

CIRQUE DU SOLEIL®



THE MARKET

Live entertainment was a \$120 billion industry in 2002, and it only continues to grow. Americans have more entertainment choices than ever, and *Cirque du Soleil*® has risen to the top of this competitive field in record time. In just 21 years Cirque has become a major live-entertainment player with a brand recognized by close to 60 percent of Americans. Cirque currently has seven different shows touring the globe, five resident shows in Las Vegas, and a sixth in Orlando, Florida.

ACHIEVEMENTS

Since its creation in 1984 Cirque has produced 17 shows seen by more than 50 million people worldwide. Thirteen of those productions are still going strong today, and new productions are constantly being developed.

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 ventured into television and recording for the first time, and its audiovisual products have garnered more than 20 awards.

HISTORY

Imagine a group of street performers entertaining passers-by in the early 1980s — hippies juggling balls, breathing fire, and walking on stilts. It seems impossible that in just 21 years this same group would be at the helm of a multimillion-dollar entertainment organization with more than 3,000 employees on four 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 company took its



first steps with small touring shows that quickly became the darlings of audiences throughout Quebec, Canada.

Before long, the United States came calling, 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 Arts Festival. Cirque underwrote its own expenses in exchange for 100 percent of the gate. Failure was not an option: unless they wowed audiences in L.A., they didn't even have the funds to get home. They were banking on rave reviews — and that's exactly what they got.

We Reinvent the Circus gave America its first taste of the company'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 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, *KÀ*™ at MGM Grand, and *LOVE*™, which recently opened at The Mirage.

A similar agreement was made with the Walt Disney Company, and in 1998 *Cirque du Soleil* premiered *La Nouba*™ in a permanent theatre at *Walt Disney World*® Resort in Orlando. A new resident show at Tokyo Disney Resort is scheduled to open in 2008, making it the first permanent show outside North America.

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

THE PRODUCT

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

Every production has its own unique concept and features handmade costumes, original music, and magical lighting.

Each show is created at Cirque's international headquarters in Montreal. This one-of-a-kind space houses dance studios, three acrobatics studios, costume and props workshops, and Cirque's administrative nerve center. All told, Cirque employs more than 1,600 people at its headquarters.





Creativity has always been at the core of Cirque's business plan, too. The strength of the *Cirque du Soleil* brand has allowed it to become a content provider — in the broadest possible sense of the term — as the producer of television series and the distributor of high-end merchandising and exclusive licensed products.

RECENT DEVELOPMENTS

In the past three years, the multimedia division at *Cirque du Soleil* has 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 music label, *Cirque du Soleil Musique™*, not only to produce show-related records, but also to showcase emerging talent.

In 2003, *Cirque du Soleil* defied expectations once more by introducing *ANOTHER SIDE OF CIRQUE DU SOLEIL™* with the launch of *Zumanity*, a sexy and provocative new show for adults.

In 2004, *Cirque du Soleil* premiered yet another thrilling resident production on the Las Vegas strip — a show named *KÀ* at MGM Grand that has pioneered a new, more theatrical direction both for *Cirque du Soleil* and for Las Vegas entertainment.

In January 2006, Cirque launched *DELIRIUM*, a new kind of show that showcases the music of *Cirque du Soleil* remixed and reinterpreted for a multimedia production that is touring major arenas in North America.

In 2006, *Cirque du Soleil* partnered with Apple Corps Ltd. and The Mirage to present an unprecedented live theatre production that will evoke the musical and cultural legacy of *The Beatles™*. This show marks the first time *The Beatles'* company



has agreed to a major artistic partnership in a joint venture.

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

In recent years, Cirque has taken advantage of Web-based advertising, and now reaches highly motivated customers through its online Cirque Club. In addition to receiving regular updates on Cirque activities, more than a million Cirque Club members worldwide have access to advance tickets, and in the United States, Club members account for between 20 and 30 percent of touring show tickets sold.

Since its earliest days *Cirque du Soleil* has built sponsorship alliances with industry leaders such as IBM, BMW, Audi, American Express, Canon, Vodafone, Celebrity Cruises, Epson, Porsche, and Toyota.

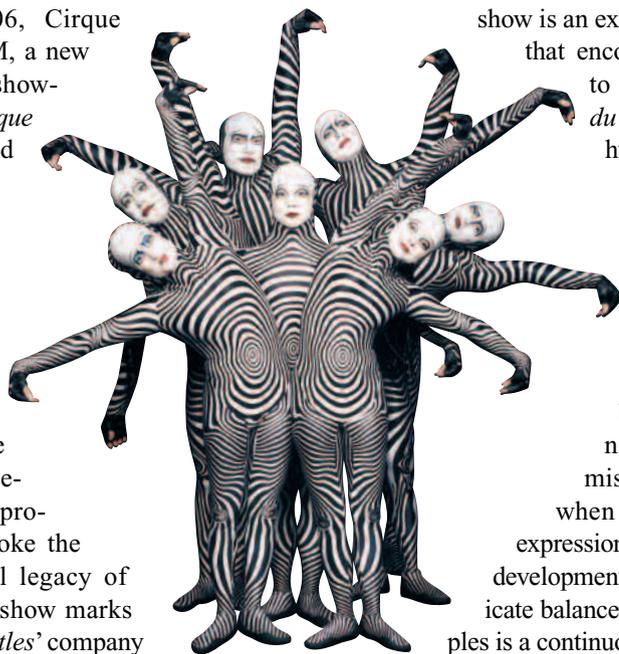
Sponsors leverage their relationship through advertising campaigns and hospitality programs, which in return increase Cirque's brand recognition in areas outside the reach of its in-house marketing activities.

BRAND VALUES

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

Some come to Cirque for an intensely personal experience, while others come for the best in live entertainment, but for all, every Cirque show is an explosive sensory event that encourages the spectator to look within. *Cirque du Soleil* shows address human nature at its best, championing togetherness, acceptance, and physical strength and beauty.

Creativity is also at the heart of the organization's overall business plan. There is no room for compromise at *Cirque du Soleil* when it comes to artistic expression or to strong business development. Maintaining the delicate balance between these principles is a continuous process.



Photos: Éric Piché, Norman Jean Roy, Al Seib, Véronique Vial
Costumes: Dominique Lemieux, Marie-Chantale Vaillancourt
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THINGS YOU DIDN'T KNOW ABOUT CIRQUE DU SOLEIL

- The average age of *Cirque du Soleil* employees is 35.
- 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 and has been in the top ten since its inception.
- For its 20th anniversary, employees from the International Headquarters in Montreal set the world record for the greatest number of stilt-walkers (544) in the same place at the same time, an achievement noted in *Guinness World Records 2006*.
- The pool in the "O" show holds more than 1.5 million gallons of water.
- *Cirque du Soleil* 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* headquarters feature a training studio large enough to house a big top.
- More than 300,000 meals are served by tour kitchens every year.
- Each tour has its own fully equipped school for the children on tour.
- One percent of Cirque's revenues is dedicated to social action and community programs.
- The screens in *DELIRIUM* are equivalent to 4 IMAX screens.
- The *KÀ* gantry crane weighs 260,000 pounds, and uses 4,000 gallons of hydraulic fluid.