Miscellaneous Due Diligence

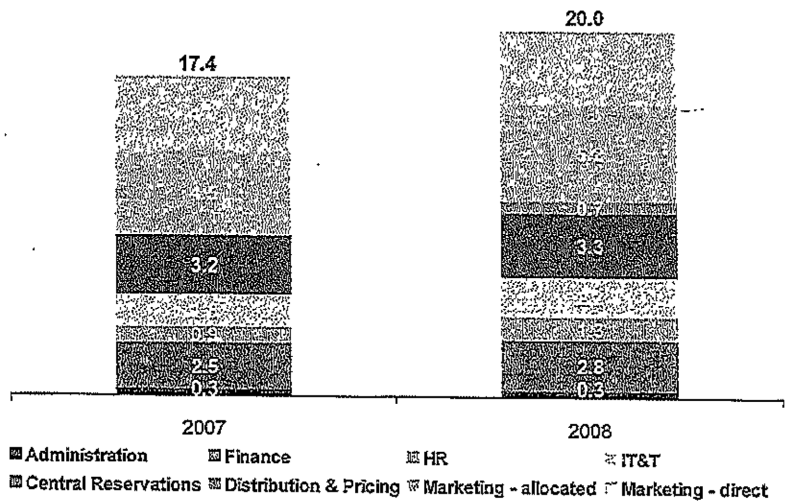
- Beachfame, headed by Bob Teague conducted due diligence on staff, infrastructure and community at Ayers Rock Resort. Beachfame provides hotel and tourism consulting services to owners and operators of hotels in Australasia, Asia, the United Kingdom and Maldives.
- The scope of the mandate was to review and report on:
  - staff accommodation arrangements (including rental) and impact on staff turnover
  - 'soft' elements of community social activities and its impact on community spirit and staff turnover
  - financial performance of Ayers Rock Resort laundry
  - corporate social responsibility, particularly commitments made to the Indigenous Mutitjulu Foundation and other indigenous groups
- The due diligence was based principally on the virtual data room provided by GPT and physical inspection of the relevant assets
- The key issues of note coming out of Beachfame's due diligence are as follows:

Issue	Discussion
Staff accommodation	Significant upgrade required. Lack of maintenance, privacy and security issues associated with resort's quad share arrangements. Staff turnover is 113% (declined from 149%). Remote destinations typically have high turnover, but increased retention of staff required to improve staff performance, reducing training costs, loss of intellectual property, guest satisfaction
Staff morale issue	Staff satisfaction survey at Sails in the Desert indicated decline, hence may require refurbishment and review of staff
Limited Indigenous Involvement	Limited involvement of Indigenous Aboriginal community in operation of the resort and opportunity exists to showcase Aboriginal culture, promoting it as a destinational experience and encourage a longer length of stay. Voyages provides financial support through the Mutitjulu Foundation and through festivals and activities
Historic disputes with Indigenous community	In 2002 a dispute with traditional owners of Yulara Pulka ruling in a charge by ACCC under s52 of TPA for publishing details of a planned tour before a formal agreement had been signed. In 2001, dispute with Wana Ungkunytja regarding Voyage's decision moved from Advisory Board to a Statutory Board
Laundry Service	Laundry service derives very little external revenue and operates as a support facility for the hotels. The aim of the laundry service should be to break even

Voyages Management Platform

- Voyages is a wholly owned subsidiary of the GPT group. Voyages manages GPT owned hotel and tourism assets and Kings Canyon Resort. In essence Voyages is the internal management company for GPT's hotel and tourism assets.
- Most of the key management functions are undertaken from a hub in Sydney with some field support in Cairns and Ayers Rock. The key functions are sales and marketing, a centralised travel & reservation centre, financial, human resources, legal, property, risk, IT&T, operations technical services, purchasing, and retail. There are circa 152 staff at the Voyages corporate office in Sydney.
- As at October 2008, the fixed asset register for Voyages showed a written down value of $3.5 million. Approximately $2.0 million related to the fitout of the Sydney corporate offices and approximately $1.3 million to computers.
- The total Voyages management platform costs were $20 million in 2008. Approximately $12.9 million of those costs were allocated to the Central Australian Assets by Voyages.

Voyages Corporate Costs and Recharges (Total Voyages Portfolio) ($ millions)



Voyages Management Platform Costs – Central Australian Assets

($ '000)	12 months to 31 December	
	2007	2008
Ayers Rock	(9,451)	(10,624)
% change		*12.4%*
Alice Springs Resort	(764)	(962)
% change		*25.8%*
Kings Canyon Resort	(723)	(681)
% change		*(5.8%)*
El Questro	(443)	(536)
% change		*20.8%*
Wrotham Park	(71)	(83)
% change		*17.0%*
Total	(11,452)	(12,885)
% change		*12.5%*

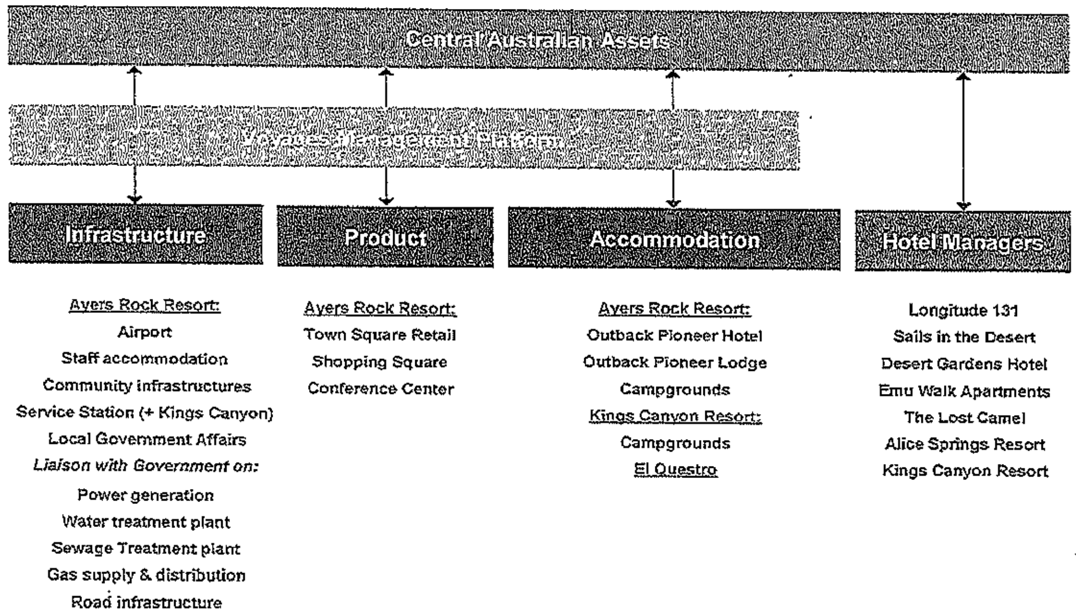
Note: In 2007 the basis for allocating corporate costs changed. Consequently 2006 is not comparable

Management of the Central Australian Assets

Three alternative approaches to the management of the Central Australian Assets have been considered:

Option 1: ILC directly manages the resorts and hotels as GPT does through Voyages. In this approach ILC would take on most of the Voyages staff, operations and systems.

Option 2: ILC directly manages the services and infrastructure at Ayers Rock Resort and Kings Canyon Resort and some of the accommodation facilities, in particular Outback Pioneer Hotel and Lodge and campground at Ayers Rock Resort and the campground at Kings Canyon Resort. An external manager would be appointed to operate the other hotels at Ayers Rock Resort, Alice Springs Resort and Kings Canyon Resort. In this approach ILC would take on some of the Voyages staff and most of its operations and systems.



Note: Power, water and waste management are provided by the Northern Territory Authority

Management of the Central Australian Assets

Option 3: An external manager would manage all the resorts (including infrastructure and services) and hotels.

Grant Samuel conducted a process to select a short list of resort / hotel managers on behalf of the ILC. This process was undertaken in conjunction with Simon Barlow, Bob Teague, and Horwath. The initial request for expressions of interest, asked potential hotel operators to indicate interest in the management of Ayers Rock Resort, Alice Springs Resort, Kings Canyon Resort and El Questro. Seven resort and hotel managers were asked to submit proposals to Grant Samuel by Monday, 10 November 2008.

Initial proposals were obtained from Hilton, IHG, Accor, Rydges, Minor International (a Thai hotel and resort operator) and Delaware North which runs resorts in national parks in the United States (e.g. Yosemite) and facilities management operations in Australia (Melbourne and Olympic Parks, Telstra Dome, WACA, Sovereign Hill Museum etc). Certain managers (Hilton and IHG) were not interested in Option 3.

A shortlist of four was chosen based on a number of factors including:

- overall interest, keenness and quality of presentation;
- ownership, capability and experience (both domestic and international);
- significant Australian management presence as well as strong international connectivity;
- ability to attract visitors to the Central Australia Assets (both domestic and international);
- proposed brand strategy and fit within the hotel manager's existing portfolio of hotels;
- experience working with indigenous people; and
- key terms proposed (including equity funding and/or key money).

Three of the four on the shortlist (IHG, Accor and Rydges) were invited to submit a final proposal on a revised basis – a proposal to manage selected hotels only at Ayers Rock Resort plus Alice Springs Resort and Kings Canyon Resort.

The change was driven by a recognition that the core competency of hotel managers is management of hotels and not management of complex, integrated resorts. The existing Voyages management platform is capable of managing the areas outside of the hotel managers' expertise (airport, village services and other infrastructure).

The fourth, Delaware North, was invited to submit a proposal on an unchanged basis (i.e. manage the total resort) as Delaware North has international experience in the management of facilities and integrated resorts.

All parties were asked whether they would be willing to invest in the Central Australian Assets. Delaware North was the only party willing to consider a significant investment. It is willing to view an arrangement as a long term partnership in which it would contribute up to $50 million capital initially. There are complexities created with the introduction of an equity partner but these can be dealt with.

In Grant Samuel's view Accor was preferred amongst the first three hotel managers on the basis of its breadth of experience and presence (both in Australia and internationally) and overall quality of presentation. IHG put forward a strong proposal and in particular its experience managing a resort in Kakadu National Park. However that resort is small.

Delaware North also put forward a good proposal but would be reliant on bringing hotel management expertise from the United States. Delaware North is only recommended if ILC decides that it wishes to make a smaller investment and introduce an equity partner.

Each party has proposed terms on which they would undertake the management role. Each proposal will require considerable further negotiation to achieve terms that are satisfactory to the ILC. To retain competition during that negotiation, it would be preferable to proceed with two parties.

The preferred hotel operator would be selected after ILC has lodged its bid and after ILC has been nominated as preferred buyer.

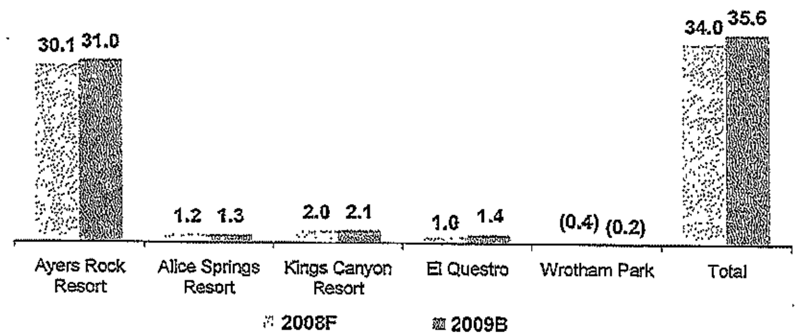
Even when a single preferred hotel operator is chosen, a lot of work remains to be done jointly – due diligence, planning transition arrangements etc.

The 2009 budget prepared by Voyages is optimistic

Key Statistics and Earnings (Central Australian Assets)

	2008F	2009B	Variance
Occupancy	60%	61%	1.3%
Room rate ($)	221.8	226.6	2.2%
RevPAR	132.4	137.1	3.5%
Revenue ($ millions)			
Ayers Rock Resort	110.6	115.0	4.0%
Alice Springs Resort	6.7	7.1	5.2%
Kings Canyon	12.4	12.3	(1.0%)
El Questro	8.2	9.0	10.2%
Wrotham Park	0.5	0.8	78.4%
Total Revenue	138.4	144.2	4.2%
EBITDA ($ millions)			
Ayers Rock Resort	30.1	31.0	2.9%
Alice Springs Resort	1.2	1.3	7.3%
Kings Canyon	2.0	2.1	4.0%
El Questro	1.0	1.4	38.5%
Wrotham Park	(0.4)	(0.2)	(42.8%)
Total EBITDA	34.0	35.6	4.8%
EBITDA Margin	24.6%	24.7%	0.5%

EBITDA (Comparison 2008F to 2009B)



Commentary

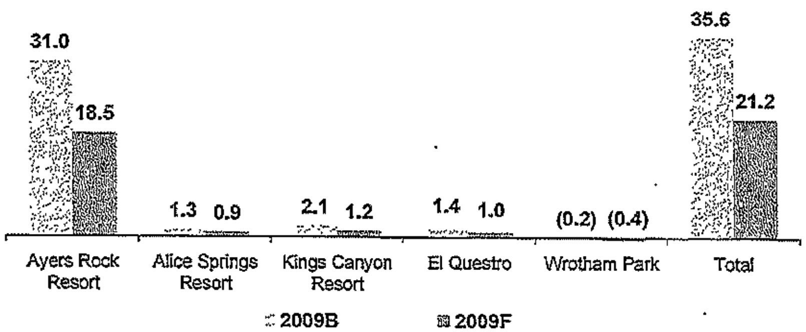
- The 2009 budget shows higher occupancies and room rates leading to a 4.8% increase in EBITDA to $35.6 million for the Central Australian Assets.
- The budget shows average occupancy across the Central Australian Assets increasing by 1% to 61% and average room rate increasing from $222 to $227. These assumptions are optimistic in the current environment, given the historical performance (reversing two years of falling RevPAR) and without any major marketing initiatives or significant capital expenditure spend.
- A significant part of the increase in revenue (and EBITDA) shown in the 2009 budget for Ayers Rock Resort results from:
  - charging fees to transfer customers between the airport and the resort and an increase in landing fees (from $24 to $27 per person). These have a positive impact of $1.9 million. Neither of these initiatives have yet been negotiated.
- The budget has taken into account selected expense increases including a 5% increase in payroll costs.
- Voyages management caveated the 2009 budget as yet to be reviewed and approved by the GPT Board.

The 2009 forecast in the financial model shows a very different picture than the 2009 budget prepared by Voyages management

Key Statistics and Earnings (Central Australian Assets)

	2009B	2009F	Variance
Occupancy	61%	56%	(8.2%)
Room rate ($)	226.6	215.2	(5.0%)
RevPAR	137.1	119.6	(12.8%)
Revenue ($ millions)			
Ayers Rock Resort	115.0	101.6	(11.7%)
Alice Springs Resort	7.1	6.3	(11.6%)
Kings Canyon	12.3	11.8	(4.0%)
El Questro	9.0	8.8	(2.5%)
Wrotham Park	0.8	0.5	(42.3%)
Total Revenue	144.2	128.4	(10.9%)
EBITDA ($ millions)			
Ayers Rock Resort	31.0	18.5	(40.5%)
Alice Springs Resort	1.3	0.9	(30.6%)
Kings Canyon	2.1	1.2	(42.1%)
El Questro	1.4	1.0	(29.1%)
Wrotham Park	(0.2)	(0.4)	80.0%
Total EBITDA	35.6	21.2	(40.6%)
EBITDA Margin	24.7%	16.5%	(33.3%)

EBITDA (Comparison 2009B to 2009F)



Commentary

- 2009 EBITDA in the financial model falls 36.5% from $34 million in 2008 to $21.6 million. In contrast the Voyages 2009 budget shows EBITDA of $35.6 million.
- Significantly lower occupancies and room rates have been assumed in the 2009 forecasts (below levels in 2008).
- A number of the resorts are dependent on inbound guest demand from markets under sustained pressure (the United Kingdom and Japan). Qantas' inbound visitation volumes in recent months and anticipated for the first quarter of 2009 suggest a steep decline in long haul visitation numbers to Australia.
- The profit improvements in the budget from airport operations have not been included in the 2009 forecasts.

Substantial capital expenditure over the next five years has been identified at the Central Australian Assets

Composition of Total Capital Expenditure ($ millions)

	2009F	2010F	2011F	2012F	2013F	Total
Ayers Rock Resort	19.0	37.7	9.7	6.4	6.8	79.6
Alice Springs Resort	1.2	0.5	1.1	0.6	1.4	4.9
Kings Canyon Resort	1.9	3.5	0.5	0.4	0.8	7.0
El Questro	1.6	0.9	0.8	0.3	0.5	4.1
Wrotham Park	0.3	0.1	0.3	0.3	0.6	1.6
Total Capex	23.9	42.6	12.4	8.1	10.2	97.2

Composition of Ayers Rock Resort Capex ($ millions)

	2009F	2010F	2011F	2012F	2013F	Total
Operational FF&E	3.0	3.1	3.4	3.6	3.8	16.8
Hotel Services	7.6	27.0	1.5	0.2	0.3	36.6
Infrastructure	8.4	7.6	4.8	2.6	2.7	26.2
Total Capex	19.0	37.7	9.7	6.4	6.8	79.6

Composition of Other Resorts' Capex ($ millions)

	2009F	2010F	2011F	2012F	2013F	Total
Operational FF&E	0.8	0.8	0.8	0.9	0.9	4.2
Hotel Services	1.7	3.0	0.4	0.5	1.5	7.2
Infrastructure	2.4	1.1	1.4	0.3	1.0	6.2
Total Capex	5.0	4.9	2.7	1.7	3.4	17.6

Commentary

- A total of $97.2m (See Appendix A for detailed breakdown) has been identified for capital expenditure over the next five years.
- Individual capital expenditure requirements have been based on the property due diligence report, but almost all of the soft refurbishment related capital expenditure has been brought forward to 2009 and 2010.
- Capex includes an FF&E provision of $3 million per year (growing with CPI) in Ayers Rock Resort and $0.8 million for all the other properties.
- Capex spend is not expected to incur until late 2009, reflecting 3 months for settlement post completion and planning time required for development of a capital expenditure master plan.
- Most of the capital expenditure ($79.6 million) relates to Ayers Rock Resort - over two and a half times of the previous five years. The three main categories are:
  - furnitures, fixtures and equipment (FF&E) of $15.9 million;
  - hotel services of $36.6 million. Material items include soft refurbishments of $15.3 million ($4.6 million relates to Sails in the Desert) and conference centre upgrade of $4.5 million; and
  - infrastructure of $26.2 million such as cold water reticulation and vehicle replacement.

Revenue is forecast to decline by 7% in 2009 before growing at 8% per annum (average) over the remaining period

Occupancy (%)

	2008F	2009F	2010F	2011F	2012F	2013F
Ayers Rock Resort	59	54	56	63	65	66
Alice Springs Resort	74	69	72	74	74	74
Kings Canyon Resort	50	48	49	53	56	58
El Questro	62	65	68	69	69	69
Wrotham Park	26	26	28	28	30	30
Total	60	56	58	63	65	66

Room Rate ($/room)

	2008F	2009F	2010F	2011F	2012F	2013F
Ayers Rock Resort	251	246	255	270	279	289
Alice Springs Resort	112	109	114	118	121	125
Kings Canyon Resort	178	165	170	179	187	193
El Questro	221	228	239	251	259	267
Wrotham Park	313	322	331	341	353	364
Total	222	215	223	237	246	254

Revenue ($ millions)

	2008F	2009F	2010F	2011F	2012F	2013F
Ayers Rock Resort	110.6	101.6	108.5	125.8	134.0	141.8
Alice Springs Resort	6.7	6.3	6.8	7.3	7.5	7.7
Kings Canyon Resort	12.4	11.8	12.4	14.1	15.5	16.5
El Questro	8.2	8.8	9.5	10.2	10.6	10.9
Wrotham Park	0.5	0.5	0.5	0.5	0.6	0.6
Total	138.4	128.9	137.7	158.0	168.2	177.5

Commentary

- A bottom up approach was adopted in preparing forecasts of future performance with consideration given to historical performance, Voyages 2009 budget, advice from consultants (including Simon Barlow, Bob Teague and Horwath), hotel operator estimates, analyst and industry outlook.
- Occupancy is expected to fall in 2009 across all resorts except El Questro with expectations of a downturn across all market segments (Australia, European, United Kingdom, America and Asia (mainly Japanese)), based on Qantas forward booking analysis and industry reports. Some growth in occupancy is forecast across all the resorts in 2010, with very strong growth in 2011. Occupancy of Sails in the Desert at Ayers Rock is forecast to increase from 47% to 62% over the five year period to 2013.
- The forecasts reflect the impact of refurbishments planned, in particular major upgrade at Sails in the Desert in late 2009/2010.
- Average room rates decline by 2.9% in 2009 mainly due to pricing pressures from the domestic market. Average room rates grow strongly over the next four years at a compound rate of 4.3% per annum.

EBITDA is forecast to grow 4.7% per annum (25.7% in total) over the five year forecast period

EBITDA ($ millions)

	2008F	2009F	2010F	2011F	2012F	2013F
Ayers Rock Resort	30.1	18.5	21.3	30.2	33.6	37.1
Alice Springs Resort	1.2	0.9	1.1	1.4	1.4	1.4
Kings Canyon Resort	2.0	1.2	1.4	2.2	2.7	3.1
El Questro	1.0	1.0	1.2	1.5	1.6	1.6
Wrotham Park	(0.4)	(0.4)	(0.5)	(0.5)	(0.6)	(0.5)
Total	34.0	21.2	24.5	34.8	38.7	42.7

EBITDA Margin (%)

	2008F	2009F	2010F	2011F	2012F	2013F
Ayers Rock Resort	27.2	18.2	19.6	24.0	25.1	26.2
Alice Springs Resort	18.4	14.7	16.8	18.5	18.5	18.5
Kings Canyon Resort	16.4	10.4	11.2	15.4	17.6	18.7
El Questro	12.3	11.3	13.0	14.9	15.0	14.9
Wrotham Park	(92.8)	(92.9)	(103.0)	(88.1)	(98.8)	(84.7)
Total	24.6	16.4	17.8	22.0	23.0	24.1

Commentary

- EBITDA movements are consistent with revenues, with a large downturn expected in 2009 and recovery over 2010 to 2011 (back to 2008 EBITDA levels) and steady growth subsequently.
- The 25.7% growth in EBITDA over the forecast period is driven primarily from room rate and occupancy growth over the period. Forecasts assume that approximately 30-50% of costs are variable with occupancy (hence 50-70% of occupancy growth flows through to EBITDA), while movements in room rate have a 100% flow through to EBITDA.
- There are a number of expense items incurred at a corporate level (i.e. Voyages management platform) rather than at a resort level (these include administration and general costs, sales and marketing, energy and property operations and maintenance). The Voyages management platform costs over the forecast period has been replaced with expected hotel managers fees and a slimmed down Voyages/ILC management platform (costs of circa $12 million in 2009). In effect, the total management platform overhead assumes no cost efficiencies are achieved in the longer term relative to historical years.

?

The acquisition is assumed to be debt funded as to 30% and future capital expenditure is fully debt funded if cash flow is insufficient

Balance sheet for Central Australian Assets ($ millions)

	Proforma
Current Assets	
Cash	1.0
Accounts receivables and prepayments	11.4
Inventories	4.7
Total Current Assets	17.1
Fixed assets	193.9
FITBs	-
Goodwill	92.6
Total Non-Current Assets	286.5
Total Assets	303.6
Liabilities	
Accounts payable and accrued liabilities[1]	6.6
Employee provision	1.9
Tax provision	-
Total Current Liabilities	8.6
Interest bearing debt	88.5
Total Non-current Liabilities	88.5
Total Liabilities	97.1
Net Assets	206.5
Debt Ratios	
Loan to value ratio	31%

Note: 1. Includes advanced deposits

Commentary

- Proforma balance sheet:
  - has been based on the most recent balance sheet information available from the vendor for the Central Australian Assets, ie 30 September 2008, as a proxy for the 31 December 2008 balance sheet and then forecast to subsequent 31 December year ends; and
  - As part of the due diligence process, only fixed assets and working capital breakdowns have been provided (full balance sheets were not provided).
- In deriving the proforma balance sheet, net debt requirements upon acquisition were utilised based on the following assumptions
  - on financial close, the ILC will debt fund approximately 30% of the acquisition price for the Central Australian Assets with debt; and
  - the significant capital expenditure requirements in 2009 and 2010 will be debt funded, increasing the loan to value ratio to just under 60% in 2010 after which it rapidly declines as EBITDA increases substantially in 2011 onwards reflecting the benefits of capital expenditure spent and a recovery in performance generally.
- A minimum of $1 million in cash is assumed to be required for the business. Transaction costs of $5.0 million has been assumed.

Cashflow is negative in the first two years because of the substantial capital expenditure

INCOME AND FINANCIAL RETURNS

Cash Flows from Central Australian Assets ($ millions)

	2009F	2010F	2011F	2012F	2013F
EBITDA					
Ayers Rock Resort	18.5	21.3	30.2	33.6	37.1
Alice Springs Resort	0.9	1.1	1.4	1.4	1.4
Kings Canyon Resort	1.2	1.4	2.2	2.7	3.1
El Questro	1.0	1.2	1.5	1.6	1.6
Wrotham Park	(0.4)	(0.5)	(0.5)	(0.6)	(0.5)
Total EBITDA	21.2	24.5	34.8	38.7	42.7
Less:					
Net interest paid	(5.9)	(6.4)	(8.0)	(8.6)	(7.8)
Working capital	1.0	(0.7)	(1.7)	(0.7)	(0.6)
Capital expenditure	(23.7)	(42.5)	(12.1)	(7.8)	(9.5)
Net Cashflows	(7.4)	(25.0)	13.0	22.2	24.8

Note: 1. Reflects movement in working capital

Commentary

- The Central Australian Assets cash flow generation increases substantially in 2011 onwards and capital expenditure requirements decline.
- Net interest paid is based on a debt interest rate of 6.7% which is 2.5% above the base rate of 4.2%. The base rate was determined with regards to the two and three year swap rates of approximately 3.9% and 4.4% respectively.
- Net working capital balances are a function of gross revenues. As revenues grow, working capital requirements increase proportionally.

The Central Australian Assets would make a significant contribution to ILC earnings from 2011

Forecast income statements	2008F	2009F	2010F	2011F	2012F	2013F
Rooms	53.9	48.6	52.2	60.6	64.8	68.3
Food and Beverage	38.6	36.2	38.7	44.5	47.3	49.8
Retail	20.9	19.9	21.1	24.3	25.9	27.3
Airport	8.0	7.3	7.6	8.3	8.6	9.6
Other	17.2	17.0	18.1	20.3	21.5	22.6
Total Revenue	**138.4**	**128.9**	**137.7**	**158.0**	**168.2**	**177.5**
Rooms	38.2	32.8	35.7	43.2	46.6	49.5
Food and beverage	10.5	8.5	9.6	13.1	14.4	15.5
Retail	4.2	3.4	3.9	5.5	6.3	6.8
Airport	7.0	6.4	6.6	7.3	7.6	8.5
Other	10.8	10.3	11.1	13.0	13.9	14.7
Total departmental profits	**70.8**	**61.4**	**67.0**	**82.1**	**88.7**	**95.1**
Administration & general	(13.7)	(7.6)	(8.1)	(9.2)	(9.8)	(10.3)
Sales and marketing	(6.1)	(4.4)	(4.7)	(5.5)	(5.9)	(6.2)
Energy	(7.0)	(4.8)	(5.1)	(5.8)	(6.2)	(6.5)
Property ops and maintenance	(6.3)	(7.7)	(8.2)	(9.4)	(10.0)	(10.5)
Total unallocated expenses	**(33.2)**	**(24.4)**	**(26.2)**	**(29.9)**	**(31.9)**	**(33.5)**
Hotel managers fees	(0.2)	(2.1)	(2.3)	(3.0)	(3.2)	(3.4)
Management platform costs		(10.0)	(10.3)	(10.6)	(10.9)	(11.3)
Overhead expenses	(3.3)	(3.7)	(3.7)	(3.8)	(3.9)	(4.1)
EBITDA	**34.0**	**21.2**	**24.5**	**34.8**	**38.7**	**42.8**
Depreciation	na	(13.4)	(14.8)	(15.9)	(16.3)	(16.7)
EBIT	**na**	**7.8**	**9.8**	**18.9**	**22.4**	**26.1**
Net interest	na	(5.9)	(6.4)	(8.0)	(8.0)	(7.8)
Earnings to ILC	**na**	**1.9**	**3.4**	**10.9**	**14.4**	**18.3**
Dividends Paid	**na**	**-**	**-**	**13.5**	**19.2**	**18.8**

Commentary

- Management platform costs assumes an ILC subsidiary manages the services and infrastructure at Ayers Rock Resort and Kings Canyon Resort and some of the accommodation facilities. An external manager would be appointed to operate the major hotels at Ayers Rock Resort, Alice Springs Resort and Kings Canyon Resort (see section 6).
- Hotel managers fees consist of a base component (1% of revenue) and incentive component (8% of gross operating revenue).
- Management platform costs are comparable to the current Voyages platform expense allocation of $12 million less hotel manager fees, and do not assume major cost savings. Management platform costs in 2008 are imbedded in the unallocated expenses.
- The depreciation shown is the tax depreciation. The accounting depreciation has not been determined.
- Interest income is calculated at 4.3% per annum with interest expense at 6.7% per annum.
- No tax payments by the ILC subsidiaries is allowed for

The recommended bid price for the Central Australian Assets is $282 million plus $8 million for the 54% balance of Kings Canyon Resort

RECOMMENDATION

- The total bid price of $290 million has been allocated as follows:

	Suggested Bid Price ($ millions)
Ayers Rock Resort	255
Alice Springs Resort	10
Kings Canyon Resort	15
El Questro	10
Wrotham Park	-
Voyages Management Platform	-
Total	290

- A bid price of $290 million has been proposed based on a valuation analysis as well as judgements about the expectations of GPT and likelihood of competitive bidders.
- The Ayers Rock Resort represents approximately 90% (by value) of the Central Australian Assets and this offer is essentially an offer for Ayers Rock Resort. There is commercial logic in acquiring Kings Canyon Resort and Alice Springs Resort in conjunction with Ayers Rock Resort and El Questro adjoins an existing ILC property. However the four resorts other than Ayers Rock Resort are relatively small and the recommendation to acquire a group of resorts is based on the understanding that GPT is unlikely to sell Ayers Rock Resort separately. ILC could subsequently sell the Alice Springs Resort and the Homestead at El Questro – both should sell relatively easily. Wrotham Park could be (and probably should be) closed.
- ILC does not need to bid aggressively because ILC has the benefit of the Wana Ungkunytja right of first refusal. As long as any competing offer that is more attractive to GPT than ILC's offer is not greater than $293 million for Ayers Rock Resort and Alice Springs Resort (excluding the airport, service station and trading assets), GPT is obligated to revert to Wana Ungkunytja giving it the opportunity to match that competing offer.

- However there is real risk that if ILC offers a very low price GPT will not regard ILC as a serious buyer and in the absence of other attractive offers, GPT will decide to retain the Central Australian Assets. A decision by the GPT Board not to proceed with the sale is unlikely to be reversed quickly in the absence of a competing new offer.
- No value is attributed to Wrotham Park as it has made losses since opening, has shown no signs of turning to profitability and requires significant capital expenditure. However, the cattle property on which the Wrotham Park lease is located is adjacent to another property (Bulimba) owned by ILC. Wrotham Park located on 100 hectares of land leased from the working cattle station of over 595,000 hectares on which it is situated.

VALUATION APPROACH

- Valuation of the Central Australian Assets (and specifically Ayers Rock Resort) is a challenging task as:
  - there are virtually **no truly comparable sharemarket and transaction evidence** which provides a reliable guide. This is aggravated by the economic outlook that has deteriorated substantially over the last six to twelve months and the absence of transactions during that period that would be more reflective of the current financial circumstances;
  - there are **no directly comparable Australian listed companies** which provide a benchmark. Accordingly, valuation evidence for companies with similar industry exposure has been reviewed. International companies, although exposed to different drivers and markets including legislation and taxes, have also been reviewed as to provide benchmarks;
  - the **downturn in the tourism industry and uncertainty surrounding** the economic outlook; and
  - it is a **market for assets in which buyers have many options** and generally prefer to "sit on their hands" as the assets may be cheaper in 2009.

Discounted Cash Flow Analysis

- The discounted cash flow valuation of the Central Australian Assets (including 100% of Kings Canyon Resort) shows a net present value of $290 million. This valuation is based on:
  - cash flow forecasts in the base case financial model;
  - a discount rate of 9.5% (9.0% for the Ayers Rock airport);
  - capital expenditure of $97.2 million over five years ($76.6 million at Ayers Rock Resort) and ongoing capital expenditure after five years of 5% of revenue; and
  - growth rate of earnings after 10 years of 3% per annum.
- The break up of the $290 million net present value between the resorts is dependent on assumptions about the allocation of overhead costs between the resorts.

Net Present Value	$ millions
Ayers Rock Resort	198
Ayers Rock Airport	57
Alice Springs Resort	9
El Questro	19
Kings Canyon	8
Wrotham Park	-
Total	290

- The allocation of overhead costs between Kings Canyon Resort, Alice Springs Resort and El Questro could move values between these resorts.
- The airport is a significant contributor to Ayers Rock Resort EBITDA ($5.6 million for 2008 or 16%). Voyages budget allows for significant growth in earnings. Airport owners would almost certainly be interested in acquiring this asset.

Discounted Cash Flow Analysis

THE DISCOUNT RATE IS BASED ON A WEIGHTED AVERAGE COST OF CAPITAL ("WACC")

WACC Calculated	
Equity risk premium	6%
Equity Beta	1.2
Cost of equity	11.5%
Corporate tax	30%
Gearing level	30%
Cost of debt	6.7%
Implied WACC	9.5%
WACC applied to discounted cashflow model	9.5%

Note: Market information sourced from IRESS (as at 5 December 2008)

Commentary - WACC

- Beta is based on listed resort/hotel operators and the equity risk premium of 6%. The risk free rate of 4.3% compares to the current Commonwealth ten year bond rate of 4.28%.
- Cost of debt is assumed to be 250 basis points above the base rate of 4.2%. The two year and three year swap rates are approximately 3.9% and 4.4% respectively.
- A gearing ratio of 30% is assumed. ?
- A separate discount rate has been used to value the Ayers Rock airport. A forward discount rate of 9% reflects the relatively higher rating of airport businesses.

- The discounted cash flow analysis represents an assessment by a tax paying commercial party. It assumes the buyer pays full tax unlike the ILC which is exempt from income tax and stamp duty. If income tax is excluded, the net present value of the cash flows would be $99 million greater.

Discounted Cashflow Analysis

SENSITIVITY ANALYSIS

Sensitivity of Net Present Value to Changes in Discount Rate

	NPV ($ millions)	Change (%)
Base Case	290	-
9.0%	319	10%
9.5% (Base case)	290	-
10.0%	265	(9%)

Sensitivity to Changes in Cash Flows

	DCF Valuation ($ million)
Base Case	290
Occupancy – increase 1.0% point	303
Occupancy – decrease 1.0% point	276
Average room rate – increase 5.0%	312
Average room rate – decrease 5.0%	268
Capital expenditure – increase 10.0%	274
Capital expenditure – decrease 10.0%	305

Commentary

- The net present value is very sensitive to changes in the resort metrics particularly occupancy and room rates.
- The capital expenditure sensitivity analysis is applied across operational (FF&E related), hotel services and infrastructure capital expenditure i.e. both long term and one off capital expenditure.

GPT PRICE EXPECTATIONS

A price of $282 million ($290 including the 54% balance of Kings Canyon Resort) will not be particularly attractive to GPT. It is almost certainly considerably less than expected by GPT. One potential buyer was excluded from the short list because it offered $250 million for just two of these assets (Ayers Rock Resort and Alice Springs Resort) and that buyer would still be a potentially serious competitor. The figure of $282 million represents a very large discount (and therefore potential writedown) based on the carrying value of the Central Australian Assets in GPT's accounts at 30 June 2008 of approximately $400 million. GPT acquired Ayers Rock Resort in 1997 for $220 million and has since invested $110 million in capital expenditure. The figure of $282 million is substantially less than the aggregate investment in Ayers Rock Resort – believed to be $560 million.

GPT VALUATIONS

Valuations of the Central Australian Assets for GPT over the past two years are summarised below:

Asset / Value Date	Valuer	Value ($ millions)	Discount Rate	Capitalisation Rate (Passing)	Terminal Yield	Value Per Room
Ayers Rock Resort (June 2008)	Colliers	363[1]	11.25%	8.5%	9.5%	$280,742
Alice Springs Resort (March 2007)	Colliers	11	11.5%	9.72%	9.75%	$79,137
Kings Canyon (June 2007)	Colliers	14	13%	11%	11.5%	$109,375[2]
El Questro (June 2008)	Colliers	19[3]	11.5%	8.75%	9.25%	$226,282[3]
Wrotham Park (May 2007)	CBRE	2	na	na	na	$200,000
Total		409				

Notes: 1 Value of $363 million covers assets other then hotels (e.g. the airport) which generate over 40% of income in 2008.
2 Based on 128 rooms. 36 budget/backpacker rooms are excluded from this number.
3 Based on 18 rooms (6 luxury rooms, 60 tent style cabins and 12 bungalow rooms).

The value of all the resorts and lodges owned by Voyages including Ayers Rock Resort were written down by $108.3 million to $554.6 million as at June 2008

Colliers Revised Valuation

Colliers has prepared an updated valuation of the Ayers Rock Resort at the request of ILC as at 1 December 2008. The new valuation shows a fall of $73 million from the value as at June 2008. This reflects:

- a 50 basis points increase in capitalisation rates in recognition of a softer market; and
- adoption of more conservative cashflows, with lower earnings over the next ten years.

Asset / Value Date	Valuer	Value ($ millions)	Discount Rate	Capitalisation Rate (Passing)	Terminal Yield	Value Per Room
Ayers Rock Resort (December 2008)	Colliers	290	11.75%	9.0%	9.75%	$223,357
Ayers Rock Resort (June 2008)	Colliers	363	11.25%	8.5%	9.50%	$280,742
Difference		73	0.50%	0.5%	0.25%	$57,385

Note: 1. Represents the initial yield (passing) approach. The implied passing initial yield based on its valuation is 8.51%.

Colliers noted in their valuation that:

- it has assumed that if GPT does not receive an offer acceptable to it, GPT will retain the Central Australian Assets themselves; and
- consultants to the ILC suggest significant capital expenditure requirements for the Central Australian Assets but these costs have not been fully reflected in the Colliers' valuation as it is market practice to underestimate such costs. A total of $40.5 million in capital expenditure over a five year period has been assumed. This compares to a capital expenditure spend of $97.2 million over the same five year period in the base case financial model.

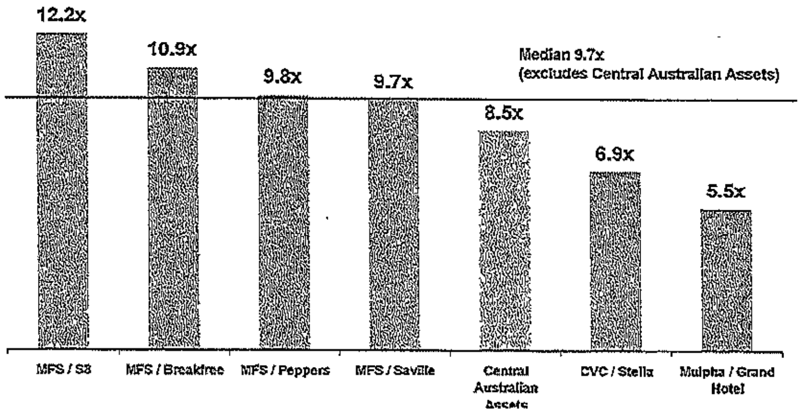
Earnings Multiples implied by a $290 million price

Implied Multiples

	Suggested Bid Price ($ millions)	Implied 2008 EBITDA Multiples
Ayers Rock Resort	255	8.5x
Alice Springs Resort	10	8.1x
Kings Canyon Resort	15	7.4x
El Questro	10	9.9x
Wrotham Park	-	-
Total	290	8.5x

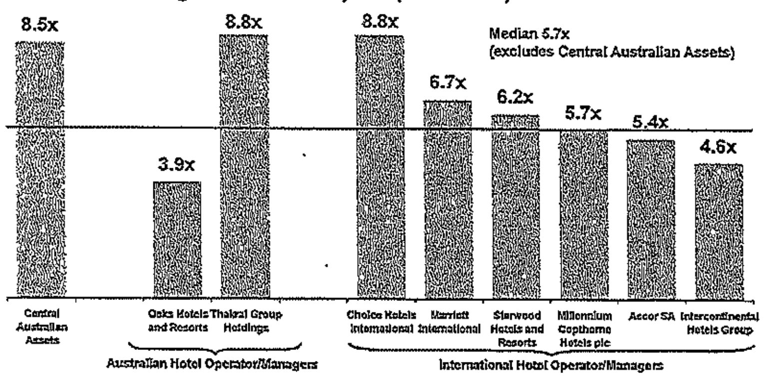
- The implied EBITDA multiples are low relative to transaction multiples but most of these transactions occurred when the economic outlook was substantially more favourable.
- The implied EBITDA multiples are high relative to trading multiples of listed companies reflecting the depressed stock market and the absence of a control premium in share prices.
- The wide range of multiples is testimony to the lack of directly comparable companies:
  - trading multiples of EBITDA range from 3.9–8.8 times; and
  - transaction multiples of EBITDA range from 5.5–12.2 times and there is no publicly available transaction information since the global economy turned down.

Forecast Transaction EBITDA Multiples



Source: Broker reports, Bloomberg and IRESS
Note: Transactions have occurred over the period May 2005 to February 2008

Forecast Trading EBITDA Multiples (forecasts)



Source: Broker reports, Bloomberg and IRESS
Note: Multiples as at 5 December 2008, Australian multiples are 30 June 2009 year end, International multiples are 31 December 2008 year end

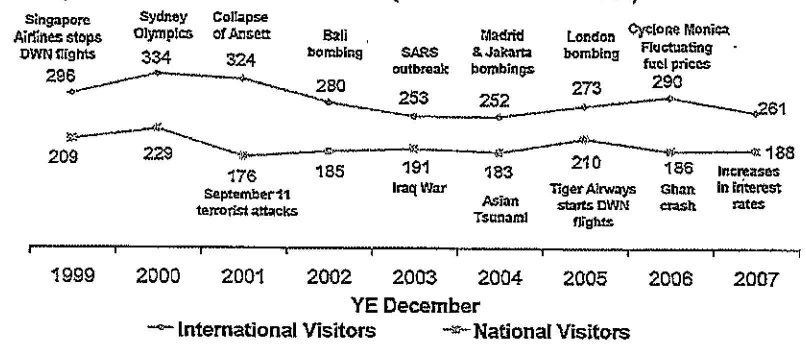
There are four key risks associated with the acquisition of the Central Australian Assets

- Occupancy / visitor numbers;
- Air access – the costs and availability of flights to Ayers Rock/Alice Springs are key to Ayers Rock Resort but are not within its control;
- Developing the management platform will be critical; and
- Management of remote resorts is difficult.

OCCUPANCY / VISITOR NUMBERS

- The tourism industry can be volatile as it is seriously impacted by external events – political, economic or social. Disease threats, acts of terrorism and economic uncertainty can all influence decisions by potential tourists.
- Occupancy and visitor numbers have been in decline at Ayers Rock Resort. It is believed that with refurbished and better facilities, better out-of-room experiences and smarter marketing this will be turned around but it will take a strong management push to achieve this.
- The risk of lower visitor numbers to Ayers Rock Resort is mitigated to some extent by having a range of accommodation facilities. In the event of a severe downturn an entire hotel block can be closed allowing costs to be reduced.

Holiday Visitors to Central Australia (Centre and Tableland)



Source: Voyages Management (Tourism Northern Territory 2008)

Note: The Centre Area and Tablelands include Alice Springs, MacDonnell, Petermann and Tablelands tourism regions

ACCESS TO AYERS ROCK RESORT IS PRIMARILY BY AIR

- Approximately 46% of all visitors to Ayers Rock Resort arrive via the airport. Ayers Rock Airport and Alice Springs Airport effectively operate as a single system with many holiday passengers flying into one and out of the other (an "open jaw" concept).
- Sydney remains the key gateway city of arrival for visitors to the Northern Territory at 43% of all visitors.
- Qantas has an effective monopoly on flights to Ayers Rock. In August 2008 Qantas reduced its flights to Ayers Rock Resort due to unsatisfactory load factors:
  - load factors of approximately 40% led to the cancellation of direct services three times weekly from Melbourne; and
  - the second daily flight from Sydney had also sustained poor load factors at similar load factor levels to Melbourne at circa 40%.
- Qantas expressed satisfaction with load factors on the current Sydney services. Additional one off daily services are scheduled as demand warranted from Sydney.
- Without competition there is a risk that Qantas will depress demand for travel to Ayers Rock Resort by high ticket pricing or by reducing capacity.
- Management will attempt to mitigate this risk by:
  - bringing in other airlines. Discussions with the airlines highlighted:
    - Jetstar has no plans to commence services into Ayers Rock Resort;
    - Jetstar suggested exploring with Air North the possibility of new services from Darwin to Ayers Rock (possibly via Kunanurra) to take advantage of the international arrivals with Jetstar into Darwin from the Asian ports; and
    - there have been regular senior management meetings/discussions with Virgin, which is interested in this route (particularly with Virgin Australia inbound start up from the US in February 2009) but Virgin currently does not have the aircraft to allocate and landing fees remain an issue; and
  - working closely with Qantas to prove the international and domestic feeder benefits and hence overall profitability of the Ayers Rock Resort route.

ACCESS TO AYERS ROCK RESORT IS PRIMARILY BY AIR (CONT'D)

- Access remains a key issue to be handled by management going forward. Management continues to pursue a strategy of close partnership with Qantas.
- The growth potential for Ayers Rock Airport may be limited by the type of aircraft that it can handle. It is capable of handling aircraft up to the size of fully laden 737 or Airbus 320. Widening and lengthening the runway for larger wide bodied aircraft will involve a significant capital cost (circa $15m).

THE MANAGEMENT PLATFORM IS A NEW CHALLENGE FOR ILC

- Ayers Rock Resort is of a different scale from other ventures owned by ILC. Its success under ILC ownership will require a successful management platform. It is proposed to take over in large part the existing management team at Ayers Rock Resort and selected members of the Voyages head office. There are always people risks in acquisitions and this is exacerbated because a management team of this nature is new territory for ILC.
- The Voyages management platform is too costly and will need to be scaled down. This will need to be handled with care.

MANAGEMENT OF REMOTE RESORTS ARE INHERENTLY DIFFICULT

- Management of integrated, remote resorts are always a challenge. In particular, it is very difficult to retain staff for long periods. There are high levels of turnover which means that skills can be inadequate with a flow on effect to the visitor experience.
- In addition, costs of most items are increased by additional freight costs.

Moving from lodgement of a "successful" offer to completion will be a slow and complex process

- Offers are due by 12 noon on Wednesday 17 December. The ILC offer will be accompanied by marked up drafts of the sale agreements.
- It is likely that there will be a long gap before contracts are signed and further long gaps to satisfy conditions precedent before completion.
- There will follow a series of negotiations with GPT and between GPT and buyers of other assets as GPT tries to arrange a sale of the whole portfolio.
- There will be detailed negotiations with GPT and its lawyers on the sale agreements as drafted by ILC contain a number of provisions that are designed to protect ILC to which GPT will object. In particular:
  - warranties including warranties on contamination; and
  - conditions precedent.
- In some cases it may be necessary to work with GPT to resolve these. For instance obtaining certainty on granting of an aerodrome licence and perhaps investigating work by environmental engineers.
- ILC will continue negotiations with a short list of say two hotel/resort managers to reach final terms with one manager.
- After appointment of the hotel/resort manager there will possibly be further due diligence as that manager will not have had access to full due diligence.
- Possibly in conjunction with the manager there will be a need for detailed discussions with GPT to review and plan for taking over the Voyages management platform. This will involve a review of the wholesale contracts (which have not yet been made available) and a review of senior management and mid level staff to determine who will be offered positions by ILC.
- Almost certainly transition arrangements will need to be made with the future owners of the Island Resorts to deal with the services currently provided by the Voyages platform.
- There will be a period between signing of the sale agreements and completion to undertake the considerable task of assigning contracts, licences, certificates and leases and where not possible, seeking grants of new leases and certificates.
  - there are approximately 100 licences, permits and certificates disclosed for Ayers Rock Resort, 40 for El Questro, 20 for Kings Canyon Resort and 15 for Wrotham Park.

Indigenous Land Corporation

Project Red Rock

Appendices

PRIVATE & CONFIDENTIAL • DECEMBER 2008

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Appendices

Contents

Appendix 1

Capital Expenditure Comparison

Historical capital expenditure (as per David Wylie Property Due Diligence Report)

Capital Expenditure ($ millions)	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Ayers Rock Resort						
Operational FF&E	10.42	2.54	0.04	3.70	2.11	2.00
Hotel Services	13.22	0.48	4.84	3.19	2.40	2.30
Infrastructure	5.52	0.50	-	0.54	1.41	3.07
Total	**29.16**					
Alice Springs Resort						
Operational FF&E	0.50	0.11	0.11	0.18	0.03	0.05
Hotel Services	2.20	2.20	-	-	-	-
Infrastructure	0.25	-	0.14	0.10	-	-
Total	**2.95**					
Kings Canyon						
Operational FF&E	1.27	0.21	0.28	0.13	0.46	0.20
Hotel Services	2.54	-	0.23	-	0.21	2.10
Infrastructure	2.32	0.15	0.09	0.44	0.06	1.58
Total	**6.13**					
El Questro						
Operational FF&E	0.84	-	0.09	0.12	0.41	0.19
Hotel Services	7.69	-	4.26	1.06	-	2.36
Infrastructure	0.22	-	-	-	0.22	-
Total	**8.75**					
Wrotham Park						
Operational FF&E	0.38	-	0.12	0.13	0.03	0.08
Hotel Services	0.06	-	0.06	-	-	-
Infrastructure	0.15	-	0.03	0.05	-	0.05
Total	**0.60**					
Group Total						
Operational FF&E	13.41	2.65	0.36	4.13	2.58	2.32
Hotel Services	25.71	2.68	9.16	4.25	2.4	4.66
Infrastructure	8.46	0.5	0.17	0.69	1.63	3.12
Total	**47.58**	**8.14**	**9.94**	**9.35**	**6.64**	**10.15**

Future capital expenditure (as per David Wylie Property Due Diligence Report)

Capital Expenditure ($ millions)	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Ayers Rock Resort						
Operational FF&E	15.0	3.00	3.00	3.00	3.00	3.00
Hotel Services	35.68	16.81	11.92	4.50	2.20	0.25
Infrastructure	25.95	8.44	7.34	4.69	2.69	2.79
Total	**76.63**					
Alice Springs Resort						
Operational FF&E	0.75	0.15	0.15	0.15	0.15	0.15
Hotel Services	2.25	0.54	0.26	0.30	0.40	0.75
Infrastructure	1.56	0.52	0.08	0.56	0.04	0.35
Total	**4.57**					
Kings Canyon						
Operational FF&E	1.25	0.25	0.25	0.25	0.25	0.25
Hotel Services	3.27	0.64	0.89	1.46	0.08	0.20
Infrastructure	2.22	0.97	0.77	0.20	0.03	0.25
Total	**6.74**					
El Questro						
Operational FF&E	1.50	0.30	0.30	0.30	0.30	0.30
Hotel Services	1.09	0.56	0.31	0.10	-	0.12
Infrastructure	1.39	0.74	0.22	0.38	-	0.05
Total	**3.98**					
Wrotham Park						
Operational FF&E	0.50	0.10	0.10	0.10	0.10	0.10
Hotel Services	0.40	-	-	-	-	0.40
Infrastructure	0.61	0.19	-	0.18	0.16	0.07
Total	**1.51**					
Group Total						
Operational FF&E	19.00	3.80	3.80	3.80	3.80	3.80
Hotel Services	42.69	18.55	13.38	6.36	2.68	1.72
Infrastructure	31.73	10.86	8.41	6.01	2.92	3.51
Total	**93.42**	**33.21**	**25.59**	**16.17**	**9.40**	**9.03**

Financial Model Forecast Capital Expenditure

Adjustments to the property due diligence capital expenditure numbers were made to reflect:

- bringing forward the majority of soft refurbishments for Ayers Rock Resort and Kings Canyon Resort to be in line with standards;
- deferment of certain costs in 2009 to 2010 to reflect when actual capital expenditure is expected to occur (e.g. there will be time required post completion for settlement and planning of a master capital expenditure plan); and
- capital expenditure amounts provided in the property due diligence report were on a real basis. Capital expenditure amounts have been inflation adjusted based on the revised times of when they are expected to be incurred over the forecast period.

Property Due Diligence Forecast Capital expenditure ($ millions)

	2009F	2010F	2011F	2012F	2013F	Total
Ayers Rock Resort	28.3	22.3	12.2	7.9	6.0	76.7
Alice Springs Resort	1.2	0.5	1.0	0.6	1.3	4.6
Kings Canyon Resort	1.9	1.9	1.9	0.4	0.7	6.8
El Questro	1.6	0.8	0.8	0.3	0.5	4
Wrotham Park	0.3	0.1	0.3	0.3	0.6	1.6
Total Capex	**33.2**	**25.6**	**16.2**	**9.4**	**9.0**	**93.4**

Financial Model Forecast Capital Expenditure ($ millions)

	2009F	2010F	2011F	2012F	2013F	Total
Ayers Rock Resort	19.0	37.7	9.7	6.4	6.8	79.6
Alice Springs Resort	1.2	0.5	1.1	0.6	1.4	4.8
Kings Canyon Resort	1.9	3.5	0.5	0.4	0.8	7.1
El Questro	1.6	0.9	0.8	0.3	0.5	4.1
Wrotham Park	0.3	0.1	0.3	0.3	0.6	1.6
Total Capex	**23.9**	**42.6**	**12.4**	**8.1**	**10.2**	**97.2**

Appendix 2

Key Performance Indicators

Future Financial Performance Assumptions

Key Performance Indicators – Future Financial Performance Assumptions

	2006A	2007A	2008F	2009F	2010F	2011F	2012F	2013F	2018F
Occupancy									
Longitude 131	64%	72%	69%	64%	66%	58%	61%	73%	73%
Sails in the Desert	60%	56%	52%	47%	50%	52%	54%	55%	55%
Desert Gardens	57%	59%	55%	51%	52%	55%	57%	58%	58%
Outback Pioneer Hotel & Lodge	74%	77%	73%	67%	69%	72%	73%	76%	76%
The Lost Camel Resort	66%	63%	56%	51%	52%	56%	58%	59%	59%
Emu Walk Apartments	63%	64%	6.3%	59%	61%	63%	66%	67%	67%
Total ARR (excluding Campgrounds)	**63%**	**63%**	**59%**	**54%**	**56%**	**59%**	**61%**	**62%**	**62%**
Alice Springs	64%	67%	74%	69%	70%	74%	75%	75%	75%
Kings Canyon	55%	53%	50%	48%	49%	51%	54%	55%	55%
Wrotham Park	61%	61%	62%	26%	28%	28%	30%	30%	30%
El Questro	24%	29%	26%	65%	66%	67%	67%	67%	67%
Total CAA (excluding Campgrounds)	**62%**	**62%**	**60%**	**56%**	**57%**	**60%**	**62%**	**63%**	**63%**
Room Rate									
Longitude 131	738	712	724	711	732	755	795	822	953
Sails in the Desert	308	286	296	289	304	313	324	355	388
Desert Gardens	253	239	248	244	251	264	273	282	327
Outback Pioneer Hotel & Lodge	197	189	198	195	201	207	214	226	262
The Lost Camel Resort	217	197	200	197	202	213	224	232	269
Emu Walk Apartments	240	223	235	227	234	241	255	264	306
Total ARR (excluding Campgrounds)	**258**	**242**	**251**	**246**	**255**	**265**	**276**	**286**	**331**
Alice Springs	114	108	112	109	111	113	116	119	139
Kings Canyon	169	161	178	165	170	176	182	188	218
Wrotham Park	227	225	221	322	331	341	353	364	422
El Questro	292	251	313	228	235	242	249	256	297
Total CAA (excluding Campgrounds)	**229**	**215**	**222**	**216**	**224**	**232**	**241**	**250**	**290**
Airport Key Performance Indicators									
Passenger movements per year	*355,782*	*333,489*	*315,727*	*292,877*	*301,529*	*315,895*	*326,400*	*331,533*	*331,533*
Passenger movement growth	*(3.0%)*	*(6.3%)*	*(5.3%)*	*(7.2%)*	*3.0%*	*4.8%*	*3.3%*	*1.6%*	*-*
Airport charge per movement	*$25.1*	*$25.1*	*$25.1*	*$25.1*	*$25.1*	*$25.1*	*$25.1*	*$27.6*	*$27.6*

Appendix 3

Management of Resort

Comparison of hotel/resort operator presentations

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Summary of hotel operators' responses

Element of Proposal	InterContinental Hotels Group	Accor
Ownership	■ Listed on the London and US stock exchanges	■ Listed on Euronext Paris Compartiment A
Financial position	■ Market capitalisation of circa US$2.4bn	■ Market capitalisation of circa US$9.9bn
Capability	■ Manages >4,000 hotels with ~600,000 rooms across 100 countries ■ In the Australia, New Zealand & South Pacific region operates 51 hotels with over 11,000 rooms	■ Employs 172,000 people in 100 countries, with ~ 4,000 hotels under management ■ The largest operations team for hotels in Australia
Experience	■ Significant presence in the Northern Territory including: • Gagudju Crocodile Holiday Inn (including the experiences such as cruises, tours and Cultural Centre) • Crowne Plaza Alice Springs and Darwin, Holiday Inn and Esplanade in Darwin	■ Extensive management of hotels & resorts in a range of regional and remote locations including parts of the Northern Territory, Western Australia and Queensland ■ Management experience extends beyond traditional hotel and food and beverage management with a range of products such as cruises, backpackers, casinos and travel agencies
Strategy to secure management	■ Appears to draw from existing management team	■ Draw from existing management team (of whom a number have worked at Ayers Rock Resort before) as a handover team
Existing operations in Australia	■ 35 hotels in Australia. ■ Regional office is located in St Leonards, Sydney	■ Largest network of hotels in Australia - 139 hotels and resorts ■ 20 hotels across NT and SA, with long standing experience in remote locations such as Broome, Kununurra, and Alice Springs
Ability to attract visitors to Central Australia	■ Apply existing operating system - hotel distribution, brands, reservations systems, web presence, rewards scheme ■ Web presence in 13 local languages, 12 call centres, global sales team over 8,000	■ Industry's largest sales and marketing team in the Asia Pacific ■ Global sales team >700 sales professionals in 34 countries ■ Strategic partnerships ie airline frequent flyer programs, loyalty / customer reward programs

Summary of hotel operators' responses (cont'd)

Element of Proposal	InterContinental Hotels Group (IHG)	Accor
Brand Strategy	■ Crowne Plaza: Sails in the Desert (InterContinental if significant CAPEX is spent); ■ Holiday Inn for Desert Gardens Hotel & Apartments, Alice Springs and Kings Canyon; and ■ Lost Camel (no change in branding)	■ Branding complementary to destination ie retain existing brands with reference to Ayers Rock Resort and Accor brands ■ Sails in the Desert – Pullman, Desert Gardens – Novotel, Other – Mercure). Alice Springs in a more competitive market and would benefit from rebranding to Mercure Alice Springs
Experience in working with Indigenous People	■ 2002-2006 managed the Gagudju Dreaming Indigenous Employment Program at IHG's resort in the NT. Enrolled >200 indigenous students and graduated approximately 60% of participants into the workforce	■ Since 2001, Accor has employed more than 500 Indigenous Australians and has received several awards for Best Indigenous Employment
Upfront payment in Australian dollars	■ $3 million	■ Nil ■ Equity participation: willing to consider but have had limited information
Fees	■ Base fee: 1%, 1.5% & 2% of total revenue (yr 1-3) ■ Incentive Fee: 6%, 7%, & 8% of adjusted gross operating profit (yr 1-3) - defined as GOP less base management fee ■ FF&E: 3% of total revenue	■ Base Fee: 1% of Gross Revenue ■ Incentive Fee: 6-14% of Gross Operating Profit (ratcheted on profit levels) ■ Marketing levy: 2% of Gross Room Revenue ■ Booked via TARS (Travel Accor Reservations System): 6% fee ■ FF&E Reserve: 3% of gross revenue
Term	■ Initial term: 20 years ■ Option: 10 years by mutual agreement	■ Initial: 10 years ■ Option: 10 + 10 by mutual consent

Summary of hotel operators' responses (cont'd)

Element of Proposal	InterContinental Hotels Group (IHG)	Accor
Performance outlook	▪ A steep decline in EBITDA of 44.8% in 2009 from 2008 but a significant improvement of 63% in 2010 and year on year growth at a CAGR of 9% for the remaining three years to 2013. Occupancy is expected to decrease across all properties in 2009 by 1-3% points (with the exception of a 7% point decline expected for Alice Springs Resort) before increasing by 3-5% in 2010 across all the properties and increasing steadily thereafter. Room rates are either maintained or increase slightly in 2009 and are forecast to grow across all the properties for the residual forecast period.	▪ A decline in EBITDA of 12.8% in 2009 from 2008 and year on year growth at a CAGR of 11.3% for the remaining four years to 2013. Occupancy is assumed to either be maintained or decline by 1% point across the properties in 2009, with steady growth for the residual forecast years with the exception of Sails in the Desert, Desert Gardens, Lost Camel, Kings Canyon which is forecast to increase 5-6% points in 2011 and grow steadily thereafter. Room rate is expected to grow slightly or is maintained in 2009 and steadily increase thereafter with the exception of Kings Canyon expected to decline 4.5% in 2009 before recovering 4.1% in 2010 and growing steadily thereafter. Undistributed expenses are forecast to grow across the majority of the resorts over the forecast period.

Summary of hotel operators' responses (cont'd)

Element of Proposal	AHL / Rydges	Delaware North
Ownership	■ Listed on ASX with a market capitalisation of ~$550m. Its hospitality, Rydges and Thredbo, represents ~30% of the group	■ Owned and operated by a US family. Chairman and CEO have led company for 40 years (sons are Executive Vice Presidents). One of the largest privately held corporations in the world (on the Forbes 500 ranked Companies)
Financial position	■ Rydges has total assets exceeding $812 million and hotel and tourism assets exceeding $400 million	■ ~US$2bn in annual revenue and ~50,000 staff. Parks & Resorts accounts for US$355.6 million of revenues
Capability	■ Operates 41 hotels and resorts in Australia, New Zealand, Middle East and Europe	■ Operations in 200 well-known venues on three continents ■ Six subsidiaries – parks and resorts, sports venues, travel hospitality services (airports), gaming and entertainment, Boston-TD Banknorth Gardens, and International
Relevant experience	■ Manages one of Australia's largest integrated resorts, Kosciuszko Thredbo ski resort (an alpine village located wholly within the Kosciuszko National park).	■ Parks & Resorts portfolio includes tourism icons (ie Yosemite National Park and Sequoia National Park); over 2,700 rooms ■ Experienced in 3-4 star accommodation management, special events management (e.g. Australian Open etc), retail operations including airports and sporting events to specialised resort gift shops
Strategy to secure management	■ Will draw from existing experienced management team	■ Supply specialists from the US Parks & Resorts subsidiary for a period of 18 months to 2 years to set up the infrastructure; ■ Retain current GPT management to provide for a smooth transition
Existing operations in Australia	■ 34 hotels & resorts in Australia • Kosciuszko Thredbo ski resort - Ski township based in Thredbo, NSW • Greater Union & Birch Carroll Coyle - 29 and 24 cinemas • Featherdale Wildlife Park Sydney based flora & fauna park • corporate office is based in Sydney, Australia.	■ Experience over the past 20 years in Australia: • Parks & Resort (ie Sovereign Hill Museum, Zoos Victoria) • Sports Services (ie Melbourne & Olympic Parks, Telstra Dome) • Travel and Hospitality (ie Melbourne, Adelaide, Perth, Brisbane, Canberra, Sydney, Hobart and Launceston Airports)

Summary of hotel operators' responses (cont'd)

Element of Proposal	AHL / Rydges	Delaware North
Ability to attract visitors to Central Australia	■ Rydges Priority Guest loyalty program – online booking, global distribution with international and third party websites ■ Feeder business through network of hotels, resorts and cinemas that will showcase and promote iconic destinations ■ Work with international wholesalers and airlines and tourism Australia to promote planned tour packages ■ Main focus of distribution is via the internet with Brand sites delivering on upwards of 25% of total rooms' revenue	■ Parks & Resorts team in the United States have won multiple awards for the marketing of their properties both nationally and internationally ■ These tested methodologies will guide the approach to building a tailored business & marketing plan for Central Australian Assets group of four resorts/properties, and in turn creating a position and proposition for each unique property
Brand Strategy	■ Rydges brand to support and compliment existing brands as the parent brand with new logos designed that incorporate a subtle reference to Rydges with the main focus remaining on the existing strong brand names	■ Believes an overarching master brand is not required to position the Central Australian Assets' unique properties ■ Philosophy is that each property is considered a unique experience, can be sold in its own right and thus does not require the endorsement of an additional brand
Experience in working with Indigenous People	■ Part of the HOSTPLUS Indigenous Hotel Management Traineeship Program. It has recently employed 20 young Indigenous people to work in key Rydges Hotels & Resorts across Australia	■ Close relationships with indigenous communities around the world. In the USA, close involvement with the Native Americans including at Yosemite National Park (Miwok Tribe (Basketry, Historic re-enactment, Native Dance), Yellowstone National Park (Jewellery, basketry) – provided testimonies
Upfront payment in Australian dollars	■ $150,000 contribution to Resort signage for the inclusion of the Rydges logo and graphics	■ Equity participation of up to A$50 million with pro-rata future contribution if needed
Fees	■ Basic fee: 2.5% of Gross Operating Profit ■ Incentive fee: 10% of Gross Operating Profit once GDP exceeds $27M (indexed) ■ Online reservation commission: 7.5% of Rooms Revenue derived from all on-line direct reservations ■ FF&E reserve: 4% of total revenue	■ To be negotiated

Summary of hotel operators' responses (cont'd)

Element of Proposal	AHL / Rydges	Delaware North
Term	▪ Initial term: 15 years ▪ Option: 5 years	▪ Due to significant equity investment, a long term involvement is contemplated: 35 – 40 years.
Performance outlook	▪ an increase in EBITDA of 14.6% in 2009 from 2008 and year on year growth at a CAGR of 8.0% for the remaining four years to 2013. Occupancy and room rate movements across all properties show a decline in 2009 and then a gradual increase for the residual forecast years for both occupancy and room rate. Major movements in 2009 from 2008 arise in hotel sundry in Sail in the Desert (where an additional $9.1 million is forecast) as well as a significant decline in undistributed expenses for Longitude 131 (47%), Sails in the Desert (17.3%), Alice Springs (32%) and Kings Canyon (51%). The combination of these major movements offset the decline in rooms contribution and result in an increase in EBITDA. At a broad level, earnings grow steadily for the residual forecast period based from 2010.	▪ assumes that 2009 budget is achieved (thus a 6.2% increase in EBITDA from 2008) and 5.5% increase in 2010 and year on year growth at a CAGR of 8.2% for the remaining three years to 2013 with the majority of growth coming through in 2013. Movements are driven by growth in occupancy and room rates across all the forecast years. Major movements in occupancy are forecast for Sails in the Desert and Desert Gardens (where occupancy in 2009 is maintained against 2008 and then increases by 5% points in 2010, 4%, 5% and 5-6% for the residual forecast years), while the rest of the portfolio shows smaller and steady growth. Room rate growth for 2009 reflect budget forecasts (around 2%) and steady increases across all the resorts over the residual forecast period at 1-2.5% with the exception of El Questro which is forecast to increase 11.6% in 2009, 5% over 2010-11 and 2.5% for 2012-13.

Appendix 4

Planned Property Management Pl[illegible]

Property Due Diligence Report

GRANT SAMUEL

Planned Property Management Pty Ltd

PPM Pty Ltd

ABN 061 200 600

INDIGENOUS LAND CORPORATION

Due Diligence Technical Review

for

THE GPT GROUP

GPT LAND BASED PORTFOLIO

Ayers Rock Resort
Kings Canyon Resort
Alice Springs Resort
Wrotham Park Lodge
El Questro Wilderness Park

November 2008

prepared for

INDIGENOUS LAND CORPORATION
63 Pirie Street
Adelaide SA 5000

under directions of

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1.0 EXECUTIVE SUMMARY

Capital Expenditure Five Year Forecasts have been estimated for Ayers Rock Resort Complex, Kings Canyon Resort, Alice Springs Resort, Wrotham Park Lodge, and El Questro Wilderness Park.
The capital expenditure reports were developed following review and assessment of RLB Technical Review Vendor Due Dilgence Reports for the properties of October 2008; VHR dataroom information as posted until 28th November 2008.
Site visits were undertaken by Planned Property Management Pty Ltd to Ayers Rock Resort Complex, Kings Canyon Resort, and Alice Springs Resort between 10th and16th November 2008.
The comparison schedule of capital expenditure was tabulated against the previous five years historical data for the properties excluding Kings Canyon Resort due information unavailable.

Material issues identified from the review and inspections include the following:

AYERS ROCK RESORT COMPLEX

Sails in the Desert Hotel - guest rooms and public areas require refurbishment and air conditioning unit replacement in year one.
The Desert Gardens Hotel - 158 guest rooms, restaurant and bar area, and air conditioning require refurbishment in year two.
The Lost Camel - guest rooms and air conditioning require refurbishment in year two.
Emu Walk Apartments and reception area with air conditioning require refurbishment in year 1-3.
Conference Centre - requires construction redesign for functional indoor-outdoor facilities in year 1 - 2.
Outdoor Amphitheatre - requires a total revamp to create a high profile venue in year 1-2.
Town Square Shopping Complex - requires additional upmarket retail outlets and refurbishing throughout in years 1-2.
Outback Pioneer Hotel and Lodge - guest rooms and restaurant require refurbishment in year 4.
Longitude 131 - refurbishing in year 3.
Coach Camping Ground - construction of swimming pool in year 1 and upgrade to reception/kiosk in year 4.
Ayers Rock Campground - refurbish in year 1 cabins and improve pool/play areas, year 2 refurbish amenities, upgrade reception/kiosk area in year 3.
Staff Residents Club, Recreation Centre and Pool area - refurbished in year 3.
Staff accommodation - extensive replacement program of furniture, fixtures and equipment in years 1-2.
Medical Centre, School, Childcare, Library and Education Centres - refurbishing in year 3.
Technical Services area - upgrade of transfer stations in year 2.
Service Station - internal upgrade in year 5.
Vehicles - extensive replacement program in years 1-2.
Central Energy Plant - original plant requires progressive replacement from year 1-5.
Reticulation - completion of copper pipe work year 1-3.
Fire Service - fire detection system upgrade, hydrant and hose reel copper piping replaced over year1-5.
Irrigation Water Reticulation - original pipe work replaced in year 3-4.
Air Conditioning systems - replacement over 5 years.
LP Gas - protection, certification and pipe work testing in year 1-2.
Hot Water - progressive replacement of units over 5 years.
Roads, Car Parks and Walkways - resurfacing in years 1-3.
Lighting - progressive replacement years1, 4-5.
Structural Blockwork - implement rectification years 1-4.
Environmental - landfill, handling and training implementation year 1.
Airport Terminal Buildings - soft upgrade and replace air conditioning in years 1-3.
Airport Runway - resurface in year 1 and investigations for overlay in years 3-4.

Planned Property Management is unable to state the requirements Ayers Rock Airport need to maintain to certify that continuance of operation for B737-80 aircraft shall be extended and recommend seeking additional specialist advice.

1.0 EXECUTIVE SUMMARY

An infrastructure master plan should be developed in year 1.
A boardwalk or grate type system may minimise high traffic degradation to resort lookouts. Construction of suitable entertainment facilities and a health club may generate future growth by the number of days patrons extend their stay in Ayers Rock.

KINGS CANYON RESORT

Guest rooms and public areas require soft refurbishments in year 1 to 5.
Central air conditioning, plant and equipment require replacement in year 1.
Staff accommodation and facilities require an upgrade in years 1-2.
Laundry equipment replacement in year 1-2.
Vehicle and service equipment requires a selective replacement over years 1-5.
Resurfacing of bitumen areas in years 2-3.
The existing landfill site has reached full capacity necessitating relocation and provision of dozer trenching equipment plus the incinerator installation to minimise waste volume.

ALICE SPRINGS RESORT

Guest rooms and public areas require soft upgrades and air conditioning units replacement over years 1-5. The water reticulation system requires selective replacement and bitumen areas resurfacing in years 1 -3. The electrical distribution upgrades in years 1-5. Replacement of roofing in years 3-5.

WROTHAM PARK LODGE

Soft upgrades to guest rooms and lodge are required in year 5 with generator replacement in year 4.
In years 1-5, selective replacement is required for vehicles and hot and cold water services and replacement of the sewage treatment facility. The river erosion is of significant concern to resort management. An investigation by Golder Associates resulted in geo-tech fabric being laid on the riverbank to mitigate the erosion. Planned Property Management requested to sight Golder Associates' report to review mitigation strategies however remains unavailable to date.

EL QUESTRO WILDERNESS PARK

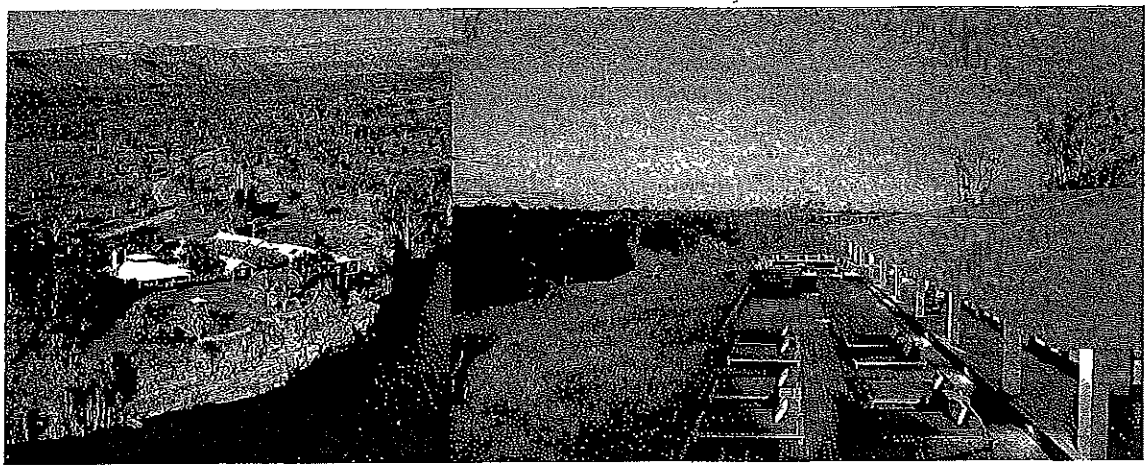
The Station guest accommodation requires a soft refurbish in year 1 and 5, a public area upgrade in year 2 and upgrades to staff accommodation FF & E and heavy maintenance to surface areas in years 1 and 3. Selective vehicle replacement is required over years 1-5. Initiate reports for landfill and sewage compliance.
The Homestead requires minor equipment replacement in years 1 to 3 and in year 1 a structural footing inspection.
Emma Gorge resort requires a soft refurbish for the older cabins and staff accommodation upgrades to their FF & E and air conditioning during year 1. Reports for landfill and sewage compliance requires addressing.

Appendix 5

Baker & McKenzie

Legal Due Diligence Report

GRANT SAMUEL



Project Red Rock

Legal Due Diligence Report – Volume 1

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5 December 2008

Ref: 799287-v5\AUSBB6

2 Executive Summary

2.1 Subject to the materiality thresholds, limitations and assumptions described in **Section 1,** this Report deals with what we believe to be significant legal issues that our due diligence enquiries have indicated may arise in relation to this transaction, or may otherwise need to be resolved prior to completion or in the transaction documentation.

2.2 Each of the material issues set out in summary form below are described more fully in the body of this Report. The executive summary only refers to material issues we have identified and is not intended to be a substitute for reading this Report in its entirety.

Corporate Information

2.3 The Target Assets are owned through a range of companies and trusts within the GPT group stapled trust and company structure. These structures are described in **Schedule 1**.

2.4 Broadly the senior property interests (freehold and leasehold land) are owned by the Ayers Rock Resort Trust, which is controlled by the Seller. That trust then leases or subleases the relevant land to VHR and its subsidiaries, which companies also own and conduct the resort businesses. VHR is controlled by the Seller.

2.5 The only exception is the Kings' Canyon resort and business, which is owned in a joint venture structure with the GPT group owning 46% of the units in the Kings Canyon (Watarrka) Trust. The trustee of the Kings Canyon (Watarrka) Trust is Kings Canyon (Nominees) Pty Limited, which is owned in approximately equal shares between three joint venture parties, one of which is VHR.

Property

2.1 Attached at **Schedule 3** are the detailed summaries of:

(a) our review of each of the key leases which have been disclosed by the Seller to date, under which the various entities in the GPT Group obtain title to land occupied by the Business; and

(b) ownership of the various freehold properties relevant to the Target Assets (to the extent currently disclosed by the Seller) and the encumbrances affecting those properties.

2.2 Where we have identified significant issues from a real property perspective in respect of the Target Assets, we have set out details of these in the Executive Summaries for each Target Asset below, and in more detail at **Sections 4A to 4F** of this Report.

2.3 As a general comment, a number of the Seller's tenures in relation to Target Assets arise through a leasehold interest. Purchase of these Target Assets will require consent of the landlord under those leases (in most material cases being the Northern Territory Government). While we expect this to be primarily a procedural matter, it is likely that the process will be detailed with numerous preconditions to consent (many at the absolute discretion of the landlord). The satisfaction of these preconditions will need to be a condition precedent under the transaction documentation. Further detail regarding leasehold interests and the requirement for consent to transfer or assignment is included at **Sections 4A to 4F** of this Report and at **Schedules 3** and **6**.

Executive Summary

Significant Issues – Ayers Rock

Item	Issue and potential impact	Mitigation action / recommendation
1	The Airport Lease may not be transferred to the Consortium without the prior written consent of the Northern Territory Government (not to be unreasonably withheld).	Consent in principle should be obtained as soon as possible to the transfer of the Airport Lease.
2	The Airport Lease contains a number of unusual provisions largely intended to allocate responsibility for maintenance and operation of the airport onto the tenant, such as an obligation to maintain the Aerodrome Licence under the Civil Aviation Regulations and to maintain $300million of public risk insurance.	We have not been provided with any materials suggesting that there are non-compliances with this Lease, however ideally the Seller would provide some comfort in the Transaction Documents in relation to these matters.
3	The tenant under the Airport Lease has a right of first refusal to purchase the land if the Northern Territory Government should decide to sell it.	N/A
4	Under a Deed regarding the "Ayers Rock Resort Wana Ungkunytja Arrangements" dated 3 December 1997 between and Wana Ungkunytja Pty Ltd (***WU***), VHR, Perpetual (as trustee) and others, WU was granted a right of first refusal if Perpetual (now GPTFM2) wanted "to sell any of the land forming part of the" Ayers Rock Resort or the Alice Springs Hotel.	Whilst this issue was highlighted in the Information Memorandum circulated by Jones Lang LaSalle Hotels, materials regarding this right have not been made available in the Data Room. Given that the Consortium comprises and Wana Ungkunytja and Indigenous Land Corporation, we have not investigated this further. Please let us know if you want us to do so.
5	Please see the Cadastral Plan for the Ayers Rock property attached in **Schedule 14**. This describes the property boundaries: those titles that the Sellers own are highlighted in yellow, and those the Sellers do not own (or have not disclosed that they own in the Data Room or draft sale agreement) are highlighted in blue.	We have not conducted independent title searches to confirm the ownership of the blue highlighted properties. Please let us know if you want us to do so.

Significant Issues – Kings Canyon

Item	Issue and potential impact	Mitigation action / recommendation
1	The Lease contains a prohibition on obtaining a liquor licence for the premises without the landlord's consent.	A liquor licence for the Kings Canyon Resort (Licence No. 80204644) has been disclosed however this is limited in its application to the freehold portion of this Resort.
2	We have sighted handwritten proposed subdivision plans in the Data Room, and a Data Room note advising of an intended "land swap" between Kings Canyon Nominees Pty Ltd and Power and Water Authority.	The land swap arrangements should be clarified and transfer documents reviewed prior to completion of the Proposed Transaction.

Executive Summary

Item	Issue and potential impact	Mitigation action / recommendation
	We have requested copies of the draft transfer documents which are intended to effect the proposed "land swap" and we have been advised that the transfer documents are with the Power and Water Authority solicitors awaiting finalisation of arrangements with the NT Land Titles Office.	

Significant Issues – Wrotham

Item	Issue and potential impact	Mitigation action / recommendation
1	To date the Seller has used and occupied this resort under an Occupation Licence. A draft Sublease to GPT Funds Management 2 Pty Ltd has been provided but as the land is Crown Land, this will not provide the Seller with a formal legal interest in the land until it has been completed and registered.	The Sublease should be completed and registered prior to completion of the Proposed Transaction, as should the accompanying draft Sub-sublease from GPT Funds Management 2 Pty Ltd to Wrotham Park Lodge Pty Ltd. We understand the grant of the sublease is imminent, but will continue to track progress and if it has not been granted by signing of the transaction documentation, we will ensure the grant is a condition precedent to completion. The consent of the Minister administering the *Land Act* 1994 (Qld) must be obtained to the Sublease and Sub-sublease.
2	The current Head Lease expires in 2017. The draft sublease contains obligations on the Sublessor to use reasonable endeavours to have that Head Lease renewed at least until 2024.	N/A
3	Under the Sublease between GPT Funds Management 2 Pty Ltd as trustee of the Ayers Rock Resort Trust (as Sublessee) and Great Southern Cattle Holdings Pty Ltd (ACN 113 922 642) (as Sublessor), GPTFM2 as Sublessee has to perform the "Performance Criteria" (***PC***). The Sublease provides: "*The Sublessee acknowledges that in carrying out the Permitted Use on the Subleased Area, the Sublessee should use reasonable endeavours to achieve the Performance Criteria. However, the Sublessor and the Sublessee agree that a failure at any time to meet any one or more of the Performance Criteria is not a breach of this Sublease.*" The PC are relevant in that, whilst breach of the PC is not a breach the Sublease, the Sublessor's	N/A

Item	Issue and potential impact	Mitigation action / recommendation
	obligation to pay the Sublessee for the written down value of its property on termination of the Sublease before 2024 (i.e. due to a failure of the Sublessor to renew its own lease) does not apply where the PC have not been met. We are unable to expand on what the PC are because the PC are defined in the Sublease with reference to criteria contained in a schedule to the Sublease which is blank. We were advised by Allens Arthur Robinson in response to RFI that a finalised copy including all Schedules is available for our review, but that it was expected the Sublease would be finalised in December 2008.	

Significant Issues – Office

Item	Issue and potential impact	Mitigation action / recommendation
1	Under the two Leases from GPT Funds Management to VHR of the Sydney corporate offices, GPT Funds Management has a right of first refusal if VHR wishes to assign, sublease etc. its Leases.	Depending on how much of the leased space (if any) the Consortium requires, this may need to be dealt with as part of the Transaction Documents or by way of an undertaking from GPT not to exercise its rights of first refusal.
2	The Seller has, in response to our request for a proposal for an interim lease for part of these premises, indicated that it will not consider an assignment of the lease unless the party making that request is purchasing the entire portfolio.	The Consortium will need to determine how much of the space / equipment in these premises it may require after completion of the Proposed Transaction and make arrangements for alternative space to temporarily house that equipment and relevant staff, in an agreement cannot be reached with the Seller.

2.4 We confirm that we have not carried out a site inspection of any of the Target Assets and are therefore not able to verify that the physical uses of any Target Asset, access arrangements, tenancies, licences and other matters in existence at any Target Asset comply with the information that has been provided in the Data Room.

Planning and Environment

Contamination

2.5 There are a number of areas of potential and identified land contamination including at Ayers Rock (at the landfill site, the Giles Street industrial complex, the Mobil service station and the airport), Kings Canyon (at the current and former landfill site and the Mobil service station) and El Questro, which recently had remediation notices served on it by the Department of Environment and Conservation. It is noted that the current and former landfills at Kings Canyon are not lined with a barrier and that the current landfill at Kings Canyon only has approximately 18 months of operation left. After this time the land will need to be rehabilitated. It is also not clear if leachate is migrating into the groundwater aquifer at the Ayers Rock landfill. It is noted that the regional aquifer is the primary water source for the Yulara township and resort. In our experience, if groundwater remediation was required at the

Ayers Rock landfill (or any another location) the costs could well exceed the materiality threshold. The Consortium may wish to consider contractual provisions that require:

- an environmental assessment to be undertaken of the Ayers Rock landfill site (and other sites where the risk of contamination is high); and
- the Seller to undertake and thereafter remain liable for any immediate and ongoing remedial works that are recommended.

2.6 The Consortium may also wish to consider warranties and indemnities to deal with this and other potential contamination issues. Once the Consortium becomes the owner or occupier of a site it may be able to be served with a clean up notice or be deemed to be committing various environmental offences. It is not possible to contract out of, or be indemnified adequately for, criminal liability.

2.7 Conducting an environmental audit to ascertain the condition of the land is a condition of the transfer of the sublease at Wrotham.

2.8 The 2005 Sale Agreement from Mobil to GPT Management Limited for the service station land at Ayers Rock contains specific environmental provisions relating to contamination. In summary, under the Sale Agreement Mobil undertook responsibility for any contamination identified in an environmental report which accompanied the 2005 Sale Agreement. However importantly, Mobil may be able to avoid liability for any contamination identified in the 2005 environmental report if there is later any additional or other contamination on the property that was not identified in the 2005 environmental report. We asked the Seller for details of any known or suspected contamination that may have occurred since the preparation of the 2005 environmental report. In response the Seller has stated "being a petrol storage facility, the possibility of contamination is always possible. At this time, Voyages is not aware of any contamination issues that affects the service station business but gives no warranty in relation to same".

2.9 It is suggested that the Consortium consider obtaining a Phase II environmental report which sets out the present condition of the land. The Consortium may also consider seeking additional protection from GPT (to fend against Mobil avoiding liability).

2.10 The sale agreement the Sellers' lawyers have posted in the Data Room (the ***Draft Sale Agreement***) contains the following provisions relating to contamination:

(a) "The Purchaser acknowledges that the Property Condition Reports include an Asbestos Report and Register and Asbestos Management Plan for some Sites."

(b) "The Vendors disclose and the Purchaser acknowledges that the EMR Properties are recorded on the Environmental Management Register." and

(c) "The Purchaser acknowledges that, prior to entering into this Agreement, the Purchaser received from the Vendors the EPA Notices [*the written notices under section 421 of the Environmental Protection Act 1994 (Qld)*]."

2.11 The EMR Properties and the EPA Notices are to be detailed in the Draft Sale Agreement, but are not included in the draft available as at the date of this Report. We will seek copies of the relevant information and will forward that to the Consortium.

Planning

2.12 There are restrictions placed on the use and development of the Mobil service station land at Ayers Rock and Mobil's consent is required to any additional development. Mobil's consent will not be unreasonably be withheld if certain conditions as to contamination and remediation of contamination are satisfied.

2.13 Part of the Alice Springs site is covered by a Crown lease. We have assumed that there are no structures that are currently on the relevant land. The Crown lease is for the purpose of "recreation" and the lease specifies that land cannot be used for any other purpose. It is our opinion that this restriction may limit the ability to develop the land for other purposes such as residential and some resort uses, so the lease may need to be renegotiated. The term "recreation" is not defined in the Crown Lands legislation. The Macquarie dictionary definition of recreation is "*refreshment by means of some pastime, agreeable exercise, or the like*". This would indicate that the likely intended use of the land was akin to a park or an area of land where exercises, activities or hobbies are to be carried out. Although a large number of tourism uses are likely to be compatible with recreation (for example tours and camping are often permitted in parklands) it is not clear the extent to which permanent hotel structures would be permitted. Hotel and boarding house uses are generally grouped in planning legislation with residential (rather than recreation) uses. It may be possible that temporary tent structures or other resort facilities such as toilets or shelters could still be held to be compatible with the use of the land for recreation. We suggest that the Consortium engage an expert planning consultant with experience in the Northern Territory and discussions are commenced with government if extensive development of this area is contemplated.

2.14 Any renegotiation of the lease for further development of this site may also raise the possibility of native title issues although we are of the opinion that this is currently only a low to medium risk at this site. This is discussed in more detail below.

Native title and indigenous issues

2.15 The Seller has also noted that save for those native title claims recorded on the public record, there are no informal dealings with native title claimants at any sites, although as disclosed in the answers to other RFIs, there are ongoing dealings with Traditional Owners and Aboriginal Parties at most sites regarding employment and business opportunities for them at the Target Assets.

2.16 Key issues arising from our review of the Data Room and native title searches are:

Alice Springs

2.17 The Crown Lease in question was granted in perpetuity in January 1986. As such, its grant is likely to have at least partially (if not fully) extinguished native title as a "valid past act". If native title has not been fully extinguished, native title issues may need to be considered in the future. For example if the lease was terminated and a new grant of tenure was issued, this may require the future act provisions of the NTA to be considered.

2.18 Future acts are proposed developments or activities that *affect* native title rights and interests. For example, the grant of tenure of a new lease would be likely to constitute a future act. If a development proposal involves the doing of a future act, there are certain negotiation and consultation procedures of the NTA which may need to be complied with if certain pre-conditions are met (i.e. if a native title claimant application satisfies the conditions of the registration test, that claimant may gain the right to negotiate).

2.19 The practical effect of the right to negotiate process is the time which it involves. If agreement cannot be reached, the matter can be referred to the National Native Title Tribunal. It could then be a further 6 to 12 months before the tribunal makes a determination on the issue.

Executive Summary

2.20 The National Native Title Tribunal conducted a search over Alice Springs and the search results provide that there is currently no native title application or claim, registered determination, or indigenous land use agreements over the area. As there is no native title claim on foot in Alice Springs and given the age of the lease which we in our view would have partially (if not fully) extinguished native title, we are of the opinion that native title issues are only likely to be a low risk to resort operations.

El Questro

2.21 There appear to be at least two different native title claims in respect of this site: (1) the Wanjina-Wunggurr claim and (2) the Balanggarra No.3 claim.

2.22 In the Wanjina – Wunggurr claim the Court held that native title existed, exclusively or at least partially, over the areas covered by pastoral leases, non-vested reserve areas and mining lease areas.

2.23 In relation to the Balangarra #3 Native Title claim, the Seller has stated "this matter continues. The Balangarra #3 Native Title claim (affecting El Questro) is presently not in active negotiation with the State and other parties to it. However, it is expected to be consolidated with the adjacent Balangarra native title claim which is undergoing negotiation and which may be resolved in the course of late 2009. A decision on whether the Balangara #3 claim can be dealt with by the State in parallel to the Balangarra claim is expected by February 2009 following a presentation of materials in support of the Balangarra claim that is anticipated to occur in December 2008. Voyages via GPT (pastoral lease holder) are also presently applying to be noted as an interested party in the proceedings".

2.24 **Pastoral Leases:** In the Wanjina – Wunggurr claim, the Court found that native title had been partially extinguished over most of the areas on which pastoral leases historically existed or currently exist. Partial extinguishment means that although the rights of pastoral lessees prevail over the native title claimants' rights, the claimants still have certain rights within these areas.

2.25 **Special Leases:** All special leases in the claim area were either found to be excluded from the determination area or native title was extinguished over the area subject to the special lease. We understand from the correspondence that we have reviewed that some pastoral leases on which the El Questro resort is situated were surrendered and special leases in relation to the homestead and the Emma Gorge were registered. Correspondence in the Data Room prior indicated that this resulted in the extinguishment of native title. However, we have requested the Seller to clarify this situation. Importantly, the special leases would have to have been entered into prior to 23 December 1996 in order to definitively extinguish native title for the special lease area.

2.26 **Draft Indigenous Land Use Agreement:** We have reviewed a draft Indigenous Land Use Agreement (***ILUA***) between the Wanjina-Wunggurr (Native Title) Aboriginal Corporation and Voyages Hotels and the Kimberley Land Council dated 2007 (***Agreement***). The Agreement is not signed or dated by the parties. The Native Title Search we conducted did not reveal the presence of this ILUA, which means that it is not registered. We asked the Seller about the status of this ILUA and whether or not it has been further negotiated. The Seller has stated that "*this agreement has not been executed by the parties although the terms are largely settled as between the current parties to it. Finalisation of the agreement is presently on hold at Voyages' request pending completion of the Voyages' sale. The Voyages purchaser will need to decide whether they wish to proceed with the agreement as it is presently proposed, or not*". The Seller also states that there are no further ILUAs being negotiated at this stage.

Kings Canyon

2.27 The native title search did not reveal any native title claims or native title determinations current over the Kings Canyon area. The native title search did confirm the existence of an ILUA over Watarka National Park between Central Land Council and the Northern Territory. The extract from the ILUA which we reviewed indicated that the purpose of the ILUA was to satisfy the conditions set out in section 10(i)(b) of the Parks and Reserves (Frameworks for the Future) Act, and to deal with native title issues in respect of the grant of Park freehold title over the Park, the lease of the Park to the Territory, execution of the Joint Management Deed and actions taken in accordance with the Plan of Management for the Watarka National Park. The extract provides that the parties to the ILUA have consented to granting a freehold title over Watarka National Park; granting of a lease over the Park to the Territory; and any action taken in accordance with, or permitted by, the lease.

Wrotham

2.28 Wrotham is located on approximately 100 hectares of an underlying cattle station's pastoral holdings lease from the Crown (held by Great Southern Cattle Holdings Pty Ltd). We understand that the Seller currently holds an occupation licence over the subleased area but that this will be shortly formalised in a sub-lease. The Minister's consent is required to the sublease. As the underlying land is Crown land there is the possibility of native title issues arising on this parcel of land. Should you require further information in relation to this issue, we would need to analyse the terms of the original pastoral lease to determine whether there is a right to sublease, in order to determine, for the purpose of the NTA, whether the act is a valid "pre-existing right-based act". If it is a new grant of rights, some aspects of the future act provisions of the NTA would likely apply, including compensation, notification and affording the opportunity to comment to representative Aboriginal/Torres Strait Islander bodies or registered native title claimants.

2.29 The general position with respect to pastoral leases and native title is that the grant of a pastoral lease could have resulted in partial extinguishment of native title, meaning that although the rights of pastoral lessees prevail over native title claimants' rights, claimants might still have certain rights within these areas. However, this will depend on the terms of the pastoral lease and the native title rights claimed.

2.30 The native title search revealed that there are two registered ILUAs near the area in conjunction with the PNG gas pipeline and mining activities. There are not directly relevant to the purchase of the Target Assets, although they indicate that there are interested parties in the area of Wrotham Park.

2.31 It is beyond the scope of this Report to analyse the terms of the original pastoral lease and analyse the terms of the new sub-lease in order to determine the likely native title implications. However, it is our opinion that this issue is unlikely to present a high risk to resort operations as there is current tenure in existence. As stated above the practical effect of the right to negotiate process is the time which it involves. If agreement cannot be reached, the matter can be referred to the National Native Title Tribunal. It could then be a further 6 to 12 months before the tribunal makes a determination on the issue. This may delay the negotiation of the new sub-lease.

Material Contracts

Overview

2.32 Based on our review of the Material Contracts, subject to our specific comments below, we note broadly that:

(a) the Material Contracts do give rise to a right of the counterparty to VHR (or the other relevant Voyages company) to renegotiate or terminate the relevant agreement though many are silent on assignment rights; and

(b) the Material Contracts are terminable immediately for breach/default by the non-defaulting party and by either party for no reason with a certain prior notice period (ranging from 1 to 6 months).

2.33 A number of the Material Contracts have specific issues affecting them and we note these in **Section 6** below.

Demerger Issues

2.34 Two of the Material Contracts relate to a number of the assets in the Voyages portfolio:

(a) LPG Supply Agreement between Origin Energy Retail Limited and VHR dated 20 July 2005; and

(b) ECOLAB Partnership Agreement and Addendum between Ecolab Pty Limited and Bunzl Limited and VHR dated 15 September 2005,

(together the ***Portfolio Agreements***). It is likely that there are additional contracts relating to the Voyages Corporate Office which have not been disclosed in the Data Room (or we have not yet been granted access to) that similarly relate to more than one asset in the Voyages portfolio.

2.35 If the Consortium only wishes to purchase the Target Assets it will be necessary to separate these Target Assets out from the remaining resorts in the VHR portfolio in respect of the Portfolio Agreements. Consideration needs to be given to the renegotiation of the Portfolio Agreements with the applicable counterparty.

Other Contracts & Third Party Consents

2.36 The third party consents necessary to assign Material Contracts and leases to the Consortium acquisition entities (***Buyers***) are detailed in **Schedule 3**. We suggest the most material of these are included as conditions precedent to completion, and we will discuss this with you as we finalise and negotiate the transaction documents.

2.37 In addition to the Material Contracts, there are a significant number of smaller contracts (which we have not reviewed), licences and certificates disclosed in the Data Room.

2.38 By way of example, there are approximately 100 licences, permits and certificates disclosed for Ayers Rock, 40 in respect of El Questro, 20 in respect of Kings Canyon and 15 in respect of Wrotham. If the Consortium acquires the Target Assets only (as opposed to a share purchase of VHR for example), there is a significant administrative burden in assigning all the relevant applicable contracts, licences and certificates to the Buyers, and where an assignment is not possible, securing novations, new licences and new certificate grants for the Buyers.

2.39 Given the volume of licences across all of the Target Assets, it would in our view be appropriate to have a general provision in the transaction documentation requiring the Seller to cooperate with the Buyers in securing all necessary assignments and new licences both before, and for an agreed period following, completion of the Proposed Transaction.

2.40 We understand from VHR management that VHR has key wholesale contracts in place with Flight Centre, Harvey World Travel, JetSet and Stella Travel Services. We have requested copies of these and other key sales documents, but have been informed by the Seller's lawyers that "*We are not in a position to provide this rate sensitive information at this point. Full details of all contracts and related rates will be provide to the successful bidder at the appropriate time.*" Accordingly, we cannot determine at the date of this Report the implications of the Proposed Transactions in relation to these contracts.

2.41 We understand that the Consortium is currently considering seeking to acquire the benefit of a number of information technology agreements as a part of the Proposed Transaction. Based on our high-level review of those agreements that have been discussed in the Data Room at the date of this Report they all require the consent of the counterparty to enable VHR to assign them to the Buyer. This will give rise to an opportunity for the terms of the information technology agreements to be renegotiated.

Ayers Rock Airport

2.42 In accordance with your instructions we have not undertaken a detailed review of the issues relating to Ayers Rock Airport (***Airport***), but have prepared a brief summary of the regulatory framework governing the Airport's operation and related agreements and arrangements which is set out in **Schedule 7** of this Report.

2.43 We note that under the *Civil Aviation Safety Regulations 1998* (Cth) (***CASR***) the Airport requires an aerodrome certificate. At present, VHR is the holder of an aerodrome certificate authorising it to operate the Airport.

2.44 However an aerodrome certificate is not transferable – as a result, any party taking an assignment of the lease of the Airport and who wants to continue to operate the airport will need to obtain a new aerodrome certificate from the Civil Aviation Safety Authority (***CASA***). We note that the obtaining of this certificate by the purchaser is a condition precedent to completion of the draft Sale Agreement produced by Allens Arthur Robinson in relation to the Airport.

2.45 We have been provided with a copy of the Airport Lease, and a detailed summary of the key terms and conditions of the Airport Lease is contained at **Schedule 3** of this Report.

Employment Matters

2.46 There are a significant number of collective industrial instruments which bind VHR and its related entities in respect of their employees, which will "transmit" to the Buyers. Post Completion the Consortium will need to ensure that the Buyers maintain compliance with the transmitted industrial instruments during the periods required under statute, and, ensure they comply with statutory notification requirements in respect of the transmitted instruments.

2.47 Failure to comply with statutory notification requirements can result in the imposition of fines up to AUD33,000 for each employee in respect of whom the notification requirements are not complied with.

2.48 We have not been provided with any employment contracts for key employees, senior management employees or executives. We understand these will be provided to the successful bidder.

Intellectual Property

2.49 Voyages Lodges Pty Ltd (***VLPL***) is the owner of a number of trade marks, and Ayers Rock Resort Company Limited is the owner of a trade mark, used in respect of the Business, however these companies are not party to the Sale Agreements. The companies should be party to the Sale Agreements or the marks should be assigned to VHR prior to completion.

2.50 If the VOYAGES brand is to be acquired by the Consortium, consideration will need to be given to the rights that third parties may have in relation to that brand, in particular to rights owned or licensed by the Seller in respect of properties that are presently owned or operated by the Seller but are not to be acquired by the Consortium.

2.51 The information in the Data Room reveals that Voyages has been the target of cybersquatters and web based opportunists and that there are a number of domain names that have been registered by cybersquatters of which the Seller is aware. A memorandum dated 20 October 2008 states that Voyages has in some instances demanded transfer of domain names and, although some parties have refused to transfer domain names and continue to hold them, legal action has not been instituted. The memorandum states that management has overlooked the actions of certain cybersquatters and in some cases has granted wholesale rates to offending parties allowing them to sell Voyages products on the offending websites.

Disputes and Litigation

2.52 Our litigation searches did not reveal any material current litigation proceedings against the relevant parties in the relevant courts. Further details of our searches are provided in the attached **Schedule 10**.

2.53 The Data Room contained a Deed of Release dated 20 February 2003 between GPT Management Limited, VHR, Wana Ungkunytja Pty Limited (***Wana***) and Anangu Tours Pty Limited relating to proceedings commenced against GPT and VHR in the Federal Court of Australia, alleging various breaches of the *Trade Practices Act 1974* (Cth) and allegations that VHR had breached an agreement between Anangu Tours Pty Limited and Ayers Rock Resort Company Limited. Further details of the settlement arrangement are set out in **Schedule 10**. Given Wana's involvement in the Consortium, we have not considered this matter further.

Insurance

2.54 We have separately sent you copies of the key insurance documents currently available in the Data Room for your or your insurance adviser's review. Please find a summary of those documents, and the relevant policies and disclosed claims, attached in **Schedule 9**.

2.55 Whilst most of the public liability claims made against the Target Assets are minor in nature, we note the following:

(a) Ayers Rock: In July 2008 a person was hit by a bus whilst riding their push bike. The person was air lifted to hospital; and

(b) Wrotham: In August 2008, a guest fell from a horse and later died as a result of those injuries. No formal claim has been received.

Building Allowances & Depreciation

2.56 As discussed with Grant Samuel, to determine whether there is an ability for the Buyers to claim building allowance deductions as a lessee, we need to understand the claims made to date by the Sellers group for tax deductions for capital works under Division 43 of the Income Tax Assessment Act 1997.

2.57 We have raised the following question in our RFIs:

RFI no. 4967: "Please (1) provide details of relevant amounts of expenditure that qualify for deduction under Division 43 of the Income Tax Assessment Act 1997 (including details of the total amounts of expenditure incurred and deductions claimed to date); and (2) confirm the name of the entity that incurred the relevant expenditure *referred to in 1. Please specify whether the entity that incurred the relevant expenditure was (a) the owner; or (b) a lessee, of the relevant "construction expenditure area"."*

2.58 The Sellers responded that "*Information on depreciation has now been loaded in the VDR under the respective Assets sections. The Div 43 deductions were incurred by GPT as owner.*"

2.59 We have been advised by the Sellers that GPT as "owner" of the capital works (which broadly consists of buildings, extensions to buildings, alterations or improvements to buildings or structural works) has been claiming deductions for capital works under Division 43 of the *Income Tax Assessment Act 1997* (Cth).

2.60 Accordingly, only a subsequent "owner" of the capital works can claim a deduction under Division 43 of the *Income Tax Assessment Act 1997* (Cth). A lessee will not be able to claim a deduction for pre-existing Division 43 expenditure incurred by GPT.

Competition Considerations

2.61 While we have not carried out any detailed analysis, you should be aware that there is a possible argument that the owner of the Ayers Rock resort has substantial market power for the purposes of the Trade Practices Act. Holding substantial market power is not of itself unlawful, but generally means that the business owner has a special responsibility not to misuse its market power in carrying on its business and, in particular, in its dealings with third parties.

2.62 From comments made by VHR management during management presentations, they are cognisant of this general issue. There was no indication during those presentations, and there has been no disclosure made in the Data Room, to suggest that this is anything other than something to be generally aware of from an operational point of view. Please let us know if you would like further advice on this issue.

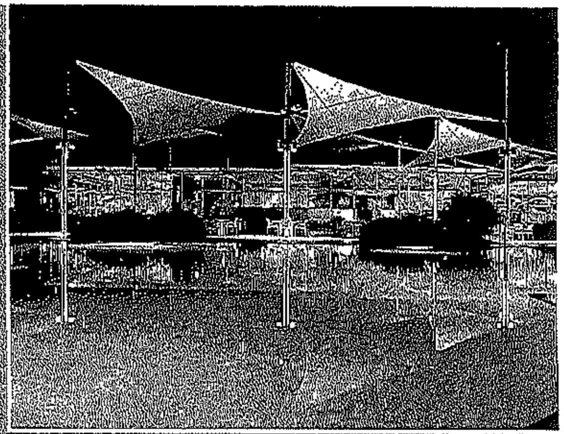
Appendix 6

Horwath HTL

Accounting Due Diligence Report

GRANT SAMUEL





TARGET ASSETS
Ayers Rock Resort
Alice Springs
El Questro Homestead & Wilderness Park
Kings Canyon Resort
Wrotham Park Lodge
Voyages Management Platform

DUE DILIGENCE REPORT

DECEMBER 2008

Headliners

Headliners

The headliners are a non exhaustive list and should be read in conjunction with the entire report.

Category	Commentary/Description
Portfolio Target Assets Gross Revenue & EBITDA Revenue Streams (ARR + AS + KCR + EQ + WP) TAB 9 – Exec Summary AFCY08 TAB 10 – Historical & AFCY08 by Division TAB 25 – Historical & AFCY08 by Location	CY06 R=$146m → EBITDA = $41m (28%) CY07 R = $141m → EBITDA = $40 (28%) AFCY08 R = $139m → EBITDA = $34m (25%)
BYCY09 for Target Assets (ARR + AS + EQ + WP) (Note: KCR operates on financial year) TAB 11 – Exec Summary BYCY09 TAB 26 – Historical & BYCY09 by Location	BYCY09 = $132m → EBITDA = $34m (25%) Gross Revenue ↑ $5.6m Total Expenses ↑ $3.6m EBITDA ↑ $2m ▪ The budget presents as overly optimistic relative to trading performance for AFCY08 and having regard for the future uncertain and negative economic outlook which will inevitably impact trading performance. ▪ Ayers Rock represents 93% of BYCY09 EBITDA (ARR, AS, EQ & WP) . ▪ The occupancy, ADR & RevPAR trends for BYCY09, particularly in respect to the Ayers Rock properties are increasing year on year which is not aligned to recent trading whereby RevPAR has been in decline.
BYCY09 for Ayers Rock Resort TAB 11 – Exec Summary BYCY09 TAB 26 – Historical & BYCY09 by Location	BYCY09 = $115m → EBITDA = $31m (27%) Gross Revenue ↑ $4.1m Total Expenses ↑ $2.8m EBITDA ↑ $1.3m ▪ The ARR budget presents as overly optimistic relative to trading performance for AFCY08 and having regard for the future uncertain and negative economic outlook which will inevitably impact trading performance. ▪ The occupancy, ADR & RevPAR trends for BYCY09 are increasing year on year which is not aligned to recent trading whereby RevPAR has been in decline.
Voyages Management Presentation TAB 3	▪ Please refer TAB 3 for Horwath HTL commentary in respect to VHR's management presentation which deals with a number of market based issues and KPI indicators.
SWOT Ayers Rock Highlights (Investment) TAB 4	Strengths ▪ Irreplaceable resort in world famous tourist destination. ▪ Purchase discount opportunity to original cost (over $500m invested). ▪ High barriers to entry such that operation enjoys monopoly status. Weaknesses ▪ Nature, location and age of resort requires high premium for risk in valuation. ▪ Major short term capital expenditure needs, including for non-income producing infrastructure. ▪ Complex asset makes it a challenging investment on owner time and risk/reward potential.

Headliners - Continued

The headliners are a non exhaustive list and should be read in conjunction with the entire report.

Category	Commentary/Description
SWOT Ayers Rock Highlights (Investment) Continued TAB 4	Opportunities ▪ Timing in respect to buying off value weakness and when few investors in the market. Threats ▪ Risk of value decline post acquisition due to operational threats. ▪ Value decline due to market wide movements in discount/capitalisation rates.
Voyages Corporate Office TAB 5	▪ The costs (AFCY08 $20m) associated with the Voyages Corporate Office appear excessive relative to the services provided. The systems and associated infrastructure have yet to provide economies of scale relative to the size of the entire Voyages portfolio under management (ie including island resorts). ▪ Ayers Rock Resort receives an allocation of approximately 50% of Voyages Corporate Office costs. ▪ Portfolio Target Assets collectively receive a cost allocation of $12m (60%). ▪ Continuance of the existing Voyages platform under its present structure is not commercially viable and therefore requires downsizing based on the systems and infrastructure required to meet future operational needs.
IT Platform & Cost Synopsis TAB 6	▪ Voyages Corporate Office has recently invested $7m in creating a "current date" property management and central reservation capability which has internet connectivity across all operational components. ▪ Micros Fidelio Opera (property management system), Sun Systems Financials (accounting), Mondelio (budgeting) and Preceda (human resource system) are the primary software products. ▪ The IT infrastructure relative to the Portfolio Target Assets will also require review as to the componentry required in a restructured Voyages management platform having regard to operational needs.
Employment TAB 13	▪ Remoteness of resort locations results in a high turnover of staff – average stay of non management ARR employees is 7 months, notwithstanding a significant capital investment and maintaining staff accommodation facilities and accordingly a high cost is incurred in respect to recruitment and training. ▪ The majority of employees in the Northern Territory are subject to a Workplace Agreement. ▪ The "continual churn" of employees across the resorts requires a dedicated human resources team to constantly source new employees.
Market Mix & Geographic Segmentation & Forward Bookings TAB 14	▪ The Portfolio Target Assets receives guests on an equal basis from domestic and international sources. ▪ 73% of guests are free independent travelers (FIT) and 18% represent the group/wholesale segment. ▪ Europe, Great Britain, North America and Japan are the primary international segments with North America and Japan on the decline. ▪ Due to the short booking and lead time characteristics of the FIT segment, forward bookings in 2009 demonstrate that considerable "pick up" is required to achieve budgeted occupancies.

Headliners - Continued

The headliners are a non exhaustive list and should be read in conjunction with the entire report

Category	Commentary/Description
Ayers Rock Airport **TAB 16**	▪ Ayers Rock Airport is a domestic airport and is currently serviced only by Qantas. ▪ Passenger movements and associated revenue have been on the decline since 2005. ▪ Passenger movements for AFCY08 represent $316k giving rise to Passenger Landing Fee revenue of $7.6m, based on a passenger landing fee of $24 (net of GST) per passenger. ▪ VHR and Qantas are currently negotiating a proposed Passenger Landing Fee increase from $24 to $27 as well as a proposed $10 transit passenger fee (currently there is no charge for a transit passenger) however negotiations are not yet concluded. ▪ Qantas Airlink catering arrangements terminated in February 2008 resulting in a $1m fall in profit. Airline catering profit is captured within Ayers Rock Food & Beverage departments which are non hotel related. ▪ The Ayers Rock Airport runway capacity can accommodate 737, 767 and A330 aircraft. Widening and lengthening the runway for larger wide bodied aircraft will represent a significant capital cost (circa $15m). ▪ VHR are in discussion with Virgin Blue however nothing conclusive from these discussions has been advised during the due diligence process.
Third Party Tour Operators **TAB 17**	▪ 12 tour operators and car rental companies provide tours, road transport and car rental to resort guests.
Essential Services **TAB 18**	▪ Power, Water & Waste management is provided by a NT Authority – PAWA on a subsidised rating basis which will revert back to an unsubsidised fee structure in 2018. ▪ The Ayers Rock community has all other necessary essential services to function.
Mobil Service Stations **TAB 19**	▪ Ayers Rock and Kings Canyon operate Mobil petrol stations at respective resorts.
Material Contracts **TAB 20**	▪ Common contracts in relation to the operation of the Portfolio Target Assets are held by the Voyages Hotels and Resorts P/L entity. ▪ It will be necessary to novate/assign or enter into new contracts for respective services depending on the circumstances.
Capital Expenditure **TAB 21** **Motor Vehicles** **TAB 22** **Depreciation** **TAB 23**	▪ Ayers Rock has averaged 6% (of total revenue) capital expenditure in the last 3 years. A separate report undertaken by David Wiley refers to future capital expenditure needs. ▪ Alice Springs has undertaken minimal capital expenditure in recent years. ▪ Kings Canyon undertook a major refurbishment of bathrooms in standard rooms during 2008. ▪ El Questro in the last 4 years has undertaken the following capital expenditure: Emma Gorge (insurance replacement), Station Town Centre (refurbishment/upgrade) & Homestead (refurbishment). ▪ Wrotham Park capital expenditure can not be supported by revenues generated. ▪ The Portfolio Target Assets operate 168 vehicles ranging from 4WD's to working vehicles (representing an average age of 7 years) of which 113 are in excess of 3 years of age. ▪ Fixed asset registers giving rise to depreciation calculations can not be relied upon due to the failure of tracking acquisitions and disposals of assets and accordingly a complete review and inventory of physical assets should be undertaken post completion of the transaction.
Wrotham Park Lodge	▪ Wrotham Park is not a commercially viable operation.

Appendix 7

Bob Teague

Miscellaneous Due Diligence Report

GRANT SAMUEL

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Indigenous Land Corporation
C/O Ms Jacoline Bekker,
Grant Samuel
Level 19 Governor Macquarie Tower,
1, Farrer Place,
SYDNEY NSW 2000

29 November 2008

Dear Jacoline.

RED ROCK - DUE DILIGENCE REPORT

As requested we attach our report on the Secondary Objectives set out in our proposal dated 28 October 2008 namely:-

a) Staff accommodation

Reviewing and reporting on staff accommodation arrangements and rental arrangements and its impact on staff turnover.

b) Community Infrastructure and Facilities

Reviewing and reporting on the "soft" elements of community social activities and its impact on community spirit and staff turnover.

c) Laundry

Reviewing and reporting on the financial performance of the Ayres Rock Resort laundry.

d) Corporate Social Responsibility

Reviewing and reporting on the corporate commitments made to the Indigenous Mutitjulu Foundation, the allocation of funding to indigenous activities, and any other initiatives relating to assistance to, and co-operation with, the indigenous community.

Our report has been prepared to assist the Indigenous Land Corporation in its due diligence on the Red Rock portfolio. It should not be released to third parties without our prior approval.

If you wish to discuss this further please do not hesitate to contact Bob Teague on his mobile 0418 605 682.

Yours sincerely

Bob Teague
Managing Director

1) STAFF ACCOMMODATION

a) Objective

To review and report on staff accommodation and rental arrangements and its impact on staff turnover.

b) Scope

The scope included:-
i) visiting the site and inspecting the staff accommodation;
ii) reviewing the data room information including the Ayres Rock Resort monthly reports for December 2007 to September 2008 and noting any information relating to staff accommodation.

c) Summary

The staff accommodation requires significant upgrading and is a source of adverse comment from employees. Of particular concern to staff is the lack of maintenance and privacy and security issues associated with the resort's quad share arrangements. Staff turnover has declined but is still over 100%. It is evident that an improvement in the staff housing facilities would assist in securing greater staff retention and improved staff performance.

d) Description of the Staff Accommodation

Staff accommodation details (as they appear in the June 2008 valuation) are set out below:-

STAFF ACCOMMODATION			
Description	Bedrooms	Built	Number
Flatettes	1	1985	70
Flatettes (Manager's residence)	1	1985	1
Gosse Crescent singles	1	1986	20
Gosse Crescent doubles	1	1986	20
Grevillea Grove Housing Officer	2	1988	1
Acacia Gardens	1	1989	100
Grevillea Grove	1	1988	102
Manta Walk singles	1	1988	48
Gosse (1-2) Winmati/Kurkara House	3	1983/4	18
Gosse Houses (3-8)	3	1989	6
Desert Oaks View Houses	3	1995	6
Desert Oaks View Singles	1	1995	38
Perentie Singles	1	1988	87
Perentie Doubles	2	1988	27
Perentie Court Doubles	2	1985	16
Perentie Court House	3	1985	4
Taja Place	1	2001	60
Desert Oaks View	1	2001	6
Kali Circuit (Group Share)	4	1983	10
Likari Close Singles	1	1998	60
Kali Single	1	1998	1
Giles House (demountable)	3	1994	1
Giles Van Park	site	1983	26
Mala Road House	2	1985	1
			729

Personnel are, in general, allocated to accommodation in accordance with their employment and family status. Rental arrangements reflect the standard of accommodation. As an example a 2 bedroom unit would be rented for $270 per week and would be usually allocated on a long term basis to department managers, and business partners.

e) Staff Comments

As is evident from the employee satisfaction evaluation, personnel are, in general, critical of the staff accommodation at Ayers Rock Resort (see g) below), especially regarding security and maintenance.

The response to the question "my housing is secure, clean, well maintained" received the lowest score amongst the seven questions asked regarding community and housing issues. The average satisfaction rating for this question across the resort in the first half of 2008 survey was only 49%. It varied across the five departments from a low of 43% to a high of 57%. Of even greater concern is that although overall the level of satisfaction with community issues improved across the resort relative to the second half of 2007 survey, the response to "my housing is secure, clean, well maintained" fell by 7 percentage points and declined markedly in four of the 5 areas surveyed. The lack of maintenance and the poor quality of the carpets and furnishings within most of the accommodation blocks was also clearly apparent during the site inspection.

The source of greatest complaint would appear to be the quad share arrangements. The lack of privacy and security is of obvious concern in these arrangements and this situation is exacerbated when the quad sharing employees have different shift arrangements. The general feeling is best illustrated by the following comments included in the employee surveys.

"If people are unhappy about themselves and where they live they obviously aren't going to be happy when they come to work. The whole "share share" thing is ridiculous. People need their space, especially shift workers working opposite shifts to their fellow occupants".

"Housing really needs to be more private. Sharing so closely with complete strangers is hard especially when working different hours."

The question "my housing type is suitable and comfortable" attracted a marginally better but still low response. The average satisfaction rating across the resort in the first half of 2008 survey was 53%. It varied across the five departments from a low of 48% to a high of 62%. Overall the level of satisfaction in response to this question improved by 3 percentage points from 50% to 53% and rose in three of the five areas surveyed but fell back significantly at Sails in the Desert and Desert Gardens.

Interestingly the response to the question the "cost of my accommodation is reasonable" remained unchanged at 51%. The satisfaction rating for this question in the first half of 2008 survey ranged across the five departments from a low of 37% to a high of 57%. The low of 37% was recorded at Longitude 131 and was the same as in the previous survey. The expectations of staff at Longitude 131 are clearly not being met. The rating at Sails in the Desert fell from 60% to 52% and mirrored falls in the ratings for responses to all other community and housing questions at this hotel (see table in g) below). Such a decline would appear to indicate that there is probably a serious staff moral problem at Sails in the Desert.

f) Staff Turnover

Staff turnover has apparently declined from 149% to 113% but remains unacceptably high. Although staff retention will always be high in a remote destination increased efforts are required to retain to staff to ensure improved staff performance (and therefore guest satisfaction) and to reduce the high training costs and loss of intellectual property.

g) Detailed Employees' Satisfaction Survey Results

A detailed comparison of the survey results across all five employment areas for the first half of 2008 with the second half of 2007 is set out below. The results have been colour coded to indicate an improvement in satisfaction (coded green), a deterioration in satisfaction (coded red), and an unchanged result (coded yellow).

EMPLOYEE SATISFACTION SURVEY - LIVING & COMMUNITY Question	Sails	Des Gdn	Outback	Services	Longitude	Average
1) First Half of 2008						
My housing type is suitable and comfortable	[illegible]	[illegible]	48%	52%	62%	53%
My housing is secure, clean, well maintained	[illegible]	52%	[illegible]	[illegible]	[illegible]	[illegible]
Cost of my accommodation is reasonable	[illegible]	57%	56%	54%	37%	51%
Dining facilities clean and well maintained	[illegible]	59%	53%	56%	57%	55%
Meals provided to staff are of good quality	[illegible]	56%	69%	43%	[illegible]	56%
Leisure/Recreation - suitable, well maintained	[illegible]	[illegible]	74%	68%	80%	70%
Community has supportive living environment	[illegible]	[illegible]	68%	[illegible]	81%	66%
Overall living and working in my community	[illegible]	58%	59%	55%	63%	57%
2) Second Half of 2007						
My housing type is suitable and comfortable	58%	60%	37%	44%	50%	50%
My housing is secure, clean, well maintained	63%	51%	57%	50%	60%	56%
Cost of my accommodation is reasonable	60%	57%	52%	48%	37%	51%
Dining facilities clean and well maintained	56%	45%	48%	43%	43%	47%
Meals provided to staff are of good quality	50%	34%	42%	29%	72%	45%
Leisure/Recreation - suitable, well maintained	70%	78%	65%	68%	62%	69%
Community has supportive living environment	71%	67%	59%	63%	50%	62%
Overall living and working in my community	61%	56%	52%	49%	53%	54%
3) Change						
My housing type is suitable and comfortable	-8%	-9%	11%	8%	12%	3%
My housing is secure, clean, well maintained	-15%	1%	-14%	-3%	-3%	-7%
Cost of my accommodation is reasonable	-8%	0%	4%	6%	0%	0%
Dining facilities clean and well maintained	-8%	14%	5%	13%	14%	8%
Meals provided to staff are of good quality	-8%	21%	27%	14%	-1%	11%
Leisure/Recreation - suitable, well maintained	-9%	-10%	9%	0%	18%	2%
Community has supportive living environment	-9%	-8%	9%	-1%	31%	4%
Overall living and working in my community	-9%	2%	7%	6%	10%	3%

2) COMMUNITY INFRASTRUCTURE AND FACILITIES

a) Objective

To review and report on the "soft" elements of community social activities and its impact on community spirit and staff turnover.

b) Scope

The scope was restricted to Ayres Rock Resort and included:-

i) visiting the site and inspecting the community infrastructure and facilities;
ii) reviewing the data room information including Ayres Rock Resort monthly reports for December 2007 to September 2008 and noting any information relating to community activity; and
iii) reviewing comments made in surveys of employee satisfaction.

c) Summary

Ayres Rock Resort has reasonable community infrastructure and facilities although some of them do appear to require upgraded maintenance. The results of the last two employee satisfaction surveys indicate a higher level of satisfaction with recreation and leisure facilities and community infrastructure generally than other resort issues such as housing (especially maintenance) and meals. Although further improvement would lead to higher staff satisfaction (and therefore probably higher staff retention and better performance) it would not appear to be the most significant issue from a staff perspective.

d) Description of the Community Infrastructure and Facilities

The community infrastructure at Ayres Rock Resort includes the Residents' Club, a Recreation Centre, a swimming pool and a library. In a broader context Yulara also includes a primary school, fire station, medical centre and police station. However these facilities are maintained by third parties such as the Northern Territory government, although in some cases the facilities are funded or part funded by Ayres Rock Resort.

i) The Residents' Club

The Residents' Club consists of a central bar, bistro, beer garden and pool tables, a TAB and small gaming room and a kitchen area with related amenities.

ii) The Recreation Centre

The Recreation Centre is a two storey building that comprises a full-size basketball court, an aerobics room, a gymnasium and associated ancillary facilities such as changing rooms and staff rooms. The area does require upgraded maintenance.

iii) Swimming Pool

A 25 metre 8 lane swimming pool and small children's pool is located next to the Residents' Club.

e) Staff Comments

The reaction of the staff to the community infrastructure and facilities is probably best gauged from comments made in the employee satisfaction surveys. Surveys were taken in the second half of 2007 and the first half of 2008 across all five main employment areas namely Sails in the Desert, Desert Gardens, Outback Pioneer and Lodge, Services and Longitude 131.

The survey in the first half of 2008 revealed an overall satisfaction rating for "my housing, meals, facilities and the community" of only 54.9% for the cluster including Ayres Rock Resort as compared to a 59.1% rating for Voyages. Within the five main employment areas satisfaction ranged from 52.0% at Sails in the Desert to 63.8% at Longitude 131 (see table in 1 g) above). The main decline was in the Sails in the Desert staff survey which fell from the highest rating in the previous survey of 61.2% to the lowest rating of 52.0% in the latest survey. There would appear to be a staff moral issue at Sails in the Desert and it may require a significant "people software" upgrade as well as a hardware (refurbishment) upgrade.

The leisure and recreational facilities and the community living environment elements of the survey achieved the highest scores ranging between 61% and 80% satisfaction for leisure and recreation facilities and between 59% and 81% satisfaction for the supportive Community living environment. However, individual comments did criticise the lack of social activity away from the Residents' Club and remarked adversely on some anti-social behaviour associated with high alcohol consumption. There was also some comment about the high cost of living and the need for staff discount in the supermarket.

3) LAUNDRY

a) Objective

To review and report on the financial performance of the Ayres Rock laundry.

b) Scope

The scope included:-

i) visiting the laundry;
ii) reviewing the Ayres Rock Resort monthly reports for December 2006, December 2007 and January to September 2008; and
iii) requesting further information through the Question and Answer (Q&A) process where relevant details were not readily available.

c) Summary

The laundry derives very little external revenue and operates as a support facility for the hotels. All of its costs are charged out to the hotels on a per occupied room basis. Therefore the department derives no significant profit or loss.

d) Comments

The laundry services all of the hotels and is operated from a separate facility in the Giles Industrial Estate. Separate detailed accounts for the laundry are included within the data room and are set out below. The only external revenue earned by the laundry is derived from dry cleaning. The costs of the laundry are recharged to the hotels on a per occupied room basis and are netted off other expenses within the summarised laundry accounts. Other expenses include the purchase of replacement linen. The objective would appear to be to ensure that the laundry breaks even as a cost centre.

e) Laundry Profit and Loss Account

The laundry profit and loss account as summarised in the monthly reports is as follows:-

LAUNDRY	Forecast 2008	Calendar 2007
Revenue	**60,031**	**47,406**
Payroll	**-909,135**	**-888,845**
Electricity	-70,926	-62,238
Gas	-183,069	-368,298
Repairs and Maintenance - Contract	-76,727	-41,663
Repairs and Maintenance - Equipment	-52,084	-61,171
Replacements - Linen	-104,391	-69,289
Supplies - Cleaning	-71,329	-67,461
Other Expenses	-122,690	-118,348
Total Other Expenses	**-681,216**	**-788,468**
Recharge	**1,536,120**	**1,629,655**
Other Expenses (net of recharge)	**854,904**	**841,187**
PROFIT/(LOSS)	**5,800**	**-252**

The lower gas costs represent a change in accounting basis and not a reduction in cost or usage.

4) CORPORATE SOCIAL RESPONSIBILITY

a) Objective

To review and report on the corporate commitments made to the Indigenous Mutitjulu Foundation, the allocation of funding to indigenous activities, and any other initiatives relating to assistance to, and co-operation with, the indigenous community.

b) Scope

The scope included:-

i) observing the extent of involvement of the Indigenous Aboriginal community in the operations of the resort;
ii) reviewing the data room for information on Ayres Rock Resort's relationship with the indigenous community;
iii) reviewing the trust deed and constitution for the Mutitjulu Foundation;
iv) reviewing the data room documents entitled "Aboriginal Stakeholder – Issues and Assistance" and "Brief – Engaging Aboriginal People in Central Australia".
v) reviewing the December 2007 to September 2008 monthly reports for Ayres Rock Resort to ascertain any activities that had been undertaken; and
vi) requesting further information through the Question and Answer (Q&A) process where relevant details were not readily available.

c) Summary

There is limited involvement of the Indigenous Aboriginal community in the operation of the resort and significant opportunity exists to showcase Aboriginal culture and thereby provide visitors with a unique destinational experience and encourage a longer length of stay.

At 1 January 2005 the Mutitjulu Foundation had funds of $394,230 including a foundation donation of $250,000 made by Voyages and GPT. From 1 January 2005 to 31 October 2008 a further $777,733 was raised from donations (including interest thereon of $106,262), and $428,923 was spent on a respite centre for the elderly. More details on the donations and expenditure is set out in f) below. At 31 October 2008 the foundation had funds available amounting to $743,040. Anecdotal evidence suggests that much more obviously needs to be done to promote the interest of the indigenous community and to increase their involvement in the operations of the resort.

d) Establishment of the Mututjulu Foundation

The Mutitjulu Foundation was set up in June 2003. In August 2003 the organisation was endorsed as a Deductible Gift Recipient and as an Income Tax Exempt Charity by the Australian Taxation Office.

e) Aims of the Mutitjulu Foundation

The foundation's aims are to provide for a public charitable fund to which donations can be made for distribution to beneficiaries for the following purposes:-

i) relieving poverty;
ii) advancing education; and
iii) improving health

The beneficiaries must be "any fund, authority or institution established or run by an Aboriginal community and which is approved under Subsection 30B or Item 2 of the table in Section 30-15 of the Income Tax Assessment Act 1977 (Cth)". Voyages Hotels and Resorts Pty Limited was the founding member of the Foundation.

f) Funding

Guests at the resort are invited to contribute to the foundation by way of voluntary donations and their contribution is matched by the resort subject to a cap of $200,000 per annum. The fund was started by a donation from Voyages Hotels and Resorts and GPT of $250,000 and expenditure to date has been put towards the provision of a respite centre for the Mutitjulu elderly. A detailed analysis of donations and expenditure for the period 1 January 2005 to 31 October 2008 is set out below.

Mutitjulu Foundation - 1 January 2005 - 31 October 2008	$	$
Opening Bank Balance		394,230
Donations		
Guest Donations	234,908	
Matching Guest Donations - VHR (2005-2007)	194,176	
Matching Guest Donations - GPT (2008)	40,732	
Staff Donations	23,043	
Audley Travel Group, Oxfordshire UK (Aug08)	516	
Blake Dawson Waldron Lawyers (Aug07)	20,000	
Mutitjulu Community Aboriginal Corporation - Grant (Jun07)	122,485	
Other Donations (2005-2006)	35,611	
Bank interest received	106,262	
	777,733	777,733
Respite Centre Expenditure	$	$
2005 Expenditure	-	
2006 Expenditure	30,767	
2007 Expenditure	363,171	
2008 Expenditure	34,985	
	428,923	428,923
Net income	348,810	
Closing Bank Balance		743,040

g) Other Initiatives

During the site visit it was apparent that there was very little involvement of the Indigenous Aboriginal community in the operation of the resort. There were also few attempts made to showcase Aboriginal culture and thereby provide visitors with a unique destinational experience to encourage a longer length of stay.

There is very little information within the data room concerning initiatives undertaken for the benefit of the local indigenous community. The documents entitled "Aboriginal Stakeholder – Issues and Assistance" and "Brief – Engaging Aboriginal People in Central Australia" were both prepared in, or about, 2003 at the time the Foundation was set up. It set out a range of assistance initiatives and co-operative efforts including:-

i) at the request of the residents of the Pitjantatjara and Ngaanyatjarra Lands and Communities of Mititjulu, the prohibition of the sale of alcohol to any Aboriginal person;
ii) help to increase the job skills of Indigenous Australians by offering apprenticeships within the company as per Government employer funded programs;
iii) the continued promotion of Anangu Tours;
iv) providing land at a peppercorn rent and infrastructure (at a cost of $263,000) for establishing Australia's first traditional independent indigenous high school – Nyangatjatjara College;
v) the establishment of the Cave Hill Agreement giving guests access to the Indigenous Cave Hill community;
vi) establishing the Manuku Arts and Crafts centre which is an Aboriginal co-operative facilitating the sale of art and artefacts made by over 1000 Aboriginal craftspeople from over 19 communities in Central Australia;
vii) sponsoring an AFL indigenous Players Camp and an Athletes as Role Models tour; and
viii) continued communication forums with the local indigenous community.

A review of the monthly reports does show some limited involvement with the indigenous community including:-

i) the holding in April 2008 of the Outback Festival. This festival is held as a joint venture with the Yulara Advisory Committee and includes Market Day, a Wild West Party, Movie Night, Outback Ball and Kids Sports Gala. All funds raised go to community based initiatives;
ii) a performance of a concert in June 2008 by the Drum Atweme group;
iii) the donation in September 2008 of 2 lap tops to Yulara primary school; and
iv) the hosting on the oval of the Redink Indigenous football competition.

Despite these limited activities anecdotal evidence would suggest that there is much still to do.

The resort also participates in the Department of Employment and Workplace Relations Structured Training and Employment Projects (STEP) scheme under a deed that commenced on 1 August 2006 and ends on 30 November 2008. The scheme provides funding for employers who employ Indigenous Aboriginal employees. Under the deed the resort undertook to provide employment for 37 participants being 10 full time and 15 part time employees from 1 August 2006 to 28 February 2008, and 15 full time employees from 1 August 2006 to 30 June 2007. In return the resort would receive funding of $275,800. There is no information in the data room on the outcome of the scheme. However, it is noted in the December 2007 report that 3 STEP employees were terminated on the grounds of abandonment of their employment.

There have also been significant historic disputes with the Indigenous community including:-

i) in 2002, a dispute with the traditional owners of Yulara Pulka which resulted in a charge by the ACCC under Section 52 of the Trade Practices Act for publishing details of a planned tour to the Yulara Pulka Homeland near Uluru before a formal agreement had been signed; and
ii) in 2001, a dispute with Wana Ungkunytja regarding Voyage's decision to move from an Advisory Board to a Statutory Board.

Appendix 8

Extracts from the Financial Model

Voyages Model
Central Australian Assets

AUD$ 000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	405,757	405,306	405,750	406,247	404,641	404,641	404,641	405,750	404,641
Occupancy %	62%	62%	60%	61%	56%	58%	63%	65%	66%
Rooms Sold (000's)	251,355	251,779	242,298	245,193	224,762	232,753	254,795	262,823	267,493
Average Daily Rate (Inc price growth)	229	215	222	227	216	224	238	246	255
Daily Rate Growth		*(6.2%)*	*3.0%*	*2.2%*	*(2.6%)*	*3.8%*	*6.1%*	*3.6%*	*3.6%*
Revenue									
Rooms	57,664	54,181	53,730	55,564	48,558	52,213	60,628	64,765	68,283
Food & Beverage	40,499	40,422	38,378	39,207	36,188	38,715	44,461	47,349	49,752
Hotel Sundry	1,583	1,337	1,360	2,276	1,349	1,437	1,630	1,705	1,789
Campground & Lodge	5,423	5,227	5,419	5,567	5,110	5,456	6,154	6,582	6,957
Retail	21,031	20,556	20,860	21,400	19,867	21,145	24,268	25,942	27,305
Airport	8,791	8,364	7,951	8,598	7,345	7,606	8,327	8,589	9,616
Property (inflation driver only)	6,124	6,013	6,036	6,208	5,701	6,071	6,968	7,424	7,804
Touring & Activities	3,758	4,068	3,847	4,176	3,980	4,208	4,541	4,723	4,876
Spa	-	-	187	411	173	190	230	250	265
Other	910	798	667	828	643	687	783	830	869
Total Revenue	145,784	140,955	138,435	144,235	128,915	137,729	157,989	168,159	177,517
Departmental Expenses									
Rooms	16,915	15,944	15,679	16,087	15,792	16,494	17,439	18,192	18,785
Food & Beverage	28,333	28,392	27,904	28,711	27,687	29,131	31,392	32,958	34,226
Hotel Sundry	704	683	698	705	711	749	794	826	855
Campground & Lodge	978	1,012	1,153	1,178	1,161	1,209	1,281	1,332	1,379
Retail	16,263	16,270	16,623	16,754	16,473	17,250	18,733	19,664	20,476
Airport	726	868	908	1,373	935	963	1,008	1,039	1,070
Property (inflation driver only)	2,060	1,907	2,072	2,016	2,135	2,199	2,265	2,333	2,403
Touring & Activities	2,274	2,408	2,426	2,641	2,467	2,569	2,748	2,836	2,949
Spa	-	-	204	302	189	207	244	265	281
Other	80	26	-	-	-	-	-	-	-
Total Departmental Expenses	67,333	67,510	67,667	69,766	67,550	70,771	75,903	79,443	82,421
Gross Operating Income	78,451	73,446	70,768	74,469	61,365	66,958	82,087	88,716	95,096
GOI Margin	*53.8%*	*52.1%*	*51.1%*	*51.6%*	*47.6%*	*48.6%*	*52.0%*	*52.8%*	*53.6%*
Undistributed Operating Expenses									
Administration & General	14,830	12,624	13,747	15,378	7,550	8,101	9,231	9,826	10,310
Sales & Marketing	7,319	5,953	6,150	6,560	4,414	4,731	5,484	5,861	6,168
Energy	5,853	5,986	6,961	7,211	4,777	5,118	5,838	6,215	6,537
Property Ops and Maintenance	6,348	6,070	6,343	5,972	7,683	8,221	9,375	9,966	10,498
Management Fees - Base	221	237	244	249	603	647	763	820	860
Total Undistributed Expenses	34,571	30,870	33,445	35,370	25,027	26,819	30,691	32,688	34,373
Gross Operating Profit excl ILC Corporate Costs	43,880	42,576	37,323	39,098	36,338	40,139	51,396	56,028	60,723
ILC Corporate Costs					10,000	10,300	10,609	10,927	11,255
Gross Operating Profit	43,880	42,576	37,323	39,098	26,338	29,839	40,787	45,101	49,468
GOP Margin	*30.1%*	*30.2%*	*27.0%*	*27.1%*	*20.4%*	*21.7%*	*25.8%*	*26.8%*	*27.9%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)	-	-	-	-	1,478	1,647	2,189	2,419	2,569
Property Insurance	1,406	1,506	1,597	1,806	1,791	1,845	1,900	1,958	2,015
Rates and taxes	813	826	889	872	964	993	1,023	1,053	1,085
Lease/Rent/Owner Costs	190	624	841	805	941	827	918	929	1,052
Total Fixed Charges	2,409	2,956	3,326	3,483	5,174	5,312	6,030	6,359	6,721
EBITDA (post Corporate Items)	41,471	39,620	33,997	35,616	21,164	24,527	34,757	38,742	42,747
EBITDA Margin	*28.4%*	*28.1%*	*24.6%*	*24.7%*	*16.4%*	*17.8%*	*22.0%*	*23.0%*	*24.1%*

Other Statistics									
Rooms Profit Margin	*72.4%*	*70.6%*	*70.8%*	*71.0%*	*67.5%*	*68.4%*	*71.2%*	*71.9%*	*72.5%*
Food and Beverages Profit Margin	*30.0%*	*29.8%*	*27.3%*	*26.8%*	*23.5%*	*24.8%*	*29.4%*	*30.4%*	*31.2%*
Campground Profit Margin	*82.0%*	*80.6%*	*78.7%*	*78.8%*	*77.3%*	*77.8%*	*79.2%*	*79.8%*	*80.2%*
Retail Profit Margin	*22.7%*	*20.8%*	*20.3%*	*21.7%*	*17.1%*	*18.4%*	*22.8%*	*24.2%*	*25.0%*
Airport Profit Margin	*91.7%*	*89.6%*	*88.6%*	*84.0%*	*87.3%*	*87.3%*	*87.9%*	*87.9%*	*88.9%*

Voyages Model
Total Ayers Rock Resort

AUD$ '000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	288,716	288,715	289,274	288,350	288,484	288,484	288,484	289,274	288,484
Occupancy %	63%	63%	59%	60%	54%	56%	63%	65%	66%
Rooms Sold (000's)	182,293	182,077	170,527	171,637	155,965	161,422	180,423	186,806	190,755
Average Daily Rate (inc price growth)	258	242	251	255	246	255	270	279	289
Daily Rate Growth		*(6.3%)*	*3.8%*	*1.5%*	*(2.1%)*	*3.8%*	*5.6%*	*3.3%*	*3.5%*
Revenue									
Rooms	47,112	44,069	42,858	43,788	38,391	41,242	48,681	52,080	55,059
Food & Beverage	32,708	32,466	29,814	30,280	27,550	29,479	34,274	36,570	38,538
Hotel Sundry	850	707	715	1,569	673	718	845	901	949
Campground & Lodge	3,934	3,712	3,844	3,988	3,524	3,778	4,262	4,547	4,811
Retail	17,590	17,061	17,062	17,673	16,077	17,139	19,733	21,042	22,128
Airport	8,791	8,364	7,951	8,598	7,345	7,606	8,327	8,589	9,616
Property (inflation driver only)	5,968	5,853	5,866	6,038	5,526	5,891	6,782	7,233	7,607
Touring & Activities	1,637	1,912	1,787	1,949	1,805	1,874	2,002	2,071	2,132
Spa	-	-	187	411	173	190	230	250	265
Other	601	696	562	730	531	566	653	696	731
Total Revenue	119,191	114,843	110,646	115,024	101,596	108,483	125,788	133,977	141,837
Departmental Expenses									
Rooms	12,040	12,441	11,853	12,214	11,893	12,385	13,205	13,746	14,247
Food & Beverage	22,314	22,652	21,689	22,191	21,361	22,440	24,412	25,603	26,673
Hotel Sundry	348	284	259	248	255	269	294	308	321
Campground & Lodge	978	1,012	1,153	1,178	1,161	1,209	1,281	1,332	1,379
Retail	13,511	13,430	13,654	13,799	13,464	14,110	15,387	16,128	16,787
Airport	726	868	908	1,373	935	963	1,008	1,039	1,070
Property (inflation driver only)	2,060	1,907	2,072	2,016	2,135	2,199	2,265	2,333	2,403
Touring & Activities	1,115	1,207	1,203	1,381	1,169	1,245	1,348	1,405	1,453
Spa	-	-	204	302	189	207	244	265	281
Other	-	-	-	-	-	-	-	-	-
Total Departmental Expenses	53,092	53,701	52,993	54,702	52,583	55,027	59,442	62,168	64,614
Gross Operating Income	66,099	61,142	57,652	60,322	49,013	53,456	66,347	71,819	77,223
GOI Margin	*55.5%*	*53.2%*	*52.1%*	*52.4%*	*48.2%*	*49.3%*	*52.7%*	*53.6%*	*54.4%*
Undistributed Operating Expenses									
Administration & General	11,895	9,683	10,716	11,746	5,184	5,648	6,460	6,896	7,272
Sales & Marketing	5,945	4,774	4,916	5,456	3,163	3,395	4,005	4,283	4,515
Energy	4,351	4,403	5,193	5,474	3,443	3,680	4,275	4,557	4,816
Property Ops and Maintenance	3,643	3,864	3,949	3,641	5,588	5,967	6,918	7,369	7,801
Management Fees - Base	-	-	-	-	423	455	549	589	618
Total Undistributed Expenses	25,834	22,724	24,775	26,317	17,800	19,045	22,207	23,694	25,023
Gross Operating Profit excl ILC Corporate Costs	40,265	38,419	32,878	34,005	31,213	34,411	44,140	48,124	52,200
ILC Corporate Costs					8,500	8,755	9,018	9,288	9,567
Gross Operating Profit	40,265	38,419	32,878	34,005	22,713	25,656	35,122	38,836	42,634
GOP Margin	*33.8%*	*33.5%*	*29.7%*	*29.6%*	*22.4%*	*23.6%*	*27.9%*	*29.0%*	*30.1%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)	-	-	-	-	1,160	1,293	1,744	1,917	2,030
Property Insurance	1,091	1,197	1,257	1,421	1,441	1,485	1,629	1,576	1,622
Rates and taxes	714	679	718	764	788	812	836	861	887
Lease/Rent/Owner Costs	-	416	762	805	860	761	833	859	962
Total Fixed Charges	1,805	2,291	2,737	2,990	4,250	4,360	4,942	5,213	5,501
EBITDA (post Corporate Items)	38,460	36,127	30,141	31,015	18,463	21,306	30,181	33,624	37,133
EBITDA Margin	*32.3%*	*31.5%*	*27.2%*	*27.0%*	*18.2%*	*19.6%*	*24.0%*	*25.1%*	*26.2%*
Other Statistics									
Rooms Profit Margin	*74.4%*	*71.8%*	*72.3%*	*72.1%*	*69.0%*	*70.0%*	*72.9%*	*73.6%*	*74.1%*
Food and Beverages Profit Margin	*31.8%*	*30.5%*	*27.3%*	*26.7%*	*22.5%*	*23.9%*	*28.8%*	*30.0%*	*30.8%*
Campground Profit Margin	*75.1%*	*72.7%*	*70.0%*	*70.5%*	*67.0%*	*68.0%*	*70.0%*	*70.7%*	*71.3%*
Retail Profit Margin	*23.2%*	*21.3%*	*20.0%*	*21.9%*	*16.3%*	*17.7%*	*22.0%*	*23.4%*	*24.1%*
Airport Profit Margin	*91.7%*	*89.6%*	*88.6%*	*84.0%*	*87.3%*	*87.3%*	*87.9%*	*87.9%*	*88.9%*

Voyages Model
Longitude 131

AUD$'000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	5,475	5,475	5,490	5,475	5,475	5,475	5,475	5,490	5,475
Occupancy %	64%	72%	69%	71%	64%	66%	72%	73%	73%
Rooms Sold (000's)	3,521	3,955	3,795	3,862	3,504	3,614	3,942	4,006	3,997
Average Daily Rate (inc price growth)	738	712	724	749	711	732	756	776	798
Departmental Operating Revenue Growth Assumptions									
Room Rate	5 3%	(3.6%)	1.8%	3.3%	(1.8%)	3.0%	3.3%	2.6%	2.6%
Food & Beverage	nc	(5 3%)	5.8%	5.5%	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	(80.5%)	(24.4%)	(9.6%)	3.0%	3.0%	6.0%	3.0%	3.0%
Retail	nc	3.3%	54.7%	3.8%	3.0%	3.0%	6.0%	3.0%	3.0%
Touring & Activities	nc	25.6%	(1.2%)	8.8%	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	(7.0%)	20.8%	3.6%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	3.5%	1.7%	(0.9%)	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	413.1%	(59.9%)	(0.1%)	3.0%	3.0%	3.0%	3.0%	3.0%
Retail	nc	56.4%	(17.5%)	(3.5%)	3.0%	3.0%	3.0%	3.0%	3.0%
Touring & Activities	nc	25.8%	18.1%	13.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	6.2%	7.8%	7.7%	7.1%	5.5%	5.5%	5.5%	5.5%	5.5%
Sales & Marketing	5.7%	6.0%	6.1%	6.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Energy	1.7%	1.7%	1.9%	1.8%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	1.7%	2.2%	3.2%	2.3%	5.5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					1.0%	1.0%	1.0%	1.0%	1.0%
Management Fees % on Gross Operating Income					8.0%	8.0%	8 0%	8.0%	8.0%
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	2,600	2,814	2,749	2,891	2,491	2,646	2,980	3,110	3,181
Food & Beverage	1,437	1,529	1,552	1,667	1,476	1,568	1,813	1,899	1,951
Hotel Sundry	257	56	41	37	39	41	48	50	51
Retail	36	42	63	66	60	63	73	77	79
Touring & Activities	670	946	897	992	888	929	1,029	1,069	1,100
Total Revenue	5,000	5,388	5,301	5,654	4,954	5,247	5,944	6,205	6,362
Departmental Expenses									
Rooms	496	517	599	631	602	626	663	686	706
Food & Beverage	1,158	1,346	1,314	1,325	1,302	1,362	1,466	1,523	1,568
Hotel Sundry	2	10	4	4	4	4	4	4	5
Retail	24	42	33	33	33	36	37	39	40
Touring & Activities	427	604	685	789	678	709	764	793	816
Total Departmental Expenses	2,106	2,519	2,635	2,781	2,619	2,736	2,934	3,045	3,133
Gross Operating Income	2,894	2,869	2,667	2,873	2,335	2,511	3,010	3,160	3,229
GOI Margin	*57.9%*	*53.2%*	*50.3%*	*50.8%*	*47.1%*	*47.9%*	*50.6%*	*50.9%*	*50.8%*
Undistributed Operating Expenses									
Administration & General	312	420	410	402	272	289	327	341	350
Sales & Marketing	283	323	325	368	272	289	327	341	350
Energy	86	93	103	103	173	184	208	217	223
Property Ops and Maintenance	87	116	171	128	272	289	327	341	350
Management Fees - Base					50	52	59	62	64
Total Undistributed Expenses	768	952	1,009	1,002	1,040	1,102	1,248	1,303	1,336
Gross Operating Profit excl ILC Corporate Costs	2,127	1,916	1,658	1,871	1,295	1,409	1,762	1,857	1,893
ILC Corporate Costs									
Gross Operating Profit	2,127	1,916	1,658	1,871	1,295	1,409	1,762	1,857	1,893
GOP Margin	*42.5%*	*35.6%*	*31.3%*	*33.1%*	*26.1%*	*26.9%*	*29.6%*	*29.9%*	*29.8%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					104	113	141	149	151
Property Insurance	-	-	-	-	-	-	-	-	-
Rates and taxes	24	24	24	26	26	27	28	29	30
Lease/Rent/Owner Costs	-	-	-	-	-	-	-	-	-
Total Fixed Charges	24	24	24	26	130	140	169	177	181
EBITDA (post Corporate Items)	2,103	1,892	1,634	1,846	1,165	1,269	1,593	1,679	1,712
EBITDA Margin	*42.1%*	*35.1%*	*30.8%*	*32.6%*	*23.6%*	*24.2%*	*26.8%*	*27.1%*	*26.9%*
Other Statistics									
Rooms Profit Margin	*81.0%*	*81.6%*	*78.2%*	*78.2%*	*75.8%*	*76.3%*	*77.8%*	*77.9%*	*77.8%*
Food and Beverages Profit Margin	*19.4%*	*12.0%*	*15.4%*	*20.5%*	*11.8%*	*13.2%*	*19.1%*	*19.8%*	*19.7%*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*34.0%*	*0.1%*	*46.7%*	*50 5%*	*44.6%*	*45.4%*	*49.1%*	*49.6%*	*49.5%*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Sails in the Desert

AUD$ '000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	84,680	84,680	84,680	84,316	84,449	84,449	84,449	84,680	84,449
Occupancy %	60%	56%	52%	52%	47%	50%	57%	60%	62%
Rooms Sold (000's)	50,698	47,469	44,025	43,989	39,691	42,224	48,136	50,808	52,358
Average Daily Rate	308	286	296	296	289	304	319	329	340
Departmental Operating Revenue Growth Assumption									
Room Rate	8.9%	(7.3%)	3.4%	0.0%	(2.2%)	5.2%	4.9%	3.1%	3.3%
Food & Beverage	nc	(42.5%)	(1.6%)	0.5%	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	11.6%	(0.7%)	81.2%	3.0%	3.0%	6.0%	3.0%	3.0%
Spa	nc	nc	nc	120.1%	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	10.0%	(1.6%)	4.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	(32.1%)	(0.7%)	0.1%	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	(18.9%)	(14.6%)	7.0%	3.0%	3.0%	3.0%	3 0%	3.0%
Spa	nc	nc	nc	48.4%	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenu									
Admin & General	3.9%	5.8%	5.6%	5.0%	5.5%	5.5%	5.5%	5.5%	5.5%
Sales & Marketing	0.8%	0.8%	1.1%	1.1%	5.5%	5.5%	5 5%	5.5%	5.5%
Energy	1.9%	2.6%	2.9%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	3.6%	4.8%	5.3%	5.5%	5 5%	5.5%	5.5%	5 5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					1.0%	1.0%	1.0%	1.0%	1.0%
Management Fees % on Gross Operating Income					8.0%	8.0%	8.0%	8.0%	8.0%
Fixed Charges Growth Assumptior									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	15,630	13,578	13,046	13,003	11,471	12,836	15,355	16,716	17,802
Food & Beverage	13,628	7,341	6,698	6,723	6,220	6,816	8,236	8,954	9,504
Hotel Sundry	219	229	211	382	196	215	260	282	299
Spa	-	-	187	411	173	190	230	250	265
Total Revenue	29,478	21,148	20,143	20,519	18,060	20,057	24,081	26,202	27,870
Departmental Expenses									
Rooms	3,743	3,856	3,518	3,672	3,517	3,692	3,962	4,149	4,313
Food & Beverage	9,609	6,111	5,627	5,629	5,511	5,857	6,455	6,833	7,146
Hotel Sundry	203	154	122	131	120	127	140	148	155
Spa	-	-	204	302	189	207	244	265	281
Total Departmental Expenses	13,554	10,121	9,472	9,734	9,336	9,883	10,801	11,398	11,895
Gross Operating Income	15,923	11,026	10,671	10,785	8,724	10,173	13,280	14,806	15,976
GOI Margin	*54.0%*	*52.1%*	*53.0%*	*52.6%*	*48.3%*	*50.7%*	*55.1%*	*56.5%*	*57.3%*
Undistributed Operating Expenses									
Administration & General	1,150	1,223	1,119	1,016	993	1,103	1,324	1,441	1,533
Sales & Marketing	223	168	228	231	993	1,103	1,324	1,441	1,533
Energy	554	553	589	617	632	702	843	917	975
Property Ops and Maintenance	1,052	1,012	1,077	1,127	993	1,103	1,324	1,441	1,533
Management Fees - Base					181	201	241	262	279
Total Undistributed Expenses	2,979	2,956	3,013	2,992	3,793	4,212	5,057	5,502	5,853
Gross Operating Profit excl ILC Corporate Costs	12,945	8,070	7,658	7,793	4,931	5,961	8,223	9,304	10,123
ILC Corporate Costs									
Gross Operating Profit	12,945	8,070	7,658	7,793	4,931	5,961	8,223	9,304	10,123
GOP Margin	*43.9%*	*38.2%*	*38.0%*	*38.0%*	*27.3%*	*29.7%*	*34.1%*	*35.5%*	*36.3%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					394	477	658	744	810
Property Insurance	-	-	-	-	-	-	-	-	-
Rates and taxes	48	47	72	81	84	86	89	92	94
Lease/Rent/Owner Costs	-	-	-	-	-	-	-	-	-
Total Fixed Charges	48	47	72	81	478	563	747	836	904
EBITDA (post Corporate Items)	12,897	9,023	7,586	7,712	4,453	5,398	7,476	8,468	9,249
EBITDA Margin	*43.8%*	*37.9%*	*37.7%*	*37.6%*	*24.7%*	*26.9%*	*31.0%*	*32.3%*	*33.1%*
Other Statistics									
Rooms Profit Margin	*76.1%*	*71.6%*	*73.0%*	*71.8%*	*69.3%*	*71.2%*	*74.2%*	*76.2%*	*75.8%*
Food and Beverages Profit Margin	*29.5%*	*16.7%*	*16.0%*	*16.3%*	*11.4%*	*14.1%*	*21.6%*	*23.7%*	*24.8%*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Outback Pioneer Hotel and Lodge

AUD$ 000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	60,955	60,955	61,122	60,955	60,955	60,955	60,955	61,122	60,955
Occupancy %	74%	77%	73%	74%	67%	69%	72%	73%	76%
Rooms Sold (000's)	44,985	46,679	44,644	45,061	40,840	42,059	43,888	44,619	46,326
Average Daily Rate	197	189	198	202	195	201	207	214	226
Departmental Operating Revenue Growth Assumptions									
Room Rate	2.9%	(4.3%)	5.0%	2.0%	(1.6%)	3.1%	3.0%	3.4%	5.6%
Food & Beverage	nc	3.4%	(0.6%)	4.8%	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	7.4%	15.2%	104.8%	3.0%	3.0%	6.0%	3.0%	3.0%
Campground & Lodge	nc	(12.9%)	(5.0%)	1.4%	3.0%	3 0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	9.4%	3.8%	(1.7%)	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	4.6%	2.9%	3.1%	3.0%	3 0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	(22.1%)	16.2%	(20.9%)	3.0%	3.0%	3.0%	3.0%	3.0%
Campground & Lodge									
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	3.8%	3.7%	3.0%	2.9%	5.5%	5.5%	5.5%	5.5%	5 5%
Sales & Marketing	1.1%	0.9%	0.9%	0.8%	4.0%	4.0%	4.0%	4.0%	4.0%
Energy	2 5%	2.9%	2.9%	2.9%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	3 3%	2.7%	3.5%	3.0%	5.5%	5.5%	5.5%	5.5%	5 5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					-	-	-	-	-
Management Fees % on Gross Operating Income					-	-	-	-	-
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	8,872	8,808	8,845	9,103	7,984	8,454	9,085	9,548	10,470
Food & Beverage	5,613	6,022	5,728	6,056	5,397	5,725	6,332	6,631	7,091
Hotel Sundry	198	220	243	502	229	243	268	281	300
Campground & Lodge	1,066	964	876	897	825	875	968	1,014	1,084
Total Revenue	15,749	16,015	15,692	16,558	14,415	15,296	16,653	17,474	18,945
Departmental Expenses									
Rooms	2,629	2,985	2,964	2,940	2,975	3,092	3,226	3,339	3,479
Food & Beverage	3,582	3,897	3,835	3,992	3,781	3,953	4,160	4,321	4,535
Hotel Sundry	57	46	51	41	51	53	56	58	61
Total Departmental Expenses	6,269	6,928	6,850	6,973	6,807	7,097	7,442	7,718	8,075
Gross Operating Income	9,481	9,087	8,842	9,585	7,608	8,199	9,212	9,756	10,870
GOI Margin	*60.2%*	*56.7%*	*56.3%*	*57.9%*	*52.8%*	*53.6%*	*55.3%*	*55.8%*	*57.4%*
Undistributed Operating Expenses									
Administration & General	599	589	473	479	793	841	916	961	1,042
Sales & Marketing	169	142	134	136	577	612	666	699	758
Energy	398	467	451	473	505	535	583	612	663
Property Ops and Maintenance	513	440	546	498	793	841	916	961	1,042
Management Fees - Base					-	-	-	-	-
Total Undistributed Expenses	1,679	1,638	1,602	1,586	2,667	2,830	3,081	3,233	3,505
Gross Operating Profit excl ILC Corporate Costs	7,801	7,448	7,240	7,999	4,941	5,369	6,131	6,524	7,365
ILC Corporate Costs									
Gross Operating Profit	7,801	7,448	7,240	7,999	4,941	5,369	6,131	6,524	7,365
GOP Margin	*49.5%*	*46.5%*	*46.1%*	*48.3%*	*34.3%*	*35.1%*	*36.8%*	*37.3%*	*38.9%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					-	-	-	-	-
Property Insurance	-	-	-	-	-	-	-	-	-
Rates and taxes	97	84	111	115	118	122	126	129	133
Lease/Rent/Owner Costs	-	-	-	-	-	-	-	-	-
Total Fixed Charges	97	84	111	115	118	122	126	129	133
EBITDA (post Corporate Items)	7,704	7,365	7,129	7,884	4,823	5,247	6,005	6,394	7,232
EBITDA Margin	*48.9%*	*46.0%*	*45.4%*	*47.6%*	*33.5%*	*34.3%*	*36.1%*	*36.6%*	*38.2%*
Other Statistics									
Rooms Profit Margin	*70.4%*	*66.1%*	*66.5%*	*67.7%*	*62.6%*	*63.4%*	*64.5%*	*65.0%*	*66.8%*
Food and Beverages Profit Margin	*36.2%*	*35.3%*	*33.1%*	*34.1%*	*29.9%*	*30.9%*	*34.3%*	*34.8%*	*36.0%*
Campground Profit Margin	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Retail Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Desert Gardens

AUD$'000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	79,570	79,570	79,788	79,570	79,570	79,570	79,570	79,788	79,570
Occupancy %	57%	59%	55%	55%	51%	52%	60%	62%	62%
Rooms Sold (000's)	45,434	47,280	44,027	43,922	40,581	41,376	47,742	49,469	49,333
Average Daily Rate	253	239	248	253	244	251	268	277	286
Departmental Operating Revenue Growth Assumptions									
Room Rate	6.3%	(5.7%)	3.9%	2.0%	(1.6%)	2.9%	6.8%	3.4%	3.2%
Food & Beverage	nc	(11.4%)	1.9%	(0.5%)	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	6.2%	(1.6%)	157.1%	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	(6.0%)	1.3%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	(12 8%)	3.7%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	(13 0%)	12.8%	(9.4%)	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	4.4%	4.3%	3.9%	3.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Sales & Marketing	0.9%	0.6%	0.6%	0.6%	5.5%	5.5%	5.5%	5.5%	5.5%
Energy	1 8%	1.8%	1.9%	1.9%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	4.3%	4.9%	3.9%	4.3%	5.5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					1.0%	1.0%	1.0%	1.0%	1.0%
Management Fees % on Gross Operating Income					8.0%	8.0%	8.0%	8.0%	8.0%
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	11,509	11,283	10,921	11,114	9,902	10,385	12,795	13,703	14,109
Food & Beverage	2,973	2,740	2,601	2,582	2,469	2,593	3,171	3,385	3,477
Hotel Sundry	148	164	150	385	143	150	183	195	201
Total Revenue	14,630	14,187	13,671	14,081	12,513	13,128	16,149	17,283	17,787
Departmental Expenses									
Rooms	3,254	3,183	3,001	3,086	3,018	3,127	3,370	3,509	3,611
Food & Beverage	2,282	2,070	1,998	2,055	1,978	2,057	2,282	2,393	2,461
Hotel Sundry	69	54	56	51	56	58	64	67	69
Total Departmental Expenses	5,595	5,306	5,056	5,193	5,052	5,242	5,716	5,969	6,141
Gross Operating Income	9,035	8,881	8,615	8,888	7,461	7,886	10,433	11,314	11,645
GOI Margin	*61.8%*	*62.6%*	*63.0%*	*63.1%*	*59.6%*	*60.1%*	*64.6%*	*65.5%*	*65.5%*
Undistributed Operating Expenses									
Administration & General	637	616	527	493	688	722	888	951	978
Sales & Marketing	132	79	79	78	688	722	888	951	978
Energy	265	249	255	264	438	459	565	605	623
Property Ops and Maintenance	635	690	535	603	688	722	888	951	978
Management Fees - Base					125	131	161	173	178
Total Undistributed Expenses	1,670	1,634	1,395	1,438	2,628	2,757	3,391	3,629	3,735
Gross Operating Profit excl ILC Corporate Costs	7,366	7,247	7,221	7,450	4,833	5,129	7,042	7,684	7,910
ILC Corporate Costs									
Gross Operating Profit	7,366	7,247	7,221	7,450	4,833	5,129	7,042	7,684	7,910
GOP Margin	*50.3%*	*51.1%*	*52.8%*	*52.9%*	*38.6%*	*39.1%*	*43.6%*	*44.5%*	*44.5%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					387	410	563	615	633
Property Insurance	-	-	-	-	-	-	-	-	-
Rates and taxes	54	73	76	79	81	84	86	89	91
Lease/Rent/Owner Costs	-	-	-	-	-	-	-	-	-
Total Fixed Charges	54	73	76	79	468	494	649	703	724
EBITDA (post Corporate Items)	7,312	7,174	7,145	7,371	4,366	4,635	6,392	6,981	7,186
EBITDA Margin	*50.0%*	*50.6%*	*52.3%*	*52.3%*	*34.9%*	*35.3%*	*39.6%*	*40.4%*	*40.4%*
Other Statistics									
Rooms Profit Margin	*71.7%*	*71.8%*	*72.5%*	*72.2%*	*69.5%*	*69.9%*	*73.7%*	*74.4%*	*74.4%*
Food and Beverages Profit Margin	*23.3%*	*24.5%*	*23.2%*	*20.4%*	*19.9%*	*20.7%*	*28.0%*	*29.3%*	*29.2%*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Emu Walk Apartments

AUD$'000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	21,900	21,900	21,960	21,900	21,900	21,900	21,900	21,960	21,900
Occupancy %	63%	64%	63%	67%	59%	61%	67%	67%	68%
Rooms Sold (000's)	13,841	13,981	13,912	14,579	12,921	13,369	14,673	14,713	14,892
Average Daily Rate	240	223	235	242	227	234	254	262	271
Departmental Operating Revenue Growth Assumptions									
Room Rate	0.8%	(7.4%)	5.6%	3.2%	(3.4%)	3.1%	8.5%	3.1%	3.4%
Food & Beverage	nc	(62.7%)	(98.8%)	(100.0%)	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	15.5%	19.8%	497.1%	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	5.9%	(2.1%)	1.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	(38.6%)	(100.0%)	(100.0%)	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	(50.5%)	49.9%	(22.0%)	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	0.0%	0.2%	0.5%	0.0%	5.5%	5.5%	5.5%	5.5%	5.5%
Sales & Marketing	0.0%	0.6%	0.6%	0.6%	5.5%	5.5%	5.5%	5.5%	5.5%
Energy	1.6%	1.8%	1.9%	1.7%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	1.0%	0.9%	1.3%	1.3%	5.5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					1.0%	1.0%	1.0%	1.0%	1.0%
Management Fees % on Gross Operating Income					8.0%	8.0%	8.0%	8.0%	8.0%
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	3,326	3,113	3,269	3,534	2,933	3,126	3,727	3,855	4,036
Food & Beverage	21	8	0	-	-	-	-	-	-
Hotel Sundry	11	13	16	98	15	16	18	19	20
Total Revenue	3,358	3,134	3,285	3,632	2,948	3,142	3,745	3,874	4,056
Departmental Expenses									
Rooms	717	767	747	795	753	784	831	857	886
Food & Beverage	21	13	(0)	-	-	-	-	-	-
Hotel Sundry	22	11	16	13	16	17	18	19	20
Total Departmental Expenses	760	791	764	808	770	801	860	876	905
Gross Operating Income	2,598	2,342	2,521	2,823	2,178	2,341	2,896	2,998	3,150
GOI Margin	*77.4%*	*74.8%*	*76.8%*	*77.7%*	*73.9%*	*74.5%*	*77.3%*	*77.4%*	*77.7%*
Undistributed Operating Expenses									
Administration & General	1	5	15	0	162	173	206	213	223
Sales & Marketing	1	19	21	21	162	173	206	213	223
Energy	52	58	62	63	103	110	131	136	142
Property Ops and Maintenance	34	29	41	48	162	173	206	213	223
Management Fees - Base					29	31	37	39	41
Total Undistributed Expenses	88	111	139	132	619	660	787	814	852
Gross Operating Profit excl ILC Corporate Costs	2,510	2,231	2,382	2,691	1,559	1,681	2,109	2,185	2,299
ILC Corporate Costs									
Gross Operating Profit	2,510	2,231	2,382	2,691	1,559	1,681	2,109	2,185	2,299
GOP Margin	*74.7%*	*71.2%*	*72.5%*	*74.1%*	*52.9%*	*53.5%*	*56.3%*	*56.4%*	*56.7%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					125	134	169	175	184
Property Insurance	-	-	-	-	-	-	-	-	-
Rates and taxes	50	25	28	33	34	35	36	37	38
Lease/Rent/Owner Costs	-	-	-	-	-	-	-	-	-
Total Fixed Charges	50	25	28	33	158	169	204	211	222
EBITDA (post Corporate Items)	2,460	2,206	2,355	2,658	1,401	1,512	1,905	1,973	2,077
EBITDA Margin	*73.3%*	*70.4%*	*71.7%*	*73.2%*	*47.5%*	*48.1%*	*50.9%*	*50.9%*	*51.2%*
Other Statistics									
Rooms Profit Margin	*78.4%*	*75.4%*	*77.1%*	*77.5%*	*74.3%*	*74.9%*	*77.7%*	*77.8%*	*78.0%*
Food and Beverages Profit Margin	*(2.2%)*	*(68.0%)*	*101.1%*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
The Lost Camel Resort

AUD$ '000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	36,136	36,135	36,234	36,135	36,135	36,135	36,135	36,234	36,135
Occupancy %	66%	63%	56%	56%	51%	52%	61%	64%	66%
Rooms Sold (000's)	23,814	22,693	20,124	20,224	18,429	18,790	22,042	23,190	23,849
Average Daily Rate	217	197	200	205	197	202	215	222	229
Departmental Operating Revenue Growth Assumptions									
Room Rate	9.9%	(9.3%)	1.5%	2.4%	(1.6%)	2.5%	6.4%	3.3%	3.2%
Food & Beverage	nc	6.7%	(19.6%)	(1.4%)	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	49.8%	147.2%	198.8%	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	(1.1%)	1.8%	5.8%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	3.9%	(7.3%)	(7.3%)	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	79.0%	17.9%	(11.0%)	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	0.8%	0.9%	0.9%	1.0%	5.5%	5.5%	5.5%	5.5%	5.5%
Sales & Marketing	0.5%	0.6%	0.6%	0.6%	5.5%	5.5%	5.5%	5.5%	5.5%
Energy	1.8%	1.4%	1.9%	1.9%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	0.6%	0.9%	1.5%	1.6%	5.5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					1.0%	1.0%	1.0%	1.0%	1.0%
Management Fees % on Gross Operating Income					8.0%	8.0%	8.0%	8.0%	8.0%
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	5,175	4,473	4,027	4,144	3,630	3,796	4,739	5,148	5,461
Food & Beverage	163	166	118	117	112	117	146	158	167
Hotel Sundry	18	25	55	165	52	54	68	73	78
Total Revenue	5,356	4,664	4,201	4,426	3,794	3,967	4,952	5,379	5,706
Departmental Expenses									
Rooms	1,203	1,134	1,023	1,088	1,027	1,064	1,153	1,206	1,253
Food & Beverage	95	94	77	72	76	79	89	94	98
Hotel Sundry	5	9	9	8	9	10	11	12	12
Total Departmental Expenses	1,303	1,237	1,110	1,169	1,113	1,153	1,253	1,312	1,363
Gross Operating Income	4,053	3,427	3,091	3,257	2,681	2,814	3,700	4,068	4,343
GOI Margin	*75.7%*	*73.5%*	*73.6%*	*73.6%*	*70.7%*	*70.9%*	*74.7%*	*75.6%*	*76.1%*
Undistributed Operating Expenses									
Administration & General	44	41	40	45	209	218	272	298	314
Sales & Marketing	28	26	24	25	209	218	272	298	314
Energy	94	68	81	85	133	139	173	188	200
Property Ops and Maintenance	34	40	64	71	209	218	272	296	314
Management Fees - Base					38	40	50	54	57
Total Undistributed Expenses	200	175	209	227	797	833	1,040	1,130	1,198
Gross Operating Profit (excl ILC Corporate Costs)	3,852	3,252	2,881	3,030	1,884	1,981	2,660	2,938	3,145
ILC Corporate Costs									
Gross Operating Profit	3,852	3,252	2,881	3,030	1,884	1,981	2,660	2,938	3,145
GOP Margin	*71.9%*	*69.7%*	*68.6%*	*68.5%*	*49.7%*	*49.9%*	*53.7%*	*54.6%*	*55.1%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					151	158	213	235	262
Property Insurance	-	-	-	-	-	-	-	-	-
Rates and taxes	63	89	62	69	71	73	75	77	79
Lease/Rent/Owner Costs	-	-	-	-	-	-	-	-	-
Total Fixed Charges	63	89	62	69	221	231	288	312	331
EBITDA (post Corporate Items)	3,789	3,163	2,819	2,961	1,663	1,749	2,372	2,626	2,814
EBITDA Margin	*70.8%*	*67.8%*	*67.1%*	*66.9%*	*43.8%*	*44.1%*	*47.9%*	*48.8%*	*49.3%*
Other Statistics									
Rooms Profit Margin	*76.8%*	*74.7%*	*74.6%*	*73.7%*	*71.7%*	*72.0%*	*75.7%*	*76.6%*	*77.1%*
Food and Beverages Profit Margin	*41.9%*	*43.4%*	*34.7%*	*38.6%*	*31.7%*	*32.3%*	*39.1%*	*40.6%*	*41.4%*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Campgrounds

AUD$'000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Visitors per year	130,054	124,451	127,847	131,936	118,594	122,811	134,441	138,677	141,141
Occupancy % - N/A									
Visitor Numbers	130,054	124,451	127,847	131,936	118,594	122,811	134,441	138,677	141,141
Average Revenue per Visitor (inc price growth)	22	22	23	23	23	24	25	25	26
Departmental Operating Revenue Growth Assumptions									
Campground & Lodge					(Visitor Numbers x Average Revenue per Visitor)				
Retail	nc	(9.0%)	12.6%	1.1%	3.0%	3.0%	6.0%	3.0%	3.0%
Other	nc	12.3%	2.4%	(3.6%)	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Campground & Lodge	nc	8.1%	10.9%	(1.0%)	3.0%	3.0%	3.0%	3.0%	3.0%
Retail	nc	(9.4%)	11.2%	(2.3%)	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	-	0.1%	0.1%	-	5.5%	5.5%	5.5%	5.5%	5.5%
Energy	4.7%	3.7%	3.7%	3.7%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	5.4%	5.3%	5.5%	5.7%	5.5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					-	-	-	-	-
Management Fees % on Gross Operating Income					-	-	-	-	-
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Campground & Lodge	2,868	2,748	2,969	3,091	2,699	2,903	3,294	3,533	3,727
Retail	251	219	253	264	242	258	299	318	333
Other	105	112	118	118	113	121	140	149	156
Total Revenue	3,224	3,079	3,340	3,473	3,054	3,281	3,733	3,999	4,216
Departmental Expenses									
Campground & Lodge	978	1,012	1,153	1,178	1,161	1,209	1,281	1,332	1,379
Retail	156	135	154	165	153	160	173	181	188
Total Departmental Expenses	1,134	1,147	1,307	1,333	1,314	1,369	1,454	1,513	1,567
Gross Operating Income	2,090	1,933	2,033	2,139	1,739	1,911	2,279	2,487	2,649
GOI Margin	*64.8%*	*62.8%*	*60.9%*	*61.6%*	*57.0%*	*58.3%*	*61.1%*	*62.2%*	*62.8%*
Undistributed Operating Expenses									
Administration & General	-	4	4	-	168	180	205	220	232
Energy	151	115	125	130	107	115	131	140	148
Property Ops and Maintenance	175	163	184	197	168	180	205	220	232
Management Fees - Base					-	-	-	-	-
Total Undistributed Expenses	326	282	312	327	443	476	541	580	611
Gross Operating Profit (excl ILC Corporate Costs)	1,764	1,651	1,721	1,813	1,296	1,436	1,738	1,907	2,038
ILC Corporate Costs									
Gross Operating Profit	1,764	1,651	1,721	1,813	1,296	1,436	1,738	1,907	2,038
GOP Margin	*54.7%*	*53.6%*	*51.5%*	*52.2%*	*42.5%*	*43.8%*	*46.6%*	*47.7%*	*48.3%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					-	-	-	-	-
Property Insurance	-	-	-	-	-	-	-	-	-
Rates and taxes	83	84	97	97	100	103	106	110	113
Lease/Rent/Owner Costs	-	-	-	-	-	-	-	-	-
Total Fixed Charges	83	84	97	97	100	103	106	110	113
EBITDA (post Corporate items)	1,681	1,567	1,624	1,715	1,196	1,332	1,632	1,797	1,925
EBITDA Margin	*52.2%*	*50.9%*	*48.6%*	*49.4%*	*39.2%*	*40.6%*	*43.7%*	*44.9%*	*45.7%*
Other Statistics									
Rooms Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Food and Beverages Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Campground Profit Margin	*65.9%*	*63.2%*	*61.2%*	*61.9%*	*57.0%*	*58.3%*	*61.1%*	*62.3%*	*63.0%*
Retail Profit Margin	*38.1%*	*38.3%*	*39.1%*	*41.1%*	*36.7%*	*37.8%*	*42.2%*	*43.0%*	*43.5%*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Airport

AUD$'000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Pax movements per year	355,782	333,489	315,727	-	292,877	303,290	332,011	342,472	348,558
Occupancy % - N/A									
Pax per year	355,782	333,489	315,727	-	292,877	303,290	332,011	342,472	348,558
Average Revenue per PAX movement (inc price gro	25	25	25	-	25	25	25	25	28
Departmental Operating Revenue Growth Assumptions									
Airport					(Pax Movement x Average Revenue per PAX movement)				
Departmental Operating Expense Growth Assumptions									
Airport (minimum growth)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Energy	2.1%	2.0%	2.0%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%
Property Ops & Maintenance	2.0%	2.8%	3.1%	3.8%	5.5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					-	-	-	-	-
Management Fees % on Gross Operating Income					-	-	-	-	-
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					(Assumption driven by maximum of 10% revenue and $760,000)				
Revenue									
Airport	8,791	8,364	7,951	8,598	7,346	7,606	8,327	8,589	9,616
Total Revenue	8,791	8,364	7,951	8,598	7,346	7,606	8,327	8,589	9,616
Departmental Expenses									
Airport	728	868	908	1,373	935	963	1,008	1,039	1,070
Total Departmental Expenses	728	868	908	1,373	935	963	1,008	1,039	1,070
Gross Operating Income	8,065	7,496	7,044	7,226	6,410	6,643	7,318	7,550	8,546
GOI Margin	*91.7%*	*89.6%*	*88.6%*	*84.0%*	*87.3%*	*87.3%*	*87.9%*	*87.9%*	*88.9%*
Undistributed Operating Expenses									
Energy	180	166	156	160	144	149	163	169	189
Property Ops and Maintenance	175	232	245	325	404	418	458	472	529
Management Fees - Base	-	-	-	-	-	-	-	-	-
Total Undistributed Expenses	355	398	401	486	548	568	621	641	718
Gross Operating Profit excl ILC Corporate Costs	7,710	7,098	6,643	6,740	5,862	6,076	6,697	6,909	7,826
ILC Corporate Costs									
Gross Operating Profit	7,710	7,098	6,643	6,740	5,862	6,076	6,697	6,909	7,828
GOP Margin	*87.7%*	*84.9%*	*83.5%*	*78.4%*	*79.8%*	*79.9%*	*80.4%*	*80.4%*	*81.4%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					-	-	-	-	-
Property Insurance	220	296	278	299	286	295	304	313	322
Rates and taxes	13	3	3	3	3	4	4	4	4
Lease/Rent/Owner Costs	-	416	762	805	860	761	833	859	962
Total Fixed Charges	233	714	1,043	1,107	1,149	1,059	1,140	1,176	1,288
EBITDA (post Corporate Items)	7,477	6,384	5,599	5,633	4,713	5,017	5,557	5,734	6,541
EBITDA Margin	*85.1%*	*76.3%*	*70.4%*	*65.5%*	*64.2%*	*66.0%*	*66.7%*	*66.8%*	*68.0%*
Other Statistics									
Rooms Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Food and Beverages Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Airport Profit Margin	*91.7%*	*89.6%*	*88.6%*	*84.0%*	*87.3%*	*87.3%*	*87.9%*	*87.9%*	*88.9%*

Voyages Model
Ayers Rock Resort Other

AUD$'000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	288,716	288,715	289,274	288,350	288,484	288,484	288,484	289,274	288,484
Occupancy %	63%	63%	59%	60%	54%	56%	63%	65%	66%
Rooms Sold (000's)	182,293	182,077	170,527	171,637	155,965	161,422	180,423	186,806	190,755
Average Daily Rate (inc price growth)									
Departmental Operating Revenue Growth Assumptions									
Food & Beverage	nc	65.4%	(4.5%)	(0.5%)	(1.0%)	3.0%	3.0%	3.0%	3.0%
Retail	nc	(2.8%)	6.4%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%
Property (growth on previous period)	-	(1.9%)	0 2%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%
Touring & Activities	nc	0.1%	(1.6%)	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%
Other	nc	17.8%	(18 9%)	37.2%	3.0%	3 0%	3.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Food & Beverage	nc		4.6%	2.6%	3.0%	3.0%	3.0%	3.0%	3.0%
Retail	nc	(0.5%)	8.5%	0.4%	3.0%	3.0%	3.0%	3.0%	3.0%
Property (growth on previous period)	-	3.5%	3.5%	8.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Touring & Activities	nc	(12.2%)	(6.3%)	13.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	27.2%	17.5%	21.9%	24.4%	5.5%	5.5%	5.5%	5.5%	5.5%
Sales & Marketing (to Sounds of Silence Only)	15.2%	10.3%	11.1%	12.1%	5.5%	5.5%	5.5%	5.5%	5.5%
Energy	7.6%	6.8%	9.1%	9.4%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	2.8%	2.9%	2.9%	1.7%	5 5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					-	-	-	-	-
Management Fees % on Gross Operating Income					-	-	-	-	-
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Food & Beverage	8,872	14,662	13,116	13,133	11,876	12,661	14,575	15,544	16,349
Retail	17,303	16,800	16,746	17,343	15,776	16,817	19,361	20,647	21,716
Property (inflation driver only)	5,968	5,853	5,866	6,038	5,526	5,891	6,782	7,233	7,607
Touring & Activities	966	966	890	957	917	945	973	1,002	1,032
Other	496	584	444	613	418	446	513	547	575
Total Revenue	33,605	38,865	37,062	38,084	34,513	36,759	42,204	44,973	47,279
Departmental Expenses									
Food & Beverage	5,566	9,021	8,837	9,119	8,714	9,132	9,959	10,440	10,867
Retail	13,331	13,252	13,466	13,611	13,278	13,915	15,176	15,908	16,659
Property (inflation driver only)	2,060	1,907	2,072	2,016	2,136	2,199	2,265	2,333	2,403
Touring & Activities	688	603	518	593	511	535	584	612	637
Total Departmental Expenses	21,645	24,783	24,894	25,338	24,637	25,781	27,984	29,292	30,465
Gross Operating Income	11,960	14,082	12,169	12,746	9,876	10,978	14,220	15,680	16,814
GOI Margin	*35.6%*	*36.2%*	*32.8%*	*33.5%*	*28.6%*	*29.9%*	*33.7%*	*34.9%*	*35.6%*
Undistributed Operating Expenses									
Administration & General	9,152	6,786	8,129	9,310	1,898	2,022	2,321	2,473	2,600
Sales & Marketing	5,109	4,015	4,106	4,597	261	279	321	342	360
Energy	2,571	2,634	3,372	3,578	1,208	1,287	1,477	1,574	1,655
Property Ops and Maintenance	938	1,141	1,088	643	1,898	2,022	2,321	2,473	2,600
Management Fees - Base	-	-	-	-	-	-	-	-	-
Total Undistributed Expenses	17,770	14,576	16,695	18,128	5,266	5,609	6,440	6,863	7,215
Gross Operating Profit excl ILC Corporate Costs	(5,810)	(495)	(4,526)	(5,382)	4,610	5,369	7,779	8,817	9,599
ILC Corporate Costs					8,500	8,755	9,018	9,288	9,567
Gross Operating Profit	(5,810)	(495)	(4,526)	(5,382)	(3,889)	(3,386)	(1,239)	(471)	32
GOP Margin	*(17.3%)*	*(1.3%)*	*(12.2%)*	*(14.1%)*	*(11.3%)*	*(9.2%)*	*(2.9%)*	*(1.0%)*	*0.1%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					-	-	-	-	-
Property Insurance	871	901	979	1,122	1,155	1,190	1,226	1,262	1,300
Rates and taxes	284	252	244	263	271	279	287	296	305
Lease/Rent/Owner Costs	-	-	-	-	-	-	-	-	-
Total Fixed Charges	1,154	1,153	1,223	1,384	1,426	1,469	1,513	1,558	1,605
EBITDA (post Corporate Items)	(6,965)	(1,648)	(5,750)	(6,767)	(5,315)	(4,854)	(2,751)	(2,029)	(1,572)
EBITDA Margin	*(20.7%)*	*(4.2%)*	*(15.5%)*	*(17.8%)*	*(15.4%)*	*(13.2%)*	*(6.5%)*	*(4.5%)*	*(3.3%)*
Other Statistics									
Rooms Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Food and Beverages Profit Margin	*37.3%*	*38.5%*	*32.6%*	*30.6%*	*26.6%*	*27.9%*	*31.7%*	*32.8%*	*33.5%*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*23.0%*	*21.1%*	*19.6%*	*21.5%*	*15.6%*	*17.3%*	*21.6%*	*23.0%*	*23.7%*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Alice Springs Resort

AUD$ '000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	50,735	50,735	50,874	50,735	50,735	50,735	50,735	50,874	50,735
Occupancy %	64%	67%	74%	74%	69%	72%	74%	74%	74%
Rooms Sold (000's)	32,380	34,102	37,397	37,716	35,007	36,629	37,544	37,647	37,544
Average Daily Rate	114	108	112	118	109	114	118	121	125
Departmental Operating Revenue Growth Assumptions									
Room Rate	1.3%	(5.2%)	4.1%	4.9%	(2.8%)	4.6%	3.5%	2.5%	3.3%
Food & Beverage	nc	(11.2%)	6.1%	3.7%	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	(32.5%)	(13.4%)	(0.4%)	3.0%	3.0%	6.0%	3.0%	3.0%
Retail	nc	5.1%	4.4%	3.1%	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	(9.6%)	3.0%	2.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	(16.3%)	5.4%	4.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	(40.9%)	0.1%	(3.7%)	3.0%	3.0%	3.0%	3.0%	3.0%
Retail	nc	74.4%	3.6%	1.8%	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	11.6%	12.0%	11.0%	10 8%	5.5%	5.5%	5.5%	5.5%	5.5%
Sales & Marketing	7.8%	6.1%	6.5%	7.3%	5.5%	5.5%	5.5%	5.5%	5.5%
Energy	3.8%	3.9%	3.5%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	5.5%	6.1%	5.8%	5.3%	5.5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					1.0%	1.0%	1.0%	1.0%	1.0%
Management Fees % on Gross Operating Income					8.0%	8.0%	8.0%	8.0%	8.0%
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	3,682	3,674	4,195	4,436	3,816	4,164	4,430	4,555	4,693
Food & Beverage	2,130	1,991	2,316	2,423	2,233	2,400	2,615	2,701	2,774
Hotel Sundry	160	114	108	108	104	112	122	126	129
Retail	93	103	118	122	113	122	133	137	141
Total Revenue	6,064	5,882	6,736	7,089	6,266	6,798	7,300	7,519	7,737
Departmental Expenses									
Rooms	1,560	1,486	1,677	1,737	1,695	1,768	1,837	1,893	1,948
Food & Beverage	1,658	1,461	1,690	1,785	1,685	1,773	1,852	1,910	1,964
Hotel Sundry	77	48	62	51	52	55	57	59	61
Retail	28	52	59	60	59	62	64	66	68
Total Departmental Expenses	3,322	3,046	3,479	3,633	3,490	3,658	3,810	3,929	4,042
Gross Operating Income	2,741	2,836	3,258	3,456	2,776	3,140	3,490	3,590	3,695
GOI Margin	*45.2%*	*48.2%*	*48.4%*	*48.8%*	*44.3%*	*46.2%*	*47.8%*	*47.7%*	*47.8%*
Undistributed Operating Expenses									
Administration & General	705	703	739	763	345	374	401	414	426
Sales & Marketing	471	361	440	517	345	374	401	414	426
Energy	231	229	232	239	219	238	256	263	271
Property Ops and Maintenance	338	359	393	375	345	374	401	414	426
Management Fees - Base					63	68	73	75	77
Total Undistributed Expenses	1,744	1,662	1,806	1,893	1,316	1,428	1,533	1,579	1,625
Gross Operating Profit excl ILC Corporate Costs	998	1,184	1,453	1,563	1,460	1,712	1,957	2,011	2,070
ILC Corporate Costs					200	208	212	219	225
Gross Operating Profit	998	1,184	1,453	1,563	1,260	1,506	1,744	1,793	1,845
GOP Margin	*16.5%*	*20.1%*	*21.6%*	*22.0%*	*20.1%*	*22.2%*	*23.9%*	*23.8%*	*23.8%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					117	137	157	161	166
Property Insurance	90	105	111	127	116	118	122	125	129
Rates and taxes	86	86	104	107	107	110	114	117	121
Lease/Rent/Owner Costs					-	-	-	-	-
Total Fixed Charges	177	190	215	234	339	366	392	403	415
EBITDA (post Corporate Items)	821	994	1,238	1,328	921	1,141	1,352	1,389	1,430
EBITDA Margin	*13.5%*	*16.9%*	*18.4%*	*18.7%*	*14.7%*	*16.8%*	*18.5%*	*18.5%*	*18.5%*
Other Statistics									
Rooms Profit Margin	*57.6%*	*59.6%*	*60.0%*	*60.8%*	*55.6%*	*57.6%*	*58.6%*	*58.4%*	*58.5%*
Food and Beverages Profit Margin	*22.2%*	*26.6%*	*27.0%*	*26.3%*	*24.6%*	*26.1%*	*29.2%*	*29 3%*	*29.2%*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*69.6%*	*49.6%*	*50.0%*	*50.6%*	*48.3%*	*49.4%*	*51.5%*	*51.5%*	*51.5%*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Kings Canyon

AUD$'000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	46,720	46,720	46,592	46,720	46,465	46,465	46,465	46,592	46,465
Occupancy %	55%	53%	50%	51%	48%	49%	53%	56%	58%
Rooms Sold (000's)	25,696	24,715	23,343	23,778	22,303	22,768	24,626	26,092	26,950
Average Daily Rate	169	161	178	178	165	170	179	187	193
Departmental Operating Revenue Growth Assumptions									
Room Rate	6.4%	(4.7%)	11.0%	(0.2%)	(7.6%)	3.0%	5.0%	5.0%	3.0%
Food & Beverage	nc	6.1%	10.4%	(4.9%)	3.0%	3.0%	6 0%	3.0%	3.0%
Hotel Sundry	nc	(4.2%)	10.1%	10.7%	3.0%	3.0%	6 0%	3.0%	3.0%
Campground & Lodge	nc	6.4%	7.0%	(0.6%)	3.0%	3.0%	6.0%	3.0%	3.0%
Retail	nc	6.4%	13.1%	(5.2%)	3.0%	3.0%	6.0%	3.0%	3.0%
Property (inflation growth)	-	2.5%	6.2%	0.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Touring & Activities	nc	(11.5%)	7.1%	0.6%	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	(8.0%)	13.7%	(3.7%)	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	(0.7%)	13.3%	(4.8%)	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	44.1%	(8.6%)	2.8%	3.0%	3.0%	3.0%	3.0%	3 0%
Campground & Lodge	nc	nc	nc	nc	3.0%	3.0%	3.0%	3 0%	3.0%
Retail	nc	10.2%	8.9%	(3.2%)	3.0%	3.0%	3.0%	3.0%	3.0%
Touring & Activities	nc	(2 2%)	(4.4%)	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Other	nc	(65.6%)	(100 0%)	nc	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
	7.7%	8.0%	7.3%	7.6%	5.5%	5 6%	5.5%	5.5%	5.5%
Sales & Marketing	4.5%	4.5%	4.5%	4.4%	5.5%	5 5%	5.5%	5.5%	5.5%
Energy	5.9%	6.5%	7.1%	6.6%	3.5%	3.5%	3.5%	3.5%	3.5%
Property Ops & Maintenance	10.0%	7.3%	7.8%	7.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					1.0%	1.0%	1.0%	1.0%	1.0%
Management Fees % on Gross Operating Income					8.0%	8.0%	8.0%	8.0%	8.0%
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3 0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent/Owner Costs					3 0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	4,331	3,973	4,179	4,234	3,680	3,871	4,396	4,890	5,203
Food & Beverage	3,145	3,211	3,348	3,243	3,295	3,465	3,972	4,335	4,612
Hotel Sundry	37	34	35	39	34	36	42	45	48
Campground & Lodge	1,135	1,161	1,174	1,188	1,155	1,215	1,393	1,520	1,617
Retail	2,819	2,884	3,081	2,975	3,032	3,188	3,655	3,989	4,244
Property (inflation driver only)	156	160	170	170	175	180	186	191	197
Touring & Activities	468	399	403	413	397	417	478	522	556
Total Revenue	12,091	11,822	12,390	12,263	11,769	12,372	14,122	15,492	16,475
Departmental Expenses									
Rooms	1,462	1,295	1,390	1,363	1,413	1,464	1,545	1,620	1,685
Food & Beverage	2,547	- 2,433	2,604	2,525	2,623	2,729	2,926	3,103	3,249
Hotel Sundry	42	58	50	53	51	53	57	60	63
Campground & Lodge	-	-	-	-					
Retail	2,296	2,434	2,504	2,469	2,522	2,624	2,813	2,984	3,124
Touring & Activities	212	199	180	189	181	189	202	215	225
Other	80	26	-	-	-	-	-	-	-
Total Departmental Expenses	6,639	6,446	6,729	6,600	6,789	7,060	7,544	7,982	8,346
Gross Operating Income	5,452	5,376	5,661	5,664	4,979	5,312	6,578	7,510	8,130
GOI Margin	45.1%	45.5%	45.7%	46 2%	42.3%	42.9%	46.6%	48.5%	49.3%
Undistributed Operating Expenses									
Administration & General	928	941	909	928	647	680	777	852	906
Sales & Marketing	543	626	552	545	647	680	777	852	906
Energy	712	766	876	815	412	433	494	542	577
Property Ops and Maintenance	1,210	859	969	915	647	680	777	852	906
Management Fees - Base	221	237	244	249	118	124	141	155	165
Total Undistributed Expenses	3,614	3,330	3,548	3,452	2,471	2,598	2,966	3,253	3,460
Gross Operating Profit (excl ILC Corporate Costs)	1,838	2,046	2,113	2,211	2,508	2,714	3,612	4,257	4,670
ILC Corporate Costs					1,000	1,030	1,061	1,093	1,126
Gross Operating Profit	1,838	2,046	2,119	2,211	1,508	1,684	2,552	3,164	3,544
GOP Margin	15.2%	17.3%	17.1%	18.0%	12.8%	13.6%	18.1%	20.4%	21.5%
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					201	217	289	341	374
Property Insurance	93	90	81	98	84	86	89	92	94
Rates and taxes	-	-	-	-	-	-	-	-	-
Lease/Rent/Owner Costs	75	127	-	-	-	-	-	-	-
Total Fixed Charges	168	217	81	98	285	304	378	432	468
EBITDA (post Corporate items)	1,670	1,829	2,032	2,113	1,223	1,380	2,176	2,732	3,076
EBITDA Margin	13.8%	15.5%	16.4%	17.2%	10.4%	11.2%	15.4%	17.6%	18.7%
Other Statistics									
Rooms Profit Margin	66 2%	67.4%	66.7%	67.8%	61.6%	62.2%	64.8%	66.9%	67.6%
Food and Beverages Profit Margin	19.0%	24.2%	22.2%	22.1%	20.4%	21.2%	26.3%	28.4%	29.5%
Campground Profit Margin									
Retail Profit Margin	18.6%	15.6%	18 7%	17.0%	16.6%	17.7%	23.0%	25.2%	26.4%
Airport Profit Margin	nc	nc	nc	nc	nc	nc	nc	nc	nc

Voyages Model
El Questro Consolidated

AUD$'000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	17,016	16,686	16,860	16,692	16,814	16,814	16,814	16,860	16,814
Occupancy %	61%	61%	62%	67%	65%	68%	69%	69%	69%
Rooms Sold (000's)	10,363	10,183	10,473	11,167	10,929	11,433	11,602	11,633	11,602
Average Daily Rate	227	225	221	248	228	239	251	259	267
Departmental Operating Revenue Growth Assumptions									
Room Rate	(40.8%)	(1.1%)	(1.5%)	11.8%	3.0%	5.0%	5.0%	3.0%	3.0%
Food & Beverage	nc	8.4%	6.7%	1.5%	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	(12.2%)	16.0%	3.3%	3.0%	3.0%	6.0%	3.0%	3.0%
Campground & Lodge	nc	1.6%	10.3%	(8.4%)	3.0%	3.0%	6.0%	3.0%	3.0%
Retail	nc	(2.5%)	18.2%	(2.3%)	3.0%	3.0%	6.0%	3.0%	3.0%
Touring & Activities	nc	7.9%	(6.9%)	0.6%	3.0%	3.0%	6.0%	3.0%	3.0%
Other	nc	(66.7%)	0.5%	(12.7%)	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	(13.0%)	8.6%	(13.1%)	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	7.9%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	33.7%	12.0%	(1.6%)	3.0%	3.0%	3.0%	3.0%	3.0%
Retail	nc	(16.1%)	14.0%	(2.6%)	3.0%	3.0%	3.0%	3.0%	3.0%
Touring & Activities	nc	6.9%	3.1%	(3.0%)	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	12.0%	13.1%	13.8%	18.9%	12.7%	12.7%	12.7%	12.7%	12.7%
Sales & Marketing	4.2%	3.3%	2.7%	0.1%	2.7%	2.7%	2.7%	2.7%	2.7%
Energy	4.9%	5.0%	6.2%	5.7%	6.2%	6.2%	6.2%	6.2%	6.2%
Property Ops & Maintenance	13.0%	11.2%	11.0%	10.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					-	-	-	-	-
Management Fees % on Gross Operating Income					-	-	-	-	-
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	2,357	2,289	2,324	2,765	2,492	2,737	2,916	3,012	3,094
Food & Beverage	2,330	2,483	2,725	2,950	2,929	3,156	3,395	3,506	3,601
Hotel Sundry	449	388	463	510	498	536	577	596	612
Campground & Lodge	353	353	400	391	430	464	499	516	529
Retail	511	490	596	621	641	690	743	767	788
Touring & Activities	1,566	1,661	1,590	1,704	1,709	1,842	1,981	2,046	2,102
Other	309	101	105	98	113	121	130	135	138
Total Revenue	7,877	7,764	8,203	9,038	8,811	9,546	10,240	10,576	10,864
Departmental Expenses									
Rooms	724	618	691	639	721	752	778	802	826
Food & Beverage	1,580	1,675	1,757	1,930	1,849	1,948	2,022	2,085	2,145
Hotel Sundry	219	288	332	348	349	368	382	394	405
Retail	419	346	405	421	426	449	466	481	495
Touring & Activities	880	924	981	1,014	1,032	1,087	1,128	1,164	1,197
Total Departmental Expenses	3,822	3,852	4,165	4,353	4,377	4,606	4,776	4,926	5,067
Gross Operating Income	4,055	3,912	4,038	4,685	4,434	4,941	5,464	5,650	5,796
GOI Margin	*51.5%*	*50.4%*	*49.2%*	*51.8%*	*50.3%*	*51.8%*	*53.4%*	*53.4%*	*53.4%*
Undistributed Operating Expenses									
Administration & General	945	1,017	1,134	1,706	1,119	1,212	1,301	1,343	1,380
Sales & Marketing	332	258	218	6	234	254	272	281	289
Energy	382	385	506	516	544	589	632	652	670
Property Ops and Maintenance	1,021	868	900	904	967	1,048	1,124	1,161	1,192
Management Fees - Base					-	-	-	-	-
Total Undistributed Expenses	2,680	2,528	2,769	3,131	2,864	3,103	3,329	3,438	3,531
Gross Operating Profit (excl ILC Corporate Costs)	1,375	1,384	1,280	1,554	1,570	1,838	2,135	2,212	2,265
ILC Corporate Costs					300	309	318	328	336
Gross Operating Profit	1,375	1,384	1,280	1,554	1,270	1,529	1,817	1,885	1,928
GOP Margin	*17.6%*	*17.8%*	*15.6%*	*17.2%*	*14.4%*	*16.0%*	*17.7%*	*17.8%*	*17.7%*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					-	-	-	-	-
Property Insurance	123	104	138	150	142	146	151	155	160
Rates and taxes	13	61	67	-	69	71	73	75	77
Lease/Rent/Owner Costs	95	60	62	-	64	66	68	70	72
Total Fixed Charges	231	225	267	150	276	283	291	300	309
EBITDA (post Corporate Items)	1,144	1,160	1,013	1,403	995	1,246	1,526	1,584	1,618
EBITDA Margin	*14.5%*	*14.9%*	*12.3%*	*15.5%*	*11.3%*	*13.0%*	*14.9%*	*15.0%*	*14.9%*
Other Statistics									
Rooms Profit Margin	*69.3%*	*73.0%*	*70.3%*	*76.9%*	*71.1%*	*72.5%*	*73.3%*	*73.4%*	*73.3%*
Food and Beverages Profit Margin	*32.2%*	*32.5%*	*35.5%*	*34.6%*	*36.9%*	*38.3%*	*40.4%*	*40.5%*	*40.4%*
Campground Profit Margin	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Retail Profit Margin	*18.1%*	*29.5%*	*32.0%*	*32.2%*	*33.5%*	*34.9%*	*37.2%*	*37.3%*	*37.2%*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Voyages Model
Wrotham Park Lodge

AUD$ '000s	2006 ACTUAL	2007 ACTUAL	2008 FC	2009 Voyages Budget FC	2009 FC	2010 FC	2011 FC	2012 FC	2013 FC
General Assumptions									
Number of Rooms per year	2,570	2,460	2,150	2,750	2,144	2,144	2,144	2,150	2,144
Occupancy %	24%	29%	26%	33%	26%	28%	28%	30%	30%
Rooms Sold (000's)	624	702	558	896	557	600	600	645	643
Average Daily Rate	292	251	313	381	322	331	341	363	364
Departmental Operating Revenue Growth Assumptions									
Room Rate	31.6%	(14.1%)	24.9%	21.6%	2.8%	2.8%	3.0%	3.5%	3.0%
Food & Beverage	nc	28.5%	(18.2%)	10.7%	3.0%	3.0%	6.0%	3.0%	3.0%
Hotel Sundry	nc	(3.3%)	(47.9%)	(20.7%)	3.0%	3.0%	6.0%	3.0%	3.0%
Retail	nc	(9.4%)	(73.5%)	52.0%	3.0%	3.0%	6.0%	3.0%	3.0%
Touring & Activities	nc	(12.0%)	(2.8%)	1.7%	3.0%	3.0%	6.0%	3.0%	3.0%
Departmental Operating Expense Growth Assumptions									
Rooms	nc	(26.9%)	(18.7%)	21.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	nc	1.9%	(23.2%)	5.8%	3.0%	3.0%	3.0%	3.0%	3.0%
Hotel Sundry	nc	(79.3%)	12.3%	(19.4%)	3.0%	3.0%	3.0%	3.0%	3.0%
Retail	nc	(7.9%)	(73.8%)	54.4%	3.0%	3.0%	3.0%	3.0%	3.0%
Touring & Activities	nc	2.0%	2.8%	(43.9%)	3.0%	3.0%	3.0%	3.0%	3.0%
Undistributed Operating Expense Assumption as % of Revenue									
Admin & General	63.6%	43.4%	54.1%	28.7%	54.1%	54.1%	54.1%	54.1%	54.1%
Sales & Marketing	4.9%	5.2%	5.2%	4.4%	5.2%	5.2%	5.2%	5.2%	5.2%
Energy	31.5%	31.6%	33.7%	20.4%	33.7%	33.7%	33.7%	33.7%	33.7%
Property Ops & Maintenance	24.7%	18.6%	28.7%	16.8%	28.7%	28.7%	28.7%	28.7%	28.7%
Undistributed Operating Expense Margin									
Management Fees % on Revenue					-	-	-	-	-
Management Fees % on Gross Operating Income					-	-	-	-	-
Fixed Charges Growth Assumption									
Property Insurance					3.0%	3.0%	3.0%	3.0%	3.0%
Rates and taxes					3.0%	3.0%	3.0%	3.0%	3.0%
Lease/Rent					3.0%	3.0%	3.0%	3.0%	3.0%
Revenue									
Rooms	182	176	175	341	180	199	205	228	234
Food & Beverage	186	270	176	311	180	215	206	238	227
Hotel Sundry	87	94	39	50	40	34	46	38	51
Retail	18	18	4	9	4	6	4	7	5
Touring & Activities	88	87	87	109	69	76	79	84	87
Total Revenue	561	646	460	820	473	530	540	594	603
Departmental Expenses									
Rooms	128	106	68	133	70	124	74	130	78
Food & Beverage	235	270	166	279	169	240	181	257	193
Hotel Sundry	17	4	4	5	4	4	4	4	4
Retail	9	9	2	5	2	4	2	4	2
Touring & Activities	67	77	63	57	65	49	69	52	74
Total Departmental Expenses	457	466	301	479	310	421	331	448	352
Gross Operating Income	104	179	158	341	163	109	209	146	252
GOI Margin	*18.5%*	*27.8%*	*34.4%*	*41.6%*	*34.4%*	*20.6%*	*38.7%*	*24.6%*	*41.7%*
Undistributed Operating Expenses									
Administration & General	357	280	249	235	256	286	292	321	326
Sales & Marketing	27	34	24	36	25	28	28	31	32
Energy	177	204	155	167	159	179	182	200	203
Property Ops and Maintenance	139	120	132	138	136	152	156	171	173
Management Fees - Base					-	-	-	-	-
Total Undistributed Expenses	699	637	560	576	576	645	657	723	735
Gross Operating Profit excl ILC Corporate Costs	(596)	(458)	(401)	(234)	(413)	(536)	(448)	(577)	(483)
ILC Corporate Costs					-	-	-	-	-
Gross Operating Profit	(596)	(458)	(401)	(234)	(413)	(536)	(448)	(577)	(483)
GOP Margin	*(106.2%)*	*(71.0%)*	*(87.3%)*	*(28.6%)*	*(87.4%)*	*(101.2%)*	*(83.0%)*	*(97.1%)*	*(80.0%)*
Fixed Charges									
Management Fees - Incentive (excl ILC CC)					-	-	-	-	-
Property Insurance	9	10	9	10	9	10	9	10	10
Rates and taxes					-	-	-	-	-
Lease/Rent/Owner Costs	20	22	17	-	17	-	18	-	18
Total Fixed Charges	29	33	25	10	26	10	27	10	28
EBITDA (post Corporate Items)	(624)	(490)	(427)	(244)	(439)	(546)	(475)	(587)	(511)
EBITDA Margin	*(111.3%)*	*(76.0%)*	*(92.8%)*	*(29.8%)*	*(92.9%)*	*(103.0%)*	*(88.1%)*	*(98.8%)*	*(84.7%)*
Other Statistics									
Rooms Profit Margin	*29.5%*	*40.0%*	*60.9%*	*60.9%*	*60.8%*	*37.7%*	*63.8%*	*42.8%*	*66.7%*
Food and Beverages Profit Margin	*(26.2%)*	*(0.0%)*	*6.0%*	*10.2%*	*6.0%*	*(11.8%)*	*11.9%*	*(8.0%)*	*14.8%*
Campground Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*
Retail Profit Margin	*49.2%*	*48.4%*	*49.0%*	*48.2%*	*49.0%*	*35.5%*	*52.2%*	*37.7%*	*53.8%*
Airport Profit Margin	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*	*nc*

Appendix 9

Colliers – Ayers Rock Resort Valuation

(as at 1 December 2010)

GRANT SAMUEL

Valuation Report

Ayers Rock Resort
Lasseter Highway
Yulara, Northern Territory

Under Instructions From

Grant Samuel on Behalf of

The Indigenous Land Corporation

Valuation Date : 1 December 2008

Ref Number : HTV0853

COLLIERS INTERNATIONAL

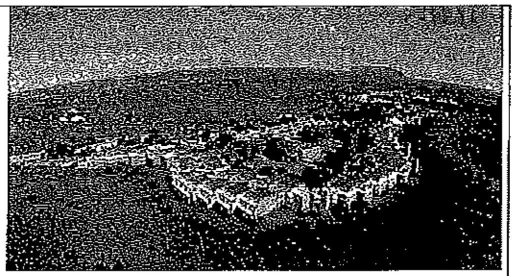
Our Knowledge is your Property

Ayers Rock Resort, Yulara, NT
Executive Summary

Ayers Rock Resort and Ayers Rock (Connellan) Airport, Northern Territory

Property Overview

Brief Description



Ayers Rock Resort

A self contained Resort with seven alternative accommodation facilities ranging from deluxe facilities through to backpacker lodges and camping, visitor centre, shopping square, industrial precinct and over 700 residential dwellings. The resort was constructed between 1983 and 2001 with ongoing refurbishment undertaken since.

The Resort essentially is held on a freehold title and enjoys a monopolistic situation adjacent to Ayers Rock (Uluru) and the Olgas. The Resort is surrounded by a National Park and Aboriginal homelands

Ayers Rock (Connellan) Airport

A commercial airport located approximately seven kilometres from the Resort including a modern terminal. We understand the airport is capable of handling fully laden B737's and A320's. The leasehold interest in the airport expires in 24 years time, with a further 25 year option period available.

Valuation Details

Instructing Party		**Reliant Party:**	Grant Samuel & The Indigenous Land Corporation
Individual Name :	Jacqueline Bekker	**Registered Proprietor :**	GPT Funds Management 2 Pty Ltd
Client/Company Name :	Grant Samuel on behalf of the Indigenous Land Corporation	**Purpose of Report :**	Acquisition Purposes
		Interest Valued :	Freehold interest of the Ayers Rock Resort and leasehold interest of the Ayers Rock (Connellan) Airport.
		Date of Inspection	28 – 29 November 2008
		Date of Valuation	1 December 2008

Valuation Criteria

Initial Yield (Passing) Approach		**Third Year's Income Capitalised**	
Passing Income:	$25,691,396	**Third Years Income (deflated) :**	$27,902,554
Capitalisation Rate:	9.00%	**Capitalisation Rate :**	9.50%
Value:	$285,459,954	**Value:**	$293,711,097

Discounted Cash Flow Approach	
Cash Flow Term	10 years
Discount Rate	11.75%
Terminal Yield	9.75%
Net Present Value :	$305,949,819

Capital Expenditure

We have been provided with brief details of the conclusions from the physical due diligence team advising the Indigenous Land Corporation. We understand that broadly a budget has been advised at approximately $72 million to be spent over the next five years.

In comparison the Rider Lovett Bucknall Report posted on the due diligence room identifies approximately only $2.4 million of capital expenditure which it describes as immediate / preventative. Clearly this represents a wide range of opinion and we would emphasise that we are not experts in assessing the physical condition and cost of replacement of plant, machinery and services etc. However in an attempt to reflect the conclusions of the physical due diligence we have made an upfront capital expenditure deduction of $11,200,000 to cover the following advised works:

Central Plant	$3,000,000
Cooling Towers	$700,000
Pipework	$3,000,000
Irrigation / Air Conditioning	$2,000,000
Hotwater Heating	$1,000,000
Staff Accommodation	$1,500,000
TOTAL	**$11,200,000**

We have also by taking a deduction of 4% of turnover to represent a furniture, fittings and equipment reserve allowed for a further $60,517,875 over the term of the ten year cash flow or a combined total of $71,751,262.

Valuation Conclusions (after Capital Expenditure Deduction)

Adopted Value	$290,000,000
Passing Initial Yield (after Capex)	8.51%

Comments

The major issues we have taken into consideration in forming our opinion of the market value of the properties include:

- The property is currently being marketed for sale and despite widespread enquiries, we have not been able to get an indication of the dollar value of any offers made on the property. This includes the consortium representing the Indigenous Land Corporation. As the property is being tested on the market and has been the subject of a high profile marketing campaign, we believe this information is crucial and subsequent to being provided with this information we reserve the right to review the valuation.
- We understand that extensive due diligence has been carried out by the instructing party including a thorough physical due diligence. As at the date of writing this report we have only been provided with brief details of the conclusions of this due diligence and it has been emphasised that the liability for the full report does not extend to Colliers International Consultancy & Valuation Pty Limited. We have therefore made the aforementioned conclusions on capital expenditure as previously identified in this executive summary. Should the instructing party wish us to base our valuation on a different capital expenditure assumption we reserve the right to review this valuation.
- The Resort essentially enjoys a monopolistic situation adjacent to Ayers Rock and the Olgas. The Resort is surrounded by a National Park and Aboriginal homelands, upon which further commercial development is extremely unlikely and therefore the nearest alternative accommodation is located in Alice Springs approximately 461 km distance.
- With a significant number of total visitors to the Resort arriving by air, control of the airport is vital. The leasehold interest in the airport expires in 24 years time, with a further 25 year option period available.
- PAWA contract – The Northern Territory Government Power & Water Authority provides electricity, water and sewer services to the Resort which are heavily subsidised. Should this subsidy be removed, it would have a major detrimental impact on the profitability of the Resort.
- Many visitors to Ayers Rock intend to climb the rock itself, despite this being against the wishes of the local indigenous community. Should climbing Ayers Rock be banned at any stage, we would envisage this could impact on visitor numbers to the resort and accordingly affect the resorts profitability.
- The reliance on access by air for high yielding visitors means that previous events such as the airline pilot's strike can make the Resort vulnerable. Additionally, as is currently being experienced, the reduction of flights to the airport also makes the resort vulnerable. We note that Qantas have recently cancelled two weekly flights from Melbourne to Ayers Rock and one daily flight from Sydney to Ayers Rock, and this is anticipated to continue to affect occupancy at the resort impacting on revenue levels across many departments.
- The Ayers Rock Resort has traditionally suffered from a short average length of stay and is putting into place new initiatives to increase the average length of stay such as introducing camel rides, three Sounds of Silence sites and marketing a minimum two night stay policy to European tour operators. Other initiatives include extending the minimum stay period before extra night discounts apply.
- We confirm that, in our opinion, the properties appear to be effectively managed.
- Clearly this a unique asset with no directly comparable transactions to base any valuation conclusions. The isolated geographic location, dependence on air access, diversity of income streams and size of the physical asset is further exacerbated by the current global financial crisis and difficulties in sources debt funding. In our opinion these circumstances increase the likely acceptable range of values purchasers would place on the asset.
- In order to determine the current market value of the property, we must assume a 'willing seller' scenario. Given that the vendor, GPT has been in some financial duress, many in the marketplace believe that GPT are essentially 'distressed vendors'. In order to determine the fair 'market value' of the property as defined in Section 3 of this report, we have assumed that GPT are 'willing' sellers and are prepared to take the property off the market if final offers fall below their perception of a realistic market value.
- We note that there is a first right of refusal to purchase the property in favour of the Indigenous Land Corporation. However once again to determine market value or 'willing buyer' scenario we have assumed that there is more than one serious potential buyer for the property and therefore the final price achieved will be as a consequence of a competitive bidding process.
- We have ignored leases created between GPT and Voyages as they are related parties.
- The events of the past 6 months including the initial sub-prime fallout and subsequent global financial crisis have created uncertain times for both the equities and property markets in Australia and have begun to impact to varying degrees upon a variety of market participants, including financial institutions and listed property trusts.

  Accordingly, we wish to bring to your attention that present and potential unforeseen macroeconomic or political crises can have a sudden and dramatic effect on markets. This could manifest itself by either panic buying or selling, or simply disinclination to trade until it is clear how prices in the market will be affected in the longer term.

  In light of the prevailing uncertainty within the market, we consider it prudent to draw your attention to the fact that the market value adopted herein is subject to the issues outlined above, and should be closely monitored in light of future events. Furthermore, it is our recommendation that regular valuation updates be initiated and instructed by the party wishing to rely upon this valuation.

Valuation

$290,000,000– GST Exclusive

(TWO HUNDRED & NINETY MILLION DOLLARS)

Colliers International Consultancy and Valuation Pty Limited

MICHAEL D THOMSON MA MRICS AAPI	**TIM MILES MCOM AAPI**
National Director - Hotels	Senior Valuer - Hotels
Certified Practising Valuer	Certified Practising Valuer
.... (Date of Signing Report)	.... (Date of Signing Report)

This report has been verified by **Christopher Milou, Valuer and William Doherty, Managing Director**

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

Australian Government
Indigenous Land Corporation

Strategic LA Project Board Report

ABN: 59 912 679 254
Freecall: 1800 818 490
Website: www.ilc.gov.au

STRATEGIC LAND ACQUISITION PROPOSAL - UPDATE

Board Meeting No 126
Date: 15 April 2009

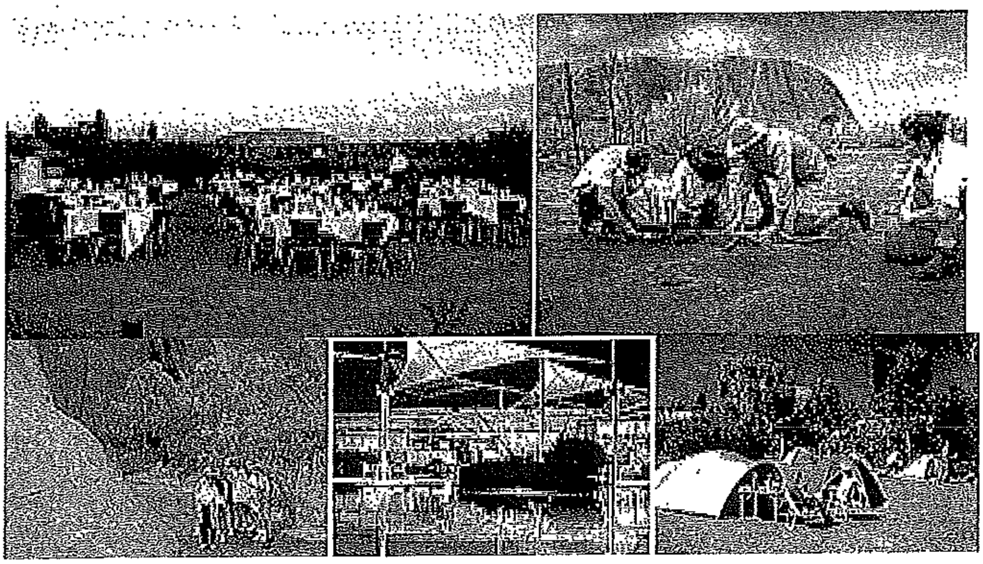
Project: Indigenous Resorts in Central & Northern Australia

Specifically **Ayers Rock Resort**

Project ID: A3182

Stream: Socio-economic

Mechanism: Strategic Project



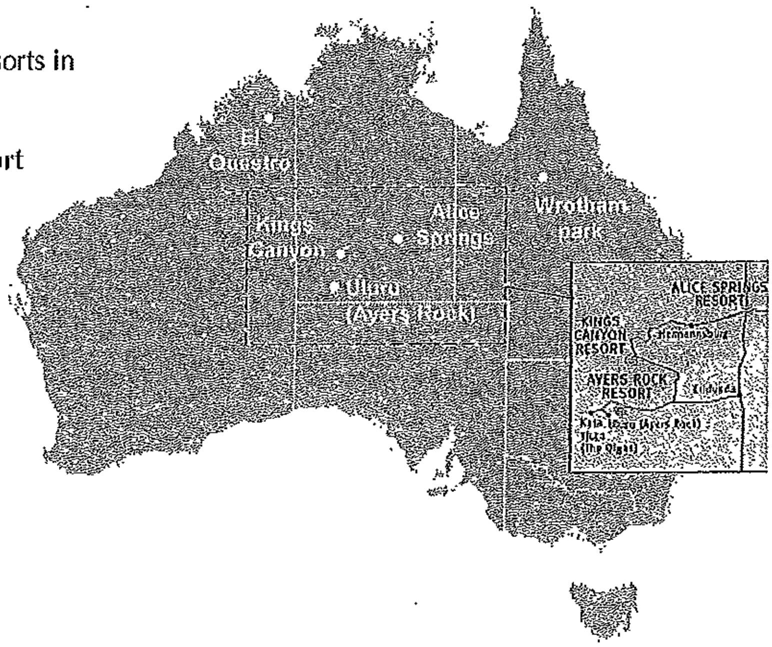
EXECUTIVE SUMMARY

Project Title: Indigenous Resorts in Central & Northern Australia

Specifically Ayers Rock Resort

Project ID: A3182

Stream: Socio-Economic



Purpose

The purpose of this paper is to provide the Board with an update on negotiations and due diligence regarding the potential purchase of Ayers Rock Resort.

The Business Proposal and Board Consideration to Date

At its December 2008 meeting, the Board considered a land acquisition report for the acquisition of Ayers Rock Resort (ARR), four other resorts and the Voyages' operating platform—collectively the "Central Australian Assets"—owned by Global Property Trust (GPT) and being offered for sale. The global economic crisis may present a unique opportunity to acquire ARR for a competitive price, at a time when there are limited investors in the market.

The Board has agreed to enter into negotiations with GPT and complete due diligence on the purchase of ARR and El Questro on the proviso that funding for the project will be sourced from the Land Account and not external borrowings. (Due diligence and contract negotiations are occurring for ARR only as the ILC has been advised that GPT is in the process of selling El Questro to another party.)

Funding

Funding has not yet been secured. The Minister has indicated that she will not support funding being sourced from the Land Account.

Due Diligence

The ILC has conducted stage 2 of its due diligence on the acquisition of the assets of ARR, the businesses and the Voyages platform. The outcomes of the stage 2 analyses and the current status of contract negotiations are summarised in this Board paper. Full reports are available at the Board's request.

Costs of Acquisitions and Project- Updated (Ayers Rock Resort Only)

Acquisition of ARR (up to)	$270.0 m
Capital expenditure for infrastructure/modernisation	$ 71.3 m
Net cash flows from the businesses (for the first 5 years)	$ 42.5 m*
Delivery of the employment and training model (capital)	$ 1.5 m
Delivery of the employment and training model (operational)	$ 0.9 m pa

* Inclusive of financing, working capital and taxation costs, but excluding any capital repayment on borrowings for the first five years

Key Risks

- The need for the ILC to borrow up to $320 million
- The restrictions on borrowings by the ILC
- The need to expend an estimated $71.3 million on capital expenditure for infrastructure/repairs of the resort asset
- The ongoing impact on inbound visitors to Australia and tourism as a result of the global financial crisis
- The size and complexity of the management of the asset and operations of ARR

1. Background

1.1. Background

GPT Group (GPT) is one of Australia's largest listed property groups. It has decided to sell some assets in its hotel and tourism portfolio, Voyages Hotels & Resorts (Voyages). The Voyages portfolio includes 21 hotels, resorts and lodges. Of these assets there are five businesses located in central and northern mainland Australia:

- Ayers Rock Resort
- Alice Springs Resort
- Kings Canyon Resort
- El Questro Wilderness Park & Homestead (El Questro)
- Wrotham Park Lodge

(collectively referred to as the "Central Australian Assets"). GPT has appointed Jones Lang LaSalle (JLL) to sell the assets.

Wana Ungkunytja Pty Ltd (Wana Ungkunytja) has a pre-emptive right of first refusal to acquire ARR and Alice Springs Resort under a Deed dated 3 December 1997. Wana Ungkunytja approached the ILC regarding the opportunity to potentially acquire these assets, with the understanding that they are both significant and relevant to Indigenous people. The ILC and Wana Ungkunytja formed a consortium (the consortium) to investigate the acquisition of the assets for which Wana Ungkunytja has right of first refusal, the other Central Australian assets (Kings Canyon Resort, El Questro and Wrotham Park Lodge) and the Voyages platform to manage the businesses.

The consortium entered into the purchase process on this basis. The ILC has since decided to limit its proposal to purchase to the assets and businesses making up the ARR portfolio and El Questro resort.[1]

1.2. Previous Board Discussions

At its Meeting No 121 of 27 August 2008, the Board indicated its support for the ILC to pursue the acquisition of the Central Australian Assets.

At its Meeting No 122 of 22 October 2008, the Board noted that the ILC had progressed to the second round of the purchase process regarding the Central Australian Assets being offered for sale by GPT and authorised the General Manager to engage Grant Samuel and specialists/consultants for the due diligence as required.

At its Meeting No 123 of 16-17 December 2008, the Board received presentations from Grant Samuel and other consultants undertaking the due diligence on behalf of the ILC. It was agreed that the ILC would not submit an offer for the entire portfolio of properties. Instead the Board agreed that it would be prepared to negotiate with GPT for the purchase of ARR and El Questro. The Board further expressed its agreement that funding for the acquisition would be via access of funds through the Land Account and not borrowings.

At its Meeting No 124 of 19 January 2009, the Board noted that GPT had provided a bottom offer for ARR of $270 million and had agreed to an exclusive 30-day negotiating period to allow the ILC to secure funding. The Board further noted that this 30-day period would be utilised to finalise due diligence on the assets. The Board again expressed its agreement that, if the ILC is not able access funds from the Land Account for this purchase, the ILC will not go ahead with the purchase. The Board noted that GPT is to sell El Questro to another party. However, this has not yet occurred and the property was again recently advertised for sale.

At Board Meeting No 125 of 18 February 2009, the General Manager provided a verbal update on due diligence work being undertaken and advised the Board that a paper canvassing funding from the Land Account had been forwarded to the Prime Minister's Office. The Board noted that the Minister for Finance and Deregulation would need to pass a Regulation to allow such funding.

1.3. Discussions with the Minister

On 25 September 2008, the Chairperson and the General Manager met with Minister Macklin and, among other matters, discussed the ILC's possible purchase of ARR. The Chairperson floated with the Minister the possibility of having $100

[1] Board Meeting No 123 16-17 December 2008

million of the Land Account's funds forward-committed to the ILC for the purchase of the resort. The Minister indicated she would not support such a measure as she wished to preserve the capital value of the Land Account. The Minister also indicated that she would not like to see the ILC use any of its existing funds on the project as it would be detrimental to other projects and other regions across Australia. She believed that the ILC was doing very good work through its current programs and it would be unfair to divert those resources into one project. However, she indicated that if the ILC could fund the proposal through borrowings that did not draw on the ILC's existing resources, then she would have no difficulty with the ILC pursuing the possible purchase.

The Minister also asked whether the ILC could discuss joint funding of the project with IBA. The General Manager subsequently contacted the IBA General Manager who stated that IBA was not overly interested in the project and if it was interested it would only commit up to $20 million of its own funds. Further discussions revealed that IBA was not interested in pursuing the acquisition of ARR.

On 23 March 2009, the Chairperson, General Manager and the Secretary and Chief Operating Officer of FaHCSIA met with the Minister to discuss the Land Account. The Minister also raised the issue of ARR.

FaHCSIA's Chief Operating Officer briefed the Minister that, because of the legal complexities as to whether the ILC could borrow from the Land Account, it was FaHCSIA's and the Department of Finance and Deregulation's advice to the Minister not to allow Land Account funds to be utilised for the purchase of ARR. The Minister concurred with this advice. Subsequently, the ILC received a letter dated 30 March 2009 from the Secretary of FaHCSIA advising the above (refer Appendix 1).

1.4. Updated Business Proposition

The proposal is that the ILC acquire ARR and an appropriate management platform to operate the businesses.

Approximately 600[2] people are currently employed at ARR (all facilities). The ILC is aware of seven Indigenous employees employed throughout the resort. Therefore, there is a significant opportunity to create Indigenous-controlled tourism enterprises and create over 200 Indigenous jobs in the resort by the fifth year of operation.

1. Acquire ARR to establish an Indigenous-controlled tourism enterprise

2. Employ up to 40% Indigenous staff in the resort by 2013 and greater than 50% by 2018 and beyond

3. Develop a national Indigenous tourism and hospitality training academy at Yulara that will produce accredited Indigenous graduates and transition them

[2] Horwath HTL report dated November 2008

to employment in the resorts and mainstream tourism and hospitality industries, including through the Aboriginal Employment Covenant

4. Grant the acquired land to Indigenous titleholding bodies under appropriate arrangements, on condition of negotiated lease-back agreements of up to 99 years

5. Build partnerships and programs with local Indigenous communities, including Mutitjulu, to support the education and training of Indigenous youth and to assist their transition into employment in the resorts and the tourism industry.

2. Funding Considerations

2.1. Access to Funding

The Board agreed at Meeting No 124 of 19 January 2009 that if it is not able access funds from the Land Account for this purchase the ILC will not go ahead with the purchase.

The Land Account is a "special account" and accordingly is subject to the *Financial Management Accountability Act 1997* (FMA Act). The FMA Act includes a specific provision on what is considered an allowable investment. Accordingly, this provision applies to the Land Account. The specific provision does not currently allow the Land Account to fund the ILC for the purchase of ARR. However, the provision does allow the Finance Minister to make a regulation in regard to allowable investments.

A brief, canvassing funding from the Land Account for the ILC to purchase ARR, has been forwarded to the Prime Minister's Office. The brief requests consideration of the Minister for Finance and Deregulation making a regulation to allow the Land Account to provide the ILC with funding as an interim measure, and consideration of a change to the ATSI Act to make the Land Account exempt from the specific provision in the FMA Act in the longer term. The brief purposely did not explore the funding from the Land Account to the ILC by way of a loan in order to leave all options for funding open.

This brief was forwarded to the Minister's office and subsequently to FaHCSIA for consideration.

The Minister, in the letter from the Secretary of the Department dated 30 March 2009 (refer Appendix 1) has indicated that she will not support funding from the Land Account to the ILC for the purchase of ARR.

2.2. Restrictions on Borrowings

The ATSI Act provides the power for the ILC to undertake borrowings but also puts restriction on the level of those borrowings. In accordance with section 193L, the ILC may borrow up to a limit of $200 million indexed from 1998. The ILC's calculations show that the current limit is $268 million.

2.3. Updated Cashflows

Appendix 2 demonstrates the suggested long-term structure for ARR and is the structure on which the following updated cashflow projections are based.

Grant Samuel has provided updated cashflow projections for the first ten years of operation of ARR under a number of funding scenarios (refer Appendix 3).[3] The following is assumed for the purposes of the cashflow projections:

- the land and buildings are not divested in the first ten years .
- all inter-company transactions between the ILC and its subsidiaries are eliminated
- no stamp duty is payable
- interest rates on borrowings are 6% if funded from the Land Account and 5.8% if borrowed from an external party
- no principal repayments on borrowings are made for the first five years
- after the first five years any surplus cash is used to meet principal repayments and voluntary debt repayment by the ILC
- the cashflow projections do not include the costs of the supporting Training to Employment program

The summary below represents the scenario that 100% of debt is funded from the Land Account.

Table 1: Updated Cashflows from Ayers Rock Resort ($ millions)

Cashflows ($,m)	Yr1 2009F	Yr2 2010F	Yr3 2011F	Yr4 2012F	Yr5 2013F	Yr6 2014F	Yr7 2015F	Yr8 2016F	Yr9 2017F	Yr10 2018F
Total EBITDA	20.3	22.0	30.8	34.2	37.6	38.5	39.4	40.6	41.3	42.3
Less:										
Working Capital[1]	(1.0)	0.3	1.3	0.6	0.5	0.2	0.2	0.2	0.2	0.2
Net interest paid	17.3	18.7	19.2	19.1	18.8	18.4	17.6	17.3	16.4	15.6
Capital expenditure	33.5	19.8	6.4	5.9	5.6	7.1	7.3	7.6	7.7	8.0
Tax payable	0.2	.01	1.6	2.8	3.7	4.1	4.3	4.5	4.6	4.8
Net Cash Inflows (outflows)	(29.8)	(16.9)	2.2	5.8	9	8.6	10.0	11.2	12.4	13.6

Note: 1. Reflects movement in working capital

This equates to the following level debt at the end of each financial year.

Debt Level ($,m)	Yr1 2009F	Yr2 2010F	Yr3 2011F	Yr4 2012F	Yr5 2013F	Yr6 2014F	Yr7 2015F	Yr8 2016F	Yr9 2017F	Yr10 2018F
At the end of year	302.1	320.6	320.6	320.6	320.6	292.0	282.0	270.7	258.4	244.8

Accordingly, based on this scenario, the ILC would have to borrow the purchase price of $270 million and fund the capital expenditure program in the first two years from debt ($50.6 million) as it is not expected that the ILC will have sufficient reserve funds to fund the capital development program.

[3] Email from Chapman Li (Grant Samuel) sent Friday, 27 March 2009 (6:12pm)

3. Due Diligence—Stage 2 and Contract Negotiation

The ILC engaged the following parties to conduct the second stage of due diligence on acquisition of the property, the businesses and the Voyages platform:

1. Grant Samuel (coordination of due diligence and business structure proposal)
2. Simon Barlow (hotel management expert)
3. Corrs Chambers Westgarth Lawyers (legal compliance of structure)
4. Baker & McKenzie Solicitors (legal due diligence of the properties and businesses)
5. Horwath HTL (accounting/financial due diligence)
6. Planned Property Management (property due diligence)
7. URS Australian Pty Ltd (environmental due diligence)
8. Aspirion Consulting (airport due diligence)
9. E Horner & Associates (IT and Communications due diligence)

The General Manager and/or the Chief Operating Officer have been participating in weekly due diligence meetings with Grant Samuel, Baker & McKenzie, Horwath and Simon Barlow. This section describes the results of the second stage of the due diligence.

3.1. Legislative Compliance

Corrs Chambers Westgarth Lawyers were requested to provide advice on a revised structure for the acquisition of ARR including advice on whether the structure was permissible under the ASTI Act. Their advice[4] considered a private company taking an equity interest in an ILC subsidiary, entering into a shareholders agreement with a subsidiary and the subsidiary's power to enter into facilities management and hotel management agreements. The advice concluded that the structure was permissible and that the ILC and its subsidiaries could enter into the agreements.

3.2. Legal Due Diligence

Baker & McKenzie have completed its second stage of legal due diligence work. The focus in this stage was to conduct due diligence on information provided in response to requests lodged about ARR, the airport and relevant Voyages office assets and to report on any developments since its December 2008 report.

Baker & McKenzie's supplementary report[5] provides:

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[4] Letter from Corrs Chambers Westgarth dated 18 February 2009

[5] Baker & McKenzie Legal Due Diligence Report—Supplementary Volume

- A high level review of retail, industrial and related subleases (approximately 75 in total)—it should be noted that many of these sub-leases have expired and are now operating on a month to month basis
- A high level review of all permits and licences governing the operation of ARR (approximately 120 in total)
- Advice on native title issues
- Advice on landfill issue (refer to Environmental Due Diligence)
- A review of IT contracts and wholesale agreements
- A review of the Qantas landing fee arrangements
- Information regarding senior managers of ARR and Voyages
- Information on the Voyages ARR "trademark" and domain names

The advice suggests that any issues arising from the above are considered by Baker & McKenzie to not be material.

The report also clarifies a matter raised in its first report regarding a deed of covenant with Mobile Oil Australia Pty Ltd. Baker & McKenzie has confirmed that the ILC will not be required to enter into this covenant, which places restrictions on the future use of an area of the ARR.

The report also identifies the owners of 13 Lots in the Yulara township that are not owned by the seller. These lots are held by Power and Water Authority and Northern Territory Housing.

3.3. Accounting/Financial Due Diligence

3.3.1. Financial Due Diligence

Horwath HTL has been appointed to review the trading operation of ARR by GPT and Voyages. Horwath has compared the 2008 calendar year performance with the 2008 forecast.[6]

The key points of this report[7] are as follows:

- Total revenue was 1.3% down on forecast
- Earnings before interest, tax and depreciation (EBITDA) were down on forecast by 3%
- Revenue per room available (RevPar) decreased across all hotel properties

Horwath has also compared GPT's 2009 forecast with 2008 calendar year performance. The key points of this report[8] are as follows:

- The impacts of the global financial crisis will continue throughout 2009 (and most likely beyond) and the impact on Australia will be a reduction in inbound visitation, which will also impact negatively on ARR

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[6] The forecast was actually ten months of actual trading (January-October) with forecasts for November and December

[7] Horwath HTL Additional Due Diligence Report ACY08 vs AFCY08 dated 9 March 2009

[8] Horwath HTL Additional Due Diligence Report ACY08 vs ABCY08 dated 25 February 2009

- GPT has forecast that RevPar will decline further in 2009
- GPT expect its consolidated revenue for 2009 to be $4.5 million less than 2008 and its EBITDA to decline by $4 million

3.3.2. Corporate Office Platform

Horwath HTL has provided a costing estimate in respect to corporate office platform costs.[9] The costing has been based on the ILC establishing a corporate office platform within the existing Voyages office suite in Elizabeth Street, Sydney. Fifteen positions have been identified within the corporate office as follows—chief executive officer, chief financial officer, corporate accountant, accounts receivable clerk, accounts payable clerk, executive assistant, corporate officer, director human resources, human resources officer (x 2), payroll manager, payroll clerk, project manager, marketing coordinator and marketing assistant.

Table 2: Annual operating and establishment costs

Annual operating costs are estimated to be $6.7 million as follows:

	$'000
Corporate office personnel	2,352
Accommodation cost	233
Information technology	277
Marketing	2,500
Subcontractors and consultants	500
Office expenses—general	750
Payroll administration	65
TOTAL	6,677

Set up costs are estimated to be $1 million as follows:

Fit out	150
Information technology	872
TOTAL	1,022

3.4. Property Due Diligence

Planned Property Management has undertaken further work as part of stage 2 due diligence. Its report[10] provides an update of capital expenditure requirements for the next five years. Its November 2008 report indicated a capital expenditure requirement of $79.6 million. This has been revised to $71.3 million.

The report and estimate includes items raised in our due diligence reports (ie, environmental and IT and communications).

The major expenditure items identified in the report are provided in the table below:

[9] Horwath HTL reported dated 6 March 2009
[10] Planned Property Management Pty Ltd – Boundary areas responsibility, Utilities metering component Revised Capital Expenditure – February 2009

Table 3: Major Capital Expenditure Costs

	$ m
Air-conditioning/fancoil replacement (all facilities)	4.1
Guest room upgrades (Sails in the Desert)	4.6
Public area refurbishment (Sails in the Desert)	3.5
Conference centre redevelopment	6.0
Construction of IGA supermarket at service station site	2.5
Vehicle replacement	2.5
Cold water reticulation replacement	3.0
Road upgrades	1.5
Airport runway resurface	1.5

The Board should note that there are reports of over-crowding in the accommodation for workers at ARR, but there is currently no provision to address this issue in the capital expenditure budget.

3.5. Environmental Due Diligence

URS Australia Pty Ltd was appointed to undertake due diligence work with regard to identifying any environmental issues that have the potential to require financial provision in the future associated with environmental management or remediation of soil and ground water contamination.

The URS report[11] classified its findings as follows:

- Responsibility of GPT (as the current owner/operator)
- Responsibility of future owner

3.5.1. Responsibility of GPT

URS identified 13 issues that it considered to be the responsibility of the current owner. The major item of concern is the possible contamination of the ground water from the current land fill site.

There is no evidence to confirm or dispute whether the ground water has or could potentially be contaminated from the presence of leachate at the current land fill site. This is due to the fact that no ground water monitoring has been undertaken by the current owner. URS has advised that such monitoring is a statutory requirement. GPT advised that it has sought (but not yet received) exemption from the NT Government for ground water monitoring. URS believes that ground water wells need to be installed and samples analysed and that this should be the responsibility of GPT so that any possible contamination to date can be identified.

The other items identified by URS to be the responsibility of GPT include remediation of localised soil contamination at the airport and the land fill site, repair of damaged asbestos at the Giles Street industrial estate, fencing around the land fill site, capping of the current land fill site and some general improvement to grease traps and bunds.

[11] URS Australia – Project Red Rock Environmental Issues dated 11 March 2009

URS has identified the total cost of resolving the issues to be in the vicinity of $1 million. If GPT do not agree to undertake the remediation work this will then be a cost to the ILC.

3.5.2. *Responsibility of Future Owner*

URS identified 14 issues that it considered to be the responsibility of the future owner. The major item is the construction of a ground water treatment plant (at an estimated cost of $2.3 million) which will be required if it is established that ground water has been contaminated (see above). The other items are minor in nature and include construction of sealed areas for oil and fuel storage and wash bay, general ground water monitoring, other monitoring programs for weeds and pests, and improved storage and handling of dangerous goods. The estimated cost for these issues is $1 million.

3.6. Airport Due Diligence

Aspirion Consulting was appointed to undertake due diligence on the Ayers Rock Airport (Connellan) in regard to the following areas:

- Adequacy of licences
- Adequacy of security
- Transfer of licences and security program
- Aviation specific regulatory and operational requirements
- Environmental review and impact of licences
- Air Service Australia and Civil Aviation Safety Authority approvals

The Aspirion Report[12] concluded that the Ayers Rock Airport has all the necessary licences and approvals in place to operate as an aerodrome and conduct related air services activities. The report details the action items required by the ILC to apply for the necessary licences and certificates to take over the airport ownership and operations.

Aspirion has advised that the Ayers Rock Airport Manual and Safety Management System does not currently fully comply with regulations and will need to be updated to maximise the likelihood that licences will be approved.

3.7. IT and Communications Due Diligence

E Horner and Associates was appointed to undertake due diligence of the information technology and communications aspects of the purchase[13]. The report identifies the requirements to purchase software licences for key systems, the transfer of licences and data and staff training. It further identifies the initial cost and ongoing maintenance support for information technology hardware. The report assumes the following:

[12] Aspirion Consulting Ayers Rock Compliance Assessment dated 11 March 2009

[13] Refer to E Horner and Associates report attached to Horwath HTL report on Corporate Office Platform Costs dated 6 March 2009

- That the appointed operator will have its own reservation system
- Accounts receivable is centralised in the corporate office
- New hardware is purchased for the corporate office
- Inventory control software is located at ARR
- Point of sale and campground licences can be transferred to the ILC at no cost
- The ILC will need to purchase new licences for all other software
- The PABX system has at least another three to five years of life

The estimated cost of hardware, software, maintenance, licences and staff training are included in the Horwath estimates for the corporate office and the overall cashflow of ARR provided at 2.2 above.

3.8. Operators/Facilities Manager

3.8.1. Hotel Operators

The proposed operation structure for ARR has the ILC establishing two operating companies for the running of the key operations in the ARR portfolio. The structure also provides for one of the operating companies to appoint a hotel management operator (hotel operator) under a hotel management agreement to run specific sites within those operations.

Table 4: Key Operational Responsibilities

	Hotel Operator	ILC/operating companies
Facilities		
Sails in the Desert	✓	
Desert Gardens Hotel	✓	
The Lost Camel	✓	
Emu Walk Apartments	✓	
Sounds of Silence	✓	
Longitude 131	✓	
Bakery	✓	
Conference /MICE	✓	
Outback Pioneer Hotel & Lodge		✓
Camp Grounds		✓
Airport		✓
Residents Club		✓
Staff Housing		✓
Petrol Station		✓
Visitor Information Centre		✓
Laundry		✓
Freight services		✓
Central plant		✓
Waste management		✓
Security		✓
Technical services		✓
Property management		✓
Landscaping		✓

Table 4: Key Operational Responsibilities (continued)

	Hotel Operator	ILC/operating companies
Services		
Table Longitude 131	✓	
Longitude 131 tours	✓	
Airline catering		✓
Retail merchandise		✓
Retail food		✓
Functions		
HR recruitment for all operating hotels	✓	
Payroll functionality on site	✓	
Payroll processing		✓
Accounts receivable for operating hotels	✓	
Banking for operating hotel	✓	
Ordering and accounts payable operating hotels	✓	
Consolidation of purchasing		✓
Accounting general ledger of operating hotels	✓	
IT for operating hotels	✓	
IT other		✓

The ILC's consultants have short listed two potential hotel operators and are continuing negotiations with both. The two hotel operators are:

- Accor
- InterContinental Hotels Group

Letters of intent from both potential hotel operators are expected to be finalised in the near future for presentation to the Board.

3.8.2. Facilities Manager

ILC representatives had been in discussion with Delaware North regarding the role of facilities manager. Delaware North has reconsidered its position and has stepped away from negotiations at this point.

3.9. Contract Negotiations

Significant work has been undertaken to negotiate an appropriate sale agreement. At the time of preparing the Board paper, the following points were still not agreed between the ILC and GPT.

1. Guarantees by GPT and a retention sum—The ILC has requested both a guarantee by GPT and a retention sum ($14 million). GPT has argued that both are not required but has requested that the ILC consider a $5 million retention sum (for 12 months).

2. Staff transfers—The ILC has requested that only staff with an annual salary of $80,000 or below are automatically retained as a result of the purchase and anyone over $80,000 will be the subject of negotiation. GPT has requested

- that staff with an annual salary of $120,000 or below are automatically retained. The contract requires the ILC to offer employment on terms "no less favourable" so this would include any employees that are currently on "executive contracts".

3. Environmental Remediation (refer Environmental Due Diligence above)—The ILC maintains that it should be GPT's responsibility to remediate the 13 environmental issues identified at GPT's cost. GPT has not agreed. GPT has offered that the ILC should undertake the testing of ground water around the land fill at its costs and if any contamination is found GPT will reimburse the ILC to a maximum of $600,000 or if the NT Government does not remove testing conditions within four months from completion GPT will reimburse the ILC for the test wells up to a maximum of $600,000.

GPT has now closed its virtual data room (effective 13 March 2009). All further information required to progress negotiations will now occur with GPT directly.

3.10. Wana Ungkunytja

Wana Ungkunytja has "first right of refusal" with GPT to purchase ARR assets, including the Alice Springs Resort.

Wana Ungkunytja approached the Minister's Office stating that it wanted access to Government funding to purchase ARR and the Minister's Office referred Wana Ungkunytja to the ILC. As a result, the ILC and Wana Ungkunytja agreed to work in partnership to bid for Ayers Rock/Alice Springs Resorts (including the airport). That document indicated the ILC was prepared to consider Wana Ungkunytja's share of net profit up to 20%.

Subsequently, Wana Ungkunytja indicated that it valued the first right of refusal at $10 million and wished that it received a minimum of 3% of net profit through vested equity in the operating entity. The General Manager wrote to Wana Ungkunytja's lawyers stating that the ILC would be prepared to provide 3% of vested equity in the ILC's share of the consortium, but advised that it was subject to the approval of the ILC Board. In subsequent discussions with Mr Glendle Schrader, Wana Ungkunytja's representative in the bid process, he indicated that Wana Ungkunytja would like the Board to consider 3-4% of net profit. Wana Ungkunytja was advised that the Board would be informed of that request.

Advice from the ILC's due diligence lawyers states that if the Board were to agree to Wana Ungkunytja having 3% of the net profit of the operating entity of Ayers Rock/Alice Springs Resorts, then this should be done through contract and not as equity in the operating entity.

The Board is at liberty to decide whether it wishes to continue jointly with Wana Ungkunytja and then consider whether it wants to provide it with 3% of the net profit and/or equity in the operating entity. The Board is also at liberty to advise Wana Ungkunytja that it no longer wishes to enter into a joint arrangement.

This matter is yet to be resolved.

4. Mutitjulu Foundation Trust

Voyages established the Foundation with members of the community in December 2003, with the aim of relieving poverty, improving health standards, improving education and providing vocational training that will lead to employment for the Mutitjulu community. The Foundation commenced with a contribution of $250,000 from the GPT Group and Voyages, and resort staff encourage guests to contribute to the Foundation, which Voyages matches dollar-for-dollar, up to $200,000 each year. To date, the Foundation has raised $900,000.

The construction of a respite care centre at the Mutitjulu community in September 2007, which was identified as the priority need by members of the community to provide medial care and services that are not available locally, eg dialysis to Mutitjulu elderly, represented the first major project for the Mutitjulu Foundation.

The ILC has been asked to assume control of the Foundation on acquisition of ARR. Baker & McKenzie has provided advice (pro bono) on the steps required for the ILC to assume control:

- Remove Voyages as sole member of the trustee and replace with ILC nominee
- Remove current directors of the trustee and replace with ILC nominees
- Amend the trust deed and constitution to accommodate these changes

In order to ensure cooperation, a broad requirement by Voyages and GPT to take the above necessary steps has been included in the sale agreement.

5. Risk Assessment

An initial risk analysis and identification table was included in the December 2008 report to the Board. This table identified a number of risks that were rated as extreme/high after treatments. The summary of these risks is reproduced below updated to reflect current negotiations and due diligence.

Table 5: Risks rated as Extreme/ High after application of treatments

Risk rated Extreme / High after treatment
Purchase price offered for the target assets is not commensurate with the value.
ILC not able/eligible to obtain certification, authorisation and insurance requirements to operate the airport.
Non-compliance with Act/delegations/NILS with particular reference to the Ayers Rock Airport.
Employment standards and conditions not in accordance with standard/ILC practices.

Decision/acquisition not supported by sector/Government
Unable to change the focus of the target assets following acquisition in terms of private-for-profit to not-for-profit and focus on training and employment.
~~Timing of acquisition process too short to meet ILC timeframes in terms of due diligence.~~ – *The ILC now has greater control of the timing—treated risk now considered moderate.*
Access to funding is denied/restricted/changed/modified/not available within required timeframes.
Remoteness of target assets means visitor levels heavily dependent upon external parties. Qantas continues regular flights to and from major centres such as Melbourne and Sydney. Negative impact on international visitors by global financial downturn.
Not able to guarantee current pricing structure on an individual property basis as the current structure has been established as a result of the overall resort holdings and efficiencies gained.
Deferment of capital expenditure during recent years indicates that this expenditure will be required in the short/medium term to maintain standards at an appropriate level.
Environmental issues identified on one or more of the properties require significant expenditure to remedy.
Access to and climbing of the Rock is banned by the current Indigenous land holders.
Dramatic slump in visitor numbers as a result of the world economic crisis.

6. Recommendation

It is recommended that the Board notes the contents of this report, the updated information regarding current status of negotiations and due diligence regarding the potential purchase of ARR.

Prepared by David Galvin and Jodie Lindsay

<u>Appendices</u>
Appendix 1: Letter from Secretary of FaHCSIA
Appendix 2: Structure
Appendix 3: Cash flows
Appendix 4: Other Information

Appendix 1:

Letter from Secretary of FaHCSIA

Indigenous Land Corporation
Office of the GM
- 1 APR 2009
CH09/18
RECEIVED

Australian Government

Department of Families, Housing, Community Services and Indigenous Affairs

THE SECRETARY

Ms Shirley McPherson
Chairperson
Indigenous Land Corporation
PO Box 586
CURTIN ACT 2605

Dear ~~Ms McPherson~~ Shirley

I am writing following your meeting with the Minister and myself on 23 March 2009 where a number of issues relating to the business of the Indigenous Land Corporation (ILC) were discussed, including the ILC's proposal to purchase the Ayers Rock Resort (ARR) in central Australia and a proposed model to address ILC's ongoing funding arrangements.

Ayers Rock Resort proposed purchase

I understand that the ILC Board's support for the acquisition of ARR was on the basis that the funds could be sought from the Land Account and that the Board preferred not to borrow money for this purchase from commercial lenders.

During the course of the meeting the Minister advised she would not support the ILC's request for funding from the Land Account to purchase the ARR. The Minister came to this view following advice from my Department. The reasons for the Department's views are:

- the purchase would not meet the criteria for an investment of the Land Account under the *Financial Management and Accountability Act* 1999 (FMA);
- the purchase is a high risk/low return investment with added concerns around the complexity of the transaction both in establishment and ongoing operation, management risks and the current downturn in the economy;
- based on financial information available it appeared that relative to ILC's current net assets, its borrowing capacity under the ATSI Act was unlikely to be equal to or more than the amount required to fund the proposed; and
- concern at the size of the investment and high level of risk and financial exposure this would create for the ILC.

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Email Jeff.Harmer@fahcsia.gov.au • Facsimile 02 6244 7983 • Telephone 1300 653 227
National Relay Service: TTY – 133 677, Speak and listen – 1300 555 727, Internet relay – www.relayservice.com.au
www.fahcsia.gov.au

In developing this advice my Department consulted with the Department of Finance and Deregulation, which agrees with the position we have adopted.

I would like to thank you for the ILC providing a copy of the due diligence report to the Department to assist in the analysis of this proposal.

Funding Model

The Minister has agreed to support legislative changes to implement a new funding model to provide ILC with a more consistent funding stream from the returns of the Land Account. The model will provide the ILC with a minimum payment of $45 million per annum, indexed to the Consumer Price Index, together with top-ups where there have been returns to the Land Account in excess of that required to maintain the level of reserves in the Account in real terms. I understand the Minister would like that to occur at the earliest possible date and will be writing to the Prime Minister and the Minister for Finance and Deregulation on this matter.

In the letter to the Prime Minister, the Minister will also propose that the functions of the ILC are broadened to include native title. I understand this proposal has the support of your Board.

If you have any queries with the above please contact Donna Moody on 02 61214106

Yours sincerely

J Harmer.

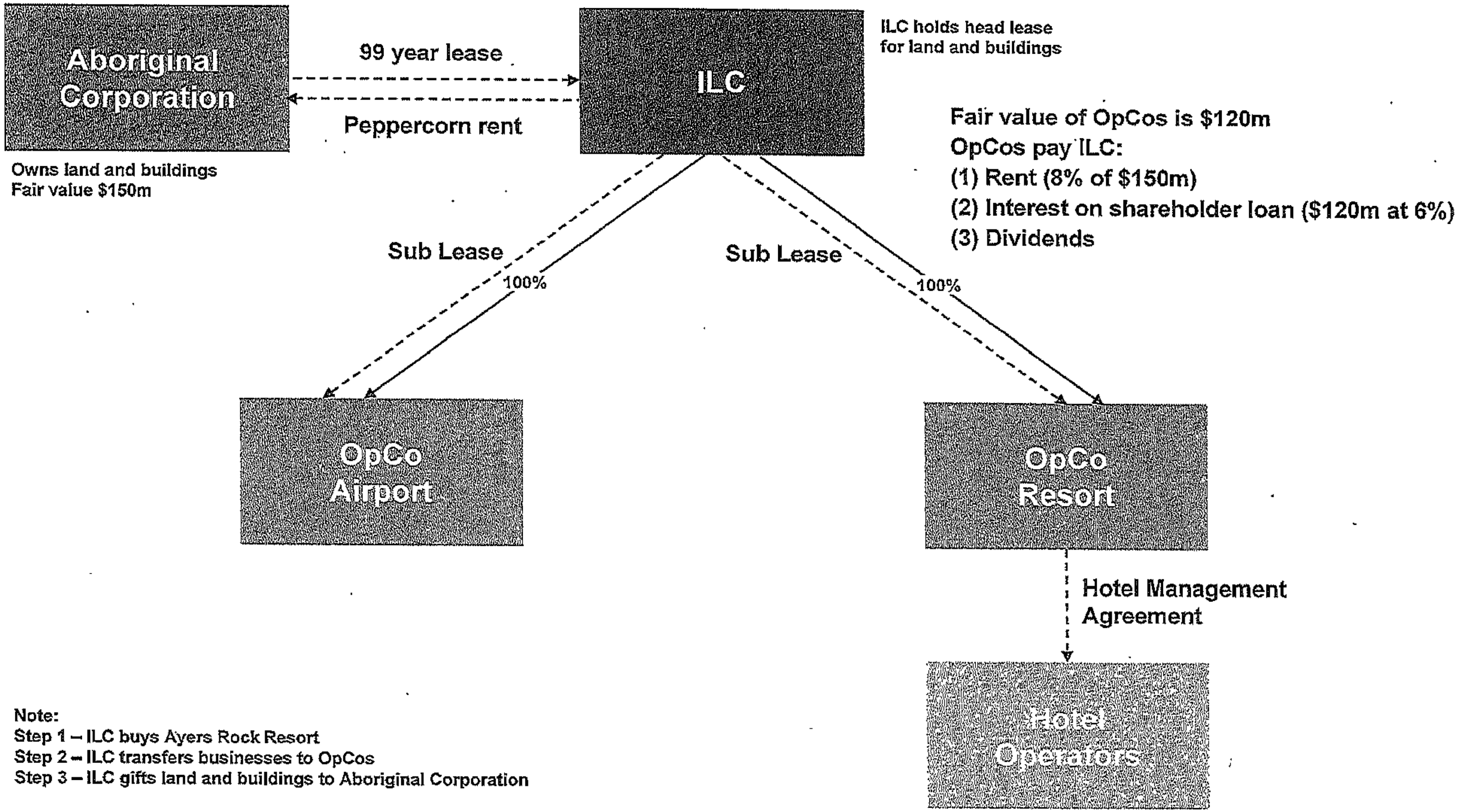
Dr Jeff Harmer

30 March 2009

Appendix 2:

Structure

Long Term Expected Structure



Note:
Step 1 – ILC buys Ayers Rock Resort
Step 2 – ILC transfers businesses to OpCos
Step 3 – ILC gifts land and buildings to Aboriginal Corporation

Appendix 3:

Cash flows

YEAR	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
Summary - Base Case (no debt)										
Opening Cash										
OpCo	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ILC	-	17,700	36,507	56,687	81,280	109,882	133,567	158,677	185,287	213,476
Cashflows										
EBITDA	20,293	22,025	30,820	34,183	37,643	38,528	39,439	40,614	41,331	42,319
Change in working capita	1,016	(278)	(1,347)	(557)	(469)	(207)	(213)	(254)	(192)	(233)
Net interest (including financing cost	(930)	(1,558)	(1,253)	(350)	751	1,933	3,577	5,071	6,663	8,356
Tax paid	(217)	(72)	(1,595)	(2,810)	(3,752)	(4,070)	(4,283)	(4,539)	(4,696)	(4,882)
Capital expenditure	(33,571)	(19,824)	(6,445)	(5,875)	(5,571)	(7,139)	(7,339)	(7,565)	(7,757)	(7,975)
After tax cash flow	(13,409)	292	20,180	24,593	28,602	29,044	31,180	33,327	35,349	37,584
Financing Cash Flow										
Additional debt raised	32,109	18,515	-	-	-	-	-	-	-	-
Debt repaid	-	-	-	-	-	(5,359)	(6,070)	(6,716)	(7,161)	(7,735)
Total Cash flow	18,700	18,807	20,180	24,593	28,602	23,685	25,110	26,610	28,188	29,849
Closing Cash										
OpCo	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ILC	17,700	36,507	56,620	81,139	109,659	133,348	158,463	185,077	213,270	243,123
Summary - 100% debt from land fund										
Opening Cash										
OpCo	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ILC	-	1,257	2,885	5,118	10,960	19,972	-	-	-	-
Cashflows										
EBITDA	20,293	22,025	30,820	34,183	37,643	38,528	39,439	40,614	41,331	42,319
Change in working capita	1,016	(278)	(1,347)	(557)	(469)	(207)	(213)	(254)	(192)	(233)
Net interest (including financing cost	(17,373)	(18,737)	(19,200)	(19,100)	(18,839)	(18,436)	(17,623)	(17,035)	(16,372)	(15,644)
Tax paid	(217)	(72)	(1,595)	(2,810)	(3,752)	(4,092)	(4,252)	(4,481)	(4,632)	(4,811)
Capital expenditure	(33,571)	(19,824)	(6,445)	(5,875)	(5,571)	(7,139)	(7,339)	(7,565)	(7,757)	(7,975)
After tax cash flow	(29,852)	(16,887)	2,232	5,842	9,012	8,654	10,011	11,278	12,378	13,655
Financing Cash Flow										
Additional debt raised	32,109	18,515	-	-	-	-	-	-	-	-
Debt repaid	-	-	-	-	-	(28,626)	(10,011)	(11,278)	(12,378)	(13,655)
Total Cash flow	2,257	1,628	2,232	5,842	9,012	(19,972)	-	-	-	-
Closing Cash										
OpCo	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ILC	1,257	2,885	5,118	10,960	19,972	-	-	-	-	-

Copy of Ayers Rock Model_current_WIP.xls
Summary

YEAR	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
Summary - 60% debt from land fund										
Opening Cash										
OpCo	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ILC	-	7,834	16,334	25,745	39,088	55,936	-	-	-	-
Cashflows										
EBITDA	20,293	22,025	30,820	34,183	37,643	38,528	39,439	40,614	41,331	42,319
Change in working capita	1,016	(278)	(1,347)	(557)	(469)	(207)	(213)	(254)	(192)	(233)
Net interest (including financing cost	(10,795)	(11,866)	(12,021)	(11,600)	(11,003)	(10,249)	(8,397)	(7,255)	(6,006)	(4,656)
Tax paid	(217)	(72)	(1,595)	(2,810)	(3,752)	(4,092)	(4,252)	(4,481)	(4,632)	(4,811)
Capital expenditure	(33,571)	(19,824)	(6,445)	(5,875)	(5,571)	(7,139)	(7,339)	(7,565)	(7,757)	(7,975)
After tax cash flow	(23,275)	(10,016)	9,411	13,342	16,848	16,840	19,238	21,058	22,745	24,644
Financing Cash Flow										
Additional debt raised	32,109	18,515	-	-	-	-	-	-	-	-
Debt repaid	-	-	-	-	-	(72,776)	(19,238)	(21,058)	(22,745)	(24,644)
Total Cash flow	8,834	8,500	9,411	13,342	16,848	(55,936)	-	-	-	-
Closing Cash										
OpCo	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ILC	7,834	16,334	25,745	39,088	55,936	-	-	-	-	-
Summary - 50% debt from land fund										
Opening Cash										
OpCo	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ILC	-	9,479	19,696	30,902	46,120	64,927	-	-	-	-
Cashflows										
EBITDA	20,293	22,025	30,820	34,183	37,643	38,528	39,439	40,614	41,331	42,319
Change in working capita	1,016	(278)	(1,347)	(557)	(469)	(207)	(213)	(254)	(192)	(233)
Net interest (including financing cost	(9,151)	(10,148)	(10,226)	(9,725)	(9,044)	(8,202)	(6,090)	(4,810)	(3,414)	(1,908)
Tax paid	(217)	(72)	(1,595)	(2,810)	(3,752)	(4,092)	(4,252)	(4,481)	(4,632)	(4,811)
Capital expenditure	(33,571)	(19,824)	(6,445)	(5,875)	(5,571)	(7,139)	(7,339)	(7,565)	(7,757)	(7,975)
After tax cash flow	(21,631)	(8,298)	11,206	15,217	18,807	18,887	21,544	23,503	25,337	27,391
Financing Cash Flow										
Additional debt raised	32,109	18,515	-	-	-	-	-	-	-	-
Debt repaid	-	-	-	-	-	(83,814)	(21,544)	(23,503)	(25,337)	(15,336)
Total Cash flow	10,479	10,218	11,206	15,217	18,807	(64,927)	-	-	-	12,055
Closing Cash										
OpCo	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ILC	9,479	19,696	30,902	46,120	64,927	-	-	-	-	12,055

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