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By hand and email – 4 pages total

30 June 2010

Mr. N. Srinivasan
Honorary Secretary
The Board of Control for Cricket in India
c/o The Tamil Nadu Cricket Association
M A Chidambaram Stadium
Victoria Hostel Road, Chepauk
Chennai 600 005
India

Dear Mr. Srinivasan,

Re: Indian Premier League Media Rights

On Monday, 28 June 2010 we received two letters signed by you and addressed to our Indian office. The correspondence relates to the contractual arrangements of World Sport Group (India) Pvt. Limited (“WSG”) and the Board of Control for Cricket in India (“BCCI”) for the media rights to the Indian Premier League (“IPL”).

Together, your letters attempt to terminate the current agreement between the BCCI and WSG for the international media rights to the IPL. There are some specific issues concerning this that I will raise later. However, the reasons given by you for doing so are nothing more than unsupported and unsubstantiated allegations. Not only have you failed absolutely to provide any evidence on which you base your allegations but you have not engaged us in a single conversation or request for information to help you reach your decision, despite our numerous attempts to do so.

The Facts

In 2008, WSG bid for and won the global media rights to the IPL for a total value of US\$1,026,000,000 of which US\$918,000,000 was the rights fee. As part of our bid, MSM (Satellite) Pte. Ltd. (“SONY”) had agreed to pay \$230,000,000 for the media rights to India for the first five years. WSG took the risk on the balance. As everyone knows, this was the first tender issued by the BCCI and it was this commitment given by WSG that provided the financial bedrock for the BCCI to create what is now known as the DLF Indian Premier League. As a result of taking such an enormous risk on an untested sporting property, WSG retained certain rights. These included provisions protecting the interests of WSG, including a mechanism whereby the Indian media rights licensed to SONY would revert to WSG for the remainder of their contract period, (notwithstanding the fact that WSG owned the balance of the ten years) if the SONY contract ended for whatever reason. Furthermore, there was no obligation on WSG to pay the BCCI more than the US\$859,000,000 that remained to be paid pursuant to our 2008 agreement for the remaining nine years.



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However, the BCCI wanted to find a way to increase the value of the media rights and proposed a varied arrangement whereby the BCCI would guarantee additional commercial inventory in exchange for an additional rights fee. Following resolution of all other commercial discussions around these matters, two new agreements were signed:

1. for a wholly owned affiliate of WSG (World Sport Group (Mauritius) Limited ("WSGM")) to sign an agreement with the BCCI for the Indian media rights at an increased value of Rs. 4791.89 Crores; and
2. for WSG to sign an agreement with the BCCI for the international media rights only on the previously agreed terms.

Following subsequent well-documented events of which you are fully aware, on 25 March 2009, SONY entered into a license agreement to pay the BCCI Rs. 4791.89 Crores as a result of our negotiations. This represented an increase for the BCCI and its franchisees of hundreds of millions of dollars. This could not and would not have been achieved without WSG.

Separate and apart from the commercial reasons for a new agreement set out above, some questions have been raised by the BCCI as to why WSGM signed the Indian media rights agreement with the BCCI on 15 March 2009 rather than WSG. You and the BCCI are however, fully aware of the reasons, which at the time, were largely driven by the BCCI's professional advisors and their interpretation of the risks to the BCCI associated with the impending action by SONY against the BCCI for wrongful termination. These risks would have created a potential deadlock for the BCCI and the franchisees only a few weeks before the start of IPL 2.

Facilitation Deed

You will not be surprised when I say that as a business, we do not accept significant risk or provide services without the opportunity to make a fair return. In this case, the opportunity was for WSGM to sub-license the Indian media rights for a value greater than Rs. 4791.89 Crores. As a result of SONY wishing to have a direct agreement with the BCCI (as it had in 2008) and not a sub-license, the Facilitation Deed represents nothing more than the "return" on this opportunity achieved by WSGM as part of these renegotiations. For the record, we have considerable correspondence with SONY as to how this fee was agreed with them. Furthermore, they have acknowledged the considerable efforts we undertook on their behalf in concluding the arrangements.



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Your claim that this money belonged to the BCCI is baseless. On 15 March 2009 the BCCI agreed to license the Indian media rights to WSGM for Rs. 4791.89 Crores and on 25 March 2009 SONY entered into a license agreement to pay the BCCI Rs. 4791.89 Crores. Had an agreement not been in place, WSG would most likely have sub-licensed one of the other broadcasters it had been in negotiations with over the period, (or indeed a sub-license with SONY itself), and any margin would also have been for our account and not the BCCI's.

Further, your claim that the BCCI was "never made aware" of our agreement with SONY can simply not be true. The BCCI/SONY contract, subsequently ratified by the IPL Governing Council upon which you and many other BCCI officials sit, clearly references such an agreement, and what is more, it clearly references the fact that payment obligations were created between SONY and WSGM. It was also entirely appropriate for WSG to cover the risk of another possible SONY termination and the effect that this would have on us commercially in your agreement with them. As they were not a direct sub-licensee we also had to have some right of termination should they default on payment. These points were agreed by the BCCI and your advisors. It is for the BCCI to take responsibility for reading their contracts both before and after they are signed, and not to feign knowledge when it best suits them as would appear to be the case here.

There is nothing unusual or improper about the payments agreed to be made by SONY to WSGM pursuant to the Facilitation Deed. These monies were never due or owing to the BCCI and we made no attempt to hide the fact that this agreement existed or that payments were being made by SONY in return for significant value. How could we when the arrangement is referenced in your agreement with them?

Authority

Perhaps one of the most serious allegations in your letter is that the Chairman and Commissioner of the IPL did not have authority to bind the BCCI with respect to the agreement which you seek to terminate. The two positions you try to state in your letter combined with the actions of the BCCI are of course completely contradictory. This contradiction is illustrated on the very day you sent your two letters, by the fact that you were represented in a hearing in the Bombay High Court. Whilst you were seeking to terminate with us, you were before the court seeking relief as if the contract was continuing. A further contradiction is that in earlier proceedings of which you and other senior BCCI officials had personal knowledge, the BCCI were using the March 15th 2009 agreement signed solely by the Chairman and Commissioner of the IPL, that you now suggest was never authorized, to convince the court to avoid granting an injunction. Of course, you provide no reason for your statement and it is contrary to what we have been told and what the BCCI has led everyone to believe since the inception of IPL, that the Chairman and Commissioner's signature is singularly required, authorized and binding on all matters.



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We have every right to believe that these agreements and all prior and subsequent agreements are valid. The ramifications of this not being the case as you have alleged would obviously be significant and would undermine the history of the IPL from its start to the present day. Should they not be valid, then we, together with many others would have every right to assume that the BCCI have indeed perpetrated a "fraud", by telling the world that one of its officers had powers that he did not - the very notion of which would run to the core of your own establishment.

BCCI

What is now transparent for all to see is that the motivations for taking this course of action serve the interests of an internal agenda. It is clear from global press reports that over the past few months the BCCI has been engaged in a very public battle and your letter is patently just another part of that fight. Therefore the weight to be given to the arguments you advance must be measured against these other objectives rather than their legal merit. We have no interest whatsoever in these internal matters and we have deliberately and specifically not taken part in any way. The fact that you have now sought to use us as a pawn in this game is extremely disappointing and something we can no longer sit by and allow you to do.

We have sought to contact you on several occasions but to date, have not had a response. We believe we have been an invaluable partner to the BCCI for many years, and indeed would hope that this can continue for many more to come.

In closing therefore, we hereby reject in the strongest possible terms, either your rescission or termination of our agreement with you dated 25 March 2009, if for no other reason than you have no basis whatsoever on which to do so. The contract clearly outlines provisions and a process for termination.

Naturally, I must end by saying that we reserve all our rights. Rest assured that we will take whatever steps are necessary in whatever part of the world, to ensure that agreements with our business are honoured and complied with, and our good name and reputation preserved.

Yours sincerely,

Seamus O'Brien
Chairman & CEO
World Sport Group