Firstly, I would like to convey warmest greetings from the FAI President John GRUBBSTRÖM, the Members of the FAI Executive Board, myself and my colleagues in the FAI Head Office.

We would like thank you for your continued work and support throughout what has been a very busy 2012 and I will concentrate in this report on the most important projects initiated and/or achieved during the year.

- **FAI General Conference 2012**: The FAI President Dr. John GRUBBSTRÖM was re-elected for a second two year term. The Executive Board Members until 2014 are:
  - Alvaro de ORLEANS-BORBON (ESP / Deputy)
  - Robert CLIPSHAM (CAN / Executive Director Finance)
  - New: Frits BRINKS (NED)
  - Robert HENDERSON (NZL)
  - Otto LAGARHUS (NOR)
  - Beat NEUENSCHWANDER (SUI)

- **Future FAI General Conferences**:
  - October 2013, Kuala Lumpur (MAS)
  - October 2014, Bangkok (THA)

- **FAI Membership**:
  - New active member – Jordan
  - New Associate members – Bahrain, Oman, Panama, St Kitts & Nevis, Tunisia, Uruguay
  - New Temporary member – Vietnam
  - New International Affiliate member: COLPAR (Confederation of South-American Parachuting Associations
  - 112 member organisations (from 105 in 2011)

The list of FAI members is on the FAI website and I encourage you to refer to it when considering competitors’ eligibility to compete.

- **FAI Finance**: FAI accounts are now on an accrual basis (revenue or expense recorded when it occurs and not when it is paid). The Head Office will start to use a new accounting system in 2013 which will provide better reporting in the future.

  The financial result in 2011 was an excess of expenditure of CHF168,000, largely due to a reduction in sponsorship income. We are anticipating a 2012 result similar to the budget deficit of CHF21,000 and an excess of income over expenditure of CHF15,000 in 2013.

- **FAI Companions of Honour**: Messrs. Peter SAUNDBY (GBR / Former CIMP President) and John ALDRIIDGE (GBR / Former CIVL President) were awarded the status of FAI Companions of Honour at the General Conference 2012.

- **Regional Vice Presidents**: In order to improve FAI’s presence in specific parts of the World, Regional Vice Presidents have been appointed in South America (Mr. Flavio OLIVA) and South-East Asia (Mr. Tengku ABDILLAH). Further appointments will follow in 2013.

- **Expert Groups**: The creation of a series of Expert Groups has been initiated to provide the Board with additional “management tools” and to encourage the sharing of know-how within FAI. The following groups have been created:
  - Airspace
  - Navigation
  - Safety
  - Regulation
  - New Technology
  - IT

More information is available on the FAI website. As a result, the Technical Commission “CANS” has been withdrawn from the Statutes.
• **FAI Sports Strategy:** A new 4-level structure of competitions allows for “Marketing Events” such as World Tours, Series, etc. Working in conjunction with FAME, this enables new formats of competitions and events to be introduced, using the technical expertise within ASCs to exploit opportunities for air sports.

• **FAME – FAI Air Sports Marketing and Events S.A.:** This commercial company was formed to meet the needs of ASCs to develop, market and deliver specialist (Level 3) air sport events. FAME will:
  - Centralise expertise and know-how for event management,
  - Generate revenues through the commercialisation of Air Sports,
  - Provide marketing and commercial support to the FAI Category 1 events,
  - Provide professional support to service sponsors/partners.

To reduce the risk of being considered a ‘shell’ company by the Swiss tax authorities, FAME is majority owned by the FAI with a small stake sold to Sinergi S.A., an experienced sports marketing agency. FAME is already working with ASCs to develop ‘Level 3’ marketing events.

• **New Organiser Agreement:** The master contract between the FAI, Commissions and event organisers is being revised. This is a lengthy and complex process to update the current document as well as to resolve many issues, including questions of liability and the language used.

A working group of Commission representatives has been set up to help develop the new agreement with introduction planned for spring 2013.

• **Naming of Competitions:** An updated version has been published on the FAI website. It gives a framework particularly so that those outside of the FAI understand the nature of the event.

• **Sponsorship – Breitling:** FAI signed up Breitling as a global sponsor. Breitling have a long history in supporting aviation, being the first watch maker to introduce pilot aids (the Navitimer watch) and then instruments for aeroplanes. Their sponsorship portfolio includes many other aviation teams, including the Breitling Jet Team, Red Bull Air Race pilot Nigel Lamb, the renovation of a Super Constellation and a DC3, the Breitling Orbiter 3 and Jet Man (Yves Rossy). Breitling also sponsor aerobatic pilots, some of whom compete in FAI championships.

Breitling will associate themselves with FAI World & Continental championships. In return for their support, Breitling receive category exclusivity in “Watches & Jewellery” and therefore organisers of FAI World & Continental championships may not enter into an agreement with another sponsor in the same category – though all other categories remain open.

Breitling have identified 10 events at which they will actively participate in 2013:

1) 5-8 Jan - 19th FAI World Hang Gliding Class 1 Championship (AUS)
2) 5-20 Jan – 32nd FAI World Gliding Championship (ARG)
3) 23 May – 2 Jun – 6th FAI European Paramotor Championships (EST)
4) 8-21 Jun – 7th FAI Women’s World Gliding Championship (FRA)
6) 15-25 Aug – FAI World Championship for Aerobatic Model Aircraft (RSA)
7) 18-25 Aug – 7th FAI World Paragliding Accuracy Championship (BIH)
8) 22-31 Aug – 57th Coupe Aéronautique Gordon Bennett (FRA)
9) 6-14 Sep – 18th FAI European Hot Air Balloon Championship (POL)
10) 9-20 Oct – 27th FAI World Aerobatic Championships (USA)

Organisers of these championships will receive Breitling promotional material and free items for distribution to competitors and organisers. They may additionally receive support from local Breitling dealerships, depending on the situation.

• **World Air Games 2015:** At the time of writing, the bid process for the FAI World Air Games 2015 is open. Interested parties should contact Senior Sports Manager Rob HUGHES, sports@fai.org, for more information.

• **Red Bull Air Race:** We are in talks with the organisers of the race. It looks likely, though not confirmed at this stage, that the Red Bull Air Race will start again in 2014 and that the FAI will continue to be involved. We will provide further details as discussions progress.

• **Other Multi-sport events**
  - The FAi is represented at several world or continental level multi-sport events, including:
World Games – the largest event next to the Olympic Games, under the patronage of the IOC. The 2013 Games will be in Cali, Colombia and will include Parachuting Canopy Piloting, Paragliding Accuracy Landing and, as a demonstration event, Aeromodelling Indoor Aeromusicals.

Asian Beach Games – 2014 in Thailand and includes paramotors, aeromodelling, hang gliding, parachuting and paragliding.

SportAccord World Artistic Games – details are still to be finalised but the programme includes Aeromodelling Indoor AeroMusicals

- **FAI Sporting Licence Database**: This is now online and operational. Please ask your NACs to upload their 2013 licence information as soon as possible so that you can benefit from an accurate register of valid sporting licences. A further development will be launched in early 2013 which will allow NACs to manage their sporting licence registers entirely online including, if desired, the ability to print a licence via the website.

- **FAI Medals**: From 2014, Commissions will have a choice regarding the FAI medals awarded at FAI First Category Competitions. You can continue to use the standard FAI medal as before, with the same level of support from the Head Office. Or, your competition organisers can provide an individually designed medal providing it meets an FAI specification. This specification is similar to Olympic medals and describes the use of FAI names and logos, but it allows for a completely free design on the rear of the medal. We will provide further details early next year to enable you to plan ahead.

- **FAI Database system**: The database structure and system is being renewed as part of a large project to dramatically improve the services available to members. This will merge all information we hold (records, sporting licences, results, championships etc) and then develop online tools to manage and exploit the data. The project will take approximately 1 year to complete.

- **FAI Staff**: Rob HUGHES, Senior Sports Manager, joined on 1 March. Visa-Matti LEINNIKI, IT Manager, joined on 1 May and Annick HAUSER, Assistant Sports Manager joined on 3 September. After a long period of being understaffed, the FAI team is back to full strength. Please see the attached diagram of staff functions.

- **Anti-Doping**: In order to maintain its status as an IOC-recognised federation, the FAI had to introduce “Out-of-Competition Testings”. Extensive negotiations have taken place with WADA to reduce the impact of these measures to a minimum and ten competitors have been selected to join the Registered Testing Pool (RTP) for 2013. FAI Competitors needing medication are reminded to ask for a Therapeutical Use Exemption (TUE) in advance. Information on TUEs is available at [http://www.fai.org/cimp-projects/cimp-fai-anti-doping-programme](http://www.fai.org/cimp-projects/cimp-fai-anti-doping-programme).

- **Conclusion**

I have concluded previous reports by pointing out that international sport was moving and changing every day and that, if we wanted to keep a place in the world of sports, attract partners and improve the visibility of our sports, we had to join our efforts to explore new paths, develop creative thinking and accept reasonable changes in our sports.

Today, I am very glad to see that promising and future-oriented projects have been launched or achieved, and I feel much more confident that, all together, we are now on a very encouraging path that might lead the FAI and our air sports to new successes in a near future.

Thank you for your attention and I wish you a successful meeting.

Jean-Marc BADAN
FAI Secretary General