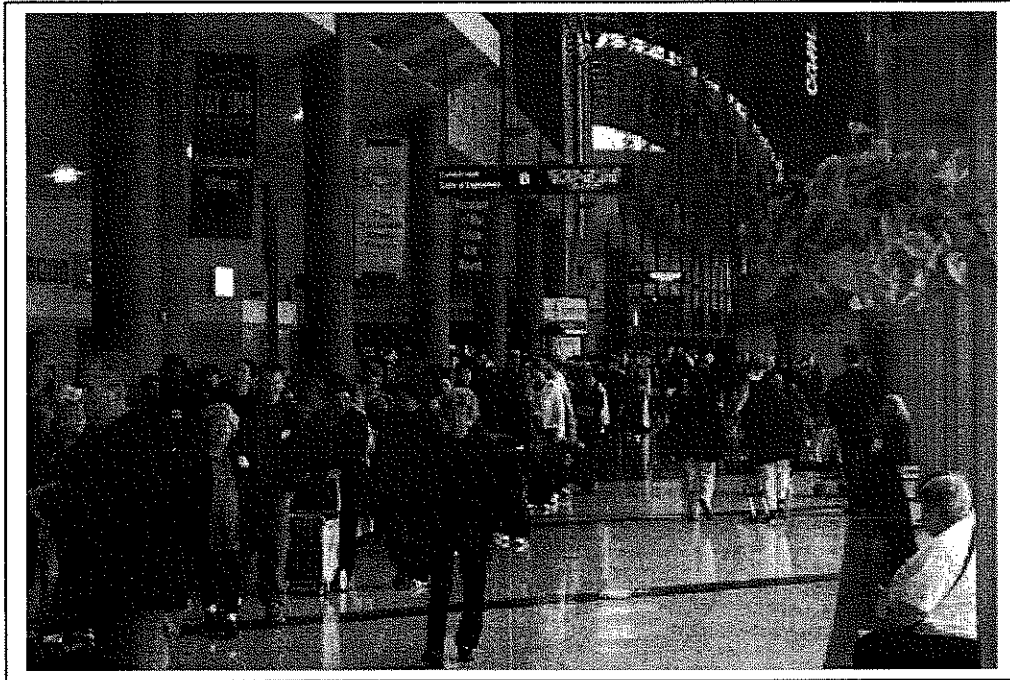


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THE NATIONAL TRADE CENTRE MANAGEMENT REPORT

FOR THE MONTH ENDING
OCTOBER 31, 2004



Toronto Hadassah Wizo Bazaar

SUBMITTED BY:

RON TAYLOR
MANAGING DIRECTOR/O&Y/SMG CANADA

ARLENE CAMPBELL
GENERAL MANAGER/NTC

SALES & MARKETING

OCTOBER SALES EFFORTS

During the month of October, the O&Y/SMG Canada Sales and Marketing team secured 3 new events for 2004, increasing our total to 59 new events. The events are categorized as follows:

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



Everything to do with Sex Show

In October we received written notification from *Facilities & Destinations* magazine that The National Trade Centre has won a *2004 Prime Site Award*. Winners are determined based on votes collected from industry members including association executives, meeting planners and tradeshow managers. This is the 3rd consecutive year that The National Trade Centre has won this award and the fourth in total.

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

BUSINESS TRAVEL

Barbara Outschoorn and Geoffrey Mak participated in the C.S.A.E. Annual Conference, from October 14th to 16th, in Montreal. The goal of our staff was to promote The National Trade Centre and the development of the new hotel and conference centre at the tradeshow portion of the conference. The slogan "Plan now to meet and sleep with us" was used to develop the sales strategy. The booth was outfitted with a green screen photography set with a digital background of a hotel room. The attendees were provided with props including a robe, nightshirt, teddy bear and briefcase to use for their photo. Over 100 attendees participated and each was provided with a copy of their photo. Response from this initiative was very positive and the attendees showed a lot of interest in the hotel and conference centre development. Our Sales team will be following up with an email blitz to the CSAE Executive Directors.

Ellen de Boer attended the TEAMS Conference from October 20th to 23rd in Houston as part of the SMG booth. This conference was attended by sporting event promoters and organizers (flat floor events) along with members of various sports associations. In addition to promoting our facility at the tradeshow portion of the conference, Ellen met with 15 potential clients and will organize follow-up with these contacts in November.

PUBLICITY

Media attention during the month of October included an article in the Toronto Star and event coverage on CITYTV and CP24.

EVENT SERVICES

October Summary

During the month of October, Event and Facility Co-ordinators at The National Trade Centre were involved in the following events:

October
National Trade Centre Trade/Consumer Events
<ul style="list-style-type: none">• IIDEX/ NeoCon Canada Show• Toronto Fall Home Show• Toronto Psychic Expo• Toronto Ski, Snowboard and Travel Show• Postage Stamp Show – Stampex 2004• 5th Annual Bicycle Blow Out Sale• School Library Resource Fair• Everything to do with Sex Show• Canadian National Franchise Show and Conference
Other Events
<ul style="list-style-type: none">• College of Nurses of Ontario Exams• Navaratri Samuh Garba Raas Concert• Beloved Melody Vietnamese Concert• Treasure Traders 1st Annual Gala• Bridgestone Tires• Marketing to Moms• Toronto Hadassah WIZO Bazaar

NTC EVENTS

During IIDEX/NeoCon Canada, staff implemented a new sign-in/sign-out process to control access to the show floor. Based on our observations and subsequent meetings with the client, this new procedure will be fine-tuned and enhanced for future events.

The Fall Home Show and Psychic Expo went very smoothly and no concerns were reported. The Postage Stamp show was a success and the client expressed satisfaction with services received. Samuh Navaratri Garba Raas is an ethnic entertainment event that was moved this year to Halls C & D from the Coliseum. The event went very well in the new location. Treasure Traders First Annual Gala took place for the first time in The National Trade Centre and was very successful. The Fall School Library Resource Fair wishes to expand to 100% of the Queen Elizabeth Exhibit Hall in 2005.

The Hadassah WIZO Bazaar moved from the Automotive Building Hall A this year. The client was extremely happy with the facility, the ease in delivery of electrical and telecommunications services, the speed of move-in and move-out and the resulting significant savings in labour hours.

The Everything to do with Sex Show was extremely successful in terms of attendance and show management's satisfaction with the building. O&Y/SMG checked the event website to ensure there was no objectionable material linked to The National Trade Centre website. O&Y/SMG also worked with Toronto Police to ensure community standards were upheld.

TELECOMMUNICATIONS

Telecommunications provided a number of events with a variety of Telecommunication services. Preparations for the Royal Winter fair and various other IT type events also took place during this month. Telecommunications is deploying a new VLAN (virtual local area network) system within the trade centre. This system should help prevent problems for users at events that can be caused by participants having viruses on their computers and potentially infecting others.

BUILDING OPERATIONS

- The Automotive Building exhaust fan motors have been repaired and reinstalled.
- The Mid-Arch diesel generator water pump repairs have been completed.
- The chillers have been shut-down and the cooling towers have been prepared for the winter months.
- The main NTC kitchen hood systems and fire protection systems have been repaired and are fully functional.
- Management and staff have reviewed on-going concerns with the lighting pole bases on the south-west walk of the NTC. The proposed changes are to be implemented in 2005 to facilitate easier removal during outdoor events.
- A new chemical treatment contractor has been secured to maintain and monitor all chemical feed protection systems within the NTC.
- The hot water boilers have been serviced and tested this month to meet T.S.S.A. annual requirements.
- All water and gas services required for events in October have been delivered successfully.

FACILITY SERVICES

The facility team ensured the delivery of services throughout October shows / events. We continue to provide quotes and service schedules for future events. Extensive estimating and planning was a priority for the upcoming RAWF. Staff assisted with capital improvement projects within the buildings. The following facility inspections and repairs were scheduled through the maintenance program.

- Repairs to damaged mechanical doors, dock plates and minor maintenance.
- Maintenance to all exit doors and hardware where necessary.
- Mechanical maintenance to Halls C/D Hufcore wall partition.
- Completed fleet maintenance and repairs per the Angus program.
- Painting touch-ups throughout galleria, halls and salons.
- Re-keyed doors 24, 28, 33 & 34 to maximize security at the North end of the facility.
- Roof maintenance and repairs to various areas throughout facility.
- On-going daily housekeeping of public areas within the facility interior / exterior and tenant offices.
- Staff attended waste diversion meetings to discuss objectives, ideas and target dates.
- Placement of new paper towel recycling containers throughout all washrooms and offices.

- Obtaining costs to apply a non-slip coloured floor coating at each entrance to the galleria from underground parking lot.
- Installation of new signs in the underground garage to assist visitors of the National Trade centre.
- Preparing to change the hanging plants throughout galleria in accordance with our supplier contract.
- Change flags where necessary at various locations.
- Moved inventory from North Extension to West Annex to improve control measures.
- Repaired all bollard inserts in front of Automotive building.
- Completed various arena turnovers per events and in the process of planning conversions for future events.
- Replaced all heat tracing cables and repaved the East entrance and exit to the underground parking garage.

SERVICE STARS

The following phone message from Matt Jacot was received by Barb Outschoorn on October 21st re the Bridgestone Tire Commercial Shoot.: "...It was the best shoot by far that we had anywhere on the Exhibition grounds. The crew was excellent and they should be commended... We really do appreciate it because it does bring business to Canada and hopefully back to Ricoh or wherever on the CNE grounds."

CENTERPLATE

RETAIL DEPARTMENT

Retail sales were busy this month with a full show schedule. Delivery of service to all events went smoothly.

CATERING DEPARTMENT

Catering kicked off the beginning of the busy season with events including an off premise reception for 500 people at the new Dekla Kitchens Showroom at Liberty Village. This event was referred by Azure Magazine, which Centerplate worked with last year in an off premise event at The Distillery. Other events included a sit down dinner for 1200 for Treasure Traders as well as a breakthrough with the Ski and Snowboard Show with some Booth Catering.

OCTOBER FINANCIALS

Net Operating Income for the ten months ending October 31, 2004 was \$452,346 compared to a budget of \$544,010 for an unfavourable variance of (\$91,665). As previously reported we are projecting a year end shortfall of (\$235,000) due to RAWF rent and service relief.

- Rental income at \$4,608,006 is unfavourable to budget by (\$122,780) mainly due the timing of new business.
- Electrical services of \$460,617 were below budget by (\$112,439) 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 \$623,979 partly as a result of timing on marketing dollars, PM&D expenses, and savings in salaries for the Executive, Finance, Event Services and Operations Departments due to vacant positions.
- Food & Beverage concessions of \$880,212 are unfavourable to budget by (\$92,708) due to lower attendance for consumer shows.
- Telecommunications at \$304,466 is favourable to budget by \$39,902 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 two months of September and October from this loss is (\$266,214).

Accounts receivable for the month ending October 31, 2004 were \$3,300,934 consisting mainly of:

- \$982,877 for services on completed events, of which \$30,037 has been received by November 18, 2004.
- \$411,525 owed as deposits for future events, of which \$227,898 has been received by November 18, 2004.
- \$238,725 of Food & Beverage Concessions is owed by Centerplate, contractually due on the 25th of the following month.
- \$86,670 for Sponsorship agreements.
- \$12,632 for Coliseum partners and sub-contractors for Arena-related project costs.

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

APPENDIX "A"

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

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	17	8	9	79	46	33
Direct Event Income	617,844.36	516,738.00	101,106.36	5,141,553.97	5,302,962.00	(161,408.03)
Ancillary Income	272,924.94	347,900.00	(74,975.06)	2,870,909.97	3,286,651.00	(415,741.03)
Advertising Income	10,883.00	39,891.00	(29,008.00)	130,374.41	275,579.00	(145,204.59)
CNE Recovery	41,641.00	-	41,641.00	437,869.00	431,159.00	6,710.00
Total Event Income	943,293.30	904,529.00	38,764.30	8,580,707.35	9,296,351.00	(715,643.65)
Direct Expenses	441,786.55	458,774.00	16,987.45	4,298,536.99	4,466,931.00	168,394.01
Indirect Expenses	372,552.91	424,446.00	51,893.09	3,829,824.79	4,285,410.00	455,585.21
Total Event Expenses	814,339.46	883,220.00	68,880.54	8,128,361.78	8,752,341.00	623,979.22
NET INCOME (LOSS)	128,953.84	21,309.00	107,644.84	452,345.57	544,010.00	(91,664.43)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At October 31, 2004 the markup paid to Exhibition Place was a total of \$ 269,265.64 (\$ 202,915.12 expensed against direct event income and the balance of \$ 66,350.52 in direct expense)

NOTE: 2 CRC subtenant lease terminated June 14, 2004 by BPC Coliseum Inc. Rental from grounds lease, management fee and costs recovery assumed to be paid to end of August only. Financial impact for the two months of September and October from this loss is (\$ 266,214)

NOTE: 3 Actual number of events include 1 MTD and 3 YTD for Ricoh from September 2004

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

	2003 YTD OCTOBER ACTUAL	2004 YTD ACTUAL	2004 YTD BUDGET	2004 VARIANCE	VARIANCE TO YTD SEPTEMBER, 2003 ACTUAL	%
Number of Events	73	79	46	33	6	8.2%
Direct Event Income	5,224,195.79	5,141,553.97	5,302,962.00	(161,408.03)	(82,641.82)	(1.6%)
Ancillary Income	1,988,943.72	2,870,909.97	3,286,651.00	(415,741.03)	881,966.25	44.3%
Advertising Income	232,665.13	130,374.41	275,579.00	(145,204.59)	(102,290.72)	(44.0%)
CNE Recovery	385,357.00	437,869.00	431,159.00	6,710.00	52,512.00	
Total Event Income	7,831,161.64	8,580,707.35	9,296,351.00	(715,643.65)	749,545.71	9.6%
Direct Expenses	3,863,020.78	4,298,536.99	4,466,931.00	168,394.01	(435,516.21)	(11.3%)
Indirect Expenses	3,589,971.76	3,829,824.79	4,285,410.00	455,585.21	(239,853.03)	(6.7%)
Total Event Expenses	7,452,992.54	8,128,361.78	8,752,341.00	623,979.22	(675,369.24)	(9.1%)
NET INCOME (LOSS)	378,169.10	452,345.57	544,010.00	(91,664.43)	74,176.47	19.6%

Actuals include 12% markup paid to Exhibition Place on labour and materials. At October 31, 2004 the markup paid to Exhibition Place was a total of \$ 269,265.64 (\$ 202,915.12 expensed against direct event income and the balance of \$ 66,350.52 in direct expense)

Note: 1

CRC subtenant lease terminated June 14, 2004 by BPC Coliseum Inc. Rental from grounds lease, management fee and costs recovery assumed to be paid to end of August only. Financial impact for the two months of September and October from this loss is (\$ 266,214)

NOTE: 2



FOR THE MONTH OF OCTOBER 31, 2004

Attendance [Note:1]

EVENT

Attendance estimates provided by Show Management.

Refreshment per cap's based on information reported by Centerplate

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

Attendance estimates and net event income include Ricoh from September 2004

THE NATIONAL TRADE CENTRE
BALANCE SHEET
AS AT OCTOBER 31, 2004

ASSETS	2004	2003
CURRENT ASSETS		
CASH	859,334.63	452,945.39
ADVANCE TO EX PLACE	320,000.00	250,000.00
TERM INVESTMENTS	3,350,000.00	3,650,000.00
AMERICAN EXPRESS	3,578.01	4,338.11
TRADE ACCOUNTS RECEIVABLE		3,300,993.61
ALLOWANCE FOR DOUBTFUL ACCOUNTS		(16,632.63)
NET ACCOUNTS RECEIVABLE		
RECEIVABLE FROM EX PLACE	3,284,300.98	2,994,241.96
OTHER RECEIVABLE	172,123.32	25,332.00
PREPAID EXPENSES	229,997.37	290,856.20
TOTAL CURRENT ASSETS	8,219,334.31	7,706,894.11
FIXED ASSETS		
EQUIPMENT - NET	37,302.51	44,727.11
TOTAL ASSETS	8,256,636.82	7,751,621.22
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES		3,352,208.76
PROVINCIAL & FEDERAL SALES TAX PAYABLE		134,517.49
DEFERRED REVENUE	7,421,034.27	7,540,874.19
EQUITY		
NET INCOME (LOSS) CURRENT	452,345.57	378,169.10
PRIOR YEAR PSAB ADJUSTMENT	(167,422.07)	(167,422.07)
PRIOR YEAR SURPLUS		1,150,679.05
DISTRIBUTION TO EXHIBITION PLACE	550,679.05	-
	8,256,636.82	7,751,621.22

FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED OCTOBER 31, 2004

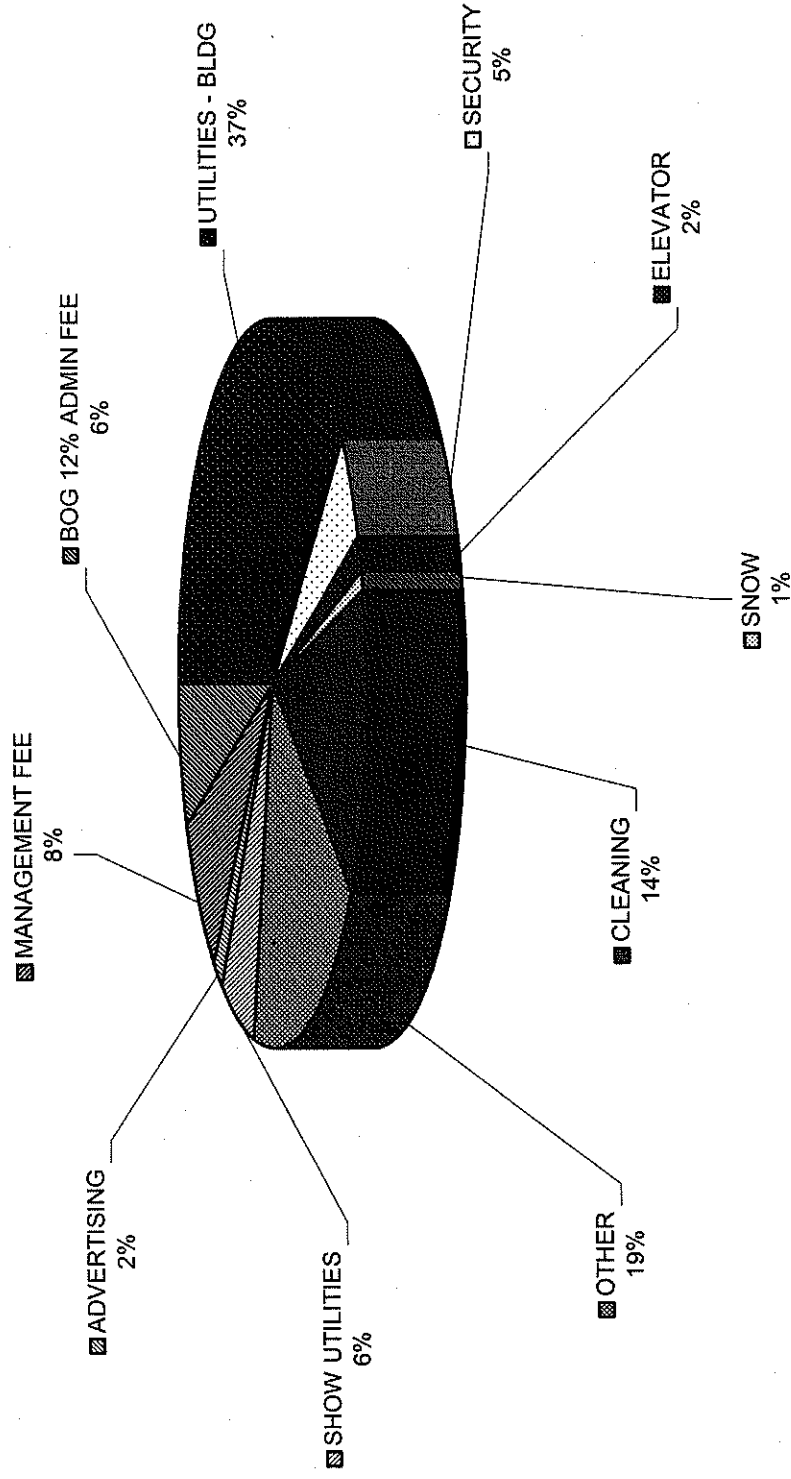
CASH FLOW FROM OPERATIONS

	<u>MONTH</u>	<u>YTD</u>
NET INCOME (LOSS)	128,953.84	452,345.57
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
SOURCES (USES) OF CASH		
TERM INVESTMENTS	(700,000.00)	1,300,000.00
ACCOUNTS RECEIVABLE - TRADE	(143,420.02)	(582,168.55)
RECEIVABLE FROM EX PLACE B.O.G	(0.00)	40.11
ACCOUNTS RECEIVABLE - OTHER	(80,780.63)	(93,949.37)
PREPAID EXPENSES	(222,087.59)	(80,118.55)
DEPOSITS AND OTHER ASSETS	4,524.45	(2,865.01)
ACCOUNTS PAYABLE & ACCRUED EXPENSES	700,127.37	(543,364.75)
OTHER PAYABLES	28,112.06	(24,851.60)
DEFERRED INCOME	771,058.70	558,717.19
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	(70,000.00)
NET CASH FROM OPERATIONS	486,488.18	913,785.04

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	486,488.18	313,785.04
BEGINNING CASH BALANCE	372,846.45	545,549.59
ENDING CASH BALANCE	859,334.63	859,334.63

COMPONENTS OF DIRECT EXPENSE YTD OCTOBER 31, 2004



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

CHEQUE DISBURSEMENTS - OCTOBER 2004 **GREATER THAN \$50,000**

Check No	Date		Amount	DESCRIPTION
16511	10/27/04	THE BOARD OF GOVERNORS OF EXHIBITION PLACE	197,078.32	BI-WEEKLY SALARIES FOR THE MONTH OF OCTOBER
16502	10/22/04	CITY OF TORONTO	700,000.00	TERM INVESTMENT
16493	10/20/04	CANADA CUSTOMS AND REVENUE AGENCY	79,679.55	GST REMITTANCE - SEPTEMBER
16406	10/06/04	THE BOARD OF GOVERNORS OF EXHIBITION PLACE	102,508.12	BI-WEEKLY SALARIES FOR WEEK ENDING SEPT.4
16405	10/06/04	THE BOARD OF GOVERNORS OF EXHIBITION PLACE	230,538.28	50% ELECTRICAL REVENUES AND WORK ORDERS INVOICE
DISBURSEMENTS OVER \$50,000			1,309,804.27	
OTHER DISBURSEMENTS LESS THAN \$50,000.			408,269.95	
TOTAL DISBURSEMENT IN OCTOBER 2004			1,718,074.22	

