
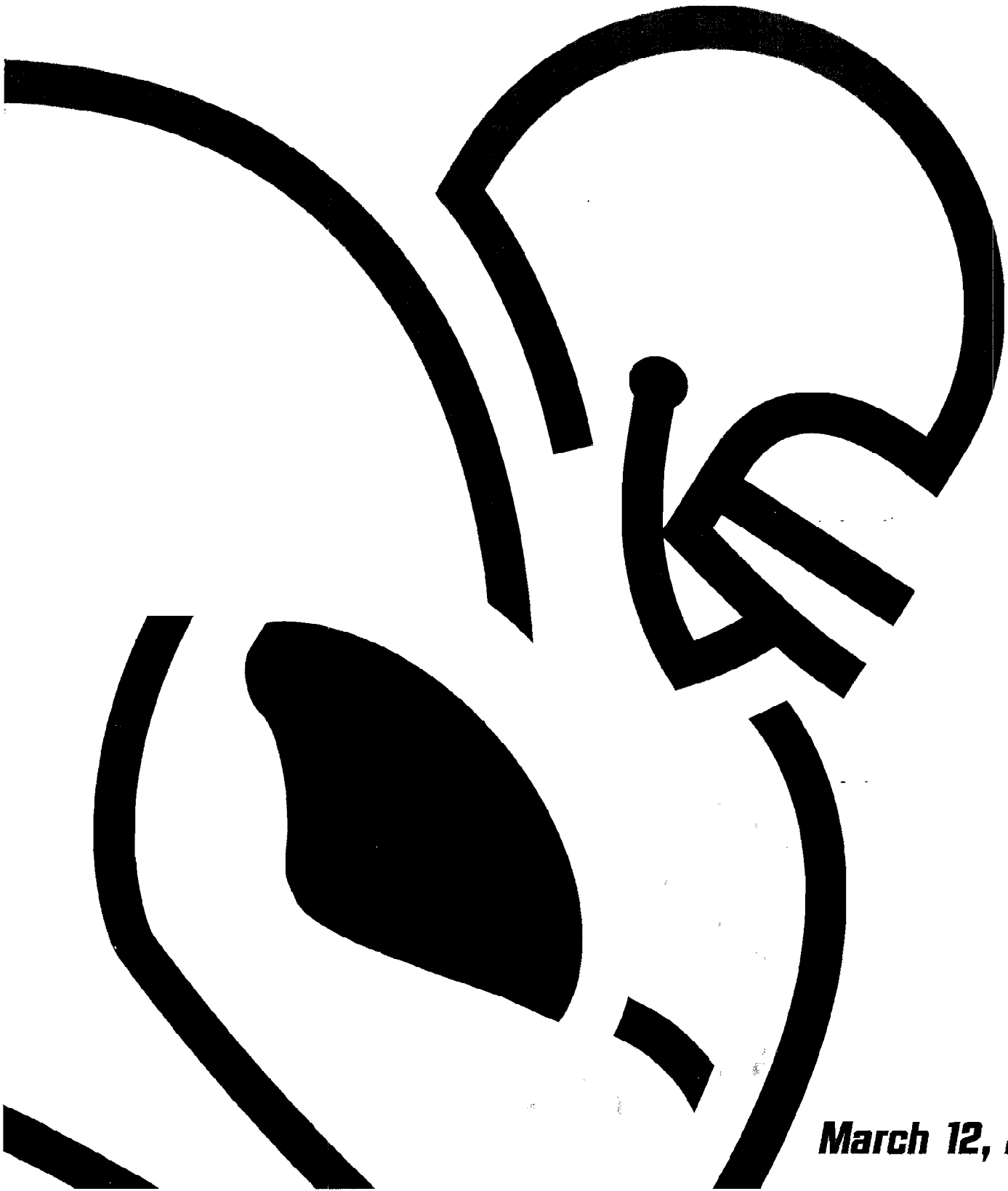




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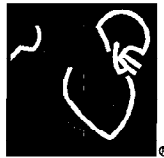
to the Declaration of Ryan Hilbert
in Support of Plaintiffs' Opposition to
Defendants' Motion for Summary Judgment





ANNUAL REVIEW

March 12, 2005



PLAYERS^{INC}

WWW.NFLPLAYERS.COM

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OVERVIEW

By almost any measure -- total revenue, payments to players, payments to the NFLPA, player appearances, logo exposure, profit -- FY 2005 was a banner year for your licensing and marketing company, only 10 years after we launched the PLAYERS INC logo at a January 1995 press conference in New York. That press conference was followed the next day by a front page story in the business section of the USA Today, featuring the new PLAYERS INC logo and our plans for the future. This FY'05 annual report shows just how far we have come since then.

This past year's results exceeded our expectations and projections. We try to make our predictions as hard-nosed and conservative as possible in order to over-produce, rather than over-promise, at the same time pushing into new territory and guarding against complacency.

There have been years where the news in this report wasn't as good and the future wasn't as bright. There may be again, but PLAYERS INC will survive and thrive in the long run because players view this as their company and participate in its business with enthusiasm. While this company has been served for more than 10 years by a dedicated and talented staff, player support is our most important asset and our most important resource for success.

Following is a comparison of the projections in last year's annual review to the actual results for FY'05:

- '04 PROJECTION:** The video game market will likely start to level out as PlayStation 2 runs its course and the market positions itself for the introduction of PS3.

'05 RESULT: Royalties from the video game category were up 8%.
- '04 PROJECTION:** As the Reebok jersey market matures we may see a moderate increase in royalties, but not at the same rate as the last two years.

'05 RESULT: Royalties from jersey sales increased 8%, compared to a 21% increase the previous year.
- '04 PROJECTION:** Trading card revenue should remain relatively stable.

'05 RESULT: Trading card revenue not only stabilized, but experienced a modest 11% increase, the first increase since FY'00.

4. **'04 PROJECTION:** Revenue to PLAYERS INC from the NFL Sponsorship Agreement is expected to increase again in FY'05, as the NFL pursues opportunities in new categories.

'05 RESULT: Both sponsorship revenue and player payments increased in FY'05.
5. **'04 PROJECTION:** We should continue to see increased traffic to NFLPLAYERS.COM, with continued efforts to promote player interaction and the creation of new features and promotions.

'05 RESULT: Traffic actually decreased in FY'05, due in large part to re-design of the NFL.com home page, moving the PLAYERS INC link to a less visible location.
6. **'04 PROJECTION:** We will continue to develop the NFL Players Golf Club to provide paid golf appearances and other benefits to players.

'05 RESULT: Because of family medical issues, our NFL Golf Club consultant was not able to develop the concept.
7. **'04 PROJECTION:** We will pursue additional opportunities to produce television specials to promote players and PLAYERS INC, as well as generating new revenue stream.

'05 RESULT: PLAYERS INC created four half hour specials entitled "Helmets Off: Behind the Scenes with NFL Players," broadcast on Fox Sports Net during the 2004 football season.

SUMMARY OF REVENUE AND PAYMENTS

Licensing royalties received by PLAYERS INC and the NFLPA are distributed as follows: Three PLAYERS INC trading card licensees (Upper Deck, Fler and Topps) had license agreements this past year for player rights directly with the NFLPA. Therefore, all their royalty payments were made to and retained by the NFLPA. These three companies also had service agreements with PLAYERS INC that govern all approvals and marketing activities. In addition, passive royalties from other PLAYERS INC trading card licensees and from EA Sports were added by PLAYERS INC to the royalties paid to the NFLPA to ensure that the NFLPA would receive 40% of appropriate licensing revenue, in accordance with the License Agreement between the NFLPA and PLAYERS INC. The royalties paid to the NFLPA by its three trading card licensees and by PLAYERS INC provided the NFLPA the opportunity to rebate dues to players. All other non-premium licensing royalties paid to PLAYERS INC, including sponsorship fees and internet fees from the NFL, are included in the calculation of the equal share royalty pool, split by eligible active players and equal to 37% of the same revenue from which the NFLPA receives an amount equal to a 40% share. An amount equal to the remainder of such revenue, or 23%, is retained by PLAYERS INC to operate, promote, and build its business (and some of this 23% is paid to players for appearances, etc., to promote the PLAYERS INC brand).

Total revenue generated by PLAYERS INC was \$84.6 million. The sources of the royalties and other revenue are described below in this section.

Revenue received by PLAYERS INC for all licensing and certain sponsorship activity was \$35.1 million. Additionally, as a result of the NFL Sponsorship and Internet Agreements, PLAYERS INC received a total of \$20.6 million in FY'05; \$17.6 million from the Sponsorship Agreement and \$3 million from the Internet Agreement. Of the \$17.6 million from the Sponsorship Agreement, an allocation of at least 25% or \$4.4 million was earmarked for players who participated in programs with NFL sponsors. Above this guaranteed minimum, an additional \$300,000 was generated for players who participated in NFL sponsor programs. Therefore, in FY'05 a total of \$4.7 million was generated in player payments under the NFL Sponsorship Agreement as described above. In addition, PLAYERS INC received \$510,000 from the NFL, which represented a share of the AOL sponsorship of last year's Super Bowl half-time show.

A total of \$31.8 million was received by PLAYERS INC and paid to specific players for premium royalties, appearances, autographs and highlight fees, including the allocation from the NFL sponsorship deal. In addition, \$346,000 was paid to individual players by licensees and sponsors for appearances, \$152,500 in payments in the form of merchandise to players by licensees, and \$422,800 in payments generated to player charities by licensees.

A record total of \$32.7 million in unshared payments to players was made by PLAYERS INC, licensees and sponsors compared to \$25.8 million in FY'04. The list of different players who received those payments included 1082 active and 335 retired players. The list is included with this report.

RETAIL LICENSING CATEGORY HIGHLIGHTS

Apparel, Posters, Calendars & Photography Apparel

Overview Reebok's licensed apparel program continued to grow in FY'05. We also licensed Reebok beginning in FY'06 for non-jersey apparel for the mid and mass channels of distribution, which were formerly held by Majestic Athletic. 5th & Ocean became a PLAYERS INC licensee at mid-season to focus on a small niche of women's wear, but that business will also be absorbed by Reebok in the upper retail channels.

Following is a summary of premium royalties to players and royalties to PLAYERS INC in the apparel category.

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PREMIUM ROYALTIES PAID TO PLAYERS</u>	<u>ROYALTIES PAID TO PLAYERS INC</u>
Reebok	Jerseys (active & retired)	\$9,288,005.00	\$3,133,300.00
Reebok	Blank Jerseys	\$0.00	\$119,894.00
Dallas Cowboys	Jerseys	\$877,904.00	\$276,334.00
Exclusive Pro Sport	Custom Jerseys	\$20,478.00	\$6,826.00
Ripon Athletic	Custom Jerseys	\$3,227.00	\$1,075.00
Footlocker.com	Custom Jerseys	\$25,008.00	\$8,336.00
Jersey Total		\$10,214,622.00	\$3,425,871.00
<i>Reebok</i>	<i>Turf Shoes</i>	<i>\$0.00</i>	<i>\$79,258.00</i>
Reebok	Non-Jersey Apparel	\$15,899.00	\$5,806.00
Reebok	Headwear	\$11,477.00	\$0.00
Majestic Athletic	Non-Jersey Apparel	\$172,531.00	\$327,469.00
5th & Ocean	Women's Apparel	\$26,391.00	\$8,797.00
Non-Jersey Total		\$226,298.00	\$342,072.00
Total Premium Royalties		\$10,440,920.00	
Total to Players Inc			\$3,847,201.00

Reebok is now the sole licensee in the apparel category. They sub-license several companies for specific products including Outer Stuff for children's apparel and Mitchell & Ness for authentic throwback jerseys. We will continue to work with Reebok and their sublicensees to grow and improve licensed apparel in FY'06. We are currently in talks with VF Imagewear as a potential licensee for women's product in the mid and mass channels.

Player Marketing

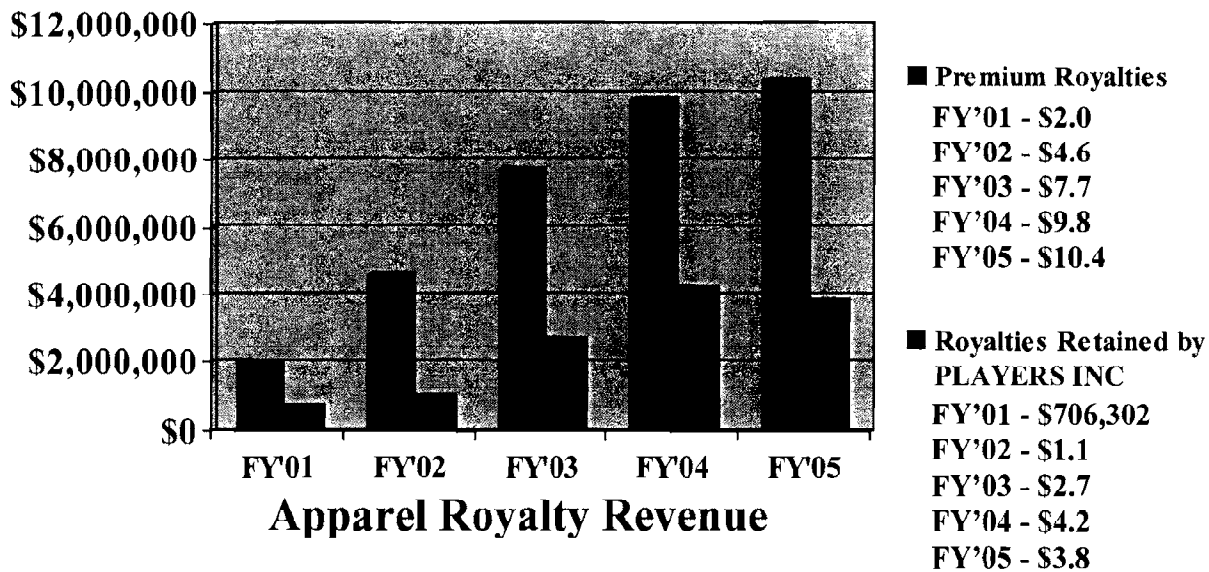
In accordance with its license agreement with PLAYERS INC, Reebok signed 470 players to varying levels of shoe deals – ranging from free product deals, to paid appearances, to local and national television and print advertising. They continue to rely on these player deals not only to promote and sell their products but also to provide valuable feedback to improve their shoes and apparel. Additional payments totaling \$90,000 were generated in appearances and endorsements for retired players.

A total of \$64,000 to players in player appearance fees was generated by Majestic Athletic.

FY'06 Projections

For FY'06, Reebok is projecting a decline in jerseys sales. We predicted flat sales for FY'05, but were pleased to see continued growth. FY'06 should see a leveling off period, which is consistent within the natural market cycle. Reebok spent the last two years developing new jersey alternatives for consumers to add to their collections, and at this point the jersey market is relatively saturated. A cooling off of the throwback/retro trend should also contribute to the decline in the jersey market.

Reebok is projecting modest sales from t-shirts in the mid and mass channels as they strategically enter this new channel (formerly held by Majestic). They predict approximately \$3 million in year one sales. As seen by last year's predictions vs. outcome, the jersey market remains volatile.



Posters, Calendars & Photography

Overview John F. Turner & Company has been the sole player calendar licensee for several years. Royalties from calendar sales increased 15% from FY'04 to \$214,000. We are licensing a second company -- Brown Trout Publishing -- FY'05 to focus on the mass market.

Longtime poster licensee Starline was bought out by Trends International, who will continue to use the Starline brand. Poster royalties were up 77% from last year (Trends' first as a licensee), earning \$65,720 in royalties -- \$36,000 of which were premium royalties paid to players.

FY06 Projections John F. Turner is projecting a sales increase of 28% for FY'06. That, combined with \$160,000 in guaranteed royalties from Brown Trout, brings FY'06 projected calendar royalties to \$435,000. We forecast a 6% increase in poster royalties to approximately \$70,000.

NFL Photos dissolved their internal operation and sublicensed the business to two new licensees -- Getty Images and Wire Images. We don't expect significant royalties from these business-to-business programs, but their photo libraries and services will be a resource for PLAYERS INC and for licensees and sponsors.

We are also in discussions with two novelty companies for potential licenses for FY'06. *Fat Head*, a newly established company, produces jumbo sized removable wall decorations, and *Great American Products* makes a variety of licensed mugs, glasses and tankards. There are no sales predictions from these two companies at this early stage.

RETAIL LICENSING CATEGORY HIGHLIGHTS

Interactive and Multimedia

Overview The Interactive and Multimedia category includes computer and video games, wireless, fantasy football, board games and vignettes. Royalties to PLAYERS INC from this category totaled \$18.6 million, up from \$15.4 million in FY'04, a 21% increase. A changing marketplace left only two video games on retail shelves this season. The fantasy football business increased over 30%, record growth for the category. Wireless licensees presented several paid player opportunities, including voice ring tone recordings and appearances. Royalties from board games totaled \$85,000, and PLAYERS INC received \$112,000 in payments from the NFL for the inclusion of players in action footage in broadcast partners' vignettes.

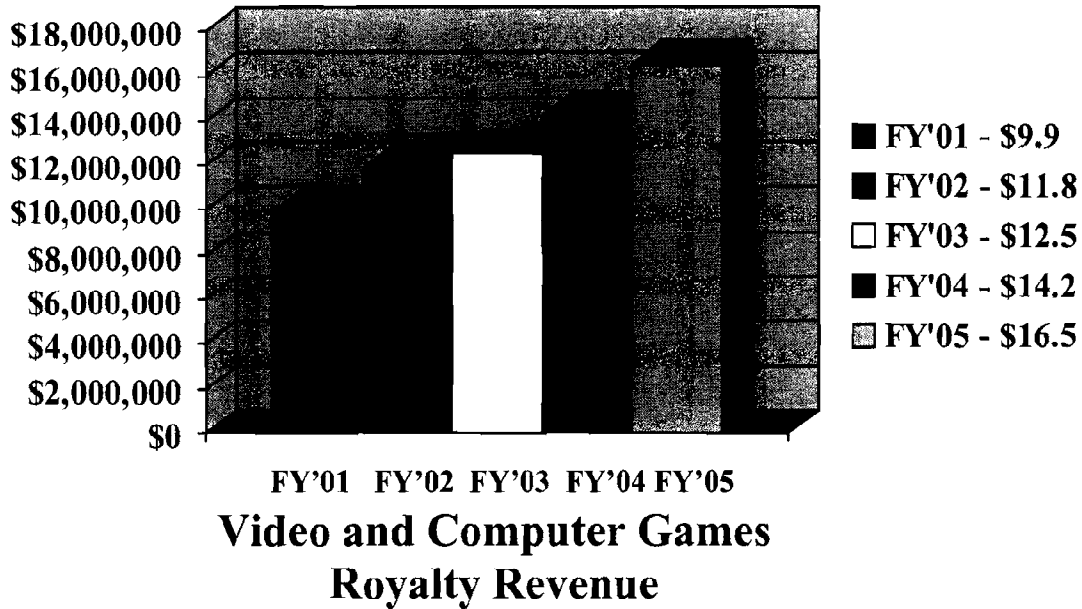
Video Games

Summary Market trends in the video game business led to two game developers taking hiatus in the production of 2005 product, leaving only EA's Madden 2005 and SEGA/Take Two Interactive's ESPN NFL 2K5 as the two market contenders.

Licensees Sony/989 Sports and Microsoft did not produce product; however, each paid guaranteed royalties of \$200,000 and \$220,000, respectively, as required by their license agreements. Backyard Football, developed by Atari, is a popular title targeting kids ages 6-11. Sales of this product generated royalties of \$50,000.

"The ESPN 2K5" brand's success was achieved by implementing two strategies, an early launch (July) and a significant retail price decrease to \$19.99. ESPN NFL 2K5 sold 3.1 million units, yielding more than \$2.5 million in royalties.

Approximately 8 million units of EA's NFL Madden 2005 were sold in FY'05, generating \$11.2 million in royalties to PLAYERS INC, up from 5.9 million units and \$9.8 million in royalties in FY'04. The Madden brand remains the most popular football video game. Another EA product, NFL Street 2, also yielded royalties of \$2.3 million on the sale of 1.2 million units.



Player Marketing

Paid opportunities for EA Sports were generated to 42 different players, including packaging deals for NFL Madden 2005 featuring Ray Lewis and NCAA Football 2005 featuring Larry Fitzgerald. EA again launched two successful television campaigns. The Madden ad campaign featured Ray Lewis of the Baltimore Ravens, and Daunte Culpepper was featured in the NFL Street 2 spot. We also facilitated packaging deals for EA's NFL Street 2 with Jeremy Shockey and for ESPN NFL 2K5 featuring Terrell Owens. A total of \$928,000 in player marketing opportunities were generated in this category.

Promotions

This category also generated additional player appearances as described in the "Promotions" section below.

- NFL Player Mania at the NFL Experience in Jacksonville was sponsored by XBOX. The participation of players such as Tony Siragusa and Trent Green drew crowds to the Microsoft XBOX Chalk Talk Interactive area at the Experience, which allowed fans to talk with players up close and personal.
- The Madden Bowl, EA's annual event during Super Bowl Week, continues to be a popular event. This year's Madden Bowl was a hit with players, 20 of which made paid appearances for on-going rounds of video game challenges within a star-studded party at the Super Bowl.

- ESPN Videogames teamed up with Movie Gallery for a Pro Bowl promotion. The four week promotion allowed fans to enter a drawing for a trip to the Pro Bowl when they purchased the licensed product. Additionally, Players made appearances at select Movie Gallery locations to interact with fans and sign autographs.

FY'06 Projections

We anticipate an increase in revenue for FY'06, because of our new exclusive 5-year license with EA Sports, which includes an annual guarantee payment of \$25 million. Also for FY'06, EA is committed to \$1.1 million in marketing support for player programs such as the Helmets Off TV Shows, the NFL Players Rookie Premiere Event and the JB Awards, as well as player appearances, commercials and cameos. EA is developing future plans for products such as a lifestyle games and games featuring fantasy elements, draft picks and retired players.

Wireless

Overview

The wireless category included a total of three licensees, each of which launched player assets available via cell phones and hand held devices. THQ Wireless, JAMDAT Wireless and FOX Sports Interactive launched such products as football games, player voice ring tones and player wallpapers. The category generated \$350,000 in guarantees plus \$212,000 in player payments for the recordings of voice ring tones.

Player Marketing

Players Inc secured 10 players for THQ Wireless to record ringtones. Their first series included players from the nfl.com photo shoot (Clinton Portis, Torry Holt, Tony Gonzalez, Michael Strahan, Priest Holmes, and Daunte Culpepper) and their second series was highlighted by players such as Shaun Alexander, Jevon Kearse, Michael Vick, and Ben Roethlisberger. They also recorded ring tones from 18 additional players at Pro Bowl, including Tiki Barber, Marvin Harrison, Ahman Green, Hines Ward, Curtis Martin, and Muhsin Muhammad.

Payments totaling \$217,000 were made to players in this category.

FY'06 Projections

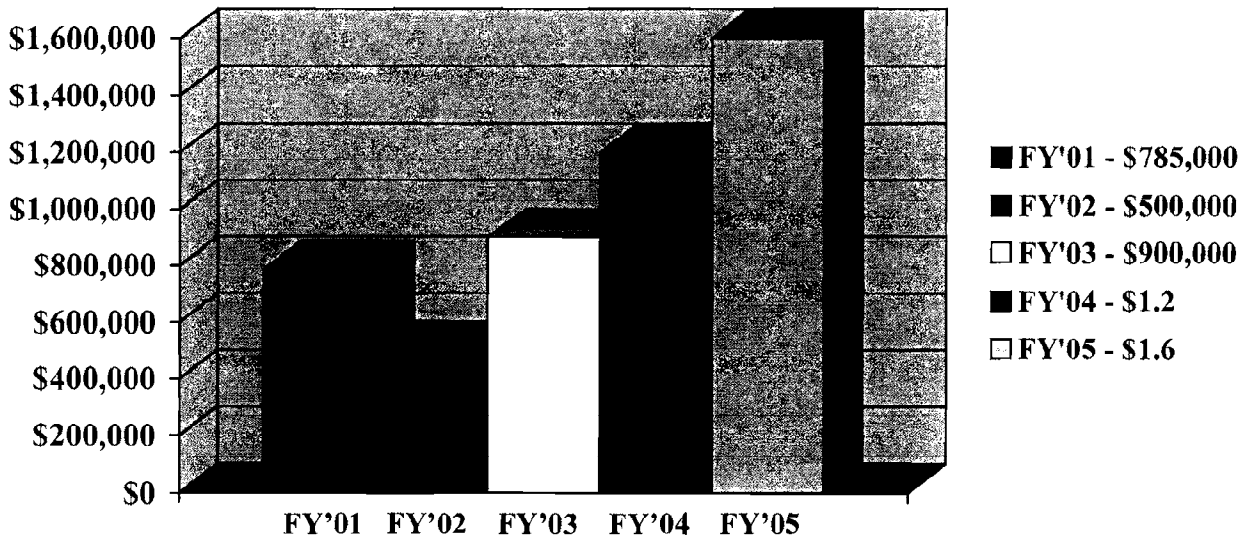
Steady growth is anticipated as the wireless category continues to evolve. We are conservatively projecting royalties at approximately \$500,000 for FY'06.

Fantasy Football

Overview In FY'05, fantasy football royalties exceeded \$1.6 million dollars, up 33% from last year's \$1.2 million. The fantasy football category experienced growth as more users signed up with licensed companies. Approximately 6 million unique users signed up for PLAYERS INC licensed games in 2005, including more than 30,000 on PLAYERS INC's own fantasy football game on NFLPLAYERS.COM. Currently, PLAYERS INC has 12 fantasy licensees. PLAYERS INC receives royalties on all subscriptions and sponsorship revenue.

Player Marketing Yahoo! secured three high profile players through PLAYERS INC, veterans Shaun Alexander and Ahman Green, and rookie Kevin Jones to help with their "Draft Me" promotion at the start of the season. ESPN had William Perry in a television spot for their fantasy football product and MJM sports and Head to Head also had players make appearances. For the first time, this category generated player marketing opportunities totaling \$68,000.

FY'06 Projections As in past years, steady growth is anticipated in the fantasy football category. Licenses that expire this year will receive only a one year extension as we evaluate trends to formulate new strategies for the fantasy category. Royalty projections for FY'06 are approximately \$2.2 million.



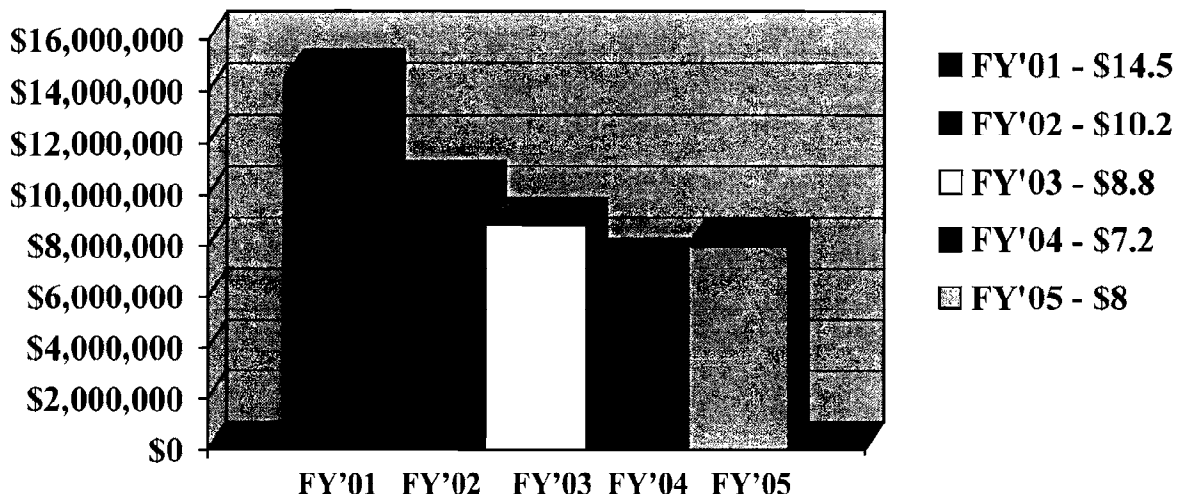
Fantasy Football Royalty Revenue

RETAIL LICENSING CATEGORY HIGHLIGHTS

Trading Cards and Collectibles Trading Cards

Overview A popular rookie class contributed to the stabilization of the trading card category. In FY'05 royalties earned from trading cards was \$8 million, which is an 11% increase from FY'04. Ben Roethlisberger's successful rookie season was the one of the main reasons for this increase. In the February 2005 edition of Beckett Football, Ben was declared the greatest NFL rookie of all time (from a trading card collectible perspective). Other players who had a positive impact on trading card sales were Roy Williams, Michael Clayton, Julius Jones, and Kevin Jones.

A major issue facing the football card category continues to be the challenge of acquiring autographs in time to pack them into the product before it is launched (i.e. pack-out). In FY'05, the "pack-out" rate was 85%-92%, resulting from players not returning autographed cards in a timely fashion. The end result is the insertion of "redemption" cards, a promise to deliver the autographed cards to the consumer in the future, once they are autographed and returned by the player. While this year's pack-out rates did improve, they are still lower than should be to ensure consumer satisfaction.



Trading Card Royalty Revenue

Player Marketing

The total number of autographs confirmed by five licensees, Press Pass Playoff, Fleer, Topps, and Upper Deck, increased by 65% to 1,326,095. Payments to players for autographs, appearances and highlight deals totaled \$11.5 million, a 45% increase from FY'04. Although, rookies continue to drive consumer demand, our licensees also realize the significant impact veterans and retired players have on the success of trading cards. Autograph deals for those players have increased in each of the last two years.

Promotions

OFFICIALLY AUTHORIZED NFL HOBBY SHOP PROGRAM

For the third consecutive year, PLAYERS INC and the NFL together produced and promoted the Officially Authorized NFL Hobby Shop program. The purpose of this program is to drive traffic into hobby stores and enhance sales of NFL player trading cards. Currently we have more than 2,000 participating stores. The flagship of the program is the NFL Player of the Day promotion. In FY'04 the Officially Authorized NFL Hobby Shop Program was again awarded the prestigious "Best Licensor Program" award by Krause Publication. This award is voted on by hobby retailers and reflects the high level of success the program has had in the industry. The program has been nominated again for the "Best Licensor Program" award in FY'05.

NFL PLAYER OF THE DAY

Indicative of its popularity and achievement, the NFL Player of the Day promotion experienced great success in its fifth year. With 660 participating stores, the promotion saw an increase of 8% in participation levels. However, more than 100 of the participating stores in FY'04 were no longer in business, thus 25% of the stores in the FY'05 promotion were first-time participants. Of the 660 stores that participated, 100% of the stores reported increased sales of NFL trading cards during the promotion, and 29% stated that the promotion directly helped sell an additional 250 packs or more. 99% of shops are interested in participating in the program again. To participate in the promotion, consumers had to purchase at least one pack of licensed 2004 NFL player trading cards. Prizes included trading card packs, bobbleheads, McFarlane figurines, footballs, t-shirts and caps. Along with daily, weekly, and monthly winners there was also a grand-prize winner. This year's grand-prize winner won the opportunity to spend the day with Cincinnati Bengal running back Rudi Johnson.

STAY COOL IN SCHOOL

In order to connect with young fans and to further promote our licensed product to elementary school aged children, PLAYERS INC revamped the Stay Cool in School program in FY'05. In the past, the program used trading cards to promote perfect attendance and behavior. In collaboration with the NFL and YMI (Young Minds Inspired), an award-winning in-school marketing agency, we launched Stay Cool in School as a nationwide program to provide educational tools to 30,000 schools, utilizing NFL player trading cards to support teaching topics in mathematics, geography, and language arts. Targeting 4th and 5th graders, the program's goal is to encourage learning by bringing interactive and exciting tools into the students' classroom and home. In its

first year, the revamped Stay Cool in School program reached more than 2 million students.

Based on surveys conducted by YMI, 84% of participating teachers rated the program to be excellent or above average. 100% of participating teachers stated that they felt trading cards enhanced or will enhance student learning. 65.1% of participating teachers stated that students in their class showed great interest in football cards, with many wanting to collect them. Finally, 100% of all participating teachers would like to participate in Stay Cool in School next year.

Our four trading card licensees continued their support of the program by donating packs of football trading cards. Similar to past years, the Stay Cool in School program culminated with in-school appearances and a kids clinic in the Super Bowl host city, Jacksonville. More than 350 students took part in the clinic on January 29 at the NFL Experience and interacted with players like Donovan Darius, Kyle Brady, Brett Romberg, and Eric Curry (ret.) in various football drills.

FY06 Projections

In FY'06 we expect trading card sales to remain stable.

Collectibles

Overview

Our royalties are up from \$1.98 million in FY'04 to \$2.92 million in FY'05, which is a 47% increase. Premium royalties paid to active and retired players for inclusion in collectibles with K2 Licensing and Photo File were \$756,747. Todd McFarlane Productions (TMP), our leading non-trading card collectible licensee, continued to produce a very successful line of football player figurines. According to TMP, the NFL player product is its most successful product line. This year they added 13 new players to their product offering. New players included Jonathon Ogden, Adam Vinatieri, Torry Holt, Kendrell Bell, and Tim Brown. Unlike other licensees, TMP does not just focus solely on skill position players.

The hottest trend this year in the collectible category was the continuity newspaper programs/promotions launched by Aactiva and National Direct. These programs centered on a prestigious team collectible which is sold in a series of units at retail with the purchase of newspapers. In addition, a free album is given away through the newspaper to house each collection. Our licensees work with teams, leagues and players, as well as a newspaper partner, to strategically build an extensive marketing and distribution campaign. This includes television, radio, newspaper and web, creating hot market hype and energy for the team and the player collectibles. The programs featured more than 150 players in several different products, including medallions and stickers.

New licensees added to the category were Riddell Helmets, National Direct, Game Time Watches, and Motion Imaging.

Player Marketing

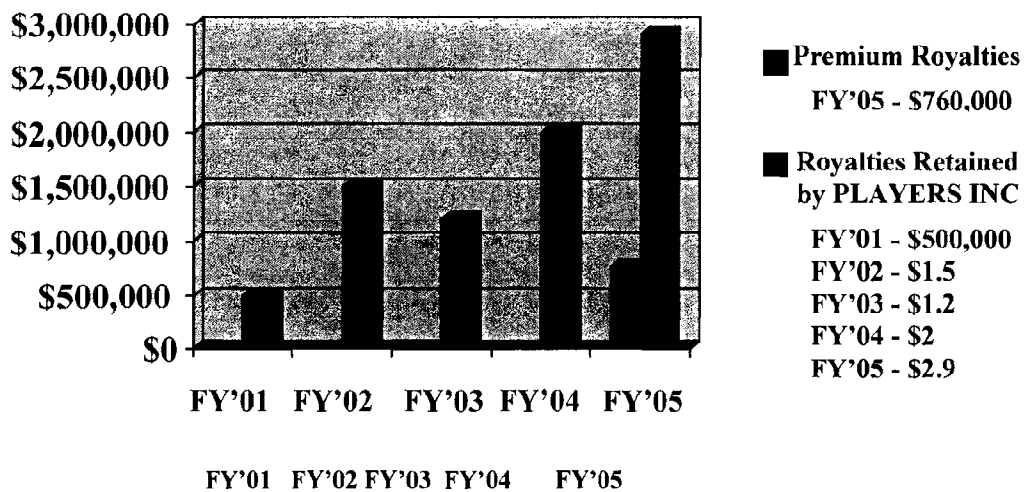
Highlight deals were facilitated with licensees Activa, National Direct, Danbury Mint, and McFarlane for several active and retired players totaling \$356,400.

Promotions

Several of our collectible licensees participated in website initiatives. Merrick Mint, Game Time Watches, and MVP Pics, all featured a banner on www.nflplayers.com during the NFL season. The placement of our licensee's banners increased traffic for them by 15%. Next year we plan to add a "click-n-win" element to these banner ads, in the hopes dramatically increasing traffic for our licensing partners.

FY'06 Projections

New product lines to be released in FY'06 include a new action image player ball by K2 Licensing (formerly Fotoball) and player Santa Hats by Team Beans, each of which has received positive feedback from mass retailers. We expect to add 2-3 new collectible licensees. In FY'06, we expect to see a 10% increase in royalties in the collectibles category.



Collectibles Royalty Revenue

NFL Sponsorship

Overview Under the NFL Sponsorship Agreement, PLAYERS INC's minimum guarantee payment from the NFL for FY'05 was \$9 million against a royalty of 12.5% of all sponsorship revenue. Due to the success of the NFL sponsor program, this year's payment to PLAYERS INC was \$17.6 million, 25% of which, or \$4.4 million, was the guaranteed minimum paid to players for their participation in NFL sponsor programs. Also, an additional \$300,000 was funded by the NFL and paid by PLAYERS INC to players who participated in those programs.

Therefore, a total of 480 player marketing opportunities were generated for 19 NFL sponsors totaling \$4.7 million for players and the remainder, approximately \$12.7 million, went to PLAYERS INC and will be included in the calculation of the equal share player royalty pool.

All but one NFL sponsor, Oscar Meyer, utilized players in their activations. NFL sponsors used players in promotional campaigns including television commercials, point-of-sale materials, and appearances or in a combination of these promotional vehicles. All such player marketing opportunities were negotiated and facilitated by PLAYERS INC, either directly with players or through their agents. Highlights of NFL sponsors' usage of NFL players for FY'05 include:

AMERIQUEST

In December of 2004, Ameriquest Mortgage Company became the "Official Mortgage Company Sponsor of the NFL." Ameriquest was also named the presenting sponsor for the Super Bowl halftime show, Pro Bowl balloting, the inaugural Pro Bowl Skills Challenge, and NFL Kickoff Weekend. Ameriquest Mortgage Company also conducted the "Live Like a Legend" Sweepstakes leading up to the Super Bowl. The prize package included attending the private rehearsal for the Ameriquest Mortgage Super Bowl XXXIX Halftime Show with Paul McCartney, receiving a pre-game "chalk talk" from Detroit Lions Head Coach Steve Mariucci, sitting with Hall-of-Fame quarterback Jim Kelly during Super Bowl XXXIX, and joining Super Bowl XVIII MVP Marcus Allen in the broadcast booth. Fans that entered the "Live Like a Legend" Super Bowl Sweepstakes were automatically entered to win a trip to the NFL Pro Bowl. In addition to roundtrip accommodations and attending the Pro Bowl, the winning fan and a guest joined Marcus Allen at the NFL Legends Game as part of the Pro Bowl Skills Challenge presented by Ameriquest.

Player Marketing: 17 opportunities totaling \$223,500.

CADILLAC

Cadillac has been a sponsor the Super Bowl and Pro Bowl MVP awards for the past three years. They are in the process of becoming a full season sponsor with many more sponsor rights. In the meantime, their player activations have been very limited.

PLAYERS INC booked four (4) former Super Bowl MVP's for an MVP press conference at the Super Bowl and one appearance at the Pro Bowl.

Player Marketing: 5 opportunities totaling \$200,000.

CAMPBELL SOUP COMPANY

The Chunky brand continued their relationship with Donovan McNabb this past season. Donovan was featured with his mother in three commercials with the same "Team Mom" theme. This season PLAYERS INC was able to convince Campbell's to feature Donovan's Eagles teammates in the spots to add to the authenticity of the commercials. Seven other players participated in the commercials and were contracted by PLAYERS INC for four days of filming. This was also the first year that the PLAYERS INC logo was utilized in the commercials.

Campbell's Chunky Brand also introduced three new soups and produced three 15 second commercials featuring three rookies.

They also held a press conference during Super Bowl week where they gave 1 million cans of soup to charity and had one player appear at the press conference.

Player Marketing: 23 opportunities totaling \$633,000.

CANON

Canon has become more active in utilizing players to help communicate their NFL sponsorship to consumers. They produced a Point-of-Sale piece that featured 6 players and was displayed in camera retail stores throughout the country. They also produced an insert that featured players as well. At the NFL Experience during Super Bowl they utilized six players for appearances over the course of the two weekends. Canon increased spending on players ten fold from FY'04.

Player Marketing: 15 opportunities totaling \$101,500.

COORS

Coors utilized player appearances at several events during the past year, including the Coors convention in Honolulu, Super Bowl and the Pro Bowl.

Player Marketing: 10 opportunities totaling \$125,000.

DIRECTV

DirecTV is a broadcast partner, not a traditional NFL Sponsor. They are, however, a good partner that utilizes PLAYERS INC to secure and approve player images and use the logo to authenticate their brand.

They utilized three players as endorsers for the NFL Sunday Ticket and filmed commercials with these players.

In other television commercials using game footage, they compensated six players for the use of their image. All of these commercials had the PLAYERS INC logo displayed prominently.

DirecTV had six (6) players make appearances and sign autographs at one of their call centers to help boost employee morale.

Player Marketing: 14 opportunities totaling \$211,250.

DMI

DMI's focus was utilizing NFL Players in several key markets to endorse dairy products and a healthy lifestyle to children in schools. They had 13 players endorse dairy consumption. Each player did a photo shoot for a school poster and made appearances at schools. They also had 20 players appear on their behalf at the NFL Experience at Super Bowl and 4 players do a meet and greet with key executives at the Pro Bowl.

Player Marketing: 47 opportunities totaling \$385,000.

FEDEX

The 2004 season marked the second year of the FedEx Air & Ground NFL Players of the Year awards. These awards recognize the game's outstanding running backs and quarterbacks. Each week of the season, three players were nominated at running back and three at quarterback. One from each position was chosen to be the FedEx Air or Ground NFL Player of the Week. Fans voted weekly at nfl.com for players based on performance, game statistics, and contributions to their team. The program culminated with a final fan vote to determine who would be the FedEx Air & Ground NFL Players of the Year. Finalists were Donovan McNabb, Peyton Manning, Daunte Culpepper, Curtis Martin, Shaun Alexander, and Corey Dillon. The "air" winner, Peyton Manning, and the "ground" winner, Curtis Martin, were both announced at a Super Bowl press conference. Nearly 200,000 fans voted in the post season and more than 1,000,000 people voted during the regular season.

FedEx also hosted ten (10) "Open House" events throughout the season. At each event, which was typically held at an NFL stadium, two NFL players spoke to audiences of more than 400 people, signed balls and took photographs with attendees. The events were held by FedEx for their top customers in each market and the company was able to showcase each business unit in a "trade-show" format.

Player Marketing: 74 opportunities totaling \$680,000.

FRITO-LAY

Frito lay did not utilize players this season for their in store point of sale materials, although they plan to in 2005. Frito Lay was most active during the month of January at grocery stores in Florida leading up to the Super Bowl in Jacksonville. Players made appearances at numerous grocery stores and at the NFL Experience during Super Bowl week

Player Marketing: 18 opportunities totaling \$63,000.

GATORADE

Gatorade utilized several player appearances during the season and post season. Much of their player spending also came from print advertising and television commercial. Their spending on players has been consistent over the past couple of years; however, they are interested in doing more to get involved with some of our initiatives next year.

Player Marketing: 17 opportunities totaling \$36,500.

IBM

IBM used fourteen retired players to host chalk talks before several games this past season. They also hosted events during Super Bowl where they used player appearances.

Player Marketing: 13 opportunities totaling \$49,000.

KRAFT

In the final year of their NFL Sponsorship agreement, Kraft utilized their player fund to schedule active and retired players for appearances at a myriad of different events. From grocery store openings to dinners with key Kraft clients, players such as Simeon Rice, Anthony Munoz, and Ron Jaworski were utilized.

Player Marketing: 10 opportunities totaling \$75,000.

LEVITRA

Levitra worked with several retired players this year and utilized two as spokesmen. For the second year, they sponsored the Levitra Play of the Year award. This year the award went to Jerome Bettis for his 10-yard touchdown pass to tight end Jerame Tuman in Week 14 against the New York Jets has been voted the "LEVITRA(R) (vardenafil HCI) PLAY OF THE YEAR." This award was created by the NFL to recognize the single most exciting play of the year as determined by the fans through online voting.

Player Marketing: 5 opportunities totaling \$16,000.

MOTOROLA

Motorola continues to provide a significant number of player marketing opportunities. They utilized a number of players for local retail, trade show and internal speaking engagements, as well as for several events during Super Bowl and Pro Bowl weeks. Motorola also signed on to be a sponsor of the NFL Players Rookie Premiere in 2004 at \$50,000. They chose rookie players to use their newest camera phone to take photos and make calls. This past year, they also filmed a commercial featuring Priest Holmes.

Motorola introduced the newest ultra-thin cell phone called the V3 Razr. In appreciation of the relationship with the players, they offered a \$200 discount to all active NFL players during the months of January and February. The phone retails for \$599 through Cingular Wireless.

Player Marketing: 76 opportunities totaling \$946,000.

SNICKERS

The second year of the Snickers Hungriest Player of the Game promotion was a success for Masterfoods. This program again highlighted the players with the best performances during an entire season of ABC's Monday Night Football. Fans could log on to www.snickers.com during each Monday night game to vote for the best (hungriest) players in the game. Consumers who chose the winning player were entered in a drawing to win the weekly grand prize and other prizes. The sixteen (16) weekly grand prizes consisted of trips to the Super Bowl, Thanksgiving Day game in Dallas, Monday Night Football Weekend Getaway, Pro Bowl, Championship game, a Draft Weekend package and a pair of season tickets to a fans favorite team. Snickers also gave away 320 First prizes (\$100 shopping spree on NFLshop.com), one hundred sixty (160) second prizes (EA Sports Madden 2005 video game) and eighty third prizes (Wilson leather football with Snickers logo).

Snickers produced a television commercial featuring Marshall Faulk and produced player themed print advertising that was featured in Sports Illustrated. During their Super Bowl week press conference, Snickers announced Priest Holmes as the Hungriest Player of the Year for his performance in the Chiefs' win over the Ravens on Monday night, October 4, at Baltimore.

Player Marketing: 18 opportunities totaling \$332,000.

NEWS AMERICA

News America utilized 5 player appearances totaling \$23,500 at their Super Bowl event.

Player Marketing: 5 opportunities totaling \$23,500.

PEPSI

Pepsi continues to be one of the most active NFL Sponsors when it comes to tapping into the marketing power of NFL players. This past season, Pepsi used players in various point-of-sale materials, endorsements appearances as well as sponsoring the NFL Rookie of the Year.

They used six different players as Pepsi endorsers in local markets where they were featured in print advertisements, point of sale materials, outdoor billboards as well as packaging materials. These players also made personal appearances for Pepsi in their home team areas. Pepsi had 28 players make personal appearances on their behalf at Super Bowl and Pro Bowl.

Pepsi also featured 7 player images in various national point of sale materials and television commercials. Pepsi and PLAYERS INC have worked well together to help Pepsi grow their business with the help of NFL Players. Pepsi also has recognized the

impact of using the PLAYERS INC logo, understanding the legitimacy that it brings to their brand advertising and the authenticity that it represents.

Player Marketing: 40 opportunities totaling \$342,000.

SOUTHWEST AIRLINES

Southwest utilized several players for appearances during Super Bowl Week in Jacksonville for three different events: their annual Sweepstakes winners luncheon (Priest Holmes, Peyton Manning, Jerome Bettis, and Tony Gonzalez attended); and their Pro Tow event, in which about 18 players helped pull a 737 jet against military personnel and an additional event at the Jacksonville airport for their employees.

Player Marketing: 24 opportunities totaling \$92,000.

VISA

Visa used more players this past season than any year since the PLAYERS INC/NFL Sponsor relationship began.

Visa used 27 player images surrounding their "Get Ready for the Game" campaign. This campaign was conducted primarily online and was supported with three television commercials asking fans how they got ready for the game using their Visa card. They utilized five players as endorsers of this campaign.

In mid-season, Visa decided to revise their marketing strategy. They filmed a television commercial featuring 21 members of the Super Bowl Champion Patriots. Eight (8) players were central characters in the spot and instead of using actors, PLAYERS INC convinced VISA to fill the remaining slots with actual players. PLAYERS INC secured all 21 players and was on location at the shoot to assist in logistics.

During Super Bowl and Pro Bowl, Visa had 8 players make personal appearances at their various events.

Player Marketing: 57 opportunities totaling \$490,000.

Other Partnerships

MBNA AMERICA

The MBNA agreement continues to be negotiated as MBNA and the NFL work out the terms of their agreement and the details of the awards program. We expect to enter into an agreement with MBNA during FY'06.

BALLY TOTAL FITNESS

The Bally Total Fitness and PLAYERS INC sponsorship ended on July 31, 2004 however, Bally's agreed to extend the relationship until December 31, 2004. We were

also able to sign a one-year extension agreement (December 2005) until we can determine which health club or training facility can best meet the needs of the players.

WHEEL OF FORTUNE

In 2004, the corporate marketing department secured several prize packages for NFL Players Week on Wheel of Fortune: nfl.com (\$3,500 shopping spree in the NFL shop), VISA (\$3,500 gift card), and Pepsi (Party with a Player, \$4,500 value). Ten gift tags, valued at \$1,000 each, were secured from the following companies (some companies provided two): Staples (shopping spree), DirecTV (equipment, system installation and NFL Sunday Ticket), Canon (Digital Rebel camera), 24 Hour Fitness (one year membership), Bally Total Fitness (two premiere memberships), Kraiko Diamonds (shopping spree), Motorola (phones and headsets valued at \$1,200). We also secured the following prize packages: Pro Bowl trip, trip to the NFL Rookie Premiere and the super prize, which featured a trip to the Super Bowl, memorabilia and a \$5,000 Reebok gift certificate. The total of all prizes secured by PLAYERS INC that week totaled more than \$47,000.

REGIONAL PROMOTIONS

This past year, we licensed four team/regional promotions. The Houston Texans did a bobblehead promotion with KB Homes that generated a \$10,000 promotional fee, plus royalties. We also licensed the Buffalo Bills and a local grocery chain to do a bobblehead promotion with three (3) players that generated a \$15,000 promotional fee. The NY Giants created an in-stadium trading card giveaway in conjunction with Wachovia Bank. This one-day promotion generated \$5,000 plus royalties. The Atlanta Falcons also produced an in-stadium giveaway featuring the entire team group shot.

In addition to team generated promotions, we worked with Pepsi to do a trading card promotion with the Cleveland Browns featuring three players. They also did a Punt, Pass and Kick trading card promotion in Wal-Mart stores that featured the Rookie of the Year promotion on the back of the cards. We do not charge national sponsors a promotional fee to do local promotions that feature players. The opportunity to do these types of promotions is included in their overall sponsorship with the NFL and PLAYERS INC.

RETAIL PARTNERSHIPS

PLAYERS INC partnered with national video chain Movie Gallery to promote ESPN Video Games' NFL 2K5 title. The promotion included point-of-sale materials in more than 3,200 Movie Gallery stores, six player appearances and a Pro Bowl sweepstakes.

FY06 Projections

The minimum guarantee under the NFL Sponsorship Agreement for FY'05 is \$9 million against a 12.5% royalty. NFL sponsor renewals for this year include Ameriquest, Cadillac, News America and Oscar Meyer/Kraft. The NFL continues to pursue partners in the quick service restaurant, wireless telecommunications provider and home improvement retailer categories. PLAYERS INC revenue should exceed the guarantee again in FY'06.

PLAYERS INC PROPERTIES

Overview Since its inception, PLAYERS INC has created many unique properties which serve not only as vehicles to promote the PLAYERS INC brand and generate revenue to PLAYERS INC, but also as a means of serving our mission to “get the helmets” off the players and market them in as many unique ways as possible. These properties have also served as a means of generating numerous paid and unpaid player marketing opportunities, as well as vehicles to generate revenue for PLAYERS INC charities and player charities and foundations.

Participating PLAYERS INC licensees and sponsors have been able not only to promote their brands, but also to leverage NFL players and PLAYERS INC to promote their products and services.

Following is a summary of activity within each of these properties.

NFLPLAYERS.COM Established in 1995, NFLPLAYERS.COM is the online presence of PLAYERS INC. The website is administered and managed by the PLAYERS INC Internet Department. Its features include fantasy football, individual authorable webpages for every active NFL player (the Players Network), player features, sweepstakes and contests, and coverage of PLAYERS INC events. NFLPLAYERS.COM is a valuable tool for promoting the PLAYERS INC brand, and furthers efforts to “take the helmets off” the players.

NFL Players Fantasy Football returned for a second season in 2004. PLAYERS INC continued its relationship with provider CBS Sportsline. THQ Wireless was this year’s title sponsor. The game saw a surge in users this past year, with an increase from 18,789 to 30,124, a jump of more than 60%.

PLAYERS INC brought all website administration in-house prior to the 2004 season, resulting in a nearly 75% reduction in computer consultant fees. On the negative side, user traffic on NFLPLAYERS.COM slipped, to an average of 251,000 unique users per month from 265,000 per month the previous season. In addition, the site’s ranking on the NFL Internet Network at the end of the year dropped from 15th to 23rd. The traffic decline in large part can be attributed to fewer referrals from NFL.com. The NFL.com site was redesigned at the start of the 2004 season, and links to NFLPLAYERS.COM moved farther down on the homepage. This off-season, we will be working closely with NFL.com as well as other major media partners such as Yahoo!, ESPN and Electronic Arts to help drive more traffic to the site.

Unique player content continued to be the major focus for the website. NFLPLAYERS.COM staff collected 505 player journals during the 2004 season, up from 337 the previous season. The updated journals are highlighted on the homepage. NFLPLAYERS.COM continued to generate player profiles, featuring 70 players over the

course of the season. In addition, close to 100 new audio and video interviews were added, bringing the total to nearly 900 clips in the media library.

NFLPLAYERS.COM continued to cover PLAYERS INC events, starting with the NFL Players Gridiron Gala featuring the JB Awards in April 2004. The NFL Players Rookie Premiere was featured in May 2004. We worked with Fullhouse Media and Kestrel Communications to provide audio and video content from the Premiere, as well as several articles, interviews and photos. NFLPLAYERS.COM also covered Wheel of Fortune NFL Players Week, which taped in December 2004 and aired in January 2005. For the first time, the Wheel of Fortune Sweepstakes was hosted by NFLPLAYERS.COM and nearly 27,000 names were added to the database of 75,000 names. The season concluded with coverage of the PLAYERS INC VIP Party, the NFL Players Party and NFL Player Mania at the NFL Experience during Super Bowl week in Jacksonville.

The Helmets Off Sweepstakes, a watch-and-win contest in conjunction with the Helmets Off television specials, offered fans the chance to win a trip to the NFL Players Party and Super Bowl XXXIX. The Helmet Giveaway allowed fans a chance to win an autographed helmet each month, and gave NFLPLAYERS.COM the opportunity to do joint promotion with the respective teams. The long-running Free Gear All Year Trivia Contest offers PLAYERS INC-licensed NFL trading cards and is one of the site's most popular features. Sponsorship revenue totaling \$152,000 was generated from licenses THQ Wireless, ESPN Video games, Gametime, Healy Awards, Merrick Mint, MVP Pics and the Sporting News.

We feel the partnership with the NFL as a member of the NFL Internet Network will continue to develop and to bring more rewards. With the revenue from the agreement, we will work to improve and add more player content to NFLPLAYERS.COM. We anticipate that our efforts will result in a rebound in user traffic. We will continue to explore new and more creative ways to market players and the PLAYERS INC brand, as well as generate more sponsorship revenue.

JB Awards

This year proved to be a successful transition year for our annual awards gala. The Unsung Heroes Awards donned a new face this year when it was renamed the NFL Players Gridiron Gala Featuring the JB Awards. This strategy was employed in an effort raise the level of awareness for the community service efforts of NFL Players, to attract more sponsorship revenue, generate more event awareness, and ultimately raise more money for our long time beneficiary, Special Olympics of District of Columbia.

For the first time, PLAYERS INC and the NFLPA partnered with James Brown (JB), co-host of FOX Sports NFL Sunday to create this distinctive event. The collaboration involved JB introducing and awarding the inaugural JB Awards. Personally selected by James Brown, the awards recognize NFL players who excel beyond the game of football and award them for their commitment to achieve excellence off the field through building better communities and stronger families.

Players on each team nominated the teammate they felt most deserved to be recognized for their contributions to their respective communities. From those nominations, JB selected and presented awards to the 10 players he felt represented the spirit of the JB Awards. In addition, awards were also presented for Perseverance Award, an Act of Kindness, and a Lifetime Achievement, in addition to the Kids Choice Award, the NFLPA Humanitarian Award, and the NFL Executive of the Year Award. The event was co-hosted by Pam Oliver, of FOX Sports.

For the third year in a row, PLAYERS INC produced a television special highlighting the JB Awards that aired nationally on FOX Sports Net, profiling the player-honorees. The show reached 50 million households with 52 total airings.

Majestic Athletic sponsored the event and TV special at \$150,000. Additional revenue was secured through table sales, and a \$100,000 contribution was made to DC Special Olympics.

The gala continues to be home to one of the most prestigious awards in football—the Byron “Whizzer” White Humanitarian Award, named in honor of Supreme Court Justice Byron White, former NFL player, for his contribution to team, community, and country. The recipient of this year’s prestigious award was determined by a panel of judges consisting of AFL/CIO Secretary Treasurer Rich Trumka, Vice President of Event Marketing for VISA, U.S.A. Michael Lynch, and Bob Glauber of *Newsday* in New York.

The event will be held again on April 7th in Washington, DC. Sponsors include Reebok, EA Sports and AOL.

NFL Quarterback Challenge

As a result of the purchase of the Quarterback Club by PLAYERS INC, PLAYERS INC now owns a 24% interest in the event called the NFL Quarterback Challenge. The NFL owns 52% and Quarterback Greats, a company founded by Frank Vuono and some of the original equity player-owners of the QBC, owns the remaining 24%.

Last year’s event took place during NFL Draft weekend. PLAYERS INC facilitated player participation in the event, which included 13 quarterbacks and four receivers, who shared in appearance fees and prize money totaling \$300,000. Sponsors were secured by the NFL.

A television special was produced from the competition, which included coverage of the weekend events and features on the participating players. The telecast was broken into two one-hour shows which aired in July on CBS Sports.

Plans are underway for this year’s event which will take place the week of May 9th during the NFL Sponsor Summit in Ft. Lauderdale, FL.

NFL Players Rookie Premiere

The Reebok NFL Players Rookie Premiere, held in Los Angeles in mid-May, is another one of PLAYERS INC's signature events and television shows. Over a period of three days, 33 of the top draft picks gathered to be photographed by four PLAYERS INC licensed trading card companies -- Upper Deck, Topps, Fleer and Playoff -- for their first pro football cards. Other activities during the week included a welcome reception, a visit to a children's hospital ward, a trading card event with fans, and the 989 Sports Video Game Challenge.

All of these activities were filmed for a television special which aired nationally on FOX Sports Net during the first two weeks of August. Like the JB Awards, the show reaches 50 million households and aired in at least one prime-time slot in each region, with 71 total airings. This year's hosts were Chris Rose of FOX Sports Net's *Best Damn Sports Show Period*, FOX Sports NFL analyst Pam Oliver, former player Terrell Davis and active player Willie McGinest.

Reebok returned as the title sponsor of and 989 Sports as presenting sponsor. Motorola also participated this year. A total of \$1.1 million in sponsorship revenue was generated.

The 33 rookies who attended the event were paid \$396,000 in payments to participate; however, the event produced an additional \$31,000 in payments for the rookies and several veterans and retired players.

NFL Kickoff

The NFL, in conjunction with PLAYERS INC, kicked off the football season with a special tribute to Champions in Boston, MA. Over 100 paid and unpaid (charity) NFL player appearances were scheduled throughout the week. We brought in several high profile Hall of Famers for these events, including Marcus Allen, Eric Dickerson, and Deacon Jones.

The week's activities included the Football Festival at the Fan Pier Lot in South Boston, a round table and golf event for sponsors in town, as well as charity appearances for One World Event and Special Olympics.

The week was capped off with performances at Gillette Stadium by Mary J. Blige, Destiny's Child, Elton John, Toby Keith and Lenny Kravitz and Jessica Simpson from Metropolitan Park in Jacksonville. The event was televised live on ABC, earning a 5.0 rating, leading up to the season opener between the New England Patriots and the Indianapolis Colts.

Helmets Off

Last fall, PLAYERS INC developed four television specials called "Helmets Off: Behind the Scenes with NFL Players," that aired one each month from September through December on FOX Sports Net. Beginning in September, each show featured NFL players in a reality style show that gave fans a closer

look at life as an NFL player off the field. Much of the footage was taken from our events and other access to players throughout the year.

The September show, "Life of a Free Agent," featured running back Duce Staley as he dealt with the free agency process. From meetings with prospective teams to leaving behind his home in Philadelphia, the show took viewers inside free agency from a player's perspective. (36 total airings)

In October, PLAYERS INC zeroed in on rookie Steven Jackson in a show called "From Draft Day to Kickoff." With cameras rolling on draft day to his first outing at the NFL Players Rookie Premiere to his first game as a St. Louis Ram, fans were given an inside look at life as an NFL rookie. (53 total airings)

"NFL Players in Commercials," was the theme and title of November's show, which highlighted footage from the sets of several different commercial shoots throughout the year. Behind the scenes from Campbell's Chunky Soup ad with Donovan McNabb's mom, Reebok's ad with NFL players living together in one house, Ray Lewis picking up the yellow 1st Down line for EA Sports Madden ad and Visa's "Only in our house" ad were used for this show. (34 total airings)

PLAYERS INC wrapped up in December with a behind the scenes show from Super Bowl XXXVIII titled "The Game You Didn't See." The show featured much of the action that players from around the league are involved in throughout Super Bowl week. From press conferences to corporate parties to the Madden Bowl, fans watched hundreds of NFL players come to the Super Bowl city to meet with corporate sponsors, accept year-end awards and mingle with fans. (53 total airings)

EA Sports was the \$250,000 presenting sponsor for the series of four, 30- minute shows. Each show aired on FOX Sports Net in one national time slot the first weekend of the month and repeatedly on FOX regional affiliates throughout the rest of the month.

We are planning 6 shows for FY'06 with EA returning as series title sponsor (\$250,000), and Reebok has committed to the presenting sponsorship (\$100,000).

PLAYERS INC Radio

PLAYERS INC Radio has proven to be an excellent vehicle to promote players and PLAYERS INC properties, as well as licensees and sponsors.

In its 9th season, the show again aired on Fox Sports Radio twice each weekend, once on Saturday and once on Sunday. Co-hosts Daryl "Moose" Johnston and Dan Miller (Fox Detroit) teamed up for the second year, and XM Studios in Washington, DC served as home base for our producers. We also teamed up again with the NFL Coaches Association to include both head and assistant coaches as part of our guest lineup.

The 85 interviews on this year's shows included Ben Roethlisberger, Champ Bailey, Chad Johnson, Clinton Portis, Corey Dillon, Richard Seymour, Emmitt Smith, Jevon

Kearse, Brian Dawkins, Robert Gallery, Drew Brees, Marvin Harrison, Warrick Dunn, Alge Crumpler, Joe Andruzzi and Rosevelt Colvin. The coaches included Jim Mora, Jr., Denny Green, Jeff Fisher, Tony Dungy, Mike Sherman, Jim Johnson and Marv Levy (Hall of Fame). The last show was recorded at the NFL Players VIP Party in Jacksonville.

PLAYERS INC Radio was heard on 105 Fox Sports Radio affiliates. It reached 18 of the top 25 markets.

NFL/PLAYERS INC eBay Auction

This year the Arizona Cardinals were added to the list of teams actively participating in signings. Of the 32 teams, 14 participated in an NFL Auction signing this year (Arizona, Baltimore, Buffalo, Chicago, Denver, Detroit, Indianapolis, Kansas City, Miami, Minnesota, New Orleans, San Diego, St. Louis and Tennessee) with an average of 20 players per team being called upon do individual signatures. In addition we secured autographed items for NFL Auction at such events as the NFL Players Rookie Premiere, Wheel of Fortune, Super Bowl, Pro Bowl, and the PLAYERS INC Photo Shoot. Our goal is to orchestrate a signing in each team facility.

The delay in product compensation to players has been addressed and through relationships with Mitchell & Ness and Headmaster, among others, we are better equipped to fulfill product requests in a timely manner. Players remain interested in jerseys, helmets and footballs as compensation. A few players took advantage of our services to help with auction needs at their events. A total of \$45,000 was paid out to players in cash and another \$140,000 in product. Also, a total of \$1.4 million was raised from the auction site for charity vs.\$1.2 million n FY'04.

In order to facilitate signings at more teams, we will be asking Player Reps for help in lobbying their team's front office.

Wheel of Fortune NFL Players Week

Wheel of Fortune continues to be one of the best vehicles for PLAYERS INC to showcase NFL players' personalities and generate revenue for player foundations and charities. Wheel of Fortune is the highest rated show in syndication, reaching a potential 100 million viewers weekly worldwide.

Completing its 9th season, NFL Players Week again produced the best results of the year for Wheel of Fortune, with an average 14.7 million viewers every day of the week, a tribute to the marketability of NFL players.

NFL Players Week delivered more viewers than 94% of all network programs, including Boston Legal, Law & Order, Law & Order: CSI, Las Vegas, Joey, CSI: NY, and 60 Minutes. Player Marketing secured player participation for the five shows, which aired during the first week of the Playoffs, January 3-7, 2005. Participating players were: Drew Brees, Nate Burleson, Eric Dickerson, Warrick Dunn, Larry Fitzgerald, Robert Gallery,

Rex Grossman, Torrey Holt, Jevon Kearse, Willie McGinest, John Riggins, Rod Smith, Brandon Stokley, Hines Ward, Kurt Warner and alternate Donnie Edwards.

Players received appearance fees of more than \$120,000 and more than \$300,000 was contributed to their designated charities. This year's charity winnings brings the nine-year total to \$2,281,341 contributed to player charities.

Plans are already underway for the taping of this year's 10th anniversary shows.

NFL Player Mania

NFL Player Mania was held during Super Bowl weekend on Saturday, February 5th at the NFL Experience. The event has become an attractive and much anticipated addition to the NFL Experience's traditional lineup of activities. For the fourth year, players made appearances at the various interactives and autograph stages meeting and greeting fans. Player "Chalk Talks" were introduced as a new element to NFL Player Mania experience. This lively Q&A interactive with fans involved players and FOX Radio personalities that served as the hosts.

Microsoft, one of PLAYERS INC's video game licensees, returned as title sponsor of the event at \$210,000.

This year's media campaign involved a partnership with Clear Channel that included the placement of outdoor advertising and radio promotion. Forty-eight billboards were strategically placed around the city of Jacksonville. Promotional radio spots were launched during the month of January on local stations and players participated in a blitz of live radio interviews to further promote the event. Each year, the media campaign is a key element to increasing sponsor awareness, PLAYERS INC brand awareness and public awareness of the event.

This event continues to be a good fit for both PLAYERS INC and the NFL. Therefore, we look forward to producing it again during Super Bowl XL in Detroit.

Pro Bowl Skills Challenge

The NFL and PLAYERS INC partnered together at Pro Bowl to produce the first annual Skills Challenge showcasing players' physical talents in five different events. A total of 28 players competed in the following competitions: Split the Uprights, Strongest Man, Best Hands, On the Mark and Fastest Man. Sponsors were secured by the NFL. Appearance fees and prize money totaling \$190,000 were generated for participating players.

The competition was highlighted in a TV special which aired on ESPN on February 12th. The event received rave reviews from sponsors and is expected to take place again next year.

PROMOTION OF PLAYERS INC AND PLAYERS IN THE MEDIA

Overview PLAYERS INC promotes the positive accomplishments of NFL players on and off the field. We serve as a primary source for press covering sports marketing in general and the NFL in particular.

PLAYERS INC meets regularly with trade and consumer media to promote the brand and the players it represents. Press releases are issued regularly to announce licensing deals and new products, sports marketing trends, promotional campaigns with sponsors, and PLAYERS INC events and properties. We strive to educate the press to ensure accurate information is incorporated into news stories and that we are a resource for developing stories whenever it involves players.

PLAYERS INC works closely with the NFL and its sponsors to promote sponsorship programs for regional and national campaigns.

PLAYERS INC manages on-site media relations at all company events to ensure that players and sponsors receive positive media exposure.

PLAYERS INC stages an annual photo shoot with players to develop artwork for a national corporate ad campaign. The ads appear in sports marketing trade publications, such as *Street & Smith's Sports Business Journal*, *Brandweek*, and *Promo* and the *PGA Tour Annual*. To mark PLAYERS INC's 10th year anniversary, one of the ads created celebrated the success and growth of the company.

PLAYERS INC develops a newsletter which is distributed three times a year to all current and retired players, licensees, agents and the media. The newsletter highlights company news, licensing updates, marketing efforts and event recaps. There is also a section devoted to featuring players in the community and spotlights of players, entrepreneurial efforts.

Specific coverage of PLAYERS INC's events and properties included:

NFL PLAYERS ROOKIE PREMIERE

The 2004 NFL Players Rookie Premiere in Los Angeles was covered by several media outlets including NFL Network, local KCBS-TV 2, FOX Sports Radio, *Sports Illustrated for Kids*, *Los Angeles Times*, *Orange Country Register* and industry trade publications *Beckett Football Publication*, *Krause Publications* and an online publication called TalkingSports.com. Additionally, several of the rookies conducted interviews on the sets of FOX Sports Best Damn Sports Show and NFL Network.

NFL PLAYERS GRIDIRON GALA/THE JB AWARDS

The Gridiron Gala held annually in Washington, DC honored NFL players with JB Awards for building better communities and stronger families. The event garnered local

coverage on WTTG Fox 5, WUSA TV-9, WRC TV-4, WCAU TV (Philadelphia), Comcast SportsNet, *Washington Post*, *USA Today*, *Richmond Times Dispatch* and the *Washingtonian* magazine. Mentions in regional outlets included the *Tampa Tribune*, *Pensacola News Journal*, *Detroit Free Press* and TV stations in Buffalo, Sioux Falls, SD; Shreveport, LA; and Hartford, CT. Additionally, a media partnership was formed with local Clear Channel stations WTEM 980 AM, WTNT 570 AM and WWRC 1260 AM, which ran promotions for the Gala.

WHEEL OF FORTUNE NFL PLAYERS WEEK

The 9th annual NFL Players Week on Wheel of Fortune was once again one of the highest watched weeks among viewers. On-site coverage included sports and entertainment media outlets such as NFL Network, CBS Sports, the TV Guide Channel, *TV Guide*, *Sports Illustrated for Kids*, *Los Angeles Times*, *Orange County Register* and FOX Sports Radio.

NFL Network produced a 10-minute segment which aired on Total Access the Tuesday before the first show date on January 3.

Each outlet conducted interviews with the players and ran a story or mention in their respective outlets.

The electronic press kit with footage of each player was distributed to national media outlets, sports media, regional ABC affiliates and the NFL PR teams of each participating player. All 15 NFL teams posted a write-up and the press release on the team's website.

SUPER BOWL XXXIX

More than 50 active and retired NFL players conducted approximately 75 media interviews during Super Bowl week, garnering more than 20 million impressions. This figure reflects the total audience size for the NFL Network, FOX Sports Best Damn Sports Show, radio and television stations on-site at press conferences and the NFL Experience.

PLAYERS INC partnered with Jacksonville's Clear Channel sports talk station and outdoor signage company to promote NFL Player Mania. The radio partnership included recorded and live promotional spots and daily interviews with players leading up to Super Bowl week. The second component was the placement of 48 billboard advertisements surrounding the Jacksonville area.

Additionally, on-site media interviews were conducted at sponsor and charity press conferences throughout Super Bowl week, but are difficult to measure and therefore not reflected in the total number of impressions.

PLAYERS INC/GENERAL

PLAYERS INC received local, regional and national media coverage for national and regional promotions, sponsor programs, licensing and company news. Topics that were covered included the production of the Helmets Off television shows, the wireless

content provided by licensee THQ Wireless, the fantasy football phenomenon, Yahoo! Draft Me fantasy football promotion, the national rollout of the Stay Cool in School promotion, the exclusive licensing deal with EA Sports and staff announcements. In all, PLAYERS INC received coverage in more than 100 media outlets in 2004.

Over the past year, media coverage of the company's efforts included industry trade publications such as *SportsBusiness Journal*, *Sports Business Daily*, *License! Magazine* and *Promo Magazine* and *Beckett Publications*.

PLAYERS INC continues to be a resource for interviews, feature stories and information on NFL players. We coordinated interviews with NFL players and provided background information for many outlets throughout the year, including national media outlets such as the CNN, NFL Network, FOX Sports, ESPN, Cold Pizza, HBO Inside the NFL, *Wall Street Journal*, *USA Today* and *ESPN the Magazine*.

FY06 Projections

PLAYERS INC continues to be a leader in the sports marketing industry with successful name-branded events, sponsorship programs and licensing partnerships. The media continues to learn about the role of PLAYERS INC, its properties and access to NFL players through frequent communication, established relationships and the distribution of news announcements. Using strategic media outreach, we will continue to position PLAYERS INC as a leader in sports marketing through our licensing properties, productions and events. We will continue to promote the off-the-field accomplishments of NFL players by working closely with NFL team community and public relations departments and through our own charitable efforts of NFL Players Charities. We will also continue to be actively involved in the communications initiatives of licensees, partnerships, corporate sponsors and the NFL.

NEW BUSINESS

PLAYER MARKETING

We continue to reach out to companies who are not current PLAYERS INC licensees or competitors of NFL sponsors to generate additional player appearances. In FY'05 we generated 93 paid player opportunities for \$415,000, compared to 85 for \$290,000 in FY '04. Also, an additional \$41,000 was generated in commissions to PLAYERS INC.

Twenty participating companies included Get Motivated Seminars, TSE Sports, Sharpies, Hardees, Sears and The Hecht Company.

NFL NETWORK

PLAYERS INC will collaborate with the NFL Network this year to produce the NFL Players Rookie Premiere. For the last few years the show has been broadcast on Fox Sports Net in August. This year it will air on the NFL Network in July. PLAYERS INC will continue to own the show and have creative control over its content. However, we believe that this partnership will allow us to produce a better quality show that will reach a more targeted market.

PROMOTIONS

The NFL Sponsorship Agreement allows us to pursue opportunities with teams and their local sponsors to integrate players into their local activation programs, as long as the activity does not interfere with the rights we grant the NFL in the sponsorship agreement. (See NFL Sponsorship section which describes such activity for FY '05).

However, we believe that there are some issues that need to be addressed with respect to language the clubs have been inserting into player contracts that bind the player to participate in local sponsor activity. We will address this issue more specifically in the breakout sessions at this meeting.

LICENSING

Beginning this year EA Sports will be our exclusive video game licensee. However, our revenue from this category will see a dramatic increase due to required minimum guarantee payments. EA is committed to working with Players Inc to develop new game concepts.

Reebok will absorb the rights previously granted to Majestic Athletic for non-jersey apparel. We believe they have the ability to grow that segment of the business, as they have the exclusive distribution rights in all retail tiers.

While the trading card category remains stable, the collectibles category continues to grow, with at least 2-3 new licensees for FY'06.

CONCLUSION

Looking ahead to FY'06:

- Revenue in the video game category will increase, due to increased guarantee payments from exclusive licensee EA Sports; we will work with EA to develop new game concepts;
- Trading card revenue should remain stable; however, the initial reaction to the potential new rookie class is not as positive as it was in FY'05;
- With Reebok taking over non-jersey apparel, we are optimistic that revenues will increase from that category; jerseys are predicted to be flat;
- Revenue to players and PLAYERS INC from the NFL Sponsorship Agreement are expected to increase again in FY '06, as the NFL pursues opportunities in new categories;
- We will work with the NFL to improve our presence on NFL.com which should increase traffic on NFLPlayers.com; we will conduct focus groups to provide us with constructive feedback on our website and utilize such information to make necessary improvements;
- We will continue to pursue "New Business" to generate additional paid player opportunities, as well as additional revenue to PLAYERS INC through commissions.

Since PLAYERS INC's inception:

- \$277.3 million has been generated for players through the equal share royalty pool and from other payments by PLAYERS INC, its licensees and sponsors;
- \$123.8 million has been paid to the NFLPA by PLAYERS INC and its licensees
- \$89.2 million in PLAYERS INC operating expenses represents the cost of generating \$490.3 million (or 18.2% of total)

Some time in the first half of FY'06, PLAYERS INC will cross the half billion dollar mark in revenue generated since its inception.

PLAYERS INC's success is not only the result of the efforts of a talented and professional staff. The players have embraced the concept of having their own marketing

company and have responded by cooperating when called upon and taking the responsibility seriously.

We are grateful for the continued support we receive from the NFLPA Executive Committee and Board of Player Representatives.