

**NZX RELEASE**

13 June 2016

## **FLIWAY CUSTOMER LOSS UPDATE**

Fliway Group Limited (NZX:FLI) advises that it has been informed by one of its larger customers that following a competitive tender process, the customer has decided to consolidate all of its transport and logistics requirements with another one of its existing service providers.

The work is expected to transition from August 2016.

This is a material customer for Fliway and, while there will be no impact on the FY16 results for the 12 months ended 30 June 2016, at this stage there is expected to be a significant impact on the FY17 revenue and earnings as a result of this customer loss. The customer contributes between 4 and 5% of Fliway's total revenue and management estimates that after mitigation the impact at an EBITDA<sup>1</sup> level could approximate 10% of Fliway's FY16 EBITDA.

While Fliway is very disappointed to have not been successful in retaining this customer's business, management will continue to seek to win contracts with new customers. We will also work closely with our existing network of over 1,000 customers built up over the past 40 years. Targeted areas of cost reduction will be considered in order to minimise the financial impact of this customer loss, but only where there is no impact to service for our customers.

The result for the 12 months to June 2016 will be announced in late August 2016.

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<sup>1</sup> EBITDA is earnings before interest, tax, depreciation and amortisation and is a non-GAAP measure. The Board and management believe this is an appropriate measure of the company's financial performance.



## **ABOUT FLIWAY**

Listed on the NZX Main Board (NZX:FLI), Fliway is one of New Zealand's largest fully integrated logistics providers. We offer seamless global supply chain solutions – from international freight to warehousing, and domestic delivery to businesses or the home. We have a great team of over 400 people, backed by a strong network of global partners, built off an extensive New Zealand footprint. For more information visit [www.fliway.co.nz](http://www.fliway.co.nz).