

Performance rights

Kingsgate issued the following performance rights during the year:

Type	Grant date	Vesting date	Number
Performance rights	24 September 2012	30 June 2015	120,455
Performance rights	21 November 2012	30 June 2015	222,955
Total			343,410

The fair value of the performance rights was estimated using Monte Carlo simulation, taking into account the terms and conditions upon which the awards were granted.

The following table lists the inputs to the model used for the performance rights granted for the year:

Number of rights issued	120,455	222,955
Grant date	24 September 2012	21 November 2012
Spot price (\$)	6.02	4.84
Risk-free rate (%)	2.6	2.7
Term (years)	2.8	2.6
Volatility (%)	40–50	40–50
Exercise price (\$)	–	–
Fair value (\$)	3.15–3.27	1.82–2.02

The volatility above was determined with reference to the historical volatility of the Company's share price from June 2008 to November 2012.

Deferred rights

Kingsgate issued the following deferred rights during the year:

Type	Grant date	Vesting date	Number
Deferred rights	24 September 2012	30 June 2013	40,691
Deferred rights	24 September 2012	30 June 2014	58,618
Deferred rights	24 September 2012	30 June 2015	82,320
Subtotal			181,629
Deferred rights	21 November 2012	30 June 2013	52,181
Deferred rights	21 November 2012	30 June 2014	53,901
Subtotal			106,082
Total			287,711

The fair value of the deferred rights was estimated based on the share price less the present value of projected dividends over the expected term of each deferred right.

The following table lists the inputs to the model used for the deferred rights granted for the year:

Number of rights issued	181,629	106,082
Grant date	24 September 2012	21 November 2012
Spot price (\$)	6.02	4.84
Risk-free rate (%)	2.6	2.7
Term (years)	0.8–2.8	0.6–2.6
Dividends (\$)	0.11–0.24	0.11–0.24
Exercise price (\$)	–	–
Fair value (\$)	5.17–5.91	3.98–4.73