



**Canadian
National
Exhibition**

Management Report

September 2012

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General Manager's Comments

It appears that the CNE has regained its position as one of Toronto's favourite waterfront activities. The CNE's pre-eminence derives from several factors, everything from universally positive press coverage to the sheer force of the numbers. Once properly tabulated, we will be announcing our attendance results at the AGM in October. In the meantime, it is safe to say they will be good numbers. We should be able to begin our independence with a healthy reserve.

People who have worked in this business far longer than I have, often advise caution when assessing the success or failure of a fair. We are so sensitive to weather – even the forecast of weather – that it really is always wise to review the current year with the context of the past six years (at least) of data. Two short years ago in 2010, we were having a fantastic run until we hit the final weekend. In 2012, if the rain that arrived on Tuesday September 4th had come 24 hours prior, we still would have had a successful Ex, just not as successful. Given all the inherent uncertainties of our business, we will do well to protect our operating reserve; it will allow us to move forward with confidence.

We were not able to complete the separation agreements with Exhibition Place prior to the start of the fair. We did have an important meeting in July at which time all outstanding contractual issues were resolved in compliance with the Term Sheet approved earlier this year. The completion of the agreements should be a formality at this point, but given that we have been busy with the 2012 CNE and some of our counterparts at the City were away, we have experienced further delays. We still anticipate that the agreements will soon be executed.

Preparations are underway for our AGM, we are working with Management Advisory Services on the next steps of the review of our Strategic Plan, and the planning of the 2013 CNE has begun in earnest. Our only problem will be trying to surpass the success of the 2012 CNE – a good problem to have.

*Contact: David Bednar
416-263-3840*

Marketing and Communications

As mentioned above, we do not have final attendance figures for the 2012 CNE as yet, but all indications are that our attendance is up over 2011, which itself was a very good year. For a third year in a row, paid attendance was up for the first 15 days of 2012. We also did well on the final weekend.

The fine tuning to the Marketing Plan for the 2012 CNE proved to be very effective and the additional funds that were invested in our Media Buy this year delivered great results. Our muscular marketing campaign included strong and clearly branded out-of-home, radio, online and print advertising (including CNE Guidebook insertions in community newspapers throughout the Greater Toronto Area); highly effective promotions; robust social media and online initiatives; our App; as well as terrific editorial coverage in print, radio, television and online media, which, all working together, delivered a very large audience for the 2012 Canadian National Exhibition.

We are still awaiting the results from the research that was conducted during the fair by Experience Renewal Solutions (ERS) and by Forum Research (on behalf of the Ontario Ministry of Transportation) to learn more about a) where our 2012 visitors came from and b) how many of them may be new or lapsed users.

The CNE Marketing and Communications Department is currently reconciling 2012 Marketing expenses and revenues and analyzing its various sales campaign results. Staff has been working on a series of recommendations for next year, and once the 2012 research results are in hand and have been analyzed, we will begin working on the marketing strategy for the 2013 fair.

*Contact: Karen Lynch
416-263-3815*

Sponsorship

2012 Sponsorship exceeded overall financial goals (set at \$960,000.00) as follows:

Confirmed cash to date is \$1,070,914.00 which includes eight new sponsors: PC Financial, Sunny D, Sabra, Kellogg's, Ultima Foods, Spin Master, Roxx Nation, Ontario Tire Stewardship. This puts us at 111.5% of our 2012 cash objective. (\$20,000 of this total is to go to NAME for the SkyRide as per our contract with them).

Contra / in-kind deals add up to an additional \$95,000.00 for an overall Cash / Contra – In-Kind total of \$1,165,914.00.

Feedback from sponsors has been extremely positive:

PC Financial – Far exceeded a very aggressive target in terms of activations

General Motors – Comment from Kristi Johnson, our GM contact – “I'm thrilled with how it went again this year ... the CNE keeps getting better and better every year”

Rogers – Had very aggressive goals but were very pleased with the overall performance

Coca – Cola – Comment from Gerry Aloise, our main Coca Cola contact – “I wanted to thank the CNE staff for making our lives so much easier. The CNE is a challenging event due to the amount of work required in a short period of time. However, you have made what we accomplished possible with your outstanding support. You have always been there for us whenever we needed you. I look forward to 2013 and beyond”. Preliminary numbers suggest a 10% increase over 2011.

Ultima Foods / logo Yogurt – This new sponsor from Quebec was absolutely thrilled with the level of activation just inside the Princes' Gates.

There will be some concerns to work out with Pizza Nova going forward due to their negative comments about the Food Truck rally.

Sunny D who were sampling for 10 days have already come back to us and want to commit to 18 days next year.

All in all it has been a really positive year in the sponsorship arena.

*Contacts: Eamonn O'Loughlin
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Finance

The weather insurance question was resolved about two weeks before the start of the 2012 CNE. First of all, rainfall data that would exactly mirror the proposed terms from the insurance company was not available from Environment Canada or its affiliated agencies. We did however review data from the past two decades (from 1990 to 2011) from Pearson International Airport and the Billy Bishop Island Airport. After analyzing the historical rainfall data that was available, it was our conclusion that the CNEA would need to purchase coverage at the threshold level of .25 cm or .01 inches in order for there to be a reasonable chance of collecting in the case of a serious rainfall event. Coverage at 0.25 cm is very expensive and the decision was made that

purchasing rainfall insurance for the final Labour Day weekend of the 2012 CNE would not be a cost effective decision and we declined the insurer's proposal.

For a number of years, our internal audit program has been managed by a contract employee with review and assistance from the Internal Audit Division of the City of Toronto (IA). As previously reported, IA did not have sufficient resources to assist with the 2012 CNE. As well, IA indicated that they will no longer be allowed to assist after independence. Therefore, this program was brought in-house under the supervision of Paul Egli.

The CNE internal audit program was carried out during the 18 days of the fair to make sure that transactions where funds are being received have strong internal control characteristics. The procedures at the Casino and the Event Staff Canada cash offices were reviewed by Paul and representatives from Pricewaterhouse Coopers (the external auditors for the Canadian National Exhibition).

The CNE internal audit program employs 32 people to gather data and make observations on three critical revenue producing areas:

- Admission & Gates – 2012 Budget \$5,473,000
- Parking – 2012 Budget \$1,434,000
- Concessions and Midway Rides – 2012 Budget \$ 3,745,745

One of our major tasks was verifying that the scanning procedures at the pedestrian and vehicle entrances to the grounds were functioning properly. This is one of the key internal control procedures to protect admission and parking revenues.

Another important audit procedure was to independently verify outdoor concession revenues and compare our auditors' results with reports submitted daily by the outdoor concessionaires. In the large majority of cases this procedure verified the accuracy of the amounts being reported by the concessionaires.

As was previously done by City of Toronto IA, a report will be prepared suggesting procedural improvements for future years. The overall conclusion of the 2012 internal audit was that revenue transactions are being conducted in a controlled environment during the CNE and the financial interests of the CNEA are being protected by the way cash transactions are being processed.

The Finance Committee has requested further information and will be reviewing the cost/benefit of this program. We believe that the presence during the fair of CNE internal auditors has a strong deterrent effect and that the internal audit program gathers useful information and that it is valuable and should be maintained in future years.

While the fair was ongoing, the CNEA Request for Proposals (RFP) for Insurance Broker Services closed on Friday, August 24. There were seven companies who responded to this RFP.

Based on the scores on the RFP evaluation, our decision is to appoint Marsh Canada as the insurance broker for CNEA effective immediately for a one year period.

The reasons that Marsh scored so well on the RFP are the following:

- (i) Its knowledge of the CNE, its issues and insurance history
- (ii) The overall corporate resources that Marsh can bring to bear on any insurance matter

- (iii) Marsh's detailed plan to approach the insurance market on our behalf

Marsh will represent the CNEA in approaching the insurance markets to obtain, at the best possible price, the coverages that we need as of April 1, 2013 when the CNEA will no longer be insured by the City of Toronto.

Also in the short term, staff will be focusing on concluding the selection process for a new financial and accounting system for the CNEA. Our internal evaluation group has reviewed a number of software products and we should be in a position to issue a RFP document in October to obtain competitive pricing and other favourable terms. The schedule will be to have the financial system software installed in December of this year and use the three months in the first quarter of 2013 for testing, training and data transfer before our start of financial operations date of April 1st.

Also looking into the future, the schedule for bringing on staff into the Finance Department is being developed. We plan to start a senior staff member in December of this year to help with the financial system implementation and to bring on other employees (accounts payable, payroll, banking, etc.) as they are needed in the transition process during the first quarter of 2013, all as per the staffing plan approved last spring.

*Contact: Paul Egli
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Programs

Programs and events contributed greatly to the success of the 2012 CNE; led by the key elements of "La Vie", the ice skating/aerial acrobatics show, a strong roster of performers at the Bandshell, and the celebrity chefs on the At Home Pavilion stage. In all, three areas (Agriculture, Entertainment and Sports/Attractions), our programs worked to appeal to demographics we have targeted as potential growth markets (young adults and Boomers) while continuing to entertain our traditional core audience of families and, of course, providing something for everyone.

The ice and aerial acrobatics show continues to draw large crowds and the addition of the trampo-wall played very well with our patrons. While Scott Moir and Tessa Virtue were popular, Elvis Stojko showed that he is still loved here.

The Farm had some new program elements such as Fishing Friendly, and a new layout, that gave the patrons more space to move around. The SuperDogs Show continues to be a family favourite with near capacity at every show. The Garden Show drew crowds and the Sand Sculptures seem to be the most photographed area on the grounds.

Some small changes to Kids' World added new programs: the National Film Board had set up an animation area for young people and "Under the Little Top" Circus school was extremely popular.

The FLOWRIDER had their biggest turn out in the 4 years it has been here, and continues to draw that difficult 16 – 24 year old male demographic. Having said that, staff will be reviewing this attraction and see what other options would work.

The new illusionist, Ted Outerbridge, and hypnotist, Terrence B, were popular anchors on the Variety Stage, drawing great crowds and loud applause. In this year's Rising Star competition, Candace Santos is our Youth Grand Champion and Alyssa Datu is our Junior Grand Champion.

The Blue Spruce Award exhibit in Arts Crafts and Hobbies was also well received, bringing awareness of this award, children's books and literacy to the public.

While Program staff has started formulating ideas, we are also waiting for feedback from the rest of the CNE staff, the Program Committee, other board members and the research that was commissioned. Although we feel we had a successful fair, there will be changes to some programs to cover the need for "What's New" in 2013 and look forward to future years.

*Contact: Zis Parras
416-263-3831*

Operations

The 2012 CNE was a great success as reflected in the faces and smiles of all who attended the CNE.

This year's fair was safe and secure for all who attended. Although a few incidents managed to get the attention of the media, momentarily, overall, the event was uneventful from a safety and security perspective.

The CNE Operations team was able to contribute the following enhancements on the site that helped create a sense of arrival, excitement and comfort to our visitors. These features included:

- Enhanced plantings in planters around the site
- The deployment of Ontario Place swans as a photo opportunity and rest spot for our visitors
- A new water feature that provided an interactive cool down area for those who wished to cool off on a hot sunny day
- First ever Food Truck Rally
- New information booths at three of our locations that allowed for our staff to engage more with our visitors and the addition of new iPad technology to speed up the response to guest enquiries
- An expanded CNE Beach area that included a new Marquirita Bar for those who wished to have a cool beverage while watching children play in the sand
- A new operator for the Bandshell bar was engaged in 2012. This new operator made a significant investment into improving the look and operation of this venue; which contributed to increase sales at this location
- More seating and picnic tables for our visitors
- New banners and signs across the site incorporating the new CNE logo in all images
- The addition of two new rides on our midway: the Nitro Rollercoaster and the new Skyride which carried more than 150,000 riders over the course of the event, making it the most popular ride on the midway.
- An enhanced parking and transportation plan that ensured more parking areas were made available on the site to compensate for decreased parking supply around the site, which enabled us to exceed projected parking revenues. Operations staff also worked diligently with Casino staff to ensure adequate parking was provided to Casino patrons in order ensure the success of the CNE Casino.
- The use of Ontario Place west island for Air Show viewing and the successful operation of a bar and food concessions to service our customers at this venue.

In addition, the CNE Operations staff hosted a lunch during the fair for outdoor concessionaries and exhibitors. At this luncheon awards were given for Best Customer Service, Best Food Concession, Best Game and Best Outdoor Exhibit.

The winners were:

Customer Service Award	Rose Oduca, Billbrooke Concessions
Best food Concession	Tiny Tom Donuts
Best Game Concession	Premier Amusements
Best Outdoor Retail Booth	Pimpin Fighters

Congratulations to all winners.

*Contact: Virginia Ludy
416-263-3824*

Exhibitor Sales & Services

We continue to reconcile all 2012 budgets and finalize all exhibitor accounts including the Arts, Crafts & Hobbies, Shoppers Market, At Home Pavilion, International Pavilion, Warehouse Outlets and the Food Building.

We are currently evaluating all exhibitors across all buildings, developing sales strategies, identifying opportunities, and will be updating CNEA Directors in future management reports with progress on the planning for the next season as we move into independence.

Overall feedback from our exhibitors and food tenants suggested sales were slightly up compared to last year's sales figures, which resulted in a positive experience at the fair for most of our exhibitors.

2013 Renewal Applications/Contract

We have instituted an early-bird renewal process for exhibitors in Halls A, B and the Queen Elizabeth Hall. Exhibitors were provided with an incentive to reserve their booth space for the 2012 season at this year's fair. For those exhibitors who choose to renew for 2013 by September 16, 2012, there will be no increase. For any exhibitors who do not take this offer by September 16th, and for any new exhibitors, there will be a 5% increase applied to their rates and their applications will be based on space availability.

Exhibitor Booth Awards of Excellence

We were pleased to announce the winners of the 2012 Exhibitor Booth Awards of Excellence during the fair. The best booth awards are designed to acknowledge creative booth designs and booths that exemplify exceptional appearance and marketing excellence.

The awards were presented in three categories and awarded in four of the pavilions - QE Exhibit Hall in the Arts, Crafts & Hobbies Pavilion, in the Direct Energy Centre, Hall A - Shoppers Market & At Home Pavilion, and in Hall B - International Pavilion. All booths were judged on a set criteria for each of the categories and awarded a \$500.00 cash value to be applied towards the 2013 exhibit booth fees.

Congratulations to all of our award recipients!

2012 CNE | ARTS CRAFTS & HOBBIES PAVILION

Best Single Booth

Gypsy Circus | Booth 333 - Sandra Iannuccilli

Best Multiple Booth
Best New Booth

Hides in Hand | Booth 219 - Teresa Paul
Practical Art | Booth 320 - Michael McNeil

2012 CNE | AT HOME PAVILION

Best Single Booth
Best Multiple Booth
Best New Booth

Mecca Ointment | Booth 2342 - Michael Bayer
Hi-Fi Citi | Booth 2036 - Mike Jadavji
Munami Inc. | Booth 2640 - Shiva Burnett

2012 CNE | SHOPPERS MARKET

Best Single Booth
Best Multiple Booth
Best New Booth

Luvali Convertibles | Booth 1203 - Jacqueline Dinsmore
Perfume Direct | Booth 1320 - Vijay Mittal
Refreshed Shoe Cleaner | Booth 1021 - Moe Alchabaoun

2012 CNE | INTERNATIONAL PAVILION

Best Single Booth
Best Multiple Booth
Best New Booth

Nannette Distributor | Booth 3513 - Paul Aude
Robin Zoe Madagascar | Booth 3723 - Robin Zoe
Jumping Clay | Booth 3402 - Jin Sun Ha

2012 CNE | FOOD BUILDING

Best New Booth
Best in Show

VIE raw food
Bacon Nation, Baked'n Loaded, The Whole Enchilada Burrito Co., The Funnel Cake Shop, Deep Fried Shop, St Louis

*Contact: Gilbert Estephan
416-263-3846*

Corporate Secretary & Government Relations

Corporate Secretary

Sarah Fink, Linda Costa and Nikaila Davis, the 2012 CSGR for the fair team, had the pleasure of supporting the President and hosting CNEA guests at four rooftop patio receptions and two President's dinners at Liberty Grand. In total we had over 500 guests at all of the events combined. Thanks to all those who participated. Following each event the department circulated a selection of pictures to share with the guests, including politicians and other special guests who joined us.

We are pleased to report that the CNEA booth in the farm was once again a success with 19 of our member associations participating in the opportunity to showcase their organizations. As well, even though some organizations were unable to participate at the booth, many members took us up on the opportunity to share their literature with our 2012 CNE visitors. The team looks forward to considering all opportunities to increase benefits for our association membership in 2013.

Looking forward, the team's focus is on the upcoming Annual General Meeting on October 25th. Our member associations will have received their appointment/re-appointment forms and packages.

Government Relations

The fair provided an excellent opportunity for the CNE to pursue our relationships with various levels of government. We had a significant contingent of political representatives who joined us for our Opening Day and throughout the 18 days, including Mississauga's Mayor - Hazel McCallion, Toronto's Mayor - Rob Ford, the MP for Ajax Pickering - Chris Alexander, The

Honourable Peter Van Loan, MPP Donna Cansfield and of course our good friend and tireless supporter, former Lieutenant Governor of Ontario -The Honourable Lincoln Alexander.

The City's plans for a casino will soon move to the forefront as the City Manager's report is due on October 9th and will be discussed, debated and covered in the media. The Minister's Advisory Panel on Ontario Place, chaired by John Tory, submitted their report to the Provincial government in July 2012. The panel recommended to the Minister, that Ontario Place should not be the location of a GTA casino and the following day Minister Chan, the Minister of Tourism, Culture and Sport, agreed with that recommendation; Ontario Place has now been taken off the table as a GTA casino venue.

The CSGR team continues to monitor hot topics such as the future of Ontario Place and the precarious provincial minority government.

With the forthcoming 2013 independence, a ramping up of Government Relations opportunities is anticipated throughout the fall/winter 2012 and early 2013.

*Contact: Sarah Fink
416-263-5201*

Travel Reports:

Calgary Stampede - Calgary, AB - July 6 to 15

This past July, Michael Knott, Virginia Ludy and Zis Parras had an opportunity to visit the Calgary Stampede. This trip provided us an opportunity to meet with North American Midway & Entertainment staff and review plans for the 2012 CNE midway. Staff was able to for the first time view and experience the new NAME roller coaster the Nitro. We were also able to engage with visitors at the Stampede to measure the overall success of the new NAME fast pass which many visitors were purchasing to get to the front of the line. Visitors to the Stampede are avid ride enthusiasts and the NAME Fast Pass proved to be very popular amongst midway riders. As well as meeting with NAME staff, we were provided an opportunity to meet with many of our concessionaires from the west who we would not normally be able to meet with prior to our event. This provided us with a forum in which to update them on new features and programs being planned for the 2012 CNE, and an opportunity for us to get a sense of what products and prizes were working as well as any trends they were seeing in the west that could impact fairs in the east. Staff were able to meet with key Stampede staff and were given access to many "back of house" areas. Stampede staff also introduced us to company representatives who presented a new popular extreme experience at the Stampede. We are currently in discussions with this group about featuring this extreme ride at the 2013 CNE.

From a programming perspective and wishing to have the full Stampede experience, Zis started with a pancake breakfast and took in the Parade. On the grounds, Zis tried the zipline, met with some of the performers that were to appear at this year's CNE (SuperDogs, Splash and Boots, Circus Orange, and FLOWRIDER). He enquired about some of their features and managed to secure the Band of Outriders for the first 4 days. They were a big hit at the CNE. He attended the rodeo and chuck wagon races, and met with a number of local agents.

During the trip out west, operations staff were also able to attend the media launch of Capital Ex at Edmonton Northlands. Northlands staff also provided us with a back of house tour of their facility. In particular, we were provided with a personal tour of their food service area by the chef of Northlands Park. Northlands' year round food service is an in-house operation and is able to provide a wide range of food services to trade & consumer shows, the fair and a multitude of other special functions such as banquets, weddings and corporate events.

Canadian Sponsorship Forum – Montreal – July 25 to 27

Eamonn attended the Canadian Sponsorship Forum in Montreal, July 25 – 27 and made some excellent contacts for 2013. One of the major outcomes of this forum was the need to seriously review the levels of our sponsorships which we are taking steps to address as we prepare for independence.

Travel:

CAFE Board meeting – September

Virginia Ludy who serves as a director on the CAFE board will be attending CAFE Board meetings in September in Ottawa. As in previous years, Virginia will exceed her annual travel limit as set by the BOG, however her travel has been approved.

Global Gaming Expo - Las Vegas, NV - September 30 - October 5

Sean Higgins will be attending the Global Gaming Expo 2012 in Las Vegas. Sean will be attending conferences and seminars dealing with topics ranging from the latest advancements in security and surveillance technology, to what is new in casino table games. The Global Gaming Expo gives Sean Higgins the opportunity to network with many of the leading organizations within the gaming industry.

International Entertainment Buyers Association, Nashville, TN - October 7-9

Danielle Bourre will be attending the IEBA and the annual conference which stand alone in the entertainment industry by showcasing the most current and diverse entertainment options for buyers, and providing unparalleled networking opportunities and continuing education to its members. All the major touring bands will be represented by their agents at this conference. Danielle attended last year and gained much from the networking and showcases.

Conventions: IAAPA (Orlando), CAFE (Winnipeg), IAFE (Las Vegas) – November

Mike Cruz will be attending the IAAPA trade show and conference in Orlando. Virginia Ludy, Sarah Fink, Gilbert Estephan, Mike Knott, Danielle Bourre, Paula Ellis and Karen Bradford will be attending CAFE in Winnipeg. David Bednar, Virginia Ludy, Sarah Fink, Zis Parras, Karen Lynch, Mike Knott, Mike Cruz, Paula Ellis and Karen Bradford may be attending IAFE in Las Vegas. These conferences provide an opportunity for staff to see the newest trends and equipment in the industry and provide an excellent environment for professional development and networking. Both Mike Knott and Virginia Ludy have been invited to lead sessions at both the CAFE and IAFE conferences.

Salon Des Metiers D'Art, Montreal, QC – December 7-10, 2012

Salon des Métiers d'Art is Montreal's largest Arts and Crafts Show with over 400 exhibitors that showcase their wares and products. Gilbert Estephan and Jeannette Mintz are planning to attend this consumer event in order to network, seek new ideas, keep up with latest trends, and to develop new relationships to feature Quebec products and exhibitors in the Arts, Crafts & Hobbies pavilion in 2013.

Respectfully submitted,



David Bednar
General Manager

Air Show Addendum by Jennifer Brown, CIAS

The sun shone brightly and planes soared through the skies over Lake Ontario this past Labour Day weekend for the CIAS' 63rd Canadian International Air Show.

This year's line-up included:

- Canadian Forces' Snowbirds
- (Melissa and Rex) Pemberton Aerosports
- Mike Wiskus – Lucas Oil
- Canadian Harvard Aerobatic Team (CHAT)
- Canadian Harvard Aircraft Association (CHAA)
- Beechcraft's Harvard II
- The Jet Aircraft Museum's (JAM) Mako Shark
- The Royal Canadian Air Cadets Bellanca Scout and T-33 Schweizer
- C-130 Hercules
- CF-18 Hornet
- CP-140 Aurora
- HMCS Ville de Quebec (one day only)

**with appearances by Porter Airlines and ships from HMCS York.*

Three days of perfect air show weather saw great crowds line the waterfront to watch the 2012 edition of the Canadian International Air Show. The CIAS office is busy closing down 2012 operational administration, while the planning for the 2013 show is already underway. As the CIAS sorts through the feedback received, it is clear that the highlights of the 2012 presentation were the in-air refueling demo featuring the CF-18 Hornet and C-130 Hercules, Pemberton Aerosports featuring the husband and wife wing-suit/aerobatics demo and the CF-18 Hornet fighter jet demonstration. The Heritage Flights featuring the vintage Harvard and the Harvard II, as well as the 1812 salutes were also well-received.

The CIAS notes the majority of air show fans were thrilled with the display. The CIAS did, however, feel the impact of not having the United States Air Force present at the 2012 show. In late 2011, the USAF announced it would be cutting back its air show demonstration teams from five dedicated air show assets on each coast to one. The CIAS was hopeful that the USAF would continue to support the show and USAF acts were scheduled to perform (the latest being the F-16 Viper). However, the CIAS received news on the Friday practice day prior to Labour Day weekend that due to mechanical issues, the F-16s would not be able to make an appearance. Our friends at various levels of the USAF continued to work throughout the weekend in an attempt to showcase USAF assets, but were unsuccessful. The CIAS and our USAF colleagues have already been working on securing USAF assets for the 2013 show. The CIAS remains optimistic that the USAF will once again have a strong presence at the CIAS.

Any feedback regarding city resident sensitivities was minimal. The CIAS featured only one fighter jet, the pilot was briefed on the noise concerns, and performed his ingress/egress to the show box at a higher altitude and slower speed above and beyond his city and regulatory body-approved manoeuvres package without compromising safety. The CIAS is committed to bringing a world-class air show to its fans and will continue to strive to balance safe operations while acknowledging Toronto sensitivities.

The CIAS looks forward to building an amazing show for the 2013 display and continuing our successful partnership with the CNEA. Negotiations for the 2013 CNEA –CIAS contract will be taking place in the near future and the CIAS thanks the CNEA for its loyal support.

*Contact: Jennifer Brown
416-263-3650*



August 26, 2012

To: The Executive Committee and the Board of Directors
Canadian National Exhibition Association

From: David Bednar
General Manager

Subject: **2012 CNE - Mid-Fair Report**

Recommendation:

This report is submitted for the information of the Executive Committee and the Board of Directors.

Discussion:

The 2012 CNE is going very well so far. Directors will remember from my reports at both the 2011 Annual General Meeting and the 2012 Annual Financial Meeting that we improved our attendance during the first 15 days in both 2010 and 2011. I am pleased to report this trend has continued into 2012. For the first half of this year's fair, we have seen day over day increases (2011 to 2012) in attendance, some of which were significant, especially in the "\$5 after 5" category. That said, we must remember that attendance at our event usually increases towards the finish. The second week is usually stronger than the first and the final three days typically account for a quarter of total attendance or more. "It ain't over 'til it's over", but we do have reason to be guardedly optimistic based on attendance at the first half of the fair.

At this point, there has been no need for the Executive to use its delegated authority.

For the most part, media coverage has been very positive. Points of media interest have included Rosie MacLennan's attendance at Opening Ceremonies, plus the SkyRide, food, entertainment etc. We have also had our share of challenges such as an assault of one of our employees, a stabbing, the explosion of one of the Food Truck supply trailers, and the coverage of the butter sculpture of Mayor Ford brought new visitors to the Farm Pavilion.

We have had very good weather up to this point and obviously hope for it to continue through the run. At this point, the forecast calls for a clear final weekend; but weather always has a way of changing its mind.

Respectfully submitted,

David Bednar
General Manager