



## CASE STUDY

DEVELOPER CONTRIBUTES LAND AS EQUITY

### INTRODUCTION

This case study demonstrates where a developer owns a parcel of land that they are developing, and they want the Performance Indicators in the feasibility analysis to take into consideration the value of the land that has been contributed to the project.

## INPUTS

For the land to be considered as a direct investment in the project, its present value must be featured as both a **Land Purchase Price** and an **Equity Contribution** in period zero.

These two identical entries (**Land Purchase Price** and **Equity Contribution**) will cancel each other out in the cash flow, but will be ultimately be deducted from the developers profit and provide an accurate reflection of the project's performance considering land value contributed.

In this case, the land value of \$12,500,000 is entered in the 'Land Purchase Price' input.

Land Purchase & Acquisition Costs			
Costs to be entered Exclusive of GST			
Land Purchase Price		12,500,000	
	% of Land Purchase Price	AND/OR	
	% paid	Lump Amount	
Deposit in Trust Account *	0.00%	-	-
Payment 1	0.00%	-	-
Payment 2	0.00%	-	-
Payment 3	0.00%	-	-
Settlement (Balance)	100.00%		12,500,000
Stamp Duty *	NIL		-
Interest on Deposit in Trust Account	0.00%	Interest from deposit shared between parties	
Profit Share to Land Owner	0.00%	Paid progressively as project makes a profit.	

Month Start	Month Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	1	Dec-10 - Dec-10
0	1	Dec-10 - Dec-10 (Star

The land value is also entered as an Equity Injection in the Financing section of the Input Sheet.

Financing		
(Advanced Mode)		
<b>Equity</b>		
Developer's Equity Contribution	Fixed Amount	Percentage
Injected in total upfront.	12,500,000	100.00%
		Fixed Amount
10001 Interest Charged on Equity	0.00%	per annum Nominal - Capitalised (Compounded)
10002 Interest received on Surplus Cash	0.00%	per annum received in arrears.
% of Available Funds to Repay Equity Before Debt	0.00%	

It can alternatively be entered as a manual injection in period zero of the cash flow and have the same effect.

Cumulative Cash Flow		(14,692,892)
<b>FINANCING</b>		
<b>Equity</b>		
Manual Adjustments (Inject + / Repay -)		12,500,000
Injections	12,500,000	12,500,000
Interest Charged	-	-
Equity Repayment	24,542,699	-

Intro / Input / Tenant / **CashFlow** / Summary / Charts / Consolidate / Sensitivity / Probability / S-Curve / Taxes & Duties /

As the Developer owns the land, you will have to ensure you omit any preferences or entries that may be related to the purchase of Land.

Firstly ensure that you have placed an 'N' in the 'Add GST on Land Price?' cell.

Land Purchase Price		AND/OR	Month Start	Month Span	Cash Flow Period	Add GST on Land Price?
% paid	Amount	Lump Amount				
0.00%	-	-	0	-	-	N

You will also need to turn off automatic Stamp Duty calculations. For that, you will need to go to Preferences > General > Regional Settings > Stamp Duty – and choose 'NIL'.



## CASH FLOW REPORT

Once these joint amounts are entered; the Cash Flow will display offsetting Land Payments and Equity Injections; but the Equity Balance will be featured as -\$12,500,000. This represents the developer equity contribution to the project.

FINANCING							
<b>Equity</b>							
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0
Injections	12,500,000	12,500,000	-	-	-	-	-
Interest Charged	-	-	-	-	-	-	-
Equity Repayment	24,927,030	-	-	-	-	-	-
Less Profit Share	-	-	-	-	-	-	-
Equity Balance	12,427,030	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
Equity Cash Flow	12,427,030	(12,500,000)	-	-	-	-	-
<b>Project Cash Account</b>							
Surplus Cash Injection	14,012,444	12,500,000	-	-	-	-	-
Cash Reserve Drawdown	(14,012,444)	(12,500,000)	-	-	-	-	-

Then once the project begins to make a profit, this \$12,500,000 land value is considered. As just under \$11.5 million is made in Month 32; it is still not enough to put the project into profit, as the developer has not yet recouped the value of his land yet. Profit does not occur until month 34.

## 2 Cash Flow Report

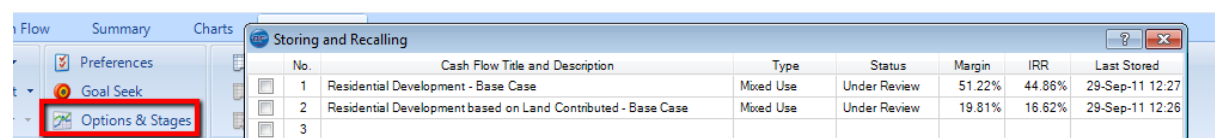
PROJECT CASH FLOW		TOTAL	31 Jul-13	32 Aug-13	33 Sep-13	34 Oct-13	35 Nov-13
<b>Equity</b>							
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0
Injections	12,794,368	-	-	-	-	-	-
Interest Charged	-	-	-	-	-	-	-
Equity Repayment	24,717,939	-	-	11,494,158	-	2,421,146	3,586,483
Less Profit Share	-	-	-	-	-	-	-
Equity Balance	11,923,571	(12,500,000)	(1,005,842)	(1,005,842)	1,415,303	5,001,786	
Equity Cash Flow	11,923,571	-	-	11,494,158	-	2,421,146	3,586,483
<b>Project Cash Account</b>							

## COMPARISON OF OPTIONS

The ability to store Options and Stages in Estate Master DF allows you to compare this 'Theoretical' approach with the real profit the developer will make.

This allows the developer to look at two options side by side; one reflecting pure profit (refer to Appendix 1), and another comparing the project considering the value of land contributed (refer to Appendix 2). In this case, you just need to ensure the other option has neither a Land Purchase Price nor Equity Injection as described earlier.

These can be saved by going to 'Options & Stages' and saving each scenario in Options 1 and 2 respectively.



Then these two options will be featured side by side in the Consolidate Sheet.

In this case, you can see that although the project will make over \$24 million in real profit; taking into consideration the Land contribution, the profit is \$11 million.

ESTATEMASTER   Development Feasibility PROPERTY SOFTWARE		1	2
Summary of Stages and Consolidated Project Land as Equity Case Study		Residential Development	Residential Development based on Land
		Base Case	Base Case
		58. Apartments 7,900. GFA 1,000. SqM Mixed Use Under Review	58. Apartments 7,900. GFA 1,000. SqM Mixed Use Under Review
Estate Master Licensed to: Estate Master			
TOTAL COSTS (after GST reclaimed)		43,330,332	55,830,332
PERFORMANCE INDICATORS			
1 Gross Development Profit		24,423,571	11,923,571
2 Net Developer's Profit after Profit Share		24,423,571	11,923,571
3 Development Margin (Profit/Risk Margin)		51.22%	19.81%
Target Development Margin		25.00%	25.00%
4 Residual Land Value (Target Margin)		8,085,370	10,400,053
5 Breakeven Date for Cumulative Cash Flow		Aug-2013	Oct-2013
Discount Rate (Target IRR)		20.00%	20.00%
6 Net Present Value @ Start of Stage		10,267,036	(2,232,964)
Date of Commencement		Dec-10	Dec-10
Holding Discount Rate	10.00%		
7 NPV at Start of Consolidated Cash Flow		10,267,036	(2,232,964)
8 Benefit Cost Ratio		1.353	0.946
9 Project Internal Rate of Return (IRR)		44.86%	16.62%
10 Residual Land Value (NPV) @ Start of Stage		10,218,696	10,273,594
Peak Debt Exposure		44,115,380	44,115,380
Date of Peak Debt Exposure		Jul-2013	Jul-2013
11 Breakeven Date for Project Overdraft		Oct-2013	Oct-2013
Total Equity Contribution		294,368	12,794,368
Peak Equity Exposure		-	12,500,000
Date of Peak Equity Exposure		N.A.	Dec-2010
12 IRR on Equity		N.A.	23.98%
Weighted Average Cost of Capital (WACC)		8.22%	15.49%

## APPENDIX 1

Preliminary

Cash Flow Title

Residential Development

Description of Option/Stage

Base Case

Date of First Period:

Dec-2010

Cash Flow Rest Period:

Monthly

Enter Project Size (a)

58.0

Apartments

Enter Project Size (b)

7,900.0

GFA

Enter Site Area

1,000.0

SqM

Floor Space Ratio

8

:1

Equated Gross Floor Area= 8,000.0 SqM

Type

Mixed Use

Status

Under Review

Goods and Services Tax

(Using General Tax Rule)

Developer

Credits Reclaimed ONE Month Later

Liability Paid ONE Month Later

Liability on Sales All Paid by Developer

Goods and Services Tax Rate

10.00%

All Project Costs

To be entered Exclusive of GST

Rental Income & Leasing Costs

To be entered Exclusive of GST

Sales Revenue

To be entered Inclusive of GST

Other Income

To be entered Exclusive of GST

1000

Land Purchase & Acquisition Costs

Costs to be entered Exclusive of GST

Land Purchase Price

-

Code

Stage

% of Land Purchase Price  
% paid

Amount

AND/OR  
Lump Amount

1002

-

Deposit in Trust Account <sup>1</sup>

0.00%

-

-

1003

-

Payment 1

0.00%

-

-

1004

-

Payment 2

0.00%

-

-

1006

-

Payment 3

0.00%

-

-

1007

-

Settlement (Balance)

100.00%

-

-

1008

-

Stamp Duty <sup>1</sup>

NIL

-

-

Interest on Deposit in Trust Account

0.00%

Interest from deposit shared between parties

Profit Share to Land Owner

0.00%

Paid progressively as project makes a profit.

Month  
Start

Month  
Span

Cash Flow  
Period

Add GST on Land Price? 

N

Reclaim Proportionally with Land Payments

0

-

-

-

-

0

-

-

-

-

0

-

-

-

-

0

-

-

-

-

0

1

Dec-10 - Dec-10

-

-

0

1

Dec-10 - Dec-10

(Stamp Duty calculated on Land Value of

exc. GST)

Total Current  
Costs (exc GST)

Total Current  
Costs (inc GST)

Total Escalated  
Cost

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

Stamp Duty

-

-

-

-

TOTAL

-

-

-

-

Code

Stage

Other Acquisition Costs  
(to be entered Exclusive of GST)

% of Land Price exc Tax  
% paid

Amount

AND/OR  
Lump Amount

1011

-

0

0.00%

-

-

1012

-

.

0.00%

-

-

1013

-

.

0.00%

-

-

1014

-

.

0.00%

-

-

1015

-

.

0.00%

-

-

Month  
Start

Month  
Span

Cash Flow  
Period

Add GST

Remarks

Total Current  
Costs (exc GST)

Total Current  
Costs (inc GST)

Total Escalated  
Cost

0

-

-

Y

-

-

-

0

-

-

Y

-

-

-

0

-

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Y

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-

-

0

-

-

Y

-

-

-

0

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-

Y

-

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0

-

-

Y

-

-

-

Manual Input (refer to Cash Flow)

-

-

-

-

TOTAL

-

-

-

-

Cost Escalation

Escalation Rates (Monthly Compounded Escalation) based on Cashflow Period Years commencing

Dec-10

Dec-11

Dec-12

Dec-13

Dec-14

Dec-15

Dec-16

Dec-17

Dec-18

Dec-19

Code

Professional Fees

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Construction Costs (Uncategorised)

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

RES Residential Construction

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Com Commercial Construction

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Gen General Construction

2.00%

2.00%

2.00%

2.00%

2.00%

2.00%

2.00%

2.00%

2.00%

OT1 Other

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

OT2 Other

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Statutory Fees

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Miscellaneous Costs 1

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Miscellaneous Costs 2

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Miscellaneous Costs 3

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Land Holding Costs

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Selling and Leasing Costs

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

Finance Costs

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

3.00%

2000

Project Contingency

-

And / Or

5.00%

of Construction, Professional, Statutory Fees, Miscellaneous Costs 1, Miscellaneous Costs 2, Miscellaneous Costs 3

TOTAL

1,991,949

### Residential Development - Base Case

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Main Inputs for Land as Equity Case Study

Residential Development - Base Case

7000

Land Holding Costs

Costs to be entered Exclusive of GST

Code	Stage	Description	No. Units	Base Rate /unit/term	Term <sup>1</sup>	Escalate (E,R,N)
7001	-	Land Holding Costs	1	116,000	Y	E
7002	-	Strata Levies	58	1,100	Q	E
7003	-	.	-	-	M	-
7004	-	.	-	-	M	-
7005	-	.	-	-	M	-
7012	-	.	-	-	M	-

Y=Yearly, BA=BiAnnual, Q=Quarterly, BM=BiMonthly, M=Monthly

Diminish proportionally with leasing ('DR') or settlements ('DS')

Month Start

Month Span<sup>2</sup>

Cash Flow Period

1	DS	Jan-11 - Jan-14
29	DS	May-13 - Jan-14
0	-	-
0	-	-
0	-	-
0	-	-

Add GST	Remarks	Total Annual Costs (exc GST)	Total Annual Costs (inc GST)	Total Escalated Cost
N		116,000	116,000	348,858
Y		255,200	280,720	102,804
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y	Manual Input (refer to Cash Flow)	-	-	-
TOTAL		371,200	396,720	451,662

8000

Selling and Leasing Costs

Sales Commission (To be entered Exclusive of GST)

Code	Category	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
RS	Residential	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COM	Commercial	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
RS3	Residential - 3 Bedroom Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RDD	Detached Dwellings Lots	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RTH	Townhouse Lots	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CO	Commercial Office	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RET	Retail Shops	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
IND	Industrial Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
STW	Storage & Warehousing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OTH	Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Rental escalation occurs up to lease start date. For rent review escalation during lease period refer to the Tenants sheet.

Code	Category	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
RS	Residential	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COM	Commercial	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
RS3	Residential - 3 Bedroom Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RDD	Detached Dwellings Lots	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RTH	Townhouse Lots	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CO	Commercial Office	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RET	Retail Shops	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
IND	Industrial Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
STW	Storage & Warehousing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OTH	Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Pre-sale Comm are reported as a

Project Cost

Interest Rate on Deposits Invested in Trust Account

0.00%

% of Interest retained by Developer upon settlement

0.00%

Other Selling Costs

To be entered Exclusive of GST

Code	Stage	% of Gross Sales	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)
8101	-	0.00%	1	500,000	E
8102	-	0.00%	6	60,000	E
8103	-	0.00%	6	40,000	E
8104	-	2.00%	-	-	E
8105	-	0.00%	48	700	E
8111	-	0.00%	-	-	-

Other Leasing Costs

To be entered Exclusive of GST

Code	Stage	% of Gross Rent	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)
8201	-	6.00%	-	-	-
8202	-	0.00%	-	-	-
8203	-	0.00%	-	-	-
8211	-	0.00%	-	-	-

Month Start

Month Span

Cash Flow Period

8	2	Aug-11 - Sep-11
10	6	Oct-11 - Mar-12
27	6	Mar-13 - Aug-13
S	-	Aug-13 - Jan-14
E	-	Oct-11 - Mar-12
0	-	-

Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
Y		1,565,685	1,722,254	1,802,202
Y		40,838	44,921	48,226
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y	Manual Input (refer to Cash Flow)	-	-	-
TOTAL		1,606,523	1,767,175	1,850,428

Pro-rata with Settlements ('S') or Exchanges ('E')

Month Start

Month Span

Cash Flow Period

1	6	Jan-11 - Jun-11
0	-	-
0	-	-
0	-	-

Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
Y		29,761	32,737	32,737
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y	Manual Input (refer to Cash Flow)	-	-	-
TOTAL		29,761	32,737	32,737

Pro-rata with Rental Income ('R')

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Main Inputs for Land as Equity Case Study

Residential Development - Base Case

9000

Sales

Sales Revenue to be entered Inclusive of GST

Code	Stage	Description	No. Units	Total Area	Current Sale Price	Sales Calc Method	Pre-Sale Exchanges		Settlements		Cash Flow Period	Sales Rate Units / SqM per Month
				Month Start			Month Span	Month Start	Month Span			
9001	-	Commercial	-	675	5,500	Per SqM	0	-	32	6	Aug-13 - Jan-14	112.50
9002	-	Level 2	-	765	10,500	Per SqM	10	6	32	1	Aug-13 - Aug-13	127.50
9003	-	Level 3	-	765	11,000	Per SqM	10	6	32	1	Aug-13 - Aug-13	127.50
9004	-	Level 4	-	765	11,500	Per SqM	10	6	32	1	Aug-13 - Aug-13	127.50
9005	-	Level 5	-	765	11,500	Per SqM	10	6	32	1	Aug-13 - Aug-13	127.50
9006	-	Level 6	-	765	12,000	Per SqM	10	6	32	1	Aug-13 - Aug-13	127.50
9007	-	Level 7	-	765	12,000	Per SqM	10	6	32	1	Aug-13 - Aug-13	127.50
9008	-	Level 8	-	765	13,000	Per SqM	0	-	32	6	Aug-13 - Jan-14	127.50
9009	-	Level 9	-	630	14,000	Per SqM	0	-	32	6	Aug-13 - Jan-14	105.00
9020	-	.	-	-	-	Per Unit	0	-	0	-	-	-

GST Included	Land Use Code
N	COM
Y	RS
Y	RS
Y	RS
Y	RS
Y	RS
Y	RS
Y	RS
Y	RS
Y	RS
Y	RS
Y	-

Capitalised Sales (refer to Tenants)  
Manual Input (refer to Cash Flow)

TOTAL

Total Current Sales Revenue (exc GST)	Total Current Sales Revenue (inc GST)	Total Escalated Sales Revenue
3,712,500	3,712,500	3,985,660
7,302,273	8,032,500	8,283,744
7,650,000	8,415,000	8,678,208
7,997,727	8,797,500	9,072,672
7,997,727	8,797,500	9,072,672
8,345,455	9,180,000	9,467,136
8,345,455	9,180,000	9,467,136
9,040,909	9,945,000	10,827,187
8,018,182	8,820,000	9,602,392
-	-	-
-	-	-
-	-	-
68,410,227	74,880,000	78,456,810

9100

Other Income

Other Income to be entered Exclusive of GST

Code	Stage	Description	Land Use Code	Units	Base Rate / Units
9101	-	.	-	-	-
9102	-	.	-	-	-
9110	-	.	-	-	-

Month Start	Month Span	Cash Flow Period
0	-	-
0	-	-
0	-	-

Add GST	Remarks
Y	
Y	
Y	

Manual Input (refer to Cash Flow)

TOTAL

Total Current Income (exc GST)	Total Current Income (inc GST)	Total Escalated Income
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

10000

Financing

(Advanced Mode)

General Notes:

All Line Fees are paid during period of debt, in arrears  
All Profit Share is Paid progressively as project makes a profit.

Equity

Developer's Equity Contribution Injected in total upfront.

Fixed Amount	Percentage
-	100.00%

Fixed Amount

10001	Interest Charged on Equity	0.00%	per annum Nominal - Capitalised (Compounded)
10002	Interest received on Surplus Cash	0.00%	per annum received in arrears.

% of Available Funds to Repay Equity Before Debt

0.00%

Equity Notes:

Equity is paying outstanding debt  
Equity is repaid when available (do not retain surplus cash).

Opening Balances

Developer's Injections

Interest Charged

Interest Received

Injections by Enter Land Owner Name

Equity Totals

294,368

-

-

-

-

Loan 1

Description

Mezzanine

Facility Limit

Progressively drawn down when required.

Fixed Amount	Percentage
9,500,000	9.00%

Fixed Amount

Month Commencement	Auto	0	Jan-2011
Maturity Month	Auto	0	Aug-2013

10004	Interest Rate	9.00%	per annum Nominal - Capitalised (Compounded)
-------	---------------	-------	----------------------------------------------

Amount	Percentage	Month Paid
150,000	0.00%	1
-	0.00%	

Application Fee

Line Fee

Profit Split to Lender 1

0.00%

Opening Balances

Drawdown

Interest Charged

Application Fees

Line Fees

Profit Split

Loan 1 Totals

9,500,000

1,752,355

150,000

-

-

### Residential Development - Base Case

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Project Hurdle Rates

Project Discount Rate (target IRR)	20.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	0.00%	per ann.
Developer's Target Dev. Margin	25.00%	on total development costs (inc selling costs).
Developer's Cost of Equity (for WACC)	40.00%	

### Residential Development - Base Case

## Cash Flow Table for Land as Equity Case Study

Residential Development - Base Case

PROJECT CASH FLOW	TOTAL	GST	0 Dec-10	1 Jan-11	2 Feb-11	3 Mar-11	4 Apr-11	5 May-11	6 Jun-11	7 Jul-11	8 Aug-11	9 Sep-11	10 Oct-11	11 Nov-11	12 Dec-11
<b>SALES SUMMARY</b>															
Units Sold	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	6,660.00		-	-	-	-	-	-	-	-	-	-	765.00	765.00	765.00
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	765.00	1,530.00	2,295.00
% SqM Sold			-	-	-	-	-	-	-	-	-	-	11.5%	23.0%	34.5%
AUD Sold	78,456,810		-	-	-	-	-	-	-	-	-	-	8,951,554	8,973,631	8,995,763
Cumulative AUD Sold			-	-	-	-	-	-	-	-	-	-	8,951,554	17,925,185	26,920,948
% AUD Sold			-	-	-	-	-	-	-	-	-	-	11.4%	22.8%	34.3%
<b>HANDOVER SUMMARY</b>															
Units Handed Over	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	6,660.00		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	78,456,810		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PROJECT CASH FLOW</b>															
<b>REVENUE</b>															
Gross Sales Revenue	78,456,810		-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(4,350,992)		-	-	-	-	-	-	-	-	(280,473)	(280,473)	(73,921)	(73,936)	(73,952)
Gross Rental Income	496,020		-	82,670	82,670	82,670	82,670	82,670	82,670	-	-	-	-	-	-
Leasing Costs	(32,737)		-	(5,456)	(5,456)	(5,456)	(5,456)	(5,456)	(5,456)	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	(6,815,197)		-	-	(7,515)	(7,515)	(7,515)	(7,515)	(7,515)	(7,515)	-	-	-	-	-
<b>TOTAL NET REVENUE</b>	<b>67,753,903</b>		<b>-</b>	<b>77,214</b>	<b>69,698</b>	<b>69,698</b>	<b>69,698</b>	<b>69,698</b>	<b>69,698</b>	<b>(7,515)</b>	<b>(280,473)</b>	<b>(280,473)</b>	<b>(73,921)</b>	<b>(73,936)</b>	<b>(73,952)</b>
<b>COSTS</b>															
<b>Land and Acquisition</b>															
Professional Fees	3,254,761		-	63,459	61,127	61,127	61,127	61,127	62,196	-	99,391	99,391	101,686	101,686	79,183
Construction Costs (inc Contingency)	35,919,526		-	-	-	-	-	-	-	-	1,253,945	1,253,945	1,253,945	1,253,945	755,280
Statutory Fees	858,935		-	-	-	-	-	-	50,744	-	-	-	-	-	808,191
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	1,991,949		-	2,993	2,993	2,993	2,993	2,993	5,531	-	66,271	66,271	71,720	71,720	85,775
Land Holding Costs	451,662		-	116,286	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	653,903		-	-	-	-	-	-	-	-	-	-	108,984	108,984	108,984
Financing Costs (exc Fees)	500,000		-	500,000	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,205,793)		-	-	(6,531)	(6,319)	(6,319)	(6,319)	(6,319)	(6,642)	-	(154,423)	(154,423)	(146,246)	(146,248)
<b>TOTAL COSTS</b>	<b>39,424,943</b>		<b>-</b>	<b>682,739</b>	<b>57,589</b>	<b>57,801</b>	<b>57,801</b>	<b>57,801</b>	<b>112,151</b>	<b>(6,642)</b>	<b>1,419,608</b>	<b>1,265,185</b>	<b>1,381,913</b>	<b>1,390,090</b>	<b>1,691,165</b>
Net Cash Flow (before Interest)	28,328,960		-	(605,525)	12,110	11,897	11,897	11,897	(42,453)	(873)	(1,700,080)	(1,545,658)	(1,465,834)	(1,464,026)	(1,765,117)
Cumulative Cash Flow			-	(605,525)	(593,416)	(581,518)	(569,621)	(557,723)	(600,176)	(601,050)	(2,301,130)	(3,846,788)	(5,302,621)	(6,766,647)	(8,531,764)

## Cash Flow Table for Land as Equity Case Study

Residential Development - Base Case

PROJECT CASH FLOW	TOTAL	GST	0 Dec-10	1 Jan-11	2 Feb-11	3 Mar-11	4 Apr-11	5 May-11	6 Jun-11	7 Jul-11	8 Aug-11	9 Sep-11	10 Oct-11	11 Nov-11	12 Dec-11
<b>FINANCING</b>															
<b>Equity</b>															
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	294,368		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged			-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	24,717,939		-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	24,423,571		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Cash Flow	24,423,571		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Project Cash Account</b>															
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 1 - Mezzanine</b>															
Manual Adjustments (Drawdown - / Repay +)			0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	(9,500,000)			(605,525)					(42,453)	(873)	(1,700,080)	(1,545,658)	(1,455,834)	(1,464,026)	(1,765,117)
Loan Interest Rate (%/ann)			9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Interest Charged	(1,752,355)				(5,666)	(5,618)	(5,571)	(5,524)	(5,476)	(5,835)	(5,886)	(18,680)	(30,413)	(41,560)	(52,852)
Application and Line Fees	(150,000)			(150,000)											
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	11,402,355		-	-	12,110	11,897	11,897	11,897	11,897	-	-	-	-	-	-
Interest and Fees	1,902,355		-	-	12,110	11,897	11,897	11,897	-	-	-	-	-	-	-
Principal	9,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	(755,525)	(749,082)	(742,803)	(736,476)	(730,102)	(778,031)	(784,740)	(2,490,706)	(4,055,043)	(5,541,290)	(7,046,876)	(8,864,844)
% of Land Purchase Price.															
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	1,902,355		-	(605,525)	12,110	11,897	11,897	11,897	(42,453)	(873)	(1,700,080)	(1,545,658)	(1,455,834)	(1,464,026)	(1,765,117)
Interest Coverage Ratio	28.96		-	0.51	12.30	12.41	12.51	12.62	12.73	(1.29)	(47.65)	(15.01)	(2.43)	(1.78)	(1.40)
Debt Service Ratio	4.93		-	-	5.76	5.86	5.86	5.86	-	-	-	-	-	-	-
<b>Loan 2 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 3 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 4 - Line of Credit</b>															
Drawdown	(32,319,128)		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Interest Charged	(1,919,699)		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	(83,334)		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	34,322,162		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	2,003,033		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	32,319,128		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project Costs (net of Interest/Fees and GST).			-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 Cash Flow	2,003,033		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	29.60		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.73		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			-	(755,525)	(749,082)	(742,803)	(736,476)	(730,102)	(778,031)	(784,740)	(2,490,706)	(4,055,043)	(5,541,290)	(7,046,876)	(8,864,844)
% of Project Costs (net of Interest/Fees and GST).			-	1.92%	1.90%	1.88%	1.87%	1.85%	1.97%	1.99%	6.32%	10.29%	14.06%	17.87%	22.49%
Total Equity to Debt Ratio	0.70%		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Interest Coverage Ratio	15.02		-	0.51	12.30	12.41	12.51	12.62	12.73	(1.29)	(47.65)	(15.01)	(2.43)	(1.78)	(1.40)
Total Debt Service Ratio	1.31		-	-	5.76	5.86	5.86	5.86	-	-	-	-	-	-	-
Net Cash Flow (after Interest)	24,423,571		-	(755,525)	6,443	6,279	6,326	6,374	(47,929)	(6,709)	(1,705,966)	(1,564,338)	(1,486,247)	(1,505,585)	(1,817,968)
Cumulative Cash Flow**			-	(755,525)	(749,082)	(742,803)	(736,476)	(730,102)	(778,031)	(784,740)	(2,490,706)	(4,055,044)	(5,541,290)	(7,046,876)	(8,864,844)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECT CASH FLOW	TOTAL	GST	0 Dec-10	1 Jan-11	2 Feb-11	3 Mar-11	4 Apr-11	5 May-11	6 Jun-11	7 Jul-11	8 Aug-11	9 Sep-11	10 Oct-11	11 Nov-11	12 Dec-11
PROJECT IRR & NPV															
Cash Flow that includes financing costs but excludes interest and corp tax.			-	(755,525)	12,110	11,897	11,897	11,897	(42,453)	(873)	(1,700,080)	(1,545,658)	(1,455,834)	(1,464,026)	(1,765,117)
Static Discount Rate (per ann. nominal)	20.00%														
PV for each Month	10,267,036		-	(743,139)	11,716	11,322	11,136	10,954	(38,445)	(778)	(1,489,501)	(1,332,005)	(1,234,031)	(1,220,631)	(1,447,539)
NPV of Future Cash Flows			10,267,036	10,438,154	11,380,240	11,557,599	11,738,130	11,921,670	12,108,269	12,353,234	12,560,009	14,497,757	16,310,805	18,062,750	19,852,222
Variable Discount Rate (per ann. nominal)	20.00%		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	10,267,036														

\* Includes half interest from deposit on land acquisition plus interest received from pre-sale deposits  
\*\* Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)  
Estate Master Licensed to: Estate Master

Cash Flow Table for Land as Equity Case Study

Residential Development - Base Case

PROJECT CASH FLOW	TOTAL	GST	13 Jan-12	14 Feb-12	15 Mar-12	16 Apr-12	17 May-12	18 Jun-12	19 Jul-12	20 Aug-12	21 Sep-12	22 Oct-12	23 Nov-12	24 Dec-12	25 Jan-13
SALES SUMMARY															
Units Sold	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	6,660.00		765.00	765.00	765.00	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			3,060.00	3,825.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00
% SqM Sold			45.9%	57.4%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%
AUD Sold	78,456,810		9,017,948	9,040,189	9,062,485	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Sold			35,938,896	44,979,085	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570
% AUD Sold			45.8%	57.3%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%
HANDOVER SUMMARY															
Units Handed Over	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	6,660.00		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	78,456,810		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
PROJECT CASH FLOW															
REVENUE															
Gross Sales Revenue	78,456,810		-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(4,350,992)		(73,967)	(73,983)	(73,998)	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	496,020		-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	(32,737)		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	(6,815,197)		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	67,753,903		(73,967)	(73,983)	(73,998)	-	-	-	-	-	-	-	-	-	-
COSTS															
Land and Acquisition															
Professional Fees	3,254,761		77,833	73,265	92,720	75,529	105,985	115,337	146,026	146,365	152,817	214,441	184,233	246,213	199,760
Construction Costs (inc Contingency)	35,919,526		923,579	895,369	1,140,821	952,889	1,337,139	1,455,119	1,842,308	1,846,582	1,927,985	2,705,442	2,324,330	3,106,298	2,490,804
Statutory Fees	858,935		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	1,991,949		54,260	52,769	65,742	50,360	70,668	76,903	97,366	97,592	101,894	142,983	122,841	164,168	131,639
Land Holding Costs	451,662		116,286	-	-	-	-	-	-	-	-	-	-	-	116,286
Pre-Sale Commissions	653,903		108,984	108,984	108,984	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,205,793)		(100,120)	(112,496)	(109,385)	(134,622)	(97,972)	(137,479)	(149,609)	(189,418)	(189,858)	(198,227)	(278,162)	(238,978)	(319,376)
TOTAL COSTS	39,424,943		1,180,822	1,017,891	1,298,882	944,155	1,415,820	1,509,879	1,936,091	1,901,121	1,992,839	2,864,638	2,353,242	3,277,701	2,619,113
Net Cash Flow (before Interest)	28,328,960		(1,254,789)	(1,091,874)	(1,372,880)	(944,155)	(1,415,820)	(1,509,879)	(1,936,091)	(1,901,121)	(1,992,839)	(2,864,638)	(2,353,242)	(3,277,701)	(2,619,113)
Cumulative Cash Flow			(9,786,553)	(10,878,427)	(12,251,307)	(13,195,463)	(14,611,283)	(16,121,162)	(18,057,253)	(19,958,374)	(21,951,213)	(24,815,851)	(27,169,092)	(30,446,794)	(33,065,907)



## Cash Flow Table for Land as Equity Case Study

Residential Development - Base Case

PROJECT CASH FLOW	TOTAL	GST	13 Jan-12	14 Feb-12	15 Mar-12	16 Apr-12	17 May-12	18 Jun-12	19 Jul-12	20 Aug-12	21 Sep-12	22 Oct-12	23 Nov-12	24 Dec-12	25 Jan-13
<b>FINANCING</b>															
<b>Equity</b>															
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	294,368		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	24,717,939		-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	24,423,571		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Cash Flow	24,423,571		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Project Cash Account</b>															
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 1 - Mezzanine</b>															
Manual Adjustments (Drawdown - / Repay +)			0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	(9,500,000)		(920,434)	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Interest Charged	(1,752,355)		(66,486)	(73,888)	(74,442)	(75,001)	(75,563)	(76,130)	(76,701)	(77,276)	(77,856)	(78,440)	(79,028)	(79,621)	(80,218)
Application and Line Fees	(150,000)		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	11,402,355		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	1,902,355		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	9,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		(9,851,765)	(9,925,653)	(10,000,095)	(10,075,096)	(10,150,659)	(10,226,789)	(10,303,490)	(10,380,766)	(10,458,622)	(10,537,062)	(10,616,089)	(10,695,710)	(10,775,928)
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	1,902,355		(920,434)	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	28.96		(1.11)	(1.00)	(0.99)	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	4.93		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 2 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 3 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 4 - Line of Credit</b>															
Drawdown	(32,319,128)		(334,355)	(1,091,874)	(1,372,880)	(944,155)	(1,415,820)	(1,509,879)	(1,936,091)	(1,901,121)	(1,992,839)	(2,864,638)	(2,353,242)	(3,277,701)	(2,619,113)
Loan Interest Rate (%/ann)	-		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Interest Charged	(1,919,699)		-	(2,020)	(8,654)	(17,026)	(22,858)	(31,576)	(40,914)	(52,883)	(64,714)	(77,170)	(94,969)	(109,785)	(130,276)
Application and Line Fees	(83,334)		-	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	34,322,162		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	2,003,033		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	32,319,128		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		(334,355)	(1,432,416)	(2,818,117)	(3,783,465)	(5,226,310)	(6,771,932)	(8,753,104)	(10,711,274)	(12,772,994)	(15,718,968)	(18,171,346)	(21,562,999)	(24,316,555)
% of Project Costs (net of Interest/Fees and GST).	-		0.85%	3.63%	7.15%	9.60%	13.26%	17.18%	22.20%	27.17%	32.40%	39.87%	46.09%	54.69%	61.68%
Loan 4 Cash Flow	2,003,033		(334,355)	(1,091,874)	(1,372,880)	(944,155)	(1,415,820)	(1,509,879)	(1,936,091)	(1,901,121)	(1,992,839)	(2,864,638)	(2,353,242)	(3,277,701)	(2,619,113)
Interest Coverage Ratio	29.60		-	(11.96)	(5.77)	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.73		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft	-		(10,186,119)	(11,358,069)	(12,818,212)	(13,858,561)	(15,376,969)	(16,998,721)	(19,056,594)	(21,092,040)	(23,231,616)	(26,256,030)	(28,787,435)	(32,258,709)	(35,092,483)
% of Project Costs (net of Interest/Fees and GST).	-		25.84%	28.81%	32.51%	35.15%	39.00%	43.12%	48.34%	53.50%	58.93%	66.60%	73.02%	81.82%	89.01%
Total Equity to Debt Ratio	0.70%		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Interest Coverage Ratio	15.02		(1.11)	(0.92)	(0.85)	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	1.31		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest)	24,423,571		(1,321,275)	(1,171,949)	(1,460,143)	(1,040,349)	(1,518,408)	(1,621,751)	(2,057,873)	(2,035,447)	(2,139,575)	(3,024,414)	(2,531,405)	(3,471,274)	(2,833,774)
Cumulative Cash Flow**	-		(10,186,119)	(11,358,069)	(12,818,212)	(13,858,561)	(15,376,969)	(16,998,721)	(19,056,594)	(21,092,040)	(23,231,616)	(26,256,030)	(28,787,435)	(32,258,709)	(35,092,483)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECT CASH FLOW		TOTAL	GST	13 Jan-12	14 Feb-12	15 Mar-12	16 Apr-12	17 May-12	18 Jun-12	19 Jul-12	20 Aug-12	21 Sep-12	22 Oct-12	23 Nov-12	24 Dec-12	25 Jan-13
PROJECT IRR & NPV																
Cash Flow that includes financing costs but excludes interest and corp tax.				(1,254,789)	(1,096,041)	(1,377,047)	(948,322)	(1,419,987)	(1,514,046)	(1,940,258)	(1,905,287)	(1,997,006)	(2,868,804)	(2,357,408)	(3,281,868)	(2,623,280)
Static Discount Rate (per ann. nominal)	20.00%															
PV for each Month	10,267,036			(1,012,160)	(868,614)	(1,074,657)	(727,945)	(1,072,132)	(1,124,410)	(1,417,315)	(1,368,954)	(1,411,331)	(1,994,215)	(1,611,860)	(2,207,166)	(1,735,322)
NPV of Future Cash Flows				21,977,627	23,619,623	25,127,592	26,946,383	28,358,617	30,275,930	32,319,809	34,831,068	37,348,628	40,001,395	43,584,702	46,707,812	50,822,842
Variable Discount Rate (per ann. nominal)	20.00%			20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	10,267,036															

\* Includes half interest from deposit on land acquisition plus interest received from pre-sale deposits  
\*\* Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)  
Estate Master Licensed to: Estate Master

Cash Flow Table for Land as Equity Case Study

Residential Development - Base Case

PROJECT CASH FLOW	TOTAL	GST	26 Feb-13	27 Mar-13	28 Apr-13	29 May-13	30 Jun-13	31 Jul-13	32 Aug-13	33 Sep-13	34 Oct-13	35 Nov-13	36 Dec-13	37 Jan-14	38 Feb-14
<b>SALES SUMMARY</b>															
Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	6,660.00	-	-	-	-	-	-	-	345.00	345.00	345.00	345.00	345.00	345.00	-
Cumulative SqM Sold	-	-	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,935.00	5,280.00	5,625.00	5,970.00	6,315.00	6,660.00	6,660.00
% SqM Sold	-	-	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	74.1%	79.3%	84.5%	89.6%	94.8%	100.0%	100.0%
AUD Sold	78,456,810	-	-	-	-	-	-	-	4,044,861	4,054,568	4,064,298	4,074,052	4,083,830	4,093,631	-
Cumulative AUD Sold	-	-	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	58,086,431	62,140,999	66,205,297	70,279,349	74,363,179	78,456,810	78,456,810
% AUD Sold	-	-	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	74.0%	79.2%	84.4%	89.6%	94.8%	100.0%	100.0%
<b>HANDOVER SUMMARY</b>															
Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	6,660.00	-	-	-	-	-	-	-	4,935.00	345.00	345.00	345.00	345.00	345.00	-
Cumulative SqM Handed Over	-	-	-	-	-	-	-	-	4,935.00	5,280.00	5,625.00	5,970.00	6,315.00	6,660.00	6,660.00
% SqM Handed Over	-	-	-	-	-	-	-	-	74.1%	79.3%	84.5%	89.6%	94.8%	100.0%	100.0%
AUD Handed Over	78,456,810	-	-	-	-	-	-	-	58,110,777	4,069,207	4,069,207	4,069,207	4,069,207	4,069,207	-
Cumulative AUD Handed Over	-	-	-	-	-	-	-	-	58,110,777	62,179,983	66,249,190	70,318,397	74,387,603	78,456,810	78,456,810
% AUD Handed Over	-	-	-	-	-	-	-	-	74.1%	79.3%	84.4%	89.6%	94.8%	100.0%	100.0%
<b>PROJECT CASH FLOW</b>															
<b>REVENUE</b>															
Gross Sales Revenue	78,456,810	-	-	-	-	-	-	-	58,086,431	4,054,568	4,064,298	4,074,052	4,083,830	4,093,631	-
Selling Costs	(4,350,992)	-	-	(47,026)	(47,026)	(47,026)	(47,026)	(47,026)	(2,174,072)	(186,953)	(187,185)	(187,417)	(187,650)	(187,883)	-
Gross Rental Income	496,020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	(32,737)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	(6,815,197)	-	-	-	-	-	-	-	-	(5,220,506)	(308,395)	(309,155)	(309,918)	(310,682)	(311,448)
<b>TOTAL NET REVENUE</b>	<b>67,753,903</b>	-	-	(47,026)	(47,026)	(47,026)	(47,026)	(47,026)	55,912,359	(1,352,891)	3,568,719	3,577,480	3,586,262	3,595,066	(311,448)
<b>COSTS</b>															
<b>Land and Acquisition</b>															
Professional Fees	3,254,761	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Costs (inc Contingency)	35,919,526	-	185,518	123,966	149,104	113,600	-	-	393	-	-	158	-	-	-
Statutory Fees	858,935	-	2,340,547	1,563,986	1,881,138	1,414,128	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	1,991,949	-	123,698	82,657	99,418	74,737	-	-	-	-	-	-	-	-	-
Land Holding Costs	451,662	-	-	-	-	75,377	-	-	19,571	-	-	7,856	-	-	-
Pre-Sale Commissions	653,903	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,205,793)	-	(256,306)	(240,645)	(165,077)	(197,686)	(156,660)	(4,275)	(4,275)	(199,458)	(16,996)	(17,017)	(17,766)	(17,059)	(17,080)
<b>TOTAL COSTS</b>	<b>39,424,943</b>	-	2,393,457	1,529,963	1,964,583	1,480,155	(156,660)	(4,275)	15,688	(199,458)	(16,996)	(9,003)	(17,766)	(17,059)	(17,080)
Net Cash Flow (before Interest)	28,328,960	-	(2,393,457)	(1,576,989)	(2,011,609)	(1,527,181)	109,634	(42,751)	55,896,670	(1,153,434)	3,585,715	3,586,483	3,604,029	3,612,125	(294,368)
Cumulative Cash Flow	-	-	(35,459,364)	(37,036,353)	(39,047,962)	(40,575,142)	(40,465,509)	(40,508,259)	15,388,411	14,234,978	17,820,692	21,407,175	25,011,204	28,623,328	28,328,960

## Cash Flow Table for Land as Equity Case Study

Residential Development - Base Case

PROJECT CASH FLOW	TOTAL	GST	26 Feb-13	27 Mar-13	28 Apr-13	29 May-13	30 Jun-13	31 Jul-13	32 Aug-13	33 Sep-13	34 Oct-13	35 Nov-13	36 Dec-13	37 Jan-14	38 Feb-14
<b>FINANCING</b>															
<b>Equity</b>															
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0
Injects	294,368		-	-	-	-	-	-	-	-	-	-	-	-	294,368
Interest Charged			-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	24,717,939		-	-	-	-	-	-	11,494,158	-	2,421,146	3,586,483	3,604,029	3,612,125	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	24,423,571		-	-	-	-	-	-	11,494,158	11,494,158	13,915,303	17,501,786	21,105,815	24,717,939	24,423,571
Equity Cash Flow	24,423,571		-	-	-	-	-	-	11,494,158	-	2,421,146	3,586,483	3,604,029	3,612,125	(294,368)
<b>Project Cash Account</b>															
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 1 - Mezzanine</b>															
Manual Adjustments (Drawdown - / Repay +)			0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	(9,500,000)		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)			9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Interest Charged	(1,752,355)		(80,819)	(81,426)	(82,036)	(82,652)	(83,271)	(83,896)	(84,525)	-	-	-	-	-	-
Application and Line Fees	(150,000)		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	11,402,355		-	-	-	-	-	-	11,354,554	-	-	-	-	-	-
Interest and Fees	1,902,355		-	-	-	-	-	-	1,854,554	-	-	-	-	-	-
Principal	9,500,000		-	-	-	-	-	-	9,500,000	-	-	-	-	-	-
Loan Balance	-		(10,856,747)	(10,938,173)	(11,020,209)	(11,102,861)	(11,186,132)	(11,270,028)	-	-	-	-	-	-	-
% of Land Purchase Price.															
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	1,902,355		-	-	-	-	-	-	11,354,554	-	-	-	-	-	-
Interest Coverage Ratio	28.96		-	(0.58)	(0.57)	(0.57)	(0.56)	(0.56)	661.49	-	-	-	-	-	-
Debt Service Ratio	4.93		-	-	-	-	-	-	4.92	-	-	-	-	-	-
<b>Loan 2 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 3 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 4 - Line of Credit</b>															
Drawdown	(32,319,128)		(2,393,457)	(1,576,989)	(2,011,609)	(1,527,181)	-	(42,751)	-	(1,153,434)	-	-	-	-	-
Loan Interest Rate (%/ann)			7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Interest Charged	(1,919,699)		(146,913)	(162,286)	(172,819)	(186,042)	(196,418)	(196,967)	(198,441)	-	(6,969)	-	-	-	-
Application and Line Fees	(83,334)		(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	-	(4,167)	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	34,322,162		-	-	-	-	109,634	-	33,047,959	-	1,164,569	-	-	-	-
Interest and Fees	2,003,033		-	-	-	-	109,634	-	1,882,264	-	11,135	-	-	-	-
Principal	32,319,128		-	-	-	-	-	-	31,165,695	-	-	-	-	-	-
Loan Balance	-		(26,861,092)	(28,604,533)	(30,793,127)	(32,510,516)	(32,601,467)	(32,845,352)	-	(1,153,434)	-	-	-	-	-
% of Project Costs (net of Interest/Fees and GST).			68.13%	72.55%	78.11%	82.69%	83.31%	83.31%	2.93%	-	-	-	-	-	-
Loan 4 Cash Flow	2,003,033		(2,393,457)	(1,576,989)	(2,011,609)	(1,527,181)	109,634	(42,751)	33,047,959	(1,153,434)	1,164,569	-	-	-	-
Interest Coverage Ratio	29.50		-	(0.28)	(0.27)	(0.25)	(0.23)	(0.23)	275.96	-	320.50	-	-	-	-
Debt Service Ratio	1.73		-	-	-	(0.43)	-	-	1.69	-	3.06	-	-	-	-
Project Overdraft			(37,717,839)	(39,542,706)	(41,813,337)	(43,613,377)	(43,787,600)	(44,115,380)	-	(1,153,434)	-	-	-	-	-
% of Project Costs (net of Interest/Fees and GST).			95.67%	100.30%	106.06%	110.62%	111.07%	111.90%	2.93%	-	-	-	-	-	-
Total Equity to Debt Ratio	0.70%		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Interest Coverage Ratio	15.02		-	(0.19)	(0.18)	(0.17)	(0.17)	(0.16)	194.73	-	320.50	-	-	-	-
Total Debt Service Ratio	1.31		-	-	-	(0.43)	-	-	1.26	-	3.06	-	-	-	-
Net Cash Flow (after Interest)	24,423,571		(2,625,356)	(1,824,867)	(2,270,631)	(1,800,041)	(174,222)	(327,781)	55,609,538	(1,153,434)	3,574,579	3,586,483	3,604,029	3,612,125	(294,368)
Cumulative Cash Flow**			(37,717,839)	(39,542,706)	(41,813,337)	(43,613,377)	(43,787,600)	(44,115,380)	11,494,158	10,340,724	13,915,303	17,501,786	21,105,815	24,717,939	24,423,571
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECT CASH FLOW	TOTAL	GST	26 Feb-13	27 Mar-13	28 Apr-13	29 May-13	30 Jun-13	31 Jul-13	32 Aug-13	33 Sep-13	34 Oct-13	35 Nov-13	36 Dec-13	37 Jan-14	38 Feb-14
PROJECT IRR & NPV															
Cash Flow that includes financing costs but excludes interest and corp tax.			(2,397,624)	(1,581,155)	(2,015,775)	(1,531,347)	105,467	(46,917)	55,892,504	(1,153,434)	3,581,548	3,586,483	3,604,029	3,612,125	(294,368)
Static Discount Rate (per ann. nominal)	20.00%														
PV for each Month	10,267,036		(1,560,048)	(1,011,935)	(1,268,942)	(948,189)	64,233	(28,106)	32,933,573	(668,497)	2,041,733	2,011,029	1,987,738	1,959,544	(157,074)
NPV of Future Cash Flows			54,336,890	57,680,090	60,248,932	63,302,453	65,914,364	66,905,712	68,068,506	12,378,936	13,757,909	10,345,967	6,872,142	3,322,582	(294,368)
Variable Discount Rate (per ann. nominal)	20.00%		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	10,267,036														

\* Includes half interest from deposit on land acquisition plus interest received from pre-sale deposits  
\*\* Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)  
Estate Master Licensed to: Estate Master

## Summary of Project Returns

### Land as Equity Case Study

#### Residential Development

##### Base Case

<b>Time Span:</b> Dec-10 to Feb-14	<b>Project Size:</b> 58 Apartments 1 per 17.24 SqM of Site Area
<b>Type:</b> Mixed Use	<b>Project Size:</b> 7,900. GFA 1 per 0.13 SqM of Site Area
<b>Status:</b> Under Review	
<b>Site Area:</b> 1,000. SqM	
<b>FSR:</b> 8:1	<b>Equated GFA:</b> 8,000.0 SqM

Estate Master Licensed to: Estate Master

				AUD Total			
<b>REVENUE</b>							
	Quantity	SqM	AUD/SqM	AUD			
<b>Total Sales Revenue</b>	-	6,660.0	11,780.3	78,456,810			
Residential	-	5,985.0	12,443.0	74,471,150			
Commercial	-	675.0	5,904.7	3,985,660			
Less Selling Costs				(4,350,992)			
Less Purchasers Costs				-			
<b>NET SALE PROCEEDS</b>				<b>74,105,818</b>			
	Average Yield	SqM	AUD/SqM/annum	AUD			
<b>Rental Income</b>	-	3,000.0	300.0	496,020			
Commercial	-	3,000.0	300.0	496,020			
Less Outgoings & Vacancies				-			
Less Letting Fees				-			
Less Incentives (Rent Free and Fit-out Costs)				-			
Less Other Leasing Costs				(32,737)			
<b>NET RENTAL INCOME</b>				<b>463,282</b>			
Interest Received				-			
Other Income				-			
<b>TOTAL REVENUE (before GST paid)</b>				<b>74,569,100</b>			
Less GST paid on all Revenue				(6,815,197)			
<b>TOTAL REVENUE (after GST paid)</b>				<b>67,753,903</b>			
<b>COSTS</b>							
Land Purchase Cost				-			
Land Transaction Costs				-			
<b>Construction (inc. Construct. Contingency)</b>				<b>35,919,526</b>			
Residential Construction				23,635,185			
Commercial Construction				1,723,544			
General Construction				10,560,798			
Professional Fees				3,254,761			
Statutory Fees				858,935			
Miscellaneous Costs 1				-			
Miscellaneous Costs 2				-			
Miscellaneous Costs 3				-			
Project Contingency (Project Reserve)				1,991,949			
Land Holding Costs				451,662			
Pre-Sale Commissions				653,903			
Finance Charges (inc. Fees)				733,334			
Interest Expense				3,672,055			
<b>TOTAL COSTS (before GST reclaimed)</b>				<b>47,536,125</b>			
Less GST reclaimed				(4,205,793)			
<b>TOTAL COSTS (after GST reclaimed)</b>				<b>43,330,332</b>			

### PERFORMANCE INDICATORS

<sup>1</sup> <b>Net Development Profit</b>	<b>24,423,571</b>	
<sup>3</sup> <b>Development Margin (or Profit/Risk Margin)</b>	<b>51.22%</b>	on total development costs (inc selling costs).
<sup>4</sup> Residual Land Value (based on 25% Target Margin)	8,085,370	(Exclusive of GST) 8,085.37 per SqM of Site Area
<sup>5</sup> <b>Net Present Value</b>	<b>10,267,036</b>	(at 20% per ann. discount rate, nominal)
<sup>6</sup> Benefit Cost Ratio	1.3528	(at 20% per ann. discount rate, nominal)
<sup>7</sup> <b>Project Internal Rate of Return (IRR)</b>	<b>44.86%</b>	(per ann. nominal)
<sup>8</sup> Residual Land Value (based on NPV)	10,218,696	(Exclusive of GST) 10,218.70 per SqM of Site Area
Equity IRR	N.A.	(per ann. nominal)
Equity Contribution	294,368	
Peak Debt Exposure	44,115,380	
Equity to Debt Ratio	0.70%	
<sup>9</sup> Weighted Average Cost of Capital (WACC)	8.22%	
<sup>10</sup> Breakeven Date for Cumulative Cash Flow	Aug-2013	(Month 32)
<sup>11</sup> Yield on Cost	1.73%	
<sup>12</sup> Rent Cover	27 Yrs. 2 Mths	
<sup>13</sup> Profit Erosion	N.A.	

#### Footnotes:

- Development Profit: is total revenue less total cost including interest paid and received
- Note: No redistribution of Developer's Gross Profit
- Development Margin: is profit divided by total development costs (inc selling costs).
- Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
- Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
- Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
- Internal Rate of Return: is the discount rate where the NPV above equals Zero.
- Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
- The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
- Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
- Yield on Cost is Current Net Annual Rent divided by Total Costs (before GST reclaimed), including all Selling Costs.
- The total net development profit divided by the current net annual rental expressed as a number of years/months.
- The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

## Summary of Project Returns

### Land as Equity Case Study

#### Residential Development

##### Base Case

<b>Time Span:</b> Dec-10 to Feb-14	<b>Project Size:</b> 58 Apartments 1 per 17.24 SqM of Site Area
<b>Type:</b> Mixed Use	
<b>Status:</b> Under Review	<b>Project Size:</b> 7,900. GFA 1 per 0.13 SqM of Site Area
<b>Site Area:</b> 1,000. SqM	
<b>FSR:</b> 8:1	<b>Equated GFA:</b> 8,000.0 SqM

Estate Master Licensed to: Estate Master

RETURNS ON FUNDS INVESTED	Equity	Loan 1			Loan 4	Total Debt
		Mezzanine			Line of Credit	
<sup>1</sup> Funds Invested (Cash Outlay)	294,368	9,500,000			32,319,128	41,819,128
% of Total Funds Invested	0.70%	22.56%			76.74%	99.30%
<sup>2</sup> Peak Exposure	-	11,270,028			32,845,352	44,115,380
Date of Peak Exposure	N.A.	Jul-13			Jul-13	Jul-13
Month of Peak Exposure		Month 31			Month 31	Month 31
Weighted Average Interest Rate	N.A.	9.00%			7.25%	7.99%
Interest Charged	-	1,752,355			1,919,699	3,672,055
Line Fees Charged	-	-			83,334	83,334
Application Fees Charged	-	150,000			-	150,000
Profit Share Received	-	-			-	-
<sup>3</sup> Total Profit to Funders	24,423,571	1,902,355			2,003,033	3,905,389
<sup>4</sup> Margin on Funds Invested	8296.95%	20.02%			6.20%	9.34%
<sup>5</sup> Payback Date	N.A.	Aug-13			Oct-13	Oct-13
Month of Payback	N.A.	Month 32			Month 34	Month 34
<sup>6</sup> IRR on Funds Invested	N.A.	9.91%			7.57%	8.58%
<sup>7</sup> Equity to Debt Ratio		3.10%			0.91%	0.70%
<sup>8</sup> Loan to Value Ratio	0.00%	14.36%			41.86%	56.23%
<sup>9</sup> Loan Ratio	N.A.	N.A.			87.06%	115.98%
	of Land Purchase Price.	of Land Purchase Price.			of Project Costs (net of Interest/Fees and GST).	of Project Costs (net of Interest/Fees and GST).

**Footnotes:**

- The total amount of funding injected into the project cash flow.
- The maximum cash flow exposure of that equity/debt facility including capitalised interest.
- The total repayments less funds invested, including profit share paid or received.
- Margin is net profit divided by total funds invested (cash outlay).
- Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
- IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
- Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
- Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
- Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

## APPENDIX 2



### Residential Development based on Land Contributed - Base Case

Version 5.13 August 2011

Cash Flow Title	Residential Development base		Description of Option/Stage	Base Case	
Date of First Period:	Dec-2010				
Cash Flow Rest Period:	Monthly				
Enter Project Size (a)	58.0	Apartments			
Enter Project Size (b)	7,900.0	GFA			
Enter Site Area	1,000.0	SqM	Floor Space Ratio	8:1	Equated Gross Floor Area= 8,000.0 SqM

Equated Gross Floor Area= 8,000.0 SqM

Type	Mixed Use
Status	Under Review

(Using General Tax Rule)

Goods and Services Tax Rate	10.00%
-----------------------------	--------

Developer	Credits Reclaimed ONE Month Later	Liability Paid ONE Month Later	Liability on Sales All Paid by Developer

All Project Costs	To be entered Exclusive of GST
Rental Income & Leasing Costs	To be entered Exclusive of GST
Sales Revenue	To be entered Inclusive of GST
Other Income	To be entered Exclusive of GST

## Land Purchase & Acquisition Costs

**Costs to be entered Exclusive of GST**

Land Purchase Price	12,500,000
---------------------	------------

			% of Land Purchase Price		AND/OR	
Code	Stage		% paid	Amount		Lump Amount
1002	-	Deposit in Trust Account <sup>1</sup>	0.00%	-	-	-
1003	-	Payment 1	0.00%	-	-	-
1004	-	Payment 2	0.00%	-	-	-
1006	-	Payment 3	0.00%	-	-	-
1007	-	Settlement (Balance)	100.00%	-	-	12,500,000
1008	-	Stamp Duty <sup>1</sup>	NIL	-	-	-
		Interest on Deposit in Trust Account	0.00%			Interest from deposit shared between parties
		Profit Share to Land Owner	0.00%			Paid progressively as project makes a profit.

Month Start	Month Span	Cash Flow Period	Add GST on Land Price?
0	-	-	N
0	-	-	Reclaim Proportionally with Land Payments
0	-	-	
0	-	-	
0	-	-	
0	1	Dec-10 - Dec-10	
0	1	Dec-10 - Dec-10	(Stamp Duty calculated on Land Value of 12,500,000 exc. GST)

	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	12,500,000	12,500,000	12,500,000
Stamp Duty	-	-	-
<b>TOTAL</b>	<b>12,500,000</b>	<b>12,500,000</b>	<b>12,500,000</b>

Code	Stage	Other Acquisition Costs (to be entered Exclusive of GST)	% of Land Price exc Tax		AND/OR
			% paid	Amount	Lump Amount
1011	-	0	0.00%	-	-
1012	-	.	0.00%	-	-
1013	-	.	0.00%	-	-
1014	-	.	0.00%	-	-
1015	-	.	0.00%	-	-

Month Start	Month Span	Cash Flow Period
0	-	-
0	-	-
0	-	-
0	-	-
0	-	-

Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
	Manual Input (refer to Cash Flow)	-	-	-
	<b>TOTAL</b>	-	-	-

<sup>1</sup> (No GST credit available for Stamp Duty)

<sup>2</sup> Pro-rata with Land Payments ('L')

Manual Input (refer to Cash Flow) **TOTAL**[illegible]

### Project Contingency

-	And / Or	5.00%	of Construction, Professional, Statutory Fees, Miscellaneous Costs 1, Miscellaneous Costs 2, Miscellaneous Costs 3
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<b>TOTAL</b>	1,991,949
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### Residential Development based on Land Contributed - Base Case

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Main Inputs for Land as Equity Case Study

Residential Development based on Land Contributed - Base Case

7000

Land Holding Costs

Costs to be entered Exclusive of GST

Code	Stage	Description	No. Units	Base Rate /unit/term	Term <sup>1</sup>	Escalate (E,R,N)
7001	-	Land Holding Costs	1	116,000	Y	E
7002	-	Strata Levies	58	1,100	Q	E
7003	-	.	-	-	M	-
7004	-	.	-	-	M	-
7005	-	.	-	-	M	-
7012	-	.	-	-	M	-

Y=Yearly, BA=BiAnnualy, Q=Quarterly, BM=BiMonthly, M=Monthly

Diminish proootionally with leasing ('DR') or settlements ('DS')

Month Start

Month Span<sup>2</sup>

Cash Flow Period

1	DS	Jan-11 - Jan-14
29	DS	May-13 - Jan-14
0	-	-
0	-	-
0	-	-
0	-	-

Add GST	Remarks	Total Annual Costs (exc GST)	Total Annual Costs (inc GST)	Total Escalated Cost
N		116,000	116,000	348,858
Y		255,200	280,720	102,804
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y	Manual Input (refer to Cash Flow)	-	-	-
TOTAL		371,200	396,720	451,662

8000

Selling and Leasing Costs

Sales Commission (To be entered Exclusive of GST)

Code	Category	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
RS	Residential	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COM	Commercial	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
RS3	Residential - 3 Bedroom Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RDD	Detached Dwellings Lots	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RTH	Townhouse Lots	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CO	Commerical Office	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RET	Retail Shops	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
IND	Industrial Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
STW	Storage & Warehousing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OTH	Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Rental escalation occurs up to lease start date. For rent review escalation during lease period refer to the Tenants sheet.

Sales Comm<sup>1</sup>

% of Comm. Pre-sales<sup>2</sup>

Deposits (% of Price)<sup>3</sup>

8001	RS	Residential	2.20%	50.00%	0.00%
8002	COM	Commercial	1.10%	50.00%	0.00%
8003	RS3	Residential - 3 Bedroom Units	0.00%	50.00%	0.00%
8004	RDD	Detached Dwellings Lots	0.00%	0.00%	0.00%
8005	RTH	Townhouse Lots	0.00%	0.00%	0.00%
8006	CO	Commerical Office	0.00%	50.00%	0.00%
8007	RET	Retail Shops	0.00%	0.00%	0.00%
8008	IND	Industrial Units	0.00%	0.00%	0.00%
8009	STW	Storage & Warehousing	0.00%	0.00%	0.00%
8010	OTH	Other	0.00%	0.00%	0.00%

1% of Gross Purchase Price

2% Percentage of Sales Commission paid at exchange date for pre-sales

3% Percentage of price deposited on exchange (for pre-sales)

Pre-sale Comm are reported as a

Project Cost

Interest Rate on Deposits Invested in Trust Account	0.00%
% of Interest retained by Developer upon settlement	0.00%

Other Selling Costs

To be entered Exclusive of GST

Code	Stage	% of Gross Sales	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)
8101	-	0.00%	1	500,000	E
8102	-	0.00%	6	60,000	E
8103	-	0.00%	6	40,000	E
8104	-	2.00%	-	-	E
8105	-	0.00%	48	700	E
8111	-	0.00%	-	-	-

Pro-rata with Settlements ('S') or Exchanges ('E')

Month Start

Month Span

Cash Flow Period

8	2	Aug-11 - Sep-11
10	6	Oct-11 - Mar-12
27	6	Mar-13 - Aug-13
S	-	Aug-13 - Jan-14
E	-	Oct-11 - Mar-12
0	-	-

Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
Y		1,565,685	1,722,254	1,802,202
Y		40,838	44,921	48,226
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y	Manual Input (refer to Cash Flow)	-	-	-
TOTAL		1,606,523	1,767,175	1,850,428

Other Leasing Costs

To be entered Exclusive of GST

Code	Stage	% of Gross Rent	AND / OR No. Units	Base Rate / Unit	Escalate (E,R,N)
8201	-	6.00%	-	-	-
8202	-	0.00%	-	-	-
8203	-	0.00%	-	-	-
8211	-	0.00%	-	-	-

Pro-rata with Rental Income ('R')

Month Start

Month Span

Cash Flow Period

1	6	Jan-11 - Jun-11
0	-	-
0	-	-
0	-	-

Add GST	Remarks	Total Current Costs (exc GST)	Total Current Costs (inc GST)	Total Escalated Cost
Y		29,761	32,737	32,737
Y		-	-	-
Y		-	-	-
Y		-	-	-
Y	Manual Input (refer to Cash Flow)	-	-	-
TOTAL		29,761	32,737	32,737

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### Residential Development based on Land Contributed - Base Case

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### Residential Development based on Land Contributed - Base Case

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Project Hurdle Rates

Project Discount Rate (target IRR)	20.00%	per annum Nominal, on cash flow that includes financing costs but excludes interest and corp tax.
Nominate an estimate of IRR	0.00%	per ann.
Developer's Target Dev. Margin	25.00%	on total development costs (inc selling costs).
Developer's Cost of Equity (for WACC)	40.00%	

12000																																	Rental Income & Capitalised Sales									
Rental Income and Leasing Costs to be entered Exclusive of GST																																										
Code	Stage	Description	Land Use Code	Total Area SqM	Current Rent /SqMannum	Amount /SqMannum	% of Rent	Total Per Annum	Pre-Committ Month	Lease Month Start	Lease Month Span	Cash Flow Period	Escalated Rent at Lease Start /SqMannum	% of Gross Rent	Letting Fee % paid at PreCommit	Total Amount	Rent Free Months	Incentives Fit out Cost	Month Start	Add GST on Costs	on Rents	Residual Cap. Rate	Pre-Sale Exchange Month	Settlement Month	Leasing Up Period Months Vacant	Discount Rate	Purchaser's Costs	GST Included on Sales <sup>1</sup>	Current Net Annual Rent	Current End Sale Value <sup>2</sup>	Total Net Rental Income less Incentives <sup>1</sup>	Escalated End-Sale Value										
12001	-	Current Lease	COM	3,000	300	-	0.00%	-	-	1	6	Jan-11 - Jun-11	331	0.00%	0.00%	-	-	-	-	-	Y	Y	0.00%	-	-	-	0.00%	0.00%	Y	900,000	-	0,927	-									
12002	-					-	0.00%	-	-	0	-	-	-	0.00%	0.00%	-	-	-	-	-	Y	Y	0.00%	-	-	-	0.00%	0.00%	Y	-	-	-	-									
12010	-					-	0.00%	-	-	0	-	-	-	0.00%	0.00%	-	-	-	-	-	Y	Y	0.00%	-	-	-	0.00%	0.00%	Y	-	-	-	-									
TOTAL				3,000.00																-	Exclusive of GST								900,000	-	0,927	-										
<sup>1</sup> If Yes, GST is payable on settlement (end of lease period or settlement date)																																										
<sup>2</sup> End sale value annual income (net of outgoings) divided by the capitalisation rate																																										
Estate Master Licensed to: Estate Master																																										

Current Net Annual Rent	Current End Sale Value <sup>2</sup>	Total Net Rental Income less Incentives	Escalated End-Sale Value
900,000	-	0.927	-
-	-	-	-
900,000	-	0.927	-

Cash Flow Table for Land as Equity Case Study

Residential Development based on Land Contributed - Base Case

PROJECT CASH FLOW	TOTAL	GST	0 Dec-10	1 Jan-11	2 Feb-11	3 Mar-11	4 Apr-11	5 May-11	6 Jun-11	7 Jul-11	8 Aug-11	9 Sep-11	10 Oct-11	11 Nov-11	12 Dec-11
SALES SUMMARY															
Units Sold	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	6,660.00		-	-	-	-	-	-	-	-	-	-	765.00	765.00	765.00
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	765.00	1,530.00	2,295.00
% SqM Sold			-	-	-	-	-	-	-	-	-	-	11.5%	23.0%	34.5%
AUD Sold	78,456,810		-	-	-	-	-	-	-	-	-	-	8,951,554	8,973,631	8,995,763
Cumulative AUD Sold			-	-	-	-	-	-	-	-	-	-	8,951,554	17,925,185	26,920,948
% AUD Sold			-	-	-	-	-	-	-	-	-	-	11.4%	22.8%	34.3%
HANDOVER SUMMARY															
Units Handed Over	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	6,660.00		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	78,456,810		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
PROJECT CASH FLOW															
REVENUE															
Gross Sales Revenue	78,456,810		-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(4,350,992)		-	-	-	-	-	-	-	-	(280,473)	(280,473)	(73,921)	(73,936)	(73,952)
Gross Rental Income	496,020		-	82,670	82,670	82,670	82,670	82,670	82,670	-	-	-	-	-	-
Leasing Costs	(32,737)		-	(5,456)	(5,456)	(5,456)	(5,456)	(5,456)	(5,456)	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	(6,815,197)		-	-	(7,515)	(7,515)	(7,515)	(7,515)	(7,515)	(7,515)	-	-	-	-	-
TOTAL NET REVENUE	67,753,903		-	77,214	69,698	69,698	69,698	69,698	69,698	(7,515)	(280,473)	(280,473)	(73,921)	(73,936)	(73,952)
COSTS															
Land and Acquisition	12,500,000		12,500,000	-	-	-	-	-	-	-	-	-	-	-	-
Settlement (Balance)	12,500,000		12,500,000	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	3,254,761		-	63,459	61,127	61,127	61,127	61,127	62,196	-	99,391	99,391	101,686	101,686	79,183
Construction Costs (inc Contingency)	35,919,526		-	-	-	-	-	-	-	-	1,253,945	1,253,945	1,253,945	1,253,945	755,280
Statutory Fees	858,935		-	-	-	-	-	-	50,744	-	-	-	-	-	808,191
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	1,991,949		-	2,993	2,993	2,993	2,993	2,993	5,531	-	66,271	66,271	71,720	71,720	85,775
Land Holding Costs	451,662		-	116,286	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	653,903		-	-	-	-	-	-	-	-	-	-	108,984	108,984	108,984
Financing Costs (exc Fees)	500,000		-	500,000	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,205,793)		-	-	(6,531)	(6,319)	(6,319)	(6,319)	(6,319)	(6,642)	-	(154,423)	(154,423)	(146,246)	(146,248)
TOTAL COSTS	51,924,943		12,500,000	682,739	57,589	57,801	57,801	57,801	112,151	(6,642)	1,419,608	1,265,185	1,381,913	1,380,090	1,691,165
Net Cash Flow (before Interest)	15,828,960		(12,500,000)	(605,525)	12,110	11,897	11,897	11,897	(42,453)	(873)	(1,700,080)	(1,545,658)	(1,455,834)	(1,464,026)	(1,765,117)
Cumulative Cash Flow			(12,500,000)	(13,105,525)	(13,093,416)	(13,081,518)	(13,069,621)	(13,057,723)	(13,100,176)	(13,101,050)	(14,801,130)	(16,346,788)	(17,802,621)	(19,266,647)	(21,031,764)



Cash Flow Table for Land as Equity Case Study

Residential Development based on Land Contributed - Base Case

PROJECT CASH FLOW	TOTAL	GST	0 Dec-10	1 Jan-11	2 Feb-11	3 Mar-11	4 Apr-11	5 May-11	6 Jun-11	7 Jul-11	8 Aug-11	9 Sep-11	10 Oct-11	11 Nov-11	12 Dec-11
<b>FINANCING</b>															
<b>Equity</b>															
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0
Injectons	12,794,368		12,500,000	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	24,717,939		-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	11,923,571		(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
Equity Cash Flow	11,923,571		(12,500,000)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Project Cash Account</b>															
Surplus Cash Injection	12,500,000		12,500,000	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(12,500,000)		(12,500,000)	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 1 - Mezzanine</b>															
Manual Adjustments (Drawdown - / Repay +)			0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	(9,500,000)		-	(605,525)	-	-	-	-	(42,453)	(873)	(1,700,080)	(1,545,658)	(1,455,834)	(1,464,026)	(1,765,117)
Loan Interest Rate (%/ann)		9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Interest Charged	(1,752,355)		-	(5,866)	(5,866)	(5,818)	(5,571)	(5,524)	(5,476)	(5,835)	(5,886)	(18,680)	(30,413)	(41,560)	(52,852)
Application and Line Fees	(150,000)		-	(150,000)	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	11,402,355		-	-	12,110	11,897	11,897	11,897	-	-	-	-	-	-	-
Interest and Fees	1,902,355		-	-	12,110	11,897	11,897	11,897	-	-	-	-	-	-	-
Principal	9,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	(755,525)	(749,082)	(742,803)	(736,476)	(730,102)	(778,031)	(784,740)	(2,490,706)	(4,055,043)	(5,541,290)	(7,046,876)	(8,864,844)
% of Land Purchase Price.			-	6.0%	6.0%	5.9%	5.9%	5.8%	6.2%	6.3%	19.9%	32.4%	44.3%	56.4%	70.9%
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	1,902,355		-	(605,525)	12,110	11,897	11,897	11,897	(42,453)	(873)	(1,700,080)	(1,545,658)	(1,455,834)	(1,464,026)	(1,765,117)
Interest Coverage Ratio	28.96		-	0.51	12.30	12.41	12.51	12.62	12.73	(1.29)	(47.65)	(15.01)	(2.43)	(1.78)	(1.40)
Debt Service Ratio	4.93		-	-	5.76	5.86	5.86	5.86	-	-	-	-	-	-	-
<b>Loan 2 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 3 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 4 - Line of Credit</b>															
Drawdown	(32,319,128)		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Interest Charged	(1,919,699)		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	(83,334)		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	34,322,162		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	2,003,033		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	32,319,128		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project Costs (net of Interest/Fees and GST).			-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4 Cash Flow	2,003,033		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	29.50		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.73		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			-	(755,525)	(749,082)	(742,803)	(736,476)	(730,102)	(778,031)	(784,740)	(2,490,706)	(4,055,043)	(5,541,290)	(7,046,876)	(8,864,844)
% of Project Costs (net of Interest/Fees and GST).			-	1.46%	1.44%	1.43%	1.42%	1.41%	1.50%	1.51%	4.80%	7.81%	10.67%	13.57%	17.07%
Total Equity to Debt Ratio	30.59%		-	2064.32%	2064.32%	2064.32%	2064.32%	2064.32%	1929.08%	1926.48%	532.16%	320.96%	233.63%	183.43%	145.70%
Total Debt Interest Coverage Ratio	15.02		-	0.51	12.30	12.41	12.51	12.62	12.73	(1.29)	(47.65)	(15.01)	(2.43)	(1.78)	(1.40)
Total Debt Service Ratio	1.31		-	-	5.76	5.86	5.86	5.86	-	-	-	-	-	-	-
Net Cash Flow (after Interest)	11,923,571		(12,500,000)	(755,525)	6,443	6,326	6,374	6,374	(47,929)	(6,709)	(1,705,966)	(1,564,338)	(1,486,247)	(1,505,585)	(1,817,968)
Cumulative Cash Flow**	-		(12,500,000)	(13,255,525)	(13,249,082)	(13,242,803)	(13,236,476)	(13,230,102)	(13,278,031)	(13,284,740)	(14,990,706)	(16,555,044)	(18,041,290)	(19,546,876)	(21,364,844)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECT CASH FLOW	TOTAL	GST	0 Dec-10	1 Jan-11	2 Feb-11	3 Mar-11	4 Apr-11	5 May-11	6 Jun-11	7 Jul-11	8 Aug-11	9 Sep-11	10 Oct-11	11 Nov-11	12 Dec-11
PROJECT IRR & NPV															
Cash Flow that includes financing costs but excludes interest and corp tax.			(12,500,000)	(755,525)	12,110	11,897	11,897	11,897	(42,453)	(873)	(1,700,080)	(1,545,658)	(1,455,834)	(1,464,026)	(1,765,117)
Static Discount Rate (per ann. nominal)	20.00%														
PV for each Month	(2,232,964)		(12,500,000)	(743,139)	11,716	11,322	11,136	10,954	(38,445)	(778)	(1,489,501)	(1,332,005)	(1,234,031)	(1,220,631)	(1,447,539)
NPV of Future Cash Flows			(2,232,964)	10,438,154	11,380,240	11,557,599	11,738,130	11,921,670	12,108,269	12,353,234	12,560,009	14,497,757	16,310,805	18,062,750	19,852,222
Variable Discount Rate (per ann. nominal)	20.00%		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	(2,232,964)														

\* Includes half interest from deposit on land acquisition plus interest received from pre-sale deposits  
\*\* Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)  
Estate Master Licensed to: Estate Master

Cash Flow Table for Land as Equity Case Study

Residential Development based on Land Contributed - Base Case

PROJECT CASH FLOW	TOTAL	GST	13 Jan-12	14 Feb-12	15 Mar-12	16 Apr-12	17 May-12	18 Jun-12	19 Jul-12	20 Aug-12	21 Sep-12	22 Oct-12	23 Nov-12	24 Dec-12	25 Jan-13
SALES SUMMARY															
Units Sold	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	6,660.00		765.00	765.00	765.00	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			3,060.00	3,825.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00
% SqM Sold			45.9%	57.4%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%
AUD Sold	78,456,810		9,017,948	9,040,189	9,062,485	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Sold			35,938,896	44,979,085	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570
% AUD Sold			45.8%	57.3%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	68.9%
HANDOVER SUMMARY															
Units Handed Over	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	6,660.00		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	78,456,810		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
PROJECT CASH FLOW															
REVENUE															
Gross Sales Revenue	78,456,810		-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(4,350,992)		(73,967)	(73,983)	(73,998)	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	496,020		-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	(32,737)		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	(6,815,197)		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	67,753,903		(73,967)	(73,983)	(73,998)	-	-	-	-	-	-	-	-	-	-
COSTS															
Land and Acquisition															
Settlement (Balance)	12,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	3,254,761		77,833	73,265	92,720	75,529	105,985	115,337	146,026	146,365	152,817	214,441	184,233	246,213	199,760
Construction Costs (inc Contingency)	35,919,526		923,579	895,369	1,140,821	952,889	1,337,139	1,455,119	1,842,308	1,846,582	1,927,985	2,705,442	2,324,330	3,106,298	2,490,804
Statutory Fees	858,935		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	1,991,949		54,260	52,769	65,742	50,360	70,668	76,903	97,366	97,592	101,894	142,983	122,841	164,168	131,639
Land Holding Costs	451,662		116,286	-	-	-	-	-	-	-	-	-	-	-	116,286
Pre-Sale Commissions	653,903		108,984	108,984	108,984	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,205,793)		(100,120)	(112,496)	(109,385)	(134,622)	(97,972)	(137,479)	(149,609)	(189,418)	(189,858)	(198,227)	(278,162)	(238,978)	(319,376)
TOTAL COSTS	51,924,943		1,180,822	1,017,891	1,298,882	944,155	1,415,820	1,509,879	1,936,091	1,901,121	1,992,839	2,864,638	2,353,242	3,277,701	2,619,113
Net Cash Flow (before Interest)	15,828,960		(1,254,789)	(1,091,874)	(1,372,880)	(944,155)	(1,415,820)	(1,509,879)	(1,936,091)	(1,901,121)	(1,992,839)	(2,864,638)	(2,353,242)	(3,277,701)	(2,619,113)
Cumulative Cash Flow			(22,286,553)	(23,378,427)	(24,751,307)	(25,695,463)	(27,111,283)	(28,621,162)	(30,557,253)	(32,458,374)	(34,451,213)	(37,315,851)	(39,669,092)	(42,946,794)	(45,565,907)

Cash Flow Table for Land as Equity Case Study

Residential Development based on Land Contributed - Base Case

PROJECT CASH FLOW	TOTAL	GST	13 Jan-12	14 Feb-12	15 Mar-12	16 Apr-12	17 May-12	18 Jun-12	19 Jul-12	20 Aug-12	21 Sep-12	22 Oct-12	23 Nov-12	24 Dec-12	25 Jan-13
<b>FINANCING</b>															
<b>Equity</b>															
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	12,794,368		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	24,717,939		-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	11,923,571		(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
Equity Cash Flow	11,923,571		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Project Cash Account</b>															
Surplus Cash Injection	12,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(12,500,000)		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 1 - Mezzanine</b>															
Manual Adjustments (Drawdown - / Repay +)			0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	(9,500,000)		(920,434)												
Loan Interest Rate (%/ann)	-		9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Interest Charged	(1,752,355)		(66,486)	(73,888)	(74,442)	(75,001)	(75,563)	(76,130)	(76,701)	(77,276)	(77,856)	(78,440)	(79,028)	(79,621)	(80,218)
Application and Line Fees	(150,000)		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	11,402,355		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	1,902,355		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	9,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		(9,851,765)	(9,925,653)	(10,000,095)	(10,075,096)	(10,150,659)	(10,226,789)	(10,303,490)	(10,380,766)	(10,458,622)	(10,537,062)	(10,616,089)	(10,695,710)	(10,775,928)
% of Land Purchase Price.	-		78.8%	79.4%	80.0%	80.6%	81.2%	81.8%	82.4%	83.0%	83.7%	84.3%	84.9%	85.6%	86.2%
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 1 Cash Flow	1,902,355		(920,434)												
Interest Coverage Ratio	28.96		(1.11)	(1.00)	(0.99)	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	4.93		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 2 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 2 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 3 - Lender Name</b>															
Manual Adjustments (Drawdown - / Repay +)	-		0	0	0	0	0	0	0	0	0	0	0	0	0
Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)	-		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Application and Line Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Land Purchase Price.	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3 Cash Flow	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	-		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan 4 - Line of Credit</b>															
Drawdown	(32,319,128)		(334,355)	(1,091,874)	(1,372,880)	(944,155)	(1,415,820)	(1,509,879)	(1,936,091)	(1,901,121)	(1,992,839)	(2,864,638)	(2,353,242)	(3,277,701)	(2,619,113)
Loan Interest Rate (%/ann)	-		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Interest Charged	(1,919,699)		-	(2,020)	(8,654)	(17,026)	(22,858)	(31,576)	(40,914)	(52,883)	(64,714)	(77,170)	(94,969)	(109,785)	(130,276)
Application and Line Fees	(83,334)		-	(4,167)	-	(4,167)	-	(4,167)	-	(4,167)	-	(4,167)	-	(4,167)	-
Interest Paid by Equity	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	34,322,162		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fees	2,003,033		-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	32,319,128		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		(334,355)	(1,432,416)	(2,818,117)	(3,783,465)	(5,226,310)	(6,771,932)	(8,753,104)	(10,711,274)	(12,772,994)	(15,718,968)	(18,171,348)	(21,562,999)	(24,316,555)
% of Project Costs (net of Interest/Fees and GST).	-		0.64%	2.76%	5.43%	7.29%	10.07%	13.04%	16.86%	20.63%	24.60%	30.27%	35.00%	41.53%	46.83%
Loan 4 Cash Flow	2,003,033		(334,355)	(1,091,874)	(1,372,880)	(944,155)	(1,415,820)	(1,509,879)	(1,936,091)	(1,901,121)	(1,992,839)	(2,864,638)	(2,353,242)	(3,277,701)	(2,619,113)
Interest Coverage Ratio	29.50		-	(11.96)	(5.77)	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.73		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			(10,186,119)	(11,358,069)	(12,818,212)	(13,858,561)	(15,376,969)	(16,998,721)	(19,056,594)	(21,092,040)	(23,231,616)	(26,256,030)	(28,787,435)	(32,258,709)	(35,092,483)
% of Project Costs (net of Interest/Fees and GST).	-		19.62%	21.87%	24.69%	26.69%	29.61%	32.74%	36.70%	40.62%	44.74%	50.57%	55.44%	62.13%	67.58%
Total Equity to Debt Ratio	30.59%		127.11%	114.40%	101.63%	94.39%	85.27%	77.31%	69.04%	62.48%	56.82%	50.27%	45.93%	40.99%	37.75%
Total Debt Interest Coverage Ratio	15.02		(1.11)	(0.92)	(0.85)	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	1.31		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest)	11,923,571		(1,321,275)	(1,171,949)	(1,460,143)	(1,040,349)	(1,518,408)	(1,621,751)	(2,057,873)	(2,035,447)	(2,139,575)	(3,024,414)	(2,531,405)	(3,471,274)	(2,833,774)
Cumulative Cash Flow**	-		(22,686,119)	(23,858,069)	(25,318,212)	(26,358,561)	(27,876,969)	(29,498,721)	(31,556,594)	(33,592,040)	(35,731,616)	(38,756,030)	(41,287,435)	(44,758,709)	(47,592,483)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECT CASH FLOW	TOTAL	GST	13 Jan-12	14 Feb-12	15 Mar-12	16 Apr-12	17 May-12	18 Jun-12	19 Jul-12	20 Aug-12	21 Sep-12	22 Oct-12	23 Nov-12	24 Dec-12	25 Jan-13
PROJECT IRR & NPV															
Cash Flow that includes financing costs but excludes interest and corp tax.			(1,254,789)	(1,096,041)	(1,377,047)	(948,322)	(1,419,987)	(1,514,046)	(1,940,258)	(1,905,287)	(1,997,006)	(2,868,804)	(2,357,408)	(3,281,868)	(2,623,280)
Static Discount Rate (per ann. nominal)	20.00%														
PV for each Month	(2,232,964)		(1,012,160)	(868,614)	(1,074,657)	(727,945)	(1,072,132)	(1,124,410)	(1,417,315)	(1,368,954)	(1,411,331)	(1,994,215)	(1,611,860)	(2,207,166)	(1,735,322)
NPV of Future Cash Flows			21,977,627	23,619,623	25,127,592	26,946,383	28,358,617	30,275,930	32,319,809	34,831,068	37,348,628	40,001,395	43,584,702	46,707,612	50,822,842
Variable Discount Rate (per ann. nominal)	20.00%		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	(2,232,964)														

\* Includes half interest from deposit on land acquisition plus interest received from pre-sale deposits  
\*\* Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)  
Estate Master Licensed to: Estate Master

Cash Flow Table for Land as Equity Case Study

Residential Development based on Land Contributed - Base Case

PROJECT CASH FLOW	TOTAL	GST	26 Feb-13	27 Mar-13	28 Apr-13	29 May-13	30 Jun-13	31 Jul-13	32 Aug-13	33 Sep-13	34 Oct-13	35 Nov-13	36 Dec-13	37 Jan-14	38 Feb-14
SALES SUMMARY															
Units Sold	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	6,660.00								345.00	345.00	345.00	345.00	345.00	345.00	-
Cumulative SqM Sold			4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,590.00	4,935.00	5,280.00	5,625.00	5,970.00	6,315.00	6,660.00	6,660.00
% SqM Sold			68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	74.1%	79.3%	84.5%	89.6%	94.8%	100.0%	100.0%
AUD Sold	78,456,810								4,044,961	4,054,568	4,064,298	4,074,052	4,083,830	4,093,631	-
Cumulative AUD Sold			54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	54,041,570	58,086,431	62,140,999	66,205,297	70,279,349	74,363,179	78,456,810	78,456,810
% AUD Sold			68.9%	68.9%	68.9%	68.9%	68.9%	68.9%	74.0%	79.2%	84.4%	89.6%	94.8%	100.0%	100.0%
HANDOVER SUMMARY															
Units Handed Over	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	6,660.00		-	-	-	-	-	-	4,935.00	345.00	345.00	345.00	345.00	345.00	-
Cumulative SqM Handed Over			-	-	-	-	-	-	4,935.00	5,280.00	5,625.00	5,970.00	6,315.00	6,660.00	6,660.00
% SqM Handed Over			-	-	-	-	-	-	74.1%	79.3%	84.5%	89.6%	94.8%	100.0%	100.0%
AUD Handed Over	78,456,810		-	-	-	-	-	-	58,110,777	4,069,207	4,069,207	4,069,207	4,069,207	4,069,207	-
Cumulative AUD Handed Over			-	-	-	-	-	-	58,110,777	62,179,983	66,249,190	70,318,397	74,387,603	78,456,810	78,456,810
% AUD Handed Over			-	-	-	-	-	-	74.1%	79.3%	84.4%	89.6%	94.8%	100.0%	100.0%
PROJECT CASH FLOW															
REVENUE															
Gross Sales Revenue	78,456,810		-	-	-	-	-	-	58,086,431	4,054,568	4,064,298	4,074,052	4,083,830	4,093,631	-
Selling Costs	(4,350,992)		-	(47,026)	(47,026)	(47,026)	(47,026)	(47,026)	(2,174,072)	(186,953)	(187,185)	(187,417)	(187,650)	(187,883)	-
Gross Rental Income	496,020		-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	(32,737)		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	(6,815,197)		-	-	-	-	-	-	-	(5,220,506)	(308,395)	(309,155)	(309,918)	(310,682)	(311,448)
TOTAL NET REVENUE	67,753,903		-	(47,026)	(47,026)	(47,026)	(47,026)	(47,026)	55,912,359	(1,352,891)	3,568,719	3,577,480	3,586,262	3,595,066	(311,448)
COSTS															
Land and Acquisition	12,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
Settlement (Balance)	12,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	3,254,761		185,518	123,966	149,104	113,600	-	-	393	-	-	158	-	-	-
Construction Costs (inc Contingency)	35,919,526		2,340,547	1,563,986	1,881,138	1,414,128	-	-	-	-	-	-	-	-	-
Statutory Fees	858,935		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 3	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	1,991,949		123,698	82,657	99,418	74,737	-	-	-	-	-	-	-	-	-
Land Holding Costs	451,662		-	-	-	75,377	-	-	19,571	-	-	7,856	-	-	-
Pre-Sale Commissions	653,903		-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	500,000		-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,205,793)		(256,306)	(240,645)	(165,077)	(197,686)	(156,660)	(4,275)	(4,275)	(199,458)	(16,996)	(17,017)	(17,766)	(17,059)	(17,080)
TOTAL COSTS	51,924,943		2,393,457	1,529,963	1,964,583	1,480,155	(156,660)	(4,275)	15,688	(199,458)	(16,996)	(9,003)	(17,766)	(17,059)	(17,080)
Net Cash Flow (before Interest)	15,828,960		(2,393,457)	(1,576,989)	(2,011,609)	(1,527,181)	109,634	(42,751)	55,896,670	(1,153,434)	3,585,715	3,586,483	3,604,029	3,612,125	(294,368)
Cumulative Cash Flow			(47,959,364)	(49,536,353)	(51,547,962)	(53,075,142)	(52,965,509)	(53,008,259)	2,888,411	1,734,978	5,320,692	8,907,175	12,511,204	16,123,328	15,828,960

### Residential Development based on Land Contributed - Base Case

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PROJECT CASH FLOW	TOTAL	GST	26 Feb-13	27 Mar-13	28 Apr-13	29 May-13	30 Jun-13	31 Jul-13	32 Aug-13	33 Sep-13	34 Oct-13	35 Nov-13	36 Dec-13	37 Jan-14	38 Feb-14
PROJECT IRR & NPV															
Cash Flow that includes financing costs but excludes interest and corp tax.			(2,397,624)	(1,581,155)	(2,015,775)	(1,531,347)	105,467	(46,917)	55,892,504	(1,153,434)	3,581,548	3,586,483	3,604,029	3,612,125	(294,368)
Static Discount Rate (per ann. nominal)	20.00%														
PV for each Month	(2,232,964)		(1,560,048)	(1,011,935)	(1,268,942)	(948,189)	64,233	(28,106)	32,933,573	(668,497)	2,041,733	2,011,029	1,987,738	1,959,544	(157,074)
NPV of Future Cash Flows			54,336,890	57,680,090	60,248,932	63,302,453	65,914,364	66,905,712	68,068,506	12,378,936	13,757,909	10,345,967	6,872,142	3,322,582	(294,368)
Variable Discount Rate (per ann. nominal)	20.00%		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
NPV (using weighted avg discount rate)	(2,232,964)														

\* Includes half interest from deposit on land acquisition plus interest received from pre-sale deposits  
\*\* Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)  
Estate Master Licensed to: Estate Master



## Summary of Project Returns

### Land as Equity Case Study

#### Residential Development based on Land Contributed

##### Base Case

<b>Time Span:</b> Dec-10 to Feb-14	<b>Project Size:</b> 58 Apartments 1 per 17.24 SqM of Site Area
<b>Type:</b> Mixed Use	<b>Project Size:</b> 7,900. GFA 1 per 0.13 SqM of Site Area
<b>Status:</b> Under Review	
<b>Site Area:</b> 1,000. SqM	
<b>FSR:</b> 8:1	<b>Equated GFA:</b> 8,000.0 SqM

Estate Master Licensed to: Estate Master

				AUD Total			
<b>REVENUE</b>							
	Quantity	SqM	AUD/SqM	AUD			
<b>Total Sales Revenue</b>	-	6,660.0	11,780.3	78,456,810			
Residential	-	5,985.0	12,443.0	74,471,150			
Commercial	-	675.0	5,904.7	3,985,660			
Less Selling Costs				(4,350,992)			
Less Purchasers Costs				-			
<b>NET SALE PROCEEDS</b>				<b>74,105,818</b>			
	Average Yield	SqM	AUD/SqM/annum	AUD			
<b>Rental Income</b>	-	3,000.0	300.0	496,020			
Commercial	-	3,000.0	300.0	496,020			
Less Outgoings & Vacancies				-			
Less Letting Fees				-			
Less Incentives (Rent Free and Fit-out Costs)				-			
Less Other Leasing Costs				(32,737)			
<b>NET RENTAL INCOME</b>				<b>463,282</b>			
Interest Received				-			
Other Income				-			
<b>TOTAL REVENUE (before GST paid)</b>				<b>74,569,100</b>			
Less GST paid on all Revenue				(6,815,197)			
<b>TOTAL REVENUE after GST paid</b>				<b>67 753 9 3</b>			
<b>COSTS</b>							
Land Purchase Cost				12,500,000			
Land Transaction Costs				-			
<b>Construction inc. Construct. Contingency</b>				<b>35,919,526</b>			
Residential Construction				23,635,185			
Commercial Construction				1,723,544			
General Construction				10,560,798			
Professional Fees				3,254,761			
Statutory Fees				858,935			
Miscellaneous Costs 1				-			
Miscellaneous Costs 2				-			
Miscellaneous Costs 3				-			
Project Contingency (Project Reserve)				1,991,949			
Land Holding Costs				451,662			
Pre-Sale Commissions				653,903			
Finance Charges (inc. Fees)				733,334			
Interest Expense				3,672,055			
<b>TOTAL COSTS (before GST reclaimed)</b>				<b>60,036,125</b>			
Less GST reclaimed				(4,205,793)			
<b>TOTAL COSTS after GST reclaimed</b>				<b>55 83 332</b>			

### PERFORMANCE INDICATORS

<sup>1</sup> <b>Net Development Profit</b>	<b>11 923 571</b>	
<sup>3</sup> <b>Development Margin or Profit/Risk Margin</b>	<b>19.81%</b>	on total development costs (inc selling costs).
<sup>4</sup> Residual Land Value (based on 25% Target Margin)	10,400,053	(Exclusive of GST) 10,400.05 per SqM of Site Area
<sup>5</sup> <b>Net Present Value</b>	<b>2 232 964</b>	(at 20% per ann. discount rate, nominal)
<sup>6</sup> Benefit Cost Ratio	0.9463	(at 20% per ann. discount rate, nominal)
<sup>7</sup> <b>Project Internal Rate of Return IRR</b>	<b>16.62%</b>	(per ann. nominal)
<sup>8</sup> Residual Land Value (based on NPV)	10,273,594	(Exclusive of GST) 10,273.59 per SqM of Site Area
Equity IRR	23.98%	(per ann. nominal)
Equity Contribution	12,794,368	
Peak Debt Exposure	44,115,380	
Equity to Debt Ratio	30.59%	
<sup>9</sup> Weighted Average Cost of Capital (WACC)	15.49%	
<sup>10</sup> Breakeven Date for Cumulative Cash Flow	Oct-2013	(Month 34)
<sup>11</sup> Yield on Cost	1.40%	
<sup>12</sup> Rent Cover	13 Yrs, 3 Mths	
<sup>13</sup> Profit Erosion	N.A.	

#### Footnotes:

- Development Profit: is total revenue less total cost including interest paid and received
- Note: No redistribution of Developer's Gross Profit
- Development Margin: is profit divided by total development costs (inc selling costs).
- Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
- Net Present Value: is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
- Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
- Internal Rate of Return: is the discount rate where the NPV above equals Zero.
- Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
- The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
- Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
- Yield on Cost is Current Net Annual Rent divided by Total Costs (before GST reclaimed), including all Selling Costs.
- The total net development profit divided by the current net annual rental expressed as a number of years/months.
- The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

## Summary of Project Returns



Development Feasibility

### Land as Equity Case Study

#### Residential Development based on Land Contributed

Base Case

<b>Time Span:</b> Dec-10 to Feb-14	<b>Project Size:</b> 58 Apartments 1 per 17.24 SqM of Site Area
<b>Type:</b> Mixed Use	
<b>Status:</b> Under Review	<b>Project Size:</b> 7,900. GFA 1 per 0.13 SqM of Site Area
<b>Site Area:</b> 1,000. SqM	
<b>FSR:</b> 8:1	<b>Equated GFA:</b> 8,000.0 SqM

Estate Master Licensed to: Estate Master

RETURNS ON FUNDS INVESTED	Equity	Loan 1			Loan 4	Total Debt
		Mezzanine			Line of Credit	
<sup>1</sup> Funds Invested (Cash Outlay)	12,794,368	9,500,000			32,319,128	41,819,128
% of Total Funds Invested	23.43%	17.39%			59.18%	76.57%
<sup>2</sup> Peak Exposure	12,500,000	11,270,028			32,845,352	44,115,380
Date of Peak Exposure	Dec-10	Jul-13			Jul-13	Jul-13
Month of Peak Exposure	Month 0	Month 31			Month 31	Month 31
Weighted Average Interest Rate	N.A.	9.00%			7.25%	7.99%
Interest Charged	-	1,752,355			1,919,699	3,672,055
Line Fees Charged	-	-			83,334	83,334
Application Fees Charged	-	150,000			-	150,000
Profit Share Received	-	-			-	-
<sup>3</sup> Total Profit to Funders	11,923,571	1,902,355			2,003,033	3,905,389
<sup>4</sup> Margin on Funds Invested	93.19%	20.02%			6.20%	9.34%
<sup>5</sup> Payback Date	Oct-13	Aug-13			Oct-13	Oct-13
Month of Payback	Month 34	Month 32			Month 34	Month 34
<sup>6</sup> IRR on Funds Invested	23.98%	9.91%			7.57%	8.58%
<sup>7</sup> Equity to Debt Ratio		134.68%			39.59%	30.59%
<sup>8</sup> Loan to Value Ratio	15.93%	14.36%			41.86%	56.23%
<sup>9</sup> Loan Ratio	102.35%	91.22%			66.10%	88.06%
	of Land Purchase Price.	of Land Purchase Price.			of Project Costs (net of Interest/Fees and GST).	of Project Costs (net of Interest/Fees and GST).

**Footnotes:**

- The total amount of funding injected into the project cash flow.
- The maximum cash flow exposure of that equity/debt facility including capitalised interest.
- The total repayments less funds invested, including profit share paid or received.
- Margin is net profit divided by total funds invested (cash outlay).
- Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
- IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
- Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
- Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
- Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

## Comparison of Options

ESTATEMASTER Development Feasibility PROPERTY SOFTWARE		1	2	3	4	5	6	7	8
		Residential Development	Residential Development based on Land						
<b>Summary of Comparison of Options</b>		Base Case	Base Case						
<b>Land as Equity Case Study</b>		58. Apartments 7,900. GFA 1,000. SqM Mixed Use Under Review	58. Apartments 7,900. GFA 1,000. SqM Mixed Use Under Review						
Estate Master, Licensed to: Estate Master									
<b>REVENUE</b>									
Total Sales Revenue		78,456,810	78,456,810						
Less Selling Costs		(4,350,992)	(4,350,992)						
Less Purchasers Costs		-	-						
NET SALE PROCEEDS		74,105,818	74,105,818						
Rental Income		496,020	496,020						
Less Outgoings & Vacancies		-	-						
Less Letting Fees		-	-						
Less Incentives (Rent Free and Fit Out Costs)		-	-						
Less Other Leasing Costs		(32,737)	(32,737)						
NET RENTAL INCOME		463,282	463,282						
Interest Received		-	-						
Other Income		-	-						
TOTAL REVENUE (before GST paid)		74,569,100	74,569,100						
Less GST paid on all Revenue		(6,815,197)	(6,815,197)						
TOTAL REVENUE (after GST paid)		67,753,903	67,753,903						
<b>COSTS</b>									
Land Purchase Cost		-	12,500,000						
Land Transaction Costs		-	-						
Construction (inc. Construct. Contingency)		35,919,526	35,919,526						
Professional Fees		3,254,761	3,254,761						
Statutory Fees		858,935	858,935						
Miscellaneous Costs 1		-	-						
Miscellaneous Costs 2		-	-						
Miscellaneous Costs 3		-	-						
Project Contingency (Project Reserve)		1,991,949	1,991,949						
Land Holding Costs		451,662	451,662						
Pre-Sale Commissions		653,903	653,903						
Finance Charges (inc. Line Fees)		733,334	733,334						
Interest Expense		3,672,055	3,672,055						
TOTAL COSTS (before GST reclaimed)		47,536,125	60,036,125						
Less GST reclaimed		(4,205,793)	(4,205,793)						
Plus Corporate Tax		-	-						
TOTAL COSTS (after GST reclaimed)		43,330,332	55,830,332						
<b>PERFORMANCE INDICATORS</b>									
1 Gross Development Profit		24,423,571	11,923,571						
2 Net Developer's Profit after Profit Share		24,423,571	11,923,571						
3 Development Margin (Profit/Risk Margin)		51.22%	19.81%						
Target Development Margin		25.00%	25.00%						
4 Residual Land Value (Target Margin)		8,085,370	10,400,053						
5 Breakeven Date for Cumulative Cash Flow		Aug-2013	Oct-2013						
Discount Rate (Target IRR)		20.00%	20.00%						
6 Net Present Value		10,267,036	(2,232,964)						
8 Benefit Cost Ratio		1.353	0.946						
9 Project Internal Rate of Return (IRR)		44.86%	16.62%						
10 Residual Land Value (NPV)		10,218,696	10,273,594						
Peak Debt Exposure		44,115,380	44,115,380						
Date of Peak Debt Exposure		Jul-2013	Jul-2013						
11 Breakeven Date for Project Overdraft		Oct-2013	Oct-2013						
Total Equity Contribution		294,368	12,794,368						
Peak Equity Exposure		-	12,500,000						
Date of Peak Equity Exposure		N.A.	Dec-2010						
12 IRR on Equity		N.A.	23.98%						
Weighted Average Cost of Capital (WACC)		8.22%	15.49%						
<b>YIELD ANALYSIS</b>		Qty	Area	Qty	Area				
<b>SALES</b>			SqM		SqM				
Residential		0	5,985	0	5,985				
Commercial		0	675	0	675				
TOTAL		0	6,660	0	6,660				
<b>TENANCIES</b>			SqM		SqM				
Commercial			3,000		3,000				
TOTAL			3,000		3,000				
<b>Footnotes (based on current Preferences):</b>									
1. Development Profit: is total revenue less total cost including interest paid and received									
2. Developer's Net Profit after distribution of profit share.									
3. Development Margin: is profit divided by total development costs (inc selling costs).									
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.									
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).									
6. Net Present Value: is the project's cash flow stream discounted to present value.									
It includes financing costs but excludes interest and corp tax.									
8. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.									
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.									
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.									
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.									
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.									