



Management Report

March 2010

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Executive Summary:

This is the second report that has been prepared for the Board in this format. CNE Managers have all worked on various sections of the report and are conscious of the need to deliver sufficient information without overburdening directors with too much detail. You will see several reference points throughout the report that invite you to request further documentation if you want to delve further into any given topic. Suggestions to improve the report can be sent to my assistant Patricia at pchiasson@theex.com.

Where possible, CNE Managers have included, in their individual plans, action items to address issues raised in the ERS 2009 research. The Enigma Research report was received and sent to MTEP. It shows a favourable increase in unique tourist visits from 19% (2008) to 29% (2009) and indicates that an additional \$7.2 million of economic impact in 2009 was a direct result of our 2009 MTEP activities. The research on our relationship with Ontario Place has just recently been received and needs to be discussed with them. The recent announcement of the departure of the CEO John Tracona may delay the negotiation of a new agreement for the 2010 CNE.

In preparation for my vacation in April & May, I have begun to include Virginia Ludy in discussions of all significant issues. She and I meet regularly to make sure that she is aware of any and all matters that may arise while I am away.

More than two years have gone by since the adoption of our Strategic Plan (STRAP), so it is overdue for update and revision. Since the formulation of the plan, Exhibition Place has adopted its own Strategic Plan, a copy of which is publicly available on the EP website: www.explace.on.ca/about_us/bog_structure.php. The Executive Committee will hold a special meeting at the end of March to consider updates and amendments to the CNEA STRAP. Helen Scutt will also attend to give advice.

Casino

The CNE casino will operate from August 2nd to September 6th. The casino operation staff are currently compiling data for the Ontario Lottery and Gaming Commission licensing requirements. The casino training school is scheduled to open on May 3rd and continue until July 30th and will train, hire and co-ordinate licensing for over 800 staff.

Marketing

Marketing Plan - The CNE's Marketing Department has completed the 2010 CNE Marketing Plan and its recommendations for the 2010 Media Buy (see attached Report and confidential attachment). Highlights of the 2010 Marketing Plan include:

- The overall objectives of the 2010 Marketing Plan are:
 - To sustain overall CNE 2009 attendance, while increasing the percentage of that attendance which is "paid", in keeping with operating budget expectations.
 - To continue to emphasize the great value for money and all that is FREE at the CNE.
 - To continue to build loyalty within the region's various multicultural communities.
 - To encourage people to come to the fair early in the run (through \$5.00 Opening Day special) and to come often.
 - To continue to increase \$5 after 5 pm attendance particularly from neighbourhoods close to the CNE.
 - To position the fair as a great and affordable stay-cation.

- The challenges facing the CNE are numerous, ranging in nature from the state of the economy, to the mercurial state of the information age, to the threat of inclement weather, to the dwindling disposable dollars that the consumer has to spend.
- Admission to the CNE in 2010 remains the same as it was last year, but the Ride All Day pass both onsite and in advance of the fair, will increase by \$2.
- Major Promotions for 2010 CNE:
 - First Friday For \$5
 - \$5 After 5 pm special on Mondays, Tuesdays, Wednesdays & Thursdays
 - Media partners will each be allied with a specific CNE property/attraction. They help us deliver their audiences to these specific events, an approach that has worked very well over the past three years.
- The primary target audience for the CNE remains adults (25 to 54 yrs) with children 12 and under living within the Greater Toronto Area (including major cultural communities).
- There is a new Advance Sales retail partner this year: Mac's Convenience Stores, which will sell CNE tickets at a discount before the fair opens in 250 Greater Toronto Area stores. Advance tickets will also be sold through the CNE web site, at GO Transit Lakeshore line and Union stations, and through the Loyalty Group (Air Miles program).
- The 2010 Advertising Creative will:
 - Use "Let's Go to the EX" as its primary campaign tag line/call to action;
 - Stress Value for Money & All that is FREE at the CNE (pushing the CNE's major attractions in print, online, and targeted radio advertising);
 - Convey the emotion/experience of the CNE by using real images of real people having fun.
- The CNE is the process of developing a new corporate logo to better reflect the contemporary nature and energy of the event.
- The 2010 Media Buy for the fair:
 - Has a budget of \$850,000 to advertise the fair (*approximately the same as it was in 2009*).
 - Will run from the week of August 2 to August 30, 2010 (*approximately*).
 - Will include Radio, Out of Home (Bus Kings and TTC One Stop), Print and Online Advertising in both the mainstream and multicultural communities.
 - Will be focused on the Greater Toronto Area.
- The current CNE international marketing plan is targeted to US border cities and consists of email blasts to consumers who are interested in entertainment events similar to those offered by the CNE, a media relations campaign to travel and entertainment writers and bloggers, as well as joint initiatives with Tourism Toronto and Attractions Ontario.
- A separate Media Plan will be developed for an out-of-town advertising campaign should the CNE secure marketing dollars through the Government of Canada's Marquee Tourism Events Program, as it did last year.
- The CNE has undergone a Request for Proposal process to secure Media Relations services for the 2010 fair. More than 50 agencies requested the RFP document; the CNE received 12 formal proposals and will soon be in a position to announce the successful proponent.
- The Media Relations campaign for 2010 will once again focus will be on Value for Money showcasing the major CNE attractions that are free with admission; an emphasis will also be place on what is new at the fair in 2010.

- Online initiatives once again play a central role in this year's Marketing Plan. The CNE web site, which continues to be our central engine of communication, is in the process of being revamped and redesigned to be cleaner and more contemporary in look, and to better service the end user. Tickets (both pre-CNE and throughout the fair) will continue to be sold online at TheEx.com; other highlights of our online initiatives include:
 - Continuing to build our electronic database
 - Further developing a Family Fun Guide that visitors can print and bring with them to the fair
 - Further developing our online ecosystem utilizing social networks such as Facebook and Twitter and content sharing networks including You Tube and Flickr.
- The CNE is also looking to develop CNE apps for Smart Phone in 2010.
- The CNE continues to connect with people throughout the year at various events in the Greater Toronto Area through its revamped Community Program and in schools through its School Pass Program.

If you would like to receive the entire 28 page CNE 2010 Marketing Plan, please contact Karen Lynch, Marketing & Communications Manager at 416-263-3815; klynch@theex.com

Sponsorship - At the last meeting of the Finance Committee, the Sponsorship Guidelines and the Sponsorship Template were received for information. The guidelines outline the various sponsor levels and the entitlements within these levels. The template report outlines 2009 sponsors for pre-approval in 2010 and lists the type and level of sponsorship as well as the financial and contra commitments from 2009 and the anticipated commitments for 2010. These reports are, for obvious reasons, confidential *however if you would like to receive these documents, please contact Eamonn O'Loghlin at 416-263-3816 or eologhlin@theex.com.*

Operations

Site Plan - The site plan for the 2010 CNE has now been completed. The plan incorporates the impact of the extension of Nunavut Drive and new exit onto Lakeshore Blvd. This change has resulted in a reconfiguration of the south end of the midway, express train route and the Ontario Drive entrance. A preliminary plan for 2011 has also been developed that takes into consideration the extension of the TTC Streetcar line across the north section of the property, development of the hotel site and relocation of some major programming components.

Environmental Plan - The environmental plan for 2010 CNE includes the elimination of Styrofoam at the CNE. In addition, all food exhibitors will be required to use compostable utensils, plates and take-out trays.

In 2009 the environmental deposit program was introduced. All Food Building and Outdoor Concessionaires were required to pay an environmental deposit which was refunded if the concessionaire met certain environmental requirements. A version of this program is being rolled out to include all exhibitors participating at the CNE this year.

The CNE will continue its aggressive energy conservation program and is currently setting new targets to be obtained in 2010. In addition, targets for waste diversion are also being projected based on the expansion of the organic recycling program. The CNE in conjunction with Exhibition Place will also be looking at opportunities for conserving water during the fair period.

Other Projects - Operations staff is reviewing all summer positions and job descriptions in preparation for the upcoming job fair to be held in late spring. The CNE Operations Department

hires the largest complement of staff for gate operations and visitor services. In addition, we are developing the staff orientation and training programs for this year's fair.

Emergency preparedness plans are currently being updated and training seminars have been scheduled. Members of the CNE Emergency Preparedness Team will be participating in four training sessions over the next few months in preparation for this year's CNE. We are also working with the CNE security consultants in planning mandatory training sessions for all contract security guards. A review of the CNE CCTV program is also being conducted with any necessary enhancements being made to the program.

Staff has held meetings with Toronto Transportation Department and Toronto Police Service with respect to road construction projects taking place around the site. The project that will have the greatest impact on the fair will be the realignment of westbound Lakeshore Blvd. from BC Drive to west of Dowling Avenue. This is to accommodate the reconstruction of three bridges that carry Lakeshore Blvd. west traffic over the Gardiner Expressway. This construction will have implications on parking in the west end of the grounds and at the Saskatchewan Gate.

Staff has been meeting on an individual basis with all concessionaires and outdoor exhibitors reviewing performances from the 2009 CNE and making recommendations with respect to any changes in operations that will be required in 2010. Contracts for concessions and outdoor retail will be issued mid April. Staff is also currently working on concession plans for the outdoor Exhibition Place events which they service.

The RFQ for the new CNE Trams closed in mid January. Key CNE Operations Department staff and Exhibition Place staff will be having pre-production meetings with the supplier in early March. It is expected that delivery of the first three trains will take place in early July with the remaining two trains delivered in early August.

The CNE won the Conko Green Award at the Conklin/World's Finest Shows dinner. This award is given to the fair showing the greatest leadership in environmental initiatives. In addition, Matts Carnival Warehouse, a leading industry publication, cited the CNE as the "Greenest Fair in North America" having re-cycled 77.3% of solid waste.

Programs

The Programming Department have been booking acts, exhibits and attractions. For confirmed bookings to date, please see attached Program Report. Staff continues to investigate and negotiate more acts to fill out the roster at each stage and area. We are completing courses and finding other possible shows and conferences that may lead to new programs. Please review *Appendix A* which outlines the programs planned for across the grounds for the 2010 fair. At this time the programs are not complete and therefore this list is only a "to-date" list which will be updated at each subsequent meeting of the Board.

Rentals

The Rentals Department has now taken over responsibility for the Food Building and has handed over Outdoor Retail to Operations. The transition is almost complete, however the two departments are continuing to work hand in hand to ensure the process is smooth for our exhibitors. Applications are continuing to be processed and sales numbers for February are on track with previous years. A full sales report will be submitted at the next Board meeting.

Upcoming Staff Travel

Commissioning Trains: Bell Garden, CA – March 2-4

Mike Cruz, Mike Knott and EP Purchasing Manager, will travel to complete an inspection & training on the new trains commissioned through the recent RFQ.

IAFE Institute of Fairs Management: Austin, TX – March 15-17

Mike Cruz and Michael Knott will be attending the IAFE Institute of Fairs Management courses, working towards their IAFE Institute of Fairs Management diploma.

Livestock Show: Houston, TX – March 17-19

Mike Knott will be attending the Livestock Show in Houston following his course in Austin.

Canadian Sponsorship Forum: Whistler, BC - March 18-21

This is the major Canadian sponsorship networking event that Eamonn O'Loghlin has attended for the last five years. It covers the trends in the Canadian marketplace and has repeatedly generated new sponsorships based on contacts made at this event.

CAFE Board Meeting: Ottawa, ON – April 15-16

Virginia Ludy, who is a member of the Canadian Association of Fairs and Exhibition's Board of Directors, will be traveling to Ottawa for their spring meeting.

IAFE Spring Manager's: Richmond, VA – April 17-20

Virginia Ludy and Karen Lynch will be attending the IAFE Spring Manager's meeting. The conference has sessions on relevant industry topics and provides networking opportunities with other fair managers.

Canadian Gaming Conference: Calgary, AB – April 25-May 1

Sean Higgins has attended this conference annually for many years. This conference focuses on trends in gaming as well as showcasing new products for gaming and casino. This is a prime opportunity for networking with other professionals in the field.

Canadian Association of Exposition Management: Kelowna, BC – June 25-30

Paula Ellis will be completing her CAEM course and attending the conference which focuses on confronting recent issues and concerns in the industry.

Calgary Stampede: Calgary, AB – July 2010

Karen Bradford will be traveling to Calgary to see the new Ice Skating Show (by the same firm who will be supplying our skating show in 2010) and will also take the opportunity to visit the Stampede.

Online Marketing, Wireless Applications and Social Media

Karen Lynch is investigating educational opportunities on these topics which may involve travel.

Respectfully submitted,



David Bednar
General Manager

Appendix A



CANADIAN NATIONAL EXHIBITION PROGRAMMING UPDATE FOR THE 2010 FAIR AGRICULTURE

The Horse Show (Ricoh and Horse Palace)

- August 2, 3, 4 – Light Horse Show
- August 6, 7, 8 – Heavy Horse Show
- August 9, 10, 11 – Jumper Show
- August 13 – Sport Ponies
- August 28, 29 – Miniature Horse Show

HorseCapades (Horse Palace prior to fair and in BLC during fair)

- Meet, Feed and Learn about Horses

The Farm (In the Better Living Centre)

- Children's Agventure
- Butter sculpting
- The Durham Museum Association
- Farm on Wheelz

Kitchen Theatre (Outside the Better Living Centre)

The Garden Show (In Heritage Court)

- Feature Gardens
- “Rock on Rock” display
- International Sand Sculpture Competition
- Archives Exhibit (Love and Longing at the CNE)
- Flower and Vegetable Competition

The 38th Annual Cat Show (Direct Energy Centre, Café Soleil) - August 28 and 29

Ambassador of the Fairs Competition (Queen Elizabeth Theatre) - August 22

The SuperDogs Show (Direct Energy Centre, Hall D)

SPORTS & ATTRACTIONS

Kids' World Park (*Centennial Park*)

- Backyard Circus & Family Puppet Parade
- Ken Jen Petting Zoo
- Playground
- Park Entertainers
- Under the Little Top
- **Kid's World Feature Stage**
- **Kid Street**
 - Family Centre
 - KidScience
 - Let's Play
 - Craft Gallery
 - Pizza Making

FLOWRIDER (*On Princes' Blvd.*)

- Flowrider demonstration/show
- Summer/beach interactives
- Ride the Flowrider

Acrobatic and Ice Skating Show (In Ricoh Coliseum)

- Rock'n Roll Theme

Sports Day – Various Locations - Saturday, August 23

Baseball (*CNE Ball Park*)

- 54th Annual Lions-CNE Peewee Baseball
- Other baseball initiatives:
 - Beaches Men's Fastball League Reunion
 - 11th Annual Provincial PeeWee All-Star Tourney
 - Annual Women's Fastball Tournament
 - Girls' PeeWee/Bantam Exhibition Games
 - Rookie-Ball Exhibition Games

ENTERTAINMENT & COMMUNITY/HERITAGE

The Bandshell Stage (Bandshell Park)

- Rib Fest – *Daily except Mondays*
- The Funk Brothers – *August 20*
- Home Grown Roots Fest – *August 21*
- Elvis Tribute Competition – *August 22*
- Cruise Nationals – *August 22*
- Movies under the Stars – *August 24 and August 31 (Tuesdays)*
- Bobby Vinton – *August 26 (Senior's Day)*
- Debbie Reynolds – *September 2 (Senior's Day)*
- Rising Star Youth Talent Finals – *September 5*

Canadian Forces Display (Along Princes' Blvd)**Canadian Forces Musical Salute (BMO Field) - Dates TBC****Arts, Crafts and Hobbies (In QE Exhibit Hall)**

The ACH will be an arts programmed centre this year, including (but not limited to):

- Art Gallery of Ontario
- Canadian Theatre Museum
- The Ontario Artists' Porcelain Guild are conducting workshops
- Workshops by various artists

History of Rock and Roll Exhibit (Direct Energy Centre)**Throughout the grounds**

- Parades
 - Warriors' Day Parade - August 21
 - Labour Day Parade - September 6
 - Mardi- Gras Parade - daily
- Park Entertainers
 - James Johnson and the Magical Daredevil Comedy Show
- Strolling Bands

STAGES:**At Home Celebrity Stage (Direct Energy Centre, Hall A)**

- August 20 – Peter Fallico
- August 21 – Colin & Justin
- August 22 – Tommy Smythe
- August 26 – Anthony Rose
- August 27 – Lynn Crawford
- August 28 – Michael Smith
- August 29 – Rob Rainford
- September 3 – Anna Olson
- September 4 – Massimo Capra
- September 5 – Rose Reisman

Casino Outdoor Patio (*Outside the BLC*)

Courtyard Stage (*In the Garden Show Area*)

- The Harmonicats – 3 shows daily

International Pavilion Main Stage (*Direct Energy Centre, Hall B*)

Midway Stage (*Outside SW corner of DEC*)

Strikers Bar & Brill (*East side of BMO Field*) – Daily

TTC Subway Musicians Auditions Stage (*Outside the NW Corner of Food Building*)

Variety Stage (*West of Food Building*)

- Rising Star Youth Talent Competition
- Artrageous – 2 shows daily – 3 shows Labour Day Week-end
- Comedy Hypnotist Fernandez – 2 shows daily – 3 shows Labour Day Week-end

All programs listed above are subject to change and many have additional programming which has not yet been confirmed. These programs will be reported as they are booked.