GLOBAL PREMIUM HOTELS LIMITED
(Company registration no. 201128650E)

UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER AND THE NINE MONTHS ENDED 30 SEPTEMBER 2014

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Introduction	2
1(a)	Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
1(b)(i)	Statements of Financial Position	4 – 5
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities	5
1(c)	Consolidated Statement of Cash Flows	6
1(d)(i)	Statements of Changes in Equity	7 – 8
1(d)(ii)	Changes in Company's Issued Share Capital	8
1(d)(iii)/(iv)	Treasury Shares/Company's Listed Securities	8
2 & 3	Audit Statement	8 – 9
4 & 5	Accounting Policies	9
6	Earnings Per Share ("EPS")	9
7	Net Asset Value ("NAV") Per Share	9
8	Review of the Performance	10 – 11
9	Variance from Previous Forecast / Prospect Statement	11
10	Outlook and Prospects	12
11 & 12	Dividend	12
13	Interested Person Transactions Mandate	12
14	Confirmation Pursuant to Rule 705(5) of the Listing Manual	12

INTRODUCTION

Global Premium Hotels Limited ("GPHL") was incorporated as a private limited liability company on 19 September 2011 and listed on the Singapore Exchange Securities Trading Limited ("**SGX**") on 26 April 2012.

GPHL and its subsidiaries (the "Group") operate one of Singapore's largest chains of hotels with 23 hotels, of which 21 hotels are operated under the "Fragrance" brand and 2 hotels under the "Parc Sovereign" brand. The Group provides economy-tier and mid-tier class of accommodation with 1,983 rooms in Singapore as at 30 September 2014.

The Group is principally engaged in the business of developing and operating economy-tier to mid-tier class hotels. Most of the Group's hotels are located in the city or city-fringe areas. The established track record and reputation of providing affordable accommodation has led to the "Fragrance" brand of hotels becoming well recognised in the local and regional hospitality industry.

GLOBAL PREMIUM HOTELS LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER AND THE NINE MONTHS ENDED 30 SEPTEMBER 2014

1(a)(i) Consolidated Statement of Profit and Loss and Other Comprehensive Income

	Group					
	3Q 2014 S$'000	**3Q 2013 S$'000**	**% Change**	**9M 2014 S$'000**	**9M 2013 S$'000**	**% Change**
Revenue	17,201	15,740	9.3	45,492	45,664	(0.4)
Cost of sales	(2,194)	(2,112)	3.9	(5,552)	(6,045)	(8.2)
Gross profit	**15,007**	**13,628**	**10.1**	**39,940**	**39,619**	**0.8**
Other operating income	179	160	11.9	783	487	60.8
Administrative expenses	(6,640)	(5,629)	18.0	(18,504)	(16,679)	10.9
Finance costs	(2,238)	(2,003)	11.7	(6,327)	(5,887)	7.5
Profit before income tax	**6,308**	**6,156**	**2.5**	**15,892**	**17,540**	**(9.4)**
Income tax	(1,200)	(1,212)	(1.0)	(3,022)	(3,374)	(10.4)
Profit for the period	**5,108**	**4,944**	**3.3**	**12,870**	**14,166**	**(9.1)**
Other comprehensive income:						
Transfer of depreciation on revaluation of leasehold land and hotel buildings to revaluation reserve	1,014	857	18.3	2,951	2,570	14.8
Net other comprehensive income for the period	**1,014**	**857**	**18.3**	**2,951**	**2,570**	**14.8**
Total comprehensive income for the period	**6,122**	**5,801**	**5.5**	**15,821**	**16,736**	**(5.5)**

1a (ii) Profit before income tax is arrived at after charging/(crediting):

	Group					
	3Q 2014 S$'000	**3Q 2013 S$'000**	**% Change**	**9M 2014 S$'000**	**9M 2013 S$'000**	**% Change**
Depreciation and amortisation	1,257	1,105	13.8	3,677	3,318	10.8
Plant and equipment written off	3	-	N.M.	15	-	N.M.
Finance costs	2,238	2,003	11.7	6,327	5,887	7.5
Interest income	(54)	(3)	N.M.	(109)	(42)	159.5
Under/(over) provision of income tax in prior years	1	-	N.M.	(28)	(1)	N.M.
Allowance/(write back) for doubtful debts, net	-	-	N.M.	12	(1)	N.M.

N.M. – not meaningful

1(b)(i) Statements of Financial Position as at 30 Sep 2014 vs 31 Dec 2013

	Group			Company		
	30 Sep 2014 S$'000	31 Dec 2013 S$'000	% Change	30 Sep 2014 S$'000	31 Dec 2013 S$'000	% Change
ASSETS						
Current assets						
Cash and cash equivalents	34,037	11,578	194.0	519	5,333	(90.3)
Trade receivables[1]	1,831	1,537	19.1	-	-	-
Other receivables[2]	2,036	5,831	(65.1)	26	9	188.9
Amount due from subsidiaries	-	-	-	71,400	36,490	95.7
Total current assets	**37,904**	**18,946**	**100.1**	**71,945**	**41,832**	**72.0**
Non-current assets						
Property, plant and equipment[3]	1,199,497	1,191,885	0.6	-	-	-
Investment in subsidiaries	-	-	-	595,562	595,530	N.M.
Total non-current assets	**1,199,497**	**1,191,885**	**0.6**	**595,562**	**595,530**	N.M.
Total assets	**1,237,401**	**1,210,831**	**2.2**	**667,507**	**637,362**	**4.7**
LIABILITIES AND EQUITY						
Current liabilities						
Trade payables	1,950	1,800	8.3	-	-	-
Other payables	7,421	7,727	(4.0)	911	1,065	(14.5)
Term loans[4]	20,736	17,553	18.1	-	-	-
Income tax payable	7,842	8,576	(8.6)	3	3	-
Amount due to subsidiaries	-	-	-	16,650	19,000	(12.4)
Total current liabilities	**37,949**	**35,656**	**6.4**	**17,564**	**20,068**	**(12.5)**
Non-current liabilities						
Term loans[4]	476,178	464,975	2.4	-	-	-
Deferred tax liabilities	37,003	37,015	N.M.	-	-	-
Other payables	-	-	-	1,497	1,734	(13.7)
Total non-current liabilities	**513,181**	**501,990**	**2.2**	**1,497**	**1,734**	**(13.7)**
Capital and reserves						
Share capital	263,692	263,692	-	263,692	263,692	-
Revaluation reserve	878,938	875,987	0.3	-	-	-
Merger reserve	(555,028)	(555,028)	-	-	-	-
Retained earnings	98,669	88,534	11.4	384,754	351,868	9.3
Total equity	**686,271**	**673,185**	**1.9**	**648,446**	**615,560**	**5.3**
Total liabilities and equity	**1,237,401**	**1,210,831**	**2.2**	**667,507**	**637,362**	**4.7**

N.M. – not meaningful

Footnotes:

1. *Increase in trade receivables was mainly due to shift in customer's mix.*

2. *Decrease in other receivables was mainly due to refund of deposits of $4.8 million received in 1Q 2014, partially offset by deposits paid for hotel consumables and services rendered by vendors.*

3. *Increase in property, plant and equipment was mainly due to completion of the hotel property located at 165 Tyrwhitt Road, now known as Parc Sovereign Hotel – Tyrwhitt and capitalisation of assets enhancement costs for Fragrance Hotel – Pearl.*

4. *Increase in term loan was mainly due to additional loans draw down in connection with the construction of Parc Sovereign Hotel – Tyrwhitt and for working capital purposes, which was partially offset by the repayment of term loans.*

1(b)(ii) Aggregate amount of borrowings and debt securities

	Group		Company	
	30 Sep 2014 S$'000	**31 Dec 2013 S$'000**	**30 Sep 2014 S$'000**	**31 Dec 2013 S$'000**
Secured borrowings				
- Amount repayable within one year	20,736	17,553	-	-
- Amount repayable after one year	476,178	464,975	-	-
(1)	**496,914**	**482,528**	**-**	**-**

Footnote:

1. The increase in the Group's borrowings as at 30 September 2014 was mainly due to additional loans draw down in connection with the construction of Parc Sovereign Hotel – Tyrwhitt and for working capital purposes, which was partially offset by the repayment of term loans.

Details of collaterals

The credit facilities for the Group are secured by the following:

i) the legal mortgage of our hotels;

ii) assignment of rental proceeds, construction contracts, performance bonds (if any), insurance policies and debentures; and

iii) corporate guarantee by GPHL.

1(c) Consolidated Statement of Cash Flows

	Group			
	3Q 2014 S$'000	3Q 2013 S$'000	9M 2014 S$'000	9M 2013 S$'000
Operating activities				
Profit before income tax	6,308	6,156	15,892	17,540
Adjustments for:				
Interest income	(54)	(3)	(109)	(42)
Allowance/(write back) for doubtful debts, net	-	-	12	(1)
Finance costs	2,238	2,003	6,327	5,887
Depreciation and amortisation	1,257	1,105	3,677	3,318
Plant and equipment written off	3	-	15	-
Operating cash flows before movements in working capital	**9,752**	**9,261**	**25,814**	**26,702**
Trade receivables	(292)	22	(306)	(112)
Other receivables	(186)	57	4,033	(85)
Trade payables	169	19	150	(104)
Other payables	493	498	1,677	728
Cash generated from operating activities	**9,936**	**9,857**	**31,368**	**27,129**
Interest paid [1]	(2,004)	(2,356)	(6,701)	(6,715)
Income tax paid	(1,238)	(1,477)	(3,769)	(4,464)
Net cash from operating activities	**6,694**	**6,024**	**20,898**	**15,950**
Investing activities				
Interest received	54	3	109	42
Purchase of property, plant and equipment	(814)	(2,951)	(9,946)	(7,511)
Net cash used in investing activities	**(760)**	**(2,948)**	**(9,837)**	**(7,469)**
Financing activities				
Proceeds from term loans	25,264	2,722	80,001	11,080
Repayment of term loans	(3,976)	(3,410)	(65,868)	(10,994)
Dividend paid	-	-	(2,735)	(12,729)
Net cash from/(used in) financing activities	**21,288**	**(688)**	**11,398**	**(12,643)**
Increase/(decrease) in cash and cash equivalents	**27,222**	**2,388**	**22,459**	**(4,162)**
Cash and cash equivalents at beginning of period	**6,815**	**8,763**	**11,578**	**15,313**
Cash and cash equivalents at end of period	**34,037**	**11,151**	**34,037**	**11,151**

Footnote:

1. Interest paid includes interest costs capitalised under property, plant and equipment.

1(d)(i) Statements of Changes in Equity

Group	Share capital	Revaluation reserve	Merger reserve	Retained earnings	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 January 2014	**263,692**	**875,987**	**(555,028)**	**88,534**	**673,185**
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(2,735)	(2,735)
Total	-	-	-	(2,735)	(2,735)
Total comprehensive income for the period					
Profit for the period	-	-	-	7,762	7,762
Other comprehensive income for the period	-	1,937	-	-	1,937
Total	-	1,937	-	7,762	9,699
Balance as at 30 June 2014	**263,692**	**877,924**	**(555,028)**	**93,561**	**680,149**
Total comprehensive income for the period					
Profit for the period	-	-	-	5,108	5,108
Other comprehensive income for the period	-	1,014	-	-	1,014
Total	-	1,014	-	5,108	6,122
Balance as at 30 September 2014	**263,692**	**878,938**	**(555,028)**	**98,669**	**686,271**
Balance as at 1 January 2013	**263,692**	**621,584**	**(555,028)**	**79,788**	**410,036**
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(10,625)	(10,625)
Total	-	-	-	(10,625)	(10,625)
Total comprehensive income for the period					
Profit for the period	-	-	-	9,222	9,222
Other comprehensive income for the period	-	1,713	-	-	1,713
Total	-	1,713	-	9,222	10,935
Balance as at 30 June 2013	**263,692**	**623,297**	**(555,028)**	**78,385**	**410,346**
Total comprehensive income for the period					
Profit for the period	-	-	-	4,944	4,944
Other comprehensive income for the period	-	857	-	-	857
Total	-	857	-	4,944	5,801
Balance as at 30 September 2013	**263,692**	**624,154**	**(555,028)**	**83,329**	**416,147**

	Share capital	Retained earnings	Total
Company	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 January 2014	**263,692**	**351,868**	**615,560**
Transactions with owners, recognised directly in equity			
Dividend paid	-	(2,735)	(2,735)
Total	-	(2,735)	(2,735)
Total comprehensive income for the period			
Profit for the period	-	35,601	35,601
Total	-	35,601	35,601
Balance as at 30 June 2014	**263,692**	**384,734**	**648,426**
Total comprehensive income for the period			
Profit for the period	-	20	20
Total	-	20	20
Balance as at 30 September 2014	**263,692**	**384,754**	**648,446**
Balance as at 1 January 2013	**263,692**	**1,966**	**265,658**
Transactions with owners, recognised directly in equity			
Dividend paid	-	(10,625)	(10,625)
Total	-	(10,625)	(10,625)
Total comprehensive income for the period			
Profit for the period	-	10,382	10,382
Total	-	10,382	10,382
Balance as at 30 June 2013	**263,692**	**1,723**	**265,415**
Total comprehensive income for the period			
Profit for the period	-	72	72
Total	-	72	72
Balance as at 30 September 2013	**263,692**	**1,795**	**265,487**

1(d)(ii) Details of any changes in the Company's issued Share Capital

	Company	
	No of shares	Capital S$'000
As at 1 January 2014 & as at 30 September 2014	**1,052,000,000**	**263,692**

There was no movement in the issued and paid-up capital of the Company since 31 December 2013.

1(d)(iii) Treasury Shares

The Company did not hold any treasury shares as at 30 September 2014 and 31 December 2013.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the period ended 30 September 2014.

2 Whether the figures have been audited, or reviewed and in accordance with which standard or practice

The figures have not been audited nor reviewed by our auditors.

3 **Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not applicable.

4 **Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2013, except for the adoption of new and revised Financial Reporting Standards (FRS) which become effective for the financial year beginning on or after 1 January 2014.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change**

Please refer to item 4 above.

6 **Earnings per share ("EPS") based on profit after tax & non-controlling interest attributable to the equity holders of the Company**

In computing the EPS, the weighted average number of shares as at the end of each period is used for the computation. The diluted EPS is the same as the basic EPS as there are no dilutive instruments in issue during the period.

	Group			
	3Q 2014	**3Q 2013**	**9M 2014**	**9M 2013**
Weighted average number of shares in issue	1,052,000,000	1,052,000,000	1,052,000,000	1,052,000,000
Earnings per share ("EPS")[1]	**cents**	**cents**	**cents**	**cents**
Based on weighted average number of shares in issue	0.49	0.47	1.22	1.35
Based on fully diluted basis	0.49	0.47	1.22	1.35
Number of shares in issue at end of period	1,052,000,000	1,052,000,000	1,052,000,000	1,052,000,000

Footnote:

1. EPS for the period is calculated based on profit attributable to the equity holders of the Company.

7 **Net asset value ("NAV") per share based on issued share capital (excluding treasury shares) as at the end of the period**

	Group		Company	
	30 Sep 2014 cents	**31 Dec 2013 cents**	**30 Sep 2014 cents**	**31 Dec 2013 cents**
NAV per share	65.23	63.99	61.64	58.51

The NAV per share as at 30 September 2014 and 31 December 2013 were calculated based on 1,052,000,000 shares in issue.

8 Review of the performance

3Q 2014 vs 3Q 2013

Group	**3Q 2014 S$'000**	**3Q 2013 S$'000**	**% Change**
Hotel room revenue	16,941	15,509	9.2
Rental income	260	231	12.6
Total revenue	**17,201**	**15,740**	**9.3**
Cost of sales	(2,194)	(2,112)	3.9
Gross profit	**15,007**	**13,628**	**10.1**
Other operating income	179	160	11.9
Administrative expenses	(6,640)	(5,629)	18.0
Finance costs	(2,238)	(2,003)	11.7
Profit before income tax	**6,308**	**6,156**	**2.5**
Income tax	(1,200)	(1,212)	(1.0)
Profit for the period	**5,108**	**4,944**	**3.3**

Hotel room revenue for 3Q 2014 increased by $1.4 million, or 9.2% over 3Q 2013. This was mainly due to full quarter contribution of $2.9 million from Parc Sovereign Hotel – Tyrwhitt and $0.1 million from Fragrance Hotel – Pearl, which was partially offset by i) lower revenue of $1.3 million recognised from the remaining hotels; and ii) closure of Fragrance Hotel – Elegance in 4Q 2013 due to cessation of tenancy agreement.

The Group's average occupancy rate ("AOR") decreased from 91.6% in 3Q 2013 to 87.4% in 3Q 2014 and Revenue Per Available Room ("RevPAR") decreased from $97.1 in 3Q 2013 to $92.8 in 3Q 2014.

Rental income for 3Q 2014 increased by 12.6% over 3Q 2013. This was mainly due to additional rental income from three commercial units within Parc Sovereign Hotel – Tyrwhitt.

Cost of sales in 3Q 2014 increased by $0.1 million, or 3.9% over 3Q 2013. This was mainly due to full quarter operation of Parc Sovereign Hotel – Tyrwhitt, which was partially offset by absence of rental expenses pertaining to Fragrance Hotel – Elegance which ceased operations.

Administrative expenses for 3Q 2014 increased by $1.0 million, or 18.0% over 3Q 2013. This was mainly due to increase in staff costs, depreciation and property tax.

Finance costs for 3Q 2014 increased by $0.2 million, or 11.7% over 3Q 2013. This was mainly due to the recognition of interest expenses to profit and loss on loans pertaining to Parc Sovereign Hotel – Tyrwhitt following its completion of construction and commencement of business operations.

Income tax remained relatively stable at $1.2 million in 3Q 2014 and 3Q 2013.

9M 2014 vs 9M 2013

Group	**9M 2014 S$'000**	**9M 2013 S$'000**	**% Change**
Hotel room revenue	44,789	44,936	(0.3)
Rental income	703	728	(3.4)
Total revenue	**45,492**	**45,664**	**(0.4)**
Cost of sales	(5,552)	(6,045)	(8.2)
Gross Profit	**39,940**	**39,619**	**0.8**
Other operating income	783	487	60.8
Administrative expenses	(18,504)	(16,679)	10.9
Finance costs	(6,327)	(5,887)	7.5
Profit before income tax	**15,892**	**17,540**	**(9.4)**
Income tax	(3,022)	(3,374)	(10.4)
Profit for the year	**12,870**	**14,166**	**(9.1)**

Hotel room revenue for 9M 2014 decreased by $0.1 million, or 0.3% over 9M 2013. This was mainly due to i) lower contribution from Fragrance Hotel – Pearl of $0.8 million due to temporary closure in 1H 2014 to carry out asset enhancement works to achieve stronger positioning and better yield; ii) lower revenue of $0.7 million from Fragrance Hotel – Elegance following its closure in 4Q 2013 due to cessation of tenancy agreement; and iii) lower revenue of $2.0 million recognised from the remaining hotels. The decrease was partially offset by contribution of $3.4 million from Parc Sovereign Hotel – Tyrwhitt which commenced operations in early June 2014.

The Group's AOR decreased from 91.5% in 9M 2013 to 86.4% in 9M 2014 and RevPAR decreased from $94.8 in 9M 2013 to $92.2 in 9M 2014.

Cost of sales for 9M 2014 decreased by $0.5 million, or 8.2% over 9M 2013. This was mainly due to absence of rental expenses pertaining to Fragrance Hotel – Elegance which ceased operations, and savings in cable services in 9M 2014. The decrease was partially offset by higher utilities and laundry charges due to full operations of Parc Sovereign Hotel – Tyrwhitt.

Other operating income for 9M 2014 increased by $0.3 million, or 60.8% over 9M 2013 mainly due to recognition of wage credit received in 1Q 2014 for qualifying year 2013.

Administrative expenses for 9M 2014 increased by $1.8 million, or 10.9% over 9M 2013. This was mainly due to i) increase in depreciation and staff costs; and ii) recognition of one-off expenses in relation to voluntary unconditional cash offer by DBS Bank Ltd for and on behalf of Mr Koh Wee Meng in 1Q 2014.

Finance costs for 9M 2014 increased by $0.4 million, or 7.5% over 9M 2013. This was mainly due to i) recognition of interest expenses to profit and loss, on loans pertaining to Parc Sovereign Hotel – Tyrwhitt following its completion of construction and commencement of business operations; and ii) higher average interest rate in 9M 2014 as compared to 9M 2013.

Income tax for 9M 2014 decreased by $0.4 million, or 10.4% over 9M 2013 mainly due to decrease in profit before income tax.

9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

The current results are broadly in line with the prospects statement made in the second quarter 2014 financial results announcement.

10 Commentary on the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Against the back drop of slowing global economy, tourist arrivals continued to decline with a 3.3%[1] drop year-on-year from January to August 2014. The industry's average occupancy rate for the same period also registered a decline of 0.8%[2] year-on-year to 86% partly also due to the new supply of rooms coming into the market. With no catalyst in sight in the immediate term in attracting international travelers to Singapore, we do not foresee any significant change in the tourist arrivals number till end of the year.

However for the next year, we are hopeful of a more positive outlook particularly with Singapore being named as the world's No. 1 country to travel to in 2015 in the latest guidebook published by global travel company[3], Lonely Planet. This is an encouraging news which will give the local tourism industry an added boost in increasing the tourist flow to Singapore. The Group is well placed to meet the challenges ahead.

Barring any unforeseen circumstances, the Group expects to be profitable in 2014.

Footnotes:
1. *Source: Estimated according to Singapore Tourism Board ("STB") – International Visitor Arrivals Statistics published on 13 Oct 2014*
2. *Source: STB – Hotel Statistics 2014 (Preliminary) published on 1 Oct 2014*
3. *Source: The Straits Times – "Singapore named by Lonely Planet's No 1 country for travel in 2015" published on 21 Oct 2014.*

11 Dividend

11(a) **Current Financial Period**

Any dividend declared for the current financial period? No

11(b) **Corresponding period of the preceding financial period**

Any dividend declared for the corresponding period of the immediate preceding financial period? No

11(c) Date payable : Not applicable

11(d) Book closure date : Not applicable

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position and the result of business, consolidated statement of profit or loss and other comprehensive income, statements of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 September 2014, to be false or misleading in any material respect.

On behalf of the Board

Mr Koh Wee Meng
Chairman

Mr Lim Chee Chong
Chief Executive Officer

31 October 2014

This release may contain forward-looking statements that involve 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, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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 current view of management on future events.