

APPENDIX FIVE

KARORI SANCTUARY TRUST

Q2 REVIEW TO 31 DECEMBER 2013

| QUARTER IN REVIEW | YEAR TO DATE PERFORMANCE |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Paid visitor numbers are up 19% against budget (32% ahead of the same period last year).</p> <p>Memberships have increased 24% compared to last year.</p> <p>Admissions revenue exceeded budget by 21% but, due to the significant general admission price reduction in October, fell short of the same period last year by 11%.</p> <p>Retail continued to perform well and is ahead of budget for the quarter by 7% (12% ahead of the same period last year).</p> <p>A total of 1,882 function guests visited in Q3. This was a mainly meeting room hires, corporate events and weddings.</p> <p>The breeding season for both Kakariki and Kaka has seen in a high percentage of nesting. In contrast, Bellbirds continue to struggle to become established in viable numbers and for the first time the Takahe did not attempt to nest this season.</p> | <p>The successful re-launch of Zealandia's pricing model continues to deliver increases in visitor numbers and membership, plus revenue growth in the café and retail activities and improved levels of customer satisfaction.</p> <p>Total YTD visitors were 73,928 or 3,404 ahead of the Trust's target to 31 Mar 14.</p> <p>The Trust's education visits have been below budget for the last 2 quarters and are tracking approximately 611 (or 9%) below the YTD target.</p> <p>YTD operating Revenue was \$2.7m (\$630k above budget) and operating expenses before depreciation contained to \$2.1m (\$425k better than budget).</p> |

SUMMARY FINANCIALS

| FINANCIAL PERFORMANCE | Q3 Budget | Q3 Actual | Variance | YTD Budget | YTD Actual | Variance | FY Budget |
|---------------------------|-----------|-----------|-----------|------------|------------|-----------|-----------|
| (\$000) | 31 Mar 14 | 31 Mar 14 | 31 Mar 14 | 31 Mar 14 | 31 Mar 14 | 31 Mar 14 | 30 Jun 14 |
| Total Revenue | 1,227 | 1,022 | -204 | 2,609 | 2,741 | 132 | 3,345 |
| Op. Expenses (excl. depn) | (888) | (922) | -33 | (2,523) | (2,525) | -2 | (3,344) |
| Depreciation | (227) | (336) | -110 | (700) | (1,057) | -357 | (927) |
| Net Surplus | 112 | (236) | -347 | (614) | (841) | -227 | (926) |
| FINANCIAL POSITION | | | | | | | |
| Total Assets | 17,503 | 16,413 | -1,090 | | | | 16,915 |
| Total Liabilities | 11,448 | 11,624 | 176 | | | | 11,445 |
| Equity | 6,055 | 4,789 | -1,265 | | | | 5,469 |
| CASH FLOWS | | | | | | | |
| Total Net Cash Flows | 255 | 151 | -104 | 233 | 167 | -66 | (141) |
| Opening Cash | 713 | 754 | 41 | 735 | 735 | | 735 |
| Closing Cash | 968 | 902 | -66 | 968 | 902 | -66 | 594 |

Note: Budget figures supplied by the Trust in its quarterly report do not align with the SOI budget figures as the trust has recast its phasing of revenue and reforecast some other items. The budget figures presented here are as per the Trust's SOI.

Operating revenue was \$204k below budget for the quarter (due to timing differences referred to in the note above) but YTD is tracking \$132k above budget. The Trust has enjoyed continued revenue growth in admissions, memberships, café and retail activities for the quarter resulting from the Spring re-launch in October 2013. The Trust's YTD operating expenses are only \$2k above budget despite operating expenses in Q3 coming in above budget by \$33k. This variance was due to higher insurance costs, special project costs and more stock purchases to meet higher visitor demand. Overall, the Trust's YTD financial performance records a net loss to 31-Mar-14 of \$814k versus a forecast net loss of \$614k (which represents a negative variance of \$227k).

The variance in the balance sheet between budget and actuals at 31 Mar 14 is primarily due to revaluation (write down) of the Trust's fixed assets but is not material in terms of the trading performance of the Trust.

Net cash flows in Q3 were \$104k below budget as a result of timing differences. The Trust's cash on hand is still \$66k above target for the YTD and the Trust expects to meet its budget for the 2013/14 year.

KPI DASHBOARD

✓ Achieved ✗ Not Achieved. The 3 Year Trend = year on year actual/nominal performance → Steady ↗ Improving ↘ Declining

The table contains a selection of KPIs and is not a complete list.

| MEASURE | | Q3 | YTD | 3 Year | Comments |
|---------------------------------|--------|-----------|-----------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | 31 Mar 14 | 31 Mar 14 | Trend | |
| Visitors | Actual | 30,919 ✓ | 73,928 ✓ | ↘ | Q3 visitor numbers reflect the continuing success of the re-launched pricing in October 2013. However, this is against a general trend of reduced visitation. |
| | Target | 28,501 | 70,524 | | |
| Council subsidy (\$/visit) | Actual | 8.55 ✓ | | ↗ | Higher visitation in Q2 helped the Trust exceed its target. The 3 year trend is improving (reflecting reduced council subsidy per visitor over this time). |
| | Target | 9.79 | | | |
| Average revenue* (\$/visit) | Actual | 24.65 ✗ | | ↗ | Despite a dip in the Q3 KPI for average revenue per visitor, the 3 year trend has been steadily increasing revenue per visitor. |
| | Target | 28.40 | | | |
| Students & education visits | Actual | 996 ✗ | 6,004 ✗ | ↗ | Although the Trust is below its Q3 forecast and YTD visitation targets, student visitation has been a strong growth area for Zealandia in recent years. |
| | Target | 1,155 | 6,615 | | |
| Annual measures to 30 Jun 14 | | | | | |
| Satisfaction rating (out of 10) | Actual | 9.3 ✓ | 9.3 ✓ | → | The Trust receives a consistently high satisfaction rating which it has maintained above its KPI. |
| | Target | 9.0 | 9.0 | | |
| Volunteer numbers | Actual | 450 ✓ | 450 ✓ | → | The Trust has a loyal volunteer base that it maintains above 400 members. |
| | Target | >400 | >400 | | |

* Revenue per visit excludes interest, Council and government grants.

Average revenue per visit is below the SOI target because this target was set prior to the pricing re-launch in October 2013 which resulted in lowering admission prices. The increase in visitors has not fully outweighed the reduction in prices but this is expected to improve. The Trust's SOI forecast for average revenue per visit in 2014/15 is \$27.46.

The Trust hosted 996 students to its programmes during the quarter (14% below budget) due to staffing and resource issues. The Trust has refreshed its visitor experience and designed a new youth program with sleepovers and Junior Rangers component. With the new education programme in place and the Trust expects numbers to pick up in Q4.

ISSUES & OUTLOOK

Although the Trust's membership has been in decline for several years, it has received a strong increase in membership renewals and new memberships in response to its pricing re-launch. Growing its membership base is a key area of focus for the Trust.

Post quarter end, Council began work on a project to refurbish the Trust's administration office (which is owned by Council).

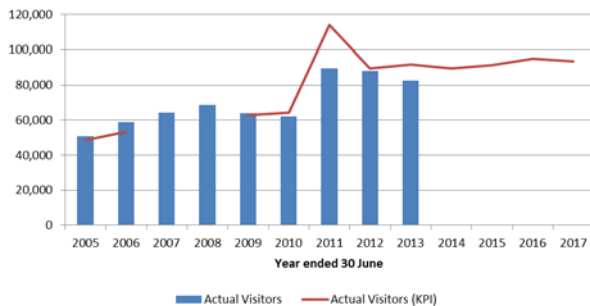
During Q2, Council facilitated the replacement of the Trust's core IT infrastructure including its aging EFTPOS terminals. Council's assistance for the Trust is ongoing in this area with the next material upgrade being its desktop environment.

Discussions with Victoria University have continued to progress. A workshop has been scheduled for 11th June 2014 to design a vision for the partnership, define the next steps and outline an action plan to move the relationship from the abstract to reality.

EFFECTIVENESS INDICATORS

| EFFECTIVENESS 30 JUNE | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------------|--------|--------|--------|---------|---------|---------|---------|
| Visitors | 64,348 | 68,553 | 64,097 | 62,054 | 89,643 | 87,897 | 82,749 |
| Membership Units | 5,489 | 5,561 | 5,300 | 5,314 | 5,034 | 4,830 | 4,527 |
| Student & Education Visits | 5,061 | 5,750 | 5,665 | 5,859 | 7,068 | 6,556 | 8,121 |
| Admissions Revenue / Total Visitors | \$5.12 | \$6.44 | \$8.65 | \$10.03 | \$9.20 | \$10.60 | \$10.36 |
| Total Costs to Council per Visitor | | | \$9.97 | \$27.63 | \$14.77 | \$7.39 | \$11.34 |

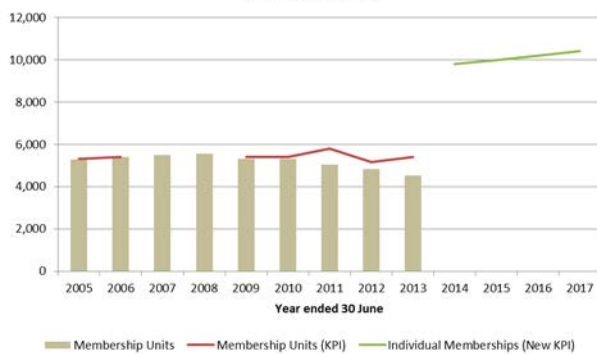
Visitors



The Trust is forecasting modest growth in its total visitation figures from 2014 and expects to meet these targets.

For the purposes of the 3 year trend, it is acknowledged that the Trust has a negative trend. However, this situation is expected to be mitigated by visitation in the year to 30 June 2014.

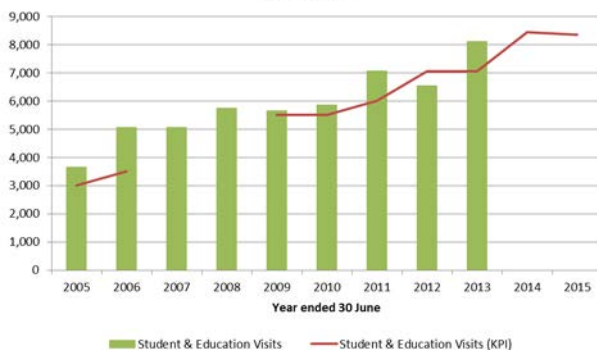
Membership



Historically, the Trust has measured its membership on the basis of units which can include family members.

The 2014/15 SOI will replace the measurement of units and measure the membership by individuals which provides a better understanding its underlying membership base.

Education



The Trust has enjoyed good growth in its student and education visits, despite falling behind its KPI target to 31 March 2014. The situation is expected to improve in the final quarter for the year, but it remains to be seen if the Trust will meet the KPI target to 30 June 2014.