

31 October 2007

NZX MARKET RELEASE

Tourism Holdings Limited Long Term Share Scheme Incentive

The Directors resolved on the 30th October 2007 that a further 400,000 redeemable shares be issued under the THL Long Term Share Scheme. This involved the issue of redeemable shares on the 30th October 2007 to two executives at the current share price of \$2.34. These shares will be held in trust for the executives and will be able to be paid up by them after a minimum of three years, at a rate of one third of the shares each year.

The shares will be paid up at issue to 1¢. There will be no entitlement to dividends other than in proportion to the 1¢ paid up until the shares are fully paid up by the executives.

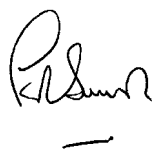
The total number of shares issued under the redeemable share scheme is now 2.92 million.

As part of the scheme the executives are required to hold at least 15% of their entitlement as additional shares in their own name (or related party name) purchased on-market from their own resources.

The executives will gain from the share scheme provided THL shares appreciate by more than the normal dividends paid out during the period as per the THL dividend policy.

The Directors believe this share scheme will benefit both shareholders and executives by providing an incentive to achieve long term share price appreciation whilst ensuring minimal dilution for shareholders, as the shares are issued at the current market price. The requirement for executives who participate in the scheme to hold additional shares in their own name provides further alignment of shareholder and executive interests.

Announcement authorised by:



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Chairman

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