

Systematic Cash Flow Service Based Model

Item being valued	Senbiz	Date of Financial Statements	28-Feb-07
Basic Information		Valuation of Equity	
Equity fairly valued	2,673,567		8,405,136
Equity loan to be paid off first	2,072,631	Reality Checks	
Capital and share premium portion of equity	100	Resultant sustainable growth rate	16.0%
Maintainable earnings before STC	1,557,839	Growth portion of resultant value	100%
Maintainable dividends	-	Dividend yield	0.0%
Cash Flow Determinants		Price earnings ratio	5.4
Projected growth in earnings	16.0%	Price equity ratio	3.1
Maintainable dividend payout ratio	0%	Values at Balance Sheet Date	
Projected dividend can pay out	80%	Valuation arrived at above	8,405,136
Dividends to commence in year	3	P.V. of tax savings i.r.o. the assessable loss	-
Secondary tax on companies rate	12.5%	Value of equity	8,405,136
Survival period (3, 5, 7, 10 to 80 in 5 year steps)	10	Value of equity loans	1,662,043
Book value realised on termination	90%	Value of equity and equity loans	10,067,179
Fair Rate of Return		Conversion to Valuation Date	
Pre-tax risk free rate	7.4%	Date of valuation	28-Feb-07
Investor's tax rate	40.0%	Days after anniversary date to valuation date	0
Systematic risk rate	6.0%	Value of equity at valuation date	8,405,136
Beta	0.90	Value of equity loan at valuation date	1,662,043
Unsystematic risk rate	12.0%	Value of equity and equity loans at valuation date	10,067,179
Fair rate of return	21.8%		