

**Vbase Limited Income Statement**

For the six months ended 31 December 2011

	Dec 11 YTD Actual \$'000	Dec 11 YTD Budget \$'000	Dec 10 YTD Actual \$'000	Full Year Budget \$'000	Full Year Reforecast \$'000
<b>Income</b>					
Venue Rental and Event Revenue	988	784	3,901	1,356	1,674
Food and Beverage	2,108	1,479	7,523	2,355	4,080
Equipment Hire Revenue	259	251	1,025	503	491
Memberships and Naming Rights	138	94	3,467	173	78
Other - including JEFL	2,365	5,692	2,152	8,985	10,491
	<b>5,858</b>	<b>8,300</b>	<b>18,068</b>	<b>13,372</b>	<b>16,814</b>
<b>Less Expenditure</b>					
Food and Beverage	2,157	1,836	5,653	3,141	4,167
Event/Hosting Costs	871	864	3,085	1,664	1,724
Facilities	725	661	1,523	1,368	1,614
Administration	1,328	1,551	1,917	2,869	2,839
Other - including JEFL	483	1,056	2,520	2,076	1,199
	<b>5,564</b>	<b>5,968</b>	<b>14,698</b>	<b>11,118</b>	<b>11,543</b>
<b>EBITDA</b>	<b>294</b>	<b>2332</b>	<b>3370</b>	<b>2254</b>	<b>5,271</b>
Net Interest	2,082	2,311	3,919	4,622	4,072
Depreciation	3,559	4,826	5,313	9,651	8,000
<b>Net loss before income tax</b>	<b>-5,347</b>	<b>-4,805</b>	<b>-5,862</b>	<b>-12,019</b>	<b>-6,801</b>
<b>Income tax expense/(credit)</b>	<b>-1,859</b>	<b>-886</b>	<b>-2,288</b>	<b>-1,771</b>	<b>-1,771</b>
<b>After tax loss for the period</b>	<b>-3,488</b>	<b>-3,919</b>	<b>-3,574</b>	<b>-10,248</b>	<b>-5,030</b>

**Vbase Limited Consolidated Statement of Changes in Equity**  
**For the six months ended 31 December 2011**

	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
<b>Balance at 1 July 2010</b>	143,789	-70,477	55,868	129,180
After tax loss for the full year		12,002		12,002
Asset impairment at 22/2			-57,282	-57,282
Asset revaluation at 30/6			12,039	12,039
Deferred tax adj on revaluation of buildings			14,054	14,054
Issue of Preference Shares	53,750			53,750
Buy back of Preference Shares	-12,000			-12,000
Trsf of prior revaluation on de-recognised assets		9,594	-9,594	0
Equity Component of mandatory RPS	-824	824		0
<b>Balance at 30 June 2011</b>	184,715	-48,057	15,085	151,743
After tax loss for the period		-3,488		-3,488
Issue of Preference Shares	9,000			9,000
				0
<b>Balance at 31 December 2011</b>	193,715	-51,545	15,085	157,255

## Vbase Limited Balance Sheet

For the six months ended 31 December 2011

	Dec 11 YTD Actual \$'000	Dec 10 YTD Actual \$'000	Jun 12 Budget \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalent	8,685	4,097	7,731
Trade & Other Receivables	25,298	6,571	5,262
Other Financial Assets	2,000	7,700	0
Inventories	93	440	706
Current Tax Assets	3,374	3,901	1,905
Other Current Assets	324	403	0
<b>Total Current Assets</b>	<b>39,774</b>	<b>23,112</b>	<b>15,604</b>
<b>Non-Current Assets</b>			
Property, Plant, Equipment & Intangibles	165,640	233,030	228,542
Non-Current Financial Assets	25,423	0	0
Finance Lease Receivables	24,112	25,853	26,899
Other Non-Current Assets	3,075	3,285	0
<b>Total Non-Current Assets</b>	<b>218,250</b>	<b>262,168</b>	<b>255,441</b>
<b>Total Assets</b>	<b>258,024</b>	<b>285,280</b>	<b>271,045</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	4,562	10,257	8,680
Current Provisions	163	523	532
<b>Total Current Liabilities</b>	<b>4,725</b>	<b>10,780</b>	<b>9,212</b>
<b>Non Current Liabilities</b>			
Non-Current Borrowings	57,096	97,272	46,573
Deferred Tax	38,948	44,621	45,160
Other	0	0	42
<b>Total Non-Current Liabilities</b>	<b>96,044</b>	<b>141,893</b>	<b>91,775</b>
<b>Total Liabilities</b>	<b>100,769</b>	<b>152,673</b>	<b>100,987</b>
<b>Net Assets</b>	<b>157,255</b>	<b>132,607</b>	<b>170,058</b>
<b>Represented by:</b>			
<b>Equity</b>			
Retained Earnings	-51,545	-72,713	-100,455
Capital & Reserves	208,800	205,320	270,513
<b>Total Equity</b>	<b>157,255</b>	<b>132,607</b>	<b>170,058</b>

**Vbase Limited Statement of Cashflows**  
**For the six months ended 31 December 2011**

	<b>Dec 11</b>	<b>Dec 10</b>	<b>Jun 12</b>
	<b>YTD Actual</b>	<b>YTD Actual</b>	<b>Budget</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	5,743	21,428	18,065
Receipts from Insurance	24,006	0	0
Payments to suppliers and employees	-8,867	-19,022	-13,875
Taxation (paid)/received	3	87	4,237
Net GST movement	895	-125	0
<b>Net cash flows from operating activities</b>	<b>21,780</b>	<b>2,368</b>	<b>8,427</b>
<b>Cash flows from investing activities</b>			
CCC Deposits	-25,423	0	0
Sale/purchase of fixed assets	-3,988	-4,118	-6,002
Net interest received/(paid)	-2,536	-3,588	-4,634
Deferred acquisition payment	0	-65	0
Net movement in bank deposits	25	-7,700	0
<b>Net cash flows from investing activities</b>	<b>-31,922</b>	<b>-15,471</b>	<b>-10,636</b>
<b>Cash flows from financing activities</b>			
Share increase	9,000	7,000	11,995
Change in finance lease	0	0	0
Borrowings	0	0	-700
<b>Net cash flows from financing activities</b>	<b>9,000</b>	<b>7,000</b>	<b>11,295</b>
<b>Net inflow/(outflow) of cash</b>	<b>-1,142</b>	<b>-6,103</b>	<b>9,086</b>
Opening bank	9,827	10,200	-1,355
<b>Closing bank</b>	<b>8,685</b>	<b>4,097</b>	<b>7,731</b>

## Financial performance targets

Vbase Ltd

	Group 30 Jun 2012 Target \$'000	Group 31 Dec 2011 Actual \$'000
Income	\$6,486	\$5,858
Less Operating Expenses	\$4,455	\$5,564
EBITDA	\$2,031	\$294
Less		
Interest	\$4,523	\$2,082
Depreciation	\$9,124	\$3,559
Loss on derecognition of property	\$0	\$0
Net Surplus (deficit) before tax	-\$11,616	-\$5,347
Taxation	-\$2,074	-\$1,859
Net Surplus (deficit) after tax	-\$9,542	-\$3,488

F&B revenue and expenses account for more than twice the annual budget in the first six months, however F&B margin has been significantly overestimated in the budget. \$6m of BI receipts are included in the target - none have been received to date.

### Ratio of Shareholders funds to total assets

The forecast ratio of Shareholders funds to total assets is:

Target to Jun	Actual to Dec
64%	61%

The forecast capital structure is:

	Target to Jun	Actual to Dec
	\$m	\$m
Equity	\$169m	\$157m
Debt	\$35m	\$57m
Total Assets	\$256m	\$258m

## Reporting against Statement of Intent

Objective and Strategy	Performance Measure	Result
<p><b>1 - Great Stages</b></p> <p>Vbase will tailor a great stage for any event</p> <ul style="list-style-type: none"> <li>Establish the technology platform for best practice Asset &amp; Facilities Management</li> <li>Utilize the CBS Arena to support displaced cultural/community business from the Christchurch Town Hall</li> </ul>	<p>Implement EBMS asset management software by June 2012</p> <p>90% booking for annual cultural events displaced from the Christchurch Town Hall</p>	<p>On track for full implementation by June 2012</p> <p>Approximately 60% re-booked for current financial year and another 20% for the following financial year</p>
<p><b>2 - Great Hosting</b></p> <p>deliver an outstanding client and service experience</p> <ul style="list-style-type: none"> <li>Implement online client satisfaction survey</li> </ul>	<p>Achieve greater than 80% satisfaction during year</p>	<p>Client satisfaction surveys have not yet been undertaken</p>
<p><b>3 - Growth</b></p> <p>utilise assets and capabilities for growth</p> <ul style="list-style-type: none"> <li>Maximize event days at CBS Canterbury Arena</li> <li>Support the Christchurch City Council in endeavours to increase the available conference venues</li> </ul>	<p>&gt; 150 event days</p> <p>Business development team is part of project team for new conference venue development initiatives</p>	<p>96 event days to 31 December 2011</p> <p>Janelle Brooking is on the Convention Centre Working Group and Air Force Conference Venue Group</p>
<p><b>4 - Valuable Partnerships</b></p> <p>great to do business with and a great place to work</p> <ul style="list-style-type: none"> <li>Secure events that will attract national and international visitors to Christchurch and generate positive economic impact</li> <li>Secure events that will encourage high usage of the venues</li> <li>Facilitate access to the venues for local sporting, charitable and cultural organisations</li> </ul>	<p>Annual visitor spending exceeds \$40m</p> <p>Visitors to venues exceeds 200,000</p> <p>Total venue discounts exceed \$200,000</p>	<p>Annual visitor spend was \$12,142,124 to 31 December</p> <p>134,375 visitors to 31 December 2011</p> <p>\$164,809 venue discounts given to 31 December 2011</p>
<p><b>5 - Brand Equity</b></p> <p>Vbase will build its reputation, profile and influence</p> <ul style="list-style-type: none"> <li>Maintain the recognition level of the</li> </ul>	<p>Invest in trade shows, trade publications and client</p>	<p>Spent \$96,268 on subscriptions, conferences,</p>

Vbase brand	familiarizations to the value of \$100,000	travel, sales calls and advertising to 31 December
<p><b>6 - Health and Safety</b></p> <p>Vbase will be a safe place to work and visit</p> <ul style="list-style-type: none"> <li>• Further develop Vbase staff culture and fully participate in CCC Engagement Survey</li> <li>• Continue to tune health and safety systems and processes</li> <li>• Provide leadership to clients, contractors and sub contractors</li> </ul>	<p>At least 59%</p> <p>Improvement in staff H&amp;S performance review scores</p> <p>100% contractor and client compliance</p> <p>Improvement in contractor performance review outcomes</p> <p>100% accreditation of contractors</p>	<p>Vbase staff have not yet been involved in a CCC engagement survey</p> <p>H&amp;S performance reviews are yet to be undertaken</p> <p>All contractors have been reviewed and compliance and accreditation achieved</p>

### JEFL performance targets

Performance Target	Performance Measure	Result
The engine test cell continues to be provided as per the criteria established in the contract documentation	The Christchurch Engine Centre continues to operate the engine test cell successfully and meet its lease payment obligations	Achieved
The company meets all relevant legislative and contractual requirements	No breaches of legislative or contractual requirements are recorded	Achieved – no breaches

