

EXHIBIT XX

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

ANNUAL MEETING

March 12, 2006



PLAYERS

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OVERVIEW

“PLAYERS INC *means* NFL Players” has been a slogan that reinforces to the sports marketplace what this company means and what is its most valuable asset. It has been demonstrated year after year that the players are the game in this business. It has become clear to our licensees and sponsors that utilizing NFL players on their products and in their campaigns delivers a return on their investment.

As you read this report, you will see once again that most of our marketplace predictions and revenue projections have been accurate. It is our responsibility to understand the marketplace, to be conservative, but to over-deliver to our business partners whenever possible to ensure their success. Because many areas of our business are constantly evolving to respond to consumer demand, we continue to aggressively seek new business opportunities to ensure diverse revenue streams.

While there is no crystal ball to predict the future, the constant factor that has contributed to the continued growth of PLAYERS INC has been the players and their overwhelming support. Research has shown that consumers view the players as an important factor when making decisions as to what products they purchase, that it matters to them that the “real” players are included in the product, and that the PLAYERS INC logo means that the product is authentic. As we enter our second decade, we will continue to position PLAYERS INC as the players’ brand in ways that ensure the maximum recognition and understanding of what it means – real passion, real personality, real players.

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

1. **’05 PROJECTION:** With Reebok taking over non-jersey apparel, we are optimistic that revenues will increase from that category; jersey sales are predicted to be flat.

’06 RESULT: Royalties from the sales of non-jersey apparel more than doubled; royalties from jersey sales were flat.
2. **’05 PROJECTION:** Trading card revenue should remain stable; the initial reaction to new rookie class not positive.

’06 RESULT: In spite of a soft market and the bankruptcy of long-time licensee Fleer, royalties increased 4%.
3. **’05 PROJECTION:** 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.

'06 RESULT: Revenue increased 53% in the video game category. EA will launch a new game concept in FY'07 entitled NFL Head Coach.

4. **'05 PROJECTION:** Revenue to the players and PLAYERS INC from the NFL Sponsorship Agreement is expected to increase again in FY'06, as the NFL pursues opportunities in new categories.

'06 RESULT: Revenue from the NFL Sponsorship Agreement increased by 16%. Payments to players from participation in sponsor programs almost doubled.

5. **'05 PROJECTION:** 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.

'06 RESULT: As a result of a focus group conducted by Fullhouse Media, we redesigned the website to make it more user friendly. Traffic increased by an average 4% per month.

6. **'05 PROJECTION:** We will continue to pursue "New Business" to generate additional paid player opportunities, as well as additional revenue to PLAYERS INC through commissions.

'06 RESULT: While the number of paid opportunities decreased slightly, the total paid to players more than doubled. Commissions to PLAYERS INC were down.

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, Fleer 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 \$106.4 million. The sources of the royalties and other revenue are as follows;

Revenue received by PLAYERS INC for all licensing and sponsorship of PLAYERS INC properties was \$46.4 million. Additionally, as a result of the NFL Sponsorship and Internet Agreements, PLAYERS INC received a total of \$23.4 million in FY'06; \$20.4 million from the Sponsorship Agreement and \$3 million from the Internet Agreement. Of the \$20.4 million from the Sponsorship Agreement, an allocation of at least 25% or \$5.1 million was earmarked for players who participated in programs with NFL sponsors. Above this guaranteed minimum, an additional \$3.3 was generated for players who participated in NFL sponsor programs. Therefore, in FY'06 a total of \$8.4 million was generated in player payments under the NFL Sponsorship Agreement as described above.

A total of \$34.8 million was received by PLAYERS INC and paid to specific players for premium royalties, appearances, autographs and highlight fees, including a majority of the allocation from the NFL sponsorship deal. A total of \$835,000 was paid to individual players by NFL sponsors for photo shoots and residual payments. In addition, \$155,000 was paid to individual players by licensees and sponsors, \$149,000 in payments in the form of merchandise to players by licensees and sponsors, and \$508,000 in payments generated to designated player charities by licensees and sponsors.

A record total of \$36.6 million in unshared payments to players was made by PLAYERS INC, licensees and sponsors compared to \$32.7 million in FY'05. The list of different players who received those payments included 1,036 active (an average of 32 players per team) and 421 retired players. The list is included with this report.

RETAIL LICENSING CATEGORY HIGHLIGHTS

Apparel, Posters, Calendars & Photography Apparel

Overview On January 31, 2005 Adidas completed its acquisition of Reebok.

Adidas is a global leader in the sporting goods industry, and this new alliance is expected to strengthen and expand the NFL brand, NFL Players and PLAYERS INC. The focus of this new alliance will be performance, innovation and service to both retailers and teams. They will operate on the principle that the NFL and its players are among the company's most valuable assets. The assignment to Adidas of the license agreement between Reebok and PLAYERS INC is subject to approval by PLAYERS INC. The assignment to Adidas of the license agreement between Reebok and the NFL is subject to NFL approval.

As predicted, FY'06 experienced an overall leveling off of sales for Reebok. Jerseys continue to drive the category, and *premium royalties paid to players* from jersey sales were \$10.9 million compared to \$10.8 million last year. An additional \$272,000 in premium royalties were paid to players for non-jersey apparel, up 20% from last year. PLAYERS INC also received \$227,000 in royalties from turf shoes, blank jerseys and a percentage of non-jersey apparel royalties.

Included in the above premium royalty calculation for jersey sales is approximately \$647,000 paid to retired players. There are currently 71 retired players in the program, and as it matures, we anticipate signing additional players.

Reebok has expanded its use of NFL players in advertising and promotion, including in-store merchandising programs for Champs and Footlocker. Reebok has not only integrated the PLAYERS INC logo onto on-field apparel, but they acquired advertising and product placement in stadiums, video games (EA's Madden) and in marketing materials as diverse as player cut-outs for retail point of sale and mass fliers at Super Bowl and the NFL Experience.

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)	\$10,394,840.00	\$3,341,368.00
Reebok	Blank Jerseys	\$0	\$106,797
Dallas Cowboys	Jerseys	\$469,067	\$156,356
Exclusive Pro Sport	Custom Jerseys	\$19,780	\$9,890
Ripon Athletic	Custom Jerseys	\$2,109	\$1,055
Footlocker.com	Custom Jerseys	\$10,081	\$3,360
Stahl's Hotronix	Custom Jerseys	\$4,436	\$2,218
	Jersey Total	\$10,900,312.96	\$3,621,044.09
Reebok	Turf Shoes	\$0	\$136,287
Reebok	Non-Jersey Apparel	\$234,460	\$78,153
Reebok	Headwear	\$37,580	\$12,365
	Non-Jersey Total	\$272,040.00	\$226,805.00
Total Premium Royalties		\$11,172,352.96	
Total to PLAYERS INC			\$3,847,849.09

Player Marketing

Reebok also continues to sign individual athletes to varying levels of shoe deals, in accordance with the license agreement with PLAYERS INC. In FY'05 they paid 588 active players a combination of cash and product worth \$7.5 million.

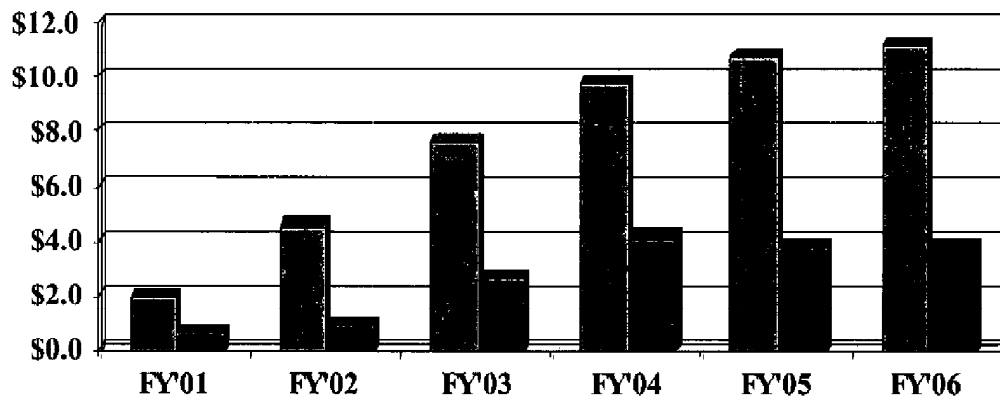
Reebok also contracted with the following retired players for use of image, autograph, or media deals: Dick Butkus, Randall Cunningham, Harold Carmichael, Karl Mecklenburg, Joe Theismann, Lee Roy Selmon, William Perry, Jack Ham, and Joe Greene. These deals totaled \$91,000.

FY'07 Projections

Reebok's FY'07 royalties are projected to increase to approximately \$15.2 million.

Vanity Fair Imagewear (VF) came on board late in the year to do women's player apparel for mid and mass distribution. They are already booking sales for FY'07, and they predict a minimum of \$30,000 in premium royalties. That number will continue to increase as they acquire more retail placement, especially in Walmart.

Apparel Royalty Revenue (In Millions)



■ Premium Royalties

FY'01 - \$2.0
FY'02 - \$4.6
FY'03 - \$7.7
FY'04 - \$9.8
FY'05 - \$10.8
FY'06 - \$11.2

■ Royalties Retained by PLAYERS INC

FY'01 - \$706,302
FY'02 - \$1.1
FY'03 - \$2.7
FY'04 - \$4.2
FY'05 - \$3.8
FY'06 - \$3.8

Posters, Calendars & Photography

Overview The big news in this category in 2005 was Fathead. These life-size wall appliques hit the market in August, and they have been received well. MSN.com even named Fathead the number one Valentine's Day gift for men. Fathead has been very aggressive in their advertising and promotion. In FY'06, they featured Ben Roethlisberger, Torrey Holt and Chad Johnson in their ad campaign.

In their inaugural year, Fathead sold only direct-to-consumer, not through traditional retailers, and generated \$108,164 in premium royalties to players and \$36,000 to PLAYERS INC. They also included retired players in the line and paid a total of \$155,000 in guaranteed royalties for those players. The Fathead phenomenon has stirred the interests of other companies to consider similar products.

John F. Turner continues to be our single calendar licensee. They have traditionally done team calendars but are now expanding into notebooks and folders featuring individual players. They generated \$10,800 in premium royalties paid to players from this new product in FY'06, and we expect to see that number increase as they create new player product to compliment team calendars. John F. Turner also generated \$219,000 in royalties for PLAYERS INC.

Trends International remains our single poster licensee. Royalties were up from FY'05 to \$118,000, approximately \$50,000 of which were premium royalties paid to players. Royalties in FY'06 were much higher than predicted due to very strong Super Bowl sales, as Pittsburgh is a top market.

Player Marketing

This category generated \$98,750 in player payments this year for TV commercials, highlighting and appearances for Fatheads and Footlocker.com.

FY'07 Projections

Conservative projections in these small categories for FY'07 are approximately \$100,000.

The two largest business to business NFL image providers are Getty Images and Wire Images. Getty is now on board as a licensee, and we are working with Wire Images to finalize their deal. Along with providing images for editorial use, these companies are the vehicles through which licensees and sponsors acquire player imagery for their products and promotions. Additionally, Getty posts images from PLAYERS INC events on their website, providing editorial access worldwide.

We are working with several new licensees for the 2006 season. Upper Class Collectibles represents sports artist Bill Lopa, whose original paintings will be the basis of a limited edition line of lithographs and other media. Boelter Brands will produce high-end glassware, including mugs and metal buckets. We are also talking to a small company, Gamewear, producers of player novelty bracelets.

RETAIL LICENSING CATEGORY HIGHLIGHTS

Interactive and Multimedia

Overview The Multimedia and Interactive category includes computer video games, board games, wireless, fantasy football and vignettes. Royalties to PLAYERS INC from this category totaled \$25.2 million in FY'06, up from \$18.6 million in FY'05. An exclusive relationship with Electronic Arts, makers of the highly successful Madden franchise played a major role in this year's phenomenal success. Royalties from board games totaled \$129,892, up from \$85,000 last year. Royalty revenue from fantasy football increased 125%, yet another record year for the category. Wireless, which is our newest category, showed a decline in royalties to \$300,000 from \$350,000. Lastly, PLAYERS INC received \$112,000 in payments from the NFL for the inclusion of players in action footage in broadcast partners' vignettes.

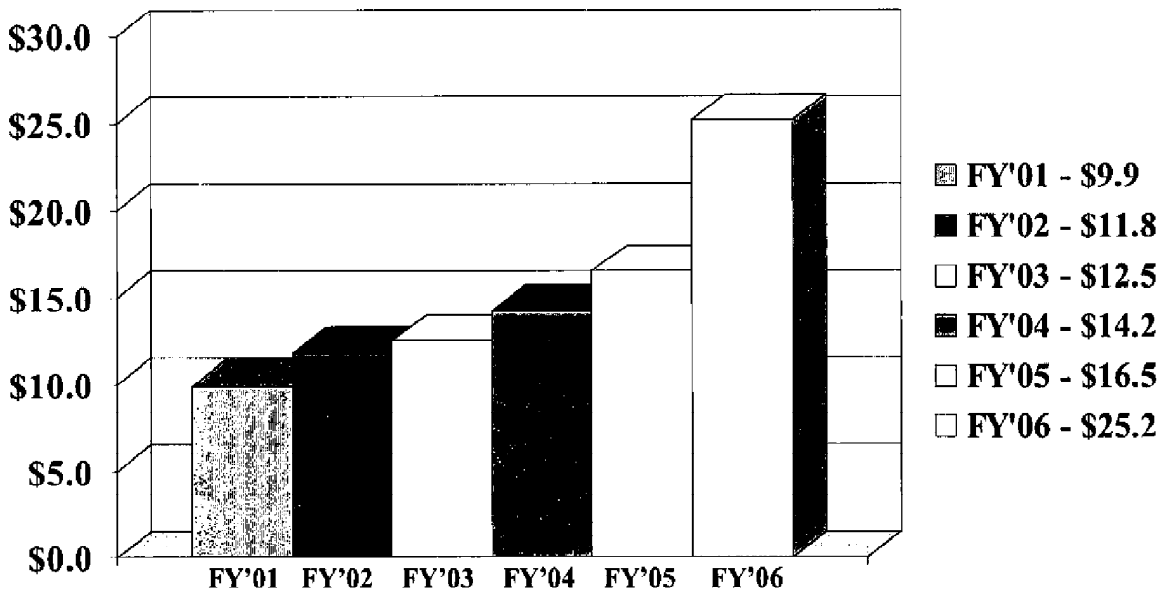
Video and Computer Games

Summary This season marks the first complete year of the exclusive relationship between PLAYERS INC and EA Sports. The Madden franchise consistently ranks in the top 10 overall in the video game market, and it is now the only football game in town. The 5-year deal is the largest in the history of professional sports associations. EA also negotiated a separate, exclusive, 5-year deal with the NFL for the use of team logos and stadium rights within the game. Both agreements are exclusive for action simulation, arcade-style, manager games, handheld game devices and consoles. This exclusive relationship helps to maximize the value of NFL players through EA's continued commitment to bring fans closer to the game, which EA has consistently done for more than a decade by producing the most authentic football games. EA sold approximately 8.7 million units of PLAYERS INC licensed product in FY'06 compared to 8 million in FY'05. EA's current roster of NFL related product includes both the Madden and Street franchises.

While EA's did not exceed their \$25 million dollar guarantee, total royalty revenue earned from game sales against the guarantee was \$24,289,000. This was due in part to an increase in the number of units sold, but mostly as a result of an increase in EA's royalty rate from 5% to 8.5% in the first year of the new exclusive license agreement.

Backyard Football, developed by Humongous, formally Atari, is a popular title targeting kids ages 6-11, 250,000 units were sold, generating royalties of \$244,000. Backyard is the only other company producing PLAYERS INC licensed video games because of an exclusion in EA's license for kids games.

Video and Computer Games Royalty Revenue (In Millions)



Player Marketing

Paid opportunities from EA Sports were generated for 61 players, up from 42 last year. Donovan McNabb, Philadelphia, was the cover athlete for Madden NFL 2006 and was featured in a national TV commercial which also featured Chris Hope and James Farrior of Pittsburgh. Former players Marcus Allen, Desmond Howard, and Herschel Walker were featured on the packaging of EA's NCAA College Football 2006 game.

Eleven players made appearances at the Madden NFL '06 Preview Party.

Another new EA property that generated paid opportunities and exposure for players was a TV series on ESPN called Madden Nation which featured 13 players.

We also facilitated a cover/endorsement deal for Atari for their youth targeted Backyard Football 2006 game with Daunte Culpepper.

A total of \$615,000 in player marketing opportunities were generated in this category.

Promotions

MADDEN NFL 06 PREVIEW PARTY

The inaugural EA SPORTS/PLAYERS INC MADDEN NFL 06 PLAYERS PREVIEW EVENT was held at the ESPN Zone in Times Square, New York City on June 28, 2005.

PLAYERS INC provided 11 high profile players to help EA garner media attention for the launch of Madden NFL 06. Donovan McNabb, Michael Strahan, Tony Gonzalez, and Daunte Culpepper were a few of the players who attended. This event gave players and the media a chance to check out the game two months prior to the official release.

MADDEN BOWL 2006

The 12th annual Madden Bowl Party was held in Detroit during Super Bowl week. PLAYERS INC provided 20 NFL players for the event, 8 of which participated in the famed 8-man tournament. This year's winner was tight end Alex Smith of the Tampa Bay Buccaneers. He beat out a solid field of competitors that included Chad Johnson, Willis McGahee, and Edgerrin James. Also in attendance at the party were Barry Sanders, Shaun Alexander, Reggie Bush, and Clinton Portis.

BACKYARD FOOTBALL KIDS CHOICE AWARDS

Backyard Football partnered with NFL Players KidsZone to promote a Pro Bowl Sweepstakes and the "Backyard Kid's Choice Awards." Kids could go on-line to select their favorite players; each participant was entered to win a free trip to the Pro Bowl. The Kids Choice Winner was Peyton Manning.

FY'07

Projections

Projections for the category in FY '07 are \$26,000,000 in royalties plus an additional \$1,400,000 in marketing support for player programs and PLAYERS INC. Projected units for FY'07 are a conservative 6.5 million units for Madden '07. As with any year when the console market is in transition, sales will tend to drop or remain flat. In 2006, Sony is expected to release the Playstation 3, and Nintendo will release the Revolution console. If previous trends remain true, sales will once again pick-up in 2007, the year after the transition.

EA has two new products slated for release in 2007 -- NFL Head Coach and NFL Street 3. Head Coach is a new product that will focus on the business side of football and the strategy side of the game. The product will launch in June of '06, and EA projects conservative sales of 400,000 units at launch.

NFL Street returns this year with the 3rd edition, Street3, the product returns with an edgier arcade look and feel. The product will once again feature 7 on 7 game play with options for selecting different street environments. The product will launch in October on PS2 and PSP.

Wireless

Summary

This category included two licensees, THQ Wireless and JAMDAT Mobile, each of which launched player assets, including football games, player ring tones and player wallpapers available via cell phones and handheld devices. The category generated approximately \$300,000 in guaranteed royalty payments. Neither company generated royalties beyond the guarantees.

Player

Marketing

Payments to players in this category were down from last year as THQ did not add any new player ringtones to supplement the approximately 25 they did last year. THQ did, however, do a satellite media tour with Michael Strahan, New York Giants, to promote their product.

JAMDAT did cover deals with Jake Delhomme, Carolina, and Marvin Harrison, Indianapolis for their two licensed games, NFL Quarterback Showdown and JAMDAT Sports NFL 2006, respectively.

Payments totaling \$60,000 in appearance and highlight fees were made to players in this category.

Promotions

THQ/SPRINT "SPRINT TO DRAFT DAY"

A press conference was held during Super Bowl week to launch THQ and Sprint's "Sprint to Draft Day" promotion featuring Heisman trophy winner Matt Leinart. The eight-week text-to-win sweepstakes will award one lucky fan the opportunity to spend Draft Day with Matt Leinart at the NFL Draft in April.

FY'07

Projections

This category is still in its infancy. New technologies continue to emerge, and the major players continue to change. For example, in recent months Electronic Arts purchased JAMDAT Mobile, and it is still unclear how this acquisition will affect the category. However, it is clear that wireless is likely to be a major platform for all types of player content, including NFL game footage. We will continue to monitor this category to ensure that the rights to player content are secured through PLAYERS INC. We expect steady growth, and we are conservatively projecting royalties at \$400,000 for FY'07.

Fantasy Football

Overview

A comprehensive research study commissioned by PLAYERS INC and performed by Com Score Media revealed that over 10 million unique users played fantasy football this year. This year royalties exceeded \$3.6 million dollars, up over 125% from last year's \$1.6 million. The fantasy football category experienced growth as more users signed-up to play with licensed companies. Approximately 8 million unique users signed up for PLAYERS INC licensed games in 2006 (up from 6 million last year). Currently, PLAYERS INC has 16 fantasy football licensees (up from 12 last year) including: AOL, Yahoo, ESPN, NFL.com, FOX Sports and Sportsline.

In November, PLAYERS INC partnered with the Sports Business Journal as title sponsor of the Sports Media and Technology conference. One of the most well attended segments of the conference was the Fantasy Sports track which featured many of our existing licensees and new media experts, all validating fantasy as a significant business segment for attracting and retaining a solid customer base. As new media technology evolves, fantasy content will continue to be a growing traffic driver for these platforms.

McDonalds, Visa, GMC and Goodyear all partnered with fantasy licensees as promotional partners for fantasy driven programs. We expect more and more Fortune 500 companies to capitalize on fantasy football's value in the coming years.

For the second consecutive year Yahoo featured a national kick-off fantasy media blitz called "Draft Me Day." The program featured players Peyton Manning, Eli Manning, and Jay Feeley.

Player

Marketing

Yahoo! was the most active in this category, generating \$140,000 in payments to players. They staged a kickoff event in New York City in July that featured player appearances with Jay Feely, Eli Manning, and Amani Toomer of the New York Giants, and Peyton Manning, Indianapolis. Peyton Manning also participated in a Satellite Media Tour for them. Fanball and Head2Head Sports also did player appearances.

This category generated \$160,000 in player marketing opportunities, up from \$60,000 last year.

Fantasy

Football

Research

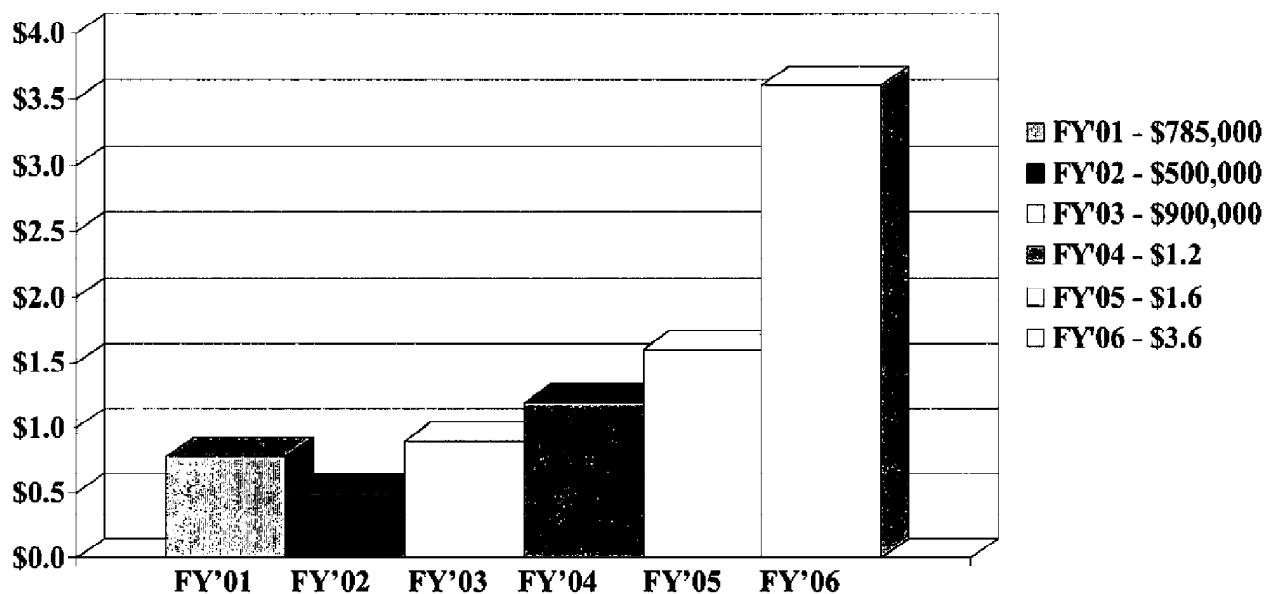
The fantasy football industry has undergone some dramatic changes over the past few years, including a big shift from a paid game/subscription supported business model to a free game/advertiser supported business model. Additionally, the major fantasy providers have begun extending their activities by developing fantasy football TV specials, magazines, wireless applications and other products.

As a result of these changing dynamics, PLAYERS INC determined that it was important to get a current assessment of the fantasy football market, its players and advertisers. To achieve that goal, we hired Chris Russo, formerly the Senior Vice President of New Media at the NFL, and the Copernicus Research firm, to study the industry in order to give us a more comprehensive understanding of the fantasy football market and to identify potential opportunities. More specifically, the research will give us a better understanding of the behavior of fantasy players, explain the underlying reasons or motivations for fantasy game choice, measure the current awareness and perceptions of games and content providers, estimate the benefit of fantasy game advertising for advertisers and sponsors and assess the new emerging fantasy football products and applications. The research results should be completed by early April 2006 and we plan to use the findings to aid us in our continued development of the fantasy football category.

FY'07 Projections

Fantasy Football licenses that expire this year will receive a one year extension as we evaluate trends to formulate new strategies for the fantasy category. We are projecting royalties to rise a conservative 25% to \$4.1 million in FY'07 fantasy category.

Fantasy Football Royalty Revenue (In Millions)



RETAIL LICENSING CATEGORY HIGHLIGHTS

Trading Cards and Collectibles

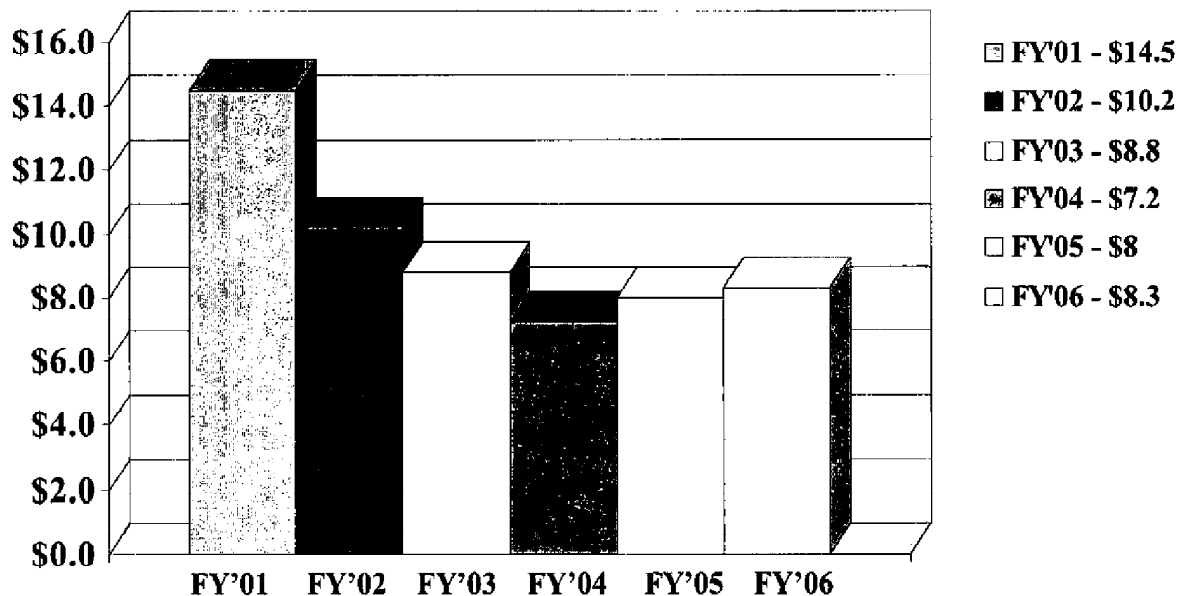
Trading Cards

Overview

Despite a “soft” rookie class, the loss of Fleer, a long time licensee, less product releases, and despite dramatic changes in the baseball trading card marketplace, royalties increased in FY’06 by 4%. This year, royalties earned from trading cards was \$8.3 million. Ben Roethlisberger cards remain very strong and continue to drive sales. Rookies that had an impact this year were Carnell Williams, Alex Smith, Braylon Edwards, and Ronnie Brown. Their impact was largely felt in the early summer releases that capitalized on their status as top draft picks.

The challenge of acquiring autographs in a timely manner for product launches (i.e. pack-out) will always be an important issue. Thanks to additional staff resources, assistance from player reps and regional directors, as well as improved communication with card companies, the average autograph “pack-out” rate across all companies was 95%, up from 86% last year.

Trading Card Royalty Revenue (In Millions)



Player

Marketing

The total number of autographs confirmed by four trading card licensees, Press Pass, Playoff, Topps and Upper Deck increased by approximately 7.7% from 1.3 million to 1.4 million, despite the loss of Fleer. Payments to players for autographs, appearances and highlight deals increased from \$11.5 to \$11.6 million.

Promotions

OFFICIALLY AUTHORIZED NFL HOBBY SHOP PROGRAM

The Officially Authorized NFL Hobby Shop program is a partnership between PLAYERS INC and the NFL. The purpose of this program is to drive traffic into hobby stores and enhance sales of NFL player trading cards. Currently we have over 1500 participating stores. The flagship of the program is the NFL Player of the Day promotion. In FY'05 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'06.

NFL PLAYER OF THE DAY

Indicative of its popularity and achievement, the NFL Player of the Day promotion experienced success in its fifth year, in spite of a slight decrease in the number of participating hobby stores. Of the 631 stores that participated, 92% of the stores reported increased sales of NFL trading cards during the promotion, and 48% stated that the promotion directly helped sell an additional 250 packs or more. Ninety-nine percent 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 2005 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 Tampa Bay Buccaneers quarterback, Chris Simms.

STAY COOL IN SCHOOL

For the second year in a row and in collaboration with the NFL and YMI (Young Minds Inspired), we launched Stay Cool in School as a nationwide program in which educational tools were provided to over 30,000 schools. The program utilizes 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. This program is viewed by our licensees as a great way to put trading cards in the hands of our targeted demographic, kids. In its second year as a national program, the Stay Cool in School program reached over 2 million students.

Based on surveys conducted by YMI; 90% 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. 62% 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 three 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 in the Super Bowl host city, Detroit. Thirty players made appearances at 11 Detroit schools.

FY'07

Projections

In FY'07, we will continue to closely monitor the category. Due to a very strong rookie class, which includes Reggie Bush, Matt Leinart, and Vince Young, we are optimistic that NFL player trading card sales will be strong. We are conservatively projecting a 10% increase in royalties for FY'07.

Collectibles

Overview

Our royalties in the collectible category dropped from \$2.69 million in FY'05 to \$2.37 million in FY'06. The decline is attributed to a decrease in distribution of McFarlane figurines due to issues at retail pertaining to shelf space and product size. Premium royalties paid to players from the K2 Licensing, Photo File and Team Beans programs were \$73,000. Even with their decrease in royalties McFarlane is still our largest collectibles licensee. It is expected that FY'07 will be a recovery year for McFarlane. Their figurine product has set the standard for creativity and quality. Their NFL player products are their strongest line. This year they featured 17 active players and 6 retired players. New players included Kevin Mawae, Willie Roaf, Corey Dillon, Willis McGahee, Barry Sanders, Johnny Unitas, and Barry Sanders.

Activa Consumer Promotions, which launched 12 continuity newspaper programs/promotions, was again the hottest trend in collectibles. These programs centered on a prestigious team collectible which is sold in a series of units at retail with the purchase of a newspaper. In addition, a free album was given away through the newspaper to house each collection. Activa worked with teams, leagues, players and a newspaper partner to strategically build an extensive marketing and distribution campaign. Television, radio, newspaper and web advertisements created hot market hype and energy for the team and the player collectible. Their programs featured almost 250 different players across several different products, including medallions, pins, and stickers.

Player

Marketing

Highlight deals were facilitated with licensees Activa, McFarlane, Team Beans, Danbury Mint, Dream Media Ventures, and K2 for active and retired players totaling \$351,000.

Promotions

Several of our collectible licensees participated in website initiatives. Activa, Upper Deck, and Topps all featured a banner on

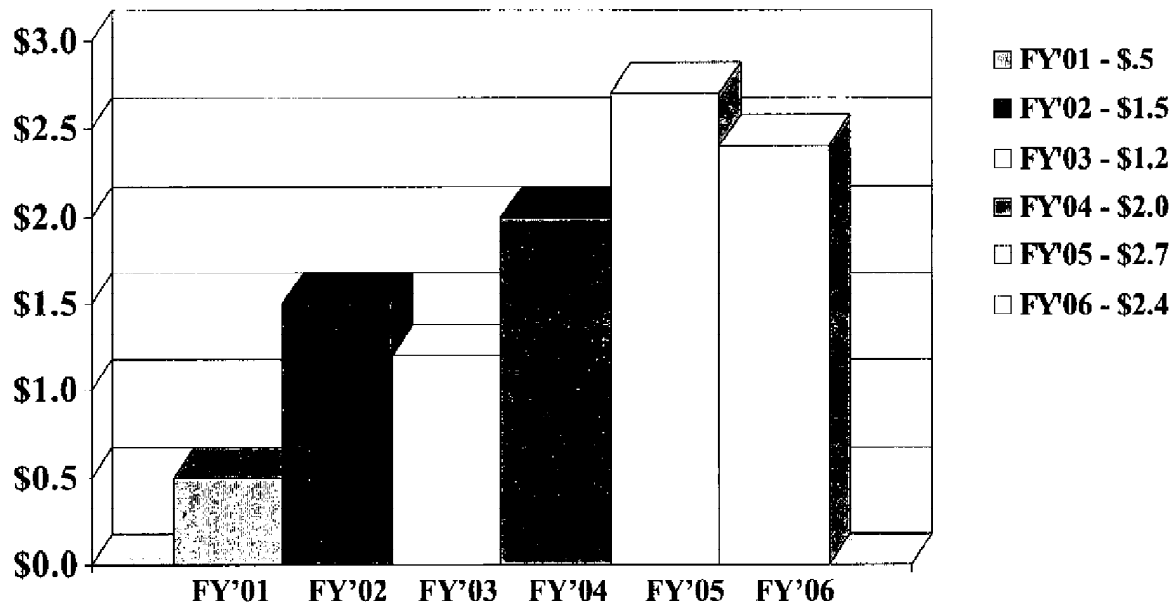
www.nflplayers.com during the NFL season. Additionally, Pro Specialties Group activated appearances at Modell's in the New England market to support the launch of their Gridiron Gladiator product. Next year we plan to activate more player appearances at retail and industry conferences in order to promote collectible NFL player products.

FY'07

Projections

The first quarter of FY'07 should be very strong due to the Pittsburgh Steelers Super Bowl victory. With that and a hot rookie class our collectible category should rebound in FY'07. Activa is projecting 14 programs in FY'07 which will feature 300 players. Additionally, we will continue to look for new licensees to manufacture high quality collectible products. We expect to see a 10% increase in collectible royalties in FY'07.

Collectibles Royalty Revenue (In Millions)



NFL Sponsorship

Overview Under the NFL Sponsorship Agreement, PLAYERS INC's minimum guarantee payment from the NFL for FY'06 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 \$20.4 million (up from \$17.6 million last year), 25% of which, or \$5.1 million, was the guaranteed minimum paid to players for their participation in NFL sponsor programs. Also, an additional \$3.3 million was funded by the NFL and paid by PLAYERS INC to players who participated in those programs, for a total of \$8.4 million (up from \$4.7 million last year).

Therefore, a total of 682 player marketing opportunities were generated by PLAYERS INC from 19 NFL sponsors totaling \$8.4 million for players, and the remainder, approximately \$15.3 million, was revenue to PLAYERS INC. A portion of that revenue will be included for the purpose of the calculation of the equal share player royalty pool.

It is clear NFL sponsors recognize the value in utilizing players in their programs. Each year since the beginning of the PLAYERS INC/NFL agreement in 2000, the number of players included in sponsor activations has increased annually, resulting in more payments, as well as positive exposure for the players and more revenues to PLAYERS INC.

In addition to the revenue generated by NFL sponsors, PLAYERS INC national exposure increased significantly through co-branding with sponsors. The PLAYERS INC logo was featured in 35 commercials this year, more than double from 2004. PLAYERS INC has been extensively featured in point-of-sale at mass, grocery, convenience, and quick service restaurants through sponsor partnerships.

Eighteen of a total 19 NFL sponsors utilized players in their marketing activations, 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'06 include:

BURGER KING

At the start of the 2005-06 NFL season, Burger King was named the Official Quick Service Restaurant of the NFL. Burger King kicked off their new sponsorship with the "NFL YOUR WAY" promotion which featured 9 NFL player images on point-of-sale and web marketing materials. Burger King also utilized 7 NFL players to appear at local Burger King restaurants in the Burger King Finger Football challenge. Jerome Bettis and Jeremy Shockey attended the national finals for the Finger Football program. Burger King also created 7 national commercials featuring game footage and the images of 18 NFL players. Burger King also sponsored PLAYERS INC LIVE at Super Bowl XL. As an extension of their fall Finger Football initiative, 25 players were featured in the Burger King Finger Football Challenge @ PLAYERS INC Live!

Player Marketing: 64 opportunities totaling \$303,750. (Includes \$101,000 in player appearances at PLAYERS INC LIVE!)

CADILLAC

For the fourth consecutive year, Cadillac was the sponsor of the Super Bowl and Pro Bowl MVP Award. At the beginning of the 2005-06 NFL season, General Motors completed their sponsorship renewal with the NFL and Cadillac has become more active with PLAYERS INC. For Super Bowl XL in Detroit, Cadillac provided PLAYERS INC with 45 brand new Cadillac DTS Sedans to be used for all NFL player transportation during Super Bowl week. Cadillac also provided 5 additional vehicles for PLAYERS INC staff usage. Cadillac also used former Super Bowl MVP's at their annual MVP press conference at Super Bowl. Terry Bradshaw, Bart Starr, Steve Young, Jim Plunkett, and Roger Staubach were all secured through PLAYERS INC. Cadillac also used retired Super Bowl MVP Troy Aikman for an appearance at the Pro Bowl.

Player Marketing: 6 opportunities totaling \$177,500.

CAMPBELL SOUP COMPANY

For the fourth year in a row, the Chunky Brand utilized Donovan McNabb, his mother Wilma McNabb and for the first time, his father Sam to endorse Chunky Soup. Again this year, Chunky filmed six commercials with 8 of Donovan's Eagles teammates which authenticated the realism of the action sequences in the commercial. The commercials featured the PLAYERS INC logo much more prominently than in years past.

Campbell Soup Company also utilized 8 other players for various internal meetings, autographs, and Super Bowl activities. Once again they held their annual "Tackling Hunger" Press Conference where they gave away one million cans of soup to charity, and included two players at the press conference to launch the program.

Player Marketing: 17 opportunities totaling \$549,900.

CANON

Canon has become more active in utilizing players to communicate their NFL sponsorship to consumers. They produced a point-of-sale piece that featured 5 players and was displayed in camera retail stores throughout the country. They also produced a Sunday insert that featured players as well. During Super Bowl weekend, Canon provided camera and photo printing equipment, staff and printing materials for PLAYERS INC LIVE!. In exchange for their participation, we provided one player appearance for them at the Punt Pass and Kick Clinic at the NFL Experience.

Player Marketing: 15 opportunities totaling \$81,000.

COORS

During the 2005 season, Coors partnered with PLAYERS INC and the Search Institute to create the MVPParents.com initiative. This program helps promote responsible parenting.

Coors enlisted the help of former players Marcus Allen, Troy Aikman, John Elway and Barry Sanders to be featured in a commercial spot where these players cheered on "Bob", a father who takes time to care and be a responsible parent to his children. This partnership was announced at the annual Coors Convention where they also hosted several players for appearances. During this year, Coors utilized more than double the number of players from last year.

Player Marketing: 24 opportunities totaling \$530,500.

DMI (DAIRY MANAGEMENT INCORPORATED)

In 2005, DMI centered their NFL sponsorship on promoting healthy and active lifestyles in school children by including three servings of dairy in their daily diet. They added 17 players as regional endorsers to their 13 from last year. Each of the endorsements utilized the players' images on a school poster distributed to over 300,000 schools and included school appearances. One player was featured throughout as their national 3-A-Day Dairy spokesperson.

DMI utilized 18 players for appearances during Super Bowl Week and 1 player during Pro Bowl Week.

Player Marketing: 48 opportunities totaling \$517,550.

FEDEX

The 2005 season marked the third 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 Carson Palmer, Peyton Manning, Tom Brady, Shaun Alexander, Tiki Barber and LaDainian Tomlinson. The "air" winner was Carson Palmer, and the "ground" winner was Shaun Alexander. More than 1.5 million fans voted during the regular and post season.

FedEx also hosted 11 "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 350 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. Although the number of players utilized was less this season, the spending on players increased by 68%.

Player Marketing: 57 opportunities totaling \$1,155,000.