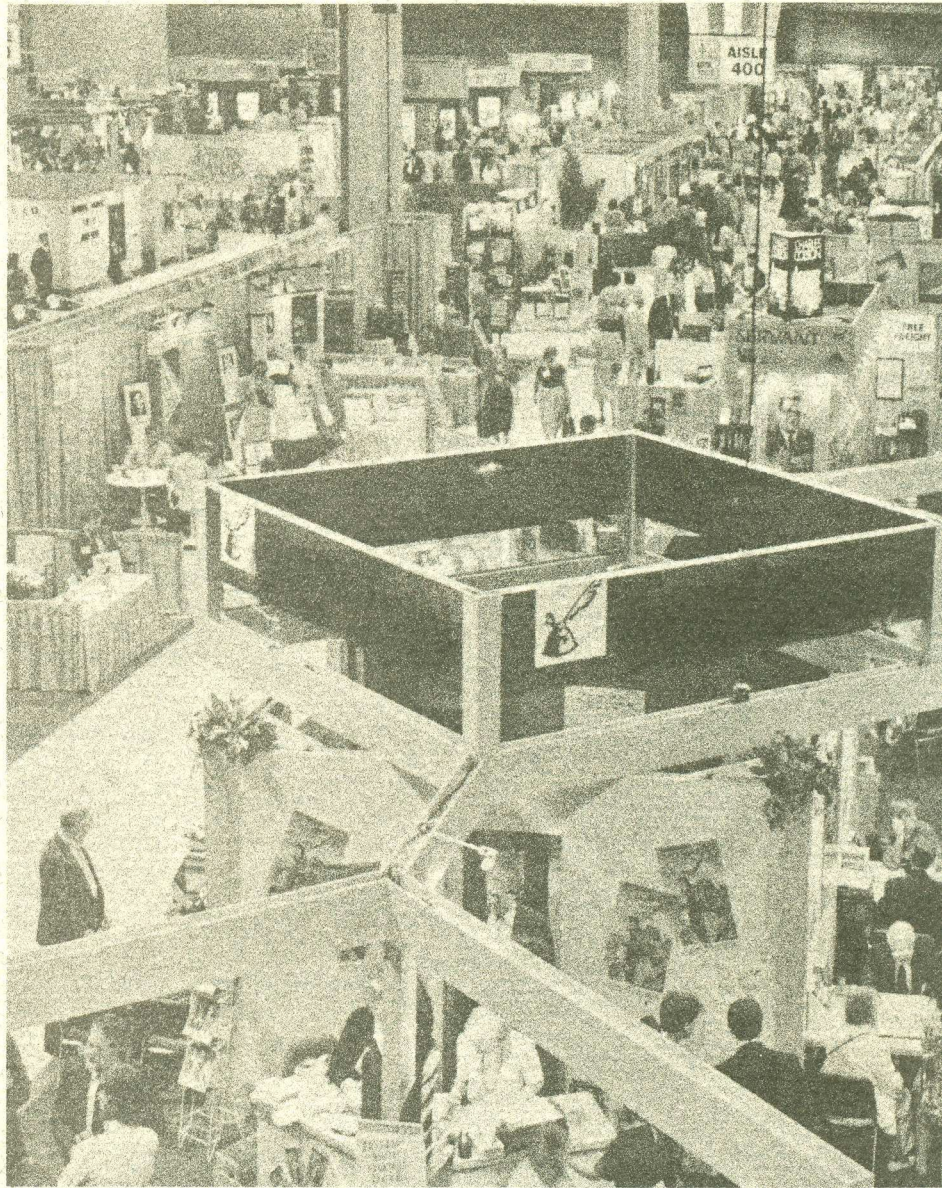


Annual Report 1989



***GEORGIA
WORLD
CONGRESS
CENTER***





Table Of Contents

Director's Report	2
Financial Analysis	4
Statement of Income and Expenditures	5
Rental and Exhibit Utility Services Income	6
Food Services Income	7
State of Georgia Economic Benefits Summary	8
Economic Impact/Four Year Economic Summary	10
Event Attendance	11
GWCC Sales Graph	12
Organizational Chart	14
Board of Governors/Legislative Overview Committee	15
Staffing and Labor Force Analysis	16

Beginning with the prestigious coup of hosting the Democratic National Convention July 18-21, the Georgia World Congress Center and Atlanta prospered in 1988 and gained unprecedented national and international exposure during the week-long activities of this unique event.

The exciting months of pre-planning for the Democratic National

Convention yielded not only a positive image for Atlanta as a burgeoning international city, but also showcased the World Congress Center as a world-class facility capable of accommodating 15,000 media plus 35,000 attendees. Our ability to easily facilitate this number of media representatives is

largely due to the magnitude and challenges of many of the larger trade shows and conventions which frequent our convention center on an annual basis.

During the past year, we hosted 70 major trade shows, conventions and public shows that attracted some 1.1 million attendees. In addition, many smaller corporate meetings, seminars, banquets, receptions and special events were hosted and accounted for over 200,000 visitors. In total over 1.3 million visitors attended events in the World Congress Center. Of this number, 658,067 were out-of-town visitors who spent over \$598 million in new dollars. When this "new money" circulated, it produced a rollover effect of more than twice its original amount and resulted in an economic impact of over \$993 million. New tax revenues totaled over \$57 million.

Along with healthy attendance figures, our booking rates remain among the very highest in the industry. At present, the World Congress Center is booked at 94% of its practical maximum occupancy for the next five years and 83% through the year 2000.

"By adding Phase III Expansion, the World Congress Center will maintain its competitive posture in the industry."

With our current rate of bookings, the need for additional exhibit space is evident. In 1988 plans for the Center's second expansion went into action when the Georgia General Assembly appropriated \$18 million for land acquisition and design development. In early 1989, the legislature approved funds for site preparation. Physical work to ready the site will continue throughout 1989 and state funding for actual construction will be requested in 1990.

By adding 320,000 square feet of exhibit space in Phase III expansion, the World Congress Center will maintain its competitive posture in the industry and will become the second largest convention center in the United States. A feasibility study completed in 1987 recognized the Georgia World Congress Center as the most well-utilized convention center in the nation. The study also concluded that if the facility is not expanded, events representing between 15 and 20 percent of total building occupancy could be lost due to inadequate space.

Another important facet to the World Congress Center's future success will be development of the Georgia Dome. The 72,000-seat domed stadium will be located adjacent to our facility and operated under direction of the Georgia World Congress Center Authority. The Georgia Dome will complement the Georgia World Congress Center's existing exhibit space by 100,000 square feet and add flexibility for conventions needing large seating capacities.

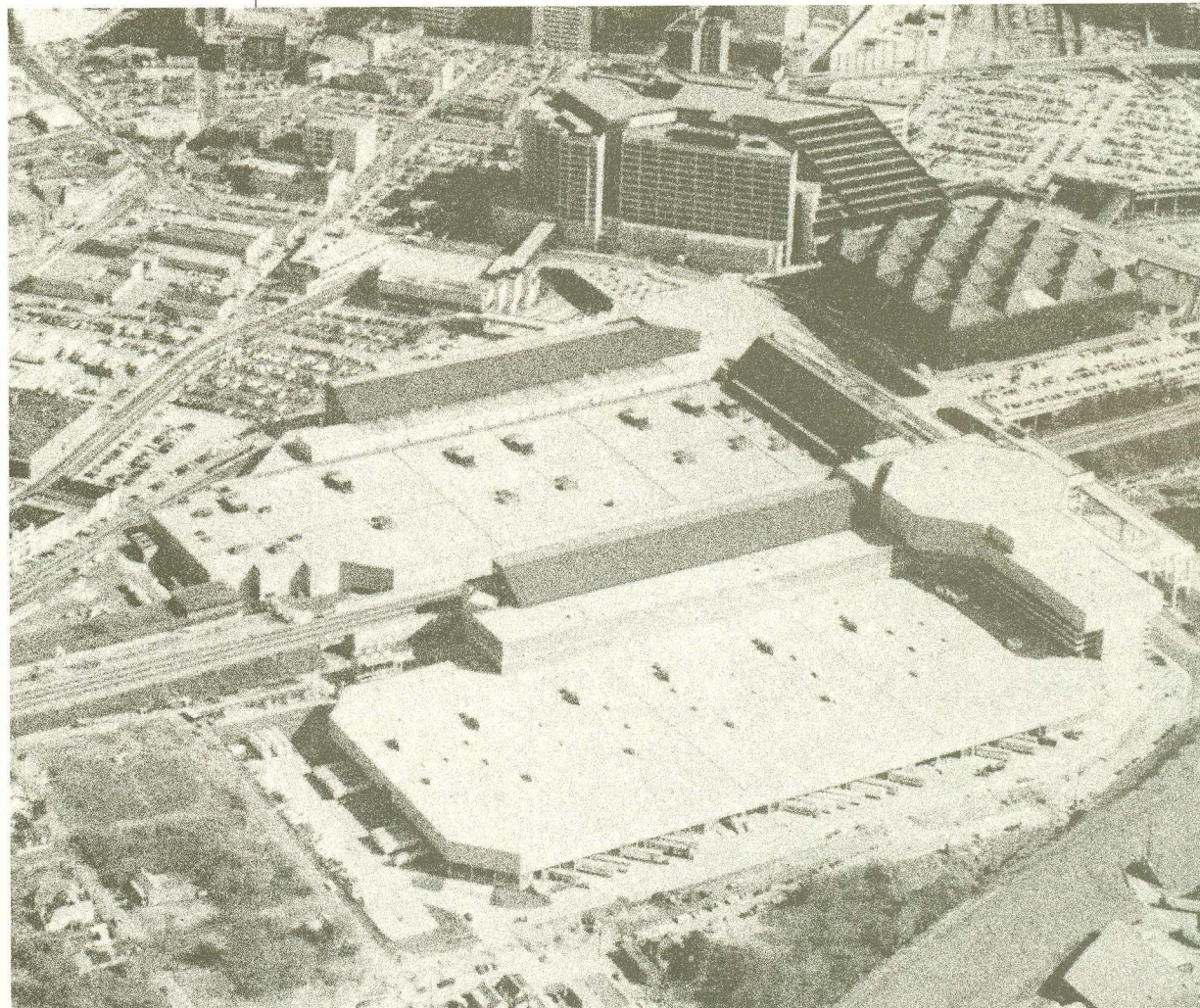
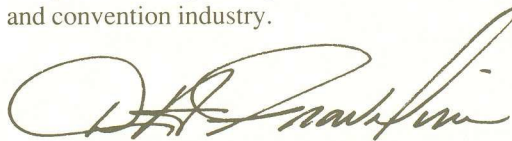
It will also allow Atlanta to qualify as host city for world-class events such as the Super Bowl, NCAA Basketball finals, Peach Bowl, NBA All Star Game and other prominent collegiate and professional sporting events.

Aside from being utilized by the Atlanta Falcons 10 days a year, the Georgia Dome's playing field will also serve as a trade show floor. In addition, it will function as a venue for national political conventions, religious conferences and superstar concerts. Furthermore, the multi-purpose facility will enhance Atlanta's image as a potential site for international events such as the Olympic Games.

Economic forecasts for the Georgia Dome also appear strong. Studies indicate the Georgia Dome will be utilized 160-200 days in 1993, the first full year of operation. The city as well as the state of Georgia will benefit from an estimated \$13 million in annual

local and state taxes. In addition, the Georgia Dome will support approximately 1,800 permanent jobs in the metropolitan area.

Indeed, the Georgia Dome's strategic location adjacent to the Georgia World Congress Center will place our facility in a very unique and marketable position unrivaled anywhere in the world. It will further enhance our ability to meet the challenges of the increasingly competitive and growing trade show and convention industry.



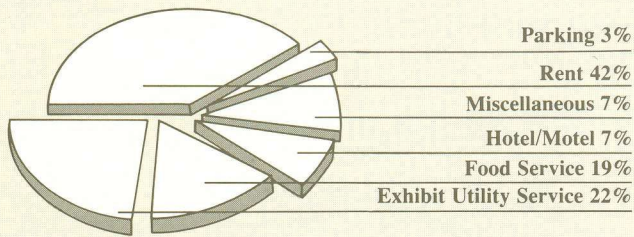
Financial Analysis

Fiscal year 1988-89, ending June 30, marked a year of continued growth for the Georgia World Congress Center. With a net operating profit of \$3.3 million, the Georgia World Congress Center required no state appropriations for operation.

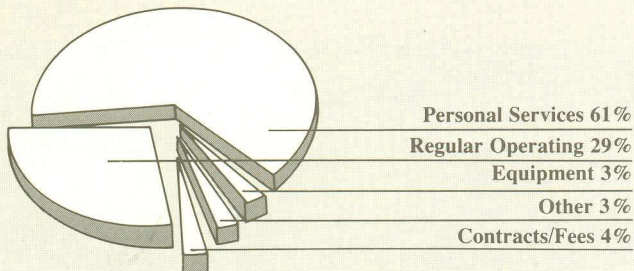
Income

Rising 25% over last year, record net revenues totaled \$16,060,639. Many factors contributed to this increase, one of which is the number of large trade shows and conventions hosted throughout the year. The first event that helped boost revenues was the Democratic National Convention which took place in July, a historically slow month for convention activity.

INCOME



EXPENSES



Of the total 70 conventions, trade shows and consumer shows hosted during FY 1988-89, seven events utilized all six exhibit halls and produced a steady flow of secondary income from heavy electrical and utility services. Net income from utility services totaled \$2.7 million, a 20% increase over the previous year.

Another factor which influenced earnings was a rental rate increase which became effective on January 1, 1989. This is the first rate increase since 1985, and another is not anticipated until 1992. Building rental income yielded \$6.7 million, up 20% from 1987-88.

Food and beverage service revenue produced by MGR, Inc. also experienced substantial revenue growth, recording in excess of a \$3 million net profit. This figure represents a 42% increase over last year.

In addition, parking revenues showed significant growth, rising 40% from the previous year. This can be attributed to a new 1,200 space parking deck, which partially opened in October to complement the existing 260-space deck. Overall, rental, utility and food service income exceeded projections by 17%.

Expenses

Overall operating expenses were 5% less than budgeted projections, increasing 9% over last year. Due to new staffing and normal payroll increases, personal services rose 9% over fiscal year 1987-88, and accounted for 61% of total operating expenditures.

Regular operating expenses, including equipment and contractual services, rose slightly due to repairs and renovation of the facility and replacement of equipment.

"Other" expenses account for telecommunication and computer costs, leases on equipment, travel and printing expenses.



Statement Of Income And Expenditures

INCOME	FY 1987-88	FY 1988-89
Beginning Adjusted Balance	\$1,091,732	\$ 733,777
Rent	5,748,529	6,717,891
Exhibit Utility Services	2,893,128	3,626,599
Food Service (MGR)	2,149,147	3,044,843
Parking	334,489	469,551
Hotel/Motel Tax (GWCC)	1,011,708	1,110,868
Miscellaneous	680,142	1,090,887
SUB-TOTAL	\$12,817,143	\$16,060,639
State of Georgia	2,800,000	-0-
Hotel/Motel Tax (ACVB/ATL88)	9,257,207	10,849,814
Special Projects	-0-	592,118
TOTAL	\$24,874,350	\$27,502,571
 EXPENDITURES		
Personal Services	\$7,095,843	\$7,701,804
Regular Operating	3,305,000	3,645,018
Equipment	290,321	371,995
Contracts/Fees	409,337	520,197
Other	367,471	289,137
SUB-TOTAL	\$11,467,972	\$12,528,151
Special Projects	2,826,212	821,499
Hotel/Motel Tax (ACVB/ATL88)	9,257,207	10,849,814
TOTAL	\$23,551,391	\$24,199,464
NET PROFIT	\$1,322,959	\$3,303,107
RESERVE FUNDS	\$1,730,000	2,270,000
FUND BALANCE	\$684,691	\$1,766,885

Rental Income

"The Georgia World Congress Center shows bookings through the year 2014."

Rental income from exhibit halls, meeting facilities and miscellaneous equipment increased by \$969,362 or 18% over the previous year. Totaling \$6,717,891, rental income represents 42% of all self-generated revenues.

Exhibit space income rose 18%, which can be attributed to greater space requirements by trade shows experiencing healthy growth. Meeting room, auditorium, conference center and ballroom rental showed a 14% increase over last year.

Miscellaneous rental which is generated from guest service areas in the Entrance Concourse, equipment rental and permanent displays in Georgia Hall accounted for \$235,025 or 3% of all rental income.

The Georgia World Congress Center's exhibition halls, which total 640,000 square feet, are booked at 94% of the practical maximum occupancy through the next five years and 83% through the year 2000.

	FY 1987-88	FY 1988-89
Exhibit Hall Rent	\$4,741,266	\$5,614,067
Meeting Rooms/Ballroom/Auditorium/ Conference Center	757,833	868,799
Miscellaneous Rent	249,430	235,025
TOTAL RENT	\$5,748,529	\$6,717,891

Utility Services Income

As trade shows expand and grow, revenues from utility services (electrical, gas connections, compressed air, water and drains) will continue to be one of the most effective "profit centers" for the Georgia World Congress Center.

Revenues totaled \$3,626,598

during FY 88-89 and exceeded last year's gross income by 25%.

In addition to generating income, providing in-house utility services has proven extremely helpful in maintaining a reputation as a facility free of labor problems and exorbitant charges to exhibitors.

	FY 1987-88	FY 1988-89
GROSS INCOME	\$2,893,128	\$3,626,599
EXPENSE		
Labor	\$503,675	\$667,153
Materials & Supplies	188,053	235,729
TOTAL EXPENSE	\$691,728	\$902,882
NET PROFIT	\$2,201,400	\$2,723,717

Food Services Income

For 13 years, the MGR Food Services organization has managed food and beverage services for the Georgia World Congress Center.

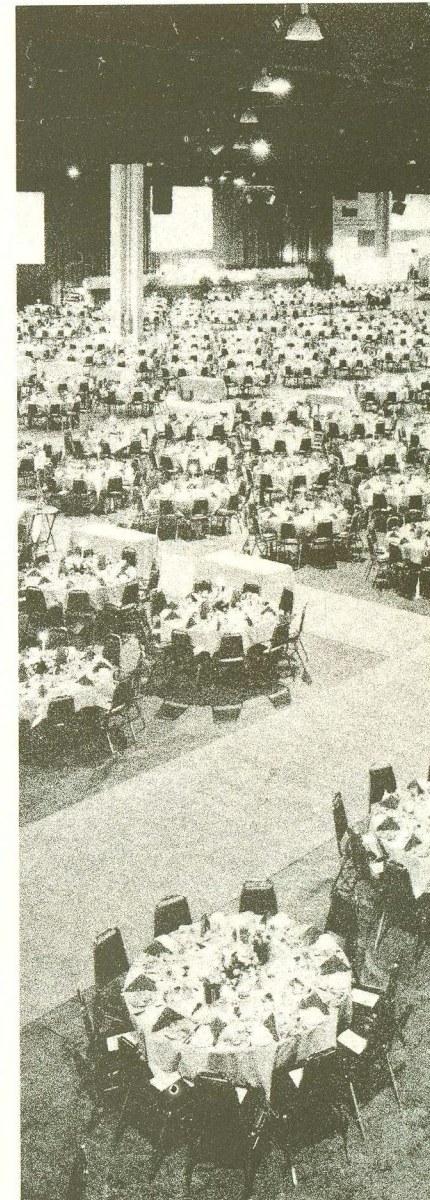
MGR's commitment to outstanding service is reflected in its record growth over the years. Creative menus, magnificent food displays and innovative service ideas have been the key to MGR's success as an industry leader.

For MGR, fiscal year 1988-89 was one of exceptional achievement. Net income increased 42% over the previous year and totaled \$3,403,476. This past year's calendar of large trade shows along with the Democratic National Convention set the pace for record earnings. Furthermore, a targeted sales effort has helped MGR optimize concession revenues as well as the peripheral market of trade show exhibitors.

Food and beverage revenues derived from corporate business also continue to flourish as more companies in Atlanta book meeting rooms and the ballroom for special events, receptions and grand banquets ranging in size from 20 to 7,000 persons.

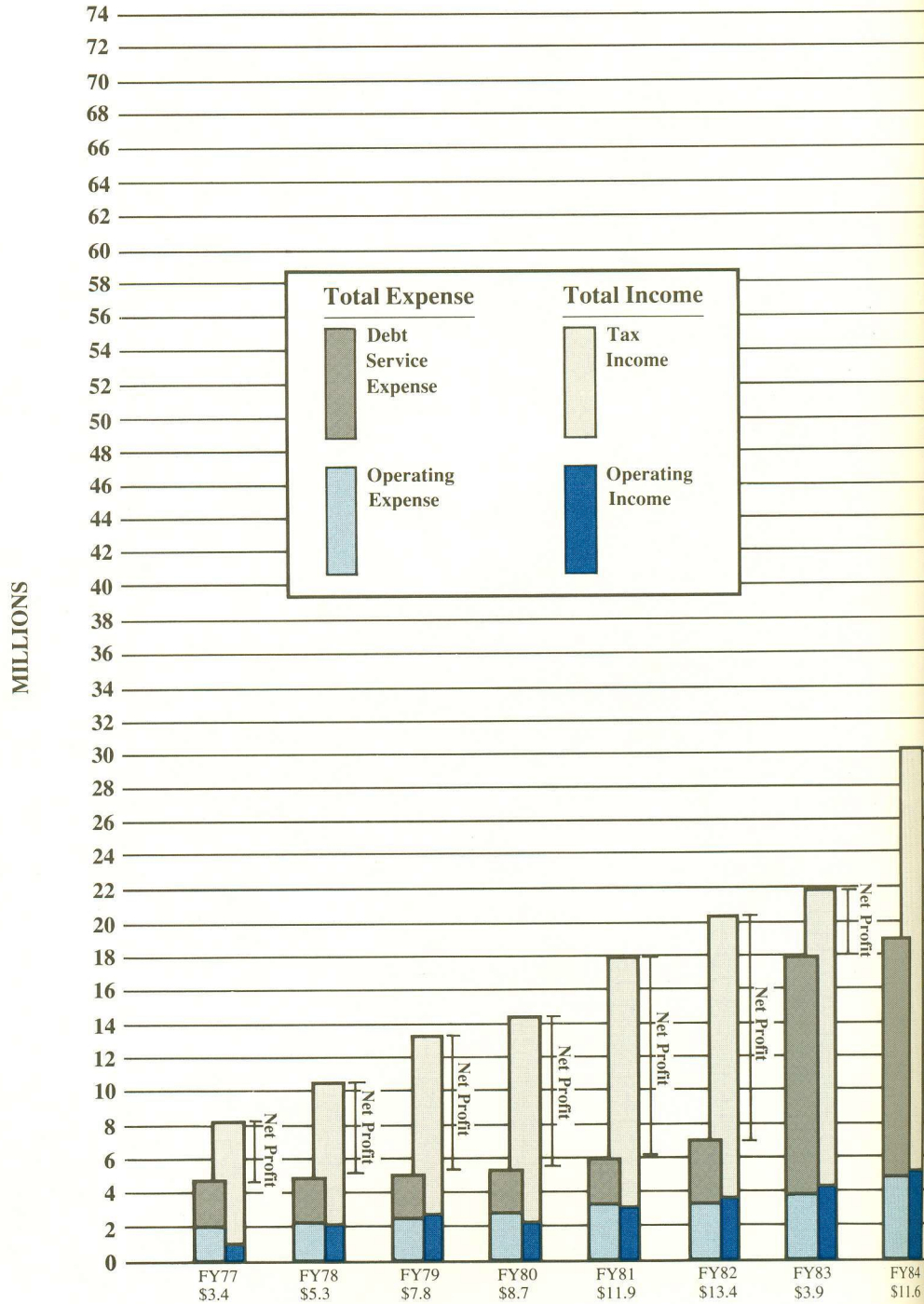
MGR is unique in the convention industry in that its employees and services are all in-house. MGR operates a bake shop, designs its own floral bouquets and arrangements and operates an internal laundry department to insure crisp linens. MGR caters to concession areas in the exhibit halls and all other permanent facilities in the Georgia World Congress Center. It also offers an a la carte menu and buffet in The Terraces, a full-service restaurant which seats 350. MGR employs 120 permanent staff and over 400 part-time employees.

	<u>FY 1987-88</u>	<u>FY 1988-89</u>
INCOME		
Beverage Sales	\$6,587,842	\$8,271,077
Miscellaneous	\$1,207,884	\$1,611,732
	156,118	184,962
TOTAL INCOME	\$7,951,844	\$10,067,771
EXPENDITURES		
Cost of Sales (Product)	\$1,883,273	\$2,335,339
Wages, Salaries & Related	2,366,924	2,710,498
Other Operating Expense	1,245,533	1,618,458
TOTAL EXPENSE	\$5,495,730	\$6,664,295
NET INCOME	\$2,456,114	\$3,403,476
DIVISION OF NET INCOME		
MGR, Inc.	\$270,611	\$320,173
Georgia World Congress Center	2,185,503	3,083,303

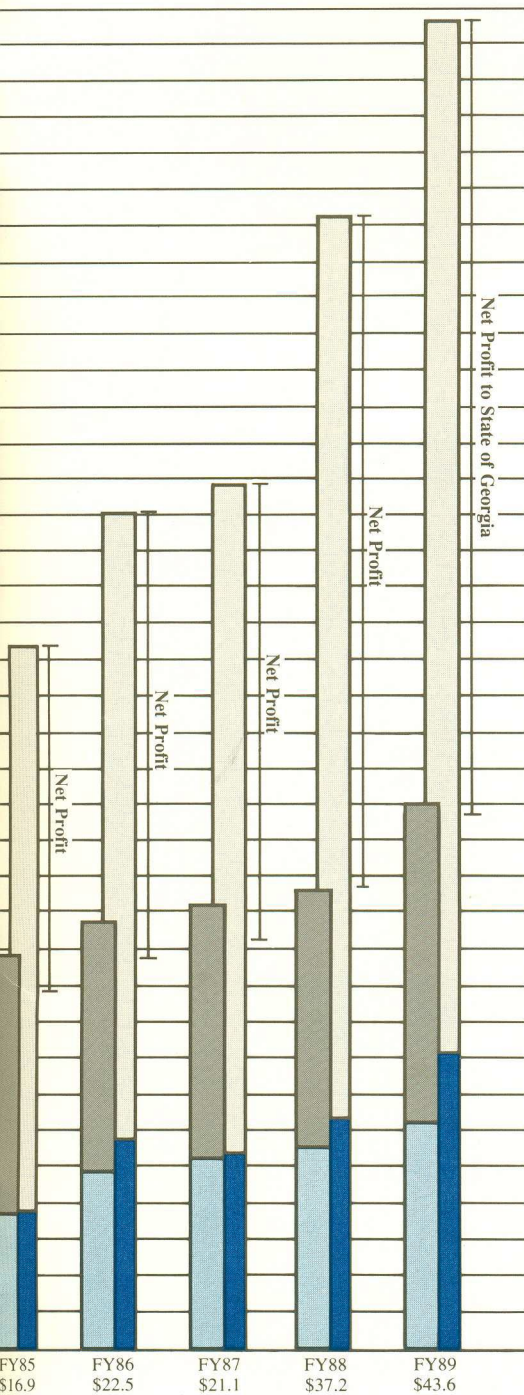


State Of Georgia Economic Benefits Summary

"During 1988-89, over \$598 million new dollars were generated from Georgia World Congress Center activity."



Net Profit to State of Georgia In Millions



When exhibitors and delegates from around the world visit the Georgia World Congress Center in Atlanta, they not only bring the latest products and knowledge in their respective fields, but also transport millions of dollars into the State's economy.

During the average convention stay of 4.25 days, a conventioneer spends money in hotel rooms, restaurants, entertainment venues and retail shops and fuels the local economy with "new money." Exhibitors and show management firms also patronize local and regional companies for many convention services such as transportation, decorating and furnishing needs, communication services and service personnel.

During FY 1988-89, \$598,511,937 new dollars were generated from Georgia World Congress Center activity. As this money circulated, a rollover effect of about two times the original amount occurred and produced a "total economic impact" amount of \$993,529,815.

The millions spent while attending trade shows and conventions translates into huge tax benefits for the State of Georgia. More than 1.3 million visitors generated over \$40 million in new tax revenues.



Economic Impact

"The millions spent while attending trade shows and conventions translates into huge tax benefits for the State of Georgia."

CATEGORY	"NEW DOLLAR" IMPACT	SECONDARY IMPACT	TOTAL ECONOMIC IMPACT
Personal Income	\$110,724,708	\$256,881,324	\$367,606,032
Retail Sales	487,787,229	138,136,554	625,923,783
TOTAL DOLLARS	\$598,511,937	\$395,017,878	\$993,529,815
Employment	5,468	8,913	14,381
TAXES:			
Retail Sales	\$24,389,361	\$6,906,828	\$31,296,189
Concessions	292,672	--	292,672
Hotel/Motel	16,613,023	--	16,613,023
Personal Income	2,325,219	5,394,508	7,719,727
Corporate Income	521,932	811,286	1,333,218
TOTAL TAXES	\$44,142,207	\$13,112,622	\$57,254,829

Four Year Economic Summary

	FY 1985-86	FY 1986-87	FY 1987-88	FY 1988-89
"New Dollars" Generated	\$412,069,680	\$415,055,028	\$525,031,612	\$598,511,93
Total Impact of New Dollars	\$684,035,669	\$688,991,346	\$871,552,476	\$993,529,815
TAX REVENUES				
Georgia State Taxes	\$28,611,699	\$28,818,271	\$35,674,105	\$40,641,806
Atlanta Hotel/Motel Tax	5,972,774	6,208,471	14,425,939	16,613,023
TOTAL TAX REVENUES	\$34,584,473	\$35,026,742	\$50,100,044	\$57,254,829

Event Attendance

During the Georgia World Congress Center's 13th year of operation, 70 major trade shows, conventions and consumer shows were hosted. In total, 1,302,882 visitors attended major and minor events in the Congress Center. Of this sum, 658,067 were out-of-town visitors, which represents a 13% increase of out-of-town guests over last year.

Total daily attendance was 3,440,861 for FY 1988-89. This number is calculated at 4.25 visits per out-of-town attendee plus one visit for area residents attending seminars and public shows. Divided by 365 days a year, approximately 10,000 people visit the Georgia World Congress Center each day.

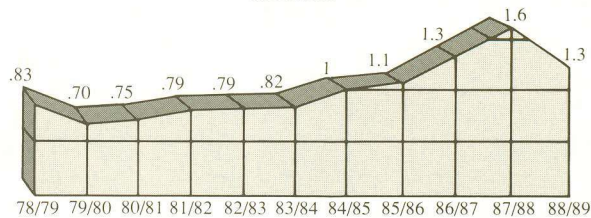
Numerous trade shows and conventions recorded attendance figures of more than 20,000 during the year. These included Church of God in Christ, 47,000; Democratic National Convention, 40,000; International Woodworking Fair, 34,092; National Home Health Care, 25,000; National Association of Home Builders, 66,400; International Poultry Trade Show, 20,274; SGMA Super Show, 80,177; World of Concrete, 28,375; Pittsburgh Conference, 26,741; and the International Fancy Food Show, 21,597.

Several consumer shows reported strong attendance figures as well. These included Atlanta Home Show

Spring Edition, 58,000; Toys for Adults, 30,000; Atlanta Journal & Constitution International Auto Show, 41,502; Boy Scouts of America, 60,000; and the Atlanta Spring Boat Show, 52,795.

TEN YEAR ATTENDANCE SUMMARY

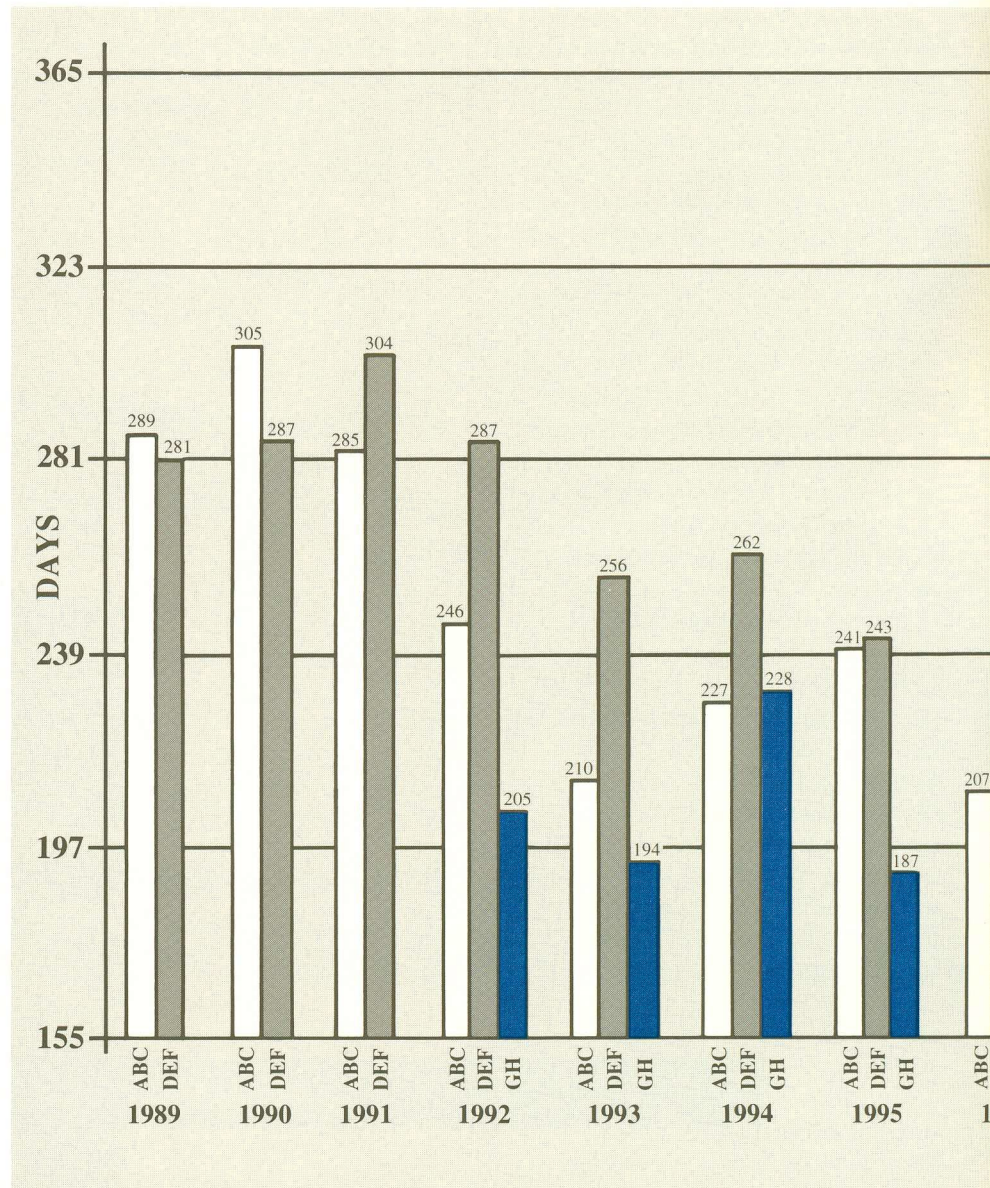
In Millions



	FY 1984-85	FY 1985-86	FY 1986-87	FY 1987-88	FY 1988-89
Attendance	1,066,641	1,091,708	1,343,821	1,622,477	1,302,882
"Out of Town" Attendance	520,300	593,740	598,062	577,275	658,067
Total Daily Attendance	2,757,616	3,021,363	3,287,522	3,498,621	3,440,861
"Total Daily Attendance" is calculated at 4.25 visits per out-of-town attendee plus one visit for area residents attending seminars or public shows.					

GWCC Sales Graph

"The Georgia World Congress Center is booked at 94% of its practical maximum occupancy for the next five years and 83% through the year 2000."



Practical Maximum Bookings = 285 days

Absolute Maximum Bookings = 365 days

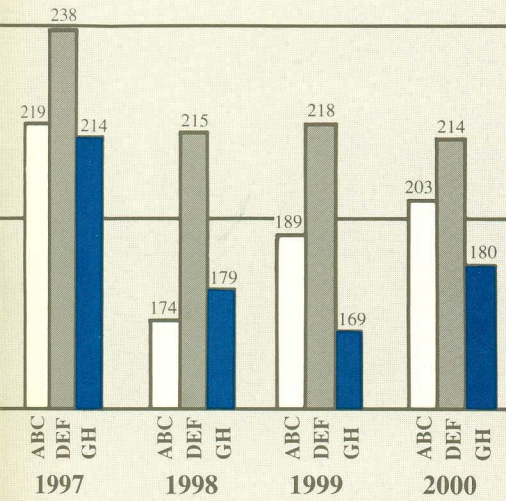
□ Exhibit Halls ABC

■ Exhibit Halls DEF

■ Exhibit Halls GH

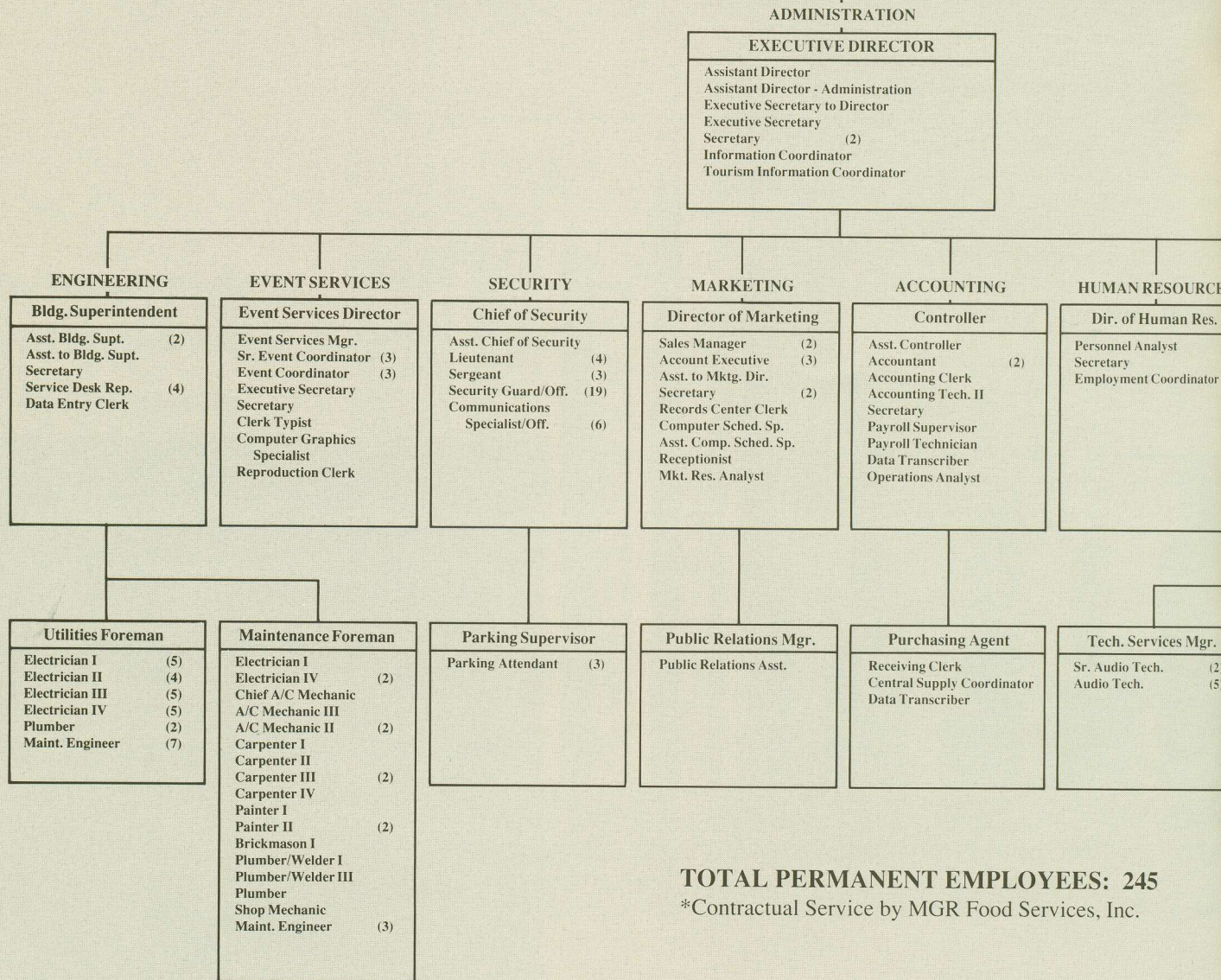
An "Exhibit Hall Day" is equivalent to all space booked in either exhibit halls ABC, DEF or GH for one full day.

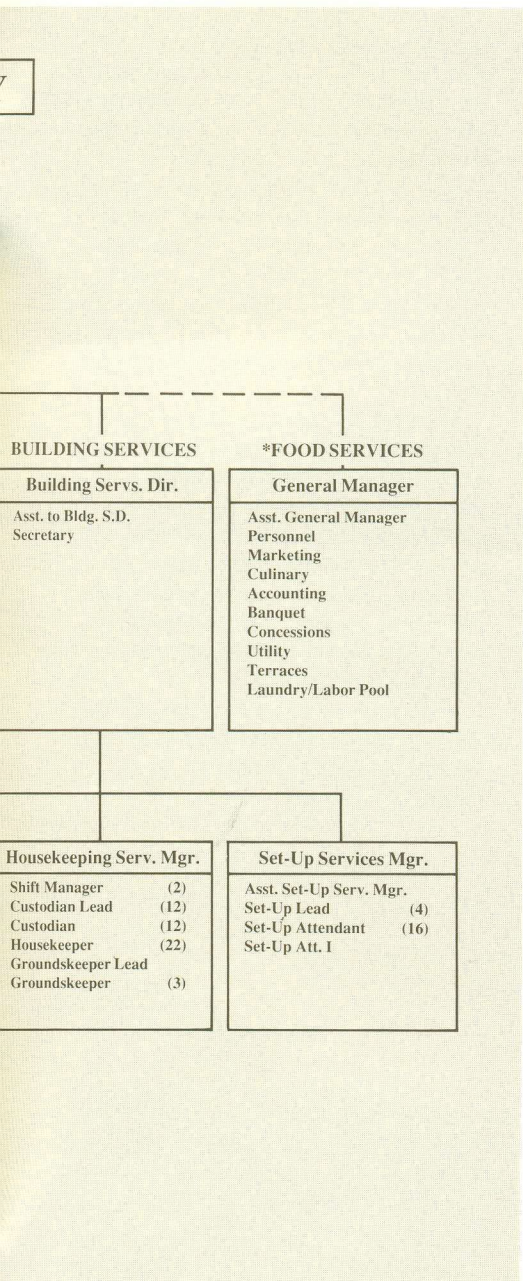
"Practical Maximum Bookings" are equivalent to all exhibit hall space booked for 285 days. This number takes into account national holidays, weak seasonal periods in July, August and December, plus three days per month for scheduling gaps between major trade shows.



Organizational Chart

GEORGIA WORLD CONGRESS CENTER AUTHORITY





BOARD OF GOVERNORS

- John E. Aderhold, Chairman**
 President
 Rayloc
 Atlanta, Georgia
- James S. Livingston, Vice Chairman**
 Chief Executive Officer
 The Central Bank
 Swainsboro, Georgia
- Joseph W. Robinson, Sr., Secretary**
 President
 J. W. Robinson & Associates, Inc.
 Atlanta, Georgia
- Emily May Richards, Treasurer**
 President
 The Richards Group, P. C.
 Atlanta, Georgia
- Jack H. Cole**
 President
 Cook & Ingle Plastics, Inc.
 Chatsworth, Georgia
- I. Owen Funderburg**
 President
 Citizens Trust Bank
- Perry Hudson**
 State Senator, Retired
 Hapeville, Georgia
- Don W. Sands**
 President and Chief Executive Officer
 Goldkist
 Atlanta, Georgia

LEGISLATIVE OVERVIEW COMMITTEE

- Senator Jim Tysinger, Chairman**
 District 41
 Atlanta, Georgia
- Representative Helen Selman, Vice Chairman**
 District 32
 Palmetto, Georgia
- Senator Paul C. Broun**
 District 46
 Athens, Georgia
- Representative Roger Byrd**
 District 153
 Hazelhurst, Georgia
- Senator John C. Foster**
 District 50
 Cornelia, Georgia
- Representative Lauren McDonald**
 District 12
 Commerce, Georgia

Staffing and Labor Force Analysis

At the end of fiscal year 1988-89, the Georgia World Congress Center employed 235 full-time employees. In addition, 160,631 hours of part-time labor was utilized, which is equivalent to 56 full-time personnel at 40 hours a week. This supplemental labor force enables the Congress Center to balance labor requirement peaks and valleys created by large events.

The Georgia World Congress Center's staff continues to draw praise from the convention industry. With a service-oriented approach, employees focus meticulous attention on each event insuring that every trade show and convention management firm will want to return to Atlanta to host its event. In its 14th year of operation, the Congress Center prides itself in the number of veteran employees on staff. During the past year, 20 employees received five-year service awards and six employees were honored with ten-year awards.

Excellence in service stems from many programs developed and implemented by the Human Resources Department. In 1988, supervisory training programs were offered to enhance interpersonal and managerial skills. In addition, Engineering personnel participated in several seminars and attended technical schools to update their skills in state-of-the-art systems.

During the past two years, Congress Center Security personnel have attended a six-week training program at the Regional Police Academy to learn about criminal law, laws of arrest, fire arms training and accident investigation. Certified officers are required to continue training for four hours each month. Other instruction during fiscal year 1988-89 included a police baton PR-24 training course for all Security personnel. The 16-hour course offered instruction in defensive tactics.

In April, the Georgia World Congress Center co-sponsored Techniques for Effective Alcohol Management (TEAM) Seminar for facility managers in the southeast. Representatives from the Congress Center and MGR, Inc. participated to learn how facilities can best train employees about alcohol service policies and liabilities.

Self-help seminars including CPR training and a stop-smoking seminar complemented programs set up by Human Resources.

Analysis of Current GWCC Work Force

	Male		Female	
	Caucasian	Minority	Caucasian	Minority
Number	74	90	37	34
Percentages	32%	38%	16%	14%

Analysis of Metropolitan Atlanta Area Work Force

	Male		Female	
	Caucasian	Minority	Caucasian	Minority
Number	513,252	129,057	381,423	133,921
Percentages	44.3%	11.1%	33%	11.6%

Source: Labor Resource Information State Department of Labor

Georgia World Congress Center
285 International Blvd., N.W.
Atlanta, Georgia 30313-1591
(404) 656-7600