

BALLYLINCH LP

VARIATION NOTICE

Tourism Holdings Limited
Level 1, 83 Beach Road
AUCKLAND

Copied to:

The Takeovers Panel
Level 3, Solnet House
70 The Terrace
PO Box 1171
WELLINGTON
Email: takeovers.panel@takeovers.govt.nz

NZX Limited
WELLINGTON
Email: announce@nzx.com

VARIATION NOTICE IN RELATION TO THE PARTIAL TAKEOVER OFFER FOR TOURISM HOLDINGS LIMITED UNDER THE TAKEOVERS CODE

1. Ballylinch LP ("**Ballylinch**"), by an offer dated 13 May 2011, has made a partial takeover offer ("**Offer**") for 40.85% of the ordinary shares and redeemable shares of Tourism Holdings Limited which are not already held or controlled by Ballylinch.
2. Pursuant to Rules 27(d) and (e) of the Takeovers Code, Ballylinch hereby gives notice that the offer period is extended to 30 July 2011, and that the date by which the Offer is to become unconditional is extended to 12 August 2011.
3. A copy of the variation letter to be sent to every Tourism Holdings Limited shareholder is attached to this notice.
4. This notice is dated 14 June 2011.

Ballylinch LP



John S Grace
Sole director of Ballylinch General Limited (General Partner of Ballylinch LP)

BALLYLINCH LP

14 June 2011

Reg Line 1
Reg Line 2
Reg Line 3
Reg Line 4
Reg Line 5
Reg Line 6

CSN/Holder Number: *****

Dear Tourism Holdings Limited shareholder

PARTIAL CASH TAKEOVER OFFER FOR TOURISM HOLDINGS LIMITED:

OFFER EXTENDED TO 30 JULY 2011

Ballylinch has decided to extend the offer period to give shareholders further opportunity to accept our offer. Ballylinch's takeover offer will now close on **5pm Saturday 30 July 2011** (unless further extended in accordance with the Takeovers Code). The latest date by which the offer can become unconditional is also extended, to 12 August 2011.

Ballylinch acknowledges the target company statement and independent adviser's report sent to you by Tourism Holdings Limited ("THL"). However, we still urge you to consider accepting our offer. In particular:

- There is no guarantee that, should our offer be unsuccessful, the share price will remain at current levels.
- Our offer provides an opportunity for shareholders with large holdings in THL to sell their shares in what has historically been a relatively illiquid stock that typically trades in small volumes.
- While our offer price is below the independent adviser's valuation range, THL's business remains subject to a number of risks. In particular, the independent adviser's report notes that:
 - The tourism industry is "**highly susceptible to shock events**" such as the September 2001 terrorist attacks, the SARS near-pandemic in 2002/2003, the influenza outbreak in 2005/2006, the Global Financial Crisis, the influenza pandemic in 2009, and the natural disasters that have occurred in Australia, New Zealand and Japan in 2011. **The report notes that these events cannot be predicted but can have significant adverse effects on the tourism industry in general and on THL's operations and earnings.**
 - The assessed valuation range does not factor in any allowance for shock events. The report specifically comments that "**Given the risk that shock events will continue to occur in the future, investors may price in a discount to the assessed values...**" and that, depending on an investor's view as to the likelihood of future shock events, "**the level of any such discount could be significant.**"
- **THL's directors have noted that it may take some time for the company's share price to increase to be within the valuation range,** and that THL needs to demonstrate a significantly improved financial performance to achieve this.
- No brokerage is payable by accepting shareholders.

To accept the offer, please follow the instructions set out in the Acceptance and Transfer Form sent to you previously. If you are in any doubt about the procedure for acceptance, please telephone 09 375 5998 (domestic New Zealand callers) or +64 9 375 5998 (international callers).

Yours faithfully
Ballylinch LP