



ASX RELEASE

Cabcharge to divest CDC Bus Joint Venture stake for \$186m

- **Cabcharge has reached an agreement to sell its 49% stake in CDC to partner ComfortDelGro for \$186 million subject to FIRB approval**
- **Net proceeds of \$183 million including loan repayment - dependant on final capital gains tax assessment and other sale adjustments**
- **Improved efficiency of balance sheet and capacity to make strategic investments**
- **The Board is evaluating the most effective use of the net proceeds**
- **Completion of sale expected late February 2017**

21 December 2016 – Cabcharge Australia Limited (“Cabcharge”) today announced the sale of its 49% interest in ComfortDelGro Cabcharge Pty Ltd (“CDC”) to its joint venture partner ComfortDelGro Corporation Limited (“ComfortDelGro”). CDC is Australia’s largest private bus business.

Over the past two years, Cabcharge management has taken significant steps to position the company to compete and grow in the personal transport market. These steps included a comprehensive strategic review in which CDC was identified as a non-core asset.

The sale consideration for Cabcharge’s 49% interest in CDC is \$186 million. Net proceeds after final capital gains tax assessment, transaction costs and the repayment to Cabcharge by CDC of \$18.8 million in loans are expected to be \$183 million. Cabcharge expects the sale to complete in late February 2017.

Chairman Rick Millen said: *“The sale of Cabcharge’s stake in CDC is an important strategic milestone for the company and monetises the value of a minority interest in a non-core asset that was not returning cash to Cabcharge. The Board is evaluating the most efficient use of the net sale proceeds. Priority will be given to reducing Cabcharge’s debt, and positioning the company to invest further in growth initiatives that enhance passenger and driver experience. The Board intends to distribute available surplus net proceeds to shareholders and will consider the options to achieve this before providing further detail on completion of the sale.”*

Chief Executive Officer Andrew Skelton said: *“The personal transport sector has undergone enormous change – both regulatory and competitive – and we expect the Australian personal transport market will continue its upward trajectory as population, mobility and tourism continue to grow.*

“We know that to capture the tail winds of this growing market, in terms of both trips and electronic payments, we must evolve and invest. The transaction allows us to make strategic investments that will reward our shareholders over the long term.

“We are proud to hold the leading position in a growing industry, and while we acknowledge that there is still work to do, we are excited by the size of the opportunity and the significant progress we’ve made in transforming our business.



“Over the last year we’ve consolidated our brands under 13CABS and Silver Service and announced two-tap bookings via our apps, bringing us into line with global best practice taxi and rideshare technology. We’ve also launched handheld payment terminals for drivers, new payment products for Cabcharge clients and are supporting taxi operators to expand their provision of services into private hire this financial year. We look forward to keeping our shareholders updated on our progress as we move quickly to deliver on our strategic objectives.”

The sale consideration of \$186 million implies a historical EV/EBITDA multiple of 6.5 times for the minority interest in CDC.

As at 30 June 2016, Cabcharge’s interest in CDC had a carrying value of \$252 million out of total assets of \$531 million and in FY16 contributed \$14.5 million to Cabcharge’s profit after tax. The interest in CDC did not contribute to Cabcharge’s reported revenue.

Following the sale of CDC, Cabcharge will remain the market leader in non-cash taxi fare processing and will continue to have the largest taxi fleet in Australia. At 30 June 2016 Cabcharge had 7,448 cars in its affiliated fleet and processed more than \$1 billion in taxi fares in FY16. Cabcharge terminals operate in approximately 21,570 taxis throughout Australia.

Macquarie Capital acted as financial adviser and Herbert Smith Freehills acted as legal adviser to Cabcharge.

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