



SOCHI OLYMPIC UPDATE # 2

PERIODIC UPDATE ON THE SOCHI WINTER 2014 OLYMPIC GAMES

TO:	Board of Directors
MEETING:	February 21, 2013
FROM:	Kirstine Stewart, Executive Vice-President, English Services
PURPOSE:	Update on the 2014 Sochi Winter Olympic Games provided to the Board
DATE:	February 11, 2013



***Update # 2 (February 21, 2013): Sochi
Winter 2014 Olympic Games***

CBC  Radio-Canada

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EXECUTIVE SUMMARY: UPDATE #2

- The race has begun: as of January 1, 2013 CBC/Radio-Canada is the official Olympic broadcast partner, with rights to the 'rings' and promotion
- The long form rights agreement with the IOC is finalized
- Our official launch is set for Feb 7th, in Vancouver and Montreal, exactly one year before the Olympic torch is lit in Sochi. It will include a press launch with athletes and officials.
- Sales negotiations underway with Olympic Sponsors, we take the Olympics to the wider market next month
- Sub-Licencing agreements are being negotiated
- Path to Sochi, across platforms and across CBC/Radio-Canada is planned: The most compelling athlete stories are identified and we're working closely with the Canadian Olympic Committee to build excitement across Canada



SALES

Completed

- Completed and pitched Sales proposals for IOC / COC Partners (December & January)
 - Each proposal was tailored to each partner's business plans (Broadcast, Digital, Features & Activations)
- Finalized revenue plans – Forecast / Category

Current

- Continue Negotiations / Discussions with *IOC / COC* Partners (exclusivity period ends 45 days after the initial presentation to each potential client)
- Discuss partnership opportunities with COC (Jan. 31)
- Stage the Olympic University event (sales conference: Jan. 28-30, 2013)
- “Go to market” on sales for non-ring rights partners (Feb. 2013)
- Hold Sales launch event on February 7 (with support from Communications)



PROGRAMMING AND PRODUCTION

Completed

- Created a joint CBC/Radio-Canada team
- Hired production executives in Toronto and Montreal
- Confirmed a programming approach centred around:

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s.21(1)(b)
s.68.1

- Completed the first round of on-site facilities orders to Olympic Broadcasting Services (OBS*), to allow us to create a customized Canadian experience

Current

- First Olympic content on CBC/Radio-Canada, [redacted] on Feb. 2-7:
 - Test events from Sochi
 - Features on Russia, Venues, and introducing athletes
- On-going analysis of production requirements
- Collaborating with Sales on sponsorship ideas for IOC / COC partners
- Creating a CBC/Radio-Canada research centre (database of information on athletes, winter sports and Olympic content)

* The Olympic Broadcast Services organization (OBS) serves as Host Broadcaster for Olympic Games. As the Host Broadcaster, OBS is chiefly responsible for management of facilities and production within venues and construction of venues.



COMMUNICATIONS

Completed

- Effective January 1, 2013 CBC/Radio-Canada has become the official broadcast partner of the Olympics: right to use Olympic logos and refer to ourselves as national Olympic broadcaster
- Finalized Olympic Branding Guidelines for CBC and Radio-Canada

Current

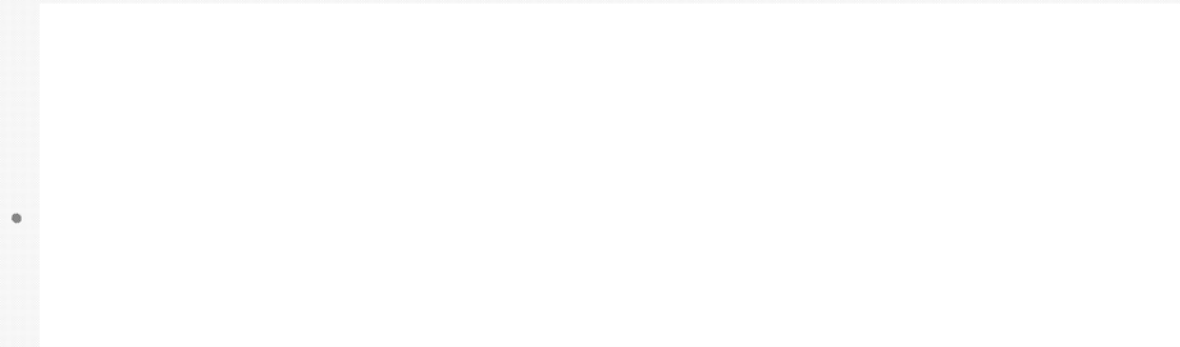
- Finalize communication plans
- Begin On air promotion on CBC-TV / Television de Radio-Canada and online: “One Year Out”
- Hold a CBC/Radio-Canada media event and support Sales through a client event (February 7)



BUSINESS PLAN

Completed

- The long form rights agreement with the International Olympic Committee (IOC) has been finalized subject to signing
- Contract changes per IOC discussions:



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- Draft business plans from the Content, Sales and Communication teams are on budget
- Finalized English/French sub-licences with Bell and Rogers

Current

- Roll out detailed business plans



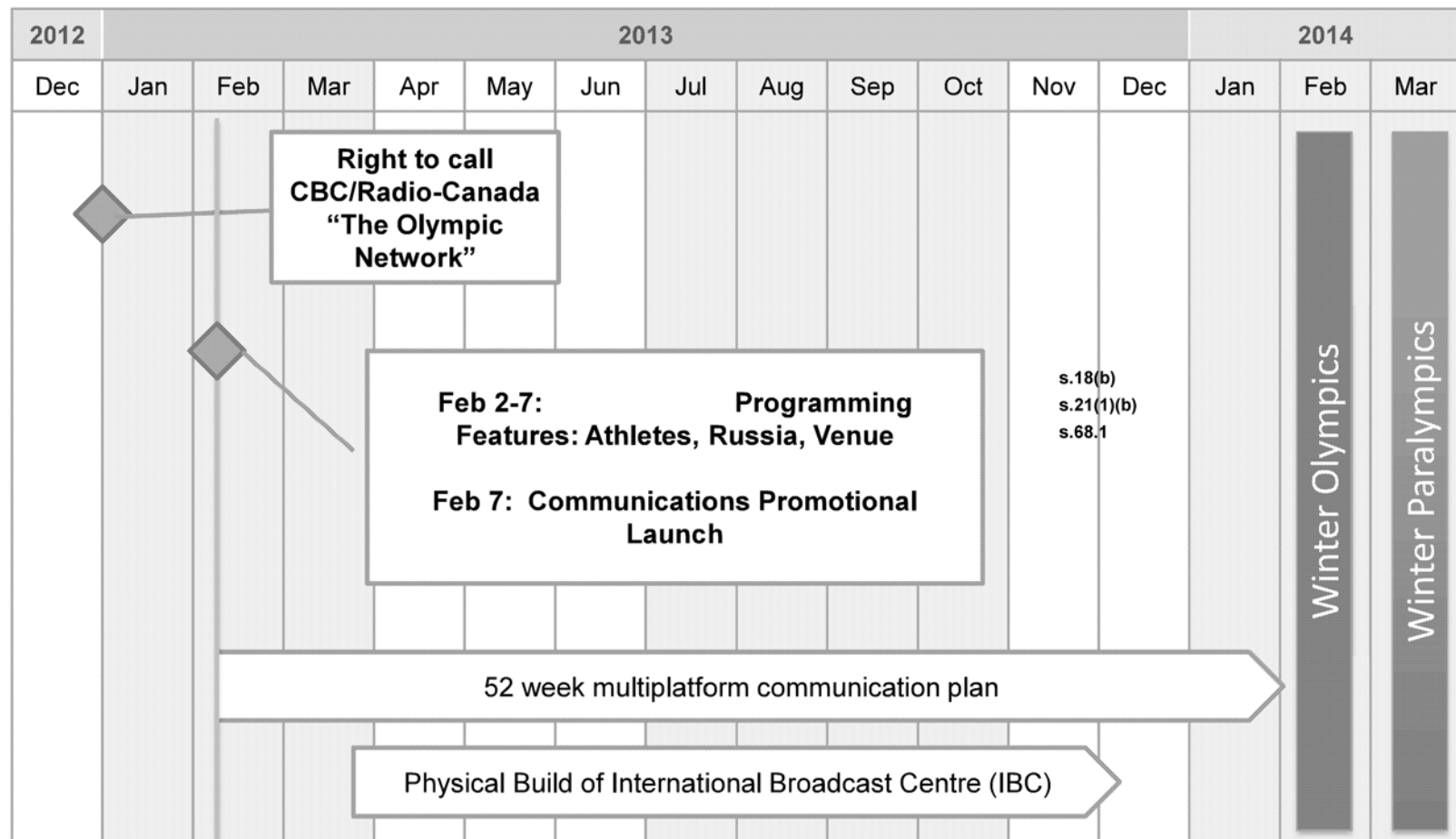


KEY UPCOMING DATES

Date	Area	Description
February 2013	Sales	<ul style="list-style-type: none">• Plan to launch “Go to Market” for non-ring rights holders sponsors
	Programming	<ul style="list-style-type: none">• Sochi Test events scheduled: Short Track, Nordic combined and Cross Country ski• Sales event February 7
	Communication	<ul style="list-style-type: none">• 52 week communication plan begins February 7
	Business Plan	<ul style="list-style-type: none">• World Broadcaster Meeting in Sochi

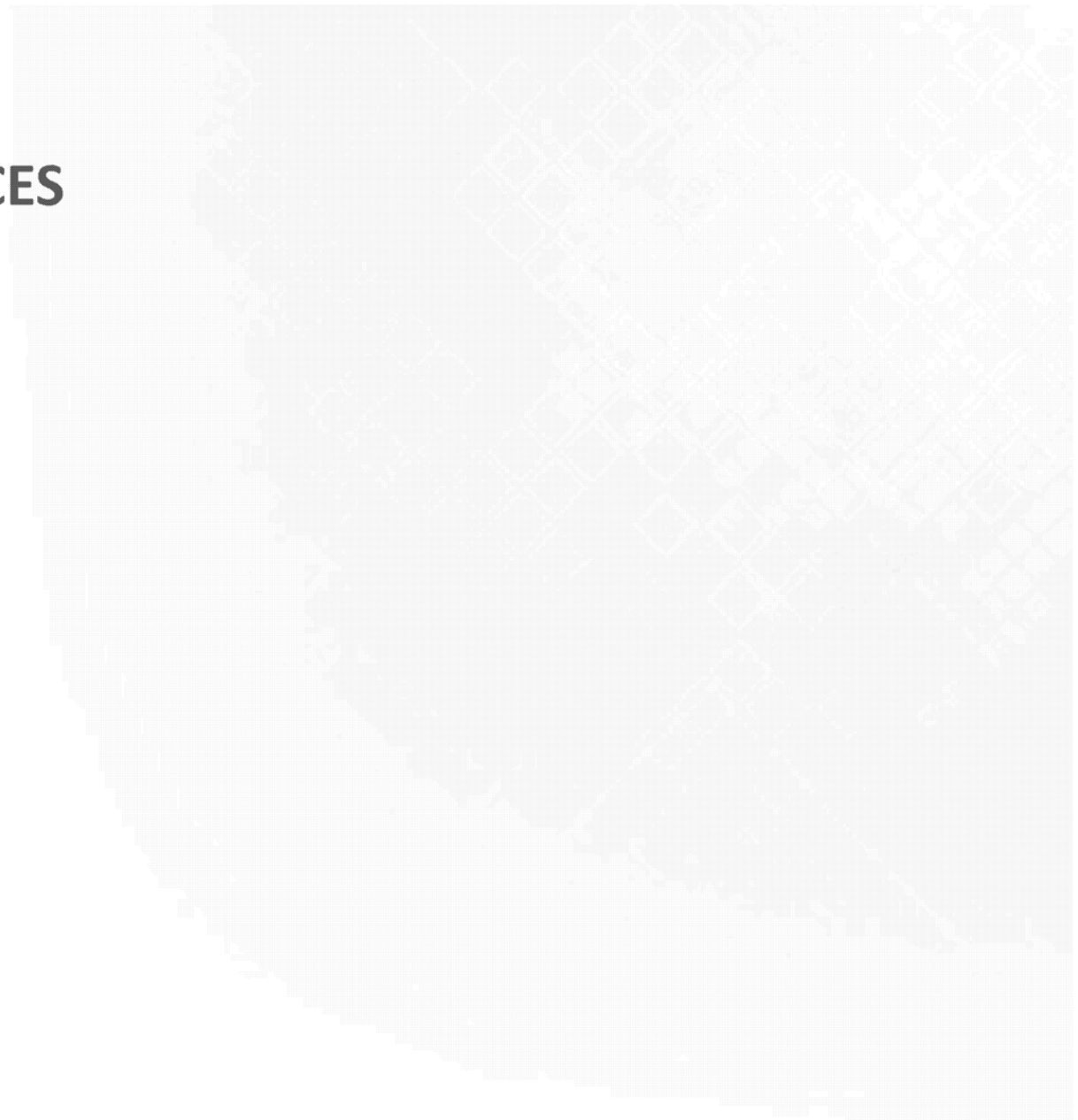


OLYMPIC PROJECT TIMELINE





APPENDICES





APPENDIX 1: BUSINESS PLAN – FINANCIAL UPDATE (SOCHI)

In Can\$ Millions

2014 Sochi Winter Games Only

	2014 Sochi Winter Games Only		
	Updated Plan	Original Plan	Changes
Revenues			
CBC Advertising			
Radio-Canada Advertising			
Total Revenues			
Operating Costs			
Production costs			s.18(b) s.21(1)(b) s.68.1
Sales & Promotion			
Rights fee – <i>restated per contract</i>			
Total costs before withholding tax			
Profits before withholding tax			
IOC profit share			
Profits – after IOC profits share and before withholding tax			
Withholding Tax on rights			
Net profits			



APPENDIX 1: BUSINESS PLAN – FINANCIAL UPDATE (RIO)

In Can\$ Millions

2016 Rio Summer Games Only

Updated Plan

Original Plan

Changes

Revenues	
CBC Advertising	
Radio-Canada Advertising	
Total Revenues	
Operating Costs	
Production costs	s.18(b)
Sales & Promotion	s.21(1)(b) s.68.1
Rights fee - <i>restated per contract</i>	
Total costs before withholding tax	
Profits before withholding tax	
IOC profit share – recovery of losses	
Profits – after IOC profits share and before withholding tax	
Withholding Tax on rights	
Net profits	



APPENDIX 1: BUSINESS PLAN – FINANCIAL UPDATE (CONSOL.)

In Can\$ Millions	Consolidated 2014-16 Contracted Games		
	Updated Plan	Original Plan	Changes
Revenues			
CBC Advertising			
Radio-Canada Advertising			
Total Revenues			
Operating Costs			
Production costs			s.18(b) s.21(1)(b)
Sales & Promotion			s.68.1
Rights fee			
Total costs before withholding tax			
Profits before withholding tax			
IOC profit share			
Profits – after IOC profits share and before withholding tax			
Withholding Tax on rights			
Net profits			



APPENDIX 1: FINANCIAL ASSUMPTIONS

- Rights fee of _____ is allocated _____ to the Sochi Games and _____ to the RIO Games, as per contract
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-
-
-

s.18(b)
s.21(1)(b)
s.68.1



APPENDIX 2: PROGRAMMING PHILOSOPHY FOR OLYMPIC COVERAGE

Building upon the principles of Strategy 2015, the Sochi Olympics will

Provide Canadian Content that reflects and draws the regions together

- Build Stars of our Canadian athletes
- Create defining moments in Canadian and World sports
- Be an entertaining experience for Canadians

Actively engage audiences

- Offer Intuitive and simple navigation
- Programmed for 'all screens'
- Involve unprecedented participation by the audience

Reflect a cost-efficient and responsible Business Plan

- Follow the 'One Company, One Budget' approach to resources & planning
- Adhere to a Break-even (or better) financial plan