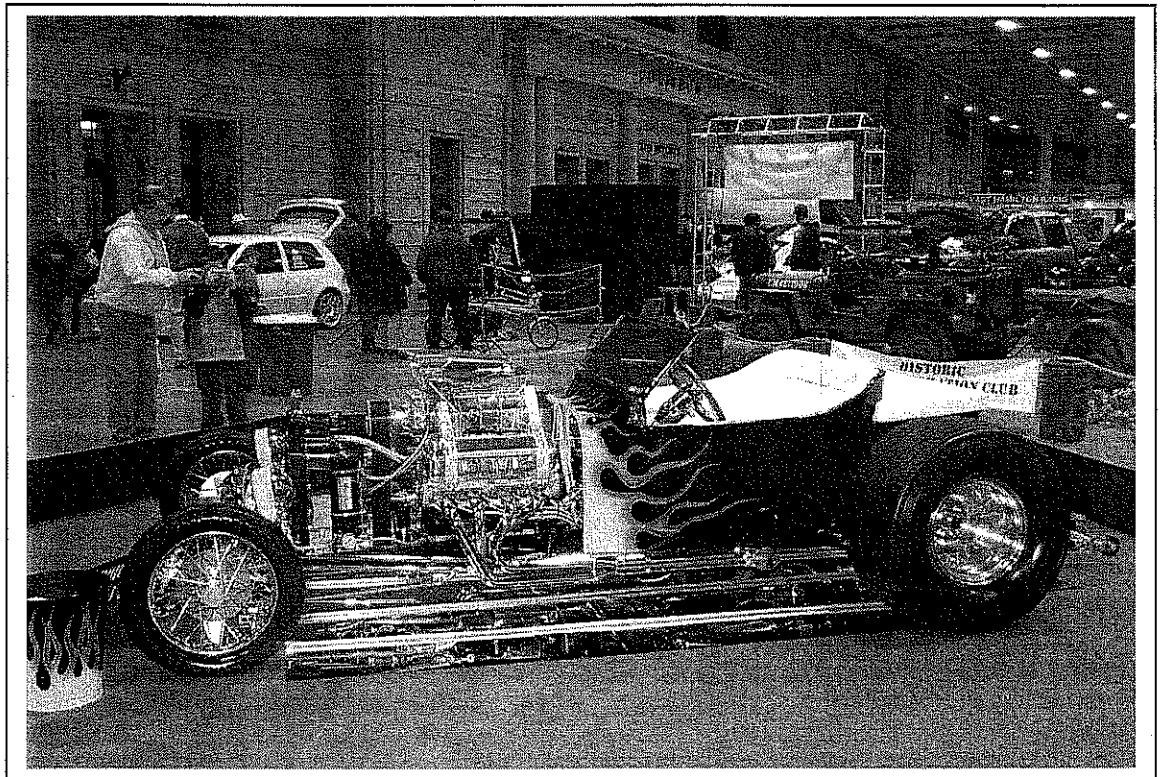


THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

6

FOR THE MONTH ENDING
JANUARY 31, 2002



SUBMITTED BY:

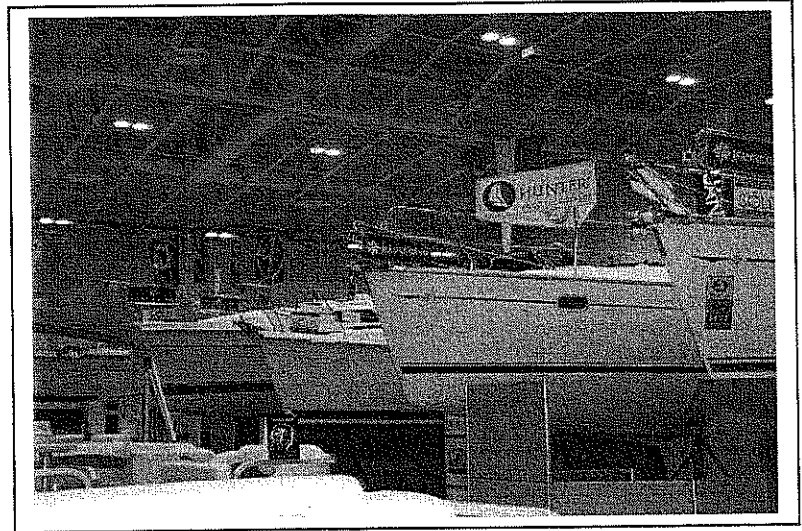
RON TAYLOR
MANAGING DIRECTOR/O&Y/SMG CANADA

ERNEST VINCENT
GENERAL MANAGER/NTC

MARKETING

JANUARY SALES ACTIVITY

During the month of January, our Sales & Marketing team succeeded in securing a number of new events for 2002 valued at a combined rental of over \$118,500. One of the new events contracted for this year is The New Toronto Motorcycle Show organized by The Motorcycle and Moped Industry Council (MMIC). This consumer show will make its debut at The National Trade Centre in December in Hall A and Heritage Court.



Toronto International Boat Show

As a result of recent sales efforts and with the approval of the Board of Governors our team executed three rental contracts with Promotional Products Association of Canada (PPA) for the associations' annual conventions in 2003, 2004 and 2005. The 3-day conventions will take place in Hall A and Heritage Court.

Results of our January sales efforts are as follows:

- 6 new 2002 events were contracted this month thereby increasing our total to 18 new events for 2002. The events are categorized as follows:
 - 5 consumer shows
 - 6 trade shows
 - 4 special events/film/photo shoots
 - 3 corporate booking/meeting/misc.
- 6 license agreements have been issued to clients for new 2002 events

Upcoming sales initiatives include the preparation of a sales blitz to the top twelve U.S. show producers to promote The NTC as well as further follow-up with 62 sales leads from various trade and consumer show organizers from the I.A.E.M. annual conference attended by Barbara Outschoorn in December 2001.

PUBLICITY

During the month of January, The Toronto Star and the National Post as well as local television and radio media such as CITY TV and CP24 provided coverage of events including the National Bridal Show and the Toronto International Boat Show.



In January, The NTC issued an information sheet to various international e-publications highlighting our fourth quarter results. As a result of this effort, a news brief was posted on the January 24, 2002 issue of Expo 24-7 (www.expo24-7.com).

During the week of January 21, 2002, Rogers Cable 10 aired a segment on the history of the Coliseum facility as part of an episode of Structures, a special documentary production exclusive to Rogers.

EVENT SERVICES

During the month of January 2002, Event & Facility Co-ordinators at The National Trade Centre were involved in the following events:

| January 2002 | |
|---|-------------------------|
| Trade | Exhibition Place Events |
| | |
| Consumer | |
| <ul style="list-style-type: none"> • National Bridal Show • Toronto International Boat Show • Speedorama | |
| Other | |
| <ul style="list-style-type: none"> • GM Truck Training | |

EVENTS

The Boat Show reported a slight dip in their attendance figures this year, however sales on the show floor where up from 2001. Speedorama had a significant increase in attendance with long line-ups on Friday. Extra ticket booths were brought in on Saturday to alleviate the problem. GM Truck Training had some heating concerns with the Automotive Building as there were difficulties getting the building up to temperature. A new HVAC system is to be installed in the building this year.

TELECOMMUNICATIONS

- Telecommunications provided services to the Bridal Show, Boat Show and Speedorama in January.
- Telecommunications is working in conjunction with Exhibition Place to deploy services into the Molson Indy paddock area for this year's event.
- Preliminary meetings with the World Youth Days representatives indicate significant requirements for telecommunications services. Telecommunications is working diligently to gather as much information as possible in order to ensure timely delivery of services.

BUILDING OPERATIONS

During the month of January the following scheduled and unscheduled maintenance was completed and recorded in the ANGUS maintenance program:

ELECTRICAL

- Delivered electrical services to the Boat show and Speedorama.
- Extensive relamping and repairs throughout the NTC and Automotive Building
- Troubleshoot and repair dock levellers on door Nos. 4,16, & 17
- Repairs were completed to the Garbage Compactor compressor and motor, forced air heaters in the Automotive restaurant, sponsorship signs due to overheating, and heating repairs in the Coliseum women's washroom

H.V.A.C.

- Repaired leaks in the main kitchen steam units, Automotive boiler and control system, and boiler #2
- Chemical testing and replace filters in main NTC boiler and changed air filters in all food concessions

PLUMBING

- Repaired damaged fixtures in the Automotive and Coliseum washrooms
- Maintained faucet systems through NTC and repaired function solenoid valves, etc.
- Repaired leaking hot water pipe from main hot water boiler. All Victaulic couplings to be removed at a future date.

FACILITY SERVICES

As we commence the New Year, all scheduled and unscheduled building maintenance is now generated and distributed through the Angus Maintenance Program. A customized schedule was developed to ensure completion of maintenance at optimum intervals between shows & events. Throughout the year we will make necessary additions and changes as they may arise. Various inspections and repairs were completed throughout the month of January:

- Repairs to damaged washroom stalls and dispensers.
- Inspection and necessary repairs to all exit doors in the complex. (Ongoing every month)
- Paint touch-ups throughout the entire complex as per Angus program. Two painters were required for the month of January.
- Repairs to wheel chocks at all loading docks throughout complex.
- Fabrication & installation of shelving in various storage areas.
- Daily cleaning of the entire complex as per Angus program. Four cleaners on a daily basis.
- Snow removal when necessary throughout the month of January.
- Fabrication of various building and equipment signs
- Inspection & repair of East loading dock doors and dock plates. (Scheduled)
- Repairs to various dock doors due to show damages and wear.
- Inspection & repair of Hufcor wall dividers throughout complex.

FINANCIALS – January 2002 (Appendix “A”)

Net Operating Income for the one month ending January 31, 2002 was \$543,978 compared to a budget of \$400,225 a variance of (\$143,753).

- Catering and concession commissions at \$174,027 fell short by (\$7,163)
- Electrical service at \$35,069 is unfavourable to budget by (\$25,512) mainly due to reduced electrical services for the Boat Show.
- Direct and indirect expenses are favourable to budget by \$164,418 partly as a result of lower utilities cost and minimal snow cleaning.

Accounts receivables at January 31, 2002 were \$1,441,745 consisting mainly of:

- \$498,511 owed as deposits for future events of which \$368,990 has been received by February 15, 2002.
- \$398,710 for services on completed events of which \$18,324 has been received by February 15, 2002.
- \$244,818 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month.
- \$211,998 of inter-program settlements, \$60,998 for event support services to Exhibition Place, \$151,000 for sponsorship monies billed by Exhibition Place for the NTC.
- \$107,000 for sponsorship deals approved in January of which \$26,750 has been received.

FINANCIALS – Year End 2001 (Appendix “B”)

The following report is based on the **draft** financial statements. The audit is scheduled for February for The National Trade Centre statements. Net operating income for the year ended December 31, 2001 was \$1,811,909 compared to a budget of \$2,021,398.

Direct event income, consisting of rent and show services are unfavourable to budget by (\$953,732) at \$7,778,051 due to show shrinkage and softness in new corporate events.

Ancillary income, consisting of commissions from food and beverage, electrical, telecommunications revenue and interest, was \$2,703,707 unfavourable to budget by (\$578,035). Food and beverage commission is \$1,213,591 unfavourable variance of (\$386,409). Concessions sales commission has not been achieved due to lower attendance in shows and due to reduced new catered events and scheduling of new business.

Advertising income, net of cost is \$277,261 compared to a budget of \$280,018. 99% of the budget was achieved mainly due to some new deals and resigning existing contractual arrangements on new terms.

Direct and indirect expenses are favourable to budget by \$1,341,087, as a result of positive efforts to control expenditures.

Accounts receivable as at December 31, 2001 were \$1,606,670 consisting mainly of:

- \$602,494 for deposits for rent of future events, \$591,230 has been received as of February 15, 2002
- \$291,307 for settlements between program areas, \$79,525 received in January 2002 from Exhibition Place
- \$208,865 is outstanding from Volume Services, \$172,000 received in January balance is contractually due on the 25th of the month

During the month of December the Finance department completed 15 final billings and 4 estimates for shows in January 2002.

Significant projects throughout the year included:

- Review & updated Show Management and Exhibitor price list
- Evaluation and recommended ABM supplier for the NTC
- O&Y SMG Canada continued to support the management of the AHL proposal for the Coliseum
- Reviewed and updated the space rental rates for the NTC including off peak rental rates
- Managed sponsorship agreements with Trillium Marketing for the NTC. Included negotiations of sponsorship contracts and recommendations to the Board for:
 - Coke
 - Staples/Business Depot
 - Delta Hotel
 - McCain
 - Nestles Canada
 - Labatt
- Monitored and advised O&Y/SMG operations on profitability of Business Units, i.e. Electrical
- Recommended to the Board and finalized official supplier agreements for the NTC for:
 - AV Technical & Services Equipment
 - Freight Forwarding and Custom Brokerage Services
 - Show Display Services
- Assisted with review of World Youth Days contract
- Prepared financial forecasts and budgets for 2002
- On going evaluation of NTC property tax issues
- On going involvement of City Purchase Power Agreement with Toronto Hydro
- Reviewed and developed disaster recovery plan for the NTC
- Profitability analysis and evaluation of 110 events.

SERVO-CANADA

RETAIL DEPARTMENT

- Retail sales for the month were good. Shows included The National Bridal Show, The International Boat Show and Speedorama. Floor space is again the major concern at shows this year. Although it was not a concern for The Bridal Show and Speedorama, it was a major concern at The International Boat Show. The show cut space on their floor due to rising costs



and was therefore forced to cut food and beverage space allocated for portable retail and seating. This as well as a drop in attendance held us back from achieving this year's anticipated sales. It even held us from achieving last year's sales figure.

We hope the solution for this problem can be worked out by dealing with the shows individually and working on the floor plan.

CATERING DEPARTMENT

- This month's catered events were limited to events for the shows in house. Servo disbursed in booth catering menus to each booth for the International Boat Show. We had minimal success with catering to booths. We found that most manufacturers were cutting back on budgets and did not require the catering we have seen in the past.

APPENDIX "A"

THE NATIONAL TRADE CENTRE FINANCIAL STATEMENT HIGHLIGHTS JANUARY 2002 and YEAR TO DATE

| | MONTH ACTUAL | MONTH BUDGET | VARIANCE | YTD ACTUAL | YTD BUDGET | VARIANCE |
|-----------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| Number of Events | 4 | 3 | 1 | 4 | | 4 |
| Direct Event Income | 981,150.79 | 981,758.77 | (607.98) | 981,150.79 | 981,758.77 | (607.98) |
| Ancillary Income | 267,352.91 | 296,553.11 | (29,200.20) | 267,352.91 | 296,553.11 | (29,200.20) |
| Advertising Income | 29,339.48 | 28,547.00 | 792.48 | 29,339.48 | 23,196.00 | 6,143.48 |
| CNE Recovery | - | - | - | - | - | - |
| Total Event Income | 1,277,843.18 | 1,306,858.88 | (29,015.70) | 1,277,843.18 | 1,301,507.88 | (23,664.70) |
| Direct Expenses | 431,767.17 | 564,867.00 | 133,099.83 | 431,767.17 | 559,516.00 | 127,748.83 |
| Indirect Expenses | 302,098.12 | 341,767.00 | 39,668.88 | 302,098.12 | 341,767.00 | 39,668.88 |
| Total Event Expenses | 733,865.29 | 906,634.00 | 172,768.71 | 733,865.29 | 901,283.00 | 167,417.71 |
| NET INCOME (LOSS) | 543,977.89 | 400,224.88 | 143,753.01 | 543,977.89 | 400,224.88 | 143,753.01 |

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At January 31, 2002 the markup paid to Exhibition Place was \$ 31,902.67 (\$27,274.08 expensed against direct event income and the balance of \$4,628.59 in direct expense)



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT JANUARY 31, 2002 with COMPARISON TO JANUARY 2001**

| | 2001 YTD JANUARY ACTUAL | 2002 YTD ACTUAL | 2002 YTD BUDGET | 2002 VARIANCE | VARIANCE TO YTD JAN 2002 ACTUAL | % |
|-----------------------------|-------------------------------|-----------------------|-----------------------|--------------------|---------------------------------------|---------------|
| Number of Events | 4 | 4 | | | | 0.0% |
| Direct Event Income | 961,224.71 | 981,150.79 | 981,758.77 | (607.98) | 19,926.08 | 2.1% |
| Ancillary Income | 334,255.09 | 267,352.91 | 296,553.11 | (29,200.20) | (66,902.18) | (20.0%) |
| Advertising Income | 15,928.67 | 29,339.48 | 23,196.00 | 6,143.48 | 13,410.81 | 84.2% |
| CNE Recovery | - | - | - | - | - | 0.0% |
| Total Event Income | <u>1,311,408.47</u> | <u>1,277,843.18</u> | <u>1,301,507.88</u> | <u>(23,664.70)</u> | <u>(33,565.29)</u> | <u>(2.6%)</u> |
| Direct Expenses (Note 2) | 569,810.15 | 431,767.17 | 559,516.00 | 127,748.83 | 138,042.98 | 24.2% |
| Indirect Expenses | 298,266.66 | 302,098.12 | 341,767.00 | 39,668.88 | (3,831.46) | (1.3%) |
| Total Event Expenses | <u>868,076.81</u> | <u>733,865.29</u> | <u>901,283.00</u> | <u>167,417.71</u> | <u>134,211.52</u> | <u>15.5%</u> |
| NET INCOME (LOSS) | <u>443,331.66</u> | <u>543,977.89</u> | <u>400,224.88</u> | <u>143,753.01</u> | <u>100,646.23</u> | <u>22.7%</u> |

Note: 1

Actuals include 12% markup paid to Exhibition Place on labour and materials. At January 31, 2002 the markup paid to Exhibition Place was \$ 31,902.67 (\$27,274.08 expensed against direct event income and the balance of \$4,628.59 in direct expense)



**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF JANUARY 2002

| MONTH ACTUAL | YTD ACTUAL | PRIOR YEAR ACTUAL |
|-----------------|---------------|----------------------|
| 167,030 | 167,030 | 209,050 |

Attendance [Note: 1]

| EVENT | ACTUAL # OF PERFORMANCES | | | | (IN THOUSANDS) | | REFRESHMENT PER CAP'S ACTUAL [Note: 2] |
|-------------------|--------------------------|------|------|--------|----------------|--------|--|
| | 2002 | 2001 | 2000 | ACTUAL | BUDGET | | |
| Consumers Show | 3 | 3 | 4 | 1,027 | 1,051 | 4.12 | |
| Trade Show | 0 | 0 | 0 | - | 4 | | |
| Concert | 0 | 0 | 0 | - | - | | |
| Photo/Film Shoot | 0 | 0 | 0 | - | - | 295.77 | |
| Meeting/Corporate | 1 | 1 | 5 | 16 | - | | |
| | 4 | 4 | 9 | 1,043 | 1,055 | | |

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 JANUARY 31, 2002**

| ASSETS | 2002 | 2001 |
|--|----------------------------|----------------------------|
| CURRENT ASSETS | | |
| CASH | 821,900.76 | 553,570.12 |
| ADVANCE TO EX PLACE | 250,000.00 | 250,000.00 |
| TERM INVESTMENTS | 5,050,000.00 | 4,700,000.00 |
| AMERICAN EXPRESS | 4,816.22 | 15,331.97 |
| TRADE ACCOUNTS RECEIVABLE | 1,435,407.85 | |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS | <u>(17,949.23)</u> | |
| NET ACCOUNTS RECEIVABLE | 1,417,458.62 | 1,458,981.10 |
| RECEIVABLE FROM EX PLACE | 12,187.00 | - |
| OTHER RECEIVABLE | 146,388.99 | 155,232.81 |
| PREPAID EXPENSES | <u>132,715.37</u> | <u>86,898.77</u> |
| TOTAL CURRENT ASSETS | 7,835,466.96 | 7,220,014.77 |
| FIXED ASSETS | | |
| EQUIPMENT - NET | 114,407.48 | 124,402.22 |
| TOTAL ASSETS | <u>7,949,874.44</u> | <u>7,344,416.99</u> |
| LIABILITIES & EQUITY | | |
| CURRENT LIABILITIES | | |
| ACCRUED LIABILITIES | 2,194,186.72 | |
| PROVINCIAL & FEDERAL SALES TAX PAYABLE | 95,333.16 | |
| DEFERRED REVENUE | <u>3,506,534.78</u> | 4,618,952.49 |
| EQUITY | | |
| NET INCOME (LOSS) CURRENT | 543,977.89 | 443,331.66 |
| PRIOR YEAR PSAB ADJUSTMENT | (202,067.55) | |
| PRIOR YEAR SURPLUS | 1,811,909.44 | 2,282,132.84 |
| DISTRIBUTION TO EXHIBITION PLACE | - | |
| | <u>7,949,874.44</u> | <u>7,344,416.99</u> |

THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED JANUARY 31, 2002

| | MONTH | YTD |
|---|--------------------|--------------------|
| CASH FLOW FROM OPERATIONS | | |
| NET INCOME (LOSS) | 543,977.89 | 543,977.89 |
| ADD: EMPLOYEE BENEFITS - VACATION/SICK | | |
| SOURCES (USES) OF CASH | | |
| TERM INVESTMENTS | (750,000.00) | (750,000.00) |
| ACCOUNTS RECEIVABLE - TRADE | 171,262.44 | 171,262.44 |
| RECEIVABLE FROM EX PLACE B.O.G | (12,187.00) | (12,187.00) |
| ACCOUNTS RECEIVABLE - OTHER | (3,345.65) | (3,345.65) |
| PREPAID EXPENSES | (77,003.86) | (77,003.86) |
| DEPOSITS AND OTHER ASSETS | (1,009.47) | (1,009.47) |
| ACCOUNTS PAYABLE & ACCRUED EXPENSES | 339,270.84 | 339,270.84 |
| OTHER PAYABLES | 8,290.96 | 8,290.96 |
| DEFERRED INCOME | (235,478.24) | (235,478.24) |
| ADVANCE DEPOSITS - Exhibition Place B.O.G | - | - |
| NET CASH FROM OPERATIONS | (16,222.09) | (16,222.09) |
| OTHER SOURCES (USES) OF CASH | | |
| CAPITAL EXPENDITURES | - | - |
| PAYMENTS OF DEBT | - | - |
| DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G. | - | - |
| NET CASH FROM OTHER SOURCES | - | - |
| NET INCREASE (DECREASE) IN CASH | (16,222.09) | (16,222.09) |
| BEGINNING CASH BALANCE | 838,122.85 | 838,122.85 |
| ENDING CASH BALANCE | 821,900.76 | 821,900.76 |



THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING
AS AT JANUARY 31, 2002

| CUSTOMER NAME | AMOUNT OUTSTANDING | CURRENT | 30 - 60 DAYS | 61 - 90 DAYS | OVER 90 DAYS | COMMENTS |
|--|-----------------------|---------------------|-------------------|-------------------|------------------|--|
| COMPLETED EVENTS | | | | | | |
| NATIONAL MARINE MANUFACTURERS ASSN. | 156,764.28 | 156,764.28 | | | 980.95 | EVENT SERVICES - TORONTO INT'L BOAT SHOW - JAN. 2002 |
| ROYAL AGRICULTURAL WINTER FAIR | 89,858.85 | | 83,157.01 | 5,720.89 | | BALANCE OF EVENT SERVICES + TELEPHONE, UTILITIES & LONG DISTANCE REC'D \$18,324.86 FEB. 8/02 |
| UMBRA LIMITED | 39,064.46 | | 38,193.88 | 870.58 | | EVENT SERVICES - UMBRA FACTORY SALE - DEC. 2001 |
| TRADELINK c/o ECONOMIC DEVELOPMENT | 9,348.40 | 411.70 | 1,744.84 | 7,191.86 | | REIMBURSEMENT OF PEMP-1 FUNDING, LCD PROJECTOR, TELEPHONES/COMPUTERS |
| TORONTO INT'L QUARTERHORSE SHOW | 13,982.69 | | | | 13,982.69 | EVENT SERVICES PROVIDED DURING QUARTERHORSE SHOW - MAR. 21-26, 2001; CO PURSUING BANKRUPTCY PROCEEDINGS; CITY LEGAL TO FILE CLAIM |
| GES CANADA EXPOSITIONS | 13,319.20 | 672.00 | | | 12,647.20 | VARIOUS SERVICES - APR/DEC. 2001 EVENTS |
| COLISEUM ENTERTAINMENT CORP. | 6,267.24 | 16,999.77 | 6,832.23 | 6,267.24 | | DUE DILIGENCE COSTS, COMPUTERS, TELEPHONES & LONG DISTANCE JULY/DEC 20 |
| CUSTOMER ACCOUNTS - LESS THAN \$10,000 | 44,476.24 | | | | 20,644.24 | |
| SUB-TOTAL | 373,081.56 | 174,847.75 | 129,927.96 | 19,179.99 | 49,125.66 | |
| FUTURE EVENTS | | | | | | |
| DMG WORLD MEDIA CANADA | 263,903.86 | 263,903.86 | | | | PAID IN FULL |
| MERCHANDISE MART PROPERTIES | 77,756.98 | 77,756.98 | | | | EVENT SERVICES ESTIMATES - INTERIOR DESIGN SHOW - FEB. 2002 |
| CANADIAN CRAFT SHOW/LTD. | 34,131.08 | 34,131.08 | | | | PAID IN FULL |
| SHOWFEST PRODUCTIONS INC. | 27,395.85 | 27,395.85 | | | | PAID IN FULL |
| TRADERS' FORUM INC. | 26,767.77 | 26,767.77 | | | | BUILDING RENT - TRADERS' FORUM - MAY 2002 |
| PROMOTIONAL PRODUCTS ASSN. CANADA | 22,575.37 | 22,575.37 | | | | PAID IN FULL |
| CANADIAN SANITATION SUPPLY ASSN. | 20,965.94 | 20,965.94 | | | | PAID IN FULL |
| GOOD FOOD FESTIVAL | 13,751.64 | 13,751.64 | | | | BUILDING RENT - GOOD FOOD FESTIVAL - MAY 2002 |
| 147724 ONTARIO LIMITED | 11,262.08 | | 11,262.08 | | | BUILDING RENT - SPRING FEVER SEX SHOW - JUNE 2002 |
| SUB-TOTAL | 488,510.57 | 487,248.49 | 11,262.08 | | | |
| SERVOMATION | | | | | | |
| SERVO CANADA | 244,817.91 | 229,680.28 | 15,137.63 | | | CATERING COMMISSIONS FOR JAN. CONTRACTUALLY DUE FEB. 25/2002 CLEANING & UTILITIES FOR THE MONTH OF JANUARY |
| BOARD OF GOVERNORS | | | | | | |
| EXHIBITION PLACE | 211,998.01 | 117,014.31 | 1,996.00 | 85,845.46 | 7,142.24 | CCCA COLA SPONSORSHIP, EICPP OVERPAYMENT, ADMINISTRATION FEE REBATE REC'D \$115,113.72 FEB.14/02 |
| SUB-TOTAL | 211,998.01 | 117,014.31 | 1,996.00 | 85,845.46 | 7,142.24 | |
| SPONSORSHIP | | | | | | |
| STAPLES BUSINESS DEPOT | 64,200.00 | 64,200.00 | | | | SPONSORSHIP - FIRST YEAR AS OFFICIAL OFFICE SUPPLIER |
| LABATT BREWERIES ONTARIO | 26,750.00 | 16,050.00 | | 26,750.00 | | PAID IN FULL |
| NESTLE CANADA INC. | 16,050.00 | 16,050.00 | | | | SPONSORSHIP - FIRST YEAR AS OFFICIAL FOOD SERVICE PARTNER |
| SUB-TOTAL | 107,000.00 | 80,250.00 | | 26,750.00 | | |
| LITIGATION / RECEIVERSHIP | | | | | | |
| SUB-TOTAL | | | | | | |
| | 1,435,407.85 | 1,059,040.83 | 158,323.67 | 131,775.45 | 56,267.90 | |
| | 100% | 75% | 11% | 9% | 4% | |



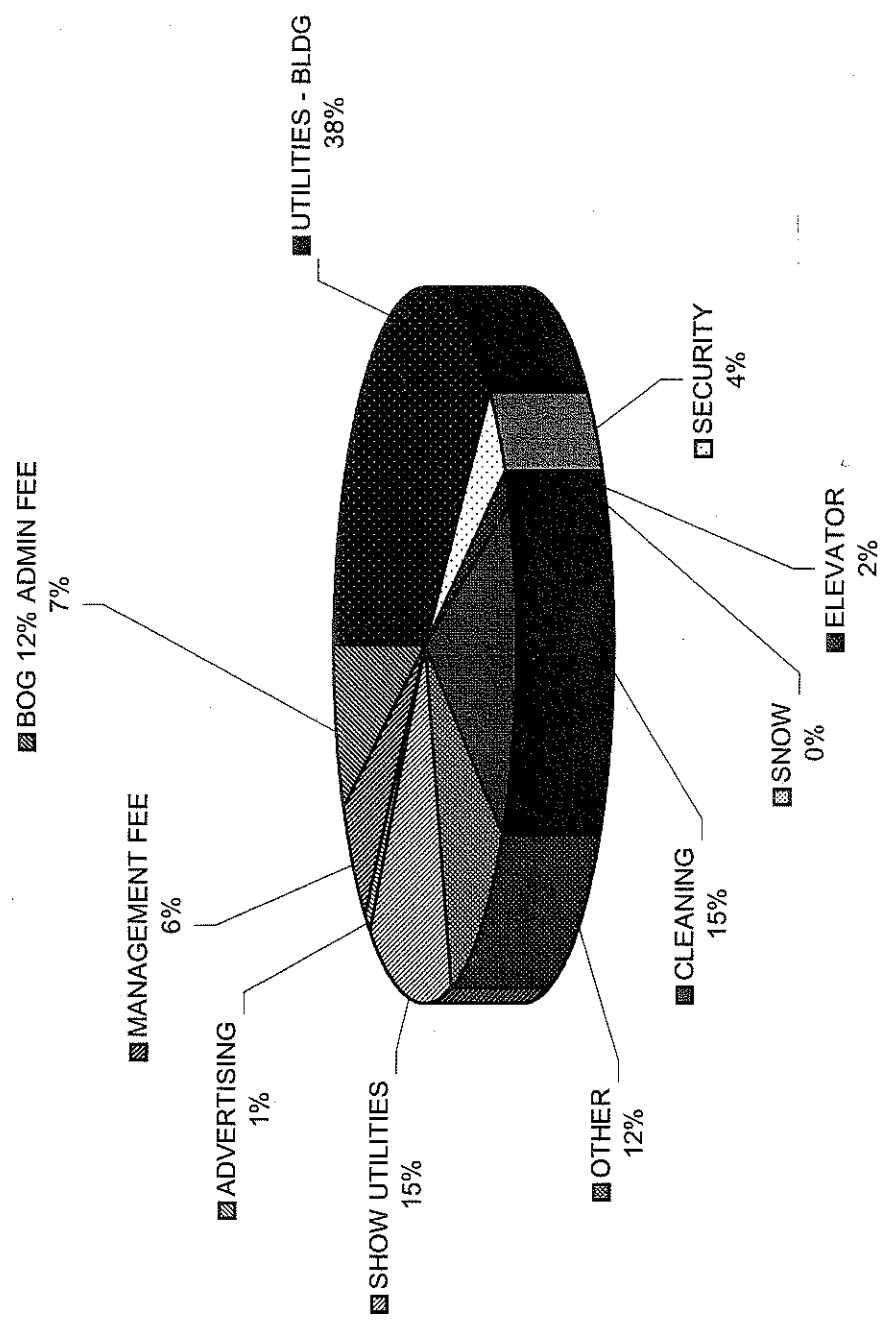
**THE NATIONAL TRADE CENTRE
CHEQUE DISBURSEMENTS - JANUARY 2002
GREATER THAN \$50,000**

| Check No | Date | Amount | DESCRIPTION |
|----------|---------|------------|---|
| 12281 | 1/29/02 | 250,000.00 | CITY OF TORONTO TERM INVESTMENT |
| 12276 | 1/28/02 | 250,000.00 | CITY OF TORONTO TERM INVESTMENT |
| 12251 | 1/18/02 | 250,000.00 | CITY OF TORONTO TERM INVESTMENT |
| 12206 | 1/17/02 | 164,304.12 | THE BOARD OF GOVERNORS OF EXHIBI PAYROLL DISBURSEMENT |
| 12170 | 1/3/02 | 150,219.48 | THE BOARD OF GOVERNORS OF EXHIBI PAYROLL DISBURSEMENT |
| 12212 | 1/17/02 | 128,148.48 | THE BOARD OF GOVERNORS OF EXHIBI PAYROLL DISBURSEMENT |
| 12211 | 1/17/02 | 68,754.63 | THE BOARD OF GOVERNORS OF EXHIBI PAYROLL DISBURSEMENT |
| 12277 | 1/28/02 | 59,061.64 | RECEIVER GENERAL FOR CANADA G.S.T. REMITTANCE |
| 12248 | 1/17/02 | 52,860.85 | THE BOARD OF GOVERNORS OF EXHIBI PAYROLL DISBURSEMENT |
| <hr/> | | | |
| | | | 1,373,349.20 |
| | | | 343,755.13 |
| | | | <u>1,717,104.33</u> |

**DISBURSEMENTS OVER \$50,000
OTHER DISBURSEMENTS LESS THAN \$50,000
TOTAL DISBURSEMENTS FOR JAN. 2002**



COMPONENTS OF DIRECT EXPENSE



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



APPENDIX "B"
December 2001

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

| | <u>MONTH ACTUAL</u> | <u>MONTH BUDGET</u> | <u>VARIANCE</u> | <u>YTD ACTUAL</u> | <u>YTD BUDGET</u> | <u>VARIANCE</u> |
|-----------------------------|-------------------------|-------------------------|-------------------|-----------------------|-----------------------|-----------------------|
| Number of Events | 16 | 3 | 13 | 110 | | 110 |
| Direct Event Income | 568,490.75 | 547,375.00 | 21,115.75 | 6,824,318.66 | 7,778,051.00 | (953,732.34) |
| Ancillary Income | 393,544.70 | 395,598.00 | (2,053.30) | 2,703,706.92 | 3,281,742.00 | (578,035.08) |
| Advertising Income | 70,162.43 | 30,213.00 | 39,949.43 | 277,261.48 | 280,018.00 | (2,756.52) |
| CNE Recovery | 1,032,197.88 | 973,186.00 | 59,011.88 | 393,948.00 | 410,000.00 | (16,052.00) |
| Total Event Income | <u>1,032,197.88</u> | <u>973,186.00</u> | <u>59,011.88</u> | <u>10,199,235.06</u> | <u>11,749,811.00</u> | <u>(1,550,575.94)</u> |
| Direct Expenses | 393,095.44 | 528,713.00 | 135,617.56 | 4,650,613.33 | 5,605,996.00 | 955,382.67 |
| Indirect Expenses | 383,746.11 | 350,243.00 | (33,503.11) | 3,736,712.28 | 4,122,417.00 | 385,704.72 |
| Total Event Expenses | <u>776,841.55</u> | <u>878,956.00</u> | <u>102,114.45</u> | <u>8,387,325.61</u> | <u>9,728,413.00</u> | <u>1,341,087.39</u> |
| NET INCOME (LOSS) | <u>255,356.33</u> | <u>94,230.00</u> | <u>161,126.33</u> | <u>1,811,909.45</u> | <u>2,021,398.00</u> | <u>(209,488.55)</u> |

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At December 31, 2001 the markup paid to Exhibition Place was \$ 315,448.42 (\$ 260,833.45 expensed against direct event income and the balance of \$ 54,892.56 in direct expense)



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

| | 2000 YTD DECEMBER ACTUAL | 2001 YTD ACTUAL | 2001 YTD BUDGET | 2001 VARIANCE | VARIANCE TO YTD NOV. 2000 ACTUAL | % |
|-----------------------------|--------------------------------|-----------------------|-----------------------|-----------------------|--|----------------|
| Number of Events | 109 | 110 | | | 1 | 0.9% |
| Direct Event Income | 7,856,913.35 | 6,824,318.66 | 7,778,051.00 | (953,732.34) | (1,032,594.69) | (13.1%) |
| Ancillary Income | 3,287,722.87 | 2,703,706.92 | 3,281,742.00 | (578,035.08) | (584,015.95) | (17.8%) |
| Advertising Income | 221,534.03 | 277,261.48 | 280,018.00 | (2,756.52) | 55,727.45 | 25.2% |
| CNE Recovery | 377,186.00 | 393,948.00 | 410,000.00 | (16,052.00) | 16,762.00 | 0.0% |
| Total Event Income | 11,743,356.25 | 10,199,235.06 | 11,749,811.00 | (1,550,575.94) | (1,544,121.19) | (13.1%) |
| Direct Expenses (Note 2) | 5,487,915.63 | 4,650,613.33 | 5,605,996.00 | 955,382.67 | 837,302.30 | 15.3% |
| Indirect Expenses | 4,045,590.38 | 3,736,712.28 | 4,122,417.00 | 385,704.72 | 308,878.10 | 7.6% |
| Total Event Expenses | 9,533,506.01 | 8,387,325.61 | 9,728,413.00 | 1,341,087.39 | 1,146,180.40 | 12.0% |
| NET INCOME (LOSS) | 2,209,850.24 | 1,811,909.45 | 2,021,398.00 | (209,488.55) | (397,940.79) | (18.0%) |

Note: 1

Actuals include 12% markup paid to Exhibition Place on labour and materials. At December 31, 2001 the markup paid to Exhibition Place was \$ 315,448.42 (\$ 260,833.45 expensed against direct event income and the balance of \$ 54,892.56 in direct expense)



**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF DECEMBER 2001

| | <u>MONTH ACTUAL</u> | <u>YTD ACTUAL</u> | <u>PRIOR YEAR ACTUAL</u> |
|----------------------|-------------------------|-----------------------|------------------------------|
| Attendance [Note: 1] | 191,806 | 1,563,761 | 1,743,897 |

| <u>EVENT</u> | <u>ACTUAL # OF PERFORMANCES</u> | | | <u>(IN THOUSANDS)</u> | | <u>REFRESHMENT</u> |
|-------------------|---------------------------------|-------------|-------------|-----------------------|---------------|---------------------------------------|
| | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>ACTUAL</u> | <u>BUDGET</u> | <u>PER CAP'S ACTUAL [Note: 2]</u> |
| Consumers Show | 40 | 43 | 39 | 5,207 | 6,257 | 2.27 |
| Trade Show | 10 | 15 | 17 | 1,858 | 2,779 | 15.34 |
| Concert | 2 | 4 | 5 | 77 | 6 | 1.05 |
| Photo/Film Shoot | 5 | 6 | 3 | 74 | - | 40.55 |
| Meeting/Corporate | 53 | 41 | 36 | 571 | 96 | 13.72 |
| | <u>110</u> | <u>109</u> | <u>100</u> | <u>7,788</u> | <u>9,138</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.



THE NATIONAL TRADE CENTRE
BALANCE SHEET
AS AT DECEMBER 31, 2001

| ASSETS | <u>2001</u> | <u>2000</u> |
|--|----------------------------|----------------------------|
| CURRENT ASSETS | | |
| CASH | 838,122.85 | 375,647.87 |
| ADVANCE TO EX PLACE | 250,000.00 | 250,000.00 |
| TERM INVESTMENTS | 4,300,000.00 | 4,400,000.00 |
| AMERICAN EXPRESS | - | 4,150.74 |
| TRADE ACCOUNTS RECEIVABLE | 1,606,670.30 | |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS | <u>(17,949.23)</u> | |
| NET ACCOUNTS RECEIVABLE | 1,588,721.07 | 2,273,266.79 |
| RECEIVABLE FROM EX PLACE | - | - |
| OTHER RECEIVABLE | 143,043.34 | 218,508.50 |
| PREPAID EXPENSES | <u>55,711.51</u> | <u>132,814.06</u> |
| TOTAL CURRENT ASSETS | <u>7,175,598.77</u> | <u>7,654,387.96</u> |
| FIXED ASSETS | | |
| EQUIPMENT - NET | 118,214.23 | 169,627.71 |
| TOTAL ASSETS | <u><u>7,293,813.00</u></u> | <u><u>7,824,015.67</u></u> |
| LIABILITIES & EQUITY | | |
| CURRENT LIABILITIES | | |
| ACCRUED LIABILITIES | 1,854,915.88 | |
| PROVINCIAL & FEDERAL SALES TAX PAYABLE | 87,042.20 | |
| DEFERRED REVENUE | <u>3,742,013.02</u> | 5,816,233.30 |
| EQUITY | | |
| NET INCOME (LOSS) CURRENT | 1,811,909.45 | 2,209,850.24 |
| PRIOR YEAR PSAB ADJUSTMENT | (202,067.55) | (202,067.87) |
| PRIOR YEAR SURPLUS | 2,209,850.24 | - |
| DISTRIBUTION TO EXHIBITION PLACE | <u>(2,209,850.24)</u> | |
| | <u>7,293,813.00</u> | <u>7,824,015.67</u> |



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

| | MONTH | YTD |
|---|-------------------|-----------------------|
| CASH FLOW FROM OPERATIONS | | |
| NET INCOME (LOSS) | 255,356.33 | 1,811,909.45 |
| ADD: EMPLOYEE BENEFITS - VACATION/SICK | (257,773.49) | |
| SOURCES (USES) OF CASH | | |
| TERM INVESTMENTS | 200,000.00 | 100,000.00 |
| ACCOUNTS RECEIVABLE - TRADE | (85,435.94) | 684,545.72 |
| RECEIVABLE FROM EX PLACE B.O.G | 65.18 | |
| ACCOUNTS RECEIVABLE - OTHER | (47,402.03) | 75,465.16 |
| PREPAID EXPENSES | 119,218.28 | 77,102.55 |
| DEPOSITS AND OTHER ASSETS | 12,503.32 | 55,564.22 |
| ACCOUNTS PAYABLE & ACCRUED EXPENSES | 257,535.27 | (447,641.13) |
| OTHER PAYABLES | (2,519.89) | (64,240.53) |
| DEFERRED INCOME | 33,429.78 | 375,712.78 |
| ADVANCE DEPOSITS - Exhibition Place B.O.G | - | - |
| NET CASH FROM OPERATIONS | 484,976.81 | 2,668,418.22 |
| 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 | 484,976.81 | 458,567.98 |
| BEGINNING CASH BALANCE | 353,146.04 | 379,554.87 |
| ENDING CASH BALANCE | 838,122.85 | 838,122.85 |



THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING
AS AT DECEMBER 31, 2001

| CUSTOMER NAME | AMOUNT OUTSTANDING | CURRENT | DAYS | | | COMMENTS |
|--|-----------------------|---------------------|-------------------|------------------|------------------|---|
| | | | 30 - 60 | 61 - 90 | OVER 90 | |
| COMPLETED EVENTS | | | | | | |
| CANADIAN CRAFT SHOWS LTD. | 86,620.29 | 86,620.29 | | | | EVENT SERVICES - ONE OF A KIND CHRISTMAS CRAFT SHOW - DEC2001 TOTAL REC'D \$ 85,263.29 |
| ROYAL AGRICULTURAL WINTER FAIR | 90,480.88 | 83,157.01 | 5,720.89 | | 1,602.98 | BALANCE OF EVENT SERVICES + TELEPHONE, UTILITIES & LONG DISTANCE TOTAL REC'D \$ 28,097.91 |
| UMBRA LIMITED | 39,084.46 | 38,193.88 | | | 870.58 | EVENT SERVICES - UMBRA FACTORY SALE - DEC. 2001 |
| TRADELINK co ECONOMIC DEVELOPMENT | 12,810.17 | 2,156.54 | 9,999.42 | | | REIMBURSEMENT OF PEMD-I FUNDING, LCD PROJECTOR, TELEPHONES/COMPUTERS |
| TORONTO INT'L. QUARTERHORSE SHOW | 24,282.69 | | | | 24,282.69 | EVENT SERVICES PROVIDED DURING QUARTERHORSE SHOW - MAR. 21-26 PAID \$10,300 01/18/2001 |
| CANADIAN NATIONAL SPORTSMEN'S SHOWS | 15,895.32 | | | | | PAID IN FULL |
| MERCHANDISE MART ENTERPRISES | 13,507.72 | 11,902.72 | | | 1,605.00 | EVENT SERVICES - HDEX / NEOCON CANADA - SEPT. 2001 |
| GES CANADA EXPOSITIONS | 13,653.45 | 1,006.25 | | | | VARIOUS SERVICES - APR/DEC. 2001 EVENTS |
| TINY TOM DONUTS | 11,830.45 | 11,830.45 | | | 12,647.20 | PAID IN FULL |
| CUSTOMER ACCOUNTS - LESS THAN \$10,000 | 114,324.70 | 73,895.75 | 16,986.37 | | 23,342.58 | TOTAL RECEIVED \$ 92,395.36 |
| SUB-TOTAL | 422,470.13 | 296,960.17 | 44,609.40 | 17,500.32 | 62,746.03 | |
| FUTURE EVENTS | | | | | | |
| CANADIAN NATIONAL SPORTSMEN'S SHOWS | 273,935.44 | 288,040.12 | 15,895.32 | | | BUILDING RENT - TORONTO SPORTSMEN'S SHOW - MARCH 2002 TOTAL REC'D \$273,935.44 |
| CANADIAN RETAIL HARDWARE ASSN. | 128,047.11 | 128,047.11 | | | | PAID IN FULL |
| CANADIAN SHOWS & SPECIAL EVENTS | 55,937.05 | 55,937.05 | | | | BUILDING RENT - TORONTO INT'L BICYCLE SHOW - MAR. 2002 TOTAL REC'D \$55,937.05 |
| KELLY ALEXANDER COMMUNICATIONS | 38,165.40 | 42,187.56 | 19,082.70 | | | BUILDING RENT - SPEE'DORAMA - JAN. 2002 REC'D P/D CHEQUES \$38,165.40 JAN.18/02 |
| ASSN. FOR INVESTMENT MANAGERS | 42,187.56 | 42,187.56 | | | | BUILDING RENT - A.I.M.R. EXAMINATIONS - JUNE 2002 TOTAL REC'D \$ 42,187.56 |
| REED EXHIBITION COMPANIES | 32,100.00 | 32,100.00 | | | | PAID IN FULL |
| MERCHANDISE MART PROPERTIES | 20,859.20 | 20,859.20 | | | | BUILDING RENT - INTERIOR DESIGN SHOW - FEB. 2002 PAID IN FULL |
| 147724 ONTARIO LIMITED | 11,282.08 | 11,282.08 | | | | BUILDING RENT - SPRING FEVER SEX SHOW - JUNE 2002 |
| SUB-TOTAL | 602,493.84 | 537,474.04 | 46,240.10 | 19,082.70 | | |
| SERVOMATION | | | | | | |
| SERVO CANADA | 208,865.32 | 193,370.15 | 15,495.17 | | | CATERING COMMISSIONS FOR DEC. CONTRACTUALLY DUE JAN. 25/2002 |
| BOARD OF GOVERNORS | 291,307.01 | 127,251.92 | 165,689.21 | | | CLEANING & UTILITIES FOR THE MONTH OF NOVEMBER-TOTAL REC'D \$170,664.06 |
| EXHIBITION PLACE | | | | | | COCA COLA SPONSORSHIP, EICPP OVERPAYMENT, ADMINISTRATION FEE REBATE |
| SUB-TOTAL | 291,307.01 | 127,251.92 | 155,689.21 | | 8,365.88 | REC'D PAYMENT OF \$79,525.00 ON JAN.10/02 |
| SPONSORSHIP | | | | | | |
| LABATT BREWERIES ONTARIO | 26,750.00 | | 26,750.00 | | | SPONSORSHIP - FIRST YEAR PAID IN FULL |
| AOR MEDIA | 54,784.00 | | 54,784.00 | | | PAID IN FULL |
| SUB-TOTAL | 81,534.00 | | 81,534.00 | | | |
| LITIGATION / RECEIVERSHIP | | | | | | |
| SUB-TOTAL | | | | | | |
| | 1,806,670.30 | 1,154,753.28 | 343,567.88 | 36,583.02 | 71,111.91 | |
| | 100% | 72% | 21% | 2% | 4% | |

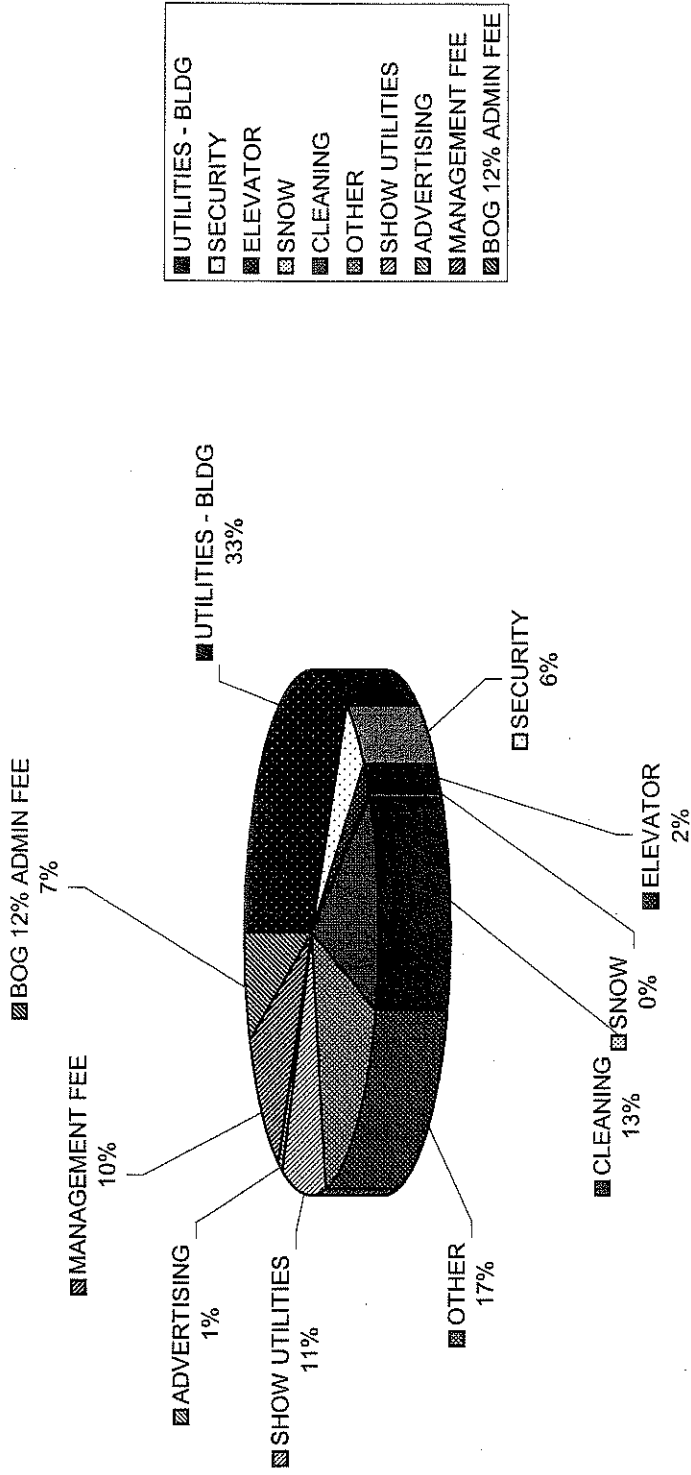


THE NATIONAL TRADE CENTRE
 CHEQUE DISBURSEMENTS - DECEMBER 2001
 GREATER THAN \$50,000

| Check No | Date | Amount | DESCRIPTION |
|--|----------|------------|--|
| 12130 | 12/21/01 | 198,152.85 | THE BOARD OF GOVERNORS OF EXHIBITION PLACE PAYROLL DISBURSEMENT |
| 12124 | 12/20/01 | 108,398.31 | O&Y SMG CANADA PAYROLL DISBURSEMENT |
| 12005 | 12/6/01 | 89,777.30 | THE BOARD OF GOVERNORS OF EXHIBITION PLACE PAYROLL DISBURSEMENT |
| 12118 | 12/18/01 | 78,815.85 | THE BOARD OF GOVERNORS OF EXHIBITION PLACE PAYROLL DISBURSEMENT |
| 12109 | 12/14/01 | 68,973.86 | RECEIVER GENERAL FOR CANADA G.S.T. REMITTANCE |
| 12115 | 12/17/01 | 66,456.10 | ENBRIDGE GAS UTILITIES REMITTANCE |
| DISBURSEMENTS OVER \$50,000 | | | 610,574.27 |
| OTHER DISBURSEMENTS LESS THAN \$50,000 | | | 387,733.67 |
| TOTAL DISBURSEMENTS FOR DEC. 2001 | | | <u>998,307.94</u> |



COMPONENTS OF DIRECT EXPENSE



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

