Media Release
Tourism Holdings Limited

21 February 2012

**thl announces Joint Venture Manufacturing business**

*thl* today announces that it has entered into a series of agreements to form a joint venture manufacturing business in New Zealand with Kea Manufacturing (New Zealand) Limited (*KMNZ*) called RV Manufacturing Group Limited (*RVMG*). Kea Manufacturing is a separate entity and business to Kea Rentals.

Grant Webster CEO of *thl* said “From a business perspective this provides an outstanding and rare opportunity to create a positive step change in the cost and efficiency of manufacturing RV’s in New Zealand. Taking both businesses skills and experience into one environment creates a platform for strong profit growth.”

RVMG will commence as a 50/50 partnership between *thl* and KMNZ.

Mr Webster said: “The high New Zealand and Australian exchange rate is impacting tourism. The reduced visitation from European and UK markets has resulted in a reduction in rental motorhome fleet sizes in both New Zealand and Australia. As a result *thl* is pushing ahead with definitive changes to improve the business. “

Mr Webster commented that “We have explored a number of alternative options and this joint venture provided an opportunity to ensure *thl* continues to have some ownership in manufacturing in a profitable manner and retains control over its destiny for the price, quality and design of its motorhomes and campervans.”

*thl* will retain the Motek brand and continue to market products under that brand for vehicle sales.

As a result of the transactions, RVMG’s primary manufacturing facility will operate from the existing Kea Manufacturing plant in Auckland (Albany) and the specialist and body work business will operate from *thl’s* Motek Specialist vehicles site in Hamilton. *thl’s* motorhome assembly business in Hamilton will be closed as a result of the joint venture.

Motek Specialist Vehicles will revert to its previous name of Action Motor Bodies.

The *thl* businesses in Hamilton employ 127 people of which 63 will be made redundant.

Mr Webster said: “For the 63 affected we are in a position where we have 24 different roles (primarily in Auckland) on offer and we have also created an opportunity for an additional 20 plus people to take a contract role in New Zealand or Australia for a period of months.”
RVMG will be led by Grant Brady, the current Managing Director of Kea Manufacturing, reporting to the board of the joint venture.

Details of the transaction have been included in an NZX release and more comprehensive commentary will be provided in the *thl* half year result pack which is due to be released to the market on Thursday 23rd February.

*Announcement authorised by:*

Keith Smith  
Chairman  
Tourism Holdings Limited

For further information contact:

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

Ian Lewington  
Chief Financial Officer  
Tourism Holdings Limited  
Direct Dial: +64 9 336 4212  
Mobile: +64 21 952 254
NZX Market Release
Tourism Holdings Limited

21 February 2012

Joint Venture Manufacturing business

This release provides the background to the new manufacturing joint venture announced today.

thl has entered into a series of agreements to form a joint venture manufacturing business in New Zealand with Kea Manufacturing (New Zealand) Limited (KMNZ). The new venture will be conducted as a limited partnership called RV Manufacturing Group LP (RVMG).

RVMG will commence as a 50/50 partnership between thl and KMNZ. The transactions forming the joint venture will include:

(a) thl and KMNZ selling their respective motorhome and campervan manufacturing businesses to RVMG. The consideration payable to thl will be based on the book value of the assets transferred. Part of the consideration will represent thl’s capital contribution to RVMG and the remainder will remain outstanding as an advance from thl to RVMG. The thl and KMNZ agreements are unconditional and will settle on 1 March 2012 unless otherwise agreed by thl and KMNZ.

(b) thl is also selling its specialist and body work business to RVMG. The consideration payable to thl under this agreement will also be based on the book value of the assets transferred. This amount will remain outstanding as an advance from thl to RVMG. The sale of this business is conditional on the assignment of certain key customer contracts and the lease of thl’s Motek Specialist vehicles site in Hamilton. If those conditions are not satisfied by 31 August 2012 the parties may terminate the agreement, though this will not impact on the assets transferred under (a) above.

The transactions will see circa $7.5m in assets transfer from thl to RVMG and is not expected to have any negative impact on the FY2012 EBIT result for the business.

The building owned by thl in Hamilton (purchased in 2011) will remain with thl. The building will be marketed for sale in due course.

As a result of the transactions, RVMG’s primary manufacturing facility will operate from the existing Kea Manufacturing plant in Auckland (Albany) and the specialist and body work business will operate from thl’s Motek Specialist vehicles site in Hamilton. thl’s motorhome assembly business in Hamilton will be closed as a result of the joint venture.
The thl businesses in Hamilton employ 127 people of which 63 will be made redundant.

This joint venture has no impact on the rentals and vehicle sales businesses that operate under the thl and Kea rental brands.

RVMG will be led by Grant Brady, the current Managing Director of Kea Manufacturing, reporting to the board of the joint venture.

The transaction is not expected to have any negative impact on the full year EBIT expectations for the business. Further commentary and details of the transaction will be included within the thl half year result pack which is due to be released to the market on Thursday 23rd February.

Announcement authorised by:

Keith Smith
Chairman
Tourism Holdings Limited

For further information contact:

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

Ian Lewington
Chief Financial Officer
Tourism Holdings Limited
Direct Dial: +64 9 336 4212
Mobile: +64 21 952 254