



ASX RELEASE

Market Update

Update on CDC sale

Cabcharge Australia Limited ("Cabcharge") today confirms the sale of its 49% equity interest in CDC is progressing to anticipated completion in late February. Consistent with the Company's previous ASX announcement on 21 December, Cabcharge anticipates receiving net proceeds of \$184 million after final capital gains tax assessment, transaction costs and the repayment of a loan¹.

Cabcharge intends to distribute a majority of net proceeds to shareholders and will provide additional information with the release of 1H17 results on 24 February 2017.

Non cash impairment charges

As part of its period end review process, Cabcharge has recognised a \$20.7 million impairment charge on its 49% stake in CityFleet Network UK ("CFN"), reflecting deterioration in CFN's trading profit in the period since August 2016. The carrying value of CFN after the impairment charge will be \$21.7 million of which \$11.5 million reflects cash balances held by CFN.

Taxi plate licence income is continuing to adjust following regulatory reforms announced by some States during 2016. Cabcharge has increased the risk weighted discount rate for its portfolio of taxi plate licences to reflect this continuing uncertainty on future income level in those States. As a result, Cabcharge will recognise impairment charges of \$7.9 million relating to its portfolio of taxi licence plates. Current annual cash income on the portfolio is \$5 million and the carrying value after the impairment charges is \$33.3 million.

Cabcharge chief executive Andrew Skelton said: *"We are maintaining our focus on changing the shape of our business as we trade through a period of regulatory reform which will continue to rebase service fee income and plate values. The fundamentals of the personal transport market remain strong and management is focused on transforming the company's core business in payments technology and passenger service. In the context of an underserved market, we are actively looking at ways to improve service, cut waiting times and grow our quality fleet of affiliated vehicles."*

For further information call
Lauren Thompson +61 438 954 729

¹ CDC will repay a loan (from Cabcharge to CDC) of \$18.8 million as part of the transaction. Cabcharge is anticipating a capital gains tax expense of \$18.8 million. The carrying value of Cabcharge's 49% interest in CDC was \$262 million on 21 December 2016.