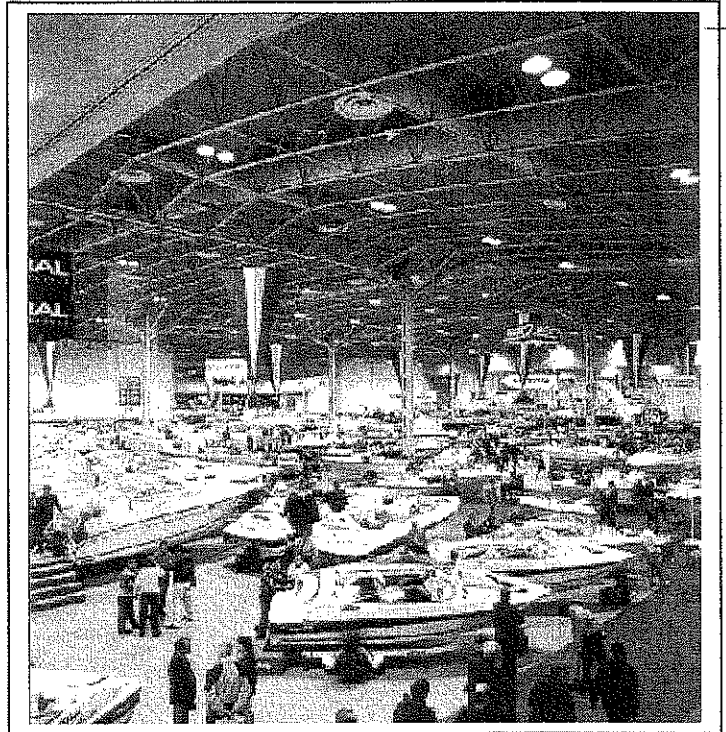


THE NATIONAL TRADE CENTRE MANAGEMENT REPORT

FOR THE QUARTER ENDING
MARCH 2001

7

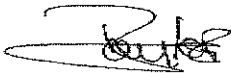


EXECUTIVE SUMMARY

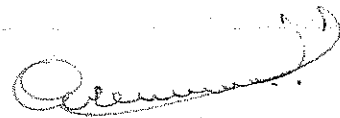
- IHL negotiations are on going and the status of the Coliseum, vis-à-vis renovations, will shortly be determined. This matter needs to be clarified shortly so that the NTC can move ahead and communicate availability status to our clients and users.
- Messe Frankfurt had committed to the inaugural *ISH North America* tradeshow to be held October 31 – November 2, 2002
- Members of the International Olympic Committee Venue Evaluation group toured The National Trade Centre and were impressed with the facilities available.
- The first quarter of 2001 has yielded a trend of steady to slightly increased attendance at consumer shows.
- The NTC and Servo are working on creating some alternative sources of revenues and commissions for the current financial year. More details are available in the Servo Report.
- Net Operating Income for the three months ending March 31, 2001 was \$829,915 compared to a budget of \$1,130,294, a variance of (\$300,379).

SIGNED BY:

RON TAYLOR
MANAGING DIRECTOR-O&Y/SMG CANADA



ERNEST VINCENT
GENERAL MANAGER/NTC

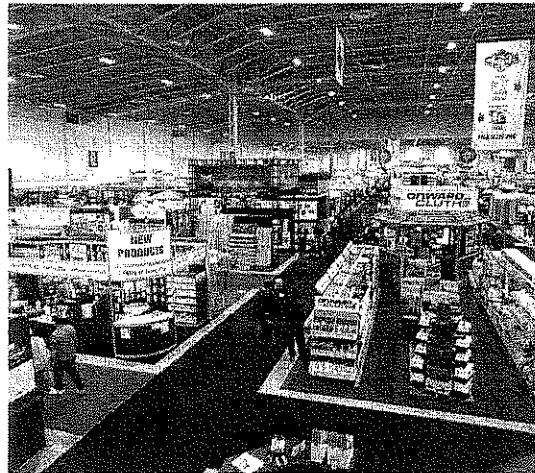


MARKETING

- O&Y/SMG announced the signing of an agreement with Messe Frankfurt for the inaugural *ISH North America* tradeshow to be held October 31 – November 2, 2002. Rental revenue for this event exceeds \$278,000.
- 6 new 2001 events are contracted increasing our total to 15 new events for this year. The events are categorized as follows:
 - 5 consumer shows
 - 3 trade shows
 - 4 special events/film/photo shoots
 - 3 corporate bookings

FIRST QUARTER REPORT

- 20 events hosted during the first quarter:
 - Toronto Int'l Boat Show
 - Metro Home Show
 - Speedorama
 - Cdn. Hardware & Building Materials Show
 - Computerfest & Mac Expo
 - Psychics, Mystics & Seers Fair
 - British Isles Show
 - WW & FA Interiors
 - Toronto Spring Gift Show
 - National Bridal Show
 - Rogers AT & T Commercial Shoot
 - Shoppers Drug Mart
 - IHL Media Conference
 - Toronto Int'l Bicycle Show



- Islamic Prayer Festival
- Toronto Sportsmen's Show
- Toronto Int'l Quarterhorse Show
- National Motorcycle Show
- Harry Rosen Photo Shoot
- One of a Kind Spring Craft Show & Sale

Cdn. Hardware & Building Materials Show

PUBLICITY

- The NTC's Sales & Marketing Department issued press releases to announce the signing of *ISH North America*. Industry media coverage included an article in the EXPOweb News, a weekly e-newsletter by EXPO magazine targeting tradeshow industry professionals and in Newsline an e-publication issued by m+a Publishers in Germany.
- On March 9, 2001 members of the IOC Evaluation Commission toured The National Trade Centre. Significant media coverage was printed in the Toronto Star, Globe & Mail and National Post leading up to the visit including photos and/or mention of The NTC.
- First quarter events received substantial media coverage:
- on-site media coverage from newspapers including the Toronto Star, Toronto Sun, Globe & Mail, London Free Press and daily newspapers in Cambridge, Peterborough, Hamilton & St. Catharines.
- Printed & e-publications including Ontario Out of Doors, Home magazine, Canada Wilderness, The Fishing Network and the World Journal.
- Local radio coverage included CHUM, CFNY, CHIN, EZ Rock, 680 News, CBC Radio and CFRB
- Television coverage included local area stations CFTO, CITY-TV, CP24, Global, ONTV, The New VR, Rogers Television and China National Television from Beijing
- The February 2001 issue of Canadian Event Perspective magazine profiled Parallel Theatrical Productions, our official supplier of production & technical/av services. The article included mention of The NTC and an interior photograph of Heritage Court.

EVENT SERVICES

During the 1st Quarter of 2001, Event & Facility Co-ordinators at The National Trade Centre were involved in the following events:

JANUARY	
National Trade Centre Events	Exhibition Place Events
Trade	Other
Consumer	
▪ Toronto International Boat Show	
▪ Metro Home Show	
▪ Speedorama	
Other	
▪ Bell Canada Seminar	

FEBRUARY	
Trade	Other
<ul style="list-style-type: none">▪ Canadian Hardware & Building Materials Show▪ WW & FA Interiors 2001▪ Toronto Spring Gift Show▪ Shoppers Drug Mart	<ul style="list-style-type: none">▪ Bittersweet Rave
Consumer	
<ul style="list-style-type: none">▪ Computerfest & MacExpo Spring Show 2001▪ Psychics, Mystics & Seers Show▪ British Isles Show▪ National Bridal Show	
Other	
<ul style="list-style-type: none">▪ Rogers AT&T Commercial Shoot▪ IHL Media Conference	
MARCH	
Consumer	Other
<ul style="list-style-type: none">▪ Toronto International Bicycle Show▪ Toronto Sportsmens Show▪ Toronto International Quarter Horse Show▪ National Motorcycle Show▪ "One of a Kind" Craft Show & Sale	
Other	
<ul style="list-style-type: none">▪ Islamic Prayer Festival	

FIRST QUARTER SUMMARY

EVENTS

- The first quarter of 2001 has yielded a trend of steady to slightly increased attendance at consumer shows.
- Exhibitor and attendee exit surveys were conducted using interactive kiosks located near the exit doors to the halls.
- Members of the International Olympic Committee Venue Evaluation group toured The National Trade Centre on March 9th. The tour included a presentation in Salon 109.
- The Director of Event & Facility Services and an Event Co-ordinator began work with Exhibition Place on the co-ordination of World Youth Days 2002.

TELECOMMUNICATIONS

- NTC currently backs-up up over 1.5 million files across the entire grounds of Exhibition Place. As such additional hard drives have been purchased to ensure redundant backup procedures as well as implementing quicker recoveries. These hard drives are constantly being updated with data on an incremental basis to ensure that the latest information is captured on an almost "real time basis" without the inherent network congestion of typical full or copy type backups.
- Information Technology is also working on creating stricter file security measures as well as real type data encryption for additional system integrity.
- Telecommunications and Information Systems began the process of working towards creating a Disaster Recovery Plan (DRP). A meeting with representatives of Ernst and Young was setup for mid March to direct the deployment.
- The City of Toronto has provided Windows 2000 and Office 2000 software licenses for workstation at Exhibition Place.
- Telecommunication and Information Services will be securing areas in the National Trade Centre that are critical information distribution points.
- In discussions with Fatima Scagnol, Telecommunications laid out some scenarios in order to increase revenues across the grounds.
- Telecommunications will be working towards creating a comprehensive report on disaster recovery on all of the server equipment and telecommunications systems feeding the entire Exhibition Place grounds.
- Web Kiosk implementation was finalized.
- Telecommunications revenues for the 1st Quarter were up in comparison to last year but slightly down from projections.
- Telecommunications is working towards deploying services across a broader spectrum of locations across Exhibition Place in order to generate additional revenues.

BUILDING OPERATIONS

Scheduled and unscheduled maintenance continued throughout the facility. The following were some of the projects that were completed:

- All emergency power packs were tested and the faulty packs were either repaired or replaced in the Automotive Building.
- New dimming ballasts were installed in Salons 102 & 103.
- Installation of two new unit heaters was completed at the north end of the Industry building.
- The HVAC department rebuilt and retrofitted piping on Chiller #1.
- Servicing was completed on the main kitchen and snack bar fridge's, coolers, exhaust systems, and ovens.
- The lower level of the Automotive building was repainted.

- The washroom in the RAWF lobby underwent extensive renovations.
- The carpet in Salon 103 was replaced.
- New security gates were installed throughout the men's and ladies washrooms.
- Installed a dock light at every overhead door throughout the east and west loading areas.
- Installed banner poles throughout the Galleria.
- New recycling containers were purchased for the Salons.

FINANCIALS

Net Operating Income for the three months ending March 31, 2001 was \$829,915 compared to a budget of \$1,130,294, a variance of (\$300,379).

Rental income is unfavourable to budget by (\$267,329) at \$2,232,802 due to: -

- The timing of new business; and
- Rental income reductions for the Spring Gift Show (\$10,975), Hardware Show (\$21,450) and Boat Show (\$22,025) as a result of reduced space/date requirements; Sportsmen's Show dropped a show day, opening on Saturday rather than Friday (\$89,384).
- Creative Sewing did not have a spring show (\$21,850), Siebel (\$71,217) went to MTCC in 2001

Compared to 2000 there was a reduction in corporate events i.e.: The Bay Conference, Daimler Chrysler, NHL All-star and Auto Marketing Research for a total of (\$151,294).

Catering and concession commissions at \$495,061 fell short by (\$141,329), due to timing on new catered events and scheduling of new business.

Electrical service at \$236,290 is unfavourable to budget by (\$82,783) mainly due again to the timing of new business and reduced electrical services for the Hardware and Spring Gift show. Direct and indirect expenses are favourable to budget by \$112,599 partly as a result of positive efforts to further control expenditures.

Accounts receivables at March 31, 2001 were \$1,047,472 consisting mainly of: -

- \$113,821 due from the Royal Winter Fair for services for the 2000 event, cheque to be received April 18, 2001;
- \$236,775 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month;
- \$197,060 owed as deposits for future events.

SERVO-CANADA

Business activity for the first quarter continues to show less growth than forecasted for trade and consumer shows. This falloff is compounded by the lack of catered events during the first quarter. The variance is (\$141,329) to budget.

- Only four of the eleven major shows in the first quarter exceeded budget expectations.
- Reasons for the shortfalls include:
 - less show hours or days
 - less space on the floor for portable locations and subcontractors

The two major contributors to our shortfall this first quarter are The Toronto International Boat Show and The Toronto Sportsman's Show.

Reasons for the shortfall on the Sportsman's Show include the following:

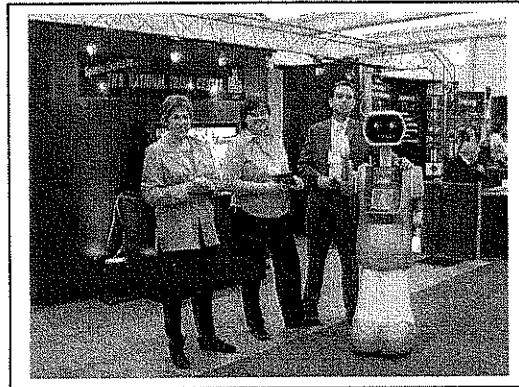
- Less show days and hours
- Less outlets available as show allotted less space for food service
- Decrease in show attendance.

Reasons for the shortfalls on the Boat Show include the following:

- Less Outlets available. Again the show allotted less space to operate with this year.
- Decrease in show attendance.

It is important to note here that the space given by the shows for us to operate portable services is controlled by the show. The shows would naturally prefer to sell this space to exhibitors, as they reap no benefits from food and beverage sales.

- Exhibited at the Canadian Special Events and Meetings Expo during March at the MTCC, the Expo was attended by over 10,000 of Canada's most successful event and meeting planners.



- Were the only major facility in the city to exhibit at the show
- Involvement throughout the event including a booth on the show floor, complete with custom graphics, plasma screen presentation and Jack the robot
- Participation in the Great Debate on exclusive contracts.

In conclusion it was a very successful show for us. We have plans to exhibit at two more shows over the next few months. These shows expose us to potential new clients. We have added over 100 new event planners to our client mailing list from this show.

To combat this fall in revenues, The NTC and Servo are working on creating some alternative sources of revenues and commissions. These include:

- The possibility of adding a franchise location in the Galleria (Tim Horton's).
- More aggressive marketing of special events on property.
- Cooking classes and chef tables as marketing tools for special events.
- Opening an outdoor café (The Thirsty Cactus) for spring and summer operations.
- Monthly meetings of a special internal staff committee on revenue generation on property.

The introduction of these initiatives and the addition of some of these alternative sources of revenue will hopefully enable us to make up some of the shortfalls.

FINANCIAL REPORTS

APPENDIX "A"

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
MARCH 2001 and YEAR TO DATE**

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	5			18		
Direct Event Income	693,599.37	745,844.00	(52,244.63)	2,457,304.16	2,647,698.00	(190,393.84)
Ancillary Income	295,478.87	375,652.00	(80,173.13)	947,546.22	1,153,410.00	(205,863.78)
Advertising Income	20,385.00	26,464.00	(6,079.00)	57,742.00	67,505.00	(9,763.00)
CNE Recovery						
Total Event Income	1,009,463.24	1,147,960.00	(138,496.76)	3,462,592.38	3,868,613.00	(406,020.62)
Direct Expenses	523,907.12	552,574.00	28,666.88	1,693,630.82	1,691,904.00	(1,726.82)
Indirect Expenses	322,012.35	345,755.00	23,742.65	939,046.89	1,046,415.00	107,368.11
Total Event Expenses	845,919.47	898,329.00	52,409.53	2,632,677.71	2,738,319.00	105,641.29
NET INCOME (LOSS)	163,543.77	249,631.00	(86,087.23)	829,914.67	1,130,294.00	(300,379.33)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	456,812.51	497,146.00	(40,333.49)	1,149,982.79	1,266,523.00	(116,540.21)
PARKING EXPENSE	95,930.63	104,400.83	8,470.20	241,496.39	265,969.83	24,473.44
NET PARKING	360,881.88	392,745.17	(31,863.29)	908,486.40	1,000,553.17	(92,066.77)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At March 31, 2001 the markup paid to Exhibition Place was a total of \$ 124,435.61 (\$ 92,652.23 expensed against direct event income and the balance of \$ 28,275.38 in direct expense)



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT MARCH 31, 2001 with COMPARISON TO 2000**

	2000 YTD MAR ACTUAL	2001 YTD ACTUAL	2001 YTD BUDGET	2001 VARIANCE	VARIANCE TO YTD MAR 2000 ACTUAL	%
Number of Events	30	18			(12)	(40.0%)
Direct Event Income	2,782,127.03	2,457,304.16	2,647,698.00	(190,393.84)	(324,822.87)	(11.7%)
Ancillary Income	1,109,695.56	947,546.22	1,153,410.00	(205,863.78)	(162,149.34)	(14.6%)
Advertising Income	76,067.00	57,742.00	67,505.00	(9,763.00)	(18,325.00)	(24.1%)
CNE Recovery	-	-	-	-	-	0.0%
Total Event Income	3,967,889.59	3,462,592.38	3,868,613.00	(406,020.62)	(505,297.21)	(12.7%)
Direct Expenses (Note 2)	1,600,524.66	1,693,630.82	1,691,904.00	(1,726.82)	(93,106.16)	(5.8%)
Indirect Expenses	972,530.29	939,046.89	1,046,415.00	107,368.11	33,483.40	3.4%
Total Event Expenses	2,573,054.95	2,632,677.71	2,738,319.00	105,641.29	(59,622.76)	(2.3%)
NET INCOME (LOSS)	1,394,834.64	829,914.67	1,130,294.00	(300,379.33)	(564,919.97)	(40.5%)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	1,120,635.99	1,149,882.79	1,266,523.00	(116,540.21)	29,346.80	2.6%
PARKING EXPENSE	235,333.56	241,496.39	265,969.83	24,473.44	(6,162.83)	(2.6%)
NET PARKING	885,302.43	908,486.40	1,000,553.17	(92,066.77)	23,183.97	2.6%

Note: 1 Actuals include 12% markup paid to Exhibition Place on labour & materials. At March 31, 2001 the markup paid to Exhibition Place was a total of \$ 124,435.61 (\$ 92,652.23 expensed against direct event income and the balance of \$ 28,275.38 in direct expense)

Note: 2 Retroactive salary increase of \$15,250 resulting from increases of 2% for 1999, 2.17% for 2000, and increases as a result of the interim compensation plan which were not reflected in the 2000 numbers until November 2000.

THE NATIONAL TRADE CENTRE EVENT STATISTICS

FOR THE MONTH OF MARCH 2001

	MONTH ACTUAL	YTD ACTUAL	PRIOR YEAR ACTUAL
Attendance [Note: 1]	210,000	510,053	211,100

EVENT	# OF PERFORMANCES				(IN THOUSANDS)		REFRESHMENT PER CAP'S ACTUAL [Note: 2]
	2001	2000	1999		ACTUAL	BUDGET	
Consumers Show	12	15	14		1,980	2,237	3.44
Trade Show	3	4	6		801	872	9.24
Concert	0	0	1		(0)	-	-
Photo/Film Shoot	1	1	1		22	-	53.35
Meeting/Corporate	2	10	3		17	53	22.87
	18	30	25		2,820	3,162	

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, 2001

ASSETS	2001	2000
CURRENT ASSETS		
CASH	394,013.61	891,220.27
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	4,400,000.00	2,950,000.00
AMERICAN EXPRESS	16,120.73	1,321.45
TRADE ACCOUNTS RECEIVABLE		1,047,472.20
ALLOWANCE FOR DOUBTFUL ACCOUNTS		(14,628.36)
NET ACCOUNTS RECEIVABLE	1,032,843.84	812,114.38
RECEIVABLE FROM EX PLACE	1,400.00	520.00
OTHER RECEIVABLE	189,611.43	288,139.52
PREPAID EXPENSES	116,666.23	107,669.90
TOTAL CURRENT ASSETS	6,400,665.84	5,300,985.52
FIXED ASSETS		
EQUIPMENT - NET	157,536.09	168,999.14
TOTAL ASSETS	6,558,191.93	5,469,984.66
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES		1,842,144.45
PROVINCIAL & FEDERAL SALES TAX PAYABLE		76,961.16
DEFERRED REVENUE	4,066,628.08	4,075,150.02
EQUITY		
NET INCOME (LOSS) CURRENT	829,914.67	1,394,834.54
PRIOR YEAR SURPLUS	1,661,649.18	
DISTRIBUTION TO EXHIBITION PLACE		(600,000.00)
	6,558,191.93	5,469,984.66

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED MARCH 31, 2001**

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	163,543.77	829,914.67
ADD: EMPLOYEE BENEFITS - VACATIONS/SICK	-	257,773.49
SOURCES (USES) OF CASH		
TERM INVESTMENTS	-	-
ACCOUNTS RECEIVABLE - TRADE	95,217.31	1,240,422.95
RECEIVABLE FROM EX PLACE B.O.G	(1,400.00)	(1,400.00)
ACCOUNTS RECEIVABLE - OTHER	(15,821.59)	28,897.07
PREPAID EXPENSES	(42,230.27)	16,147.83
DEPOSITS AND OTHER ASSETS	(8,137.08)	121.63
ACCOUNTS PAYABLE & ACCRUED EXPENSES	(14,540.95)	(460,412.56)
OTHER PAYABLES	(11,625.93)	(74,321.57)
DEFERRED INCOME	(287,939.08)	(1,218,777.77)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	(122,933.82)	618,365.74
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	(122,933.82)	18,365.74
BEGINNING CASH BALANCE	516,947.43	375,647.87
ENDING CASH BALANCE	394,013.61	394,013.61

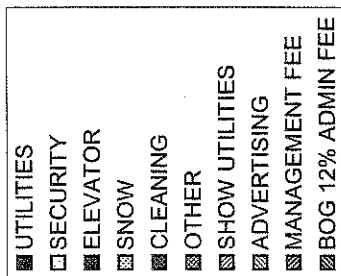
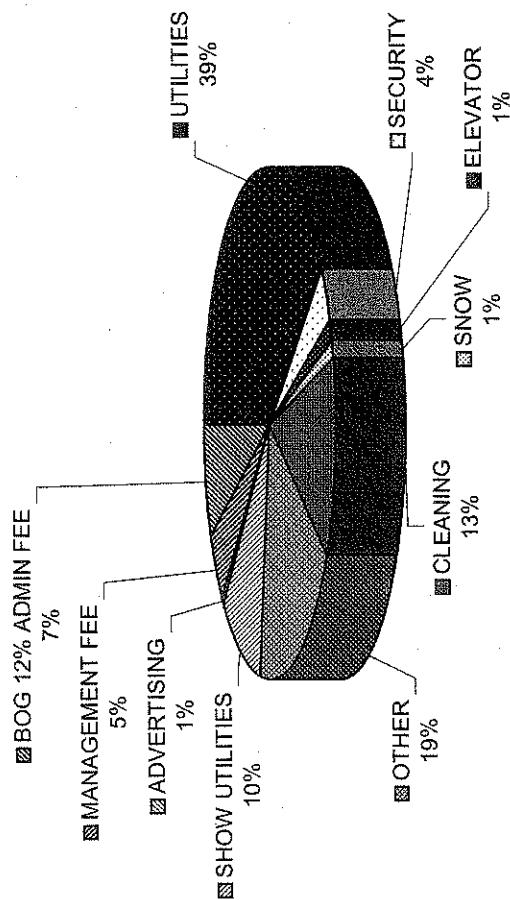
AS AT MARCH 31, 2001

Category	Percentage
100%	63%
22%	4%
11%	

THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING
 ADDITIONAL INFORMATION ON A/R GREATER THAN 60 DAYS
 AS AT MARCH 31, 2001

CUSTOMER NAME	AMOUNT OUTSTANDING	61 - 90 DAYS	OVER 90 DAYS	COMMENTS
ROYAL AGRICULTURAL WINTER FAIR	112,438.49	25,277.54	87,160.95	Balance of event services outstanding for the 2000 Royal Agricultural Winter Fair. Cheque for event services outstanding to be received April 18, 2001.
COLISEUM ENTERTAINMENT CORP.	7,511.82	7,511.82		Telecom, computer and long distance charges for IHL offices for 2000.
FREE LAND MARKETING INC.	2,266.21		2,266.21	Additional event services provided for the Everything to Do With Sex Show.
CUSTOMER ACCOUNTS - LESS THAN \$10,000	41,078.20	8,045.76		Ronald Neil Creative Inc. - Services for Canadian Int'l Truck Show - \$2,578.00 - PAID IN FULL Old Clothing Show - Services for Old Clothing Show Fall 2000 - \$1,758.19 Pizza Pizza - Electrical services for 2000 shows - \$1,300.80 Canadian Nat'l Sportsman's Shows - Services for Ski Show 2000 - \$1,287.44 Toronto Hadassah-Wizo - Services for 2000 Bazaar - \$405.99 Islamic Society of North America - Services for December 2000 event - \$342.84 Int'l Showcase Associates - Services for Fall Creative Sewing - \$314.30 Austrian Beer Nuts - Services for Ski Show - \$58.20
			9,549.75 21,320.59	Sportsworld Expo Productions - Building rental for cancelled event Rentex - In Collections - \$3,820 Polish Entertainment Group - In Collections - \$5,382.85 North Island Publishing - Additional services re: Print Ontario show - \$3,925.07 - PAID IN FULL DMG World Media re: Metro Home Show labour dispute to be resolved - \$2,635.18 Tradelink - Services for various meetings from 2000 - \$2,955.98 Source Promotions - In Collections - \$2,406.35 Parallel - IATSE services for November 17/00 function - \$195.16
	163,294.72	40,835.12	120,297.50	

COMPONENTS OF DIRECT EXPENSE



**THE NATIONAL TRADE CENTRE
CHEQUE DISBURSEMENTS - MARCH 2001
GREATER THAN \$50,000**

Check No	Date	Amount	DESCRIPTION
10985	3/09/01	189,820.86	PAYROLL DISBURSEMENT
10986	3/09/01	127,244.12	PAYROLL DISBURSEMENT
11044	3/19/01	103,874.36	HYDRO - JANUARY
10996	3/13/01	99,403.85	PAYROLL DISBURSEMENT
11047	3/19/01	90,403.06	PAYROLL DISBURSEMENT
11062	3/29/01	86,613.52	PAYROLL DISBURSEMENT
10987	3/09/01	83,228.72	PAYROLL DISBURSEMENT
11045	3/19/01	82,301.66	HYDRO - FEBRUARY
11043	3/19/01	73,009.34	GAS
11063	3/29/01	68,545.97	PAYROLL DISBURSEMENT
11125	3/30/01	67,217.84	PAYROLL DISBURSEMENT
11061	3/29/01	61,580.80	PAYROLL DISBURSEMENT
11050	3/20/01	54,315.25	G.S.T. REMITTANCE
11048	3/19/01	52,255.19	PAYROLL DISBURSEMENT
			DISBURSEMENTS OVER \$50,000
			OTHER DISBURSEMENTS LESS THAN \$50,000
			TOTAL DISBURSEMENTS FOR FEB 2001
			1,239,814.54
			417,925.94
			1,657,740.48



