

3 July 2007

Email: mvann@mfsgroup.com.au

Marshall Vann
Chief Executive Officer
MFS Living & Leisure Group
PKF Building
Level 1, 1 Lawson Street
PO Box 10414
SOUTHPORT QLD 4215
Australia



Dear Marshall

TAKEOVER OFFER FOR TOURISM HOLDINGS LIMITED

1. In a letter to THL shareholders dated 21 June 2007, MFS Living & Leisure Group ("MPY") said:

The acceptance period under the full takeover offer for Tourism Holdings Limited ("THL") closes on Saturday 21 July. This is a FINAL CLOSING DATE FOR ACCEPTANCES and will not be extended.

The \$2.80 per share offer price is a compelling price and WILL NOT BE INCREASED. This is the FINAL OFFER PRICE.

In an ASX/NZX and media announcement dated 27 June 2007, MPY said:

The offer is conditional on receiving acceptances that would take MPY to holding 90% of THL shares. We will not waive that condition.

The offer is final. That means we will not extend the price and we will not extend the date. We will not waive our condition requiring a 90% shareholding and, if the offer is unsuccessful, we will not seek to buy any part of Tourism Holdings separately.

2. So that THL shareholders can be completely informed, the THL board requests MPY to confirm that:
- (a) MPY will not in any circumstances increase its offer price of \$2.80, or extend the final acceptance date for the offer of Saturday, 21 July; and
 - (b) MPY does not reserve the right to change its intention in respect of these matters.
3. Could you please let me have your confirmation in writing to this effect by the close of business tomorrow.
4. THL intends to release this letter, and your reply, to the NZSX.

Yours faithfully
TOURISM HOLDINGS LIMITED

Keith Smith
Chairman

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• 23 Customs Street East
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4 July 2007

Mr Keith Smith
Chairman
Tourism Holdings Limited
Level 2, Citigroup Centre
23 Customs Street East
AUCKLAND

Dear Keith

Takeover Offer for Tourism Holdings Limited

Thank you for your 3 July letter.

As you have noted in your letter, over the course of the last two weeks we have made a number of statements in relation to the takeover offer for Tourism Holdings Limited (THL). These have been in regard to:

- That we will not increase our offer above \$2.80;
- 21 July 2007 is the final closing date and we will not extend; and
- We must receive acceptances by the closing date so we will hold 90% of shares in THL.

We feel that it was, and is, important to make our position clear to THL shareholders and have communicated this in our recent releases through the media and directly with THL shareholders. We also understand that THL shareholders may have differing views on the merits of the offer and need to make a decision on the offer. We have tried to make the terms of our offer as clear as possible to assist THL shareholders in their decision making process.

To this end, as you have specifically requested, MFS Living and Leisure NZ Pty Limited (as the offeror) confirms that:

- it will not in any circumstances increase its offer price or extend the final acceptance date for the offer of Saturday, 21 July 2007; and
- it does not reserve the right to change its intention in respect of these matters.

We confirm that we are happy for you to lodge this letter on the NZSX.

Yours sincerely

Marshall Vann
Chief Executive Officer

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