

Report of Independent Certified Public Accountants

The Partners
Tampa Bay Rays Baseball, Ltd. and Affiliates

We have audited the accompanying consolidated balance sheets of Tampa Bay Rays Baseball, Ltd. (a Florida limited partnership) and affiliates (collectively, the Partnership) as of December 31, 2008 and 2007, and the related consolidated statements of operations and comprehensive income, partners' capital (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Partnership's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tampa Bay Rays Baseball, Ltd. and affiliates at December 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 4 to the consolidated financial statements, in 2008 the Partnership changed its method of accounting for investments.

Ernst & Young LLP

June 12, 2009

Tampa Bay Rays Baseball, Ltd. and Affiliates

Consolidated Balance Sheets

	December 31	
	2008	2007
		<i>As Adjusted</i>
		<i>(Note 4)</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 32,521,742	\$ 37,626
Restricted cash	1,756,908	1,235,512
Receivable from Major League Baseball Central Fund	8,881,219	11,311,873
Receivable from Major League Baseball Properties, Inc.	3,856,000	3,608,151
Accounts receivable, net of allowance for uncollectible accounts of \$158,200 and \$398,750 in 2008 and 2007, respectively	2,159,896	1,568,414
Inventories	157,581	35,809
Other current assets	96,815	229,505
Total current assets	49,430,161	18,026,890
Property and equipment, net of accumulated depreciation of \$8,033,731 and \$8,794,309 in 2008 and 2007, respectively	31,591,879	29,785,429
Player contract acquisition costs, net of accumulated amortization of \$21,715,488 and \$15,821,758 in 2008 and 2007, respectively	23,950,261	21,427,241
Franchise fee, net of accumulated amortization of \$5,272,608 in 2008 and 2007, respectively	47,452,392	47,452,392
Note receivable	783,333	783,333
Receivable from partner	1,268,750	1,231,250
Investments	11,385,465	9,481,661
Other assets, net	3,042,064	3,975,695
Total assets	<u>\$ 168,904,305</u>	<u>\$ 132,163,891</u>

	December 31	
	2008	2007
		<i>As Adjusted</i>
		<i>(Note 4)</i>
Liabilities and partners' capital (deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,104,309	\$ 6,593,238
Current portion of player contract acquisition costs payable	3,054,666	2,739,665
Current portion of deferred compensation	2,000,000	2,000,000
Current portion of deferred revenues	13,146,093	3,886,786
Current portion of obligation under capital leases	245,367	132,299
Current portion of long-term debt	3,843,750	2,343,750
Current portion of partner advances	10,000,000	10,000,000
Current portion of related-party management fee payable	2,641,105	1,500,000
Total current liabilities	40,035,290	29,195,738
Long-term liabilities:		
Liability for pension benefits	6,452,322	3,006,357
Deferred revenues, less current portion	24,337,145	4,892,451
Player contract acquisition costs payable, less current portion	10,180,000	5,550,000
Deferred compensation, less current portion	2,507,500	—
Security deposits	664,508	724,508
Derivative instrument	4,332,208	2,051,784
Obligation under capital leases, less current portion	297,972	195,940
Long-term debt, less current portion	115,761,250	120,625,000
Partner advances, less current portion	10,828,324	10,145,365
Related-party management fee payable, less current portion	18,633,666	21,121,137
Total long-term liabilities	193,994,895	168,312,542
Commitments and contingencies		
Partners' capital (deficit):		
General partners	(10,532,912)	(10,568,931)
Limited partners – Class A	(8,315,051)	(9,170,523)
Limited partners – Class C	(41,003,212)	(44,127,884)
Accumulated other comprehensive loss	(5,274,705)	(1,477,051)
Total partners' capital (deficit)	(65,125,880)	(65,344,389)
Total liabilities and partners' capital (deficit)	\$ 168,904,305	\$ 132,163,891

See accompanying notes.

Tampa Bay Rays Baseball, Ltd. and Affiliates

Consolidated Statements of Operations and Comprehensive Income

	Year Ended December 31	
	2008	2007
	<i>As Adjusted</i>	
	<i>(Note 4)</i>	
Revenues:		
Tickets	\$ 39,013,069	\$ 27,963,739
Television and radio	13,444,475	12,885,996
Sponsorship and advertising	11,471,605	12,037,920
Concessions, novelties, and parking	9,551,348	3,410,472
Suites	2,923,612	2,940,156
Major League Baseball Central Fund	19,778,648	23,877,655
Major League Baseball Revenue Sharing	35,345,277	39,380,813
Major League Baseball Properties	8,451,790	8,075,030
Post season	17,674,301	—
Other	3,307,451	3,205,669
Total revenues	<u>160,961,576</u>	<u>133,777,450</u>
Expenses:		
Major league team salaries and related costs	56,018,335	35,563,605
Scouting, player development, and operation of farm clubs	21,900,693	20,017,186
Team expenses	11,833,161	10,297,264
Sales and marketing	23,006,459	19,159,036
Stadium operations	10,479,918	9,329,166
General and administrative	17,298,433	17,723,624
Post season	6,222,371	—
Total expenses	<u>146,759,370</u>	<u>112,089,881</u>
Operating income	14,202,206	21,687,569
Other income (expense):		
Interest expense, net	(8,319,178)	(9,914,846)
Equity in net (losses) earnings from investments	(165,330)	2,930,576
Nonmonetary gain from investment in MLB Network Holdings, LLC	801,550	—
Loss on disposal of property and equipment	—	(1,362,663)
Unrealized loss on derivative instrument	(2,280,424)	(2,051,784)
Other amortization	(222,661)	(222,661)
Total other expense	<u>(10,186,043)</u>	<u>(10,621,378)</u>
Net income	<u>\$ 4,016,163</u>	<u>\$ 11,066,191</u>
Other comprehensive loss:		
Accrued pension obligation	\$ (3,491,905)	\$ (1,437,765)
Other comprehensive loss from equity method investments	(305,749)	(39,286)
Other comprehensive loss	<u>(3,797,654)</u>	<u>(1,477,051)</u>
Comprehensive income	<u>\$ 218,509</u>	<u>\$ 9,589,140</u>

See accompanying notes.

Tampa Bay Rays Baseball, Ltd. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2008	2007
		<i>As Adjusted (Note 4) and Restated (Note 3)</i>
Operating activities		
Net income	\$ 4,016,163	\$ 11,066,191
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,871,580	5,347,206
Amortization of player contract acquisition costs	8,733,730	8,199,009
Loss on disposal of property and equipment	—	1,362,663
Write-off of deferred loan costs due to retirement/modification of long-term debt	30,186	214,586
Provision for uncollectible accounts receivable	158,200	398,750
Equity in net losses (earnings) from investments	165,330	(2,930,576)
Distributions from equity method investments	2,000,000	1,566,666
Unrealized loss on interest rate swap	2,280,424	2,051,784
Nonmonetary gain from investment in MLB Network Holdings, LLC	(801,550)	—
Paid-in-kind interest	836,593	776,651
Changes in operating assets and liabilities:		
Receivable from Major League Baseball Central Fund	(802,679)	(2,642,298)
Receivable from Major League Baseball Properties, Inc.	(247,849)	(614,443)
Accounts receivable	(749,682)	(1,149,871)
Other receivables	(37,500)	(19,703)
Inventories	(121,772)	64,212
Other assets	110,049	(76,018)
Deferred revenues	28,704,001	(7,067,022)
Deferred compensation	2,507,500	(7,490,092)
Related-party management fee payable	(1,500,000)	(1,500,000)
Liability for pension benefits	(45,940)	(100,898)
Accounts payable and accrued liabilities	(1,548,929)	(768,650)
Net cash provided by operating activities	46,557,855	6,688,147
Investing activities		
Payments for player contract acquisition costs	(6,311,749)	(8,263,787)
Capital expenditures	(3,856,709)	(12,483,867)
Investment in Ripken-Rays Florida Baseball, LLC	(340,000)	—
Deposits to restricted cash to be used for capital expenditures	(521,396)	(573,876)
Restricted cash withdrawn for capital expenditures	—	1,126,083
Net cash used in investing activities	(11,029,854)	(20,195,447)

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Tampa Bay Rays Baseball, Ltd. and Affiliates

Consolidated Statements of Cash Flows (continued)

	Year Ended December 31	
	2008	2007
		<i>As Adjusted (Note 4) and Restated (Note 3)</i>
Financing activities		
Proceeds from issuance of long-term debt term notes	—	60,000,000
Repayments on long-term debt term notes	(3,363,750)	(22,343,750)
Proceeds from long-term debt revolving notes	24,000,000	16,000,000
Repayments on long-term debt revolving notes	(24,000,000)	(35,000,000)
Proceeds from partner advances term notes	—	4,500,000
Repayments on partner advances term notes	—	(9,050,000)
Proceeds from partner advances working capital notes	4,000,000	15,000,000
Repayments on partner advances working capital notes	(4,000,000)	(5,000,000)
Repayments on related-party notes payable	—	(10,000,000)
Repayments on capital leases	(207,981)	(120,933)
Proceeds from interest reserve	527,846	102,768
Debt issuance costs	—	(543,159)
Net cash (used in) provided by financing activities	(3,043,885)	13,544,926
Net increase in cash and cash equivalents	32,484,116	37,626
Cash and cash equivalents at beginning of year	37,626	—
Cash and cash equivalents at end of year	<u>\$ 32,521,742</u>	<u>\$ 37,626</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 8,052,436</u>	<u>\$ 10,066,268</u>
Supplemental disclosures of noncash investing and financing activities		
Player contract acquisition costs payable	<u>\$ 11,256,750</u>	<u>\$ 9,339,500</u>
Distribution from investment in BELP in the form of a contribution to investment in BELP II	<u>\$ —</u>	<u>\$ 4,900,467</u>
Distribution from Major League Baseball Central Fund in the form of a contribution to investment in BELP II	<u>\$ 3,233,333</u>	<u>\$ 2,000,000</u>
Fair value of the rights granted to MLB Network in the form of a nonmonetary investment in MLB Network Holdings, LLC	<u>\$ 801,550</u>	<u>\$ —</u>
Equipment acquired through capital lease agreements	<u>\$ 423,081</u>	<u>\$ —</u>
Conversion of MLB Credit Facility revolving notes to term notes	<u>\$ 45,000,000</u>	<u>\$ —</u>

See accompanying notes.