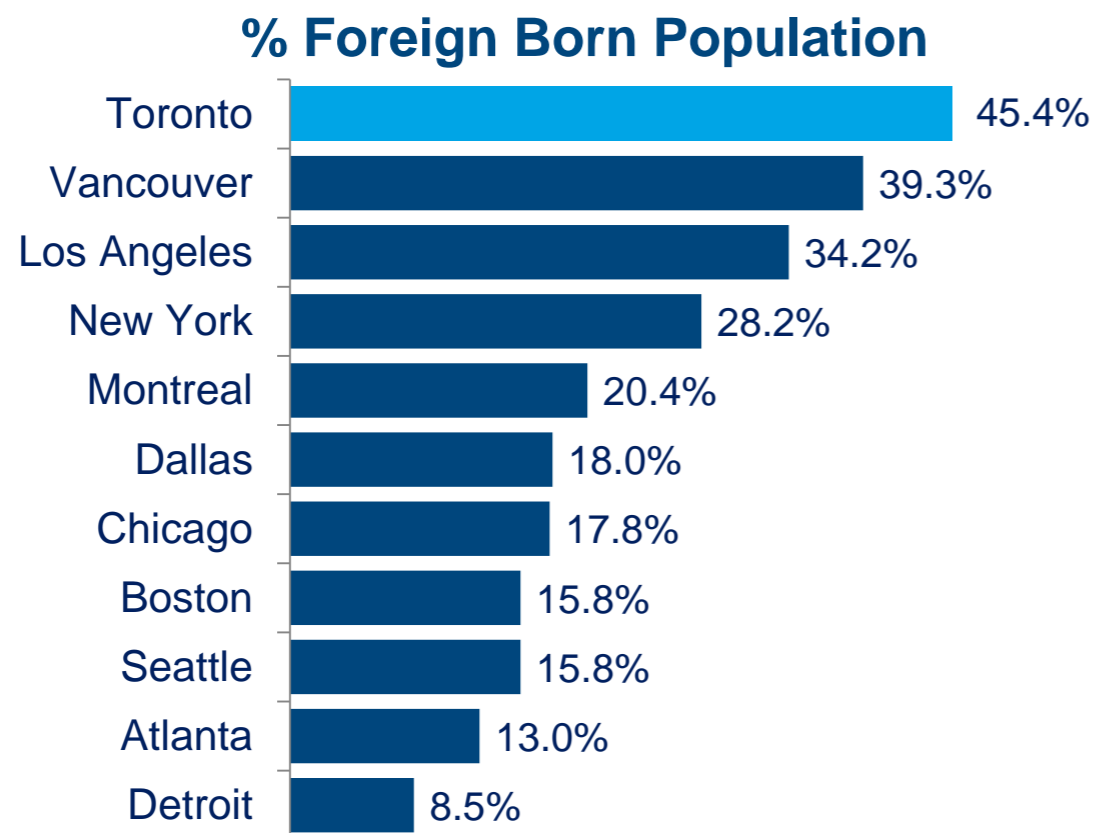
- 4 Universities
- 4 Colleges
- 180,000 students currently enrolled
- 1/3 of Toronto's population has a bachelor's degree or higher (Statistics Canada, 2006 Census)
- Ontario students rank in the top 10 according to the most recent Program for International Student Assessment. (Education Quality and Accountability Office, December 2010)

“The great talent and creativity of Ontarians combined with Ontario’s vigorous economy convinces us that making Toronto our home will be beneficial to the future of UbiSoft.”

Yannis Mallat
CEO, Ubisoft Canada

Attracting Global Talent

- A diverse City, nearly 50% of Toronto's population is foreign born
- Canada was ranked 2nd on the HSBC Expat Experience Report, 2010



Source: Statistics Canada, 2006

“When ICICI Bank decided to open a Canadian subsidiary, we chose Toronto for our headquarters. As the largest city in Canada and the centre of the country's financial services industry, we knew it would offer us all the infrastructure and supporting professionals we needed.”

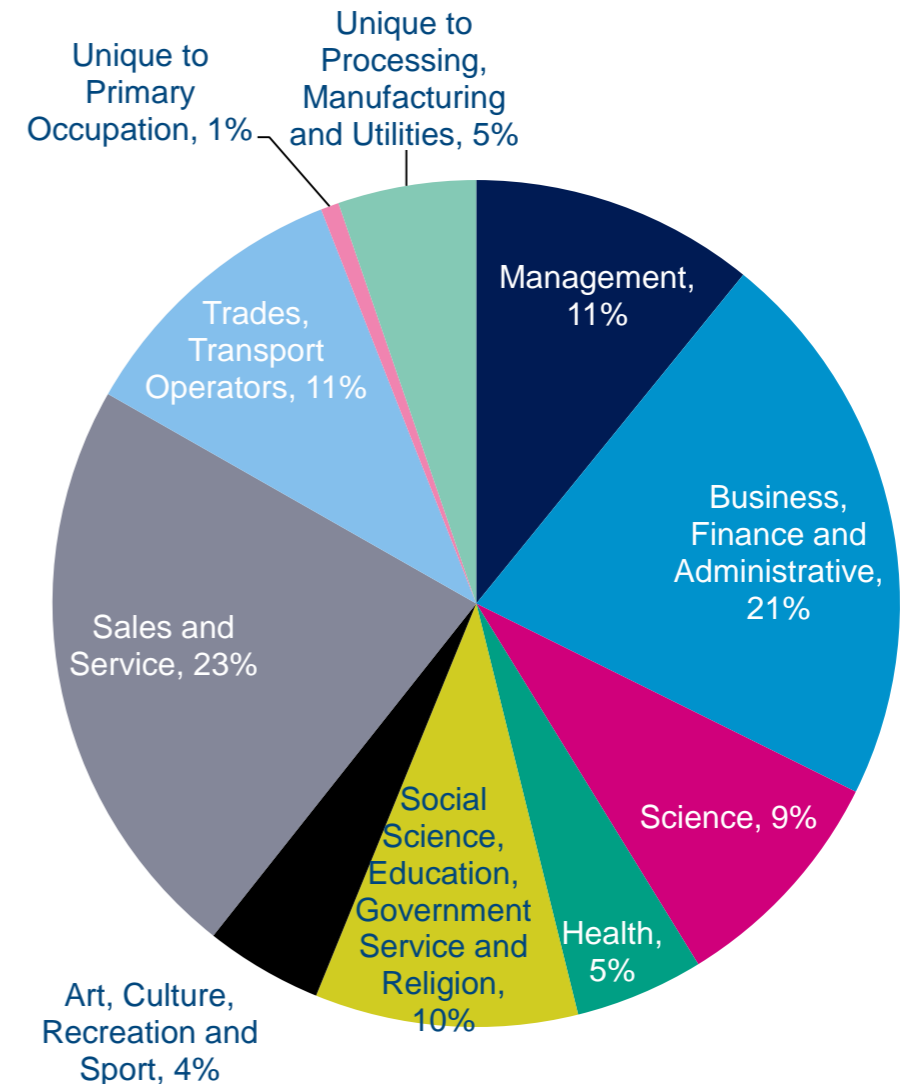
Sriram H. Iyer

President and Chief Executive Officer
of ICICI Bank Canada

A Labour Force With Diverse Talents

- The Sales and Service and Business Finance Administration occupational groupings account for a total of 43% of the region's labour force
- According to 2006 census data, 45% of Toronto's labour force is in the service class, compared to 33% in the creative class and 19% in the working class (Martin Prosperity Institute, Rotman School of Management, 2010)
- The unemployment rate in Toronto is 7.8% as of February 2011 (City of Toronto, Economic Indicators, March 2011)
- Ontario government plans to create more than 60,000 additional college and university spaces by 2015-16. The goal is to raise the province's postsecondary attendance rate to 70 per cent

Labour Force by Occupation



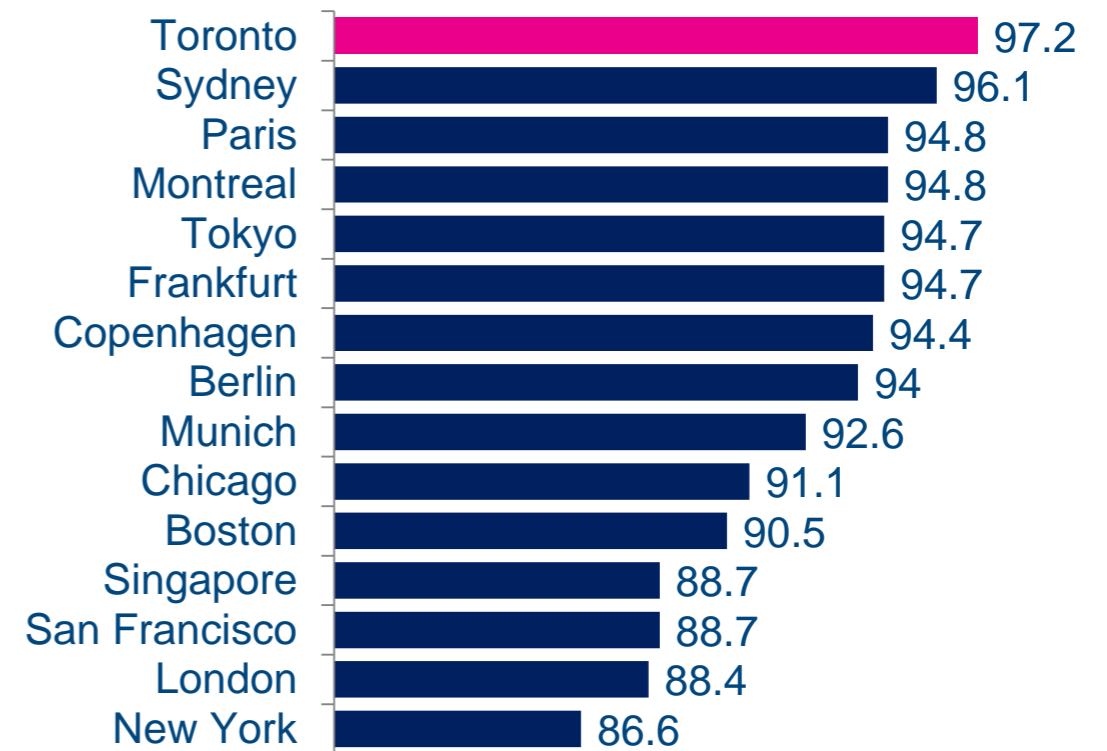
Source: Toronto Region – City Occupational Profiles, 2010

Toronto: A Great Place to Work and Live

“With its striking architecture, thriving arts culture and dynamic dining scene, 'Toronto the Good' fully deserves its new 'good time' label”

Sarah Barrell, The Telegraph, UK, 2010

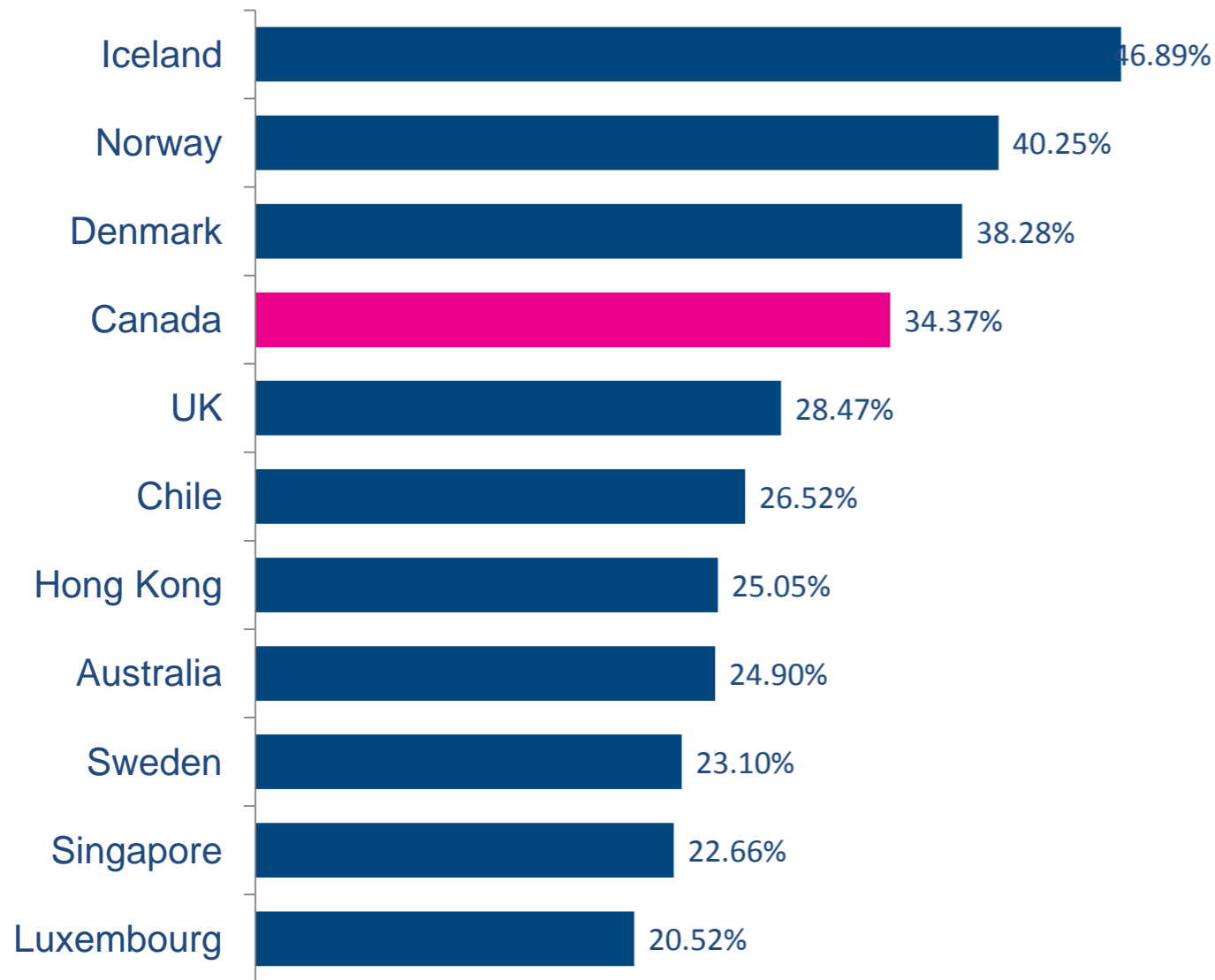
Economist Intelligence Unit, Liveability Report 2011



Source: Economist Intelligence Unit, Liveability Report, 2011

Toronto Stays Current and Globally Connected

Facebook Users per Capita



Source: Facebook 2010, Nick Burcher Analysis,
<http://www.nickburcher.com/2009/04/facebook-usage-statistics-by-population.html>

Top Twitter Cities

| Rank | City | Country |
|------|---------------|----------------|
| 1 | London | United Kingdom |
| 2 | Los Angeles | United States |
| 3 | Chicago | United States |
| 4 | New York | United States |
| 5 | Atlanta | United States |
| 6 | Toronto | Canada |
| 7 | San Francisco | United States |
| 8 | Boston | United States |
| 9 | Seattle | United States |
| 10 | Sydney | Australia |
| 11 | San Diego | United States |
| 12 | Austin | United States |
| 13 | Houston | United States |
| 14 | Washington | United States |

Source: Socialmediatoday.com

Arts & Culture in the Downtown Core

Major Cultural Expansion in Toronto's Downtown Core

- The Cultural industries contribute \$9 billion to the economy each year
- Recognized as the 3rd largest theatre centre in the English-speaking world, after New York and London
- Ranked as the 2nd best city to experience culture and the environment (Economist Intelligence Unit, Liveability Report, 2011)



Four Seasons Centre for the Performing Arts



Art Gallery of Ontario



TIFF Bell Lightbox



Gardiner Museum



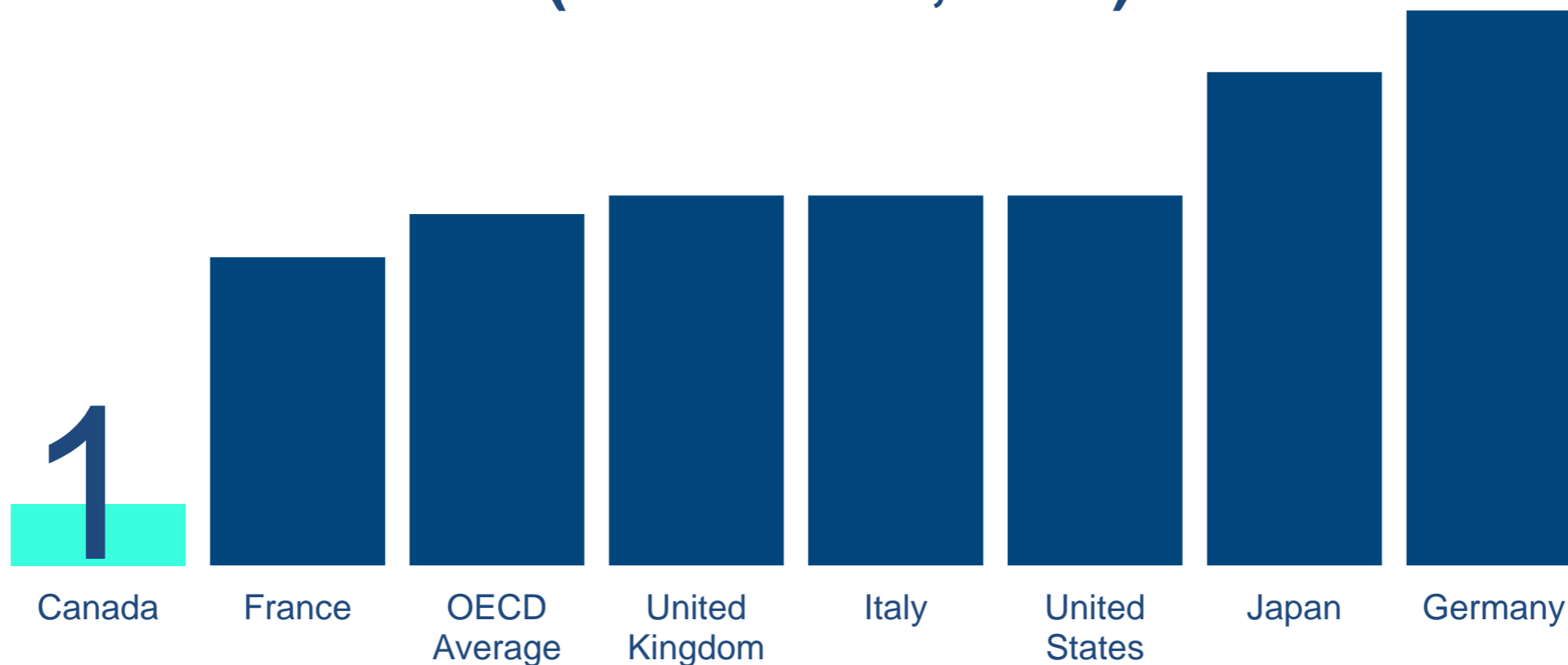
TELUS Centre for Performance and Learning



Royal Ontario Museum

1 Step to Establish a Business in Toronto

Number of Procedures to Establish a Business (World Bank, 2010)



Source: Doing Business in 2010 (World Bank Report) A procedure is defined as any interaction of the company founder with external parties (government agencies, lawyers, authors, notaries, ect). Interactions between company founders or company officers and employees are not considered as separate procedures. For example an inauguration meeting where shareholders elect directors and secretary is not considered a procedure as there are no outside parties involved

Incorporating a Business in Toronto

Incorporation (Subsidiary)

Federally

- 25% of a federal corporation's board of directors are required to be Canadian residents.
- Federal corporation requires greater disclosure and filing requirements.
- Federal corporations can headquarter in any Canadian province.

Provincially

- Ontario corporations that are not registered federally may only operate in Ontario.
- Professional corporations are only available at the provincial level.
- Ontario corporations require 25% of their directors to be Canadian residents.

Branch office

- A branch is an extension of its non-Canadian parent corporation
- A subsidiary, a federally or provincially incorporated business, is a separate legal entity from its parent.
- The key distinction between a branch and a subsidiary is that a branch is not a separate legal entity; the non-Canadian corporation is subject to liabilities incurred by the branch in Canada. Additionally, the benefits of incorporating federally or provincially do not apply to a branch office.

Business Visa's/Immigration

Temporary

Intra-Company Transfer

- Obtain a Work VISA through the Intra-company Transfer program which permits international companies to temporarily transfer qualified employees to Canada
- Once the business is functional, the employee can apply for Permanent Residency under either the Skilled Worker Class or as a Provincial Nominee

Permanent

- Provincial Nominee Program
- Immigrant Investor Program
- Immigrate as an Entrepreneur

Over the last 5 years
(2006- 2010) Toronto has
received an average of 90,000
new immigrants per year

(Source: Citizenship and Immigration Canada, RDM, Preliminary 2010 Data)

Toronto: At the Center of the North American Market



Toronto ranked in the top ten:

- **American Cities of the Future 2011/2012**
- **North American Cities of the Future 2011/12**
- **Major Cities of the Future**
- **Major Cities, Economic Potential**
- **Major Cities, FDI Strategy**
- **Major Cities, Infrastructure**
- **Major Cities, Quality of Life**

Toronto Meets Your Business Needs

| | |
|---------------------------|--|
| Market Access | NAFTA provides open access to 453 million consumers in the United States and Mexico, with a combined GDP of over \$17.1 trillion |
| World Class Talent | Toronto is a city of unparalleled diversity and talent, 50% of Toronto's almost 3 million residents were born outside of Canada |
| Quality of Life | The Economist Intelligence Unit's "Global Livability Report"(2011) finds Toronto to be in the top 10 global cities for quality of life |
| Competitiveness | Toronto has lower business costs than the 22 largest cities in the United States (KPMG, Competitive Alternatives 2010) |
| Global Standing | Toronto, along with New York and San Francisco, ranks in the top 3 global cities. (PwC, Cities of Opportunity 2011) |

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