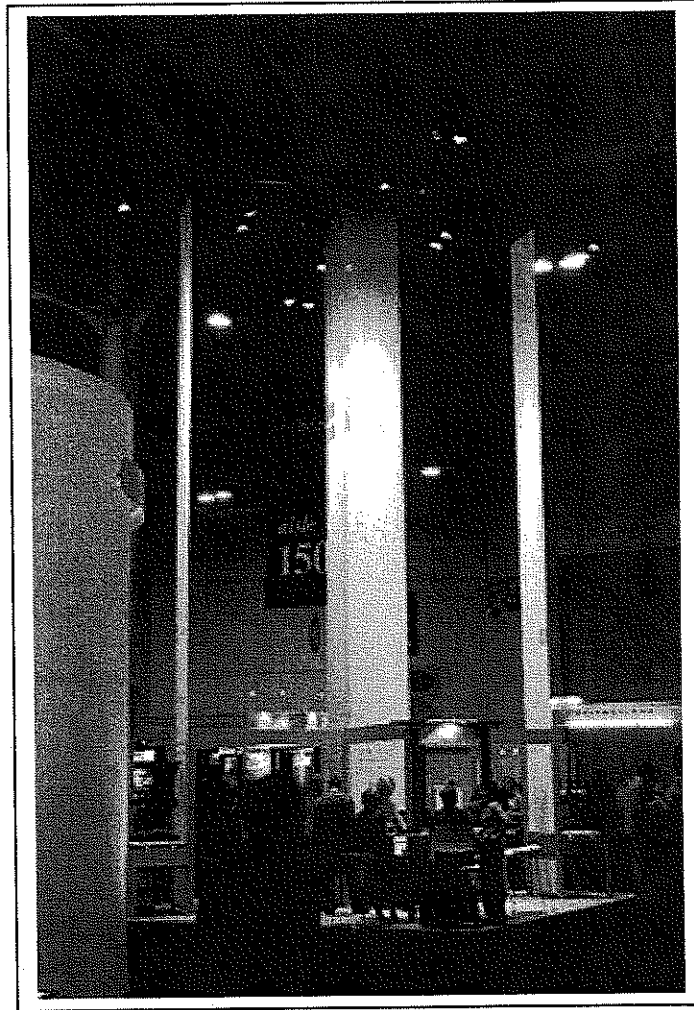


THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

10



FOR THE QUARTER ENDING
SEPTEMBER 30, 2004



IIDEX NeoCon Canada

SUBMITTED BY:

RON TAYLOR
MANAGING DIRECTOR/O&Y/SMG CANADA

ARLENE CAMPBELL
GENERAL MANAGER/NTC

EXECUTIVE SUMMARY

The Sales and Marketing team secured 10 new events for 2004, increasing our total to 56 new events.

The Third Quarter has been highlighted by some significant staff and facility achievements. In July, the International Association of Assembly Managers (IAAM) named Laura Purdy as the recipient of the 2004 Mid Grood Perry Creativity Award.

The National Trade Centre is once again the proud recipient of the 2004 Prime Site Award from Facilities and Destinations, and has also made the list for Trade Show Executive's "Millionaire's Club of Mega Facilities". The September 2004 issue of Trade Show Executive lists eight U.S. facilities with one million plus square feet of prime exhibition space and only one Canadian facility: The National Trade Centre. The National Trade Centre has also been confirmed as the venue sponsor for the BizBash T.O. Event Style Show and Expo in February 2005.

In terms of notable events at The National Trade Centre, The Weekend to End Breast Cancer Marathon and Toronto Waterfront Marathon were both extremely successful events with high attendance.

Net Operating Income for the nine months ending September 30, 2004 was \$323,392 compared to a budget of \$522,701, for a difference of (\$199,309). As previously reported we are projecting a year end shortfall of (\$235,000) due to RAWF rent and service relief.

SALES & MARKETING

THIRD QUARTER SUMMARY

During this quarter, the O&Y/SMG Canada Sales and Marketing team secured 10 new events for 2004 increasing our total to 56 new events.

The events are categorized as follows:

- 10 consumer shows
- 6 trade shows
- 27 special events/film/photo shoots
- 13 corporate bookings/meetings/holiday holiday parties/misc.



The Toronto Man Show

New events held during this quarter included Wireless & Mobile Expo, Hoop It Up, Cinderella Man Film Shoot, Mabuhay Festival, Weekend to End Breast Cancer 2 Day Walk, Toronto Man Show, Toronto Waterfront Marathon Expo and the Bell Mobility Conference & Gala.

In July, the International Association of Assembly Managers (IAAM) named Laura Purdy as the recipient of the 2004 Mid Grood Perry Creativity Award. This award is designed to recognize a project, program or management innovation developed or implemented within a public assembly facility. Laura was chosen as this year's recipient for the trade-marketing campaign which she developed and implemented to launch Ricoh Coliseum as a new venue. This marketing campaign for Ricoh Coliseum included e-cards, brochures, industry advertising & venue website.

In August, The National Trade Centre was confirmed as the venue sponsor for the BizBash T.O. Event Style Show and Expo in February 2005. BizBash is an annual event that focuses on event style and trends in the Toronto event market. It attracts event professionals from across Canada from several sectors including corporate, film, fashion, music, media, beauty, finance and retail. Participating as a sponsor at this event will give our sales team the opportunity to further promote our facility expansion of the new conference center and hotel to meeting planners attending this function.

Arlene Campbell and Laura Purdy are participating on the Exhibition Place design development team for the hotel and conference centre project.

BUSINESS TRAVEL

In August, The National Trade Centre was represented at the SISO Executive Conference as part of the SMG booth.

Upcoming business travel includes the C.S.A.E. Annual Conference that will take place October 14 – 16 in Montreal in October and the TEAMS Conference scheduled for October 20 – 23 in Houston. Follow-up reports will be included in our October summary. Arlene Campbell is confirmed to join the City of Toronto's Business Mission to Frankfurt and Milan from November 13 to 21, 2004. Meetings are being held with Messe Frankfurt and Fiera Milan.

PUBLICITY

Events held during July, August and September received media attention from the Toronto Star, Toronto Sun, CITYTV and CP24.

An article entitled "The American Dream" was part of the September 2004 issue of Exhibition World magazine. This article quoted Laura Purdy and mentioned the Royal Agricultural Winter Fair, the National Home Show and ISH North American.

EVENT SERVICES

Third Quarter Summary

During the months of July, August and September of 2004, Event and Facility co-ordinators at The National Trade Centre were involved in the following events:

JULY	
National Trade Centre Events	Exhibition Place Events
Consumer	<ul style="list-style-type: none"> • Chin Picnic • Molson Indy & Motorfest
<ul style="list-style-type: none"> • Wireless & Mobile World Expo • Hoop it up Basketball Event 	
Other	
<ul style="list-style-type: none"> • 12th. Annual Latvian Song & Dance Festival • Garden Brothers Circus 	
AUGUST	
National Trade Centre Events	Exhibition Place Events
Consumer	<ul style="list-style-type: none"> • Canadian National Exhibition
<ul style="list-style-type: none"> • Mabuhay Festival 	
Other	
<ul style="list-style-type: none"> • Jewellery World Expo 	
SEPTEMBER	
National Trade Centre Consumer Events	
<ul style="list-style-type: none"> • The Toronto Man Show • The Clothing Show 	
Other Events	
<ul style="list-style-type: none"> • Weekend to End Breast Cancer Marathon • GM Ride & Drive • Bell Mobility • Toronto Waterfront Marathon 	

NTC EVENTS

Wireless & Mobile World Expo was a first time event at the NTC. The client will be returning with at least two more events in future.

Extremely well received events included the Hoop it Up basketball event which was met with very high attendance. The client requested space in addition to what was outlined in the contract for basketball courts. Reed Exhibition's Jewellery World Expo was expanded this year with about 5 per cent more booths. This show continues to improve every year. The Weekend to End Breast Cancer Marathon moved to the NTC and Ricoh Coliseum during its second year at Exhibition Place. Attendance was at capacity in Ricoh Coliseum. The Toronto Waterfront Marathon had very high attendance over the two days of the events. Additional signage was placed inside and outside The National Trade Centre to direct patrons to the event. Show management was very pleased with the facility and expressed a wish to return for future events.

The Mabuhay Festival also took place during the Third Quarter as well as the Toronto Man Show, which was held for the first time at the NTC. The Clothing Show was very well attended and the GM Ride and Drive and Bell Mobility events went very smoothly.

EXHIBITION PLACE EVENTS

NTC Event and Facility coordination staff culminated their work, which began in early April, on the Molson Indy and CHIN Picnic. These events required significant time and effort to accommodate but were successfully delivered. Molson Indy and Motorfest were also quite successful. NTC Event & Facility management coordinated the services for the CNE which included the events in the Ricoh Coliseum.

TELECOMMUNICATIONS

Telecommunications had a busy quarter providing service for a variety of events including the Molson Indy, Canadian National Exhibition and other events. Internet service sales continue to increase as customers continue to deploy more applications on the show floor. Telecommunications is currently in the process of "hardening" its security on IT components in a variety of ways. These changes should make for an even more secure computer network and thwart any potential attacks from "hackers" and malicious applications.

BUILDING OPERATIONS

- A lighting proposal and recommendation was completed and sent to Capital Works for future upgrades to the Industry Building lighting system.
- The Angus Preventative Maintenance Program is ongoing with data collection for additional task sheets being developed in the electrical and kitchen equipment programs.
- Fire alarm upgrades are ongoing with completion scheduled for the fall season.
- Chiller maintenance was completed and the system functioned well over the summer.
- The Mid-Arch diesel generator water pump has been repaired by the Operation Department and load tests are now complete for all NTC Generators.
- CCTV System upgrades are ongoing with upgrades for the Royal Agricultural Winter Fair office areas scheduled for completion this autumn.
- The Automotive Building emergency lighting and fire alarm upgrades are now completed and signed off by Toronto Fire Services.
- Plumbing and utility services have been successfully delivered to all events this quarter.

FACILITY SERVICES

The team worked diligently throughout the summer shows and events and continues to provide quotes and service schedules for future events. Staff members support and assist with capital improvement projects within the buildings. The following facility inspections and repairs were scheduled through the maintenance program.

- Repairs to damaged mechanical doors and dock plates.
- Maintenance to all exit doors and hardware where necessary.
- Mechanical maintenance and vinyl wall covering repairs to Hufcore partitions.
- Completed fleet maintenance & repairs per the Angus program.
- Exterior painting of benches, railings, exit & mechanical doors, loading docks, parking lines.
- Re-painted the cattle wash / can wash facility.
- Continued to re-pin locks in various area's throughout facility with a goal to improving security measures.
- Roof maintenance & repairs to various areas throughout facility.
- Wash down and thorough cleaning of underground garage.
- Stripped the galleria terrazzo and re-finished.
- Steaming of all washroom walls, floors, partitions and equipment.
- Completed exterior / interior concrete, masonry & caulking repairs throughout complex.
- Installation of new hanging plants at entrances and throughout Galleria per service contract.
- Preparation of gardens, repairs to sod and general property maintenance is ongoing.
- Change flags where necessary at 15 locations.
- Ordered replacement chair parts to maintain our inventory.
- Moved inventory from N. Extension to West Annex to improve control measures.
- Enlarged the security cage at the main hub in the ACX transformer room.
- Bollard, railing and gate repairs at building perimeter.
- Completed an equipment audit for all NTC FF&E.
- Completed various arena turnovers per summer events.
- Hussey seats completed various bleacher repairs per warranty (still on-going).
- Installation of door alarms to exits throughout Ricoh Coliseum.
- Monitored the removal of all Roadrunner equipment throughout home team dressing room.

SERVICE STARS

Brin Langmuir of the National Hardwood Lumber Association wrote via e-mail to Jamie Needler after their corporate skate to say "Thank you again for your efforts last week. Please pass on to Brian, Al and everyone else that helped that it was a great venue and for us a great experience."

CENTERPLATE

RETAIL DEPARTMENT

Events for the quarter included The YMCA Run, People in Motion, AIMR, Toronto Comicon, The Youth Basketball Jamboree, The Molson Indy, Hoop It Up, The Mabuhay Festival / Philippine Independence Day, Jewellery World Expo, The Canadian National Exhibition, Weekend to end Breast Cancer, The Clothing Show, The Toronto Man Show, and the first day of IIDEX NeoCon Canada. As in the past, the summer months are slower than other months, mostly

due to the competition with the weather. Mid-September marks the beginning of the Fall Show Season.

The busiest shows of the quarter are traditionally The Molson Indy, The CNE, Jewellery World Expo and IDEX NeoCon Canada. Tradition reined true as again these were the busiest and generated the most food and beverage sales.

While a major concern at the CNE was the loss of the Bud and Blue Big Rigs for marketing and attraction at the Thirsty Cactus as well as a slow start, the event ended up with higher than expected revenues. Sales started slower than we had anticipated, but a huge final weekend helped us exceed our expectations.

The first day of IDEX NeoCon Canada was highlighted by strong revenues in our outlets as well as the Restaurant. Our restaurant concept for this show is made up of an island style service area put together by placing our new portable carts end to end while leaving enough service space behind them. This creates an oval shaped kitchen / production area. One side is used to offer chef prepared entrees made to order and the other to offer packaged items ready for grab & go. The set up proved to be most successful as we served a record amount of guests with limited wait times.

CATERING DEPARTMENT

Catering for the quarter consisted mainly of show catering for events such as CNE, Molson Indy, Jewellery World Expo and IDEX NeoCon Canada, as well as stand alone events such as Bell Mobility WIC, Cadillac Test Drive and The Tremaine / Lasardo Wedding.

Event bookings continued to be strong for what looks to be an extremely busy Fall and Winter Season. Based on sales versus last year, the events industry seems to be recovering from last year's challenges.

SEPTEMBER FINANCIALS

Net Operating Income for the nine months ending September 30, 2004 was \$323,392 compared to a budget of \$522,701 for an unfavourable variance of (\$199,309). As previously reported we are projecting a year end shortfall of \$235,000 due to RAWF rent and service relief.

- Rental income at \$4,091,021 is unfavourable to budget by (\$191,267) mainly due the timing of new business.
- Electrical services of \$381,395 were below budget by (\$104,239) due to the timing of new business electrical revenue and the higher cost of delivery experienced in the 1st Quarter. Exhibition Place took over the delivery of electrical show services effective March 1, 2004; NTC Finance continues to be responsible for invoicing and collections.
- Direct and indirect expenses are favourable to budget by \$489,349 partly as a result of timing on marketing dollars, PM&D expenses, and savings in salaries for the Finance, Event Services and Operations Departments due to vacant positions.
- Food & Beverage concessions of \$749,781 are unfavourable to budget by (\$140,969) due to lower attendance for consumer shows.
- Telecommunications at \$234,029 is favourable to budget by \$6,817 due to higher demand for internet services.

- The CRC subtenant lease was terminated June 14, 2004 by BPC Coliseum Inc. Rental from the grounds lease, management fee and costs recovery is assumed to be paid to the end of August only. Financial impact for the month of September from this loss is \$126,000.

Accounts receivable for the month ending September 30, 2004 were \$3,217,281 consisting mainly of:

- \$806,427 for services on completed events, of which \$16,751 has been received by October 14, 2004.
- \$776,509 owed as deposits for future events, of which \$249,329 has been received by October 14, 2004.
- \$86,670 for Sponsorship agreements.
- \$12,632 for Coliseum partners and sub-contractors for Arena-related project costs.
- \$47,112 of Food & Beverage Concessions is owed by Centerplate, contractually due on the 25th of the following month.

The Finance Department continues to provide extensive accounting support to the Ricoh Coliseum Owners Group.

APPENDIX "A"

THE NATIONAL TRADE CENTRE FINANCIAL STATEMENT HIGHLIGHTS AUGUST 2004 and YEAR TO DATE

	MONTH ACTUAL	2	MONTH BUDGET	1	VARIANCE	YTD ACTUAL	56	YTD BUDGET	36	VARIANCE
Number of Events		2		1			56		36	20
Direct Event Income	53,836.90		81,656.00		(27,819.10)	4,386,343.25		4,570,099.00		(183,755.75)
Ancillary Income	212,420.10		189,366.00		23,054.10	2,610,468.73		2,700,505.00		(90,036.27)
Advertising Income	11,008.07		39,891.00		(28,882.93)	112,581.07		214,297.00		(101,715.93)
CNE Recovery	431,159.00		431,159.00		-	431,159.00		431,159.00		-
Total Event Income	708,424.07		742,072.00		(33,647.93)	7,540,552.05		7,916,060.00		(375,507.95)
Direct Expenses	268,085.04		409,494.00		141,408.96	3,427,988.46		3,608,482.00		180,493.54
Indirect Expenses	407,729.12		422,796.00		15,066.88	3,165,492.62		3,429,068.00		263,575.38
Total Event Expenses	675,814.16		832,290.00		156,475.84	6,593,481.08		7,037,550.00		444,068.92
NET INCOME (LOSS)	32,609.91		(90,218.00)		122,827.91	947,070.97		878,510.00		68,560.97

Actuals include 12% markup paid to Exhibition Place on labour and materials. At August 31, 2004 the markup paid to Exhibition Place was a total of \$ 205,883.60 (\$ 162,629.24 expensed against direct event income and the balance of \$ 43,254.36 in direct expense)

NOTE: 1



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT AUGUST 31, 2004 with COMPARISON TO AUGUST 2003**

	2003 YTD AUGUST ACTUAL	2004 YTD ACTUAL	2004 YTD BUDGET	2004 VARIANCE	VARIANCE TO YTD AUGUST, 2003 ACTUAL	%
Number of Events	50	56	36	20	6	12.0%
Direct Event Income	4,013,721.11	4,386,343.25	4,570,099.00	(183,755.75)	372,622.14	9.3%
Ancillary Income	1,429,488.62	2,610,468.73	2,700,505.00	(90,036.27)	1,180,980.11	82.6%
Advertising Income	209,670.07	112,581.07	214,297.00	(101,715.93)	(97,089.00)	(46.3%)
CNE Recovery	418,408.00	431,159.00	431,159.00	-	12,751.00	24.2%
Total Event Income	6,071,287.80	7,540,552.05	7,916,060.00	(375,507.95)	1,469,264.25	
Direct Expenses	3,139,790.63	3,427,988.46	3,608,482.00	180,493.54	(288,197.83)	(9.2%)
Indirect Expenses	2,907,036.32	3,165,492.62	3,429,068.00	263,575.38	(258,456.30)	(8.9%)
Total Event Expenses	6,046,826.95	6,593,481.08	7,037,550.00	444,068.92	(546,654.13)	(9.0%)
NET INCOME (LOSS)	24,460.85	947,070.97	878,510.00	68,560.97	922,610.12	3,771.8%

Actuals include 12% markup paid to Exhibition Place on labour and materials. At August 31, 2004 the markup paid to Exhibition Place was a total of \$ 205,883.60 (\$ 162,629.24 expensed against direct event income and the balance of \$ 43,254.36 in direct expense)

Note: 1

**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF AUGUST 31, 2004

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
Attendance [Note:1]	8,000	804,060	786,181

<u>EVENT</u>	<u>ACTUAL # OF PERFORMANCES</u>		<u>(IN THOUSANDS)</u>		<u>REFRESHMENT PER CAP'S ACTUAL [Note: 2]</u>
	<u>2004</u>	<u>2003</u>	<u>ACTUAL</u>	<u>BUDGET</u>	
	<u>NET EVENT INCOME [Note: 3]</u>				
Consumers Show	32	28	27	3,668	3,848
Trade Show	9	5	7	732	1,319
Concert	1	0	1	-	-
Photo/Film Shoot	6	3	2	65	-
Meeting/Corporate	8	14	22	340	-
	<u>56</u>	<u>50</u>	<u>59</u>	<u>4,805</u>	<u>5,168</u>

Note: 1 Attendance estimates provided by Show Management.

Note: 2 Refreshment per cap's based on information reported by Centerplate

Note: 3 Net event income includes rent and services, ancillary income includes catering and electrical commissions.



**THE NATIONAL TRADE CENTRE
BALANCE SHEET
AS AT AUGUST 31, 2004**

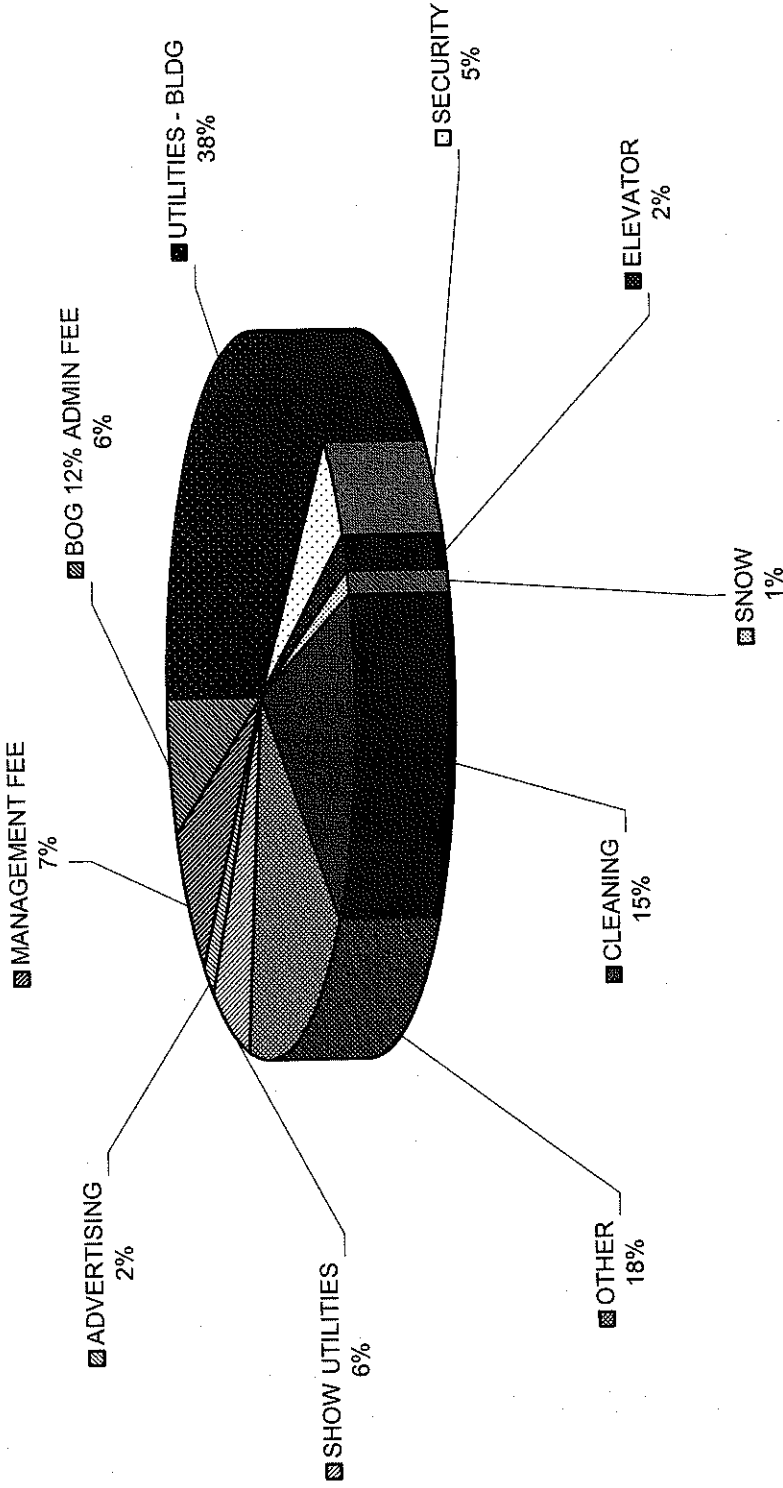
	2004	2003
ASSETS		
CURRENT ASSETS		
CASH	679,757.63	485,498.87
ADVANCE TO EX PLACE	320,000.00	250,000.00
TERM INVESTMENTS	2,650,000.00	2,350,000.00
AMERICAN EXPRESS	918.01	7,432.28
TRADE ACCOUNTS RECEIVABLE		3,023,951.20
ALLOWANCE FOR DOUBTFUL ACCOUNTS		<u>(16,632.63)</u>
NET ACCOUNTS RECEIVABLE	3,007,318.57	1,530,278.87
RECEIVABLE FROM EX PLACE	36,640.11	13,565.62
OTHER RECEIVABLE	5,199.35	44,973.13
PREPAID EXPENSES	<u>17,945.92</u>	<u>121,073.99</u>
TOTAL CURRENT ASSETS	<u>6,717,779.59</u>	<u>4,802,822.76</u>
FIXED ASSETS		
EQUIPMENT - NET	41,152.11	54,750.53
TOTAL ASSETS	<u><u>6,758,931.70</u></u>	<u><u>4,857,573.29</u></u>
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	3,172,383.99	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	60,845.20	
DEFERRED REVENUE	<u>2,195,374.56</u>	5,000,534.51
EQUITY		
NET INCOME (LOSS) CURRENT	947,070.97	24,460.85
PRIOR YEAR PSAB ADJUSTMENT	(167,422.07)	(167,422.07)
PRIOR YEAR SURPLUS	550,679.05	-
DISTRIBUTION TO EXHIBITION PLACE	<u>(600,000.00)</u>	<u>(600,000.00)</u>
TOTAL LIABILITIES & EQUITY	<u><u>6,758,931.70</u></u>	<u><u>4,857,573.29</u></u>



THE NATIONAL TRADE CENTRE
 FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED AUGUST 31, 2004

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	32,609.91	947,070.97
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
SOURCES (USES) OF CASH		
TERM INVESTMENTS	500,000.00	2,000,000.00
ACCOUNTS RECEIVABLE - TRADE	(705,714.12)	(305,186.14)
RECEIVABLE FROM EX PLACE B.O.G	(3,193.76)	(36,600.00)
ACCOUNTS RECEIVABLE - OTHER	16,843.90	72,974.60
PREPAID EXPENSES	16,512.90	131,932.90
DEPOSITS AND OTHER ASSETS	13,643.99	(4,054.61)
ACCOUNTS PAYABLE & ACCRUED EXPENSES	70,020.81	(723,189.52)
OTHER PAYABLES	14,403.39	(98,523.89)
DEFERRED INCOME	330,306.08	(1,180,216.27)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	(70,000.00)
NET CASH FROM OPERATIONS	285,433.10	734,208.04
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	-	(600,000.00)
NET CASH FROM OTHER SOURCES	-	(600,000.00)
NET INCREASE (DECREASE) IN CASH	285,433.10	134,208.04
BEGINNING CASH BALANCE	394,324.53	545,549.59
ENDING CASH BALANCE	679,757.63	679,757.63

**COMPONENTS OF DIRECT EXPENSE
YTD AUGUST 31, 2004**



- UTILITIES - BLDG
- SECURITY
- ELEVATOR
- SNOW
- CLEANING
- OTHER
- SHOW UTILITIES
- ADVERTISING
- MANAGEMENT FEE
- BOG 12% ADMIN FEE



**THE NATIONAL TRADE CENTRE
CHEQUE DISBURSEMENTS - AUGUST 2004
GREATER THAN \$50,000**

Check No	Date	Description	Amount
16239	8/27/04	O & Y ENTERPRISES	120,023.82
16224	8/27/04	THE BOARD OF GOVERNORS OF EXHIBITION PLACE	194,374.70
16163	8/6/04	THE BOARD OF GOVERNORS OF EXHIBITION PLACE	364,809.25
DISBURSEMENTS OVER \$50,000			679,207.77
OTHER DISBURSEMENTS LESS THAN \$50,000.			316,443.64
TOTAL DISBURSEMENT IN AUGUST 2004			995,651.41

O&Y SALARIES WK ENDING JUL.10, JUL.24 & AUG.7, 200
SALARIES FOR WK ENDING JUN.12 & JUN. 26, 2004
Y2003 SURPLUS/MAR7-JUL03-WORK ORDER/NORM OT



