

# CULLINAN HOLDINGS LIMITED

## TOURISM, LEISURE AND FINANCIAL SERVICES

### AUDITED RESULTS# FOR THE YEAR ENDED 30 SEPTEMBER 2017.



#### CULLINAN HOLDINGS LIMITED IS A JSE-LISTED GROUP

Through its 24 divisions and subsidiaries, the group operates in the travel & tourism, luxury coach transportation, marine and boating and niche financial services industries.

#### OVERVIEW

We are pleased to report a strong year of growth. This is particularly pleasing as it follows a year of significant growth in 2016. Profit before tax increased by 24% to R128m (2016: R103m) and the group ended the year with R247m in cash resources (2016: R229m) after capital expenditure of R112m.

2017 saw a particularly strong performance in our inbound tourism and transport businesses. These divisions grew substantially during the year and we were particularly pleased with their overall performance. With a year of substantial growth, these businesses performed well within our service benchmarks. Our focus on service and quality of our transport fleet continues from the substantial investment in our fleet and coach facilities over the past four years.

We are also very pleased to confirm an improved performance from our local leisure and corporate travel agencies and outbound tourism businesses in 2017, despite a weakened local South African economy. The Marine business units and Trade Finance business units also operated in a challenging economic environment and have shown improved year on year results in 2017.

Whilst revenue increased in most business units, our sporting division saw a revenue decline in 2017 as there were no major sporting events in the period. This resulted in a marginal decrease in group revenue to R1.014b (2016: R1.040b).

The group gearing position remains low, which provides an opportunity to access debt should the group require. The R100m loan facility concluded with The Travel Corporation in 2014 remains in place. The group currently utilises R45m of the facility (2016: R45m). This facility was established to provide back-up funding for the Financial Services Division and The Travel Corporation have expressed their commitment to increase this facility as required. Cullinan have also allocated a substantial portion of the group's cash resources to increase the trade and other finance loan book. The Financial Services division is also actively looking for acquisitions as a bolt on to the current business units.

Looking at non-financial measures of performance, we are pleased to report that we continue to run our internal mentorship programme with a further 21 staff going through the programme in 2017 (148 staff have graduated since the programme was started). The mentorship programme is aimed at up skilling and developing employees in our group and has significantly contributed towards their personal growth and advancement.

The group is also a member of The TreadRight Foundation, established by the Tollman family to assist in achieving sustainable tourism. The TreadRight Foundation is a non-profit foundation which aims to encourage sustainable tourism through conservation, leadership and support for communities.

On the 22nd November 2017, the board received notification that its holding company, Alpine Asset Management, had made an offer to acquire 100% of the issued share capital not already held by it. Should the offer be accepted, Cullinan would become a wholly-owned subsidiary of the offeror and the Listing on the JSE would be terminated. Details of this offer can be found on the SENS release dated 24 November 2017.

#### ABOUT THIS SHORT-FORM ANNOUNCEMENT

This short form announcement ("this announcement") was prepared by D. Standage CA (SA) and is the responsibility of the directors. It should be noted that this announcement is only a summary of the information in the full announcement and does not contain full and complete details. The detailed announcement was published on SENS and on the group's website ([www.cullinan.co.za](http://www.cullinan.co.za)) on 15th December 2017. Copies of the full announcement can be inspected at or requested from the group's registered office at no charge during normal office hours. Any investment decision should be based upon the information provided in the full announcement.

#The information in this short form announcement has been extracted from the audited results for the group for the year ended 30 September 2017.

#### PROSPECTS FOR 2018

Our overall view for 2018 is mixed. We are concerned by the potential risks in the year ahead, especially in relation to the South African economy and inflation. Conversely, a weaker Rand is expected to have a positive effect on our inbound tourism, coach transport and marine and boating businesses.

We will continue to focus on being the leaders in our various businesses, providing excellent and exceptional service and value to our customers, maintaining excellent relationships with our suppliers and providing sustainable and rewarding employment for our staff.

Looking ahead to 2018, significant capital expenditure is planned for our coach fleet to ensure that the brand leadership position of our coach fleet is maintained.

We will continue to look for acquisitions in the tourism, leisure and financial services sectors while maintaining our focus on delivering exceptional service and value to our customers.

Finally, I would like to take this opportunity to thank our Chairman, directors, executives, our staff and our partners for their support, dedication and professionalism during the 2017 year.

On behalf of the board

Michael Tollman Chief Executive Officer	David Standage Chief Financial Officer	Gavin Tollman Chairman
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#### FINANCIAL OVERVIEW

Millions	September 2017 Audited #	September 2016 Audited #	% Change
Revenue	1 014	1 040	-2.5%
Profit before tax	127,8	103,3	24%
Profit for the year	91,9	71,1	29%
Headline earnings per share (cents)	11,86	8,81	34,6%
Earnings per share (cents)	11,52	8,79	31,1%
Net asset value per share (cents)	70,95	61,26	15,8%
Cash balances at year end	247	229	7,9%

## HIGHLIGHTS

Basic earnings per share **up 31%**

Profit **up 29%**  
to R92m

**R165m cash**  
generated from  
operations

Cash resources  
**increased** to R247m

R112m invested in  
**capital expenditure**

[www.cullinan.co.za](http://www.cullinan.co.za)

TOUR OPERATORS	COACH CHARTERS	TRAVEL SERVICES	MARINE & BOATING	FINANCIAL SERVICES	CORPORATE SERVICES