

FAI President's report to 104th General Conference Dublin - 8-9 October 2010-09-10

Dear Presidents of Honour
Dear Companions of Honour
Dear Vice-Presidents, Delegates
Ladies and Gentlemen

A warm welcome to all of you to the 104th General Conference in Ireland, at Dublin.

I thank the national Aero Club of Ireland for kindly hosting us here, and the conference sponsors for their generosity.

Let me give you a synopsis what happened since our last conference in Incheon.

GENERAL ACTIVITIES

We had 4 board meetings this year, including one here in Dublin, 2 telephone conferences, 2 ASC Presidents meetings and 1 NAC Presidents meeting.

I travelled this year to Dubai, Turkey, Italy, Germany, Brazil, USA and China

A certain number of trips to Lausanne as well as some other meetings have to be added.

Close cooperation with the Sec. Gen., by mail and skype is daily routine work.

Stéphane Desprez and I participated in the Sport Accord Forum in Dubai, ideally linked with General Assemblies of the WGA, ARISF and Sportaccord.

MSI, Maison du Sport International

As already mentioned last year FAI, will move to his new headquarter in April/May 2011.

Construction is on track and no delay should occur.

The renting agreement for 100 m2 was signed with SINERGI Sports Consulting.

The financing is covered by CHF 800.000. -- from FAI reserves already paid to MSI and CHF1.2 Million by a mortgage loan for 10 years, at a fixed interest rate and renewable.

The annual cost will be lower than our actual rent and expenses with an increased surface in a new modern building.

This move will bring us closer to the World of Sports, present in Lausanne and gives good image for future potential sponsors.

RED BULL AIR RACE

Most of you have probably learned that RBAR is stopping the races in 2011.

They want to use this year off to invent a new format for the product and try to increase safety, which is already on a very high level.

This decision will have an important impact on our 2011 sponsor income.

A meeting should take place in a near future to discuss our situation with RBAR.

WORLD AIR GAMES

The Sec. Gen. and Jean Marc BADAN will give you later on, more detailed information what happened with the 2011 project and the preparation for the 2013 games.

Coming back to 2009 Turin WAG, you tasked last year the board to find a solution with the LOC and our founder member the Aéroclub of Italy.

Thanks to the good will, comprehension and effort of our Italian partners we could find a compromise which covers more than two third of the debt.

I would like to express my thanks to President Leoni who made this happen.

The board voted unanimously in favour of the proposal. We feel this agreement as a fair compromise between the 3 parties involved.

You will have later on have the opportunity to vote on this proposal

FUTURE PERSPECTIVES

I and the Sec. Gen. had the opportunity in the last years to draw your attention to the increase of workload in the secretariat. Different reasons are behind this situation.

I shall not enumerate again the details, you can find in my report from last year.

The board asked the new Sec. Gen. to analyse the situation and come back to the board with a proposal for a strategy for the coming years which allows FAI to reach a higher level.

Certain remarks and advice of our auditor Price Waterhouse, regarding the presentation of FAI annual accounts and management risks, decided the board to ask for a report.

The strategic plan and budget proposal 2011 have taken in consideration the advice and remarks of our auditor.

The presentation to the board was made in May and some elements presented to the ASC Presidents meeting in May. The levy of a management fee out of sanction fee revenues for the FAI general budget did not find a very positive echo from certain commissions

During the NAC Presidents meeting in August, SD presented a more finalized version which found a very positive support from the NAC's present.

During the board meeting 22nd and 23rd of August the board finalized and voted in favour of the proposal which will presented to you by the Sec. Gen. and the Finance Director

The minutes of the different meetings gave you already some information of the direction the board is proposing to the GC.

Certain elements of our strategic plan and budget proposal 2011 are proposed in conformity with the Price Waterhouse remarks.

Bob Clipsham will present the 2009 accounts; you received already with the GC agenda. You noted that we had an exceptional year 2009 thanks to our two sponsors, which allowed us to secure the financing of our new offices.

The President and the board can tell you that the 2010 accounts are fully in line with the budget you voted in 2009 in Incheon, an excess of income can be expected.

Let us have a look to a few figures on the screen (*here below*).

KEY FIGURES - FAI FINANCES - 1999 - 2009

	<u>1999</u>	<u>2005</u>	<u>2009</u>
Fixed Assets	1'213'409 CHF	2'367'396 CHF	3'541'240 CHF
Income	1'153'563 CHF	1'374'332 CHF	1'999'975 CHF
Expenditures	1'130'271 CHF	1'367'711 CHF	1'497'078 CHF
Excess of income	23'292 CHF	6'620 CHF	502'847 CHF
-MSI reserve			./. 460 000 CHF
Carried forward			42'897 CHF
Competition Revenues Reserves	589'000 CHF	1'053'319 CHF	1'416'917 CHF
of which Sanction Fees Reserves	343'000 CHF	756'991 CHF	943'413 CHF

I highlighted only 3 years. 1999, the year the statutes changes created the board.

2005 the Centenary year

2009 10 years of board existence

The figures shown reflect in a certain way the development and management of FAI in the last 10 years.

I think FAI can be proud of the excellent financial situation which allows facing the future with confidence.

The incoming President and the new board will find a very sound financial base

The moment has come to say a few words about the last 10 years.

I had the chance to become in Linkoeping a member of the new FAI board, President Weinreich, appointed me as finance director, the portfolio I was in charge during 4 years.

In 2004 in Madrid, I had the honour to be elected FAI President.

These 10 years were a great time and I would like to thank my board colleagues and you dear NAC Presidents, FAI Vice Presidents and Delegates and Air Sport and Technical Commission Presidents for the support and help you granted me during all these years.

The board and the President tried hard to do their best to have the old lady moving forward, evolution and not revolution was always our objective.

The FAI of 2010 has very much changed since our 93rd Linkoeeping Conference in Sweden in the year 2000.

Progress was made in all fields, Air Sports, Administration, Sponsors and Finances. Our image with the local Lausanne and regional authorities is excellent to-day. We are very well considered by the Olympic Committee

Former SGAL Max Bishop contributed a lot to this result.

My personal message to all of you here today, FAI needs three legs to face the threats of the coming years and to progress to a higher level:

We need strong NAC'S, strong Airports and Technical Commissions, good sponsors.

During the last years we had these elements. Next year we have a problem with the lack of sponsors, but I am confident that this is only a temporary situation

The FAI family must stay together to defend successfully the heritage of our predecessors.

I strongly believe that this is the wish of our members and stakeholders and I appeal to demonstrate this unity during this General Conference.

The overall interest of FAI has to prevail, we all here present today, were elected to defend FAI, this great institution founded 105 years ago.

I leave the Presidency with the conviction that FAI is in good health and the incoming President and his board will continue the work started more than a century ago.

Your support and help is essential.

I had the pleasure to work during this year with SD, our new SGAL. He does an excellent job and I ask you to give him the necessary support to allow him to accomplish his task under best conditions.

Last but not least my thanks go to the Lausanne staff who contributed strongly to achieve the results I could present to you today.

I hope to have the pleasure to see you next year in Serbia or in other FAI events.

Thank you for your attention