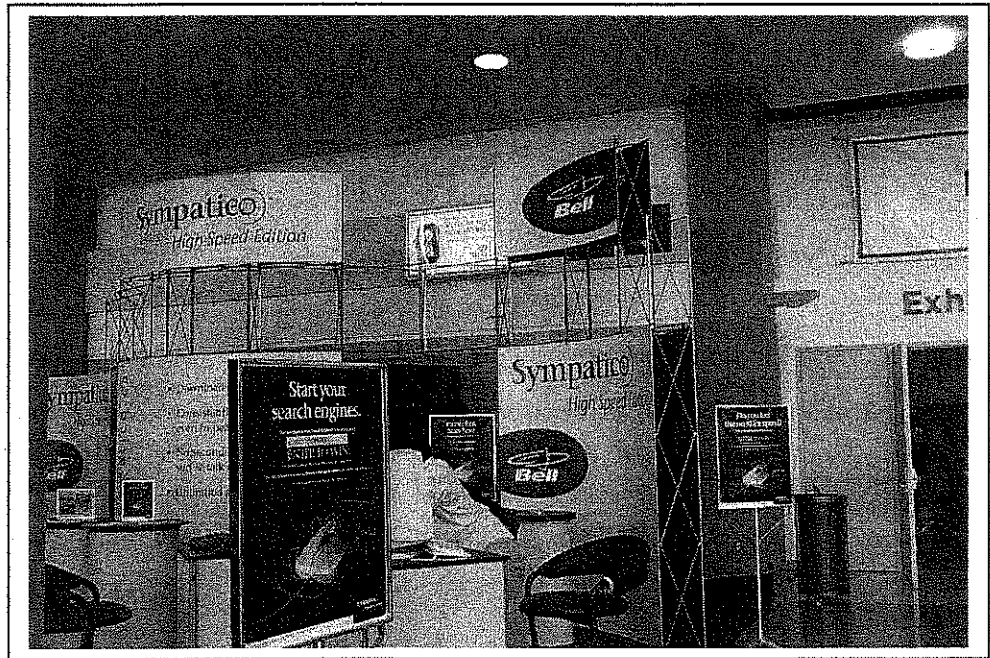


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THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

FOR THE MONTH ENDING
August 31, 2001



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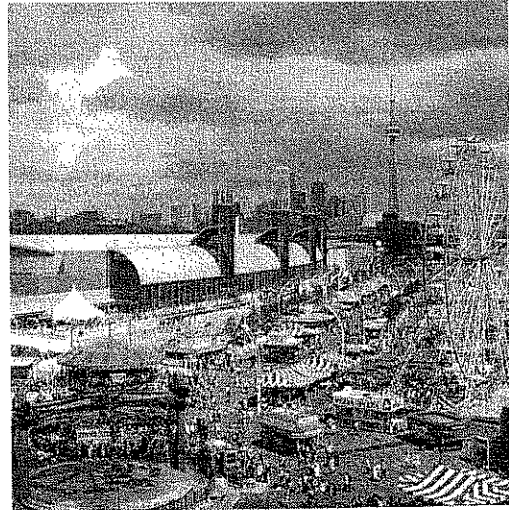
RON TAYLOR
MANAGING DIRECTOR/O&Y/SMG CANADA

ERNEST VINCENT
GENERAL MANAGER/NTC

MARKETING

In August, The National Trade Centre sales team initiated a number of sales efforts to secure new business:

- Sales brochures were issued to several key show managers as a follow-up to the CAEM conference
- The team worked on two sales blitzes targeted to key Canadian association members from MPI and CSAE. Follow up is planned for September.
- On August 16, 2001 our sales team and Servo Canada co-hosted a FAM tour and lunch meeting with 9 key IBM event planners from Carlson Wagonlit.
- A representative from our sales team attended the annual Canadian Meetings & Incentive Travel Symposium and Tradeshow (CMITS) on August 22, 2001.
- Our Sales Manager was also present at the Servo Canada booth to promote The National Trade Centre. Contacts were made with several key society members. Follow up is planned for September.



In addition to these sales efforts, our sales team is working on plans to host additional meetings with corporate event planners to secure relationships in an effort to book future corporate events.

Following an extensive interview process, Samantha Hicks was hired to fill the position of Sales Coordinator.

AUGUST SALES ACTIVITY

6 new 2001 events were contracted which increased our total to 47 new events for this year. The events are categorized as follows:

- 9 consumer shows
- 6 trade shows
- 13 special events/film/photo shoots
- 19 corporate bookings/meetings/misc.
- 3 additional contracts have been issued for new events for 2001

PUBLICITY

Following is the August media coverage:

- At the end of July 2001, The National Trade Centre issued an information sheet to various international e-publications highlighting World Youth Days and the ISH North American tradeshow slated for 2002. As a result of this effort, news briefs were included in the August 1, 2001 issue of Expo 24-7 (www.expo24-7.com) and the August 10, 2001 issue of m+a Newsline (www.m-averlag.com) both of which are international e-publications.
- August 13, 2001 issue of Tradeshow Week contained an article on the ISH North American Tradeshow forthcoming in October 2002.
- Summer 2001 issue of Canadian Event Perspective magazine included mention of The National Trade Centre in its list of top 100 event venues in Canada.
- August 22, 2001 update of Expo 24-7 website (www.expo24-7.com) included a profile of The National Trade Centre General Manager, Ernest Vincent under its Expo profile section.
- The National Trade Centre and Automotive Building received mention in various articles published in the Toronto Star covering the CNE. Television news broadcasts on CITY TV and CP24 also covered the opening "Inferno" performance for the C.N.E., which provided additional coverage of The National Trade Centre.

EVENT SERVICES

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

August	
Trade	Exhibition Place Events
• World Jewellery Expo	
Other	
• Freeland Marketing Meeting	<ul style="list-style-type: none"> • Caribana • CNE 2001

EVENTS

- World Jewellery Expo organized by Reed Exhibitions had a successful trade show. The special lighting needs of these exhibitors will require The National Trade Centre to acquire specialty halogen lighting that can also be used for other events.
- Event and Facility coordinators assisted the CNE in the National Trade Centre and provided one Facility Coordinator to work full time with CNE Operations from July to mid September to coordinate the event across the grounds.

TELECOMMUNICATIONS

- Telecommunications provided a variety of telephony and data services to exhibitors and staff of the Canadian National Exhibition. Services were deployed to two new physical locations, which included the Better Living Centre and Food Building. New cabling and distribution points were set up which allowed for the distribution of signal to these two locations.

BUILDING OPERATIONS

FACILITY SERVICES

The National Trade Centre building maintenance completed the following work development:

- The electrical department installed 200 Amp breakers for floor port distribution system feeds
- Management initiated an electrical pre-information form to enhance services for our high profile Canadian Machine Tool Show (CMTS)
- HVAC repaired air conditioning in the server room to ensure optimum operating conditions for all servers
- HVAC completed repairs to walk-in freezer in the Coliseum Arena
- Preliminary meetings with the Canadian Machine Tool Show sub-contractors indicate a spirit of co-operation, which will produce a successful show. Electrical manpower preliminary schedules are in place and are on target to meet budget. Initial indications suggest a reduced electrical sub-contractor component while still maintaining a high standard of customer service
- Cost for new types of lighting services are being investigated for Capital budgeted for next year. This initiative is a continuing effort to provide better lighting options to exhibitors, thus improving profitability and cost effectiveness of the electrical department.
- Management continues to schedule and monitor electrical manpower for upcoming shows.

FINANCIALS

Net Operating Income for the eight months ending August 31, 2001 was \$705,139 compared to a budget of \$887,843 a variance of (\$182,704).

- Rental income is unfavourable to budget by (\$718,797) at \$3,673,666 due to relocation of the Gift Show, Creative Sewing Show and show shrinkage and softness in new business.
- Catering and concession commissions at \$832,916 fell short by (\$186,826) due to reduced new catered events and shows not repeating.
- Electrical service at \$420,165 is unfavourable to budget by (\$188,284) mainly due to reduction of new business and reduced electrical services for the Hardware and relocation of the Spring Gift show.
- Direct and indirect expenses are favourable to budget by \$726,889 partly as a result of positive efforts to further control expenditures.

Accounts receivables at August 31, 2001 were \$1,442,757 consisting mainly of:

- \$54,530 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month;
- \$714,684 owed as deposits for future events, of which \$345,331 was received in September.
- \$130,100 for services on completed events.
- \$410,000 accrued as receivables for CNE expenses

SERVO-CANADA

RETAIL DEPARTMENT

- Retail events for the month included Caribana, World Jewellery Expo and the Canadian National Exhibition (CNE). Overall all went smoothly with results for individual events being relatively consistent to that of last year. The build up in sales for each event as budgeted was not realized.

CATERING DEPARTMENT

- This year's CNE again gave us the opportunity to cater to them and Exhibition Place Board members and their guests. The Executive Chef and his team as well as the catering department and their team met the challenge with great anticipation.
- The month of August marked the first time that Servo Canada lost a piece of new business to Liberty Grand. The reason for this loss is the fact that the National Trade Centre complex is primarily a trade and consumer show complex. Large scale, prestigious catered events require the installation of theatrical lighting, sound, stage and decoration on each and every occasion to create the desired ambience. The National Trade Centre complex has been used frequently for such large scale catered events and clients have accepted, albeit reluctantly, the need to budget for costly production charges.
- With the opening of Liberty Grand, a facility purpose-designed for hosting of prestigious catering functions, Servo are very concerned that they now face a new challenge to maintain market share in certain sectors of the corporate and special event markets.
- Servo is therefore in the process of evaluating the likely financial impact on future revenues and will report in due course as to what this number is likely to be. Servo will additionally comment on those measures that can be taken to either continue to compete in the marketplace for corporate parties or, if at all possible, to replace lost business with other sources of income.
- Servo Canada is planning a focus group of event planners to join us for a chef's table to discuss their issues with the venue. Although we feel we know the answer to the question as we hear it regularly, we would like to get more detail on the reasons and ideas on ways to handle client concerns.
- We are also drafting a plan to discuss how to add features to Heritage Court, which will eliminate some of the costs and give us a more multi-functional piece of space.

APPENDIX "A"

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

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	2			63		
Direct Event Income	50,700.36	33,894.00	16,806.36	4,141,789.99	4,655,385.00	(513,595.01)
Ancillary Income	53,361.07	53,627.00	(265.93)	1,646,477.30	2,019,552.00	(373,074.70)
Advertising Income	17,510.00	30,213.00	(12,703.00)	157,645.05	180,568.00	(22,922.95)
CNE Recovery	410,000.00	410,000.00	-	410,000.00	410,000.00	-
Total Event Income	531,571.43	527,734.00	3,837.43	6,355,912.34	7,265,505.00	(909,592.66)
Direct Expenses	390,113.82	407,845.00	17,731.18	3,212,726.35	3,654,966.00	442,239.65
Indirect Expenses	267,417.35	318,845.00	51,427.65	2,438,046.81	2,722,696.00	284,649.19
Total Event Expenses	657,531.17	726,690.00	69,158.83	5,650,773.16	6,377,662.00	726,888.84
NET INCOME (LOSS)	(125,959.74)	(198,956.00)	72,996.26	705,139.18	887,843.00	(182,703.82)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	18,120.86	15,000.00	3,120.86	1,728,798.69	1,950,070.00	(221,271.31)
PARKING EXPENSE	3,805.38	3,149.70	(655.68)	363,047.72	409,514.70	46,466.98
NET PARKING	14,315.48	11,850.30	2,465.18	1,365,750.97	1,540,555.30	(174,804.33)

NOTE: 1
Actuals include 12% markup paid to Exhibition Place on labour and materials. At August 31, 2001 the markup paid to Exhibition Place was a total of \$ 228,929.29 (\$ 185,266.04 expensed against direct event income and the balance of \$ 43,663.25 in direct expense)



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

	2000 YTD AUGUST ACTUAL	2001 YTD ACTUAL	2001 YTD BUDGET	2001 VARIANCE	VARIANCE TO YTD JUNE 2000 ACTUAL	%
Number of Events	64	63			(1)	(1.6%)
Direct Event Income	4,853,036.07	4,141,789.99	4,655,385.00	(513,595.01)	(711,246.08)	(14.7%)
Ancillary Income	1,996,863.42	1,646,477.30	2,019,552.00	(373,074.70)	(350,386.12)	(17.5%)
Advertising Income	186,213.89	157,645.05	180,568.00	(22,922.95)	(28,568.84)	(15.3%)
CNE Recovery	395,000.00	410,000.00	410,000.00	-	15,000.00	0.0%
Total Event Income	7,431,113.38	6,355,912.34	7,265,505.00	(909,592.66)	(1,075,201.04)	(14.5%)
Direct Expenses (Note 2)	3,458,649.29	3,212,726.35	3,654,966.00	442,239.65	245,922.94	7.1%
Indirect Expenses	2,558,450.33	2,438,046.81	2,722,696.00	284,649.19	120,403.52	4.7%
Total Event Expenses	6,017,099.62	5,650,773.16	6,377,662.00	726,888.84	366,326.46	6.1%
NET INCOME (LOSS)	1,414,013.76	705,139.18	887,843.00	(182,703.82)	(708,874.58)	(50.1%)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	1,877,945.52	1,728,798.69	1,950,070.00	(221,271.31)	(149,146.83)	(7.9%)
PARKING EXPENSE	394,368.56	363,047.72	409,514.70	46,466.98	31,320.84	7.9%
NET PARKING	1,483,576.96	1,365,750.97	1,540,555.30	(174,804.33)	(117,825.99)	(7.9%)

Note: 1 Actuals include 12% markup paid to Exhibition Place on labour & materials. At August 31, 2001 the markup paid to Exhibition Place was a total of \$ 228,929.29 (\$ 185,266.04 expensed against direct event income and the balance of \$ 43,663.25 in direct expense)

Note: 2 Retroactive salary increase of \$43,250 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 AUGUST 2001

MONTH ACTUAL	YTD ACTUAL	PRIOR YEAR ACTUAL
3,300	844,423	996,575

EVENT	(IN THOUSANDS)				REFRESHMENT PER CAP'S ACTUAL [Note: 2]	
	ACTUAL # OF PERFORMANCES		NET EVENT INCOME [Note: 3]			
	2001	2000	1999	BUDGET		
Consumers Show	23	29	25	3,277	3,835	3.21
Trade Show	8	10	11	932	1,557	8.96
Concert	2	2	2	70	-	1.05
Photo/Film Shoot	3	5	3	52	-	48.66
Meeting/Corporate	27	18	11	471	96	19.37
	63	64	52	4,802	5,487	

- 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 AUGUST 31, 2001

ASSETS	2001	2000
CURRENT ASSETS		
CASH	624,364.28	356,700.75
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,400,000.00	2,500,000.00
AMERICAN EXPRESS	16,003.01	3,149.62
TRADE ACCOUNTS RECEIVABLE	1,442,757.14	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(44,051.43)	
NET ACCOUNTS RECEIVABLE	1,398,705.71	1,334,606.46
RECEIVABLE FROM EX PLACE	278.64	630.00
OTHER RECEIVABLE	122,131.42	164,563.81
PREPAID EXPENSES	221,385.95	209,806.64
TOTAL CURRENT ASSETS	5,032,869.01	4,819,457.28
FIXED ASSETS		
EQUIPMENT - NET	156,389.12	98,605.40
TOTAL ASSETS	5,189,258.13	4,918,062.68
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	1,351,996.45	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	65,916.95	
DEFERRED REVENUE	3,010,499.61	
EQUITY		
NET INCOME (LOSS) CURRENT	705,139.18	1,414,013.76
PRIOR YEAR PSAB ADJUSTMENT	55,705.94	
PRIOR YEAR SURPLUS	2,209,850.24	
DISTRIBUTION TO EXHIBITION PLACE	(2,209,850.24)	
	5,189,258.13	4,918,062.68



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

	<u>MONTH</u>	<u>YTD</u>
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	(125,959.74)	705,139.18
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	257,773.49
SOURCES (USES) OF CASH		
TERM INVESTMENTS	(300,000.00)	2,000,000.00
ACCOUNTS RECEIVABLE - TRADE	(753,159.80)	874,561.08
RECEIVABLE FROM EX PLACE B.O.G	49,195.36	(278.64)
ACCOUNTS RECEIVABLE - OTHER	(13,188.79)	96,377.08
PREPAID EXPENSES	(97,194.43)	(88,571.89)
DEPOSITS AND OTHER ASSETS	(13,917.62)	1,386.32
ACCOUNTS PAYABLE & ACCRUED EXPENSES	568,310.14	(950,560.56)
OTHER PAYABLES	11,317.58	(85,365.78)
DEFERRED INCOME	565,180.01	(355,800.63)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	(109,417.29)	2,454,659.65
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	-	(2,209,850.24)
NET CASH FROM OTHER SOURCES	-	(2,209,850.24)
NET INCREASE (DECREASE) IN CASH	(109,417.29)	244,809.41
BEGINNING CASH BALANCE	733,781.57	379,554.87
ENDING CASH BALANCE	624,364.28	624,364.28

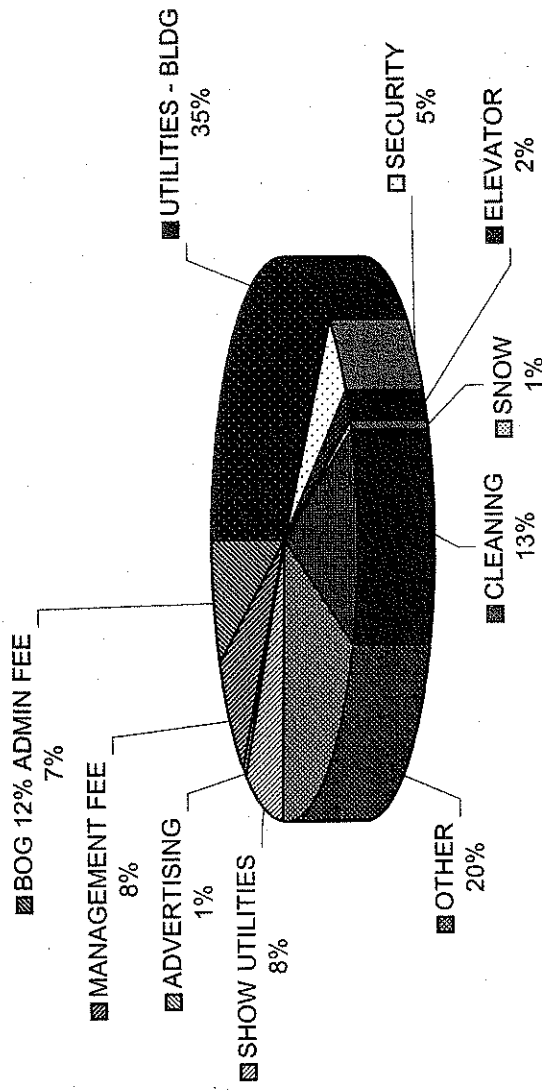


THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING

CUSTOMER NAME	AMOUNT OUTSTANDING	AS AT AUGUST 31, 2001				COMMENTS
		30 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS		
COMPLETED EVENTS						
TORONTO INTL QUARTERHORSE SHOW	31,482.69			31,482.69	EVENT SERVICES PROVIDED DURING QUARTERHORSE SHOW - MAR. 21-26 - MET WITH SHOW MANAGEMENT MAY 23, 2001. BALANCE TO BE PAID IN FULL THROUGH MONTHLY INSTALLMENTS BY SEPTEMBER 5, 2001. NO PAYMENTS RECEIVED AS PER AGREEMENT. HOWEVER, CLIENT PROMISE TO FORWARD PARTIAL PAYMENT ON SEPT 20. VARIOUS SERVICES - APRIL/AUG. 2001 EVENTS EVENT SERVICES - WORLD JEWELLERY EXPO - AUG. 2001	
GES CANADA EXPOSITIONS	13,032.40	12,647.20				
REED EXHIBITION COMPANIES	12,710.10					
CUSTOMER ACCOUNTS - LESS THAN \$10,000	72,874.69	23,945.91		17,655.75		
SUB-TOTAL	130,099.88	44,368.33	36,593.11	49,138.44		
FUTURE EVENTS						
NATIONAL MARINE MANUFACTURERS ASSN.	215,655.56	215,655.56			PAID IN FULL	
REED EXHIBITION COMPANIES	126,929.10	126,929.10			BUILDING RENT - MACHINE TOOL / NFAS SHOW - OCT. 2001	
MERCHANDISE MART PROPERTIES	87,543.92	87,543.92			PAID IN FULL	
MERCHANDISE MART PROPERTIES	75,871.17	75,871.17			EVENT SERVICES - IDEX / NEOCON SHOW - SEPT. 2001 - REC'D \$25,000.00 SEPT. 12/01	
CANADIAN RETAIL HARDWARE ASSN.	64,023.56	64,023.56			BUILDING RENT - CANADIAN HARDWARE SHOW - FEB. 2002	
FREE LAND MARKETING INC.	38,199.00	19,099.50		19,099.50	BUILDING RENT - EVERYTHING ABOUT SEX SHOW - OCT. 2001	
CANADIAN CRAFT SHOWS LTD.	34,315.08	34,315.08			BUILDING RENT - SPRING CRAFT SHOW - MAR. 2002	
UMBRA LIMITED	28,739.30	13,369.65			PAID IN FULL	
ROYAL AGRICULTURAL WINTER FAIR	19,574.66	14,263.50			UTILITIES AND TELEPHONE SERVICES	
CANADIAN NATIONAL SPORTSMEN'S SHOWS	15,390.88	15,390.88			PAID IN FULL	
CANADIAN INTL JAZZ CONVENTION	10,441.75	10,441.75			BUILDING RENT - CANADIAN INTL JAZZ CONVENTION - NOV. 2001	
SUB-TOTAL	714,683.98	447,039.77	248,544.71	19,099.50		
SERVOMATION						
SERVO CANADA	54,530.23	39,636.74	14,891.49		CATERING COMMISSIONS FOR AUG. CONTRACTUALLY DUE SEPT. 25/2001 CLEANING & UTILITIES FOR THE MONTH OF AUGUST	
BOARD OF GOVERNORS						
CANADIAN NATIONAL EXHIBITION ASSOC.	410,000.00	410,000.00			ONE OPERATIONS COST ESTIMATED - MEETING WITH STAFF TO FINALIZE BY END OF SEPTEMBER EVENT + FACILITY STAFF, MR. CHEMICAL SIGNING BONUS + VARIOUS SERVICES	
EXHIBITION PLACE	95,083.65	74,717.67	5,764.34	14,601.54		
SUB-TOTAL	505,083.65	484,717.67	5,764.34	14,601.54		
SPONSORSHIP						
DELTA HOTELS	19,260.00	19,260.00			PAID IN FULL	
LITIGATION / RECEIVERSHIP						
SPORTSWORLD EXPO PRODUCTIONS	19,099.50			19,099.50	BUILDING RENTAL FEE FOR CANCELLED APRIL 2001 EVENT - CURRENTLY IN COLLECTIONS	
SUB-TOTAL	19,099.50			19,099.50		
	1,442,757.14	1,035,024.51	305,793.65	14,601.54	87,337.44	
	100%	72%	21%	1%	6%	



COMPONENTS OF DIRECT EXPENSE



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

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

Check No	Date	Amount	DESCRIPTION
11655	8/23/01	300,000.00	CITY OF TORONTO TERM INVESTMENT
11649	8/21/01	53,630.46	O&Y SMG CANADA PAYROLL DISBURSEMENT
11622	8/1/01	63,792.58	THE BOARD OF GOVERNORS OF EXHIBI PAYROLL DISBURSEMENT
			DISBURSEMENTS OVER \$50,000
			417,423.04
			OTHER DISBURSEMENTS LESS THAN \$50,000
			187,850.35
			TOTAL DISBURSEMENTS FOR AUG 2001
			605,273.39



