

**GENERAL ANNOUNCEMENT::ANNOUNCEMENTS BY FIRST SPONSOR GROUP LIMITED,
AN ASSOCIATE OF MILLENNIUM & COPTHORNE HOTELS PLC**

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

21-Feb-2019 17:38:48

Status

New

Announcement Sub Title

Announcements by First Sponsor Group Limited, an associate of Millennium & Copthorne Hotels plc

Announcement Reference

SG190221OTHRWYZ4

Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

First Sponsor Group Limited ("FSGL"), an associate of Millennium & Copthorne Hotels plc, has on 21 February 2019 released the following announcements:-

1. Transfer of Hotel Operations in Utrecht, the Netherlands; and
2. Proposed Acquisition of Westin Bellevue Dresden Hotel in Germany.

For details, please refer to the announcements released by FSGL on the SGX website www.sgx.com.

ASSET ACQUISITIONS AND DISPOSALS::ANNOUNCEMENT OF TRANSFER OF HOTEL OPERATIONS

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

Securities

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Stapled Security

No

Announcement Details

Announcement Title

Asset Acquisitions and Disposals

Date & Time of Broadcast

21-Feb-2019 07:41:02

Status

New

Announcement Sub Title

ANNOUNCEMENT OF TRANSFER OF HOTEL OPERATIONS

Announcement Reference

SG190221OTHR6TQP

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[FSGL - SGX Annc - Transfer of NL Utrecht hotel operations.pdf](#)

Total size =13K MB

ANNOUNCEMENT OF TRANSFER OF HOTEL OPERATIONS

1. The Board of Directors ("**Board**") of First Sponsor Group Limited ("**Company**", together with its subsidiaries, "**Group**") refers to the announcements dated 21 June 2017 and 13 July 2017 in connection with the acquisition by FS NL Amstel Development 16 B.V. ("**FSNL 16**"), a wholly-owned subsidiary of the Company, of the right of leasehold relating to the 3rd floor up to and including the 9th floor of the Poortgebouw Hoog Catharijne, located at the Catharijnesingel, Catharijnebaan, Radboudtraverse and Stationsstraat in Utrecht, the Netherlands ("**Property**") from Hoog Catharijne Mall of the Netherlands B.V. ("**Acquisition**").
2. As announced on 21 June 2017, FSNL 16 entered into a pre-opening development agreement ("**PDA**") and a lease agreement ("**LA**", together with the PDA, "**Agreements**") with Borealis Hotel Group B.V. and certain of its affiliates (collectively, "**Borealis Group**") pursuant to which:
 - (a) FSNL 16 agreed to develop the Property into (a) a space for the operation of a hotel under the Hampton by Hilton brand or a brand of similar standing, and (b) a space for the operation of a hotel under the Crowne Plaza brand or a brand of similar standing (collectively, the "**Hotels**"); and
 - (b) FSNL 16 agreed to lease the Hotels to the Borealis Group for an initial term of 25 years which shall be automatically extended for two (2) subsequent terms, each term being a period of 10 years, unless terminated by the Borealis Group in accordance with the terms of the LA.
3. As announced on 13 July 2017, the Acquisition was completed on 12 July 2017. As at the date of this announcement, development works in relation to the Hotels are on-going. The Group expects the development works in respect of the hotel under the Hampton by Hilton brand or a brand of similar standing to be completed in 2019 and the development works in respect of the hotel under the Crowne Plaza brand or a brand of similar standing to be completed no later than 2020.
4. The Board wishes to announce that FSNL 16 and the Borealis Group have on 20 February 2019 agreed to the transfer of the operations of the Hotels from the Borealis Group to FS NL Poortgebouw Opco 16 B.V. ("**Transferee**"), and have accordingly terminated the Agreements.
5. The Transferee is an indirect wholly-owned subsidiary of the Company, incorporated in the Netherlands on 4 January 2019. As at the date of this announcement, the issued and paid-up share capital of the Transferee is EUR1 (equivalent to approximately S\$1.53) and its principal business activity is hotel management. The incorporation was funded through internal cash resources.
6. The termination of the Agreements and the transfer of the operations of the Hotels are not expected to have any material impact on the consolidated earnings per share and the consolidated net tangible assets per share of the Group for the current financial year.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
21 February 2019

ASSET ACQUISITIONS AND DISPOSALS::PROPOSED ACQUISITION OF WESTIN BELLEVUE DRESDEN HOTEL IN GERMANY

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

Securities

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Stapled Security

No

Announcement Details

Announcement Title

Asset Acquisitions and Disposals

Date & Time of Broadcast

21-Feb-2019 08:04:47

Status

New

Announcement Sub Title

Proposed Acquisition of Westin Bellevue Dresden Hotel in Germany

Announcement Reference

SG190221OTHRO2FE

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[FSGL - SGX Annc - Acquisition of Westin Bellevue Dresden Hotel Germany.pdf](#)

[FSGL - Investor PPT - Acquisition of Westin Bellevue Dresden Hotel Germany.pdf](#)

Total size =2468K MB

PROPOSED ACQUISITION OF SHARES IN HOTEL BELLEVUE DRESDEN BETRIEBS GMBH AND BRE/GH II DRESDEN I INVESTOR GMBH

1. INTRODUCTION

1.1 **Proposed Acquisition.** Pursuant to Rule 704(17)(c) of the listing manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), the Board of Directors (“**Board**”) of First Sponsor Group Limited (“**Company**”, together with its subsidiaries, “**Group**”) wishes to announce that (a) FS Euro Capital Limited (“**FS Euro**”), an indirect wholly-owned subsidiary of the Company incorporated under the laws of the British Virgin Islands, (b) FS NL Holdings B.V. (“**FSNL**”), an indirect wholly-owned subsidiary of the Company incorporated under the laws of the Netherlands, (c) FS DE Property 2 GmbH (“**FSDE**”, and together with FS Euro, “**Purchasers**”), an indirect wholly-owned subsidiary of the Company incorporated under the laws of Germany, and (d) Stein Finance B.V. (“**Stein**”), a private limited liability company incorporated under the laws of the Netherlands, have entered into a conditional sale and purchase agreement (“**SPA**”) on 21 February 2019 with (e) Rock Lux Opco S.à r.l. (“**Opco Seller**”) and (f) Rock-Lux S.à r.l. (“**Propco Seller**”), both private limited liability companies incorporated under the laws of Luxembourg (collectively, “**Sellers**”), on the acquisition (“**Acquisition**”) by FSDE of issued shares in the capital of Hotel Bellevue Dresden Betriebs GmbH (“**Opco Target**”) and BRE/GH II Dresden I Investor GmbH (“**Propco Target**”) (collectively, “**Targets**” and each a “**Target**”) from the Sellers. The obligations of FSDE and FS Euro, in particular the payment obligations, under the SPA are guaranteed by FSNL.

FSDE is a newly incorporated company acquired by the Group and has an issued and paid-up share capital of €25,000 (approximately S\$38,250¹). Its principal business activity is investment holding. The acquisition of FSDE was funded through internal cash resources.

1.2 **Target Shares.** Pursuant to the SPA, FSDE shall purchase from the Sellers, 94.9% of the issued shares in each Target (collectively, “**Target Shares**”). Stein is the owner of the remaining 5.1% of the issued shares in each Target and will continue to own such shares after the Acquisition. Please refer to paragraph 3 for further information on Stein and the Collaboration (as defined below).

1.3 **Chapters 9 and 10 of the Listing Manual.** None of the Sellers and Stein is an “interested person” of the Company for the purposes of Chapter 9 of the Listing Manual. The Board is of the view that the Acquisition is in the ordinary course of the Company's business and therefore does not fall within the scope of Chapter 10 of the Listing Manual.

1.4 **Completion.** Completion of the Acquisition (“**Completion**”) is expected to take place within the first half of 2019. Upon Completion, the Targets will become subsidiaries of the Group.

2. INFORMATION ON THE SELLERS, THE TARGETS AND THE PROPERTY

2.1 **Information on the Sellers.** The Sellers are subsidiaries of Covivio Hotels, a real estate investment company listed on Euronext Paris, which owns and manages real estate assets in the hotel sector.

¹ Unless otherwise stated, the exchange rate of €1 : S\$1.53 is used in this announcement.

- 2.2 **Information on Propco Target and the Property.** Propco Seller owns 94.9% of the issued shares in Propco Target, which, in turn, owns the freehold property located at Grosse Meissner Str. 15, 01097 Dresden, Germany ("**Property**"). Dresden is the capital of the State of Saxony and the third largest city in eastern Germany after Berlin and Leipzig. Dresden is also known as "Silicon Saxony", having developed into a hub for the information technology industry. It is located about 160 kilometres south of Berlin.

The Property is situated directly on the banks of the River Elbe and a short walk away from the city centre and attractions such as the Semper Opera House, Dresden Cathedral and the Church of our Lady. It is also a short drive from the International Congress Centre Dresden and the offices of several internationally renowned companies such as GlaxoSmithKline, Volkswagen, Infineon and Siemens. The Property is well connected to public transport, about one kilometre away from Dresden-Neustadt Station, three kilometres away from the Dresden Central Station and 100 metres away from the Tram Stop "Neustädter Markt".

The approximate land size given in the land register of the Property is 31,973 square metres (which includes the Development Site (as defined below) to be carved out prior to Completion) and comprises a 340-room hotel currently operated under the name of "The Westin Bellevue Dresden" ("**Hotel**"). The Hotel is one of Dresden's landmark hotels, situated within a historic 17th century building with two modern purpose built building wings. It has a gross floor area of approximately 40,700 square metres with more than 1,800 square metres of meeting and event space. It also has facilities such as a swimming pool, fitness centre, two restaurants and a beer garden "Elbsegler".

- 2.3 **Carve Out of Property and Restricted Space.** A site area of approximately 5,277 square metres on which currently the beer garden "Elbsegler" and 62 car parking spaces are situated ("**Development Site**") shall be carved out as part of the transaction. The Development Site consists of three plots of land which are registered in the same land register folio as the other plots of land currently forming the Property. Propco Target shall, as a condition precedent to Completion, enter into a sale and purchase agreement with an affiliate of Propco Seller ("**Development Site Owner**") to sell the Development Site to the Development Site Owner. The completion of the sale and purchase of the Development Site, except for the formal registration of the Development Site Owner (which will take place later), is expected to take place prior to the date of Completion ("**Completion Date**").

A plot of land on the Property where the driveway and the main entrance of the Hotel, car parking spaces and the ramp to the parking garage are located ("**Restricted Space**") might have development potential in the future. As such possible development potential was not taken into account in the Propco Consideration (as defined below), the parties have agreed under the SPA to certain profit sharing arrangements on a 50:50 basis if (a) a building permit is obtained for the construction of additional building(s) on the Restricted Space before the date falling on the eighth anniversary of the Completion Date; and (b) the Restricted Space is sold. The decision whether to sell the Restricted Space (including the timing thereof) shall be at the absolute discretion of the Group.

- 2.4 **Information on Opco Target.** Opco Seller owns 94.9% of the issued shares in Opco Target, which, in turn, owns the Hotel operations. The Hotel is currently operated by Event Hotels Group ("**Event**") under a hotel management agreement.

- 2.5 **Book value/net tangible asset value of Target Shares.** Based on the latest unaudited financial statements of each Target as at 31 January 2019 provided by the Sellers, (a) the book value/net tangible asset value attributable to FSDE's *pro rata* portion of the issued shares in PropCo Target is approximately €10.8 million (approximately S\$16.5 million) and (b) the negative book value/net tangible liability value attributable to FSDE's *pro rata* portion of the issued shares in OpCo Target is approximately €14.0 million (approximately S\$21.4 million). As the Target Shares are not publicly listed and traded, no information on their available open market value is available.

2.6 **No material financial impact.** The Acquisition is not expected to have any material impact on the consolidated earnings per share and the consolidated net tangible assets per share of the Group for the current financial year.

3. INFORMATION ON STEIN AND EVENT

3.1 **Information on Stein.** Stein is the owner of 5.1% of the issued shares in each Target. Stein is a wholly-owned subsidiary of Galaren Invest B.V. with its seat in Amsterdam, the Netherlands, which is a member of Event.

3.2 **Information on Event.** As stated in paragraph 2.4, the Hotel is currently operated by Event. With over 20 years' track record, Event has had ownership stakes and full management responsibilities for a wide range of hotels across several European countries. Today, Event's Pan-European platform consists of about 80 hotels (close to 15,000 rooms) and generates in excess of half a billion Euros in revenues. Event's fully integrated management platform has over 200 hotel experts based in its corporate offices in Germany, the Netherlands, Luxembourg and Liechtenstein. A new Event London office will be opening in the spring.

In 2017, the Group, through its associated company, FSMC NL Property Group B.V. ("**FSMC**"), collaborated with Event in the acquisition of a portfolio of hotels under the "Bilderberg" brand in the Netherlands ("**Bilderberg Portfolio**") through the acquisition of 95% and 5% of the issued shares in Queens Bilderberg (Nederland) B.V. by FSMC and Event respectively. In connection with such collaboration, Event currently provides hotel management services in respect of the Bilderberg Portfolio.

Similarly, FSDE's collaboration with Event on the Acquisition is part of a wider arrangement with Event involving both FSDE and the Group, which will continue post-Completion ("**Collaboration**").

3.3 **Collaboration in relation to the Hotel.** It is intended that, in connection with the Collaboration, Event (either directly or through one of its wholly-owned subsidiaries) shall continue to provide hotel management services in respect of the Hotel pursuant to a new hotel management agreement after Completion.

4. RATIONALE FOR THE ACQUISITION

4.1 **Expansion of the Group's recurrent income base.** The Acquisition offers a good opportunity for the Group to invest in Dresden's hospitality real estate market and thereby further expand the recurrent income base of the Group's property holding business segment. The Acquisition would also help to diversify the Group's geographic exposure.

The Hotel generated an EBITDA² of approximately €3.75 million (approximately S\$5.74 million) in the financial year ended 31 December 2018 ("**FY2018**"). This implies a net yield of approximately 7.6% based on the property acquisition cost of approximately €49.5 million (including estimated transaction costs) (approximately S\$75.7 million) for the Property. In addition, the Hotel has established a track record of maintaining profitability even during the last global financial crisis in 2008, with only a slight dip in EBITDA in 2009.

² EBITDA denotes earnings before interest, tax, depreciation and amortisation.

- 4.2 **Potential upside.** The Hotel had an average occupancy of 69.1% with an average room rate of €99.1 (approximately S\$151.6) achieved in FY2018. As part of Propco Target's ongoing capital expenditure programme, more than €10.0 million (approximately S\$15.3 million) is expected to be invested in due course. Such capex investments, coupled with the uptake in the German hospitality market, bode well for the future trading performance of the Hotel.

Further, the Property is freehold which aligns well with the Group's long-term investment strategy for capital appreciation.

5. CONSIDERATION

- 5.1 **Propco Consideration.** The consideration for FSDE's *pro rata* portion of the issued shares in Propco Target ("**Propco Consideration**") shall be an amount equal to 94.9% of the sum of:

- (a) the agreed commercial value of the Property of €47.4 million (approximately S\$72.5 million);
- (b) inventories of Propco Target;
- (c) trade receivables and other receivables of Propco Target;
- (d) cash of Propco Target; and
- (e) prepaid expenses of Propco Target (excluding any capitalised loan arrangement fees or other capitalised fees and costs under or in connection with the Bank Facilities (as defined below), capitalised rent free periods or other incentives granted to tenants and other rent straight lining),

to be reduced by:

- (f) any tax and other provisions of Propco Target;
- (g) any liabilities to banks, trade payables, liabilities to affiliated companies (excluding liabilities owed to Opco Target), liabilities to shareholders (including the interest-free shareholder's loan of approximately €29.0 million (approximately S\$44.4 million) ("**Refinancing Shareholder Loan Redemption Amount**") extended by Propco Seller to Propco Target which was used by Propco Target to fully repay outstanding bank facilities (including interests, break costs, prepayment penalties and other costs/fees payable under such facilities) in the same amount owed by Propco Target ("**Bank Facilities**")) and other liabilities of Propco Target; and
- (h) deferred income of Propco Target,

all as at the end of the Completion Date ("**Closing Balance Sheet Date**").

- 5.2 **Opco Consideration.** The consideration for FSDE's *pro rata* portion of the issued shares in Opco Target ("**Opco Consideration**") shall be €1 (approximately S\$1.5).

- 5.3 **Sold Shareholder Loan Consideration.** Pursuant to the SPA, FS Euro shall acquire 94.9% of all shareholder loans extended to Opco Target including all rights (such as the right to receive any unpaid interest as at the Completion Date as well as future interest) and obligations in respect of such shareholder loans ("**Sold Shareholder Loan**") for a consideration ("**Sold Shareholder Loan Consideration**") equal to 94.9% of the sum of:

- (a) the agreed commercial value of the tangible assets of Opco Target of €1.1 million (approximately S\$1.7 million);

- (b) inventories of Opco Target;
- (c) trade receivables and other receivables of Opco Target;
- (d) cash of Opco Target; and
- (e) prepaid expenses of Opco Target (excluding any capitalised loan arrangement fees or other capitalised fees and costs, capitalised rent free periods or other incentives granted to tenants and other rent straight lining),

to be reduced by:

- (f) any tax and other provisions of Opco Target;
- (g) any liabilities owed to banks, trade payables, liabilities to affiliated companies (excluding liabilities owed to Propco Target) and other liabilities of Opco Target; and
- (h) deferred income of Opco Target,

all as at the Closing Balance Sheet Date.

5.4 **Preliminary Consideration.** On the Completion Date, the Purchasers shall pay in cash:

- (a) the agreed preliminary Propco Consideration of €17.9 million (approximately S\$27.4 million) ("**Preliminary Propco Consideration**") based on the balance sheet of Propco Target as at 31 January 2019 taking into account certain selected expected movements up to the Completion Date;
- (b) the Opco Consideration; and
- (c) the agreed preliminary Sold Shareholder Loan Consideration of €0.9 million (approximately S\$1.4 million) ("**Preliminary Sold Shareholder Loan Consideration**") based on the balance sheet of Opco Target as at 31 January 2019 taking into account certain selected expected movements up to the Completion Date,

(collectively, "**Preliminary Consideration**").

FS Euro shall also pay its portion of the Refinancing Shareholder Loan Redemption Amount which amounts to approximately €27.5 million (approximately S\$42.1 million) to Propco Seller on the Completion Date, thereby creating a claim against PropCo Target for repayment to FS Euro of such amount. The remaining €1.5 million (approximately S\$2.3 million) of the Refinancing Shareholder Loan Redemption Amount shall be paid by Stein.

5.5 **Payment of Deposit.** Pursuant to the SPA, FSDE shall, no later than 5 business days after the execution of the SPA, pay to an escrow account held by a notary, an amount of €4.5 million (approximately S\$6.9 million) ("**Deposit**"), which shall form part of the Preliminary Propco Consideration and which shall be released to Propco Seller on the Completion Date.

5.6 **Post-Completion Adjustments.** Post-Completion, the actual Propco Consideration and the actual Sold Shareholder Loan Consideration shall be computed based on the balance sheet as at the Closing Balance Sheet Date of each of Propco Target and Opco Target respectively. Any difference between the actual Propco Consideration or (as the case may be) the actual Sold Shareholder Loan Consideration and the Preliminary Propco Consideration or (as the case may be) the Preliminary Sold Shareholder Loan Consideration shall be settled accordingly within 5 business days after the actual Propco Consideration or (as the case may be) the actual Sold Shareholder Loan Consideration has been conclusively determined.

5.7 **Factors taken into account in arriving at the Consideration.** The consideration for the Acquisition was arrived at after arm's length, commercial negotiations between the Purchasers and the Sellers on a willing-buyer, willing-seller basis. The Purchasers had taken into consideration factors such as the current hotel market conditions in Germany, historical and estimated trading yield from the Property, fiscal book value and physical condition of the Property.

6. FINANCING OF THE ACQUISITION

The Group will finance the Acquisition and the payment of the Refinancing Shareholder Loan Redemption Amount using its existing cash resources and existing unsecured credit facilities.

7. DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Acquisition.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
21 February 2019



First Sponsor Group Limited Acquisition of Westin Bellevue Dresden Hotel, Germany 21 February 2019



Executive Summary

- The Group has, through its 100%-owned German subsidiary, entered into a sale and purchase agreement on 21 February 2019 for the proposed acquisition of 94.9% of two German companies which own and operate the Westin Bellevue Dresden hotel. The property acquisition cost is valued at approximately €49.5 million (\$75.7 million), including estimated transaction costs.
- The proposed acquisition will be made in collaboration with the Event Hotels Group (“Event”), one of Europe’s leading hotel operators which is also the Group’s joint venture partner for the Bilderberg portfolio in the Netherlands acquired in August 2017. Event holds 5.1% stake in each of the German companies since May 2016.
- The Westin Bellevue Dresden hotel is a freehold property that is located between the old and new towns of Dresden, Germany. The 340-bedroom hotel has a main wing that is built in the 17th century. The hotel’s rich history is reflected in its façade and many of its design elements. The hotel houses more than 1,800 sqm of meeting and event space equipped with modern meeting facilities which makes it a highly appealing conference hotel that can accommodate large scale meetings, exhibitions and social events.
- The Group and Event are expected to spend more than €10.0 million in the near future to refurbish the property.
- The acquisition offers the opportunity for the Group to build up a larger recurrent income stream for its property holding business segment and to further improve its geographical diversification.

Dresden, Germany's Gateway to Eastern Europe

Examples of the 50,000 companies domiciled in Dresden includes Volkswagen, GlaxoSmithKline (GSK), Siemens, Infineon and Advanced Micro Devices Inc. (AMD).



50,000 COMPANIES DOMICILED IN DRESDEN

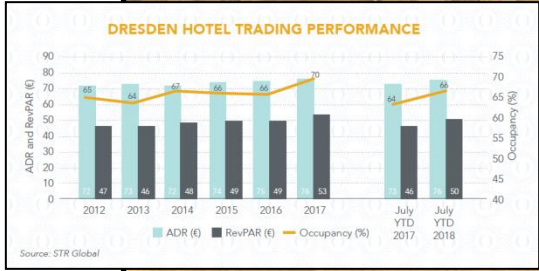
1.7 MILLION AIRPORT PASSENGER ARRIVALS

4.4 MILLION OVERNIGHT STAYS

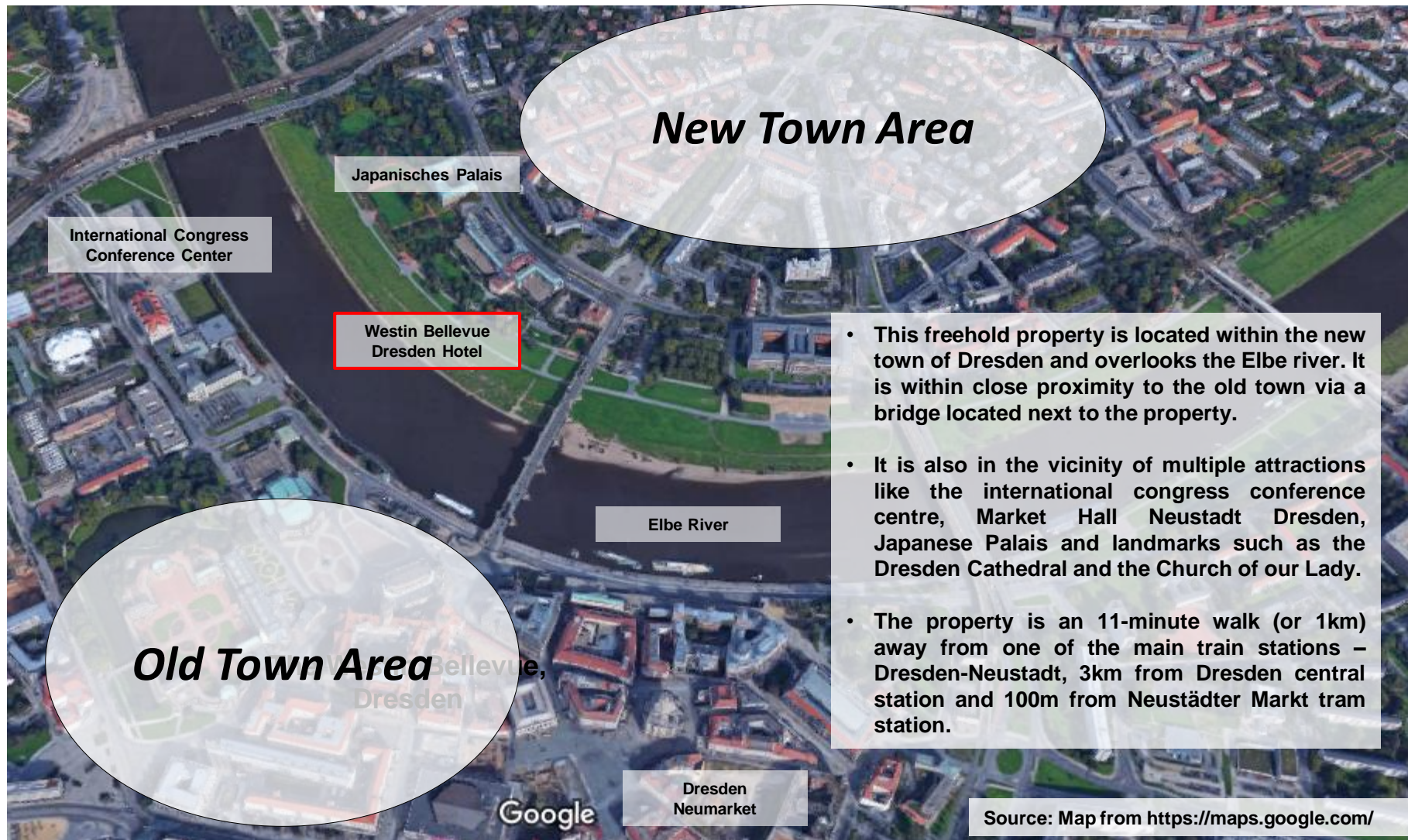
Dresden

> 1.35 MILLION EVENT AND CONGRESS VISITORS

RESILIENT HOSPITALITY MARKET




Site Map of Westin Bellevue Dresden Hotel, Germany



Westin Bellevue Dresden Hotel, Germany


Acquisition cost	€49.5m (\$\$75.7m) or €146,000 (\$\$223,000) per room
FY2018 EBITDA / Net yield	€3.75m / 7.6%
Expected completion date	First half of 2019




ADDRESS
Grosse Meissner Str. 15, 01097 Dresden, Germany



TENURE
Freehold



MEETING & EVENT SPACE
19 rooms (1,800 sqm)


GROSS FLOOR AREA
Approx. 40,700 sqm



F&B FACILITIES
2 restaurants, 1 bar, 1 beer garden



OTHER AMENITIES
Fitness studio, wellness centre, pool, parking



ROOMS
340 (including 21 suites)

Google

Westin Bellevue Dresden Hotel, Germany



Thank You



Disclaimer

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.