

21 July 2016

Company Announcements
ASX

Via ASX Online

CTI LOGISTICS LIMITED – TRADING UPDATE

Further to the 28 April trading update, CTI Logistics Limited advises that the Company has executed unconditional offers for the sale of two non-core properties placed on the market. The sale proceeds totalled \$5.2 million and realised a surplus over book value and sale costs of \$2.9 million. The proceeds from the sale of these properties will be used to reduce debt.

The transactions have crystallised capital losses from a prior period which are expected to eliminate the tax payable in respect of the property sales for the 30 June 2016 financial year including the income tax expense of \$2.4 million provided against the sale of Bibra Lake property in the December half year.

The completion in early August of the expansion of the Hazelmere warehouse facility will double the warehouse capacity at the site to 26,500 sqm.

While trading conditions continue to be difficult, group EBITDA from operations for the year is expected to be in line with the guidance issued in April.

A cost reduction review is well advanced and initiatives undertaken to date equate to an annualised saving in excess of \$2.5 million.

Revenue for the full year from the Western Australian client base has improved marginally from the expected position outlined in the April guidance.



David Mellor
COMPANY SECRETARY