

*Calgary Exhibition & Stampede
2004 Financial Report*

CALGARY EXHIBITION & STAMPEDE 2004 FINANCIAL REVIEW

The Calgary Exhibition & Stampede reported strong financial performance in 2004, creating social and economic value for the community. All revenue earned by our not-for-profit organization is reinvested into programs and facilities to allow us to fulfill our core purpose of preserving and promoting western heritage and values.

For the year ending December 31, 2004, revenues increased 10% from \$77.8 million in 2003 to \$85.3 million in 2004, and net operating income increased from \$333,000 to \$2.1 million.

The revenue growth came from a number of areas.

The 2004 ten-day festival reported operating income of \$9.4 million compared to \$8.8 million in 2003. The increased income was attributable to record gate attendance, increased ticket sales for Rodeo and overall spending increases on a per person basis. These results were due to unique and exciting events that engaged the community, as well as increased marketing activities and more resources for targeted sales initiatives.

Stampede Park features one of Alberta's largest collections of exhibition halls, sports venues and meeting facilities on one site. Our facilities and food and beverage teams have established expertise in managing major events and activities happening concurrently. The spring of 2004 was a particularly busy time on Stampede Park with the Global Petroleum Show, graduations, consumer shows and the Calgary Flames playoff run happening at once. These activities, along with approximately 1300 other events over the course of the year yielded a \$1.3 million increase in operating income.

Year over year horse racing revenue was down \$511,000 and operating income was down \$1.1 million due to modest decreases in wagering and higher costs related to new technology in Alberta Teletheatre Network.

Stampede Casino introduced a number of new marketing initiatives in 2004 that helped grow revenues resulting in a \$578,000 operating income improvement.


Our capital investments in 2004 included the renovation and transformation of the Kinsmen Centre into the Stampede's People Centre, which opened in the spring. This \$530,000 investment helped create a valuable new resource for our volunteers and employees.

We spent \$1.3 million in 2004 on our Victoria Park land acquisition program. We have now secured approximately 90 per cent of the properties within the eight-block expansion zone. We are hopeful that we will acquire the remaining properties in 2005 so that we can proceed with expansion and development.

Our success has always been driven by the commitment of community volunteers, and in 2004 we significantly strengthened our volunteer base. At a special shareholders meeting in December 2003, we revised Stampede by-laws so volunteers with four years of service could become eligible shareholders. As a result, the number of shareholders subsequently increased by 11% from 1,313 to 1,452.

The \$7 million annual operating grant we receive from the Government of Alberta through the Alberta Lottery Fund continues to be an essential source of funds that ensures our facilities and programs will benefit local, national and international visitors to Stampede Park for years to come.

We feel the organization is on solid financial footing as we move into 2005 and prepare for park expansion and further development and revitalization opportunities.



Fred Allen
Chairman of the Audit and Finance Committee

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation and presentation of the consolidated financial statements and the overall quality of financial reporting are the responsibility of Management of Calgary Exhibition and Stampede Limited. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and necessarily include estimates that are based on Management's best judgments. Information contained elsewhere in the Report to the Community is consistent, where applicable, with that contained in the consolidated financial statements.

Management is responsible for installing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded and that reliable financial information is produced for preparation of consolidated financial statements. Management believes that the system of internal controls operated effectively in 2004.



Vern Kimball
Chief Operating Officer



Paul Harrison
Controller

AUDIT AND FINANCE COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for overseeing Management's performance of its responsibilities for financial reporting and internal control. The Board exercises this responsibility with the assistance of the Audit and Finance Committee of the Board.

The Committee is composed of not fewer than five (currently eight) members, at least three (currently five) of whom are directors of Calgary Exhibition and Stampede Limited. The Committee reviews the annual consolidated financial statements, considers the appropriateness of accounting policies and assesses the overall quality of the financial reporting. The Committee also reviews and makes recommendations to the Board regarding financial matters and oversees the process that Management has in place to identify business risks.

The Committee recommends to the Board the auditors to be appointed by the shareholders and approves in advance fees for the auditors' services. Deloitte & Touche LLP was appointed by the shareholders as independent auditors in 2004 to conduct an examination and express their opinion on the consolidated financial statements. The Auditors' Report outlines the auditors' opinion and the scope of their examination. The services provided by the auditors are restricted to the audit of the consolidated financial statements and audit-related services.

The Committee reviews and approves the terms of engagement of the auditors, the scope and plan for the audit and reviews with the auditors the results of the audit and the Auditors' Report. The auditors report to the Committee. The Committee also discusses with the auditors their independence from Management and Calgary Exhibition and Stampede Limited and receives written confirmation of their independence.

Management and auditors attend Committee meetings and each is provided with the opportunity to meet privately with the Committee. The Committee met nine times in 2004.



Fred Allen
Chairman of the Audit and Finance Committee

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the consolidated statement of financial position of Calgary Exhibition and Stampede Limited as at December 31, 2004 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Calgary Exhibition and Stampede Limited as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The prior year's figures, provided for the purpose of comparison, have been audited by other chartered accountants who issued an unqualified report thereon.

Deloitte & Touche LLP

Deloitte & Touche LLP

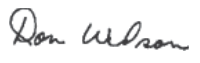
Calgary Exhibition & Stampede
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

	2004	2003
Assets		
Current Assets		
Cash and short-term deposits	\$ 1,634	\$ 1,544
Accounts receivable	4,426	4,665
Inventories	1,405	1,359
Prepaid expenses	610	762
	8,075	8,330
Employee Future Benefits (Note 9)	1,813	868
Capital Assets (Note 3)	103,520	104,447
	\$113,408	\$113,645
Liabilities, Share Capital and Net Assets		
Current Liabilities		
Bank indebtedness (Note 4)	\$ 4,482	\$ 4,467
Accounts payable and accrued liabilities	6,025	7,675
Advances on future events	3,035	3,035
Deferred operating grant revenue	1,750	1,750
Current portion of long-term debt (Note 5)	794	749
	16,086	17,676
Long-term Debt (Note 5)	26,298	27,092
Deferred Contributions (Note 6)	13,312	13,290
	55,696	58,058
Share Capital		
Authorized: 20,000 shares of no par value		
Issued and outstanding: 1,452 (2003 - 1,313)	7	7
Net Assets		
Investment in capital assets	63,116	63,316
Accumulated operating deficiency	(5,411)	(7,736)
	57,705	55,580
Contingency (Note 11)		
	\$113,408	\$113,645

See accompanying notes

On behalf of the board:


 J.D. Wilson, Director


 F.G. Allen, Director

Calgary Exhibition & Stampede
CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

	Gross Revenue		Direct Expenses			
	2004	2003	2004	2003	2004	2003
Operations						
Stampede	\$35,977	\$33,305	\$26,597	\$24,539	\$ 9,380	\$ 8,766
Facilities	11,630	9,493	8,136	6,712	3,494	2,781
Food and beverage	16,033	14,500	13,296	12,331	2,737	2,169
Horse racing	12,944	13,455	12,172	11,648	772	1,807
Agricultural activities	856	773	1,656	1,488	(800)	(715)
Other activities	7,828	6,245	8,324	7,223	(496)	(978)
	\$85,268	\$77,771	\$70,181	\$63,941	15,087	13,830
Indirect expenses						
Administration, marketing and park services					12,147	12,209
Interest and other					1,769	1,726
Employee future benefits (Note 9)					846	838
Weadick Properties Ltd.					160	122
					14,922	14,895
Operating income (loss) before amortization, Provincial Government assistance and grants					165	(1,065)
Amortization of capital assets					6,465	7,185
Amortization of deferred contributions (Note 6)					(737)	(888)
					5,728	6,297
Loss before Provincial Government assistance and grants					(5,563)	(7,362)
Provincial Government assistance (Note 7)					7,100	7,100
Racing discretionary grant (Note 7)					588	595
					7,688	7,695
Net operating income					\$ 2,125	\$ 333

See accompanying notes

Calgary Exhibition & Stampede
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

	Investment in Capital Assets	Accumulated Operating Deficiency	2004	2003
Balance, beginning of year	\$63,316	\$(7,736)	\$55,580	\$55,247
Net operating income	(5,728)	7,853	2,125	333
Net additions to capital assets	4,779	(4,779)		
Repayment of long-term debt	749	(749)		
Balance, end of year	\$63,116	\$(5,411)	\$57,705	\$55,580

See accompanying notes

Calgary Exhibition & Stampede
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

	2004	2003
Operating Activities		
Net operating income	\$ 2,125	\$ 333
Items not affecting cash		
Amortization of capital assets and deferred contributions	5,728	6,297
Employee future benefits expense	846	838
	8,699	7,468
Net change in non-cash working capital	(1,305)	2,290
Employee future benefits contributions	(1,791)	(1,972)
Cash provided from operating activities	5,603	7,786
Financing and Investing Activities		
Acquisition of capital assets	5,538	7,803
Additional deferred contributions	(759)	(620)
	4,779	7,183
Change in bank indebtedness	(15)	185
Repayment of long-term debt	749	708
Cash used in financing and investing activities	5,513	8,076
Change in cash and short-term deposits	90	(290)
Cash and short-term deposits, beginning of year	1,544	1,834
Cash and short-term deposits, end of year	\$ 1,634	\$ 1,544

See accompanying notes



Calgary Exhibition & Stampede
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

Purpose of the Organization:

The basic purpose of the Calgary Exhibition & Stampede (“the Stampede”) is to preserve and promote western heritage and values. The Stampede is incorporated under the Companies Act of Alberta as a not-for-profit organization and is exempt from income taxes under the Canadian Income Tax Act. The directors of the Stampede are elected volunteers who cannot be paid in any form for their services under the by-laws of the organization. The shareholders of the Stampede, who are also volunteers, cannot receive any dividends, nor can the shares appreciate in value. Shares cannot be sold or held by persons outside of the Province of Alberta nor in the estates of deceased shareholders.

1. Change in Significant Accounting Policies:

The Stampede prospectively adopted the recommendations of the CICA Handbook Section 3063 “Impairment of long-lived assets” as of January 1, 2004. These recommendations require that an impairment loss on long-lived assets to be held and used be recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The adoption of these recommendations had no impact on the results of operations for the 2004 fiscal year.

2. Significant Accounting Policies:

The financial statements of the Stampede have been prepared by Management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. A precise determination of many assets and liabilities is dependent upon future events and consequently, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. Those estimates also affect the disclosure of contingencies at the date of the financial statements and the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. The financial statements have, in Management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) Basis of Presentation:

The consolidated financial statements include the accounts of the Stampede and its wholly owned subsidiary, Weadick Properties Limited (“Weadick”). The basic purpose of Weadick is to acquire lands for future Stampede expansion and development purposes. Weadick is incorporated under the Alberta Business Corporations Act as a not-for-profit organization and is exempt from income taxes under the Canadian Income Tax Act.

The Stampede also controls the Calgary Stampede Foundation (“the Foundation”), due to the Stampede’s ability to appoint the majority of the board of directors of the Foundation. In accordance with Canadian generally accepted accounting principles, the Stampede has elected to disclose all pertinent financial information of the Foundation in the notes to the consolidated financial statements. Accordingly, the Foundation’s financial accounts have not been consolidated into the Stampede’s consolidated financial statements. The Foundation has the primary objective of establishing programs for the benefit of young residents of Southern Alberta to advance their knowledge and understanding of the history, heritage, traditions and culture of Alberta. The Foundation is incorporated under the Companies Act of the Province of Alberta as a not-for-profit organization and is a registered charity under the Canadian Income Tax Act and accordingly is not subject to income taxes.

(b) Cash and Short-term Deposits:

Cash and short-term deposits comprise cash on hand, demand deposits, deposits held in trust, bankers’ acceptances and commercial paper having a maturity of three months or less from the date of purchase that are recorded at cost, which approximates market value.

(c) Inventories:

Inventories held for resale are valued at the lower of cost and net realizable value. Supplies are valued at the lower of cost and replacement cost.

(d) Capital Assets and Amortization:

Buildings and equipment are stated at cost less accumulated amortization. Major overhauls and improvements are capitalized, while normal repairs and maintenance are expensed as incurred. Amortization is provided on a straight-line basis at rates designed to amortize the assets over their estimated useful lives.

Calgary Exhibition & Stampede
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

Title to the land on which Stampede Park is located is vested in The City of Calgary and is used by the Stampede under a long-term lease (“the Ground Lease Lands”) expiring in the year 2010. Certain other lands owned either directly or beneficially by the Stampede are stated at cost and are held for future Stampede expansion and development purposes.

(e) Impairment of Long-lived Assets:

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be fully recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(f) Employee Future Benefits:

The Stampede has a number of defined benefit pension plans as well as a defined contribution pension plan that provide pension benefits to most of its employees. The defined benefit pension plans are based on years of service and final average salary. Pension benefit payments are not automatically increased for inflation.

The cost of pension benefits earned by employees is actuarially determined using the projected benefit method prorated on service and Management’s best estimate of expected plan investment performance, salary escalation and retirement ages of employees. Plan obligations are discounted using current market interest rates and plan assets are presented at fair value.

Actuarial gains (losses) arise from the difference between the actual long-term rate of return and the expected rate of return on plan assets, the difference between actual experience and actuarial assumptions used to determine the accrued benefit obligation, and from changes in the actuarial assumptions. The excess of the net accumulated actuarial gain (loss) over 10 percent of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees for the applicable pension plan. For the plan in which such amortization is recognized, the average remaining service period of the active employees is 13 years (2003 – 13 years).

The Stampede is amortizing a transitional asset on a straight-line basis over 13 years for one of its plans and is amortizing a transitional obligation over 10 years for another of its plans, which represented the average remaining service period of the active employees for each applicable plan at the 2001 transition date.

(g) Advances on Future Events:

The advances on future events represents funds received in advance for events including the ensuing Stampede festival, convention and trade show facilities and building and ice rental. Revenue for such events is recorded as “Advances on future events” when received or receivable and is included in income in the period in which the event takes place.

(h) Interest Rate Swap:

An interest rate swap is utilized to manage interest rate risk on the Stampede’s long-term debt. The Stampede does not enter into financial instruments for trading or speculative purposes. The Stampede believes the interest rate swap is effective as a hedge, both at inception and over the term of the instrument, as the term to maturity, the (notional) principal amount and the interest rate basis in the instrument all match the terms of the debt instrument being hedged. The interest rate swap agreement involves the periodic exchange of payments (without the exchange of the notional principal amount upon which the payments are based), which are recorded as an adjustment of interest expense on the hedged debt instrument. The related amount payable to or receivable from counterparties is included as an adjustment to accrued interest.

(i) Grants and Contributions:

The Stampede follows the deferral method of accounting for grants and contributions. Unrestricted contributions are recognized as income when received or receivable. Amounts externally restricted for capital purposes are recorded as “Deferred Contributions” when received or receivable and included in income each year in the same proportion as the annual amortization of the related assets for which the capital contributions were expended. Amounts that relate to operating expenditures of a future period are deferred until the related expenditures are incurred.

(j) Donated Services:

A substantial number of unpaid volunteers make significant contributions of their time in developing and delivering Stampede programs. The value of this contributed time is not reflected in the financial statements since objective measurement or valuation is indeterminable.

(k) Comparative Information:

Certain comparative financial information has been reclassified to conform to the financial statement presentation adopted in 2004.

3. Capital Assets:

	Amortization Rate (%)	2004			2003		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land		\$ 28,059	\$ —	\$ 28,059	\$ 26,794	\$ —	\$ 26,794
Buildings/Leasehold Improvements	2.5 to 20.0	144,626	76,008	68,618	141,691	71,070	70,621
Equipment	10.0 to 33.3	20,308	13,465	6,843	19,044	12,012	7,032
		\$192,993	\$89,473	\$103,520	\$187,529	\$83,082	\$104,447

Capital assets with a net book value of \$580 were written off and included as amortization of capital assets in the Consolidated Statement of Operations in 2003 following a detailed review by Management.

4. Bank Indebtedness:

Bank indebtedness at December 31 is comprised of the following:

	2004	2003
Revolving demand operating loan	\$ 507	\$ 493
Revolving demand credit facility	3,975	3,974
	\$4,482	\$4,467

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(a) Revolving Demand Operating Loan:

The revolving demand operating loan facility, available to a maximum \$12.5 million, bears interest at the bank's prime interest rate. As security, a Canadian chartered bank holds a demand debenture in the amount of \$40.0 million as well as a first floating charge over all assets, which are subordinated to the security held by The City of Calgary, as disclosed in Notes 4(b) and 5(a).

(b) Revolving Demand Credit Facility:

The revolving demand credit facility, available to a maximum \$30.0 million, bears interest at bankers' acceptance rates (2.58% at December 31, 2004) plus 0.30% and matures on March 31, 2005. As security, The City of Calgary, as unconditional guarantor, holds a fixed debenture in the amount of \$60.0 million charging the Ground Lease Lands, all improvements and any additional lands purchased by the Stampede from the proceeds of the credit facilities described herein and in Note 5(a).

5. Long-term Debt:

	2004	2003
Committed non-revolving credit facility maturing in 2024	\$27,092	\$27,841
Less principal due within one year	794	749
	\$26,298	\$27,092

Calgary Exhibition & Stampede
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

(a) Committed Non-revolving Credit Facility:

The committed non-revolving credit facility with a Canadian chartered bank (original credit facility limit of \$30.0 million) bears interest at bankers' acceptance rates (2.56% at December 31, 2004) plus 0.30% and is guaranteed by The City of Calgary for an additional cost of 0.02%. As security, The City of Calgary, as unconditional guarantor, holds a fixed debenture in the amount of \$60.0 million charging the Ground Lease Lands, all improvements and any additional lands purchased by the Stampede from the proceeds of the credit facilities described herein and in Note 4(b).

(b) Interest Rate Contracts:

The Stampede has entered into certain interest rate swap agreements with a Canadian chartered bank under which the Stampede has fixed interest payments on its committed non-revolving credit facility at 6.23% per annum to March 22, 2024. The fair market value of the interest rate swap at December 31, 2004, which has been estimated using year-end market rates, would result in a loss of \$2,257 (2003 – loss of \$1,633), and approximates the amount that the Stampede would pay if the swap agreement was closed out at that date.

(c) Principal Repayments:

The amount of principal repayable in each of the next five years and thereafter is as follows:

2005	\$ 794
2006	840
2007	890
2008	942
2009	998
Thereafter	22,628
	\$27,092

6. Deferred Contributions:

The Stampede receives capital contributions from the Province of Alberta and other sources to assist in the financing of capital asset acquisitions. Details of deferred contributions are as follows:

	2004	2003
Balance, beginning of year	\$13,290	\$13,558
Additional contributions	759	620
Amortization	(737)	(888)
Balance, end of year	\$13,312	\$13,290
Consisting of:		
	2004	2003
Unamortized capital contributions used to acquire capital assets	\$12,986	\$12,987
Unspent contributions	326	303
	\$13,312	\$13,290

7. Provincial Government Assistance and Racing Discretionary Grant:

The Stampede receives general purpose funding from the Government of Alberta through the Alberta Lottery Fund as follows:

(a) Operating Grant:

The Stampede receives funding from the Alberta Lottery Fund pursuant to Section 27 of the Gaming and Liquor Act, in accordance with the terms of an agreement with the Minister responsible for the Alberta Gaming and Liquor Commission. Under the current funding agreement, which will expire on March 31, 2010, the Stampede will receive \$7.0 million per annum.

(b) Agriculture Grant:

As a "Class A" fair, the Stampede receives an annual operating grant to support agriculture programs.

(c) Racing Discretionary Grant:

The Stampede receives a discretionary grant, through Horse Racing Alberta, of 0.95% of the gross handle from racing operations.

Provincial Government assistance recognized in income is as follows:

	2004	2003
Operating grant	\$7,000	\$7,000
Agriculture grant	100	100
	7,100	7,100
Racing discretionary grant	588	595
	\$7,688	\$7,695

The Stampede also received a slot revenue supplement from Horse Racing Alberta to offset costs associated with the Stampede's ongoing racing operations. The supplement of \$3,686 (2003 - \$3,293) is based on 18.33% of computer gaming terminal proceeds generated by the Stampede Casino and is reported as Horse Racing revenue in the Consolidated Statement of Operations.

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8. Financial Instruments:

The Stampede's financial instruments include cash and short-term deposits, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, deferred operating grant revenue, long-term debt, and an interest rate swap.

(a) Fair values of financial assets and liabilities:

The fair values of financial instruments, excluding long-term debt and the interest rate swap, approximate their carrying amount due to the short-term maturity of these instruments. The fair value of long-term debt approximates carrying value given its underlying floating interest rate and the fair value of the associated interest rate swap is disclosed in Note 5(b).

(b) Credit risk:

The Stampede's accounts receivable are due from a diverse group of customers and are subject to normal credit risks.

(c) Interest rate risk:

The Stampede has entered into an interest rate swap transaction, as disclosed in Note 5(b), to protect itself from exposure to interest rate increases on floating rate debt.

9. Employee Future Benefits:

The Stampede has a number of defined benefit pension plans as well as a defined contribution pension plan. In 2004, the Stampede made cash payments to its pension plans for employee future benefits amounting to \$1,972 (2003 - \$2,131).

(a) Defined benefit pension plans:

Actuarial valuations of the Stampede's defined benefit pension plans were carried out as at September 30, 2002 and were then extrapolated to December 31, 2004. The next actuarial valuation of the Stampede's defined benefit pension plans is required to be completed by September 30, 2005.

Calgary Exhibition & Stampede
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

Information concerning the Stampede's defined benefit pension plans, in aggregate, is as follows:

	2004	2003
Accrued benefits obligation		
Balance, beginning of year	\$20,777	\$21,037
Current service cost	1,365	1,303
Interest cost	1,415	1,285
Benefits paid	(740)	(567)
Actuarial loss (gain)	1,783	(2,281)
Balance, end of year	24,600	20,777
Plan assets		
Fair value, beginning of year	22,058	19,356
Annual return on plan assets	2,412	1,297
Employer contributions	1,791	1,972
Benefits paid	(740)	(567)
Fair value, end of year	25,521	22,058
Funded status - plan surplus	921	1,281
Unrecognized net actuarial loss	3,552	2,530
Unrecognized transitional asset	(2,660)	(2,943)
Accrued benefit asset	\$ 1,813	\$ 868

The Stampede's defined benefit costs recognized in the year are as follows:

	2004	2003
Current service cost	\$ 1,365	\$ 1,303
Interest cost	1,415	1,285
Actual return on plan assets	(2,412)	(1,297)
Actuarial losses (gains) on accrued benefits	1,783	(2,281)
	2,151	(990)
Difference between expected return and actual return on plan assets for year	706	(228)
Difference between actuarial loss (gain) recognized for year and actual loss (gain) on accrued benefit obligation for year	(1,728)	2,339
Amortization of the transitional asset	(283)	(283)
Defined benefit costs	\$ 846	\$ 838

The significant actuarial assumptions adopted in measuring the Stampede's accrued benefit obligations at December 31 each year are as follows (weighted average assumptions):

	2004	2003
Accrued benefit obligation:		
Discount rate	6.00%	6.50%
Defined benefit costs:		
Discount rate	6.50%	6.50%
Expected long-term rate of return on plan assets	7.55%	7.57%
Rate of compensation increase	4.50%	4.50%

The asset mix of plan assets at September 30 each year consist of:

	2004	2003
Asset category:		
Balanced mutual fund	6.00%	7.00%
Equity securities	55.00%	52.00%
Debt securities	32.00%	34.00%
Other	7.00%	7.00%

(b) Defined contribution pension plan

The Stampede's defined contribution pension plan expense for 2004 was \$181 (2003 - \$159).

10. Calgary Stampede Foundation:

The Foundation's financial accounts have not been consolidated in the Stampede's financial statements. The Foundation uses fund accounting and follows the restricted fund method of accounting for contributions. The Foundation's funds include the General, Designated Youth, Designated Endowment and Undesignated Endowment funds. The Foundation's investments are held by The Calgary Foundation and are pooled investments in stocks, bonds and debentures and are recorded at cost. Dividends, interest and realized capital gains and losses are included in revenue. To preserve the initial capital base of donations contributed to the endowment funds, an allowance is determined annually based on inflation and retained within the fund.

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Financial summaries of the Foundation as at December 31 and for the years then ended are as follows:

Calgary Stampede Foundation

Financial Position

	2004	2003
Total assets	\$7,353	\$1,245
Total liabilities	117	108
Total net assets	7,236	1,137
	\$7,353	\$1,245

During 2004 the Foundation received a gift of \$5.9 million from the Nat Christie Foundation. In accepting this gift, the Foundation is to reserve a portion of the funds for the future development of a significant capital project at Stampede Park. The remainder of the gift will be used to support the Foundation's ongoing charitable activities. All expenditures pertaining to this gift, including approval of the capital project, is subject to approval by the Foundation's board of directors.

Calgary Exhibition & Stampede
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004, WITH COMPARATIVE FIGURES FOR 2003 (IN THOUSANDS OF DOLLARS)

In accordance with donor-imposed restrictions: \$305 (2003 - \$218) of the Foundation's net assets must be distributed to designated youth programs specified by the donor; \$231 (2003 - \$221) of the Foundation's net assets must be held in perpetuity or for a period of not less than ten years, the income from which is to be used for the benefit of a specified activity; and \$373 (2003 - \$369) of the Foundation's net assets are subject to donor imposed restrictions that they be held in perpetuity or for a period of not less than ten years with no direction respecting the specific use of the capital or income earned from the investment of the capital.

Results of Operations

	2004	2003
Total revenue	\$6,448	\$719
Total expenses	349	518
Excess of revenue over expenses	\$6,099	\$201

Cash Flows

	2004	2003
Cash from operations	\$6,095	\$81
Cash used in financing and investing activities	5,963	7
Increase in cash	\$ 132	\$74

11. Contingency:

The Stampede has been named as one of the defendants in a suit claiming \$91.6 million. Management and legal counsel are of the opinion that the Stampede has a good defense based on the merits of the case and it is Management's view that the outcome of this action will not have a material adverse affect on the financial position or operating results of the Stampede. Accordingly, no provision has been made in the financial statements.



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