

6 August 2014



ASX Release

CTM announces further USA Expansion

Corporate Travel Management Limited (CTM, ASX code: CTD), today announced the acquisition of Avia International Travel (Avia), a travel company based in Houston, Texas effective 1 September 2014.

CTM's strategic rationale behind the acquisition:

- **Geographic Strategy** – Houston is one of the biggest travel markets in the world and Avia will bolster our presence in Houston and Texas generally.
- **Specialist in the Oil & Gas and Marine sectors** – Avia has specialist resources, technology and fares specifically for this market. Their expertise further complements our strong value proposition to this sector particularly in Australia, Singapore, Texas and Alaska.
- **Strategic Alignment** – Avia meets CTM's strict acquisition criteria. They are a leader in corporate travel in their region, specifically to the Oil & Gas and Marine segments, enjoy high staff and client retention, and have a capable and passionate management team.
- **Scale** – CTM's combined North American TTV for FY15 will be in excess of USD\$500m, allowing us to become a more significant player in the North American market. CTM now operates out of 17 cities across 7 states in North America.

Managing Director, Jamie Pherous said, "We are delighted to have Avia become part of the CTM team. It possesses all the qualities that we look for, having a great service reputation, a dedicated team and great "hands on" management. The combination with our successful and well established offices throughout the USA will allow us to better leverage our combined buying power, client facing solutions, and support expertise moving forward."

The President of Avia, Antonella Ballatori said, "The opportunity to become a part of the wonderful team that CTM has built will allow us to enhance our product and service offering to our many clients. By expanding our global reach as part of CTM, Avia will add new opportunities to network both US and international clients and work with the other CTM offices to support their US based clients as well. Our employees will see new and exciting career opportunities evolve as a result of our future growth initiatives."

"CTM has a unique culture of empowerment which has a significant benefit in allowing us to continue to be creative and responsive in our effort to provide our clients with enhanced, customized travel solutions."

Both Antonella Ballatori and COO Matt Forestieri have elected to take ownership in CTM.

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Corporate Travel Management Group Pty Ltd – Brisbane ABN: 52 005 000 895 Licence No.: 854
27A / 52 Charlotte Street, Brisbane QLD 4000 PO Box 12005 George Street, Brisbane QLD 4003
Telephone: +61 7 3211 2400 Facsimile: +61 7 3229 7522 www.travelctm.com



Financial considerations:

- Base consideration is USD\$4.125m, being a mixture of cash and CTD shares, which represents approximately 5.5 times 31 December 2013 Profit before tax (PBT) of USD\$0.75m.
- An additional cash earn-out component applies for outperformance in profit growth.
- The acquisition will be funded entirely from current CTM cash reserves.
- The acquisition is EPS accretive and is a strong fit for CTM's longer term strategy to continue to expand in the North American market.

About Avia:

- Operating for over 17 years situated in Houston, Texas.
- Predominantly corporate business, employing approximately 40 staff with a strong niche in the Oil & Gas and Marine sectors
- Annual sales volume of approximately USD\$50m at 31 December 2013.

FY15 Guidance update:

CTM will provide FY15 guidance at the release of our full year FY14 results on Thursday 28 August, 2014.

About CTM

CTM is an award-winning provider of innovative and cost effective travel management solutions to the corporate market. Its proven business strategy combines personalised service excellence with client facing technology solutions to deliver a return on investment to clients.

Headquartered in Australia, the company employs over 1,500 FTE staff globally and operates out of 37 cities in 15 countries across Australia, Asia, North America and New Zealand.

For Media enquiries please contact marketing@travelctm.com

For Investor Relations please contact allison_dodd@travelctm.com or +61 7 3210 3354

