

CULLINAN HOLDINGS LIMITED
 TOURISM AND LEISURE
 (Registration number 1902/001808/06)
 (CUL ISIN: ZAE000013710)
 (CULP ISIN: ZAE000001947)

CONDENSED AUDITED GROUP RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2016 AND DIVIDEND
 DECLARATION

GROUP FINANCIAL HIGHLIGHTS

Revenue up by 16%
 Profit before tax up by 36% to R103.3m
 Cash generated from operations R236m (2015: R60.3m)
 Cash resources increased to R229m (2015: R108m)
 Dividend maintained at 2c for the year

Group condensed statement of financial position

	Audited Year end 30 September 2016 R'000	Audited Year end 30 September 2015 R'000
ASSETS		
Non-current assets	409 239	408 202
Property, plant and equipment	255 428	258 813
Investment properties	13 350	10 900
Goodwill	100 030	99 948
Intangible assets	20 595	24 321
Investment in joint venture	11 981	7 054
Investment in associate companies	3 152	3 732
Deferred tax asset	4 703	3 434
Current assets	728 833	636 802
Other current assets	499 139	528 171
Cash and cash equivalents	229 694	108 631
Total assets	1 138 072	1 045 004
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent		
Share capital	157 634	157 634
Reserves	38 411	23 005
Retained income	290 812	236 497
Non-controlling interest	486 857	417 136
Non-controlling interest	3 291	3 218
Total shareholders' equity	490 148	420 354
Non-current liabilities	66 796	84 701
Loans from shareholders	45 000	70 000
Other financial liabilities	500	500
Operating lease liability	9 073	5 320
Deferred tax liability	12 223	8 881
Current liabilities	581 128	539 949
Other current liabilities	581 128	539 949
Total equity and liabilities	1 138 072	1 045 004

Group condensed statement of comprehensive income

Audited	Audited
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	Year end 30 September 2016 R'000	Year end 30 September 2015 R'000
Revenue	1 040 674	894 326
Turnover	1 033 738	888 575
Cost of sales	(400 602)	(335 107)
Gross profit	633 136	553 468
Other income	35 798	31 749
Operating expenses	(569 328)	(510 239)
Trading profit	99 606	74 978
Investment revenue	6 936	5 751
Finance expenses	(5 991)	(3 923)
Fair value adjustments	710	-
Income from equity accounted investment	2 129	(857)
Profit before taxation	103 390	75 949
Tax expense	(32 267)	(19 953)
Profit for the period	71 123	55 996
Other comprehensive income:		
Gains and losses on property revaluation	(244)	-
Exchange differences on translating foreign operations	2 455	(215)
Effects of cash flow hedges	7 856	(7 856)
Total comprehensive income for the period	81 190	47 925
Profit attributable to:		
equity holders	70 318	56 321
non-controlling interest	805	(325)
Total comprehensive income attributable to:		
equity holders	80 385	48 250
non-controlling interest	805	(325)
Basic earnings per share (cents)	8.79	7.04
Diluted earnings per share (cents)	8.64	6.91

Group condensed statements of changes in equity

	Audited Year end 30 September 2016 R'000	Audited Year end 30 September 2015 R'000
Share capital		
Balance at beginning and end of period	8 548	8 548
Share premium		
Balance at beginning and end of period	149 086	149 086
Share capital reduction reserve fund		
Balance at beginning and end of period	20 876	20 876
Capital redemption reserve fund		
Balance at beginning and end of period	4	4
Foreign currency translation reserve		
Balance at beginning of period	(1 574)	(1 359)
- Reserve on translation of foreign subsidiary	2 455	(215)
Balance at end of period	881	(1 574)
Revaluation reserve		
Balance at beginning of period	870	870
- Movement for the period	(244)	-

Balance at end of period	626	870
Share-based payment reserve		
Balance at beginning of period	10 685	6 626
- Expense for the period	5 339	4 059
Balance at end of period	16 024	10 685
Hedging reserve		
Balance at beginning of period	(7 856)	-
- Movement for the period	7 856	(7 856)
Balance at end of period	-	(7 856)
Retained income		
Balance at beginning of period	236 497	196 179
Attributable profit for period	70 318	56 321
Ordinary dividend paid	(16 003)	(16 003)
Balance at end of period	290 812	236 497
Non-controlling interest		
Balance at beginning of period	3 218	4 180
- Profit attributable to non-controlling interest	805	(325)
- Dividend paid to non-controlling interest	(732)	(637)
Balance at end of period	3 291	3 218

Group condensed statement of cash flows

	Audited Year end 30 September 2016 R'000	Audited Year end 30 September 2015 R'000
Net cash inflow / (outflow) from operating activities	183 876	30 452
Net cash outflow from investing activities	(37 394)	(166 590)
Net cash (outflow) / inflow from financing activities	(25 732)	69 363
Net (decrease) / increase in cash and cash equivalents	120 750	(66 775)
Effect of exchange rate changes on cash and cash equivalents	222	(10 579)
Cash and cash equivalents at beginning of the period	108 369	185 723
Cash and cash equivalents at end of the period	229 341	108 369

Notes

1. Basis of preparation

The condensed group financial statement extracts have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The results contain the information required by IAS34 Interim Financial Reporting and are in compliance with the Listings Requirements of the Johannesburg Stock Exchange and the South African Companies Act (2008). The accounting policies and methods of computation used in the preparation of the results are consistent with those used in the annual financial statements for the year ended 30 September 2015.

2. Notes to the statement of comprehensive income

Audited	Audited
Year end 30	Year end 30

	September 2016	September 2015
Ordinary shares ('000)		
- In issue	800 173	800 173
- Weighted average	800 173	800 173
- Diluted weighted average	814 245	815 221
	R'000	R'000
Determination of headline earnings		
Earnings attributable to ordinary shareholders (Profit) / losses on disposal of property, plant and equipment	70 318	56 321
Tax effect	573	(116)
Revaluations of investment property	(160)	32
Tax effect	(710)	-
Change in capital gains tax rate	159	-
Headline earnings	331	-
Headline earnings per share (cents)	70 511	56 237
Diluted headline earnings per share (cents)	8.81	7.03
Dividends per share (cents)	8.66	6.90
	2.00	2.00

3. Segmental reporting

	Travel and Tourism R'000	Marine and Boating R'000	Financial Services R'000	Corporate Services R'000	Total R'000
30 September 2016					
Revenue	852 893	69 663	115 481	2 637	1 040 674
Trading profit	129 915	5 424	13 525	(49 258)	99 606
30 September 2015					
Revenue	709 305	63 260	121 899	(139)	894 325
Trading profit	95 596	3 237	16 325	(40 180)	74 978

Segmental reporting is aligned with the information that the chief operating decision maker reviews in order to make decisions about the allocation of resources across the business either directly or indirectly

4. Business combination

Chester Finance

On 1 October 2014, Cullinan Holdings Limited acquired the trade finance business of Chester Finance (Pty) Limited. Please refer to the 2015 annual financial statements for details of this business combination.

Annual financial statements

These group condensed financial statement extracts should be read in conjunction with the audited 2016 annual financial statements issued on the 15 December 2016. The group financial statements were prepared by D Standage, the Financial Director of the Group.

The directors take full responsibility for the preparation of this abridged report and that the financial information has been correctly extracted from the underlying annual financial statements.

Approval of annual financial statements

The annual financial statements were approved by the Board of Directors on 14 December 2016.

Audit opinion

These abridged consolidated group financial statements have been extracted from the issuer's audited annual financial statements upon which Mazars have issued an unqualified report but has not itself been audited. The annual financial statements, together with the unqualified audit report issued by the company's auditors, Mazars, is available for inspection at the company's registered office. The auditor's report does not necessarily report

on all of the information contained in this announcement / financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Annual general meeting

The annual general meeting of Shareholders will be held in the boardroom, 2nd floor, Travel House, 6 Hood Avenue, Rosebank at 10:00 on the 17th February 2017 to transact the business as stated in the annual general meeting notice forming part of the integrated annual report.

Overview

We are pleased to report a strong performance in the 2016 year. Revenue increased by 16% to R1.04b (2015: R894m) while profit before tax increased by 36% to R103.3m (2015:R75.9m). The group generated R236m (2015: R60.3m) in cash from operations, which resulted in a substantial increase in cash on hand at year-end. This reflects the improved operating performance in 2016 and improvement in working capital. The group ended the year with R229m in cash resources (2015: R108m).

2016 saw a particularly strong upturn and performance in our inbound tourism businesses. The marine division performed well and our local travel and outbound tourism businesses generally held up well despite a weaker rand and in some areas gained further market share. Forward bookings are positive and continued strength is expected in the inbound tourism market during 2017. We have also seen an upturn in some of our local and outbound tourism businesses in the latter part of 2016.

Looking at non-financial measures of performance, we are pleased to report that 21 participants graduated from our internal mentorship programme in 2016 (148 graduates have graduated since the program was started). The mentorship programme is aimed at upskilling and developing employees in our group and has significantly contributed towards their personal growth and advancement.

The group is a member of The Treadright Foundation, established by the Tollman Family. The Treadright Foundation is a non-profit foundation which aims to encourage sustainable tourism through conservation, leadership and support for communities. Some of its many programmes are focused on preventing the destruction of endangered species, such as rhino, sharks and lions. The foundation also supports a number of community projects amongst its various other projects.

Our IT systems have performed well during the year and we expect to see a further positive impact from these new developments in 2017.

Our financial services division was impacted by the effects of a weaker local economy in 2016, but we have seen an improvement in business levels over the past 3 months. As a result, we are confident that we will continue to see an upturn in this division during 2017.

The group gearing position remains low, which provides 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 (2015: R70m) which was established to provide back-up funding for the financial services division.

It is however with sadness that I need to report that two non-executive directors passed away during the year. Mike Ness served on the Cullinan board for 14 years and Sindiswa Nhlumayo for 5 years. Their contribution will be greatly missed. In addition, Ami Azoulay resigned as a non-executive director after 5 years and we would like to take this opportunity to thank him for his contribution during that period.

As a result of the above, the company appointed Mervyn Burton and Anita Mendiratta as Independent non-executive directors and Lance Tollman as an executive director. We welcome these experienced new directors to our board and look forward to their contribution in 2017.

Looking ahead to 2017, 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 and financial services sectors while maintaining our focus on delivering exceptional service and value to our customers.

We are optimistic about the prospects for 2017 although the requirement for visitors to South Africa to produce unabridged birth certificates for minors continues to have a negative impact on the South African inbound tourism sector and remains a concern.

Declaration of Final Dividend No. 138

The Board is pleased to announce the declaration of a final dividend of 1 cent per ordinary share in respect of the year ended 30 September 2016.

The dividend will be subject to the Dividends Tax that was introduced with effect from 1 April 2012. In accordance with the provisions of the Listings Requirements of the Johannesburg Stock Exchange, the following additional information is disclosed:

- the dividend has been declared out of income reserves
- the local Dividends Tax rate is 15%
- the gross local dividend amount is 1 cent per share for shareholders exempt from Dividends Tax
- the net local dividend amount is 1 cent less 15% per share (0.85 cents per share) for shareholders liable for Dividends Tax
- Cullinan has 800 173 385 ordinary shares in issue
- Cullinan's income tax reference number is: 9130 002 60 4

The following dates are applicable to the dividend:

The last day to trade in order to be eligible for the dividend will be Tuesday, 17 January 2017.

Shares will trade ex-dividend from Wednesday, 18 January 2017.

The record date will be Friday, 20 January 2017 and payment will be made on Monday, 23 January 2017.

Share certificates may not be dematerialised or rematerialised between Wednesday, 18 January 2017 and Friday, 20 January 2017, both days inclusive.

We would like to take this opportunity to thank our board, executives, our staff and our partners for their support and for a great effort and contribution during the 2016 year.

On Behalf of the Board

M Tollman
Chief Executive Officer
15 December 2016

D Standage
Financial Director

Auditors
Mazars were re-elected as auditors in 2016.

Company secretary
B Allison

Sponsor
Arbor Capital Sponsors (Pty) Limited
(Registration number 2006/033725/07)

Registered office
6 Hood Avenue, Rosebank, 2196

Directors
Executive: M TOLLMAN, LA PAMPALLIS, DK STANDAGE, L TOLLMAN
Non-Executive: G TOLLMAN (Chairman) #, DD HOSKING #, R ARENDSE*, M BURTON*, A MENDIRATTA #*
Non Resident *Independent

Transfer secretaries

Computershare Investor Services (Pty) Limited,
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(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)
(CUL ISIN: ZAE000013710)
(CULP ISIN: ZAE000001947)