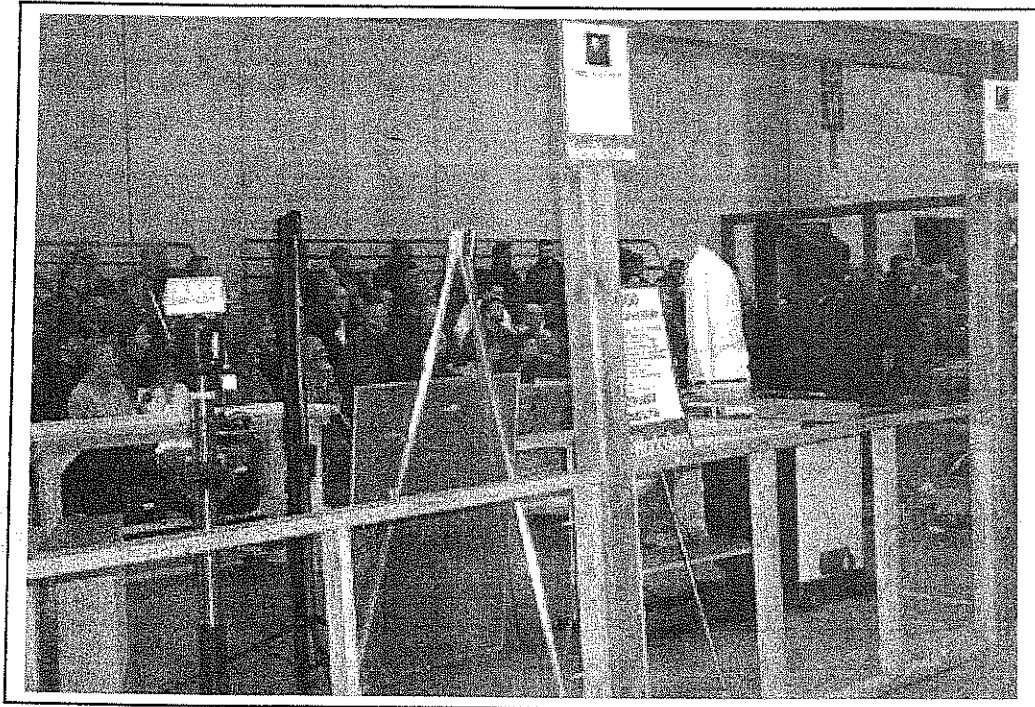


THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

8



FOR THE QUARTER ENDING
MARCH 31, 2003



Canadian Home Workshop Show

SUBMITTED BY:

RON TAYLOR
MANAGING DIRECTOR/O&Y/SMG CANADA

ERNEST VINCENT
GENERAL MANAGER/NTC

EXECUTIVE SUMMARY

- New events held during the first quarter included the NDP Canada Leadership Convention, Toronto Celebrates Lunar New Year, Canadian National Business Franchise Show & Conference, Doc TV Series shoot, Ontario Lottery Corporation Commercial Shoot, PPA Trade Show, Canadian Home Workshop Show and the Chasing Alice Film Shoot.
- The NDP Leadership Convention was a huge success in terms of the provision of Telecommunications Services. The high technical demand of the event required services such as base telephony, ISDN and significant Internet and Ethernet connectivity.
- The One of a Kind Spring Craft Show and The National Home Show went off without a hitch despite the legal labour disruption by Local 506. All Exhibition Place and NTC staff provided such exceptional service that consistent cudors were received from Show Management.
- The Ricoh Coliseum renovation project had been approved and construction is well under way. Key staff attend weekly meetings and are ensuring that progress continues smoothly.
- The Director of Event and Facility Services and key staff visited HSBC Arena in Buffalo in order to gain hands on experience working directly with the facility staff on the conversion of the Arena from NHL Hockey to Lacrosse to Rodeo to major concert. This experience helps to prepare staff for the quick conversion of the Coliseum Arena when it opens for business.
- On February 13, 2003, Servo Canada and Volume Services America announced that it was changing its name to Centerplate.

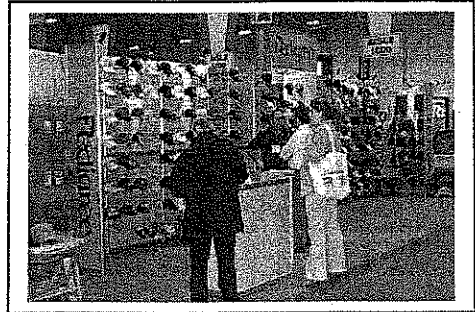
SALES & MARKETING

MARCH SALES EFFORTS

During the month of March, our sales team secured 9 new events for 2003 increasing our total to 34.

The events are categorized as follows:

- 16 consumer shows
- 4 trade shows
- 7 special events/film/photo shoots
- 7 corporate bookings/meetings/misc.



Promotional Products Assoc. Annual Convention

FIRST QUARTER SUMMARY

- During this quarter, the O&Y/SMG Canada Sales and Marketing team executed 19 contracts for new 2003 events, which totalled over \$208,400 in new business rental revenue.
- Additional 4 contracts for 2003 and 2004 are awaiting execution.
- O&Y/SMG Management prepared our strike contingency plan, which included communication to affected NTC consumer show clients and advance preparation for move-in activities in conjunction with the NTC Event & Facility Services Department.
- New events held during the first quarter included the NDP Canada Leadership Convention, Toronto Celebrates Lunar New Year, Canadian National Business Franchise Show & Conference, Doc TV Series shoot, Ontario Lottery Corporation Commercial Shoot, PPA Trade Show, Canadian Home Workshop Show and the Chasing Alice Film Shoot.

PUBLICITY

- Events held during the first quarter received significant media attention including coverage in the Toronto Star and on CITYTV, CP24, CBC, CFTO, CTV, Omni, Global, Rogers and CHUMTV.
- On January 24, 2003, The National Trade Centre was the chosen venue for the NDP Leadership Convention. Several outside media covered this event including CTV, CBC, Global, Omni, Rogers and CHUMTV.
- During this quarter we issued a news release to industry trade media on the Ricoh Coliseum renovation project. Media coverage was posted in the February 10, 2003 issue of m+a's Newsline.

EVENT SERVICES

During the 1st Quarter of 2003, Event & Facility Co-ordinators at The National Trade Centre were involved in the following events:

JANUARY	
National Trade Centre Events	Exhibition Place Events
Consumer	
<ul style="list-style-type: none"> • National Bridal Show • National Franchise Business Show • Toronto International Boat Show • Speedorama • Toronto Celebrates Lunar New Year • Russian Christmas Celebration 	
Other	
<ul style="list-style-type: none"> • NDP Canada Leadership convention 	
FEBRUARY	
Trade	Other
<ul style="list-style-type: none"> • Canadian Hardware & Building Materials Show • PPA Trade Show • Interior Design Show 	
Consumer	
<ul style="list-style-type: none"> • ComputerFest & MacExpo • Psychics, Mystics & Seers Fair • Toronto International Bicycle Show • British Isle Show • Canadian Home Workshop Show 	
Other	
<ul style="list-style-type: none"> • Islamic Prayer Festival 	
MARCH	
Consumer	Other
<ul style="list-style-type: none"> • Toronto Sportsmens' Show • National Motorcycle Show • "One of a Kind" Spring Craft Show & Sale 	
Other	
<ul style="list-style-type: none"> • Chasing Alice Film Shoot 	

EVENTS

- Due to a snowstorm, additional cleaners had to be scheduled for The Toronto International Boat Show.
- The National Bridal Show was earlier than usual this year. Show management was pleased with all services provided, but attendance was affected by a major snowstorm. The National Franchise & Business Show, was also affected by the weather, otherwise it proceeded smoothly.

- A new Event, the Russian Christmas Celebration presented challenges to staff due to the event being a bigger production than originally indicated.
- Speedorama shifted their stage to Hall F, thus alleviating the congestion that caused concerns in 2002. Although they reported a lower attendance in 2003, show management also reported that it was much higher than usual in 2002.
- The "Toronto Celebrates Lunar New Year" event had a few last minute concerns due to timelines. Show attendance was favourable.
- This quarter the NTC hosted the Interior Design Show. This event went very well and Show Management was pleased with attendance. An outside-unionized contractor successfully set up the feature rooms this year.
- A new event, Promotional Products Association of Canada moved to The National Trade Centre from the Toronto Congress Centre. Show management and guests were very pleased with the move and the services provided.
- The Canadian Hardware & Building Materials Show went off without a hitch. A number of operational difficulties were quickly resolved.
- The Psychics Mystics Seers Festival, Islamic Prayer Assembly, British Show and ComputerFest/MacExpo returned again to The National Trade Centre.
- The Canadian Home Workshop Show requested and received approval for an early move-in to enable the home exhibit to be built. Extra labour had to be added to prepare for opening. The show was extremely well attended. Extra traffic management and signage will be required in future years to accommodate the crowd.
- Attendance at the National Motorcycle Swap and Toronto Sportsmen's Show was favourable.
- One March 27th during the Spring One of a Kind Craft Show Exhibition Place Labour Union 506 commenced a legal labour disruption. Picket lines were set up across all the entrances to the grounds, which caused delays in entry for both exhibitors and patrons. Exhibition Place and NTC staff provided cleaning and labour services. Show Management said they performed exemplary work.

HSBC ARENA VISIT

The Director of Event and Facility Services and key staff including Event Co-ordinators and Facility Co-ordinators visited the HSBC Arena in Buffalo to observe and familiarize themselves with the procedures and potential challenges associated with converting an arena into a venue capable of hosting differing events within a brief space of time. This is in preparation for when these skills will be required at the Ricoh Coliseum currently under construction at Exhibition Place. Some highlights of this learning experience included:

- Hands on experience working directly with the facility staff on the conversion of the Arena from NHL Hockey to Lacrosse to Rodeo to major concert. All conversions were accomplished within a four-day period working around the clock.
- Observation of advanced arena cleaning techniques.
- Demonstration of FF&E items in action that are currently being considered for the Ricoh Coliseum.

EXHIBITOR SUPPORT CENTRE

The Exhibitor Support Centre continues to grow and expand its services to clients of The National Trade Centre. New services include the display of show materials and brochures at no

charge, advance ticket sale services, booth support staffing, a new web site and pre-show services such as copying and housing. Very positive feedback is reported from patrons.

TELECOMMUNICATIONS

- Telecommunications revenues for the 1st quarter exceeded budget by 33%. Contributing to this success was the high technical demand of the NDP leadership convention. Services for this major event included base telephony, ISDN and significant Internet and Ethernet connectivity for the various media and event organizers. The event encountered minor problems when a significant worldwide computer virus attack blocked database servers including those of Elections.com.
- The NTC computer infrastructure was recently upgraded with patches prior to this event and as such was immune to the virus.
- Telecommunications also upgraded the PBX system with a new release of software and additional capacity. An ITG device was added to the system which allows for seamless Voice Over IP (VOIP) services. This enhancement ensures that the telecommunications system of the NTC is on the leading edge of technology and as such satisfying needs of even the most technically challenging events.
- A new wireless Ethernet system is being deployed in the NTC. This system will augment the 11 Mega Bit wireless system and will provide significantly enhanced throughput (54 Mega Bits). This deployment will provide clients with internet access and point to point Ethernet connectivity throughout the facility without the necessity for hard wire connectivity.

BUILDING OPERATIONS

- Automotive building hot water supply system has been repaired and integrated with kitchen boiler to add capacity on peak load days.
- CCTV system improvements and security camera relocation phase one has been completed. Camera at the East End of the Galleria has been relocated to improve coverage of the east entrance.
- Chiller maintenance has been completed and units have been made ready for the summer season. Heating in the main chiller room has been repaired; this caused a minor ice up of a water line.
- Main Hot Water circulation pumps have been serviced to repair minor leaking. Hot water line to third floor main boiler has been modified to eliminate or reduce a potential leak into the elevator machine room below.
- Auto building transformer testing and repairs have been initiated.
- Wall mounted toilet gaskets have been replaced throughout the NTC due to a leakage concern.
- Auto building transformer testing and repairs have been initiated.
- Repairs to Diesel Generator were initiated to correct a leak in the cooling system that was discovered through annual load testing.
- Carma Hydro metering system has been adjusted due to the removal of the CX sub station. The equipment recovered will be used again if possible for the Coliseum project.
- All locks in High Voltage substations have been changed to improve security..

FACILITY SERVICES

All scheduled/unscheduled building and equipment maintenance has been generated and distributed through the Angus Maintenance Program. The schedule was customized to ensure completion of maintenance at optimum intervals between shows & events. The following is a list of various inspections and repairs completed over the 1st quarter.

- Repairs to damaged washroom stalls and dispensers.
- Renovations to physically challenged washrooms in the Automotive Building.
- Fabrication of various building and equipment signs.
- Installation of sponsorship signs in various areas.
- Completed flooring repairs in meeting room G7.
- Repaired flooring in various meeting rooms.
- Paint touch-ups throughout the entire complex as per Angus program.
- Cleaned and painted mechanical rooms per scheduled maintenance.
- Planning of renovations to the South Mid Arch washrooms.
- Stripped and Re-sealed Galleria terrazzo.
- Pressure washed the underground parking lot including walkways and entrances.
- Inspection & repair of East & West loading dock doors and dock plates.
- Repairs to various dock doors due to show damages and wear.

Staff co-ordinated the delivery of services for shows and prepared estimates & schedules for future shows. Liaised with Capital Works regarding building improvement projects.

The Ricoh Coliseum project is well underway. We continue to attend weekly progress meetings with the various trades procured by PCL to construct the arena. During the meetings the project is informed of all National Trade Centre events that may conflict with the construction schedule. Requests for our services are discussed and rental & service orders are initiated and distributed to the necessary shops through the Exhibitor Services Department.

FINANCIALS

Net Operating Income for the First Quarter ending March 31, 2003 was \$828,844 compared to a budget of \$1,106,915 an unfavourable variance of (\$278,071).

- Rental income at \$2,246,470 is unfavourable to budget by (\$162,219) mainly due to the timing of new business.
- Electrical services of \$210,613 have fallen below budget. The reason for this is a reduced demand from exhibitors at certain shows for this service as well as higher costs to deliver the service for the Boat Show, Canadian Hardware and Building Materials Show, Toronto Sportsmen's Show and the Interior Design Show. Staff are addressing these issues.
- Budgeted Coliseum recoveries will not be realized as these have been delayed until the opening of the building on November 1, 2003.
- Direct and indirect expenses are favourable to budget by \$43,775 partly as a result of lower costs for shows' PMD.
- Food & Beverage concessions of \$516,834 are unfavourable to budget by (\$57,195) due to the reduced corporate events that are not allowing new business targets to be achieved.
- Telecommunications at \$139,814 is favourable to budget by \$34,735 due to higher demand for internet services from the NDP Leadership Convention.

Accounts receivables for the Quarter ending March 31, 2003 were \$1,837,782 consisting mainly of:

- \$805,315 for services on completed events of which \$199,094 has been received by April 11, 2003.
- \$463,052 owed as deposits for future events of which \$52,270 has been received by April 11, 2003.
- \$253,315 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month.
- \$123,743 for Coliseum partners and sub-contractors for Arena-related project costs.
- \$105,395 for sponsorship approved by the Board.
- \$86,559 of inter-program settlements, for event support services and Coca-Cola Bottling Sponsorship.

SERVICE STARS

Ron Hemstreet from the NDP Leadership Convention extended his thank-you to Louise Mills and the Exhibitor Services staff; "a long overdue thank-you to everyone involved with the recent Leadership Convention. Your help was greatly appreciated."

CENTERPLATE

CATERING AND FOOD SERVICE

- On February 13, 2003, Servo Canada and Volume Services America announced that it was changing its name to Centerplate. This change brings the company together under one name. Here at The National Trade Centre they are working as Centerplate Catering & Food Service.
- The name change provides strength in the ties with our operations in the U.S. and gives a name that connotes what and who Centerplate is. Centerplate's emphasis is on detail in food services.
- Marketing materials are being rolled out on a corporate level to support the change at the property level. Marketing materials will be available within the next couple of weeks.

RETAIL DEPARTMENT

- First quarter shows historically include some of our busiest of the year. While this is normally the case, there has been a falloff in revenues. However it is not a trend and is due to a number of factors, including a weak economy, the war in Iraq, the SARS epidemic and the weather.
- Altering services will include the retooling of the Café Soleil and offering it to shows with proven revenues as well as combining services offered at stands to limit the expense of over exposure.
- The NTC Galleria stand will be closed periodically as this service has operated at a loss to Centerplate.

CATERING DEPARTMENT

- In Retail, as in Catering, the factors of the existing economy come into play and result in a reduction in business.
- Focus is being placed on the end of the year and ensuring the holiday season is a success. Plans for the "Holiday Décor Package" are being put together and methods of getting the package out to our potential clients are being discussed.
- Centerplate continues to be very aggressive in its approach to sales and catering to assuring that no events slip through the cracks. Centerplate will continue to work very closely with O&Y/SMG Canada Sales and Marketing Department to create a seamless approach to event sales.

APPENDIX "A"

THE NATIONAL TRADE CENTRE FINANCIAL STATEMENT HIGHLIGHTS MARCH 2003 and YEAR TO DATE

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	6	7	(1)	25	18	7
Direct Event Income	655,266.10	793,536.85	(138,270.75)	2,440,619.27	2,609,146.85	(168,527.58)
Ancillary Income	378,885.27	477,185.95	(98,300.68)	951,214.66	1,136,065.95	(184,851.29)
Advertising Income	29,797.00	37,072.00	(7,275.00)	80,223.00	89,466.00	(9,243.00)
CNE Recovery	-	-	-	-	-	-
Total Event Income	1,063,948.37	1,307,794.80	(243,846.43)	3,472,056.93	3,834,678.80	(362,621.87)
Direct Expenses	490,776.92	532,905.00	42,128.08	1,516,219.50	1,565,342.00	49,122.50
Indirect Expenses	405,165.02	403,118.00	(2,047.02)	1,111,321.02	1,150,622.00	39,300.98
Total Event Expenses	895,941.94	936,023.00	40,081.06	2,627,540.52	2,715,964.00	88,423.48
NET INCOME (LOSS)	168,006.43	371,771.80	(203,765.37)	844,516.41	1,118,714.80	(274,198.39)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At March 31, 2003 the markup paid to Exhibition Place was a total of \$ 131,740.94 (\$ 106,271.65 expensed against direct event income and the balance of \$ 25,469.29 in direct expense)



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT MARCH 31, 2003 with COMPARISON TO MARCH 2002**

	2002 YTD MARCH ACTUAL	2003 YTD ACTUAL	2003 YTD BUDGET	2003 VARIANCE	VARIANCE TO YTD MAR 2002 ACTUAL	%
Number of Events	23	25	18	7	2	8.7%
Direct Event Income	2,402,497.99	2,440,619.27	2,609,146.85	(168,527.58)	38,121.28	1.6%
Ancillary Income	824,749.42	951,214.66	1,136,065.95	(184,851.29)	126,465.24	15.3%
Advertising Income	80,792.51	80,223.00	89,466.00	(9,243.00)	(569.51)	(0.7%)
CNE Recovery	-	-	-	-	-	0.0%
Total Event Income	3,308,039.92	3,472,056.93	3,834,678.80	(362,621.87)	164,017.01	5.0%
Direct Expenses (Note 2)	1,466,690.77	1,516,219.50	1,565,342.00	49,122.50	(49,528.73)	(3.4%)
Indirect Expenses	908,770.62	1,111,321.02	1,150,622.00	39,300.98	(202,550.40)	(22.3%)
Total Event Expenses	2,375,461.39	2,627,540.52	2,715,964.00	88,423.48	(252,079.13)	(10.6%)
NET INCOME (LOSS)	932,578.53	844,516.41	1,118,714.80	(274,198.39)	(88,062.12)	(9.4%)

Note: 1

Actuals include 12% markup paid to Exhibition Place on labour and materials. At March 31, 2003 the markup paid to Exhibition Place was a total of \$ 131,740.94 (\$ 106,271.65 expensed against direct event income and the balance of \$ 25,469.29 in direct expense)



THE NATIONAL TRADE CENTRE EVENT STATISTICS

FOR THE MONTH OF MARCH 2003

Attendance [Note:1]	MONTH ACTUAL	247,000	YTD ACTUAL	570,600	PRIOR YEAR ACTUAL	588,170
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EVENT	ACTUAL # OF PERFORMANCES				(IN THOUSANDS)		REFRESHMENT PER CAP'S ACTUAL [Note: 2]
	2003	2002	2001	2001	NET EVENT INCOME [Note: 3]		
	16	12	12	12	ACTUAL	BUDGET	
Consumers Show	3	2	3	3	2,138	2,276	1.86
Trade Show	0	0	0	0	459	733	1.20
Concert	2	1	1	1	1	-	
Photo/Film Shoot	4	8	2	2	62	-	13.08
Meeting/Corporate	25	23	18	18	169	-	24.18
	25	23	18	18	2,829	3,009	

Note: 1 Attendance estimates provided by Show Management.

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

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



THE NATIONAL TRADE CENTRE
BALANCE SHEET
AS AT MARCH 31, 2003

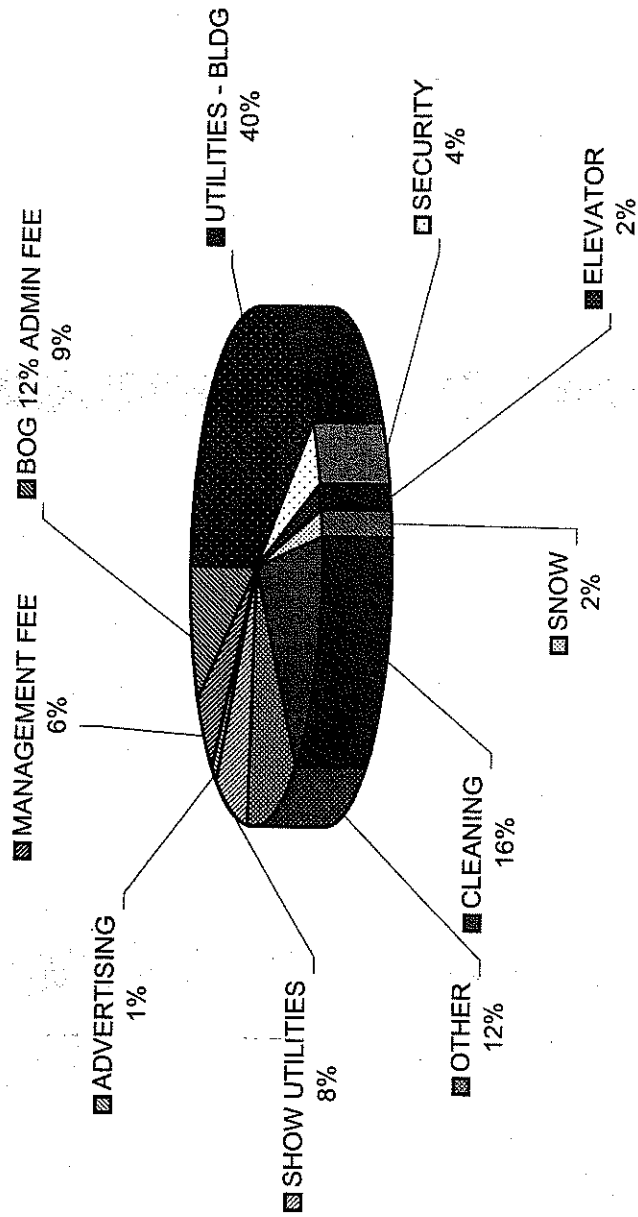
ASSETS	2003	2002
CURRENT ASSETS		
CASH	303,047.03	501,278.76
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	4,600,000.00	4,450,000.00
AMERICAN EXPRESS	1,200.52	53.74
TRADE ACCOUNTS RECEIVABLE	1,864,563.40	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(12,864.91)	
NET ACCOUNTS RECEIVABLE	1,851,698.49	1,159,163.43
RECEIVABLE FROM EX PLACE	18,999.00	36,534.00
OTHER RECEIVABLE	91,953.63	148,986.78
PREPAID EXPENSES	178,247.20	50,161.85
TOTAL CURRENT ASSETS	7,295,145.87	6,596,178.56
FIXED ASSETS		
EQUIPMENT - NET	68,971.71	104,849.98
TOTAL ASSETS	7,364,117.58	6,701,028.54
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	2,748,735.04	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	67,608.98	
DEFERRED REVENUE	2,542,658.56	
EQUITY		
NET INCOME (LOSS) CURRENT	844,516.41	932,578.53
PRIOR YEAR PSAB ADJUSTMENT	(209,761.27)	(202,067.55)
PRIOR YEAR SURPLUS	2,370,359.86	
DISTRIBUTION TO EXHIBITION PLACE	(1,000,000.00)	1,011,909.44
TOTAL LIABILITIES & EQUITY	7,364,117.58	6,701,028.54

THE NATIONAL TRADE CENTRE
 FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED MARCH 31, 2003

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	168,006.43	844,516.41
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
SOURCES (USES) OF CASH		
TERM INVESTMENTS	1,800,000.00	2,250,000.00
ACCOUNTS RECEIVABLE - TRADE	(215,859.78)	223,870.99
RECEIVABLE FROM EX PLACE B.O.G	(6,333.00)	(18,999.00)
ACCOUNTS RECEIVABLE - OTHER	(19,381.34)	(13,530.58)
PREPAID EXPENSES	41,721.19	17,536.41
DEPOSITS AND OTHER ASSETS	8,916.12	14,315.90
ACCOUNTS PAYABLE & ACCRUED EXPENSES	(374,409.56)	(1,413,516.12)
OTHER PAYABLES	(42,204.86)	(60,018.50)
DEFERRED INCOME	(344,428.85)	(977,062.99)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	1,016,026.35	867,112.52
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	(1,000,000.00)	(1,000,000.00)
NET CASH FROM OTHER SOURCES	(1,000,000.00)	(1,000,000.00)
NET INCREASE (DECREASE) IN CASH	16,026.35	(132,887.48)
BEGINNING CASH BALANCE	287,020.68	435,934.51
ENDING CASH BALANCE	303,047.03	303,047.03



**COMPONENTS OF DIRECT EXPENSE
YTD MARCH 31, 2003**



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

**THE NATIONAL TRADE CENTRE
CHEQUE DISBURSEMENTS - MARCH 2003
GREATER THAN \$50,000**

Check No	Date	Description	Amount
14367	3/27/03	BOARD OF GOVERNORS	175,209.11 SALARIES WE MAR 8 & 22
14366	3/27/03	BOARD OF GOVERNORS	359,628.11 SALARIES WE FEB 8 & 22
14363	3/24/03	BOARD OF GOVERNORS	66,179.73 HRLY PAY WE MAR 15
14350	3/18/03	RECEIVER GENERAL FOR CANADA	68,984.57 G.S.T. REMITTANCE
14331	3/18/03	ENBRIDGE GAS	69,300.01 GAS
14325	3/18/03	BOARD OF GOVERNORS	117,087.20 WORK ORDERS - FEBRUARY
14316	3/14/03	O&Y SMG CANADA	166,118.64 SALARIES & 2002 INCENTIVES
14310	3/13/03	BOARD OF GOVERNORS	52,181.13 HRLY PAY WE MAR 1
14307	3/7/03	BOARD OF GOVERNORS	750,000.00 ADVANCE ON 2002 HYDRO BILLING
14304	3/6/03	BOARD OF GOVERNORS	1,000,000.00 ADVANCE ON 2002 SURPLUS
			2,824,688.50
DISBURSEMENTS OVER \$50,000			515,117.07
OTHER DISBURSEMENTS LESS THAN \$50,000			3,339,805.57
TOTAL DISBURSEMENTS FOR MAR. 2003			

