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Tourism Holdings Limited (*thl*)

thl upgrades profit forecast and moves to growth phase

At the company's Annual Meeting today *thl* announced an upgrade in full year profit expectations.

thl chairman Mr Rob Campbell said: "With results so far this year and a positive current outlook we are lifting our minimum Net Profit After Tax expectation from \$15 million to \$16 million. That will represent at least a 44% increase over last year."

Mr Campbell noted ongoing improvements in revenue and significant cost reductions are in the business plan and, month by month, the necessary change is being achieved for the company to be considered successful.

Mr Campbell said the *thl* board had now commenced planning for growth whilst managing risk and protecting shareholder wealth. "The goals set out last year have been achieved, they are a marker on the road, moving *thl* to a position where the long run returns, regardless of cyclical issues, meet reasonable investor expectations."

The company indicated growth would come in the motorhome market globally as well as leveraging the existing tourism businesses in New Zealand. He also noted that there was no specific initiative or acquisition to discuss at this point in time.

Mr Campbell also paid tribute to retiring director Graeme Bowker who will leave the company in February next year after 12 years' service to the company. A new director is likely to be appointed in the next couple of months.

Regarding the board and management Mr Campbell said: "*thl* is only part of the way through a major change in the nature of its business. The potential for growth in the scope, scale, earnings and shareholder value is exciting. The board and management are working hard at this in a determined, collegial and consensual way."

thl Chief Executive Grant Webster said the outlook for world tourism was positive for at least the next five years with New Zealand, Australia and the United States all forecasting five year compounding growth rates of around 4%. "Our primary industry segment, motorhome rentals is well less than 1% of world tourism and we see that as a great opportunity for growing demand to our current operating markets whilst we also retarget our marketing from product and price to selling experiences."

Self drive
Experiences
New Zealand
Australia
USA

Design &
manufacturing
New Zealand
Australia

Guided
experiences
New Zealand



Regarding the operational focus for the business Mr Webster said: "It would be fair to say we still have indigestion from the mergers and acquisition over the past couple of years from an operations, brand and product perspective. We will fix that over the coming year."

The company also indicated a potential dividend at the half year of 6 cents per share up from the interim 5 cents per share last year. The dividend will be confirmed at the February half year announcement.

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About thl (www.thlonline.com)

thl is New Zealand's premier tourism company. We are listed on the NZX and are the largest provider of holiday vehicles for rent and sale in Australia and New Zealand under the Maui, Britz, Mighty, KEA, United and Motek Vehicle Sales brands. In the USA we own and operate the Road Bear RV Rentals & Sales and Britz USA brands. Within New Zealand we operate tourism businesses: Kiwi Experience and the Discover Waitomo Group which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co. We also have a 50% stake in RV Manufacturing Group LP, New Zealand's largest campervan and specialist vehicle manufacturer based in Auckland.