

2001

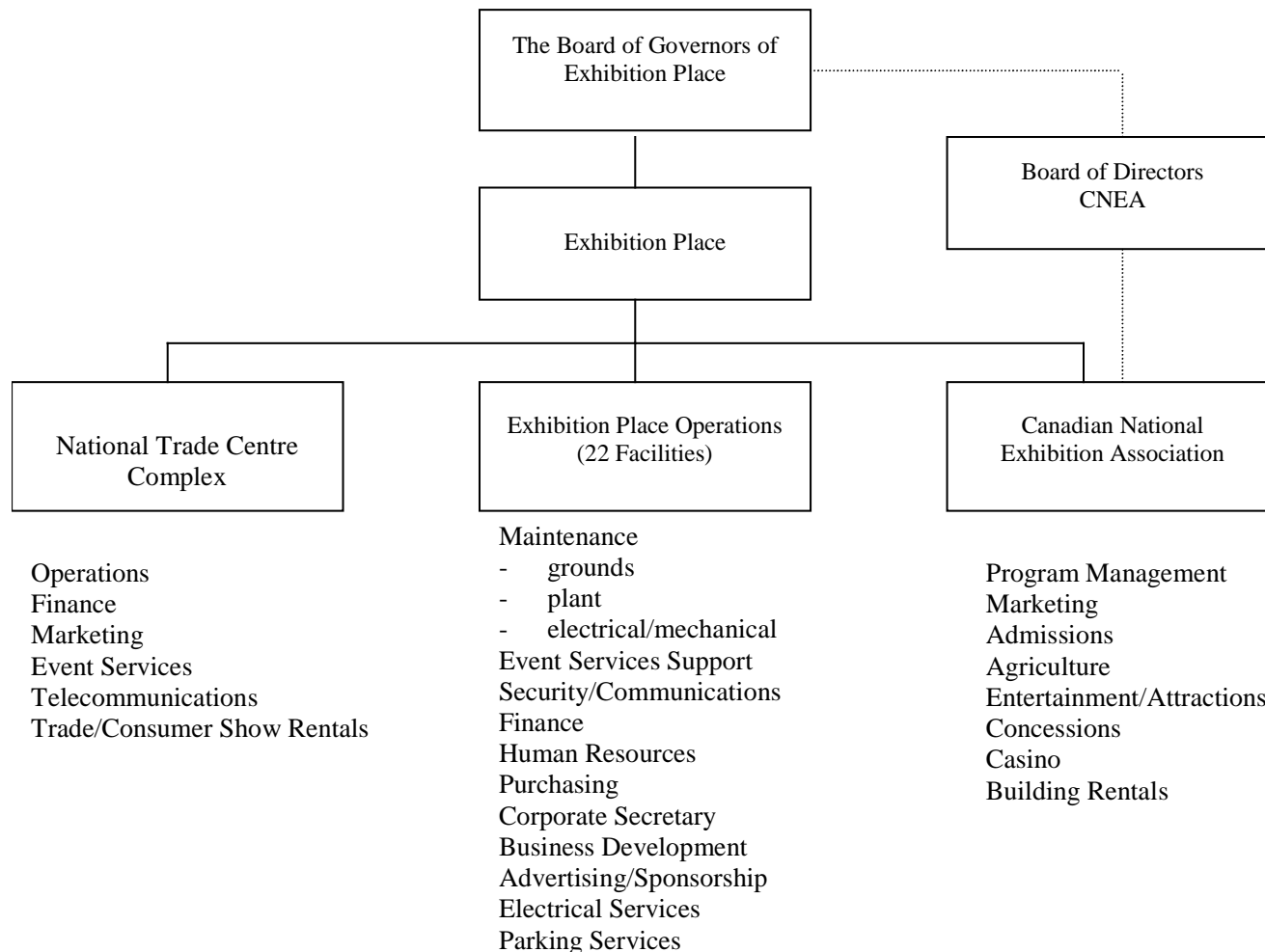
EXHIBITION PLACE

OPERATING & CAPITAL
BUDGETS



PROGRAM STRUCTURE

- 1. Exhibition Place Management and Operations**
- 2. National Trade Centre**
- 3. Canadian National Exhibition**



MAJOR FEATURES OF THE GROUNDS

- **192 acre site**
- **26 architecturally and historically significant structures**
- **400,000 sq. ft. Class “A” trade show in NTC**
- **732,000 sq. ft. Class “B” trade and consumer show floor space in NTC and other buildings**
- **4 million visitors to site annually**
- **7,416 indoor and above ground parking spaces**
- **53 acres of parkland**
- **4 miles of public roads**
- **7 miles of pathways and sidewalks**

2001 OPERATING BUDGET

Strategic Directions and Service Priorities

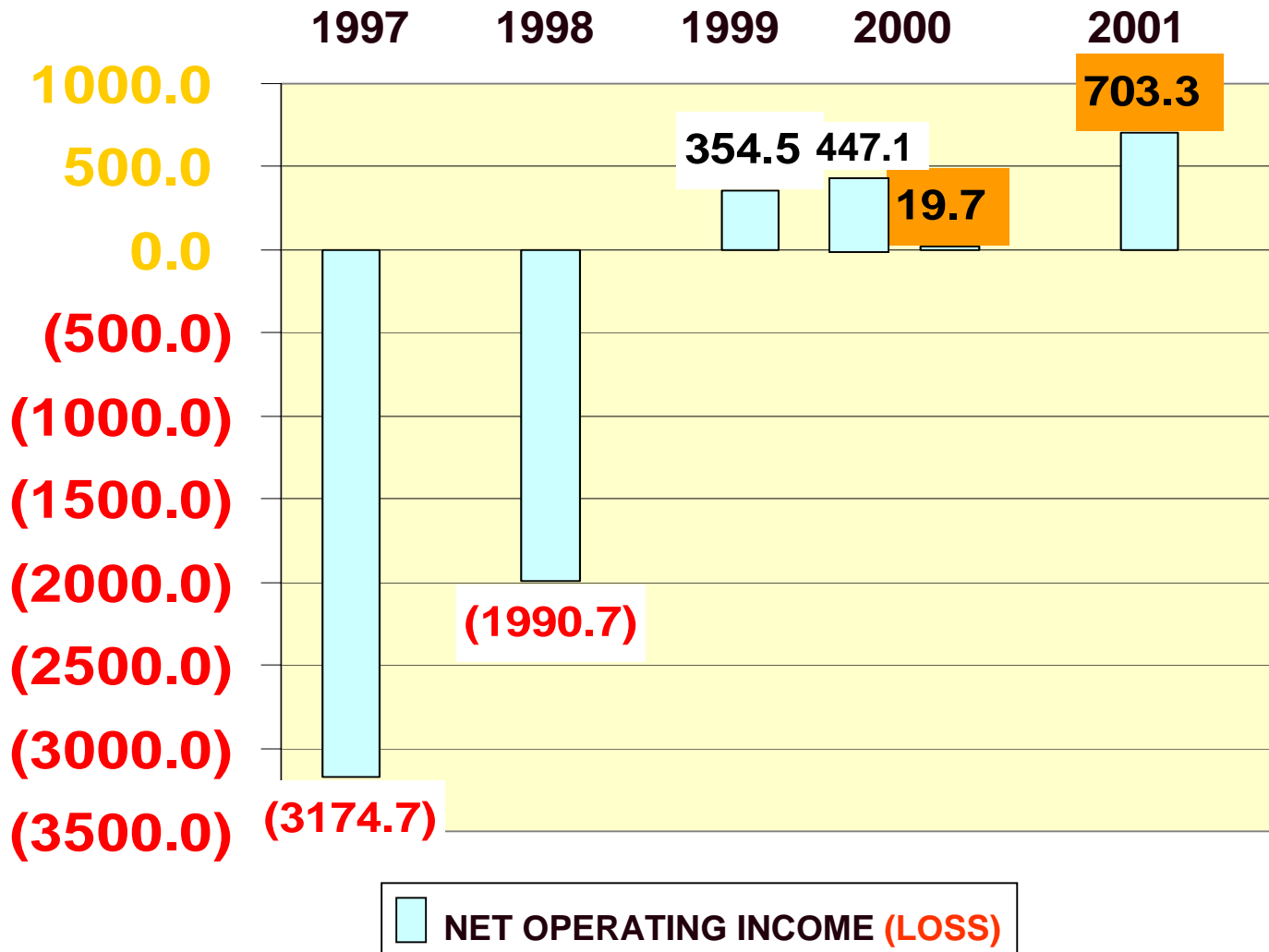
- **Improving net income paid to City of Toronto
(11.8% increase in 2001 budget)**
- **Manage and preserve historical buildings and avoid
unplanned future costs**
- **Improve levels of sales and services**
- **Continue redevelopment of Exhibition Place site and
buildings**
- **Attract new trade and consumer shows from Canada,
US and Europe**

PERFORMANCE MEASURES

	<u>1998</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>	<u>2000</u> <u>Projected</u>	<u>2001</u> <u>Budget</u>
<u>Exhibition Place Operations</u>				
Growth/Year in Signage Revenue		(1.3)	16.7	11.8
Revenue/Expense Ratio (Parking)	6.1	5.9	7.0	7.4
<u>National Trade Centre</u>				
Rental Income/Show		73,770	73,840	75,840
Net Profit (000's)	1,006	1,883	1,760	2,001
<u>CNEA</u>				
Attendance ('000's)	1768	1497	1550	1575
Net Profit	(2,179)	(391)	(201)	3.6

BUDGET OVERVIEW

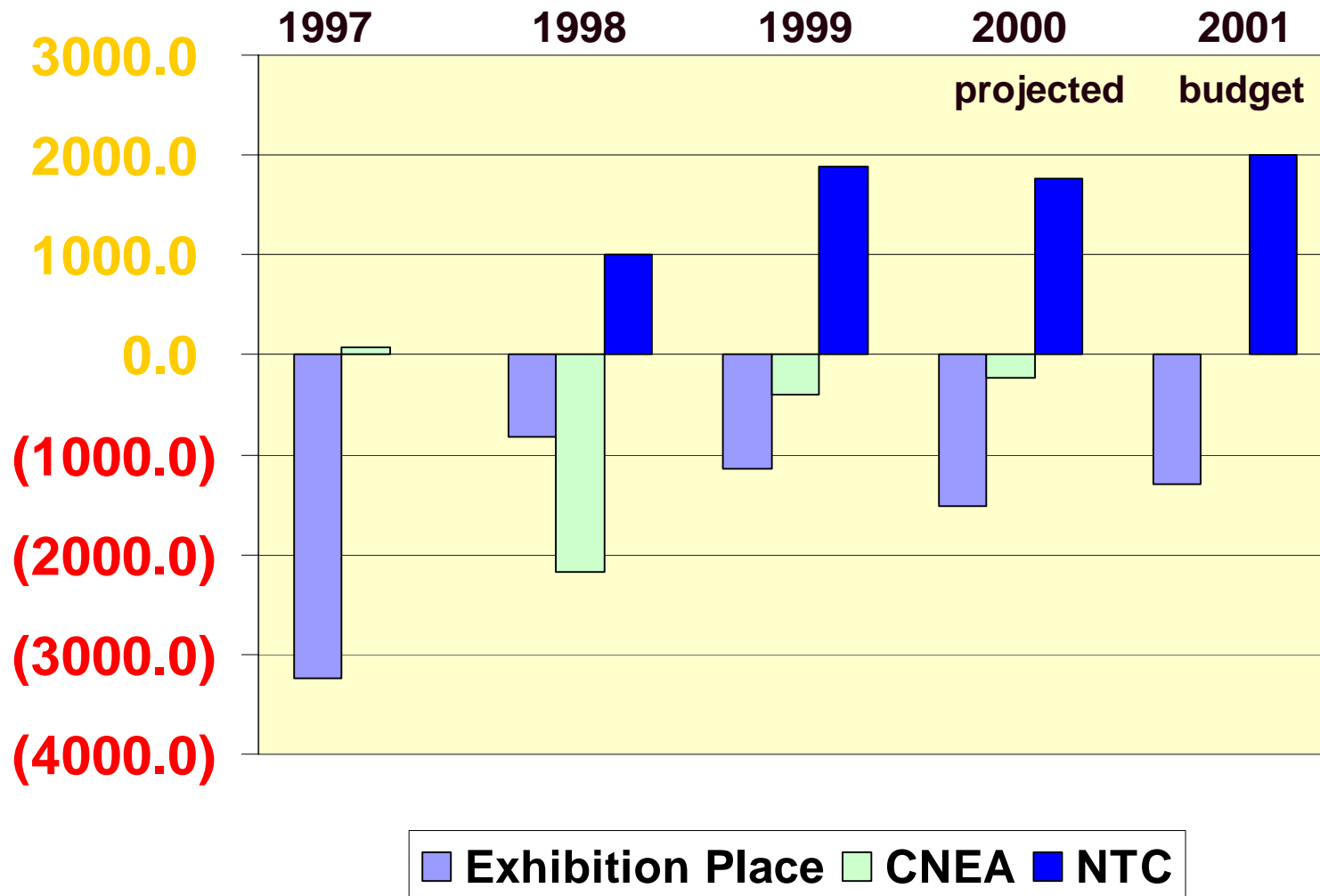
Net Operating Income (Loss) - \$000's



EXHIBITION PLACE

Operating Results by Program

Income (Loss) \$000's



MAJOR CHALLENGES FOR 2001 BUDGET

- Increased cost of utilities** **\$ 277,000**
- Higher salary base and benefit costs** **458,000**
- Adjustment to CNE and
parking revenues** **414,000**
- Full year of preventative maintenance
program for buildings** **200,000**

TOTAL

\$1,349,000

STRATEGIES TO MITIGATE COST PRESSURES

- **Increase third party revenues**

Exhibition Place tenants	\$ 100,000
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NTC rental and food & beverage and other income	413,000
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• Additional billboard sign revenue	95,000
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• CNE expense reductions	551,000
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• Transfer of project management costs to capital	240,000
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TOTAL

\$ 1,399,000

OPERATING BUDGET

Staffing Complement (FTE's)

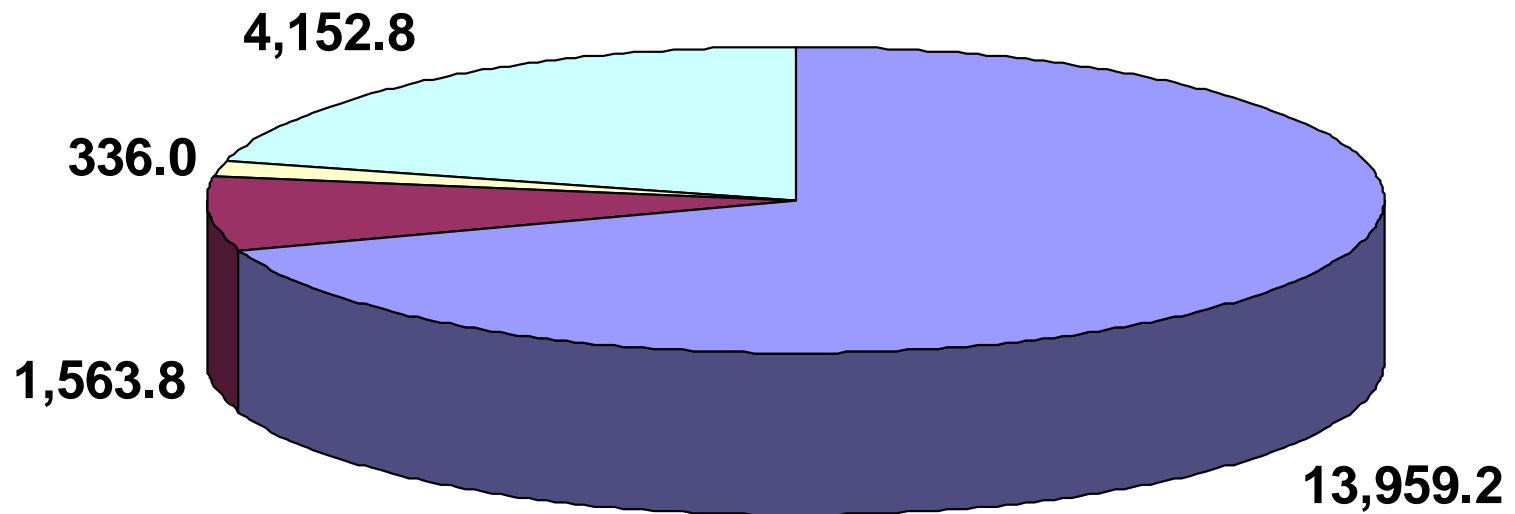
	<u>1998</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>	<u>2000</u> <u>Projected</u>	<u>2001</u> <u>Budget</u>	<u>2002</u> <u>Outlook</u>
Management & Exempt	123	119	119	120	120
Part Time Union	143	151	170	190	192
Casual	141	158	156	161	161

EXHIBITION PLACE PROGRAM

- **TOTAL REVENUE** **\$8,754,700**
- **REVENUE ENHANCEMENT**
 - Building Rentals & Events Profit** **11.5%**
 - Advertising** **25.0%**
- **INFRASTRUCTURE MANAGEMENT**
 - First full year of implementation** **\$ 200,000**

EXHIBITION PLACE OPERATIONS

2001 Expenditures



Salaries & Benefits

Materials & Supplies

Equipment

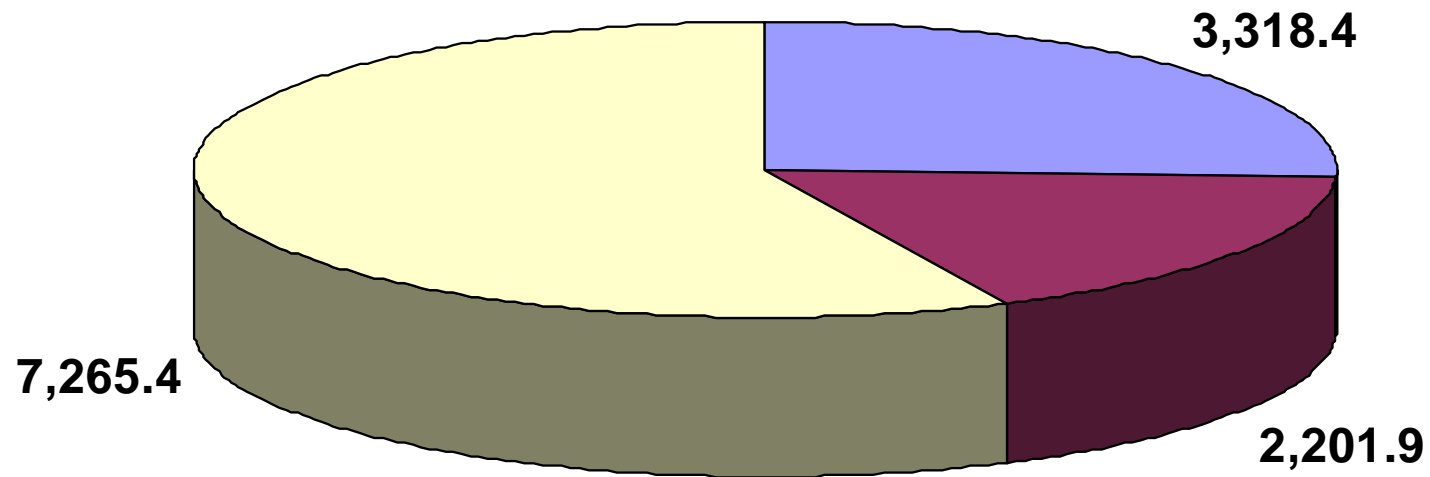
Services & Rents

NATIONAL TRADE CENTRE

- **TOTAL REVENUES FOR 2001** **\$14,692,700**
- **REVENUE ENHANCEMENT**
 - Telecommunications** **18.4%**
 - Rental Income** **4.4%**
 - Catering Concessions** **2.4%**
 - Electrical Services** **8.8%**
- **NEW BUSINESS**
 - Budget** **\$1,300,000**
 - Attract new US & European show producers**

NATIONAL TRADE CENTRE

2001 Expenditures



Salaries & Benefits

Materials & Supplies

Services & Rents

CANADIAN NATIONAL EXHIBITION ASSOCIATION

- **STRATEGY & BUSINESS PLAN**

Control Operational/Program Costs (3.4%)

Achievable revenue projection (4.6%)

- **MARKET RESEARCH**

Programming

Site Layout/Signage

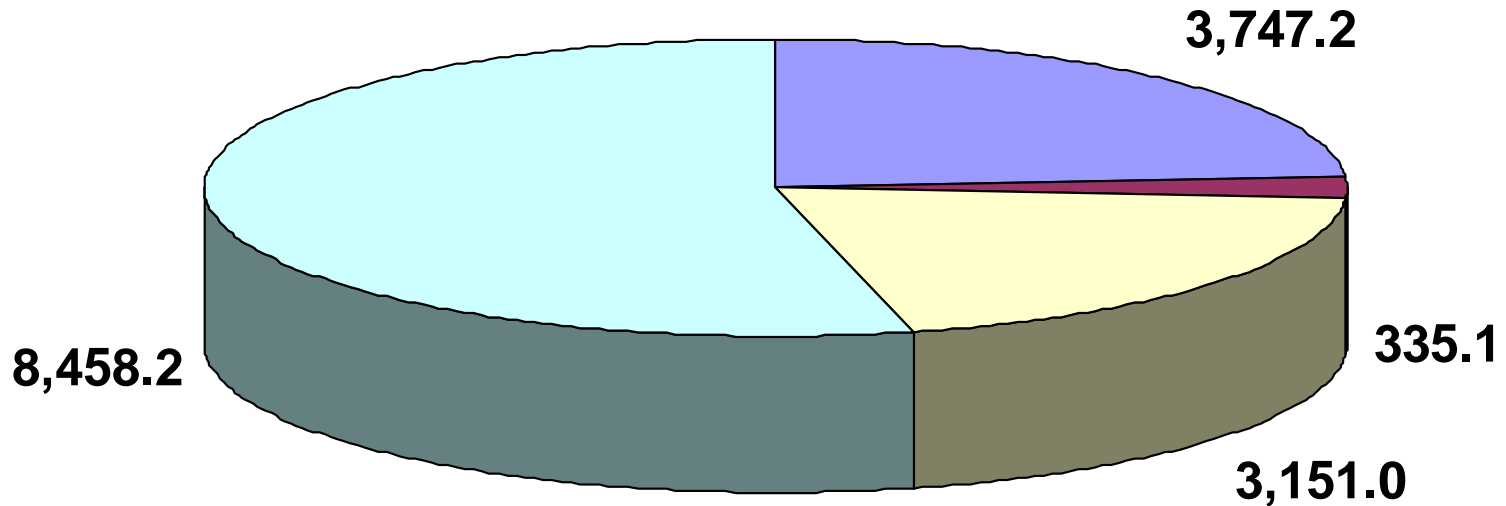
Communication/Marketing

- **BUDGET FORECAST**

Total Attendance 1,575,000

Total Revenue \$15,695,000

CANADIAN NATIONAL EXHIBITION ASSOCIATION 2001 Expenditures



Salaries & Benefits

Materials & Supplies

Other

Services & Rents

CURRENT BUDGET PRESSURES

- **REVENUE SHRINKAGE**

NTC Bookings	\$ 430,000
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- **ADDITIONAL EXPENSE**

Utilities	\$ 152,000
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- **COMMITMENT TO ACHIEVE 2001
BUDGET SUBMISSION OF \$703,000
PROFIT**

CAPITAL BUDGET (\$000'S)

Revisions Made

<u>YEAR</u>	<u>BOG</u> <u>Approved Oct</u> <u>20/2000</u>	<u>Revised Per</u> <u>Meeting with</u> <u>Toronto CFO</u>	<u>Revised to Meet</u> <u>New City</u> <u>Targets</u>
2001	4,700	4,648	3,650
2002	5,180	5,180	3,283
2003	5,470	5,470	3,555
2004	4,710	5,440	4,955
2005	8,655	5,490	5,850
FIVE YEAR TOTAL	<u>28,715</u>	<u>26,228</u>	<u>21,293</u>

2001 RECOMMENDED CAPITAL PROGRAM

(000'S)

• Pre Engineering	\$ 125
• Better Living Centre	785
• Stanley Barracks	410
• Automotive Building	1250
• Environmental Restoration	260
• Parking & Electrical Equipment	530
• Parks, Parking Lots, Roads	290
TOTAL	<hr/> \$ 3650

BETTER LIVING CENTRE

- **Retrofit east section for casino relocation**
- **Project cost of \$785,000**
- **Pre-budget approval received for this project**
- **Casino expected to generate \$680,000 of net revenue in 2001**

AUTOMOTIVE BUILDING

- **Install air conditioning system**
(\$2,370,000 - 2 years)
- **Increase marketability of building**
- **Increase energy efficiency**
- **Avoid future capital costs**
- **Financial Benefits**

Energy savings	-	\$ 20,000/year
Capital cost avoidance	-	\$350,000
Additional rental	-	\$ 11,000/day
- **Potential tri-generation project**
(\$3.0 million energy savings over 10 years)