

28 April 2016

Company Announcements

ASX

Via ASX Online

#### **CTI LOGISTICS LIMITED – TRADING UPDATE**

CTI Logistics Limited advises that, while the full year profit will exceed the previous year with the inclusion of the contribution from the sale of a property reported in the first half, the underlying profit from operations has continued to deteriorate through the third quarter, due to the continuing severe downturn in business activity in the Western Australian economy, and the resultant decline in volumes across the courier and general freight markets. The impact of the downturn in activity has been compounded by competitive pricing and margin pressures. Warehousing has also been adversely affected by a general weakening in demand, together with significant costs associated with the drawn out implementation of a new distribution model and warehouse management system for a large client. Revenue from the Western Australian client base is down 16.5% for the nine months, compared with the previous corresponding period.

Group EBITDA from operations for the first nine months is down 17.8% compared with the previous corresponding period.

The Company has commenced a program of cost-saving initiatives to adjust to the lower levels of activity. At the same time, three non-core properties are on the market, with possibly another two to follow and the Company is searching for opportunistic acquisitions which may arise in this economic environment.



David Mellor  
COMPANY SECRETARY