

CIRQUE DU SOLEIL®



THE MARKET

Live entertainment was a \$120 billion industry in 2002, and it only continues to grow. Americans have more choices than ever when it comes to spending their entertainment dollars, and *Cirque du Soleil* has risen to the top of this aggressively competitive field in record time. In just 20 years, Cirque has become a live-entertainment giant with a brand recognized by 54 percent of Americans (a 74 percent increase since 1998). Cirque currently has five different shows touring the globe, four resident shows in Las Vegas, and a fifth in Orlando.

ACHIEVEMENTS

Cirque du Soleil has reached heights beyond anyone's wildest dreams — perhaps even its founder's. Since its creation in 1984, Cirque has produced 15 shows, 10 of which are still going strong today, and has been applauded by more than 40 million spectators worldwide. In the early 1990s, *Cirque du Soleil* began securing strategic partnerships with MGM Mirage in Las Vegas and the *Walt Disney World*® Resort in Orlando.

Cirque du Soleil has garnered international honors for its artistic and business achievements, including Emmy® awards, Felix and Gemini awards, Drama Desk awards, and Clown d'Argent awards from the Monte Carlo Circus Festival. In 1986, *Cirque du Soleil* ventured into television and recording for the first time, and its commitment has paid off handsomely. Audiovisual works produced by *Cirque du Soleil*'s multimedia division have received more than 20 awards and distinctions.



HISTORY

Imagine a group of street performers entertaining passers-by on a warm summer day in the early 1980s — hippies juggling balls, breathing fire, and walking on stilts. It seems impossible that in just 20 years this same group would be at the helm of a multimillion-dollar entertainment organization with more than 2,800 employees on three continents. Yet that, in a nutshell, is the history of *Cirque du Soleil*.

Under the guiding hand of accordion player, fire-breather, and stilt-walker Guy Laliberté, *Cirque*'s founder and CEO, the organization took its first steps by organizing small touring shows that quickly became the darling of audiences throughout Quebec, Canada.

Before long, the United States came calling to see what all the fuss was about, and in 1987 *Cirque du Soleil* took the biggest risk in its brief history by agreeing to perform a show called *We Reinvent the Circus*™ at the Los Angeles Festival. *Cirque* underwrote its own expenses in exchange for full proceeds from the gate. Failure was not an option: Unless they wowed audiences in L.A., the cast and crew didn't even have the funds to travel home. They were banking on rave reviews — and that's exactly what they got.

We Reinvent the Circus gave America its first taste of *Cirque du Soleil*'s innovative approach to circus arts: a masterful blend of acrobatics, theatre, dance, and live music. From there, *Cirque* returned to the East Coast, introducing new live shows every two or three years.

Cirque du Soleil made its first foray into Europe in 1990 with *We Reinvent the Circus*. Since then, *Cirque* has toured Europe and ventured into new markets each year with *Saltimbanco*®, *Alegria*®, *Quidam*®, and most recently *Dralion*™, in 2004. *Cirque*'s shows speak an international language of imagination and wonder that has paved the way for tours in Japan, Australia, New Zealand, Singapore, Hong Kong, and Mexico.

In 1993, Steve Wynn, then president and CEO of Mirage Resorts, approached *Cirque du Soleil* to create a resident show for Treasure Island in Las Vegas. The result was

Mystère®, whose success blazed the trail for "O®" at Bellagio, *ZUMANITY*™ at New York-New York Hotel & Casino®, and its new show at MGM Grand, slated to premiere in late 2004. A similar

agreement was made with Disney, and in 1998 *Cirque du Soleil* premiered *La Nouba*™, a resident show housed in a permanent theatre at *Walt Disney World*® Resort in Orlando.



In 2001, *Cirque du Soleil* thrilled its largest audience yet with a gala performance at the 74th Academy Awards® that earned an Emmy® Award for its remarkable choreography.

THE PRODUCT

The heart and soul of *Cirque du Soleil* is its live shows — spectacular productions that celebrate the beauty and energy of the human body. Every



Cirque du Soleil show has its own unique concept and features handmade costumes, original live music, and magical lighting.

Each show comes into being entirely at Cirque's creative studio in Montreal. This one-of-a-kind space houses dance studios, three acrobatics studios, costume and prop workshops, and Cirque's administrative nerve center. All told, Cirque employs more than 1,500 people at its international headquarters alone.

Creativity has always been at the heart of Cirque's business plan. The strength of the *Cirque du Soleil* brand has allowed it to develop a wide range of products, both related and unrelated to the shows. Among other activities, *Cirque du Soleil* now produces television series, high-end merchandising, and exclusive licensed products.

RECENT DEVELOPMENTS

In the past three years, *Cirque du Soleil*'s multimedia division has truly come into its own. In 2003 the reality series *Cirque du Soleil Fire Within* received a Primetime Emmy® award for Outstanding Non-Fiction Program.

Cirque has founded its own in-house recording company not only to produce show-related records, but also to showcase new performers.

In 2003, *Cirque du Soleil* defied expectations yet again by introducing *ANOTHER SIDE OF CIRQUE DU SOLEIL™* with the launch of *ZUMANITY™*, a sexy and provocative new show for adults only. World capitals are now requesting their own version of this seductive new-style cabaret. In 2004, *Cirque du Soleil*

will premiere yet another thrilling resident production on the Las Vegas strip at the MGM Grand.

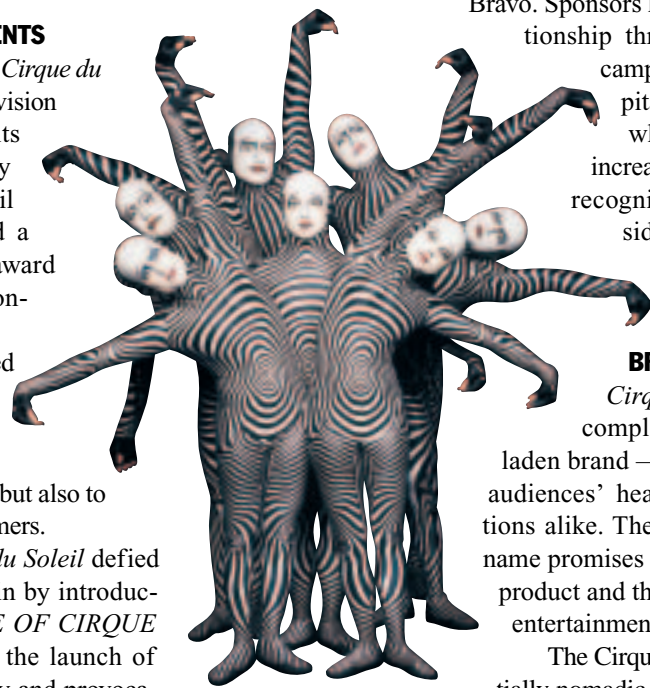
Cirque du Soleil's art may be rooted in ancient traditions, but the organization hasn't let the Internet revolution pass it by. In 2002, its Web site, cirquedusoleil.com, picked up four Gold Awards at Canada's Digital Marketing Awards.

PROMOTION

Cirque du Soleil promotes its shows using a varied marketing mix, employing print, television, radio, public relations, and outdoor media. Cirque selects media partners in each of its markets, enabling its marketers to minimize costs, create long-term relationships with local players, and develop promotions adapted to the local community and culture.

In recent years, Cirque has taken advantage of Web-based advertising and now reaches customers through its online Cirque Club. In addition to receiving regular updates on Cirque activities, Cirque Club members have access to tickets before they are made available to the general public. Cirque Club now boasts 750,000 members, and *Cirque du Soleil* sells almost 15 percent of its tickets through its online activities.

Since its earliest days *Cirque du Soleil* has built sponsorship alliances with industry leaders such as IBM, AEP, BMW, Audi, American Express, Canon, Vodafone, CIBC, Garnier, and Bravo. Sponsors leverage their relationship through advertising campaigns and hospitality programs, which in return increases Cirque's brand recognition in areas outside the reach of its in-house marketing activities.



BRAND VALUES

Cirque du Soleil is a complex and emotion-laden brand — one that touches audiences' hearts and imaginations alike. The *Cirque du Soleil* name promises a carefully crafted product and the highest levels of entertainment.

The Cirque lifestyle is essentially nomadic and inclusive, presenting ideal worlds for audiences to interpret as they wish. Every Cirque show is an explosive sensory event that encourages the spectator to look



within: Some people come to Cirque for an intensely personal experience, while others come for the best in live entertainment. *Cirque du Soleil* shows speak of human nature at its best, championing togetherness, acceptance, and sheer strength.

Creativity is also crucial to the organization's overall business plan. There is no room for compromise at *Cirque du Soleil* when it comes either to creativity and artistic expression, or to strong business development. Maintaining the delicate balance

between these principles is a continuous process.

Photos: Jean-François Gratton, Pierre Manning, Éric Piché, Al Seib, Véronique Vial
Costumes: Eiko Ishioka, Dominique Lemieux © 1998–2002 Cirque du Soleil Inc.



THINGS YOU DIDN'T KNOW ABOUT CIRQUE DU SOLEIL

- The average age of *Cirque du Soleil* employees is 34.
- More than 25 languages are spoken among Cirque artists and employees, who hail from over 40 countries.
- Cirque was rated Quebec's most admired company in 2003.
- The pool in the "O" show holds more than 1.5 million gallons of water.
- *Cirque du Soleil*'s touring shows need a 180,000-square-foot site.
- Each year Cirque's costume workshop uses more than 12 miles of fabric.
- *Cirque du Soleil*'s headquarters feature a training studio large enough to house a big top.
- Cirque's tour kitchens serve more than 300,000 meals every year.
- Each tour has a fully equipped school for child performers and children of performers.

