

A UNIQUE CITY
A UNIFIED CITY





**ONE PASSION
ONE REASON**

Of all the major North American cities, Montréal ranks among the top, not only for economic activity, quality of life and cultural effervescence, but also for its multitude of attractions.

It's a city that is ruled by passion... A city that captures the heart and the imagination with its inimitable style and unforgettable experiences. Montréal is a city that has everything it takes to become North America's number one destination for business and leisure tourism.

There's a reason why Montréal is unique. Its leaders and citizens work in synergy to nurture its assets and develop its potential. In Montréal, we come together as ONE!

ONE SPIRIT
ONE DESTINATION

ONE CITY, TWO LANGUAGES
ONE CITY, FOUR SEASONS

A HISTORICAL GEM
A VAST HOTEL NETWORK

A STRONG AEROSPACE INDUSTRY
A LEADING PHARMACEUTICAL HUB

AN AFFORDABLE COST OF LIVING
AN UNFORGETTABLE STAY

A BRIDGE BETWEEN NORTH AMERICA AND EUROPE
A SHORT DISTANCE FROM THE EASTERN AMERICAN SEABOARD

A SLICE OF EUROPE
A GOURMET DINING DESTINATION

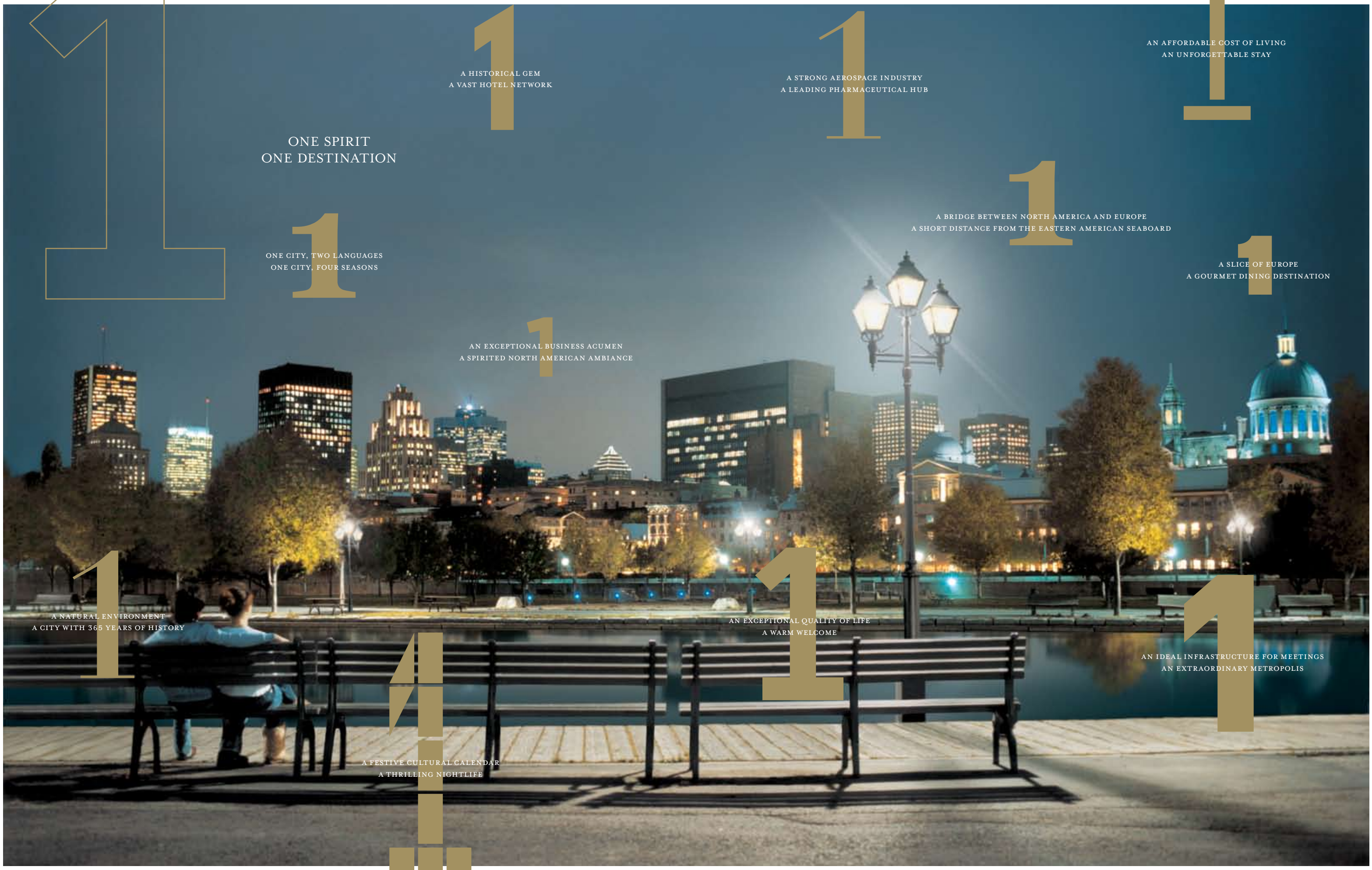
AN EXCEPTIONAL BUSINESS ACUMEN
A SPIRITED NORTH AMERICAN AMBIANCE

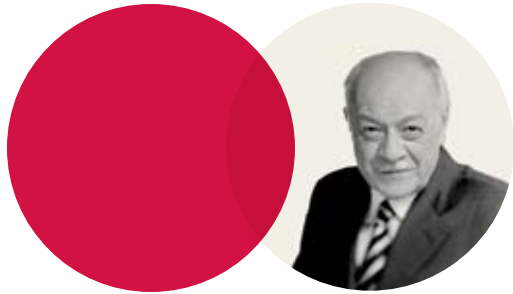
A NATURAL ENVIRONMENT
A CITY WITH 365 YEARS OF HISTORY

AN EXCEPTIONAL QUALITY OF LIFE
A WARM WELCOME

AN IDEAL INFRASTRUCTURE FOR MEETINGS
AN EXTRAORDINARY METROPOLIS

A FESTIVE CULTURAL CALENDAR
A THRILLING NIGHTLIFE





Charles Lapointe

PRESIDENT AND CEO



Jacques Parisien

PRESIDENT, BOARD OF DIRECTORS

The year 2006 was rich in initiatives which, we hope, will invigorate Montréal's tourism industry and help build a promising future.

Throughout the year, Tourisme Montréal not only fully revamped the creative approach to its brand image, but also stepped up its promotional efforts in several markets and began exploring others for the first time. In addition to increasing its sales and promotion staff, Tourisme Montréal began upgrading its technological platform, an initiative intended to bring the organization to the vanguard of a vital sector of tourism promotion.

Though the accomplishments of Tourisme Montréal team and its partners are laudable, they were not enough to turn the tide and set Montreal's tourism industry back on the track of growth. The anaemic growth reported in 2006 and the outlook for 2007, which notably predicts a sizeable decline in convention tourism, demand concerted action by all the stakeholders. This is why in 2006 Tourisme Montréal launched a vast mobilization campaign to invite all public and private stakeholders to channel even more energy to developing and to enhancing the quality of Montreal's tourism product.

Similar to its main Canadian competitors, Montréal must gear up its activities if it wants to remain one of the most popular destinations on the continent. To achieve this, Tourisme Montréal plans to promote growth-generating projects in the years to come. The accelerated development of the Quartier des Spectacles, to encourage the hosting of major festivals year-round, the redevelopment of the Old Port and the implementation of projects proposed by the Société du Havre, the expansion of museums, including the Montréal Museum of Fine Arts, the Pointe-à-Callière Museum and the Contemporary Art Museum, the choice of a location for a world-class exhibition centre and a rapid rail link between downtown and the Montréal-Pierre-Élliott Trudeau International Airport are the key priorities that Tourisme Montréal is promoting to industry stakeholders over the next few years.

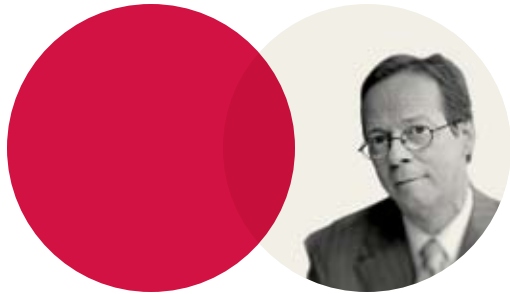
While Montrealers can be rightfully proud of the uniqueness of their city, a slice of Europe in North America that celebrates life passionately, many look forward to seeing the city revitalized by projects that portend a bright future.

One vision

To make Montréal the premier four-season urban destination to celebrate unique, world-class experiences.

One mission

To provide leadership in promotion and hospitality in order to position Montréal on the business and leisure travel markets. To create business opportunities for our members and socio-economic benefits for the region. To develop Montréal's tourism product according to the ever-changing conditions of the marketplace.



François Goulet

EXECUTIVE
VICE PRESIDENT

Although the 2006 results were slightly below expectations, Montreal's tourism industry sustained the upswing that began in 2005. The growth in international and Canadian clientele and the choice of Montréal as host of major conventions, including the ASA (American Sociological Association), NAFSA (Association of International Educators), the GFOA (Government Finance Officers Association), the Liberal Party of Canada, Kiwanis International and the World Outgames, to name a few, generated over 100,000 room nights, once again shielded the city from the adverse effects of the steady downturn in the American clientele.

In a climate marked by difficult recovery, Tourisme Montréal pursued the second year of its 2005-2010 strategic plan. Not only did it continue upgrading its technological platform, conduct several campaigns, including one in China, and increase its sales staff, but the organization continued to implement and refine its new creative approach as well as promotional tools and strategies introduced during the previous year to optimize its performance in 2007.

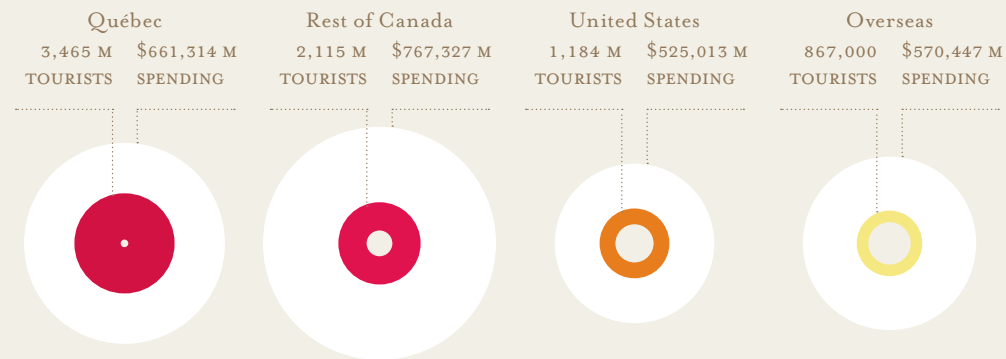
This plan, carried out in partnership with our advertising and media agencies, calls for significant changes in direction in 2007. Various scenarios were created to reinforce the destination's brand image, to highlight "what to do" in Montréal and to make our city truly irresistible. Backed by large-scale, on-site public relations campaigns by well-known firms hired by Tourisme Montréal, advertising efforts in 2007 aim to ensure a permanent brand presence and increase Web traffic to record volumes. High-impact campaigns can enhance the visibility of major events, while the media strategy can be reviewed in order to emphasize events and the Web, an indispensable tourism marketing tool.

In addition to reinforcing brand and strategies, Tourisme Montréal will review resources allocated to soliciting multi-hotel conventions and will take measures to optimize performance in this area.

Developing powerful tools and campaigns requires the cooperation of dynamic partners who are willing to invest in offers that will outshine the competition. In 2006, Tourisme Montréal gained the support of several firms, including first-time partners British Airways and American Express Mexico. In 2007, Tourisme Montréal plans to intensify and diversify its partnerships by taking on non-traditional partners, thus providing a new impetus to revitalizing an industry so vital to Montréal's future.

Tourism performance 2006

- Out of a total of nearly 14.5 million visitors, Montréal hosted 7.6 million tourists (stay of 24 hours or more), for an increase of 2.3% from 2005.
- Tourism spending (stay of 24 hours or more) surpassed \$2.5 billion in 2006.
- The hotel occupancy rate increased by 0.5 percentage points to reach 68%. The number of available rooms was 3.7% higher than in 2005. The number of rooms occupied rose by 4.4% since 2005.
- The average hotel room rate was \$140.60, edging up 0.1% from 2005.
- Overall, the Montreal tourism industry sustained 80,250 jobs in 2006.



Key indicators for 2006

	2005	2006	VARIATION %
Number of tourists¹	7,460,000	7,631,000	+2.3
Québec	3,327,000	3,465,000 ●	+4.1
Rest of Canada	2,022,000	2,115,000 ●	+4.6
United States	1,276,000	1,184,000 ●	-5.5
Overseas	835,000	867,000 ●	+4.9
Tourist spending (\$)	2,448,207,000	2,524,101,000	+3.1
Québec	626,741,000	661,314,000 ●	+5.5
Rest of Canada	719,773,000	767,327,000 ●	+6.6
United States	563,088,000	525,013,000 ●	-6.8
Overseas	538,605,000	570,447,000 ●	+5.9

1. Tourists = stay of 24 hours or more

Hotel occupancy rate

	2005	2006	VARIATION %
Summary	67.5%	68%	+0.5pts
Conventions and corporate meetings²			
Number	249	284	+14.1
Participants (thousands)	424,537	285,748	-32.7
Average daily spending (per delegate)	\$369.97	\$380.30	+2.8
Economic spin-offs (millions of dollars)	430	298	-30.7
Montréal-area airport passengers	10,889,054	11,408,804	+4.8
Visitors to tourist attractions (millions)	18.3	18.0	-1.6
Requests at information counters (thousands)	154.9	160.0	+3.3
Tourisme Montréal website visits (millions)	5.9	6.7	+13.5

2. 2005 was an exceptional year for Montréal in terms of international conventions.

Priorities for 2007

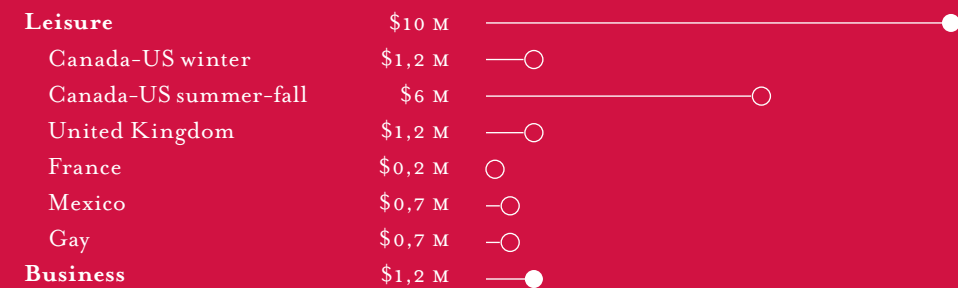
In 2007, Tourisme Montréal is aiming for moderate growth, given the steady decline in the American clientele, which is affecting all of Canada. During the year, Tourisme Montréal plans to intensify its actions in several markets with the support of massive media relations campaigns. In addition, Tourisme Montréal will continue to completely re-engineer its technological platform, particularly its Web site, thus equipping itself with state-of-the-art tools to promote the destination.

Tourism performance

- 7,757,000 tourists³ (growth of 1.6%).
- 3,900,356 room nights (growth of 0.2%).
- 285,000 convention room nights (growth of 7%).
- 12,800 packages sold.
- Occupancy rate of 67.5%.
- 10% increase in visits on to the Tourisme Montréal Web site.
- 103,000 direct reactions from Internet users (leads) related to campaigns.

Brand image

- Align the creative platform with results and new strategies.
- Modify the media placement strategy and explore new avenues.
- Examine the possibility of reinforcing the brand image strategy and the Web and event approach.
- Boost investment and review the strategic approaches based on results:



- Initiate press relations in New York, Mexico, London and Paris.
- Reopen discussions with Air Canada, the Canadian Tourism Commission and other partners for additional campaign financing.

3. Stay of 24 hours or longer

Convention organization

- Form an industry work committee to maximize performance in the multi-hotel conference sector.
- Recruit two sales managers in the USA.
- Focus on the Meeting Professionals International (MPI) convention to be held in Montréal in 2007.
- Convert promotional concepts into sales actions.
- Establish a communications plan for influential local members of associations and businesses to stimulate convention organization in Montréal.
- Enhance synergy and renew memorandum of understanding with the Palais des congrès de Montréal (Montréal Convention Centre).
- Optimize use of the Passkey event management system.
- Finalize programs for conventions in 2010 and following years with the objective of 335,000 room nights for 2010.
- Intensify media relations.
- Develop the sports tourism segment.
- Become a member of the Québec Association of Convention Bureaus (QACB) to develop the intra-Québec market.

Technological platform

- Implement the Enterprise Content Management (ECM) system.
- Revamp the Web site.
- Complete the installation of the Passkey system.

Human and financial resources and management systems

- Follow up on the Mercer performance management program.
- Oversee the call for tenders for Web hosting.
- Upgrade the VIRTUO accounting software.
- Recruit new sales resources.
- Following a growth period fuelled by additional tax revenue, review all positions and envision optimal use of resources.

Partnership

- Consolidate traditional partnerships and revive the partnership with France.
- Form non-traditional partnerships.
- Support large-scale events.
- Stimulate development of growth-generating projects (Quartier des spectacles, renewal of Old Port, expansion of museums, international exhibition centre).
- Review membership policy for the next generation of the Web.



Carmen Ciotola

VICE-PRESIDENT
COMMUNICATIONS AND MARKETING

Launching a new creative platform that will impact all of the promotional and advertising initiatives at Tourisme Montréal is undoubtedly one of the highlights of 2006.

Produced in concert with the agency SID LEE, this new approach to brand image retained for both the leisure and business travel markets underscores Montréal's unique duality: a destination that combines the sensual, epicurean, refined and romantic with efficiency, dynamism and open-mindedness. Taking its cue from this advertising revitalization, Tourisme Montréal also completely revamped its promotion and hospitality tools, in tandem with its new publisher, EFF Communication Marketing.

Since April 2006, the new colours of the Montréal destination have been advertised throughout the Canadian and North American markets. To promote leisure and business travel, Tourisme Montréal and its partners invested nearly \$10 million in these clienteles and markets in 2006, along with new targets such as Mexico, United Kingdom, France and China.

To maximize the impact of its future advertising campaigns, Tourisme Montréal recruited media relations specialists in London, Paris, New York and Mexico last year. These specialists are responsible for promoting the destination in national leisure and business travel media and for encouraging representatives of these media to visit Montréal. The new media relations force will also be on the lookout for events that show promising marketing potential for the destination.

Lastly, in 2006 Tourisme Montréal enlisted the Québec firm Cactus.net to restructure its information management system. A Microsoft Gold certified partner, Cactus.net will not only make content dissemination easier, but will also make it compatible with systems that include Palm Pilots and cellular telephones, thus meeting the needs of all Tourisme Montréal's clienteles. Tourisme Montréal also retained the services of the consortium SID LEE/Cactus.net for the complete redesign of its Web site, a project for which \$1.5 million will be allocated.

In order to develop a communication strategy adapted to an environment where new players must compete with traditional media, it is crucial to offer Internet users a state-of-the-art Web site that will make the "à la Montréal" experience even more tangible. In addition, building on our watch network for the virtual community associated with Web 2.0 will be a major challenge for Tourisme Montréal in 2007.

Promotional campaigns

- Conducted a business campaign for decision-makers valued at over \$1.6 million, which featured a refund based on the number of room nights used by delegates, and deployed via a media plan that integrates both Web and printed materials.
- Implemented an innovative gay campaign valued at \$500,000, to support the Outgames, with a view to propelling the city to the ranks of the leading gay-friendly destination in North America. It targeted the Boston and New York markets primarily.
- Deployed leisure campaigns for the summer, fall and winter (valued at \$7 million) on the Canadian and American markets which showcased the "Sweet Deal" package, featuring a panoply of media and public relations activities.
- Carried out an innovative campaign worth over \$1.5 million on the British market, spanning into 2007. Its strategy is to maximize use of new media, through an exceptional partnership with British Airways.
- Rolled out a campaign of over \$600,000, on the Mexico market, in partnership with Tourisme Québec, Air Canada and AMEX. Continuing into 2007, the campaign proposes a new product to an emerging clientele through an information microsite and a calendar of business activities tailored to the traditional distribution network.

Membership

- Recruited 72 new members (141 requests processed).
- Implemented a new management policy for membership and procedures as part of request processing and follow-up. Reviewed membership renewal procedure. Conducted survey on needs and satisfaction with services offered.
- Reviewed rate chart and defined categories. Reviewed internal and external forms.
- Updated agreement between Tourisme Montréal and EFF Communication Marketing with regard to recruitment of members in the "restaurants and boutiques" categories.
- Reviewed member content and added sections to the member newsletter: member profile, monthly calendar of upcoming business activities, "Montréal in the media" section, etc.
- Formulated a space management policy for display stand rentals at the Tourist Welcome Office in Old Montréal, introduced new display unit to highlight events and Grands Prix du tourisme québécois winners.
- Reviewed membership policy and defined destination management and professional meeting planner categories.
- Organized events for members (Christmas party, golf tournament, Grands Prix du tourisme québécois).

Leisure market

- Landed the IGLTA (International Gay and Lesbian Travel Association) Convention in Montréal scheduled for May 2007.
- Welcomed 703 multipliers—tour operators and travel agents—to Montréal.
- Participated in 32 specialized tourism shows and fairs.
- Organized the Active America tourism show in Montréal, which was attended by 54 Japanese tour operators.

Press relations

- Recruited media relations firms in the United Kingdom, United States and Mexico.
- Organized 7 press tours and over 20 tours initiated by partners.
- Welcomed and assisted 16 national and international film crews for a total of 710 journalists, photographers and various technicians.
- Received exceptional coverage in mass magazines such as Gourmet, Eat Magazine, En Route, National Geographic Traveller, l'Officiel Voyage and Design Diffusion News, and mentioned in over 1,000 articles in the national and international press.
- Replied to more than 800 written requests from media from around the world.
- Published 12 monthly issues of Montréal Behind the Scenes and Hot Happening and New (HHN) a quarterly newsletter designed for specialized media.

Promotional
campaigns



\$7-MILLION LEISURE
CAMPAIGN FOR SUMMER,
FALL AND WINTER

Membership



RECRUITED
72 NEW MEMBERS

Leisure
market



WELCOMED 703 MULTIPLIERS
— TOUR OPERATORS
AND TRAVEL AGENTS —
TO MONTRÉAL

Press
relations



RECRUITED
MEDIA RELATIONS FIRMS
IN THE UNITED KINGDOM,
UNITED STATES AND MEXICO



Didier Rabette

VICE-PRESIDENT
BUSINESS MARKET

In 2006, Tourisme Montréal's revitalization of the business market spawned several initiatives designed to help the destination counter the growing downturn of the American business clientele.

Throughout the year, "Team Montréal", which brings together several players from Montréal's convention and meeting industry, undertook three important trade missions to New York, Washington and Chicago. Over 150 meetings took place during these missions which, because of their promising potential, will be instrumental for Tourisme Montréal's strategy in the coming years.

Four people also joined the sales teams in Montréal, Paris and Chicago in 2006. One of the industry's most seasoned managers was appointed Director of Convention Services. She will be in charge of developing attendance-building programs and will manage the on-line housing reservation system.

Differentiating Montréal from its competitors is crucial to Tourisme Montréal's strategy, which is why the organization acquired a powerful, 100% Web-based group reservation system to offer turnkey solutions to meeting planners. The Passkey system, a veritable leader in the field, offers convention organizers detailed reports on convention participation rates, generated in real time 24 hours a day, 7 days a week. Delegates, for their part, can benefit from a simplified and personalized reservation system which offers round-the-clock accessibility.

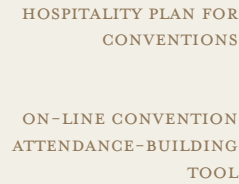
In addition to acquiring this leading-edge technology, Tourisme Montréal also developed a hospitality plan for delegates that foresees the creation of a reception area at the Montréal-Pierre-Elliot Trudeau International Airport, together with an impressive advertising strategy and various promotions in Montréal stores, restaurants and attractions.

Lastly, in 2006 Tourisme Montréal and its partners made a concerted effort to ensure that the next annual convention of Meeting Professionals International (MPI), to be held in Montréal on July 28 to 31, 2007, will be a resounding success. This major gathering of close to 4,000 meeting and event planners from North America and Europe is an extraordinary opportunity to demonstrate that Montréal is one of the best convention cities in North America.



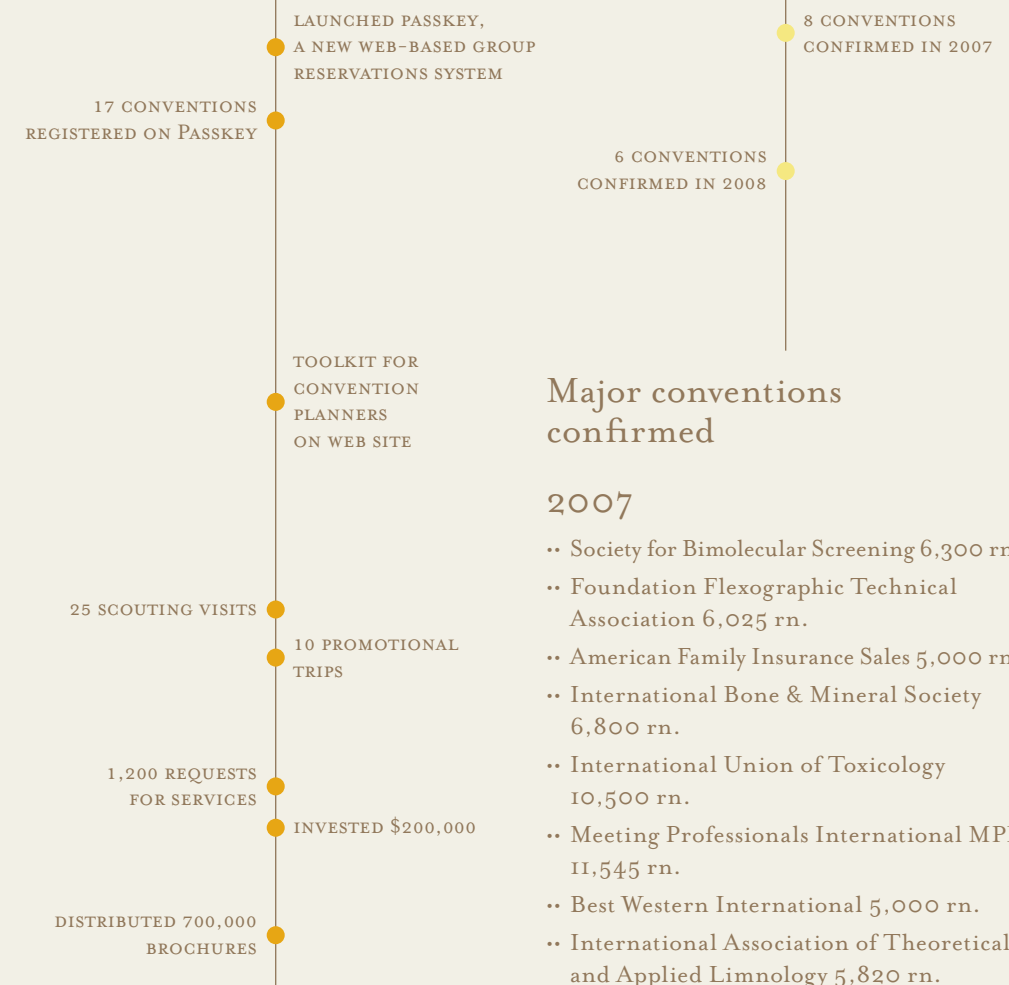
Sales

- 225,000 room nights confirmed for 2006 and coming years.
- 119 scouting visits.
- 14 familiarizations tour (*Eductours*).
- 380,000 potential room nights pending decisions or in development.
- Six trade missions (213 clients) and six events (295 clients).
- Three successful trade missions to New York, Washington, Chicago and Toronto (over 270 meetings for Team Montréal), as part of the 5th year of the business campaign.
- Four new sales managers at Paris, Chicago and Montréal.
- Familiarization tour (*Eductour*) for the F1 Grand Prix of Canada with 12 potential European clients.
- Mailing, which included a financial promotion, sent to over 15,000 meeting planners around the world.
- Developed small and express meetings markets (200 rooms or fewer) to fill years 2006-2009.



Hospitality

- Changed accommodation system with the implementation of Passkey.
- Developed hospitality plan for conventions.
- Implemented an online tool for convention attendance building.
- New satisfaction survey for Meeting Planners.
- Successfully launched MPI WEC 2007 at MPI WEC 2006.



Major conventions confirmed

2007

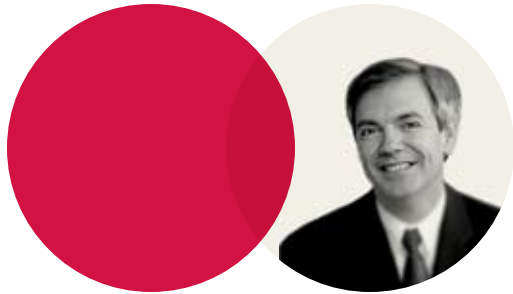
- Society for Bimolecular Screening 6,300 rn.
- Foundation Flexographic Technical Association 6,025 rn.
- American Family Insurance Sales 5,000 rn.
- International Bone & Mineral Society 6,800 rn.
- International Union of Toxicology 10,500 rn.
- Meeting Professionals International MPI 11,545 rn.
- Best Western International 5,000 rn.
- International Association of Theoretical and Applied Limnology 5,820 rn.

2008

- International Committee on Space Research 7,525 rn.
- Massachusetts Mutual Life Insurance Company 6,800 rn.
- American Society for Bone & Mineral Society 14,650 rn.
- United Food and Commercial Workers International Union 14,450 rn.
- National Multiple Sclerosis Society 8,850 rn.
- American Association of Blood Banks 21,476 rn.

Convention services

- Launched Passkey, a new Web-based group reservations system.
- 17 conventions registered on Passkey for a possibility of 12,600 reservations.
- Introduced toolkit for convention planners on Web site.
- Conducted 25 scouting visits and 10 promotional trips.
- Processed 1,200 requests for services.
- Invested \$200,000 to increase delegate participation.
- Distributed 700,000 brochures.



Pierre Bellerose

VICE-PRESIDENT, PUBLIC RELATIONS
RESEARCH AND PRODUCT DEVELOPMENT

In 2006, more than ever, promoting research and developing Montreal's tourism product was at the top of Tourisme Montréal's priorities.

With regard to research, the innovative "Indexpérience" project, which had been field tested in 2005, took off in 2006. The project, which was able to measure the quality of the Montréal visitor experience for the first time, is unanimously perceived as a major step forward in this area of research. It was presented during several international forums, including the meeting of the highly prestigious Tourism Travel Research Association held in Dublin in June 2006.

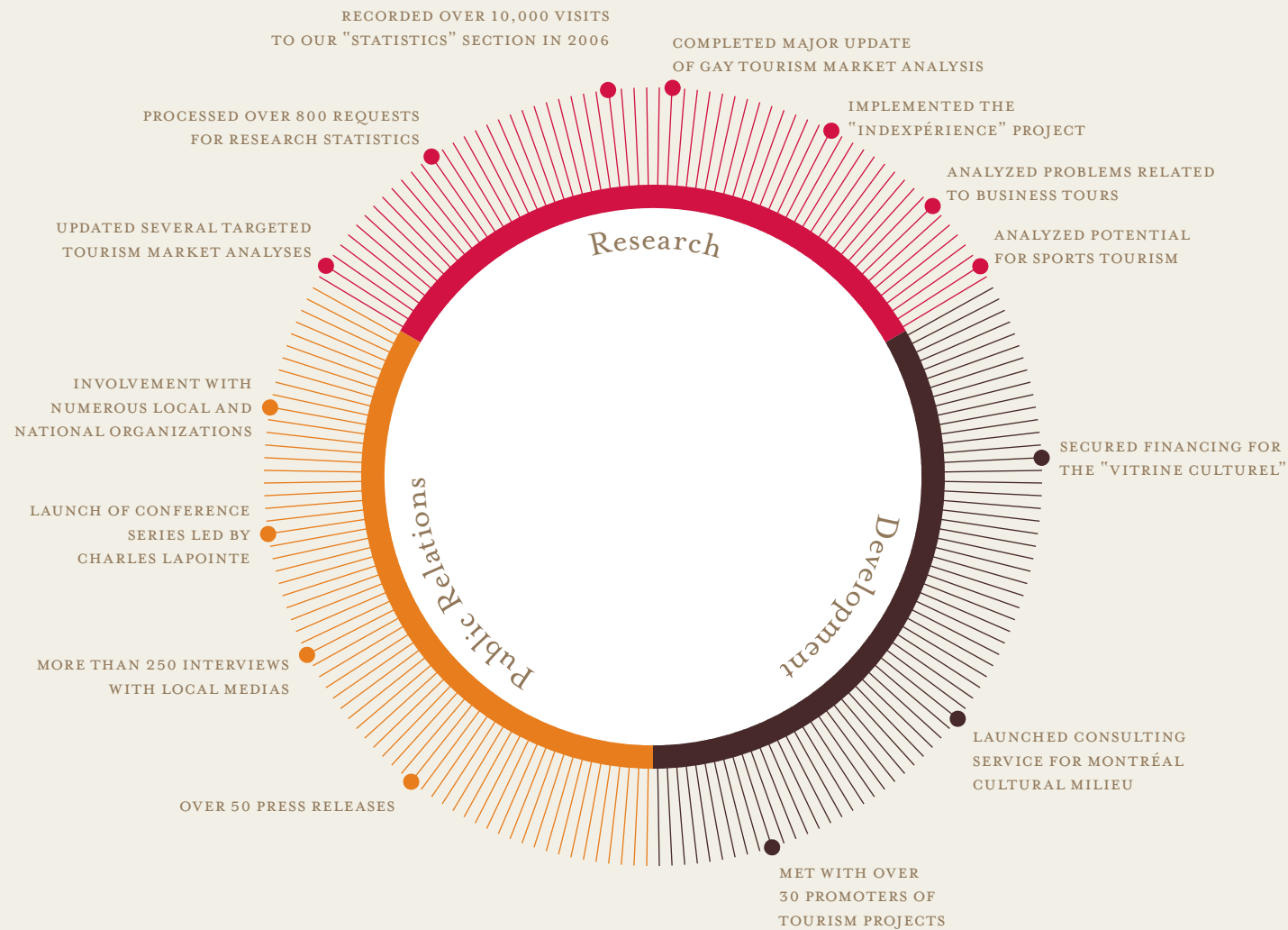
As for product development, after several years of canvassing, Tourisme Montréal finally obtained financing for the Montréal "Vitrine culturelle" (Cultural Showcase) in 2006. This project, a Tourisme Montréal initiative, should significantly broaden the scope of Montreal's cultural industry. For example, the Montréal "Vitrine culturelle" will enhance the dissemination of information on cultural activities in Montreal and will enable tourists to access a centralized outlet for last-minute ticket sales.

Similar to urban tourism, cultural tourism witnessed impressive growth around the world. This is why Tourisme Montréal continued to focus on revitalizing this promising sector for Montreal tourism in 2006. The three-year agreement signed with the Ministère de la Culture et des Communications du Québec allowed us to recruit a project manager and launch a consulting service dedicated to the Montreal cultural sector.

Another crucial aspect of Tourisme Montréal's mission is to play a leading role and to defend the interests of Montréal's tourism industry members. In 2006, the president of Tourisme Montréal embarked on an extensive round of conferences to bring attention to the major challenges and stiff international competition the industry faces over the short and medium term.

In the past year, Tourisme Montréal was called on to play a pivotal role in the international tourism scene. At a meeting in Berlin in March 2006, Tourisme Montréal was elected chair of the Destinations Council of the prestigious World Tourism Organization. Thanks to its involvement within this UN-affiliated organization, Tourisme Montréal coordinated the founding of the World Centre of Excellence on Tourism Destinations, which will begin operations in Montréal in 2007.

Buoyed by these achievements, Tourisme Montréal plans to promote other growth-generating projects in 2007 and remain on the vanguard of research, thus contributing to developing a quality product, which will be essential to counter escalating competition.



Research

- Updated several targeted tourism market analyses for Montréal.
- Processed over 800 requests for research results, primarily from Tourisme Montréal members.
- Published research findings on Tourisme Montréal's Web site. Recorded over 10,000 visits to our "Statistics" section in 2006.
- Completed a major update of the gay tourism market analysis.
- Implemented, in partnership with the Société des Casinos du Québec, the ground-breaking "Indexpérience" project, which measured the quality of the visitor experience in Montréal.
- Analyzed problems related to business tours in Montréal (Backlog).
- Analyzed potential for sports tourism to Montréal.

Public Relations/Government Relations

- Involvement with numerous local and national organizations (chambers of commerce, tourism districts, T.I.A.C., ATR associées du Québec, etc.).
- Charles Lapointe launched a series of conferences at several Montréal forums on the tourism situation in Montréal.
- Conducted more than 250 interviews with local medias.
- Wrote and sent out over 50 press releases and over 40 electronic information capsules to 1,500 subscribers.

Development of the Offer

- Met with over 30 promoters of tourism projects in Montréal in various phases of their business plans to share expertise or form ties with a partner.
- Recruited a resource and launched a consulting service for the Montréal cultural milieu as part of a three-year agreement signed with the Ministère de la Culture et des Communications du Québec for the development of cultural tourism in Montréal.
- Secured financing for the "Vitrine culturelle" which, notably, offers a centralized outlet for selling last-minute tickets to tourists.



Marie Gilmore

VICE PRESIDENT, FINANCE
ADMINISTRATION AND HUMAN RESOURCES

From a management standpoint, 2006 was a stimulating year for Tourisme Montréal, characterized by excellence.

In December 2006, Tourisme Montréal became the first Canadian organization to earn the highly prestigious certification by the Destination Marketing Accreditation Program (DMAP), a renowned international standard for quality and performance in tourism marketing. As part of the certification process, Destination Marketing Association International assessed all sectors of Tourisme Montréal, from human and physical resources management to the sales department, advertising campaigns, brand image, the technological and creative platform, product development and innovation.

Concurrently, Tourisme Montréal conducted, in partnership with the Mercer firm, an extensive employee survey, which precisely measured employees' commitment to the company and its objectives. According to the Mercer consultants, the data revealed by the survey, in which nearly 90% of employees participated, is remarkable in several respects: 75% of respondents identified at least three of Tourisme Montréal's four principal orientations, 79% indicated a strong sense of belonging to the organization and 93% said they were proud to work for Tourisme Montréal.

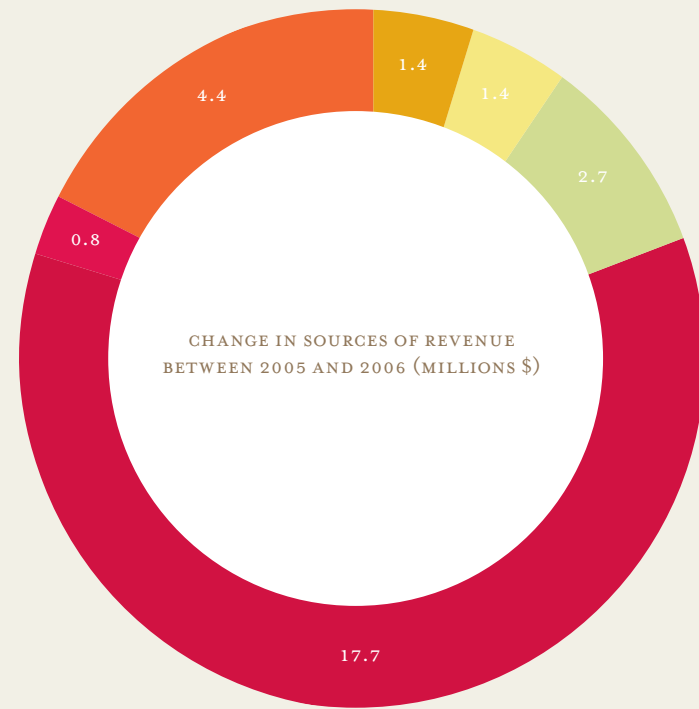
Bolstered by this enviable support, Tourisme Montréal launched several other initiatives in 2006 that were well received by the whole team. They included an improved performance management system that specifies not only the objectives to attain but also the requisite training and approaches; an employee manual and an orientation manual for new employees. Tourisme Montréal recruited nine new employees in 2006 and created five new positions including three were in the sales department.

Implementing the powerful VIRTUO accounting system and reviewing all positions to ensure optimal use of resources are additional steps that will be taken in 2007 to improve administrative efficiency. A powerful team and rigorous management are the pillars of Tourisme Montréal's success.

Financial data

The 2006 fiscal year ended with surplus revenue of \$40,255, bringing members' assets to \$1,816,101.



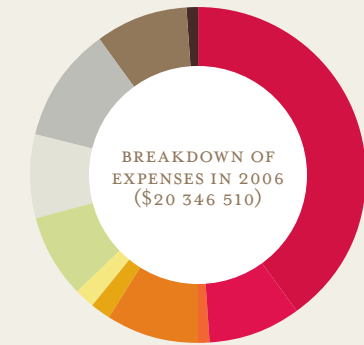
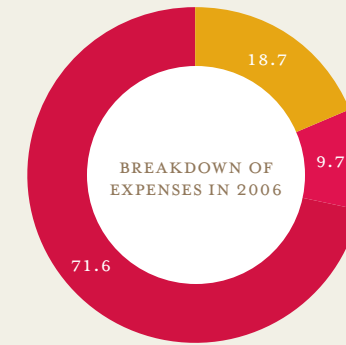


Change in sources of revenue between 2005 and 2006 (millions \$)

	REVENUE 2005	REVENUE 20056	VARIANCE 2005-2006
Ville de Montréal	1.4	1.4 ●	-
Government of Québec	1.8	1.4 ●	(0.4)
Government of Canada	2.9	2.7 ●	(0.2)
Accommodation tax	13.0	17.7 ⁴ ●	4.7
Membership fees	0.7	0.8 ●	0.1
Partnerships	2.4	4.4 ●	2.0
Tax refund	-	-	-
Total revenue	22.2	28.4	6.2

4. The year 2006 is the first complete year of the 3% accommodation tax on room rental income.

Tourisme Montréal's expenses grew by \$6,241,035 in 2006, for a 28.1% increase since 2005.



Breakdown of expenses in 2006

BUDGET ALLOWANCES	TOURISME MONTRÉAL 2006	DESTINATION MARKETING ⁵
Salaries and employee benefits	18.7% ●	33.9%
Operating expenses	9.7% ●	17.0%
Sales, promotion and advertising	71.6% ●	49.1%

Breakdown of sales, promotion and advertising expenses in 2006

ACTIVITY	2006	USE OF THE TAX ⁶
Leisure campaign	\$8,229,445 ●	\$7,137,348
International media relations	\$221,230 ●	\$221,230
Support for events	\$1,680,643 ●	\$1,680,643
Business activities	\$2,208,077 ●	\$2,208,077
Business campaign	\$1,645,687 ●	\$445,691
Support for US and, international conventions and multipliers	\$1,626,746 ●	\$611,370
Convention services	\$432,127 ●	\$432,127
Research, public relations and development	\$376,160 ●	\$335,919
Communications	\$1,868,317 ●	\$1,868,317
Finance, administration and human resources	\$199,064 ●	\$0
Contributions to FINA and the Grand Prix	\$1,859,014 ●	\$1,859,014
Total	\$20,346,510	\$16,799,736⁷

5. Average of Destination Marketing (formerly International Association of Convention and Visitor Bureaus) members according to the "2005 CVB Organizational & Financial Profile Report"

6. Portion of the accommodation tax allotted to the activity

7. Operating expenses: \$884,197

Board of directors

Directors

- Michel Archambault**
Chair in Tourism, UQÀM
- Michèle Bazin**
Vice-President Public Affairs,
Just for Laughs Festival
- Pierre Bibeau**
Senior Vice-President,
Communications and Public Affairs,
Loto-Québec
- Bernard Carignan**
General Manager, AVW-Telav
- Jean-Paul de Lavison**
President, JPdL
- Nicola Di Ciocco**
Vice-President, Development,
Conservus
- Jacques Hamou**
General Manager, Montréal Marriott
Château Champlain
- Suzanne Lareau**
President, Vélo-Québec
- Hubert Marsolais**
Co-owner, le Club Chasse et Pêche
- Richard Payette**
General Manager,
Fairmont Le Reine Elizabeth
- Paul Saint-Jacques**
President and CEO, Société du Palais
des congrès de Montréal
- Denis Vandal**
Director, Communications Marketing
and Brand, Air Canada

Executive committee

- President, Jacques Parisien**
President, Astral Radio
and Astral Affichage
- Vice-president, Michel G. Giguère**
General Manager, Le Centre
Sheraton Montréal
- Secretary, Francine Lelièvre**
Executive Director, Pointe-à-Callière,
Montréal Museum of Archaeology
and History
- Treasurer, Arnold Beaudin**
Director, Strategic Planning, Service
de mise en valeur du territoire
et du patrimoine, Ville de Montréal
- President and CEO, Charles Lapointe**

Decision-making forum

- Chaired by Mr. Gérald Tremblay**
Mayor of Montréal
- Françoise Gauthier**
Minister of Tourism
- Nathalie Normandeau**
Minister of Municipal Affairs
and Regions
- Raymond Larivée**
President, Hotel Association
of Greater Montréal
- Isabelle Hudon**
President and CEO, Chambre
de Commerce du Montréal métropolitain
- Jacques Parisien**
Chairman of the Board,
Tourisme Montréal
- Charles Lapointe**
President and CEO, Tourisme Montréal

The following people
held the positions on
December 31, 2006

- Design
Hero Montréal
- Copywriting
Thierry Holdrinet
- Texts and interviews
Claude Cloutier
communications
- Printing
Quadriscan
- Photos portraits
Jean-François Bérubé
- Cover
1. © Festival
Roger Proulx
 2. © Femme fontaine
Roger Proulx
 3. © Pavé
Roger Proulx
 4. © Patinoire
Megapress
 5. © Terrasse land
Roger Proulx
 6. © Tourisme Montréal
Stéphan Poulin
 7. © Palais des Congrès
Janvier 2002
Christian
Degrandmaison
- Inside cover
1. © Tourisme Montréal
Roger Proulx
- Pages 2 et 3
1. © Skyline été
Roger Proulx
- Page 9
1. © Hotel St-Paul
- Page 15
1. © Lunch
Roger Proulx
 2. © Couple Bonsecours
Roger Proulx
 3. © Festival
Roger Proulx
 4. © Nightlife
Roger Proulx
- This annual report has
been printed on 100%
recycled paper

TOURISME
Montréal

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