



**ASX RELEASE**

**Annual General Meeting – 21 November 2017**

Attached is a copy of the CEO and Managing Director'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



**CEO and Managing Director's Address  
Annual General Meeting  
Tuesday 21 November 2017  
The Westin Sydney**

We successfully completed a series of major transactions during the last 12 months. The transactions concluded our 3 year program of repositioning the balance sheet through the sale of non-core assets that were not generating cash for our shareholders. During that 3 year program we maintained consistent full year dividends of 20c per share fully franked. The transactions enabled us to pay Shareholders, in addition to the 20 cent full year dividend for FY17, an 80 cent special dividend in April this year, again fully franked.

With the 3 year program of work concluded, Cabcharge is now positioned for growth with a focused business and a strong and flexible balance sheet. Cabcharge is in a net cash position.

One of the major transactions we executed is about growth. In a substantial step forward for the Company, we acquired Yellow Cabs, the largest taxi network in Queensland.

In addition to executing transactions, we accomplished a number of important operational achievements during the 2017 Financial Year.

- We completed the largest ever roll out of Cabcharge technology, the FarewayPlus device, into more than 20,000 taxis throughout Australia.
- We built and launched a completely re-engineered Cabcharge account offering with customizable FASTCARDS and eTICKETS, supported by a sophisticated administration portal that leverages real time data.
- We designed and released Spotto and Giraffe – handheld payment terminals specifically for Drivers in NSW, Victoria and Queensland.
- We initiated new business opportunities for Taxi Operators and Drivers with the extension of private hire offerings in Victoria and South Australia.
- We delivered 14 upgrades to our booking apps, including 13CABS
- We initiated new Driver Training activities and introduced fresh new uniforms for Drivers.
- We welcomed more than 6,000 new Drivers to our networks.
- And we moved into new premises in Newcastle, enabling us to provide better service for Drivers and Taxi Operators.

The team is energized, hard at work, and we acknowledge and are grateful for the patience and support of shareholders during our transformation. In light of what's been achieved so far, it is also fitting to acknowledge and thank our industry partners and stakeholders – especially ComfortDelGro - whose cooperation and vision made the transactions possible. And, of fundamental importance, we remain grateful for the ongoing support of Drivers, Taxi Operators and Taxi Networks throughout

Australia and promise to maintain our recent momentum in improving how we engage with and serve you in the years ahead.

A little more than a year ago we committed to a 5 year strategy that is guiding our journey to be Australia's leading personal transport business. Service excellence and strengthened engagement with Passengers, and with Drivers, are key tenets of our Strategy, both of which are being powered by enhancing our capabilities in technology and in marketing. Commitment to our Strategy is proving valuable, because as fast as we are changing on the inside, the world around us keeps changing too.

Since 2014 regulatory changes on the payments side of the business have rebased our revenue expectations, and last month Queensland became the most recent State to apply price restrictions on service fees. For taxi networks, new legislation and a raft of regulatory changes are reshaping the personal transport value chain and imposing additional requirements on a number of participants, including us. There remains a significant disparity between jurisdictions when it comes to opportunities to expand and grow the relevance of the taxi industry, with the New South Wales Government continuing to reduce the size of the taxi fleet in Sydney despite the growing demand for the service we provide and a waiting list of Operators ready to invest. And competition is relentless. There's an endless supply of virtual taxi companies and apps. Think Uber, Grab, Karhoo, Flywheel, Ola, AsterRIDE, Shebah, Ingogo, GoCatch and Taxify. Most will arrive with a bang. Many will shrivel and die. Others we expect to battle for a while yet.

Demand is growing and opportunities for growth are a feature of the current landscape. Our industry is being challenged in a number of ways, most significantly by regulation and Uber. We are fortunate to have a leading position in the taxi industry. We are fortunate that the taxi industry serves Passengers seeking paid personal transport, and that the demand for paid personal transport is growing. To strengthen the role that the taxi industry plays in this growing market in Australia our strategy and energy are being applied across the entire enterprise.

In August, we advised shareholders that we are increasing our investments in technology and marketing by an additional \$8 million this year, above and beyond our historical spend. The additional cost, \$6 million after tax, will directly impact our profit in FY18, as will the \$3 million impact of rebased service fee revenue in Queensland.

The investments are being made to fuel sustainable growth in coming years. We are encouraged by the early signs that our strategy is working and we are excited by the size of the opportunity available in the expanding market for personal transport.

With service excellence at the heart of our strategy, we are determined to create technologies that improve the experience for Passengers. We are actively reducing the time it takes to make a booking and increasing the accuracy, reliability and relevance of information provided through the variety of channels our Passengers choose to use – from the app, to the contact centres, to online bookings portals. Each of these mechanisms is now under continuous assessment and evolution. Our new technology team is undertaking this task with a disciplined approach to agile software development methodology. Engagement throughout our business, including with Drivers, and our focus on outcomes for Passengers, has never been higher.

The 13CABS app is the number 1 taxi app in the app store and we are beginning to utilize our state of the art Internet of Things technology to provide Passengers with real time and dynamic GPS updates that will soon evolve to become best in class.

We continue to receive encouraging feedback on Passenger Connect – an app feature that enables Passengers and Drivers to communicate directly via voice without sharing personal phone numbers. This functionality allows Passengers and Drivers to coordinate precise times and convenient meeting places; helping to establish rapport and trust even before the journey commences.

Our investment in technology extends to our payments business. Payments are an important part of our business that – like the market for personal transport – continue to change and evolve. Again, increasing mobility and the ongoing migration from cash to electronic payments are providing opportunity to participants who are in position to invest and execute.

It is for these reasons that we have introduced in-app payments as a choice for Passengers. It is for these reasons that we're investing in handheld payment terminals for Drivers. And it is for these reasons that we invested \$24 million in our world leading FarewayPlus technology for virtually every taxi in Australia.

The investments we've made in technology, Drivers, service and fleet are beginning to set us apart. To capture the full value of our strengthened technologies and improved services we must share our story with the community about how far we've come and ensure Passengers are aware that we're here for them.

Our marketing activities are designed to increase brand awareness and influence choices in ways that generate benefits beyond app downloads to support our core revenue streams in payments and network affiliation fees. Brand strength enables us to differentiate our personal transport offering from other service providers and to reset historic perceptions of the taxi industry generally.

We are increasing our investments in marketing and technology to promote the improvements we have made - and will continue to make - in our branding, products and services in order to attract and retain new customers that will generate revenue over the medium term.

We're hard at work and we're getting stronger.

Since the end of the financial year we have:

- Redesigned the Cabcharge website
- Activated our own fleet operations in Adelaide
- Initiated a Demand Responsive Transport service in Logan for Queensland's TRANSLink authority
- Reengineered our voice recognition taxi booking system to be faster, friendlier to use, and more helpful
- Launched the 13CABS network in the regional city of Bendigo
- Commenced providing network services to Bairnsdale Taxis under a Bureau Contract
- Launched 13CABS in Geelong
- Released a new website for Passengers booking trips in NSW

- Extended our Tiger Team Driver support program into Sydney
- Renovated our Prestons office in South West Sydney to be more Driver friendly.

And we are starting to see the impacts of our efforts.

Our marketing efforts are cutting through with app downloads up on last year by:

- 75% in August
- 112% in September
- 97% in October

In addition to the 1,200 car increase in fleet by virtue of the Yellow Cabs transaction, fleet growth on our network is coming through in South Australia and Victoria which between them have added 125 cars since 30 June 2017. There are an additional 320 cars booked in for installation to join our fleets in those markets.

Positive payment turnover momentum on bank issued and third party card volumes is emerging as a theme of FY18 with October recording growth of 4.2% on last year.

Total fare turnover year to date is up in New South Wales, Victoria, South Australia, the ACT, Tasmania and the Northern Territory. After 24 months of declines in Queensland, turnover growth was achieved with Queensland up 3% on October last year.

Our top line is now growing following the acquisition of Yellow Cabs, the strategic initiatives we have implemented and the operational improvements we are making, and we expect Cabcharge to return to double digit revenue growth in the 2018 financial year.

We are determined to maintain our new momentum. We have a strategy that is working, fewer distractions, a deeper spread of activities across the value chain, no debt, and we are continuing to make the investments in technology and marketing that will grow our revenue in the years ahead.

Importantly, we acknowledge our valued Drivers. We are acutely aware that – no matter how much we upgrade our technology, fleet and marketing – a Passenger's perception of the quality of service will be strongly influenced by the conduct, presentation, and professionalism of our Drivers.

We believe that richer engagement with our pool of professional Drivers has the potential to set us apart on service – which is why we are supporting our Drivers in the field by investing in additional training, technology and connectivity that enables Drivers to provide enhanced service, and in fresh new Driver uniforms. Our Drivers now feature proudly in local area marketing campaigns for Silver Service and multi format campaigns such as Serge Driver.

Last year, we proudly added 6,264 new Drivers to the 13CABS network. Our Vision for 2021 includes being the first choice for Drivers in the Personal Transport Sector. With 20% of our recruits last year switching to us from Uber, we know we are making ground.

We are at an exciting point in the evolution of Cabcharge and we are delivering on our strategy. With our renewed focus on service excellence, a strong balance sheet, and commitment to technology and marketing we are now accelerating our efforts to win sustainable market share.

Opportunities in market consolidation (including our recent Yellow Cabs acquisition), the rollout of our handheld payments terminals, fleet growth and new business activities can all actively contribute to a future Cabcharge that is focused on service and ready to win customers in a growing market.