

October 31, 2012

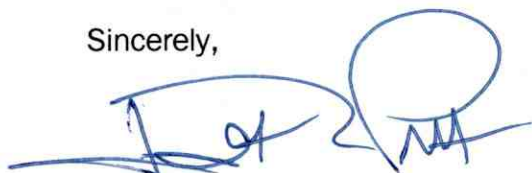
Ms Sandra Barnes
Clerk of the House of Assembly

Dear Ms Barnes:

Re: 2011-12 Annual Report

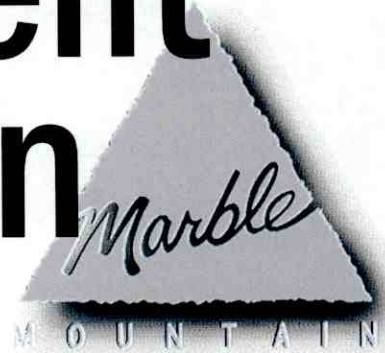
On behalf of the Minister of Tourism, Culture and Recreation, I am pleased to provide 10 paper copies of the 2011-12 Annual Report of the Marble Mountain Development Corporation. It has also been submitted to the House in digital format. By this letter, I am conveying the Minister's intent to table.

Sincerely,



Janet Miller Pitt
Director, Strategic Planning and Policy Division

**marble
mountain
development
corporation**



ANNUAL REPORT

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Contents

Chairperson's Message	2
1.0 Marble Mountain Development Corporation: Overview	3
1.1 Mandate	4
1.2 Vision	4
1.3 Mission	4
1.4 Values.....	5
1.5 Lines of Business.....	6
1.6 Key Statistics.....	6
2.0 Shared Commitments	7
3.0 Highlights and Accomplishments: 2011-12	8
4.0 Report on Performance: 2011-12.....	10
4.1 Preamble	10
4.2 Issue One: Financial client service performance	11
4.3 Issue Two: Public-Private Partnerships.....	13
4.4 Issue Three: Increased Participation.....	15
5.0 Opportunities and Challenges.....	17
5.1 Winter Opportunities.....	17
5.2 Summer Opportunities.....	18
5.3 Challenges.....	19
6.0 Financial Performance	19
Appendix A – MMDC Organizational Chart	20
Appendix B – Visitor Statistics	21

CHAIRPERSON'S MESSAGE

On behalf of the Board of Directors, I am pleased to present the 2011-12 Annual Report of the Marble Mountain Development Corporation (MMDC). This annual report presents the results for the first year of MMDC's *Business Plan 2011-14*. We are committed to achieving the goals and objectives of our plan based on three identified priority areas: financial and client service performance; public-private partnerships; and increased opportunities for physical activity participation.

The goals of MMDC fit the long-term development plans of Newfoundland and Labrador's Tourism Vision 2020 to become a multi-season tourism destination. Marble Mountain ski resort is a premiere winter tourism attraction in Newfoundland and Labrador. We continue to be committed to promoting the area as a four-season resort and being an anchor attraction for the West Coast of Newfoundland. MMDC was excited to be moving ahead with a new management team and a brand new marketing campaign in 2011-12. A new marketing agency hired in the summer of 2011 has successfully re-energized the Marble Mountain brand, laying the ground work to engage new guests and re-engage existing ones. The results of last season's efforts are shaping the winter 2012-13 marketing campaign.

The Government of Newfoundland and Labrador's investment in infrastructure development this year has ensured MMDC sustains employment and economic activity in the region and furthers its goals of being a multi-season operation. This investment at Marble Mountain has included improvements to snowmaking, the installation of a new magic carpet (a moving surface that conveys customers from the bottom of the beginners' area to the top) and enhancing the reliability of existing ski lifts.

I wish to extend my sincere thanks to all members of management, staff and the Board of Directors for their hard work and dedication throughout 2011-12. MMDC's 2011-12 annual report is submitted in accordance with the Government of Newfoundland and Labrador's *Transparency and Accountability Act*. My signature is indicative of the entire Board's accountability for the preparation of this report and the results reported herein.



Robert (Bob) Pike
Chairperson

1.0 MARBLE MOUNTAIN DEVELOPMENT CORPORATION: OVERVIEW

Marble Mountain Resort is located near Steady Brook, in the Humber Valley in Western Newfoundland. The Marble Mountain Development Corporation (MMDC) was established as a “Non-Profit Development Corporation” under the *Corporations Act* in 1988 to develop the Marble Mountain ski facility into a year-round, full-service resort. The Corporation’s mandate has been to develop the resort so that it will act as a catalyst for tourism development both locally and in the province as a whole. Government’s role has been to construct the initial critical mass infrastructure to attract private sector investment.

In 1995 the base lodge was constructed and the detachable high-speed quad chair lift was installed. In 1999, just before the start of the Canada Winter Games, Marble Villa, the resort's condominium-style hotel was opened. Since 2008, a private operator – Marble Zip Tours – has run a successful zip line tourism operation. More recently Marble Zip Tours has expanded to include an ATV tour and snowmobile rental business in the base area.

MMDC’s management team consists of four full-time managers who oversee the year-round operation of the resort. During the ski season, an Outside Operations Manager, Snow School Manager and Ski Patrol Manager are hired (see Appendix A for the current MMDC organizational chart). The summer operation consists of conferences, meetings, weddings and Marble Zip Tours. Holding a typical summer wedding, meeting or conference event requires between 10 and 15 employees. The majority of employees of the Marble Mountain Development Corporation are from the Humber Valley region.

The MMDC Board of Directors in 2011-12 was composed of 10 members representing the Marble Mountain Ski and Ride Club, the City of Corner Brook, the Town of Steady Brook, the Government of Newfoundland and Labrador and, members-at-large. The Board's structure has been established according to the MMDC by-laws and the Board reports to the Government of Newfoundland and Labrador through the Minister of Tourism, Culture and Recreation. Mr. Robert Pike, the current Board Chair, has served in this position since his appointment in April 2011.

The Corporation faced a number of continuing challenges and opportunities over the past year. As with many multi-season resorts, MMDC is experiencing increased global competition, continuing high infrastructure and operating costs, the impacts of climate change especially on the anchor winter season and changing demographics that are shaping market size and preferences. Air access to the province is improving, and Marble

Mountain will continue to work with both the public and private sector to increase sustainable opportunities to extend seasons, diversify the product offering, and increase revenue streams.

The Corporation is also focusing on improving client services and service quality as a source of sustainable, competitive advantage. This includes an increased focus on providing and promoting opportunities for, and benefits of, increased physical activity especially in winter, and through other multi-season activities and special events. A new approach to marketing the resort will be taken to rejuvenate its brand image.

1.1 MANDATE

The mandate of the Marble Mountain Development Corporation is to serve as a catalyst for tourism development both locally and in the province as a whole. As stated in MMDC's Articles of Incorporation, the mandate of the Board is as follows:

-
- *The Marble Mountain Development Corporation shall have marketing as an important priority of its mandate and shall designate a portion of its generated revenues solely to marketing;*
 - *Promote the area as a four-season resort area;*
 - *Actively pursue operators, tenants and/or owners to occupy the lands in the area for the following purposes:*
 - *Ski facilities*
 - *Summer activities and attractions*
 - *Accommodations and services*
 - *Any other activity consistent with the development of a four-season establishment*
-

1.2 VISION

The vision of the Marble Mountain Development Corporation is of a high-quality, safe and memorable experience for its clients in a world-class all-season resort area.

1.3 MISSION

Over the next two planning cycles, the Marble Mountain Development Corporation will have enhanced sustainable visitation and improved its client service performance. It will

have sought to promote Marble Mountain as a key tourism destination while maintaining fiscal responsibility and seeking to increase revenues from sources other than alpine skiing. This mission statement strengthens links to, and is consistent with, the Department of Tourism, Culture and Recreation’s Strategic Directions.

Mission:

By April 30, 2017, the Marble Mountain Development Corporation will have sought to enhance sustainable visitation and client service performance.

Measure:

Enhanced sustainable visitation and client service performance improved.

Indicators:

- Enhanced visitation and increased yield-per-visitor
- Maintained or increased visitor satisfaction
- Increased revenues from both alpine and non-alpine sources
- Increased infrastructure reliability.

1.4 VALUES

The values expressed below are intended to reflect operational values for Marble Mountain Ski Resort. In this context, the values of Marble Mountain Development Corporation have been identified as follows:

Teamwork	• Each person will work in a cooperative and effective manner as part of the Marble Mountain Team.
Responsiveness	• Each person will respond in a timely manner, appropriate to each situation as it arises.
Accountability	• Each person will be individually responsible for his/her actions. • Each contributing member of a working group will be accountable for the outcomes.
Innovation	• Each person will avail of opportunities to create an enhanced guest experience at Marble Mountain Resort.
Lead	• Each person will aspire to deliver operational excellence.

1.5 LINES OF BUSINESS

Alpine Activities and Services

Skiing and Snowboarding are still the primary activities at the resort. Chair lift rides are also offered in the winter season for those who wish to sightsee only.

Marble Mountain offers equipment rentals and repairs, snow school instruction and child supervision, locker and storage rentals and ski patrol (safety and first aid) services.

MMDC sells advertising in the form of signage on chair backs and at the top and base of the mountain. Sponsorships for events are also available, as well as advertising space in the resort brochure, on the web site and in the lodge.

Meetings, Conferences and Special Events

Marble Mountain Resort caters to weddings, meetings and conferences throughout the spring, summer and fall. During the winter season, events such as *Marble Cup Alpine Ski Races*, *Wild West Jib Fest* for snowboarders, *Old Sam Day* featuring ski & snowboard races and *The Race on The Rock* Snowmobile races are held to add to the total guest experience at the resort.

Accommodations

Marble Villa is a 31-room hotel with condominium-style suites, which range in size from studios to two-bedroom units. These units are characterized as ski-in/ski-out, meaning that they are situated at the base of the mountain to allow easy access for skiing and snowboarding guests. Marble Villa is air-conditioned and open year-round and is convenient for guests attending weddings, meetings and conferences at the base lodge or as a central point to explore Western Newfoundland.

Food and Beverage

The resort's food and beverage service operates a cafeteria and bar during the ski season. These services are available to skiers, snowboarders, snowmobilers and to the general public.

1.6 KEY STATISTICS

A summary of key statistics, including skier visits, ski days, pass sales, weddings and events and communications activities (including traditional, online and web-related) can be found in Appendix B. Although season pass sales were down 3% this past season, these numbers are strong given the fact that there was a price increase. The sale of day lift ticket increased

slightly by 4.5% in 2011-12, along with a 40% increase in night riding lift ticket sales. The increase in day lift ticket sales was especially good in the local (two hours) and rest-of-province markets, as well as the United Kingdom, USA and other international locations. Atlantic Canada and the rest of Canada registered very small decreases.

The shift to fewer season pass sales and increased daily lift ticket sales can be attributed in part to the shortened season as compared with the previous year. Given changing weather patterns, consumers perceive that they may not get full value from their season passes and are hesitant to make the investment the next season. They prefer instead to buy daily lift tickets when they can be more assured of snow and weather conditions. This type of consumer behavior is an industry-wide trend, as noted by the Canadian Ski Council in their annual national tracking surveys.¹

2.0 SHARED COMMITMENTS

Marble Mountain is committed to becoming an all-season tourism generator, with an emphasis on being a catalyst for further destination-oriented development in the area. Skiing and snowboarding is considered the primary activities, however, summer and other off-season activities will also be given priority.

Supporting Government's Strategic Directions to develop high quality, in-demand, export ready tourism products and experiences and for the province to become a multi-season tourism destination, MMDC continued its partnership with the four-season tourism operator, Marble Zip Tours. The company expanded its number of zip lines and added guided ATV tours, snowmobile rental and packages including a Zip and Stay promotion that combined a Marble Zip tour with accommodations at Marble Villa. These products sold very well, attracting customers to the resort who might not normally choose to visit.

These activities are attracting people from the province and beyond, helping make the province a multi-season tourism destination. MMDC also continued its partnerships with three travel packaging companies: Newfoundland and Labrador-based Vision Atlantic and Maxxim Vacations, as well as Ultimate Ski Vacations (USV) which is based in Ontario.

¹ Annually, the CSC conducts the National Consumer Profile and Satisfaction Survey based on interviews with skiers and boarders at Canadian resorts.

In 2011, Marble Mountain Resort entered into a new marketing partnership with the St. John's based agency Spark, for its winter marketing campaign. The campaign, which targeted the St. John's area as its primary market, consisted of print and radio advertising. It also included a continued focus on the resort's web presence through www.skimarble.com and social media such as *Facebook, YouTube, Twitter*, an iPhone App and a Marble Mountain blog. This continued use of social media has allowed management to maintain a running dialogue with Resort users, resulting in increased understanding of how and why some operational decisions were made. Through these media, user feedback is almost instant, which allows management to respond to issues and concerns in a very timely manner.

Marble Mountain has been a catalyst for private sector investment in the area surrounding the resort. Millions of dollars have been injected into the area to upgrade or establish new operations. Since its inception *Humber Valley Resort (HRV)* has used Marble Mountain as a primary component of its marketing and investment attraction program. While HVR is now operating under new owners and a new business model, the chalets are privately owned and many are available for vacation rentals.

Marble Inn Resort, a locally owned business, which started as a few cabins across the highway from Marble Mountain, has expanded to include an inn, restaurant, indoor pool and fitness center. This property has continued its expansion, replacing its cabins with new condominium-style vacation properties which are for sale and will be a part of a rental pool. KSAB Construction, a Corner Brook developer, has built condominiums in the area and is planning further developments in the future.

3.0 HIGHLIGHTS AND ACCOMPLISHMENTS: 2011-12

The MMDC highlights and accomplishments in 2011-12 supported Government's Strategic Direction to further advance the Recreation and Sport Strategy and its seven key directions. These especially concern the focus areas of after school physical activity for children, youth and families; promoting increased physical activity (including increased access and participation); supporting regional recreation and sport; and supporting sport development. Through its strengthened public-private partnerships, Marble Mountain also works to further advance the Tourism Vision and its seven key directions especially developing priority, in-demand export ready tourism products and experiences, and

working with the Province and regional partners to market Newfoundland and Labrador as a tourism destination.

The 2011-2012 winter season marked a special milestone for Marble Mountain, namely the 50th year of lift serviced skiing/snowboarding at the resort. This milestone was celebrated with the Ski and Ride Club's season kick-off concert featuring noted Corner Brook entertainer Sherman Downey and his band in November.

A continued focus on digital marketing and the use of social media allowed MMDC management and staff to have an ongoing conversation with Marble Mountain's customers and guests. The steady increase in the number of *Facebook* fans meant that mass-communication could be frequent and up-to-date, which was especially valuable during the lead up to opening day. The number of *Facebook* users who "Liked" the Marble Mountain page increased significantly during the ski season, with the total number reaching 7,447 fans as of May 22, 2012, which is a 24.5% increase over the levels recorded during the 2010-11 season. People talking about the page hit a high of 7000 unique users during the season. This means that almost every one of the 7447 fans interacted with the page in some way, shape or form. Another staggering number is the 1,141,471 people who saw content from Marble Mountain through newsfeeds.

Many other activities rounded out the snow season, including the 2nd annual *Jib Fest*, hosted in conjunction with an entertainment company based in St. John's and the Corona Snow Session, hosted in conjunction with Molson/Coors. More than 1000 people attended each event. The 2011 summer catering season was very strong, with 17 weddings booked from June through September. The summer catering season continued to provide a significant revenue stream for the operation, totaling \$248,242 (33 events) in 2011-2012.

Snow School programs continued to be popular with guests, and the children's season-long programs sold out during the open house in October. Revenues generated from Snow School kids lessons increased to \$42,441 in 2011-12 compared to \$35,249 in 2010-11. More than 60 instructors were employed throughout the season in various programs and lessons, and certification courses in both skiing and snowboarding were conducted during the season, allowing the Snow School to add new talent. There has been a 15% increase in the number of School Alpine Program participants taking the ski/snowboard option when visiting with schools, which is indicative of an overall trend.

The existing terrain park² continued to see its popularity grow, especially during Friday night's as lights were added. The continued focus on improving the park including the

² A terrain park is an area with man-made terrain features like jumps, rails, boxes and other obstacles. They are popular with freestyle snowboarders and skiers.

progression park³ resulted in “one of the best ever” seasons as stated by many of our terrain park users at Marble Mountain. Park users of all ages took advantage of a variety of terrain suited to their abilities in the same area, and this in turn helped increase participation through competitions, demonstrations and other events aimed at park users.

Marble Villa, the resort’s condo style accommodations, had its most successful ski season by finishing at 30% occupancy rate. This success was driven by the long season (100 days which included both the lucrative Christmas period and the Easter break), increase in international visitors and the increased participation in events held at the Resort.

Although Marble Zip Tours (MZT) is a completely separate operation, MMDC saw the benefit of having such a venture located in close proximity to Marble Mountain Resort. MMDC partnered with MZT to offer packages that combine a MZT tour with accommodations at Marble Villa; this partnership proved to be successful and the Resort looks forward to an increased number of visitors as MZT expands its operation. This four-season activity is attracting people from the province and beyond, helping the province become a multi-season tourism destination.

4.0 REPORT ON PERFORMANCE: 2011-12

4.1 PREAMBLE

During 2011-12, MMDC worked to support Government’s Strategic Directions to “Strengthen public-private partnerships in tourism” and “Physical activity, active recreation and sport” especially the key focus areas of winter tourism and developing high quality and safe physical activity opportunities.

Marble Mountain is committed to becoming a major all-season tourism generator, with an emphasis on being a catalyst for further high-end destination-oriented development in the area. Skiing and snowboarding are considered the primary activities, however, summer and other off-season activities are also given priority.

³ Many resorts now maintain several terrain parks across the mountain, with “progression” features designed for beginners, intermediates and advanced riders (pertaining to level of skill and experience).

4.2 ISSUE ONE: FINANCIAL CLIENT SERVICE PERFORMANCE

During the past year the Board in an effort to improve client services, has completed its review of its infrastructure, including everything from its snow making and ski lift systems, accommodations, main lodge facilities to the maintenance facilities. From this review, the Board has completed a 10-year capital plan that will see the life cycle of its most critical assets extended.

Goal One: By April 30, 2014, the Marble Mountain Development Corporation will have initiated improvement in the areas of financial performance and client service performance.

Objective 2012: By April 30, 2012, the MMDC Board will have reviewed infrastructure reliability and will have initiated infrastructure improvements including defining maintenance and replacement needs.

Measure: Infrastructure reliability reviewed and areas for improvement identified and initiated.

Indicators	Report on Indicators
Identified areas for improvements	<ul style="list-style-type: none">• During the summer of 2011, the Board Chair and General Manager reviewed the entire operations infrastructure.• This review identified areas in need of improvement with a focus on safety and reliability.
Reviewed infrastructure reliability	<ul style="list-style-type: none">• Infrastructure was reviewed to identify safety and reliability issues.• From this review, a 10-year capital infrastructure plan was created.
Defined maintenance needs	<ul style="list-style-type: none">• A local engineering firm was engaged to assist with identifying the critical maintenance requirements such as corrosion problems.• The ski lift systems are unique, therefore the original suppliers were engaged to prioritize the outdated electrical and mechanical components and determine cost implications.

Discussion of Results:

During the summer of 2011, the Board Chair and General Manager spent considerable time reviewing the resort's infrastructure by driving and walking the entire area. This provided

a hands-on, detailed overview which allowed for a better understanding of the current challenges and, most importantly, what future changes are required to ensure that the infrastructure continues to be safe and reliable.

From this review an initial list was created which ranked items in priority based on safety and reliability. Further insight was sought from a local engineer and the ski lift system suppliers to verify the initial findings.

By the fall of 2011, the MMDC board had created a 10-year capital improvement plan which addresses immediate safety issues and prioritizes the infrastructure needs over the 10-year period.

Capital Improvements made in 2011-12 included:

- Replacement of T-Bar surface lift with a magic carpet and improvements to the entire learning area
- Repairs to snowmaking infrastructure (leaky water pipes)
- Removal of corrosion and painting of the “Newfie Bullet” chair lift
- Replacement of light poles used to support lights for night skiing and power lines
- A mechanical upgrade to the “Governors Express” chair lift.

Capital improvements planned over the next nine years include:

- Black Mariah chairlift electrical system upgrades
- Replace snowmaking water lines over six years
- Marble Villa interior upgrades and exterior painting
- Base lodge exterior painting
- Roof replacement on small lodge building
- Replace snowmaking water pumps at the end of their useful life cycle.

Indicator Development for 2012-13:

Objective: By April 30, 2013, the MMDC Board will have reviewed and improved financial information and management system practices.

Measure: Financial information and management systems reviewed and areas for improvement identified and initiated.

Indicators:

- Reviewed systems reliability
- Defined system needs
- Identified systems for improvement
- Improvements to system practices initiated.

4.3 ISSUE TWO: PUBLIC-PRIVATE PARTNERSHIPS

The MMDC board recognizes that in order to move Marble Mountain to a four-season resort, it needs to partner with private companies that can provide high-quality tourism products and experiences.

Goal Two: By April 30, 2014, the Marble Mountain Development Corporation will have taken steps to initiate public-private partnerships in tourism.

Indicators	Report on Indicators
Viable non-alpine events identified	<ul style="list-style-type: none"> • The Board generated a list of non-alpine events based on successful industry examples. • The list included, “Summer Sight Seeing” chairlift experience that makes the top of the mountain a destination, massage therapy, ATV tours, Zorbing,⁴ climbing wall, Mountain biking, walking tours, paddle boat rentals on the pond, RV camping area, snow shoeing, snowmobile rental and dog sledding. • The market place was scanned to identify existing companies that could offer products listed above. • An expression of interest was placed in two provincial newspapers - <i>The Western Star</i> and <i>The Telegram</i> - and posted on the resort’s web site. • Initial conversations with several companies that approached MMDC occurred. This materialized into partnerships that included: <ul style="list-style-type: none"> ○ Balance Rehabilitation Clinic – rented space in the main lodge offering massage therapy during the winter months. • Opportunities were explored with Marble Zip Tours for ATV tours and snowmobile rentals. These two initiatives were up and running during 2011-2012 summer/winter seasons. • Dog sledding tours conducted through ROAM the Rock Adventure Tourism Collective.

⁴ Zorbing is a recreation or sport activity which involves rolling down hill within an orb or sphere made of transparent plastic.

Indicators	Report on Indicators
	<ul style="list-style-type: none"> • Conversations were initiated with a local entrepreneur to open up a Beaver Tails operation. As this process was late starting, the initiative was moved forward to the 2013 winter season. • Discussions also occurred with a local business interested in renting space in the Marble Mountain Lodge; however no agreement has been reached.

Objective 2012: By April 30, 2012, the MMDC Board will have identified activities that fit within the Four-Season Model.

Measure: Identified activities that fit within the Four Season Model.

Discussion of Results:

As an initial step, Marble Mountain released an expression of interest through *The Western Star* and *The Telegram* seeking interested parties who wish to operate their business from or on MMDC's property. This resulted in several immediate inquiries, one of whom set up their operation inside the main lodge. Balance Rehabilitation Clinic from St. John's offered massage therapy during busy periods of the season.

Balance Rehabilitation Clinic approached Marble Mountain to offer massage therapy to the resorts ski/snowboarding guests. It was agreed that 2012 would be a trial period to see how guests would react and Balance@Marble, as it was named, began. Three of the busiest periods were selected and Balance@Marble converted a meeting room into a massage therapy clinic. The initial response from guests was favourable and dates have already been selected for the 2013 winter.

Marble Mountain did enter into a multi-year agreement with Marble Zip Tours to offer summer ATV tours and winter snowmobile rentals. Both activities were successful during their inaugural year and expected to continue during 2012-2013.

ROAM the Rock Adventure Tourism Collective partnered with a Les Skis Doux, who operates dog sledding tours in Gros Morne, to offer an entry-level dog sledding product. This product was aligned with the Snow West weekend and guests really enjoyed the experience. The weekend was such a success that Les Ski Doux extended their stay and offered the dog sledding product for the rest of the following week.

Indicator Development for 2012-13:

Objective: By April 30, 2013, the MMDC Board will have implemented initiatives to increase working relationships with 3rd party activity operators.

Measure: Implement initiatives to increase working relationships with 3rd party activity operators.

Indicators:

- Continued identification of opportunities for partnerships with third-party operators
- Partnership opportunities examined for viability
- Continued development of identified opportunities with 3rd party operators
- Implementation of identified initiatives and opportunities.

4.4 ISSUE THREE: INCREASED PARTICIPATION

In an effort to increase physical activity participation opportunities, specifically in the after school time period, MMDC offered increased night skiing time on the mountain. "Night Riding" was offered at the Marble Mountain from 6:00pm to 9:00pm on Fridays and increased attention and marketing was placed on this initiative to increase participation. This also strengthened links to, and was consistent with, the Department of Tourism, Culture and Recreation's Strategic Direction to increase access and participation to physical activity, active recreation and sport.

Goal Three: By April 30, 2014, the Marble Mountain Development Corporation will have increased opportunities for participation in physical, active recreation and sport activities.

Objective: By April 30, 2012, the MMDC Board will have identified opportunities to increase after-school hour physical activity.

Measure: Opportunities to increase after-school hour physical activity identified.

Indicators	Report on Indicators
Increased efforts in marketing night skiing	<ul style="list-style-type: none">• In-house marketing in the Knotty Pine Lounge, public washrooms and information boards at the start of the season to promote new time of 6:00om to 9:00pm.• Steele Communications Morning Show live broadcast timed to correspond with the first night riding of the season 2012.

Indicators	Report on Indicators
	<ul style="list-style-type: none"> • Radio advertising specific to the night riding product aired in the month of February on Steele stations and on The Coast 101 in St. John's. • Night riding specific ads placed in <i>The Western Star</i> (three insertions.) • Ambient campaign element consisting of small skiers placed on windshields in both St. John's and Corner Brook in mid-March. The backside of the skiers promoted a 2-for-1 coupon for night riding. • Special Saturday night riding added to the regular night riding operating schedule on St. Patrick's Day. • Continued social media push to encourage night visitation.
Increased night skiing visitation	<ul style="list-style-type: none"> • As a result of the increased marketing and programming night riding ticket sales increase by 40% over the previous year. This increase does not include season pass holder usage, which was not tracked.

Discussion of Results:

During the past year MMDC identified some areas where it can grow its participation rates by retooling some existing programming/products.

During the past season MMDC saw an increase in night riding visitation. This directly correlates to the marketing of this product and working with existing local community associations and groups such as the Marble Mountain Alpine Race Team (MMARTI) and the newly formed Shred Sisters group. A collaborative approach was taken that resulted in these groups holding weekly on-snow sessions during Friday night riding. This attracted not only participants from these groups but also friends and family.

MMDC included night riding in its overall marketing strategy and used its many marketing channels to promote the night riding product such as print, social media, ambient and digital billboards. The product was also included in the Marble Mountain Four Wall marketing plan through the two main lodges and Marble Villa.

Indicator Development for 2012-13:

Objective: By April 30, 2013, the MMDC Board will have implemented sustainable after-school hour programming.

Measure: Implement after-school hour programming.

Indicators:

- Explored opportunities for implementation of after-school programming.
- Improved night skiing product
- Implement identified viable after school programming.

5.0 OPPORTUNITIES AND CHALLENGES

5.1 WINTER OPPORTUNITIES

While Marble Mountain Resort's success is undeniably tied to weather factors beyond its control, its outside operations have been helping to overcome these natural challenges through the snowmaking system. This allows the crew to make snow when the Resort would otherwise have none and to provide excellent conditions when they are least expected. This greatly increases the Resort's ability to serve users with a consistent, high-quality product.

New methods of communication helped to promote snow conditions, and are proving to be extremely successful. The use of social media, such as *Facebook*, *Twitter*, *YouTube*, the Marble Mountain blog, and an iPhone application, have improved brand loyalty and customer service by maintaining direct digital conversations with current and potential guests. These new methods of almost instant communication with users will continue to allow for ongoing promotion of conditions and events, which should result in increased skier visits.

Guests seek to have a positive experience at the resort and the majority of guests measure this against their leisure experiences at other competing locations. Marble Mountain will continue to monitor guest experiences and respond to guest needs, thus increasing revenue, attaining higher rates of client satisfaction and saving on operating costs. During the summer of 2011, a new marketing agency was hired and they have successfully re-energized the Marble Mountain brand, laying the ground work to engage new guests and re-engage existing guests. The results of last season's efforts are shaping the winter 2013 marketing campaign.

Implementing the right Customer Relationship Management (CRM) tools to capture guest feedback and measure and assign value to customer relationships is also critical. MMDC is

currently reviewing options for industry standard CRM software packages which will allow for a better understanding of guest behavior and more targeted and relevant communications.

Guests expect brands to improve existing experiences and expand product and services offerings to keep the brand rejuvenated and fresh. MMDC will work to continually update its existing products and partner with others to achieve greater market penetration and added value. Some options include:

- The Snowschool providing after-school Terrain Park lessons
- Augmenting the existing night riding product to allow provincial snowsport associations the opportunity to increase training
- Offering differentiated accommodation
- Improving the food and beverage experience.

In today's market place, many organizations tie conferences and recreation together and look for venues that that can accommodate both. Marble Mountain has the opportunity to tap into this market by reconfiguring some of its existing base lodge facilities and taking a leadership role in attracting this market segment to Western Newfoundland. In doing so, the economic spin-off will increase for both Marble Mountain and the region as a whole.

The Resort's season pass rates continue to provide value compared to other, similar resorts. These rates will continue to be reviewed yearly so that they may be better aligned with other competitive seasonal recreational activities. Any increased revenue that may result will be re-invested in Marble Mountain in order to increase value and improve the overall quality of the guest experience.

5.2 SUMMER OPPORTUNITIES

Summer operations have shown no signs of slowing down, and the main base lodge provides a unique venue for various-sized conferences, meetings and weddings. This business can grow with the reconfiguration of some of the existing base lodge facilities. This would allow the resort to continue to attract large groups or host multiple conferences at the same time. Building a critical mass of guests by intercepting existing travelers to Western Newfoundland is vital to growing the summer business. Working with partners such as Western Destination Management Organization (DMO), motor coach operators, the cruise ship industry and Marble Zip Tours to build that critical mass will allow MMDC to develop quality, sustainable summer products such as ATV tours, daily food and beverage offerings, chair lift sightseeing tours, hiking, and mountain biking.

5.3 CHALLENGES

Air access to the province is improving, however, overall access and transportation to the region remains challenging. MMDC will continue to work with partners to ensure safe, cost competitive, seamless and reliable travel to, from and around the province.

Continued infrastructure maintenance is essential to ensure safe, reliable, accessible and enjoyable use for all of our guests. The base lodges, accommodations and mountain-based infrastructure will require continued capital investment to ensure a strong future for the resort.

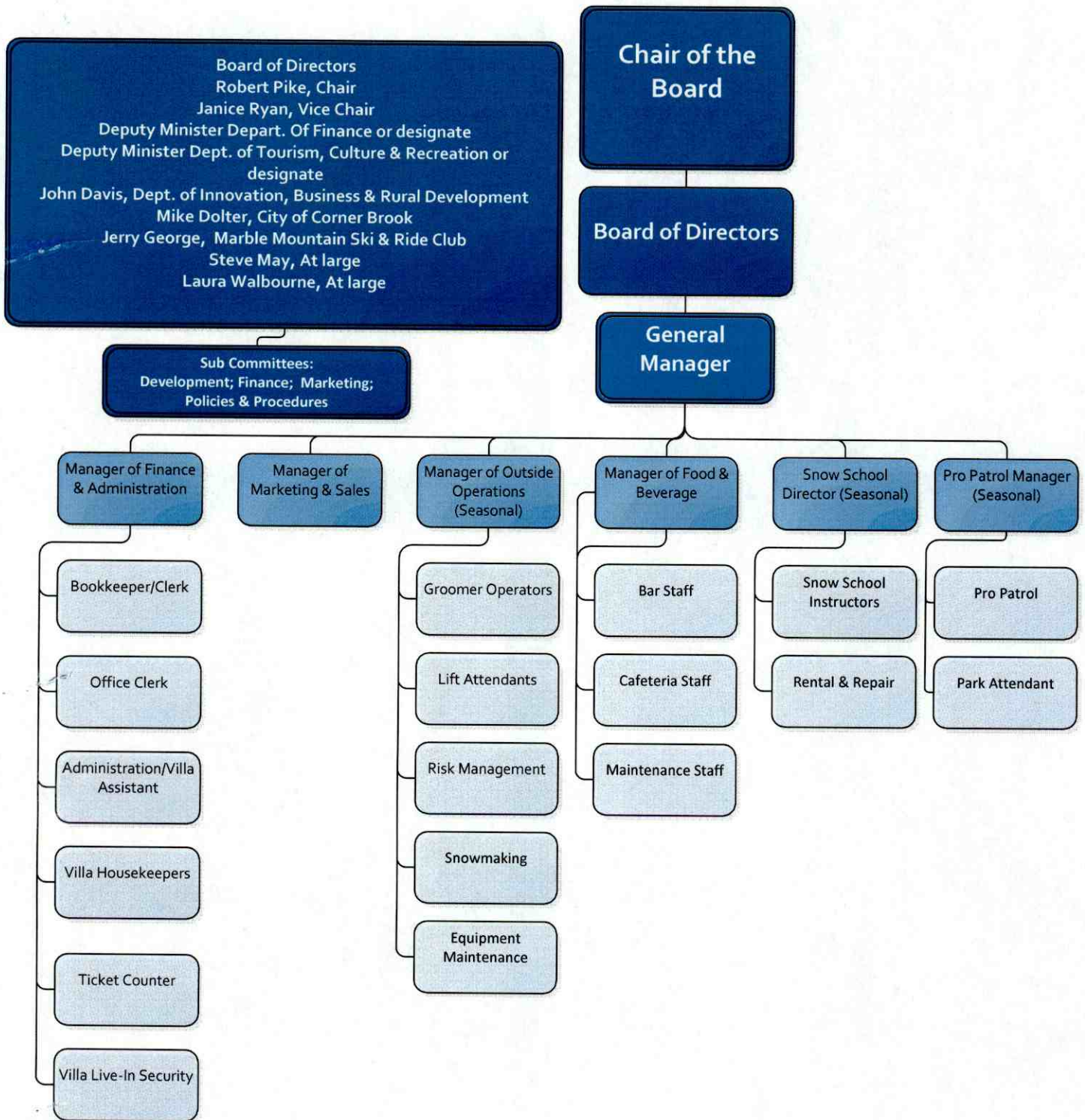
MMDC has been operating historically at high usage levels especially during the anchor winter season and it is projected that the current facilities, equipment and infrastructure will begin to require assessment and possible replacement in the near future. MMDC's key for success is appropriately planning for future requirements within its fiscal resources. This planning is to be conducted while ensuring that the day-to-day function of the resort, and its ability to host sporting and entertainment events, is not compromised.

Marble Mountain Resort's core business will continue to be influenced by changing weather patterns as seen in the 2009-10 and 2010-11 winters. Continued investment in the resort's snow making system will act as insurance against potentially harming weather patterns and events. MMDC also plans to monitor visitor needs and satisfaction in order to enhance customer loyalty and improve client service performance over the next three years.

6.0 FINANCIAL PERFORMANCE

The audited financial statements of the Marble Mountain Development Corporation have been prepared by the firm of Belanger, Clarke, Follett & McGettigan and accepted by the MMDC Board of Directors. During the presentation of these statements, it was noted by the auditor that accounting practices of MMDC have been very high quality and expenditures very prudent. These statements can be found in Appendix C.

APPENDIX A – MMDC ORGANIZATIONAL CHART



APPENDIX B – VISITOR STATISTICS

Historical Overview 2008-09 to 2011-12

Marble Mountain Selected Key Indicators 2008-09 to 2011-12								
Indicator	2008-09	Annual % ⁴	2009-10	Annual % ⁴	2010-11	Annual % ⁴	2011-12	Annual % ⁴
Skier Visits¹	90,705	- 4.8	84,962	- 6.3	72,551	- 14.6	72,470	-0.11
Ski Days²	104	- 13.3	86	- 17.3	82	- 4.7	100	+22
Average Per Ski Day³	872	+ 9.8	988	+13.3	885	-10.4	725	-18

Source: Department of Tourism, Culture and Recreation, Tourism Research Division, Tourism Branch, based on primary data remitted from the Marble Mountain Development Corporation.

Glossary

¹ A "skier visit" is an industry term used to denote one visit by a guest. A couple visiting Marble Mountain for one day would be two skier visits. Total skier visits are calculated by adding day pass sales to visits from season passes (see below detailed statistics)

² A 'ski day' is an industry term to denote the number of days that Marble Mountain was available (open) for guests to ski.

³ Average Per Ski Day is the number of skier visits divided by the number of ski days open

⁴ Annual % is the Increase (+) or Decrease (-) compared to the previous year.

Notes:

Start Dates: 2008-09 (Dec. 26); 2009-10 (Jan.9); 2010-11 (Jan. 18); 2011-12 (Dec.26). All start dates from 2000-01 to 2007-08 were in the third week or last week of December capturing the high visitation, high-yield Christmas-New Year holiday period, traditionally a peak with winter resorts.

The average annual decrease over the four year period 2008-09 to 2011-12 is as follows:

- Skier Visits: Average annual decrease 2008-09 to 2011-12 is 5%
- Ski Days: Average annual decrease 2008-09 to 2010-11 is 3%
- Average Per Ski Day: Average annual increase 2007-08 to 2010-11 is 1%

Detailed Statistics 2010-11 to 2011-12

	2010-11	2011-12	% Change
Season Passes	2,183	2,119	-3%
Daily Lift Tickets	22,700	23,733	+4.5%
Total Skier Visits	72,551	72,470	-0.11%

* Total skier visits are calculated by adding day pass sales to visits from season passes. Season pass visitation at Marble Mountain is calculated by multiplying the number of season passes sold by 23. This is the average visits per season pass and this figure was derived by surveying season pass holders.

Season Pass Sales

	2010-11	% of Total	2011-12	% of Total
Student	619	28%	614	29%
Senior	40	2	52	2.5
Family	601	28	667	31.5
Adult	488	22	448	21
Child (5-12)	364	17	305	14.5
Under 5	46	2	33	1.5
Unknown	25	1	0	0
Total	2,183		2,119	

Season Pass Holder Origin

	2010-11	% of Total	2011-12	% of Total
Local (2 hours)	1,804	83	1,763	83
St. John's (metro)	275	13	289	14
Rest of NL	30	1	29	1
Atlantic Canada	26	1	13	.6
Rest of Canada	7	.3	10	.4
UK/Ireland	10	.5	9	.5
International	6	.2	6	.5
Unknown	25	1	0	0
Total	2,183	-	1,919	-

Daily Lift Ticket Customer Origin

	2010-11	% of Total	2011-12	% of Total
Local (2 hours)	11,245	50%	11,733	40%
Rest of NL	8,191	36	8,270	35
Atlantic Canada	1,225	5	1,219	5
Rest of Canada	395	1.7	225	1
USA	13	.05	27	.1
Britain	395	1.7	699	2.9
International (other)	299	1.3	450	1.8
Comp	358	1.5	547	2
Unknown	579	2.5	563	2
Total	22,700	-	23,243	-

Weddings and Events

	2009-10	2010-11	2011-12
# of Weddings	16	19	17
# of Events	12	18	16
Grand Total All Events	28	37	33
Revenues Weddings	\$121,754	\$137,248	\$124,083
Revenues Events	\$81,475	\$146,061	\$124,199
Grand Total All Revenues from Above	\$203,230	\$283,309	\$248,282

Online Communications and Social Marketing Activities

Indicator	2009-10	2010-11	% Change	2011-12	% Change
Web site visits	189,898	152,584	-19	151,161	-1
Unique web site visitors	89,258	67,736	-24	77,389	14
Newsletter Subscribers	1,429	1,473	3.1	1,521	3
Facebook page "likes"	3,985	5,981	50.1	7,453	25

Notes:

- Web site visits are from May 1 – April 30
- www.skimarble.com was re-designed before the 2009-2010 season

Indicator	2009-10	2010-11	% Change	2011-12	% Change
Three-Year Percentage Change:					
<ul style="list-style-type: none"> • Web Visits decreased 20% • Unique web visitors decreased 13% • Newsletter subscribers increased 6% • <i>Facebook</i> page likes increased 87% 					