

Tourism Holdings Limited
The Beach House
Level 1, 83 Beach Road
Auckland City
PO Box 4293, Shortland Street
Auckland 1140, New Zealand

Tel: +64 9 336 4299
Fax: +64 9 309 9269
www.thlonline.com



31 October 2018

MEDIA | NZX RELEASE
TOURISM HOLDINGS LIMITED (thl) ANNUAL MEETING – 31 OCTOBER 2018
CHAIRMAN | CHIEF EXECUTIVE ADDRESS

SLIDE 1 – Tourism Holdings Ltd Annual Meeting

Chairman’s Address – Rob Campbell

SLIDE 2 – Welcome

Tena koutu katoa.

Welcome to the 32nd Annual Meeting for Tourism Holdings Limited. My name is Rob Campbell, your Chairman.

As we have a quorum present, and it is 2:00pm, I declare the Annual Meeting open.

Today we are conducting this Annual Meeting simultaneously here and online. We welcome all shareholders. I am joined on stage by fellow directors Debbie Birch, Kay Howe, Cathy Quinn, Gráinne Troute and Graeme Wong. We’re also joined on stage by our Chief Executive Officer, Grant Webster, Group Financial Controller, Steven Hall and acting Company Secretary, Amir Ansari, who is on secondment from our legal advisors for a period.

In the audience today, we have a number of the team from within the **thl**, Action Manufacturing and TH2 businesses. I will quickly introduce the executives in the room – From **thl**, we have Jo Allison, Ollie Farnsworth, Matt Harvey, Ben Lane, Brett Morris, and Saskia Verraes. From TH2, we have Dave Simmons. From Action Manufacturing, we have our Joint Venture partner Grant Brady. Kate Meldrum and Gordon Hewston are attending online and we also have representatives from the New Zealand Rentals business, our support crew in Auckland, Kiwi Experience and the vehicle sales business based in Albany.

Finally, we have representatives from our auditors, PricewaterhouseCoopers; solicitors, Minter Ellison Rudd Watts; banking partners, ANZ, HSBC and Westpac; and our share registrar, Link Market Services, who are managing the polling process.

Members of the news media are also with us today. Grant and I will make ourselves available for comment after the meeting.

**Self drive
Experiences**
New Zealand
Australia
USA
UK

**Design &
manufacturing**
New Zealand
Australia

**Guided
Experiences**
New Zealand

SLIDE 3 – Proxies and Postal Votes Received

As indicated on the screen, we have received 24.8M valid proxies and postal votes, representing 20.1% of the ordinary shares on issue. Of those, 19.8M have identified me, as Chair of the meeting, as proxy.

SLIDE 4 - Agenda

I will provide a brief overview on the business and then hand over to our Chief Executive, Grant Webster, to provide more detail on the year that has passed and the future direction of the business. We appreciate the questions and feedback we receive at these sessions.

SLIDE 5 – FY18 Financials

In FY18 we delivered another record result - a pre-one-off net profit after tax (NPAT) of NZ\$37.5M, an increase of 24%. Within that result there were areas of strong success, but there were also areas which were just ok, and other areas that we can and will improve in. Since FY14 we have been increasing NPAT results. We regard **thl** as a growth business. In the current period we are creating a platform for long-term growth on a global basis centred on the recreational vehicle market. We aim to participate in the most effective manner in all aspects of that market from production, to rental, to sales and ongoing owner services. The one-off gain of NZ\$23.1M we made in the year under review, in addition to the record profit I have referred to, is worthy of note. It is non cash, yet compelling. The one-off gain reflects the agreed value of the **thl** IP contributed into TH2 which is genuine value created over the past five years. As per accounting policies we reflected 50% of the actual gain, given we are a 50% joint venture partner in TH2.

The investor presentation that we released with our Annual Results this year increased our level of disclosure and I encourage you to review that document for the detail of our results.

SLIDE 6 – Establishment of TH2

A key highlight for **thl** in 2018 was the establishment of TH2, our 50:50 joint venture with Thor Industries. We see substantial opportunities for the future in TH2. This business has a goal of becoming the digital platform for the global RV industry and is well positioned to deliver to that goal. Grant will cover some details on where we are at with TH2 today, which will increase our level of disclosure on this business.

Businesses today are challenged to operate differently, to change business models, to disrupt or be disrupted. We are doing this in the **thl** model, in alliance with a global industry leader and without betting the farm. The investment in TH2 is significant and ground breaking. It is the right thing to do.

We have also referred in our business updates to the extensive corporate activity in which we are engaged. We are continuously reviewing opportunities in markets around the world to drive faster growth and greater efficiency in our operations, and to enhance the position of **thl**. We apply the same rigour to these reviews that we have been applying to capital allocation within our existing operations. This will mean that some acquisition opportunities will not proceed and that others will take longer than

might otherwise be the case. Large or small, each potential opportunity is assessed with great care and caution.

SLIDE 7 – Sustainability

Last year we published our first sustainability report to show that we are serious about being a responsible global business. All of our businesses across the globe are now reporting within our sustainability framework, and sustainable practice is becoming a part of our culture.

We have a number of initiatives underway which are detailed in the 2018 sustainability report. As a summary, in the last year we reduced our carbon footprint by 3.4% across our New Zealand and Australian operations. In Australia, we also eliminated the use of 94,000 plastic bags from our operations. These are just first steps and we have much more to do. We've set ambitious sustainability targets, including a 20% reduction in our total emissions by 2025 and for at least 5% of our total RV fleet to be low-emission vehicles by 2020. I encourage all our shareholders who would like more information about **thl's** sustainability initiatives to read our online report, available at www.thlsustainability.com.

Traditionally, sustainability initiatives being undertaken by a business have been viewed as conflicting with financial returns. This has partly been a result of short-termism, with financial markets being too focused on short-term returns and ignoring future risks and wider consequences. Companies that adopt this type of short-term thinking are less likely to succeed in the long-term. The value in a business, which is often measured by the anticipated cash flows of the business over many decades, is illusory if the environmental conditions for continued earnings are not there. In reality, there is no sharp distinction between what is sustainable and progressive, and what is profitable. To become true champions of sustainability, we must be wary of the danger of this form of short-term thinking. As Chairman, I consider that my role is not only to think about **thl's** performance in the coming year, but also its life expectancy over the next 10, 20 or 30 years. Ensuring that the culture of **thl** is built around sustainability, and that the business does good and helps to improve the way people live and work together, is one of the keys to that life expectancy.

SLIDE 8 – Board and Diversity

We have a diverse and skilled Board that is very committed to guiding the business to deliver the best outcomes for you as shareholders. As a Board, we are committed to ensuring that we hold ourselves to the appropriate standards of governance through communication, accountability and transparency with and to shareholders.

Last year, **thl** was an early adopter of the principles in the NZX Corporate Governance Code. We continue to review our policies and guidelines to ensure they are in compliance with best practice, including with the NZX Corporate Governance Code and the FMA's refreshed Corporate Governance Principles and Guidelines.

We are continuously reviewing the capability matrix for the Board and we will most likely commence a search for one additional Director, who fills some of the areas we identify as needing some further expertise. We have no set timeframe we will operate to and don't expect to make any announcement until early next year.

SLIDE 9 – Long term outlook, transaction and M&A

We remain focussed on acquisitions as well as the growth of our core business. We are presently engaged with a number of opportunities which may extend our scope. At this stage, we are unable to discuss the details, locations or quantum of these opportunities.

Last week, we disclosed that we are in discussions regarding a potential sale of Kiwi Experience and some of our Discover Waitomo businesses including Black Water Rafting, Ruakuri and the Waitomo Homestead.

We have said for some time now that the future for *thl* is RV-centric and global. We are not, and do not aim to be simply a New Zealand tourism business. We feel that the timing is right for this transaction and that we have found the right partner to work with on the Waitomo Glow Worm Caves, which will not form part of the potential sale, primarily because the term of the lease for that business ends in 2027.

We intend to re-invest any proceeds from the potential sale of these tourism assets into transaction activity that more closely aligns with our core capabilities and goals. We have set goals for the realisation we expect, which are responsible, and we will not be selling any assets for other than their full current value in our assessment.

As was mentioned in our annual shareholder review for 2018, given the substantial changes in the structure of our business we need to review our original NPAT target of NZ\$50M for FY20. This does not mean that any of the underlying core business assumptions for our NZ\$50M target have materially changed. Our core business is operating reasonably consistently against our expectations and goals underlying that target, although El Monte is operating below expectations and approximately one year behind our original targets for that business.

We are still not at a stage to announce that new goal today. We will do so once our transaction activity is finalised. Once our goals are set, our focus will be on driving towards them, being transparent, and reporting against those goals. The nature of our business being one of growth means that on occasion we do have to look at and revise previous targets as we continue to develop in new directions – we think this is a positive thing.

SLIDE 10 – Chairman’s closing comments

In summary, let me consider the investment case for *thl* today. We’ve moved to be a player in a significant global industry, with a positive medium and long term outlook. We are operating with a flexible business model, strong balance sheet disciplines and high relative return on funds employed. We have also created vast opportunities with a strong partner with TH2. We are operating in a more sustainable manner and will continue to do so. We are set to be successful into the future. We will have bumps along the way, and we will see some parts of the business underperform to our expectations. When that occurs we will fix the issues. Profit this year will be lower than last year as we invest a substantial amount in our global activity and manage growth. That’s a reality. Hold us to account on how we manage growth, market conditions and our core financial disciplines.

Grant and I have spent some time discussing how best to portray the strategy on which we are engaged in *thl*. Reading early this morning, I discovered a new study released by Boston Consulting Group and Fortune which identifies the key things which distinguish companies which are both established and manage to thrive in a changing market. They describe this characteristic as “vitality” and quote the novelist F Scott Fitzgerald as saying “vitality shows not only in the ability to persist but the ability to start over”. That captures what we are trying to do.

They identify three key building blocks:

1. The ability to continuously develop future growth options or what they describe as “constantly renewing a pipelines of potential bets”
2. The willingness of leadership to think differently about strategy, or as they say not “simply maximising short term total shareholder return” but exploring options and having a long term orientation and allocating resources to that.
3. Determination to build the right capabilities.

I’m not saying we are there yet but this very accurately captures what we are trying to do.

Finally I would like to thank all the teams across the business. I had the pleasure to attend certain aspects of the recent *thl* leadership conference. It was another example of the commercial, positive, change-tolerant culture that exists within *thl*.

I will now pass on to Grant.

SLIDE 11 – Chief Executive’s Address

CEO Address – Grant Webster

Thank you Rob.

As we have in previous years, we will provide a brief update on the results for the prior year but, more importantly, focus on the new initiatives in the business and direction for the coming years.

SLIDE 12 – FY18 Financial Highlights

Firstly, a quick overview of the FY18 result.

On 1 March 2018, we formed TH2. As you will have seen in our annual report and investor presentation, we have shown a number of figures with and without the impact from the formation of the JV to show the true underlying business result.

The FY18 result is also the first financial year that includes a full-year result for the El Monte business.

Without considering the one-off items relating to TH2 and inclusive of El Monte:

- We delivered an ordinary NPAT result of \$37.5M, an increase of 24%;
 - Revenue was up 25% for the year;
 - We increased EBIT by 33%;
 - Return on average funds employed (ROFE) increased from 14.3% to 15.3%;
- and,
- We delivered a final dividend of 14cps, a 27% increase on the final dividend of 11cps the previous year, which brought our total dividend for FY18 to 27cps from 21cps the previous year.

SLIDE 13 – Key Achievements FY18

As Rob mentioned, the creation of TH2 would be the highlight of the year, given the potential of this business and its new initiatives.

The New Zealand rentals business increased EBIT by 6% - this followed growth in FY17 of over 50%. New Zealand rentals were tracking very well during the first half of the year but had a poor second-half, partly as we were unable to match the second-half result we had in FY17 during the Lions Tour, and partly due to an inability to process all the vehicles for sale that we had intended. Vehicle sales margins decreased mainly due to a greater mix of vehicles selling through third-party dealers and some intended price adjustments in line with our disclosure at last year's Annual Meeting.

Another highlight for *thl* was the performance of the Australian rentals business, which increased EBIT by 35% to \$10.6M and increased ROFE from 11.8% to 13.3%. The Australian business also increased vehicle sales by over 30%. This result reflects a significant effort from the Australian team over the last few years.

The other businesses results are well covered in the annual report and we are happy to take questions on those, if required.

SLIDE 14 – Balance Sheet

Our net debt at year-end increased from \$176M last year to \$199M this year. This reflected an increased fleet, primarily in New Zealand and an increase in the year-end USD:NZD exchange rate. Our year-end net debt to EBITDA ratio was 1.9x which remains unchanged from the previous year, and also remains within our target ratio of 2.0x.

We are forecasting net debt to be between \$195 – \$210M at the end of FY19 on a like for like basis, excluding any transaction activity but inclusive of our TH2 investment.

FY19 gross capital expenditure is expected to be in line with FY18 at approximately NZ\$200M.

FY19 dividends are expected to be in-line with FY18. This will take us outside of the *thl* dividend policy on current profit projections. This is because we are excluding the FY19 TH2 investment in our calculations.

SLIDE 15 – Where to Next – Key Initiatives

We are now well and truly a multinational business and a real player in the global RV industry. Looking forward, we aim to solidify our position in that respect by continuing to search for appropriate M&A opportunities in various parts of the world that align with our business core capabilities, focusing on opportunities with a suitable ROFE. An example of this is the recent acquisition by Action Manufacturing of Fairfax Industries, a New Zealand leader in refrigerated truck body and trailer manufacturer. This acquisition is a part of Action Manufacturing's long-term growth strategy, particularly in the refrigerated transport industry.

We also continue to remain focused on our core business and aim to deliver a ROFE around 15% in those aspects of our business going forward.

In saying that, to continue to deliver shareholder value **thl** is also focused on the future, particularly in respect of the digital opportunity in the RV industry.

SLIDE 16 – Growth and Acquisitions

Currently, we see potential M&A opportunities across the world. Although there are some opportunities for small additions in New Zealand, we consider this to be less likely given that we already have a strong presence. We also see small opportunities in Australia for acquisitions within our core business as well as in adjacent businesses. Looking further in the world, we are also exploring opportunities within the USA and the UK.

We also keep a close eye on markets across the globe that we don't currently operate in, but that are experiencing strong RV sector growth such as Europe, Canada and China. We are considering greenfield development, partnerships and acquisitions as the methods of entry.

Beyond M&A activity, we consider that there are still further growth opportunities in the jurisdictions that we operate in today. We will continue to take advantage of those opportunities by leveraging all aspects of the RV eco-system and continuing to implement our core business model of building, renting and selling to maximise the value we get from each RV.

SLIDE 17 – TH2 (the market and the business model)

TH2's main purpose is to improve every aspect of RV use and ownership through technology. To do so, significant engagement will be required with three key customer segments, RV owners, RV rental customers and self-drive customers. The potential size of these addressable markets globally are extraordinary, with RV owners alone likely to be around 15 million.

Roadtrippers is targeting the much broader self-drive tourist market. In theory, that could be every single driver globally.

TH2's initial geographical focus will be in North America and Australasia, shortly followed by Europe and the UK. This initial focus will enable TH2 to best leverage the existing presence and relationships of each of **thl** and Thor in these regions, but ultimately TH2 will be a global offering.



We expect that TH2 will have a number of high-margin key revenue sources, primarily through paid advertising, and subscription fees from the end user. The underlying technology for TH2 could also be made available for distribution within the RV industry under a Software-as-a-Service model. The gross margin, in time, available to TH2 in these areas is likely to be between 50 to 75 percent.

TH2 will also be able to facilitate the use of ancillary services like mechanical RV repairs or the booking of accommodation as part of planning a road trip by its users, and will be able to charge a commission for those services. We see this as a secondary revenue source in which the gross margin available to TH2, in time, would be somewhere between 2 to 8 percent.

SLIDE 18 – TH2 (funding, returns and risk)

thl and Thor combined will be investing US\$20M, in aggregate, in the 2019 financial year through an aggressive customer acquisition and product development strategy. We are confident that this investment will be sufficient to cover costs in FY19, excluding the funding of any potential transaction activity.

It is difficult to predict the returns to **thl** from its investment in TH2 at this early stage. We will be taking a cautious approach and will only provide further investment in TH2 in FY20 if it is delivering on its customer acquisition targets around user growth and revenue per user at the time and with favourable forecasts. If that should be the case, **thl** would consider investing additional funds in FY20 up to a maximum of US\$5M. This would essentially limit **thl**'s financial contribution to TH2 to an aggregate of approximately US\$30M, inclusive of the original cost of the **thl** IP that was contributed to TH2.

As we've mentioned, the opportunity for TH2 is significant and we think that as a stand-alone entity, it is capable of achieving a net profit before tax (NPBT) in FY20 of up to US\$10M. This is an ambitious target but one that we think will be achievable if the global launch of TH2 proceeds successfully. An FY20 NPBT of US\$10M would indicate higher than expected initial uptake and revenue per user.

We have also considered factors to mitigate the risk of our investment in TH2. If it becomes clear that TH2's performance will not be as anticipated, we think that there will be real value in TH2's technology assets.

If further opportunities become available to TH2 beyond **thl**'s acceptable risk profile, we will be open to discussions with our joint venture partner, Thor Industries, about options - one of which could be reducing our shareholding.

SLIDE 19 – TH2 (KPI's and other benefits)

We will continue to track and report on the performance of TH2 through appropriate KPIs in future presentations and reports to you. For example, Roadtrippers now has approximately 3.5M registered users with over 12M trips planned so far, and is continuing to experience double-digit growth in trips planned annually. However, we will need to ensure that we don't disclose commercially sensitive information to the detriment of TH2.

Beyond its financial performance, the collection of significant amounts of anonymised customer data through TH2's various product offerings will provide significant insights into the RV and other associated industries.

Additionally, the use of telematics, now being developed by TH2, has benefit to **thl**'s core rentals business and can lead to cost reductions in that aspect of our business. We piloted this within our Australian rentals business with positive results and will be looking to commence the launch of telematics into the rest of **thl**'s rentals business globally in FY19.

SLIDE 20 – Togo Update

TH2 has recently conducted the phase one launch of Togo, our all-encompassing app focussed on meeting RV owners needs. It is now available to download on the Apple App Store and Google Play Store for Android.

Togo is intended to bring the RV experience into the palm of the user's hand. It allows RV owners to log RV maintenance and service checks, get registration renewals, reference convenient checklists for RV travel plans, and more. Everything about Togo is intended to reduce the time and hassle of owning and operating an RV.

Togo also functions as an integrated link into Roadtrippers and Mighway, bringing together the complementary product offering that TH2 has.

The phase two launch will bring a number of additional features, including roadside assistance, recall notifications and inbuilt RV owner's manuals.

SLIDE 21 – Connected Customer Brand (Our Global System)

Coming back to **thl**, we've been working on a concept that better connects all aspects of **thl**'s offering in the eyes of our customers, driving repeat business. Our guiding principles were to:

- create something that champions the unique character of our portfolio brands;
- create something that is scalable, so any new innovation or acquisition can be easily incorporated into our business blueprint; and
- create something that leverages the equity in what we already have.

SLIDE 22 – Connected Customer Brand (Building new meaning into *thl*)

So we've looked at how **thl** as our existing corporate brand can become this connector between all of our brands. We had a great launching pad with the **thl** torus – our current mark – so we have slightly adopted it to be repositioned as our customer facing connected brand.

SLIDE 23 – Connected Customer Brand (Powerfully enabling our vehicle brands)

Our vision is that this will be a key tool for connecting existing customers with global options for their next trip, and it will help us tell the story of our unique proposition by endorsing our wide range of services and value-add options.

SLIDE 24 – Connected Customer Brand (Connecting our network)

The connected customer brand will be used in a variety of ways – from a simple endorsement through to championing our global community. This doesn't mean that we will be overhauling our existing brands – simply connecting them all back to a centralised *thl*.

Some of the more immediate applications we're exploring are:

- Reinforcing the system at branch and on vehicles, through a multi-year roll out;
- Consolidating *thl*'s travel apps – this will commence with the migration of our existing Maui, Britz and Mighty apps into a single *thl* app; and,
- Creating a global repeat traveller community headlined by *thl*.

SLIDE 25 – Other activities FY19

We have outlined our key focus for FY19 in our annual results presentation and I have already touched on most of these areas today. In terms of our other activities that we will be conducting in FY19, we will be looking to deliver D365 which we have already implemented in our New Zealand and Australian rentals business, in the USA as well as in Action Manufacturing. Cosmos booking system will be launched in New Zealand and Australia, telematics roll-out continues. From a sustainability perspective, we will also continue to action our initiative to incorporate electric RVs into our fleet. In fact, as of the start of this week, our electric RVs are now available to book online in New Zealand, and can be collected during December.

SLIDE 26 – FY19 Outlook for New Zealand Rentals

The New Zealand rentals business has performed well over the first quarter of the year. We expect that rental revenue in New Zealand will grow by approximately 10% on the prior year. New Zealand vehicle sales have also been strong to date and are on track with our growth expectations. We remain confident that we will be able to balance fleet levels by the end of the year.

The recent increase in the level of RV imports into New Zealand are unlikely to impact our rentals business – however there may be some impact on our level of new vehicle sales. We're currently working with Action Manufacturing on a number of measures, including new product development, to ensure that we retain and increase our market share of new RV sales in New Zealand. We also expect that the increased level of RV imports will naturally decrease over the remainder of the year as a result of movements in exchange rates.

SLIDE 27 – FY19 Outlook

We have previously indicated that our FY19 profit will be lower than FY18 due to our investment into TH2. Now that the first 4 months of FY19 have passed, we are in a better position to provide guidance on our FY19 net profit result.



El Monte's earnings for FY19 are looking to be lower than the prior year. This shortfall is due to low vehicle sales as we adjust our product mix to newer, higher priced vehicles and market conditions, as well as lower domestic rental revenue (yield) in the July – September period. The outlook for calendar year 2019 is currently very positive from an international rental demand perspective, and domestic yields have improved in October.

Group support services are also likely to be approximately NZ\$1M higher than the prior year, excluding any transaction costs due to increased support and management costs.

We are also currently challenging a historical Australian tax issue which, if unsuccessful, will likely result in a one-off cost of approximately AU\$2.5M pre-tax, including penalties and interest. If this challenge is not successful there will also be an ongoing increase in costs for the Australian business but these will not be material.

Accounting for the TH2 investment and current trading outlook, we expect that our net profit after tax for FY19 will be between NZ\$32M and NZ\$34M. This excludes any impact from the potential Australian tax issue.

In conclusion, I believe we are on the right track to create a more compelling global **thl** for the future. We know what we need to do to succeed, we are clear and transparent about the areas to improve and we are taking measured risks to invest in a new business model for the future.

I would like to thank you all for your attendance and ongoing support of the business. We have done some good work so far and the future holds a number of exciting opportunities for **thl**. We have much more to do and are focused as a business on continuing our development.

Thank you as well to all the team at **thl** - as I've indicated, we are a fast moving, global business with lots of moving parts. That takes dedication to deliver - and the **thl** team does just that.

Thank you.

I will now pass back to the Chairman to proceed with any questions from the floor, and to address the proposed Resolutions.

SLIDE 28 – Questions

Rob Campbell

Thanks Grant.

I would like to open up to the floor, and online, for questions. If you are attending the meeting online, you are able to ask questions by clicking on 'ask a question'. Further information on this is set out in the virtual Annual Meeting online portal guide that has been sent to shareholders. To ensure the questions on the Resolutions being asked online make it to me as we go through each Resolution, I would ask that shareholders who are attending the meeting online submit those questions now. For those who are in the room, we have microphones available and I would ask you to hold up your admittance card if you would like to raise a question. When you speak, please tell us your name and whether you are a shareholder or proxy holder, for the Minutes. Following any questions from the floor, we will answer any questions submitted online, that have not already been answered.

Are there any questions?

SLIDE 29 – Formal Items of Business

There being no more questions, I will now move on to the formal items of business on the agenda.

As indicated, we are operating a poll vote for all Resolutions today. Eligible shareholder or proxies have been given a voting card. For each Resolution, you need to tick the box indicating whether you are voting for or against the Resolution, or abstaining. Link representatives will collect the voting cards at the end of the Resolutions, prior to general business, and the votes will be counted and collated with the postal and online votes.

For those attending the meeting online, you will be able to cast your vote by clicking 'get voting card' - further instructions can be found in the online portal guide.

PricewaterhouseCoopers are acting as scrutineers and, once the result of the Resolutions have been confirmed, these will be announced to the NZX. Moving on to the Resolutions:

SLIDE 30 – Resolution 1

Under NZSX Listing rule 3.3.11, and in accordance with the constitution of the Company, at least one third, or the number nearest to one third, of the total number of Directors must retire by rotation at each Annual Meeting of shareholders.

The Directors to retire are those who have been longest in office since their last election or re-election and, if they're eligible, they may offer themselves for re-election by shareholders at the annual meeting.

The Directors stepping down by rotation this year are myself and Debbie Birch.

As the first resolution relates to myself, I will now pass over the Chair of the meeting to Gráinne Troute.

Gráinne Troute

Resolution 1 – Re-election of Rob Campbell

That Robert James Campbell, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

I will now ask Rob to speak.

[Rob]

Thank you Rob. Are there any questions for Rob? If not, can you please cast your vote on the voting card, or online, in relation to resolution 1?

Thank you. I will now pass back to Rob to resume as Chair of the meeting.

Rob Campbell

Thank you Gráinne. Moving onto the next resolution.

SLIDE 31 – Resolution 2

Resolution 2 – Re-election of Debbie Birch

That Debra Ruth Birch, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

I will now ask Debbie to speak.

[Debbie]

Thank you Debbie. Are there any questions for Debbie? If not, can you please cast your vote on the voting card, or online, in relation to resolution 2?

SLIDE 32 – Resolution 3

Resolution 3 – Director Remuneration

That the maximum aggregate amount of remuneration payable to all Directors taken together (in their capacity as Directors) be increased from \$650,000 per annum to a maximum of \$750,000 (plus GST, if any) per annum with this sum available to be paid to the Directors of the Company as the Board considers appropriate and which may be payable either in whole or in part by way of an issue of ordinary shares in the Company, provided that any issue occurs in compliance with NZX Main Board Listing Rule 7.3.8.

I note that the Directors and their respective Associated Persons, are disqualified from voting on this Resolution. In addition, where I have been appointed as proxy for a shareholder, I am only able to exercise those votes in accordance with the express instructions of the shareholder – I cannot vote undirected proxies.

Are there any questions in relation to Resolution 3? If there are no questions, I would ask you to cast your vote on your voting card, or online, for Resolution 3.

SLIDE 33 – Resolution 4

Resolution 4 – Auditors

That the Directors are authorised to fix the remuneration of the auditors for the ensuing year.

Are there any questions in relation to Resolution 4? If there are no questions, I would ask you to cast your vote on your voting card, or online, for Resolution 4.

SLIDE 34 – General Business

That ends the Resolutions for this meeting. We will move on to General Business. Are there any other items shareholders would like to raise?

There being no other matters of business, I would like to thank you all for attending and I now declare the meeting closed and invite those of you attending in person to a light afternoon tea.

SLIDE 35 – Thank You

END

Authorised by:

A handwritten signature in black ink, appearing to read 'Rob Campbell', with a horizontal line extending to the right.

Rob Campbell
Chairman, Tourism Holdings Limited

For further information contact:

Grant Webster
thl Chief Executive
Direct Dial: +64 9 336 4255
Mobile: +64 21 449 210

About **thl** (www.thlonline.com)

thl is a global tourism operator. We are listed on the NZX and are the largest provider of holiday vehicles for rent and sale in Australia and New Zealand. In the USA we own and operate the Road Bear RV Rentals and Sales brand. Within New Zealand we operate Kiwi Experience and the Discover Waitomo group which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co. In 2012 **thl** entered in a joint venture to form RV Manufacturing Group LP, now Action Manufacturing LP, New Zealand's largest motorhome and specialist vehicle manufacturer. Action Manufacturing LP has operations both in Auckland and Hamilton. In February 2015, **thl** acquired 49% of Just go Motorhome Rentals & Sales, based in the UK. In November 2015, **thl** launched Mighway – a sharing economy platform for motorhome owners. In January 2017, **thl** acquired El Monte RV Rentals and Sales in the USA.