

From: Giles Clarke [REDACTED]
To: [REDACTED]
Date: Sun, 2 May, 2010 7:42:03 PM
Cc: [REDACTED]
Subject: Fw: Meeting - Lalit Modi 31st March - HIGHLY CONFIDENTIAL

Dear Shashank

I attach an email detailing minutes of a meeting called by Mr Modi, held with IMG and 3 English Test grounds. A whistleblower provided this.

The minutes are self-explanatory.

It sets out a plan to destroy world cricket's structure and especially that in England, and create a new rebel league.

The plan seeks to remove all Boards' powers, and involve players in a fashion unheard of.

I am certain BCCI had no knowledge of this meeting nor of these proposals, but Mr Modi clearly represents that IPL and its Governing Council are offering financial inducements to English counties.

We have already commenced legal action with regard to the English officials and counties involved.

We also wish to take action against IMG for promoting this along with Mr Modi and to seek their banning from world cricket.

ICC Regulations are very clear concerning contacts of this nature which are forbidden.

Your help and support in eradicating this threat and dealing with the miscreants will be greatly appreciated. The ECB believes under your leadership the BCCI/ECB relationship has become very strong.

I have tried to call you to brief you.

I am in West Indies and communications are very varied.

With best personal wishes

Giles

----- Original Message -----

From: Stewart Regan [REDACTED]
To: Giles Clarke; Colin Graves
Cc: Giles Clarke Westleigh
Sent: Sun May 02 14:21:18 2010
Subject: FW: Meeting - Lalit Modi 31st March - HIGHLY CONFIDENTIAL

Colin

As requested

Stewart

-----Original Message-----

From: Stewart Regan
Sent: Wed 3/31/2010 5:35 PM
To: [REDACTED]

Subject: Meeting - Lalit Modi 31st March - HIGHLY CONFIDENTIAL

Dear all,

Colin Povey, David Hodgekiss (Lancs Board) & I have just had a fascinating meeting with Lalit Modi in Delhi this lunchtime. I thought I would sketch out the main thrust of the meeting to give you a feel for the size of the prize and some of the issues we are facing going forward. As you can see there is huge upside if we can navigate our way through this and having experienced the IPL at first hand I can honestly say that it is staggering what has been achieved in 2 years. I have seen

2 live games including Deccan Chargers vs Mumbai Indians played in front of 55,000 screaming fans with noise levels that were unbelievable. The branding in the DY Patil Stadium, the event delivery and the whole customer experience was superb! We have a product here that fans wish to buy, players wish to play in, investors wish to back, broadcasters wish to cover and sponsors wish to be associated with.

Meeting Attendees:

Lalit Modi
 Andrew Wildblood (Executive VP - IMG)
 Peter Griffiths (Senior VP / Director of Operations - IMG)
 Plus 3 of us.

The Vision

Currently India has a window for the IPL of circa 7 weeks (March / April). It cannot be expanded domestically due to player availability, lack of appropriate 'window' due to clashes with international calendars / FTP. Therefore the only way to leverage more value is to offer the existing franchisees a chance to buy a second franchise in the Northern Hemisphere. The English market is best placed to offer this opportunity and therefore there exists the potential for a 'mirror image' of the IPL in the UK. The value of the last two franchises sold was \$370m and \$333m respectively (compared to the first 8 which sold for c\$70m each just 2 years ago). There were 4 bidders with the two losers bidding \$319m and \$315m respectively. There is no plan to expand further the number of franchises in India for a period of 5 years to allow for the brand to be built and for the model to settle down and become established with both consumers and stakeholders. As such, England is seen as fertile territory and the 10 Indian franchisees would be offered a 'first option' to bid on 10 new English (and Welsh, Paul!) franchises based around the Category A grounds in the main. If they did not bite then they would be offered to the underbidders from India and then to the open market.

In order to get to this point then the ICC & member governing bodies must be convinced that they should allocate the two time windows above as a priority before any international fixtures are scheduled. Then everything else needs to be built around this.

One stumbling block in the UK is the Sky contract and it is important to understand this in detail to see what the small print states. Does anyone have a copy of this? Essentially we need to know if there is a get-out for the above to happen or whether Sky will assume they have already bought it as they own all of the TV rights for cricket in the UK.

Deal Structure

1. 10 existing Indian franchise owners offered first right to buy new English franchise as part of an auction process. They would be encouraged to bring on board a 50% UK based shareholder to allow for a UK identity to be presented publicly.
2. 80% of gross revenues from commercial activity goes to the franchises including TV deal monies, sponsorship, advertising etc. 20% goes to the clubs (i.e us!).
3. The franchise fee in India currently goes to BCCI and is a liability on the franchisee's books for a 10 year period i.e. Rajasthan Royals cost \$67m when bought 2 years ago. This is being paid at \$6.7m per year over 10 years. It was unclear whether 20% of this also came back to the clubs or whether it was all used by BCCI to fund 'the recreational game' in India. This needs to be established.
4. IPL would GUARANTEE NOW a figure of \$3m to \$5m per annum for each of us plus a staging fee for hosting the games (c\$1.5m per annum each) if we were to support the idea. They are absolutely convinced we are sitting on a gold mine! Why?
 - a) no opportunity for further matches in India due to player availability
 - b) UK schedule and season fits well with India
 - c) UK matches could go out live on Indian TV
 - d) We offer broadcasters, sponsors and advertisers double the matches worldwide thus facilitating improved deals right across the globe.
5. The new UK competition would mirror IPL conditions e.g 10 overseas players - only 4 in the final 11 - and 7 local players (so opportunities for our lads!).

Players

The IPL model relies heavily on 'star players' and this is why they have been so successful. They have taken TV and sponsorship monies from the film and soap opera categories and brought women into the game like never before. Matches include fashion shows, after-match parties (for which the rights have been sold centrally) and entertainment. They have launched the word 'CRICKETAINMENT' which I think is really innovative. Players are now the new 'idols' in India and every one of them wants to be involved.

Going forward, availability will be key and Modi predicts a revolution amongst players if they are not allowed to get involved. indeed, after the World Cup in South Africa he will launch a new franchise rule stating that a player has to be available to be auctioned. Given the earning potential, he expects players to demand to be part of it e.g. Dhoni's earnings last year were \$25m dollars (including IPL product endorsements) despite his \$200k Indian central contract. Ravi Bopara and Michael Lumb (Rod - be aware) are expected to be offered \$500k per annum 3 year contracts as they have played so well this year.

If governing bodies try to block the development of IPL20 then the franchisees could, if they wished, simply buy out the players and create their own cricket structure. Modi believes that most star players would take the money rather than spend months playing county/state or indeed Test Cricket. Indeed if he wanted he could launch IPL Test matches & ODI's!! This could dilute TV deals and ultimately send the governing bodies into a tailspin. The latter point was not a threat, rather it was evidence that the power has shifted to the franchisee and it is no longer the case that the ICC could stop this happening. If they try it will happen anyway! Modi wants the balance between club and country to be negotiated sensibly rather than end up with everyone falling out! It may mean the payment of funds to smaller countries to underwrite their losses if the FTP reduces their games to allow T20 growth.

Relationships

Modi was totally dissatisfied with Giles Clarke and David Collier's handling of the relationship they have been trying to set up. They have offered the chance to partner with them on more than one occasion and have been turned down flat.

In the Champions League negotiation GC was offered 16.67% of the new entity along with CSA and Cricket Australia with India having 50% (as they were bringing 80% of the media value to the table). GC demanded 25% and was told he would lose out if he tried to play hard ball. He lost out! However, be aware that the Champions League contract has not yet been signed and it was intimated that the door was still open.

India see England as the PIVOTAL partner in a Northern Hemisphere / Southern Hemisphere deal

Cricket Issues

In the short term Modi sees One Day Cricket as too important to disappear or be managed out actively. Currently BCCI make \$20m per day from this format. They do accept however that the consumer will decide and it is likely that it will decline going forward at the expense of T20. This will cause issues for existing TV deals; indeed ESPN are already complaining to BCCI that the value of their deal for Test & ODI cricket has been massively impacted by the IPL. The key will be to replace lost revenues with new revenues as we go forward.

Issues for us

1. The Sky contract!
2. Managing the ECB to come with us on this opportunity
3. Managing the 9 Non-Cat A grounds and their concerns about elitism
4. Managing the delivery of the time windows required to make this happen.
5. Considering whether or not a partnership with an Indian franchise is the right move at present given the detail above. Potentially it could dilute the value of what a franchisee might pay if there is no perceived value in place already.
6. Keeping this tight and not allowing it to be derailed!
7. Working as one 'unit of 9' to offer greater value in the future.

As you can see it was a hugely beneficial trip with lots of food for thought.

Any questions please call or email. Back in UK tomorrow morning.

Regards

SMR

Stewart M. Regan
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www.yorkshireccc.com <<http://217.34.188.161/exchweb/bin/redirect.asp?URL=http://www.yorkshireccc.com/>>

From: Liz Neto

Sent: Wed 3/24/2010 4:59 PM

To:

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Subject:

Please see attached memo from Colin Graves for information.

Kind regards

Liz

Liz Neto

Chief Executive's Office

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