



Brooklyn Arena/Nets Financial Projections

October 10, 2006
Nets Income Statement Detail

\$ in thousands

	Period							
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
Income Statement								
Revenues								
Full Season Ticket Sales	\$24,968	\$30,799	\$34,299	\$34,899	\$35,512	\$54,425	\$56,329	\$58,301
Partial Plan Ticket Sales	2,368	4,619	4,843	5,085	5,339	14,282	14,782	15,799
Single Game Ticket Sales	7,216	7,043	7,254	7,472	7,696	5,161	5,342	5,529
Group Ticket Sales	2,297	2,830	3,466	3,638	3,818	3,556	3,680	3,809
Ticket Surcharge Revenue					0	1,427	1,427	1,427
High School Tournament Revenues	44	15	15	15	15	15	15	15
Gross Ticket Revenue	\$36,893	\$45,306	\$49,876	\$51,108	\$52,380	\$78,865	\$81,574	\$84,379
Sales Tax (Reg. Season)	(\$2,086)	(\$2,565)	(\$2,823)	(\$2,893)	(\$2,965)	(\$5,984)	(\$6,194)	(\$6,410)
Rent (Regular Season)	(1,319)	(1,819)	(1,902)	(1,960)	(2,020)	-	-	-
NBA Gate Receipts Fees (Reg. Season)	(2,009)	(2,458)	(2,711)	(2,774)	(2,840)	(4,063)	(4,205)	(4,351)
Ticket Surcharge Payment to Arena					0	(1,427)	(1,427)	(1,427)
High School Tournament Hosting Fees	(77)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
Net Ticket Sales	\$31,403	\$38,450	\$42,426	\$43,466	\$44,540	\$67,376	\$69,734	\$72,175
Television Revenues Net	28,007	28,599	29,898	30,534	32,051	33,557	35,134	36,786
Concessions & Novelties	1,715	1,803	2,068	2,105	2,154	6,268	6,458	6,650
Continental Arena Revenues	3,968	4,467	4,252	4,296	4,352	-	-	-
Other Revenues	10,791	17,355	15,137	21,085	22,864	22,605	23,400	24,226
Net Playoff Revenue	905	2,461	2,781	2,781	2,795	4,451	4,696	4,950
Total Revenues	\$76,789	\$93,133	\$100,561	\$104,269	\$108,755	\$134,256	\$139,420	\$144,787
Expenses								
Player Costs (Salaries, Tax/Esrow, Others)	\$41,301	\$57,211	\$66,280	\$68,664	\$71,384	\$72,682	\$74,764	\$78,971
Other Expenses								
Team Costs - Regular Season	11,516	11,271	11,835	12,426	13,048	13,439	13,842	14,257
Team Costs - Pre Season	154	226	226	226	233	240	247	254
Basketball Administration	7,114	9,315	9,920	10,664	11,197	11,736	12,088	12,450
Scouting	1,369	669	689	710	731	753	776	799
Marketing & Sponsor Programs	6,156	8,442	8,675	8,914	9,182	9,457	9,741	10,033
Sales	2,235	4,386	4,507	4,631	4,770	4,913	5,060	5,212
Public Relations	566	547	562	578	595	613	631	650
Ticketing	1,311	1,427	1,466	1,506	1,552	1,598	1,646	1,695
Broadcast	951	1,391	1,429	1,468	1,512	1,558	1,604	1,653
General & Administrative	9,044	10,486	9,824	9,836	10,131	10,435	10,748	11,071
Systems	180	318	327	336	346	354	367	378
Total Other Expenses	\$40,595	\$48,478	\$49,459	\$51,296	\$53,296	\$55,098	\$56,751	\$58,453
Total Expenses	\$81,896	\$105,690	\$115,739	\$119,960	\$124,681	\$127,779	\$131,514	\$137,424
Earnings (before Interest Expense)	(\$5,107)	(\$12,556)	(\$15,178)	(\$15,691)	(\$15,926)	\$6,477	\$7,906	\$7,363
Interest Expense (Income)								
Interest Expense (JP Morgan Facilities)	6,376	3,817	-	-	-	-	-	-
Interest Expense (Fortress Loan)	-	5,062	6,707	6,856	-	-	-	-
Interest Expense (NBA League wide Facility)	-	2,257	4,514	4,514	4,514	4,514	4,514	4,514
Interest Expense (New Bank Loan)	-	1,121	4,006	5,647	9,629	9,647	9,658	9,658
Preferred Security B1 Interest	2,453	3,720	3,906	3,900	3,900	-	-	-
Preferred Security B2 Interest	2,335	2,672	2,672	2,672	2,672	-	-	-
Interest Income (Cash)	(14)	(35)	(43)	(45)	(48)	(48)	(48)	(48)
Interest Income (Investor Notes)		(1,050)	(700)	(350)				
Total Interest Expense (Income)	11,051	17,565	21,056	23,194	20,667	14,113	14,124	14,124
Income/(Loss) From Operations	(\$16,158)	(\$30,121)	(\$36,234)	(\$38,884)	(\$36,593)	(\$7,636)	(\$6,218)	(\$6,761)

October 10, 2006
Nets Income Statement Detail

\$ in thousands
Cash Flow

	Projected							
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Income/(Loss) From Operations	(516,158)	(530,121)	(534,234)	(538,884)	(536,593)	(57,636)	(56,218)	(56,761)
Non-Recurring Income/(Expenses)								
Non-Active Player Salaries	(536)	-	-	-	-	-	-	-
Indemnity Insurance Premium	(2,650)	(2,885)	(2,900)	(2,900)	(2,900)	-	-	-
Change In Operating Assets and Liabilities								
Receivables	(700)	14,977	7,050	(1,199)	(379)	(607)	(28)	593
Change in Equity Income from NBA related entities	(1,510)	(221)	(259)	(272)	(286)	(147)	(315)	(331)
Deferred Costs	163	-	-	-	-	-	-	-
Accounts Payable and Accrued Expenses	(4,185)	890	26	26	27	28	29	30
Deferred Compensation	(100)	(500)	(500)	(503)	-	-	-	-
Other Liabilities	2,983	-	-	-	-	-	-	-
Accrued Salaries (Players)	(21,494)	(7,764)	(5,427)	(1,609)	-	-	-	-
Ticket Deposits	7,689	-	-	-	145	601	622	644
Advanced Suite Sales	-	-	-	-	8,955	269	277	285
Advanced Sponsorship Sales	-	-	-	-	9,182	275	284	292
PSUs	-	-	-	10,000	10,000	-	-	-
Total Change In Operating Assets and Liabilities	(17,254)	(12,608)	890	6,244	27,644	219	869	1,513
Capital Expenditures	(750)	(475)	(100)	(103)	(106)	(109)	(113)	(116)
Income from AVP Tour	-	-	-	100	250	350	500	515
Total Change in Equity Income, Assets, Liabilities, and Cap Ex.	(21,390)	(15,948)	(2,110)	3,341	24,888	460	1,256	1,912
Brooklyn Basketball LLC Cash Flow/(Loss)	(537,547)	(546,088)	(538,345)	(535,544)	(511,705)	(57,176)	(54,961)	(54,850)

October 10, 2006
Nets Income Statement Detail

\$ in thousands

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Brooklyn Basketball LLC Cash Flow/(Loss)	(\$37,547)	(\$44,088)	(\$38,345)	(\$35,544)	(\$11,705)	(\$7,176)	(\$4,961)	(\$4,850)
Funding of Cash Flow/(Losses)								
Cash Account	148	5,776	22,000	35,544	11,705	6,885	4,961	4,850
Revolver	37,399	40,312	16,345	-	-	291	-	-
Brooklyn Arena Cash Flow						8,105	11,640	13,410
Total	37,547	46,088	38,345	35,544	11,705	15,281	16,601	18,259
Capital Required								
Cash Account								
Cash - Beginning Balance	768	1,002	1,000	1,000	1,000	\$1,000	\$1,000	\$1,000
Equity Committed at Close	-	7,000	7,000	7,000	-	-	-	-
Equity from Capital Call	382	-	15,000	29,000	12,000	-	-	-
Cash from Fortress (after revolver pay down and payment of affiliate adv.)	-	775	-	-	-	-	-	-
Revolver Drawdown / (Payments)	37,399	38,312	16,345	(456)	(295)	291	-	-
Nets Franchise Operating Cash Flow / (Loss)	(37,547)	(46,088)	(38,345)	(35,544)	(11,705)	(7,176)	(4,961)	(4,850)
Cash - Ending Balance	1,002	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Outstanding Credit Facilities								
JP Morgan Revolver (\$70 mm total availability)								
Beginning Balance	23,600	66,000	-	-	-	-	-	-
Draw	37,399	2,000	-	-	-	-	-	-
Pay down from Fortress Loan	-	(52,000)	-	-	-	-	-	-
Revolver Draw Post-Fortress	-	5,000	-	-	-	-	-	-
Pay down from New Revolver	-	(16,000)	-	-	-	-	-	-
Ending Balance	61,000	5,000	-	-	-	-	-	-
Availability Under Revolver	9,000	-	-	-	-	-	-	-
JP Morgan Secured Term Facility (Ending balance)	30,000	-	-	-	-	-	-	-
JP Morgan Unsecured Term Facility (Ending Balance)	50,000	-	-	-	-	-	-	-
Fortress Loan (Ending Balance)	-	59,618	59,618	59,618	-	-	-	-
NBA League wide Facility (Ending Balance)	-	85,000	85,000	85,000	85,000	85,000	85,000	85,000
New Bank Loan - Revolver Portion (\$65/40 mm availability)								
Beginning Balance	-	-	48,616	64,960	39,504	39,709	40,000	40,000
Draw JFM Revolver Payoff	16,000	-	-	-	-	-	-	-
Closing Costs	-	1,304	-	-	500	-	-	-
Proceeds from NBA League wide Facility	-	(5,000)	-	-	-	-	-	-
Draw (Operating Losses)	-	16,312	16,345	-	-	291	-	-
Draw Distributions	-	-	-	-	-	-	-	-
Revolver Paydown from Cash	-	(2,000)	-	(456)	(295)	-	-	-
Term-out portion	-	-	-	(25,000)	-	-	-	-
Ending Balance	-	48,616	64,960	39,504	39,709	40,000	40,000	40,000
Availability Under Revolver	-	16,384	40	496	291	-	-	-
New Bank Loan - Term Portion	-	-	-	25,000	84,618	84,618	84,618	84,618
Total Credit Facility End Balance	141,000	198,234	209,579	209,123	209,327	209,618	209,618	209,618
Total Availability Under Credit Facilities	9,000	16,384	40	496	291	-	-	-
Total Cash & Credit Available								
Cash Ending Balance After Operating Losses	1,002	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Availability under Credit Facilities	9,000	16,384	40	496	291	-	-	-
Total	10,002	17,384	1,040	1,496	1,291	1,000	1,000	1,000

October 10, 2006
Nets Income Statement Detail

\$ in thousands

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
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Gross Ticket Revenue

Regular and Pre-Season

	41	41	41	41	41	41	41	41
Number of Regular Season Games								
Paid Attendance (Regular Season)								
Full Season Ticket Attendance / Season	165,604	221,195	234,038	240,089	246,535	256,234	256,234	256,234
Partial Plan Ticket Attendance / Season	37,298	83,148	85,642	88,212	90,858	128,659	128,659	128,659
Single Game Ticket Attendance / Season	150,675	185,442	191,005	196,735	202,637	117,750	117,750	117,750
Group Ticket Attendance / Season	87,752	115,510	118,975	122,545	126,221	63,989	63,989	63,989
Total Paid Attendance (Regular Season)	441,529	605,295	629,661	647,581	666,251	566,632	566,632	566,632
Full Season Average Ticket Price	\$141.09	\$130.19	\$137.58	\$136.17	\$134.65	\$197.92	\$204.85	\$212.02
Partial Plan Average Ticket Price	\$63.49	\$55.51	\$56.55	\$57.64	\$58.76	\$111.00	\$114.89	\$118.91
Single Game Average Ticket Price	\$47.51	\$37.65	\$37.65	\$37.64	\$37.63	\$42.28	\$43.76	\$45.29
Group Ticket Average Ticket Price	\$26.14	\$24.35	\$28.98	\$29.53	\$30.09	\$55.16	\$57.10	\$59.09
Blended Average Ticket Price	\$79.75	\$71.39	\$75.72	\$75.34	\$74.98	\$129.72	\$134.26	\$138.94
Full Season Ticket Revenue	\$23,394	\$28,798	\$32,198	\$32,693	\$33,195	\$50,714	\$52,489	\$54,326
Partial Plan Ticket Revenue	2,368	4,616	4,843	5,085	5,339	14,282	14,782	15,299
Single Game Ticket Revenue	7,199	6,982	7,190	7,405	7,626	4,979	5,153	5,333
Group Ticket Revenue	2,294	2,813	3,448	3,619	3,799	3,530	3,653	3,781
Total Gross Regular Season Ticket Revenue	\$35,214	\$43,209	\$47,679	\$48,802	\$49,959	\$73,504	\$76,077	\$78,740

Pre Season

	3	3	3	3	3	3	3	3
Number of Pre Season Games								
Paid Attendance								
Full Season Ticket Attendance	10,761	15,162	19,050	19,621	20,210	18,749	18,749	18,749
Partial Plan Ticket Attendance	0	0	0	0	0	0	0	0
Single Game Ticket Attendance	1,534	1,296	1,628	1,677	1,727	4,308	4,308	4,308
Group Ticket Attendance	172	1,031	1,295	1,334	1,374	468	468	468
Total Paid Attendance	12,467	17,489	21,973	22,633	23,312	23,525	23,525	23,525
Full Season Average Ticket Price	\$146.30	\$131.97	\$110.29	\$112.43	\$114.62	\$197.92	\$204.85	\$212.02
Partial Plan Average Ticket Price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$111.00	\$114.89	\$118.91
Single Game Average Ticket Price	\$37.02	\$46.84	\$39.14	\$39.90	\$40.68	\$42.28	\$43.76	\$45.29
Group Ticket Average Ticket Price	\$20.29	\$16.35	\$13.67	\$13.93	\$14.20	\$55.16	\$57.10	\$59.09
Blended Average Ticket Price	\$131.11	\$119.06	\$99.32	\$101.25	\$103.22	\$166.58	\$172.41	\$178.44
Full Season Ticket Revenue	\$1,574	\$2,001	\$2,101	\$2,206	\$2,316	\$3,711	\$3,841	\$3,975
Partial Plan Ticket Revenue	-	4	-	-	-	50	50	50
Single Game Ticket Revenue	57	61	64	67	70	\$182	\$189	\$195
Group Ticket Revenue	3	17	18	19	20	\$26	\$27	\$28
Total Gross Pre Season Ticket Revenue	\$1,635	\$2,082	\$2,182	\$2,292	\$2,406	\$3,919	\$4,056	\$4,198
High School Tournament Revenues	44	15	15	15	15	15	15	15
Total Gross Ticket Revenue	\$34,193	\$45,306	\$49,876	\$51,108	\$52,380	\$77,438	\$80,148	\$82,952

October 10, 2006
Nets Income Statement Detail

\$ in thousands

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Non-Premium Paid Attendance (Regular & Pre Season)								
Regular Season								
Full Season Ticket Paid Attendance								
Renewals	3,360	3,328	5,125	5,423	5,563	-	5,625	5,625
New Full Season Ticket Sales	484	1,290	583	433	450	6,250	625	625
Upgrades / Referrals		399						
New & Renewal Investor Related S		98						
Sponsor Full Seasons - New & Renew		766						
Hollywood Seats		14						
Total Full Season Ticket Paid Attendance	4,044	5,395	5,708	5,856	6,013	6,250	6,250	6,250
Partial Plan Ticket Paid Attendance								
Half Season FSE		1,154						
Mini Plan FSE - NY Sales		874						
Total Partial Plan Ticket Paid Attendance	910	2,028	2,089	2,152	2,216	3,138	3,138	3,138
Single Game Ticket Paid Attendance								
McDonalds FSE		222						
High School Rewards FSE & Other HS		1,829						
Individuals / TH FSE		2,471						
Total Single Game Ticket Paid Attendance	3,675	4,523	4,659	4,798	4,942	2,872	2,872	2,872
Group Ticket Paid Attendance								
Renewals								
New Ticket Sales								
Total Group Ticket Paid Attendance	2,140	2,817	2,902	2,989	3,079	1,561	1,561	1,561
Total Regular Season Paid Attendance	10,769	14,743	15,358	15,795	16,250	13,820	13,820	13,820
Pre Season								
Pre Season Ticket Sales /Game								
Full Season Ticket Sales / Game	3,587	5,054	6,350	6,540	6,737	6,250	6,250	6,250
Partial Plan Ticket Sales / Game	0	0	0	0	0	-	-	-
Single Game Ticket Sales / Game	511	432	543	559	576	1,436	1,436	1,436
Group Ticket Sales / Game	57	344	432	445	458	156	156	156
Total Pre Season Ticket Sales / Game	4,156	5,830	7,324	7,544	7,771	7,842	7,842	7,842

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	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
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Turnstile Attendance

Regular Season Turnstile per Game	13,300	15,471	16,065	16,370	16,752	14,996	14,996	14,996
# of Games	41	41	41	41	41	41	41	41
Total Regular Season Turnstile Attendance	545,317	634,320	659,471	671,188	686,833	614,845	614,845	614,845
Total Pre-Season Turnstile Per Game	5,842	7,863	8,473	8,638	8,808	8,590	8,590	8,590
# of Games	3	3	3	3	3	3	3	3
Total Pre-Season Turnstile Attendance	17,526	23,588	25,420	25,915	26,424	25,770	25,770	25,770
Total Turnstile Attendance (Regular and Pre-Season)	562,843	657,909	684,892	697,103	713,257	640,615	640,615	640,615

Ticket Surcharge Detail (Non-Suite & Loge Boxes)

<u>Nets Regular Season Paid Attendance</u>			
Full Season		256,234	256,234
Partial		128,659	128,659
Single Game		117,750	117,750
Group		63,889	63,889
Total Regular Season Paid Attendance		566,632	566,632
<u>Nets Playoffs Paid Attendance</u>			
Full Season		31,248	31,248
Partial		15,690	15,690
Single Game		14,360	14,360
Group		7,804	7,804
Total Playoff Paid Attendance		69,101	69,101
Ticket Surcharge		\$2.50	\$2.50
Total Ticket Surcharge - Gross		1,589	1,589
Less: NBA Gate Fees - Regular Season (6%)		(85.0)	(85.0)
Less: NBA Gate Fees - Playoffs (65%)		(77.7)	(77.7)
Total Ticket Surcharge - Net		1,427	1,427
Ticket Surcharge Payment to Arena		(1,427)	(1,427)
Net Ticket Surcharge Revenue to Team		0	0

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Nets Income Statement Detail

\$ in thousands

Net Ticket Sales

Taxable Revenue

Gross Regular Season Non-Premium Ticket Revenue	\$36,893	\$45,306	\$49,876	\$51,108	\$52,380	\$78,865	\$81,574	\$84,379
Ticket Surcharge Revenue	-	-	-	-	-	(1,427)	(1,427)	(1,427)
Total Taxable Revenue	\$36,893	\$45,306	\$49,876	\$51,108	\$52,380	\$77,438	\$80,148	\$82,952
Total Sales Tax	(2,086)	(2,565)	(2,823)	(2,893)	(2,965)	(5,984)	(6,194)	(6,410)
Rent								
Gross Ticket Sales (less Surcharge)	36,893	45,306	49,876	51,108	52,380	77,438	80,148	82,952
Less: High School Tournament	(441)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
Total Sales Tax	(2,086)	(2,565)	(2,823)	(2,893)	(2,965)	(5,984)	(6,194)	(6,410)
Gross Nets Revenue	\$4,360	\$12,609	\$16,913	\$15,985	\$16,435	\$15,474	\$17,725	\$19,912
Tier I - 2% up to \$30MM	(600)	(600)	(600)	(600)	(600)	-	-	-
Tier II - 5500,000 between \$30MM-\$31MM	(500)	(500)	(500)	(500)	(500)	-	-	-
Tier III - 5% above \$31MM	(188)	(586)	(802)	(860)	(920)	-	-	-
Subtotal	(1,288)	(1,686)	(1,902)	(1,960)	(2,020)	-	-	-
Comp Tix Expense	(133)	(133)	(133)	(133)	(133)	-	-	-
Total Rent Expense	(\$1,319)	(\$1,819)	(\$1,902)	(\$1,960)	(\$2,020)	\$0	\$0	\$0
NBA Gate Fee								
Regular Season Ticket Revenues	35,214	43,209	47,679	48,802	49,959	73,504	76,077	78,740
Sales Tax	(1,993)	(2,446)	(2,699)	(2,762)	(2,828)	(5,984)	(6,194)	(6,410)
Gross Nets Regular Season Ticket Revenue	\$33,221	\$40,763	\$44,980	\$46,039	\$47,131	\$67,520	\$69,883	\$72,329
NBA Fees (6% of Regular Season Ticket Revenues)	(1,993)	(2,446)	(2,699)	(2,762)	(2,828)	(4,051)	(4,193)	(4,340)
NBA Fees (\$4,000 per game)	(16)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Total NBA Gate Fees	(2,009)	(2,458)	(2,711)	(2,774)	(2,840)	(4,063)	(4,205)	(4,352)
High School Tournament Hosting Fees	(77)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
Ticket Surcharge Payment to Arena	0	0	0	0	0	(1,427)	(1,427)	(1,427)
Net Ticket Revenue	\$31,403	\$38,450	\$42,426	\$43,466	\$44,540	\$67,376	\$69,734	\$71,175

Television Revenue

Net National Television Revenue	19,739	20,000	20,955	21,236	22,379	23,498	24,672	25,906
Local Cable TV	8,268	8,598	8,942	9,300	9,672	10,059	10,461	10,880
Total Television Revenue	\$28,007	\$28,599	\$29,898	\$30,536	\$32,051	\$33,557	\$35,134	\$36,786

October 10, 2006
Nets Income Statement Detail

\$ In thousands

Concessions & Novelties

Concessions - (Non-Suite & Logo Boxes)									
Total Turnstile Attendance (Regular and Pre Season)	562,843	657,909	684,892	697,103	713,257	561,501	561,501	561,501	
Per capita Concessions	\$1.04	\$2.74	\$3.02	\$3.02	\$3.02	\$21.22	\$21.85	\$22.51	
Total Concessions - Gross	\$1,715	\$1,803	\$2,068	\$2,105	\$2,154	\$11,914	\$12,271	\$12,639	
Less: Sales Taxes					\$0	(\$921)	(\$948)	(\$977)	
Total Concessions - Net (Non-Suite & Logo Boxes)	\$1,715	\$1,803	\$2,068	\$2,105	\$2,154	\$10,993	\$11,323	\$11,663	
Team Share of Concession Revenue (Remainder to Concessionaire)					0%	45%	45%	45%	
Net Concession Revenue (Non-Suite & Logo Boxes)	\$1,715	\$1,803	\$2,068	\$2,105	\$2,154	\$4,947	\$5,095	\$5,248	
Concessions - (Suite & Logo Boxes)									
Total Turnstile Attendance (Regular and Pre Season)						79,114	79,114	79,114	
Per capita Concessions						\$63.65	\$65.56	\$67.53	
Total Concessions - Gross						\$5,036	\$5,187	\$5,343	
Less: Sales Taxes						(\$389)	(\$401)	(\$413)	
Total Concessions - Net (Suite & Logo Boxes)						\$4,647	\$4,786	\$4,930	
Team Share of Concession Revenue (Remainder to Concessionaire)						20%	20%	20%	
Net Concession Revenue (Suites & Logo Boxes)						\$929	\$957	\$986	
Total Net Concession Revenue	\$1,715	\$1,803	\$2,068	\$2,105	\$2,154	\$5,876	\$6,053	\$6,234	
Novelties - (Non-Suite & Logo Boxes)									
Total Turnstile Attendance (Regular and Pre Season)						561,501	561,501	561,501	
Per capita Novelties						\$2.65	\$2.73	\$2.81	
Total Novelties - Gross						\$1,489	\$1,534	\$1,580	
Less: Sales Taxes						(\$113)	(\$119)	(\$122)	
Total Novelties - Net (Non-Suite & Logo Boxes)						\$1,376	\$1,415	\$1,458	
Team Share of Novelty Revenue (Remainder to Concessionaire)						25%	25%	25%	
Net Novelty Revenue (Non-Suite & Logo Boxes)						\$344	\$354	\$364	
Novelties - (Suite & Logo Boxes)									
Total Turnstile Attendance (Regular and Pre Season)						79,114	79,114	79,114	
Per capita Novelties						\$2.65	\$2.73	\$2.81	
Total Novelties - Gross						\$210	\$216	\$223	
Less: Sales Taxes						(\$16)	(\$17)	(\$17)	
Total Novelties - Net (Suite & Logo Boxes)						\$194	\$199	\$206	
Team Share of Novelty Revenue (Remainder to Concessionaire)						25%	25%	25%	
Net Novelty Revenue (Suites & Logo Boxes)						\$48	\$50	\$51	
Total Novelties						\$0	\$392	\$404	\$416
Total Concessions & Novelties	\$1,715	\$1,803	\$2,068	\$2,105	\$2,154	\$6,268	\$6,456	\$6,650	

October 10, 2006
Nets Income Statement Detail

\$ in thousands

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
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Continental Arena Revenues

Parking								
Total Turnstile Attendance (Regular and Pre Season)	567,843	657,909	684,892	697,103	713,257	-	-	-
Per capita Parking	\$3.01	\$2.72	\$2.72	\$2.72	\$2.72	-	-	-
Total Parking	\$1,704	\$1,793	\$1,866	\$1,900	\$1,944	-	-	-
Winner's Club								
Office Rent Allowance	363	363	363	363	363	-	-	-
Sales	150	150	150	150	150	-	-	-
	1,397	1,600	1,300	1,500	1,500	-	-	-
Ticket Sales Related								
Exhibition Game Fees	\$225	\$232	\$239	246	\$253	-	-	-
Ticketmaster Sales Rebate	129	130	134	138	142	-	-	-
Total Ticket Sales Related Revenues	\$354	\$362	\$373	\$384	\$395	-	-	-
Total Arena Revenues	\$3,968	\$4,447	\$4,252	\$4,296	\$4,352	-	-	-
Other Revenues								
NBA Revenues	\$5,114	\$5,335	\$5,594	\$5,866	\$6,152	\$6,299	\$6,613	\$6,944
Sponsorship Revenues	\$5,428	\$11,734	\$13,257	\$14,933	\$16,426	\$16,021	\$16,501	\$16,986
Other								
Misc.	\$297	\$262	\$262	\$262	\$262	\$262	\$262	\$262
Interest Income	\$24	24	24	24	24	24	24	24
Nets Den Revenue	(71)	-	-	-	-	-	-	-
Total Other Revenues	\$250	\$286	\$286	\$286	\$286	\$286	\$286	\$286
Total Other Revenue	\$10,791	\$17,355	\$19,137	\$21,005	\$22,864	\$22,605	\$23,400	\$24,226

October 10, 2006
Nets Income Statement Detail

\$ in thousands



Total Playoff Revenues

Gross Playoff Ticket Sales

Number of Games	2	5	5	5	5	5	5	5
Paid Attendance / Game								
Full Season Ticket Attendance / Game	5,703	11,249	11,249	11,249	11,249			
Partial Plan Ticket Attendance / Game	-	-	-	-	-			
Single Game Ticket Attendance / Game	11,205	4,209	4,209	4,209	4,209			
Group Ticket Attendance / Game	982	1,000	1,000	1,000	1,000			
Total Paid Attendance	17,890	16,458	16,458	16,458	16,458	13,820	13,820	13,820
Growth		-8.0%	0.0%	0.0%				

Total Paid Attendance

Full Season Ticket Attendance / Game	11,406	56,243	56,243	56,243	56,243			
Partial Plan Ticket Attendance / Game	-	-	-	-	-			
Single Game Ticket Attendance / Game	22,409	21,045	21,045	21,045	21,045			
Group Ticket Attendance / Game	1,964	5,000	5,000	5,000	5,000			
Total Paid Attendance	35,779	82,288	82,288	82,288	82,288	69,101	69,101	69,101
Growth		130.0%	0.0%	0.0%				

Blended Average Ticket Price	\$74.97	\$82.46	\$90.71	\$90.71	\$90.71	\$149.18	\$154.40	\$159.80
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Growth								
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Total Gross Playoff Ticket Revenue	\$2,682	\$4,786	\$7,464	\$7,464	\$7,464	\$10,309	\$10,669	\$11,043
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Growth								
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Less: NBA Gate Fee	(1,139)	(2,881)	(3,169)	(3,169)	(3,169)	(4,280)	(4,430)	(4,585)
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Less: Sales Tax	(152)	(364)	(423)	(423)	(423)	(797)	(825)	(853)
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Less: NJSEA Rent Payments	(127)	(320)	(352)	(352)	(352)			
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Add: Odd Game Gate Receipts								
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Net Ticket Sales	\$1,265	\$3,201	\$3,521	\$3,521	\$3,521	\$5,232	\$5,415	\$5,604
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Local TV Revenue	50	50	50	50	50	50	50	50
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Concessions & Novelties	136	340	340	340	340	854	880	906
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Parking	127	318	318	318	318			
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Promotional Revenue	92	462	462	462	476	1,000	1,050	1,102
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Arena Winner's Club	100	250	250	250	250			
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Misc.	22	55	55	55	55			
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Total Other Revenue	\$477	\$1,425	\$1,425	\$1,425	\$1,439	\$1,854	\$1,930	\$2,009
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Total Playoff Revenues	\$1,742	\$4,626	\$4,946	\$4,946	\$4,960	\$7,086	\$7,345	\$7,613
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Net Playoff Revenues

Playoff Expenses

Total Playoff Revenues	\$1,742	\$4,626	\$4,946	\$4,946	\$4,960	\$7,086	\$7,345	\$7,613
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Bonus Payment	(5127)	(5418)	(5418)	(5418)	(5418)	(5418)	(5418)	(5418)
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TiE	(5151)	(5378)	(5378)	(5378)	(5378)	(5378)	(5378)	(5378)
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Advertising	(5217)	(5543)	(5543)	(5543)	(5543)	(5543)	(5543)	(5543)
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Broadcast Costs	(533)	(583)	(583)	(583)	(583)	(583)	(583)	(583)
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Credit Card/Ticket Processing Charges	(5102)	(5255)	(5255)	(5255)	(5255)	(5255)	(5255)	(5255)
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Other Expenses	(5196)	(5490)	(5490)	(5490)	(5490)	(5490)	(5490)	(5490)
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Arena Expenses					50	(5470)	(5484)	(5458)
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Total Playoff Expenses	(5826)	(52,165)	(52,165)	(52,165)	(52,165)	(52,635)	(52,649)	(52,663)
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Net Playoff Revenues	\$905	\$2,461	\$2,781	\$2,781	\$2,795	\$4,451	\$4,696	\$4,950
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October 10, 2006
Nets Income Statement Detail

\$ in thousands

Team Costs - Regular Season

Salaries	0	0	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0	0	0
Benefits	5,613	7,368	7,736	8,123	8,529	8,785	9,049	9,320
Office Expense	73	19	20	21	22	23	23	24
Rent/Utilities	16	11	12	12	13	13	14	14
Travel & Entertainment	3,644	3,295	3,460	3,633	3,814	3,929	4,047	4,168
Supplies	152	155	163	171	179	185	190	196
Marketing	5	5	5	6	6	6	6	8
Services	150	63	66	69	73	75	77	80
Licenses	1,861	350	368	386	405	417	430	443
Insurance	0	1	1	1	1	1	1	1
Other Expenses	0	4	4	4	5	5	5	5
Total Team Costs - Regular Season	\$11,516	\$11,271	\$11,835	\$12,426	\$13,048	\$13,439	\$13,842	\$14,257
Team Costs - Pre Season	514	226	226	226	523	524	527	524
Total Team Costs	\$11,670	\$11,497	\$12,061	\$12,652	\$13,280	\$13,679	\$14,089	\$14,512

Basketball Administration ¹

GM & Coaches								
Salaries		\$8,424	\$8,972	\$9,645	\$10,127	\$10,633	\$10,952	\$11,281
Imputed Interest Adjustment								
Staff								
Training & Equipment		493	525	564	592	610	628	647
Admin.		256	272	293	307	316	326	336
Game Night		18	19	21	22	22	23	24
Car Allowance		49	52	56	59	61	63	65
Bonus		75	80	86	90	93	96	99
Total - Accrual Basis	\$7,114	\$9,315	\$9,920	\$10,664	\$11,197	\$11,736	\$12,088	\$12,450
Less: Imputed Interest Adjustment	600	-	-	-	-	-	-	-
Less: Accrual of Deferred Comp.	(1,000)	-	-	-	-	-	-	-
Total Payroll	\$6,714	\$9,315	\$9,920	\$10,664	\$11,197	\$11,736	\$12,088	\$12,450

Notes:

1. Basketball Admin. is entirely Salaries, Commissions, Bonuses, and Car Allowances.

Scouting

Salaries	595	530	539	529	539	539	559	530
Payroll taxes	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Office Expense	31	4	4	4	4	5	5	5
Rent/Utilities	6	3	3	3	3	3	3	4
Travel & Entertainment	272	276	284	293	302	311	310	330
Supplies	1	1	1	1	1	1	1	1
Marketing	-	-	-	-	-	-	-	-
Services	64	75	77	80	82	84	87	90
Licenses & Fees	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
Total Scouting Costs	\$1,369	\$669	\$689	\$710	\$731	\$753	\$776	\$799

Marketing & Sponsorship

Salaries	\$1,642	\$2,748	\$2,830	\$2,915	\$3,002	\$3,092	\$3,185	\$3,281
Payroll taxes	-	-	-	-	-	-	-	0
Benefits	39	203	209	214	221	227	234	241
Office Expense	279	56	58	59	61	63	65	67
Rent/Utilities	7	7	7	7	7	7	7	8
Travel & Entertainment	360	321	329	338	348	358	369	380
Supplies	81	59	61	62	64	66	68	70
Marketing	2,494	2,281	2,341	2,403	2,475	2,549	2,626	2,704
Services	702	1,085	1,114	1,143	1,177	1,213	1,249	1,287
Licenses & Fees	9	19	20	20	21	21	22	23
Insurance	-	-	-	-	-	-	-	0
Other Expenses	545	1,694	1,708	1,753	1,806	1,860	1,916	1,973
Total Marketing & Sponsorship	\$6,156	\$8,442	\$8,675	\$8,914	\$9,182	\$9,457	\$9,741	\$10,033

Sales

Salaries	\$1,704	\$2,562	\$2,660	\$2,739	\$2,822	\$2,906	\$2,993	\$3,083
Payroll taxes	-	-	-	-	-	-	-	0
Benefits	4	236	242	246	255	263	271	279
Office Expenses	26	19	30	30	31	32	33	34
Rent/Utilities	1	8	8	8	8	9	9	9
Travel & Entertainment	258	65	66	68	70	72	74	76
Supplies	3	4	4	4	4	4	4	4
Marketing	209	860	881	902	929	957	985	1,015
Services	31	10	10	10	11	11	11	12
Licenses & Fees	-	-	-	-	-	-	-	0
Insurance	-	-	-	-	-	-	-	0
Other Expenses	-	593	607	621	640	659	679	699
Total Sales	\$2,235	\$4,386	\$4,507	\$4,631	\$4,770	\$4,913	\$5,060	\$5,212

October 10, 2006
Nets Income Statement Detail

\$ in thousands

2006-05	2006-06	2006-07	2006-08	2006-09	2006-10	2006-11	2006-12	2006-13
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Public Relations

Salaries	\$273	\$300	\$309	\$318	\$328	\$338	\$348	\$358
Payroll taxes	-	-	-	-	-	-	-	0
Benefits	-	27	28	28	29	30	31	32
Office Expense	94	6	6	6	6	7	7	7
Rent/Utilities	4	3	3	4	4	4	4	4
Travel & Entertainment	105	101	104	106	109	113	114	120
Supplies	7	26	26	27	28	29	30	30
Marketing	4	68	70	71	74	76	78	80
Services	80	16	16	17	17	18	18	19
Licenses & Fees	-	-	-	-	-	-	-	0
Insurance	-	-	-	-	-	-	-	0
Other Expenses	-	-	-	-	-	-	-	0
Total Public Relations	\$566	\$547	\$562	\$578	\$595	\$613	\$631	\$650

Ticketing

Salaries	\$212	\$242	\$250	\$257	\$265	\$273	\$281	\$289
Payroll taxes	-	-	-	-	-	-	-	0
Benefits	-	22	22	23	24	24	25	26
Office Expense	1,053	964	990	1,017	1,047	1,079	1,111	1,144
Rent/Utilities	8	8	8	8	8	9	9	9
Travel & Entertainment	-	100	191	190	202	200	214	221
Supplies	-	-	-	-	-	-	-	0
Marketing	37	-	-	-	-	-	-	0
Services	0	5	5	5	5	6	6	6
Licenses & Fees	-	-	-	-	-	-	-	0
Insurance	-	-	-	-	-	-	-	0
Other Expenses	-	-	-	-	-	-	-	0
Total Ticketing	\$1,311	\$1,427	\$1,466	\$1,506	\$1,552	\$1,598	\$1,646	\$1,695

Broadcast Costs

Salaries	\$226	\$317	\$327	\$336	\$346	\$357	\$368	\$379
Payroll taxes	-	-	-	-	-	-	-	0
Benefits	-	28	29	30	31	32	33	34
Office Expense	0	-	-	-	-	-	-	0
Rent/Utilities	0	16	16	17	17	18	18	19
Travel & Entertainment	37	35	35	36	37	39	40	41
Supplies	-	-	-	-	-	-	-	0
Marketing	4	-	-	-	-	-	-	0
Services	683	380	390	400	412	425	437	450
Licenses & Fees (CEO)	-	-	-	-	-	-	-	0
Insurance	-	-	-	-	-	-	-	0
Other Expenses	-	615	631	648	668	688	709	730
Total Broadcasting	\$951	\$1,391	\$1,429	\$1,468	\$1,512	\$1,558	\$1,604	\$1,653

General & Administrative

Salaries	\$1,369	\$2,743	\$2,825	\$2,910	\$2,997	\$3,087	\$3,179	\$3,275
Payroll taxes	911	-	-	-	-	-	-	0
Benefits	736	149	153	157	161	166	171	176
Office Expense	445	250	257	264	271	280	288	297
Rent/Utilities	963	1,075	1,102	1,131	1,165	1,200	1,236	1,273
Travel & Entertainment	398	231	237	243	250	258	265	273
Supplies	36	203	208	213	220	226	233	240
Marketing	46	243	249	255	263	271	279	287
Services	2,414	974	1,249	1,025	1,056	1,087	1,120	1,154
Licenses & Fees (CEO)	412	150	154	158	163	167	172	178
Insurance	330	1,319	1,353	1,388	1,429	1,472	1,516	1,562
Other Expenses	-	123	126	129	133	137	141	145
Arena Costs - other	665	3,028	1,911	1,964	2,023	2,084	2,146	2,210
Other NBA assessments	150	-	-	-	-	-	-	0
Charitable Contributions	69	-	-	-	-	-	-	0
Bad Debt Expenses	100	-	-	-	-	-	-	0
Total General & Administrative	\$9,044	\$10,486	\$9,824	\$9,836	\$10,131	\$10,435	\$10,748	\$11,071

Systems

Salaries	\$132	\$199	\$205	\$211	\$217	\$224	\$231	\$238
Payroll taxes	-	-	-	-	-	-	-	0
Benefits	-	18	18	19	19	20	20	21
Office Expense	42	74	76	77	80	82	85	87
Rent/Utilities	3	-	-	-	-	-	-	0
Travel & Entertainment	2	-	-	-	-	-	-	0
Supplies	2	12	12	13	13	13	14	14
Marketing	-	-	-	-	-	-	-	0
Services	-	15	15	16	16	17	17	18
Licenses & Fees	-	-	-	-	-	-	-	0
Insurance	-	-	-	-	-	-	-	0
Other Expenses	-	-	-	-	-	-	-	0
Total Systems	\$180	\$318	\$327	\$336	\$346	\$356	\$367	\$378

1. Services increase in 2006-07 for MacCulloch arbitration

October 10, 2006
Brooklyn Arena Income Statement

\$ in thousands

	2005-10	2006-10	2010-12
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Income from Nets Games

Nets Gross Revenue from Tickets and Premium Seating			
Suites	35,822	36,896	38,003
Loge Boxes	2,203	2,269	2,337
Party Suites	1,461	1,505	1,550
Total Nets Gross Revenue from Tickets and Premium Seating	\$39,485	\$40,669	\$41,890
Total Cost of Ticket Sales	(\$2,090)	(\$2,152)	(\$2,216)
Net Revenue from Tickets and Premium Seating	\$37,395	\$38,517	\$39,673
Net Playoff Revenue/(Expense)	232	239	246
Total Revenue from Nets' Games	\$37,627	\$38,756	\$39,919

Other Event Income

Net Ticket Revenue from Other Events	\$4,606	\$4,744	\$4,886
Net Suite Revenue from Other Events	4,841	4,987	5,136
Net Concessions from Other Events	6,214	6,401	6,593
Net Novelties from Other Events	787	812	836
Total Other Event Income	\$16,449	\$16,943	\$17,451

Other Income

Arena Sponsorship	\$31,205	\$32,141	\$33,106
Miscellaneous	1,031	1,036	1,041
Ticket Surcharge Income	4,488	4,488	4,488
Total Other Income	\$36,725	\$37,666	\$38,636

Total Arena Revenue	\$90,800	\$93,365	\$96,005
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Operating Expenses	\$32,041	\$32,995	\$33,977
Arena Net Operating Income	\$58,759	\$60,370	\$62,028

Financing

Arena Debt Service (Interest)	(22,305)	(21,978)	(21,636)
Arena Debt Service (Principal)	(8,154)	(8,554)	(8,974)
Arena Debt Service (Insurance, Remktg Fees, and Debt Service Reserve Income)	(4,250)	(4,176)	(4,098)
Arena Debt Service (Principal on Additional Debt)	(900)	(972)	(1,050)
Arena Debt Service (Interest on Additional Debt)	(8,160)	(8,088)	(8,010)
Total Debt Service	(43,769)	(43,769)	(43,769)

Arena Income/(Loss) from Operations	\$14,990	\$16,601	\$18,259
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