

MANAGEMENT REPORT

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**FOR THE MONTH ENDING
MAY 31, 2000**

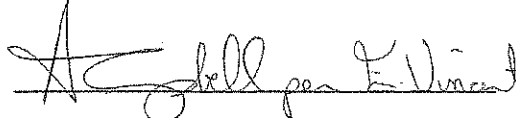
SUBMITTED TO: THE BOARD OF GOVERNORS OF EXHIBITION PLACE

SUBMITTED BY: O&Y/SMG CANADA

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



ERNEST VINCENT - GENERAL MANAGER - NTC



Bill per E. Vincent

EXECUTIVE SUMMARY

O&Y/SMG Canada's Marketing team secured 5 new bookings for The National Trade Centre during the month of May for 2000.

Net operating income of \$2,126,458 at May 31, 2000, is \$291,417 higher than the prior year, May 31, 1999, net operating income of \$1,835,040. Although we are currently below budget for 2000 we expect to achieve budget for year-end.

Telecommunications is working on the implementation of a state of the art wireless voice over IP communications system being potentially deployed across Exhibition Place

SALES & MARKETING REPORT,

During the month of May, O&Y/SMG Canada Sales & Marketing team secured 5 new bookings for 2000: ZD Events, MBA Expo, Unity 2000, One Such Films and Irwin Toys AGM. Of particular importance is the booking of ZD Events, a leading U.S. high-tech organizer and multi-management firm. This is the first ZD Event booking for The National Trade Centre – coming as a result of strategic sales efforts made by O&Y/SMG's Sales team over a period of 18 months. This event is a high-tech roadshow for Oracle. Of the 28 pieces of new business contracted during the first quarter for 2000, 3 are consumer shows, 13 are corporate bookings and 12 are special events/film shoots.

In June, Laura Purdy, Director of Sales & Marketing and Susan Richardson, Regional Sales Director, U.S., will be travelling to Baltimore, MD to attend the I.A.E.M. (International Association of Exposition Management) Mid-Year Meeting to develop sales leads with U.S. show organizers. Laura Purdy will be travelling to Paris, France to attend the UFI (Union des Foires Internationales) Summer Seminars.

At the end of the month, Barbara Outschoorn, Sr. Sales Manager-Canada, will be travelling to Whistler, B.C. to attend the annual C.A.E.M. (Canadian Association of Exposition Managers) Conference. While at the conference Barbara will be promoting The National Trade Centre as well as pursuing Canadian trade and consumer show business.

Event coverage included event announcements and advertisements in local print media and on local TV and radio stations. The National Trade Centre hosted Strutfest (Junior Achievement), Can Clean, Christian Expo, Good Food Festival, Reggae Concert, Canadian National Marsville and Intermed.

EVENT SERVICES

During the month of May, Event & Facility Co-ordinators were involved in the following events:

Consumer	Trade	Other
Christian Expo 2000	Can Clean	City of Toronto Human Resources Meeting
Henderson Hoe Down	Pharmasave Buying Show 2000	Strutfest 2000
Good Food Festival	Intermed	OHHA Meeting
Reggae Concert		ISO Cleaning Solutions Inc. Meeting
Canadian National Marsville		City of Toronto Public Auction
		Credit Suisse/First Boston Film Shoot

Pharmasave Buying Show 2000 used the National Trade Centre infrastructure to connect 300 computers in Hall C and was very happy with services provided. Can Clean experienced another successful event in Hall B giving kudos to The National Trade Centre Event/ Facility team. Intermed 2000 had a reduced show from 1999 and it was very poorly attended. The show will not be returning to Toronto, as they have not been able to attract the local medical community.

OPERATIONS REPORT

Capital 2000 Project materials have been received, and installation of cable to improve the 600-volt floor port system in Halls A, B.C.& D is in progress. The new cable infrastructure improvement will allow the Utility Services Department to expedite the delivery of electrical services for larger machine shows held in The National Trade Centre.

Management from both Exhibition Place and O&Y, SMG Canada meet bi-weekly to discuss, plan and implement services for upcoming Trade & Consumer shows and Events at The National Trade Centre.

The scheduled and unscheduled building and equipment maintenance continued throughout the month of May. Exterior painting of roll-up doors and gates was a priority. All floor ports were cleaned and painted. The south end of the building was power washed. The Labour Pool room was constructed to house CNE Agriculture staff.

FINANCIAL REPORT

Net Operating Income for the five months ended May 31, 2000 was \$2,126,458 compared to a budget of \$2,182,116, a variance of (\$55,658). Rental income is ahead of budget by \$16,182 at \$3,927,293. This favourable variance is offset by catering and concession commissions of \$921,262, negative to budget by (\$61,126). While the catered business has grown in 2000, earlier consumer shows did not achieve budgeted concession commissions. Direct operating expenses were higher than budget due primarily to the cost for Natural Gas, which was negative to budget

((\$102,000)). A review of the variance due to rate versus consumption continues. Increases in the rate are having a negative effect and consumption has increased. While budgeted advertising revenues are below budget by (\$56,697) this is offset by the expenses such as commissions and signage costs incurred against these revenues also being reduced by \$55,585.

Net operating income is \$291,417 higher when compared to the prior year, May 31, 1999, net operating income of \$1,835,040.

Accounts receivable at May 31, 2000 were \$609,961 consisting mainly of: 1) \$168,344 owed by Servo Canada contractually due on the 25th of the following month; 2) show services for the Sportsmen's show of \$56,996 received in June and 3) \$151,977 owed as deposits for future events of which \$90,152 was received by June 9, 2000.

TELECOMMUNICATIONS

Telecommunications is preparing for a move to new office space located at the north side of the RAWF offices. This relocation will locate the department much closer to the fibre optic distribution junction of Exhibition Place.

The Automotive building has been upgraded with new cabling and modular category 5 outlets. This new system will enhance quality of service, provide additional distribution and reduce labour costs.

John Koperwas of the Telecommunications department has been asked to act as technical director for an extensive Exhibition Place project that would see the implementation of a state of the art wireless voice over IP communications system being potentially deployed across Exhibition Place. This system could significantly reduce cellular phone costs as well as providing users with a totally mobile data/voice solution.

Telecommunications has installed cable and data distribution within the Automotive building to facilitate the wireless data transmission to Parking Kiosks. This wireless Ethernet connectivity will act as a platform for other future applications. With a new parking system being deployed, Parking has also asked that telecommunications provide data connectivity in the underground lot area to the kiosks.

SERVO CANADA

Business for the month of May was slow as we approached our off-season. Both Catering and Retail Sales performed well with the limited business we had.

Some of the shows that Servo supplied services to were Can Clean, Pharmasave and Intermed. Intermed was not very well attended therefore it under achieved budget by \$11,300.00. Catering for the month was also slow. Events included those for the shows listed above as well as Henderson Hoedown and The Royal Regiment.



FINANCIAL REPORTS

APPENDIX "A"

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
MAY 2000 and YEAR TO DATE**

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	13	5	8	48	28	20
Direct Event Income	411,006.63	426,423.00	(15,416.37)	4,283,053.78	4,273,264.00	9,789.78
Ancillary Income	155,818.63	185,213.00	(29,394.37)	1,728,154.41	1,781,509.00	(53,354.59)
Advertising Income	25,773.68	36,900.00	(11,126.32)	122,601.95	123,714.00	(1,112.05)
CNE Recovery	-	-	-	-	-	-
Total Event Income	592,598.94	648,536.00	(55,937.06)	6,133,810.14	6,178,487.00	(44,676.86)
Direct Expenses	345,390.05	350,139.00	4,748.95	2,409,322.14	2,315,325.00	(93,997.14)
Indirect Expenses	307,479.37	318,451.00	10,971.63	1,598,030.19	1,681,046.00	83,015.81
Total Event Expenses	652,869.42	668,590.00	15,720.58	4,007,352.33	3,996,371.00	(10,981.33)
NET INCOME (LOSS)	(60,270.48)	(20,054.00)	(40,216.48)	2,126,457.81	2,182,116.00	(55,658.19)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	106,011.38	94,676.00	11,335.38	1,759,896.80	1,833,736.00	(73,839.20)
PARKING EXPENSE	22,262.39	19,881.56	(2,380.83)	369,578.33	385,084.56	15,506.23
NET PARKING	83,748.99	74,794.44	8,954.55	1,390,318.47	1,448,651.44	(58,332.97)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At May 31, 2000 the markup paid to Exhibition Place was a total of \$ 234,360.52 (\$ 192,228.41 expensed against direct event income and the balance of \$ 38,132.11 in direct expense)



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT MAY 31, 2000 with COMPARISON TO 1999**

	1999 YTD MAY ACTUAL	2000 YTD ACTUAL	2000 YTD BUDGET	2000 VARIANCE	VARIANCE TO YTD MAY 1999 ACTUAL	%
Number of Events	39	48	28	20	9	23.1%
Direct Event Income	3,870,928.65	4,283,053.78	4,273,264.00	9,789.78	412,125.13	10.6%
Ancillary Income	1,529,546.69	1,728,154.41	1,781,509.00	(53,354.59)	198,607.72	13.0%
Advertising Income	57,803.81	122,601.95	123,714.00	(1,112.05)	64,798.14	112.1%
CNE Recovery	-	-	-	-	-	0.0%
Total Event Income	5,458,279.15	6,133,810.14	6,178,487.00	(44,676.86)	675,530.99	12.4%
Direct Expenses	1,964,085.62	2,409,322.14	2,315,325.00	(93,997.14)	(445,236.52)	(22.7%)
Indirect Expenses	1,659,153.02	1,598,030.19	1,681,046.00	83,015.81	61,122.83	3.7%
Total Event Expenses	3,623,238.64	4,007,352.33	3,996,371.00	(10,981.33)	(384,113.69)	(10.6%)
NET INCOME (LOSS)	1,835,040.51	2,126,457.81	2,182,116.00	(55,658.19)	291,417.30	15.9%
EX PLACE PARKING ESTIMATE						
PARKING INCOME	1,879,294.37	1,759,896.80	1,833,736.00	(73,839.20)	(119,397.57)	(6.4%)
PARKING EXPENSE	394,651.82	369,578.33	385,084.56	15,506.23	25,073.49	6.4%
NET PARKING	1,484,642.55	1,390,318.47	1,448,651.44	(89,345.43)	(94,324.08)	(6.4%)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour & materials. At May 31, 2000 the markup paid to Exhibition Place was a total of \$ 234,360.52 (\$ 196,228.41 expensed against direct event income and the balance of \$ 38,132.11 in direct expense)

**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF MAY 2000

Attendance [Note: 1]	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>
	73,865	888,737

EVENT	# OF PERFORMANCES		(IN THOUSANDS)		REFRESHMENT PER CAP'S ACTUAL [Note: 2]
	ACTUAL	BUDGET	NET EVENT INCOME [Note: 3] ACTUAL	BUDGET	
Consumers Show	25	18	3,416	3,833	3.29
Trade Show	6	5	1,127	1,227	10.36
Concert	1	0	22	-	4.86
Photo/Film Shoot	2	0	4	-	-
Meeting/Corporate	14	5	460	120	27.35
	<u>48</u>	<u>28</u>	<u>5,030</u>	<u>5,179</u>	

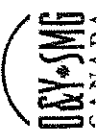
Note: 1 Attendance estimates provided by Show Management.

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
BALANCE SHEET
AS AT MAY 31, 2000

ASSETS	2000	1999
CURRENT ASSETS		
CASH	618,595.55	264,750.21
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,950,000.00	2,700,000.00
AMERICAN EXPRESS	43,243.33	(2,064.77)
TRADE ACCOUNTS RECEIVABLE	609,961.18	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(59,972.46)	
NET ACCOUNTS RECEIVABLE	549,988.72	1,006,818.27
RECEIVABLE FROM EX PLACE	552.45	70,892.28
OTHER RECEIVABLE	135,240.67	140,163.62
PREPAID EXPENSES	80,119.03	76,479.75
TOTAL CURRENT ASSETS	4,627,739.75	4,507,039.36
FIXED ASSETS		
EQUIPMENT - NET	160,711.80	
TOTAL ASSETS	4,788,451.55	4,507,039.36
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	1,343,976.97	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	119,566.38	
DEFERRED REVENUE	1,198,430.39	2,671,998.85
EQUITY		
NET INCOME (LOSS) CURRENT	2,126,457.81	1,835,040.51
PRIOR YEAR SURPLUS	1,883,224.00	
DISTRIBUTION TO EXHIBITION PLACE	(1,883,224.00)	
	4,788,451.55	4,507,039.36



THE NATIONAL TRADE CENTRE
 FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED MAY 31, 2000

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	(60,270.48)	2,126,457.81
ADD: DEPRECIATION & AMORTIZATION	-	-
SOURCES (USES) OF CASH		
TERM INVESTMENTS	-	900,000.00
ACCOUNTS RECEIVABLE - TRADE	711,957.03	1,209,461.51
RECEIVABLE FROM EX PLACE B.O.G	6,000.00	40,561.94
ACCOUNTS RECEIVABLE - OTHER	(100,675.97)	100,673.75
PREPAID EXPENSES	52,216.10	41,794.45
DEPOSITS AND OTHER ASSETS	(2,313.32)	(23,254.98)
ACCOUNTS PAYABLE & ACCRUED EXPENSES	(282,542.93)	(210,154.60)
OTHER PAYABLES	10,495.87	(8,471.83)
DEFERRED INCOME	(339,110.10)	(2,007,951.73)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	(4,243.80)	2,169,116.32
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	-	(1,883,223.61)
NET CASH FROM OTHER SOURCES	-	(1,883,223.61)
NET INCREASE (DECREASE) IN CASH	(4,243.80)	285,892.71
BEGINNING CASH BALANCE	622,839.35	332,702.84
ENDING CASH BALANCE	618,595.55	618,595.55

THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING

AS AT MAY 31, 2000

CUSTOMER NAME	AMOUNT OUTSTANDING	CURRENT	30 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS	COMMENTS
COMPLETED EVENTS						
CDN. NATIONAL SPORTSMEN'S SHOWS EAST MEETS WEST PRODUCTIONS	56,996.04 25,020.99		56,996.04		25,020.99	PAID JUNE 9, 2000 ACCOUNT IN DISPUTE - LETTER SENT WITH RECOMMENDATION TO ACCEPT SETTLEMENT OFFER BEFORE COMMENCING PERSONAL LITIGATION IF OFFER REFUSED - RESERVE FOR BAD DEBT TAKEN
ROYAL AGRICULTURAL WINTER FAIR GREEK COMMUNITY OF METRO TORONTO AL MADON PRODUCTIONS	19,526.26 17,027.42 11,322.97	7,480.75 17,027.42	2,744.27	7,200.82	2,100.42	INTEREST REVENUE LOST RE: 1999 RAWF + LONG DISTANCE/TELECOM FOR 2000 EVENT SERVICES - GREEK CHURCH SERVICES - APR.23/MAY 1 BUILDING RENTAL - SWING MAGIC - EVENT CANCELLED, COMPANY FILE FOR BANKRUPTCY CLAIM SUBMITTED TO BANKRUPTCY TRUSTEE
DMG WORLD MEDIA (CANADA) / SOUTHEX CUSTOMER ACCOUNTS - LESS THAN \$10,000	10,004.50 123,098.58	10,004.50 86,624.00	17,097.46	19,377.12		PAID IN FULL
SUB-TOTAL	262,996.76	121,136.67	76,837.77	26,577.94	38,444.38	
FUTURE EVENTS						
DMG WORLD MEDIA (CANADA) / SOUTHEX SEVENTH DAY ADVENTIST CHURCH MOONGLOW PRODUCTIONS	46,937.51 31,710.25 17,208.78	46,937.51 31,710.25			17,208.78	PAID IN FULL PAID IN FULL BUILDING RENT - MAIDEN MOTHER SHOW - MAR. 2000 - EVENT CANCELLED - LETTER SENT REQUESTING FULL PYMT BY MAR. 24, 2000 OTHERWISE LEGAL ACTION WILL BE TAKEN
SHOWFEST PRODUCTIONS INC. CDN. NATIONAL SPORTSMEN'S SHOWS INDUSTRY NIGHT CLUB ASSOCIATION FOR INVESTMENT MANAGERS	16,234.58 15,645.54 12,735.28 11,505.39	16,234.58 15,645.54 12,735.28 11,505.39				BUILDING RENT - COMPUTERFEST & MAC EXPO - SEPT. 2000 BUILDING RENT - TORONTO SKI & SNOWBOARD SHOW - OCT. 2000 BUILDING RENT - UNITY 2000 - JUNE 2000 PAID IN FULL
SUB-TOTAL	151,977.33	134,768.55			17,208.78	
SPONSORSHIP						
NESTLE CANADA INC. SIGNATURE RESTAURANT SYSTEMS	16,050.00 26,643.00			10,593.00 10,593.00	16,050.00	PAID IN FULL ADVERTISING RIGHTS FOR THE PERIOD OF APR.30/2000-APR.29/2001
SERVOMATION SERVO CANADA	168,344.09	151,349.32	16,994.77			CATERING COMMISSIONS FOR MAY CONTRACTUALLY DUE JUNE 25TH.
BOARD OF GOVERNORS						
	609,961.18	407,254.54	93,832.54	37,170.94	71,703.16	
	100%	67%	15%	6%	12%	

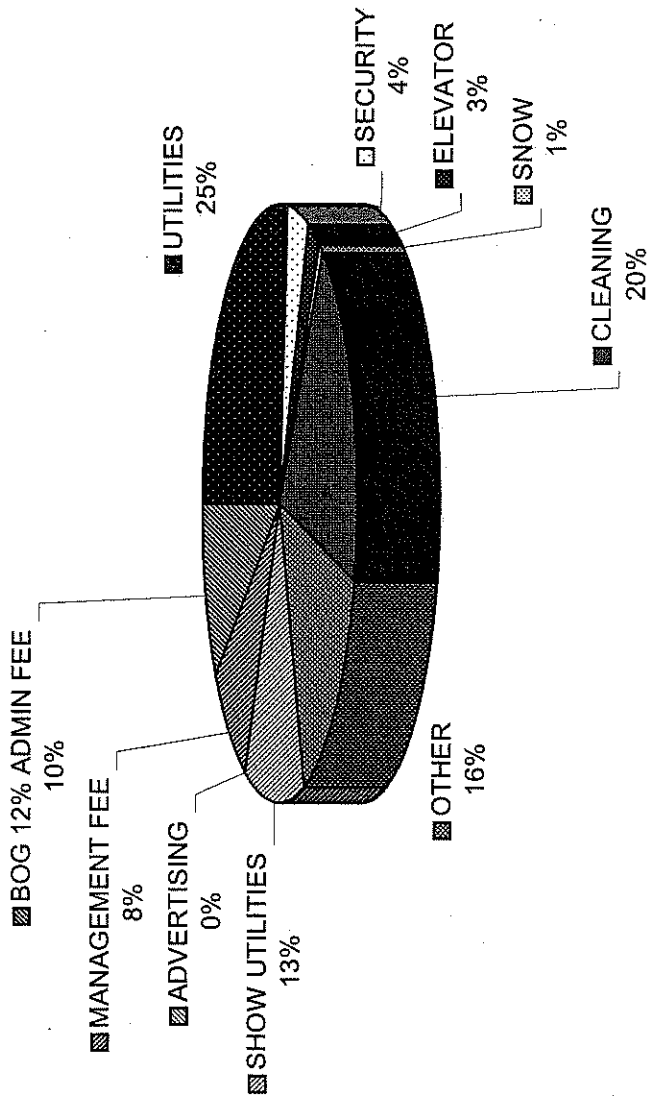


THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING
 ADDITIONAL INFORMATION ON A/R GREATER THAN 60 DAYS
 AS AT MAY 31, 2000

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.
MOONGLOW PRODUCTIONS	17,208.78		17,208.78	Building rent for the Maiden Mother Crone event. Event has been cancelled.
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.
SIGNATURE RESTAURANT SYSTEMS	10,593.00	10,593.00		Advertising sign faces on directory maps and sign faces for the period of April 30, 2000-April 29, 2001.
ROYAL AGRICULTURAL WINTER FAIR	9,301.24	7,200.82	2,100.42	Interest revenue lost re: 1999 R.A.W.F., plus various rentals & long distance charges
CUSTOMER ACCOUNTS - LESS THAN \$10,000	19,377.12	19,377.12	-	Services for various shows. Collection attempts are in progress.
	108,874.10	37,170.94	71,703.16	



COMPONENTS OF DIRECT EXPENSE



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

