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23 November 2015

**NZX ANNOUNCEMENT
FOR IMMEDIATE RELEASE**

**TOURISM HOLDINGS ANNUAL MEETING 23 NOVEMBER 2015
CHAIRMAN | CHIEF EXECUTIVE ADDRESS**

SLIDE 1 – Tourism Holdings Ltd Annual Meeting

SLIDE 2 – Chairman’s Address

Welcome to the 29th 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.

I am joined on stage by fellow directors Christina Domecq, Kay Howe, David Neidhart, Gráinne Troute and Graeme Wong. We’re also joined on the stage by our Chief Executive Officer, Grant Webster; Chief Financial Officer, Mark Davis and Board Secretary, Steven Hall.

In the audience today, we also have a number of the team from within the business. I will quickly introduce the executives in the room. Grant Brady, Jolanda Cave, Keith Chilek, Matt Harvey, Gordon Hewston, Mike Horne, Kate Meldrum, Brett Morris, Dave Simmons - and Jo Allison, who formally starts with the company in December as Chief Operating Officer. 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 also have representatives from our auditors, PricewaterhouseCoopers; solicitors, Minter Ellison Rudd Watts; banking partners, Westpac and ANZ 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.

SLIDE 3 – Proxies and Postal Votes Received

As indicated on the screen we have received 40.7 million valid proxies and postal votes, representing 35.7% of the ordinary shares on issue. Of those, 18.9 million have identified me, as Chair of the meeting, as proxy.

**Self drive
experiences**

New Zealand
Australia
USA
UK

**Design &
manufacturing**

New Zealand
Australia

**Guided
experiences**

New Zealand



SLIDE 4 - Agenda

To start the meeting today, I will provide a short summary of my views on where we are and our direction for the future.

Grant will then give a brief update on the new initiatives, the market context in which we are operating and a couple of comments on the pathway to growth.

Following both of these updates we will move to the formal proceedings, where we have five resolutions which will all be conducted by way of poll vote. Link Market Services will be managing the voting process and we will announce the results of the vote on the NZX as soon as practicable after the meeting.

SLIDE 5 – FY15 Highlights

We have made progress in lifting the performance of the business in the past two years. This progress was essential. What has been achieved is to get the business to a level of performance which it should always have delivered. We have, if you like, got *thl* where it should be.

Grant will provide a quick recap of the numbers; and you can see on the slide some of the performance metrics from the last year.

SLIDE 6 – Chairman’s Summary

We now have the opportunity to grow the value of the business. Part of this is growing revenue and the range of services provided to our customers. This will all take place within our current business categories; now is not the time or space for straying from what we do best. Kiwi Experience and our Waitomo experiences are good New Zealand businesses with good prospects, which will get plenty of attention. But our main business is in self-drive holiday experiences. This is a global business where we are the leader and it is here that our major aspirations lie.

Grant will talk about some of the new initiatives which will deepen the customer experience in this business and the earnings we make from it. This involves doing some new things and some older things in new ways. These initiatives will provide incremental gains over time. They involve some capital commitment subject to stringent return criteria. In addition, we remain active in prospecting for acquisitions and analysing proposals brought to us on a global basis. Again we impose stringent capital return criteria. There are no “big bang” or “magic bullet” aspirations with commensurate risks.

So part of our aim now is top line growth. In addition we will continue to drive operational efficiency. We have made some internal changes and you can expect that such change will continue in all aspects of the business. The competitive environment and our own aspirations for excellence demand that we continue to improve efficiency in all areas of our operations.



Taken together these two parts mean growth in value for shareholders.

This year we completed a strategic review of the capital structure of the business. This review confirmed the balance sheet flexibility we have and the opportunity that provides us for growth. Growth in value not growth for its own sake. We also announced our dividend policy. The current growth plan allows for the capital required to reach our targets whilst maintaining a dividend payout within the 75-90% band.

As part of the drive for growth in value, the business has required some resource investment. We are very mindful of the need to see a return on the overhead investment in the same manner we do with any capital allocation. Management are well aware of these rules of engagement on new resource. This financial year will see approximately \$2M investment in future value growth and we expect the returns in the coming years.

Overall the business is in a positive macro environment. Global tourism is in a positive position with a strong outlook. Careful allocation of capital and efficient operation of our business will enable **thl** to take advantage of this.

I would like to take this opportunity to thank the crew at **thl**. The crew have delivered in many areas this year and are focused on continuing the speed of change and delivery.

From a Board perspective this year, we welcomed Gráinne Troute onto the Board. Gráinne has been a positive addition to the Board and stands today for election. In line with the constitution of the company, David Neidhart and I retire by rotation and both offer ourselves for re-election.

Before handing over to Grant I will outline our expectations for the FY16 financial year.

SLIDE 7 – FY16 Outlook

We expect Net Profit after Tax for the full year to be approximately \$22M. This will be an increase of close to 10% and takes into account the additional costs I have discussed and new initiatives.

I will now hand over to Grant for a broader update on the new initiatives in the business.

SLIDE 8 – Chief Executive's Address

Thank you Rob.



SLIDE 9 – Growth From All Operating Divisions

The last financial year we produced the largest profit in *thl*'s history. As indicated in this slide, all operating divisions increased profitability.

SLIDE 10 – Meeting Commitments

The commitments we made last year have essentially all been achieved. We now need to bank these kinds of commitments as a base line of performance and improve our speed of delivery in revenue and growth initiatives. The Australian business is still not where we want it to be. Work continues in all of the businesses which all have room for improvement.

Our growth focus comes with the need to reassess how we operate. We are challenging the strategies we authored over the past few years and ensuring we have the capability and capacity to take us to the next step.

SLIDE 11 – EBIT Growth by Revenue and Cost Type

The drivers of the profit increase for last year still relate to the improvement in vehicle design, the related sale price benefits and the control in capital allocation throughout the business.

As shown on this slide, the reduction in depreciation cost has been the single largest benefit to the business. This reflects the now long-term focus on how we reduce the capital intensity of the business and remain ruthless on achieving the required return on funds employed.

Revenue in the tourism businesses improved on the previous year, whilst fleet utilisation improved in the New Zealand, Australian and United States rental businesses.

We only had a few months of the investment in Just Go in the UK and will see the benefit of this business in the coming years.

SLIDE 12 – Where Our Profits Come From

thl today is a global operation which has the obvious benefit of diversity in market demand but also capital allocation.

As you can see, New Zealand today represents about 50% of the total business. As the business grows in other operating markets we expect this percentage to decline over time, although the dollar investment may remain constant; or grow.

Today we not only assess the fleet and capital allocation by business but we also take into account the geographic spread of the business and how easily we can exit fleet and become more flexible.



SLIDE 13 – Where to Next?

The current growth focus has three tranches.

Within the current existing business we have a number of new initiatives which we have released - namely our total customer experience programme, the flex fleet initiative and the launch of telematics.

Secondly, we are making a small entry into the sharing economy and, thirdly, as indicated, in the strategic review we are assessing growth by acquisition.

We have no update to provide on acquisitions at this point in time. We are looking globally and we are looking within the broader tourism industry although we acknowledge our core is the RV industry.

SLIDE 14 – Flex Fleet – Fleet Optimisation Initiatives

The flex fleet initiative has commenced in New Zealand and is well explained within the September investor update we released.

To date in New Zealand, we have had a very positive introduction with 10% of the flex fleet for the 2015-2016 season presold before the product has even been rented. We also have a buy-back mechanism in place for a good proportion of the “pod” van concept.

In the past if *thl* was in a market like we are today, with demand well exceeding supply, the answer was to build more fleet, rent more fleet and in the future hope to sell more fleet. In New Zealand that would generally mean holding a vehicle for between four and eight years, often long after the peak in demand had subsided.

These flex fleet initiatives mean we can take advantage of higher demand without risking the business in the medium term, without creating more winter season losses and without creating a sales risk in the future.

This flex fleet thinking will expand further into Australia and is a fundamental principle at the heart of the current Road Bear business model.

SLIDE 15 – Total Customer Experience (TCEX): A Deeper Level of Engagement

The TCEX programme has included a wide ranging change in the way we engage with customers, from before they first consider an RV vacation, right through to well after they have finished their holiday.

As part of this initiative, we have now acquired 100% of the shares in the mobile app Campermate. Whilst not material in its own right, the technology advancement we have gained with this small acquisition will enable us to provide local, targeted advertising, deals and information as well as a strong platform for user generated content.



This product also provides us with access to a market beyond **thl** with a number of other organisations already using a variation of the app.

We will also have on-road assistance apps, customer contact applications and linkages to the customer's favourite itineraries they created with us whilst planning their trip.

The programme is just launching and we will continue to change the way we operate to create the most effective engagement with customers, and ultimately results over the coming months.

SLIDE 16 – Telematics – Customer Safety and Cost Savings

The telematics pilot has shown us that, when fully functional, we should see positive cost reductions in accident damage, repairs and maintenance and general productivity.

In practical terms, we have a tablet in the vehicles and will be sending messages to the screen when there is excessive speed, harsh braking and cornering; and we have built-in geo fences to alert the customers, when required - for example: at low bridges, or if there are low awnings at a petrol station.

SLIDE 17 – Highway – Entering the Sharing Economy

This month we have also had a soft launch of our new business Highway. This business is being treated as a start-up within **thl**, led by one of our new executives Dave Simmons.

The business operates within the sharing economy. Simply, the business is working with private owners of RVs in New Zealand and providing a platform for them to rent their vehicle to customers from around the world.

SLIDE 18 – Why Highway?

This business is a recognition of three key points for **thl**:

1. We acknowledge that we currently have a capital intensive business model and we have an ongoing goal of reducing the reliance on that capital intensity.
2. We acknowledge the development of the sharing economy and the quantum of privately owned inventory in the RV market globally.
3. We acknowledge the opportunity and need to embrace digital diversity in business models and the need to be prepared to disrupt the business models that exist within **thl** today.

Whilst we remain focused on making money in everything we do, we acknowledge that as we trial this business in New Zealand we may have a small loss this year, which we have included within our forecasts.



We are challenging ourselves, without losing focus on the core business today, and without creating a financial risk to the total business.

SLIDE 19 – Other Initiatives – Waitomo Caves Homestead

The tourism businesses also have growth opportunities. We have invested in Waitomo with the acquisition of a restaurant and retail property on State Highway 3 just outside Waitomo.

We have renovated this property and the new Waitomo Caves Homestead will open at the start of December.

This opportunity provides us with much needed retail and restaurant capacity but, more importantly, provides us an opportunity to increase visitation to the Waitomo region.

As an aside, we continue to gain share from the high growth Chinese market for Waitomo.

SLIDE 20 – Longer Term Outlook

The Chairman has provided a short update on the outlook of the business and the industry in which we operate.

Airline capacity is increasing around the world, the middle class is growing and we are increasing the exposure of the RV industry to the growing number of experience seekers around the world.

Finally I would like to also thank the team at *thl*. The team are moving at pace, but with a determination to see the current positive momentum maintained.

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

Rob Campbell

Thanks Grant.

SLIDE 21 – Questions?

I would like to open up to the floor for questions. 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.

Are there any questions?



SLIDE 22 - Formal Items of Business

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

SLIDE 23 – The Board

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. Also, in accordance with our Board Charter, Directors on the Board are subject to re-election every three years.

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 David Neidhart and I. Gráinne Troute, having been appointed to the Board during the year, is also up for election.

SLIDE 24 - Resolutions & Poll Votes

As indicated, we are operating a poll vote for all resolutions today. Eligible shareholders or proxies have been given a voting card. For each resolution you will 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 votes received prior to the meeting. PricewaterhouseCoopers are acting as scrutineers and once the results of the resolutions have been confirmed, these will be announced to the NZX.

Moving on to the resolutions:

SLIDE 25 - Resolution 1

Resolution 1 – Election of Gráinne Troute

That Gráinne Troute (appointed as a Director by the Board on 1 February 2015) be elected as a Director of the Company.

I will now ask Gráinne to speak briefly.

[Gráinne]

Thank you Gráinne.

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



As the next resolution relates to myself, I will now pass over the Chair of the meeting to Graeme Wong.

Graeme Wong

SLIDE 26 - Resolution 2

Resolution 2 – 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 no, can you please cast your vote on your voting card under resolution 2?

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

Rob Campbell

SLIDE 27 - Resolution 3

Resolution 3 – Re-election of David Neidhart

That David Roman Neidhart, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

I will now ask David to speak.

[David]

Thank you David. Are there any questions for David? If no, can you please cast your vote on your voting card under resolution 3?

SLIDE 28 - Resolution 4

Resolution 4 – Directors Remuneration

That the maximum aggregate amount of remuneration payable to all Directors taken together (in their capacity as Directors) be increased from \$450,000 to a maximum of \$550,000 with this sum available to be paid to the Directors



of the Company as the Board considers appropriate and which may be payable in whole or in part by way of an issue of ordinary shares in the Company, provided that any issue is made in accordance 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 4? If there are no questions, I would ask you to cast your vote on your voting card under resolution 4.

SLIDE 29 - Resolution 5

Resolution 5 – Remuneration of 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 5? If there are no questions, I would ask you to cast your vote on your voting card under resolution 5.

SLIDE 30 – Questions?

That ends the resolutions for this meeting. We will move onto 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 you to a light afternoon tea.

SLIDE 31 – Thank You

END

Authorised by:

A handwritten signature in black ink, appearing to read 'Rob Campbell', is written over a horizontal line.

Rob Campbell
Chairman
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