

FEI PROFIT & LOSS STATEMENT

		2014	2015	2016	2017	2017
		ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET
		Audited	Audited	Audited	GA Approved	Revised
ACC No	REVENUES					
60	COMMERCIAL REVENUE					
600 6000-19	SPONSORSHIP REVENUE	23'272'230	21'473'496	24'082'581	16'059'532	16'114'532
602 6020-30	TV REVENUE	4'928'977	3'646'696	3'384'776	2'574'735	3'235'683
604 6040	OTHER MARKETING REVENUE/LICENSEING/ONLINE SHOP	78'046	94'267	20'640	51'000	51'000
	TOTAL COMMERCIAL REVENUE	28'279'253	25'214'459	27'487'997	18'685'267	19'401'215
61	OPERATIONAL REVENUE					
610 6100-09	ANNUAL SUBSCR & GA, SF REGISTRATIONS	665'515	686'658	779'885	767'500	767'500
611 6110-20	CALENDAR FEES & ORGANISING DUES	5'431'919	5'822'798	6'216'558	5'200'000	5'700'000
613 6130-32	HOSTING FEES	1'738'723	1'498'710	764'000	1'304'500	1'324'500
614 6140-41	HORSE & RIDER REGISTRATIONS FEES	1'099'930	1'051'870	1'170'320	1'005'000	1'253'000
615 6150	PASSPORTS	4'090'510	4'134'830	4'418'117	3'950'000	4'100'000
616 6160-62	FINES & OTHER LEGAL CONTRIB.	169'143	157'332	240'673	140'000	140'000
617 6170	ANTI-DOPING & WELFARE	2'163'870	2'175'432	4'257'631	3'000'000	3'900'000
	TOTAL OPERATIONAL REVENUE	15'359'610	15'527'630	17'847'183	15'367'000	17'185'000
62	NON-OPERATIONAL REVENUE					
620 6200	IOC CONTRIBUTION	2'600'000	2'600'000	16'200'330	2'800'000	2'600'000
630 6300	OLYMPIC SOLIDARITY	65'646	66'990	67'200	70'000	70'000
640 6400	RENTAL REVENUES	629'320	621'300	604'142	608'000	608'000
660 6610-19	OTHER REVENUE	6'893'418	132'026	697'770	53'000	2'053'000
670 6700	CONTRIBUTION FROM FUNDS	1'050'954	1'926'627	4'630'811	1'446'500	1'681'500
	TOTAL NON-OPERATIONAL REVENUE	11'239'338	5'346'943	22'200'253	4'977'500	7'012'500
	TOTAL NET REVENUES	54'878'201	46'089'033	67'535'434	39'029'767	43'598'715
ACC No	EXPENSES					
50	COMMERCIAL EXPENSE					
500 5000-09	SPONSORSHIP EXPENSE	16'459'478	14'768'476	17'581'123	8'202'400	10'572'400
502 5020-49	TV EXPENSE	5'936'553	4'712'921	3'894'290	4'206'468	4'902'620
505 5050-60	OTHER MARKETING EXPENSE/LICENSEING/ONLINE SHOP	448'463	326'340	443'728	815'112	1'045'112
	TOTAL COMMERCIAL EXPENSE	22'844'493	19'807'737	21'919'141	13'223'979	16'520'132
51	OPERATIONAL EXPENSES					
510 5100-09	PROFESSIONAL FEE/CONSULTING	3'121'121	3'279'375	3'602'272	3'382'500	3'645'000
520 5200-02	EDUCATION	503'808	522'756	660'600	726'425	1'001'425
525 5251-59	PRINTING EXPENSES	249'379	171'625	222'917	209'000	136'500
530 5300	INTEGRITY UNIT	368'445	424'599	358'258	380'000	380'000
535 5351-57	ANTI-DOPING & WELFARE	1'843'345	1'657'609	4'009'801	2'890'000	3'035'000
536 5361-63	SOLIDARITY	922'272	1'132'390	1'045'201	1'209'500	1'209'500
	TOTAL OPERATIONAL EXPENSE	7'008'370	7'188'354	9'899'048	8'797'425	9'407'425
54	GENERAL & ADMINISTRATION EXPENSES					
540 5400-29	STAFF CHARGES	11'573'329	12'070'749	12'820'619	13'176'983	13'388'718
550	TRAVEL & EXPENSES					
5500	-FEI Staff	879'731	769'387	869'256	689'706	664'706
5501	-Others	1'198'912	943'422	1'323'369	1'143'800	1'180'800
560 5600-50	FACILITIES CHARGES	391'552	374'042	329'159	366'500	374'500
570 5700-02	GENERAL SERVICES	373'943	326'693	317'409	308'588	308'588
575 5750-52	TROPHIES & MEDALS/CORPORATE GIFTS & CLOTHING	220'541	160'227	229'215	219'529	232'529
577 5770	INSURANCE	113'643	109'838	116'495	128'000	128'000
580 5800-05	DEPRECIATION	358'274	375'219	340'333	433'300	433'300
591 5910-11	TAX	70'309	65'951	70'035	67'000	67'000
595 5950	ALLOCATION TO FUNDS	6'248'766	294'451	14'780'564	90'000	115'000
597 5970-80	OTHER EXPENSES	518'089	1'194'094	3'411'631	195'000	200'000
	TOTAL GENERAL & ADMINISTRATION EXPENSE	21'947'087	16'684'073	34'608'085	16'818'406	17'093'142
	TOTAL EXPENSES	51'799'951	43'680'164	66'426'273	38'839'810	43'020'698
650 6500-35	FINANCIAL REVENUES NET	-589'678	-1'199'218	159'944	-50'000	-50'000
	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
July 19, 2017.