



ordinary share (cents)	1,81	1,76	3,19
<b>Determination of headline earnings</b>			
Reconciliation between attributable earnings and headline earnings			
Earnings attributable to ordinary shareholders	16 264	12 644	21 917
(Profits)/losses on disposal of property, plant and equipment	(3 769)	-	1 406
Total tax effect of the adjustment	546	-	(408)
Total minority interest of the adjustment	-	-	-
<b>Headline earnings</b>	<b>13 041</b>	<b>12 644</b>	<b>22 915</b>

**Group statement of changes in equity**

	Unaudited six months 31 March 2008 R'000	Unaudited six months 31 March 2007 R'000	Audited year end 30 September 2007 R'000
<b>Ordinary share capital</b>			
Balance at the beginning of period	7 184	7 183	7 182
Issued during the period	-	1	1
Balance at the end of period	7 184	7 184	7 183
<b>Share premium</b>			
Balance at the beginning of period	59 905	59 902	59 902
Premium on issue of shares	-	3	3
Balance at the end of period	59 905	59 905	59 905
<b>Share capital reduction reserve fund</b>			
Balance at the beginning of period	20 876	20 876	20 876
Balance at the end of period	20 876	20 876	20 876
<b>Capital redemption reserve fund</b>			
Balance at the beginning of period	4	4	4
Balance at the end of period	4	4	4
<b>Foreign currency translation reserve</b>			
Balance at the beginning of period	(1 063)	(1 318)	(1 318)
Reserve on translation of foreign subsidiary	(378)	168	255
Balance at the end of period	(1 441)	(1 150)	(1 063)
<b>Accumulated profit/(loss)</b>			
Balance at beginning of period	(726)	(15 459)	(15 459)
Attributable income for period	16 264	12 644	21 917
Ordinary dividend paid	-	-	(7 184)
Balance at end of period	15 538	(2 815)	(726)
<b>Ordinary shareholders' equity</b>	<b>102 066</b>	<b>84 004</b>	<b>86 180</b>

**Comments**

Cullinan Holdings owns businesses that focus on the travel and tourism industry in Southern Africa. The major part of its income comes from Tour Operating under the Thompsons brand in both the incoming and outgoing markets and a day tour and coaching business under the Hylton Ross brand. The retail brand Pentravel operates in the leisure travel sector with 24 outlets located in prime retail shopping malls in the country. A small corporate travel retail business is run under the Thompsons Travel label with three branches. The incoming delivery footprint extends to all major travel nodes in the region. The company also owns Manex, a supplier of accessories to the yacht building and diving industries.

**Review of the past six months**

Attributable earnings per share increased by 28% to R16,2 million for the six months to March 2008 and headline earnings per share increased by 3% to R13,0 million. The contributors to the growth were the Thompsons Inbound division, Thompsons Touring and Hylton Ross, all of which enjoyed good trading conditions and improved profits. The Outbound division and the Leisure retail operations experienced slower sales.

The group's cash flow remained positive for the period under review.

**TRAVEL AND TOURISM****Thompsons Holidays (Outbound)**

Thompsons Holidays, the Outbound division, is a wholesale supplier of travel products and holidays to the South African market. The domestic market is being affected by a weaker and volatile rand, high interest rates, rising inflation and political uncertainties which has resulted in lower sales in recent months. In addition, Thompsons Holidays faces the ongoing challenge of realigning itself with the disintermediation taking place in the industry.

**Thompsons Africa (Inbound)**

Thompsons Africa, the Inbound division, deals with foreign Tour Operators and provides a wide range of services to tourists in the Southern African region. This division provides a full destination management service in South Africa, Namibia, Zimbabwe, Zambia, Botswana, Mozambique and Mauritius. Thompsons Africa has a geographically well diversified client base with customers in Europe, UK, USA, Far East, Middle East, Australia and South America. The mature UK and European market continues to grow and there has been good growth out of the US and Asia which is particularly price sensitive.

Capital expenditure	6 949	124	7 073	5 797	39	5 836	26 978	256	27 234
- Property, plant and equipment	6 949	124	7 073	5 797	39	5 836	26 978	256	27 234
- Investment properties	-	-	-	-	-	-	-	-	-
- Intangible assets	2 403	-	2 403	1 515	-	1 515	4 701	-	4 701
Depreciation	9 097	76	9 173	7 338	102	7 440	15 053	214	15 267

**3. JSE Limited ("JSE")**

The directors of the company ensured compliance with the JSE Listings Requirements during the year under review.

Thompsons Africa had a good six months with increased sales and profitability. Although sales are generally priced in rands, the weaker currency has contributed to sales growth by making the Southern Africa destination more competitive. In addition, there are indications that the 2010 World Cup is continuing to increase awareness of Southern Africa as a holiday destination.

**Thompsons Africa Touring and Safaris**

The Touring and Safaris division provides ground handling services in the Southern African region with offices in 13 tourist hubs in Southern Africa. These services include transfers, day tours, game drives, camping safaris and guaranteed departure tours.

Sales growth in the six months has been good with a commensurate increase in profits. The sales growth has occurred across most of the offices.

**Retail Travel**

The Leisure retail outlets have also experienced slower sales with turnover at the same levels as those achieved in the equivalent period last year.

**Hylton Ross**

Hylton Ross Tours operates coaches and vehicles for hire and charter in the domestic travel market and also provides day tours in and around the Western Cape and the Garden Route. It is a well known brand in the travel market and enjoys a substantial market share in the Western Cape.

This company experienced good trading conditions in the six months with increases in both sales and profitability.

**YACHTING AND DIVING****Manex**

Manex is a supplier of accessories to the yacht building industry and also distributes diving equipment to the retail trade. This division has experienced slow sales in the six months. Steps are being taken to improve the performance of this business.

**PROSPECTS FOR THE NEXT SIX MONTHS**

The poor global economic outlook, the high inflation rate and the high interest rates facing South Africans, is expected to have a negative impact on the sales of holidays and travel products in the next six months.

**Pension Fund Surplus Distribution**

Shareholders will be aware of the various allegations made in the press regarding the Midmacor Pension Fund, details of which were disclosed in the 2006 and 2007 Annual Reports. This matter stems from actions in 1999 which did not involve any of the current management, directors and shareholders of the company. No claim has been instituted against the company and should any claim be instituted it will be opposed. The company will continue to assist the Financial Services Board in its enquiries.

**DIVIDEND**

The board has declared a dividend of 1 cent per ordinary share (number 129) to all shareholders for the financial year ending 30 September 2008. The salient dates relating to payment of the dividend are as follows:

Last date to trade cum dividend	Friday, 18 July 2008
Shares commence trading ex dividend	Monday, 21 July 2008
Record date	Friday, 25 July 2008
Payment date	Monday, 28 July 2008

Share certificates may not be dematerialised or rematerialised between Monday, 21 July 2008 and Friday, 25 July 2008, both days inclusive.

18 June 2008

**Directors**

MA Ness (Chairman)\*†, VET O'Hana ‡, DD Hosking \*\*‡, M Tollman \*\*\*‡,  
AN Viljoen (Managing), LA Pampallis  
\* British \*\* New Zealand \*\*\* USA ‡ Non-Executive

**Registered office**

6 Hood Avenue, Rosebank, 2196

**Transfer secretaries**

Computershare Investor Services (Pty) Limited,  
Ground Floor, 70 Marshall Street, Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

**For further information on group activities, please write to:**

The Group Secretary, Cullinan Holdings Limited  
PO Box 41032, Craighall, 2024

(Registration number 1902/001808/06)  
(Share code: CUL ISIN: ZAE00013710)  
("the company" or "the group")

**Auditors**

Mazars Moores Rowland were appointed to act as auditors to the company with effect from 13 May 2008.

**Sponsor**

Arcay Moela Sponsors (Proprietary) Limited  
(Registration number 2006/033725/07)

