

CTM listing aims for December lift-off

Tony Grant-Taylor

CORPORATE Travel Management, founded by former Ernst & Young accountant Jamie Pherous and chaired by former Queensland Treasury boffin Tony Bellas, is to raise \$21.7 million and list on the stock exchange.

CTM, founded in 1994, will be worth just over \$70 million at the \$1-a-share offer price – and Mr Pherous, currently the group's largest shareholder, will retain 37.8 per cent of the company, worth \$26.56 million at that price.

CTM employs more than 300 staff and has offices in Brisbane, Sydney, Melbourne, Perth and on the Gold Coast.

Mr Bellas said the group had grown to become "Australia's largest privately owned corporate travel management company, with projected sales of \$491 million for the 2011 financial year".

"CTM has demonstrated a strong track record of earnings growth, achieving 16 years of organic sales growth complemented by four successfully integrated acquisitions," Mr Bellas said.

He said that over the past five financial years, CTM had recorded compound annual growth in earnings before interest tax, depreciation and amortisation of 30 per cent, notwithstanding the global financial crisis.

He added that "given (its) strong opportunities for growth, CTM had forecast 40 per cent total travel value growth and 112 per cent net profit after tax growth in 2011".

Mr Bellas noted that the management team, including the managing director, Mr Pherous, remained committed to the company.

"Jamie Pherous is not selling any CTM shares into the float," he said.

The offer, which closes on December 7, is fully underwritten by RBS Morgans Corporate. It is expected to list on December 15.



FULLY COMMITTED: Corporate Travel Management co-founder and managing director Jamie Pherous.

Tiger hunts a base

TIGER Airways has flagged establishing a new Australian base for aircraft and crew, as the low-cost carrier expands its operations.

Tiger Airways group chief executive Tony Davis said the airline would "inevitably" base airplanes and crews beyond its current base of Adelaide and Melbourne's Tullamarine and Avalon airports.

"We are talking to airports and state governments right now with a view to announcing some more bases in the coming year," Mr Davis said from Singapore.

Tiger said recently that

Brisbane-Sydney flights would start next February.

Mr Davis said Tiger's policy was for its crews and aircraft to return to their home base at the end of each day in a bid to reduce costs.

Also yesterday, Qantas Airways revised downwards its expectations of capacity increases for the first half of this financial year.

Qantas's most recent estimate, issued at the airline's full-year results in August, was for a 9.6 per cent lift in capacity. Qantas shares rose 4¢ to \$2.87.

Jordan Chong

BAC profit soars 24%

HEFTY carparking fees helped Brisbane Airport Corporation improve its full-year profit by 24 per cent.

BAC posted a net profit of \$81.7 million for the year to June 30, up from \$66.1 million the previous year, on the back of revenue growth of almost \$42 million, to \$424.4 million.

Landside transport revenue – or carparking – amounted to \$81.2 million, or 19 per cent of the total (roughly the same percentage as the previous year).

Aeronautical revenue was the biggest money spinner, kicking in \$155.5 million, or 37 per cent of the total.

Retail revenue was \$54.5 million. A record 19.4 million people passed through the airport, with international passenger numbers up 1 per cent and domestic up 1.1 per cent.

BAC managing director Julieanne Alroe said that, despite "weaker than expected passenger growth, BAC's performance... was nevertheless resilient". She attributed strong revenue growth of 11 per cent to solid performances by BAC's carparking and property businesses and aeronautical price increases.

Louise Brannely