

## **ASX ANNOUNCEMENT: CUP**

Monday, 2 May 2016



# **Update to recent CUP Share Price**

In view of the recent weakness in the CUP share price, Countplus Directors provide the following market update.

The Company has previously advised the market that we are progressively restructuring the business model over a three year period and this may negatively impact earnings and EPS in the short term. Apart from recent selling by one shareholder, which we expect to be exhausted shortly, the Company is unaware of any other reason for the current decrease in the CUP share price.

The Board remains committed to these restructuring initiatives and establishing an improved platform for alignment of the interests of the Principals and all shareholders.

Further strategic business divestments are expected at the end of this financial year. Over time we expect to reinvest the proceeds in new investments. If the current market price weakness continues the Board will give consideration to capital management initiatives including a possible on-market buyback of CUP shares.

CUP continues to pay a quarterly 2 cent fully franked dividend (or 8 cents pa) which is reviewed every 6 months in conjunction with our financial results.

Our investment in Class Limited closed at a record price on Friday, 29 April and now represents over 20% of the valuation of CUP. If this value is maintained at 30 June 2016 we will be reporting a large revaluation increment which will boost CUP operating results.

The Board expects that CUP will report some impairments in the normal course of reviewing the underlying trading performance of our businesses which are likely to offset some of these gains.

Based on CUP trading results to date, which will be greatly assisted by the Class uplift (subject to the current Class share price being maintained), we expect CUP full year net profit after tax and EPS to not be materially different from last year's results, if not marginally higher.

**For further information please contact:**

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