



Management Report

March 2011

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General Manager's Comments

In my report to you at our last meeting, I described the goals of the CNE's Strategic Plan that was updated and approved last year (STRAP 2010). As you read through the individual sections of this report, I hope you will see that staff is trying its level best to act strategically and in concert with each other. This has always been our approach to organizing the fair and hopefully STRAP 2010 is helping these efforts. We will know better at fair time.

One of the weaknesses of STRAP 2010 is that some of its goals and objectives do not lend themselves to easy measurement and may tend to be more qualitative than quantitative. This weakness came into clearer focus in my attempts to integrate the STRAP 2010 with the Board of Governors (BOG) Strategic Plan. As well as this difficulty with measurable performance indicators, there are parts of STRAP 2010 that correlate and support the BOG Plan more directly than others. Also, the CNE supports other goals of the BOG that are not included in STRAP 2010. Therefore, one of my short-term priorities is resolve these matters so that all CNEA employees will be working towards the goals and objectives both the CNEA and BOG

As reported previously, a committee has been called together to review the agreement (MOU) between the CNE and Exhibition Place. This committee has not met again since our last Board meeting. As I write this report, the committee is about to meet once more, this time with some information regarding site cost, finance and administration cost recoveries. Board members are encouraged to review the current MOU (in your Directors Manual) and communicate any comments or questions either to a member of the committee or myself.

As announced at the last meeting, Gilbert Estephan arrived on March 7th to assume the responsibilities of Exhibitor Sales & Services Manager. His first contribution to this report can be found below in the Exhibitor Sales section.

This is the time of year when seasonal staff begins to come on board and the pace of activities begins to quicken as we march towards Opening Day. As we get closer to fair time I will be adding to the list of "talking points" below. I will also be including these points in future reports so that they can be top-of-mind and available for directors and members:

- the CNE pays its own way. It is not subsidized by taxes,
- the CNE is clean, safe fun and good value (last year's research reminds us that we have a big problem of perception among non-users),
- the CNE is the first, and (to date) the only, fair in North America to receive Eco-Logo Certification,
- the CNE delivers social and economic benefits to the community and the region,
- the CNE helps to bridge the urban/rural divide by providing agricultural education to its predominantly urban audience.

Marketing and Communications

The Marketing Plan for the 2011 CNE has been developed and was presented, together with the Media Plan delineating the major advertising expenditures (please see the Media Buy report included in this agenda), to the Marketing Committee on Tuesday, March 8th.

Proactively responding to the results of research that was conducted with both CNE users and non-users by Experience Renewal Solutions last year, the CNE is making a number of significant changes to its overall marketing approach. Highlights of 2011 Marketing Plan include:

The overall objective of the 2011 Marketing Plan is to get more people to experience the CNE in keeping with budget expectations.

Target Markets

- Although we will not abandon our traditional primary market of Adults 25 to 54 with children 12 and under; or our secondary market of teens 12 to 17 years; we will seek to reach out to two new and highly populated cohorts: **Boomers** (born 1946-1964) and the **Echo Boomers** also known as Generation Y (people 18 to 35 years of age). In all demographics we will also be reaching out to lapsed and/or non-attendees.

Tactics include:

- To continue to emphasize the great value for money and all that is FREE at the CNE.
- To position the fair as entertainment experience attractive to young adults and boomers.
- Focusing on KEY attractions that have a demonstrated history of drawing people to the fair.
- To present the CNE as a fun, clean and safe entertainment experience.
- To get information about the CNE to a larger base of people through an expanded distribution of the CNE Guidebook before the fair opens.
- To encourage people to come to the fair early in the run (through \$8.00 Opening Day special) and to come often.
- To continue to increase \$5 after 5 pm offer attendance particularly from neighbourhoods close to the CNE.
- Developing a long term growth strategy for advertising dollars

2011 Advertising Creative will:

- Be re-designed to be more relevant and appealing to adults and young adults; less child focused.
- Be clearly branded: Canadian National Exhibition (CNE).
- Will continue to use "Let's Go to the EX" as its call to action in radio ads
- Stress Value for Money & All that is FREE at the CNE (pushing the CNE's major attractions in print, online, and targeted radio advertising).
- Focus on the key concerts and events that are proven motivators for attendance.
- Will be bright, clean and impactful
- Has been tested with an online panel and the resulting data is currently being analyzed by Experience Renewal Solutions

2011 Media Buy:

- Has a budget of approximately \$850,000 for paid advertising.
- Will run from the week of August 2 to August 31, 2011 (*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.

Major new marketing tool for the 2011 CNE:

- The development of a CNE application (app) for Smartphones.

Major Promotions for 2011 CNE:

- Opening Day \$8 @ The Gate Special
- \$5 After 5 pm special on Mondays, Tuesdays, Wednesdays & Thursdays (excluding Labour Day)
- 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 four years.
- Toronto District School Board Day (TDSB) on August 30, 2011.

Mac's Convenience Stores continue as the CNE's exclusive retail partner for our Early Bird discount sales program that is available before the opening of the fair. Tickets will also be sold through GO Transit and online at TheEx.com. CNE tickets can also be redeemed through the Air Miles Program.

Other Highlights

- ❖ The 2011 Campaign will continue to segment the marketing message depending on the target demographic, and expand this segmentation into online and social media channels.
- ❖ The Media Relations focus will be on Value for Money showcasing the major CNE attractions that are free with admission; an emphasis will also be placed on what is new at the fair in 2011 and the 75th Anniversary of the Bandshell and the 25th Anniversary of the Rising Star Talent Competition.
- ❖ Online initiatives once again play a central role in this year's Marketing Plan. The CNE website, which continues to be our central engine of communication, will be fine tuned to allow users to better plan their day at the fair. Tickets (both pre-CNE and throughout the fair) will continue to be sold online at TheEx.com; other highlights of our online initiatives include:
 - Further developing our online ecosystem utilizing social networks such as Facebook and Twitter and content sharing networks including You Tube and Flickr.
 - In response to 2011 Social Media trends, we will expand location-based initiatives, through Foursquare, Google Places and Facebook Places, and explore the viability of a CNE presence on "deals" sites such as GroupOn and Living Social, which are becoming more and more popular.
- ❖ 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 19 page CNE 2011 Marketing Plan, please contact Karen Lynch, Marketing & Communications Manager at 416-263-3815; klynch@theex.com

Sponsorship

In the recent budget transfers, the overall sponsorship objective was increased by \$60,000 to reflect additional Coca Cola revenue flowing through Sponsorship to Attractions Department. In the end Coca Cola cut back from an anticipated \$60,000 but have committed to \$50,000 in support of their Sprite brand. This \$50,000 is above and beyond their existing sponsorship and will be used to offset our Sports & Attractions Department expenses for FlowRider.

Other notable sponsorship happenings to date:

- General Motors are returning for a 3 year commitment with no "opt out" clause and a significant increase.
- A 3 year deal has been confirmed with the Westin Harbour Castle with a substantial increase in cash and a guarantee of the same room rate for 3 years at a reasonable rate.
- BMO is committing to a 3 year deal which would see them move from just a Credit card sponsor in 2011 to a full financial sector sponsor in 2012, 2013.
- Labatt's are not returning as a sponsor. They advised: "*Budweiser's strategy in 2011 was aligned to the global strategy. This focuses more on sports properties vs. properties like the CNE*". Their beer volume in 2010 was down 12% from 2009 (450 cases less) and they were also not very happy about the competitive product that was sold during the opening days of

the fair at the Midway Stage beer garden. This represents a shortfall which we are currently working to replace.

- Pokerstars.net is also not returning as they really wanted to activate inside the Casino which we cannot allow per Alcohol & Gaming Commission of Ontario regulations.

To date all other major sponsors are in negotiations to return and there are several new possibilities being pursued.

Operations

Staff is finalizing details of the 2011 site plan and midway layout, completing concessionaire evaluation meetings and working with our partners in completing plans for the 2011 CNE. In conjunction with Exhibition Place Capital Works Department staff has been finalizing the plans for the construction of the new CNE gate management office. In addition, Virginia Ludy has been participating on the Exhibition Place Capital Works staff committee and Exhibition Place Green Team.

Staff is also working on plans for the 2012 midway layout, taking into consideration future development on the site and incorporation of the new midway attraction.

Michael Knott had an opportunity to attend IAFE Fair Institute Seminars, Zone 3 Meeting and IAFE Spring Seminar in Indianapolis, Indiana. Mike successfully completed five of the required Fair Institute courses:

- Safety & Security
- Financial Management
- Entertainment II
- Carnival Midway
- Information Technology

Mike represented the CNE at the Zone 3 meeting that was held in conjunction to the IAFE Institute Seminar and also had an opportunity to participate in sessions presented as part of the Spring Seminar. Topics discussed included gate promotions, sponsorship opportunities, marketing techniques, new trends in games and food concessions, new guidelines for games and new products. Mike has passed on this information to the marketing department for their future consideration. Attendance at these sessions also provided Mike an opportunity to meet with his counterparts from across Zone 3.

Mike Knott and Virginia Ludy attended a three day course provided by Stay Safe on crisis communications and management. Both Virginia and Mike received training certification in Resistance Management Systems that includes Instructional Technique Principal, Advance Crisis Management and Advanced Effective Communications.

A number of major supplier contracts end at the conclusion of the 2011 CNE and so staff has begun the process of developing RFQ's and RFP's for the provision of these services in conjunction with the Exhibition Place Purchasing Manager.

Training sessions for the CNE Crisis Management Team will begin in April as will meetings with emergency service providers. Staff will also be meeting with City of Toronto Transportation Department and public transit providers to discuss issues around accessing the site during the 2011 CNE and finalizing details of our transportation and parking plan.

In response to the findings from the 2010 Research, operations staff is working on the following:

- construction of more water stations to meet the demands of our visitors
- launch of the second year of the Chairs With Flair program in conjunction with the TDSB, to address outdoor seating demand
- working with the outdoor food concessionaires in expanding the CNE “Healthy Food Options” program which was introduced in 2010
- purchasing a GPS system that will be installed on all CNE Express Trains to allow staff to improve the timing of the service and provide our visitors with the ability to see train stations and locations on the site
- meeting with all of our partners to emphasize the importance of value to our visitors and encouraging them to provide value added offers to their activities.

Programs

Staff has continued investigating, booking, and finalizing performers and exhibits for the 2011 fair. Please see our Program Update for details (Appendix A).

The Bandshell line up is now virtually complete, having overcome a setback regarding a major performer that we had engaged. Since Donny and Marie have now been booked by DanCap Productions for a two week run in July at the Four Seasons Centre for Performing Arts, we had to find a replacement for Marie Osmond, as DanCap will not allow her to perform with us in August. Through the same agency, Capitol International, our offer to another big name has been accepted and we are working out the contract and rider (see separate report “Capitol International”). We hope to have this finalized by the next report. The Bandshell has a strong Canadian component with a great mix of bands that target the youth market, satisfy the classic rock audience, pay tribute to the “legends” of entertainment, and will also feature popular traditions such as the Canadian Forces shows and the Rising Stars Finals.

The title of this year’s SuperDogs show is “Bite It, You’ll be Smitten not Bitten”. A number of offers have been sent out to chefs for the Celebrity Stage in Hall A and we are expecting another great roster on that stage. We have made offers to the final 16 of Top Chefs Canada as guests during mid-week on this stage.

Staff is negotiating the headline skater and finalizing a theme for this year’s ice skating and aerial acrobatic show in the Ricoh Coliseum and should have these finalized by next meeting.

Locally, staff is attending the Canadian Special Events and Meetings Expo Awards night on March 25 where our FlowRider is a finalist in the National Star Awards, and a chance to network with other professionals in the Special Events field.

Exhibitor Sales

The Exhibitor Sales unit is responsible for the Arts, Crafts & Hobbies, Food Building, Shoppers Market (previously Shoppers Bazaar), At Home Pavilion, International Pavilion, Warehouse Outlet and Warehouse Extension.

Staff has reconfigured and re-designed the floor plans in the Direct Energy Centre and opened up the air wall between Halls A & B, in order to create an open concept floor plan and improve the flow

of visitors from one shopping experience to another. [between the Shoppers Market (Hall A), the At Home Pavilion (Hall A) and the International Pavilion (Hall B)].

This change has affected the At Home Pavilion exhibitors primarily, as there are a number of large scale exhibitors with extensive booth space that require new placement. Booth allocations will begin the week of March 21, in order to ensure that all clients are provided with a fair and equitable opportunity to review and discuss best location options, based on seniority and floor plan positioning at previous fairs. More information on progress will be included in the next Management report.

Renewal contracts are continuing to be processed daily. New Applications are being accepted, and the first round of applications has been selected by the Review Committee.

Sales figures for March 2011 are on track from previous years, except for the At Home Pavilion due to the reconfiguration of the floor plan and booth allocation strategy.

Upcoming Staff Travel

New Orleans, for Mardi Gras, March 2011

Due to scheduling matters, it was decided that this travel opportunity would be postponed until 2012.

IAFE Spring Managers Conference, Louisville, KY – April 2011

Virginia Ludy, Karen Lynch, Zis Parras and David Bednar will be attending this conference which is for senior managers of fairs from the IAFE association. Sessions are planned on relevant topics geared to this group of attendees. The conference also provides a number of networking opportunities.

Canadian Association of Fairs & Exhibitions (CAFE) Board, Ottawa, ON – May and October

As a Director on the CAFE Board, Virginia will attend two Board meetings in Ottawa one in the spring and the other in the fall. Due to the extra travel required as a member of the CAFE Board of Directors, Virginia will be exceeding her annual travel limit.

Respectfully submitted,



David Bednar
General Manager



Canadian
National
Exhibition

PROGRAMMING UPDATE – MARCH 2011

BALL PARK

Baseball

- 55th Annual Lions-CNE Peewee Baseball
- Other baseball initiatives:
 - Beaches Men's Fastball League Reunion
 - 12th Annual Provincial PeeWee All-Star Tourney
 - Annual Women's Fastball Tournament
 - Girls' PeeWee/Bantam Exhibition Games
 - Rookie-Ball Exhibition Games

BANDSHELL PARK

The Bandshell

- Rib Fest - *daily, except Mondays*
- Canadian Forces Musical Salute - *August 19 and 20*
- Marianas Trench - *Sunday August 21*
- **Exfest – Battle of the Bands – Tuesday, August 23**
- The Spinners with The Manhattans *Wednesday, August 24*
- Lights – *Thursday, August 25*
- **Loverboy – Saturday, August 27**
- ~~Marie Osmond – August 26~~
- Blues Festival – *Sunday, August 28*
- **Toronto School Board Day – Tuesday, August 30**
- **Glen Campbell – Wednesday, August 31**
- My Darkest Days – *Thursday September 1*
- **K-OS – Friday, September 2**
- Tommy James and the Shondells – *Saturday, September 3*
- Rising Star Talent Finals – *Sunday, September 4*

<p>New items since last report are in bold font.</p>
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CENTENNIAL PARK

Kids' World

- Feature Stage
 - Splash 'n Boots
- KidStreet
 - Family Centre
 - KidScience – new components
 - Craft Gallery
- Kids' World Park
 - Backyard Circus & Family Puppet Parade
 - Ken Jen Petting Zoo
 - Playground

OUTSIDE THE BETTER LIVING CENTRE

Kitchen Theatre

The Casino Outdoor Patio

BETTER LIVING CENTRE

The Farm

- Kids AgVenture
- Butter sculpting
- AgriKidabra

HorseCapades - August 19-September 5

QUEEN ELIZABETH THEATRE

Ambassador of the Fairs Competition – August 21

QUEEN ELIZABETH EXHIBIT HALL

Arts, Crafts and Hobbies

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

WEST OF FOOD BUILDING

Variety Stage

- Rising Star Talent Competition
- Comedy Hypnotist Fernandez - 2 shows daily - 3 shows Labour Day Weekend
- Michel Lauziere (comedy variety act) - 2 shows daily - 3 shows Labour Day Weekend

TTC Subway Musicians Auditions Stage – August 19, 20 & 21

EAST SIDE OF BMO FIELD

Strikers Bar & Grill - daily

HORSE PALACE

HorseCapades.

- Meet, Feed and Learn about Horses - August 2 - 18

Miniature Horse Show - August 28, 29

RICOH COLISEUM

The Horse Show

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

Acrobatic and Ice Skating Show - August 19 – September 5

DIRECT ENERGY CENTRE, HERITAGE COURT

The Garden Show

- Feature Gardens
- “Rock on Rock” display
- International Sand Sculpture Competition
Competitors from the following countries confirmed for 2011: United States, Japan, Italy, Australia, Ireland
- Archives Exhibit – **The Haunted CNE**
- Flower and Vegetable Competition
- **Wine Garden with Jazz**

DIRECT ENERGY CENTRE, HALL A

At Home Pavilion - At Home Celebrity Stage

- David Rocco - August 20
- **Corbin Tomaszewski – August 21**
- **David Adjey – August 26**
- Michael Smith - August 27
- Bal Arneson - August 28
- **Several of the top chef contestants for Canada have confirmed that they will perform on the stage.**

DIRECT ENERGY CENTRE, HALL B

The International Pavilion Main Stage

- Black Angels Acrobats from Africa – 2 daily shows
- Jazenka Song and Dance Ensemble from the Czech Republic – to be confirmed

DIRECT ENERGY CENTRE, CAFÉ SOLEIL

The 40th Annual Cat Show - August 27 & 28

DIRECT ENERGY CENTRE, HALL D

The SuperDogs Show - Show Name: Bight It. You'll be Smitten not Bitten, featuring the music of Michael Jackson, Jackson Five, Motown and R&B

PRINCES' BLVD.

On the Midway Stage - Weekdays 4 - 11pm., Weekends 2 - 11pm.

- **Various Tribute Bands**

FlowRider SplashZone

- FlowRider demonstration/show
- Summer/beach interactives
- Public rides

Canadian Forces Display

THROUGHOUT THE GROUNDS

Parades

- Warriors' Day Parade - *August 20*
- Labour Day Parade - *September 5*
- Mardi- Gras Parade - *daily*

Park Entertainers

- John Beattie (strongman) - *4 shows daily*
- Sheldon Casavant (magician) - *3 shows daily*
- The Mat Velvet and Charlie Show (comedy acrobats) - *3 shows daily*
- Showbot (interactive robot) - *4 shows daily*
- **The Tree of Life (Walking Tree) – 4 shows daily**
- Strolling bands

Sports Day - August 27

***Contacts:** Zis Parras, Programs Manager (416) 263-3831
Paula Ellis, Agriculture (416) 263-3835
Karen Bradford, Attractions (416) 263-3806
Danielle Bourre, Entertainment (416) 263-3842*