### FEI Profit & Loss Statement

#### ACC No REVENUES

<table>
<thead>
<tr>
<th>ACC No</th>
<th>REVENUES</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Actual</th>
<th>2017 Budget</th>
<th>2017 Budget</th>
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<td>TOTAL NON-OPERATIONAL REVENUE</td>
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<td>608,000</td>
<td>17,581,123</td>
<td>879,731</td>
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<tr>
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<td>27,403,693</td>
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#### ACC No EXPENSES

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<thead>
<tr>
<th>ACC No</th>
<th>EXPENSES</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Actual</th>
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<tr>
<td>580</td>
<td>TOTAL OPERATIONAL EXPENSE</td>
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<td>1,045,112</td>
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<td>17,093,142</td>
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<td>590</td>
<td>TOTAL EXPENSE</td>
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<td>2,740,220</td>
<td>27,403,693</td>
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#### ACC No GENERAL & ADMINISTRATION EXPENSES

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<th>GENERAL &amp; ADMINISTRATION EXPENSES</th>
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#### TOTAL EXPENSES

<table>
<thead>
<tr>
<th>TOTAL EXPENSES</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Actual</th>
<th>2017 Budget</th>
<th>2017 Budget</th>
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<tr>
<td>38,000,000</td>
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</tbody>
</table>

#### NET RESULT

| NET RESULT | 2,488,572 | 1,209,650 | 1,269,105 | 139,957 | 528,017 |
Comments to forecast (revised budget) of the FEI for fiscal year 2017
(all numbers in ’000 CHF unless specified)

Mr. President,
Members of the Bureau,

Attached to these comments you will find the forecast (revised budget) for the fiscal year 2017. Several events impacted both revenues and expenses: The new communication and marketing strategy that was decided in the early months of 2017 which has consequences in many sections of the P&L, the registration fee of GCL teams, the decision to review the strategy on FEI TV and the decisions taken by the Bureau during the in person meeting in April 2017. All these events occurred after the initial budgets were presented to the Bureau and the GA. A brief explanation of these variances is explained here below:

1. **Commercial revenues**
   
   Commercial revenues have been increased by 811 due to the revised strategy concerning FEI TV (756) and a new sponsorship agreement with SAP (55).

2. **Operational revenues**
   
   Calendar fees & Organising Dues (line 610) and Passports (line 615) have been adjusted upwards by 500 and 150 respectively to reflect the historic realities of these revenues.
   Horse & Rider registrations (line 614) was mainly affected by the additional fees collected for the registration of the sponsored teams, consequent to the agreement with GCL. This represented 198.
   Anti-doping and welfare income has increased sharply to reflect the real amount cashed last year under the EADMCP.

3. **Non-operational revenues**
   
   The IOC Contribution yearly release to income has been reduced by 200 to revert to past historical levels.
   Other revenues have increased by 2’000 to reflect the release of the provision effected in 2016 to finance the prize money and activation expenses for Nations’ Cup 2017.
   Contribution from funds increase by 235 for the following reasons:
   - 150 from the Campus fund for a project with the University of Zurich
   - 50 from the IT Fund for a data asset management tool (New marketing and communication strategy)
   - 35 from Solidarity fund for regional workshops in relation with OIE to support temporary international movements of competition horses.

4. **Commercial expenses**
   
   Sponsorship expenses increase by 2’370 due to the following:
   - 1’870 NC prize money (paid by 2016 provision)
   - 250 NC activation (of which 130 is paid by 2016 provision)
   - 220 World Cup dressage support (5 events at EUR 40)
   - 30 reclassification of Corporate Comms expenses consequent to the new marketing and communication strategy.
   TV Expenses increase by 696 due to the above mention revision of the FEI TV strategy (443), the balance (253) being a consequence of the new marketing and communication strategy.
Other Marketing Expenses increase by 230 due mainly to the new branding and the digital promotion that will be put in place in relation with the new marketing and communication strategy.

5. **Operational expenses**

Professional Fee/Consulting have been increased by 262 due the following:
- 92 for the Equirating project in Eventing
- 135 for the new marketing and communication strategy
- 20 for social media assets
- 15 for a VAT audit within the framework of the Olympic cycle.

Education goes up by 275 for a project in relation with the University of Zurich. 150 will be paid by the Online Campus fund and 125 will be paid by the unspent balance allocated by the FEI operational to Solidarity which amounts yearly to 500.

Anti-doping and welfare goes up by 145 of which 110 will be allocated to additional human anti-doping testing. 35 are spent in the OIE project for the movements of the horses (see above under non-operational income).

6. **General & Administration expenses**

Staff charges are going up by 211 net, mainly due to the hiring of a brand manager (in relation with the new marketing and communication strategy) and a new IT project manager to cope with the implementation of additional projects of the IT department.

To conclude this presentation, I would like to make an additional comment regarding Anti-doping and welfare (formerly EADMCP income and expenses). One may conclude that the EADMCP fee generates a profit when only looking at income 3’900 and expenses 3’035 for this item. Let us not forget that there are costs to administer this program that are located other sections of the P&L, i.e.:
- 442 for staff charges in legal and vet departments
- 190 for integrity unit. We estimate that about half of the integrity unit cost is related to welfare of the horses.
- 170 of other legal costs.

Thanks & best regards
Claude Praz
CFO