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The Olympic Marketing Newsletter
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MARKETING matters

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MARKETING ISSUES FACING 2004 BID CITIES



ATHENS 2004
CANDIDATE CITY

The IOC will choose the host city for the 2004 Olympic Summer Games on September 5.

The selection process began with a record 11 cities. Five finalists were chosen by the Selection College on March 7, 1997 - Athens, Buenos Aires, Cape Town, Rome and Stockholm.

By virtue of the IOC's long-term broadcast and marketing strategy, the winning city will be almost guaranteed revenue of US\$1 billion and an established marketing infrastructure to help develop the local marketing programme to make up the balance of the operating budget. This will be the first time in any Olympic Host City election that revenue has been secured before selection.

Contrary to erroneous reports, the marketing agenda is not a priority in the selection process. The choice of the Host City has virtually no impact on the Olympic Movement's revenues. The long-term broadcast and marketing agreements have essentially neutralised the revenue issue, clearly establish that the Host City decision is not affected by favourable TV time zones or corporate presence.



CAPE TOWN
2004
CANDIDATE CITY

Olympic observers apparently believe that TV ratings potential influences the choice. While TV

ratings can vary slightly according to the geographic location of the Games and the relevant broadcast time zone, one region ends up balancing the other. Whatever the situation, it has had little significant impact on advertising rates, TV time zones, or corporate presence in a particular country.



ROMA 2004
CANDIDATE CITY

2004 Broadcast Revenue and Comparison Overview

Country	Broadcast Organisation	2004	Sydney 2000	Atlanta 1996
U.S.A.	NBC	793	715	456
Europe	EBU	394	350	250
Japan	Pool	155	135	99.5
Australia	Channel 7	50	45	30
Latin America	OTI	17	11	5.45
New Zealand	TVNZ	10	10	5.0
Philippines	PTV	1.8	1.6	1.0
Middle East	ASBU	5.5	4.5	3.75

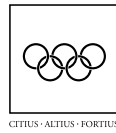
Negotiations remain open for Canada, the Caribbean, Africa and the balance of Asian territories.

For Marketing Partners, the The Olympic Partner (TOP) programme provides a vehicle to implement a worldwide marketing programme with promotions in 197 countries. Focussing solely on the Host Country would realise a fraction of the potential offered by TOP involvement.

The bid cities have nevertheless had to focus on a number of marketing issues to prepare their detailed bids. Each city works to complete its presentation,



STOCKHOLM
2004
CANDIDATE CITY



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ensuring that they are able to comply with all of the terms and conditions of the Host City contract, which will be signed on September 5. As IOC Vice President Richard W. Pound noted, *“it is much easier for all concerned, including the future OCOG, for matters to be fixed before the selection than afterwards. Many problems for all concerned can be avoided.”*

Over the past decade the IOC has endeavoured to capture the experiences of each Games, and factor them into the Host City Contract. Various operating guides outlining the strengths and weaknesses of each Games have been produced and made available to bid cities. The objective is to educate and thus avoid recurring problems. Fixing issues on price control, ambush marketing and clean venue provisions as early in the process as possible can save the OCOG much time, trouble and money.

Original Eleven Bid Cities	
*Athens, Greece	*Rome, Italy
*Buenos Aires, Argentina	San Juan, Puerto Rico
*Capetown, South Africa	Seville, Spain
Istanbul, Turkey	*Stockholm, Sweden
Lille, France	St. Petersburg, Russia
Rio de Janeiro, Brazil	

** Selected as finalist by The Selection College, March 7, 1997*

MARKETING ISSUES ADDRESSED BY 2004 BID CITIES

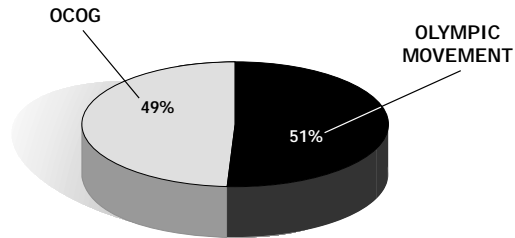
1. BALANCED BUDGET

Bid Cities must show clear evidence of a balanced budget. **Marketing revenue must be positioned to finance the operation of the Games and athlete support, not capital construction projects.**

The IOC is insisting that the financing of the Games be a partnership between private and state funding, the latter focussing on capital aspects in addition to providing an overall financial safety net. This was the basis of the financial structure of the 1988, 1992 and 1994 Olympic Games, as opposed to purely privately funded 1996 Atlanta Games. Emphasis is

not placed on surplus revenue since a budgetary profit would result from a well-managed Games, the key marketing factor.

TV Revenue Distribution (2004)



This represents a change from 60% OCOG/40%OM model used for Atlanta. This provides more support for sport in the OM. While OCOG % is decreased, overall it will receive more money due to increased TV rights fees and the IOC will be able to provide greater support to the IFs and NOCs.

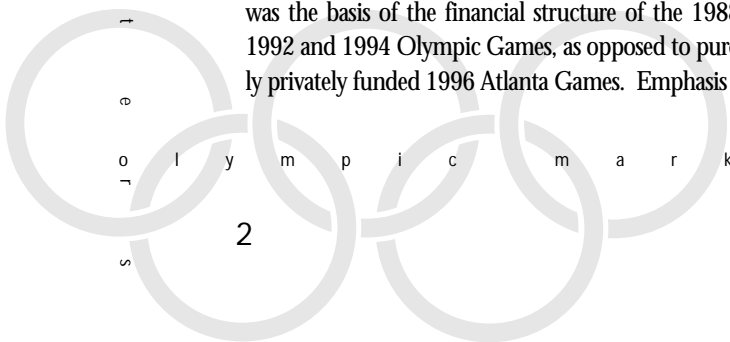
2. AMBUSH MARKETING CONTROL

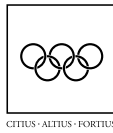
The success of the local marketing programmes will in part depend on the extent of the exclusivity that can be offered to the sponsors. Since 1988, a single marketing programme whereby the **Host Country NOC and OCOG pool their resources to create a single programme as opposed to a competitive one has been in place.** The IOC is now encouraging the bid cities to draw up plans to extend this concept to National Sport Federations.

3. CITY ADVERTISING PRESENCE

It is generally thought that one of Atlanta's biggest problems was that the City developed its own programmes, and in the process compromised certain aspects of the visual presentation of the Games. **Consequently the IOC is now looking to future City authorities to make clear commitments on controlling and preventing street vending surrounding Olympic venues, and other opportunistic marketing programmes. The City must now commit to working with the OCOG on its marketing programme.** Also being discussed is extended control over most, if not all, of the City advertising opportunities - airport, main traffic arrivals and billboard advertising - for the one month period surrounding the Games.

Each City in the final decision process has been putting in place binding options to acquire all advertising space, in the event of its successful election.





4. GENERAL PRICE CONTROL

Talk of inflated pricing at the Olympics will hopefully be a thing of the past, as Bid Cities, along with the local authorities, must give **clear guarantees on hotel price control, indexed to current room rates.** This will avoid the considerable price inflation that has been seen in the past. Cities are also given the responsibility of getting full control of the hotels *now*.

5. GENERAL MARKETING PLAN

All marketing initiatives must be undertaken in a manner that enhances the image of the Olympic Movement, and does not devalue or trivialise it. Revenue for revenue's sake will no longer be accepted. The IOC insists on a plan that reduces marketing clutter and creates a licensing programme of quality, avoiding unrelated Olympic souvenirs.

The Bid Committee and local NOC must also guarantee that there are no marketing options or agreements in place that could bind the city to non-IOC-approved deals in the event of its election.

The Host City Contract will be signed following the announcement by IOC President Hon. Juan Antonio Samaranch, IOC Chairman Finance Commission Mr. Marc Hodler, the President of the Host NOC and the Mayor of the City. This contract will run to some 53 pages, along with 5 additional guides. The guides range from Olympic Village Guidelines (62 pages), detailing the requirements for the athletes in the Olympic village, to the IOC Media Guide (50 pages), detailing support services for the media.

Over the past year the IOC has held workshops to brief the bid cities on the terms and conditions of the agreements.

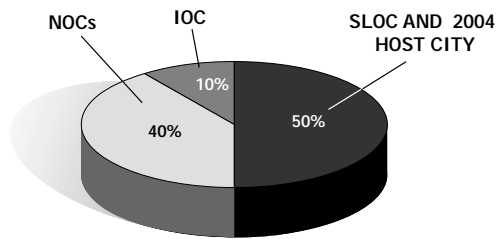
6. INTERNATIONAL SPONSOR STRUCTURE

The marketing programme for TOP V (2001-2004) - for Salt Lake City and the city chosen for the 2004 Summer Games - is already under-way. **The Coca Cola Co. has signed**

through 2008 and Sports Illustrated through 2004. Discussions are currently going on with a number of current partner companies.

Total revenues are expected to exceed US\$ 500 million. Because there is an growing increase in Partner Value in Kind (VIK) and service support, it is difficult to give hard figures. The revenue is shared throughout the Olympic Family: NOCs, OCOGs and IOC.

TOP V Revenue Distribution (est.)



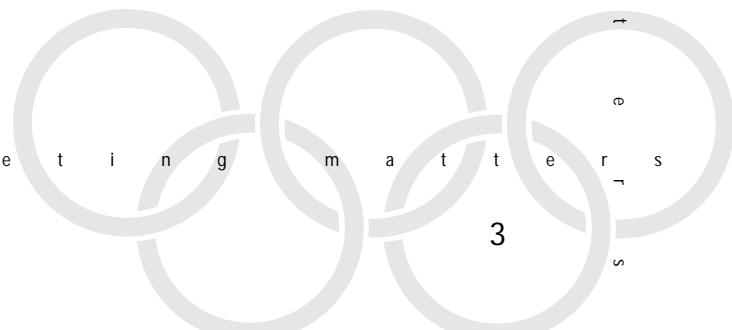
7. LOCAL MARKETING PROGRAMME

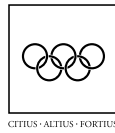
To protect the rights of each OCOG, the 2004 national sponsor and licensing programmes cannot begin until after the Sydney Games closing ceremony (October 1, 2000). This is stipulated in the Olympic Charter to guarantee that only one Summer Games is active in the marketplace at any given time.

The new OCOG must be legally created within six months of the city selection (March 1998). The IOC would hope to begin development of a marketing plan shortly after the formation.

The sales process for national sponsors of the 2004 Games should begin by early 1999, although marketing rights would not take effect until October 2000.

The goal would be to have all partners in place by the Sydney Olympic Games period. This would be a solid foundation on which to build a four-year marketing programme.





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LATEST OLYMPIC RESEARCH RESULTS

The IOC has long recognised the importance of studying people's attitudes and perceptions of the Olympic Movement, Olympic Games and marketing programmes.

These attitudes and perceptions illustrate the associations people have with the Olympic Games and the power of Olympic images. The research provides insight into how a company's business plans can be assisted by a partnership featuring these unique qualities and images.

Every Olympic Partner has made a decision to utilize Olympic sponsorship as part of their business plan. **Common sense suggests that no company will participate in Olympic sponsorship if it is unable to receive a benefit from their investment. It must be viewed as a good business decision.**

Companies involved in the worldwide Olympic sponsorship programme must justify their investment, not just to management but to all employees and stockholders. It is also important that they help customers understand why the company has become involved with Olympic sponsorship through related promotions and advertising.

Companies measure the actual success of any sponsorship association by how well it achieves predetermined objectives. **The question of general consumer awareness of a company's particular sponsorship involvement has little importance in this process.** In terms of sales and image perception, it is the effect Olympic involvement has with key customers and members of a specified target audience that is important to a sponsor.

Direct sales results from Olympic promotions can often be tracked. These numbers give a far better validation of success than the basic recall numbers of a general public opinion poll.

Companies monitor the success of their sponsorship in business terms as well as monitoring why the success occurred. The IOC Marketing Department supports its Partner's sponsorship with global research and studies. The results reveal why an Olympic sponsorship offers such a potent and unique association, and why Olympic sponsorship has been chosen by so many respected companies as part of their business plan.

RESEARCH BACKGROUND

The following studies were independently conducted by SRI (Sponsorship Research International) of London and supported by various leading research agencies around the world.



Nine-Country Study:

In August 1996, the general public was surveyed in nine countries: Australia, Brazil, China, Japan, Malaysia, South Africa, Spain, the UK and the USA. These countries were chosen to give a global view, providing differing levels of economic development and a broad cultural representation. The sample total was 4500.



Spectator Study:




This took place during the Centennial Olympic Games in Atlanta and was the first time that spectators at an Olympic event were questioned. Over 500 spectators from more than 20 countries were interviewed. The average age was 40 (with all participants having to be 15+).

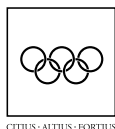


Athlete Study:

This is the first time that the contestants of the Olympic Games were surveyed. Athletes questioned came from Australia, Equatorial Guinea, Gabon, Japan, Mauritius, Papua New Guinea, South Africa and the USA.

THE OLYMPIC GAMES ARE SPECIAL BECAUSE...

Figures represent percentages from each study			
the whole world competes	90	97	--
they are steeped in history and tradition	89	94	--
all of the world's top athletes compete	86	90	--
there's something for everyone to enjoy	80	95	86

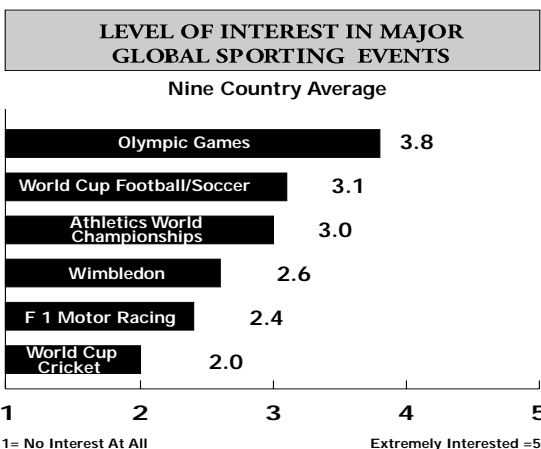


SUMMARY OF RESEARCH

OLYMPIC GAMES IMAGE - PERCEPTIONS OF THE EVENT



In the Nine-Country Study, all respondents were asked to rate their interest in several global sporting events on a scale of 1 to 5 (1 indicating no interest and five indicating extreme interest). The Olympics scored highest with a global score of 3.8, ahead of World Cup Football/Soccer (3.1), the Athletics World Championships (3.0) and Wimbledon (2.6). 94% of all people surveyed claimed some viewership of the Olympic Games on television, placing it far ahead of the Athletics World Championships and World Cup Football/Soccer (74% and 70% respectively).



In the United States, respondents rated the Olympic Games slightly higher than the Super Bowl (4.1 and 4.0 respectively) and significantly higher than World Cup Football/Soccer () in a survey of popularity.



Since spectators have shown their interest in the Games by actually attending them, research was conducted to discover what the experience of "being there" meant to them. **93% of those surveyed said that it was the experience of a lifetime**, and 96% found the atmosphere at the Games "really special" compared to other sporting events.

When asked to agree or disagree with a series of "The Olympic Games are special because..." state-

ments, 79% agreed that the Games have a role to play in world peace. Furthermore, 95% felt that the Games contain something for everyone.



Athletes have trained hard to attend the Games and the achievement is often the fulfillment of a lifelong dream. Given this physical and emotional commitment, they provide a different and valuable perception of the Games.

88% agreed that "there is no higher sporting achievement than to win an Olympic medal." 90% said that competing at the Games generates "real national pride."

The majority of athletes (94%) also agreed that the Olympic Games are the world's top sporting event. 88% believed the Games are a symbol of international cooperation and 89% felt the events of the Games bring the world closer together.

Importance in Making the Games Special

% Respondents Agreeing (Athletes)



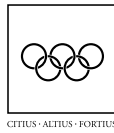
OLYMPIC RINGS



Spontaneous (unaided) awareness of the Olympic Rings symbol was extremely high. This figure (93% average for all nine countries) was greater than the **prompted** awareness averages recorded for any other symbols shown. In a separate question, 91% felt that the Rings would be recognized the world over.

This is consistent with previous research which found the Olympic Rings to be **the most recognised symbol in the world**.

Moving beyond the recognition issue, the IOC also wanted to monitor what emotions and associations the images trigger in people's minds. 86% agreed that the Olympic Rings represent the world's top sporting event, and 74% associated the Rings with success and high standards.



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Olympic Rings Associations

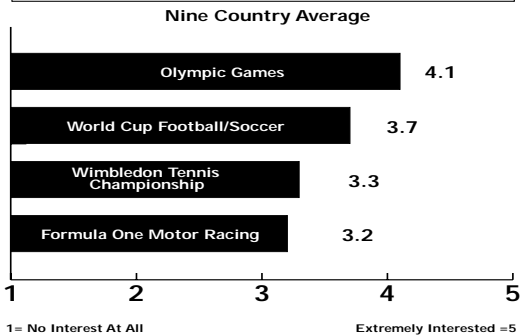
Statement posed	% respondents agreeing									
	Aus.	Brazil	China	Japan	Malay-sia	S. Africa	Spain	UK	USA	AVG.
I think the Olympic Rings would be recognised the world over	96	91	95	73	86	90	94	97	95	91
The Olympic Rings represent the world's top sporting event	82	91	97	80	72	89	88	82	95	86
The Olympic Rings stand for a continuous tradition of excellence	86	73	84	70	65	78	70	75	92	77
I associate the Olympic Rings with success and high standards	81	67	86	50	66	88	62	77	86	74
The Olympic Rings symbolise a force for world peace	63	-	85	64	66	70	64	48	78	67

OLYMPIC ASSOCIATION: WHAT IT MEANS FOR WORLDWIDE PARTNER COMPANIES



On a scale of 1 to 5 (1 being the lowest), respondents were asked to grade their level of respect for the sponsors of major sporting events. **Sponsors of the Olympics were the most respected (4.1 average)** in all countries except Brazil, where World Cup sponsors narrowly beat those involved with the Games (4.4 vs 4.2).

LEVEL OF RESPECT FOR SPONSORS OF MAJOR SPORTS EVENTS



The study of Partner use of Olympic symbols on their products, an exclusive right of Olympic sponsors, found that the Rings symbol played an important role in purchasing decisions made by those surveyed. **63% felt that the symbol actually draws their attention to a product on which it is displayed.**

On average, 30% of respondents would raise their opinion of a company if they knew it to be a sponsor of the Olympic Games (the high

est figure was in China - 59%). 22% said they would be more likely to buy an Olympic sponsor's product and 6% said they had switched brands as a result of a company's Olympic association. This reached a high of 11% and 12% in Australia and the USA respectively.



45% of the spectators interviewed said that sponsorship of the Olympic Games would raise their opinion of the sponsoring company. One-third said they would support Olympic Partners by being more likely to buy their products or services, all other things being equal.

This indicates that Olympic sponsorship can positively impact purchasing decisions.

Olympic sponsorship ...	% respondents agreeing									
	Aus.	Brazil	China	Japan	Malay-sia	S. Africa	Spain	UK	USA	AVG.
Raises opinion of company	28	43	59	15	26	43	22	15	23	30
Lowers opinion of company	0	0	0	1	1	1	1	1	1	1
Consumer is more likely to try product for first time	30	34	33	9	27	30	20	16	25	25
Consumer is less likely to try product for first time	1	0	1	7	11	1	1	1	2	3
Consumer is more likely to buy product	30	28	44	5	13	34	10	10	21	22
Consumer is less likely to buy product	1	0	0	2	2	1	0	0	0	1

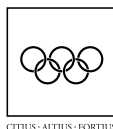
ATTITUDES TO COMMERCIALIZATION OF THE OLYMPICS

All three groups were asked about the commercialization of the Games and their attitudes towards companies involved in sponsoring the Games. The results were similar across all the studies.

Should the Games be Sponsored?

Nine-Country Study:	82% Agreement
Spectators:	92% Agreement
Athletes:	86% Agreement

This indicates that people understand and appreciate what sponsor companies contribute to the Olympic Games and the Olympic Movement.



Since the 1996 Centennial Games, much has been written and discussed about the commercialisation of the Games. **The commercial programmes run by the city of Atlanta were confused with the legitimate IOC and ACOG sponsorship programmes.** This was an unfortunate and unfair association. However, respondents in Atlanta and worldwide supported the sponsors. **The results show that the majority of people believe that sponsorship is the best way to raise revenue for the Olympic Family and Games.**



Athletes and those surveyed in the Nine-Country Study strongly agreed that "Without sponsorship, the Olympic Games would not be viable" (87% and 72% respectively). The two groups considered sponsorship to be the most important source of funding, above all other forms. Revenue generated by spectators/tickets was second in both surveys.



Some concern was expressed about over-commercialization by athletes and spectators. However, it was felt that sponsor companies were helping the Olympic Games over an extended period of time. Sponsor involvement was seen as helping national teams attend the Olympics (Spectators 88% and Athletes 67%). 80% of spectators believed that Olympic sponsorship supported sport development, while 61% of athletes said that sponsorship had helped them train to compete in the Games.

AMBUSH MARKETING RESEARCH

Ambush marketing has been described as "The Undeserved Advantage" and "Parasite Marketing." This refers to companies which falsely pass themselves off as Olympic sponsors. They provide **no** support for the Olympic Movement, Olympic Teams or the Organising Committees of the Games. As a result, companies are taking the advantages of Olympic association without giving anything in return.

The IOC realizes that the Olympic Games would not happen without Partners' services, technology, expertise and monetary support. This support provides all NOCs with the financial resources to send their athletes to the Games.

In contrast, ambush marketers are creating a paradoxical situation: **By pretending to support the Olympic Movement they are, in fact, threatening the very existence of sports sponsorship and the Olympics.**

The common pattern is that once a company enters into legitimate Olympic sponsorship, its rival company will decide they too have an Olympic agenda. By the time the Olympic Games are over, however, the parasitic company and its illusions of support are over, while legitimate companies continue to support the Olympic Family.

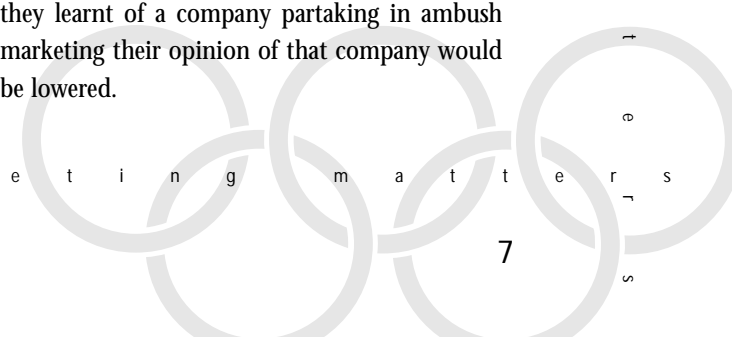
There was very little ambush activity in Atlanta other than the city ambushing its own image. TOP III companies actually enjoyed an ambush-free Games. However, incomplete media reports failed to differentiate between the levels of Olympic sponsorship and weren't clear as to where mistakes were made.

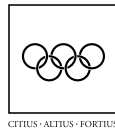
Although much has been written about the sporting goods industry ambushing the Games, it is questionable when one considers its support for teams and athletes. The issue the IOC had in Atlanta was not ambushing but that some advertising by sporting goods companies was contradictory towards the principals of the Olympic Movement and fair play.

The concept of companies using ambush tactics was placed before all three groups surveyed, and all three were clear about their negative views toward such activity.



Primarily, those surveyed believed that only companies officially sponsoring the Games should be allowed to use Olympic messages in their advertising (80% agreement). 68% of those surveyed said that if they learnt of a company partaking in ambush marketing their opinion of that company would be lowered.





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It is important that the legitimate Partner companies are publicly recognised and that ambush activity is exposed.

Statement posed	% respondents agreeing									
	Aus.	Brazil	China	Japan	Malay-sia	S. Africa	Spain	UK	USA	AVG.
Only companies sponsoring the Olympic games should be allowed to use an Olympic message in their advertising	91	81	86	49	78	84	81	86	87	80
If I see a company that is not a sponsor trying to pretend that it is supporting the Olympics, my opinion of that company is lowered	83	64	88	59	66	65	40	65	79	68
I think it is wrong for companies to deliberately avoid paying for Olympic rights	83	68	72	38	63	68	64	79	78	68
I think companies who avoid paying for the right to use an Olympic message are clever	17	29	22	18	20	21	67	30	27	25



Spectators felt that Olympic sponsorship lends credence to companies **legitimately** involved with the Olympic Movement, but they portrayed a very different attitude towards the pretenders.

Spectators agreed that if they were aware that a company or brand was involved in ambush marketing activity around the Olympics, their opinion of that company would be lowered (74% agreement). More than three-quarters (79%) of respondents felt that “it is wrong for companies to deliberately avoid paying for Olympic rights.” There was also widespread **disagreement** (64%) with the statement that “companies who avoid paying for the right to use an Olympic message are clever.”



Athletes said it would lower their opinion of a company if they tried to give the false impression of official Olympic involvement:

I think it's wrong for companies to use Olympic imagery if they have not paid for the right to do so.
61% Athlete Agreement

TOP IV PROGRAMME COMPLETE WITH 2 NEW PARTNERS

The IOC has successfully reached its target for the TOP IV programme (1997-2000). Eleven companies complete the list of worldwide Olympic sponsors, with 9 companies renewing. The 10th TOP III company, Bausch & Lomb, is investigating other forms of association with the Olympic Movement. This marketing success was achieved less than one year after the Centennial Olympic Games and the conclusion of TOP III.

Few, if any, major sporting events can match

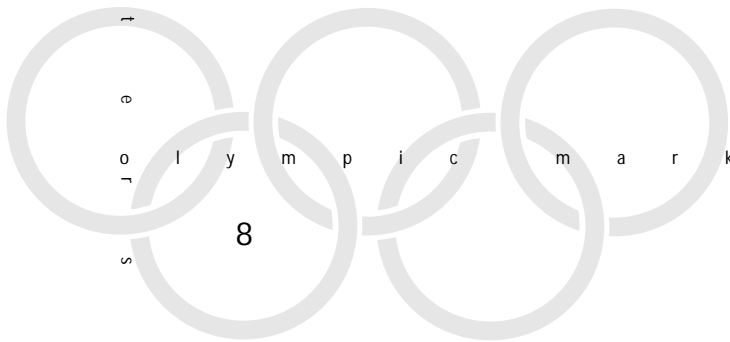
Evolution of TOP Worldwide Olympic Sponsors

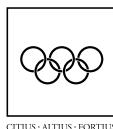
	TOP I Calgary/ Seoul	TOP II Albertville/ Barcelona	TOP III Lillehammer/ Atlanta	TOP IV Nagano/ Sydney
Total revenue generated (US\$)	95 million	175 million	350 million	est. 500 million

this sponsorship success and continuity.

This success runs counter to a recent Harris Poll claiming to give bad news to most Olympic sponsors. The poll was conducted to monitor the public's awareness of **official** Olympic sponsors. General public awareness of Olympic sponsors was found to be low, and some media reports suggested that sponsorship of the Games is not an effective marketing tool. However, in a February 24 *The Wall Street Journal* article discussing this topic, IOC Marketing Director Michael Payne responded:

“We are not selling name recognition. We're selling an association with the Olympic Movement and that must be put into perspective with what each business wants to achieve with the sponsorship. There is no way (TOP III Partners) would have re-signed if they weren't satisfied with the results.”





Some of the reasons this Olympic association is a successful element of a company's business plan are illustrated in the latest research conducted by SRi (see research article on p.4).

TWO NEW PARTNERS



McDONALD'S CORPORATION



McDonald's Olympic involvement began in 1968 when they airlifted a planeload of hamburgers to the U.S. Olympic Team in Grenoble, France. Thirty years and 21,000 restaurants in over 102 countries later, McDonald's has become a familiar sight to most athletes competing in the Olympics, not just those from the United States.

The Nagano Olympic Winter Games is McDonald's first opportunity to extend the fun and excitement of the Games to all restaurants and customers around the world. The company views its TOP IV involvement as a "dramatic expansion" of its Olympic commitment. This new level of worldwide Olympic Partnership is significantly greater than their ten-country Olympic sponsorship for the Centennial Games.

McDonald's is a global brand with restaurants all over the world. This enables them to develop localised programs that benefit NOCs and athletes in many different countries. McDonald's aims to be involved in sports that are close to a particular country's heart. They will create local promotions and employee programs featuring the most popular Olympic sports and athletes in the countries.

McDonald's has a history of great Olympic advertising promoting the Olympic ideal. **One of the most valuable assets McDonald's brings to the Olympic Movement is its ability to promote Olympism (especially to children) through its global restaurant network and creative promotional activities. With more than 35 million peo**

ple going through McDonald's restaurants per day all over the world, the opportunity to promote the Olympic Message is considerable.

McDonald's will also provide 24-hour food service to groups like the organisers, media, volunteers and athletes, whose schedule during the Games often calls for unusual working hours. This will also provide an alternative to other food options available in the Host Cities.

SAMSUNG ELECTRONICS Co.

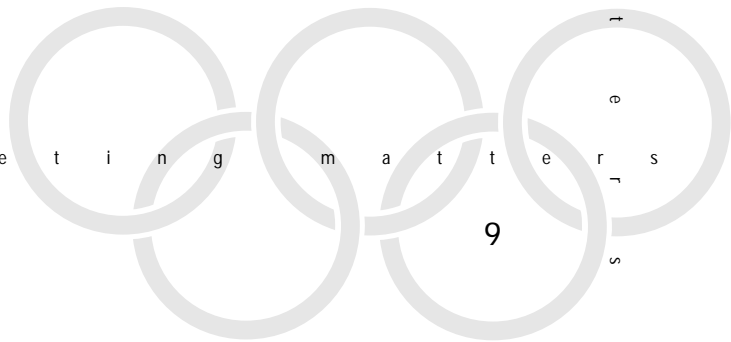


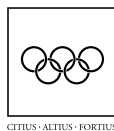
Samsung is the most recent company to join TOP IV as the wireless communications equipment sponsor. Samsung will provide wireless communications equipment and support for the 1998 Nagano and 2000 Sydney Games.

Quick, efficient and reliable communication is an essential element of the Games, and few companies are able to undertake such a task. Officials, athletes, media, staff, volunteers and visitors to the Games will be provided with fast, reliable and flexible communications. **Samsung's technology, services and expertise will be vital to achieve a smooth and successful running of the Games.**

Already well established as a leader in its domestic market (Korea), Samsung will leverage its TOP IV involvement to raise global awareness of its wireless communications equipment. The company, assisted by its Olympic association, has set a goal of becoming one of the world's top five manufacturers of multimedia telecommunications products by the year 2005.

Since the May 9 signing, the company has been planning Olympic-related events and marketing programs with various members of the Olympic Family. Prior to its TOP IV involvement Samsung had an Olympic association and a history of support for sport in general. The company owns 17 sports teams. It also sponsored the Korean National Olympic Team in Atlanta and are an official sponsor for the 1998 Asian Games in Bangkok, an event organised by the Olympic Council of Asia.





GREATER TOP SUPPORT FOR NOCs



The financial assistance that NOCs receive as a result of the TOP programme has increased every quadrennium. **TOP IV will provide US\$88.5 million for NOCs** (excluding USOC and the Host Country), an increase over TOP III (1993-1996) of more than US\$30 million.

NOC Revenues from TOP

Olympic quadrennium	TOP Revenue US\$
1989-1992 Albertville/Barcelona	35 million
1993-1996 Lillehammer/Atlanta	57 million
1997-2000 Nagano/Sydney	70 million (est.)

The IOC started the TOP programme having recognized the need to provide financial stability to the Olympic Movement. By doing so, the IOC realised it would create an environment to promote Olympism and the Olympic Games on its own terms.

The revenue provides the support needed by an NOC to send a team to the Olympic Games and promote Olympism locally. This element of financial security is significant considering the fact that many teams used to be unable to send an Olympic Team if their government withdrew its financial support.

Under TOP IV the grant to even the smallest NOC, sending a team of one athlete, will more than double from US\$20,000 to US\$40,800. NOCs sending a large team have seen an increase in grants of millions of dollars.

In addition to other financial support, Olympic Solidarity, the programme within the IOC that provides funding to NOCs for sports development in their respective countries, will provide more than US\$121.9 million (1997-2000), up from US\$80.9 million (1993-96).

Worldwide Olympic Partner	Category
The Coca-Cola Company	Non-alcoholic Beverages
IBM	Information Technology/Computer
John Hancock	Life Insurance/Annuities
Kodak	Film/Photographics and Imaging
McDonald's	Retail Food Services
Panasonic	Audio/TV/Video/Electrical Appliances
Samsung	Wireless Communication Equipment
Sports Illustrated/Time	Periodicals/Newspapers/Magazines
UPS	Express Mail/Package Delivery Services
Visa	Consumer Payment Systems (credit cards, etc.)
Xerox	Document Publishing, Processing and Supplies

OLYMPIC UPDATES

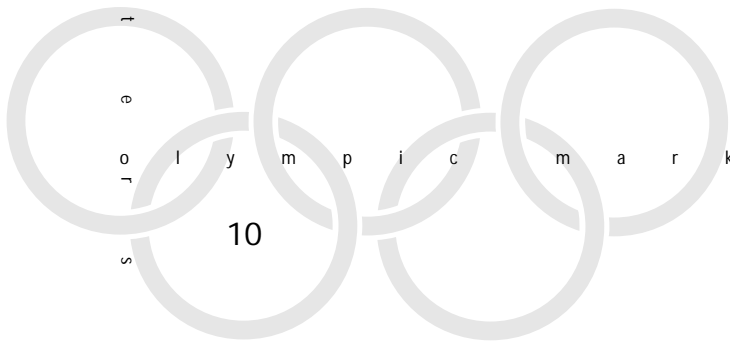
Nagano Olympic Winter Games (1998)



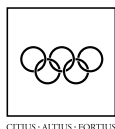
A RECORD NUMBER OF TICKETS are available to people wishing to attend events at the 1998 Nagano Winter Games.

Projected ticket sales for Nagano of 1,280,000 is more than the record-breaking sales of the 1994 Lillehammer Winter Games (1,223,000). The total number of tickets will be more than any other Winter Games.

Initial domestic applications for figure skating were 82 times the available amount.



Olympic marketing matters

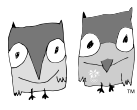


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CBS HAS ACHIEVED RECORD AD SALES for its Nagano Olympic Winter Games broadcast. With 90% of ad time sold in August 1998, well ahead of forecast, CBS anticipates a profit of US\$40-50 million.

CBS will run an active promotional effort and special programming to support their telecast. 18.5 hours of "Winterfest" weekend programming will cover the sports and athletes as they make their way on the road to Nagano. An Olympic Preview Show is planned for January.

This is an excellent example of how Broadcaster marketing programmes assist with the promotion of the Games and help to spread the message of Olympism throughout the regions of Broadcast Partners.



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NAOC'S MARKETING PROGRAMMES HAVE BEEN FAR MORE SUCCESSFUL THAN ITS ORIGINAL BID FORECAST

Original bid estimates were for broadcast revenue of US\$161 million and sponsorship revenue of US\$21 million. The end results are US\$307 million from broadcasting and over US\$30 million sponsorship respectively.

The Gold programme, the highest level of NAOC sponsorship available, sold out quickly with each company paying Yen20 billion to participate.

Sydney Olympic Games (2000)



THE FIRST OLYMPIC STORE selling Sydney 2000 merchandise opened in May 1997.

The store, run by the specialist airport retail operator Nuance (owned by Swissair), is designed to entertain and inform visitors about the Games and Olympic philosophy as much as to encourage them to buy the Australian-made products.

"They (visitors) don't have to buy anything. There should be enough here in pure entertainment and information for them to enjoy," store designer Paul Saunders told The Australian.

Further plans call for the opening of other outlets in casinos and key tourist destinations in the run up to the 2000 Games. The planned outlet at the airport will be a prototype for further retail outlets around the world.

2000-2008 Deal Largest Broadcast Sports Sponsorship Deal Ever

GM MAKE MAJOR COMMITMENT TO NBC FOR US OLYMPIC BROADCAST THROUGH 2008 - SALT LAKE CITY AND USOC ALSO INVOLVED



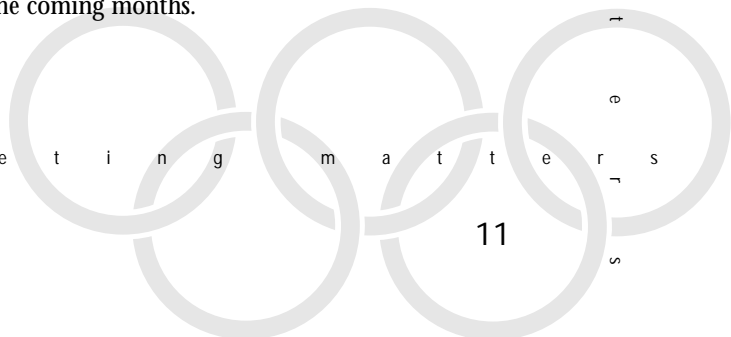
NBC and the Olympic Properties of the United States (OPUS) have announced a deal worth up to US\$1 billion with the world's number one car manufacturer, General Motors. (Note: OPUS is the new joint marketing venture set up by the USOC and Salt Lake City, headed by John Krinsky, USOC Deputy Secretary General.)

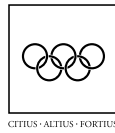
The agreement focuses primarily on the US broadcast advertising rights for the 2000 through 2008 Games, mirroring NBC's long-term agreement with the IOC. The agreement has been extended to cover sponsorship of the US Olympic Team from 1998 to 2004, as well as for the Salt Lake Organising Committee.

The 2000, 2004, 2006 and 2008 OCOGs will have their own car sponsor and support for the Games, and Sydney has already announced that Holden, the Australian distributor for GM, will become a Team Millennium sponsor.

GM was a US broadcast sponsor (NBC) of the Centennial Games and paid around US\$15 million to ACOG/USOC.

Further long-term TOP agreements, NBC airtime broadcast sponsorship and OPUS USOC/Salt Lake announcements are expected in the coming months.



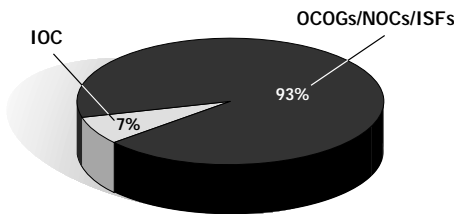


MARKETING FORECAST (1997-2000)

The IOC anticipates generating US\$3.5 billion through broadcast rights fees, international sponsorship and Games marketing programmes.

93% of the sum will be distributed by the IOC back to the two OCOGs - Nagano and Sydney - to finance their operations, the 197 NOCs that compete at both Games and the 33 International Sports Federation and other sports committees with Olympic interests.

Marketing Revenue Distribution



IN THE NEXT ISSUE

NAGANO OLYMPIC WINTER GAMES 1998: MARKETING PREVIEW

Detailed analysis of the marketing programmes of the XVIII Olympic Winter Games: Broadcast schedule to Partner Support

FOR MORE INFORMATION CONTACT

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<p>Internet Sites</p> <p> IOC www.olympic.org</p> <p> Sydney www.sydney.olympic.org</p> <p> Nagano www.nagano.olympic.org</p> <p> Salt Lake www.SLC2002.org</p>			

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