

YEAR TO DATE PERFORMANCE

- Wellington Regional Stadium Trust reports half-yearly.
- The Stadium hosted 22 event days in the first half, with total attendance of 173,495. This included the sold out All Whites v Mexico game, an All Blacks v Australia test, and a semi-final and final for the ITM Cup.
- The Stadium sustained minor damage from the earthquake in August, but this was able to be repaired prior to the sold out rugby test.
- The East Mezzanine Lounge is under development and expected to be open in April. This will be the first major step in rolling out new food and beverage services for the public areas and is expected to address some of the recent media comments. The upgraded Deloitte Clubroom member lounge was opened in July 2013 by Jonah Lomu.
- Average ITM Cup attendance was 4,282 for the regular games, a decrease from the prior season average of 5,018. However, nearly 15,000 attended the final.
- Average Phoenix attendance was 6,766, a slight decrease on the average for H1 last year but an increase on the average of 6,512 for the entire prior season.

SUMMARY FINANCIALS

\$'000

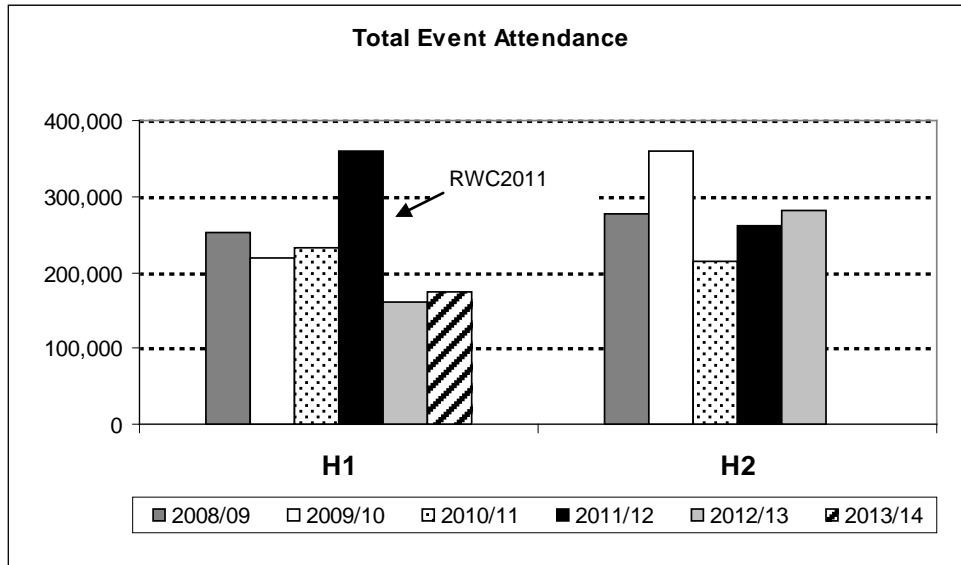
FINANCIAL PERFORMANCE	Q2 Actual	Q2 Budget	Variance	YTD Actual	YTD Budget	Variance	Annual Budget*
Total Revenue				7,915	7,145	771	15,803
Total Expenses				6,945	6,891	(54)	14,223
Net Surplus				971	254	717	1,580
FINANCIAL POSITION							
Total Assets				101,462			99,970
Total Liabilities**				21,889			20,040
Equity				79,573			79,930
CASH FLOWS							
Total Net Cash Flows				997			1,000
Opening Cash				136			870
Closing Cash				1,133			1,010

* Reforecast budget is discussed below. ** Includes limited recourse loans (\$1.4m at 31 Dec 2013).

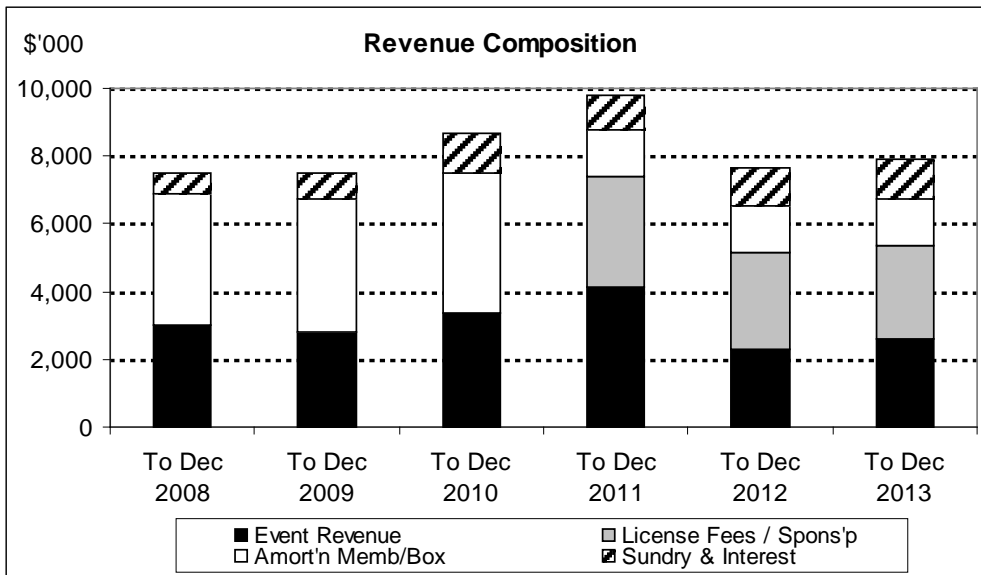
- Event revenue of \$2.6m was 15% above last year and 38% above budget for the first half. This largely reflects the strong events profile for the half, included some unbudgeted events.
- H1 net surplus of \$971k was well above budget and slightly below the prior year result of \$1.0m. This reflects the higher than budgeted event revenue and lower than budgeted depreciation and interest costs. As a result, the Stadium Trust has increased its forecast net surplus for 2013/14 from \$1.58m to \$2.1m, an increase of over 30%.
- \$153k of turf management services were provided to Basin Reserve Trust at no cost.
- Net cash inflow of \$1.0m includes capex of \$3.4m and a loan drawdown of \$2.47m. The external loan balance at 31 December was \$10.4m, up from \$7.9m at June 2013. The forecast loan balance at year end is now approx. \$11m, down from the original budgeted \$12m.

KPI DASHBOARD					
MEASURE		YTD	3 Year	Comments	
		31 Dec 13	Trend		
Event days	Target	18	Steady	22 event days is ahead of budget and in line with the prior year.	
	Actual	22 ✓	→	The 3-year trend partially reflects the extremely strong event profile in 2010/11, which the Trust noted at the time could be hard to improve upon. 2011/12 also included the RWC 2011 matches.	
Number of attendees	Target	N/A	Declining	H1 attendance of 173,495 is up 8% on the prior year, aided by the All Whites game and a semi-final and final for the ITM Cup.	
	Actual	173,495	↘		
Event revenue \$'000	Target	1,891	Declining	Event revenue of \$2.6m was 15% above last year and 38% above budget, assisted by the higher than budgeted number of events.	
	Actual	2,617 ✓	↘		
Total revenue \$'000	Target	7,145	Steady	The above budget result largely reflects the above budget event revenue.	
	Actual	7,915 ✓	→		
Net surplus/(deficit) \$'000	Target	254	Declining	H1 net surplus was well above budget and slightly below the prior year result.	
	Actual	971 ✓	↘	The 3-year trend reflects the very strong events profile between 2009/10 and 2011/12 and an increase in fixed Stadium costs since 2010/11.	
Bank borrowing to total assets	Target	11.1%	Improving	This measure is currently tracking ahead of budget.	
	Actual	10.3% ✓	↗	The 3-year trend reflects the external debt repaid since 2010/11. The external debt balance will start to increase going forward, reflecting the Stadium Master Plan capital expenditure.	

ISSUES & OUTLOOK	
<ul style="list-style-type: none"> Membership / Corporate Box Renewals: The new membership offering was launched just prior to Christmas and renewal packs have been sent to existing members. Sales to the general public will commence later this year. The corporate box renewal offering will be launched to existing box holders in the near future. ITM Cup attendance: Average attendance for the regular games declined from the prior season, but was above the season before that. Nationally, attendances for the ITM competition games continue to be low. A-League attendance: While the Phoenix average crowds are slightly down on the prior period, they are up on the prior season average and are not significantly out of step with some other A-League teams. For example, this season Melbourne Heart is averaging attendance of 9,407 (7,271 excluding the ~26k crowd against Melb Victory). Central Coast Mariners and Perth Glory are also averaging crowds of less than 10,000 per game. Nonetheless, the Stadium has consistently stated that it wishes to work with the Phoenix to improve attendance figures. Plans for Petone Arena: This proposal will be consulted on by, and is a decision for, Hutt City Council. The Stadium Trust will continue to work with the Phoenix to improve attendance figures. 	



Event attendance for the half is up on last year. While H1 2011/12 was skewed by RWC 2011, the lower total attendance relative to H1 2010/11 reflects fewer Phoenix games in the half (average attendance is slightly higher than H1 2010/11) and fewer "one-off" events compared to that year.



Revenue for the half was above target and up 3% on last year.

Wellington Regional Stadium Trust

Half yearly report to settlers

For six months ending 31 December 2013

The Trustees are pleased to present this report of operations for the six months ending 31 December 2013.

EVENTS

Once again we have had a busy six month period, with a variety of events. Total event days were 22, and attendance was 173,495.

<i>Event</i>	<i>Month</i>	<i>Attendance</i>
<i>Rugby</i> Super Rugby final game of 2013 season All Blacks v Australia	July August	8,409 35,583
ITM Cup Rugby: 5 round robin games Semi-final Final	August to October	4,282 avg 6,903 14,969
<i>Football</i> All Whites World Cup Qualifier A-League – Phoenix: 4 Regular season games	November October to December	33,626 6,766 avg
<i>Exhibitions</i> Beervana Home & Garden Show	August September	8,347 15,000
<i>Cricket</i> HRV Cup – 2 games	November	820(avg)
<i>Other events</i> Paint Party	September	648

Event highlights were the All Blacks match in August, and the All Whites match in November, both of which had sell-out crowds.

It is four years since Wellington last hosted the Wallabies in 2009, and this match was very popular. Temporary seats were installed for the first

time in several years. An added challenge during the lead up to the event was the earthquake on 16 August. The Stadium did sustain some minor damage but this was able to be repaired prior to the match. Our emergency procedures were reviewed in conjunction with the hirer and local authorities, and comprehensive plans put in place should more quakes have occurred in the lead up to the game.

Tickets also sold out for the All Whites v Mexico match held on a beautiful Wellington night in November. The international coverage this match attracted for both the Stadium and Wellington was immense. Although the All Whites couldn't repeat the results of the 2009 match against Bahrain, it was still a very successful event.

ITM Cup Rugby attendances averaged only 4,282 for the round robin games which is a decrease from the prior season average of 5,018. It was pleasing to see the Wellington Lions host both a home semi and a home final, where almost 15,000 attended.

Average attendance at the first four Phoenix games was 6,766 which was up on the overall average for the prior season. There was a long gap between the first game in mid-October and the next three games, all in December.

Beervana returned for its third year and continues to grow in popularity. The Home and Garden Show was held in September and attracted good crowds.

We hosted two HRV Cup domestic T-20 games. They were held on a Friday and Saturday immediately after the All Whites match which no doubt affected attendance.

We also hosted a Paint Party event in a marquee on the walkway. This was subject to a date change following one of the earthquakes which impacted the final attendance.

We have continued to work with the organisers of the Cricket World Cup and FIFA Under-20 World Cup as they continue planning for the 2015 tournaments.

CUSTOMER SATISFACTION

The East Mezzanine Lounge on the public concourse is the first major step in a rollout of improved food and beverage services for the public areas. We believe this will address some of the comments in recent media coverage. This lounge will provide event patrons with a superb facility in

which to enjoy food and beverage, as well as a large space with fantastic views over the harbour. We expect the new lounge will be popular for function use.

RENEWAL OF MEMBERSHIP AND CORPORATE BOX LICENSES

The new membership offering was launched just prior to Christmas and renewal packs sent to all existing members. They have until the end of March to take advantage of a priority booking period and preferential pricing. After that time, sales to the general public will commence.

A variety of membership options are on offer, and members have a choice of a two, three or five year term with lump sum or instalment payments available.

Work has also continued on the corporate box renewal options, and these will be officially launched to existing box holders in the near future.

MAINTAINING AND ENHANCING THE FACILITY

Stadium Master Plan

The upgraded Deloitte Clubroom member lounge was opened in July 2013 with Jonah Lomu in attendance to cut the ceremonial ribbon. The new lounge has been well received by members. Large windows have also recently been installed in this lounge which providing expansive views over the Tinakori hills and down the Fran Wilde walkway.

Construction of the mezzanine lounge on the east side of the stadium concourse is well under way and we expect that the new lounge will open in April 2014.

Turf

The turf is currently in very good condition going into the exceptionally busy summer and autumn period. We expect that it will cope well with the heavy event schedule and we must have good strong turf going into winter.

However, it is expected that the stadium will require a full turf replacement over the next two years, as this has not been done since the stadium opened. Management is currently exploring different options and timings for replacement in order to minimise the impact on our events calendar.

FINANCIAL RESULTS

The net surplus for the six months ending 31 December 2013 is \$971,000 compared to a budget of \$254,000.

Event revenues are \$726,000 ahead of budget, offset by event expenditure being \$148,000 ahead of budget. Financial results from the sell out All Blacks and All Whites matches were ahead of budget. We also had a number of unbudgeted events during the period such as the ITM Cup semi-final and final and the two HRV Cup Twenty/20 matches.

The value of turf management services provided at no cost to the Basin Reserve Trust during the six months was \$152,917.

INSURANCE

We completed the renewal of insurance during this period. We are pleased to be able to again arrange cover to the levels of previous years. Premiums remain high following the Canterbury earthquakes and the recent earthquake activity in Wellington. The impact of these events on maximum possible loss in the event of a major quake is currently the subject of engineering assessments. The level of cover over the Stadium will be reviewed when the output of these models is available.

OTHER MATTERS

Risk Management

The Trustees are continuing the process of reviewing the earthquake resilience of the Stadium to satisfy themselves as to the safety of patrons.

Health & Safety

The Board has established a separate Health and Safety Committee. During the period we have continued to engage with our health and safety consultant to ensure our policies and practice continue to meet the required standards.

Staffing

Shane Harmon commenced as Chief Executive in July 2013, following the retirement of David Gray.

Staffing levels have increased by two, both fixed term contract appointments. One is in the Operations area to provide additional assistance in the lead up to the two World Cup events in 2015. The other



is a Membership Sales Manager to assist with the renewal of members and boxes.

Following the October local body elections, Nigel Wilson of Greater Wellington Regional Council and Paul Eagle of Wellington City Council were appointed as the Council representatives on the Trust Board.

CONCLUSION

The Stadium continues to attract and host a wide range of events, providing residents in the region and visitors from throughout New Zealand and overseas with opportunities for local, national and international sporting action as well as a variety of exhibitions. The Trust is also working on a number of key strategic initiatives to enhance both the fan experience and the facility itself.

We look forward to another busy six months ahead.

John Shewan
Chairman
February 2014

Wellington Regional Stadium Trust Key Performance Indicators

FINANCIAL	<i>Actual</i>			<i>Budget</i>			<i>Reforecast Budget</i>	<i>YTD Variance</i>	
	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Annual</i>		<i>\$000</i>	<i>%</i>
	<i>31-Dec-13</i>	<i>30-Jun-14</i>	<i>YTD</i>	<i>31-Dec-13</i>	<i>30-Jun-14</i>	<i>Budget</i>			
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>			
Event revenue	2,617		2,617	1,891	3,471	5,362	5,980	726	38%
Total income	7,915		7,915	7,145	8,658	15,803	16,288	771	11%
Net surplus/(deficit)	971		971	254	1,326	1,580	2,111	717	283%
Net cashflow movement	997		997	90	44	134	872	907	1008%
Loan increase (decrease)	2,470		2,470	2,800	1,000	3,800	3,020		
Net bank debt	9,267		9,267	8,172	8,623	8,623	9,943	1,095	13%
Liquidity Ratio (Current Assets to Current Liabilities)	0.40		0.40	0.32	0.33	0.33	0.35		
Bank borrowing to Total Assets	10.25%		10.25%	11.13%	10.96%	10.96%	10.98%		
Stadium Enhancements (Capex)	3,625		3,625	3,433	3,021	6,454	6,074	192	6%

Wellington Regional Stadium Trust Key Performance Indicators

EVENTS	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>Reforecast</i>	<i>YTD Variance</i>	
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>		
	<i>31-Dec-13</i>	<i>30-Jun-14</i>	<i>YTD</i>	<i>31-Dec-13</i>	<i>30-Jun-14</i>			<i>31-Dec-13</i>	
Events held during period									
Rugby	9		9	7	8	15	18		
Cricket	2		2		2	2	2		
Football	5		5	6	5	11	11		
Other Sport			0		2	2	2		
Concerts/Other events	1		1		1	1	1		
Exhibition Days	5		5	5	5	10	12		
Total events	22	0	22	18	23	41	46	4	22%
Other event-related days									
Community events	2		2	2	3	5	5		
Set up/bookings for quarter/semi/final	32		32	29	44	73	73		
Turf renovation	39		39	45	45	90	90		
Total event-related days	95	0	95	94	115	209	214	1	1%
Total numbers attending	173,495		173,495						

Wellington Regional Stadium Trust
Statement of Financial Performance
For the Six Months Ending 31 December 2013

	Actual YTD	Budget YTD	Variance	Annual Budget	31-Dec-12 Actual 6 months
	\$	\$	\$	\$	
Operating Revenue					
Event Revenues	2,616,936	1,891,391	725,545	5,362,192	2,275,165
License Fees & Sponsorship	2,728,347	2,786,536	(58,189)	5,548,480	2,871,145
Amortisation	1,408,066	1,379,498	28,568	2,758,996	1,388,296
Interest income	3,515	9,298	(5,783)	39,741	10,860
Sundry income	1,158,468	1,077,969	80,499	2,093,527	1,105,210
Total Revenue	7,915,332	7,144,692	770,640	15,802,936	7,650,676
Operating Expenses					
Event	1,810,470	1,663,415	(147,055)	3,714,840	1,958,082
Other operating expenses	3,058,214	2,926,143	(132,071)	5,806,052	2,557,848
	4,868,684	4,589,558	(279,126)	9,520,892	4,515,930
Operating Surplus before Depreciation and Interest	3,046,648	2,555,134	491,514	6,282,044	3,134,746
Depreciation	1,776,479	1,848,997	72,518	3,753,770	1,752,409
Interest	299,505	452,372	152,867	948,153	347,066
Net Operating Surplus	970,664	253,765	716,899	1,580,121	1,035,271

Wellington Regional Stadium Trust
Statement of Financial Position
As at 31 December 2013

	31-Dec-13 \$	30-Jun-13 \$
Trust Funds		
Accumulated Surplus	79,572,969	78,602,305
Limited Recourse Loans		
Wellington Regional Council	853,910	780,936
Wellington City Council	512,346	468,562
Wellington City Council - Accrued Interest	<u>4,932</u>	<u>4,526</u>
Total Trust Funds & Limited Recourse Loans	<u>80,944,157</u>	<u>79,856,329</u>
Non Current Liabilities		
Term Loans	10,400,000	7,930,000
Revenue in Advance	-	1,426,927
Total Non Current Liabilities	<u>10,400,000</u>	<u>9,356,927</u>
Current Liabilities		
Payables & Accruals	1,760,708	1,329,271
Revenue in Advance	<u>8,357,354</u>	<u>6,301,926</u>
Total Current Liabilities	<u>10,118,062</u>	<u>7,631,197</u>
Total Funding	<u>101,462,219</u>	<u>96,844,453</u>
Represented by:		
Non Current Assets		
Fixed Assets	<u>97,451,757</u>	<u>95,654,543</u>
Total Non Current Assets	<u>97,451,757</u>	<u>95,654,543</u>
Current Assets		
Cash	1,133,470	136,042
Receivables & Prepayments	<u>2,876,992</u>	<u>1,053,868</u>
Total Current Assets	<u>4,010,462</u>	<u>1,189,910</u>
Total Assets	<u>101,462,219</u>	<u>96,844,453</u>

Wellington Regional Stadium Trust	6 mths	6 mths
Statement of Cash Flows	31-Dec-13	31-Dec-12
For the six months ended 31 December 13	\$	\$
Operating activities		
<i>Cash was provided from:</i>		
Event and operating income	2,689,800	2,278,400
Corporate Box fees and sponsorships	3,488,245	3,437,747
Interest received	3,515	10,860
Goods and services tax (net)	345,286	240,342
Sundry income	1,166,114	1,116,726
	<u>7,692,960</u>	<u>7,084,075</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(5,452,857)	(5,339,964)
Interest paid	(267,472)	(251,318)
	<u>(5,720,330)</u>	<u>(5,591,281)</u>
Net cash inflow from operating activities	1,972,630	1,492,793
Investing activities		
<i>Cash was provided from:</i>		
Disposal of fixed assets	-	3,500
<i>Cash was applied to:</i>		
Purchase of fixed assets	(3,445,202)	(2,967,729)
Net cash outflow from investing activities	<u>(3,445,202)</u>	<u>(2,964,229)</u>
Financing activities		
<i>Cash was provided from:</i>		
Drawdown of loans	2,470,000	785,000
Net cash inflow from financing activities	<u>2,470,000</u>	<u>785,000</u>
Net increase (decrease) in cash held	997,428	(686,435)
Cash at beginning of the period	136,042	1,607,855
Cash at the end of the period	<u><u>1,133,470</u></u>	<u><u>921,420</u></u>
<i>Composition of cash:</i>		
Cash at bank	1,133,470	921,420
	<u><u>1,133,470</u></u>	<u><u>921,420</u></u>