

A New



Tourisme Montréal
2007 Annual Report

New Markets
New Influencers
New Expectations
New Offers
New Partners



Tourisme Montréal is turning to new markets. In 2007, increasing numbers of visitors from the United Kingdom, Mexico and France, as well as delegations from China, travelled to Montréal to experience the charms of a unique North American destination.



Faced with the growing influence of blogs and other online networking sites, Tourisme Montréal has taken a new approach. By introducing innovative communication and marketing strategies, it will be able to keep the pulse of what travellers are saying about the destination, quickly disseminate information to the broadest Web audience possible and implement dynamic and avant-garde tools to stay on the leading edge of the tourism industry.



In keeping with today's consumer trends, environmental consciousness now figures among Tourisme Montréal's priorities. In addition to adopting green office practices, the organization intends to mobilize industry stakeholders and initiate concerted action aimed at minimizing the impact of tourism-related activities on our community's physical and social environments.



At a time when competition among destinations has become increasingly fierce and new destinations are entering the field, Tourisme Montréal is stepping up efforts to ensure that grand-scale urban planning projects designed to enhance the city's tourism offer become a reality.



In 2007, the team at Tourisme Montréal welcomed several new members and secured the services of public relations specialists in several key world cities. A new Executive Vice President, a new manager for the Chinese market, new sales representatives and new partners joined the ranks of the organization, thereby broadening overall team expertise.



JACQUES PARISIEN

Chairman of the Board

CHARLES LAPOINTE

President and Chief Executive Officer

A year of change, 2007 was marked by promising breakthroughs which augur well for the future of the tourism industry in Montréal.

Despite the continuing decline in the number of US tourists, Montréal welcomed more visitors in 2007 than in 2006. Prestigious and highly publicized events such as the President’s Cup golf tournament and the Meeting Professionals International convention demonstrated, yet again, to thousands of individuals from around the world that Montréal is a destination of choice for events of international stature.

The inauguration in 2007 of the World Centre of Excellence for Destinations (CED), an affiliate of the World Tourism Organization, is another achievement of which we are justifiably proud. Through this organization and its partner, Heritage Montréal, our city became the first to sign the Geotourism Charter, an initiative spearheaded by the world renowned National Geographic Society. Other positive developments in 2007 included the remarkable progress made by Tourisme Montréal and partners in singularly important files such as the *Vitrine culturelle* and the *Quartier des spectacles*.

Central to the mission of Tourisme Montréal is the development of the city’s tourism supply based on a series of sound partnerships. Accordingly, throughout the year Tourisme Montréal stressed the need for greater involvement by the business community and public authorities in structural projects such as development of the Old Port, as well as expansion of the Montréal Museum of Fine Arts, Montréal Museum of Archaeology and History at Pointe-à-Callière, Cité du Havre and Port of Montréal.

Convincing public and private sector stakeholders to support an industry which generated \$3.5 billion in direct and indirect spinoffs for the Montréal area alone in 2007 is a task which Tourisme Montréal intends to pursue energetically in 2008. For the successes of the past year, we extend our heartiest congratulations to each of the members of the team at Tourisme Montréal. We also wish to pay tribute to François Goulet, Executive Vice President—now retired—who successfully oversaw a number of key files which proved decisive in the recent history of our organization, in particular action initiated by Tourisme Montréal and partners in markets in Mexico and the United Kingdom. And to all Tourisme Montréal partners for their steadfast support and commitment to the development of tourism in the Greater Montréal area, our heartfelt thanks.

To ensure that Montréal is able to sustain its reputation as one of North America’s premier destinations, Tourisme Montréal must, in the year ahead, continue to mobilize all players involved in developing tourism in the Greater Montréal area and take all means necessary to guarantee that our organization remains at the forefront of our industry.

OUR VISION

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

OUR 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.



JOHN C. DUNN
Executive Vice President

In 2007, the majority of the key performance indicators for the tourism industry in Montréal, such as the number of visitors, tourist spending and the number of overnight stays, posted increases over and above initial forecasts.

During the year, Tourisme Montréal and partners orchestrated campaigns in various leisure and business markets. The initiatives undertaken in Mexico, the United Kingdom and domestic markets outside Québec attracted increasing numbers of visitors from each of these regions of the globe. The resulting influx of new visitors helped minimize but did not fully offset the persistent decline in the number of visitors from the USA. Despite dedicated efforts by Tourisme Montréal in US markets, the number of American visitors continued to wane as elsewhere in Canada.

Business market conditions remained challenging in 2007. Although Montréal ranks second in North America, just behind Washington, for hosting international conventions, convention and meeting market performance slowed in 2007. The 2008 forecast for Montréal points to a slight increase over the previous year, but no marked recovery per se.

The revival of this important sector of the tourism industry will entail a number of initiatives in 2008. Tourisme Montréal intends to actively involve Montréal professionals who are members of international associations or business community decision-makers in promoting Montréal as a destination of choice for conventions. Additional sales resources and increased investment in international conventions are on the program for 2008. Tourisme Montréal further plans to finalize a memorandum of understanding with Montréal Convention Centre and renew various partnerships, both public and private, including some less traditional in nature.

Tourisme Montréal is also determined to build on the outstanding success of the World Education Congress of Meeting Professionals International which took place in Montréal in July 2007.

This prestigious event, which set brand-new attendance records, made it possible to promote the attributes of Montréal as a destination with thousands of professional convention organizers and to underscore the exceptional level of professionalism of Montréal's convention sector stakeholders.

In 2008, Tourisme Montréal must also make allowance for a hotel boom which will result in the addition of 2000 new rooms by the fall of 2009. Although this is good news from the standpoint of product renewal, it will be necessary to redouble efforts to sustain the hotel occupancy rate at its current level.

In the year ahead, the team at Tourisme Montréal faces three main challenges: improve destination performance by exploring new markets, seek out and secure productive partnerships, and implement methods for more accurately analysing both performance and return on investment.

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- Out of a total of nearly 14.5 million visitors, Montréal welcomed 7.6 million tourists (duration of stay 24 hours or more), which is to say 1.5% more than in 2006.
 - Tourist spending (duration of stay 24 hours or more) is estimated at more than \$2.6 billion for 2007.
 - Island of Montréal hotel occupancy rate slowed slightly by 0.6% to stand at 67.4%. The number of available rooms increased by 2.8% over 2006, and the number of rooms occupied rose by 2.0%.
 - The average rate charged for a hotel room amounted to \$139.14, a decline of 1.0% from 2006.
 - In total, 73,120 jobs were supported by Montréal's tourism industry across the province in 2007.

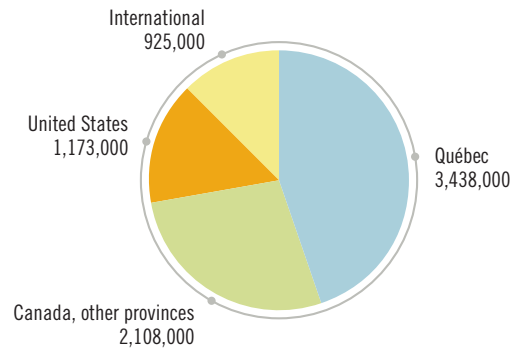
TOURISM PERFORMANCE IN 2007

KEY INDICATORS FOR 2007

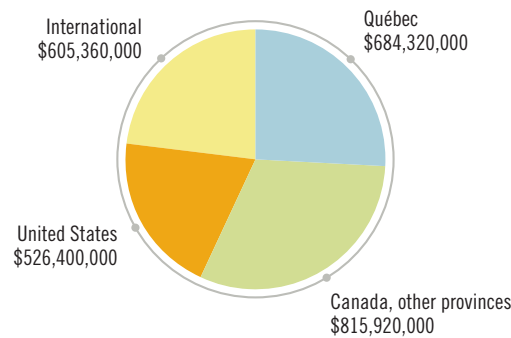
	2006	2007	VARIATIONS %
Number of tourists*	7,533,000	7,644,000	+1.5
Québec	3,367,000	3,438,000	+2.1
Canada, other provinces	2,064,000	2,108,000	+2.1
United States	1,235,000	1,173,000	-5.0
International	867,000	925,000	+6.7
Tourist spending (\$)	2,548,000,000	2,632,000,000	+3.3
Québec	662,480,000	684,320,000	+3.3
Canada, other provinces	764,400,000	815,920,000	+6.7
United States	550,160,000	526,400,000	-4.3
International	560,960,000	605,360,000	+7.9

* Tourists = duration of stay 24 hours or more

NUMBER OF TOURISTS
7,644,000



TOURIST SPENDING
\$2,632,000,000



HOTEL OCCUPANCY RATES

	2006	2007	VARIATIONS %
Summary	68.0%	67.4%	-0.6pts
Conventions, corporate meetings			
Number	284	292	+2.8
Attendees	285,748	289,654	+1.4
Average daily spending (per delegate)	\$380.30	\$388.06	+2.0
Direct spending (\$ million)	298	308	+3.4
Passenger volume at Montréal's airports	11,452,030	12,407,934	+8.5
Visitors to tourist attractions (millions)	17.9	19.6	+9.3
Requests for information/welcome desks (thousands)	160.0	147.8	-7.6
Visits to Tourisme Montréal Web site (millions)		2.6	



LUC CHARBONNEAU
Director, Business and Convention Sales



LUCY MUNGIOVI
Director, Convention and Hospitality Services

BUSINESS AND CONVENTION SALES

For the period extending from 2008 to 2014 the business sales team at Tourisme Montréal confirmed an increase of 5% in the number of overnight stays compared with 2007. Despite the challenging context (exchange rate, new passport requirements, downturn in the US market), the business sales team successfully targeted high potential groups and coordinated solid offers with convention centre and hotel partners. The team also introduced structural changes which made it possible for management to focus on sales objectives and activities, while an assistant marketing manager oversaw business campaign activities. The year 2008 will require bolstering account development efforts if the team is to meet the department’s ambitious objectives in a climate which is again shaping up to be less than favourable. The hiring of new resources in Washington, DC and Chicago will help enhance Montréal’s visibility in the US and increase the number of confirmed overnight stays in both the corporate and association markets.

In the meeting sector, efforts devoted by Tourisme Montréal in recent years to domestic markets outside Québec began to pay off in 2007, and resulted in the confirmation of several tens of thousands of overnight stays. Increased sales efforts with corporate clients spurred the development of high potential, multi-hotel accounts, whereas the self-contained meetings market represented another promising niche for Tourisme Montréal. The organization plans to use this niche to offset the continued slowdown in the US association market.

CONVENTION AND HOSPITALITY SERVICES

In 2007, Tourisme Montréal focused on a series of measures designed to boost convention attendance and provide attendees with an unparalleled level of service during their stay in Montréal, the goal being to leave participants with a memorable and positive travel experience. Record attendance at the Meeting Professionals International (MPI) convention and the exceptional level of attendee satisfaction with respect to services offered—satisfaction rate established by an external survey firm—demonstrated the effectiveness of Tourisme Montréal involvement in this regard. During the year, the organization also presented an enhanced version of the Taxi Ambassador Program which was well received by taxi drivers.

SALES

- 236,000 overnight stays confirmed for the year 2007 and upcoming years
- 116 familiarization trips
- 13 educational tours
- 5 trade missions (155 clients) and 5 events (139 clients)
- 128 appointments for Team Montréal as part of the fifth business campaign
- 427,000 overnight stays at the business opportunity stage
- 199,000 overnight stays sold by the business sales team
- 77,000 overnight stays confirmed for the Canadian market
- 104,000 overnight stays confirmed for the US market, despite the challenging context
- 17,000 overnight stays confirmed for the multi-hotel corporate segment
- 33,000 overnight stays confirmed for the small business meeting market

HOSPITALITY SERVICES

- Achieved a satisfaction rate of 9.6 out of 10 for services provided by Tourisme Montréal to convention planners (results compiled by Vertex).
- Drew up comprehensive convention greeting plan.
- Updated the Taxi Ambassador Program.

CONVENTION SERVICES

- 15 conventions booked using Passkey, 11,390 bookings (70% made online).
- 28 familiarization trips.
- 8 promotional trips.
- Investment of \$200,000 in attendance-building.
- Record attendance of 3,363 delegates at the World Education Congress of Meeting Professional International, an outstanding success.
- Certified Meeting Planner (CMP) certification of all Convention Department members.
- 1,400 service requests.

MAJOR CONVENTIONS CONFIRMED – 2008

ROOM NIGHTS	CONVENTIONS
6,930	International Committee on Space Research
6,981	MassMutual Life Insurance Company
16,282	United Food and Commercial Workers International Union
11,327	American Society for Bone and Mineral Research
11,386	National Multiple Sclerosis Society
15,291	American Association of Blood Banks
6,966	Communications, Energy & Paperworkers Union of Canada

PRIORITIES FOR 2008

Tourisme Montréal has set moderate growth objectives for 2008 given the weak forecast for the business market and the persistent slump in the US market, the latter a trend observable in markets nationwide in Canada. As a result, the marketing plan developed by Tourisme Montréal focuses on exploring new markets, consolidating strategic alliances, and pursuing press relations and new media initiatives such as Web 2.0. In addition to launching an all new, avant-garde Web site, Tourisme Montréal intends to continue to develop leading-edge technological tools to ensure that the organization is better positioned to measure promotional activity performance and return on investment, and is better able to profile potential clients and convert intentions into visits.

TOURISM PERFORMANCE

7,835,000	tourists (+2.5%) – Duration of stay 24 hours or more
3,888,879	room nights (+0.2%)
285,000	convention room nights (+27%)
14,500	packages sold (+5%)
66.9%	occupancy rate (-0.2%)
10%	increase visits on to the Tourisme Montréal Web site
113,000	direct reactions from Internet users (leads) related to campaigns

BRAND IMAGE

- Enhance the creative platform and ensure a more detailed breakdown by market and by target.
- Reassess the media approach using performance-oriented analytical tools.
- Integrate promotional activities, press relations and member services more fully into the client expectation management process.
- Rethink modes of communication by following Web trends and thereby safeguarding the organizations' competitive advantage.
- Earmark 50% of the leisure market budget for Web-based advertising and optimize the relevance of all Web-based investments.
- Incorporate a content management component to be able to forward information to tourism and non-tourism sites more rapidly.

- Maximize online communications (sites, blogs, forums and other) with a view to fostering one-on-one relations and responding more effectively to consumer needs.
- Adopt innovative communications approaches to differentiate Montréal from its competitors in an environment where advertising is pervasive.
- Render the *à la Montréal* experience more tangible and enhance overall visibility through use of internal and external tools (tourism and non-tourism).
- Work more closely with online travel agencies (Travelocity, Orbitz, Expedia, etc.) to ensure that Montréal's tourism products are distributed around the world at lightning speed.
- Refine member loyalty tools and services by focusing on training and information.
- Finalize analyses and proceed with the setup of an online booking tool.
- Maximize the return on press relations operations in New York, Mexico, London and Paris.
- Exploit new markets: Vancouver, Washington (DC), Philadelphia, Chicago and Los Angeles.
- Implement a comprehensive action plan for Web-based operations: press relations, Web 2.0, etc.
- Invest in top performance campaigns (\$ millions):

Leisure		7.0
Canada–USA	5.0	
United Kingdom	0.9	
France	0.5	
Mexico	0.5	
Gay	0.12	
Business		2.0
Press relations		0.75
E-marketing		1.6

PRIORITIES FOR 2008 (CONTINUED)

CONVENTION ORGANIZATION

- Recruit two additional sales executives in the United States (Washington and Chicago), and one in Montréal (international).
- Reorganize resources and set up a team of four persons to handle local contacts (Montréal and Paris).
- Replicate the business campaign, this time intensifying international efforts (Paris, London, Brussels).
- Develop a communications plans for local contacts.
- Launch an energetic financial incentive program in the self-contained meetings market targeted at local individuals of influence within businesses and associations.
- Increase efforts to position the destination in the Chicago and Washington markets.
- Convert promotional footwork from previous years into sales.
- Build on the success of the Meeting Professionals International convention.
- Finalize the memorandum of understanding with Montréal Convention Centre.
- Develop a communications plan designed to boost convention attendance and take tangible action in this regard.

TECHNOLOGY PLATFORM

- Deliver a new Web site in the spring of 2008.
- Analyse and commence work on the online booking project.
- Maximize the integration of client analysis and return on investment (ROI) tools.
- Draw up an information technology development plan.
- Upgrade the enterprise content management (ECM) tool.
- Update the executive dashboard.
- Deliver an Intranet for employees and Extranet for members.

HUMAN, FINANCIAL AND MANAGEMENT SYSTEM RESOURCES

- Follow up with the Mercer program; reassess staffing needs and optimize personnel structures based on mandates and objectives.
- Draw up an adapted professional development plan.
- Implement a succession plan.
- Update the Virtuo accounting software package.
- Ensure more rigorous supplier management (decide whether or not to renew agreements) and revisit our business model with suppliers.
- Seek out new sources of revenue.

PARTNERHIPS

- Maximize the financial involvement of governments: (Canada Economic Development (CED), Canadian Tourism Commission (CTC), Tourisme Québec, Ministry of Culture and Communications (Québec)).
- Renew agreements with Air Canada, Aéroports de Montréal, Casino de Montréal and British Airways.
- Revive one or more non-traditional partnership initiatives.
- Renew the agreement with CED including an additional request for the US market.
- Renew the partnership with Montréal Convention Centre.
- Explore new avenues for growing revenue (gift cards).
- Pursue development-related representation activities.
- Provide support for various events.
- Explore new avenues for growing membership and services, the aim being to enhance member satisfaction.

DEVELOPMENT PRIORITIES

- Devise a green policy for Tourisme Montréal and, early in 2008, set up a Green Committee for the Montréal tourism industry.
- Pursue work on the Entertainment District (lighting plan, urban development, etc.).
- Build on progress in cultural tourism.
- Implement the Geotourism Charter signed between the National Geographic Society and Montréal, the first major city to be invited to sign the society's charter.
- Promote development and cleanliness in the city centre.
- Encourage development of a trade and exhibition centre.
- Ensure involvement by Tourisme Montréal and partners in the new, provincial government development programs (marine passenger terminal, cruise line terminal, Formula 1 circuit) and in other projects, including the Montréal Museum of Fine Arts, planetarium and hotel facilities.



CARMEN CIOTOLA

Vice President, Communications and Marketing

At a time when tourism marketing is faced with an unprecedented profusion of distribution channels and the ever-growing influence of Web 2.0, Tourisme Montréal proceeded with a major strategic shift in 2007.

All campaign plans and promotional tools for both the leisure and business markets were revisited with a view to adapting them to the new environment. This strategic reorientation first entailed better targeting clients and selecting the most effective means of reaching them, capturing their attention wherever they happen to be and then engaging in productive dialogue to spur purchase intentions.

Given that the majority of consumers now use the Web for trip planning purposes, Tourisme Montréal invested an important share of the organization's 2007 advertising budget in online advertising. A complete overhaul of the organization's Web site was also begun, the aim being to equip Tourisme Montréal with avant-garde means of rendering the *à la Montréal* experience more tangible, promoting interaction with visitors, and facilitating the purchasing process. During the year, Tourisme Montréal closely monitored Web 2.0 sites and refined an information management system capable of disseminating a wealth of content on all electronic channels currently in use in today's market.

Influencing perceptions is an important element of our strategy at Tourisme Montréal. Our objective is to maximize a flow of information deemed more credible because it is conveyed by third parties recruited by the organization. In 2007, these parties included seasoned public relations specialists in New York, London and—in partnership with the Ministry of Tourism of Québec—Mexico City. As a result of the input of these individuals, over 34 reports on Montréal were published in these markets in 2007, an advertising value estimated at over \$4 million.

In addition to focusing on these new markets, Tourisme Montréal explored markets farther afield albeit ripe with promise. A new manager with over ten years of experience in the management of international cultural initiatives in both China and Canada will now be responsible for markets in China and Southeast Asia. Familiarization trips for Chinese delegations were organized in 2007; a sales kit and micro-Web site in Mandarin were also made available.

In 2008, the main communications and marketing thrusts are to explore new markets, position and adapt the city's brand image—a unique blend of North American and European influence—to each target market, and open up new possibilities through innovative campaigns designed to create business opportunities for our members.



EMMANUELLE LEGAULT
Director, Communications and Advertising

PATRIZIA DRI
Director, Leisure Market
and Member Services

GILLES BENGLE
Director, Press Relations

COMMUNICATIONS AND ADVERTISING

2007 was marked by a comprehensive revisiting of our marketing strategy. Indeed, at a time when more than 80% of destinations are selected online, when “one-on-one” is the favoured approach and when consumers, now more in control, play an active role in distributing information, the Communications Department must be both innovative and forward-thinking. Overall, activities carried out by the department related to the following major challenges: listening, influencing and interacting. Numerous initiatives enabled us to gain an enlightened grasp of the business traveller reality and to better interact with them (podcasting, blogs, interactive cube installation and event marketing). The year 2008 will set the stage for enhanced interaction to ensure that everyone is talking about Montréal.

LEISURE MARKET AND MEMBER SERVICES

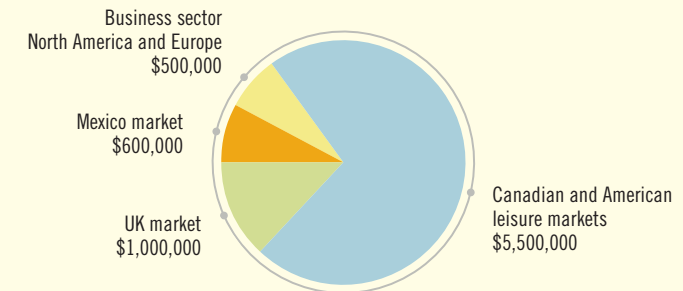
In 2007, Tourisme Montréal developed and actively participated in a number of promotional events aimed at the Canadian, American, European and Chinese markets. Trade shows and trade missions, destination inspection tours and tour operator conventions figured among the activities which attracted numerous tour operators and delegations from all targeted markets to Montréal. During the year, Tourisme Montréal also initiated an extensive campaign designed to recruit new members, notably in the food and beverage sector.

PRESS RELATIONS

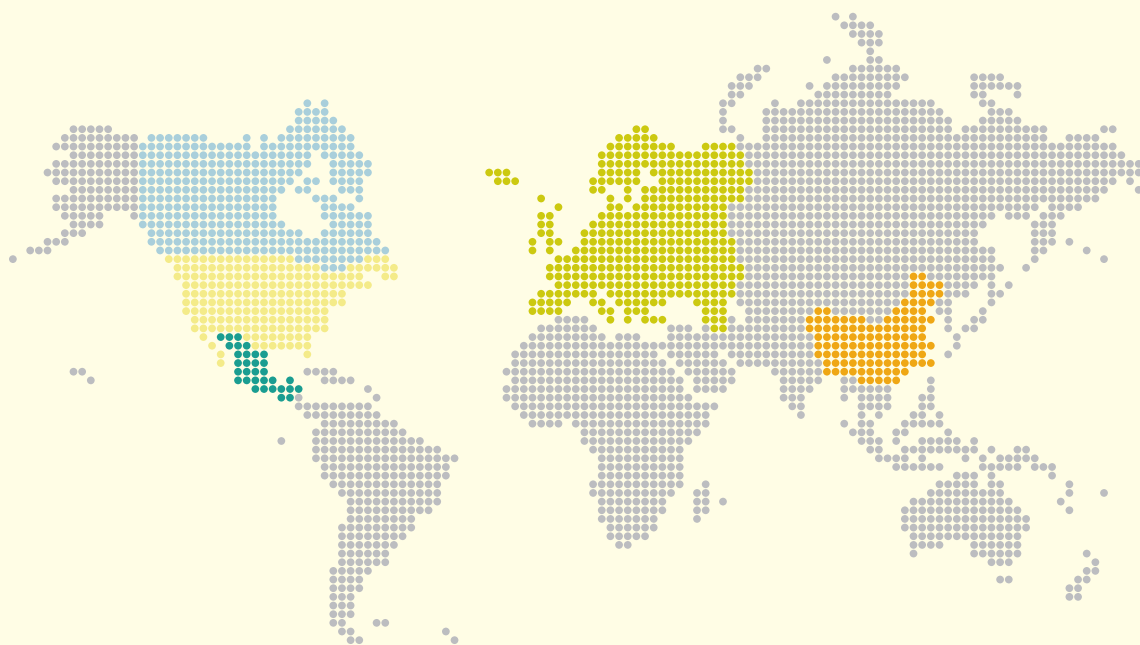
In 2007, the Press Relations Department of Tourisme Montréal gained renewed momentum. International public relations firms recruited in New York, London and Mexico enhanced the efforts devoted each year by Tourisme Montréal to attracting foreign journalists to Québec’s largest city. During the year under study, Montréal enjoyed exceptional media coverage. Several mass circulation media published major feature articles praising the incomparable charms of Montréal.

PROMOTIONAL CAMPAIGNS

- Advertising campaign valued at \$5,500,000 and conducted in the Canadian and American leisure markets with the following new elements:
 - .. Annual rather than seasonal planning;
 - .. Inception of podcasting and a blog on “Findyourmontreal.com” to confirm Tourisme Montréal leadership and spirit of innovation with respect to new technologies;
 - .. Unprecedented event marketing: creation of an interactive cube installation in New York and Boston inviting visitors to experience a broad array of Montréal classics through tactile and interactive activities.
- Campaign valued at \$1,000,000 conducted in partnership with British Airways in the UK market, which aims to enhance Montréal’s visibility among young, affluent trendsetters by offering them an incentive package. Supported by the new award-winning Web site Britswanted.com, this initiative also included an on-site campaign capitalizing primarily on traditional (metro stations) and non-traditional (adscooters, street graffiti and other) advertising.
- Campaign valued at \$600,000 to support promotional efforts conducted in Mexico City in partnership with Tourisme Québec.
- Campaign focusing on the business sector in North America and Europe, valued at more than \$500,000 and aimed primarily at organizers of association conventions.



- Major communication initiatives conducted at the Annual Assembly of Meeting Professionals International in Montréal with a view to reinforcing the positioning of Montréal as a destination of choice for international conventions.
- Allocation of a \$50,000 budget for ad hoc activities conducted in the gay and lesbian markets with a view to ensuring the positioning of Montréal: electronic mailings, presentations, advertisements.
- Development and production of several greeting publications: tourist guide (735,000 copies), tourist map (615,000 copies), calendar of events (500,000 copies).



CANADA AND UNITED STATES

In an effort to support consumer campaigns conducted in Canada and the United States, the sales team ensured a presence in the traditional distribution network and organized meetings with online networks with a view to renewing the individual or group travel product offering. The team took part in numerous trade missions and fairs, and organized special events in cooperation with local industry. Several niche markets were targeted, namely school groups, gays and lesbians, cruises. With respect to the latter, Tourisme Montréal was elected to the Executive Committee of *Association des croisières du Saint-Laurent* and participated in the Holland America event in Seattle.

MEXICO

In order to better position Montréal in Mexico and support the consumer campaign in this market, Tourisme Montréal focused on travel agent training on Montréal. Familiarization trips were organized for tour operators with a view to enticing them to offer a new product—short-term urban stays, thereby extending the average stay in our city. Montréal strives to set itself apart by offering promotional tools in Spanish as well as a Spanish-speaking Manager.

CHINA

The arrival of a new China market coordinator enabled us to deploy research and development efforts with a view to attracting business travellers, conventions and media from that market. To be able to differentiate itself from other Canadian destinations attempting to woo Chinese interests, Montréal must, first and foremost, prepare the local industry for the arrival of these new tourists.

INTERNATIONAL

Efforts with tour operators in the European market, notably in the United Kingdom, France and Italy, paid off as Montréal welcomed many tourists from these countries in 2007. The team at Tourisme Montréal participated actively in the launch of new flights from the United Kingdom and Italy to Montréal, set up partnerships with several travel agencies, and coordinated product training both at home and abroad. The positive outcome of efforts in the international arena were evident in the record number of the meetings held with international network individuals during the *Rendez-Vous Canada* event held in Québec.

LEISURE MARKET

Participation in more than 25 trade shows or fairs

Meeting with more than 2,200 tourist multipliers

Organization of more than 40 inspection tours

Participation in two international tourism shows followed by Showcase Canada

Greeting and organization of the IGLTA convention in Montréal

Organization of a familiarization tour for tour operators specializing in the school/student market



MEMBER SERVICES

Hosting three major events:
the 22nd edition of the *Gala des grands prix du tourisme Montréalais*

the Annual Christmas Reception
the Golf Tournament



Solicitation of over 500 target restaurants and shops

Single membership renewal date set

Recruiting of 66 new members (a total of 148 requests processed in 2007)



UNITED-STATES CAMPAIGN

More than 41,000 direct reactions from Internet users (leads) related to the campaign

More than 13,000 packages sold

More than 585,000 visits on to the Sweet Deal section of Tourisme Montréal Web site



UNITED-KINGDOM CAMPAIGN

More than 800 direct reactions from Internet users (leads) related to the campaign

More than 21,500 visits on to the Britswanted.com Web site

PRESS RELATIONS

Organization of eight press tours

Recruiting of public relations firms in the United States, the United Kingdom and Mexico, as well as a Québec-based agency covering Québec and Ontario

Securing of exceptional media coverage (articles already published or to be published) in large circulation or high advertising value magazines and newspapers such as:

Air France Magazine, Grands Reportages, L'Officiel Voyage, (France),
The Times, Independent on Sunday (United Kingdom),
Entrée Magazine, Intermezzo, National Geographic Traveler, (United States)

More than 1,200 articles were published in the national and international press, including gay publications such as *Out Traveller, Libido* and *Planet Out*

Publication of 12 monthly issues of *Montréal Behind the Scenes* and the quarterly information bulletin *Hot, Happening and New* aimed at specialized media

Participation in some twenty radio and television interviews

Reply to more than 850 written requests from media worldwide



Greeting of media representatives; greeting and assisting of over 20 national and international television crews, representing a total of 793 journalists, photographers and technicians



PIERRE BELLEROSE

Vice President, Public Relations, Research and Product Development

Spurred by Tourisme Montréal and partners, the development of the city's tourism offering secured major international recognition and made significant advances in 2007.

The year 2007 was one of influence for Tourisme Montréal which continues to assert its presence both nationally and internationally. Elected to chair the Destination Council of the World Tourism Organization (WTO) for a second term, Tourisme Montréal successfully completed the project calling for the creation of the World Centre of Excellence for Destinations (CED), an affiliate of the WTO headquartered in Montréal.

During the year under study, Montréal became the first city in the world to sign the Geotourism Charter. The selection of Montréal by the National Geographic Society underscores not only efforts devoted to ensure the visibility of our destination from a tourism standpoint but also the active cooperation among tourism and cultural stakeholders in the Greater Montréal area.

In addition, Montréal was invited to join the World Good Food Cities Network, an organization which groups together a number of metropolises in the name of world gastronomy.

Culture figured among the top priorities of Tourisme Montréal last year. Highlights in this sector included active participation by Tourisme Montréal in *Rendez-vous Montréal Métropole culturelle* in November 2007, as well as major announcements respecting the *Quartier des spectacles* and the *Vitrine culturelle* in October 2007.

Promoting culture as a determining economic and tourism factor is an essential component of the development strategy advocated by Tourisme Montréal. The protocol introduced in 1995 between Tourisme Montréal and the Ministry of Culture, Communications and the Status of Women (Québec) attests to the significance of the cultural component.

On the local front, the President of Tourisme Montréal continued his conference tour in 2007.

Tourisme Montréal also initiated a green shift in 2007. The organization developed a green office guide and implemented a number of measures designed to save energy and protect the environment. In the same spirit, Tourisme Montréal plans to coordinate the setup in 2008 of a Green Committee for Montréal's tourism industry, the object being to foster growth while reducing its environmental footprint. The convention industry is particularly sensitive to environmental challenges.

In 2008, Tourisme Montréal will continue to make itself heard in all possible forums and mobilize the community, particularly the business community. Both initiatives are central to the organization's mission. At a time when competing destinations are investing massively to develop their product offering, community commitment is an absolute must.



RESEARCH

- Updating of analyses conducted in target tourism markets on behalf of Montréal.
- Management of nearly 1,000 requests for research results, mostly from Tourisme Montréal members.
- Publication of research results on the Web site; more than 10 000 hits (persons) in 2007 in the “Statistics” section of the Web site of Tourisme Montréal.
- Conduct of analyses of various geographical markets (Mexico, France, Russia, United Kingdom, etc.).
- Major analysis of a new niche market: HHAU (heterosexual, hedonistic, affluent, urban).
- Analysis of problems relating to business tourism in Montréal (backlog).
- Analysis of sport-related tourism potential in Montréal.

PUBLIC AND GOVERNMENT RELATIONS

- Involvement in numerous local and national organizations: chambers of commerce, boards of trade, tourist districts, (TIAC, *ATR associées du Québec*, etc.).
- Series of four conferences by Charles Lapointe at various Montréal forums on the status of tourism in Montréal.
- More than 350 ad hoc interviews granted to local media.
- Drafting and forwarding of some fifty press releases and over 40 electronic information briefs to the 1,500 subscribers to our communications tool.

DEVELOPMENT OF OFFER

- Meeting with some thirty promoters of tourism projects in Montréal at various phases of their business plan with a view to sharing expertise or initiating ties with potential partners.
- Recruiting of a resource and setup of a consulting service focusing on Montréal’s cultural scene within the scope of a three-year agreement on the development of cultural tourism in Montréal; agreement ratified with the Ministry of Culture and Communications of Québec (MCCQ).
- Launch of the *Vitrine culturelle* which offers tourists centralized, last-minute ticket vending services.
- Recognition by National Geographic Society.
- Opening of World Centre of Excellence for Destinations, an affiliate of the World Tourism Organization (WTO).



MARIE GILMORE

Vice President, Finance, Administration and Human Resources

In 2007, the team at Tourisme Montréal underwent significant change. The recruiting of 14 candidates, notably one for the position of Executive Vice President and four for new positions, undoubtedly represented one of the main challenges faced by Tourisme Montréal during the year.

Among the new positions created, the new human resources manager will be called upon to play a significant role. The incumbent will indeed be responsible for succession management, talent development, ensuring open lines of communication between employees and upper management, and fostering the integration of employees into the organization.

In an effort to ensure optimal interdepartmental communications, Tourisme Montréal created an Intranet in 2007 which became fully operational in April 2008. The benefits of this leading edge tool include privileged access to the calendar of activities of each department, document sharing for group projects, a comprehensive press revue section comprising all articles published on Montréal, a personal ad service, marketing and corporate plans, as well as all relevant human resources documents.

To achieve its mission and fulfil its role as industry ambassador, Tourisme Montréal must ensure that operations are efficient and funds granted to the organization are managed with requisite rigour; hence, the reason why the organization introduced a supplier rationalization initiative over the course of the year. In the technology sector, Tourisme Montréal realized significant savings. In addition, any contract valued at more than \$25,000 is now subject to a formal request for proposals process.

In 2007, by virtue of its quality management practices, Tourisme Montréal was invited to sit on the Board of Directors of the Destination Marketing Accreditation Program, a quality and performance standard of international stature granted by Destination Marketing Association International. Last year, Montréal was the first city in Canada to obtain this prestigious accreditation.

In 2008, backed by the organization's reputation for sound management, Tourisme Montréal plans to increase the financial support from public and private partners, thereby creating new sources of revenue which will be used to step up promotional efforts.

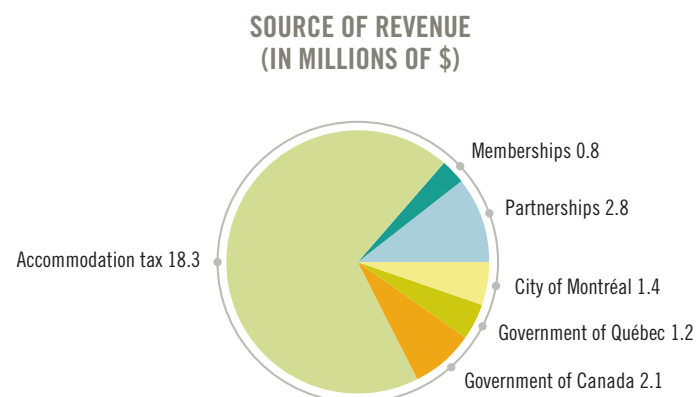
FINANCIAL DATA

At year-end 2007, expenses in excess of revenues totalled \$175,070 and member equity stood at \$1,640,940.

CHANGES IN SOURCE OF REVENUE BETWEEN 2006 AND 2007 (IN MILLIONS OF \$)

	REVENUES 2006	REVENUES 2007	VARIATION 2007-2006
City of Montréal	1.4	1.4	0
Government of Québec	1.4	1.2	(0.2)
Government of Canada	2.7	2.1	(0.6)
Accommodation tax	17.7	18.3	0.6
Memberships	0.8	0.8	0
Partnerships	4.4	2.8	(1.6)
Total revenues	28.4	26.6	(1.8)

Tourisme Montréal expenses declined by \$1,601,928 compared with 2006, a reduction of 5.6%.



BREAKDOWN OF EXPENSES IN 2007

BUDGET ALLOWANCE	TOURISME MONTRÉAL 2007	DESTINATION MARKETING ¹
Salaries and fringe benefits	18.7%	39.2%
Operating expenses	10.5%	12.6%
Sales, promotion and advertising	70.8%	48.1%

1. Average of Destination Marketing members (formerly International Association of Convention and Visitor Bureaus) according to 2007 DMO Organizational & Financial Profile Report

BREAKDOWN OF SALES, PROMOTION AND ADVERTISING EXPENSES (2007)

SECTOR	2007 (\$)	TAXE USE (\$) ²
Leisure campaigns	\$6,647,220	\$5,848,658
International press relations	\$630,778	\$630,778
Event support	\$1,613,536	\$1,613,536
Trade activities	\$2,734,983	\$2,734,983
Business campaign	\$1,101,260	\$314,514
Support for American and international conventions and conventions that create a multiplying effect	\$2,171,432	\$2,171,432
Convention services	\$332,666	\$332,666
Research, public relations and development	\$330,837	\$330,837
Marketing and communications	\$2,913,311	\$2,913,311
Finance, administration and human resources	\$29,744	\$0
Contribution to FINA	\$500,000	\$500,000
Total	\$19,005,767	\$17,390,715³

2. Portion of accommodation tax assigned to activity

3. Operating expenses: \$915,300

BOARD OF DIRECTORS

Michel Archambault

Transat Tourism Chair – ESG
Université du Québec à Montréal

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Vice President, Public Affairs, Just For Laughs Festival

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President, Astral Média Radio and Astral Média Advertising

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General Manager, Fairmont The Reine Elizabeth

Paul Saint-Jacques

President and Chief Executive Officer,
Société du Palais des Congrès de Montréal

Denis Vandal

Manager, Marketing Communications –
Brand Management, Air Canada

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Vice-President, Michel G. Giguère

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Secretary, Francine Lelièvre

Executive Director, Pointe-à-Callière,
Montréal Museum of Archaeology and History

Treasurer, Arnold Beaudin

Director, Strategic Planning, Service de la mise en
valeur du territoire et du patrimoine, Ville de Montréal

President and CEO, Charles Lapointe

DECISION-MAKING FORUM

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Mayor of Montréal and President of the Decision Forum

Raymond Bachand

Minister of Economic Development,
Innovation and Export, and Minister of Tourism

Nathalie Normandeau

Minister of Municipal and Regional Affairs

Jacques Hamou

President, Hotel Association of Greater Montréal and
General Manager, Montréal Marriott Château Champlain

Isabelle Hudon

President and Chief Executive Officer,
Board of Trade of Metropolitan Montréal

Jacques Parisien

Chairman of the Board, Tourisme Montréal

Charles Lapointe

President and Chief Executive Officer,
Tourisme Montréal

PARTNERS OF TOURISME MONTRÉAL

Our partners carry out major destination marketing and hospitality initiatives. Several also participate actively in the development of Montréal's tourism offer. Tourisme Montréal wishes to thank each for their financial support and their commitment to helping us attain our common objectives. Tourisme Montréal is proud to work together with these partners and organize initiatives which increasingly attest to a shared determination to develop and boldly promote Montréal by maximizing the use of our collective resources.

City of Montréal

Ministry of Tourism of Québec

Economic Development Agency of Canada

Ministry of Municipal and Regional Affairs of Québec

Ministry of Culture and Communications

Canadian Tourism Commission

Hotel Association of Greater Montréal

Société du Palais des Congrès de Montréal

Casino de Montréal

VIA Rail Canada

Olympic Installations Board

Port of Montréal

Air Canada

Association des petits et moyens hôtels de Montréal

Aéroports de Montréal

Regroupement des hôteliers du Vieux-Montréal

Old Port of Montréal Corporation

British Airways

Numerous festivals and events

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Épicentre

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Jean-François Bérubé

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The individuals mentioned hereunder were active as of 31 December 2007.

TOURISME
Montréal

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