

CITUS - ALTIUS - FORTIUS

The Olympic Marketing Newsletter
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MARKETING matters

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TOP PROGRAMME ON TARGET

IOC and Several Worldwide Olympic Sponsors Renew Partnerships for Future Games

The Olympic Partnership programme (TOP) remains on a highly successful course for the future, as the international business community renews its support for the Olympic Movement and the Games.

Several corporations have recently announced support for the Olympic Movement with participation in the fifth generation of the IOC worldwide sponsorship programme, known as TOP V, which covers the Olympic quadrennium 2001 – 2004.

TOP V is on course for an unprecedented sponsorship renewal rate. To date, the IOC has agreed to terms with seven corporations for TOP V sponsorships. Six of the seven agreements are renewals of current sponsorships, and three of the agreements extend through TOP VI (2005 – 2008).

TOP V negotiations are keeping a record-setting schedule for completion. All TOP V agreements are targeted for signature before the staging of Sydney 2000 — and this will mark the first time in Olympic marketing history that the IOC will complete the sponsorship programme prior to the staging of the previous Games.

The IOC and TOP Partners have attributed the success of TOP to:

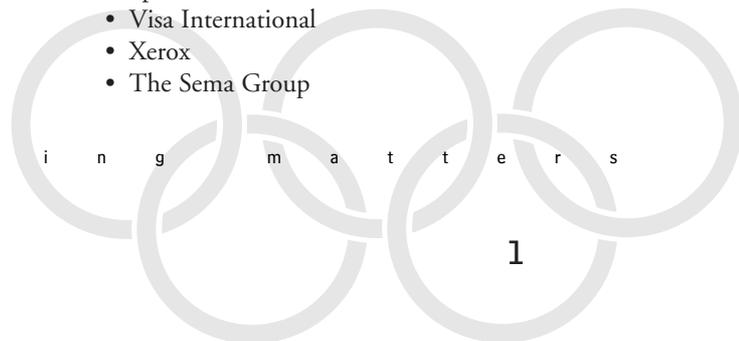
- the IOC institutional reforms established in December 1999 to ensure that IOC operations reflect the ethics and ideals of the Olympic Movement
- global market research that illustrates the increasing worldwide public support for the Olympic Games and Olympic sponsors
- global market research that indicates that the Olympic Image was not affected by the Olympic crisis of 1998 – 1999

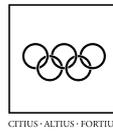
“The IOC is very pleased that ongoing commitments have been made so early and will do everything in its power to make the association beneficial to sponsors and the Olympic Movement as a whole. Olympic sponsorship is unique in many ways and helps athletes throughout the world to realise their dreams, from training in their countries to participating in the greatest sport event of our time — the Olympic Games — the largest peaceful gathering of young people the world has ever seen.”

— *Richard W. Pound, IOC First Vice President*

The following Partners have signed agreements to participate in TOP V:

- The Coca-Cola Company
- The Eastman Kodak Company
- John Hancock
- Sports Illustrated/Time Inc.
- Visa International
- Xerox
- The Sema Group





Negotiations continue with other current TOP Partners.

“A TOP Partner’s decision to renew is not simply a matter of being pleased with the investment to-date — it’s about the ability to align the sponsorship with future business plans. The TOP programme is based on a principle of exclusivity within a specific business area, and today each Partner is growing its business by pushing new products and services into expanding markets. The IOC is achieving a high renewal rate by working closely with the current TOP Partners to align their sponsorships with their business goals for the future. We’re happy to have signed on so many of our current Partners.”

— *Michael Payne, IOC Marketing Director,*

Reactions to the high renewal rate of TOP V

“I believe that our sponsors understand that the IOC took the crisis very seriously, that it acted quickly to address the governance issues and went far beyond merely solving the crisis — putting in place a more open and modern organization reflecting best practices. This, together with the global marketing strategy developed by the IOC to add more value to Olympic sponsorship, has generated increased confidence among the sponsor group regarding their Olympic investment.”

— *Richard W. Pound, IOC First Vice President*

“The overall strength of the Olympic [sponsorship] programme is two-fold in my mind. First you have the world’s greatest and most ubiquitous event. There is not a rational person on our planet that cannot identify with the Olympic Games and what it stands for. The Olympic Games is the celebration of what life is truly supposed to be about — a celebration of humanity. There is not a company in the world that does not want to identify its very character and products in that light. The second and much more pedestrian reason is the protection provided by the IOC and the NOCs in terms of exclusivity for their sponsors. It is truly a well-managed partnership.”

“The real value [of Olympic sponsorship] is simple — the values of the Movement and its celebration of all that is good about the human race is what is enticing to partners.... The

reasons for [Olympic sponsorship] success in the wake of the scandal are also simple. There was a problem, and everyone in the governance of that problem took it very seriously. The partners saw that, and they came back. They came back because, for most, the Olympic Movement is now part of the very fabric of their corporate cultures.”

— *Mark Dowley, President,
Marketing Communications Group of
Companies, McCann Erickson World Group*

“The Olympic image problems are fixed. Why else would these blue-chip companies all be jumping back on board?”

— *David Carter, Principal, Sports Business
Group*

“It’s a very significant day for the Olympics in terms of sponsorship. Getting a major company like John Hancock back into the fold offers tremendous credibility to the IOC.”

— *Bob Williams, Burns Sports (Chicago), on the
signing of John Hancock to the TOP V
programme.*

“It’s really back to business as usual. The Olympics are just way too valuable for companies, and the core idea of what the Olympics are about and what the companies are buying has not been damaged. If the problems were focused on the athletes...or something that directly affected the competition, that might have made a difference.”

— *Robert Madrigal, Professor, the Warsaw
Sports Marketing Center, University of Oregon*

“It would take something a lot more scandalous for the Games to be significantly tarnished for an advertiser.”

— *Bob Dorfman, Executive Creative Director,
Pickett Advertising (San Francisco)*

TOP Fact Sheet

The TOP Programme was founded by the IOC in 1985 and is now entering its fifth generation for the period 2001 – 2004. TOP provides exclusive sponsorship opportunities of the Olympic Winter Games, the Olympic Games, all 199 National Olympic Committees (NOCs) and their Olympic teams, and the IOC.

Overview of TOP V to Date

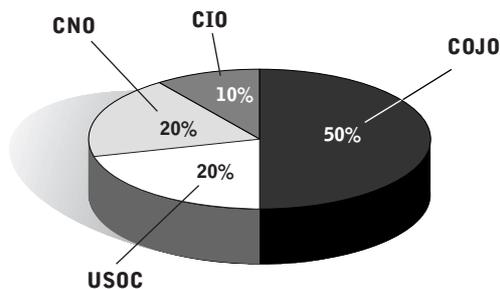
- Term for TOP V: (2001 – 2004)
- 8 agreements have been signed and 7 have been announced for TOP V.
- 6 Partners have renewed current sponsorships.
- 1 new Partner has joined TOP V.
- 3 agreements through TOP VI (2004 – 2008).
- 2 renewal agreements are in the final stages and will be announced shortly.
- The IOC is conducting negotiations with other companies

The Objectives of TOP

- To ensure the independent financial stability of the Olympic Movement
- To create long-term programmes that ensure continuing and substantial support
- To provide equitable revenue distribution throughout the Olympic Family

Contributions of TOP Partners

TOP Partners provide valuable financial resources to the Olympic Family as well as vital technical support for the OCOGs and the general operations of the Olympic Movement. This support is provided in the form of products, services, technical expertise, products, and staff deployment.



TOP Revenue Distribution

The IOC distributes TOP revenue throughout the Olympic Family. The basic formula for revenue distribution follows the percentages in the chart. OCOGs may receive more than 50 percent due to increased sponsor technology support for Olympic Games operations.

KEY CHANGES FOR TOP V

IOC Adds a Morals Clause to Contracts

To reinforce the IOC commitment to reform and to Olympic sponsors, the IOC has included a morals clause in TOP agreements for the future. The morals clause is a response to the Olympic crisis that came to light in late 1998. **The clause illustrates that the IOC acknowledges the need to correct the structural problems that led to the Olympic crisis and is committed to protecting sponsors from a recurrence of such events.**

“The inclusion of morals clauses in contracts with sponsors does not change, in any way, the way the IOC would act even without the clause, but it is evidence of our intention to act ethically in all aspects of what we do.”

— Richard W. Pound, IOC First Vice President

“It’s the kind of clause that forces the IOC in the end to pay real attention if there is a real problem.... It’s also designed so that a sponsor can’t walk away on a whim.”

— David F. D’Alessandro, CEO, John Hancock

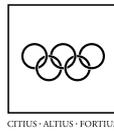
IOC to Re-establish IT Consortium

From 2001 onward, the IOC will employ a consortium of information technology (IT) partners to provide efficient and cost effective solutions for the staging of future Olympic Games — re-establishing a concept that had been in place up to and including the 1992 Olympic Games in Barcelona.

The SEMA Group, which provided vital IT support in Barcelona, will participate in the TOP programme as the lead Partner of the IT consortium from 2001 through 2008.

The consortium will include a number of Partners, providing systems integration, hardware, software, Internet support, routers and cabling.

In 1998 the IOC and IBM agreed not to renew their partnership beyond 2000. IBM will continue to provide the Olympic Movement and the Olympic Games with IT support through the Sydney 2000 Olympic Games.



TOP Partners for the Future

The following Partners have announced their participation in the TOP V programme.



Exclusive Product or Service Category:
Non-Alcoholic Beverages

Supporting the Olympic Movement:

In 1928 Coca-Cola was a sponsor of the Amsterdam Olympic Games — and been involved with every Olympic Games since. Coca-Cola became a charter member of the TOP programme in 1986.

Future participation:

TOP V and TOP VI (2001 – 2008)

Vice President, Coca-Cola Marketing &

Director, Worldwide Sports:

Mr. Scott McCune: (U.S.) + 404 676 8176

Manager, Global Sports Communications:

Mr. Scott Jacobsen: (U.S.) + 404 676 7059

“People in every corner of the globe care passionately about and believe in the Olympic Games and the ideals they represent. The Coca-Cola Company has long recognised the ability of the Games to transcend national boundaries, to bring people together and to celebrate all that is good in humanity. We feel it is important to be part of such a powerful Movement. The opportunity to associate our brands with the core values and the powerful and relevant imagery associated with the Olympics in the nearly 200 countries in which we operate remains the focal point of our association with the Games.”

“The Coca-Cola Company is pleased with the reforms enacted by the IOC last December. We believe there is a serious effort underway to bring about real reform, and we commend the IOC for working to protect not only our business interests as a sponsor, but the interests of the millions of people around the world who are passionate about the Games — which is the basis for Coca-Cola’s continuing commitment to the Olympic Movement.”

— *Scott McCune, vice president, Coca-Cola Marketing and Director, Worldwide Sports*



Exclusive Product or Service Category:
Life Insurance/Annuities

Supporting the Olympic Movement:

In 1993 John Hancock became a sponsor of the United States Olympic Committee. In 1994 John Hancock joined the TOP programme as a member of TOP III.

Future participation:

TOP V (2001 – 2004)

Vice President, Corporate Communications

Mr. Steve Burgay: (U.S.) + 617 572 6507

Manager, Sports Marketing, Public Relations

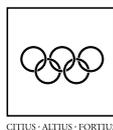
Ms. Becky Collet: (U.S.) + 617 572 6435

“We made no secret of the fact that in order for the IOC to regain our confidence as well as that of the public, it had to become a more democratic, transparent and accountable institution. We believe that with its reform vote in December, the IOC has addressed these issues. Its members listened to voices for change from inside and outside the organization. The IOC leadership deserves credit for this progress.”

— *David F. D’Alessandro, CEO, John Hancock*

“At John Hancock we believe that the Olympic Games are the one event that allows the world to see so much patriotism, tolerance, self sacrifice, individual excellence, and plain old virtue crowded into two short weeks.... The Olympic Games provide a unique international marketing platform. John Hancock’s Olympic marketing programmes, which include matching internationally renowned athletes with hometown clinics, help to strengthen existing client relationships and help give Hancock an edge in new client prospecting.”

— *Steve Burgay, Vice President of Corporate Communications, John Hancock*



Kodak

www.kodak.com

Exclusive Product or Service Category:

Film/Photographics and Imaging

Supporting the Olympic Movement:

In 1896 Kodak placed an advertisement in the Book of Official Results of the first modern Olympic Games in Athens. At the 1924 Paris Olympic Games, Kodak first supplied film to professional photographers. Kodak became a charter member of the TOP programme in 1986.

Future participation:

TOP V and TOP VI (2001 – 2008)

Director, Corporate Partnerships:

Mr. Manuel Rivera: (U.S.) + 770 522 2816

Director, Corporate Media Relations:

Mr. Charlie Smith: (U.S.) + 716 724 4513

“We believe our role with the Olympics over the last century plus has really furthered the goal of supporting the Olympic spirit, athletic competition and international unity. In addition to providing products, services, technology, and personnel to help make the Games a reality, Kodak’s products have also helped capture some of the most enduring images of the Games. Those images, in turn, have helped communicate the spirit of the Olympics around the world.”

— *Carl Gustin, Senior Vice President and Chief Marketing Officer, Eastman Kodak Company*



www.cnnsi.com

Exclusive Product or Service Category:

Publications

Supporting the Olympic Movement:

In 1980 Sports Illustrated served as an official sponsor of the Olympic Winter Games in Lake Placid. In 1987 Sports Illustrated/Time became a charter member of the TOP programme.

Future participation:

TOP V (2001 – 2004)

Olympic Director:

Ms. Blaise Cashen: (U.S.) + 212 522 2482

Director of Public Relations:

Mr. Joe Assad: (U.S.) + 212 522 6905



www.visa.com

Exclusive Product or Service Category:

Consumer Payment Systems

Supporting the Olympic Movement:

In 1986 Visa became a charter member of the TOP programme.

Future participation:

TOP V (2001 – 2004)

Vice President, Event Marketing:

Scot Smythe: (U.S.) + 650 432 3398

Vice President, Corporate Communications

Mike Sherman: (U.S.) + 650 432 3923

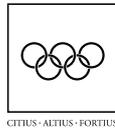
“The Olympic Games truly are a global event that transcend sport. No other sponsorship opportunity compares with them in offering a combination of international exposure, broad-based audience, and a wide range of events with global appeal.”

— *Malcolm Williamson, President and CEO, Visa*

“The renewal of Visa’s sponsorship of the Olympic Games for the next four years is a sound business decision that will continue to provide our member financial institutions with a most effective tool to grow their business both locally and globally. This unique marketing and advertising platform affords worldwide opportunities to create co-promotions and partnerships across a broad range of industries in support of our Members’ business needs.”

“Visa fully supports the reform initiatives that have been undertaken by the IOC, reforms that were painstakingly created and adopted under very close public scrutiny. These positive steps obviously played a large role in our decision to renew our sponsorship. The operational reforms the IOC has instituted will allow them to more closely parallel accepted global business practices and will result in a more open and efficient organization. Visa remains committed to the Olympic Spirit, the celebration of worldwide athletic achievement, and the hopes and aspirations that the Olympic Games represent.”

— *Michael T. Sherman, Vice President, Global Corporate Relations, Visa*



XEROX

www.xerox.com

Supporting the Olympic Movement:

In 1964 Rank Xerox Austria served as the official copier sponsor of the Olympic Winter Games in Innsbruck. In 1993 Xerox joined the TOP programme as a member of TOP III.

Future participation:

TOP V (2001 – 2004)

Manager, Worldwide Olympic Operations

Vince Schaeffer: (Australia) + 61 2 9856 5401

Exclusive Product or Service Category:

Document Publishing & Supplies

Manager, Public Relations:

Carl Langsenkamp: (U.S.) + 716 423 5782



www.semagroup.com

Supporting the Olympic Movement:

In 1992 the Sema Group provided information technology support at the Olympic Games in Barcelona. Sema will officially join the TOP programme in 2001 as a member of TOP V.

Future participation:

TOP V and TOP VI (2001 – 2008)

Exclusive Product or Service Category:

Information Technology & Systems Integration

Other TOP IV Partner Contacts



www.ibm.com

Exclusive Product or Service Category:

Information Technology

Vice Pres., Worldwide Olympic Sponsorship:

Eli Primrose-Smith: (U.S.) + 1 914 765 4700

Director, Communications:

Craig Lowder: (U.S.) + 1 914 766 3275



www.mcdonalds.com

Exclusive Product or Service Category:

Retail Food Services

Asst. Vice Pres., International Communications:

Mike Gordon: (U.S.) + 1 630 623 3000

Director of Communications:

Bridget Coffing: (U.S.) + 1 630 623 6263

Panasonic

www.panasonic.co.jp

Exclusive Product or Service Category:

Audio/TV/Video Equipment

Manager, Olympic Project

Ned Itani: (Japan) + 81 6 949 2029



WIRELESS
COMMUNICATIONS
EQUIPMENT

www.samsung.com

Exclusive Product or Service Category:

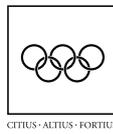
Wireless Communications Equipment

Executive Director, Samsung Group

Nack Hoi Kim: (Korea) + 82 2 751 2114

Public Relations Manager:

Jay J.H. Kim: (Korea) + 82 2 727 7863



www.ups.com

Exclusive Product or Service Category:
Express Mail/Package Delivery Service
Vice President Olympic Program and Corporate Events:

Rosemary Windsor
(U.S.) + 1.404.828.8720

Public Relations Manager:
Susan Rosenberg (U.S.) + 1 404 828 6130

OCOGs Continue Sponsorship Success

Nike Signs On for Sydney 2000 Leading Company Takes Over Reebok Olympic Contract

In what is being referred to as the fastest sponsorship negotiations ever, Nike, the world's premier sporting goods manufacturer, has assumed the sporting goods suppliership contract for the Sydney 2000 Olympic Games. Nike stepped in on December 13, 1999, after just 72 hours of round-the-clock negotiations across three continents.

Nike has been granted Olympic marketing rights and also maintains a licensing arrangement with the Sydney Organising Committee for the Olympic Games (SOCOG).

Nike will supply clothing for the Australian Olympic and Paralympic teams, as well as apparel for the Sydney 2000 Olympic Games work force.

At the time of the negotiations, most commentators speculated that achieving an outfitting suppliership agreement covering all constituents would be impossible with less than nine months remaining before the Sydney Games.

"[The signing of Nike as a supplier for SOCOG in December 1999] signaled that the Olympics are still the Olympics. As one of the biggest global events, the Olympics gives you a language and a platform for conducting business internationally."

— Rick Burton, Director, Warsaw Sports Marketing Center, University of Oregon

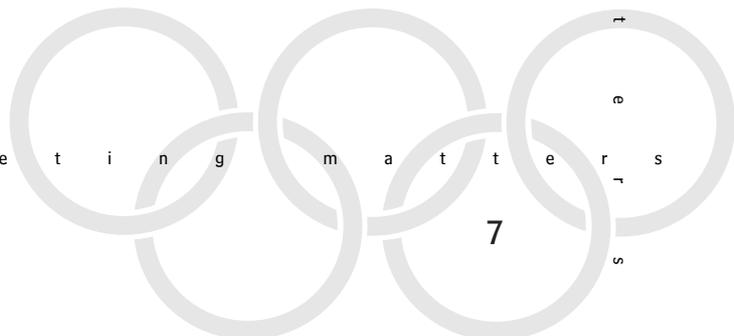
Reebok, which originally maintained a suppliership agreement with SOCOG, challenged SOCOG in late 1999 over the terms and conditions of its licensing agreement. The conflict resulted in Reebok's repudiation of their contract, and SOCOG is now pursuing Reebok for damages through the Australian courts.

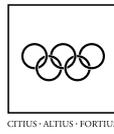
Nike, Inc.
Vice President Global Sports Marketing
Ian Todd
Tel: (U.S.) + 503 671 3512
Fax: (U.S.) + 503 643 3938

SLOC Signs New Sponsors
The Salt Lake Olympic Committee for the 2002 Olympic Winter Games (SLOC) continues to establish successful marketing programmes.

The Olympic Properties of the United States (OPUS), the joint marketing venture between SLOC and the United States Olympic Committee, has signed partnership agreements with the following companies during the first three months of 2000:

| New SLOC Partner | Category |
|--|--|
| Sponsors Sensormatic Monster.com | <i>electronic security</i> <i>on-line career management</i> |
| Suppliers Kellogg Utah Power Sears Schenker Certified Angus Tickets.com Marriott | <i>breakfast cereal</i> <i>electrical utility services</i> <i>home appliances</i> <i>customs & freight forwarding</i> <i>branded beef</i> <i>ticketing services</i> <i>lodging</i> |





GLOBAL PUBLIC SUPPORTS THE GAMES & SPONSORS

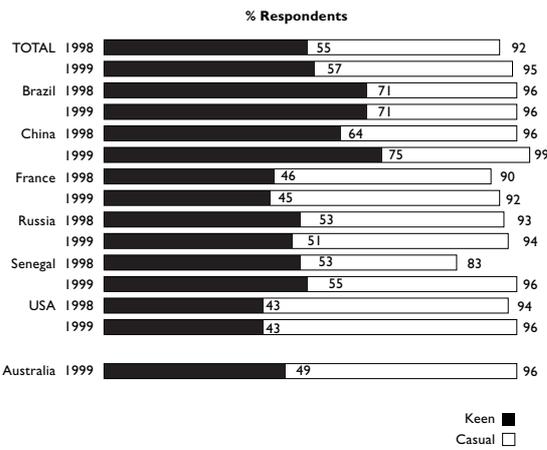
Olympic Crisis: No Impact on Olympic Image

Global marketing research, Olympic marketing success, and record-setting Olympic broadcast projections all indicate that the Olympic crisis of 1998 – 1999 did not significantly impact the Olympic Image. Worldwide research shows that the public continues to hold the Olympic Games and the Olympic athletes in very high esteem.

Olympic Broadcast Expects Increased Viewership

Marketing research conducted throughout the past three years has shown that public interest in watching the Olympic Games on television has generally remained steady or increased somewhat between 1998 and 1999.

The chart below measures the “keen” and “casual” interest in the Olympic Games broadcast and provides a comparison between responses in 1998 and 1999.



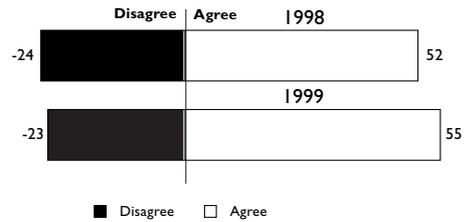
Keen television viewing interest in the Olympic Games was expressed by more than half of research respondents (57 percent in 1999, and 55 percent in 1998). Keen television viewers are those respondents who stated that they tend to “plan their social schedule around television coverage of the Olympics” or “watch the Olympics whenever they can.”

Image of the Games is Stronger than Ever

Research shows that public support for the Olympic Games has increased during the past two years and is now stronger than ever. The following graph compares levels of public support from 1998 and 1999.

% respondents agreeing: All Countries

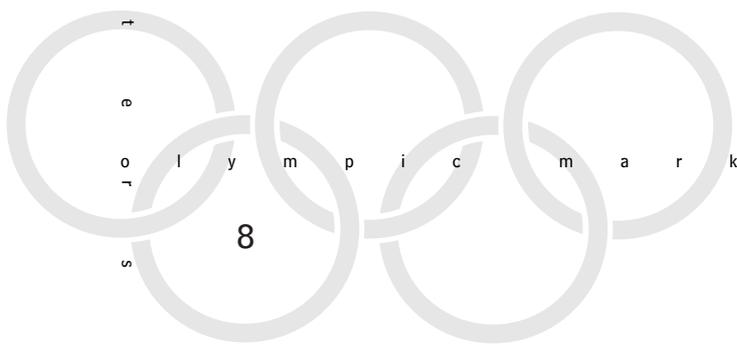
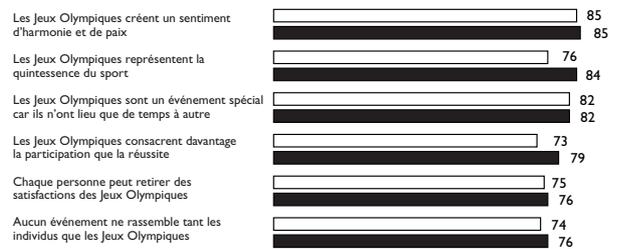
"My opinion of the Olympics is higher today than its ever been"



- 52 percent of respondents in 1998 stated that their opinion of the Olympic Games was higher than it had ever been.
- 55 percent of respondents in 1999 stated that their opinion of the Olympic Games was higher than it had ever been.

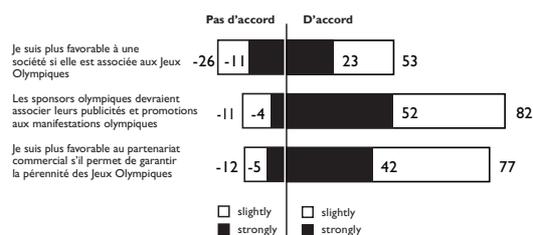
Respondents were asked to agree or disagree with a set of statements about the Olympic Games. The graph below compares the responses from 1998 and 1999 and illustrates that positive public opinion of the Olympic Games has remained steady or improved during the past two years.

Pourcentage des personnes interrogées répondant par l'affirmative - dans tous les pays



The High Public Esteem for Olympic Sponsors
The research also shows that public opinion of the Olympic sponsors continues to be highly favourable.

Pourcentage des personnes interrogées - dans tous les pays (1999)



Key findings on this subject from the 1999 Study include:

- 77 percent of respondents state that commercial association with the Olympic Movement is welcomed if it helps to keep the Olympic Games viable.
- 53 percent of respondents stated that they feel more favourable toward a company if it is associated with the Olympics.

SYDNEY 2000 ENJOYS RECORD FINANCIAL SUCCESS

The Olympic marketing programmes for the Sydney 2000 Olympic Games have generated more revenue from broadcast rights, sponsorship, licensing, and ticket sales than any previous Olympic Games.

The Generation and Distribution of Sydney Olympic Games Revenue

Defining the sources and flows of financing for the world's largest event, the Olympic Games, is complex. Both the Organizing Committee of the Games (OCOG) and the rest of the Olympic Movement — the IOC, the 28 Summer International Olympic Federations (IFs), and the 199 National Olympic Committees (NOCs) and teams — contribute to the generation of revenue and thus share its distribution. **The revenue**

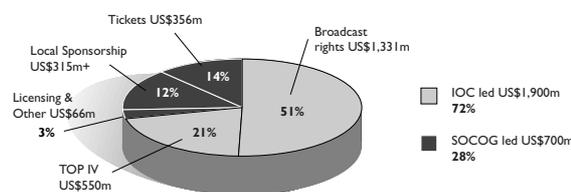
funds not only the operations of the OCOG but also the quadrennial operations of the rest of the Olympic Movement.

Revenue Generation

From current projections, the Olympic Movement — in this case, the IOC and SOCOG — will generate roughly US\$2.6 billion dollars during the period 1997 – 2000 related the Sydney Olympic Games.

This will come mostly from the sale of collective broadcasting rights, sponsorships, tickets, and licenses. **The IOC is responsible for generating more than 70 percent of the overall revenue.**

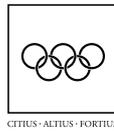
Revenue Generation, 1997-2000



Revenue Distribution

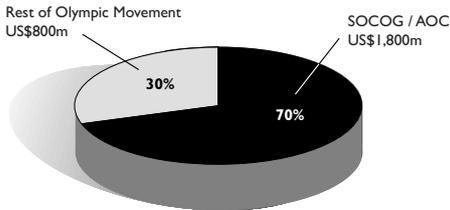
Together, SOCOG and the Australian Olympic Committee (AOC) will receive nearly 70 percent of the overall revenue generated by the Olympic Movement, or **nearly US\$1.8 billion.**

- *Broadcast rights:* More than US\$1.3 billion. Approximately 60 percent to SOCOG; 40 percent divided among the IOC, the Summer Olympic IFs, and the NOCs (through Olympic Solidarity) for the next quadrennium.
- *TOP IV global sponsorships:* Approximately US\$550 million of monies and value-in-kind (VIK). Standard revenue split is 50 percent to the summer and winter OCOGs, 40 percent to the NOCs, and 10 percent to the IOC. Considering the value of technology and other VIK services provided to the OCOGs, the SOCOG and Nagano Organizing Committee's actual split of TOP IV revenue is closer to 60 percent. (As the IFs do not participate in the global TOP marketing programme, they do not share in the revenue it generates.)



- *SOCOG-IOC local Australian marketing:* More than US\$700 million of SOCOG sponsorships, tickets sales, and licensing.
- 95 percent to SOCOG.
- 5 percent to the IOC for the use of Olympic properties, disbursed among programmes supporting the Olympic Movement.

Revenue Distribution, 1997-2000



Sydney Olympic Marketing Programme

The Sydney Olympic marketing programme, the combined global and local Australian efforts, is the most successful programme to-date.

- **Local Australian sponsorship programmes have generated 150 percent of their original target.** SOCOG's original local sponsorship revenue target was US\$207 million. Today, the programme has generated over US\$300 million.
- Through its global marketing, **the IOC has contributed nearly US\$1.1 billion**, close to 60 percent, of SOCOG's revenue needs. This is US\$300 million more than the IOC provided to the Centennial Games in Atlanta.
- The success of the combined IOC and SOCOG sponsorship programmes is remarkable in terms of the size of the Australian market. **Per capita, the programme has generated more than US\$25 per Australian, compared to the US\$1.60 per American raised by Atlanta.** Alone, the local Australian sponsorship programme will generate close to US\$17 per Australian.
- By itself, the **SOCOG consumer products programme (licensing) will generate in excess of US\$2.50 per Australian, as compared to the US\$0.32 per American raised by Atlanta**, and continues to exceed budget/target projections.

- SOCOG has preserved a contingency of \$140 million up to eight months out from the Games.

Total Revenue

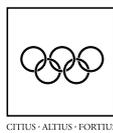
Sufficient revenues have been generated to produce great Olympic Games.

- The funds have provided for the construction and operation of spectacular Games venues.
- Recent SOCOG initiatives have increased the efficient use of revenues to ensure a fully-funded Games operation.
- The current budget includes a significant contingency fund that has been set aside to cover any unforeseen expenditure.

Benefits to Australia

Australia has already benefited from the Olympic Games — before the Opening Ceremonies.

- The New South Wales (NSW) Government estimated in November 1997 that preparing for and hosting the Olympic Games will contribute US\$4 billion to \$5 billion and tens of thousands of full-time jobs to the Australian economy. A more recent 1999 Arthur Anderson/Center for Regional Economic Analysis study came to similar conclusions.
- Australia's sports programmes have been provided US\$120 million for the future.
- SOCOG committed nearly US\$50 million in funds and VIK to the AOC to compensate it for the use of the Olympic marketing rights during the four-year period leading up to the Games.
- As a result of the early success of the Sydney marketing programme, the NSW Government bought-out any future potential profit from the Olympic Games, creating another US\$70 million fund for sport in Australia. This is being provided to the AOC by the redistribution of broadcasting rights fees. The AOC recently agreed to return US\$7 million to assist SOCOG's cost-cutting efforts.
- Certain SOCOG funds also have been used on to construct lasting sports facilities, such as the refund of the cost of the Olympic swimming pool.



Lasting Legacy

While creating a legacy for the Games is an objective, making a profit is not. The legacy of the Games consists of the improvement of the infrastructure for the host country's athletes and the macroeconomic benefits associated with hosting a global event.

- SOCOG revenue from private sources will pay more than \$525 million to the New South Wales government, for construction reimbursements, rental of venues, security, and transport.
- SOCOG will leave an Olympic legacy of \$179 million to the Australian Olympic Committee.
- Payments to the government and AOC aside, SOCOG would already have a significant (lasting legacy) surplus after covering the cost of Games operations.

Leading up to the Games the IOC always works with OCOGs to reinvest any potential surplus into the quality of the Games. The IOC encourages waiting until after the conclusion of the Games to begin discussing profit.

Record-Setting Broadcast Expected for Sydney

The Sydney 2000 Olympic Games television broadcast is positioned to be the most-watched event in history. Research shows increased public interest in the Olympic Games, indicating that Sydney 2000 could shatter audience records set in Atlanta 1996. The next issue of *Marketing Matters* will provide an in-depth forecast of audience viewing of Sydney, based on global reach and average viewing hours.

Most recent estimates state that Sydney 2000 will be broadcast in 220 countries and territories. Many broadcasters plan to significantly increase the number of programming hours from the Atlanta Olympic Games coverage.

Marketing research conducted throughout the past three years has shown that public interest in watching the Olympic Games on television has increased between 1998 and 1999. *See page 8 of this newsletter for details.*

| | Sydney 2000 | Atlanta 1996 |
|------------------------------------|-------------|--------------|
| No. of Countries | 220 | 214 |
| No. of Hours from Host Broadcaster | 3,2000 | 3,000 |

| | No. of Broadcast Hours* | |
|----------------|-------------------------|--------------|
| | Sydney 2000 | Atlanta 1996 |
| Ch. 7 (Aus) | 1207 | 308 |
| NBC (U.S.) | 437.5 | 170 |
| Japan Pool | 730 | 332 |
| CBC (Canada) | 800 | 244 |
| GLOBO (Brazil) | 175 | 76 |
| BBC (U.K.) | 327 | 297 |

*Some of these figures include cable-television hours.

CELEBRATE HUMANITY

Promotional Campaign Invites the World to Celebrate Olympic Ideals

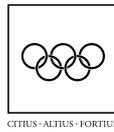
The IOC has launched a global Olympic promotional announcement programme under the theme "Celebrate Humanity".

This public service campaign is designed to communicate the core values of the Olympic Movement. The creative tells stories of Olympic athletes and the remarkable dedication, friendship, strength of character, and joy that they demonstrate during the Olympic Games. The campaign rejoices in and invites the world to celebrate these values.

The campaign is based on qualitative and quantitative research on the Olympic Image, conducted in 11 countries among more than 8,500 people in 1998 and 1999.

Promotional Announcement Programme Facts

- The campaign includes: six television announcements, eight radio announcements, and double- and single-page print executions. All are produced in English, French, and Spanish.
- No budget will be spent on media placement of the promotional campaign. The campaign will be run either as a public service promotional announcement or as part of contractual agreements with Olympic marketing partners.
- Bartered media support for the airing of the promotional programme has an estimated value of US\$150 million, according to preliminary reports.



Promotional Announcement Programme Facts (continued)

- The only budget invested in this programme was for research, creative development, and production. Most of the production was donated or done at cost.
- The promotional announcements were created and produced by the Los Angeles office of the award-winning advertising agency TBWA/Chiat Day.
- The announcements will run in more than 200 countries worldwide from January 2000 through the Sydney 2000 Olympic Games (October 2000).

Reactions to “Celebrate Humanity”

“We are very pleased these promotional announcements are able to capture the essence of the Olympic values and communicate the special nature of both the Olympic Games and the actions of the athletes.”

— *IOC President Juan Antonio Samaranch*

“Through their honour and dignity in competition, Olympic athletes teach lessons to us all. We believe this promotional campaign captures the core of the Olympic message as demonstrated by the performances of these athletes. Many individuals and entities have donated their time, talents and skills to this campaign. We are extremely grateful for their generosity.”

— *Richard W. Pound, IOC First Vice President and Chairman of the IOC Marketing Commission*

“We didn’t have to invent anything new for the ‘Celebrate Humanity’ campaign. By telling the true stories of Olympic athletes, we are simply reiterating what people around the world have always known about the Olympic Games -- that the Games celebrate our highest achievements and the best of our human attributes. Throughout history, Olympic athletes have been spreading this message through their performances. These announcements simply encapsulate this message and the core values of Olympism.”

— *Michael Payne, IOC Marketing Director*

“The Olympic advertising and marketing promotions both on TV and radio has been the most effective campaign I’ve seen or heard in the many years I have been involved in the Olympic Movement. They dramatically portray the talent, courage, and endurance of the young men and women who enter the arena in the pursuit of excellence. The campaign places the Olympics where they belong — with the athletes.”

— *Mr. Bud Greenspan, renowned Olympic filmmaker*

“This is not about advertising in the traditional sense; it’s about reminding the world of the values and dreams the Olympics represent. The Olympics is the ultimate celebration of humanity; we want the whole world to be able to participate in that celebration”

— *Lee Clow, Chairman and World-wide Creative Director of TBWA World-Wide*

“Many of my favorite Olympic memories were not gold medal situations. They were inspiring moments of humanity that transcended borders, obstacles and languages, and unified people around the world.”

— *Actor Robin Williams, voice for the English-language Olympic television announcements.*

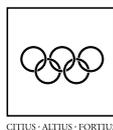
OLYMPIC NOTES

IOC Internet Strategy for 2000 and Beyond

IOC Announces November Conference: The Future of New Media & Sport

The IOC considered key areas of its emerging Internet strategy during its April 19 Executive Board meeting. The Board confirmed policies concerning web coverage of the Sydney Olympic Games and announced it will host a conference on sport and new media as it began to determine Olympic guidelines for the future.

The IOC intends to host a world conference on “The Future of New Media and Sport” in Lausanne, 14 – 15 November. The conference will review the Sydney Internet experience and



explore the potential of this important medium. Invitations to the conference will be extended to key leaders in the industry.

“The Internet is moving extremely fast, and Sydney is shaping up to be a turning point in the young history of sports on the Internet. We look forward to inviting the world to learn from our experience in Sydney and to work together to shape the future of sport in the digital age.”

— *Richard W. Pound, IOC First Vice President and Executive Chairman of the conference*

The conference will explore the convergence of television and new media and the resulting impact on traditional sports coverage, existing television rights, and the sports fan’s experience. A key focus of the conference will be sports governing bodies’ needs to keep pace with changing technology so they are in the best position to promote their sports.

The Executive Board also discussed Internet guidelines for International Federations, National Olympic Committees, and broadcast rights-holders. The IOC will now initiate a review with the constituent members of the Olympic Movement in order to finalize these procedures by its May meeting in Rio de Janeiro.

**The Future of New Media and Sport
14-15 November 2000 Lausanne, Switzerland**

Attendance by invitation only for more information contact David Aikman at david.aikman@olympic.org

Sydney 2000 Web Site – www.olympics.com

The IOC praised SOCOG and IBM on their development of www.olympics.com, the Official Olympic Web Site of the Sydney 2000 Olympic Games, which is set to break all previous Internet traffic records for a sports event site. It is expected the site will garner 1.4 billion page views over the six-month period leading up to and during the Olympic Games.

www.olympics.com — the only official site of the Sydney 2000 Games — will be a comprehensive, one-stop site for all Olympic fans around the world, providing the fastest source of results on the web and other unique and compelling content, including:

- real-time official results in every event categorized by every athlete, sport, and participating NOC

- real-time desktop scoreboard applets for 11 sports
 - complete editorial coverage of all 28 sports on the Olympic programme
 - biographies, statistics, and rankings for all 10,300 athletes competing in the Games
 - updated news from the Games organizers
 - educational information, kits, and tools
 - athlete chat groups and communities
 - the widest range of official Sydney 2000 merchandise
 - 3-D virtual reality tours of the Olympic venues
- Jonathan Rust, SOCOG – 61 2 9297 2209*
Craig Lowder, IBM – 914 766 3275

IOC Institutional Web Site – www.olympic.org

In addition to the Official web site of the Games, the IOC will continue to provide information and news about the Olympic Movement through its institutional site, www.olympic.org. Recently, the IOC has developed several new areas to its site, enhancing its content:

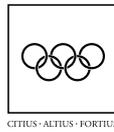
- **www.horizon.olympic.org** – Project Horizon follows the stories of five athletes pursuing their Olympic dream through the Olympic Solidarity scholarship programme.
- **www.collectors.olympic.org** – The Collectors Site contains information concerning the IOC’s various Olympic memorabilia initiatives.
- **www.museum.olympic.org** – The Olympic Museum site now features a virtual gallery of Olympic exhibitions including hundreds of photos and videos from the Olympic archives.

Related Sites and Issues – Video and Data

In addition to the above two official web sites, the IOC recognizes the contribution of NBC, the U.S. broadcast rights holder, in covering the Olympic Games in-depth through its broadcast site, **www.nbcolympics.com**. This site, focused on the U.S. market, complements NBC’s Olympic broadcast and is being produced through a joint-venture between NBC and Quokka Sports.

Following the collective request from Olympic broadcast rights holders, the IOC Executive Board confirmed that no moving images or audio coverage of the Sydney 2000 Olympic Games on the Internet will be authorized. The IOC Executive Board also confirmed that, for Sydney, athletes will not be permitted to carry or allow third-parties to place any electronic device on their person for the purpose of gathering biometrics data for Internet or other use.

Franklin Servan-Schreiber, IOC, 41 21 621 6409



Anti-Ambush Efforts in Sydney

Sydney is expected to set a new standard in protection for partner exclusivity for any major sports event. A number of important new measures have been introduced to address some of the issues that caused concern in Atlanta.

Steps taken by the IOC, SOCOG, the Australian Olympic Committee, the New South Wales government, and other local authorities include:

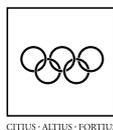
- Various specific legislation, including: (a) the Olympic Insignia Protection Act (1987); (b) Sydney 2000 Games (Indicia and Images) Protection Act (1996); and most recently, (c) the Olympics Arrangement Act (2000). The various Acts provide not only for extensive protection of all the different Olympic trademarks, but extend to provide restrictions on street vending, advertising-free air space above the Olympic host city, and other controls over unauthorised presence marketing.
- Local authorities have moved to tightly manage and control all forms of presence marketing, limiting key opportunities to Olympic sponsors and preventing a repeat of the uncontrolled commercial presence encountered in Atlanta — much of which came from companies who were not Olympic sponsors.
- The Olympic Code of Conduct for the Sports Goods Industry, established by the IOC with the World Federation of the Sporting Goods Industry (WFSGI) in 1997, will address all aspects of marketing activity by the sports goods industry.
- New ticket marketing and hospitality guidelines have been designed to prevent any form of promotion or hospitality that provides Olympic tickets to companies that are not Olympic sponsors. Several NOC ticket agents have already had their ticket orders cancelled due to breaches of their guidelines, and various non-sponsors have had to withdraw promotions from the market.
- A single marketing programme that combines the rights of both the event and the Olympic Family, through agreements between the IOC, SOCOG, and the host country's NOC. The Olympic Games is virtually unique amongst the major event properties in providing this level of protection.
- The IOC will run a global live broadcast monitoring programme to identify on-air

ambush marketing attempts or other rights violations, covering the Olympic Games broadcast across 200 countries. For the first time, a similar programme will also cover the Internet.

- All venues, in accordance with the Olympic Charter, will be delivered clean of any form of advertising. The Olympic Games are the only major event in the world to be presented without any form of stadium advertising. In accordance with the Olympic Charter, all athletes will also be checked prior to competition to ensure that they are carrying no advertising other than the traditional manufacturer's mark on any sports clothing and equipment.

"The number of incidents of ambush marketing at the Olympic Games is actually very few. The Olympic Games is unique among the major events in the level of protection offered to its partners. Companies will always try to ride on the goodwill and the powerful images of the Olympic Games, because the marketing returns are significant. Our job is to make it as difficult as possible, to plug the loopholes, and to ensure that the public understands who is really supporting the Games and the athletes. Anyone else is cheating — and no one likes a cheater."
— Michael R. Payne, IOC Marketing Director

| Team Millennium Olympic Partners (marketing rights in Australia) | |
|---|---|
| Telstra | Telecommunication Services |
| Westpac Banking Corporation | Banking Services |
| BHP | Steel Products |
| Westfield | Shopping Centres |
| AMP | Insurance |
| Ansett Australia & the Official Airline Team | Airline |
| Energy Australia | Energy Management |
| Swatch | Timing & Time pieces |
| News Ltd. | Media |
| Fairfax | Media |
| Seven Network | Broadcast |
| Holden | Automobiles |
| Pacific Dunlop | Cables, bedding, casual uniforms, vehicle batteries and tyres |



IOC Licenses Official Sydney 2000 Video Game

Eidos Interactive, one of the world's leading publishers and developers of entertainment software, announces "Sydney 2000," the official video game of the Olympic Games. Sydney 2000 will be the first product of an exclusive six-year agreement with International Sports Multimedia (ISM) to publish video games under license from the IOC.

"Sydney 2000" is being developed by Attention To Detail (ATD) of Warwick, England. The game will be available in August 2000 on PlayStation, PC, Dreamcast, Nintendo 64, and Game Boy Color.

The game features high-resolution graphics incorporating the latest motion capture technology, provided by Olympic athletes, and accurate models of all the Olympic facilities. The game enables players to train a team of athletes, and to compete from lower ranking competitions up to competition for the Olympic gold medal.

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1 Hartfield Rd
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Tel: + 0181.636.3000
Fax: + 0181.636.3001
E-mail: steve.starvis@eidos.co.uk

Athens 2004 Update

The IOC and ATHOC concluded the detailed terms of the overall marketing plan agreement for the Games of the XXVIII Olympiad, Athens 2004.



The agreement was signed by the President of the IOC along with the President of the IOC Marketing Commission Dick Pound & Chairman of the IOC 2004 Co-ordination Commission Jacques Rogge along with ATHOC Managing Director, Costas Bakouris, in Lausanne on 19 April.

The local marketing programme for the 2004 Olympic Games is scheduled to be announced in May. Based on broadcast and sponsorship agreements already concluded by the IOC, ATHOC has greater funding already committed than any previous OCOG at this stage of its preparations.

Olympic Prize for Sports Medicine

The winner of the IOC Olympic Prize for Sports Medicine will be announced at a special ceremony in New York City on July 25 and the award will be presented at the Opening Session of the Sydney 2000 Olympic Games. The prize is endowed by Parke-Davis, a division of Warner-Lambert that has supported the IOC Medical Commission since 1994.

Established by the IOC Medical Commission in 1995, the Olympic Prize honours scientific research related to human movement, physical exercise, and sport. Through this award, the IOC recognises the significance of scientific research that contributes to the betterment of humankind.

Previous winners of the award, which include an IOC medal, a diploma of excellence, and US\$500,000 to be used for further research, are:

- Jeremy Morris, MD, DSc, and Ralph Paffengarger, Jr., MD, PhD, (1996)
- Savio Lau-Yuen Woo, PhD, (1998)

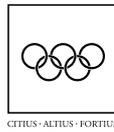
Since the company began its association with the IOC in 1994, Parke-Davis has significantly increased its support for various IOC sports medicine programmes, including the biannual IOC Sports Science Congress, the IOC Sports Science Academy and other sports science research projects.

Parke-Davis

Wayne Dickerson, Director, Olympic Affairs
Tel: (U.S.) + 973 540 4445

IOC Medical Director:

Dr. Patrick Schamasch
Tel: (Switzerland) + 41 21 621 61 11



**IOC Announces Launch
of OTAB.COM**

The IOC announced the launch of **www.otab.com**, the web site of the Olympic Television Archive Bureau (OTAB) on 19 April.



This business-to-business web site allows registered users to access the IOC's complete film and video archives on-line. Visitors to the site can view log sheets for thousands of hours of footage, compile their own shot lists, and submit requests to OTAB on-line.

Through **www.otab.com**, the IOC hopes to streamline the processing of requests in this busy Olympic year. Olympic footage requests are currently handled by fax and phone.

The Olympic archive currently contains over 20,000 hours of Olympic footage from the dawn of film-making and the London 1908 Olympic Games all the way to Nagano 1998. Since

OTAB's inception, the IOC has acquired nearly all Official Films of the Olympic Games. Latest acquisitions include:

- Official Films of the Melbourne 1956 Games
- amateur films of the Berlin 1936 Games
- Official Film of the Mexico 1968 Games
- out-takes from the Official Film of Munich 1972 "Visions of Eight"
- Bud Greenspan films and out-takes of 1984, 1988, 1992, 1994 and 1996
- complete collection of Pathé newsreel archives

OTAB was established in 1995 as a resource for Olympic broadcasters and marketing partners, as well as independent producers of Olympic-themed content and programming. OTAB handles thousands of requests for Olympic footage per year.

Stuart Binns
Bureau Director, OTAB
Tel. + 44 181 233 5353
Fax. + 44 181 233 5354

FOR MORE INFORMATION CONTACT

| | | | |
|---|---|---|---|
|  www.olympic.org |  www.olympics.com |  www.slc2002.org |  www.athens.olympic.org |
| <p>INTERNATIONAL OLYMPIC COMMITTEE Château de Vidy 1007 Lausanne, Switzerland Tel: 41.21.621.6111 Fax: 41.21.621.6216</p> <p>Michael Payne <i>Marketing Director</i></p> <p>Franklin Servan-Schreiber <i>Director of Communications</i></p> <p>Elizabeth McMahon <i>Marketing Services</i></p> | <p>SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES Sydney NSW Australia Tel: (61.2) 9297.2000 Fax: (61.2) 9297.2020</p> <p>Michael Bushell <i>Marketing Director</i></p> <p>Karen Webb <i>Marketing Communications</i></p> | <p>SALT LAKE ORGANISING COMMITTEE FOR THE OLYMPIC GAMES Salt Lake City USA Tel: (1.801) 212.2002 Fax: (1.801) 364.7644</p> <p>Mark Lewis <i>President and CEO, OPUS Vice President Marketing and Licensing, SLOC Marketing Director USOC</i></p> <p>Frank Zang <i>Director of Communications and Media</i></p> | <p>ATHENS ORGANISING COMMITTEE FOR THE OLYMPIC GAMES Athens Greece Tel: (30.1) 324.0004 Fax: (30.1) 323.2004</p> <p>Costas Bakouris <i>Managing Director</i></p> <p>George Bolos <i>Director General for Marketing and Communication</i></p> |

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