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Madison Square Garden Co
Form 10-Q
May 02, 2014
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2014
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: 1-34434

The Madison Square Garden Company
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

27-0624498
(I.R.S. Employer
Identification No.)

Two Penn Plaza
New York, NY 10121
(212) 465-6000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding as of April 30, 2014:

Class A Common Stock par value \$0.01 per share	—	63,589,073
Class B Common Stock par value \$0.01 per share	—	13,588,555

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

THE MADISON SQUARE GARDEN COMPANY

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

	March 31, 2014 (Unaudited)	June 30, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$76,545	\$277,913
Restricted cash	16,663	8,413
Accounts receivable, net	200,107	145,728
Net related party receivables	25,968	18,565
Prepaid expenses	39,877	41,215
Other current assets	28,038	20,339
Total current assets	387,198	512,173
Investments in and loans to nonconsolidated affiliates	186,927	—
Property and equipment, net	1,273,760	1,135,180
Amortizable intangible assets, net	82,906	90,705
Indefinite-lived intangible assets	163,839	158,636
Goodwill	742,492	742,492
Other assets	101,997	93,028
Total assets	\$2,939,119	\$2,732,214
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$20,075	\$16,006
Net related party payables	862	283
Accrued liabilities:		
Employee related costs	82,149	70,663
Other accrued liabilities	246,656	221,405
Deferred revenue	274,275	237,537
Total current liabilities	624,017	545,894
Defined benefit and other postretirement obligations	61,091	59,726
Other employee related costs	46,315	45,370
Other liabilities	63,069	58,536
Deferred tax liability	549,725	543,753
Total liabilities	1,344,217	1,253,279
Commitments and contingencies (Note 10)		
Stockholders' Equity:		
Class A Common stock, par value \$0.01, 360,000 shares authorized; 63,589 and 63,268 shares outstanding as of March 31, 2014 and June 30, 2013, respectively	639	639
Class B Common stock, par value \$0.01, 90,000 shares authorized; 13,589 shares outstanding as of March 31, 2014 and June 30, 2013	136	136

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Preferred stock, par value \$0.01, 45,000 shares authorized; none outstanding	—	—
Additional paid-in capital	1,076,097	1,070,764
Treasury stock, at cost, 317 and 596 shares as of March 31, 2014 and June 30, 2013, respectively	(7,537	) (14,179)
Retained earnings	541,225	437,794
Accumulated other comprehensive loss	(15,658	) (16,219)
Total stockholders' equity	1,594,902	1,478,935
Total liabilities and stockholders' equity	\$2,939,119	\$2,732,214
See accompanying notes to consolidated financial statements.		

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CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except per share data)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Revenues (including related party revenues of \$47,531 and \$46,169 for the three months ended March 31, 2014 and 2013, respectively, and \$138,872 and \$131,271 for the nine months ended March 31, 2014 and 2013, respectively)	\$458,956	\$412,406	\$1,183,920	\$1,004,458
Operating expenses:				
Direct operating (including related party expenses of \$4,344 and \$3,497 for the three months ended March 31, 2014 and 2013, respectively, and \$10,845 and \$9,892 for the nine months ended March 31, 2014 and 2013, respectively)	300,888	246,442	682,046	526,360
Selling, general and administrative (including related party expenses of \$4,465 and \$3,232 for the three months ended March 31, 2014 and 2013, respectively, and \$12,019 and \$9,754 for the nine months ended March 31, 2014 and 2013, respectively)	100,945	79,183	261,146	228,660
Depreciation and amortization	29,674	22,995	76,869	64,439
	431,507	348,620	1,020,061	819,459
Operating income	27,449	63,786	163,859	184,999
Other income (expense):				
Equity in earnings (loss) of nonconsolidated affiliates	663	—	(75) —
Interest income (including interest income from nonconsolidated affiliates of \$154 and \$276 for the three and nine months ended March 31, 2014, respectively)	628	530	1,742	1,682
Interest expense	(1,763	) (1,723	) (5,378	) (5,289
Miscellaneous	72	3,373	95	3,475
	(400	) 2,180	(3,616	) (132
Income from operations before income taxes	27,049	65,966	160,243	184,867
Income tax expense	(7,995	) (27,517	) (56,812	) (78,902
Net income	\$19,054	\$38,449	\$103,431	\$105,965
Basic earnings per common share	\$0.25	\$0.50	\$1.34	\$1.39
Diluted earnings per common share	\$0.24	\$0.49	\$1.32	\$1.36
Weighted-average number of common shares outstanding:				
Basic	77,162	76,537	77,069	76,022
Diluted	78,211	78,041	78,142	77,900
See accompanying notes to consolidated financial statements.				

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THE MADISON SQUARE GARDEN COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(in thousands)

	Three Months Ended March 31,				Nine Months Ended March 31,				
	2014		2013		2014		2013		
Net income		\$19,054		\$38,449		\$103,431		\$105,965	
Other comprehensive income (loss), before income taxes:									
Pension plans and postretirement plan:									
Amortization of net actuarial loss included in net periodic benefit cost			\$500		\$1,069		\$1,593		
Amortization of net prior service credit included in net periodic benefit cost	(32	) \$315	(35	) \$465	(95	) \$974	(105	) \$1,488
Net changes related to available-for-sale securities		—		4,578		—		5,087	
Other comprehensive income, before income taxes		315		5,043		974		6,575	
Income tax expense related to items of other comprehensive income		(132)	(2,122)	(413)	(2,774)
Other comprehensive income		183		2,921		561		3,801	
Comprehensive income		\$19,237		\$41,370		\$103,992		\$109,766	

See accompanying notes to consolidated financial statements.

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THE MADISON SQUARE GARDEN COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(in thousands)

	Nine Months Ended March 31,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 103,431	\$ 105,965
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	76,869	64,439
Impairment of deferred costs	—	4,982
Amortization of deferred financing costs	1,635	1,635
Share-based compensation expense related to equity classified awards	17,057	13,854
Gain on sale of investment	—	(3,130)
Excess tax benefit on share-based awards	(6,559)	(8,298)
Equity in loss of nonconsolidated affiliates	75	—
Provision for doubtful accounts	64	(145)
Change in assets and liabilities:		
Accounts receivable, net	(54,443)	(48,134)
Net related party receivables	(7,385)	(347)
Prepaid expenses and other assets	(25,215)	(3,630)
Accounts payable	243	(23,793)
Net related party payables	579	375
Accrued and other liabilities	67,278	44,194
Deferred revenue	36,738	28,580
Deferred income taxes	6,681	4,215
Net cash provided by operating activities	217,048	180,762
Cash flows from investing activities:		
Capital expenditures	(242,745)	(196,687)
Proceeds from sale of investment	—	44,136
Proceeds from renovation loan (Note 8)	18,000	—
Payments for acquisition of assets	(1,488)	—
Investments in and loans to nonconsolidated affiliates	(186,893)	—
Net cash used in investing activities	(413,126)	(152,551)
Cash flows from financing activities:		
Principal payments on capital lease obligations	(190)	(211)
Proceeds from stock option exercises	707	6,767
Taxes paid in lieu of shares issued for equity-based compensation	(12,366)	(21,148)
Excess tax benefit on share-based awards	6,559	8,298
Net cash used in financing activities	(5,290)	(6,294)
Net increase (decrease) in cash and cash equivalents	(201,368)	21,917
Cash and cash equivalents at beginning of period	277,913	206,500
Cash and cash equivalents at end of period	\$ 76,545	\$ 228,417
Non-cash investing and financing activities:		
Capital expenditures incurred but not yet paid	\$ 44,448	\$ 25,267

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Asset retirement obligations	—	1,722
Cash due from related party associated with exercise of stock options	18	—
Acquisition of assets not yet paid	3,715	—

See accompanying notes to consolidated financial statements.

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THE MADISON SQUARE GARDEN COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands)

	Common Stock Issued	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as of June 30, 2013	\$ 775	\$1,070,764	\$(14,179)	\$437,794	\$ (16,219)	\$1,478,935
Net income	—	—	—	103,431	—	103,431
Other comprehensive income	—	—	—	—	561	561
Comprehensive income	—	—	—	—	—	103,992
Exercise of options	—	(254)	979	—	—	725
Share-based compensation expense	—	17,057	—	—	—	17,057
Tax withholding associated with shares issued for equity-based compensation	—	(12,366)	—	—	—	(12,366)
Excess tax benefit on share-based awards	—	6,559	—	—	—	6,559
Shares issued upon Restricted Stock Units vesting	—	(5,663)	5,663	—	—	—
Balance as of March 31, 2014	\$ 775	\$1,076,097	\$(7,537)	\$541,225	\$ (15,658)	\$1,594,902

	Common Stock Issued	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as of June 30, 2012	\$ 764	\$1,070,046	\$(22,047)	\$295,412	\$ (24,162)	\$1,320,013
Net income	—	—	—	105,965	—	105,965
Other comprehensive income	—	—	—	—	3,801	3,801
Comprehensive income	—	—	—	—	—	109,766
Exercise of options	10	6,757	—	—	—	6,767
Share-based compensation expense	—	13,854	—	—	—	13,854
Tax withholding associated with shares issued for equity-based compensation	—	(21,148)	—	—	—	(21,148)
Excess tax benefit on share-based awards, net	—	7,608	—	—	—	7,608
Shares issued upon Restricted Stock Units vesting	—	(7,856)	7,856	—	—	—
Balance as of March 31, 2013	\$ 774	\$1,069,261	\$(14,191)	\$401,377	\$ (20,361)	\$1,436,860

See accompanying notes to consolidated financial statements.

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THE MADISON SQUARE GARDEN COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

All amounts included in the following Notes to Consolidated Financial Statements are presented in thousands, except per share data or as otherwise noted.

Note 1. Description of Business and Basis of Presentation

Description of Business

The Madison Square Garden Company (together with its subsidiaries, the "Company" or "Madison Square Garden") was incorporated on July 29, 2009 as an indirect, wholly-owned subsidiary of Cablevision Systems Corporation ("Cablevision"). On January 12, 2010, Cablevision's board of directors approved the distribution of all the outstanding common stock of The Madison Square Garden Company to Cablevision shareholders (the "Distribution") and the Company thereafter acquired the subsidiaries of Cablevision that owned, directly and indirectly, all of the partnership interests in MSG Holdings, L.P. ("MSG L.P."). MSG L.P. was the indirect, wholly-owned subsidiary of Cablevision through which Cablevision held the Company's businesses until the Distribution occurred on February 9, 2010. Each holder of record of Cablevision NY Group Class A Common Stock as of close of business on January 25, 2010 (the "Record Date") received one share of the Company's Class A Common Stock for every four shares of Cablevision NY Group Class A Common Stock held. Each holder of record of Cablevision NY Group Class B Common Stock as of the Record Date received one share of the Company's Class B Common Stock for every four shares of Cablevision NY Group Class B Common Stock held. MSG L.P. is now a wholly-owned subsidiary of The Madison Square Garden Company through which the Company conducts substantially all of its business activities.

The Company is a fully integrated sports, entertainment and media business. The Company classifies its business interests into three reportable segments: MSG Media, MSG Entertainment, and MSG Sports. MSG Media produces, develops and acquires content for multiple distribution platforms, including content originating from the Company's venues. MSG Media includes the Company's regional sports networks, MSG Network and MSG+, collectively the "MSG Networks," and "Fuse," a national television network dedicated to music. MSG Entertainment presents or hosts live entertainment events, such as concerts, family shows, performing arts and special events, in the Company's diverse collection of venues. MSG Entertainment also creates, produces and/or presents live productions, including the Radio City Christmas Spectacular featuring the Radio City Rockettes (the "Rockettes"), that are performed in the Company's and other venues. MSG Sports owns and operates the following sports franchises: the New York Knicks (the "Knicks") of the National Basketball Association (the "NBA"), the New York Rangers (the "Rangers") of the National Hockey League (the "NHL"), the New York Liberty (the "Liberty") of the Women's National Basketball Association (the "WNBA"), the Hartford Wolf Pack of the American Hockey League (the "AHL"), which is the primary player development team for the Rangers, and an NBA Development League franchise. MSG Sports also promotes, produces and/or presents a broad array of other live sporting events outside of Knicks, Rangers and Liberty games.

The Company conducts a significant portion of its operations at venues that it either owns or operates under long-term leases. The Company owns the Madison Square Garden Arena ("The Garden") and The Theater at Madison Square Garden in New York City, the Forum in Inglewood, CA and The Chicago Theatre in Chicago. In addition, the Company leases Radio City Music Hall and the Beacon Theatre in New York City, and has a booking agreement with respect to the Wang Theatre in Boston.

Unaudited Interim Financial Statements

The accompanying interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and the instructions to Rule 10-01 of Regulation S-X, and should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2013. The financial statements as of March 31, 2014 and for the three and nine months ended March 31, 2014 and 2013 presented in this Quarterly Report on Form 10-Q are unaudited; however, in the opinion of management such financial statements reflect all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented. The results of operations

for the periods presented are not necessarily indicative of the results that might be expected for future interim periods or for the full year. The dependence of the MSG Sports segment on revenues from its NBA and NHL sports teams generally means it earns a disproportionate share of its revenues in the second and third quarters of the Company's fiscal year. The dependence of the MSG Entertainment segment on revenues from the Radio City Christmas Spectacular generally means it earns a disproportionate share of its revenues and operating income in the second quarter of the Company's fiscal year.

The comparability of the results of operations of the Company and the MSG Media and MSG Sports segments for the three and nine months ended March 31, 2014 to the prior year periods was impacted by the prior period's NHL work stoppage, which

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THE MADISON SQUARE GARDEN COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

delayed the start of the 2012-13 regular season by approximately three months to January 19, 2013 and led to a shortened 48-game regular season. In addition, the Company closed The Garden and The Theater at Madison Square Garden during the off-seasons following the Knicks' and Rangers' playoffs in calendar years 2011, 2012 and 2013 due to the comprehensive transformation of The Garden into a state-of-the-art arena (the "Transformation").

Note 2. Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of The Madison Square Garden Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, goodwill, intangible assets, other long-lived assets, tax accruals and other liabilities. In addition, estimates are used in revenue recognition, revenue sharing expense (net of escrow), luxury tax expense, income tax expense, performance and share-based compensation, depreciation and amortization, litigation matters and other matters. Management believes its use of estimates in the consolidated financial statements to be reasonable.

Management evaluates its estimates on an ongoing basis using historical experience and other factors, including the general economic environment and actions it may take in the future. The Company adjusts such estimates when facts and circumstances dictate. However, these estimates may involve significant uncertainties and judgments and cannot be determined with precision. In addition, these estimates are based on management's best judgment at a point in time and as such these estimates may ultimately differ from actual results. Changes in estimates resulting from weakness in the economic environment or other factors beyond the Company's control could be material and would be reflected in the Company's financial statements in future periods.

Investments in Nonconsolidated Affiliates

The Company's investments in nonconsolidated affiliates are accounted for using the equity method of accounting and are carried at cost, plus or minus the Company's share of net earnings or losses of the investment, subject to certain other adjustments. The cost of equity method investments includes transaction costs of the acquisition. The Company's share of net earnings or losses of the investment is included in equity in earnings (loss) of nonconsolidated affiliates on the Company's consolidated statements of operations. Dividends received from the investee reduce the carrying amount of the investment. Due to the timing of receiving financial information from its nonconsolidated affiliates, the Company records its share of net earnings or losses of such affiliates on a lag basis. Additionally, the carrying value of investments accounted for using the equity method of accounting is adjusted downward to reflect any other-than-temporary declines in value.

Income Taxes

The Company's provision for income taxes is based on current period income, changes in deferred tax assets and liabilities and changes in estimates with regard to uncertain tax positions. Deferred tax assets are subject to an ongoing assessment of realizability. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's ability to realize its deferred tax assets depends upon the generation of sufficient future taxable income to allow for the realization of its deductible temporary differences. If such estimates and related assumptions change in the future, the Company may be required to record valuation allowances against its deferred tax assets, resulting in additional income tax expense in the Company's consolidated statements of operations. The Company measures its deferred tax liability with regard to MSG L.P. based on the difference between the tax basis and the carrying amount for financial reporting purposes; this is commonly referred to as the outside basis difference. Interest and penalties, if any, associated with uncertain tax positions are included in income tax expense. The Company accounts for investment tax credits using

the “flow-through” method, under which the tax benefit generated from an investment tax credit is recorded in the period the credit is generated.

Recently Adopted Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-11, Disclosures about Offsetting Assets and Liabilities, which creates new disclosure requirements regarding the nature

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THE MADISON SQUARE GARDEN COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

of an entity's rights of offset and related arrangements associated with its financial instruments and derivative instruments. In January 2013, the FASB issued ASU No. 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, which clarifies the scope of transactions that are subject to disclosures required by FASB Accounting Standards Codification ("ASC") 210-20-50, Balance Sheet - Offsetting - Disclosure, concerning offsetting. In particular ASU No. 2013-01 addresses implementation issues about the scope of ASU No. 2011-11 and clarifies that the scope of the disclosure is limited to derivatives, repurchase agreements, and securities borrowing and securities lending transactions that are either offset in the financial statements or are subject to a master netting arrangement or similar arrangement. These standards were adopted by the Company in the first quarter of fiscal year 2014. The adoption of these standards did not have an impact on the Company's financial position, results of operations, or cash flows.

In February 2013, the FASB issued ASU No. 2013-02, Comprehensive Income (Topic 220) - Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, which requires an entity to provide information about amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide additional detail about those amounts. This standard was adopted by the Company in the first quarter of fiscal year 2014. The adoption of this standard impacted the Company's disclosures only and did not have any impact on the Company's financial position, results of operations, or cash flows.

Recently Issued Accounting Pronouncements Not Yet Adopted

In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, or ASU 2014-08. ASU 2014-08 changes the criteria for reporting a discontinued operation while enhancing disclosures in this area. This standard will be effective for the Company beginning in its first quarter of fiscal 2016. Early adoption of the standard is permitted, but only for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance. The Company is currently evaluating the impact of the adoption on its consolidated financial statements.

Note 3. Computation of Earnings per Common Share

Basic earnings per common share ("EPS") is based upon net income available to common stockholders divided by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the effect of the assumed exercise of stock options and vesting of restricted shares and restricted stock units ("RSUs") only in the periods in which such effect would have been dilutive.

The following table presents a reconciliation of weighted-average shares used in the calculations of basic and diluted EPS.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Weighted-average shares for basic EPS	77,162	76,537	77,069	76,022
Dilutive effect of shares issuable under share-based compensation plans	1,049	1,504	1,073	1,878
Weighted-average shares for diluted EPS	78,211	78,041	78,142	77,900
Anti-dilutive shares	—	—	—	24

Note 4. Impairment Charges

During the quarter ended December 31, 2012, the Company's MSG Entertainment segment recorded a pre-tax impairment charge of \$4,982 for the remaining unamortized deferred costs of assets related to a theatrical production of the Radio City Christmas Spectacular presented outside of New York, which is reflected in direct operating expenses in the accompanying consolidated statement of operations for the nine months ended March 31, 2013.

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THE MADISON SQUARE GARDEN COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

Note 5. Team Personnel Transactions

Direct operating and selling, general and administrative expenses in the accompanying consolidated statements of operations include net provisions for transactions relating to players and certain other team personnel on the Company's sports teams for (i) season-ending injuries, (ii) trades and (iii) waivers and contract termination costs ("Team Personnel Transactions"). Team Personnel Transactions amounted to \$10,814 and \$15,238 for the three months ended March 31, 2014 and 2013, respectively, and \$16,622 and \$18,368 for the nine months ended March 31, 2014 and 2013, respectively.

Note 6. Investments in Nonconsolidated Affiliates

The Company's equity method investments include the Company's investments in Azoff MSG Entertainment LLC ("Azoff-MSG"), Brooklyn Bowl Las Vegas, LLC ("BBLV") and Tribeca Enterprises LLC ("Tribeca Enterprises"). In September 2013, the Company acquired a 50% interest in Azoff-MSG for \$125,000. The Azoff-MSG entity owns and operates certain existing businesses and is also pursuing various business concepts in the entertainment industry, some of which are already in the development stage. The Company agreed to provide up to \$50,000 of revolving credit loans to Azoff-MSG. As of March 31, 2014, the Company's investment in Azoff-MSG was \$126,355 inclusive of transaction costs related to the acquisition. The Company determined that Azoff-MSG is not a variable interest entity ("VIE") and therefore the investment was analyzed under the voting model. The Company determined that due to a lack of a voting majority and consistent with the accounting for partnership (or similar entities) interests, it does not control Azoff-MSG. Accordingly, the Company accounts for its investment under the equity method of accounting.

As of the acquisition date the carrying amount of the investment was greater than the Company's equity in the underlying assets of Azoff-MSG by approximately \$125,600 due to the difference in the carrying amounts of goodwill and amortizable intangible assets. Based upon the final valuation, the difference attributable to amortizable intangible assets was \$17,350 at the time of acquisition which is being amortized straight-line over the expected useful lives of the intangible assets, which range from 5 to 7 years. Amortization expense for intangible assets was \$635 and \$1,373 for the three and nine months ended March 31, 2014, respectively, which is reflected in equity in earnings (loss) of nonconsolidated affiliates in the accompanying consolidated statements of operations. During the three months ended March 31, 2014, Azoff-MSG borrowed \$11,000 under the unsecured credit facility with the Company. The loan receivable balance was \$13,000 as of March 31, 2014 and is reflected in investments in and loans to nonconsolidated affiliates in the accompanying consolidated balance sheet. Interest income on the outstanding loan balance and related facility fees are recorded currently and are reflected in interest income in the accompanying consolidated statements of operations for the three and nine months ended March 31, 2014. Azoff-MSG's results of operations are recorded on a three-month lag basis with the exception of the amortization expense for the intangible assets which are recorded currently. The Company's share in net earnings (loss) of Azoff-MSG including amortization expense for the three and nine months ended March 31, 2014 was \$663 of net earnings and \$75 of net loss, respectively, which is reflected in equity in earnings (loss) of nonconsolidated affiliates in the accompanying consolidated statements of operations.

In August 2013, the Company acquired an interest in BBLV. In March 2014, BBLV opened a new venue in Las Vegas which brings together live music, bowling and a bar/restaurant. As of March 31, 2014, the Company has invested \$24,727 in BBLV, inclusive of transaction costs, and the Company is further committed to investing \$274 in BBLV. The Company will be entitled to receive back its capital, which is 83% of BBLV's total capital as of March 31, 2014, and a preferred return after which the Company will own a 20% interest in BBLV. The Company does not manage or otherwise control BBLV but has approval rights over certain decisions. The Company determined that BBLV is not a VIE and therefore the investment was analyzed under the voting model. The Company determined that due to a lack of a voting majority and consistent with the accounting for partnership (or similar entities) interests, it does not control BBLV. Accordingly, the Company accounts for its investment under the equity method of accounting. BBLV's results of operations are recorded on a three-month lag basis.

In March 2014, the Company acquired a 50% interest in Tribeca Enterprises for \$22,500. Tribeca Enterprises owns and operates the Tribeca Film Festival and certain other businesses. The Company determined that Tribeca

Enterprises is not a VIE and therefore the investment was analyzed under the voting model. The Company determined that due to a lack of a voting majority and consistent with the accounting for partnership (or similar entities) interests, it does not control Tribeca Enterprises. Accordingly, the Company accounts for its investment under the equity method of accounting. Tribeca Enterprise's results of operations are recorded on a three-month lag basis. As of March 31, 2014, the Company's investment in Tribeca Enterprises was \$22,845 inclusive of transaction costs related to the acquisition. As required by GAAP, to the extent that there

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is a basis difference between the cost and the underlying equity in the net assets of an equity investment, companies are required to allocate such differences between tangible and intangible assets. For Tribeca Enterprises, the Company expects to complete such an analysis during the next twelve months.

Note 7. Goodwill and Intangible Assets

The carrying amount of goodwill, by reportable segment, as of March 31, 2014 and June 30, 2013 is as follows:

MSG Media	\$465,326
MSG Entertainment	58,979
MSG Sports	218,187
	\$742,492

During the first quarter of fiscal year 2014, the Company performed its annual impairment test of goodwill, and there was no impairment of goodwill identified for any of its reportable segments.

The Company's indefinite-lived intangible assets as of March 31, 2014 and June 30, 2013 are as follows:

	March 31, 2014	June 30, 2013
Sports franchises (MSG Sports segment)	\$101,418	\$96,215
Trademarks (MSG Entertainment segment)	62,421	62,421
	\$163,839	\$158,636

In March 2014, the Company acquired an NBA Development League franchise, which will begin operations for the 2014-15 season. The purchase was accounted for as the acquisition of an indefinite-lived franchise intangible asset. During the first quarter of fiscal year 2014, the Company performed its annual impairment test of identifiable indefinite-lived intangible assets, and there were no impairments identified.

The Company's intangible assets subject to amortization as of March 31, 2014 and June 30, 2013 are as follows:

March 31, 2014	Gross	Accumulated Amortization	Net
Affiliate relationships	\$83,044	\$(31,135)	) \$51,909
Season ticket holder relationships	73,124	(47,345)	) 25,779
Suite holder relationships	15,394	(12,591)	) 2,803
Other intangibles	4,217	(1,802)	) 2,415
	\$175,779	\$(92,873)	) \$82,906
June 30, 2013	Gross	Accumulated Amortization	Net
Affiliate relationships	\$83,044	\$(28,540)	) \$54,504
Season ticket holder relationships	73,124	(43,401)	) 29,723
Suite holder relationships	15,394	(11,542)	) 3,852
Other intangibles	4,217	(1,591)	) 2,626
	\$175,779	\$(85,074)	) \$90,705

Amortization expense for intangible assets amounted to \$2,600 and \$2,600 for the three months ended March 31, 2014 and 2013, respectively. For the nine months ended March 31, 2014 and 2013 amortization expense was \$7,799 and \$8,509, respectively.

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Note 8. Property and Equipment

As of March 31, 2014 and June 30, 2013, property and equipment (including equipment under capital leases) consisted of the following assets:

	March 31, 2014	June 30, 2013
Land	\$91,678	\$92,828
Buildings	1,055,424	781,747
Equipment	352,129	310,946
Aircraft	43,548	43,388
Furniture and fixtures	53,283	36,824
Leasehold improvements	153,198	151,224
Construction in progress	7,164	147,398
	1,756,424	1,564,355
Less accumulated depreciation and amortization	(482,664)	(429,175)
	\$ 1,273,760	\$ 1,135,180

Depreciation and amortization expense on property and equipment (including equipment under capital leases) amounted to \$27,074 and \$20,395 for the three months ended March 31, 2014 and 2013, respectively. Depreciation and amortization expense on property and equipment (including equipment under capital leases) amounted to \$69,070 and \$55,930 for the nine months ended March 31, 2014 and 2013, respectively. During the second quarter of fiscal year 2014, the Company placed into service assets related to the Transformation and the Forum.

During the nine months ended March 31, 2014, the City of Inglewood provided the Company with an \$18,000 loan in connection with the Company's renovation of the Forum. The loan will be forgiven once certain operating conditions, that the Company expects to satisfy, are met. Property and equipment balances related to the Forum are recorded net of the expected loan forgiveness.

The Company has recorded asset retirement obligations related to the Transformation and the Forum. The asset retirement obligations have been recorded in accordance with ASC 410, which requires companies to recognize an obligation along with an offsetting increase to the carrying value of the related property and equipment when an obligation or commitment exists to perform remediation efforts and its fair value is reasonably estimable. These obligations were necessitated by the Transformation and the acquisition and the renovation of the Forum.

The following is a summary of the change in the carrying amount of the asset retirement obligations during the nine months ended March 31, 2014:

Balance as of June 30, 2013	\$ 12,250
Revisions in estimated liabilities	(4,370)
Accretion expense	11
Payments	(6,947)
Balance as of March 31, 2014	\$ 944

As of March 31, 2014 and June 30, 2013, \$717 and \$12,034, respectively, of the total asset retirement obligations were recorded in other accrued liabilities, with the remaining balances recorded in other liabilities, in the accompanying consolidated balance sheets.

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Note 9. Debt

Total debt of the Company consists of the following:

	March 31, 2014	June 30, 2013
Revolving Credit Facility	\$ —	\$ —
Related party capital lease obligations ^(a)	2,034	2,224
Total	\$2,034	\$2,224

^(a) Classified in other accrued liabilities and other liabilities in the accompanying consolidated balance sheets.

Revolving Credit Facility

On January 28, 2010, MSG L.P. and certain of its subsidiaries entered into a credit agreement with a syndicate of lenders (the "Credit Agreement"), providing for a senior secured revolving credit facility of up to \$375,000 with a term of five years (the "Revolving Credit Facility"). The Revolving Credit Facility contains certain customary representations and warranties, affirmative covenants and events of default. The Revolving Credit Facility requires MSG L.P. to comply with the following financial covenants: (i) a maximum total secured leverage ratio of 3.50:1.00 and (ii) a maximum total leverage ratio of 6.00:1.00. In addition, there is a minimum interest coverage ratio of 2.50:1.00 for the Company. As of March 31, 2014, the Company was in compliance with the financial covenants in the Revolving Credit Facility. The proceeds of borrowings under the Revolving Credit Facility are available for working capital and capital expenditures, including, but not limited to, the Transformation, to fund other initiatives and for general corporate purposes. All borrowings under the Revolving Credit Facility are subject to the satisfaction of customary conditions, including covenant compliance, absence of a default and accuracy of representations and warranties. As of March 31, 2014, there was \$6,960 in letters of credit issued and outstanding under the Revolving Credit Facility. Available borrowing capacity under the Revolving Credit Facility as of March 31, 2014 was \$368,040.

Note 10. Commitments and Contingencies

Commitments

As more fully described in Notes 11 and 12 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended June 30, 2013, the Company's commitments primarily consist of the MSG Media segment's obligations related to professional team rights, acquired under license agreements, to telecast certain live sporting events, the MSG Sports segment's obligations under employment agreements that the Company has with its professional sports teams' personnel that are generally guaranteed regardless of employee injury or termination, long-term noncancelable operating lease agreements primarily for entertainment venues and office and storage space, and minimum purchase requirements incurred in the normal course of the Company's operations. These arrangements result from the Company's normal course of business and represent obligations that may be payable over several years.

In September 2013, in connection with the Company's acquisition of a 50% interest in Azoff-MSG, the Company agreed to provide up to \$50,000 of revolving credit loans to Azoff-MSG (see Note 6).

Legal Matters

In March 2012, the Company was named as a defendant in two purported class action antitrust lawsuits brought in the United States District Court for the Southern District of New York against the NHL and certain NHL member clubs, regional sports networks and cable and satellite distributors. The complaints, which are substantially identical, primarily assert that certain of the NHL's current rules and agreements entered into by defendants, which are alleged by the plaintiffs to provide certain territorial and other exclusivities with respect to the television and online distribution of live hockey games, violate Sections 1 and 2 of the Sherman Antitrust Act. The complaints seek injunctive relief against the defendants' continued violation of the antitrust laws, treble damages, attorneys' fees and pre- and post-judgment interest. On July 27, 2012, the Company and the other defendants filed a motion to dismiss the complaints (which have been consolidated for procedural purposes). On December 5, 2012, the Court issued an

Opinion and Order largely denying the motion to dismiss. On April 8, 2014, following the completion of discovery, all defendants filed motions for summary judgment seeking dismissal of the complaints in their entirety. The Company intends to vigorously defend the claims against the Company. Management does not believe this matter will have a material adverse effect on the Company.

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In addition to the matter discussed above, the Company is a defendant in various lawsuits. Although the outcome of these matters cannot be predicted with certainty, management does not believe that resolution of these lawsuits will have a material adverse effect on the Company.

Note 11. Fair Value Measurements

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

Level I — Quoted prices for identical instruments in active markets.

Level II — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level III — Instruments whose significant value drivers are unobservable.

The following table presents for each of these hierarchy levels, the Company's assets that are measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
March 31, 2014				
Assets:				
Money market accounts	\$48,032	\$—	\$—	\$48,032
Time deposits	20,343	—	—	20,343
Total assets measured at fair value	\$68,375	\$—	\$—	\$68,375
June 30, 2013				
Assets:				
Money market accounts	\$231,788	\$—	\$—	\$231,788
Time deposits	40,281	—	—	40,281
Total assets measured at fair value	\$272,069	\$—	\$—	\$272,069

Money market accounts and time deposits are classified within Level 1 of the fair value hierarchy as they are valued using observable inputs that reflect quoted prices for identical assets in active markets. The carrying amount of the Company's money market accounts and time deposits approximates fair value due to their short-term maturities.

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Note 12. Accumulated Other Comprehensive Income (Loss)

The following table details the changes in each component of accumulated other comprehensive income (loss):

	Pension Plans and Postretirement Plan ^(a)	Unrealized Gain (Loss) on Available-for-sale Securities ^(b)	Accumulated Other Comprehensive Income (Loss)
Balance as of June 30, 2013	\$(16,219	) \$—	\$(16,219)
Amounts reclassified from accumulated other comprehensive income, before income taxes	974	—	974
Income tax expense	(413	) —	(413)
Other comprehensive income	561	—	561
Balance as of March 31, 2014	\$(15,658	) \$—	\$(15,658)
Balance as of June 30, 2012	\$(21,216	) \$(2,946	) \$(24,162)
Other comprehensive income before reclassifications, before income taxes	—	9,587	9,587
Amounts reclassified from accumulated other comprehensive income, before income taxes	1,488	(4,500	) (3,012)
Income tax expense	(633	) (2,141	) (2,774)
Other comprehensive income	855	2,946	3,801
Balance as of March 31, 2013	\$(20,361	) \$—	\$(20,361)

Amounts reclassified from accumulated other comprehensive income, before income taxes, represents amortization
^(a) of net actuarial loss and net unrecognized prior service credit included in net periodic benefit cost, which is reflected in direct operating expenses and selling, general and administrative expenses in the accompanying consolidated statements of operations (see Note 13).

The Company held an investment in Live Nation Entertainment, Inc. common stock which it sold in March 2013. Other income in the accompanying consolidated statements of operations for the three and nine months ended
^(b) March 31, 2013 includes a pre-tax gain of \$3,130, which reflects an unrealized gain reclassified from accumulated other comprehensive income to net income partially offset by block sale costs. Prior to the sale this investment was classified as available-for-sale with the unrealized gains (losses), net of tax, included in the determination of other comprehensive income (loss) and reported in stockholders' equity.

Note 13. Pension Plans and Other Postretirement Benefit Plan

The Company sponsors a non-contributory qualified cash balance retirement plan covering its non-union employees (the "Cash Balance Pension Plan") and an unfunded non-contributory non-qualified excess cash balance plan covering certain employees who participate in the underlying qualified plan (collectively, the "Cash Balance Plans"). In addition, the Company sponsors two non-contributory qualified defined benefit pension plans covering certain of its union employees ("Union Plans"). Benefits payable to retirees under the Union Plans are based upon years of service and, for one plan, participants' compensation.

Additionally, the Company sponsors an unfunded non-contributory non-qualified defined benefit pension plan for the benefit of certain employees who participated in an underlying frozen qualified plan that was previously merged into the Cash Balance Pension Plan (the "Excess Plan"). As of December 31, 2007, the Excess Plan's benefits were frozen and the ability of participants to earn benefits for future services under this plan was eliminated.

The Cash Balance Plans, Union Plans, and Excess Plan are collectively referred to as the "Pension Plans."

The Company also sponsors a contributory welfare plan which provides certain postretirement healthcare benefits to certain eligible employees hired prior to January 1, 2001 and their eligible dependents, as well as certain union employees ("Postretirement Plan").

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Components of net periodic benefit cost for the Company's Pension Plans and Postretirement Plan for the three and nine months ended March 31, 2014 and 2013 are as follows:

	Pension Plans		Postretirement Plan	
	Three Months Ended		Three Months Ended	
	March 31,		March 31,	
	2014	2013	2014	2013
Service cost	\$1,570	\$1,691	\$65	\$76
Interest cost	1,877	1,705	110	93
Expected return on plan assets	(913	) (939) —	—
Recognized actuarial loss (gain)	359	497	(12	) 3
Amortization of unrecognized prior service cost (credit)	6	6	(38	) (41
Net periodic benefit cost	\$2,899	\$2,960	\$125	\$131
	Pension Plans		Postretirement Plan	
	Nine Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2014	2013	2014	2013
Service cost	\$4,711	\$5,053	\$170	\$196
Interest cost	5,632	5,150	287	261
Expected return on plan assets	(2,830	) (2,814) —	—
Recognized actuarial loss (gain)	1,084	1,578	(15	) 15
Amortization of unrecognized prior service cost (credit)	19	19	(114	) (124
Net periodic benefit cost	\$8,616	\$8,986	\$328	\$348

In addition, the Company sponsors qualified and non-qualified savings plans (the "Savings Plans") in which certain eligible employees of the Company participate. Expenses related to the Savings Plans included in the accompanying consolidated statements of operations were \$1,108 and \$1,016 for the three months ended March 31, 2014 and 2013, respectively. For the nine months ended March 31, 2014 and 2013 expenses related to the Savings Plans were \$2,868 and \$2,658, respectively.

Note 14. Share-based Compensation

See Note 17 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended June 30, 2013 for more information regarding The Madison Square Garden Company 2010 Employee Stock Plan (the "Employee Stock Plan") and The Madison Square Garden Company 2010 Stock Plan for Non-Employee Directors (the "Non-Employee Director Plan"), as well as the treatment after the Distribution of share-based payment awards initially granted under Cablevision equity award programs.

Share-based compensation expense reduced for estimated forfeitures, which is recognized as selling, general and administrative expense, was \$8,590 and \$4,958 for the three months ended March 31, 2014 and 2013, respectively. Share-based compensation expense was \$17,057 and \$13,898 for the nine months ended March 31, 2014 and 2013, respectively.

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Share-based Payment Award Activity

The following table summarizes activity relating to holders (including Company, Cablevision and AMC Networks Inc. ("AMC Networks")) employees and directors) of the Company's stock options for the nine months ended March 31, 2014:

	Number of Non-Performance Vesting Options	Performance Vesting Options ^(a)	Weighted- Average Exercise Price Per Share	Weighted- Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance as of June 30, 2013	332	35	\$12.63	2.70	\$17,117
Exercised ^(b)	(137	) (15	) \$14.13		
Balance as of March 31, 2014	195	20	\$11.56	1.63	\$9,718
Exercisable as of March 31, 2014	195	20	\$11.56	1.63	\$9,718

(a) The Cablevision performance objective with respect to these awards has been achieved.

Stock options exercised include 111 Company stock options that were exercised pursuant to a cashless exercise, of which approximately 70 Company stock options were surrendered to the Company in order to meet tax withholding requirements and for the exercise price of the stock options. The Company remitted to Cablevision

(b) \$2,401, which represents the aggregate value on the exercise date of the stock options that were surrendered to the Company to meet tax withholding requirements. This amount is reflected as a financing activity in the accompanying consolidated statement of cash flows for the nine months ended March 31, 2014 and has been classified as additional paid-in capital.

The aggregate intrinsic value is calculated as the difference between (i) the exercise price of the underlying award and (ii) the quoted price of the Company's Class A Common Stock for all options outstanding (and all exercisable) which were all in-the-money at March 31, 2014 and June 30, 2013, as applicable. For the nine months ended March 31, 2014 the aggregate intrinsic value of the Company's stock options exercised was \$6,279, determined as of the date of option exercise.

The following table summarizes activity relating to the Company's RSUs for the nine months ended March 31, 2014:

	Number of Non-Performance Vesting RSUs	Performance Vesting RSUs	Weighted-Average Fair Value Per Share At Date of Grant
Unvested award balance, June 30, 2013	953	493	\$29.97
Granted	239	143	56.68
Vested	(263	) (169	) 28.86
Forfeited	(126	) —	33.23
Unvested award balance, March 31, 2014	803	467	\$38.03

The fair value of RSUs that vested during the nine months ended March 31, 2014 was \$24,834. Upon vesting, RSUs granted under the Employee Stock Plan were net share-settled to cover the required statutory tax withholding obligations and the remaining number of shares were issued from the Company's treasury shares. To fulfill the employees' statutory minimum tax withholding obligations for the applicable income and other employment taxes, 173 of these RSUs, with an aggregate value of \$9,965 were retained by the Company and reflected as financing activity in the accompanying consolidated statement of cash flows for the nine months ended March 31, 2014. RSUs that were awarded under the Employee Stock Plan are generally subject to three-year cliff vesting, and certain RSUs are also subject to certain performance conditions. RSUs that were awarded by the Company to its employees

will settle in shares of the Company's Class A Common Stock (either from treasury or with newly issued shares), or, at the option of the Compensation Committee, in cash.

RSUs that were awarded to non-employee directors under the Non-Employee Director Plan were fully vested upon the date of grant and will settle in shares of the Company's Class A Common Stock (either from treasury or with newly issued shares), or,

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at the option of the Compensation Committee, in cash, on the first business day after ninety days from the date the director's service on the Board of Directors ceases or, if earlier, upon the director's death.

Note 15. Related Party Transactions

Members of the Dolan family group, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, including trusts for the benefit of the Dolan family group, collectively beneficially own all of the Company's outstanding Class B Common Stock and own approximately 1.7% of the Company's outstanding Class A Common Stock. Such shares of the Company's Class A Common Stock and Class B Common Stock, collectively, represent approximately 69% of the aggregate voting power of the Company's outstanding common stock. Members of the Dolan family are also the controlling stockholders of both Cablevision and AMC Networks.

The Company has entered into various agreements with Cablevision in connection with, and subsequent to, the Distribution. These agreements include arrangements with respect to a number of ongoing commercial relationships including affiliation agreements for carriage of MSG Networks and Fuse. As a result of the distribution by Cablevision of all the outstanding common stock of AMC Networks to Cablevision shareholders (the "AMC Networks Distribution"), certain of those arrangements between Cablevision and the Company, as well as arrangements entered into subsequent to the AMC Networks Distribution, are with AMC Networks.

Revenues from related parties primarily consist of revenues recognized from the distribution of programming services to subsidiaries of Cablevision and include sponsorship revenue as well as advertising and promotional benefits received by the Company which is recognized as the benefits are realized. Revenues from related parties amounted to \$47,531 and \$46,169 for the three months ended March 31, 2014 and 2013, respectively, and \$138,872 and \$131,271 for the nine months ended March 31, 2014 and 2013, respectively.

AMC Networks provide certain origination, master control and post production services to the Company. Amounts charged to the Company by AMC Networks for origination, master control and post production services amounted to \$2,351 and \$2,279 for the three months ended March 31, 2014 and 2013, respectively, and \$6,811 and \$6,952 for the nine months ended March 31, 2014 and 2013, respectively.

The Company incurs advertising expenses for services rendered by its related parties, primarily Cablevision, most of which are related to the utilization of advertising and promotional benefits by the Company, with an equal amount being recognized as revenue when the benefits are realized. Amounts recorded by the Company for such advertising expenses amounted to \$4,130 and \$3,027 for the three months ended March 31, 2014 and 2013, respectively, and \$10,822 and \$8,237 for the nine months ended March 31, 2014 and 2013, respectively.

Amounts charged to the Company by its related parties for corporate general and administrative expenses pursuant to administrative and other service agreements with Cablevision amounted to \$1,040 and \$417 for the three months ended March 31, 2014 and 2013, respectively, and \$2,029 and \$1,546 for the nine months ended March 31, 2014 and 2013, respectively.

Amounts charged to the Company by Cablevision for telephone and other fiber optic transmission services amounted to \$662 and \$472 for the three months ended March 31, 2014 and 2013, respectively, and \$1,652 and \$1,296 for the nine months ended March 31, 2014 and 2013, respectively.

In addition, the Company and its related parties enter into transactions with each other in the ordinary course of business. Amounts charged to the Company for other transactions with its related parties, net of amounts charged by the Company to the Knickerbocker Group, LLC, an entity owned by James L. Dolan, the Executive Chairman and a director of the Company, for office space equal to the allocated cost of such space, amounted to \$626 and \$534 for the three months ended March 31, 2014 and 2013, respectively, and \$1,550 and \$1,615 for the nine months ended March 31, 2014 and 2013, respectively.

Other

See Note 6 for information on certain transactions with the Company's nonconsolidated affiliates.

See Note 9 for information on the Company's capital lease obligations due to a related party.

See Note 14 for information on share-based payment awards initially granted under Cablevision equity award programs.

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Note 16. Income Taxes

Income tax expense for the three and nine months ended March 31, 2014 was \$7,995 and \$56,812, respectively. The effective tax rate for the three months ended March 31, 2014 of 29.6% differs from the statutory federal rate of 35% due principally to the benefit of the federal rehabilitation credit related to the Forum, decreases in state tax rates enacted during the quarter, and the impact of the domestic production activities deduction partially offset by state and local income taxes and, to a lesser extent, the impact of non-deductible expenses. The effective tax rate for the nine months ended March 31, 2014 of 35.5% differs from the statutory federal rate of 35% due principally to state and local income taxes and, to a lesser extent, the impact of non-deductible expenses. These increases were mostly offset by the benefit of the federal rehabilitation credit related to the Forum, the impact of the domestic production activities deduction, state rate changes, and the tax return to book provision adjustment in connection with the filing of the Company's 2012 federal and state income tax returns. During the three and nine months ended March 31, 2014, the amount of the rehabilitation tax credit benefit recognized in income tax expense was approximately \$2,270 and \$7,270, respectively. We anticipate recognizing approximately \$1,227 of additional rehabilitation tax credit benefits during the remainder of fiscal year 2014.

Income tax expense for the three and nine months ended March 31, 2013 was \$27,517 and \$78,902, respectively. The effective tax rate for the three months ended March 31, 2013 of 41.7% differs from the statutory federal rate of 35% due principally to state and local income taxes and the impact of nondeductible expenses partially offset by the tax benefit resulting from the domestic production activities deduction. The effective tax rate for the nine months ended March 31, 2013 of 42.7% differs from the statutory federal rate of 35% due principally to state and local income taxes, nondeductible expenses and an increase in federal income tax expense recorded in connection with the filing of the Company's 2011 income tax returns offset by the tax benefit resulting from the domestic production activities deduction.

The current federal tax liability of \$29,850 and \$32,944 as of March 31, 2014 and June 30, 2013, respectively, is reflected in other accrued liabilities in the accompanying consolidated balance sheets.

Note 17. Segment Information

The Company classifies its business interests into three reportable segments which are MSG Media, MSG Entertainment and MSG Sports. The Company allocates certain corporate costs to all of its reportable segments. In addition, the Company allocates its venue operating expenses to its MSG Entertainment and MSG Sports segments. Allocated venue operating expenses include the non-event related costs of operating the Company's venues, and include such costs as rent, real estate taxes, insurance, utilities, repairs and maintenance, and labor related to the overall management of the venues. Depreciation expense related to The Garden, The Theater at Madison Square Garden, and the Forum is not allocated to the reportable segments and is reported in "All other."

The Company conducts a significant portion of its operations at venues that it either owns or operates under long-term leases. The Company owns The Garden and The Theater at Madison Square Garden in New York City, the Forum in Inglewood, CA, and The Chicago Theatre in Chicago. In addition, the Company leases Radio City Music Hall and the Beacon Theatre in New York City, and has a booking agreement with respect to the Wang Theatre in Boston.

The Company evaluates segment performance based on several factors, of which the key financial measure is their operating income (loss) before (i) depreciation, amortization and impairments of property and equipment and intangible assets, (ii) share-based compensation expense or benefit and (iii) restructuring charges or credits, which is referred to as adjusted operating cash flow ("AOCF"), a non-GAAP measure. The Company believes AOCF is an appropriate measure for evaluating the operating performance of its business segments and the Company on a consolidated basis. AOCF and similar measures with similar titles are common performance measures used by investors and analysts to analyze the Company's performance. The Company uses revenues and AOCF measures as the most important indicators of its business performance, and evaluates management's effectiveness with specific reference to these indicators. AOCF should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities, and other measures of performance and/or liquidity

presented in accordance with GAAP. The Company has presented the components that reconcile AOCF to operating income (loss), an accepted GAAP measure. Information as to the operations of the Company's reportable segments is set forth below.

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THE MADISON SQUARE GARDEN COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Revenues				
MSG Media	\$ 190,825	\$ 184,666	\$ 538,149	\$ 500,974
MSG Entertainment	52,785	35,491	244,510	217,390
MSG Sports	233,739	208,080	455,293	329,547
All other	123	124	369	335
Inter-segment eliminations ^(a)	(18,516)	(15,955)	(54,401)	(43,788)
	\$458,956	\$412,406	\$1,183,920	\$1,004,458

Primarily represents local media rights recognized by the Company's MSG Sports segment from the licensing of ^(a) team related programming to the Company's MSG Media segment which are eliminated in consolidation. Local media rights are generally recognized on a straight-line basis over the fiscal year.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Inter-segment revenues				
MSG Entertainment	\$—	\$27	\$—	\$63
MSG Sports	18,516	15,928	54,401	43,725
	\$18,516	\$15,955	\$54,401	\$43,788

Reconciliation (by Segment and in Total) of AOCF to Operating Income (Loss)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
AOCF				
MSG Media	\$91,950	\$95,390	\$259,194	\$267,712
MSG Entertainment	(20,200)	(13,078)	7,110	4,399
MSG Sports	9,846	11,649	13,871	(1,374)
All other ^{(a) (b)}	(15,883)	(2,222)	(22,390)	(7,401)
	\$65,713	\$91,739	\$257,785	\$263,336

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Depreciation and amortization				
MSG Media	\$3,796	\$3,860	\$11,771	\$12,314
MSG Entertainment	2,469	2,354	7,429	7,145
MSG Sports	2,663	2,364	7,739	7,962
All other ^(c)	20,746	14,417	49,930	37,018
	\$29,674	\$22,995	\$76,869	\$64,439

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THE MADISON SQUARE GARDEN COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Share-based compensation expense				
MSG Media	\$1,083	\$1,744	\$2,985	\$4,416
MSG Entertainment	1,517	1,670	4,093	4,158
MSG Sports	1,311	1,142	3,581	2,943
All other ^(b)	4,679	402	6,398	2,381
	\$8,590	\$4,958	\$17,057	\$13,898

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Operating income (loss)				
MSG Media	\$87,071	\$89,786	\$244,438	\$250,982
MSG Entertainment	(24,186)	(17,102)	(4,412)	(6,904)
MSG Sports	5,872	8,143	2,551	(12,279)
All other	(41,308)	(17,041)	(78,718)	(46,800)
	\$27,449	\$63,786	\$163,859	\$184,999

A reconciliation of reportable segment operating income to the Company's consolidated income from operations before income taxes is as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Total operating income for reportable segments	\$68,757	\$80,827	\$242,577	\$231,799
Other operating loss	(41,308)	(17,041)	(78,718)	(46,800)
Operating income	27,449	63,786	163,859	184,999
Items excluded from operating income:				
Equity in earnings (loss) of nonconsolidated affiliates	663	—	(75)	—
Interest income	628	530	1,742	1,682
Interest expense	(1,763)	(1,723)	(5,378)	(5,289)
Miscellaneous income ^(d)	72	3,373	95	3,475
Income from operations before income taxes	\$27,049	\$65,966	\$160,243	\$184,867

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Capital expenditures				
MSG Media	\$443	\$1,613	\$1,711	\$10,114
MSG Entertainment	1,023	947	4,856	2,890
MSG Sports	865	843	3,792	2,160
All other ^(e)	45,555	33,971	232,386	181,523
	\$47,886	\$37,374	\$242,745	\$196,687

^(a) Consists of unallocated corporate general and administrative costs.

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THE MADISON SQUARE GARDEN COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

- (b) The amounts for the three and nine months ended March 31, 2014 include executive management transition costs. Principally includes depreciation and amortization expense on The Garden, The Theater at Madison Square
- (c) Garden, the Forum, and certain corporate property, equipment and leasehold improvement assets not allocated to the Company's reportable segments.
- (d) Miscellaneous income for the three and nine months ended March 31, 2013 consists principally of a gain from the sale of all of the Company's holdings of Live Nation common stock. Consists principally of capital expenditures associated with the Transformation. In addition, amounts for the three
- (e) and nine months ended March 31, 2014 include Forum related capital expenditures, which were previously reported in the MSG Entertainment segment. Prior period amounts have been reclassified to conform to the current year presentation.

Substantially all revenues and assets of the Company's reportable segments are attributed to or located in the United States and are primarily concentrated in the New York metropolitan area.

Note 18. Concentration of Risk

The accompanying consolidated balance sheets as of March 31, 2014 and June 30, 2013 include the following approximate amounts that are recorded in connection with the Company's license agreement with the New Jersey Devils:

Reported in	March 31, 2014	June 30, 2013
Prepaid expenses	\$1,000	\$4,000
Other current assets	2,000	2,000
Other assets	42,000	42,000
	\$45,000	\$48,000

Note 19. Subsequent Event

On April 3, 2014, MSG L.P. entered into an agreement (the "Agreement") with the parent company of NUVOTV, SiTV Media, Inc. ("NUVO"), pursuant to which NUVO has agreed to acquire Fuse from the Company, on the terms and subject to the conditions set forth in the Agreement for a cash purchase price of \$226,000, subject to a customary working capital adjustment. MSG L.P. will also receive a 15% equity interest in the combined company, which interest will be subject to potential reduction based on certain performance goals, and will have the right to designate one member of the NUVO Board of Directors. The closing of the transactions contemplated by the Agreement is subject to certain closing conditions. There can be no assurances that the conditions to closing set forth in the Agreement will be satisfied or waived. Subject to certain conditions, the Agreement can be terminated by either MSG L.P. or NUVO if the closing shall not have occurred by September 30, 2014. NUVO's obligations under the Agreement are not subject to any financing conditions. The closing of the transactions contemplated by the Agreement is currently expected to occur in the Company's first quarter of fiscal year 2015.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In this MD&A, there are statements concerning our future operating and future financial performance, including the impact of fewer playoff telecasts, the postponement of the Company's new theatrical production and certain increased team compensation, management and other expenses. Words such as "expects," "anticipates," "believes," "estimates," "may," "will," "should," "could," "potential," "continue," "intends," "plans," and similar words and terms used in the discussion of future operating and future financial performance identify forward-looking statements. Investors are cautioned that such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the level of our revenues, which depends in part on the popularity and competitiveness of our sports teams and the level and popularity of the Radio City Christmas Spectacular and other entertainment events which are presented in our venues;
- costs associated with player injuries, and waivers or contract terminations of players and other team personnel;
- changes in professional sports teams' compensation, including the impact of signing of free agents and trades, subject to league salary caps;
- the demand for our programming among cable television systems and satellite, telephone and other multichannel video programming distributors, and our ability to renew affiliation agreements with them;
- general economic conditions especially in the New York City metropolitan area where we conduct the majority of our operations;
- the demand for sponsorship arrangements and for advertising and viewer ratings for our programming;
- competition, for example, from other regional sports networks, other teams, other venues and other entertainment options;
- changes in laws, NBA or NHL rules, regulations, guidelines, bulletins, directives, policies and agreements (including the leagues' respective collective bargaining agreements with their players' associations, salary caps, revenue sharing and NBA luxury tax thresholds) or other regulations under which we operate;
- the relocation or insolvency of professional sports teams with which we have a rights agreement;
- our ability to maintain, obtain or produce content for our MSG Media segment, together with the cost of such content;
- future acquisitions and dispositions of assets;
- the costs associated with, and the outcome of, litigation and other proceedings to the extent uninsured;
- the impact of governmental regulations, including the ability to maintain necessary permits or licenses;
- financial community and rating agency perceptions of our business, operations, financial condition and the industry in which we operate;
- our ownership of professional sports franchises in the NBA and NHL and certain transfer restrictions on our common stock; and
- the factors described under "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended June 30, 2013.

We disclaim any obligation to update or revise the forward-looking statements contained herein, except as otherwise required by applicable federal securities laws.

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All dollar amounts included in the following MD&A are presented in thousands, except as otherwise noted.

Introduction

MD&A is provided as a supplement to, and should be read in conjunction with, our unaudited consolidated financial statements and accompanying notes thereto included in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the year ended June 30, 2013 to help provide an understanding of our financial condition, changes in financial condition and results of operations. Unless the context otherwise requires, all references to "we," "us," "our," "Madison Square Garden" or the "Company" refer collectively to The Madison Square Garden Company, a holding company, and its direct and indirect subsidiaries through which substantially all of our operations are actually conducted. The Company is a fully integrated sports, entertainment and media business. The Company classifies its business interests into three reportable segments: MSG Media, MSG Entertainment, and MSG Sports. MSG Media produces, develops and acquires content for multiple distribution platforms, including content originating from the Company's venues. MSG Media includes the Company's regional sports networks, MSG Network and MSG+, collectively the "MSG Networks," and "Fuse," a national television network dedicated to music. MSG Entertainment presents or hosts live entertainment events, such as concerts, family shows, performing arts and special events, in the Company's diverse collection of venues. MSG Entertainment also creates, produces and/or presents live productions, including the Radio City Christmas Spectacular featuring the Rockettes, that are performed in the Company's and other venues. MSG Sports owns and operates the following sports franchises: the Knicks of the NBA, the Rangers of the NHL, the Liberty of the WNBA, the Hartford Wolf Pack of the AHL, which is the primary player development team for the Rangers, and an NBA Development League franchise. MSG Sports also promotes, produces and/or presents a broad array of other live sporting events outside of Knicks, Rangers and Liberty games. The Company conducts a significant portion of its operations at venues that it either owns or operates under long-term leases. The Company owns The Garden and The Theater at Madison Square Garden in New York City, the Forum in Inglewood, CA and The Chicago Theatre in Chicago. In addition, the Company leases Radio City Music Hall and the Beacon Theatre in New York City, and has a booking agreement with respect to the Wang Theatre in Boston.

This MD&A is organized as follows:

Results of Operations. This section provides an analysis of our results of operations for the three and nine months ended March 31, 2014 compared to the three and nine months ended March 31, 2013 on both a consolidated and segment basis.

Liquidity and Capital Resources. This section provides a discussion of our financial condition and liquidity, an analysis of our cash flows, as well as certain contractual obligations and off balance sheet arrangements.

Seasonality of Our Business. This section discusses the seasonal performance of our MSG Sports and MSG Entertainment segments.

Recently Adopted Accounting Pronouncements, Recently Issued Accounting Pronouncements Not Yet Adopted and Critical Accounting Policies. This section discusses accounting pronouncements that have been adopted by the Company, as well as

recently issued accounting pronouncements not yet adopted by the Company. In addition, we have included a discussion of our critical accounting policy in respect of goodwill and identifiable indefinite-lived intangible assets in order to provide the results of our annual impairment testing performed during the first quarter of fiscal year 2014. This section should be read together with our critical accounting policies, which are discussed in our Annual Report on Form 10-K for the year ended June 30, 2013 under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Recently Issued Accounting Pronouncements and Critical Accounting Policies — Critical Accounting Policies" and in the notes to the consolidated financial statements of the Company included therein.

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Results of Operations

Comparison of the Three Months Ended March 31, 2014 versus the Three Months Ended March 31, 2013

Consolidated Results of Operations

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues.

	Three Months Ended March 31, 2014		2013		Increase (Decrease) in Net Income	
	Amount	% of Revenues	Amount	% of Revenues		
Revenues	\$458,956	100	% \$412,406	100	%	\$46,550
Operating expenses:						
Direct operating	300,888	66	% 246,442	60	%	(54,446)
Selling, general and administrative	100,945	22	% 79,183	19	%	(21,762)
Depreciation and amortization	29,674	6	% 22,995	6	%	(6,679)
Operating income	27,449	6	% 63,786	15	%	(36,337)
Other income (expense):						
Equity in earnings of nonconsolidated affiliates	663	NM	—	NM		663
Interest expense, net	(1,135)	NM	(1,193)	NM		58
Miscellaneous	72	NM	3,373	1	%	(3,301)
Income from operations before income taxes	27,049	6	% 65,966	16	%	(38,917)
Income tax expense	(7,995)	(2)	(7)	(7)	%	19,522
Net income	\$19,054	4	% \$38,449	9	%	\$(19,395)

NM – Percentage is not meaningful

While the prior period's NHL work stoppage and the waiver of a Rangers player which was allowed under the terms of the NHL CBA, together, negatively impacted the Company's and the MSG Sports segment's AOCF, a non-GAAP measure, and operating income during that period, the NHL work stoppage had a favorable effect on AOCF and operating income in the MSG Media segment during that period.

See "Business Segment Results" for a more detailed discussion relating to the operating results of our segments. The business segment results do not reflect inter-segment eliminations.

Revenues

Revenues for the three months ended March 31, 2014 increased \$46,550, or 11%, to \$458,956 as compared to the prior year period. The net increase is attributable to the following:

Increase in MSG Media segment revenues	\$6,159
Increase in MSG Entertainment segment revenues	17,294
Increase in MSG Sports segment revenues	25,659
Decrease in other revenues	(1)
Inter-segment eliminations	(2,561)
	\$46,550

Direct operating expenses

Direct operating expenses for the three months ended March 31, 2014 increased \$54,446, or 22%, to \$300,888 as compared to the prior year period. The net increase is attributable to the following:

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Increase in MSG Media segment expenses	\$9,016	
Increase in MSG Entertainment segment expenses	22,518	
Increase in MSG Sports segment expenses	25,597	
Decrease in other expenses	(5)
Inter-segment eliminations	(2,680)
	\$54,446	

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended March 31, 2014 increased \$21,762, or 27%, to \$100,945 as compared to the prior year period. The net increase is attributable to the following:

Decrease in MSG Media segment expenses	\$ (78)
Increase in MSG Entertainment segment expenses	1,745	
Increase in MSG Sports segment expenses	2,034	
Increase in other expenses	17,942	
Inter-segment eliminations	119	
	\$21,762	

The increase in other expenses was primarily due to executive management transition costs.

Depreciation and amortization

Depreciation and amortization for the three months ended March 31, 2014 increased \$6,679, or 29%, to \$29,674 as compared to the prior year period primarily due to the Transformation of The Garden and renovation of the Forum, which resulted in higher depreciation expense on property and equipment placed into service and, to a lesser extent, the acceleration of depreciation expense in the current year period of capitalized costs associated with asset retirement obligations that were removed as a result of the renovation of the Forum.

Equity in earnings of nonconsolidated affiliates

Equity in earnings of nonconsolidated affiliates for the three months ended March 31, 2014 reflects the Company's share of the net earnings of Azoff-MSG, inclusive of amortization expense for intangible assets associated with that investment. The Company's share of the earnings of its equity investments in Azoff-MSG, BBLV and Tribeca Enterprises are recorded on a three-month lag basis.

Miscellaneous income

Miscellaneous income for the three months ended March 31, 2013 includes a pre-tax gain of approximately \$3,100 from the sale of all of the Company's holdings of Live Nation common stock (see Note 12 to the consolidated financial statements included in "Part I - Item 1." of this Quarterly Report on Form 10-Q).

Income taxes

Income tax expense for the three months ended March 31, 2014 was \$7,995. The effective tax rate of 29.6% differs from the statutory federal rate of 35% due principally to the benefit of the federal rehabilitation credit related to the Forum, decreases in state tax rates enacted during the quarter, and the impact of the domestic production activities deduction partially offset by state and local income taxes and, to a lesser extent, the impact of non-deductible expenses.

Income tax expense for the three months ended March 31, 2013 was \$27,517. The effective tax rate of 41.7% differs from the statutory federal rate of 35% due principally to state and local income taxes and the impact of nondeductible expenses partially offset by the tax benefit resulting from the domestic production activities deduction.

AOCF

The Company evaluates segment performance based on several factors, of which the key financial measure is their operating income (loss) before (i) depreciation, amortization and impairments of property and equipment and intangible assets, (ii) share-based compensation expense or benefit and (iii) restructuring charges or credits, which is referred to as AOCF, a non-GAAP measure. The Company has presented the components that reconcile AOCF to operating income, an accepted GAAP measure.

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The following is a reconciliation of operating income to AOCF:

	Three Months Ended March 31,		Increase (Decrease) in AOCF
	2014	2013	
Operating income	\$27,449	\$63,786	\$(36,337)
Share-based compensation	8,590	4,958	3,632
Depreciation and amortization	29,674	22,995	6,679
AOCF	\$65,713	\$91,739	\$(26,026)
AOCF for the three months ended March 31, 2014 decreased \$26,026, or 28%, to \$65,713 as compared to the prior year period. The net decrease is attributable to the following:			
Decrease in AOCF of the MSG Media segment			\$(3,440)
Decrease in AOCF of the MSG Entertainment segment			(7,122)
Decrease in AOCF of the MSG Sports segment			(1,803)
Other net decreases			(13,661)
			\$(26,026)

Other net decreases were primarily due to executive management transition costs.

See above for a discussion of the NHL work stoppage during the 2012-13 season.

Business Segment Results

MSG Media

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues for the Company's MSG Media segment.

	Three Months Ended March 31,			Three Months Ended March 31,		Increase (Decrease) in Operating Income
	2014			2013		
	Amount	% of Revenues		Amount	% of Revenues	
Revenues	\$190,825	100	%	\$184,666	100	% \$6,159
Direct operating expenses	71,049	37	%	62,033	34	% (9,016)
Selling, general and administrative expenses	28,909	15	%	28,987	16	% 78
Depreciation and amortization	3,796	2	%	3,860	2	% 64
Operating income	\$87,071	46	%	\$89,786	49	% \$(2,715)

The following is a reconciliation of operating income to AOCF:

	Three Months Ended March 31,		Decrease in AOCF
	2014	2013	
Operating income	\$87,071	\$89,786	\$(2,715)
Share-based compensation	1,083	1,744	(661)
Depreciation and amortization	3,796	3,860	(64)
AOCF	\$91,950	\$95,390	\$(3,440)
Revenues			

Revenues for the three months ended March 31, 2014 increased \$6,159, or 3%, to \$190,825 as compared to the prior year period. The net increase is attributable to the following:

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Increase in affiliation fee revenue	\$9,984	
Increase in advertising revenue	319	
Other net decreases	(4,144))
	\$6,159	

The increase in affiliation fee revenue was primarily attributable to higher affiliation rates partially offset by the impact of a small decrease in subscribers at MSG Networks versus the prior year period.

The increase in advertising revenue was primarily due to higher sales generated from the telecast of NHL games and, to a lesser extent, original programming on MSG Networks partially offset by lower Knicks-related advertising sales. Other net decreases primarily reflect revenues recognized in the prior year period related to a short-term programming licensing agreement, which expired in April 2013 and, as expected, was not renewed.

With respect to the Company's fiscal fourth quarter, we expect MSG Media advertising revenue to be impacted by fewer playoff telecasts, as well as fewer regular season telecasts, versus the prior year quarter.

Direct operating expenses

Direct operating expenses for the three months ended March 31, 2014 increased \$9,016, or 15%, to \$71,049 as compared to the prior year period primarily due to higher programming acquisition costs (rights fees), largely due to the return to a full NHL regular season schedule. Programming acquisition costs include rights fees from the licensing of team related programming to MSG Media from the MSG Sports segment.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended March 31, 2014 decreased \$78, or less than 1%, to \$28,909 as compared to the prior year period primarily due to lower employee compensation and related benefits largely offset by increases in marketing and allocated corporate general and administrative costs.

AOCF

AOCF for the three months ended March 31, 2014 decreased \$3,440, or 4%, to \$91,950 as compared to the prior year period primarily driven by higher direct operating expenses largely offset by an increase in revenues.

See “— Comparison of the Three Months Ended March 31, 2014 versus the Three Months Ended March 31, 2013 — Consolidated Results of Operations” for a discussion of the NHL work stoppage during the 2012-13 season.

MSG Entertainment

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues for the Company's MSG Entertainment segment.

	Three Months Ended March 31,				(Increase)
	2014		2013		Decrease in
	Amount	% of	Amount	% of	Operating
		Revenues		Revenues	Loss
Revenues	\$52,785	100	% \$35,491	100	% \$17,294
Direct operating expenses	55,314	105	% 32,796	92	% (22,518)
Selling, general and administrative expenses	19,188	36	% 17,443	49	% (1,745)
Depreciation and amortization	2,469	5	% 2,354	7	% (115)
Operating loss	\$(24,186)	(46)% \$(17,102)	(48)% \$(7,084)

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The following is a reconciliation of operating loss to AOCF:

	Three Months Ended March 31,		Increase (Decrease) in AOCF
	2014	2013	
Operating loss	\$(24,186)	\$(17,102)	\$(7,084)
Share-based compensation	1,517	1,670	(153)
Depreciation and amortization	2,469	2,354	115
AOCF	\$(20,200)	\$(13,078)	\$(7,122)

Revenues

Revenues for the three months ended March 31, 2014 increased \$17,294, or 49%, to \$52,785 as compared to the prior year period. The net increase is attributable to the following:

Increase in event-related revenues at The Garden	\$10,892
Increase in event-related revenues at the Forum which re-opened in January 2014	7,503
Increase in venue-related sponsorship and signage and suite rental fee revenues	2,282
Decrease in event-related revenues at Radio City Music Hall, excluding Radio City Christmas Spectacular	(4,299)
Other net increases	916
	\$17,294

The increase in event-related revenues at The Garden was primarily due to more events, mainly additional events promoted by MSG Entertainment, held at the venue during the three months ended March 31, 2014 as compared to the prior year period.

The increase in venue-related sponsorship and signage and suite rental fee revenues was primarily due to the impact of expanded inventory and new sponsor relationships as a result of the Transformation of The Garden and the re-opening of the Forum.

The decrease in event-related revenues at Radio City Music Hall, excluding Radio City Christmas Spectacular, was primarily due to fewer events held at the venue as compared to the prior year period, which was largely the result of the venue being utilized during the majority of the current year quarter for the load-in and rehearsals of the Company's new large-scale theatrical production designed for Radio City Music Hall (the debut of which has been postponed from its original planned date of March 27, 2014 until 2015). The adverse impact on revenues will continue into the fourth quarter as Radio City Music Hall will again not host events for a significant portion of the quarter given the postponement of our new theatrical production.

Direct operating expenses

Direct operating expenses for the three months ended March 31, 2014 increased \$22,518, or 69%, to \$55,314 as compared to the prior year period. The net increase is attributable to the following:

Increase in direct operating expenses associated with the Company's new large-scale theatrical production designed for Radio City Music Hall which was postponed until 2015	\$9,512
Increase in event-related direct operating expenses at The Garden	7,699
Increase in event-related direct operating expenses at the Forum	4,776
Increase in venue operating costs, primarily associated with the Forum	1,683
Decrease in event-related direct operating expenses at Radio City Music Hall, excluding Radio City Christmas Spectacular	(2,360)
Other net increases	1,208
	\$22,518

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended March 31, 2014 increased \$1,745, or 10%, to \$19,188 as compared to the prior year period primarily due to higher employee compensation and related benefits and, to a lesser extent, increased costs associated with the re-opening of the Forum. These increases were partially offset by

lower allocated corporate general and administrative costs and professional fees.

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AOCF

AOCF loss for the three months ended March 31, 2014 increased \$7,122, or 54%, to a loss of \$20,200 as compared to the prior year period primarily attributable to an increase in direct operating expenses and, to a lesser extent, higher selling, general and administrative expenses, which were largely offset by an increase in revenues, as discussed above.

MSG Sports

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues for the Company's MSG Sports segment.

	Three Months Ended March 31, 2014		2013		Increase (Decrease) in Operating Income
	Amount	% of Revenues	Amount	% of Revenues	
Revenues	\$233,739	100	% \$208,080	100	% \$25,659
Direct operating expenses	193,044	83	% 167,447	80	% (25,597)
Selling, general and administrative expenses	32,160	14	% 30,126	14	% (2,034)
Depreciation and amortization	2,663	1	% 2,364	1	% (299)
Operating income	\$5,872	3	% \$8,143	4	% \$(2,271)

The following is a reconciliation of operating income to AOCF:

	Three Months Ended March 31,		Increase (Decrease) in AOCF
	2014	2013	
Operating income	\$5,872	\$8,143	\$(2,271)
Share-based compensation	1,311	1,142	169
Depreciation and amortization	2,663	2,364	299
AOCF	\$9,846	\$11,649	\$(1,803)

Revenues

Revenues for the three months ended March 31, 2014 increased \$25,659, or 12%, to \$233,739 as compared to the prior year period. The net increase is attributable to the following:

Increase in event-related revenues from other live sporting events	\$8,865
Increase in professional sports teams' regular season ticket-related revenue	8,662
Increase in professional sports teams' sponsorship and signage revenues	2,844
Increase in broadcast rights fees from MSG Media	2,680
Increase in suite rental fee revenue	1,159
Other net increases	1,449
	\$25,659

The increase in event-related revenues from other live sporting events was primarily due to more events and a change in the mix of events during the three months ended March 31, 2014 as compared to the prior year period.

Event-related revenues from other live sporting events include ticket-related revenues, venue license fees charged to promoters for the use of the Company's venues, single night suite rental fees, and food, beverage and merchandise sales.

The increase in professional sports teams' regular season ticket-related revenue was primarily driven by higher average Knicks and Rangers per-game revenue, inclusive of the impact of the return to pre-Transformation seating capacity.

The increase in professional sports teams' sponsorship and signage revenues primarily reflects expanded inventory and new sponsor relationships as a result of the Transformation.

The increase in broadcast rights fees from MSG Media was primarily due to the return to a full Rangers regular season schedule.

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Direct operating expenses

Direct operating expenses for the three months ended March 31, 2014 increased \$25,597, or 15%, to \$193,044 as compared to the prior year period. The net increase is attributable to the following:

Increase in net provisions for NBA luxury tax (excluding the impact of team personnel transactions) and NBA and NHL revenue sharing expense (excluding playoffs)	\$ 13,855
Increase in team personnel compensation	7,655
Increase in other team operating expenses	3,703
Increase in event-related expenses associated with other live sporting events	3,372
Decrease in net provisions for certain team personnel transactions (including the impact of NBA luxury tax)	(4,424)
Other net increases	1,436
	\$25,597

Net provisions for NBA luxury tax (excluding the impact of team personnel transactions) and NBA and NHL revenue sharing expense (excluding playoffs) and certain team personnel transactions (including the impact of NBA luxury tax) were as follows:

	Three Months Ended March 31, 2014	2013	Increase (Decrease)
Net provisions for NBA luxury tax (excluding the impact of team personnel transactions) and NBA and NHL revenue sharing expense (excluding playoffs)	\$26,220	\$ 12,365	\$ 13,855
Net provisions for certain team personnel transactions (including the impact of NBA luxury tax)	10,814	15,238	(4,424)

The increase in net provisions for NBA luxury tax (excluding the impact of team personnel transactions) and NBA and NHL revenue sharing expense (excluding playoffs) reflects higher NBA luxury tax of \$10,961 and higher net provisions for both NBA and NHL revenue sharing expense of \$2,894. The increase in provisions for NBA luxury tax for the three months ended March 31, 2014 was primarily due to the change in the luxury tax rate structure beginning with the 2013-14 season and, to a lesser extent, higher aggregate player salaries. The actual amounts for net provisions for NBA luxury tax and NBA and NHL revenue sharing expense for the 2013-14 season may vary significantly from the recorded provisions based on actual operating results for the league and all teams for the season and other factors. Team personnel transactions for the three months ended March 31, 2014 primarily reflect provisions recorded for season-ending player injuries and player waivers/contract terminations of \$6,933 and \$3,728, respectively. Team personnel transactions for the three months ended March 31, 2013 reflect provisions recorded for player waivers/contract terminations and season-ending player injuries of \$9,967 and \$5,018, respectively, and player trades of \$253.

The increase in team personnel compensation was primarily due to overall salary increases and the impact of roster changes at the Company's sports teams partially offset by the return to a full Rangers regular season schedule.

The increase in other team operating expenses was primarily due to higher professional fees and, to a lesser extent, net other team operating expense increases, including the return to a full Rangers regular season schedule.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended March 31, 2014 increased \$2,034, or 7%, to \$32,160 as compared to the prior year period primarily due to higher employee compensation and related benefits.

AOCF

AOCF for the three months ended March 31, 2014 decreased \$1,803, or 15%, to \$9,846 as compared to the prior year period due to an increase in direct operating expenses and, to a lesser extent, higher selling, general and administrative expenses, largely offset by higher revenues, as discussed above.

See “— Comparison of the Three Months Ended March 31, 2014 versus the Three Months Ended March 31, 2013 — Consolidated Results of Operations” for a discussion of the NHL work stoppage during the 2012-13 season.

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With respect to the Company's fiscal fourth quarter, we expect to incur higher team personnel compensation expense, additional team management expenses, and higher other team operating costs, as well as higher net provisions for NBA luxury tax and NBA and NHL revenue sharing expense as compared to the prior year quarter.

Comparison of the Nine Months Ended March 31, 2014 versus the Nine Months Ended March 31, 2013

Consolidated Results of Operations

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues.

	Nine Months Ended March 31, 2014		2013		Increase (Decrease) in Net Income	
	Amount	% of Revenues	Amount	% of Revenues		
Revenues	\$1,183,920	100	% \$1,004,458	100	%	\$179,462
Operating expenses:						
Direct operating	682,046	58	% 526,360	52	%	(155,686)
Selling, general and administrative	261,146	22	% 228,660	23	%	(32,486)
Depreciation and amortization	76,869	6	% 64,439	6	%	(12,430)
Operating income	163,859	14	% 184,999	18	%	(21,140)
Other income (expense):						
Equity in loss of nonconsolidated affiliates	(75 )	) NM	—	NM		(75)
Interest expense, net	(3,636 )	) NM	(3,607 )	) NM		(29)
Miscellaneous	95	NM	3,475	NM		(3,380)
Income from operations before income taxes	160,243	14	% 184,867	18	%	(24,624)
Income tax expense	(56,812)	(5 )	)% (78,902)	(8 )	)%	22,090
Net income	\$103,431	9	% \$105,965	11	%	\$(2,534)

NM – Percentage is not meaningful

The comparability of the results of operations of the Company and the MSG Media and MSG Sports segments for the nine months ended March 31, 2014 to the prior year period was impacted by the prior year's NHL work stoppage, which delayed the start of the 2012-13 regular season by approximately three months to January 19, 2013 and led to a shortened 48-game regular season. As a result, the Rangers (as well as other NHL teams whose games are telecast on MSG Networks) played fewer regular season home and away games during the prior year period as compared to the current year period. During the nine months ended March 31, 2014, the Rangers played 76 regular season games, of which 38 were home games and 38 were away games, as compared to 34 regular season games in the prior year period, of which 18 were home games and 16 were away games.

While the prior period's NHL work stoppage and the waiver of a Rangers player which was allowed under the terms of the NHL CBA, together, negatively impacted the Company's and the MSG Sports and MSG Media segments' revenues and the Company's and MSG Sports segment's AOCF, a non-GAAP measure, and operating income during that period, the NHL work stoppage had a favorable effect on AOCF and operating income in the MSG Media segment during that period.

See "Business Segment Results" for a more detailed discussion relating to the operating results of our segments. The business segment results do not reflect inter-segment eliminations.

Revenues

Revenues for the nine months ended March 31, 2014 increased \$179,462, or 18%, to \$1,183,920 as compared to the prior year period. The net increase is attributable to the following:

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Increase in MSG Media segment revenues	\$37,175
Increase in MSG Entertainment segment revenues	27,120
Increase in MSG Sports segment revenues	125,746
Increase in other revenues	34
Inter-segment eliminations	(10,613)
	\$179,462

See above for a discussion of the NHL work stoppage during the 2012-13 season.

Direct operating expenses

Direct operating expenses for the nine months ended March 31, 2014 increased \$155,686, or 30%, to \$682,046 as compared to the prior year period. The net increase is attributable to the following:

Increase in MSG Media segment expenses	\$45,038
Increase in MSG Entertainment segment expenses	18,345
Increase in MSG Sports segment expenses	103,203
Decrease in other expenses	(2)
Inter-segment eliminations	(10,898)
	\$155,686

Selling, general and administrative expenses

Selling, general and administrative expenses for the nine months ended March 31, 2014 increased \$32,486, or 14%, to \$261,146 as compared to the prior year period. The net increase is attributable to the following:

Decrease in MSG Media segment expenses	\$(776)
Increase in MSG Entertainment segment expenses	5,999
Increase in MSG Sports segment expenses	7,936
Increase in other expenses	19,042
Inter-segment eliminations	285
	\$32,486

The increase in other expenses was primarily due to executive management transition costs.

Depreciation and amortization

Depreciation and amortization for the nine months ended March 31, 2014 increased \$12,430, or 19%, to \$76,869 as compared to the prior year period primarily due to higher depreciation expense on property and equipment placed into service associated with the Transformation of The Garden.

Equity in loss of nonconsolidated affiliates

Equity in loss of nonconsolidated affiliates for the nine months ended March 31, 2014 reflects the Company's share of the net earnings of Azoff-MSG, inclusive of amortization expense for intangible assets associated with that investment. The Company's share of the earnings of its equity investments in Azoff-MSG, BBLV and Tribeca Enterprises are recorded on a three-month lag basis.

Miscellaneous income

Miscellaneous income for the nine months ended March 31, 2013 includes a pre-tax gain of approximately \$3,100 from the sale of all of the Company's holdings of Live Nation common stock (see Note 12 to the consolidated financial statements included in "Part I - Item 1." of this Quarterly Report on Form 10-Q).

Income taxes

Income tax expense for the nine months ended March 31, 2014 was \$56,812. The effective tax rate of 35.5% differs from the statutory federal rate of 35% due principally to state and local income taxes and, to a lesser extent, the impact of non-deductible expenses. These increases were mostly offset by the benefit of the federal rehabilitation credit related to the Forum, the impact of

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the domestic production activities deduction, state rate changes, and the tax return to book provision adjustment in connection with the filing of the Company's 2012 federal and state income tax returns.

Income tax expense for the nine months ended March 31, 2013 was \$78,902. The effective tax rate of 42.7% differs from the statutory federal rate of 35% due principally to state and local income taxes, nondeductible expenses and an increase in federal income tax expense recorded in connection with the filing of the Company's 2011 income tax returns offset by the tax benefit resulting from the domestic production activities deduction.

AOCF

The following is a reconciliation of operating income to AOCF:

	Nine Months Ended March 31,		Increase (Decrease) in
	2014	2013	AOCF
Operating income	\$163,859	\$184,999	\$(21,140)
Share-based compensation	17,057	13,898	3,159
Depreciation and amortization	76,869	64,439	12,430
AOCF	\$257,785	\$263,336	\$(5,551)
AOCF for the nine months ended March 31, 2014 decreased \$5,551, or 2%, to \$257,785 as compared to the prior year period. The net decrease is attributable to the following:			
Decrease in AOCF of the MSG Media segment			\$(8,518)
Increase in AOCF of the MSG Entertainment segment			2,711
Increase in AOCF of the MSG Sports segment			15,245
Other net decreases			(14,989)
			\$(5,551)

Other net decreases were primarily due to executive management transition costs.

See above for a discussion of the NHL work stoppage during the 2012-13 season.

Business Segment Results**MSG Media**

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues for the Company's MSG Media segment.

	Nine Months Ended March 31,			Increase (Decrease) in	
	2014	2013		Operating	Income
	Amount	% of Revenues	Amount	% of Revenues	
Revenues	\$538,149	100	% \$500,974	100	% \$37,175
Direct operating expenses	197,400	37	% 152,362	30	% (45,038)
Selling, general and administrative expenses	84,540	16	% 85,316	17	% 776
Depreciation and amortization	11,771	2	% 12,314	2	% 543
Operating income	\$244,438	45	% \$250,982	50	% \$(6,544)

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The following is a reconciliation of operating income to AOCF:

	Nine Months Ended March 31,		Decrease in AOCF
	2014	2013	
Operating income	\$244,438	\$250,982	\$(6,544)
Share-based compensation	2,985	4,416	(1,431)
Depreciation and amortization	11,771	12,314	(543)
AOCF	\$259,194	\$267,712	\$(8,518)

Revenues

Revenues for the nine months ended March 31, 2014 increased \$37,175, or 7%, to \$538,149 as compared to the prior year period. The net increase is attributable to the following:

Increase in affiliation fee revenue	\$40,908
Increase in advertising revenue	8,750
Other net decreases	(12,483)
	\$37,175

The increase in affiliation fee revenue was primarily attributable to higher affiliation rates and, to a lesser extent, the return to a full NHL regular season schedule, with a small decrease in MSG Networks subscribers versus the prior year period.

The increase in advertising revenue was primarily due to higher sales generated from the telecast of NHL games (largely due to the return to a full NHL regular season schedule) partially offset by lower Knicks-related advertising sales.

Other net decreases primarily reflect revenues recognized in the prior year period related to a short-term programming licensing agreement, which expired in April 2013 and, as expected, was not renewed.

See “— Comparison of the Nine Months Ended March 31, 2014 versus the Nine Months Ended March 31, 2013 — Consolidated Results of Operations” for a discussion of the NHL work stoppage during the 2012-13 season.

Direct operating expenses

Direct operating expenses for the nine months ended March 31, 2014 increased \$45,038, or 30%, to \$197,400 as compared to the prior year period primarily due to higher programming acquisition costs (rights fees) and other programming costs due to the return to a full NHL regular season schedule. Programming acquisition costs include rights fees from the licensing of team related programming to MSG Media from the MSG Sports segment.

Selling, general and administrative expenses

Selling, general and administrative expenses for the nine months ended March 31, 2014 decreased \$776, or 1%, to \$84,540 as compared to the prior year period primarily due to lower employee compensation and related benefits, with the overall decline being partially offset by increases in marketing and allocated corporate general and administrative costs.

Depreciation and amortization

Depreciation and amortization for the nine months ended March 31, 2014 decreased \$543, or 4%, to \$11,771 as compared to the prior year period primarily driven by lower amortization of intangible assets resulting from certain intangible assets becoming fully amortized during fiscal year 2013.

AOCF

AOCF for the nine months ended March 31, 2014 decreased \$8,518, or 3%, to \$259,194 as compared to the prior year period primarily driven by higher direct operating expenses largely offset by an increase in revenues.

See “— Comparison of the Nine Months Ended March 31, 2014 versus the Nine Months Ended March 31, 2013 — Consolidated Results of Operations” for a discussion of the NHL work stoppage during the 2012-13 season.

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MSG Entertainment

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues for the Company's MSG Entertainment segment.

	Nine Months Ended March 31,				Decrease	
	2014		2013		(Increase) in	
	Amount	% of	Amount	% of	Operating	
		Revenues		Revenues	Loss	
Revenues	\$244,510	100	% \$217,390	100	% \$27,120	
Direct operating expenses	185,115	76	% 166,770	77	% (18,345)
Selling, general and administrative expenses	56,378	23	% 50,379	23	% (5,999)
Depreciation and amortization	7,429	3	% 7,145	3	% (284)
Operating loss	\$(4,412	) (2	)% \$(6,904	) (3	)% \$2,492	

The following is a reconciliation of operating loss to AOCF:

	Nine Months Ended				Increase	
	March 31,		2013		(Decrease)	
	2014				in AOCF	
Operating loss	\$(4,412	)	\$(6,904	)	\$2,492	
Share-based compensation	4,093		4,158		(65)
Depreciation and amortization	7,429		7,145		284	
AOCF	\$7,110		\$4,399		\$2,711	

Revenues

Revenues for the nine months ended March 31, 2014 increased \$27,120, or 12%, to \$244,510 as compared to the prior year period. The net increase is attributable to the following:

Increase in event-related revenues at The Garden	\$11,005
Increase in event-related revenues at the Forum which re-opened in January 2014	7,503
Increase in revenues from the presentation of the Radio City Christmas Spectacular franchise	6,289
Increase in venue-related sponsorship and signage and suite rental fee revenues	5,419
Decrease in event-related revenues at Radio City Music Hall, excluding Radio City Christmas Spectacular	(6,456
Other net increases	3,360
	\$27,120

The increase in event-related revenues at The Garden was primarily due to more events, mainly additional events promoted by MSG Entertainment, held at the venue during the nine months ended March 31, 2014 as compared to the prior year period.

The increase in revenues from the presentation of the Radio City Christmas Spectacular franchise was primarily due to higher attendance at the Radio City Music Hall production of the show and an increase in both average ticket price and attendance at the theatrical productions presented outside of New York. These increases were partially offset by a lower average ticket price at the Radio City Music Hall production. The Radio City Music Hall production of the show in the prior year period was negatively impacted by Superstorm Sandy. During the 2013 holiday season more than 1,000 tickets were sold for the Radio City Music Hall production, which represents a mid-single digit percentage increase as compared to the prior year period.

The increase in venue-related sponsorship and signage and suite rental fee revenues was primarily due to higher suite rental fee revenue as a result of new suite products which were unavailable for portions of the prior year period combined with the impact of expanded inventory and new sponsor relationships as a result of the Transformation of The Garden and the re-opening of the Forum. These increases were partially offset by the planned reduction in certain

suite products due to the Transformation and the impact of the off-season shutdowns.

The decrease in event-related revenues at Radio City Music Hall, excluding Radio City Christmas Spectacular, was primarily driven by the impact from the absence of Cirque du Soleil's Zarkana, which was presented at the venue during the prior year

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period. To a lesser extent the decrease also reflects fewer other events held at the venue as compared to the prior year period, which was largely the result of the venue being utilized during the majority of the third quarter of the current fiscal year for the load-in and rehearsals of the Company's new large-scale theatrical production designed for Radio City Music Hall (the debut of which has been postponed from its original planned date of March 27, 2014 until 2015). These declines were largely offset by revenues associated with NBC's America's Got Talent which was broadcast live from the venue during the current year period.

Direct operating expenses

Direct operating expenses for the nine months ended March 31, 2014 increased \$18,345, or 11%, to \$185,115 as compared to the prior year period. The net increase is attributable to the following:

Increase in direct operating expenses associated with the Company's new large-scale theatrical production designed for Radio City Music Hall which was postponed until 2015	\$9,445	
Increase in event-related direct operating expenses at The Garden	7,408	
Increase in event-related direct operating expenses at the Forum	4,776	
Decrease in direct operating expenses associated with the presentation of the Radio City Christmas Spectacular franchise	(5,098))
Decrease in event-related direct operating expenses at Radio City Music Hall, excluding Radio City Christmas Spectacular	(2,674))
Increase in venue operating costs, primarily associated with the Forum	2,437	
Other net increases	2,051	
	\$18,345	

The decrease in direct operating expenses associated with the presentation of the Radio City Christmas Spectacular franchise was primarily due to the absence of a pre-tax impairment charge of \$4,982 which was recorded during the prior year period related to a theatrical production of the show presented outside of New York.

Selling, general and administrative expenses

Selling, general and administrative expenses for the nine months ended March 31, 2014 increased \$5,999, or 12%, to \$56,378 as compared to the prior year period primarily due to increased costs, including marketing, associated with the re-opening of the Forum and the debut of the fully transformed Madison Square Garden Arena and higher employee compensation and related benefits.

AOCF

AOCF for the nine months ended March 31, 2014 increased \$2,711, or 62%, to \$7,110 as compared to the prior year period primarily attributable to an increase in revenues which were largely offset by an increase in direct operating expenses and, to a lesser extent, higher selling, general and administrative expenses, as discussed above.

MSG Sports

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues for the Company's MSG Sports segment.

	Nine Months Ended March 31, 2014		2013		Increase (Decrease) in Operating Income	
	Amount	% of Revenues	Amount	% of Revenues		
Revenues	\$455,293	100	% \$329,547	100	% \$125,746	
Direct operating expenses	353,935	78	% 250,732	76	% (103,203))
Selling, general and administrative expenses	91,068	20	% 83,132	25	% (7,936))
Depreciation and amortization	7,739	2	% 7,962	2	% 223	
Operating income (loss)	\$2,551	1	% \$(12,279)	(4))% \$14,830	

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The following is a reconciliation of operating income (loss) to AOCF:

	Nine Months Ended March 31,		Increase (Decrease) in AOCF
	2014	2013	
Operating income (loss)	\$2,551	\$(12,279)	) \$14,830
Share-based compensation	3,581	2,943	638
Depreciation and amortization	7,739	7,962	(223)
AOCF	\$13,871	\$(1,374)	) \$15,245

Revenues

Revenues for the nine months ended March 31, 2014 increased \$125,746, or 38%, to \$455,293 as compared to the prior year period. The net increase is attributable to the following:

Increase in professional sports teams' pre/regular season ticket-related revenue	\$54,627
Increase in suite rental fee revenue	16,940
Increase in professional sports teams' sponsorship and signage revenues	11,621
Increase in event-related revenues from other live sporting events	11,098
Increase in broadcast rights fees from MSG Media	10,897
Increase in professional sports teams' pre/regular season food, beverage and merchandise sales	10,252
Increase in revenues from league distributions	8,569
Other net increases	1,742
	\$125,746

The increase in professional sports teams' pre/regular season ticket-related revenue was primarily driven by the return to a full Rangers regular season schedule. This increase also reflects, to a lesser extent, higher average per-game revenue, inclusive of the impact of the return to pre-Transformation seating capacity.

The increase in suite rental fee revenue was primarily due to the impact of new suite products which were unavailable for portions of the prior year period and the return to a full Rangers regular season schedule partially offset by the planned reduction in certain suite products due to the Transformation and the impact of the off-season shutdowns.

The increase in professional sports teams' sponsorship and signage revenues primarily reflects the return to a full Rangers regular season schedule, as well as expanded inventory and new sponsor relationships as a result of the Transformation.

The increase in event-related revenues from other live sporting events was primarily due to more events and a change in the mix of events during the nine months ended March 31, 2014 as compared to the prior year period.

The increase in broadcast rights fees from MSG Media was primarily due to the return to a full Rangers regular season schedule.

The increase in professional sports teams' pre/regular season food, beverage and merchandise sales was primarily due to the return to a full Rangers regular season schedule.

The increase in revenues from league distributions was primarily due to the return to a full NHL regular season schedule.

See “— Comparison of the Nine Months Ended March 31, 2014 versus the Nine Months Ended March 31, 2013 — Consolidated Results of Operations” for a discussion of the NHL work stoppage during the 2012-13 season.

Direct operating expenses

Direct operating expenses for the nine months ended March 31, 2014 increased \$103,203, or 41%, to \$353,935 as compared to the prior year period. The net increase is attributable to the following:

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Increase in team personnel compensation	\$40,937
Increase in net provisions for NBA luxury tax (excluding the impact of team personnel transactions) and NBA and NHL revenue sharing expense (excluding playoffs)	29,761
Increase in other team operating expenses	21,691
Increase in event-related expenses associated with other live sporting events	4,687
Increase in professional sports teams' pre/regular season expense associated with food, beverage and merchandise sales	4,624
Decrease in net provisions for certain team personnel transactions (including the impact of NBA luxury tax)	(2,304)
Other net increases	3,807
	\$103,203

The increase in team personnel compensation was primarily due to the return to a full Rangers regular season schedule and, to a lesser extent, overall salary increases and the impact of roster changes at the Company's sports teams.

Net provisions for NBA luxury tax (excluding the impact of team personnel transactions) and NBA and NHL revenue sharing expense (excluding playoffs) and certain team personnel transactions (including the impact of NBA luxury tax) were as follows:

	Nine Months Ended March 31,		
	2014	2013	Increase (Decrease)
Net provisions for NBA luxury tax (excluding the impact of team personnel transactions) and NBA and NHL revenue sharing expense (excluding playoffs)	\$47,854	\$18,093	\$29,761
Net provisions for certain team personnel transactions (including the impact of NBA luxury tax)	15,790	18,094	(2,304)

The increase in net provisions for NBA luxury tax (excluding the impact of team personnel transactions) and NBA and NHL revenue sharing expense (excluding playoffs) reflects higher NBA luxury tax of \$20,508 and higher net provisions for both NBA and NHL revenue sharing expense of \$9,253. The increase in provisions for NBA luxury tax for the nine months ended March 31, 2014 was primarily due to the change in the luxury tax rate structure beginning with the 2013-14 season and, to a lesser extent, higher aggregate player salaries. The actual amounts for net provisions for NBA luxury tax and NBA and NHL revenue sharing expense for the 2013-14 season may vary significantly from the recorded provisions based on actual operating results for the league and all teams for the season and other factors. Team personnel transactions for the nine months ended March 31, 2014 reflect provisions recorded for season-ending player injuries and player waivers/contract terminations of \$6,933 and \$7,276, respectively, and player trades of \$1,581. Team personnel transactions for the nine months ended March 31, 2013 reflect provisions recorded for player waivers/contract terminations and season-ending player injuries of \$10,167 and \$7,079, respectively, and player trades of \$848.

The increase in other team operating expenses was primarily due to the return to a full Rangers regular season schedule, higher professional fees and, to a lesser extent, the absence of a league expense recoupment which was recorded in the prior year period.

Selling, general and administrative expenses

Selling, general and administrative expenses for the nine months ended March 31, 2014 increased \$7,936, or 10%, to \$91,068 as compared to the prior year period. The increase was primarily driven by higher allocated corporate general and administrative costs, increased marketing costs (including those associated with the debut of the fully transformed Madison Square Garden Arena and the return to a full Rangers regular season schedule) and higher employee compensation and related benefits.

AOCF

AOCF for the nine months ended March 31, 2014 increased \$15,245 to \$13,871, as compared to the prior year period primarily due to higher revenues largely offset by an increase in direct operating expenses and, to a lesser extent, higher selling, general and administrative expenses, as discussed above.

See “— Comparison of the Nine Months Ended March 31, 2014 versus the Nine Months Ended March 31, 2013 — Consolidated Results of Operations” for a discussion of the NHL work stoppage during the 2012-13 season.

Liquidity and Capital Resources

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Overview

Our primary sources of liquidity are cash and cash equivalents on hand, cash flows from the operations of our businesses and available borrowing capacity under our \$375,000 credit agreement with a syndicate of lenders, providing for a senior secured revolving credit facility (see "Financing Agreements" below). Our principal uses of cash include capital spending, investments and working capital-related items. The decisions of the Company as to the use of its available liquidity will be based upon an ongoing review of the funding needs of the business, the optimal allocation of cash resources, and the timing of cash flow generation.

In September 2013, the Company acquired a 50% interest in Azoff-MSG for a purchase price of \$125,000. The Company provides a \$50,000 revolving credit facility to the entity, of which \$13,000 borrowings were outstanding as of March 31, 2014.

We believe we have sufficient liquidity, including approximately \$77,000 in cash and cash equivalents as of March 31, 2014, along with available borrowing capacity under our Revolving Credit Facility to fund amounts due related to the Transformation and the Forum, our other initiatives and for general corporate purposes.

We constantly assess capital and credit markets activity and conditions against our ability to meet our net funding and investing requirements over the next twelve months and we believe that the combination of cash and cash equivalents on hand, cash generated from operating activities and borrowing availability under our Revolving Credit Facility should provide us with sufficient liquidity to fund such requirements. However, economic conditions may lead to lower demand for our offerings, such as lower levels of attendance or advertising. The consequences of such conditions could adversely impact our business and results of operations and might require that we seek alternative sources of funding through the capital and credit markets that may or may not be available to us.

Financing Agreements

Revolving Credit Facility

On January 28, 2010, MSG L.P. and certain of its subsidiaries entered into a credit agreement with a syndicate of lenders providing for a senior secured revolving credit facility of up to \$375,000 with a term of five years. The Revolving Credit Facility contains certain customary representations and warranties, affirmative covenants and events of default. It also requires MSG L.P. to comply with the following financial covenants: (i) a maximum total secured leverage ratio of 3.50:1.00 and (ii) a maximum total leverage ratio of 6.00:1.00. In addition, there is a minimum interest coverage ratio of 2.50:1.00 for the Company. As of March 31, 2014, the Company was in compliance with the financial covenants in the Revolving Credit Facility. The proceeds of borrowings under the Revolving Credit Facility are available for working capital and capital expenditures, including, but not limited to, the Transformation, to fund other initiatives and for general corporate purposes. All borrowings under the Revolving Credit Facility are subject to the satisfaction of customary conditions, including covenant compliance, absence of a default and accuracy of representations and warranties. As of March 31, 2014, there was \$6,960 in letters of credit issued and outstanding under the Revolving Credit Facility. Our available borrowing capacity under the Revolving Credit Facility as of March 31, 2014 was \$368,040.

Borrowings under the Revolving Credit Facility bear interest at a floating rate which, at the option of MSG L.P., may be either 2.5% over a U.S. Federal Funds Rate or U.S. Prime Rate, or 3.5% over an adjusted LIBOR rate.

Accordingly, we will be subject to interest rate risk with respect to any borrowings we may make under that facility. In appropriate circumstances, we may seek to reduce this exposure through the use of interest rate swaps or similar instruments. Upon a payment default in respect of principal, interest or other amounts due and payable under the Revolving Credit Facility or related loan documents, default interest will accrue on all overdue amounts at an additional rate of 2.00% per annum.

The Revolving Credit Facility requires MSG L.P. to pay a commitment fee of 0.75% in respect of the average daily unused commitments thereunder. MSG L.P. is also required to pay customary letter of credit fees, as well as fronting fees, to banks that issue letters of credit pursuant to the Revolving Credit Facility.

Guarantees and Security

All obligations under the Credit Agreement are guaranteed by MSG L.P.'s existing and future direct and indirect domestic subsidiaries that are not designated as excluded subsidiaries or unrestricted subsidiaries in accordance with the facility (the "Guarantors"). All obligations under the Credit Agreement, including the guarantees of those obligations, are secured by certain of the assets of MSG L.P. and each Guarantor (collectively, "Collateral"), including, but not limited to, a pledge of the equity interests held directly or indirectly by MSG L.P. in each Guarantor. The Collateral, however, does not include, among other things, our sports franchises or other assets of any of MSG L.P.'s teams, including of the Knicks and Rangers, or any interests in real property of MSG L.P. or the Guarantors, including The Garden and The Theater at Madison Square Garden, the leasehold interest in Radio City Music Hall and MSG L.P.'s real property interest in other venues.

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Prepayments

Subject to customary notice and minimum amount conditions, MSG L.P. may voluntarily prepay outstanding loans under the Revolving Credit Facility at any time, in whole or in part, without premium or penalty (except for customary breakage costs with respect to Eurodollar loans).

With certain exceptions, MSG L.P. is required to make mandatory prepayments on loans outstanding, in certain circumstances, including without limitation from the net cash proceeds of certain sales of assets (including Collateral) or casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights), and the incurrence of certain indebtedness.

Certain Covenants and Events of Default

In addition to the financial covenants previously discussed, the Credit Agreement and the related security agreement contain certain customary representations and warranties, affirmative covenants and events of default. The Credit Agreement contains certain restrictions on the ability of MSG L.P. and its restricted subsidiaries to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the Credit Agreement, including the following: (i) incur additional indebtedness; (ii) create liens on certain assets; (iii) make investments, loans or advances in or to other persons; (iv) pay dividends and distributions or repurchase capital stock; (v) repay, redeem or repurchase certain indebtedness; (vi) change its lines of business; (vii) engage in certain transactions with affiliates; (viii) amend specified material agreements; (ix) merge or consolidate; (x) make dispositions; and (xi) enter into agreements that restrict the granting of liens. In addition, under the Credit Agreement, The Madison Square Garden Company must generally remain a passive holding company.

Cash Flow Discussion

Operating Activities

Net cash provided by operating activities for the nine months ended March 31, 2014 increased by \$36,286 to \$217,048 as compared to the prior year period driven by an increase of \$13,270 resulting from net income and other non-cash items and an increase of \$23,016 from changes in assets and liabilities.

The increase resulting from changes in assets and liabilities was primarily due to (i) an increase during the nine months ended March 31, 2014 in accounts payable of \$243 as compared to a decrease of \$23,793 during the prior year period, (ii) an increase during the nine months ended March 31, 2014 in accrued and other liabilities of \$67,278 as compared to an increase of \$44,194 during the prior year period and (iii) an increase during the nine months ended March 31, 2014 in deferred revenue of \$36,738 as compared to an increase of \$28,580 during the prior year period. These increases were largely offset by (i) an increase during the nine months ended March 31, 2014 in prepaid expenses and other assets of \$25,215 as compared to an increase of \$3,630 during the prior year period, (ii) an increase during the nine months ended March 31, 2014 in net related party receivables of \$7,385 as compared to an increase of \$347 during the prior year period and (iii) an increase during the nine months ended March 31, 2014 in accounts receivable of \$54,443 as compared to an increase of \$48,134 during the prior year period.

Investing Activities

Net cash used in investing activities for the nine months ended March 31, 2014 increased by \$260,575 to \$413,126 as compared to the prior year period. This increase is primarily due to \$186,893 of cash used during the current year period for the Company's acquisitions of its nonconsolidated affiliates, Azoff-MSG, BBLV and Tribeca Enterprises, and a loan to Azoff-MSG. In addition, capital expenditures for the nine months ended March 31, 2014 increased by \$46,058 as compared to the prior year period primarily due to the renovation of the Forum during the current fiscal year partially offset by lower capital expenditures associated with the Transformation. Investing activities during the prior year period included proceeds of \$44,136 from the March 2013 sale of all of the Company's holdings of Live Nation common stock. These contributors to the higher net cash used in investing activities were partially offset by an \$18,000 loan provided to the Company during the nine months ended March 31, 2014 from the City of Inglewood in connection with the Company's renovation of the Forum.

Financing Activities

Net cash used in financing activities for the nine months ended March 31, 2014 decreased by \$1,004 to \$5,290 as compared to the prior year period. This decrease is primarily due to lower taxes paid in lieu of shares issued for equity-based compensation largely offset by lower proceeds from stock option exercises and excess tax benefit on share-based awards during the nine months ended March 31, 2014 as compared to the prior year period.

Contractual Obligations and Off Balance Sheet Arrangements

In addition to the contractual obligations and off balance sheet arrangements described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Contractual Obligations and

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Off Balance Sheet Arrangements" included in the Company's Annual Report on Form 10-K for the year ended June 30, 2013, during the current fiscal year the Company agreed to provide up to \$50,000 of revolving credit loans to its fifty percent owned joint venture, Azoff-MSG.

Seasonality of Our Business

The dependence of the MSG Sports segment on revenues from its NBA and NHL sports teams generally means it earns a disproportionate share of its revenues in the second and third quarters of our fiscal year (see " — Results of Operations — Comparison of the Three Months Ended March 31, 2014 versus the Three Months Ended March 31, 2013 — Consolidated Results of Operations" and " — Results of Operations — Comparison of the Nine Months Ended March 31, 2014 versus the Nine Months Ended March 31, 2013 — Consolidated Results of Operations" for a discussion of the NHL work stoppage during the 2012-13 season). The dependence of the MSG Entertainment segment on revenues from the Radio City Christmas Spectacular generally means it earns a disproportionate share of its revenues and operating income in the second quarter of our fiscal year. In addition, the Company closed The Garden and The Theater at Madison Square Garden during the off-seasons following the Knicks' and Rangers' playoffs in calendar years 2011, 2012 and 2013 due to the Transformation.

Recently Adopted Accounting Pronouncements, Recently Issued Accounting Pronouncements Not Yet Adopted and Critical Accounting Policies

Recently Adopted Accounting Pronouncements

In December 2011, the FASB issued ASU No. 2011-11, Disclosures about Offsetting Assets and Liabilities, which creates new disclosure requirements regarding the nature of an entity's rights of offset and related arrangements associated with its financial instruments and derivative instruments. In January 2013, the FASB issued ASU No. 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, which clarifies the scope of transactions that are subject to disclosures required by FASB ASC 210-20-50, Balance Sheet - Offsetting - Disclosure, concerning offsetting. In particular ASU No. 2013-01 addresses implementation issues about the scope of ASU No. 2011-11 and clarifies that the scope of the disclosure is limited to derivatives, repurchase agreements, and securities borrowing and securities lending transactions that are either offset in the financial statements or are subject to a master netting arrangement or similar arrangement. These standards were adopted by the Company in the first quarter of fiscal year 2014. The adoption of these standards did not have an impact on the Company's financial position, results of operations, or cash flows.

In February 2013, the FASB issued ASU No. 2013-02, Comprehensive Income (Topic 220) - Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, which requires an entity to provide information about amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide additional detail about those amounts. This standard was adopted by the Company in the first quarter of fiscal year 2014. The adoption of this standard impacted the Company's disclosures only and did not have any impact on the Company's financial position, results of operations, or cash flows.

Recently Issued Accounting Pronouncements Not Yet Adopted

In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, or ASU 2014-08. ASU 2014-08 changes the criteria for reporting a discontinued operation while enhancing disclosures in this area. This standard will be effective for the Company beginning in its first quarter of fiscal 2016. Early adoption of the standard is permitted, but only for disposals (or classifications as held for sale) that have not

been reported in financial statements previously issued or available for issuance. The Company is currently evaluating the impact of the adoption on its consolidated financial statements.

Critical Accounting Policies

The following discussion has been included only to provide the results of our annual impairment testing of goodwill and identifiable indefinite-lived intangible assets performed during the first quarter of fiscal year 2014. Accordingly, we have not repeated herein a discussion of the Company's other critical accounting policies as set forth in our Annual Report on Form 10-K for the year ended June 30, 2013.

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Goodwill

Goodwill is tested annually for impairment during the first fiscal quarter and at any time upon the occurrence of certain events or substantive changes in circumstances. The Company has the option to perform a qualitative assessment to determine if an impairment is more likely than not to have occurred. If the Company can support the conclusion that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, we would not need to perform the two step impairment test for that reporting unit. If the Company cannot support such a conclusion or the Company does not elect to perform the qualitative assessment, then the first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill that would be recognized in a business combination. The Company's three reporting units for evaluating goodwill impairment are the same as its reportable segments, and all of them have goodwill.

The goodwill balance reported on the Company's balance sheet as of March 31, 2014 by reportable segment is as follows:

MSG Media	\$465,326
MSG Entertainment	58,979
MSG Sports	218,187
	\$742,492

During the first quarter of fiscal year 2014, the Company performed its annual impairment test of goodwill, and there was no impairment of goodwill identified for any of its reportable segments.

Identifiable Indefinite-Lived Intangible Assets

Identifiable indefinite-lived intangible assets are tested annually for impairment during the first fiscal quarter and at any time upon the occurrence of certain events or substantive changes in circumstances. The Company has the option to perform a qualitative assessment to determine if an impairment is more likely than not to have occurred. In the qualitative assessment, the Company must evaluate the totality of qualitative factors, including any recent fair value measurements, that impact whether an indefinite-lived intangible asset other than goodwill has a carrying amount that more likely than not exceeds its fair value. The Company must proceed to conducting a quantitative analysis, according to which an impairment charge is recognized for the amount of the asset's carrying amount exceeding the fair value, if the Company (1) determines that such an impairment is more likely than not to exist, or (2) forgoes the qualitative assessment entirely. The impairment test for identifiable indefinite-lived intangible assets consists of a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The following table sets forth the amount of identifiable indefinite-lived intangible assets reported in the Company's consolidated balance sheet as of March 31, 2014 by reportable segment:

Sports franchises (MSG Sports segment)	\$101,418
Trademarks (MSG Entertainment segment)	62,421
	\$163,839

In March 2014, the Company acquired an NBA Development League franchise, which will begin operations for the 2014-15 season. The purchase was accounted for as the acquisition of an indefinite-lived franchise intangible asset. During the first quarter of fiscal year 2014, the Company performed its annual impairment test of identifiable indefinite-lived intangible assets, and there were no impairments identified.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to the disclosures on this matter made in the Company's Annual Report on Form 10-K for the year ended June 30, 2013.

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Item 4. Controls and Procedures

The Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act")) were effective as of March 31, 2014, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Exchange Act.

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The Company is a defendant in various lawsuits. Although the outcome of these matters cannot be predicted with certainty, management does not believe that resolution of these lawsuits will have a material adverse effect on the Company.

Item 6. Exhibits

(a) Index to Exhibits

EXHIBIT NO.	DESCRIPTION
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 2nd day of May, 2014.

The Madison Square Garden Company

By: /S/ ROBERT M. POLLICHINO

Name: Robert M. Pollichino

Title: Executive Vice President and Chief
Financial Officer