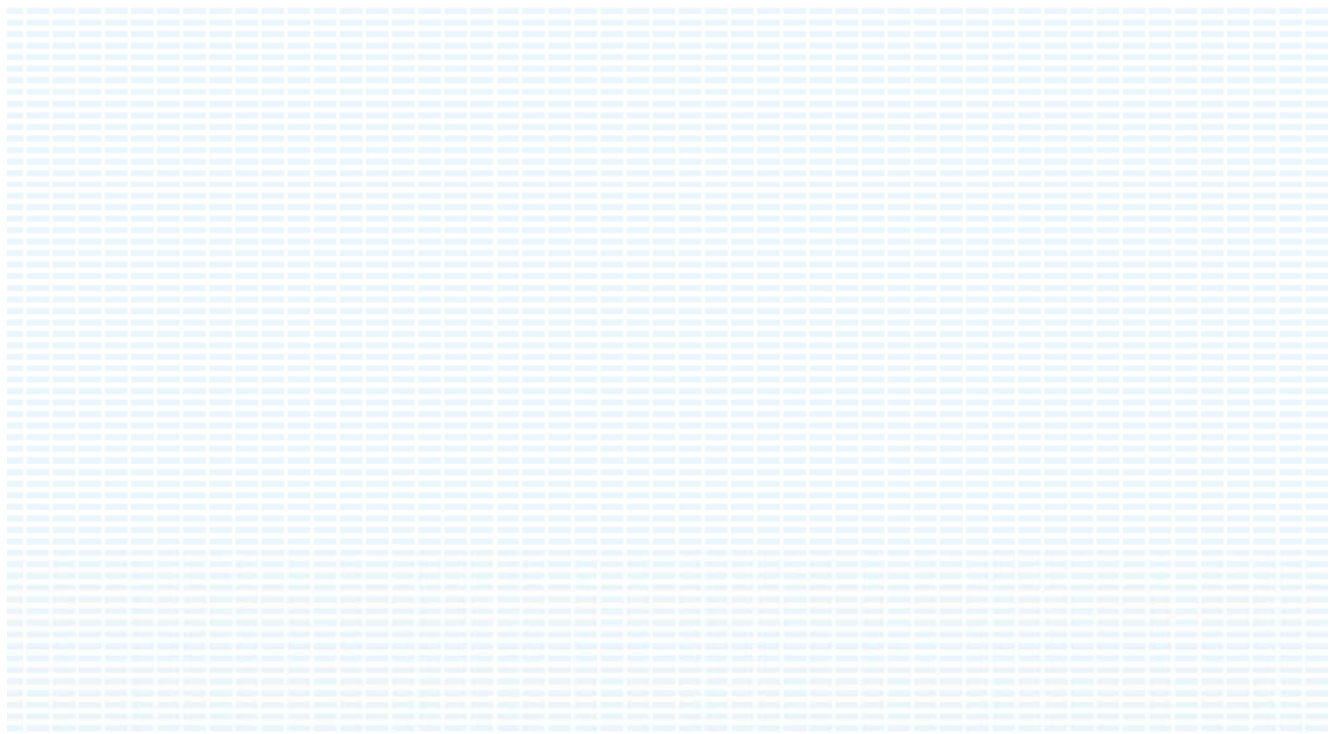


CORPORATE PROFILE



Advisory
Development
Strata Title
Shared Ownership
Asset Management
Operations
Independent Experts
Transactions
Research



Cover photos:
Sebel Harbour Lights, Cairns
Bay of Fires Lodge, Tasmania



OUR SERVICES

SERVICES:

- ▣ Advisory and Financial Services
- ▣ Development Management
- ▣ Strata Title Hotel and Resort Development specialists
- ▣ Shared Ownership
- ▣ Asset Management
- ▣ Operations
- ▣ Independent Experts
- ▣ Transactions
- ▣ Research

Established in 1993, our experience includes acting as principals and advisors to a wide range of hotel and resort assets from backpacker to 5 star, city hotels and regional resorts, single and multi-site operations. Dransfield have been involved in over 300 hotel and resort enterprises comprising more than 30,000 rooms and numerous food and beverage outlets.

Dransfield's resources and experience enables us to provide a wider range of complimentary specialist services than many traditional advisory firms. Services include independent expert reports, development management, day to day operations and marketing programs.

Our team's experience and training ranges from accounting and finance to property development and asset management.

Dransfield's experience enables a broader view that ensures all elements of a project and its lifecycle are considered. This approach is forward looking. Dransfield often share the risk or co-invest with our clients to better align our interests and ensure that any advice or strategy is effective, practical and executable.

Dransfield's structure and skillset enables us to effectively communicate with all stakeholders and add value at each stage of an assets' lifecycle. Our resources and project management skills are diverse and have undertaken many large and complex projects in both the public and private sectors.

We are often asked to implement our advice and recommendations.

Dransfield Shared Ownership was established in 2010 to provide an independent management and advice platform for this new form of holiday ownership. A more detailed introduction to this retail facing business is included at the end of this brochure.

Illustrative case studies are included at the end of this brochure. Further details of our past projects are available upon request.



The Sebel Harbourside, Kiama



Bay of Fires Lodge, Tasmania



ADVISORY & FINANCIAL SERVICES



The Diamant Hotel, Sydney



Novotel, Barossa Valley

Advisory & Financial Services include:

- ▣ General advisory
- ▣ Feasibility and best use assessments
- ▣ Workouts and reconstruction
- ▣ Independent Experts
- ▣ Valuation Reviews
- ▣ Debt & Equity Financing
- ▣ Market Research

Dransfield Advisory & Financial Services apply our practical experience sometimes gained as co-investors in development and operations and as team leaders in implementation.

Our team has a unique range of skills and experience having acted for all of the key stakeholders during each stage of a hotel and resort's lifecycle. Key stakeholders include asset owners, financiers, developers, operators and Government.

ADVISORY

We provide independent Advisory services to assess clients' opportunities and threats. We have a range of real world experiences as well as extensive advisory experience in a significant number of projects since 1993.

Our combination of financial and industry expertise assists us in answering the critical questions that often face stakeholders.

Our function is often as a financial communication medium, working with the interested parties to answer these questions, identify opportunities to be pursued and risks that can be minimised.

FEASIBILITY & BEST USE ASSESSMENTS

We undertake traditional feasibility and demand assessments for both developers and financiers.

We believe these assessments should not be relied on alone and they have often been misused as they only consider part of the critical pre-development criteria. We seek to add value and reduce risk by conducting a full development review and best use analysis, examining alternative development approaches including the sensitivity of development and operating assumptions.

We believe it is in our clients' interests to consider the total investment and development feasibility, including return on capital and internal rate of return, rather than solely considering the operating performance. Overall development risk may then be managed.

Our combined development and operational experience enables us to commercialise the project design in the pre-development phase. This involves improving master plans and undertaking detailed design before inappropriately committing capital.

WORKOUTS & RECONSTRUCTION

We have considerable experience in assessing the financial position of an entity in times of financial stress. Our combined industry and insolvency expertise assists in the design of a workable restructuring plan which takes into account the interested parties' varying needs.

A workout or reconstruction is not necessarily public and does not involve the formal appointment of an insolvency practitioner. We have conducted a significant number of assignments of this nature. Our relationships with industry participants enables us to introduce new parties that can help solve financial distress.

We do not accept formal insolvency appointments to avoid the conflict of interest that may otherwise arise. This ensures we can continue to provide independent client focussed advice. We can assist in coordinating a formal insolvency appointment if required.

FINANCIAL SERVICES

We provide a complete range of financial services to hotel and resort investors, developers, financiers and operators. Financial services include:

Lender Advisory

Advisory services designed to assist financial institutions in determining whether to make an initial loan, loan extension or to secure appropriate loan protection.

Project Finance

We facilitate securing debt and equity for both development and investment purposes. Our experience in acting for both debt and equity providers enables us to address their key questions and understand their decision and risk criteria.

Independent Reports & Analysis

We provide independent expert advice and analysis that uses our knowledge base and experience. See further details later in this brochure.

Valuation Reviews

We have a detailed understanding of the valuation process. We bring a commercial approach which looks forward, as well as considering historical sales evidence. Our transaction experience adds to the valuer's knowledge and skills.



Crowne Plaza, Newcastle



The Pearl South Pacific Fiji Resort

Past projects include:

- ▣ Sebel Harbourside Kiama
- ▣ Intercontinental Hotel Group Portfolio
- ▣ Medi-Hotel Joint Venture
- ▣ Saville Brisbane
- ▣ East Point Mackay
- ▣ Le Meridien, Melbourne

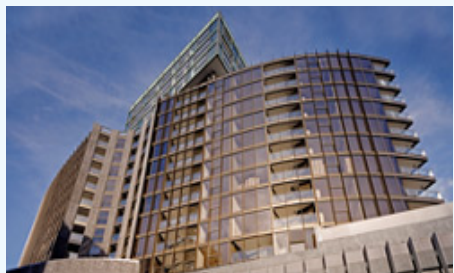
Please contact us for more details on these projects and our services.



DEVELOPMENT



BEFORE: Oxford Koala Hotel



AFTER: Monument Apartments



Noosa Blue Resort

Dransfield have acted as advisors and principals in many hotel and resort development projects.

Dransfield recognises the unique and challenging development circumstances of hotels and resorts in Australia. Dransfield takes a “whole of development” approach to reduce project risk and cost. There is a limited pool of experienced hotel and resort developers in Australia and there has been consistent project failure at the capital level. This is usually caused through poor project concepts and related overcapitalisation.

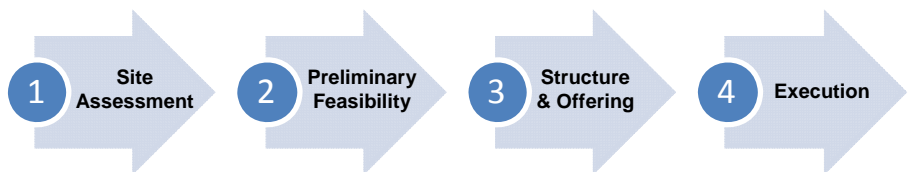
New projects must compete with established assets and operations that have often been acquired at a discount to original cost. These have a lower average cost per room and room rate required to provide an acceptable return and can undercut new hotels. This creates an unusually complex situation which requires expert participation in design and capital discipline.

We have developed a proven structured methodology to assess risk and feasibility of a hotel in four stages:-

Dransfield have experience in each stage of the development lifecycle from concept to construction, to project sales. Projects include large upscale city hotels as well as regional resorts throughout Australia.

Dransfield recognises and manages the potential conflict between operators and customers needs and return on capital requirements. A successful development is not the sum of the parts, but their integration.

Our development team has diverse backgrounds and skills ranging from engineering and construction through to accounting, finance and research.



Development related services:

- Project Concept and Design
- Project Planning and Scheduling
- Project Control Group Management
- Concept Review and Modification
- Total Project Feasibility Assessment
- Finance Arrangement and Coordination
- Integration of Development and Operations
- Alternate Use Analysis
- Refurbishment and Redevelopment (R&R)
- Strata Title Hotel & Resort Development specialists
- Joint Venture Assembly

Dransfield's project tools include:

- Project delivery flowcharts
- Total feasibility financial models
- Alternate use analysis
- Development cost budget models
- Project timetable scheduling
- Project Control Group communication and task management processes
- End use business planning
- Integration of operating plans

Dransfield's development skillset has been recognised by major developers including Stockland, Leighton and Becton. Our development portfolio is over 60 projects including our specialised strata expertise.

For more information on our development related services or past products, please visit our website or contact us.



EcoPoint Myall Shores Resort

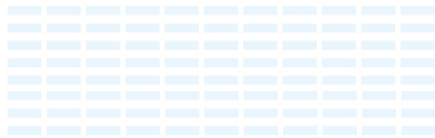


Saville South Bank, Brisbane

Past projects include:

- Saville Brisbane
- East Point Mackay
- EcoPoint assets
- Noosa North Shore Resort

Please contact us for more details on these projects and our services.



STRATA TITLE HOTELS & RESORTS



EcoPoint Angourie Resort



The Sebel Harbourside, Kiama

Past projects include:

- ▣ Noosa Blue
- ▣ Sebel Harbourside Kiama
- ▣ Cypress Lakes Resort
- ▣ Noosa North Shore Resort
- ▣ Novotel Barossa Valley
- ▣ Mollymook Beach Resort

Please contact us for more details on these projects and our services.

Dransfield has participated in a significant number of strata title hotel and resort projects, often from concept to completion. We have a well developed methodology and precedents for the design and delivery of strata title hotel and resort development schemes including project marketing.

The development of strata title hotels and resorts has become increasingly prominent over the last decade. In excess of 75% of new resort developments have adopted this financing and operating model which originated in Queensland and is now utilised in all states. This development model presents some unique issues, risks and documentation requirements which require special skills, which include:

PROJECT MARKETING

Strata title tourism products require multiple end buyers with different investment criteria than residential or single takeout buyers. A project marketing strategy must be developed and executed. Dransfield are licensed agents.

Dransfield can integrate a Shared Ownership platform for strata developments.

REGULATORY FRAMEWORK

There is an extensive and complex regulatory framework to both the offering and management of strata title hotels. Dransfield has experience in developing strata title schemes that comply with the full requirements of the Corporations Act as well as schemes that secure

partial relief and do not trigger the more onerous requirements of the Act. Dransfield has skills in balancing the market and regulatory needs of strata projects.

DEVELOPMENT APPROVAL

Development approvals for strata projects are more complex as the collective development must respect the individual owner's requirements and regulatory framework. Documentation is increased in order to maintain a sustainable collective investment.

OPERATION

The operator must recognise the needs of collective ownership and act as trustee of a range of individual owners complying with state and national legislation

COMMERCIALISATION

Many strata title schemes have struggled to find end buyers having been poorly conceived. There are over 50 interrelated factors that need to be considered and balanced to achieve a commercially acceptable and sustainable strata title hotel or resort. Dransfield monitor all significant offerings and maintain a database to help identify factors for success and avoid those that contribute to project failure.

EXPERT'S REPORTS

Dransfield holds an Australian Financial Services Licence and prepares independent expert's reports for inclusion in prospectus and product disclosure statements.

Hotel and resort investment has historically had higher risk than other forms of real estate with key industry knowledge not freely available and ownership and management often separated by conflicting goals.

Perceived operating business needs often take precedence over the assets needs. Owners feel disadvantaged by the Manager's greater operational knowledge and control of day to day operations.

The Operator's focus can be on day to day operations and brand maintenance, rather than asset value. In many cases the asset value may actually be enhanced by having no operator or being able to terminate the operation relationship. The potential for conflict is clear.

Dransfield provides a range of skills and experience to close the business knowledge gap caused by this industry structure. This can bring the owner and operator closer together and when appropriate help them separate.

Dransfield Asset Management services range from owner representation and key stakeholder management to independent strategic advice and contract negotiation. Our experience acting for a diverse range of clients and our disciplined approach to asset

management can assist in changing operating practices and achieving desired returns.

Dransfield has provided a wide range of Asset Management services to clients at varying stages of an asset's life cycle. By applying a set of disciplines, procedures and tools, Dransfield offers a more organised yet flexible approach to decision making and problem solving.

Asset Management services include:

- ▣ Owner Representation
- ▣ Key Stakeholder Management
- ▣ Financial and Operating Reporting and Monitoring
- ▣ Independent Strategic Review
- ▣ Assessment of Development/Refurbishment
- ▣ Assessing Restructuring Options
- ▣ Feasibility and Investment Analysis
- ▣ Operation and Development Integration Strategy
- ▣ Management Agreement Negotiation
- ▣ Interim Management



Noosa Blue Resort

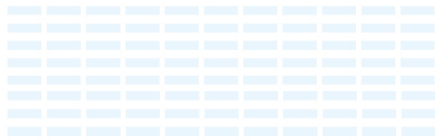


The Old Woolstore Hotel, Hobart

Past projects include:

- ▣ The Old Woolstore Apartment Hotel, Hobart
- ▣ Crowne Plaza, Newcastle
- ▣ The French Quarter, Noosa
- ▣ Novotel Lake Crackenback

Please contact us for more details on these projects and our services.



OPERATIONS



The Sebel Harbourside, Kiama



EcoPoint, Murramarang Resort

OPERATIONS SERVICES INCLUDE:

- ▣ Operational Reviews
- ▣ Operator and Executive Selection
- ▣ Integration of Operations and Development Schemes
- ▣ Operational Management

Dransfield has a variety of direct and indirect experiences in operating hotels and resorts. Services range from a strategic review of operational performance or stocktake, to day to day management of assets. Dransfield operates hotels and resorts to assist our clients and partners achieve their asset management objectives.

We do not seek roles that are solely operational as this would create conflict with many of our clients. Operational capability enables us to offer a full range of asset management and development related services to our clients.

OPERATIONAL REVIEWS

We have undertaken a wide range of operational reviews on behalf of owners, investors, financiers and operators. This includes large 5 star hotels and small regional resorts.

An operational review provides a specialist independent means of assessing past and present performance and opportunities for improvement.

Our expertise in understanding and improving operational performance plays a big part in our ability to deliver financial advisory and reconstruction solutions.

Dransfield have developed specific programs to improve profits for clients considering expansion or for third party investors or financiers wanting an expert assessment on performance. The detailed program often follows an operational review which detects scope for improvement.

Our independent operating expertise has been recognised by major operators who have periodically retained us to review underperforming hotels.

OPERATOR & EXECUTIVE SELECTION

Dransfield has extensive experience in the selection and supervision of hotel and resort operators, ranging from luxury CBD hotels to regional resort appointments. We are able to assess the commercial impact of contractual terms to achieve a balanced management/owner relationship. We also provide assistance in the selection of key executives including hotel general managers and financial controllers.

Dransfield have particular expertise in operator selection for strata title hotels with the additional issues created by a Management Rights structure.

INTEGRATION OF OPERATIONS AND DEVELOPMENT SCHEMES

Often the most difficult part of any tourism development is identification of the key operating elements of the project and integration of these with the development objectives.

Operations and Development executives have limited common understanding of each others needs and struggle to find a sustainable balance. We offer a communication and strategic link between the operations and development aspects of a project to ensure a functional operating environment.

OPERATIONAL MANAGEMENT

Dransfield has managed a variety of assets from reconstruction and insolvency engagements, to origination of a multi-site management company that also developed a large tourism and strata title asset portfolio.

Dransfield offers a flexible solution to management which is particularly useful during a transition phase when changing operators or when there is a need for integration of operations with development activity during a sell down period.



Beach Road Resort, Noosa



EcoPoint, Myall Shores Resort

Past projects include:

- The Old Woolstore Apartment Hotel, Hobart
- Saville Hotel, Canberra
- The Pearl South Pacific Fiji Resort
- EcoPoint assets

Please contact us for more details on these projects and our services.

INDEPENDENT EXPERTS



Goldsbrough Apartments, Sydney



Sebel Harbour Lights, Cairns

Past projects include:

- Hilton Sydney
- Trilogy Quay West
- Goldsbrough Apartments
- Grand Hotel Group

Please contact us for more details on these projects and our services.

Dransfield offer a range of **independent expert** services including:

- Independent expert reports for prospectus
- Independent expert reports for product disclosure statements
- Independent expert reports for litigation and board advisory
- Independent analysis that can assist in formal and informal dispute determination.

Dransfield have provided expert testimony on numerous occasions for a wide range of matters in Supreme Courts throughout Australia, Land & Environment Courts and the Federal Court.

Litigation matters have included:

- Acting for the Travel Corporation Fund (statutory body) to determine when Ansett Airlines became insolvent prior to its collapse.
- Acting for an international hotel operator in assessing whether their Cairns Hotel's performance had deteriorated as a consequence of the manager's performance or market conditions outside their control.

- Acted for a developer to calculate the economic impact of closing half of the hotel rooms and converting them to luxury residential use.
- Expert advice on the performance of a strata title hotel versus original forecasts.
- Acted for the operator in assessing the future trading prospects of a Gateway Convention & Exhibition Centre and valued the management rights for a partnership dispute.
- Acted for an International Hotel Group in assessing the manager's performance in a commercial dispute with the owner.
- Acted for the owner of the property in a 20 year rental dispute involving reserved rent in excess of \$100m. This arbitration took place over 40 weeks.

Dransfield has acted for various publicly listed entities assessing forecasts provided in prospectuses and takeovers as well as Product Disclosure Statements.

Dransfield is the holder of an **Australian Financial Services Licence**.



TRANSACTIONS

Dransfield provides a complete suite of transaction related services. Our experience ranges from traditional financial due diligence and bid/interested party assessments to Co-Agency and total transaction management.

Dransfield offers a unique and diverse skill set that provides flexibility in problem solving and creates structured transactions to overcome any execution impediments. Our transaction services focus on creating value to all stakeholders to close price gaps and resolve terms.

We often add value prior to market presentation including preparing redevelopment schemes and securing vacant possession. We develop ways to mitigate perceived buyer risk and reduce transaction time and failure risk.

Transaction services include:

- ▣ Financial due diligence
- ▣ Information memorandum and due diligence material for vendors
- ▣ Vendor representation
- ▣ Bid advisory and assessment of interested parties
- ▣ Transaction management
- ▣ Documentation management
- ▣ Assessing and developing alternative use/value adding schemes
- ▣ Presenting credible independent forecasts
- ▣ Presenting obtainable asset and operational restructuring options



Sheraton Noosa Resort & Spa



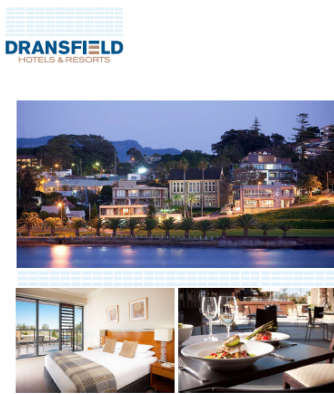
Bay of Fires Lodge, Tasmania

Past projects include:

- ▣ Sheraton Noosa acquisition
- ▣ Oxford Koala sale
- ▣ Park Hyatt Melbourne sale
- ▣ Bay of Fires / Cradle Mountain acquisition
- ▣ Nomads Queenstown lease

Please contact us for more details on these projects and our services.

RESEARCH



HOTEL FUTURES 2009

A REVIEW OF THE REVENUE PERFORMANCE OF MAJOR AUSTRALIAN HOTEL MARKETS WITH FORECASTS TO 2017


As an industry specialist, Dransfield invests significant resources in gathering and assessing market information. This includes information on hotel sales, planning, strata offerings and statistics. Dransfield have developed a comprehensive Knowledge Management System which enables this raw data to be analysed and applied to individual project needs. Organisational knowledge is made available to our clients, including through our free annual publication, **Hotel Futures** and quarterly updates.

HOTEL FUTURES

Since 1997 we have produced and distributed **Hotel Futures**, a market forecast of hotel revenues for the ten major cities in Australia. This report also presents and analyses historical occupancy, average room rate and room supply information. **Hotel Futures** has a proven track record for accuracy in predicting hotel revenue trends and is used by many operators and owners as the basis for their strategic revenue plan.

HOTEL FUTURES QUARTERLY

The forecasts provided in **Hotel Futures** are reviewed on a quarterly basis with short term forecasts revised taking regard of actual performance and current market conditions. Updates are aligned to the release of quarterly ABS statistics.



HOTEL FUTURES UPDATE
ISSN: 1832472 DECEMBER QUARTER 2008

DEMAND EASES BUT RATES RISE

INTRODUCTION
In this update we report on data recently published by the Australian Bureau of Statistics (ABS) for the December quarter 2008. The data and other relevant information is compared to the for year 2007 forecast from Hotel Futures 2008.

NATIONAL - DECEMBER QUARTER 2008
In the December 2008 quarter the Australian hotel market declined for the first time in 58 quarters with revenue per available room (RevPAR) falling 1.2%. Supply increased 0.2% while the ABS reported that demand decreased by 1.0%. Despite the decline in demand, average rates increased by 1.2%.

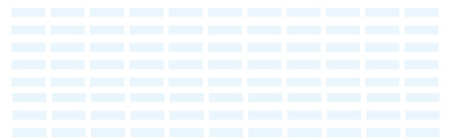
NATIONAL - 2008 YEAR IN REVIEW
National RevPAR for 2008 increased 3.4%, slightly below our 2008 growth forecast as a consequence of reduced demand in both Sydney and Melbourne. This slight forecast miss is a great result given economic circumstances. Supply growth of 0.7% was in line with forecast, however demand growth of only 0.2% was below 1.0% expectations. Occupancy rates fell 0.4% to 67.2%, slightly below forecast. Average rates rose 1.2% to 127.2%, slightly below our 1.6% forecast.

2008, six out of ten cities were in line with or exceeded our Hotel Futures 2008 full year RevPAR forecast. Brisbane RevPAR increased 2.3% below our 0.0% forecast, mostly due to above forecast supply which reduced rate growth. Gold Coast RevPAR exceeded 1.0% below our 3.2% growth forecast as a result of a significant decrease in demand. Despite recovery in supply, quarter annual revenue fell 0.5% below our 4.1% forecast. Sydney's decline in demand and subsequent impact on rate growth resulted in RevPAR growth for the year of 0.0%, below the 4.0% forecast.

Australian Hotel Market - 2008 Weighted Quarter by Quarter Performance

Market	2008 Qtr	2008 Qtr	2008 Qtr	2008 Qtr	2008 Full Year	2008 Full Year
	Qtr	Qtr	Qtr	Qtr	Year	Year
Perth	8.6%	5.6%	7.1%	5.4%	6.6%	6.6%
Brisbane	8.6%	4.6%	-2.0%	-0.0%	2.3%	8.0%
Queens	-11.2%	-10.1%	-7.4%	-4.3%	-8.3%	-10.0%
Canberra	-0.3%	28.8%	-6.3%	10.7%	8.5%	7.6%
Darwin	10.0%	12.0%	14.1%	10.0%	12.7%	10.4%
Gold Coast	0.2%	-1.4%	-4.2%	-0.8%	-1.0%	3.2%
Hobart	0.0%	0.1%	-2.4%	10.6%	3.0%	4.7%
Melbourne	0.0%	13.6%	2.1%	0.0%	6.3%	8.8%
Perth	14.6%	22.2%	19.4%	12.0%	19.2%	19.0%
Sydney	6.8%	6.7%	-0.0%	-0.8%	1.6%	4.6%
Total Market	5.8%	9.3%	0.7%	-1.0%	3.4%	5.9%

Source: Australian Bureau of Statistics (quarterly change ABS) - forecasts from 4 August 2008



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CASE STUDY ECOPOINT MANAGEMENT

HISTORY OF ECOPOINT

Over five years Dransfield created the EcoPoint group of resorts selling our interest in late 2006. The EcoPoint concept grew out of an opportunity to service two clients' needs by bringing the parties together.

In 2000 a client who owned two substantial tourist parks was in the process of converting them to resorts. The client initially asked Dransfield to assist them in raising capital by bringing in a partner to continue the asset expansion.

Coincidentally, at the same time another client, an investment bank, approached us to assist them to develop and implement a strategy to invest private equity into the caravan park sector. This client believed the time was then right to participate in the better use of coastal land and that the transformation would require higher levels of capital and operational expertise than many existing owner operators.

Dransfield introduced the parties and this led to tailored solution different to both clients' initial expectations. The owner determined that they in fact wished to sell a majority interest, but wished to stay involved in the development of the assets. The investment bank had a change in circumstances and decided not to invest in the asset class at all!

Dransfield provided a solution by introducing a new investment bank. The investment bank thought these assets required a different management structure and Dransfield facilitated this by forming an operating entity owned in conjunction with them, EcoPoint. EcoPoint would manage and develop the assets on behalf of a group of passive investors and co-invest with them. A strategy was developed to grow the assets under management and seek to improve the

operational performance by operating as a group to take a profit upon sale.

EcoPoint grew to manage three resorts and two tourist parks (with substantial future development potential). EcoPoint Resorts operated as a group with centralised Marketing, Executive Management and Administration.

Dransfield supervised the development of one resort from a "greenfield" site and the redevelopment of the other two resorts.

In late 2006 Dransfield sold its 50% interest in EcoPoint to the investment banking partner, having identified that the continuing growth of the business required a single owner. At the time of sale assets under management were approximately \$85M with future development potential in respect of those assets of approximately \$100M.

Three new sites were also under discussion/development including the \$200M development of the Noosa North Shore Resort and Beach Road Holiday Homes by a Petrac/Valad joint venture. Dransfield retained involvement in the management and development of this substantial group of unique tourism assets.

The sale of our interest in EcoPoint means our Resort development and operations skills and resources are now available for all clients of Dransfield.

The EcoPoint venture showcased the wide range of practical skills and resources available at Dransfield. An introduction to some of the EcoPoint assets follows.



Murramarang Resort – aerial



Myall Shores Resort - cabins



Angourie Resort – aerial



Angourie Resort - pool

CASE STUDY ECOPOINT MANAGEMENT

Murramarang Resort

Murramarang Resort is located near Bateman's Bay, NSW, in Murramarang National Park. The resort has absolute beach frontage and includes 104 villas, restaurant, 600 square metres of conference space and other resort infrastructure.

Myall Shores Resort

Myall Shores Resort is located in Myall Lakes National Park, NSW, and occupies over 1.5km of lake frontage. The resort was developed from a substantially Greenfield site to an operating 4-star resort and now includes 74 villas, resort pool, restaurant and conference rooms.

Angourie Resort

Angourie Resort is located 5 minutes from Yamba on the NSW North Coast. The resort has recently been strata titled and includes 66 one and two bedroom units (with approval to construct an additional 40 units), restaurants, conference room, spa and beauty facility, resort pool and kids' entertainment areas.

Cairns Villa & Leisure Park

Cairns Villa & Leisure Park is a traditional caravan park offering permanent and tourist rates located 10 minutes from Cairns CBD. The long term plan for the site is part or complete residential conversion.

Brisbane Nestle Inn

Brisbane Nestle Inn is located in Wynnum, QLD, 12km from Brisbane CBD and 4km from Moreton Bay. The site is approximately 7 hectares and is surrounded by residential estates. The long term plan is residential development.

Skills and services that Dransfield provided to EcoPoint included:

Transactions

The structure and ownership of EcoPoint Management was the initial transaction followed by individual asset acquisitions and associated transaction management. This included debt and equity raising. Dransfield was involved in the sourcing and acquisition of each asset.

Asset Management

Dransfield's acted as asset manager of the operating and development elements of each asset. This included creating co-ordinated business and development plans.

Operations

Dransfield directed day to day management including appointment of senior staff, sales and marketing strategy, reporting process's and cost control. Over time we developed a management team that enabled us to disengage from day to day operations.

Development Management & Strata Title Hotels and Resorts

Dransfield were development managers for the Myall Shores Resort from a largely greenfield camping site to a 74 villa 4 star resort facility. Dransfield also supervised a 24 villa expansion at Murramarang Resort. More recently, Dransfield coordinated the strata titling of the Angourie Resort including developing the structure and documentation for the sub-division. We also supervised development applications to secure a 50% increase in room stock significantly increasing the underlying land value.

Independent Experts

We coordinated the offer structure and Product Disclosure Statement for the strata sale of the Angourie Resort.

For more information on EcoPoint Resorts current operation please go to EcoPoint's website


www.ecopoint.com.au

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CASE STUDY

NOOSA NORTH SHORE / BEACH ROAD RESORT

Noosa North Shore Resort is a joint venture between Petrac Pty Limited, a Brisbane based developer, and Valad Property Group, a listed developer and funds manager. Noosa North Shore Resort ("NNSR") occupies 91 hectares of pristine land 15 minutes north of Hastings Street, Noosa. The site is bordered by Lake Cooribah and the Great Sandy National Park. Access to kilometres of pristine beaches that connect to Fraser Island are only 1km away.

The site is made up of a North and South side that is divided by Beach Road. There are five major precincts. Petrac acquired the Greenfield South side of the precinct in 1999 and subsequently acquired the North side in 2004. This was a strategic option to ensure control of the quality of service delivery and product in the entire precinct. The North side presently includes a basic Resort and Tourist Park operation which added management and operations complexities to the development project.

Petrac's vision for the site is to provide tourist accommodation across a range of styles and prices. A range of onsite activities and venues for interpretive, educative and management functions will be built. The master plan for the sites includes:

- 90 high quality Beach Houses (3 bedroom+), priced \$1M+
- 41 4 ½ star eco friendly villas (2 bedroom)

- 70 units in small clusters
- 200+ site tourist park which includes school camp facilities
- Restaurant and bar
- Multiple function rooms and theatres
- Day Spa
- Eco Wilderness Centre
- Equestrian Centre and stabling
- Multiple resort style pools
- Tennis courts
- BBQ areas
- Kids entertainment facilities
- Gymnasium
- High Ropes Course

These facilities are spread across the five precincts and require both collective and individual market positioning for operations and property sales.

The NNSR project had a gross value of approximately \$200 million and was the only approved tourism operation in the Noosa North Shore Precinct.

Petrac began discussions with Dransfield in mid 2006 to explore alternative development and operation options for several precincts on the sites. At this stage Petrac had secured development consent and commenced construction of the 90 Beach Houses and preliminary master plan approval for the second precinct on the South side comprising 41 eco friendly villas and some ancillary facilities.

After several months reviewing the project and understanding each others skill set, Petrac and Dransfield reached a common vision and agreement. The two organisations worked together to jointly deliver the North and South site as a fully integrated set of resorts to be renamed Beach Road Resort.

Dransfield's role in this project included both operational and development responsibilities.

DEVELOPMENT

Dransfield adopted a holistic approach for the development of the entire site. Key tasks include:

- Critical analysis of existing plans, proposals and capital expenditure budgets.
- Master planning the second South and Northern sites.
- Analysis and staging of design and construction.
- Develop cost effective design and construction methods.
- Liaising with architects, engineers, planners and contractors to provide a marketable design compatible with future operations at the Resort.
- Develop the strata title market offering and supervising the marketing program.



CASE STUDY NOOSA NORTH SHORE / BEACH ROAD RESORT

- Reviewing the overall site master plan and designing an integration strategy that linked each of the sites physically and from a marketing and operational perspective.
- Reviewing and remixing the ancillary facilities on offer and rebalancing the built product for long term sustainability.

These tasks were shared with the Developer, working hand in hand over a period of 8 months. Petrac was the developer responsible for project delivery. Dransfield participated in the Development outcomes, subject to an agreed hurdle, to align our interests with the Developer. Development was planned to occur over a five year period.

OPERATIONS

Dransfield was engaged by Petrac to manage the existing and future operations and to integrate each of the new precincts into the operations as they come on line. It was important to retain operational control in the development team, given the staged delivery over time and diverse nature of site elements.

Petrac recognized Dransfield's ability to add immediate value, which enabled them to focus on the more financially significant development aspects of the project. As part of Dransfield's operational role, a branding and awareness strategy was developed to integrate the development and operational goals of the project.

A summary of our roles in the operation of resorts is:

- Supervision of day to day operations.
- Prepare detailed operating budgets and Business Plans.
- Design an integrated marketing strategy.
- Developed daily, weekly and monthly financial reporting systems for the operational requirements of the Resort.
- Board reports incorporating all of the above.
- Implemented revenue and cost control devices.
- Ensure the developed product provides balanced and sustainable accommodation support facilities.

Dransfield has an ownership stake in the Management Rights created through the development process. The ownership creates a long term alignment of interests with the various stakeholders, including Developer, Equity Participants, Staff and Financier.



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CASE STUDY NOOSA BLUE

Noosa Blue Resort is located on Noosa Hill, Queensland. There are 65 one bedroom apartments, Bar & Bistro and a 200 square metre conference centre. The Resort has won many tourism awards since opening including Best Value Accommodation 2006 and 2007 in the prestigious The Australian Travel and Tourism Awards.

Dransfield has had a long association with this resort which was transformed from the Oasis Palms Motel.

Dransfield was initially engaged by the owner's bank to review the motel's performance for funding purposes. The bank became comfortable with the asset.

The owner then had the opportunity to acquire a part interest in a substantial new Management Rights Scheme, The French Quarter, which at 108 rooms was one of the first large serviced apartment resorts. An unusual mix of 50% one bedroom suites and 50% two bedroom suites.

Over time Dransfield assisted the client secure a 100% interest in the Management Rights Scheme. Operation of this Resort was a strategic move to assist in the design and operation of the proposed new Resort on Noosa Hill.

Dransfield was then engaged by the Owner/Developer to assist in the creation of Noosa Blue. Dransfield participated in all stages of the development and establishing operations including:-

- Commercialisation of the **design** including units, pool, conference facilities etc.
- Operational and total project **feasibilities** (preliminary and final).
- Arranging construction and term **financing**.
- Project cost and funding reviews.
- **Project marketing** strategy including compliance with the new Managed Investments Act and still securing market acceptance.
- **Investment analysis** for prospective investors.
- Appointment of General Manager.
- **Operations** and marketing plan for the resort.

Noosa Blue was a ground breaking project specifically designed to meet the market circumstances of the day. The strata sales market was slow and the site then considered a secondary location. With the developer we designed an investment friendly product. This included a guaranteed return underpinned by value management in development costs. A strong operating profile supported by conference infrastructure and a unique selling position as an indulgent couples resort.

The Noosa Blue project was a success with original unit sales 20% above valuation and initial operating performance exceeding pre-commencement targets. The funding structure enabled the developer to access a substantial development profit from a thin equity base in an adverse market.



www.noosablue.com.au

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CASE STUDY OXFORD KOALA - MONUMENT APARTMENTS

Dransfield was engaged by the owner to undertake a range of multi-disciplined services including day to day management, lease negotiations, assessing development options and acting as co-agent to structure and co-ordinate a complex sale transaction.

The Oxford Koala Hotel had operated for 30 years on a leasehold basis as part of a substantial mixed use development with 3 road frontages. Dransfield was involved in the management and redevelopment of this substantial site in a number of capacities over a period of more than 10 years.

Initially Dransfield acted as the tenant's financiers representative (1990) for 6 months. As part of this role Dransfield operated the hotel and sold the leasehold interest to an overseas operator, establishing a relationship with the landlord/owner.

Our next role was to assist the owner in managing debt reconstruction in the property downturn of the early 1990s. This was as part of a property portfolio exceeding \$400M including development sites and office buildings.

In 1999, Dransfield was again asked to assist the owner manage the hotel tenant, having failed to upkeep the hotel. Dransfield negotiated a surrender of the lease, acquired the fitout from the financier and developed a range of re-leasing and redevelopment options.

In conjunction with real estate agents, Knight Frank Expotel, Dransfield negotiated a significant long term lease upgrading the hotel to 4 stars as a large boutique hotel. This involved a \$20M tenants' contribution and resulted in a 25% value uplift.

Due to an overseas reorganisation, the new tenant chose not to take up the lease and the property again became available in a much softer post Olympic market. Our client was insulated from the tenancy failure due to the substantial bond we had negotiated. New market conditions required a change in strategy where residential was "hot" and hotels "cold". We devised a scheme to subdivide the building so the hotel could be sold separately for use as a hotel or residential conversion.

Agreement for the sale of the hotel had been reached in principle when September 11, 2001 occurred. The purchaser sought to renegotiate the transaction and we negotiated a reduced minimum price with participation in any upside from redevelopment. The structure included a complex Development Management Agreement that minimised duplication of land transfer costs between the vendor and purchaser. Through participation in the design process, approval was received for a 70% increase in floor area which resulted in a significant uplift in the purchase price.

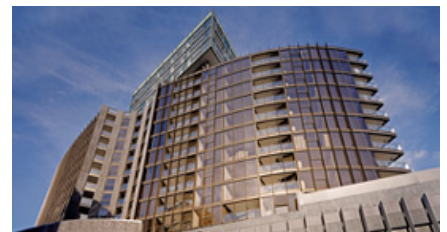
The transaction was completed and the development of Monument Apartments commenced.

The owners equity had increased well over 100% through these two transactions which relied on the consistent application of multiple disciplines.

Monument is now a high-quality, 16-level apartment building including 86 one-bedroom, 69 two-bedroom and 36 three-bedroom apartments with a mix of single and double storey layouts.



Formerly - Oxford Koala Motor Inn



Now - Monument Apartments

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CASE STUDY SEBEL HARBOURSIDE KIAMA

The Sebel Harbourside Kiama is a strata titled hotel located on the NSW South Coast, 90 minutes south of Sydney. The hotel consists of 88 fully self contained guestrooms, bar, restaurant and bistro all surrounding an 1871 heritage-listed, bluestone conference centre.

Dransfield was initially engaged to prepare independent forecasts for a Product Disclosure Statement. Upon discovering that the project was not fully funded this engagement evolved into acting for the first mortgagee to take control of the hotel, complete its development and devising a full **Asset Management** and realisation strategy. This project involved a range of service streams.

DEVELOPMENT

- Development Management of the construction and fitout of hotel rooms and heritage conference facilities.
- Project feasibility assessment.
- Land & Environment Court proceedings to retain development rights, and development of a Management Plan.
- Defect identification, costing and rectification.

TRANSACTIONS

- Negotiation and restructuring of the Management Rights Scheme including Letting Agreements, Management Agreements and the

associated legal documentation of a Strata Scheme development.

- Development and implementation of detailed asset realisation strategy by component.
- Appointment of a **Project Marketer** and leading development of the Project Marketing Strategy.
- Managing the sale of the management rights and commercial lots.
- Preparation of Information Memorandum and PDS to enable sale.

OPERATIONS

- Preparation of a business plan, detailed budgets and long term **Operations** forecasts.
- Sourcing a recognised Brand and Operator (Mirvac Hotels - Sebel) including negotiation of related agreements.
- Asset Management through sell down period.

FINANCIAL ADVISORY

- Debt recovery management and analysis under alternate realisation options.
- **Investment analysis** for prospective investors.
- Board advisory for Mortgagee.

The combination of services enabled replacement of the insolvent Developer and achievement of equity like recovery for a debt provider.

The Sebel Harbourside is Kiama's only large scale 4.5 star hotel and has been welcomed by the local community and Council in improving the regions marketability and providing a valuable regional Arts facility.



www.mirvachotels.com/sebel-harbourside-kiama

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CASE STUDY

THE OLD WOOLSTORE APARTMENT HOTEL, HOBART

Upon completion in 2001, The Old Woolstore Apartment Hotel was Australia's largest serviced apartment hotel. Comprising 242 hotel rooms, studio, one & two bedroom apartments, it was completed in 2 stages with Stage 1 in 1997 and the addition of 124 apartments completing Stage 2 in 2001. This is a multi award winning hotel, most recently taking out the prestigious Qantas Australian Tourism Awards in 2008 for best deluxe accommodation in the 4-4.5 star category.



This large apartment hotel has four distinguishing characteristics:

- It is in a small market (Hobart).
- It is run independently rather than by a chain.
- It is outstandingly profitable.
- It was until recently held by a single owner (the apartments remain strata title).

The Old Woolstore hotel is the conversion of an old wool store in a good but not great location in Hobart behind the historical market leader, The Sheraton with its waterfront address.

This thinly capitalised development has gone on to achieve a capital profit, enabling the original investor and developer (Mr Don Neil) to fully repay the major equity partner (CBus) and take over 100% ownership with substantial equity. Occupancy, profit per room and return on investment substantially exceed industry standards.

Dransfield's primary role was to assess the investment from the position of the debt providers and equity partner, CBus. CBus decided to get actively involved in asset management and introduced Dransfield to the project in 2001 on completion of Stage 2. Over 3 years, Dransfield provided to an independent operator many of the tools that would have been available had they joined a multi national chain. This included creating a business planning process with measurable and identifiable objectives across all of the business disciplines including marketing, administration, finance and asset maintenance.

Dransfield restructured the management agreement with the General Manager from one which would have frustrated the asset sale to a market friendly arrangement where both parties' interests were taken into account.

Through a combination of working with the joint venture owners and the general manager, net profit increased from 24% of revenue in 2001 to 35% in 2004/2005. This enabled an increase in asset value of over 70% and the retirement of the debt and equity introduced by the

financing party despite the project originally being 95% geared.

Dransfield provided a range of services for The Old Woolstore including:

- **Asset Management.**
- **Advisory** on the refurbishment of Stages 1 and 2.
- Developing the first formal **Operations** and marketing plans for the hotel.
- Preparation of detailed budgets and long term forecasts.
- Detailed analysis and interpretation of monthly operations.
- Considered the **sale** of the building under strata title scheme.
- **Restructured** the management agreement into a lease.

Since refinancing the original Developer has retained Dransfield to consider alternative asset strategies.



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