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THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

FOR THE MONTH ENDING
JUNE 2001



SIGNED BY:

RON TAYLOR
MANAGING DIRECTOR-O&Y/SMG CANADA

ERNEST VINCENT
GENERAL MANAGER/NTC

EXECUTIVE SUMMARY

- Contracted 2 feature film shoots during the second quarter
- Hosted the A.I.M.R. exam session, the largest single location exam sitting in North America and the third largest in the world attended by over 5,600 (Hong Kong, Toronto and New York). In June the AIMR Research Exams used extensive amounts of NTC rental equipment. The event was very pleased with the venue and plan on returning in 2002.
- Under the new Capital Project, the electrical staff are planning to install permanent show lighting panels into the ceiling, pending receipt of material supplies
- Net Operating Income for the six months ending June 30, 2001 was \$1,283,956 compared to a budget of \$1,398,553, a variance of (\$114,596).
- The Canadian Friends of Hebrew University was a picture of classic elegance. The natural features of Heritage Court were enhanced with the use of plants, trees (included Exhibition Place's planters) a water fountain, cream sheer wall treatment and breathtaking lighting. Approximately 800 guests witnessed honouree Issy Asper's dramatic speech
- The State of Israel Bonds held a fundraiser in Hall D where 1300 guests witnessed in incredible ballroom of fabric, linen, lighting and sound – not to mention the intoxicating aroma of hundreds upon hundreds of begonias (see cover picture). The room was a picture of sheer modern elegance. Guest speakers Larry King and Dr. Ruth Westheimer held the audience captive.

MARKETING

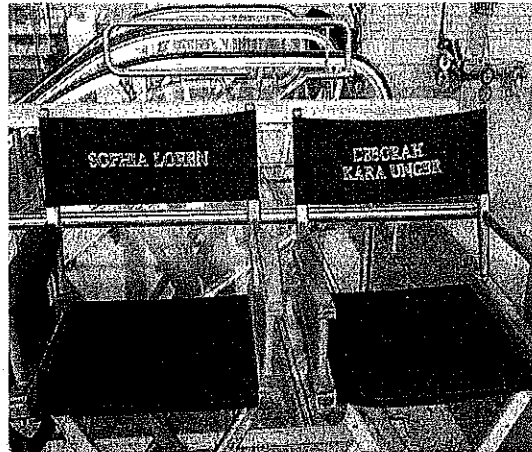
JUNE SALES ACTIVITY

- 7 new 2001 events were contracted which increased our total to 39 new events for this year.
 - 8 consumer shows
 - 4 trade shows
 - 12 special events/film/photo shoots
 - 15 corporate bookings/meetings/miscellaneous
- Contracts were issued for an additional 4 new events

SECOND QUARTER SUMMARY

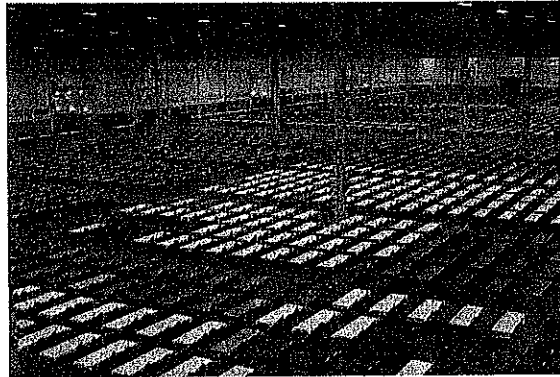
During the second quarter, our sales team was successful in securing contracts for 2 feature film shoots:

- Canadian film, "Ararat" directed by award winning Canadian independent filmmaker Atom Egoyan, starring Charles Aznavour and Arsinee Khanjian.
- Italian/Canadian film, "Between Strangers" starring Sophia Loren, written and directed by her son, Edoardo Ponti.



As a continuance of our support of the Toronto Olympic Bid, The National Trade Centre played host to the Olympic Bid Youth Gathering on May 22. This event was an incredible success attended by over 4000 students from the region. The event included music, dance, sports and visual arts performances simulating an Olympics opening reception.

On June 2, 2001, the A.I.M.R. exams returned to The National Trade Centre for the second year. This year the hall rental increased by one hall and the rental term increased by two days. This year's A.I.M.R. exam session is the largest single location exam sitting in North America and the third largest in the world attended by over 5,600.



BUSINESS TRAVEL

In June, Barbara Outschoorn and Ellen de Boer attended the C.A.E.M. Annual Conference in Huntsville, Ontario. Each year the C.A.E.M. is attended by association members from all aspects of the expositions industry including event planners and service suppliers. The National Trade Centre was a platinum sponsor for this year's event as well as a participant in the Supplier Summit Trade Show resulting in excellent exposure for The NTC to key industry professionals. Our Sales Team is currently following up on sales leads as a result of attending this conference.

In July, Barbara and Ellen will travel to Calgary to attend the annual conference for the Canadian Society of Association Executives (C.S.A.E.). A detailed report will be included in our July summary.

PUBLICITY

Second quarter events contracted by The National Trade Centre received extensive media coverage:

- On-site print media coverage from newspapers included the Toronto Star, the National Post and the Globe & Mail.
- On-site news media coverage on CITY TV, CP24, CTV, Global and Channel 47
- CP24 aired a news segment on June 25, 2001, which discussed Toronto's position as a convention city and a top choice to hold international events like the World Youth Days event upcoming in 2002. A portion of the segment was shot on site at The NTC and included a brief interview with Ernest Vincent. The segment aired during the 8pm evening broadcast and was anchored by Bill Mantas. The segment is available for viewing on the CP24 website at www.pulse24.com.

EVENT SERVICES

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

June	
Trade	Exhibition Place Events
<ul style="list-style-type: none"> • GM Fleet Preview 	
Consumer	
<ul style="list-style-type: none"> • People in Motion 	
Other	<ul style="list-style-type: none"> • Ride for Heart • YMCA Corporate Challenge • CHIN International Picnic
<ul style="list-style-type: none"> • Dell Property Management Meeting • AIMR Research Exams • Israel Bonds Fundraiser • CIPA Seminars • Between Strangers Film Shoot • Unified Toronto Event 	

EVENTS

- The second quarter of 2001 was accented by five feature homes at the National Home Show in April; a marked increase in attendance at the Good Food Festival in May, and a consistent schedule of corporate, charity and other short term business.
- Event & Facility coordination planning for the CNE was initiated through regular meetings in May and June.
- In June the AIMR Research Exams used extensive amounts of NTC rental equipment. The event was very pleased with the venue and plan on returning in 2002.
- Israel Bonds Fundraiser was very successful event that featured an extensive set up in Heritage Court that included theatrical drape, sound and lighting with video projection.
- GM Fleet Preview used the NTC salons and Galleria for presentations and food service in addition to adjacent parking lots for test-drives of new fleet vehicles. The client had a great event and was impressed with the services rendered.

TELECOMMUNICATIONS

- Planning for a proposed telecommunications expansion into both the Food Building and Better Living Centre was finalized with Exhibition Place. Additional hardware purchases were specified in order to enable connectivity from the NTC to the basement of the Sports Hall Fame for subsequent further distribution.
- Molson Indy Telecommunications set-up was initiated. Additional internet and voice connectivity for the event was ordered by event management

- Software for the data disaster recovery was ordered. This software will provide a semi-automated stable mechanism for ensuring data recovery due to inadvertent data deletion, catastrophic loss or hardware failure. As part of a disaster recovery document being formulated by The National Trade Centre and Exhibition Place, procedural mechanism will be constructed providing a formal template for both data and telecommunications integrity.

BUILDING OPERATIONS

- Necessary building and equipment maintenance was completed over the last three months.
- Staff co-ordinated move-in and move-out of shows/events and provided various quotes and schedules for future National Trade Centre and Exhibition Place events including the 2001 CNE.
- Budget drafts were prepared for 2002 and fiscal targets were set for the remaining months of this year.

The following is a list of discretionary repairs.

- Concrete floor in Hall D was repaired because of Home Show damages
- All cleaning, material handling and high reach equipment underwent necessary repairs and maintenance
- The West flagpole was repaired as various parts required maintenance
- Serviced supply air fan in Heritage Court ceiling, removed one seized motor in the east supply air fan, installed rebuilt motor on Sub-Station, Fan #32 and serviced exhaust fan in Swing Space mechanical rooms and sub stations
- Installed access doors on duct work in Swing Space to allow service mechanic access to motorized dampers
- Rebuilt make-up water solenoid valves for cooling towers #1 & #3
- Installed exhaust fan in paint storage room in the RAWF Rotunda area
- Instructed Contractor to clean (power wash) kitchen exhaust hoods, ducting and fan in NTC main kitchen.
- Replaced the Vitriolic couplings on the main hot water tank in the underground garage
- Irrigation repairs were completed
- Last year's Capital Project to retrofit the floor ports is now complete
- The electrical department is awaiting service parts to complete the breakers for the electrical room. Under the new Capital Project the electrical staff are planning to install permanent show lighting panels into the ceiling, pending receipt of material supplies

FINANCIALS

Net Operating Income for the six months ending June 30, 2001 was \$1,283,956 compared to a budget of \$1,398,553, a variance of (\$114,596).

- Rental income is unfavourable to budget by (\$485,939) at \$3,618,702, due to show shrinkage and softness in new corporate events.

- Catering and concession commissions at \$821,361 fell short by (\$162,881), due to reduced new catered events and scheduling of new business.
- Electrical service at \$394,328 is unfavourable to budget by (\$139,322) mainly due to reduction of new business and reduced electrical services for the Hardware and Spring Gift show.
- Direct and indirect expenses are favourable to budget by \$494,911 partly as a result of positive efforts to further control expenditures.

Accounts receivables at June 30, 2001 were \$705,897 consisting mainly of:

- \$126,288 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month;
- \$165,349 owed as deposits for future events.
- \$277,644 for services on completed events of which \$71,966 has been received in June.

SERVO-CANADA

RETAIL SALES

- Servo-Canada arranged to be involved in the CHIN International Picnic. After consulting with CHIN it was decided that we would provide International Foods at our booth. We featured a rotating menu, which included barbecue, Asian and Indian cuisine.
- The Unity Rave went off without a hitch as an estimated 4,500 attendees converged on the NTC for an all night dance party. The event was licensed until 2AM and service of non-alcohol beverages and foods went on until 7AM. The event was very successful for us and met all expectations with reference to sales.
- Retail sales for the second quarter of the year have not performed to budget in food and beverage sales. 2000 was a successful year however 2001 is not performing to 2000 levels.

CATERING SALES

- The National Trade Centre played host to two very impressive fundraising galas in June:
 - On Sunday, June 03 The State of Israel Bonds held a fundraiser in Hall D where 1300 guests witnessed an incredible ballroom of fabric, linen, lighting and sound – not to mention the intoxicating smell of hundreds upon hundreds of begonias. The room was a picture of sheer modern elegance.
 - Monday, June 18 was a picture of classic elegance for The Canadian Friends of Hebrew University. The natural features of Heritage Court were enhanced with the use of plants, trees (included Exhibition Place's planters) a water fountain, cream sheer wall treatment and breathtaking lighting. Approximately 800 guests witnessed honouree Issy Asper's dramatic speech in front of a dramatic backdrop – The Royal Agricultural Winter Fair.

APPENDIX "A"

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

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	11			59		
Direct Event Income	280,637.35	294,726.00	(14,088.65)	4,068,048.20	4,369,607.00	(301,558.80)
Ancillary Income	92,133.92	118,315.00	(26,181.08)	1,560,057.21	1,855,084.00	(295,026.79)
Advertising Income	20,229.05	26,464.00	(6,234.95)	117,922.05	130,844.00	(12,921.95)
ONE Recovery						
Total Event Income	393,000.32	439,505.00	(46,504.68)	5,746,027.46	6,355,535.00	(609,507.54)
Direct Expenses	191,334.59	409,877.00	218,542.41	2,596,999.75	2,879,576.00	282,576.25
Indirect Expenses	332,903.84	340,112.00	7,208.16	1,865,071.34	2,077,406.00	212,334.66
Total Event Expenses	524,238.43	749,989.00	225,750.57	4,462,071.09	4,956,982.00	494,910.91
NET INCOME (LOSS)	(131,238.11)	(310,484.00)	179,245.89	1,283,956.37	1,398,553.00	(114,596.63)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	49,289.67	77,112.00	(27,822.33)	1,701,300.48	1,880,870.00	(179,569.52)
PARKING EXPENSE	10,350.83	16,193.70	5,842.87	357,273.10	394,982.70	37,709.60
NET PARKING	38,938.84	60,918.30	(21,979.46)	1,344,027.38	1,485,887.30	(141,859.92)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At June 30, 2001, the markup paid to Exhibition Place was a total of \$ 218,755.63 (\$ 179,595.5 expensed against direct event income and the balance of \$ 39,160.13 in direct expense)

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT JUNE 30, 2001 with COMPARISON TO JUNE 2000**

	2000 YTD JUNE ACTUAL	2001 YTD ACTUAL	2001 YTD BUDGET	2001 VARIANCE	VARIANCE TO YTD JUNE 2000 ACTUAL	%
Number of Events	58	59			1	1.7%
Direct Event Income	4,555,458.62	4,068,048.20	4,369,607.00	(301,558.80)	(487,410.42)	(10.7%)
Ancillary Income	1,816,102.03	1,560,057.21	1,855,084.00	(295,026.79)	(256,044.82)	(14.1%)
Advertising Income	148,562.30	117,922.05	130,844.00	(12,921.95)	(30,640.25)	(20.6%)
CNE Recovery	-	5,746,027.46	6,355,535.00	(609,507.54)	(774,095.49)	(11.9%)
Total Event Income	6,520,122.95	6,492,055.92	6,355,535.00	(136,977.03)	(164,067.04)	(2.5%)
Direct Expenses (Note 2)	2,802,225.93	2,596,999.75	2,879,576.00	282,576.25	205,226.18	7.3%
Indirect Expenses	1,956,532.82	1,865,071.34	2,077,406.00	212,334.66	91,461.48	4.7%
Total Event Expenses	4,758,758.75	4,462,071.09	4,956,982.00	494,910.91	296,687.66	6.2%
NET INCOME (LOSS)	1,761,364.20	2,029,984.83	1,398,553.00	(114,596.63)	(477,407.83)	(27.1%)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	1,926,204.87	1,701,300.48	1,880,870.00	(179,569.52)	(124,904.39)	(6.8%)
PARKING EXPENSE	383,503.02	357,273.10	394,982.70	37,709.60	26,229.92	6.8%
NET PARKING	1,442,701.85	1,344,027.38	1,485,887.30	(141,859.92)	(98,674.47)	(6.8%)

Note: 1

Actuals include 12% markup paid to Exhibition Place on labour & materials. At June 30, 2001 the markup paid to Exhibition Place was a total of \$ 218,755.63 (\$ 179,595.5 expensed against direct event income and the balance of \$ 39,160.13 in direct expense)

Note: 2

Retroactive salary increase of \$30,326 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 JUNE 2001

	MONTH ACTUAL	YTD ACTUAL	PRIOR YEAR ACTUAL
Attendance [Note: 1]	13,000	841,123	970,503

EVENT	# OF PERFORMANCES		(IN THOUSANDS)		REFRESHMENT PER CAPS ACTUAL [Note: 2]
	2001	1999	NET EVENT INCOME [Note: 3] ACTUAL	BUDGET	
Consumers Show	23	24	3,289	3,839	3.21
Trade Show	5	9	867	1,226	8.73
Concert	1	2	57	-	1.05
Photo/Film Shoot	3	3	51	-	48.66
Meeting/Corporate	27	11	443	96	20.96
	59	49	4,707	5,161	

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 JUNE 30, 2001

ASSETS	<u>2001</u>	<u>2000</u>
CURRENT ASSETS		
CASH	466,340.85	739,468.99
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,100,000.00	2,500,000.00
AMERICAN EXPRESS		
TRADE ACCOUNTS RECEIVABLE	705,897.33	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(44,051.43)</u>	
NET ACCOUNTS RECEIVABLE	661,845.90	438,756.95
RECEIVABLE FROM EX PLACE	30,534.33	634.58
OTHER RECEIVABLE	139,276.33	160,356.63
PREPAID EXPENSES	84,975.46	46,833.36
TOTAL CURRENT ASSETS	<u>3,732,972.87</u>	<u>4,136,050.51</u>
FIXED ASSETS		
EQUIPMENT - NET	155,816.31	156,568.13
TOTAL ASSETS	<u>3,888,789.18</u>	<u>4,292,618.64</u>



THE NATIONAL TRADE CENTRE
 FINANCIAL STATEMENT HIGHLIGHTS
 STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED JUNE 30, 2001

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	(131,238.02)	1,283,956.37
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	257,773.49
SOURCES (USES) OF CASH		
TERM INVESTMENTS	-	2,300,000.00
ACCOUNTS RECEIVABLE - TRADE	56,614.03	1,611,420.89
RECEIVABLE FROM EX PLACE B.O.G	(30,534.33)	(30,534.33)
ACCOUNTS RECEIVABLE - OTHER	(106,544.65)	79,232.17
PREPAID EXPENSES	5,976.90	47,838.60
DEPOSITS AND OTHER ASSETS	(618.10)	17,962.14
ACCOUNTS PAYABLE & ACCRUED EXPENSE	109,429.30	(1,388,721.35)
OTHER PAYABLES	(18,173.04)	(108,150.64)
DEFERRED INCOME	36,689.31	(1,774,141.12)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	(78,398.60)	2,296,636.22
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition P	-	(2,209,850.24)
NET CASH FROM OTHER SOURCES	-	(2,209,850.24)
NET INCREASE (DECREASE) IN CASH	(78,398.60)	86,785.98
BEGINNING CASH BALANCE	544,739.45	379,554.87
ENDING CASH BALANCE	466,340.85	466,340.85



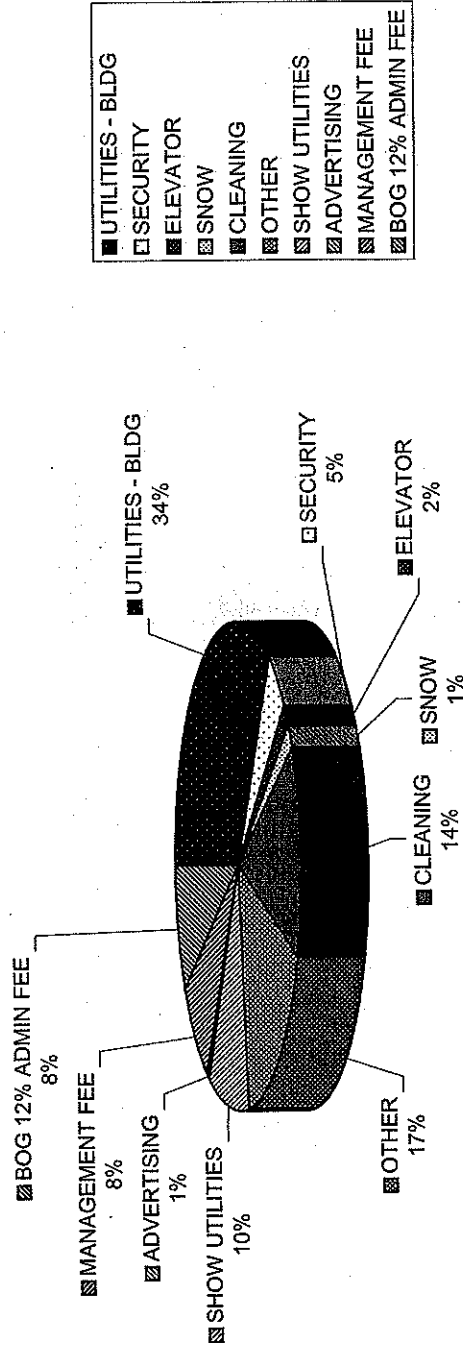
THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING

AS AT JUNE 30, 2001

CUSTOMER NAME	AMOUNT OUTSTANDING	CURRENT	30 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS	COMMENTS
COMPLETED EVENTS						
GES CANADA EXPOSITIONS TORONTO INTL. QUARTERHORSE SHOW	77,162.63 31,482.69	64,525.09	12,637.54	31,482.69		VARIOUS SERVICES - MARCH/JUNE 2001 EVENTS REC'D \$99,485.55 ON JULY 16/01 EVENT SERVICES PROVIDED DURING QUARTERHORSE SHOW - MAR. 21-26 - MET WITH SH MANAGEMENT MAY 23, 2001. BALANCE TO BE PAID IN FULL THROUGH MONTHLY INSTALLMENTS BY SEPTEMBER 5, 2001. PHONE/INTERNET, UTILITIES & CLEANING JAN-JUNE 2001 VARIOUS SERVICES - MARCH/JUNE 2001 EVENTS
ROYAL AGRICULTURAL WINTER FAIR PARALLEL PRODUCTION SERVICES CUSTOMER ACCOUNTS - LESS THAN \$10,000	36,756.30 13,979.07 118,263.65	25,199.42 4,001.14 73,019.33	11,566.88 9,977.93 29,280.32		15,964.00	
SUB-TOTAL	277,544.34	166,744.98	63,452.67	31,482.69	15,964.00	
FUTURE EVENTS						
CANADIAN CRAFT SHOWS LTD. FREE LAND MARKETING INC. SHOWFEST PRODUCTIONS INC. CANADIAN NATIONAL SPORTSMEN'S SHOWS UMBRA LTD. DAIMLER CHRYSLER CANADA	87,543.92 19,099.50 16,234.58 15,390.88 14,240.23 12,840.00	87,543.92	19,099.50 16,234.58		870.56	BUILDING RENT - ONE OF A KIND CHRISTMAS SHOW - DEC. 2001 BUILDING RENT - EVERYTHING ABOUT SEX SHOW - OCT. 2001 BUILDING RENT - COMPUTERFEST & MAC EXPO - SEPT. 2001 BUILDING RENT - TORONTO SKI & SNOWBOARD SHOW - OCT. 2001 BUILDING RENT - UMBRA FACTORY SALE - DEC. 2001 PAID IN FULL
SUB-TOTAL	165,349.11	129,144.45	35,334.08		870.56	
SERVOMATION						
SERVO CANADA	126,287.68	98,593.74	27,783.94			CATERING COMMISSIONS FOR JUNE CONTRACTUALLY DUE JULY 25/2001 CLEANING & UTILITIES FOR THE MONTH OF JUNE REC'D \$27,199.40 ON JULY 6/01
BOARD OF GOVERNORS						
CANADIAN NATIONAL EXHIBITION ASSOC. EXHIBITION PLACE	64,016.70	22,810.91	41,205.79			MOLSON INDY OIL SPONSORSHIP, MR. CHEMICAL SIGNING BONUS + VARIOUS SERVICES REC'D \$20,571.15 ON JULY 6/01
SUB-TOTAL	64,016.70	22,810.91	41,205.79			
SPONSORSHIP						
TORONTO STAR NEWSPAPERS LTD. FCT COMMUNICATIONS INC.	40,125.00 13,375.00	40,125.00 13,375.00				PAID IN FULL PAID IN FULL
LITIGATION / RECEIVERSHIP						
SPORTSWORLD EXPO PRODUCTIONS	19,099.50				19,099.50	BUILDING RENTAL FEE FOR CANCELLED APRIL 2001 EVENT - CURRENTLY IN COLLECTION
SUB-TOTAL	19,099.50				19,099.50	
	705,897.33	470,704.08	167,776.48	31,482.69	35,934.08	
	100%	67%	24%	4%	5%	



COMPONENTS OF DIRECT EXPENSE



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

Check No	Date	Description	Amount
11484	6/26/01	THE BOARD OF GOVERNORS OF EXHIBI	97,175.83
11483	6/26/01	THE BOARD OF GOVERNORS OF EXHIBI	131,222.19
11482	6/26/01	O&Y SMG CANADA	52,625.54
11445	6/18/01	THE BOARD OF GOVERNORS OF EXHIBI	77,141.85
		DISBURSEMENTS OVER \$50,000	358,165.41
		OTHER DISBURSEMENTS LESS THAN \$50,000	468,770.70
		TOTAL DISBURSEMENTS FOR JUN 2001	826,936.11



