



DOC 2

7 July 2015

As a follow-up to various discussions, we would like to inform you that your national league has been selected as a key component for a future top basketball league in Europe.

As a consequence, we have the pleasure of submitting this written formal proposal for your information and review. The system of competition, in its general principles, has been approved by the FIBA Executive Committee and the FIBA Europe Board at its last meeting.

#### 1.- Structure of the new competition:

##### A.- Competition System

- The competition system is comprised of 3 rounds (Qualification Round, Regular Season, and Play Offs & Final 4) with a total number of games of 280-284.
- It is guaranteed certain number of slots which qualify directly to the Regular Season accordingly to sporting results and commercial interests. The guarantee slots are as follows:
  - a) 8 guaranteed slots per club (G8) to: FC Barcelona (ESP), Real Madrid (ESP), Olympiakos (GRE), Panathinaikos (GRE), Maccabi (ISR), CSKA (RUS), Efes (TUR) and Fenerbache (TUR).
  - b) 4 guaranteed slots for the champions of the National League (N4) of: FRA, GER, ITA, and LIT.
  - c) The National Leagues (N4) will be entitled to the following additional spots in the Qualification Round (FRA 2, GER 2, ITA 2, LIT 1).
- Overall 26 National Federations will participate, mainly with their domestic champions.

#### 1. REGULAR SEASON (October, 15 → April, 28)

- Number of participating teams: 16 (G8 + N4 + Q4)
- Competition format:
  - a) One Group of 16 teams;
  - b) Round Robin (each team plays Home & Away games within the group):

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- c) Best 8 top ranked teams qualify to the Play Offs:
    - Participating teams:
      - a) 8 guaranteed Spots (G8) to: FC Barcelona (ESP), Real Madrid (ESP), Olympiakos (GRE), Panathinaikos (GRE), Maccabi (ISR), CSKA (RUS), Efes (TUR) and Fenerbache (TUR).
      - b) 4 guaranteed spots for the champions of the National League of (N4): FRA, GER, ITA, LIT.
      - c) 4 teams from Qualification Round (Q4).
    - Minimum countries represented in RS: 9
    - Number of Home games per team: 15
    - Number of Away games per team: 15
    - Total number games per team: 30
    - Total number of games in Regular Season: 240
2. PLAY OFFs & FINAL 4 (May,3 → May,10 & May,27-29)
- a) Play Offs:
    - Number of participating teams: 8 (Best 8 top ranked teams qualify in Regular Season)
    - Competition format: Best of 3
    - Total number games played per team: 2 to 3
    - Total number of games played in Play Offs: 8-12
  - b) Final 4:
    - Number of participating teams: 4 (Winners of Play Offs)
    - Competition format: Elimination Round
    - Total number games per team: 2
    - Total number of games in Final 4: 4

We have received many positive comments on this proposal as well as very valuable feedback and proposals for some amendments, which can be discussed further in subsequent meetings.

## 2.- Financial details:

Clubs will receive guaranteed revenue as follows:

Guaranteed revenue: €30Mio per season with an annual increase of 2.5% to be distributed among the participant clubs and comprised of:

- Annual participation fees for the Champion of your League: €375,000 per club and season (annual increase of 2.5%).
- Sports performance revenues: €15Mio per season to be distributed among all participating clubs.

As an example, should your club win the competition on the first year with 70% win ratio on regular season, it would perceive €3,178,500.



In more detail:

Payment	Euros	Clubs	When/If
Participation Fee	1,687,500 €	Top 8 clubs	Annual
Participation Fee	375,000 €	Fixed Slot 4 clubs	Annual
Per win	37,500 €	All clubs	Regular season
Quarter Final	240,000 €	4 from best 8 clubs in regular season	Out in Quarter Finals
Semi Final	360,000 €	4 Winners of Quarter Finals	Qualify to Semi Finals
Semi Final	432,000 €	2 clubs out in semi final	Out in Semi Final
Final	648,000 €	2 Winners of Semi Finals	Wins Semi Final
Runner	432,000 €	1 Runner final	Runner Final
Winner	1,008,000 €	1 Winner final	Wins Final

Validity of this proposal: Subject to final and complete required agreements achieved with all stakeholders involved.

### 3.- Term:

Commercial agreements between each League and NewCo will be for 10 years with a renewal option for 10 additional years.

### 4.- The Investor:

FIBA has received a formal letter from an investor confirming its interest in investing €40-50 million in the NewCo. Further, the investor will also guarantee the annual participation fee.

The investor is a global, premier merchant banking platform focused exclusively on the Technology, Media and Telecom ("TMT") industries and specifically targeting the high growth sports, entertainment, media, consumer and lifestyle sectors. Their platform is comprised of principal investment strategies as well as a robust investment banking advisory business. The Company manages two growth-focused private equity funds as well as a venture fund and a TMT-orientated hedge fund, with current assets under management of over \$1.5billion.

The firm has since been involved with over 25+ team transactions and worked extensively with sports leagues and federation on strategic initiatives including the NBA, the Premier League, Major League Baseball, the Ultimate Fighting Championship and Formula One.

The investor is ready to present itself together with FIBA to all clubs at the most convenient time.

Finally, both FIBA and FIBA Europe have decided to invest up to €15 million in the NewCo, if required.

## 5.- Governance and Management:

As for Governance, FIBA Europe has issued a letter to ULEB which addressed this matter in more details.


FIBA has staff at hand and partners ready to operate immediately a top European club competition. Further, we are in the process of searching for high level executive(s) for the NewCo. Notwithstanding the above, we are open to discuss how to integrate the Euroleague and to smoothen the processes and any related transition for the benefit of the project and for the benefit of all stakeholders.

## 6.- Next steps:

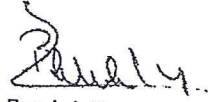
We are ready to start in season 2015/16 or 2016/17. Should you wish to discuss this proposal further, we are available to meet at your earliest convenience, including at short notice, to discuss constructively and agree on next steps. As indicated above, the investor would participate in the meeting(s) in person. To be more effective, we would probably recommend having a meeting with all N4 leagues and federations together.

Sincerely Yours,

Horacio Muratore  
President



Turgay Demirel  
FIBA Europe President



Patrick Baumann  
Secretary General

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