

MANAGEMENT REPORT

FOR THE MONTH ENDING
FEBRUARY 29, 2000



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SUBMITTED TO: THE BOARD OF GOVERNORS OF EXHIBITION PLACE

SUBMITTED BY: O&Y/SMG CANADA

SUBMITTED BY: *RON TAYLOR - MANAGING DIRECTOR - O&Y/SMG CANADA*

ERNEST VINCENT - GENERAL MANAGER - NTC

EXECUTIVE SUMMARY

The month of February proved to be a very successful month for both sales and catering. The National Trade Centre was featured on the cover of Reporter Magazine, the official publication of The Lumber & Building Materials Association of Ontario. ComputerFest 2000 Mac Expo had a 20 percent increase in attendance from their September show. Both Catering and Retail Sales enjoyed better than anticipated revenues.

NTC Directors, Jeff Gay, Laura Purdy and Arlene Campbell attended the SMG Corporate Meeting during the month of March. The theme of the meeting is "Back to Basics" where 97 facilities managed by SMG exchange ideas on best operating practices.

SALES & MARKETING REPORT

During the month of February, the O&Y/SMG Canada, Sales & Marketing Department secured 4 new bookings for 2000. Of particular significance was a new e-commerce client from California, Siebel eBusiness, and three additional corporate meetings. Of the 12 pieces of new business contracted during the first quarter for 2000, 2 are consumer shows, 7 are corporate bookings and 3 are special events/film shoots.

The National Trade Centre was featured on the cover of Reporter Magazine, the official publication of The Lumber & Building Materials Association of Ontario. The publication was distributed to over 20,000 attendees of the Canadian Hardware & Building Materials Show resulting in excellent exposure of our facility to industry professionals of this trade.

In late February, Ernest Vincent and Laura Purdy went to Hannover, Germany to seek out future co-operations with German industry contacts. From there, Ernest went on to London, England to meet with representatives of the DMG Media World London office and Laura travelled to Frankfurt to seek out future cooperations with contacts from Messe Frankfurt.

Laura Purdy, Jeff Gay and Arlene Campbell attended the SMG Annual General Meeting in Miami during the month of March. The theme of the meeting is "Back to Basics where 97 facilities managed by SMG exchanged ideas on best operating practices.

Susan Richardson, Regional Sales Director, U.S., will be in Chicago and Washington the week of March 26, visiting with qualified trade show organizers. The sales mission is organized in conjunction with the Canadian Tourism Commission and Tourism Toronto.

EVENT SERVICES

ComputerFest 2000 Mac Expo had a 20 percent increase in attendance from their September show. Canadian Hardware & Home Improvements Show worked with the NHL All-Star Reception to share the set up in Heritage Court. This allowed both events to put on a better presentation at reduced cost. The Toronto Spring Gift Show continued to experience weak attendance.

The O&Y/SMG Canada, Quality Assurance Program will be initiating the formalising of service standards and independent exhibitor surveys in the next quarter. Details to follow.

OPERATIONS REPORT

The Utility Services department continues to upgrade electrical inventory to achieve efficient installation of services. The storage of cable and equipment is being re-organized in order to access inventory expeditiously.

- Building upgrades such as painting, cleaning, carpentry, waxing of galleria floor and washdown of the North Extension were completed during the month of February.
- An inspection was completed to the rental inventory
- An inspection was completed to the hi-reach equipment as per Occupational Health & Safety stipulations.
- Staff is providing Servo with estimates to refurbish the permanent food concessions throughout Halls A to D, including Heritage Court.

FINANCIAL REPORT

Net Operating Income for the two months ended February 29, 2000 was \$933,571 compared to a budget of \$948,391, a variance of (\$14,820). Direct expenses were higher than budget due primarily to the cost for Natural Gas, which was negative to budget (\$69,000). A review of the variance due to rate versus consumption is being done. In addition a meeting has been scheduled with the City energy specialist, (as Natural gas is purchased through the bulk City of Toronto plan), the O&Y Properties utility specialist, and Exhibition Place and NTC operations staff to review the reason for this variance. Compared to the prior year at February 28, 1999 when net operating income was \$813,493, for the same period in 2000, net operating income is \$120,078 higher.

Accounts receivable at February 29, 2000 were \$1,447,162 consisting of: 1) \$307,219 owed as deposits for future events, of which \$275,881 was collected in March; 2) \$272,574 owed by Servo Canada contractually due on the 25th of the following month; 3) \$187,027 for services for the Boat Show, which was collected in March; and 4) \$106,232 for services for the Hardware Show, which was collected in March.

SERVO CANADA

Business in the month of February was very good. Both Catering and Retail Sales enjoyed better than anticipated revenues.

Catered events included the NHL Allstar Reception, Shoppers Drug Mart Luncheon and Hitachi Canada Reception. All events went smoothly, with rave reviews coming from the NHL and Hitachi.

Retail Sales also enjoyed a prosperous month. Shows included The Hardware Show, Computerfest, The Gift Show, The Bridal Show and The Bitter Sweet Rave at the Better Living Centre. Most shows in February were over achievers versus last year's figures.

The budgeted 2000 Food and Beverage commission of \$367,702.00 has been achieved with total commissions of \$368,485.00. This is an improvement of 67,882 over the prior year's budget of 299,820 for 1999.

Throughout the month the search continued for a Catering Sales Manager. The hiring of the position should take place by mid March.



FINANCIAL REPORTS

APPENDIX "A"

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT FEBRUARY 29, 2000**

	<u>MONTH ACTUAL</u>	<u>MONTH BUDGET</u>	<u>VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>VARIANCE</u>
Number of Events	12	8	4	21	13	8
Direct Event Income	801,426.12	850,410.00	(48,983.88)	1,858,013.02	1,858,832.00	(818.98)
Ancillary Income	372,030.23	361,357.00	10,673.23	735,880.29	719,468.00	16,412.29
Advertising Income	24,383.33	36,859.00	(12,475.67)	46,849.66	49,435.00	(2,585.34)
CNE Recovery	-	-	-	-	-	-
Total Event Income	<u>1,197,839.68</u>	<u>1,248,626.00</u>	<u>(50,786.32)</u>	<u>2,640,742.97</u>	<u>2,627,735.00</u>	<u>13,007.97</u>
Direct Expenses	493,552.44	485,456.00	(8,096.44)	1,067,268.77	994,973.00	(72,295.77)
Indirect Expenses	338,775.09	339,248.00	472.91	639,903.70	684,371.00	44,467.30
Total Event Expenses	<u>832,327.53</u>	<u>824,704.00</u>	<u>(7,623.53)</u>	<u>1,707,172.47</u>	<u>1,679,344.00</u>	<u>(27,828.47)</u>
NET INCOME (LOSS)	<u>365,512.15</u>	<u>423,922.00</u>	<u>(58,409.85)</u>	<u>933,570.50</u>	<u>948,391.00</u>	<u>(14,820.50)</u>
EX PLACE PARKING ESTIMATE						
PARKING INCOME	224,024.38	234,855.00	(10,830.62)	733,887.21	709,477.00	24,410.21
PARKING EXPENSE	47,045.12	49,319.17	2,274.05	154,116.31	148,990.17	(5,126.14)
NET PARKING	<u>176,979.26</u>	<u>185,535.83</u>	<u>(8,556.57)</u>	<u>579,770.90</u>	<u>560,486.83</u>	<u>19,284.07</u>

NOTE: 1

Actuals include 12% markup paid to Exhibition Place on labour and materials. At February 29, 2000 the markup paid to Exhibition Place is \$ 94,750.59 (\$ 77,906.00 expensed against direct event income and the balance of \$ 16,844.59 in direct expense)

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT FEBRUARY 29, 2000**

	1999 FEBRUARY ACTUAL	2000 YTD ACTUAL	2000 YTD BUDGET	2000 VARIANCE	VARIANCE TO FEBRUARY 1999 ACTUAL	%
Number of Events	13	21	13	8	8	61.5%
Direct Event Income	1,756,777.64	1,858,013.02	1,858,832.00	(818.98)	101,235.38	5.8%
Ancillary Income	612,332.23	735,880.29	719,468.00	16,412.29	123,548.06	20.2%
Advertising Income	39,275.18	46,849.66	49,435.00	(2,585.34)	7,574.48	19.3%
CNE Recovery	-	-	-	-	-	0.0%
Total Event Income	2,408,385.05	2,640,742.97	2,627,735.00	13,007.97	232,357.92	9.6%
Direct Expenses	926,337.57	1,067,268.77	994,973.00	(72,295.77)	(140,931.20)	(15.2%)
Indirect Expenses	668,554.11	639,903.70	684,371.00	44,467.30	28,650.41	4.3%
Total Event Expenses	1,594,891.68	1,707,172.47	1,679,344.00	(27,828.47)	(112,280.79)	(7.0%)
NET INCOME (LOSS)	813,493.37	933,570.50	948,391.00	(14,820.50)	120,077.13	14.8%
EX PLACE PARKING ESTIMATE						
PARKING INCOME	678,963.07	733,887.21	709,477.00	24,410.21	54,924.14	8.1%
PARKING EXPENSE	142,582.24	154,116.31	148,990.17	(5,126.14)	(11,534.07)	(8.1%)
NET PARKING	536,380.83	579,770.90	560,486.83	29,536.35	43,390.07	8.1%

NOTE: 1

Actuals include 12% markup paid to Exhibition Place on labour & materials. At February 29, 2000 the markup paid to Exhibition Place is \$ 94,750.59 (\$ 77,906.00 expensed against direct event income and the balance of \$ 16,844.59 in direct expense)



THE NATIONAL TRADE CENTRE
BALANCE SHEET
AS AT FEBRUARY 29, 2000

ASSETS	2000	1999
CURRENT ASSETS		
CASH	1,042,847.95	1,075,786.60
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,400,000.00	3,550,000.00
AMERICAN EXPRESS	21,337.76	59,769.03
TRADE ACCOUNTS RECEIVABLE	1,447,161.99	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(56,320.10)	
NET ACCOUNTS RECEIVABLE	1,390,841.89	1,285,422.70
RECEIVABLE FROM EX PLACE	-	92,449.97
OTHER RECEIVABLE	72,945.45	189,757.98
PREPAID EXPENSES	109,601.43	82,646.43
TOTAL CURRENT ASSETS	5,287,574.48	6,585,532.71
FIXED ASSETS		
EQUIPMENT - NET	172,499.71	-
TOTAL ASSETS	5,460,074.19	6,585,532.71
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	1,598,200.64	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	147,035.64	
DEFERRED REVENUE	2,781,267.41	4,765,117.28
EQUITY		
NET INCOME (LOSS) CURRENT	933,570.50	813,493.37
PRIOR YEAR SURPLUS	-	1,006,922.06
DISTRIBUTION TO EXHIBITION PLACE	-	-
	<u>(1,883,224.00)</u>	<u>(1,883,224.00)</u>
TOTAL LIABILITIES & EQUITY	5,460,074.19	6,585,532.71

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED FEBRUARY 29, 2000**

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	365,512.15	933,570.50
ADD: DEPRECIATION & AMORTIZATION	-	-
SOURCES (USES) OF CASH		
TERM INVESTMENTS	1,700,000.00	1,450,000.00
ACCOUNTS RECEIVABLE - TRADE	336,308.19	368,608.34
RECEIVABLE FROM EX PLACE B.O.G	-	41,114.39
ACCOUNTS RECEIVABLE - OTHER	51,265.01	162,968.97
PREPAID EXPENSES	20,725.61	12,312.05
DEPOSITS AND OTHER ASSETS	(27,487.51)	(13,137.32)
ACCOUNTS PAYABLE & ACCRUED EXPENSES	(419,190.61)	44,069.07
OTHER PAYABLES	7,605.97	18,977.43
DEFERRED INCOME	(34,735.93)	(425,114.71)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	2,000,002.88	2,593,368.72
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	(1,883,223.61)	(1,883,223.61)
NET CASH FROM OTHER SOURCES	(1,883,223.61)	(1,883,223.61)
NET INCREASE (DECREASE) IN CASH	116,779.27	710,145.11
BEGINNING CASH BALANCE	926,068.68	332,702.84
ENDING CASH BALANCE	1,042,847.95	1,042,847.95

**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF FEBRUARY 2000

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>
Attendance [Note: 1]	113,375	347,553

<u>EVENT</u>	<u># OF PERFORMANCES</u>		<u>(IN THOUSANDS)</u>		<u>REFRESHMENT PER CAP'S ACTUAL [Note: 2]</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>NET EVENT INCOME [Note: 3] ACTUAL</u>	<u>BUDGET</u>	
Consumers Show	8	6	1,156	1,264	3.42
Trade Show	4	3	869	840	7.31
Concert	0	0	-	-	-
Photo/Film Shoot	1	0	1	-	-
Meeting/Corporate	8	4	175	109	36.53
	<u>21</u>	<u>13</u>	<u>2,201</u>	<u>2,213</u>	

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, parking is included at net.

THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING
 ADDITIONAL INFORMATION ON A/R GREATER THAN 60 DAYS
 AS AT FEBRUARY 29, 2000

CUSTOMER NAME	AMOUNT OUTSTANDING	61 - 90 DAYS	OVER 90 DAYS	COMMENTS
EAST MEETS WEST PRODUCTIONS	25,020.99		25,020.99	Feb 1998 event. Total billings \$ 100,020.99, payment received \$75,000. City Legal Department has written letter on our behalf to demand payment. Reserve for bad debt has been set up.
HOLMAN DESIGN LTD.	45,347.05	12,579.37	32,767.68	Event services for the Titanic Exhibition - RECEIVED \$45,347.05 ON MARCH 6/00
MERCHANDISE MART ENTERPRISES (USA)	33,311.46		33,311.46	Event services for the IDEX/Neocoon show in September 1999. - PAID IN FULL MARCH 3/00
MERCHANDISE MART ENTERPRISES (CANADA)	10,228.03		10,228.03	Event services for the IDEX/Neocoon show in September 1999. - PAID IN FULL MARCH 3/00
MOONGLOW PRODUCTIONS	17,208.78	5,738.88	11,469.90	Building rent for the Maiden Mother Crone event. Event has been
NESTLE CANADA INC.	16,050.00	16,050.00		3rd year of sponsorship as official coffee supplier to the N.T.C.
ALMADON PRODUCTIONS	11,322.97		11,322.97	Building rental fee for Swing Magic event. The event was cancelled and the company filed for bankruptcy. A claim has been submitted to the bankruptcy trustee.
CUSTOMER ACCOUNTS - LESS THAN \$10,000	30,490.67	30,490.67	-	Services for various shows. Collection attempts are in progress.
	188,979.95	64,858.92	124,121.03	

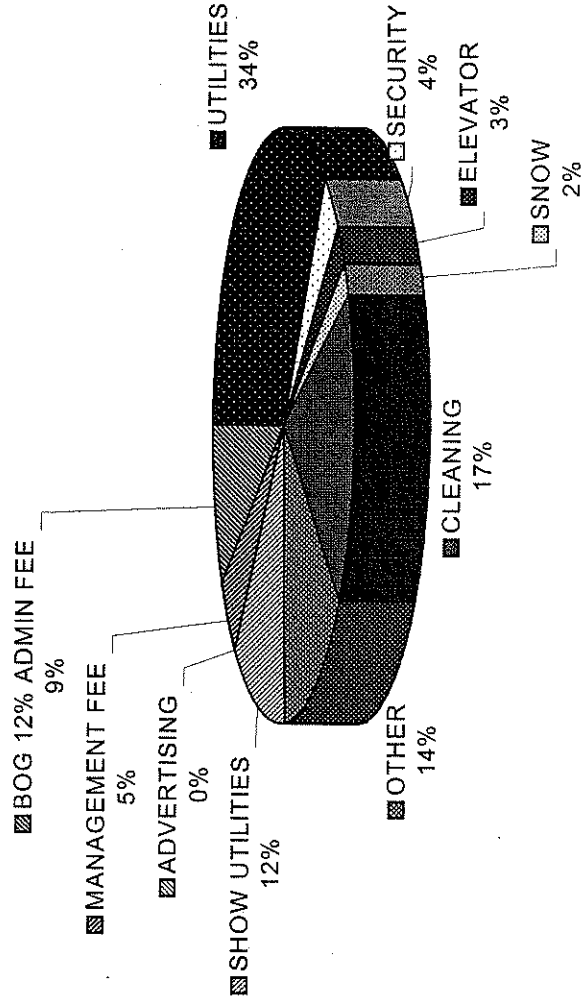
THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING
AS AT FEBRUARY 29, 2000

CUSTOMER NAME	AMOUNT OUTSTANDING	CURRENT	30 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS	COMMENTS
COMPLETED EVENTS						
NATIONAL MARINE MANUFACTURERS ASSOC	187,027.19	184,993.21	2,033.98			EVENT SERVICES - TORONTO INT'L BOAT SHOW - REC'D \$157,814.11 ON MAR.8/00 PAID IN FULL ON MARCH 20/2000
CANADIAN RETAIL HARDWARE ASSOC.	106,232.19	106,232.19				PAID IN FULL ON MARCH 21/2000
SOUTH EXHIBITIONS INC. - SPRING GIFT	66,313.44	66,313.44				SHOW SERVICES - DEC 99 / FEB. '00 & OFFICIAL SUPPLIER
GES CANADA EXPOSITIONS	60,259.30	49,665.36	10,693.94			EVENT SERVICES - TITANIC EXHIBITION + BOAT SHOW EXH. SERVICES - REC'D \$45,347.05 ON MAR. 8/00
HOLMAN DESIGN LTD.	49,025.58	1,503.27	2,175.26	12,579.37	32,767.68	EVENT SERVICES - METRO HOME SHOW - EVENT SETTLEMENT FINALIZED BUILDING RENT (10%) TITANIC EXHIBITION + COSTS OF BUILDING WALL PAID IN FULL ON MARCH 3/2000
SOUTH EXHIBITIONS INC. - METRO HOME	43,189.63	43,189.63				ACCOUNT IN DISPUTE - LETTER SENT WITH RECOMMENDATION TO ACCEPT SETTLEMENT OFFER BEFORE COMMENCING PERSONAL LITIGATION IF OFFER REFUSED - RESERVE FOR BAD DEBT SET UP
SFX FAMILY ENTERTAINMENT	34,842.20		34,842.20			PAID IN FULL ON MARCH 17/00
MERCHANDISE MART ENTERPRISES (USA)	33,311.46				33,311.46	EVENT SERVICES FOR 1999 RAWF & UTILITIES RECOVERY - REC'D \$6,313.39 ON MAR.8/00 SERVICES FOR BOAT SHOW & METRO HOME SHOW - REC'D \$11,766.51 ON MAR.8/00
EAST MEETS WEST PRODUCTIONS	25,020.99				25,020.99	BUILDING RENTAL - SWING MAGIC - EVENT CANCELLED. COMPANY FILE FOR BANKRUPTCY CLAIM SUBMITTED TO BANKRUPTCY TRUSTEE PAID IN FULL ON MARCH 3/2000
SHOWFEST PRODUCTIONS	17,242.77	17,242.77				
SHOPPERS DRUG MART	15,326.65	15,326.65				
ROYAL AGRICULTURAL WINTER FAIR	13,909.93	6,398.53	7,511.40			
WORDEN WATSON LTD.	11,766.51	770.40	10,996.11			
AL MADON PRODUCTIONS	11,322.97				11,322.97	
MERCHANDISE MART ENTERPRISES (CANADA)	10,228.03				10,228.03	
CUSTOMER ACCOUNTS - LESS THAN \$10,000	114,628.59	49,835.91	34,302.01	30,490.67		
SUB-TOTAL	799,647.43	541,371.36	102,554.90	43,070.04	112,651.13	
FUTURE EVENTS						
HAYLEY LYNN COLLECTIONS	132,788.85	132,788.85				EVENT ESTIMATES + 50% BLDG RENT - QUARTERHORSE - MAR.2000 - REC'D \$50,157.85 ON MAR.13, 2000 RE: BLDG RENT-\$42,630.70 ON MAR.21 & \$40,000.00 MAR.23
ONTARIO TRUCKING ASSOCIATION	75,369.59	75,369.59				PAID IN FULL ON MARCH 6/00
CANADIAN CRAFT SHOWS - SPRING 2000	29,147.35	29,147.35				PAID IN FULL ON MARCH 3/00
INTERNATIONAL SHOWCASE ASSOCIATES	28,257.21	14,128.61	14,128.60			BUILDING RENT - CREATIVE SEWING - APR. 2000 - REC'D \$14,128.60 ON MAR.6/00
GOOD FOOD FESTIVAL	24,447.36	24,447.36				PAID IN FULL ON MARCH 8/00
MOONGLOW PRODUCTIONS	17,208.78			5,738.88	11,469.90	BUILDING RENT - MAIDEN MOTHER SHOW - MAR. 2000 - EVENT CANCELLED - LETTER SENT REQUESTING FULL PYMT BY MAR. 24, 2000 OTHERWISE LEGAL ACTION WILL BE TAKEN
SUB-TOTAL	307,219.14	246,734.41	43,275.95	5,738.88	11,469.90	
SPONSORSHIP						
NESTLE CANADA INC.	16,050.00			16,050.00		3RD YEAR OF SPONSORSHIP AS OFFICIAL COFFEE SUPPLIER
SERVOMATION						
SERVO CANADA	272,574.63	205,005.72	67,568.91			CATERING COMMISSIONS, VARIOUS SERVICES & UTILITIES RECOVERY-REC'D \$219,827.00 ON MAR. 21/00
BOARD OF GOVERNORS						
BOARD OF GOVERNORS	51,670.79		51,670.79			RECEIVED \$51,114.39 ON MARCH 3/00
	1,447,161.99	993,111.49	265,070.55	64,858.92	124,121.03	
	100%	69%	18%	4%	9%	





COMPONENTS OF DIRECT EXPENSE



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

