

# CULLINAN HOLDINGS LIMITED

## UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

### GROUP BALANCE SHEET

	Unaudited six months 31 March 2009 R'000	Unaudited six months 31 March 2008 R'000	Audited year end 30 September 2008 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>123 854</b>	116 809	118 205
Property, plant and equipment	57 540	62 128	60 544
Investment properties	–	331	–
Goodwill	34 197	24 091	24 070
Intangible assets	26 328	25 978	27 705
Investment in associate companies	1 220	1 265	1 220
Investment in joint venture	1 058	–	1 058
Deferred taxation	3 511	3 016	3 608
<b>Current assets</b>	<b>204 003</b>	262 507	283 953
Inventories	17 159	9 903	9 925
Accounts receivable	98 362	128 441	142 969
Taxation	890	24	890
Cash resources	87 592	124 139	130 169
<b>Non-current assets held for sale</b>	<b>7 757</b>	–	7 757
<b>Total assets</b>	<b>335 614</b>	379 316	409 915
<b>EQUITY AND LIABILITIES</b>			
Ordinary shareholders' equity	98 259	102 066	92 855
Preference shareholders' interest	546	1 046	546
Outside shareholders' interest	5	5	5
<b>Total shareholders' equity</b>	<b>98 810</b>	103 117	93 406
<b>Non-current liabilities</b>	<b>46 162</b>	41 288	45 928
Deferred tax liability	2 783	1 806	2 386
Interest bearing liabilities	33 664	32 589	34 705
Operating lease provision	9 215	6 893	8 337
Preference shares	500	–	500
<b>Current liabilities</b>	<b>190 642</b>	234 911	270 581
Short-term portion of interest bearing liabilities	4 290	1 716	4 351
Operating lease provision	164	61	68
Accounts payable	176 941	231 513	257 527
Taxation	1 227	1 607	741
Preference dividends	14	14	14
Provisions	8 006	–	7 880
<b>Total equity and liabilities</b>	<b>335 614</b>	379 316	409 915

### GROUP INCOME STATEMENT

	Unaudited six months 31 March 2009 R'000	Unaudited six months 31 March 2008 R'000	Audited year end 30 September 2008 R'000
<b>Turnover</b>	<b>181 926</b>	197 677	389 939
<b>Net operating expenses</b>	<b>(174 025)</b>	(177 651)	(373 229)
Operating income	7 901	20 026	16 710
Finance income	3 943	3 575	7 664
Finance expenses	(3 376)	(1 854)	(4 637)
Preference dividends paid	(27)	(27)	(55)
Share of profit of associates	–	–	342
Share of profit of joint venture	–	–	710
Profit before taxation	8 441	21 720	20 734
Tax expense	(2 781)	(5 456)	(4 424)
Profit for the period	5 660	16 264	16 310
Profit attributable to equity holders of the company	5 660	16 264	16 310
Profit attributable to outside shareholders' interest	–	–	–
Attributable earnings per share (cents)	0,79	2,26	2,27
Diluted earnings per share (cents)	0,79	2,26	2,27
Headline earnings per share (cents)	0,79	1,82	0,69
Diluted headline earnings per share (cents)	0,79	1,82	0,69
Dividends per share	–	–	0,01
Ordinary shares ('000)			
– In issue	718 355	718 355	718 355
– Weighted average	718 355	718 355	718 355
<b>Determination of headline earnings</b>			
Reconciliation between attributable earnings and headline earnings:			
Earnings attributable to ordinary shareholders	5 660	16 264	16 310
Share of profit of associate and joint venture	–	–	(1 052)
Adjustment to fair value on investment properties (Profits)/losses on disposal of property, plant and equipment	–	(3 769)	(4 247)
Total tax effect of the adjustments	–	546	1 387
Total minority interest of the adjustments	–	–	–
Headline earnings	5 660	13 041	4 972

### GROUP STATEMENT OF CHANGES IN EQUITY

	Unaudited six months 31 March 2009 R'000	Unaudited six months 31 March 2008 R'000	Audited year end 30 September 2008 R'000
<b>Ordinary share capital</b>			
Balance at beginning of period	7 184	7 184	7 184
Issued during period	–	–	–
Balance at end of period	7 184	7 184	7 184
<b>Share premium</b>			
Balance at beginning of period	59 905	59 905	59 905
Premium on issue of shares	–	–	–
Balance at end of period	59 905	59 905	59 905
<b>Share capital reduction reserve fund</b>			
Balance at beginning of period	20 876	20 876	20 876
Balance at end of period	20 876	20 876	20 876
<b>Capital redemption reserve fund</b>			
Balance at beginning of period	4	4	4
Balance at end of period	4	4	4
<b>Foreign currency translation reserve</b>			
Balance at beginning of period	(1 423)	(1 063)	(1 063)
Reserve on translation of foreign subsidiary	(256)	(378)	(360)
Balance at end of period	(1 679)	(1 441)	(1 423)
<b>Accumulated profit/(loss)</b>			
Balance at beginning of period	6 309	(726)	(3 121)
Gain realised on additional interest acquired on subsidiary	–	–	304
Attributable income for period	5 660	16 264	16 310
Ordinary dividend paid	–	–	(7 184)
Balance at end of period	11 969	15 538	6 309
Ordinary shareholders' equity	98 259	102 066	92 855
<b>Equity portion of preference share capital</b>			
Balance at beginning of period	546	–	546
Balance at end of period	546	–	546
<b>Outside shareholders' interest</b>			
Balance at beginning of period	5	–	5
Profit attributable to outside shareholders	–	–	–
Balance at end of period	5	–	5
<b>Total income and expense for the period</b>			
Profit for period	5 660	16 264	16 310
– Attributable to equity shareholders	5 660	16 264	16 310
– Attributable to outside shareholders	–	–	–
Reserve on translation of foreign subsidiary	(256)	(378)	(360)
	5 404	15 886	15 950

### SUMMARISED GROUP CASH FLOW STATEMENT

	Unaudited six months 31 March 2009 R'000	Unaudited six months 31 March 2008 R'000	Audited year end 30 September 2008 R'000
Net cash inflow/(outflow) from operating activities	(26 241)	17 642	27 059
Net cash outflow from investing activities	(15 272)	(4 961)	(13 098)
Net cash outflow from financing activities	(1 064)	(10 710)	(5 960)
Net (decrease)/increase in cash and cash equivalents	(42 577)	1 971	8 001
Cash and cash equivalents at beginning of period	130 169	122 168	122 168
<b>Cash and cash equivalents at end of period</b>	<b>87 592</b>	124 139	130 169

### NOTES

**1. Basis of preparation**  
The consolidated interim results for the six months ended 31 March 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting and in compliance with the South African Companies Act, No 61 of 1973, as amended. The consolidated interim results for the six months are prepared on the historical cost basis, with the exception of certain financial instruments which are measured at fair value.

The policies are consistent with those of the previous annual financial statements.

### 2. JSE Limited ("JSE")

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

### 3. Segmental reporting

	Travel & Tourism R'000	Marine & Boating R'000	Total R'000
			<b>31 March 2009</b>
Turnover	145 284	36 642	181 926
Operating profit	3 358	4 543	7 901
			31 March 2008
Turnover	183 203	14 474	197 677
Operating profit	19 690	336	20 026
			30 September 2008
Turnover	360 618	29 321	389 939
Operating profit	15 472	1 238	16 710

### OVERVIEW

The results for the six month period have been affected by volatile currency fluctuations and the challenging local and global market conditions. The impact of current market conditions was felt in the Tourism and Travel sector of the group. The Marine and Boating divisions have been largely unaffected by the economy as yet, with the long lead time in boat building meaning the order books are still strong. Cash flow has declined due to the acquisition of Central Boating in October paid out of cash reserves, while the Outbound division which receives payment in advance has seen a shorter booking lead time. This has resulted in reduced cash inflows. Cash flows have now stabilised and are expected to improve in the future.

### REVIEW OF OPERATIONS

#### Thompsons Holidays (the Outbound division)

The Outbound division is a wholesale supplier of travel-related products and holidays to the South African market. The domestic travel market has continued to be affected by the volatile Rand, high interest rates and inflation and concerns over the global economy. This resulted in a slow down of sales especially in the first quarter. Sales appear to have improved slightly in the second quarter. The division continues to focus on maximising sales opportunities, while managing costs and increasing efficiencies. Results for the business are expected to improve as a result of steps by the company to reduce costs and improve efficiencies.

#### Thompsons Africa (the Inbound division)

The Inbound division is a tour wholesaler and destination marketing organisation that sells Africa to the world. The business has been affected by the slow down in worldwide tourism especially out of the traditional UK and European markets. The business continues to trade profitably as a result of steps taken over the last 18 months to improve efficiency in expectation of this slow down.

#### Thompsons Touring and Safaris

The Touring division provides tourism products for the Incoming division. These include escorted tours, general sightseeing and open vehicle game drives in the National Parks which are offered throughout Southern Africa. Turnover and profits have declined slightly this year although cost control measures have minimised the effect on profit.

#### Thompsons Travel

Thompsons Travel is a retail travel agency with offices in Johannesburg, Cape Town and Durban. The Corporate division has been less affected by the downturn and continues to trade profitably. The Leisure division has been harder hit and the company is taking steps to resolve this.

#### Pentravel

Pentravel is a chain of 23 retail travel outlets located in the major shopping malls throughout South Africa. The division has seen a drop in sales but increased margins have meant that the profitability is substantially higher than last year.

#### Hylton Ross Tours

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. The company focuses on the International Market and has been affected by the drop in Inbound Tourism. However stringent cost management has meant that the division has generated a profit marginally below last year.

#### Thompsons Gateway

Gateway, a sales office in Singapore, has seen a sharp decline in sales out of its markets in South East Asia. The office continues to look for opportunities and does have a number of large Incentive Groups in the second half of the year which will improve the sales outlook.

#### Planet Africa

Planet Africa is a joint venture operation formed to sell and market Southern Africa to Far Eastern tourists. In spite of a slow down in volumes, the division continues to trade profitably.

#### Manex

Manex is a supplier to the yacht building industry as well as a distributor of a number of leading brands in the Scuba Diving and Leisure sector. The replacement of management in late 2008 has resulted in a noticeable improvement in profitability and working capital management and the business is well placed for the future.

#### Central Boating

The company purchased Central Boating with effect from 1 October 2008. Central Boating is a marine leader in the importation and distribution of leisure marine equipment to both the yachting and power boat sectors of the market in South Africa. The company has met profit expectations for the period.

#### Prospects

Difficult market conditions remain an ongoing challenge for management. The group continues to look at increasing efficiency and managing costs while maximising all sales opportunities. The group is well placed to take advantage of improvements in the global economy and in particular for the 2010 World Cup.

#### On behalf of the Board

#### M Tollman

Executive Chairman

19 June 2009

#### D Standage

Chief Financial Officer

#### Auditors

Mazars Moores Rowland were elected as auditors in 2008 and will continue to act as auditors to the company.

#### Sponsor

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

#### Directors

M Tollman (Executive Chairman)†, MA Ness\*†, VET O'Hana†, DD Hosking\*\*†, LA Pampallis, G Tollman\*\*\*†, DK Standage (Chief Financial Officer) \* British \*\* New Zealand \*\*\* USA † Non-executive

#### Company secretary

DK Standage

#### 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 Company Secretary, Cullinan Holdings Limited  
PO Box 41032, Craighall, 2024  
(Registration number 1902/001808/06)  
(Share code: CUL ISIN: ZAE000013710)  
("the company" or "the group")