



Exhibition Place

5

Management Report
Month Ending December 31, 2008

Executive Summary

- Consolidated Net Operating Income at October 31, 2008 is favourable by \$136,415 and is after absorption of significant budget pressure from the loss of the Grand Prix race and improvements to the BLC.
- Net Operating Income for Direct Energy Centre for the ten months ending October 31, 2008 was \$5,598,672 compared to a budget of \$6,287,656 for an unfavourable variance of (\$688,983). Net Operating Loss for Exhibition Place for the ten months ending October 31, 2008 was (\$6,144,468) compared to a budgeted loss of (\$6,969,866) for a favourable variance of \$825,398. There were no negative outcome from the November operations; Parking was up by \$168,000 net due to the Royal Agricultural Winter Fair and the Aga Khan event, Rent and related net show services were also up by \$200,000 which is higher by \$75,000 over the new business budget for the month of November. Staff are predicting overall the achievement of the 2008 budget with for the Exhibition Place and Direct Energy Centre programs.
- During the month of December the Sales & Marketing team secured 3 new events.

November Financials Exhibition Place and Direct Energy Centre

November financials are not provided at this time as staff are working to complete the December year end for submission at the February Board.

Direct Energy Centre accounts receivable as at November 30, 2008 was \$2,838,599 consisting mainly of:

- \$1,164,908 owed as contractual deposits for future events of which \$1,137,510 (98%) has been received as of January 7, 2009.
- \$967,824 owed for sponsorship arrangement.
- \$345,404 for services on completed events of which \$178,067 (52%) has been received as of January 7, 2009.
- \$216,208 for accounts with City Legal; this amount is fully provided for as a bad debt in the financial statements or the rental revenue has not been recognized as income and deferred as appropriate.
- \$67,994 of Food & Beverage Concessions is owed by Centerplate, which is contractually due on the 25th of the following month of which \$47,539 (70%) has been received as of January 7, 2009.

Exhibition Place accounts receivable for the month ending November 30, 2008 was \$1,255,786 consisting mainly of:

- \$499,584 owed by MLSE for Ricoh Coliseum of which \$428,895 (86%) has been received as of January 7, 2009.
- \$313,654 owed by tenants of which \$139,690 (45%) has been received as of January 7, 2009.
- \$246,002 owed by BMO Field for payroll costs of which \$228,495 (91%) has been received as of January 7, 2009.
- \$28,740 for show services on completed events of which \$ 12,000 (42%) has been received as of January 7, 2009
- \$33,796 owed as contractual deposits for future events of which \$32,473 (96%) has been received as of January 7, 2009.
- \$12,023 owed by City of Toronto for Capital costs, all of which has been received as of January 7, 2009

Sales and Marketing

December Sales Effort

During this period, our Sales & Marketing team secured 3 new events which were all categorized as meetings.

During the month of December, Allstream Centre hosted 5 site tours.

December Summary

New events held during this time period included Toward a Zero Waste Future: Review of Ontario's Waste Diversion Act Meeting, Financial Power Summit Meeting, Eid Al-Adha Prayer & Party, "Deck the Halls" CMHC eco Media Challenge, and Leading Organizational Change in the Public Sector Meeting.

Business Travel

On December 1-5, 2008 Deb Sanderson and Don Leddy travelled to South Carolina for the SMG Knekt Sales Training. The Consummate Sales Professional's Selling Skills Development Program reiterates the role of Sales Professionals, heightens awareness of effective and ineffective sales habits, creates understanding of the customer's motivation to buy, and teaches the flow of the sales call. This was an amazing opportunity to network with SMG facilities throughout the US.

On December 8-11, 2008 Don Leddy attended IAEE 2008 in Miami, Florida. He participated at both the conference and the tradeshow portion EXPO EXPO within the SMG Pavilion. This was a very good opportunity to reach into the U.S. Association & events market and highlighted Direct Energy Centre both as a standalone option and as part of the greater SMG network.

Geoff Mak embarked on a US Midwest Corporate trip with Tourism Toronto on December 15-18, 2008. Visits were made to Chicago area clients as well as the local MPI Chapter Holiday gathering in order to develop future relations for Exhibition Place business. Geoff also worked with the Canadian Tourism Commission in hosting 40 clients at a special event in St. Paul, MN. There is great potential for future business from the Mid-West USA for Allstream Centre and Direct Energy Centre

Upcoming Business Travel

Barb Outschoorn and Don Leddy will be attending the 2009 Annual PCMA Meeting in New Orleans, Louisiana, on January 11-14, 2009. Barb and Don will represent Direct Energy Centre and Allstream Centre in the Tourism Toronto booth and will promote Toronto and Allstream Centre to meeting planners. Barb and Don will also participate in Canada Night on January 11th, which is organized by the Canadian Tourism Commission (CTC). Attendance is expected to include 125 to 150 Association representatives who organize meetings.

Publicity

Direct Energy Centre

On November 30 Heritage Court welcomed the Chanel fashion show benefiting the SickKids Foundation. This marked Karl Lagerfeld's first major Canadian runway show in 10 years. The event was picked up by BizBash magazine and several industry bloggers - W4W Toronto and Beauty Parler.

BizBash magazine also picked up a story featuring Tracy Bowie of IIDEX/NeoCon Canada, crediting Direct Energy Centre as the event's venue. Centerplate is also noted for its recycling program.

The November/December issue of Incentive Travel & Corporate Meetings highlighted Direct Energy Centre and the upcoming expansion (Allstream centre) in the article "Toronto buzzes with business"

Direct Energy Centre was also featured in the Toronto section of Spanish publication “Masexpos” featuring our unique initiatives and a link to our website.

Allstream Centre

Multiple meetings with the Tourism Toronto media relations team took place over the month of December. Activity currently in progress for launch in the new year consists of inclusion in the “Tempo” newsletter highlighting renovated historical buildings and “Inspiring Places and Spaces” highlighting special venues in the city. Dionne Bishop will work with Tourism Toronto to include Allstream Centre in upcoming International Media breakfasts and applicable FAM’s targeting meeting and convention publications. In December, Dionne Bishop also joined the Toronto Media Alliance committee for the upcoming ASAE conference, allowing for opportunities to showcase the building to this targeted audience.

Event Management Services

During the month of December of 2008, Event Co-ordinators and Exhibitor Services staff at Exhibition Place and Direct Energy Centre were involved in the following events:

DECEMBER	
Trade/Consumer/Corporate Events	
<ul style="list-style-type: none"> ▪ One of a Kind Christmas Craft Show’ ▪ UMBRA 	
Other Events	
<ul style="list-style-type: none"> ▪ CGA Exams ▪ Towards a Zero Waste Future ▪ Financial Power Summit ▪ CFA Exams ▪ Islamic Prayer ▪ TFI New Labels Jury Meeting (2 events) ▪ IDS Exhibitor Walkthrough & Meeting ▪ TFI Seminar ▪ Rogers Children’s Holiday Party 	

The One of a Kind Christmas Craft Show moved in with a minimal turnaround time from the Aga Khan event. Staff worked with both events to ensure there was no negative impact on either event. The change in venue from the Automotive Building to Hall A for the UMBRA sale was very successful. Staff worked with the organizers of ISNA to ensure a smooth delivery. The CFA exams went extremely well. In the third quarter of the year most consumer shows had increased attendance from previous years. Tenant meetings and the Rogers Children’s Holiday Party successfully took place during December.

Exhibitor Services

During December, Exhibitor Services began preparing for a very busy first quarter and is filling exhibitor orders for the Boat Show, Bridal Show and PPA. In addition to going “paperless” we are also working with the IT department to enable other departments to access and view orders, such as for electrical and signage.

CAEM Health & Safety Taskforce

Jeff Gay and Arlene Campbell worked with other industry professionals to consult and develop the Health & Safety training course for the show industry to be run through the Canadian Association of

Exposition Management. The course is to be rolled out in 2009 and will be used by show managers and suppliers across Canada to train staff on the requirements of the OHSA.

Parking

Parking activity from the December Consumer shows remained at 2007 levels or better. This capped a year in which all Trade and Consumer Shows had parking activity equal to or greater than 2007.

Although the latter half of December had no large events in 2008, Parking staff remained active on site with Marlies hockey, BMO Field tournaments, and year end festivities at Liberty Grand, Medieval Times and Muzik Clubs.

Telecommunications

Telecommunications deployed additional wireless access antennas throughout Direct Energy Centre. Exhibitors prefer wireless internet due to preferential pricing and technical efficiency. These additional antennas provide better signal strength, especially during events that have significant electro-mechanical characteristics (Machine-Tool, Print World) that can cause service disruption due to interference issues.

These enhancements will also give the Operations Department additional coverage for their mobile computers that have integrated into the Telecom network for building automation control. Building operators now have the ability to control and monitor facility characteristics (heating, lighting etc.) remotely and with mobility from within most of Exhibition Places venues including the Direct Energy Centre, BLC and QE. Operators can capture photographic/video images, check emails, control systems, do voice communications etc., all over a singular device via the wireless network infrastructure, which also provides Exhibitors with services.

Telecommunications would like to deploy additional wireless network antennas across the campus to provide a backbone for other departments including parking and security that could take advantage of a common layer of data communications in the future. Wireless networking is a green, secure and robust communications medium that can provide a singular transport mechanism for all of Exhibition Place's various departments' data-centric applications.

Building Operations

Electrical

- Diesel Tests
- Replace burn outs in stairwells and in Telecom offices
- Scheduled Maintenance Sheets
- Disconnect Supply Air Fan 27 and Hot Water Pump 20
- Install Contactor for Exhaust Fan 90-3-13
- Hook up Hot Water Pump 20 and Supply Air Fan 27
- Disconnect Exhaust Fans and rewire new Exhaust Fans as per HVAC
- No Power Centerplate Loading Dock Heater (11 Dec 2008)

Maintenance

- Replacement of Variable Frequency Drive (VFD) / 5 Horse Power / return fan #27 completed.
- Replacement of Variable Frequency Drive (VFD) / 10 Horse power / supply fan # 27 / Completed.
- Replacement of Variable Frequency Drive (VFD) / 100 horse power / secondary chill water pump motor / Completed.
- Installation of new grease interceptor / Centerplate kitchen / Completed.

- New wireless access to Johnson Controls / Operators have a new lap top computer set up to access the system wireless from any location (DEC perimeter)
- Chiller # 3, new Starter and capacitor bank / 90% completed

Facility Services

During December the Facility Services team coordinated both show and holiday party services and delivered cleaning services to all tenants including Ricoh hockey games. The following activities were completed or are in progress:

- Acquired an extra Front-end Loader and Skid Steer for snow purposes and have ordered a Snow Blower attachment, primarily to remove fallen snow at the BMO Field dome.
- Discussions continue with BMO staff and our safety representative on how to remove snow at BMO Field.
- Ensured roads, walkways, stairs and parking lots were cleared after 3 large snow storms throughout the month of December.
- Installed and removed festive decorations in Direct Energy Centre's Galleria.
- Assisted with installation of the chandelier at Princes' Gate.
- Purchased 30 new four-stream garbage receptacles to be utilized in shows.
- Developed new grounds wide propane storage plan in cooperation with RCM engineering.
- Coordinated installation of identification card readers at the Facility Services office & stock room.
- Assisted with a new tender for accepting and sorting of mixed waste and awarded York Resource Recovery.
- Completed sanitization of the Industry Building post RAWF.
- Staff participated on the newly formed Employee Orientation Committee.
- Developed job specific tool box talks for upcoming shows and will conduct sessions in the new year.

The Facility Services team's outstanding achievements for the year 2008 include the following:

- Received a **Platinum Facility Management Award** at the 2008 Recycling Council of Ontario Waste Minimization awards ceremony.
- Reached a record diversion rate of 71% during the 2008 CNE.
- Implemented extra garbage sorting techniques, using our removal contractor, to increase our overall diversion rate from 63% to approximately 68% in 2008.
- Coordinated installation of a 40yard solar compactor at the East loading dock.
- Initiated use of compostable beer cups at BMO Field and Ricoh Coliseum.
- Ensured all Facility Coordinators received Level 1 & 2 Health and Safety training.
- Initiated, monitored and ensured completion of a grounds wide trip hazard audit.

Service Stars

Tiziana Tedesco of the Italian Chamber of Commerce of Toronto sent an e-mail to Jennifer Foster on December 1st regarding a meeting she arranged for the Chamber and Giorgio Basaglia of the Board of the Fiera Milano. "Thank you very much for organizing the lunch meeting last Friday. Mr. Basaglia was very pleased for the warm welcome. Also many thanks for arranging for the signing after the wonderful lunch. Your help and assistance was greatly appreciated."

Armina Nassa left a telephone message for Arlene Campbell on December 2nd regarding the visit of His Highness the Aga Khan. She said the event "went very successfully and a large part of it was to do with the support of your team at DEC. I think our working relationship grows stronger and stronger with

each event that we hold at this particular venue and the level of support we get from all your staff. It's truly appreciated. Thanks for all the stuff that Ron and his team did and at every part. Hopefully there will be a number of these activities happening in the coming year and coming months. You will always be our first vendor of preference."

Arlene Campbell received a letter dated December 5th from Randy Bauler, Chairman of the Board, IAEE; "I would like to express my sincere appreciation for the contributions you have made this year as a member of the Committee for Environmentally Responsible Exhibitions and Events. Without you, and hundreds of other IAEE members like you who volunteer their time and energy, the association could not achieve what it has. It continues to be a great year and we have accomplished a lot in a short period of time. Thanks again for your precious contribution of time and your leadership."

Janice Leung of the One of a Kind Show shared an e-mail with us that she received on January 5th from Manon De Gange, who accidentally had coffee spilled on him while visiting the show:

"Thank you for following up on the incident, it was actually dealt with extremely well by Brian Dow (Facilities and event services coordinator), he got my stained sweater to the cleaners (and it came back like new!) and he reimbursed me for what I had to purchase to wear on the day of the spillage. It was all done promptly while the show was on, so it did not drag and I was very pleased with the effectiveness of the response I got from my complaint. Thanks again."

Centerplate

Retail Department

Retail sales in December consisted mainly of revenues from the One of a Kind Craft Show. This 10 day event featured many different menu options including a large food court area as the destination area during meal periods. The food court featured several different menu concepts. Some of the crowd favourites were the freshly made Asian Noodles, hand pressed Crepes, vegetable Chili with Focaccia Toast and the Spicy Calebrese Panani.

The show also featured a bistro restaurant, a sit-down area that drew record crowds; capacity was at a maximum throughout the entire show. Menu options in this location included Pork Souvlaki, Potato Gnocchi, Roasted Sweet Potatoes, Butternut Squash Soup and Warm Pecan Pie for dessert.

Catering & Sales Department

The catering department hosted a few different intimate cocktail receptions during the One of a Kind Craft Show, as well as a Breakfast Reception.

Centerplate also hosted two large Holiday Kid's Parties; Rogers Communications and TD Bank. Both parties were very successful with over 13,000 hungry children enjoying traditional favourites such as pizza, popcorn, chips and cookies.

Submitted by:

Arlene Campbell
General Manager, Sales & Events

Submitted by:

Dianne Young
CEO, Exhibition Place