

SHARE PRICE CALCULATION SHEET

PDS for the sale of Shares in the unnamed thoroughbred **Chestnut Filly, foaled 2013,**
by **SEBRING** from **MARHETA** inclusive to **31 October 2015**

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	\$105,000	\$5,250
B. Promoter's profit margin on this promotion	\$13,125	\$656
C. Other acquisition costs	\$26,307	\$1,316
D. Syndicate establishment costs	\$18,565	\$928
E. Actual and budgeted Horse husbandry costs to 31-10-2015	\$22,403	\$1,120
Sub-total	\$185,400	\$9,270
F. GST	\$18,540	\$927
G. Racing NSW Registration Fees (GST exempt)	\$560	\$28
Total	\$204,500	\$10,225
Share Application Price – 1/20th [or 5%] Share		\$10,225

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

		Total for Syndicate	Per (20)
A. Initial Cost Price of Horse paid by Promoter		\$105,000	\$5,250
B. Promoter's margin 12.5%		\$13,125	\$656
C. Other acquisition costs			
o Race series eligibility payments (6)			
▪ Entry to Magic Millions Race series (one-off)	\$4,500		
▪ BOBS 2-3yo Series (one-off)	\$900		
▪ BOBS Extra 4yo + Series (one-off)	\$764		
▪ Blue Diamond & Blue Sapphire 1 st nom	\$300		
▪ Golden Slipper & Golden Rose 1 st nom	\$341	\$6,805	\$340
o Insurance premiums (4)			
▪ Mortality from fall of hammer to 9 th January 2015 to 30 November 2015 for total syndication value			
▪ Colic			
▪ Disability impairment guarantee to date of issuing and allotment of Shares			
▪ Professional Indemnity cover		\$14,751	\$738
o Acquisition costs			
▪ Veterinary work conducted at saleyard by contracted veterinarian Dr. John Walker in Selection Process included: 103 Physical Veterinary Inspections, 91 X-Ray Reports and 14 Fit For Syndication Reports divided pro-rata across all yearlings purchased at this sale	\$895		
▪ Endoscopic evaluation post sale payable to	\$150		

Magic Millions			
▪ Blood testing post sale for Anabolic Androgenic Steroids – Payable to Magic Millions	\$500		
▪ Sales Expenses (12 Days x 4 Staff) incurred in attending sale i.e. 4 x Air Fares, Transport, Accommodation, Phone, Internet / Wi-Fi, General Living Expenses, Client Liaison, etc., divided pro rata by the number of yearlings purchased for syndication at this sale	\$1,778		
▪ Consultancy Fee to Independent Bloodstock Agent Gary Mudgway for assistance with individual inspections of 278 yearlings to determine final 91 lots to submit for veterinary inspection pro-rata across number of yearlings purchased for syndication	\$445		
▪ Miscellaneous costs, including professional photographers, pedigree ratings software fee, apportioned across all yearlings purchased for syndication	\$983	\$4,751	\$238
D. Syndicate establishment costs			
○ Establishment and promotion			
▪ Proportion of postage, printing, handling & stationary \$128, communications by telephone, facsimile, email, SMS \$325, marketing & promotion, banking, merchant service/eftpos fees, \$825, IT service provider \$857, advertising across TV, radio & websites, including, Sky Sports Radio, Bloodstock.com, Racenet etc. \$9,500, Veterinary report for PDS, \$195, ASIC Form 88 PDS in-use notice \$35	\$11,865	\$11,865	\$593
○ Accounting and legal			
▪ Proportion of auditors fee (\$3,500), chartered accountants fee (1,200), legal fees (\$2,000)	\$6,700	\$6,700	\$335
E. Actual and budgeted Horse husbandry costs to 30 October 2015			
○ From 9 th January to 31 October			
▪ Transport 11/1/15 from sale complex to Oakridge Spelling Farm	\$680		
▪ Agistment from date of arrival at Oakridge to 31 January = 23 days	\$828		
▪ Agistment from 1 February to 28 February	\$1,008		
▪ Transport from Oakridge to Educators to commence breaking-in process	\$180		
▪ Education process over 35 days (5 weeks) including stabling	\$3,575		
▪ Transport to Warwick Farm Pre-Trainers Stables	\$210		
▪ 15 days orientation at Racing stables	\$1,155		
▪ Miscellaneous additional costs at Randwick Racecourse including Track Fees, farrier feet trim and shoes, dentist, parasite drench	\$515		
▪ Transport from Pre-trainers back to Oakridge Spelling Farm	\$150		
▪ Agistment balance of April at Oakridge Spelling	\$612		

Farm			
▪ Agistment 1 May – 31 May at Oakridge Spelling Farm + Feet Trim and Drench	\$1,442		
▪ 1 June Transport to Educators second session	\$180		
▪ 14 days with Educator for refresher course	\$1,160		
▪ 15 June Return to Warwick Farm Pre-Trainers Stables	\$150		
▪ 15 days Pre-Training at Stables to 30 June	\$1,862		
▪ Miscellaneous additional costs at Randwick Racecourse including Track Fees, farrier feet trim and shoes, dentist, parasite drench	\$515		
▪ 1 July transport to Oakridge Spelling Farm	\$210		
▪ Agistment from 1 July to 31 July	\$1,116		
▪ Agistment from 1 August to 17 August	\$1,085		
▪ 17 August Transport to Pre-Trainers at Warwick Farm	\$210		
▪ 17 August to 7 September (22 Days) Pre-Training at Warwick Farm	\$1,902		
▪ 7 September Transport to Gai Waterhouse Stables at Randwick	\$150		
▪ 7 September to 18 September with GAI at Randwick	\$1,750		
▪ 18 September Transport to Oakridge Spelling Farm	\$210		
▪ 18 September to 30 September Oakridge Agistment	\$432		
▪ 1 October to 31 October Agistment	\$1,116		
▪		\$22,403	\$1,120
Total		\$185,400	\$9,270