

CULLINAN HOLDINGS LIMITED

TOURISM, LEISURE AND FINANCIAL SERVICES

REGISTRATION NUMBER 1902/001808/06

(SHARE CODE: CUL

ISIN: ZAE000013710)

Incorporated in South Africa

SHORT-FORM ANNOUNCEMENT OF CONDENSED REVIEWED GROUP RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Cullinan Holdings is pleased to report on its reviewed group results for 2015.

The 2015 year saw the group's tourism and travel segment (specifically the inbound and tourism coach transport divisions) materially impacted by a number of factors. These factors include the impact of Ebola, the new South African visa regulations announced in September 2014 and the impact of xenophobia.

As a result of the factors mentioned above, the group experienced significant decreases in tourism numbers from China, Japan, Malaysia, Singapore, India and South America. Tourism volumes from the USA and Europe were also negatively impacted for the year.

As a consequence of the above and the decrease in revenue in the tourism and travel segment for the September 2015 year, the Groups trading profit declined to R74.9m (down 19%) and earnings per share declined by 17%.

We believe that these factors, which impacted tourism numbers during 2015, especially Ebola and the new South African visa regulations, are behind us and we expect growth to rebound in 2016. While the weaker rand had little impact on increased tourism numbers in 2015, we anticipate that the effects of this will be positively felt in inbound tourism revenue in 2016.

On the positive side, the rest of the group performed well. The rest of the tourism segment performed strongly under challenging circumstances. Despite a weak South African economy, reduced corporate and personal budgets and a weak rand, these other tourism businesses increased their market share and grew their businesses during 2015.

We also saw growth in our Marine business, which delivered improved results.

In October 2014, the group acquired Chester Finance, a niche trade finance provider. We are pleased with the performance of this business, considering the weak overall economy.

Despite a challenging 2015 year, the group remains strongly cash generative with R107m in cash generated before working capital changes.

KEY ACHIEVEMENTS OVER THE PAST 12 MONTHS

- The company improved the quality and standard of its coach fleet

through the continuing capital expenditure programme, with R65m invested in fleet in the year to September 2015 on top of the R70m invested in 2014.

- The Depot in Cape Town has been expanded by a further 17 000m², which has allowed the Springbok Atlas fleet to combine its depot with that of Hylton Ross with attendant improvements in service, controls and economies of scale. This transport depot now houses over 120 coaches and vehicles.
- The roll out of the first and major phase of the tour operator travel system is complete. The next phase will be to utilise the system to transact online with customers and consumers where appropriate.
- Pentravel continued to expand with the addition of three shops and the roll out of two new concept stores. These concept stores provide customers with an interactive experience when choosing their holiday and have proved to be very well received and successful.
- Pentravel also continues to expand their web presence, with the expansion of the PenDirect office in Cape Town.
- Edusport successfully operated a program to Rugby World Cup 2015, sending over 1000 Rugby Fans to the United Kingdom over September and October 2015.
- The staff mentorship program which was launched in 2013 continues to deliver excellent results, with 40 staff completing the program in 2015 (up from 23 in 2014).

PROSPECTS FOR 2016

With the effects of Ebola waning and the expectation that the South African visa regulations will soon be amended, we believe the 2016 prospects are positive. Inbound tourism is still not back at 2014 levels but the lower oil price and weaker exchange rate provide us with some optimism for the year ahead.

Corporate and leisure travel remains constrained and the weak exchange rate will not assist this segment. Despite these conditions, we remain confident that our focus on providing excellence in service and quality will see the business continue to outperform and increase its market share.

Financial Services remain an opportunity for growth and we will continue to look to expand this segment through organic growth and acquisition.

Despite lower results in 2015, we are confident that the group will see further growth in 2016. The fundamentals of the core businesses remain strong and acquisitions made in 2013, 2014 and 2015 have contributed to the group results.

Finally, we would like to take this opportunity to thank our Chairman, Executives, our Staff, our customers and our partners for their support, dedication and professionalism during the 2015 year.

Michael Tollman
Chief Executive Officer

David Standage
Financial Director CA(SA)
Preparer

Condensed consolidated statement of profit and loss

| | Year ended 30 September 2015 | Year ended 30 September 2014 | Change % |
|-----------------------------|------------------------------------|------------------------------------|-------------|
| R'000 | | | |
| Revenue | 926 075 | 941 396 | -2 |
| Trading profit | 74 978 | 92 990 | -19 |
| Profit for the year | 55 996 | 71 323 | -21 |
| Earnings per share | 7.04 | 8.50 | -17 |
| Diluted earnings per share | 6.91 | 8.33 | -17 |
| Headline earnings per share | 7.03 | 8.64 | -19 |

Condensed consolidated statement of financial position

| | Year ended 30 September 2015 | Year ended 30 September 2014 | Change % |
|-------------------------------|------------------------------------|------------------------------------|-------------|
| R'000 | | | |
| Total non-current assets | 408 202 | 329 788 | 24 |
| Total current assets | 636 802 | 524 091 | 22 |
| Total equity | 420 354 | 385 010 | 9 |
| Total non-current liabilities | 84 701 | 14 647 | 478 |
| Total current liabilities | 539 949 | 454 222 | 19 |

This short-form announcement was prepared by D. Standage CA (SA), the Financial Director and is the responsibility of the directors. It is only a summary of the information in the full announcement and does not contain full and complete details. The full announcement was issued on SENS on 29 December 2015 and can be found on the company's website at www.cullinan.co.za. Copies of the full announcement may also be inspected at or requested from the company's registered office at no charge during office hours. Any investment decision should be based on the full announcement released on SENS and on the company's website. This short form announcement has not been audited. Registered office: 6 Hood Avenue, Rosebank, 2196

TOUR OPERATORS



COACH CHARTER



TRAVEL SERVICES



MARINE & BOATING



FINANCIAL SERVICES



CORPORATE SERVICES

