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MANAGEMENT REPORT




FOR THE MONTH ENDING
JULY 31, 2000

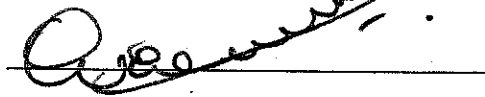
SUBMITTED TO: THE BOARD OF GOVERNORS OF EXHIBITION PLACE

SUBMITTED BY: O&Y/SMG CANADA

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



ERNEST VINCENT - GENERAL MANAGER - NTC



EXECUTIVE SUMMARY

To date O&Y/SMG Canada has secured 36 pieces of new business 3 are consumer shows, 15 are corporate bookings and 18 are special events/film shoots.

The Utility Services Department has initiated a telephone campaign to contact exhibitors participating in the upcoming events for special electrical and mechanical requirements to ensure timely delivery of services.

The net operating income for the seven months ended July 31, 2000 was \$ 1,590,406 compared to a budget of, \$1,488,151, a favourable variance of \$102,255 compared to prior years budget of, \$1,488,151, a favourable variance of \$102,255. Rental income is ahead of budget by \$40,635 at \$4,399,504.

SALES & MARKETING REPORT,

JULY SALES ACTIVITY

During the month of July, the Sales & Marketing Department secured the Sprint PCS Film Shoot.

BOOKING STATUS FOR EVENTS	3rd QUARTER ACTIVITY	CONTRACTED 2000 BUSINESS
Contracted in 2000	36	
Contracted in 1999	11	
Contracted in 1998	1	Total: 48

UPCOMING BUSINESS TRAVEL

In August, Susan Richardson, Regional Sales Director, U.S. will be attending the ASAE (American Society of Association Executives) Annual Meeting & Exposition in Orlando, Florida to develop sales leads with U.S. industry event planners in co-operation with Tourism Toronto.

PUBLICITY

The June 2000 issue of The Meeting Professional, a magazine published by Meeting Professionals International, an industry association, contained an article highlighting business opportunities in the province of Ontario. The National Trade Centre is included in this article under a section discussing meeting facilities in Toronto.

The June 29, 2000 issue of the Toronto Star included an article on the Irwin Toy AGM that was held in the Queen Elizabeth Building on June 28, 2000. O&Y/SMG Canada contracted this meeting in May 2000.

EVENT SERVICES

EVENT FACILITY SERVICES MANAGEMENT REPORT FOR JULY 2000

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

Consumer	Trade	Other
Latvian Song and Dance Festival	Toronto Fall Gift Show	CHAMPS Film Shoot
World Cup Triathlon		CHIN Picnic
O'Donnell Charity Challenge		
Molson Indy		
Ceylon Chamber of Commerce		

CHIN Picnic was a challenge to co-ordinate this year as the client wanted extensive cuts to service however our staff had to ensure minimum requirements were met.

Extensive NTC/ Exhibition Place co-ordination assistance was provided to the Molson Indy this year as there was numerous deficiencies left by the Indy's bleacher contractors.

Ceylon Chamber of Commerce had a very good consumer show for the Tamil community in the QE Exhibit Hall with 14,000 attending.

CHAMPS Film Shoot was held during the Indy set up and two days of the move out. The shoot delayed the move out of the Indy in front of the NTC affecting the appearance of the outside of the building for the Fall Gift Show.

Toronto Fall Gift Show experienced declining attendance again this year.

OPERATIONS REPORT

The Utility Services Department initiated a telephone campaign to contact exhibitors participating in the upcoming IDEX NeoCon, CFSM/Weld Expo and Print Ontario shows for special electrical and mechanical requirements. Of all the exhibitors contacted 50% of them have responded via telephone. This initiative was developed early to ensure efficient planning and preparation and to achieve a timely delivery of utility services to the exhibitors in these shows.

O&Y/SMG Canada and The National Trade Centre management teams attended a meeting with Reed Exhibitions to discuss the CFSM/Weld Expo show. Reed show management and exhibitors were informed of many improvements to The National Trade Centre electrical infrastructure and equipment, along with a skilled labour force experienced in servicing the trade show industry.

FACILITY SERVICES

Extensive painting and cleaning was carried into July to ensure that the facility is maintained in a class "A" standard. An O&Y facility audit is scheduled for later this summer. We have continued to make building and equipment improvements as follows:

- Extensive cleaning and wash down of the 3rd floor mechanical rooms and sprinkler rooms located at the north-end of the Coliseum Complex.
- Pressure washed all exterior walkways and cleaned windows on the south side of facility.
- Repair the old show office walls in the industry building.
- Repaired cracks/holes in the Auto floor by the loading docks.
- The Labour PoolRoom hall has been painted.
- Washrooms dispensers are continually repaired and replaced
- Using the new slip meter the Galleria floor is monitored on a weekly basis.
- Prepared cleaning quotations for up-coming shows and events.
- The snack bars in the Halls A, B, and C were renovated and painted.
- Various rental items were maintained in the North Extension

FINANCIAL REPORT

Net Operating Income for the seven months ended July 31, 2000 was \$ 1,590,406 compared to a budget of, \$1,488,151, a favourable variance of \$102,255. Rental income is ahead of budget by \$40,635 at \$4,399,504. This favourable variance is offset by catering and concession commissions of \$979,087, negative to budget by (\$72,567). 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 by (\$102,277). A review of the variance due to rate versus consumption continues. Increases in the rate are having a negative effect and consumption has increased due to increased occupancy. While budgeted advertising revenues are below budget by (\$78,312) this is offset by the expenses such as commissions and signage costs incurred against these revenues also being reduced by \$69,867.

Accounts receivable at July 31, 2000 were \$844,904 consisting mainly of: 1) \$64,303 owed by Servo Canada contractually due on the 25th of the following month; 2) show services for the Gift Show of \$57,185, 3) \$346,541 owed as deposits for future events of which \$166,799 was received by August 24, 2000 and 4) \$106,078 due from Exhibition Place for Event and Facility coordinators for Exhibition Place Events and Exhibition Place's share of the Bell Canada Megalink Service.

TELECOMMUNICATIONS/INFORMATION TECHNOLOGY

The Telecommunications/Information Systems Group has completed a move to new offices. These offices provide additional fibre optic connectivity to the grounds as well as additional security. The Exhibition Place computer servers that are housed in the new server room now have additional fibre redundancy, filtered Diesel generator backup power and independent climate control.

Telecommunications provided the Molson Indy event with additional services this year, which include Virtual Private Networks. This technology allowed Indy staff to use their own server system within the office space that they occupied both in trailers as well as in the Automotive Building.

SERVO CANADA

FOOD AND BEVERAGE REPORT

BUSINESS ACTIVITY

The month of July's retail events included The World Cup Triathlon, The Molson Indy, The Fall Gift Show and The Ceylon Chamber of Commerce. The Fall Gift Show was off expected revenues by \$7,000 due to lower than expected attendance, while the Molson Indy and The Ceylon Chamber of Commerce performed well.

Catered events for the month included meeting breaks and meals for Oracle, breaks and drop-offs for The Molson Indy and limited catering for The Fall Home Show.



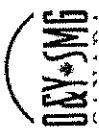
FINANCIAL REPORTS

APPENDIX "A"

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

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	5	3	2	63	34	29
Direct Event Income	263,119.04	265,572.00	(2,452.96)	4,818,577.66	4,747,160.00	71,417.66
Ancillary Income	133,044.83	105,494.00	27,550.83	1,949,146.86	1,969,014.00	(19,867.14)
Advertising Income	25,224.00	36,900.00	(11,676.00)	164,786.30	173,232.00	(8,445.70)
CNE Recovery	421,387.87	407,966.00	13,421.87	6,932,510.82	6,889,406.00	43,104.82
Total Event Income	842,775.74	815,872.00	26,903.74	13,865,021.64	13,788,812.00	76,209.64
Direct Expenses	314,977.78	385,137.00	70,159.22	3,108,203.71	3,070,467.00	(37,736.71)
Indirect Expenses	277,368.41	314,851.00	37,482.59	2,233,901.23	2,330,788.00	96,886.77
Total Event Expenses	592,346.19	699,988.00	107,641.81	5,342,104.94	5,401,255.00	59,150.06
NET INCOME (LOSS)	(170,958.32)	(292,022.00)	121,063.68	1,590,405.88	1,488,151.00	102,254.88
EX PLACE PARKING ESTIMATE						
PARKING INCOME	36,740.65	63,597.00	(26,856.35)	1,862,945.52	2,086,695.00	(223,749.48)
PARKING EXPENSE	7,715.54	13,354.95	5,639.41	391,218.56	438,205.95	46,987.39
NET PARKING	29,025.11	50,242.05	(21,216.94)	1,471,726.96	1,648,489.05	(176,762.09)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At July 31, 2000 the markup paid to Exhibition Place was a total of \$ 286,502.76 (\$ 232,698.87 expensed against direct event income and the balance of \$ 53,803.89 in direct expense)



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

	1999 YTD JULY ACTUAL	2000 YTD ACTUAL	2000 YTD BUDGET	2000 VARIANCE	VARIANCE TO YTD JULY 1999 ACTUAL	%
Number of Events	50	63	34	29	13	26.0%
Direct Event Income	4,491,630.13	4,818,577.66	4,747,160.00	71,417.66	326,947.53	7.3%
Ancillary Income	1,778,381.05	1,949,146.86	1,969,014.00	(19,867.14)	170,765.81	9.6%
Advertising Income	101,768.65	164,786.30	173,232.00	(8,445.70)	63,017.65	61.9%
CNE Recovery	787.38	-	-	-	(787.38)	0.0%
Total Event Income	6,372,567.21	6,932,510.82	6,889,406.00	43,104.82	559,943.61	8.8%
Direct Expenses	2,553,010.15	3,108,203.71	3,070,467.00	(37,736.71)	(555,193.56)	(21.7%)
Indirect Expenses	2,375,693.63	2,233,901.23	2,330,785.00	96,886.77	141,792.40	6.0%
Total Event Expenses	4,928,703.78	5,342,104.94	5,401,255.00	59,150.06	(413,401.16)	(8.4%)
NET INCOME (LOSS)	1,443,863.43	1,590,405.88	1,488,151.00	102,254.88	146,542.45	10.1%
EX PLACE PARKING ESTIMATE						
PARKING INCOME	1,924,942.21	1,862,945.52	2,086,695.00	(223,749.48)	(61,996.69)	(3.2%)
PARKING EXPENSE	404,237.86	391,218.56	438,205.95	46,987.39	13,019.30	3.2%
NET PARKING	1,520,704.35	1,471,726.96	1,648,489.05	(176,762.09)	(48,977.39)	(3.2%)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour & materials. At July 31, 2000 the markup paid to Exhibition Place was a total of \$ 286,502.76 (\$ 232,698.87 expensed against direct event income and the balance of \$ 53,803.89 in direct expense)

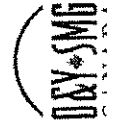
THE NATIONAL TRADE CENTRE EVENT STATISTICS

FOR THE MONTH OF JULY 2000

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
Attendance [Note: 1]	24,272	994,775	923,927

<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	29	21	3,473	3,988	3.05
Trade Show	9	6	1,458	1,579	7.90
Concert	2	1	29	-	2.73
Photo/Film Shoot	5	0	33	-	47.87
Meeting/Corporate	18	6	622	148	24.09
	<u>63</u>	<u>34</u>	<u>5,615</u>	<u>5,716</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 JULY 31, 2000

ASSETS	2000	1999
CURRENT ASSETS		
CASH	247,221.64	319,844.24
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,700,000.00	2,950,000.00
AMERICAN EXPRESS	9,401.97	6,570.78
TRADE ACCOUNTS RECEIVABLE		844,904.41
ALLOWANCE FOR DOUBTFUL ACCOUNTS		<u>(59,972.46)</u>
NET ACCOUNTS RECEIVABLE	784,931.95	1,007,005.97
RECEIVABLE FROM EX PLACE	859.16	37,688.20
OTHER RECEIVABLE	158,977.59	190,913.08
PREPAID EXPENSES	131,612.22	184,421.68
TOTAL CURRENT ASSETS	4,283,004.53	4,946,443.95
FIXED ASSETS		
EQUIPMENT - NET	118,267.34	
TOTAL ASSETS	<u>4,401,271.87</u>	<u>4,946,443.95</u>
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	1,140,398.11	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	61,961.12	
DEFERRED REVENUE	2,810,865.99	3,502,580.52
EQUITY		
NET INCOME (LOSS) CURRENT	1,590,405.88	1,443,863.43
PRIOR YEAR SURPLUS	1,883,224.00	
DISTRIBUTION TO EXHIBITION PLACE	<u>(1,883,224.00)</u>	
	<u>4,401,271.87</u>	<u>4,946,443.95</u>



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

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	(170,958.32)	1,590,405.88
ADD: DEPRECIATION & AMORTIZATION	-	-
SOURCES (USES) OF CASH		
TERM INVESTMENTS	(200,000.00)	1,150,000.00
ACCOUNTS RECEIVABLE - TRADE	(346,175.00)	974,518.28
RECEIVABLE FROM EX PLACE B.O.G	(224.58)	40,255.23
ACCOUNTS RECEIVABLE - OTHER	1,379.04	76,936.83
PREPAID EXPENSES	(84,778.86)	(9,698.74)
DEPOSITS AND OTHER ASSETS	28,898.82	53,030.84
ACCOUNTS PAYABLE & ACCRUED EXPENSES	16,645.91	(413,733.46)
OTHER PAYABLES	1,580.21	(66,097.09)
DEFERRED INCOME	261,385.43	(1,597,875.36)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	(492,247.35)	1,797,742.41
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	(492,247.35)	(85,481.20)
BEGINNING CASH BALANCE	739,468.99	332,702.84
ENDING CASH BALANCE	247,221.64	247,221.64

THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING

AS AT JULY 31, 2000

CUSTOMER NAME	AMOUNT OUTSTANDING	CURRENT	30 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS	COMMENTS
COMPLETED EVENTS						
DMS WORLD MEDIA (CANADA) - FALL GIFT	57,185.30	57,185.30				EVENT SERVICES - FALL GIFT SHOW - JULY 23/28
KEY 3 MEDIA	11,897.33	11,897.33				ADDITIONAL EVENT SERVICES - ORACLE EVENT - JUNE 28/27
GES CANADA EXPOSITIONS	16,551.50	7,542.29	9,009.21			VARIOUS SERVICES - APRIL/JULY EVENTS
CUSTOMER ACCOUNTS - LESS THAN \$10,000	151,345.63	96,839.43	36,337.47	18,168.73		
SUB-TOTAL	236,979.76	173,464.35	45,346.68	18,168.73		
FUTURE EVENTS						
REED EXHIBITION COMPANIES	73,875.42	73,875.42				BUILDING RENT - CFSM / WELD EXPO - OCT. 2000
CANADIAN RETAIL HARDWARE ASSN.	62,744.80	62,744.80				PAID IN FULL - AUGUST 8/00
DMS WORLD MEDIA (CANADA) - FALL HOME	54,529.34	27,264.67	27,264.67			PAID IN FULL - AUGUST 8/00
MacLAREN McCANN RETAIL	49,524.68	16,508.23	33,016.45			BUILDING RENT - IDEX/NEOCON SHOW - SEPT. 2000
MERCHANDISE MART (CANADA) LTD.	38,388.87	38,388.87				BUILDING RENT - COMPUTERFEEST & MAC EXPO - SEPT. 2000
SHOWFEST PRODUCTIONS INC.	24,351.87	8,117.29	16,234.58			BUILDING RENT - SPEEDORAMA - JAN. 2001
KELLY ALEXANDER COMMUNICATIONS	17,347.93	17,347.93				BUILDING RENT - TORONTO SKI & SNOWBOARD SHOW - OCT. 2000
CDN. NATIONAL SPORTSMEN SHOWS	15,645.54	15,645.54				EVENT SERVICES ESTIMATES - JEWELLERY WORLD - AUG. 2000
REED EXHIBITION COMPANIES	10,132.38	10,132.38				
SUB-TOTAL	346,540.83	270,025.13	76,515.70			
SERVOMATION						
SERVO CANADA	64,302.95	61,372.60	2,930.35			CATERING COMMISSIONS FOR JULY CONTRACTUALLY DUE AUGUST 25TH.
BOARD OF GOVERNORS						
TORONTO STAR NEWSPAPERS	108,078.13	69,000.00	37,078.13			EVENT FACILITY SERVICES & BELL CANADA MEGALINK - JAN/MAY 2000
SPONSORSHIP						
TORONTO STAR NEWSPAPERS	37,450.00	37,450.00				PAID IN FULL - AUGUST 16/00
LITIGATION / RECEIVERSHIP						
EAST MEETS WEST PRODUCTIONS	25,020.99				25,020.99	ACCOUNT IN DISPUTE - LETTER SENT WITH RECOMMENDATION TO ACCEPT SETTLEMENT OFFER BEFORE COMMENCING PERSONAL LITIGATION IF OFFER REFUSED - RESERVE FOR BAD DEBT TAKEN
MOONGLOW PRODUCTIONS	17,208.78				17,208.78	BUILDING RENT - MAIDEN MOTHER SHOW - MAR. 2000 - EVENT CANCELLED - LETTER SENT REQUESTING FULL PYMT BY MAR. 24, 2000 OTHERWISE LEGAL ACTION WILL BE TAKEN
AL MADON PRODUCTIONS	11,322.97				11,322.97	BUILDING RENTAL - SWING MAGIC - EVENT CANCELLED. COMPANY FILE FOR BANKRUPTCY CLAIM SUBMITTED TO BANKRUPTCY TRUSTEE
SUB-TOTAL	53,552.74				53,552.74	
	844,904.41	611,312.08	161,870.86	18,168.73	53,552.74	
	100%	72%	20%	2%	6%	

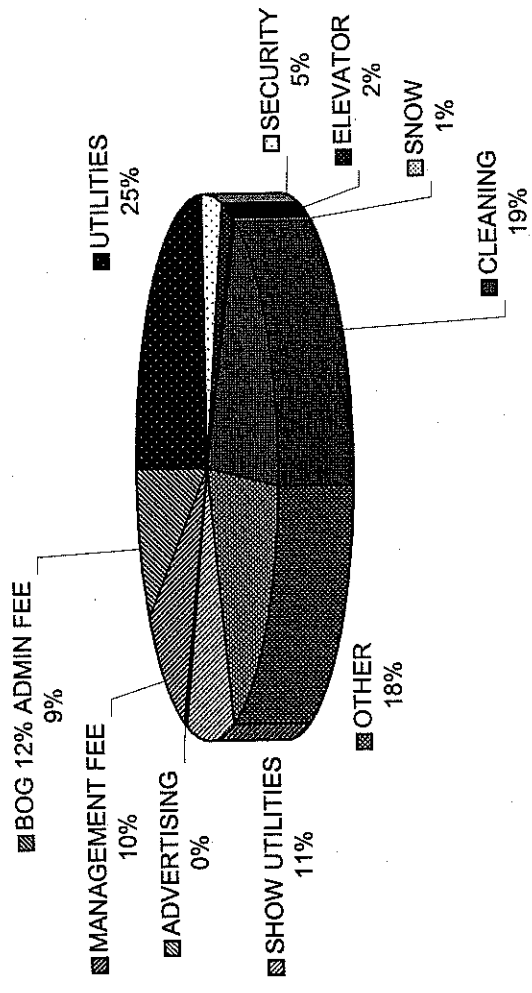


THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING
 ADDITIONAL INFORMATION ON A/R GREATER THAN 60 DAYS
 AS AT JULY 31, 2000

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.
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	18,168.73	18,168.73	-	Services for various shows. Collection attempts are in progress.
	71,721.47	18,168.73	63,552.74	



COMPONENTS OF DIRECT EXPENSE



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