

## SHARE PRICE CALCULATION SHEET

PDS for the sale of Shares in the unnamed thoroughbred **Bay/Brown Colt, foaled 2015,**  
by **REDOUTE'S CHOICE** from **LOVETESSA** inclusive to **31 JULY 2017**

**\* This yearling was purchased in New Zealand and the following figures have been calculated at an Australian Dollar exchange rate. The current cash exchange rate for Westpac Business Customers as at 2 February 2017 was \$1.00 NZD = \$0.9937 AUD**

The costs of establishing the Syndicate are set out in the following table (these costs are one-off costs):

	Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Promoter – fall of the hammer	\$150,951	\$7,548
B. Promoter's profit margin on this promotion	\$18,869	\$943
C. Other acquisition costs	\$36,857	\$1,843
D. Syndicate establishment costs	\$18,565	\$928
E. Actual and budgeted Horse husbandry costs to <b>31 July 2017</b>	\$14,223	\$711
<b>Sub-total</b>	<b>\$239,465</b>	<b>\$11,973</b>
F. GST	\$22,975	\$1,149
G. Racing NSW Registration Fees (GST exempt)	\$560	\$28
<b>Total</b>	<b>\$263,000</b>	<b>\$13,150</b>
<b>Share Application Price – 1/20<sup>th</sup> [or 5%] Share</b>		<b>\$13,150</b>

Further breakdown of Items A, B, C and D:

		Total for Syndicate	Per Share (20)
<b>A. Initial Cost Price of Horse paid by Promoter</b> <b>Note: GST is Zero Rated for Export from NZ but must be paid in Advance to the Australian Government on Value of Import – GST was paid 1<sup>st</sup> February 2017</b>		<b>\$150,951</b>	<b>\$7,548</b>
<b>B. Promoter's margin 12.5%</b>		<b>\$18,869</b>	<b>\$943</b>
<b>C. Other acquisition costs</b>			
o <b>Race series eligibility payments (5)</b>			
▪ BOBS 2-3yo Series (one-off)	\$900		
▪ BOBS Extra 4yo + Series (one-off)	\$764		
▪ Blue Diamond & Blue Sapphire 1 <sup>st</sup> nom	\$300		
▪ Golden Slipper & Golden Rose 1 <sup>st</sup> nom	\$341		
▪ Karaka Millions \$1m 2yo & \$1m 3yo Races (one-off), NZD \$2,500 + 15% GST – <b>GST is inclusive in this price in NZ and is not Zero Rated. GST having been paid in NZ therefore has not been added to the Australian GST component to this promotion</b>	\$2,893		
		<b>\$5,198</b>	<b>\$260</b>
o <b>Insurance premiums (4 Policies)</b>			
▪ Mortality from fall of hammer from <b>31<sup>st</sup> January 2017</b> to <b>1<sup>st</sup> November 2017</b> for the total syndication value			
▪ Colic			
▪ Disability impairment guarantee to date of issuing and allotment of Shares			

<ul style="list-style-type: none"> <li>▪ Professional Indemnity cover</li> </ul>		<b>\$19,320</b>	<b>\$966</b>
<ul style="list-style-type: none"> <li>○ <b>Acquisition costs</b></li> </ul>			
<ul style="list-style-type: none"> <li>▪ Veterinary work at sale complex by Dr Tim Roberts including physical inspections, X-ray and endoscopic evaluation apportioned across all yearlings purchased for syndication</li> </ul>	\$1,895		
<ul style="list-style-type: none"> <li>▪ Endoscopic evaluation post sale payable to <b>NZ Bloodstock</b> NZ \$150 + 15% GST x Exchange Rate – <b>GST is inclusive in this price in NZ and is not Zero Rated. GST having been paid in NZ therefore has not been added to the Australian GST component to this promotion</b></li> </ul>	\$174		
<ul style="list-style-type: none"> <li>▪ Blood testing post sale for Anabolic Androgenic Steroids inc NZ 15% GST x Exchange Rate – <b>GST is inclusive in this price in NZ and is not Zero Rated. GST having been paid in NZ therefore has not been added to the Australian GST component to this promotion</b></li> </ul>	\$579		
<ul style="list-style-type: none"> <li>▪ Sales expenses incurred in attending sale</li> </ul>	\$1,778		
<ul style="list-style-type: none"> <li>▪ Consultancy Fee to Independent Bloodstock Agent for assistance with individual inspections of <b>68</b> yearlings to determine final <b>23</b> lots to submit for veterinary inspection pro-rata across number of yearlings purchased for syndication</li> </ul>	\$445		
<ul style="list-style-type: none"> <li>▪ NZ Bloodstock Air Freight to Australia, includes NZ Road Transport from Sales to Spelling Farm, Spelling Farm to Airport, plus holding agistment NZ Stud Book Export Certificates = This service is Zero Rated For GST in NZ because it's being Exported - at AUD:NZD</li> </ul>	\$6,485		
<ul style="list-style-type: none"> <li>▪ Miscellaneous costs, including professional photographers, pedigree ratings software fee, apportioned across all yearlings purchased for syndication</li> </ul>	\$983	<b>\$12,339</b>	<b>\$617</b>
<b>D. Syndicate establishment costs</b>			
<ul style="list-style-type: none"> <li>○ Establishment and promotion</li> </ul>			
<ul style="list-style-type: none"> <li>▪ Proportion of postage, printing, handling &amp; stationary \$128, communications by telephone, facsimile, email, SMS \$325, marketing &amp; promotion, banking, merchant service/eftpos fees, \$825, IT service provider \$857, advertising across TV, radio &amp; websites, including, Sky Sports Radio, Bloodstock.com, Racenet etc. \$9,500, Veterinary report for PDS, \$195, ASIC Form 88 PDS in-use notice \$35</li> </ul>	\$11,865	<b>\$11,865</b>	<b>\$593</b>
<ul style="list-style-type: none"> <li>○ Accounting and legal</li> </ul>			
<ul style="list-style-type: none"> <li>▪ Proportion of auditors fee (\$3,500), chartered accountants fee (\$1,200), legal fees (\$2,000)</li> </ul>	\$6,700	<b>\$6,700</b>	<b>\$335</b>
<b>E. Actual and budgeted Horse husbandry costs to <b>31 July 2017</b> – In New Zealand &amp; Australia</b>			
<ul style="list-style-type: none"> <li>○ <b>From 31st January to 31st July</b></li> </ul>			
<ul style="list-style-type: none"> <li>▪ Transported to Australia arrived Friday 3<sup>rd</sup></li> </ul>	\$n/a		

February + Pre-release vet inspection to allow transport to Australia. Costs are already allocated above in Acquisition costs.			
▪ Australian Stud Book Import Certificate	\$500		
▪ Australian Stud Book DNA Blood Test	\$115		
▪ Transport Sydney Airport to Oak Ridge Spelling Farm	\$220		
▪ Agistment from date of arrival at Oak Ridge to 28 February = 26 days + miscellaneous service	\$1,040		
▪ Transport 1/3/17 from Oakridge to educators to commence breaking-in process	\$180		
▪ Breaking in and education costs – (5 weeks)	\$3,575		
▪ Transport from Breakers to Pre-Trainers to finish education process 4 April 2017	\$180		
▪ 15 days orientation at Pre-Trainers Stables	\$1,155		
▪ Miscellaneous additional costs at including Track Fees, Farrier feet trim and shoes, Dentist, parasite drench	\$515		
▪ Transport 19/4/17 from Pre-Trainers to Spelling Farm Oak Ridge for 6 weeks agistment	\$180		
▪ Oak Ridge 6 Weeks Agistment + Feet Trim & Drench	\$1,470		
▪ Transport 1 June Educators – Second Session	\$180		
▪ Educators 14 day re-fresher course	\$1,160		
▪ Transport to Pre-Trainers 15/6/17	\$180		
▪ 16 Days in Pre-Training	\$1,862		
▪ Transport to Oak Ridge Spelling Farm for Agistment after pre-training	\$180		
▪ Agistment at Oakridge to 1 July to 31	\$1,085		
▪ Miscellaneous additional costs at Oakridge including, farrier feet trim, shoes, dentist, parasite drenches, etc.	\$446		
		<b>\$14,223</b>	<b>\$711</b>
<b>Total</b>		<b>\$239,465</b>	<b>\$11,973</b>

- The promoter absorbs all ongoing costs from 1/8/17 until the promotion is fully subscribed.