



4 October 2012

MEDIA STATEMENT

FOLLOWING LOSS OF LVCR, CONDOR GROUP TO CLOSE LOGISTICS BUSINESS

Condor Group has announced that it is entering into a consultation with staff at Condor Logistics in Jersey and at other locations about a plan to close the Logistics division which employs around 50 people in Jersey.

The logistics market throughout the U.K. and the Channel Islands has suffered greatly as a result of the recession, with a marked reduction in demand for haulage services, caused by the economic downturn.

In addition the volume of shipments between the UK and Channel Islands has declined substantially since the loss of Low Value Consignment Relief (LVCR) in April 2012. Historically, Condor Logistics has been very active in the e-fulfilment sector and consequently has been particularly badly affected. The demise of the e-fulfilment market has caused a contraction in the market for freight haulage services as well as consolidation amongst the existing operators.

Condor Logistics' trading volumes have fallen below a sustainable level in a sector which is greatly oversupplied, meaning that the Company has made significant losses in recent months.

Ken Soar, Condor Group Director, said:

"We have taken the difficult decision to start this consultation with our employees about the closure of Condor Logistics after very careful consideration and only when many other options have been taken into account. We are keenly aware that this will cause anxiety to our colleagues working in the Logistics division in Jersey and we are committed to support them at this difficult time.

Condor Group is offering Condor Logistics employees redundancy packages which exceed the statutory requirements plus a range of support services to help them find new jobs. Where possible, staff will be able to apply for jobs elsewhere in Condor Group.

We are refocusing the business on our core activities operating lifeline ferry and shipping services and these are not affected by this announcement."

These consultations do not affect Condor Ferries.

-ENDS-

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About Condor Group

Condor Logistics

Condor Logistics is part of Condor Group and provides freight forwarding and logistics services between the Channel Islands and the U.K from depots in Portsmouth, Solihull, Jersey and Guernsey.

The company's services include secure warehousing, inventory management, groupage, single pallet, multi pallet and bulk trailer consignments. The company employs approximately 180 people, with some 110 based in the U.K., and circa 70 across the Channel Islands.

Condor Ferries

Condor Ferries was founded in 1964 and initially operated a passenger service between France and the Channel Islands. In 1987 the first service linking the Channel Islands with the UK was launched and since then Condor Ferries has operated a year-round service connecting the UK through Poole, Weymouth and Portsmouth, the Channel Islands through Guernsey and Jersey and the ports of St Malo and Cherbourg in France.

Condor Ferries operates Condor Vitesse, Condor Express, and Condor Rapide fast cat ferries. In 1999 Commodore Clipper, a conventional car, passenger and freight carrying vessel was introduced to the fleet to offer an all weather, year round service. Each year Condor Ferries carries more than 1 million passengers and 200,000 passenger vehicles.

Condor Ferries also operates Commodore Goodwill, as a freight only vessel. The Condor Ferries fleet carries 100,000 freight vehicles into the Channel Islands each year as well as exporting tonnes of local produce.

Condor Ferries is also an active member of the communities within which it operates and supports numerous organisations, sports and charities through sponsorship and travel.

More information about Condor Ferries and its services is available at www.condorferries.com.