

CULLINAN HOLDINGS LTD TOURISM AND LEISURE

REGISTRATION NUMBER 1902/001808/06 (SHARE CODE: CUL ISIN: ZAE000013710)

ABRIDGED AUDITED GROUP RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

HIGHLIGHTS

- Headline earnings up 54% for the year to September 2013 following a 61% increase in 2012 earnings compared to 2011.
- R88m in cash generated before changes in working capital with cash balances at year end rising to R206m.
- A number of new businesses launched and acquisitions successfully concluded during the year.

	2013 R'000s	2012 R'000s	%	
REVENUE	600 553	454 848	32	↑
PROFIT BEFORE TAX	75 312	50 100	50	↑
EARNINGS PER SHARE	7,85	4,95	52	↑
TOTAL SHAREHOLDERS EQUITY	325 723	190 079	71	↑
CASH GENERATED BEFORE CHANGES IN WORKING CAPITAL	88 149	61 872	43	↑
CASH ON HAND AT YEAR-END	205 939	188 599	9	↑

SUMMARY GROUP OVERVIEW

We are pleased to report an excellent group performance in 2013. Headline earnings increased by 54% on the prior year and the fundamentals of our business look strong for the year ahead. These results follow a similar performance last year, in which 2012 earnings increased by 61% on the 2011 year.

We attained our goals of increased organic growth and completed some key acquisitions in 2013. The acquisitions included both the purchase of Glacier Enterprises (Pty) Ltd for the Cullinan Financial Services Division and the acquisition of the entire tourism and travel division of Imperial Holdings Limited. The travel companies acquired comprise Springbok Atlas Touring, Springbok Atlas Charter, Eastgate Safaris, Grosvenor Tours and Silverton Travel (Pty) Ltd trading as Edusport. These acquisitions have increased the bulk of the Group and emphasise its position as a leader in travel services in South Africa and the only travel company with ground transportation, meet and greet, tour operations, retail, corporate and incentive travel services spread across the Southern African region.

RESULTS

Excluding the effect of businesses acquired in the year, sales increased by 17% on 2012, in fairly tough retail conditions. Consumer spending has not been particularly robust, and we believe that our growth has been achieved by our continued focus on service excellence and value for our customers.

Revenue growth has also been matched by effective control over expenditure during the year, leading to the growth in profit and the resultant R88m increase in cash generated before changes in working capital. R45m was re-invested in improving and increasing our coach fleet and in a new state of the art travel reservations system.

A final dividend for the year of 2 cents per share has been declared and will be paid in January 2014 and this maintains our dividend at prior year levels.

EXPANSION

As mentioned above, during the year we successfully concluded the acquisition of Glacier Enterprises (Pty) Ltd and the acquisition of the tourism interests of Imperial Holdings Limited. We are particularly pleased with the "all equity" transaction agreed with Imperial Holdings Limited for the acquisition of the latter assets.

We were also pleased with the performance of Glacier Enterprises (Pty) Ltd during 2013, since this represents the first acquisition for our newly formed Cullinan Financial Services Division.

Aside from the acquisitions mentioned, there were a number of other promising developments during the year. These include:

- the continued growth and expansion of our Inbound China Division, requiring further expansion to our offices in Shanghai, China and South Africa.
- the Ikapa Inbound tour operator and Ikapa coach charter businesses purchased in the 2012 financial year have been turned around from initially struggling performers and are now contributing strongly to the Group's overall performance.
- the opening of new offices at Chiappini Square, creating a travel centre hub in Cape Town for Thompsons Holidays, Thompsons Travel, Pentravel, Inbound China Division and Glacier Enterprises (Pty) Ltd
- the upgrade of the coach depot in Johannesburg follows the upgrade of the coach depot in Cape Town in the prior year.
- the further expansion of Pentravel with the opening of two new shops in 2013 and the decision to open a further 6 shops.
- the successful implementation of a state of the art travel reservations system will further improve efficiencies and service to our customers in our tour operating businesses.
- the expansion of the Cullinan Financial Services Division with the launch of additional niche financing businesses in bridging finance, project finance, treasury management and marine finance.
- memoranda of understandings were signed during 2013 to acquire an incentives business and a majority shareholding in a short term finance company. It is planned that these acquisitions will be completed in 2014.

REVIEW OF OPERATIONS

The Group produced an excellent performance across the board in 2013, meeting and exceeding our financial goals set for the year. It was particularly satisfying that all segments and divisions performed well and all contributed to the successful overall Group result.

Marine and Boating

We anticipate an improvement in this sector in 2014 as a result of the weaker rand and improvements implemented in 2013.

Tourism and Travel

This segment outperformed in 2013 with strong performances across the board in the Group's coach charter, inbound tourism and domestic tourism divisions.

The additional tourism units acquired during 2013 should add significant benefits in 2014 and beyond.

Cullinan Financial Services

Glacier Enterprises (Pty) Ltd exceeded its target for the year and more importantly, was the first step in developing the Cullinan Financial Services Division. This segment is expected to be a future key contributor to growth and has already expanded into bridging, marine and project finance in 2013. During the year we also entered into a memorandum of understanding with a term loan business which will add further bulk and opportunity for growth.

PROSPECTS FOR 2014

We are confident about the future growth prospects for the Group. We anticipate growth in the tourism market to Southern Africa over the next 5 years, both from Asia and other traditional markets. The fundamentals of our core businesses are strong and the new acquisitions in the tourism and travel segments are well placed to take advantage of this expected upward trend.

It is two months since we acquired the various tourism companies from Imperial Holdings Limited and we have already taken a number of key decisions which we believe will achieve a significant improvement in the performance of these business units. We remain committed to investing in and improving our various historical businesses and to maintaining our position as a market leader in the travel services sector. As such we have approved a further robust capital expenditure programme for 2014.

The Cullinan Financial Services Division is a very promising development for the Group and an important diversification from the Tourism and Leisure sector. We expect that this division will be a major contributor to growth within the Group over the next 5 years and we will continue to look for market opportunities in this niche sector.

Yours sincerely

Michael Tollman
Chief Executive Officer

David Standage
Financial Director

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement. The full announcement was released on SENS on 23 December 2013, and can be found on the company's website at www.cullinan.co.za. Copies of the full announcement may be also requested at the company's registered office, at no charge, during office hours.

Any investment decision should be based on the full announcement published on SENS and on the company's website.

TRAVEL & TOURISM

TOUR OPERATORS	COACH CHARTER	TRAVEL SERVICES

MARINE & BOATING

FIRST TO DIVE

FINANCIAL SERVICES

CORPORATE SERVICES