



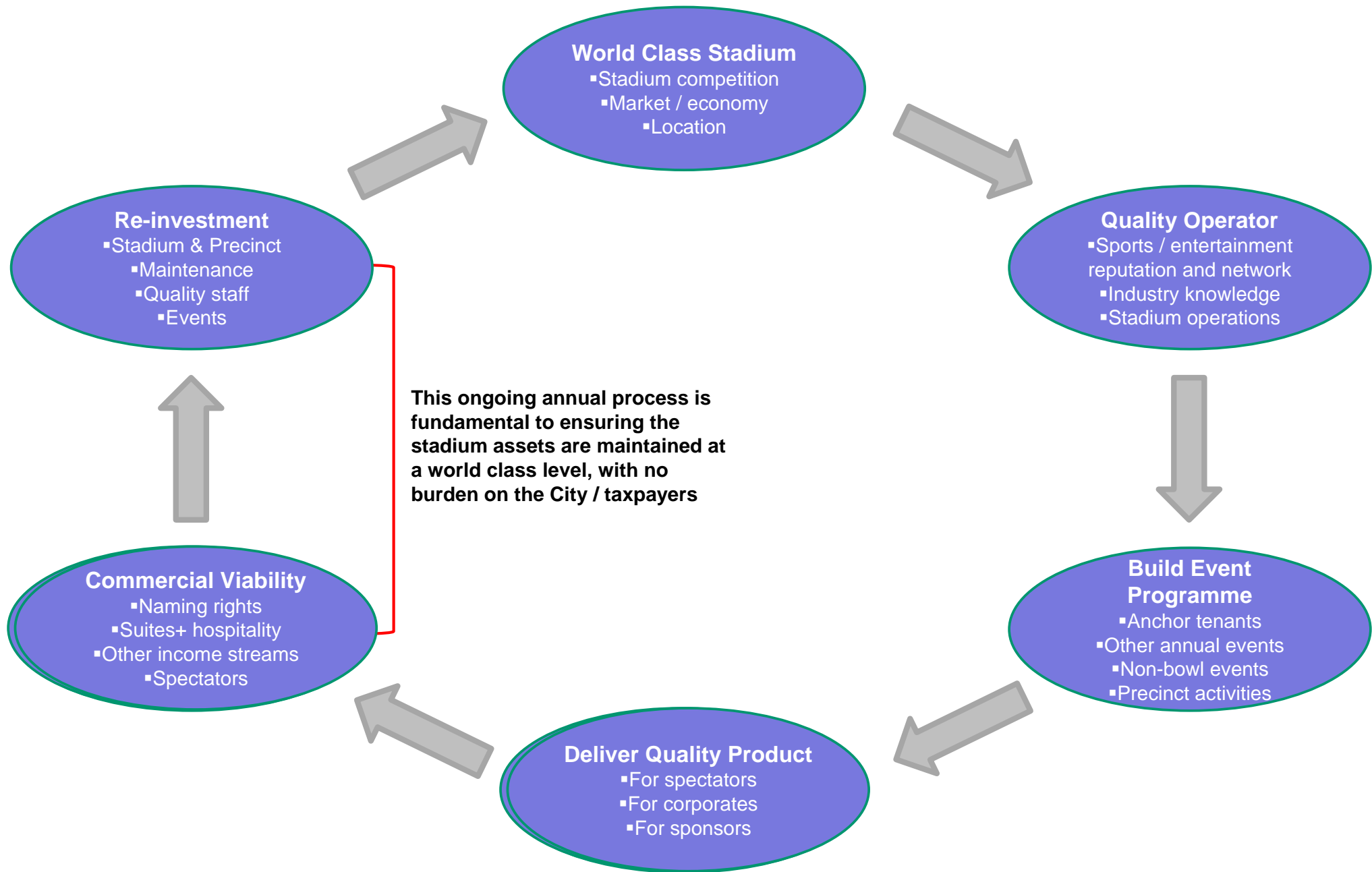
FINANCIAL FORECAST



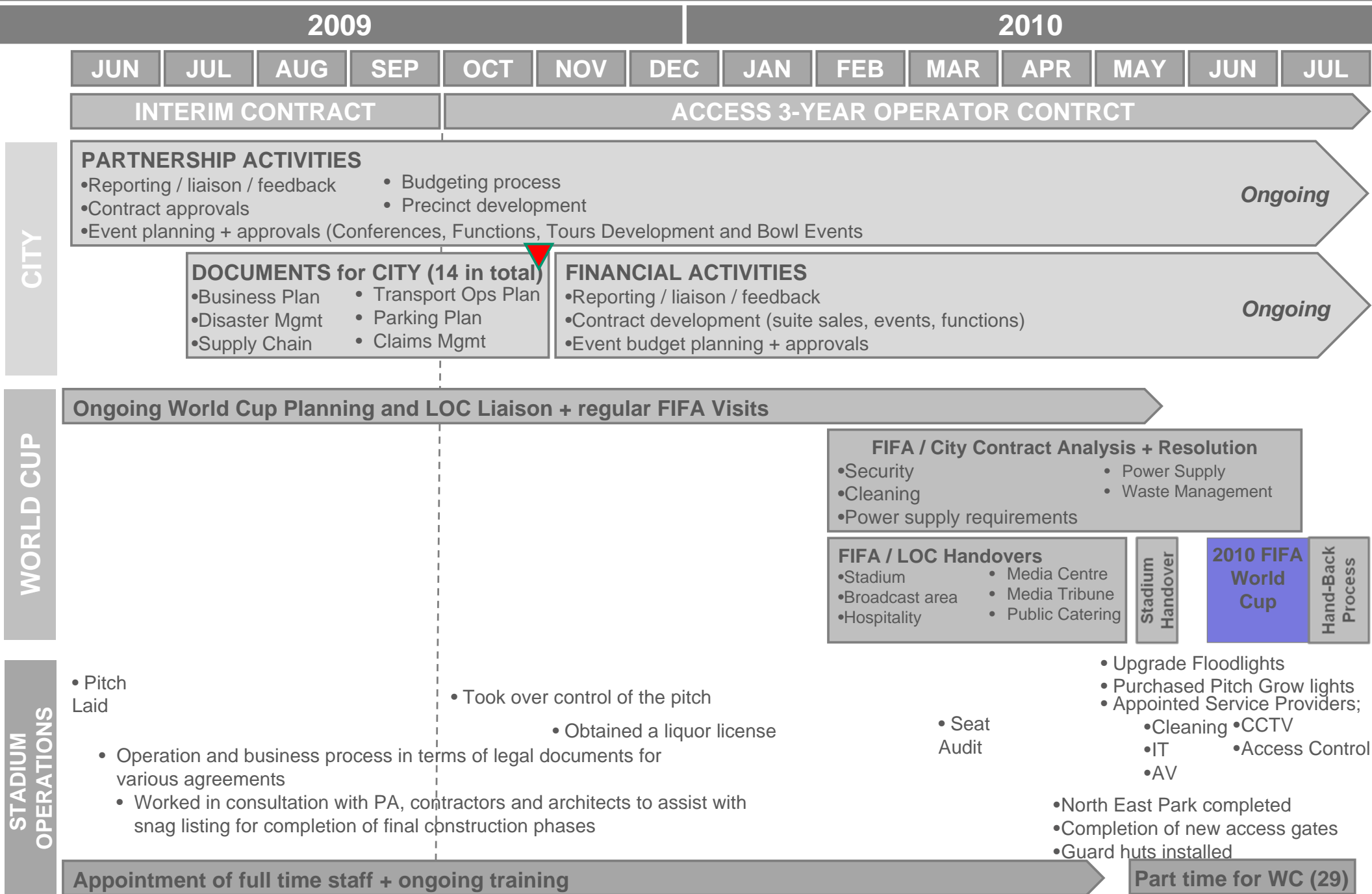
Nelson Mandela Bay Stadium

August 2010

International Multi-purpose Stadium Model – Ensuring Financial Sustainability



NMB Stadium – Operator Focus Areas to Date



NMB Stadium – Event Programme To Date

2009							2010											
JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL					
INTERIM CONTRACT				ACCESS 3-YEAR OPERATOR CONTRCT														
BOWL EVENTS <ul style="list-style-type: none"> Open Day Southern Kings Vs. B & I Lions Premiers Cup Vodacom Challenge Women's Day Currie Cup (EP vs Falke) 				<ul style="list-style-type: none"> Bafana vs Japan Keizer Chiefs vs Santos Bay Summer Concert 							<ul style="list-style-type: none"> Nelson Mandela Bay International Music Festival Bay United vs Korea Gaborone United vs Pirates EP vs Cheetahs EP vs Argentina 						FIFA World Cup <ul style="list-style-type: none"> Korea vs Greece Ivory Coast vs Portugal Germany vs Serbia Switzerland vs Chile England vs Slovenia Korea vs Uruguay Brazil vs Netherlands Uruguay vs Germany 	
				<ul style="list-style-type: none"> Currie Cup 														
June 2009 to end September 2009: <ul style="list-style-type: none"> 6 Events Total Attendance: 116 000 				October 2009 to date: <ul style="list-style-type: none"> 17 Events Total Attendance: 389 970 														
NON-BOWL EVENTS <ul style="list-style-type: none"> Conferences Launches Functions 				<ul style="list-style-type: none"> Conferences – 3 : FIFA Conference Grinaker Conference Launches – 2 : General Motors Dealer Awards FNB Roadshow Functions – 3 : Wedding Parexel Banquet Dinner Advertising –VISA Commercial 														

NMB Stadium – Operator Dashboard

BUSINESS OPERATIONS	Financial <ul style="list-style-type: none"> Staff budget YTD: <ul style="list-style-type: none"> (23 % below budget) Marketing cost saving of 44% Cost saving total budget just over R4.1million 	Sales and Marketing <ul style="list-style-type: none"> Naming Rights - in market place selling Functions 2010 Suite Sales (Sold 12 for 2010) Suit sales 2011 .Success depended on event calendar) 	Human Resources <ul style="list-style-type: none"> 19 full time staff (budgeted for 29) Additional appointments planned – 10 during 2011 Temp world cup staff have completed contracts. 	Contracts <ul style="list-style-type: none"> Appointments made: <ul style="list-style-type: none"> Megapro Magnetic Storm Dimension Data Afrisec 	City Liaison/Reporting <ul style="list-style-type: none"> Quarterly report last submitted end of March Next report due Budget 2011 submitted to City end of August. No other noteworthy issues
STADIUM OPERATIONS	Safety and Security <ul style="list-style-type: none"> Security tender been finalized appointment expected end of August Temporary security company on site. 	Cleaning <ul style="list-style-type: none"> Tender advertised Contract awarded to Zama Cleaning Training provided by the stadium operator 	Food and Beverage <ul style="list-style-type: none"> Liquor License to be changed to wholesale Kitchen fit-out tender to be finalised F & B Strategy to be finalised 	Outstanding Tenders <ul style="list-style-type: none"> Waste Management Kitchens Suites Precinct Management 	Ticketing <ul style="list-style-type: none"> Seat audit complete Layout successfully loaded by Computicket Internal ticketing system training complete Ticket design in progress Accreditation plan to be implemented
EVENTS / WORLD CUP	World Cup Overlay <ul style="list-style-type: none"> Certain items of overlay construction will remain at the stadium for legacy use, e.g: conference equipment, CCR Level 5 	Anchor Tenant (Soccer) <ul style="list-style-type: none"> Enter into discussions with SAFA PSL Team major problem Other soccer events <ul style="list-style-type: none"> Vodacom Challenge Premiers Cup 	Anchor Tenants (Rugby) <ul style="list-style-type: none"> Agreement with EP rugby concluded <ul style="list-style-type: none"> Vodacom Currie Cup Super Rugby Internationals RB Sevens Friendlies 	Other Bowl Events <ul style="list-style-type: none"> Concerts <ul style="list-style-type: none"> Pitch cover purchased Corporate events Community Events 	Non-Bowl Events <ul style="list-style-type: none"> BMX World championships + Mountain biking Concerts in the park Precinct community participation
FACILITIES	Facility Maintenance <ul style="list-style-type: none"> HMI (Human Machine Interface) System in operation Facility maintenance manager appointed 	Asset Protection World Cup <ul style="list-style-type: none"> Photo documentation Damage reports by PA issued to LOC 	Pitch <ul style="list-style-type: none"> Major Disappointment To be rectified by December Desso system to be installed 	Improvements <ul style="list-style-type: none"> Ablution facilities Fencing and turnstiles Water System Drainage Team Benches Lift North and South 	<div style="border: 1px solid black; padding: 5px;"> <p>Business As Usual</p> <p>Some Challenges, but Under Control</p> <p>Problem Area</p> </div>

NMB Stadium – Planned Event Programme 2011 to 2013+

RUGBY

	2011	2012	2013
Vodacom Cup – EP Kings	•4/5 matches	• 4/5 matches	• 2/3 Matches (reduced for Super Rugby)
Currie Cup – EP Kings	•5/7 matches (including Sharks, WP, Bulls etc.)	• 5/7 matches	• 5/7 Matches
Super Rugby – Southern Kings	•5 friendly matches (Sharks, Stormers, Bulls, Lions, Cheetahs) for 2011 + 2012		• 8 Matches (Full Super Rugby)
Other Rugby	<ul style="list-style-type: none"> •SA vs. All Blacks (TriNations) •IRB Sevens (George currently) 	<ul style="list-style-type: none"> • Annual Test Match • IRB Sevens 	<ul style="list-style-type: none"> • Annual Test Match • IRB Sevens

FOOTBALL

PSL + Knockout – Assisting Bay United in PSL Qualification	•Bay United / PSL Expansion – potential of +/- 20 matches per annum		
Other Football	<ul style="list-style-type: none"> •Bafana Bafana •Vodacom Challenge •Premiers Cup •Other friendlies 	<ul style="list-style-type: none"> • Bafana Bafana • Vodacom Challenge • Premiers Cup • Other friendlies 	<ul style="list-style-type: none"> • Bafana Bafana • Vodacom Challenge • Premiers Cup • Other friendlies

OTHER

Target 4 to 6 per annum	<ul style="list-style-type: none"> • Concerts [2] • Roadshows • BMX World Cup • Mountain Bike World Cup 	<ul style="list-style-type: none"> • Concerts • Roadshows • BMX World Cup • Mountain Bike World Cup
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NON-BOWL EVENTS

- Ongoing focus area aimed at conferences, roadshows, functions
- Specifically targeting cycling, vehicle and international conference markets

NMB Stadium – 2011 Financials

2011 Financial Model	LOW ROAD	HIGH ROAD	Difference	Comments
Revenue				
Sponsorship and Advertising	5 500 000	9 400 000	71%	Additional "naming rights" income in HIGH Road
Event related income	7 548 450	7 670 450	3%	
Hospitality	3 253 500	3 693 100	14%	Additional suite sales income in HIGH Road
Other income	1 908 000	2 508 000	31%	Higher kitchen rental forecast in HIGH Road
Gross Revenue	18 209 950	23 149 550	27%	
Less Anchor tenant share	-2 000 000	-2 000 000	0%	Fixed, as agreement in place with EP Kings
Net Revenue	16 209 950	21 271 550	30%	
Less Fixed operating expenses	-19 891 461	-19 891 461	Fixed	Expenses under direct operator control (part of GOP calculation)
Less Facilities maintenance expenses	---	---	---	Expenses in relation to Stadium infrastructure due to design/failure /uncontrollable maintenance and will be added back for GOP calculation
Net Profit / Loss	-3 681 511	1 380 089	---	

Comments:

- “Naming rights” sponsorship income is the biggest determinant of whether net revenue covers the fixed operating expenses or not. Consequently we have been proactive in preparing our sponsorship packages (before World Cup) and appointed market leader to assist with sales
- SARU decision on event programme
- Working with SAFA and the PSL to get a local PSL team as Anchor Tenant