

**TOURISM HOLDINGS LIMITED**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

	Note	<b>6 months to Dec-13 \$000's</b>	6 months to Dec-12 \$000's	12 months to Jun-13 \$000's
Sales of services		76,222	77,977	157,515
Sales of rental assets		<u>36,108</u>	<u>30,520</u>	<u>67,106</u>
<b>Total revenue</b>	2	<b>112,330</b>	108,497	224,621
Cost of sales		<u>(32,829)</u>	<u>(27,741)</u>	<u>(61,644)</u>
<b>Gross Profit</b>		<b>79,501</b>	80,756	162,977
Administrative expenses		(12,576)	(14,019)	(23,357)
Other operating expenses		<u>(59,760)</u>	<u>(61,472)</u>	<u>(125,061)</u>
<b>Operating profit before financing costs</b>		<b>7,165</b>	5,265	14,559
Finance income		418	305	597
Finance expenses		<u>(3,522)</u>	<u>(3,874)</u>	<u>(7,899)</u>
<b>Net finance costs</b>		<b>(3,104)</b>	(3,569)	(7,302)
Share of profit / (loss) from Joint Venture		725	(698)	(1,368)
<b>Profit before tax</b>		<b>4,786</b>	998	5,889
Income tax expense		<u>(2,318)</u>	<u>(1,464)</u>	<u>(2,081)</u>
<b>Profit / (loss) for the period</b>		<b>2,468</b>	(466)	3,808
<b>Earnings per share for profit / (loss) attributable to the equity holders of the Company during the period</b>				
Basic earnings per share (in cents)		<u>2.2</u>	<u>(0.5)</u>	<u>3.6</u>
Diluted earnings per share (in cents)		<u>2.1</u>	<u>(0.4)</u>	<u>3.4</u>

**TOURISM HOLDINGS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

	Note	<b>6 months to Dec-13 \$000's</b>	6 months to Dec-12 \$000's	12 months to Jun-13 \$000's
<b>Profit / (loss) for the period</b>		<b>2,468</b>	(466)	3,808
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation movement	16	(3,856)	57	(3,583)
Foreign currency gain / (loss) on net investment	16	(553)	-	(547)
Cash flow hedges net of tax		550	62	761
<b>Other comprehensive income / (loss) net of tax for the period</b>		<b>(3,859)</b>	119	(3,369)
<b>Total comprehensive income / (loss) for the period</b>		<b>(1,391)</b>	(347)	439

**TOURISM HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

	Note	Share Capital \$000's	Retained Earnings \$000's	Cash Flow Hedge Reserve \$000's	Other Reserves \$000's	Total Equity \$000's
<b>Opening Balance as at 1 July 2012</b>		143,798	5,478	(1,915)	8,664	156,025
Comprehensive Income						
Net Profit/(loss) for the Six Months Ending 31 December 2012		-	(466)	-	-	(466)
Other Comprehensive Income						
Cash Flow Hedge Movement		-	-	62	-	62
Foreign Currency Translation Movement		-	-	-	57	57
<b>Total Comprehensive Income</b>		<b>-</b>	<b>(466)</b>	<b>62</b>	<b>57</b>	<b>(347)</b>
Transactions with Owners						
Dividends paid		-	(2,062)	-	-	(2,062)
Issue of Ordinary Shares related to Business Combination		7,440	-	-	-	7,440
Employee Share Option Expense		-	-	-	78	78
<b>Total Transactions with Owners</b>		<b>7,440</b>	<b>(2,062)</b>	<b>-</b>	<b>78</b>	<b>5,456</b>
<b>Closing Balance as at 31 December 2012</b>		<b>151,238</b>	<b>2,950</b>	<b>(1,853)</b>	<b>8,799</b>	<b>161,134</b>
<b>Opening Balance as at 1 January 2013</b>		151,238	2,950	(1,853)	8,799	161,134
Comprehensive Income						
Net Profit/(loss) for the Six Months Ending 30 June 2013		-	4,274	-	-	4,274
Other Comprehensive Income						
Cash Flow Hedge Movement		-	-	699	-	699
Foreign Currency Translation Movement		-	-	-	(3,640)	(3,640)
<b>Total Comprehensive Income</b>		<b>-</b>	<b>3,727</b>	<b>699</b>	<b>(3,640)</b>	<b>786</b>
Transactions with Owners						
Dividends paid		-	(2,109)	-	-	(2,109)
Dividends forfeited		-	150	-	-	150
Employee Share Option Expense		-	-	-	87	87
<b>Total Transactions with Owners</b>		<b>-</b>	<b>(1,959)</b>	<b>-</b>	<b>87</b>	<b>(1,872)</b>
<b>Closing Balance as at 30 June 2013</b>		<b>151,238</b>	<b>4,718</b>	<b>(1,154)</b>	<b>5,246</b>	<b>160,048</b>
<b>Opening Balance as at 1 July 2013</b>		151,238	4,718	(1,154)	5,246	160,048
Comprehensive Income						
Net Profit/(loss) for the Six Months Ending 31 December 2013		-	2,468	-	-	2,468
Other Comprehensive Income						
Cash Flow Hedge Movement		-	-	550	-	550
Foreign Currency gain / (loss) on net investment	16	-	547	-	(1,100)	(553)
Foreign Currency Translation Movement	16	-	-	-	(3,856)	(3,856)
<b>Total Comprehensive Income</b>		<b>-</b>	<b>3,015</b>	<b>550</b>	<b>(4,956)</b>	<b>(1,391)</b>
Transactions with Owners						
Dividends paid		-	(2,309)	-	-	(2,309)
Issue of Ordinary Shares	6	35	-	-	-	35
Employee Share Option Expense		-	-	-	83	83
<b>Total Transactions with Owners</b>		<b>35</b>	<b>(2,309)</b>	<b>-</b>	<b>83</b>	<b>(2,191)</b>
<b>Closing Balance as at 31 December 2013</b>		<b>151,273</b>	<b>5,424</b>	<b>(604)</b>	<b>373</b>	<b>156,466</b>

**TOURISM HOLDINGS LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2013 (Unaudited)**

	Note	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
<b>Assets</b>				
Property, plant and equipment	3	217,092	248,157	244,339
Intangible assets		22,012	23,104	22,578
Advance to Joint Venture	5	7,667	9,156	7,078
Loan Receivable	6	1,411	-	1,371
<b>Total non current assets</b>		<b>248,182</b>	<b>280,417</b>	<b>275,366</b>
Cash and cash equivalents		11,312	6,361	5,480
Trade and other receivables		26,178	31,262	19,126
Inventories		18,910	22,214	20,459
Assets held for sale	15	6,976	8,309	8,039
Taxation receivable		836	2,220	1,340
<b>Total current assets</b>		<b>64,212</b>	<b>70,366</b>	<b>54,444</b>
<b>Total assets</b>		<b>312,394</b>	<b>350,783</b>	<b>329,810</b>
<b>Equity</b>				
Issued capital	6	151,273	151,238	151,238
Other reserves		373	8,799	5,246
Cash flow hedge reserve		(604)	(1,853)	(1,154)
Retained earnings		5,424	2,950	4,718
<b>Total equity</b>		<b>156,466</b>	<b>161,134</b>	<b>160,048</b>
<b>Liabilities</b>				
Interest bearing loans and borrowings	4	64,925	121,254	93,574
Derivative financial instruments	4	839	2,540	1,603
Deferred income tax liability		3,345	5,230	3,698
<b>Total non current liabilities</b>		<b>69,109</b>	<b>129,024</b>	<b>98,875</b>
Interest bearing loans and borrowings	4	43,368	19,066	31,553
Trade and other payables		21,961	22,696	24,556
Derivative financial instruments	4	-	34	-
Taxation payable		-	249	-
Revenue in advance		18,228	16,039	11,249
Employee benefits		3,262	2,541	3,529
<b>Total current liabilities</b>		<b>86,819</b>	<b>60,625</b>	<b>70,887</b>
<b>Total liabilities</b>		<b>155,928</b>	<b>189,649</b>	<b>169,762</b>
<b>Total equity and liabilities</b>		<b>312,394</b>	<b>350,783</b>	<b>329,810</b>

**TOURISM HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

	Note	<b>6 months to Dec-13 \$000's</b>	6 months to Dec-12 \$000's	12 months to Jun-13 \$000's
<b>Cash Flows from Operating Activities</b>				
Receipts from customers		76,394	64,227	158,950
Proceeds from sale of rental assets		36,108	30,520	68,896
Interest received		418	305	597
Taxation received		-	-	90
Suppliers and employees		(57,999)	(46,260)	(104,798)
Purchase of rental assets		(24,801)	(16,309)	(70,380)
Interest		(3,424)	(3,874)	(7,898)
Taxation		(1,905)	(2,081)	(3,293)
Net cash flows from operating activities		<u>24,791</u>	<u>26,528</u>	<u>42,164</u>
<b>Cash Flows from Investing Activities</b>				
Sale of property, plant & equipment		13	-	-
Sale of Intangibles		-	-	19
Sale of assets held for sale		950	-	-
Advance from joint venture	5	136	-	786
Purchase of property, plant & equipment		(375)	(1,048)	(2,153)
Acquisition of KEA Campers and United Campervans		-	(53,083)	(53,083)
Advance to joint venture	5	-	(622)	-
Purchase of intangibles		(76)	(228)	(697)
Loans made	6	-	-	(1,371)
Net cash flows from / (used in) investing activities		<u>648</u>	<u>(54,981)</u>	<u>(56,499)</u>
<b>Cash Flows from Financing Activities</b>				
Proceeds from borrowings		-	32,736	19,760
Repayment of borrowings		(16,972)	-	-
Dividends paid to parent shareholders		(2,309)	(2,062)	(4,021)
Net cash flows from / (used in) financing activities		<u>(19,281)</u>	<u>30,674</u>	<u>15,739</u>
<b>Net increase in cash balances</b>		<b>6,158</b>	<b>2,221</b>	<b>1,404</b>
<b>Opening cash</b>		<b>5,480</b>	<b>4,083</b>	<b>4,083</b>
Foreign currency translation adjustment		(326)	57	(7)
<b>Closing cash</b>		<u><b>11,312</b></u>	<u><b>6,361</b></u>	<u><b>5,480</b></u>

**TOURISM HOLDINGS LIMITED**  
**RECONCILIATION OF PROFIT AFTER TAXATION**  
**WITH CASH FLOWS FROM OPERATING ACTIVITIES**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

	6 months to Dec-13 \$000's	6 months to Dec-12 \$000's	12 months to Jun-13 \$000's
<b>Operating profit / (loss) after tax</b>	<b>2,468</b>	<b>(466)</b>	<b>3,808</b>
Plus / (less) non-cash items:			
Depreciation	17,973	21,079	41,167
Amortisation of fixed term intangibles	821	823	1,761
Impairment of assets held for sale	104	-	477
(Reversal of impairment) / impairment of assets	-	2,494	(888)
Amortisation of executive share scheme	83	78	165
Movement in deferred taxation	(567)	702	(314)
Increase / (decrease) in provision for doubtful debts	20	(1)	(320)
Interest	98	-	-
Share of (profit) / loss from joint venture	(725)	698	1,368
	<b>17,807</b>	<b>25,873</b>	<b>43,416</b>
Plus / (less) items classified as investing activities:			
Net loss / (gain) on sale of property, plant and equipment	24	-	(30)
Acquisition related costs of KEA Campers and United Campervans	-	1,405	1,405
<b>Movement in rental assets</b>			
Rental assets transferred to inventory	30,160	20,649	50,656
Purchase of rental assets	(24,801)	(16,309)	(70,380)
	<b>5,383</b>	<b>5,745</b>	<b>(18,349)</b>
Trading cash flow	<b>25,658</b>	<b>31,152</b>	<b>28,875</b>
Plus / (less) movements in working capital:			
Increase / (decrease) in accounts payable	(2,559)	2,711	4,019
Increase / (decrease) in revenue received in advance	6,979	3,951	1,709
Increase / (decrease) in provision for taxation	504	(87)	1,106
Increase / (decrease) in employee benefits	(267)	(1,441)	(809)
Decrease / (increase) in accounts receivable	(7,072)	(13,749)	1,517
Decrease / (increase) in inventories	1,548	3,991	5,747
	<b>(867)</b>	<b>(4,624)</b>	<b>13,289</b>
<b>Net cash flows from operating activities</b>	<b>24,791</b>	<b>26,528</b>	<b>42,164</b>

NZ IAS 7 requires the cash flows associated with the sale and purchase of rental assets to be classified as an operating activity. Below are the details of the sale of rental assets:

Proceeds from sale of rental assets	36,108	30,520	67,106
Book value of assets sold	(30,302)	(25,291)	(57,882)
Gain on sale	<b>5,806</b>	<b>5,229</b>	<b>9,224</b>

Net cash flows from operating activities prior to adoption of NZ IAS 7 resulting in the sale and purchase of rental assets being classified as an operating activity:

<b>13,578</b>	15,554	51,319
---------------	--------	--------

**Notes to the Financial Statements**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

**1 Statement of Accounting Policies**

Tourism Holdings Limited's primary operations are the manufacture, rental and sale of motor homes and campervans and other tourism related activities. The parent is domiciled in New Zealand. The registered office is Level 1, 83 Beach Road, Auckland 1140, New Zealand.

Tourism Holdings is a company registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978 and is listed on the NZX. The financial statements have been prepared in accordance with the Companies Act 1993 and the Financial Reporting Act 1993. Tourism Holdings is a profit oriented company.

These interim consolidated financial statements of Tourism Holdings Limited and its subsidiaries have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and NZ IAS 34 Interim Financial Reporting.

The accounting policies used in the preparation of these interim financial statements are consistent with those used in the 30 June 2013 annual financial statements, which should be read in conjunction with this report.

**Issued standards and amendments effective from 1 July 2013**

The following standards and amendments to existing standards have been adopted by the Group in the six months to 31 December 2013.

NZ IFRS 10, 'Consolidated Financial Statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. The application of this standard has had no material impact on the Group.

NZ IFRS 12, 'Disclosure of Interests in Other Entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The application of this standard by the Group has had no material impact on the Group.

NZ IFRS 13, 'Fair value measurement', establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other NZ IFRSs. In accordance with the transitional provisions of NZ IFRS 13, the Group has applied the new fair value measurement guidance prospectively. Notwithstanding the above, the adoption of NZ IFRS 13 on 1 July 2013 has had no material impact on the measurement of the Group's assets and liabilities.

NZ IAS 27 (revised), 'Separate Financial Statements', is renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. The application of this standard by the Group has had no material impact on the Group.

**2 Segment Note**

The chief operating decision maker ('CODM') has been identified as the executive team together with the Board of Directors. The CODM review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The CODM assess the performance of the operating segments based on a measure of operating profit (earnings before interest and tax). The measurement basis excludes the effects of operational expenditure or gains such as loss / gain on disposal or impairments of property, plant and equipment, fair value changes in foreign currency financial assets / liabilities and costs of major business acquisitions. Interest income and expenditure are not included in the result for each operating segment that is reviewed by the CODM.

As at 31 December 2013 the CODM considers the business from both a geographical and service / product perspective. The CODM considers the performance of business based on the rentals division in Australia, United States of America and New Zealand, as well as the Tourism Group segment in New Zealand. Group support costs are reported separately.

Six Months to December 2013	New Zealand		Australia	United States	Group	Total
	Rentals \$000's	Tourism Group \$000's	Rentals \$000's	Rentals \$000's	Support Services \$000's	
Sales of services	23,786	10,308	30,486	11,642	-	76,222
Sales of goods	14,618	-	7,507	13,983	-	36,108
<b>Revenue from External customers</b>	<b>38,404</b>	<b>10,308</b>	<b>37,993</b>	<b>25,625</b>	<b>-</b>	<b>112,330</b>
Depreciation	(7,810)	(570)	(7,799)	(1,661)	(133)	(17,973)
Other Operating Costs	(32,611)	(8,086)	(27,623)	(17,635)	(1,237)	(87,192)
<b>Operating Profit / (Loss) Before Interest and Tax</b>	<b>(2,017)</b>	<b>1,652</b>	<b>2,571</b>	<b>6,329</b>	<b>(1,370)</b>	<b>7,165</b>
Interest Income	-	-	14	-	404	418
Interest Expense	(190)	-	(609)	(329)	(2,394)	(3,522)
Joint Venture Net Profit / (Loss) before tax	-	-	-	-	725	725
<b>Operating Profit / (Loss) before Tax</b>	<b>(2,207)</b>	<b>1,652</b>	<b>1,976</b>	<b>6,000</b>	<b>(2,635)</b>	<b>4,786</b>
Taxation	618	(552)	(593)	(2,445)	654	(2,318)
<b>Operating Profit / (Loss) - After Interest and Tax</b>	<b>(1,589)</b>	<b>1,100</b>	<b>1,383</b>	<b>3,555</b>	<b>(1,981)</b>	<b>2,468</b>
Capital Expenditure	14,482	216	10,412	25	41	25,176
Non Current Assets	118,355	27,824	72,844	19,105	2,387	240,515
Advance to Joint Venture	-	-	-	-	7,667	7,667
<b>Total Non Current Assets</b>	<b>118,355</b>	<b>27,824</b>	<b>72,844</b>	<b>19,105</b>	<b>10,054</b>	<b>248,182</b>
<b>Total Assets</b>	<b>150,926</b>	<b>31,110</b>	<b>88,955</b>	<b>24,200</b>	<b>17,203</b>	<b>312,394</b>
<b>Net Assets</b>	<b>120,701</b>	<b>26,063</b>	<b>70,579</b>	<b>18,722</b>	<b>17,348</b>	<b>253,413</b>

**Notes to the Financial Statements**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

**2 Segment Note (continued)**

Six Months to December 2012	New Zealand		Australia	United States	Group	Total
	Rentals	Tourism Group	Rentals	Rentals	Support Services	
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Sales of services	20,171	8,928	37,395	11,428	55	77,977
Sales of goods	9,110	-	9,895	11,515	-	30,520
<b>Revenue from External customers</b>	<b>29,281</b>	<b>8,928</b>	<b>47,290</b>	<b>22,943</b>	<b>55</b>	<b>108,497</b>
Depreciation	(7,913)	(550)	(10,661)	(1,744)	(211)	(21,079)
Other Operating Costs	(23,537)	(7,612)	(33,230)	(14,819)	(2,955)	(82,153)
<b>Operating Profit / (Loss) Before Interest and Tax</b>	<b>(2,169)</b>	<b>766</b>	<b>3,399</b>	<b>6,380</b>	<b>(3,111)</b>	<b>5,265</b>
Interest Income	-	-	21	-	284	305
Interest Expense	(76)	-	(1,107)	(437)	(2,254)	(3,874)
Joint Venture Net Profit / (Loss) before tax	-	-	-	-	(698)	(698)
<b>Operating Profit / (Loss) before Tax</b>	<b>(2,245)</b>	<b>766</b>	<b>2,313</b>	<b>5,943</b>	<b>(5,779)</b>	<b>998</b>
Taxation	629	(217)	(640)	(2,422)	1,186	(1,464)
<b>Operating Profit / (Loss) - After Interest and Tax</b>	<b>(1,616)</b>	<b>549</b>	<b>1,673</b>	<b>3,521</b>	<b>(4,593)</b>	<b>(466)</b>
Capital Expenditure	71,548	251	14,562	875	180	87,416
Non Current Assets	131,464	28,960	88,307	19,631	2,899	271,261
Advance to Joint Venture	-	-	-	-	9,156	9,156
<b>Total Non Current Assets</b>	<b>131,464</b>	<b>28,960</b>	<b>88,307</b>	<b>19,631</b>	<b>12,055</b>	<b>280,417</b>
<b>Total Assets</b>	<b>158,506</b>	<b>31,689</b>	<b>112,349</b>	<b>23,289</b>	<b>24,950</b>	<b>350,783</b>
<b>Net Assets</b>	<b>136,110</b>	<b>27,977</b>	<b>88,997</b>	<b>19,875</b>	<b>22,134</b>	<b>295,093</b>

Inter-segment transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. The CODM does not distinguish between revenue from internal or external customers when measuring the performance of segments. All revenue is reported to the executive team on a basis consistent with that used in the income statement.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude future income tax benefit, deferred taxation, investments and derivatives designated as hedges of borrowings as they are not allocated to segments. Net segment assets are total assets less segment non interest bearing liabilities and cash on hand. Assets held for sale are recognised in Group Support Services.

**3 Property, plant and equipment acquired and sold during the 6 month period**

	6 months to Dec-13 \$000's	6 months to Dec-12 \$000's
Purchase of Rental Motorhomes	24,801	77,946
Purchase of other property, plant and equipment	375	1,802
Total property plant and equipment acquired	<u>25,176</u>	<u>79,748</u>
Net Book Value of Rental Motorhomes sold	30,302	25,291
Net Book Value of other property, plant and equipment sold	-	-
Net Book Value of Total property plant and equipment sold	<u>30,302</u>	<u>25,291</u>
Gain over Book Value of Rental Motorhomes sold	5,806	5,229
Gain over Book Value of other property, plant and equipment sold	-	-
Gain over Book Value of Total property plant and equipment sold	<u>5,806</u>	<u>5,229</u>

**4 Borrowings and loans**

	31 Dec-13 \$000's	31 Dec-12 \$000's	30 Jun-13 \$000's
Non-current	64,925	121,254	93,574
Current	43,368	19,066	31,553
	<u>108,293</u>	<u>140,320</u>	<u>125,127</u>

Movements in borrowings are analysed as follows:

Opening balance	125,127	99,625	99,625
Borrowings	(16,834)	40,695	25,502
Closing balance	<u>108,293</u>	<u>140,320</u>	<u>125,127</u>

The Group has the following undrawn borrowing facilities:

	31 Dec-13 \$000's	31 Dec-12 \$000's	30 Jun-13 \$000's
Expiring within one year	3,705	-	-
Expiring beyond one year	15,788	21,564	12,292
	<u>19,493</u>	<u>21,564</u>	<u>12,292</u>

The Group has sufficient working capital and undrawn financing facilities to service its operating activities and on-going investment in rental motorhomes.

The Directors expect that the working capital facilities expiring in the current year will be extended in the ordinary course of business.

Changes in the value of Derivative Financial Instruments reflect changes to the fair market value of interest rate swaps.



**Notes to the Financial Statements**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

**5 Joint Venture - RV Manufacturing Group LP (RVMG)**

*thl* is a 50% joint venture partner in RVMG, a vehicle manufacturer based in New Zealand. The other 50% partner is Alpine Bird Manufacturing (New Zealand) Limited, which is owned by Grant Brady.

The following amounts represent the Group's 50% share of the sales and results, and assets and liabilities of RVMG:

	6 months to Dec-13 \$000's	6 months to Dec-12 \$000's	12 months to Jun-13 \$000's
Income	10,242	8,076	15,193
Expenses	(9,517)	(8,774)	(16,561)
<b>Profit / (Loss) before income tax</b>	<b>725</b>	<b>(698)</b>	<b>(1,368)</b>
	31 Dec-13 \$000's	31 Dec-12 \$000's	30 Jun-13 \$000's
<b>Assets</b>			
Non Current Assets	1,988	2,261	2,036
Current Assets	4,153	5,634	3,994
	<b>6,141</b>	<b>7,895</b>	<b>6,030</b>
<b>Liabilities</b>			
Non Current Liabilities	6,287	8,229	5,910
Current Liabilities	2,465	2,081	3,205
	<b>8,752</b>	<b>10,310</b>	<b>9,115</b>
<b>Net Assets</b>	<b>(2,611)</b>	<b>(2,415)</b>	<b>(3,085)</b>

There are no contingent liabilities relating to the Group's interest in RVMG, and no contingent liabilities in the venture itself. The Group's 50% share of the contractual property lease commitment is \$3,057k.

The following table sets out the Group's interest in RVMG:

	31 Dec-13 \$000's	31 Dec-12 \$000's	30 Jun-13 \$000's
Advance opening balance	10,169	10,955	10,955
Net cash advances/(repayment) during the period	(136)	622	(786)
Advance closing balance	10,033	11,577	10,169
Opening losses recognised against the advance	(3,091)	(1,723)	(1,723)
Share of profit / (loss) for the period	725	(698)	(1,368)
<b>Total losses recognised against the advance</b>	<b>(2,366)</b>	<b>(2,421)</b>	<b>(3,091)</b>
Net interest in RVMG	7,667	9,156	7,078

The advances are payable on demand but directors do not expect repayment in the next 12 months. Interest is payable at a rate of 7.9% per annum.

**6 Related party transactions**

Tourism Holdings Limited is the parent and ultimate controlling party of the Group. All members of the Group are considered to be related parties of Tourism Holdings Limited including subsidiaries.

The following transactions were carried out with related parties:

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
<b>i) Sales of goods and services</b>			
Subsidiaries	2,973	1,461	5,699
<b>ii) Purchases of goods and services</b>			
Subsidiaries	662	520	3,159
<b>iii) Bad debt write off of a subsidiary receivable</b>			
THL Oz Pty Limited	-	-	740
<b>iv) Key management compensation</b>			
Salaries and other short term employee benefits	1,501	1,546	2,672
Share based payments	83	79	165

Executive management do not receive any directors' fees as directors of subsidiary companies.

**Notes to the Financial Statements**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)**

**6 Related party transactions (continued)**

**v) Year end balances arising from sales/purchases of goods/services**

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
<i>Advances to subsidiaries</i>			
THL Oz Pty Limited	11,391	11,391	11,391
THL Group Australia Pty Limited and its subsidiaries	11,668	9,854	12,613
Waitomo Caves Limited	7,717	8,382	8,128
Waitomo Caves Holdings Limited	186	205	185
JJ Motorcars	93	83	78
Net advances to subsidiaries	31,055	29,915	32,395

Interest is charged at market rates on trading accounts between the Parent and Australian subsidiaries and all advances are repayable on demand.

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
<i>Interest charged on the balances with related parties</i>			
THL Oz Pty Limited	-	-	740
Tourism Holdings Australia Pty Limited	-	-	605

The effective interest rates on loans to related parties were as follows:

	Dec-13	Dec-12	Jun-13
Loans to related parties	-	-	5.70%

**vi) Lease costs from subsidiaries**

The Parent incurred lease costs as follows:

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Waitomo Caves Limited	244	244	488

**vii) Loans to directors and key management of the Company**

There were no loans during the current or previous year by the Group to Directors or key management.

**viii) Loans from directors, key management or related parties**

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Loans from key management personnel	2,963	3,859	3,166

Loan provided as part of the acquisition of JJ Motorcars Inc. in the USA trading as Road Bear to fund fleet. The loan is repayable over 12 months at a fixed interest rate of 3.1%pa and is secured by way of liens over specific Road Bear motorhome fleet.

**ix) Directors Fees (Share issue in lieu of cash)**

At the 2013 annual meeting of shareholders, shareholder approval was obtained for *thl* to issue shares in whole or in part payment of directors remuneration. From 1 October 2013, Rob Campbell has elected to receive 100% of his director fee in shares and Graeme Wong has elected to receive 33% of his director fee in shares. In the period to 31 December 2013 share capital increased by \$35k reflecting shares to be issued to Rob Campbell and Graeme Wong.

**x) Non-executive Director Kay Howe**

As part of the transaction with KEA Campers and United Campervans, Kay Howe (a shareholder and director of United Vehicle Rentals Limited which was later renamed Hauraki Motor Homes Limited) was appointed as an executive director of *thl* on the 31st October 2012. Kay Howe had executive responsibilities relating to the integration of the businesses until the 30th April 2013 at which point she became a non-independent director.

Under the terms of the transaction, *thl* has a liability to pay deferred consideration to Hauraki Motor Homes Limited in accordance with the deferred consideration agreement. The table below details the total deferred consideration liability to Hauraki Motor Homes Limited and the amount due and payable based on sales of United motorhomes:

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Total deferred consideration liability	5,588	6,164	5,710
Deferred consideration due & payable to Hauraki Motor Homes Limited (based on United motorhomes sales)	614	291	270
Interest included in deferred consideration due & payable	29	57	54

Also included in the terms of the transaction was a requirement for *thl* to pay rent and other operating expenses for two properties for a maximum of 12 months. The properties were formerly operated by United and were owned by Hauraki Enterprises Limited (of which Kay Howe is a shareholder and director). *thl* has also purchased stock and incurred minor operating expenditure from Hauraki as a result of the merger. *thl*'s obligation has now ceased. These costs to *thl* are set out below:

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Cost of sub-licenses and operating expenses	-	96	232
Other operating expenditure	87	1	37

## Notes to the Financial Statements

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)

#### 6 Related party transactions (continued)

A minor component of the merger transaction included certain transactions with Supreme Motorhomes Limited (Supreme) relating to the sale of caravan brands from *thl* and the acquisition of Intellectual Property and moulds by RVMG LP relating to the construction of United Motorhomes. Supreme is owned by entities associated with Kay Howe.

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Payments to Supreme including purchase of motorhomes	49	291	1,217

#### xi) Grant Brady (shareholder and director of Alpine Bird (New Zealand) Limited)

As part of the transaction with KEA Campers and United Campervans, Grant Brady (a shareholder and director of KEA Campers (New Zealand) Limited which was later renamed Alpine Bird (New Zealand) Limited ("Alpine Bird")) was appointed as the General Manager of vehicle sales in New Zealand on the 31st October 2012. In this capacity Grant Brady is a member of the *thl* executive team and is remunerated accordingly. Grant Brady in a separate role is Managing Director of RVMG which is on the same site as vehicle sales in Albany. He is paid separately by RVMG as Managing Director. These roles and associated remuneration were approved as part of the merger transaction.

Under the terms of the transaction, *thl* has a liability to pay deferred consideration to Alpine Bird in accordance with the deferred consideration agreement. As part of the deferred consideration agreement no deferred consideration amounts are payable at this time. Interest and excess proceeds are added to the balance due. The table below details the total deferred consideration liability to Alpine Bird and the amount due and payable based on sales of KEA motorhomes:

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Total deferred consideration owing	2,196	2,112	2,058
Deferred consideration due & payable to Alpine Bird (based on KEA motorhomes sales)	-	-	-

Also included in the terms of the transaction was a requirement for *thl* to take a sublease on a property in Bush Road and pay rent and other operating expenses for a maximum of 2 years and 364 days. The property was formerly operated by KEA and is owned by Bush Road Enterprises Limited (of which Grant Brady is a minority shareholder and director). An independent valuation was used to set the sublease rental. The cost of the sublease and operating expenses are set out in the table below:

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Cost of sub-licenses and operating expenses	246	82	328

Under the terms of the transaction *thl* made an advance of \$1,371k to Alpine Bird. This loan is interest bearing at commercial rates and is secured over the deferred consideration amount due to Alpine Bird and the shares held by Alpine Bird in *thl*. Interest is accruing on the loan.

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Alpine Bird Loan	1,411	-	1,371

#### xii) RVMG LP

	Dec-13 \$000's	Dec-12 \$000's	Jun-13 \$000's
Purchase of motorhomes by the Group from joint venture	14,198	5,168	14,970
Interest charged to joint venture	403	487	535
Advance to joint venture	7,667	9,156	7,078

The amount outstanding is payable on demand at an interest rate of 7.91%.

Grant Brady is a shareholder in another entity Alpine Bird Manufacturing Limited that owns 50% of RVMG Limited Partnership ("RVMG") that was set up in March 2012. *thl* owns the other 50%. RVMG manufactures the motorhomes and campervans used by rentals New Zealand and manufactures motorhomes and parts for rentals Australia. Pricing is based on the cost of manufacture plus an agreed margin set out in the Limited Partnership agreement. RVMG also sublease part of the Bush Road property described above.

#### 7 Dividends

During the six months ended 31 December 2013 the Group paid dividends of \$2,309k being 2c per share (2012 \$2,062k).

## Notes to the Financial Statements FOR THE SIX MONTHS ENDED 31 DECEMBER 2013 (Unaudited)

### 8 Disposal Groups.

The Group had no discontinued operations during the six months to 31 December 2013.

### 9 Business Combinations and Asset Acquisitions

No businesses were acquired during the six months ended 31 December 2013. Details of the asset acquisitions of KEA Campers and United Campervans are disclosed in note 37 of the 30 June 2013 financial statements.

### 10 Income tax

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

### 11 Capital Commitments

Capital expenditure on property plant and equipment contracted for but not yet incurred at period end was as follows:

	Dec-13 \$000's	Dec-12 \$000's
New Zealand	18,100	12,280
Australia	4,063	25,133
United States of America	<u>24,360</u>	<u>19,614</u>
Total	46,523	57,027

Total capital commitments are principally motorhome fleet and were down in Australia due to reduced forward capital expenditure and up in New Zealand and the United States of America which reflects timing of order placements.

### 12 Seasonality of Business

The tourism industry is subject to seasonal fluctuations with peak demand for tourism attractions and transportation over the summer months. The operating revenue and profits of the Group's segments are disclosed in note 13. New Zealand and Australia's profits are typically generated over the southern hemisphere summer months and the United States of America's profits are typically generated over the northern hemisphere summer months.

### 13 Events after the reporting period

A fully imputed dividend was declared after balance date at 5 cents per share payable on 17 April 2014.

### 14 Fair value measurement

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

### 15 Assets held for sale

The property at 155 Beach Road was sold during the period ended 31 December 2013 at the recognised carrying value at 30 June 2013 of \$950k.

### 16 Foreign Currency Translation Reserve

Exchange differences arising on the translation of foreign operations are taken to the foreign currency translation reserve. When any net investment is disposed of the related component of the reserve is recognised in profit and loss as part of the gain or loss on disposal.

The loss recognised during the period reflects the relative strengthening of the New Zealand dollar versus both the Australian dollar and the United States dollar over the period.

The \$547k loss on translation of the Parent's net investment in THL Group Australia Pty Limited in the 30 June 2013 period has been transferred to other reserves in the period to 31 December 2013.