

## 2011-2012 Budget

*"Today we table a budget that reflects both revenue and spending measures that further address the fiscal challenge we are facing, reducing the province's deficit. And over the coming months, we will continue to work to return the province to balance by 2014-2015."*

Blaine Higgs  
Minister of Finance, 2011-2012 Budget Speech

Budgetary Balance / Net Debt (\$ Millions)				
	2008-2009	2009-2010	Revised Estimates 2010-2011	Budget 2011-2012
Revenue			7,482.7	7,642.1
Expenditure			8,222.6	8,090.9
Surplus (Deficit)	(192.3)	(737.9)	(739.9)	(448.8)
(Increase) Decrease in Net Debt	(438.6)	(965.2)	(1,234.6)	(630.3)
Net Debt – End of Year	7,387.8	8,353.0	9,587.6	10,217.9

\* Due to a change in disclosure requirements comparative revenue and expenditure numbers for 2008-2009 and 2009-2010 are not yet available.

Debt Service (in millions)		
2010-2011 Budget	2010-2011 Revised Estimate	2011-2012 Budget
\$631.5	\$642.4	\$680.0

Service of the Public Debt Sensitivities	
One percent change in interest rates	\$10.3 million
One cent change in dollar	\$0.8 million

## Economy

Economic growth in New Brunswick will be weaker in 2011 than in 2010 as public sector stimulus and investment spending wind down. Growth will be increasingly dependent on the private sector. Investment will be led by the expansion of the potash mine, continued work on the Point Lepreau refurbishment and modest growth in the manufacturing sector.

New Brunswick Economic Indicators					
Growth Rates, 2008 to 2012 Percent change unless otherwise indicated	2008	2009	2010	NB Finance Forecast 2011	NB Finance Forecast 2012
Gross Domestic Product (GDP)	1.2	0.4	4.0	3.2	4.6
GDP (real)	-0.2	-0.3	2.0	1.5	2.2
Personal Income	5.3	2.5	3.7	3.1	3.0
Employment	0.6	0.1	-0.9	0.4	0.6
Unemployment Rate (%)	8.5	8.8	9.3	9.4	9.4
CPI	1.7	0.3	2.1	1.9	2.1

Debt Overview Provincial Purpose Debt (\$Million)					
	2007- 2008	2008- 2009	2009-2010	Revised Estimate 2010-2011	Budget 2011-2012
Provincial Debenture Debt: Gross Debt	9,461.7	10,127.6	10,470.2	11,991.5	12,973.6
Sinking Fund	4,161.9	4,159.9	4,192.9	4,340.3	4,238.9
Net of Sinking Fund	5,299.8	5,967.7	6,277.3	7,651.2	8,734.7

Sinking Fund Sensitivities	
One percent change in interest rates	\$2.2 million
One cent change in dollar	\$0.5 million

# Province of New Brunswick 2011 - 2012

## Borrowing Requirements 2011-2012

The Province has borrowing requirements that must be financed through capital markets. Major portions of the Province's financing requirements relate to refinancing of maturing debt, capital expenditures and requirements attributable to sinking fund installments.

Estimated Borrowing Requirements (\$ Millions)	
Borrowing for Provincial Purposes	
Increase (Decrease) in Net Debt	630
Budgetary Items Not Providing Cash	294
Budgetary Items Not Requiring Cash	(285)
Budgetary Items Requiring Additional Cash	91
Non Budgetary Cash Requirements	546
Subtotal	1,276
Carryover	207
Refinancing Requirements	406
Total Provincial Borrowing Requirements	1,889
Borrowing on behalf of NB Electric Finance Corporation	530
Borrowing for the NB Municipal Finance Corporation	150
Total Borrowing Requirements	2,569

\* Includes borrowing through the CPP program (\$58.5 million)

### Credit Ratings

Moody's	Aa2	stable
S&P	AA-	negative outlook
DBRS	A (high)	stable

Average Term of Provincial Purpose Debenture Debt at March 31, 2011	Currency Distribution of Provincial Purpose Debenture Debt at March 31, 2011
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Canadian Debt:	12.1 years	CAD	98.3%
Foreign:	2.1 years	USD	1.7%
Total Average:	11.9 years		100.0%

- Net of currency hedges

### Provincial Purpose Debenture Debt

#### Maturity Schedule

For Securities Outstanding at March 31, 2011

Year Ended March 31	Denominated in (millions of units of currency):			Total in CAD\$
	CAD\$	USD	CHF	
2012	908.5			908.5
2013	803.2	100.0		903.0
2014	879.4	100.0		979.2
2015	550.0			550.0
2016	324.8		300.0	646.2
2012-16	3,466.0	200.0	300.0	3,986.9
2017-21	3,149.9	464.5		3,683.5
2022-26	305.4	100.0		403.2
2027-31	500.0			500.0
2032-36	890.3			890.3
2037-43	2,527.5			2,527.5
Total	\$10,839.1	USD 764.5	CHF 300.0	\$11,991.5

\* A debenture may be partially or fully funded by the sinking fund at the maturity date of an issue.

### Further information:

Investor Relations  
Treasury Division  
Department of Finance  
Tel: (506) 453-2515  
Fax: (506) 453-2053  
e-mail: [InvestorRelationsTreasury@gnb.ca](mailto:InvestorRelationsTreasury@gnb.ca)