

THE NEW ALBANY COMPANY

Distribution: MR,EL,JE,BE

I. NACO CASH FLOWS FROM OPERATIONS AND FUNDING SOURCES
For the Six Months Ending June, 30 2005(As of June 10, 2005)

	Current Month-Actual	Year to Date 2005-Actual	Year to Date 2005-Plan	1/1/2005 2005-Plan
CASH FLOWS FROM OPERATIONS				
Managed Properties (Exhibit A)				
Real Estate				
I. Before Development Projects, Land Acq. & Contingency	\$ (166,463)	\$ (3,261,850)	\$ 2,310,867	\$ 17,921,842
II. Development Projects, Land Acquisitions & Contingency				
Development Projects	(44,512)	(2,130,052)	(1,705,496)	2,063,206
Land Acquisition	-	(1,868,198)	(1,500,000)	(3,000,000)
Contingency (1)	-	-	(1,930,000)	(5,000,000)
Total Real Estate	(210,975)	(7,260,100)	(2,824,629)	11,985,048
Country Club				
Country Club Operations (2)	(245,980)	(840,362)	(550,000)	(871,250)
Total Managed Properties	\$ (456,954)	\$ (8,100,462) *	\$ (3,374,629) *	\$ 11,113,798
* Managed Properties YTD "Plan" includes \$4.9M in cash inflow in April from the Burnside sale which is now scheduled to close in June. In addition, YTD "Actual" Infrastructure costs are \$1.16M under the YTD "Plan" of \$3.1M				
Excluded Properties (Exhibit B)				
I. Excluded Properties (not including Land Acquisitions)(3)	\$ (183,656)	\$ (1,523,431)	\$ (2,664,026)	\$ (2,262,252)
II. Excluded Properties Land Acquisitions (Exhibit D)	(5,497)	(647,772)	(7,957,500)	(9,532,909)
Total Excluded Properties (4)	\$ (189,153)	\$ (2,171,203)	\$ (10,621,526)	\$ (11,795,161)
TOTAL CASH FLOW FROM OPERATIONS	\$ (646,107)	\$ (10,271,665)	\$ (13,996,155)	\$ (681,363)
CASH FLOW FROM OTHER FUNDING SOURCES				
Bank One Line - Borrowing (Repayment) - Net	-	8,000,000	11,000,000	-
Members - Contributions (Distributions) - Net	-	-	-	-
TOTAL CASH FLOW	\$ (646,107)	\$ (2,271,665)	\$ (2,996,155)	\$ (681,363)

II. NACO FUNDING SOURCE ACTIVITY
For the Six Months Ending June, 30 2005(As of June 10, 2005)

FUNDING SOURCES	Year's Activity as of June 1st	Current Month	Year's Activity as of June 10th
Excess Cash Flow from Managed Properties	\$ (7,643,508)	\$ (456,954)	\$ (8,100,462)
Bank One Line Net - Borrowing (Repayment) (5)	8,000,000	-	8,000,000
Members Net - Contributions (Distributions) (6)	-	-	-
TOTAL FUNDING SOURCES FOR NACO	\$ 356,492	\$ (456,954)	\$ (100,462)

(1) The Year to Date Contingency amount is based on the Revised Year to Date Bulk Land Sales as a percent of the Revised Bulk Land Sales for 2005 times the \$5.0M contingency for all of 2005.

(2) New Albany Country Club is included in Managed Properties beginning January 1, 2005.

(3) This Statement sets fourth the cash flow for Land Acquisition costs including transaction costs. Exhibit D sets fourth the gross purchase price of the Land Acquisitions.

(4) Excluded Properties YTD "Plan" includes \$7M in acquisition costs related to the CVCO purchase which is now expected to close sometime in the last six months of 2005 and the revised estimated cost of \$10.4M due a reduce trade property size and value.

(5) Balance of Line of Credit as of June 10, 2005 is \$8,000,000.

(6) Contributions Year to Date total \$0. Distributions Year to Date total \$0.

THE NEW ALBANY COMPANY
NACO CASH FLOW - MANAGED (MONTHLY)
For the Six Months Ending June, 30 2005(As of June 10, 2005)

Exhibit A

	Current Month-Actual	Year to Date 2005-Actual	Year to Date 2005-Plan	1/1/2005 2005-Plan
<u>SALES INFORMATION</u>				
Individual Lot Closings-Gross	1	3	12	20
Individual Lot Closings (net)	1	3	12	20
Bulk Lot Sales	-	-	8	46
Individual Gross Lot Sales Revenue	\$ 210,000	\$ 610,000	\$ 2,060,000	\$ 3,545,000
Average Lot Sale Price - Gross	210,000	203,333	171,667	177,250
Bulk Land Sales - Acres Sold	2	4	48	129
<u>REAL ESTATE OPERATIONS</u>				
CASH INFLOW				
LAND SALES				
Individual Lot Sales net of Selling Costs (	\$ 192,829	\$ 586,757	\$ 1,927,300	\$ 3,305,625
Lot Contract Payoffs	-	127,500	936,348	936,348
Interest on Lot Contracts	18,191	37,825	12,304	12,304
Bulk Sales net of Selling Costs	599,834	2,109,424	8,159,713	21,216,365
Bulk Lot Sales net of Selling Costs	-	-	238,800	5,154,100
OTHER INCOME				
Lease & Rental Income-net	\$ 18,993	\$ 199,945	\$ 193,346	\$ 405,148
Corporate, Fee and Other Income	2,500	17,166	25,800	55,800
CASH INFLOW FROM OPERATIONS	\$ 832,347	\$ 3,078,617	\$ 11,493,610	\$ 31,085,690
CASH OUTFLOW				
OPERATING EXPENSES:				
General & Administrative	\$ 173,763	\$ 2,253,124	\$ 2,306,508	\$ 3,311,806
Legal Fees	8,140	37,781	200,500	420,000
Marketing	31,681	328,329	640,000	800,000
Property Maintenance	16,491	60,269	71,800	166,500
Insurance	42,234	117,411	115,000	175,000
Property Taxes including Assessments	20,215	1,178,593	2,213,857	2,373,905
Other Corporate Expenses	6,140	332,729	352,579	398,137
Infrastructure Projects (	700,146	1,962,231	3,122,500	5,243,500
Subsidiary Funding - New Albany Realty New Albany Realty	-	70,000	160,000	275,000
CASH OUTFLOW FROM OPERATIONS	\$ 998,810	\$ 6,340,467	\$ 9,182,744	\$ 13,163,848
CASH FLOW BEFORE DEV. PROJECTS, LAND ACQ. & CONTINGENCY	\$ (166,463)	\$ (3,261,850)	\$ 2,310,867	\$ 17,921,842
DEVELOPMENT PROJECTS, LAND ACQUISITION AND CONTINGENCY				
DEVELOPMENT PROJECTS				
CASH INFLOW				
JV Home Sales - Net of Selling Costs*	\$ -	\$ -	\$ 747,578	\$ 747,578
Market Square - Rental Income Net	-	69,335	86,926	295,628
Joint Venture Investments (Cash Distributions)	-	160,000	160,000	320,000
Signature Office Building Mortgage Proceeds	-	-	-	3,500,000
CASH OUTFLOW				
Market Square	-	(33,760)	-	-
Signature Office Building	44,512	2,393,147	2,700,000	2,800,000
JV Expenditures including interest expense	-	-	-	-
CASH FLOW FROM DEVELOPMENT PROJECTS	\$ (44,512)	\$ (2,130,052)	\$ (1,705,496)	\$ 2,063,206
LAND ACQUISITIONS & CONTINGENCY				
LAND ACQUISITIONS				
	\$ -	\$ 1,868,198	\$ 1,500,000	\$ 3,000,000
TRANSACTION CONTINGENCY				
	-	-	1,930,000	5,000,000
CASH OUTFLOW LAND ACQUISITIONS & CONTINGENCY	\$ -	\$ (1,868,198)	\$ (3,430,000)	\$ (8,000,000)
CASH FLOW FROM REAL ESTATE OPERATIONS	\$ (210,975)	\$ (7,260,100)	\$ (2,824,629)	\$ 11,985,048
<u>COUNTRY CLUB</u>				
Country Club Operations (	245,980	840,362	550,000	871,250
CASH FLOW FROM MANAGED PROPERTIES OPERATIONS	\$ (456,954)	\$ (8,100,462)	\$ (3,374,629)	\$ 11,113,798

THE NEW ALBANY COMPANY
NACO CASH FLOW - EXCLUDED (MONTHLY)
For the Six Months Ending June, 30 2005(As of June 10, 2005)

	Current Month-Actual	Year to Date 2005-Actual	Year to Date 2005-Plan	Draft 1/1/2005 2005-Plan
SALES INFORMATION				
Lot Sales (net)	-	-	-	1
Acres Sold	-	-	-	-
CASH INFLOW				
LAND SALES				
Lot Sales net of Selling Costs	\$ -	\$ -	\$ -	\$ 845,775
Lot Contract Payoffs	-	-	-	-
Interest on Lot Contracts	-	-	-	-
Bulk Sales net of Selling Costs	-	-	-	-
DEVELOPMENT PROJECTS				
JV Home Sales - Net of Selling Costs	-	-	-	-
Market Square - Rental Income Net	-	-	-	-
OTHER INCOME				
Lease & Rental Income-net (b)	\$ 8,938	\$ 73,692	\$ 78,972	\$ 165,483
TOTAL OTHER INCOME	\$ 8,938	\$ 73,692	\$ 78,972	\$ 165,483
CASH INFLOW FROM OPERATIONS	\$ 8,938	\$ 73,692	\$ 78,972	\$ 1,011,258
CASH OUTFLOW				
OPERATING EXPENSES:				
General & Administrative (Rent, NAPI Payment)	2,490	351,005	375,586	921,100
Legal Fees	-	-	15,000	25,000
Insurance	-	-	-	-
Property Taxes including Assessments	-	345,577	633,077	648,077
Debt Service	7,831	45,324	98,335	148,333
Other Corporate expenses	-	-	-	-
INFRASTRUCTURE PROJECTS	135,124	844,232	1,621,000	1,531,000
OTHER CASH FLOW ITEMS	47,149	10,985	-	-
CASH OUTFLOW	\$ 192,594	\$ 1,597,123	\$ 2,742,998	\$ 3,273,510
EXCLUDED PROPERTIES NOT INCLUDING LAND ACQ.	\$ (183,656)	\$ (1,523,431)	\$ (2,664,026)	\$ (2,262,252)
LAND ACQUISITIONS	5,497	647,772	7,957,500	9,532,909
CASH FLOW FROM EXCLUDED PROPERTIES OPERATIONS	\$ (189,153)	\$ (2,171,203)	\$ (10,621,526)	\$ (11,795,161)

THE NEW ALBANY COMPANY
NACO LAND ACQUISITION STATUS REPORT
For the Six Months Ending June, 30 2005(As of June 10, 2005)

Exhibit D

-----Acquisition Costs-----						-----NACO Cash Flow-----		
Seller	Location	Acres	\$/Acre	Cost (1)	Payment/ Closing Date (2)	Classification Managed	Excluded	Total Cash Flow-2005
I. <u>Installment/Mortgage Payments on Closed Parcels</u>								
				\$ -		\$ -	\$ -	\$ -
II <u>Closed Acquisitions (not including commissions)</u>								
McNamee	Babbit Rd	18.046	19,500	351,897	12/23/2004		351,897	351,897
Schrimsher	Beech Rd	5.117	48,857	250,000	2/24/2005		245,100	245,100
Duboe	Licking County	0.780	33,654	26,250	4/11/2005		27,517	27,517
Duboe	Licking County	0.477	34,853	16,625	4/14/2005		17,659	17,761
Steak & Shake	Business Park	1.107	569,106	630,000	3/15/2005	630,528		630,528
Woods	Hamilton Market	3.034	395,517	1,200,000	5/26/2005	1,237,670		1,237,670
Deposits, Survey & Engineering							5,600	5,600
		28.561	\$ 1,101,487	\$ 2,474,772		\$ 1,868,198	\$ 647,772	\$ 2,516,073
Total Acquisition Costs to Date				\$ 2,474,772		\$ 1,868,198	\$ 647,772	\$ 2,516,073
II. <u>Future Acquisitions under Contract (as of report date)</u>								
Bowman(Shell Stator Village Center		0.200	350,000	70,000	12/15/2005		70,000	-
Mahan	Country Club	0.475	378,947	180,000	5/25/2005	180,000		-
CVCO	Farms	44.000	240,909	10,600,000 (3)			10,600,000	-
		44.675	\$ 242,865	\$ 10,850,000		\$ 180,000	\$ 10,670,000	\$ -
Total Acquisition Costs - Closed and Under Contract				\$ 13,324,772		\$ 2,048,198	\$ 11,317,772	

(1) Costs do not include Commissions and closing costs.

(2) Acquisitions under contract closing dates are the final dates per the contracts.

(3) Full acquisition price of \$11M less estimated trade property value of \$600K. Closing date is projected for second half of 2005.

THE NEW ALBANY COMPANY
CONSOLIDATED CASH FLOW
For the Period June 4, 2005 - June 10, 2005

	-----Actual-----
I. CONSOLIDATED CASH FLOW FOR THE WEEK (1)	
CASH AT BEGINNING OF WEEK	\$ 1,478,504
CASH FROM OPERATIONS	587,933
CASH USED IN OPERATIONS/OTHER SOURCES	<u>(1,616,550)</u>
CASH BALANCE BEFORE DEBT/CAPITAL CONTRIBUTIONS	\$ 449,887
BANK ONE LINE NET - BORROWING (REPAYMENT)	0
NET CONTRIBUTIONS(DISTRIBUTIONS) - MEMBERS	0
CASH BALANCE AT END OF WEEK	<u>\$ 449,887</u>
II. BANK ONE LINE OF CREDIT - ACTIVITY FOR THE PERIOD	
DEBT BALANCE AT BEGINNING OF WEEK	8,000,000
PROCEEDS FROM BORROWINGS	-
PAYMENT OF DEBT	-
DEBT BALANCE AT END OF WEEK	<u>\$ 8,000,000</u>
III. CASH FLOW PROJECTION - 90 DAYS (See Attached Exhibit A)	
CASH AT BEGINNING OF PERIOD	\$ 952,350
CASH FROM OPERATIONS	12,392,000
CASH USED IN OPERATIONS/OTHER SOURCES	<u>(6,208,476)</u>
CASH BALANCE BEFORE DEBT/CAPITAL CONTRIBUTIONS	\$ 7,135,874
BANK ONE LINE NET - BORROWING (REPAYMENT) (2)	(6,500,000)
NET CONTRIBUTIONS(DISTRIBUTIONS) - MEMBERS	0
CASH BALANCE AT END OF PERIOD	<u>\$ 635,874</u>
(1) Consolidated Cash Flow represents cash flow from (i) NACO's Real Estate Operations (Managed and Excluded Properties) and (ii) the New Albany Country Club Operations.	
(2) Projected balance of (\$25M) Bank One Line of Credit in 90 days:	\$1,500,000

THE NEW ALBANY COMPANY
CONSOLIDATED CASH FLOW PROJECTION
For the Period May 1, 2005 - July 30, 2005

CASH FLOW PROJECTION (1)	June	July	August	90 Day Totals
CASH AT BEGINNING OF PERIOD	\$952,350	\$1,391,831	\$760,149	\$952,350
CASH FROM OPERATIONS	10,784,500	1,155,000	452,500	12,392,000
CASH USED IN OPERATIONS/OTHER SOURCES	(3,845,019)	(1,786,682)	(576,775)	(6,208,476)
CASH BALANCE BEFORE DEBT/CAPITAL CONTRIBUTIONS	7,891,831	760,149	635,874	7,135,874
NET-PROCEEDS (PAYMENT) ON BANK ONE LINE	(6,500,000)	-	-	(6,500,000)
NET CONTRIBUTIONS(DISTRIBUTIONS) - MEMBERS	-	-	-	-
CASH BALANCE AT END OF PERIOD	\$1,391,831	\$760,149	\$635,874	\$635,874
 BANK ONE LINE OF CREDIT PROJECTION				
DEBT BALANCE AT BEGINNING OF MONTH	\$8,000,000	\$1,500,000	\$1,500,000	\$8,000,000
PROCEEDS FROM BORROWINGS				-
PAYMENT OF DEBT	(6,500,000)		-	(6,500,000)
DEBT BALANCE AT END OF MONTH	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000

(1) CASH FLOW PROJECTION - DETAILED

Cash From Operations	June	July	August	90 Day Totals
Bulk Land Sales (Steak & Shake Site, Burnside)				
Steak & Shake	592,000			592,000
Burnside	4,927,500			4,927,500
Lot Sales	365,000	605,000	412,500	1,382,500
Rent/Other	35,000	40,000	40,000	115,000
Joint Venture Home Sale	665,000	510,000		1,175,000
Mortgage Proceeds for Signature Building	4,200,000			4,200,000
Cash from Operations	\$10,784,500	\$1,155,000	\$452,500	\$12,392,000
 Cash used in operations				
G & A	231,078	299,703	159,342	690,123
Legal	35,000	35,000	27,500	97,500
Marketing (does not include 2005 marketing initiative)	14,000	14,000	14,000	42,000
Property Maintenance	18,400	17,400	17,400	53,200
Insurance	-	30,000	5,000	35,000
Property Taxes	1,299,974	53,912	80,700	1,434,586
Debt Service	36,667	36,667	13,333	86,667
Other	10,000	5,000	5,000	20,000
Infrastructure	1,327,500	1,245,000	254,500	2,827,000
Land Acquisitions	185,400	-		185,400
Investment in Affiliates				
NARL Subsidy				-
Signature Building	500,000	50,000		550,000
Club Subsidy (includes expansion costs)	187,000			187,000
Cash used in operations	\$3,845,019	\$1,786,682	\$576,775	\$6,208,476
 Net Cash Flow	 \$6,939,481	 (\$631,682)	 (\$124,275)	 \$6,183,524