

TOURISM HOLDINGS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Group		Parent	
		2011 \$000's	2010 \$000's	2011 \$000's	2010 \$000's
Continuing operations:					
Sales of services		145,019	141,603	67,584	68,532
Sales of goods	2	<u>50,735</u>	<u>40,696</u>	<u>26,459</u>	<u>25,669</u>
Total revenue		195,754	182,299	94,043	94,201
Cost of sales	4	<u>(40,770)</u>	<u>(33,833)</u>	<u>(18,724)</u>	<u>(19,196)</u>
Gross Profit		<u>154,984</u>	<u>148,466</u>	<u>75,319</u>	<u>75,005</u>
Other operating income /(expenses)	3	(112)	72	970	72
Administrative expenses	4	(23,202)	(22,015)	(13,246)	(13,002)
Impairment of Goodwill	17	(26,138)	-	(4,452)	-
Other operating expenses	4	<u>(127,331)</u>	<u>(116,626)</u>	<u>(60,027)</u>	<u>(60,450)</u>
Operating profit/(loss) before financing costs		<u>(21,799)</u>	<u>9,897</u>	<u>(1,436)</u>	<u>1,625</u>
Finance income	6	846	1,311	703	935
Finance expenses	7	<u>(6,985)</u>	<u>(5,224)</u>	<u>(3,056)</u>	<u>(2,412)</u>
Net finance costs		<u>(6,139)</u>	<u>(3,913)</u>	<u>(2,353)</u>	<u>(1,477)</u>
Profit/(Loss) before tax		<u>(27,938)</u>	<u>5,984</u>	<u>(3,789)</u>	<u>148</u>
Income tax expense / (benefit)	8	594	(993)	(469)	(700)
Profit/(Loss) for the year from continuing operations		<u>(27,344)</u>	<u>4,991</u>	<u>(4,258)</u>	<u>(552)</u>
Discontinued operations:					
Profit/(Loss) for the year from discontinued operations (net of tax)	11	-	(378)	-	(378)
Profit/(Loss) for the year		<u>(27,344)</u>	<u>4,613</u>	<u>(4,258)</u>	<u>(930)</u>
Earnings per share for profit from continuing operations attributable to the equity holders of the Company during the year					
Basic earnings per share (in cents)	9	<u>(27.9)</u>	<u>5.1</u>		
Diluted earnings per share (in cents)	9	<u>(27.9)</u>	<u>4.9</u>		
Earnings per share for profit from discontinued operations attributable to the equity holders of the Company during the year					
Basic earnings per share (in cents)	9	<u>0.0</u>	<u>(0.4)</u>		
Diluted earnings per share (in cents)	9	<u>0.0</u>	<u>(0.4)</u>		

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

		Group		Parent Company	
		2011 \$000's	2010 \$000's	2011 \$000's	2010 \$000's
Profit/ (Loss) for the year		<u>(27,344)</u>	<u>4,613</u>	<u>(4,258)</u>	<u>(930)</u>
Foreign currency translation movement	23	3,515	(1,580)	-	-
Cash flow hedges net of tax movement	24	<u>(370)</u>	<u>352</u>	<u>(370)</u>	<u>352</u>
Other Comprehensive Income/(loss) for year net of Tax		<u>3,145</u>	<u>(1,228)</u>	<u>(370)</u>	<u>352</u>
Total Comprehensive Income/(loss) for year		<u>(24,199)</u>	<u>3,385</u>	<u>(4,628)</u>	<u>(578)</u>

TOURISM HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Group	Share Capital \$000's	Retained Earnings \$000's	Cash Flow Hedge Reserve \$000's	Other Reserves \$000's	Total Equity \$000's
Opening Balance as at 1 July 2009	143,798	31,038	(1,047)	6,839	180,628
Comprehensive Income					
Net Profit/(loss) for the Year Ending 30 June 2010	-	4,613	-	-	4,613
Other Comprehensive Income					
Cash Flow Hedge Reserve (net of tax)	-	-	352	-	352
Foreign Currency Translation Reserve	-	-	-	(1,580)	(1,580)
Total Comprehensive Income	-	4,613	352	(1,580)	3,385
Transactions with Owners					
Dividends on Ordinary Shares	-	(1,965)	-	-	(1,965)
Employee Share Option Reserve	-	-	-	167	167
Total Transactions with Owners	-	(1,965)	-	167	(1,798)
Opening Balance as at 1 July 2010	143,798	33,686	(695)	5,426	182,215
Comprehensive Income					
Net Profit/(loss) for the Year Ending 30 June 2011	-	(27,344)	-	-	(27,344)
Other Comprehensive Income					
Cash Flow Hedge Reserve (net of tax)	-	-	(370)	-	(370)
Foreign Currency Translation Reserve	-	-	-	3,515	3,515
Total Comprehensive Income	-	(27,344)	(370)	3,515	(24,199)
Transactions with Owners					
Dividends on Ordinary Shares	-	(2,172)	-	-	(2,172)
Employee Share Option Reserve	-	-	-	178	178
Total Transactions with Owners	-	(2,172)	-	178	(1,994)
Closing Balance as at 30 June 2011	143,798	4,170	(1,065)	9,119	156,022
Parent	Share Capital \$000's	Retained Earnings \$000's	Cash Flow Hedge Reserve \$000's	Other Reserves \$000's	Total Equity \$000's
Opening Balance as at 1 July 2009	143,798	14,827	(1,047)	644	158,222
Comprehensive Income					
Net Profit/(loss) for the Year Ending 30 June 2010	-	(930)	-	-	(930)
Other Comprehensive Income					
Cash Flow Hedge Reserve (net of tax)	-	-	352	-	352
Total Comprehensive Income	-	(930)	352	-	(578)
Transactions with Owners					
Dividends on Ordinary Shares	-	(1,965)	-	-	(1,965)
Employee Share Option Reserve	-	-	-	167	167
Total Transactions with Owners	-	(1,965)	-	167	(1,798)
Opening Balance as at 1 July 2010	143,798	11,932	(695)	811	155,846
Comprehensive Income					
Net Profit/(loss) for the Year Ending 30 June 2011	-	(4,258)	-	-	(4,258)
Other Comprehensive Income					
Cash Flow Hedge Reserve (net of tax)	-	-	(370)	-	(370)
Total Comprehensive Income	-	(4,258)	(370)	-	(4,628)
Transactions with Owners					
Dividends on Ordinary Shares	-	(2,172)	-	-	(2,172)
Employee Share Option Reserve	-	-	-	178	178
Total Transactions with Owners	-	(2,172)	-	178	(1,994)
Closing Balance as at 30 June 2011	143,798	5,502	(1,065)	989	149,224

TOURISM HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

		Group		Parent Company	
		2011 \$000's	2010 \$000's	2011 \$000's	2010 \$000's
Assets					
Property, plant and equipment	15	220,524	173,198	95,471	88,663
Intangible assets	17	23,510	44,480	8,399	14,272
Investments in Subsidiaries	21	-	-	38,484	32,810
Advances to subsidiary companies	35	-	-	31,784	25,128
Total non current assets		<u>244,034</u>	<u>217,678</u>	<u>174,138</u>	<u>160,873</u>
Cash and cash equivalents	22	3,685	8,435	1,269	1,405
Trade and other receivables	18	30,705	15,931	14,639	7,673
Inventories	19	38,646	22,066	24,960	17,685
Assets held for sale	20	1,314	1,314	1,314	1,314
Derivative financial instruments	14	-	133	-	133
Taxation receivable		1,343	805	805	805
Total current assets		<u>75,693</u>	<u>48,684</u>	<u>42,987</u>	<u>29,015</u>
Total assets		<u>319,727</u>	<u>266,362</u>	<u>217,125</u>	<u>189,888</u>
Equity					
Issued capital	26	143,798	143,798	143,798	143,798
Other reserves	23	9,119	5,426	989	811
Cash flow hedge reserve	24	(1,065)	(695)	(1,065)	(695)
Retained earnings	25	4,170	33,686	5,502	11,932
Total equity		<u>156,022</u>	<u>182,215</u>	<u>149,224</u>	<u>155,846</u>
Liabilities					
Interest bearing loans and borrowings	30	87,094	35,335	33,800	17,000
Derivative financial instruments	14	1,419	995	1,419	995
Deferred income tax liability	31	3,890	4,511	977	664
Total non current liabilities		<u>92,403</u>	<u>40,841</u>	<u>36,196</u>	<u>18,659</u>
Interest bearing loans and borrowings	30	15,457	9,574	-	-
Trade and other payables	28	31,156	24,350	15,749	11,665
Other liabilities and charges	29	344	272	344	272
Derivative financial instruments	14	60	-	60	-
Taxation Payable		187	-	-	-
Revenue in advance		21,047	6,400	13,628	1,769
Employee benefits		3,051	2,710	1,924	1,677
Total current liabilities		<u>71,302</u>	<u>43,306</u>	<u>31,705</u>	<u>15,383</u>
Total liabilities		<u>163,705</u>	<u>84,147</u>	<u>67,901</u>	<u>34,042</u>
Total equity and liabilities		<u>319,727</u>	<u>266,362</u>	<u>217,125</u>	<u>189,888</u>

For and on behalf of the board who authorise the issue
of the Financial Report on 24 August 2011



K R Smith
Chairman
24 August 2011



R G M Christie
Chairman Audit Committee

**TOURISM HOLDINGS LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Group		Parent Company	
		2011	2010	2011	2010
		\$000's	\$000's	\$000's	\$000's
Operating Activities					
CASH WAS PROVIDED FROM:					
Receipts from customers		195,560	187,093	98,931	99,257
Interest received		845	1,308	702	932
Dividends received		1	3	1	3
		<u>196,406</u>	<u>188,404</u>	<u>99,634</u>	<u>100,192</u>
CASH WAS APPLIED TO:					
Suppliers and employees		239,383	148,318	96,856	80,700
Interest		6,985	5,224	3,056	2,412
Taxation		(511)	567	-	-
		<u>245,857</u>	<u>154,109</u>	<u>99,912</u>	<u>83,112</u>
Net cash flows from operating activities		<u>(49,451)</u>	<u>34,295</u>	<u>(278)</u>	<u>17,080</u>
Investing Activities					
CASH WAS PROVIDED FROM:					
Sale of property, plant & equipment		1,292	91	155	91
Advances from Subsidiaries		-	-	-	10,780
Sale of subsidiary - Tourism Transport Fiji Ltd		-	-	956	-
Receipt of Interest Bearing Advance		-	2,000	-	2,000
Sale of Intangibles		60	-	60	-
		<u>1,352</u>	<u>2,091</u>	<u>1,171</u>	<u>12,871</u>
CASH WAS APPLIED TO:					
Purchase of property, plant & equipment	15	4,717	12,602	1,126	12,272
Purchase of Intangibles	17	274	1,146	151	1,080
Advances to subsidiaries		-	-	7,750	-
Purchase of subsidiary - Rentals US (net of cash acquired)	37	3,264	-	6,630	-
		<u>8,255</u>	<u>13,748</u>	<u>15,657</u>	<u>13,352</u>
Net cash (used in) / from investing activities		<u>(6,903)</u>	<u>(11,657)</u>	<u>(14,486)</u>	<u>(481)</u>
Financing Activities					
CASH WAS PROVIDED FROM:					
Term debt		57,642	-	16,800	-
		<u>57,642</u>	<u>-</u>	<u>16,800</u>	<u>-</u>
CASH WAS APPLIED TO:					
Term debt		-	18,921	-	14,100
Dividends paid to parent shareholders	10	2,172	1,965	2,172	1,965
		<u>2,172</u>	<u>20,886</u>	<u>2,172</u>	<u>16,065</u>
Net cash flows (used in) financing activities		<u>55,470</u>	<u>(20,886)</u>	<u>14,628</u>	<u>(16,065)</u>
Net increase in cash balances		(884)	1,752	(136)	534
Opening cash brought forward		8,435	6,055	1,405	871
Foreign currency translation adjustment		(3,866)	628	-	-
Closing cash carried forward	22	<u>3,685</u>	<u>8,435</u>	<u>1,269</u>	<u>1,405</u>

TOURISM HOLDINGS LIMITED
RECONCILIATION OF SURPLUS AFTER TAXATION
WITH CASH FLOWS FROM OPERATING ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2011

	Group		Parent Company	
	2011 \$000's	2010 \$000's	2011 \$000's	2010 \$000's
Operating (loss) / surplus after tax	<u>(27,344)</u>	<u>4,613</u>	<u>(4,258)</u>	<u>(930)</u>
PLUS/(LESS) NON-CASH ITEMS:				
Depreciation	15 41,103	36,098	15,293	13,604
Amortisation of fixed term intangibles	17 2,018	2,515	1,512	1,764
Impairment of Goodwill	17 26,138	-	4,452	-
Impairment / (reversal of impairment) of Assets	15 1,727	1,764	(1,119)	1,764
Amortisation of executive share scheme	23 178	167	178	167
Movement in deferred taxation	31 (621)	644	313	1,332
Increase/(Decrease) in provision for doubtful debts	18 67	(47)	(5)	(23)
	<u>70,610</u>	<u>41,141</u>	<u>20,624</u>	<u>18,608</u>
PLUS/(LESS) ITEMS CLASSIFIED AS INVESTING ACTIVITIES:				
Net loss/(gain) on sale of fixed assets	3 (112)	51	(124)	51
Net (gain) on sale of investments and intangibles recognised	-	-	1,094	-
Movement in rental assets				
Rental assets transferred to inventory	40,927	25,237	4,730	12,470
Purchase of rental assets	<u>(124,131)</u>	<u>(47,357)</u>	<u>(24,865)</u>	<u>(13,370)</u>
	<u>(83,316)</u>	<u>(22,069)</u>	<u>(19,165)</u>	<u>(849)</u>
TRADING CASHFLOW	<u>(40,050)</u>	<u>23,685</u>	<u>(2,799)</u>	<u>16,829</u>
PLUS/(LESS) MOVEMENTS IN WORKING CAPITAL:				
Increase/(Decrease) in accounts payable	7,383	2,577	4,661	(2,411)
Increase/(Decrease) in revenue received in advance	14,647	(112)	11,859	607
Increase/(Decrease) in provision for taxation	(351)	2,737	-	1,409
Increase/(Decrease) in employee benefits	341	167	247	216
Decrease/(Increase) in accounts receivable	(14,841)	3,556	(6,971)	3,099
Decrease/(Increase) in inventories	(16,580)	1,685	(7,275)	(2,669)
	<u>(9,401)</u>	<u>10,610</u>	<u>2,521</u>	<u>251</u>
Net cash flows from operating activities	<u>(49,451)</u>	<u>34,295</u>	<u>(278)</u>	<u>17,080</u>

NZ IAS 16 requires the cash flows associated with the sale and purchase of rental assets to be classified as an operating activity. Below are the details of the sale of rental assets:

Proceeds from sale of rental assets	40,575	29,895	8,481	9,685
Book Value of assets sold	<u>(33,544)</u>	<u>(25,455)</u>	<u>(6,611)</u>	<u>(7,713)</u>
Gain on Sale	<u>7,031</u>	<u>4,440</u>	<u>1,870</u>	<u>1,972</u>

Net cash flows from operating activities prior to adoption of NZ IAS 16 resulting in the sale and purchase of rental assets being classified as an operating activity

	34,105	51,757	16,106	20,765
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