

Food and Beverage Pricing

In consideration of the recently passed legislation, Chicago Restaurant Partners in cooperation with McCormick Place, plan to make significant changes to current menu prices and fee structures beginning on August 1, 2010. All price reductions other than gratuities will remain fixed until August 31, 2011 in an effort to continue to minimize the costs to conventions exhibiting at McCormick Place. The gratuity will increase from 21.25% to 21.5% based upon a previous agreement.

These changes will not only reduce the average total out-of-pocket expense to clients, but will also position McCormick Place costs below any other major convention center on many of our most highly demanded items.

Pricing changes will be implemented for all catering and non-branded concessions operations. The changes are described in more detail below.

Catering and Exhibitor Catering Reductions

A 10% price reduction on all catering and exhibitor catering menu items will be implemented beginning in August of 2010, with additional reductions being made to the following high volume items.

- Coffee (per gallon)
- Soda (per case and individual item)
- Bottled Water (per case and individual item)

The table below shows the decrease in menu price on these targeted items and how it translates to total out of pocket savings for the customer.

	Menu Price	Gratuity 21.25%	State Sales Tax* 9.75%	City and Zone MPEA Tax 1.25%	City of Chicago Soda Tax 3.00%	Total Out-of-pocket Customer Price
Coffee-1 Gal.						
Pre-8/1/2010	\$47.25	\$10.04	\$4.84	\$0.59	n/a	\$62.72
as of 8/1/2010	\$36.50	\$7.76	\$3.72	\$0.46	n/a	\$48.44
Total Savings-\$	\$10.75	\$2.28	\$1.10	\$0.13	n/a	\$14.28
Total Savings-%						22.8%
Soda-1 case						
Pre-8/1/2010	\$63.50	\$13.49	\$6.51	\$0.79	\$1.91	\$86.20
as of 8/1/2010	\$48.00	\$10.20	\$4.89	\$0.60	\$1.44	\$65.13
Total Savings-\$	\$15.50	\$3.29	\$1.59	\$0.19	\$0.47	\$21.07
Total Savings-%						24.4%
Soda-each						
Pre-8/1/2010	\$2.75	\$0.58	\$0.28	\$0.03	\$0.08	\$3.73
as of 8/1/2010	\$2.00	\$0.43	\$0.21	\$0.03	0.06	\$2.72
Total Savings-\$	\$0.75	\$0.16	\$0.08	\$0.01	\$0.02	\$1.01
Total Savings-%						27.0%
Water-case						
Pre-8/1/2010	\$82.75	\$17.58	\$8.48	\$1.03	n/a	\$109.85
as of 8/1/2010	\$63.00	\$13.39	\$6.42	\$0.79	n/a	\$83.60
Total Savings-\$	\$19.75	\$4.20	\$2.02	\$0.25	n/a	\$26.25
Total Savings-%						23.9%
Water-each						
Pre-8/1/2010	\$3.25	\$0.69	\$0.33	\$0.04	n/a	\$4.31
as of 8/1/2010	\$2.65	\$0.56	\$0.27	\$0.03	n/a	\$3.51
Total Savings-\$	\$0.60	\$0.13	\$0.06	\$0.01	n/a	\$0.80
Total Savings-%						18.6%

* Includes sales tax on caterer retained portion of the gratuity.

An analysis of total out-of-pocket costs on these items (inclusive of sales tax and service charge) demonstrates that Chicago Restaurant Partners has moved from a position where the total out of pocket charge to the customer for these items was at or above the average of our competitors to a position where those same charges are now consistently below the average of the competitive set and at or below the price of our lowest price competitor in each category.

Competitor Pricing	Coffee Gallon	Soda Case	Bottled Water Case	Soda Each	Bottled Water Each
Highest Comparative Competitor	\$61.99	\$92.79	\$115.99	\$3.87	\$4.83
Lowest Comparative Competitor	\$48.64	\$76.26	\$76.26 ¹	\$3.18	\$3.50 ¹
Average of Comparable Cities	\$54.77	\$86.15	\$93.85	\$3.59	\$3.99

McCormick Place Pricing	Coffee Gallon	Soda Case	Bottled Water Case	Soda Each	Bottled Water Each
McCormick Place (pre - 8/1/2010)	\$62.72	\$86.20	\$109.85	\$3.73	\$4.31
Difference from Competitive Average +/-	\$7.95	\$0.05	\$16.00	\$0.14	\$0.32
Ranking(1 = least expensive)	5	3	4	3	4
McCormick Place (as of 8/1/2010)	\$48.44	\$65.13	\$83.60	\$2.72	\$3.51
Difference from Competitive Average +/-	-\$6.33	-\$21.02	-\$10.25	-\$0.87	-\$0.48
Ranking(1 = least expensive)	1	1	2	1	2

Notes: ¹The bottled water comparison for the lowest price comparative convention center is based on a 16.9 oz. bottle all others use a 20 oz. bottle.

In addition to the significant price reductions, Chicago Restaurant Partners will also be replacing delivery charges on orders of less than \$250 with a \$35.00 minimum order. This change is unique amongst our competitive set and offers further savings to exhibitors placing smaller “personal consumption” orders. Instead of charging an additional charge for small orders, Chicago Restaurant partners will offer the option of paying the minimum fee or adding items to reach the minimum charge.

Considering all of these changes, the following example compares the charges to an exhibitor wishing to order a case of soda for their booth from a major national competitor and from McCormick Place:

Competitor

Soda..... \$72.00
20% Service Charge.....\$14.40
Sales Tax (6.50%).....\$4.68
Delivery Charge.....\$75.00
TOTAL COST \$166.08

McCormick Place

Soda.....\$48.00
21.25% Service Charge.....\$10.20
Sales Tax (14%).....\$6.93 (inclusive of tax on retained service charge)
Delivery Charge.....\$0.00
TOTAL COST \$65.13

The resulting savings to this exhibitor at McCormick Place when compared to a major national competitor is \$100.95 or 61%.

Chicago Restaurant Partners will continue its policy of not increasing prices on orders placed during the weeks immediately preceding a show. It is a common practice at many competing facilities to increase catered food and beverage prices inside of a specified period from the start date of a show. At one national competitor, any order placed less than 30 days from the start date of a convention is subject to “show” pricing. Bottled water normally priced at \$60 per case increases to \$66 within this 30 day window. At another facility a case of soda that was \$72 becomes \$83 dollars if ordered less than 21 days prior to the start of the show. Chicago Restaurant Partners at McCormick Place offers the same pricing regardless of when the order is placed.

For more information about these price changes, please contact you Chicago Restaurant Partners Sales Representative.

Concessions Pricing Reductions

A 20% price reduction for all purchases from non-branded food outlets items will be realized beginning in August of 2010. While this would change does not include facilities such as Starbucks, Au Bon Pain, McDonald's, Manny's, etc., it will include Chicago Restaurant Partners operated locations in the Food Courts, and Exhibit Hall Food Pods. This will reduce the price of a standard meal – consisting of an entrée, side, and 16 oz. fountain drink - in our main food courts by \$3.05 including sales tax.

The following meals are examples of the items that are available for less than \$9.50 before sales tax:

- 1/3 pound angus cheeseburger served with french fries and coleslaw
- Individual pizza served with side salad
- Crispy chicken sandwich served with french fries and coleslaw
- Hot panini sandwich served with kettle chips
- Beef and broccoli served with steamed rice or noodles