



PRESIDENT'S ANNUAL REPORT



Last year, the Festival presented a spectacular 31st edition packed with special projects, including the unforgettable Mardi Gras celebration featuring our genuine New Orleans parade, thanks notably to a \$3M contribution from Industry Canada, a temporary economic stimulus program which unfortunately will not be renewed this year.

This record-breaking edition, endowed with a budget bordering on \$30M, generated major economic spinoffs on the order of over \$96M in value added injected into the economy, particularly via spending by tourists visiting Montreal specifically for the Festival. This "new" money contributed to the creation of some 1319 jobs and brought in close to \$20M in tax revenue to the federal and provincial governments. This illustrates how the Festival returns much more to the society than it receives in subsidies (about 16% of its budget). (According to an independent study conducted by CROP and SECOR, January 2011.)

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Undoubtedly, these new projects developed thanks to Industry Canada are not unrelated to these beneficial results for the community. Hopefully, the long-term effects of these investments, which also benefit Montreal's profile and reputation, will allow us to generate even larger spinoffs for the tourism sector and the economy. Thus, the Canadian Festivals Coalition (CFC) continues its efforts to have the federal government recognize the true value of the Canadian events industry and develop a permanent support program for the development of festivals in order to maintain their competitiveness and leadership on the international scene.

And so, although the Festival must therefore take a step back this year in budgetary terms, its program will be as attractive

as ever, even though a temporary charge linked to capital works on the Maison du Festival and its slight operating deficit limit the event's financial leeway. However, we remain hopeful that we will soon finalize capital funding for the Maison (\$19M), for which we have secured a loan of \$1M from SODEC, in order to then self-finance its operations with box office revenue from L'Astral and surplus revenue generated by the Bistro Le Balmoral. We have also sought out assistance from various arts councils in the distribution of our cultural activities, which will enable us to further increase access to the non-profit activities of the Maison and raise the profile of jazz artists from our community.

Finally, thanks to ongoing major partnership agreements with our principal sponsors—TD, as presenter, Rio Tinto Alcan, copresenter, and all other essential partners, such as Bell Canada, Loto-Québec, the SAQ and Heineken—the Festival is in healthy financial condition, allowing it to look toward the future with optimism. Similarly, the renewed support of all our government partners (with the exception of Industry Canada) will allow us to pursue our mission of urban entertainment and musical initiation through our program of free concerts, a program that generates so much benefit—social and economic as well as cultural—for the community. It's thanks to your support and the support of all of our partners that we can make this 32nd edition an irresistible and memorable event for all Montrealers and tourists, who offer ample testament to the unique character of this universal musical celebration.

A wonderful Festival to all!

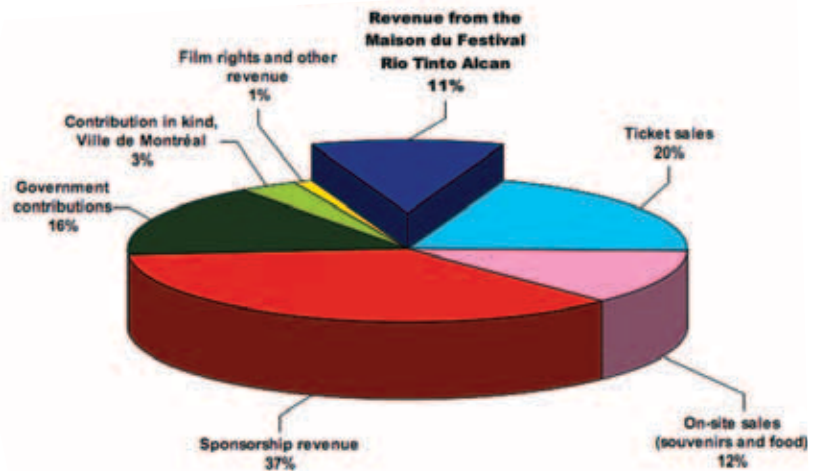
Alain Simard
president and founder

A TRANSPARENT AND EFFECTIVE ORGANIZATIONAL STRUCTURE

Since its inception in 1980, project management of the Festival International de Jazz de Montréal has been handled by L'Équipe Spectra, a Montreal cultural enterprise that originally launched and structured the event as a non-profit organization (NPO). This solid and time-tested organizational structure, regulated by an effective and transparent code of ethics governing transactions between L'Équipe Spectra and its festivals, was approved by our governments and has repeatedly been cited as an example, notably after an exhaustive five-year study conducted for SODEC. According to independent accounting firm Raymond Chabot Grant Thornton, who audit the Festival's accounts annually, this association with L'Équipe Spectra allows the Festival International de Jazz de Montréal to benefit from substantial economies of scale (sharing certain production expenses with other organizations also partnered with the group).

Distribution of revenue \$ 28 612 008

DATA AS MAY 2, 2011



Distribution of expenditures \$ 28 612 008

DATA AS MAY 2, 2011

