Agenda Item # 8.5

Commercial Activities: Report on FAI Air Sports Marketing & Events (FAME)

Overview

Introduction
Legal Framework
Introduction of FAME CEO

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1.1 Introduction

The FAI Air Sports Marketing & Events (FAME) S.A. was formed to meet the needs of ASCs for the development, marketing and delivery of specialist (Level 3) Air Sport events

The concept is that FAME will be a commercial platform that will be used by the FAI community to:

- A) Centralise the expertise and know-how for event management (for World Air Games and future new "marketing" events)
- B) Generate revenues through the commercialisation of Air Sports.
- Provide marketing and commercial support to the FAI Category 1 events.

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1.2 Legal Framework

FAME was created as a Société Anonyme (a public limited company) in Lausanne, Switzerland, under Swiss Law

The Statutes were drawn up by the Commercial Lawyers, FIDULEM

The Statutes have been uploaded to the FAI website

The initial share capital is CHF 100,000 divided into 1,000 shares of CHF 100 each

Consideration of a partial sale of the shares was triggered by the recommendation of FIDULEM to reduce the risk to the FAI of FAME being considered a "shell" company by the Swiss Tax Authorities

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The sale of shares was subject to legal scrutiny and the FAI's interests were protected by:

- · A Share Purchase Agreement, and
- A Shareholder Agreement, which provides a mechanism for fixing the value of the shares and a right of purchase to FAI

Mr Giancarlo Sergi was appointed as CEO of FAME, in mid-August, reporting to the FAME Board and Key Performance Targets have been agreed between the FAME Chairman and the CEO

In addition, precise financial targets have been set to measure the success and growth of FAME, as a business, over the next two years



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1.3 Introduction of FAME CEO

Giancarlo Sergi



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Professional Basketball Player Business Administration Degree (HEC) from University of Lausanne. 2 Master Degrees in Sport Management from Universities of Barcelone and Lyon. 15 years' experience in sport business and other areas such as Recruitment and Education in sport administration Worked as a senior consultant, commercial and business matters for 4 Olympic Games, 2 FIFA World Cups and many World Championships. Founder and Owner of SINERGI Sports Consulting in Lausanne (founded in 2006)

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4) SERVICES

B) Development of Level 3 Events (Marketing)

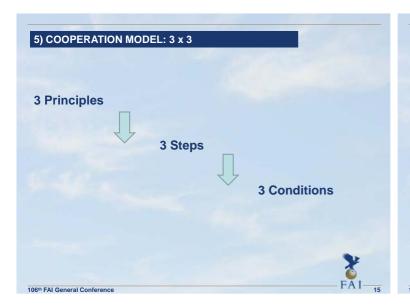
- Market Research on Host Cities
- Development of an Offer to Host Cities
- Negotiation Support
- Account Management to Partners
- Organisation and delivery of Level 3 Events

C) Communication Services

Assistance in website and digital development



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5) COOPERATION MODEL

Principle 1

Maintain overall consistency and coherence throughout the activities developed by the various ASCs.

Principle 2

FAME to be the formal body in regard of development and commercialisation of projects. Administrative and legal aspects, including contracts are managed through FAME.

Principle 3

ASCs to remain in charge of the development of their sport and be the decision makers on operational and sports technical matters.

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5) COOPERATION MODEL

Step 1: THE SET-UP

When an event project appears to have potential, a Project Team comprising FAME management and the appropriate management/ technical/operational personnel designated by the ASC is formed. Such Project Team acts as a division within FAME organization and is in charge of the development and management of the project.

Step 2: THE PLANNING

Each Project Team/division, together with the commercial team of FAME, develop business and operational plans for new event(s) for its respective Air Sport. Once finalised, the plans for the new events are submitted to the FAME Board for formal approval.

Step 3: THE DELIVERY

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Once approved, the projects are managed and operated by the relevant Project Team/division of FAME in collaboration with FAME's commercial team.

5) COOPERATION MODEL

CONDITION 1

FAME to be the contracting party (external, with host cities for example). Operational aspects of the projects (communication lines, decision-making processes, responsibilities within the Project Team/division etc.) to be documented in a memorandum of understanding to be established by FAME with the relevant ASC (internal)

CONDITION 2

FAME to operate separate accounts (or sub-accounts) for each project.

CONDITION 3

Agreement on revenue shares between the ASC and FAME, depending on the level of support FAME is providing.



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FAI-17

6) ACTION PLAN & NEXT STEPS

So far

- September 2012: Start of FAME Activity
- Attendance at 2 CAT 1 Events (Aerobatics and Ballooning)
- Meeting with ASCs and representatives from Aeronautics Community (Local Organisers, Pilots)
- Attendance at General Conference

October 2012 - May 2013

- Creation of FAME brand (logo, website)
- Meetings with all ASCs who wish to participate
- Creation of Working Groups for each Air Sport
- Creation of marketing material for each Air Sport
- Production of a Market Research report into Sponsorship and Host Cities opportunities
- Elaboration of a Business Development Plan

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Breitling

- September 2012: exploratory starting month for Breitling
- Sponsorship activation tested at 2 events:
 - 18th FAI European Aerobatic Championship, Slovakia
 - 2nd FAI Women's Hot Air Balloon Championship, Germany

> 2013: The future

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- 2013: «Breitling offer» to be better communicated to ASCs and Events Organisers
- Standards to be defined (e.g. similar presence in briefing rooms)
- FAI-Breitling branding to be designed
- Give more than banners and t-shirts: e.g. watches!
- Activation in 10 FAI events



2013 Events

- 1) 5.1 au 18.1 19th FAI World Hang Gliding Class 1 Championship (AU)
- 2) 5.1 au 20.1 32nd FAI World Gliding Championship (Argentina)
- 3) 23.5 au 2.6 6th FAI European Paramotor Championships (Estonie)
- 4) 8.6 au 21.6 7th FAI Women's World Gliding Championship (F)
- 18.7 au 28.7 16th FAI World Glider Aerobatic Championship & 4th FAI World Advanced Glider Aerobatic Championship (Finland)
- 15.8 au 25.8. FAI World Championship for Aerobatic Model Aircraft (SA)
- 18.8 au 25.8 7th FAI World Paragliding Accuracy Championship (Bosnie Herzegovina)
- 8) 22.8 au 31.8 57th Coupe Aéronautique Gordon Bennett (F)
- 6.9 au 14.9 18th FAI European Hot Air Balloon Championship (Pologne)
- 10) 9.10 au 20.10 27th FAI World Aerobatic Championships (USA)

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CONTACT

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Suggested Style For A Joint Branding Image BREITLING OFFICIAL WATCH FAI 106th FAI General Conference

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