



ASX RELEASE

Annual General Meeting – 21 November 2017

Attached is a copy of the Chairman's Address which will be delivered today at the Annual General Meeting of Cabcharge Australia Limited held at The Westin Sydney.

Adrian Lucchese
Company Secretary

**Chairman's Address
Annual General Meeting
Tuesday 21 November 2017
The Westin Sydney**

Year in review

When I considered becoming a Director of Cabcharge earlier this year I was immediately attracted by the challenges and opportunities facing Cabcharge in the growing market for personal transport across Australia. Our Company is addressing regulatory changes and dealing with the emergence of new competition. I have worked in highly regulated industries and within those restricted environments, been successful in building and growing technology based businesses. I have been part of and also battled against technological disruptors and believe I am in an ideal position to guide Cabcharge through the evolution of the Australian private transport sector.

Cabcharge provides critical payments processing technology and taxi network services to the taxi industry, giving it a strong competitive position in a market that is undergoing significant evolution. That's an exciting place to be.

It has been almost three years since the Company began a transformation program under the leadership of CEO Andrew Skelton. This program was designed to meet structural challenges head-on and build a more agile business capable of taking advantage of new opportunities in the growing personal transport sector.

Even over the nine months since I was appointed to the role of Chairman, the change agenda that our Company has pursued has been significant.

As we move into 2018, your Board and Management team remain focused on leveraging its advances in both payments and booking technologies – not to mention the changing trends and growth of the personal transport sector driven by population growth, urbanisation and consumer expectations – and are pursuing our strategy with conviction and at great pace.

During the year we divested non-core businesses, returning an 80 cents per share special dividend to our shareholders. The successful execution of this strategy has simplified our business, provided a strong and flexible balance sheet with which to invest for growth and allowed us to focus our attention on our core Payments and Networks businesses.

We also announced the acquisition of Yellow Cabs in Queensland, further broadening our network in line with our objective to become a truly national service provider to Passengers, Drivers and Taxi Operators.

Andrew will provide you with a detailed operational update of your Company's performance, but let me summarise at a high level.



Cabcharge made a net profit after tax from continuing operations of \$21.3 million (calculated on an underlying basis) for the year to 30 June 2017. This was down 24.9% from the prior year, primarily reflecting lower service fee income from taxi payments which, as you know, has been flowing through the business over the past few years as State based regulatory changes to payment processing fees were gradually introduced.

On a statutory basis, your Company reported a net profit after tax from continuing operations of \$13.7 million, up 33.3%.

The Company's cash flow remained resilient, notwithstanding significant regulatory change and aggressive competition and we ended the 2017 financial year with a strengthened balance sheet and net cash of \$25.8 million.

The divestment of our non-core businesses – ComfortDelGro Cabcharge and CityFleet Networks – delivered total proceeds of over \$220 million. These were used to repay debt, acquire the Yellow Cabs business in Queensland and reward our shareholders with the 80 cents special dividend. The total dividends received by shareholders this year was a fully franked \$1 per share and comprised the 80 cent special dividend paid in April together with an interim ordinary dividend of 10c and a final dividend of 10c per share declared in August and paid in October.

Strategy

The market for personal transport continues to grow and your Board believes there are significant opportunities for a well-resourced, profitable and established participant like Cabcharge to play an important role in the future of transport in this country.

Excellence in customer service and experience underpinned by enhanced technology seamlessly improving the user experience is a major focus of Cabcharge. Coupled with your Company's increased marketing sophistication, this will provide a solid platform for future growth.

We believe in Cabcharge's growth strategy and are confident management is taking the necessary action to simplify the business, expand investment in our key revenue streams and explore new opportunities. Cabcharge's strategy is designed to support our vision to be the preferred provider of personal transport services in Australia.

Board and Executive Renewal

The Board will be asking you to vote on the election and re-election of Directors to serve you. As I mentioned earlier, I joined the Cabcharge Board some nine months ago and am energised by the opportunities that lie ahead.

But more broadly, to meet the challenges of the changing landscape in the personal transport sector your Board has undertaken a process of renewal during the past year. Louise McCann and Clifford Rosenberg were appointed to the Board as Non-Executive Directors in August 2017. Today they stand for election. Their skills and experience, particularly in the areas of marketing and technology, will enhance your Board's ability to carry out its mandate and contribute to the strategic direction of the Company.



Rick Millen, who ably served as Chairman from last year's Annual General Meeting until my appointment in February, is also seeking re-election this year.

The Cabcharge Board now includes six Non-Executive Directors, five of whom have been appointed in the last five years.

Donn McMichael has advised the Board that he will retire on 30 June 2018. Donn has served as a Director of your Company for over 21 years, providing deep and valuable taxi-industry knowledge. On behalf of Cabcharge shareholders and the Board, I sincerely thank Donn for his significant contributions and the knowledge and insights that he has imparted to the new directors through the Board renewal process. I look forward to serving alongside Donn until financial year end.

I would also like to briefly make note that renewal at Cabcharge in recent years has not been limited to the Board. There have been significant efforts to restructure the management team to provide your Company with the skills and fresh perspectives required for it to effectively compete in the evolving and growing personal transport sector.

On behalf of the Board and before I hand over to Andrew, let me express my gratitude to the entire Cabcharge team for its relentless pursuit of our aggressive change agenda. The focus and dedication of the team has enabled your Company to enter the current financial year with a strong and flexible balance sheet, viable strategies, and a powerful team and suite of technologies to drive our future growth.

Our people are highly motivated and well equipped to continue to deliver exceptional service to our customers and to build value for you, our shareholders.

Paul Oneile
Chairman