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## **CULLINAN AND THEBE MERGE TOURISM INTERESTS**

*Empowerment deal results in the formation of the largest black empowered entity in the tourism and leisure industry*

**8 May 2006** – Cullinan Holdings Limited (“Cullinan”), listed on the JSE Limited, today announced the details of its tourism deal with Thebe Investment Corporation (Pty) Limited (“TIC”), South Africa's oldest black economic empowerment company.

In terms of the announcement, Cullinan will acquire Thebe Tourism Group (Pty) Limited (“TTG”) a group company of TIC - in exchange for new shares in Cullinan. The two businesses – TTG and Cullinan – will be merged to form an enlarged group focused on tourism and related activities with significant shareholding and involvement by Thebe. The transaction will result in TTG shareholders holding not more than 25% of the issued equity in Cullinan, subject to regulatory approval.

Vicki Tollman O' Hana, the majority shareholder in Cullinan via Travcorp said that the merged entity will be a truly integrated tourism business. “Not only are the TTG and Cullinan businesses complementary, therefore expanding the platform from which the company will grow, but Thebe's involvement will add substantial value in positioning and expanding Cullinan.” Tollman O' Hana further added that the acquisition of TTG is also complementary to the recently announced acquisition of Hylton Ross, the major coach company in the Western Cape.

Describing the significance of the transaction, TIC Chairman Vusi Khanyile, says, “Since inception seven years ago Thebe Tourism Group has experienced tremendous growth and has become one of the few established players in the industry with operations over four continents, investments in business and leisure tourism, travel-related retail outlets, financial services and assets in leisure destinations. This deal creates an important milestone for us because the enlarged group is now one step closer to becoming the number one player in the tourism industry. As this will be Thebe's only listed investment at this stage we look forward to playing our role in a listed company; trusting that our involvement with the company will bring value to all shareholders.”

CEO of Cullinan, Anton Thompson explained that by integrating the Thebe and Thompson branded entities into the Cullinan stable, the additional diversification in product and service offerings, as well as depth in resources, means the enlarged group will be able to participate in tourism spend across a broader spectrum. He further added that he will be working closely with TTG CEO Jeff Squire to grow the existing client base and develop other tourism opportunities globally and on the African continent. Cullinan is already a market leader in both in-bound and out-bound tourism in SA.

The tourism and leisure sector holds enormous growth potential. The South African government has identified tourism as a key growth sector for the economy in terms of both job creation and influx of foreign expenditure, and aims to attract 10 million foreign tourists a year by 2010. South Africa currently ranks among the top ten travel destinations in the world, according to the 2005 figures published by iExplore. This is a six-position jump from its previous number 14 ranking last year; and is the first time that South Africa has cracked the top-ten iExplore list.