Zoo Atlanta

Raymond B. King, President and CEO

Economic Forecasting Conference

August 25, 2010
Zoo Atlanta Vision & Mission

Vision
We envision a world in which humankind values, protects and preserves the diversity of species on Earth.

Mission
We strive to inspire the citizens of Atlanta and Georgia and all visitors to the Zoo to value wildlife on Earth and to help safeguard existing species through conservation.

We do this by:

• Providing an informative, educational, and engaging experience
• Being respectful and responsible stewards of the animals and the physical and financial assets entrusted to us
• Engaging in related conservation activities and research
Zoo Atlanta Overview

- Year Established: 1889
- Location: Grant Park
- Fiscal Year: Calendar Year
- Open 363 days a year
- Not-For-Profit Status: 501(c)(3)
- Number of Board Members: 60
Why Do Zoos & Aquariums Matter?

General Public
Our visitors place a high value on the role of zoos and aquariums in teaching children about the natural world, respect for living creatures and animal conservation efforts.

Teacher & Administrators
Utilize zoos and aquariums to teach students to value animals and natural resources via close-up experiences with living animals (i.e. School Field Trips).

Media
To provide creditable information to the public about the lives and care of animals and to be an authoritative educational resource for local human-wildlife interactions.
### Zoo Atlanta ... By the Numbers

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Visitors</td>
<td>700,000</td>
</tr>
<tr>
<td>Bird, mammal and reptile specimens</td>
<td>900</td>
</tr>
<tr>
<td>Species Survival Plans</td>
<td>30</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>$15M</td>
</tr>
<tr>
<td>Member households</td>
<td>34,000</td>
</tr>
<tr>
<td>School group visitors</td>
<td>70,000</td>
</tr>
<tr>
<td>Full Time Staff</td>
<td>160</td>
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</tbody>
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Zoo Operations:
The Zoo is a Fixed Cost Business

2010 Fixed Cost Budget = $11.7 Million

- Animal Management / Health: 17%
- Operations: 34%
- Marketing/PR: 9%
- Conservation / Public Programs: 7%
- Administration: 33%
Operating Contribution Supports Fixed Costs

2010 Budget = $11.5M

- Admissions: 13%
- Concessions: 14%
- Membership: 16%
- Development: 2%
- Sponsorship: 2%
- Rental Events: 2%
- Education - Family Programs: 51%

August 25, 2010
The Recession’s Impact on Zoo Atlanta

There are positive impacts

• Staycation?

• Consumer’s expectations for entertainment $

• Advertising – more bang for buck

• Available staff and volunteers

• Reduced cost of borrowing
The Recession’s Impact on Zoo Atlanta

There are also challenges:

- Discretionary visitor spending (per capita spending in the Zoo) is down 3% year over year ending 2009; July 2010 results remain at lower level

- School budget pressures - Zoo visits were down in 2009 vs. 2008 by 27%; year to date July 2010 is up 6%

- Business rentals down 25% from 2008 and holding

- Decline in annual fundraising versus 2008 trend by 1%

- Small business partner risk

- Reduced return on endowments

- Available capital for investments

- Highly Competitive Market

- Technology and consumer sophistication
The Rest of the Story – Opportunity and Challenge

The Single Biggest Impact to Attendance is Weather:

- Zoos love a long drought
- Heat and Humidity, not so much
- Severe cold is not for Atlantans
Weather – The Biggest Impact

![Graph showing the impact of weather on average daily attendance.]

- **Dry/Moderate**: Peaks in the second quarter, with a decline by the fourth quarter.
- **Rainy/Hot/Cold**: Increases steadily from the first to the second quarter, then drops significantly in the third quarter.

**Calendar Quarters**

1. First Quarter
2. Second Quarter
3. Third Quarter
4. Fourth Quarter

**Average Daily Attendance**

- First Quarter: 1000
- Second Quarter: 5000
- Third Quarter: 2000
- Fourth Quarter: 500

The graph illustrates the significant impact of dry/moderate conditions on attendance compared to rainy/hot/cold conditions.
Attendance Trends with Temperature

q3 Attendance vs Temp - weekend
What is The Zoo To Do?

• Seek visitor experience opportunities with exciting programming like Asian Sun Bear, Keeper Talks, Discovery Stations, Gecko’s, etc.

• Promote membership – the best family value in town (and good weather-proofing)

• Compliment with mission related programs like teacher workshops, school’s out camp, Home School Academy

• Tap new markets like social events with a unique and interesting venue and catering partner

• Increase fundraising efforts

• Plan conservatively and build fiscal strength
Forecasting Challenges

- Pricing and price elasticity
- Increasing cost of benefits
- Employee morale during reductions in employee investments
- Choosing the right discretionary items to either reduce or increase
Raymond B. King
President & CEO

• Joined Zoo Atlanta June 1, 2010
• Previous Position: SunTrust Bank Senior VP of Community Affairs
• Spent 22 years with SunTrust
• Has chaired 6 non-profit boards:
  ➢ Research Atlanta
  ➢ Theatre in the Square
  ➢ Committee for a Better Atlanta
  ➢ Regional Business Coalition
  ➢ Metropolitan Atlanta Arts and Culture Coalition
  ➢ Fernbank Museum of Natural History
• Native of Atlanta
• Georgia Tech Graduate

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