



Cabcharge Australia Limited

Results Presentation

Year Ended 30 June 2014

Cabcharge

Highlights

Revenue of \$197.3m, up 0.3% on PCP

- Revenue from members taxi related services grew 4.6%
- Revenue from taxi service fee income declined 1.3%

Reported NPAT of \$56.1m, down 7.4% on PCP. EPS is 46.6 cents (FY13: 50.3 cents)

- Includes impairment charge on investments in associates of \$9.7m – equivalent to 8.1 cents per share (FY13: \$5.7m – equivalent to 4.7 cents per share)

Normalised NPAT of \$65.8m, down 0.6% on PCP

- Normalised NPAT excludes impairment charge on investments in associates
- Normalised NPAT was impacted by the cap on service fee in Victoria

Dividend

- Final dividend of 10 cents per share (fully franked) taking full year dividend to 25 cents
- Full year dividend of 25 cents represents a payout ratio of 54% of Reported NPAT

Cash Flows

- Reduced operating cash flows of \$57.8m (FY13: \$70.4m) due to timing of year end payments
- Adjusting for the timing of year end payments, cash conversion continued to be strong at 84% (FY13: 82%)

Balance Sheet

- Net debt reduced by \$36.3m to \$117.2m at 30 June 2014 (FY13: \$153.5m)

Financial Performance

(\$m)	FY14	FY13	Change over PCP
Revenue ¹	197.3	196.6	0.3%
Expenses ²	(113.8)	(111.1)	2.4%
Impairment charge on CityFleet	(9.7)	(5.7)	
EBITDA	73.8	79.8	-7.6%
Depreciation & Amortisation	(12.6)	(12.9)	
EBIT	61.2	66.9	-8.6%
Net interest	(6.3)	(7.5)	
Profit before tax	54.9	59.4	
Income tax	(19.4)	(19.2)	
NPAT (excl. associates)	35.5	40.2	-11.8%
Equity accounted net profit of associates	20.6	20.4	1.0%
NPAT	56.1	60.6	-7.4%
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EBITDA margin ³	37.4%	40.6%	
EBIT margin ³	31.0%	34.0%	
Effective tax rate (%) ⁴	35.4%	32.3%	

Revenue:

- Growth in members taxi related service revenue as more taxis joined our networks
- Revenue from taxi service fee income impacted by limit on service fee on taxi payments to 5% in Victoria

Expenses:

- Operating expenses grew in-line with growth in revenue from members taxi related services and taxi service fee income (from increase in turnover)
- Impairment charge on CityFleet UK reflects that its current growth outlook is below our previous expectations

Margins:

- Adjusted for the impairment charge, EBITDA margin for FY14 was 42.3% (FY13: 43.5%)

¹ Excludes interest income

² Operating expenses excluding impairment charge on investments in associates

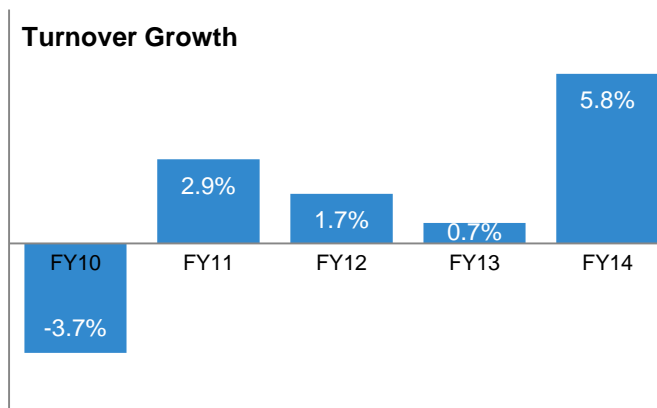
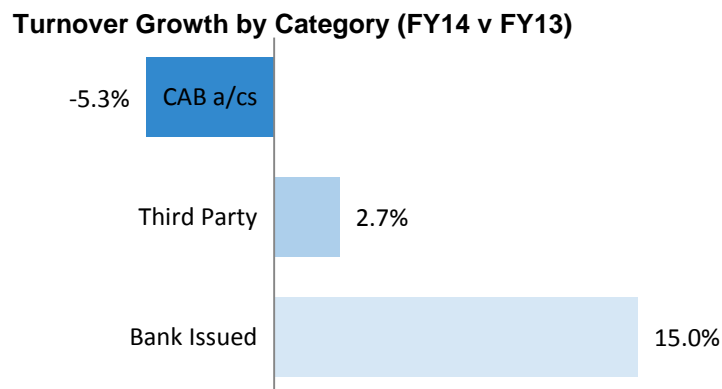
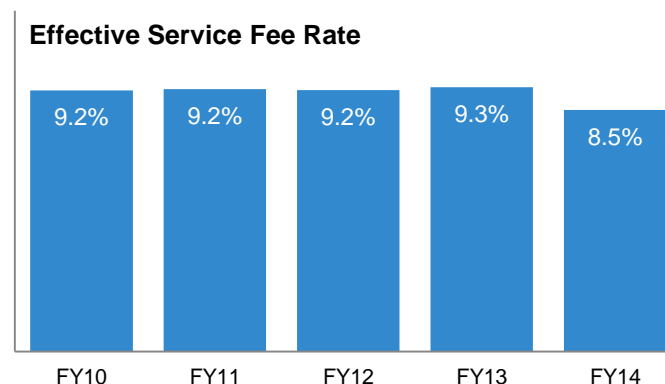
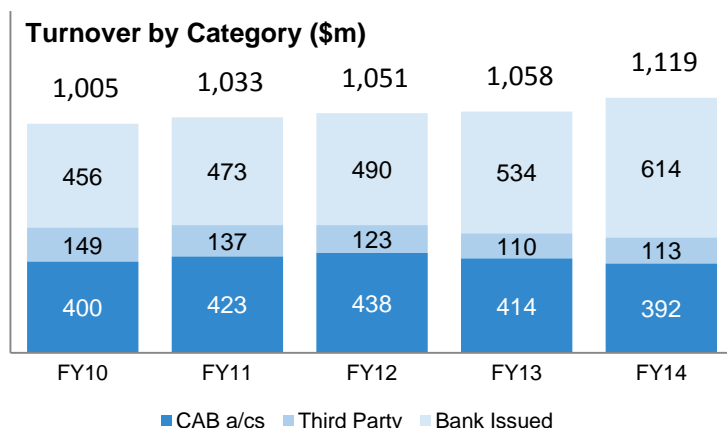
³ Calculation excludes equity accounted net profit of associates

⁴ Higher effective tax rate due mainly to non-deductibility of impairment charge on CityFleet

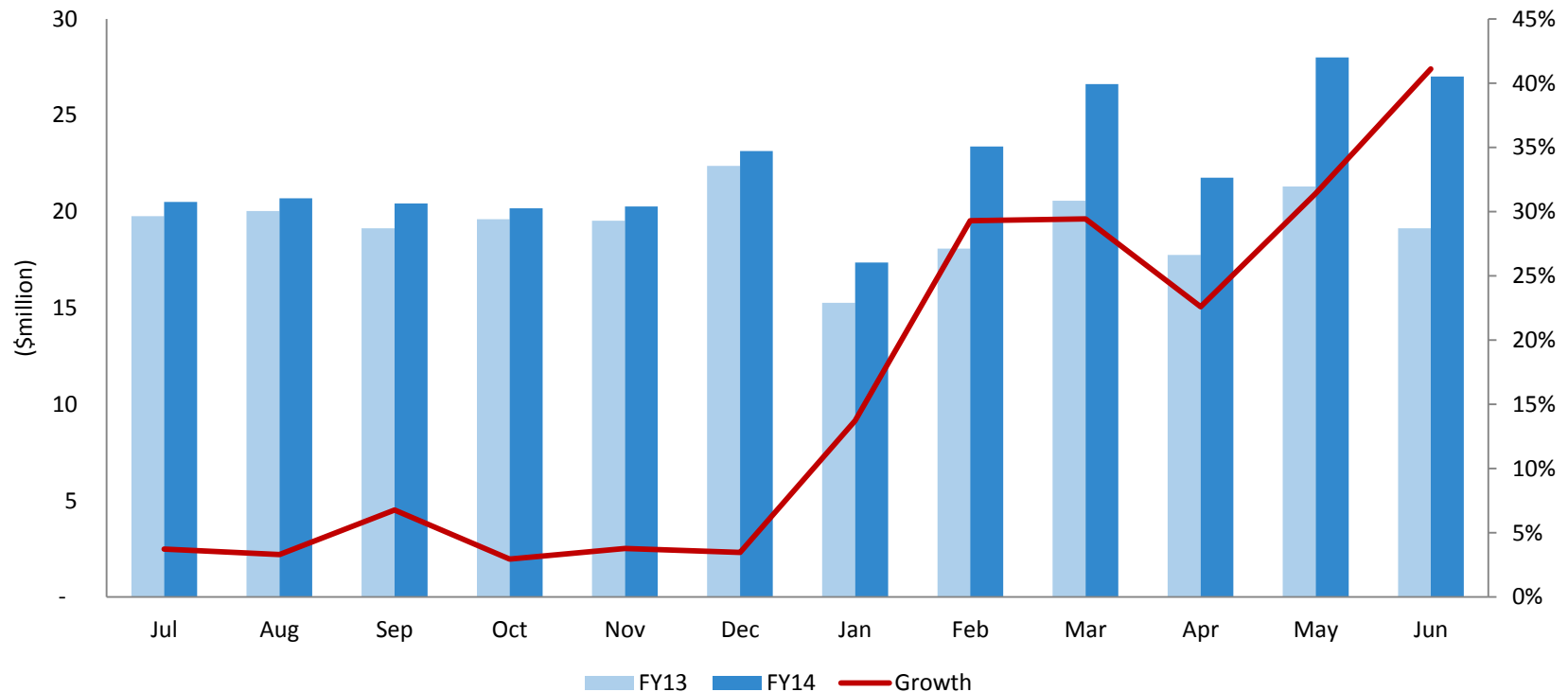
Cabcharge Payment System

FY14 turnover = \$1,119m – an increase of 5.8% from \$1,058m in FY13

Effective service fee rate for FY14 was lower at 8.5% due to the limit on the service fee on taxi payments to 5% in Victoria



Victorian Payment Turnover

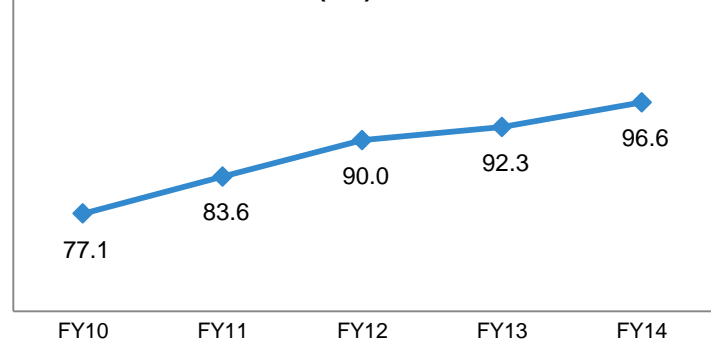


Post the introduction of the service fee cap, turnover through the Cabcharge payment system in Victoria has increased by approximately \$30m or 31% over the same period last year. The combination of increased turnover and the cap on service fee has resulted in taxi service fee income lowering by approximately \$4.5m in Victoria.

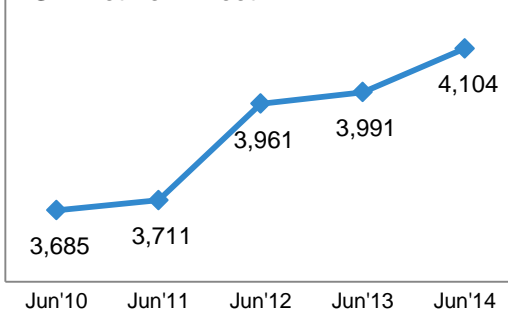
Taxi Services

- Revenue increased 4.6% to \$96.6m from \$92.3m
- Total fleet increased by 107 cars to 6,650 cars:
 - NSW: increased by 113 cars to 4,104 cars
 - VIC: decreased by 16 cars to 2,247 cars
 - SA: increased by 10 cars to 299 cars (Yellow Cabs SA was acquired in July 2012)

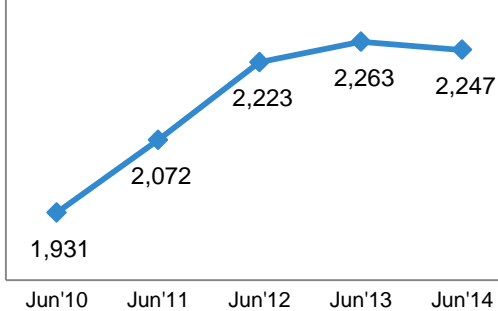
Taxi Services Revenue (\$m)



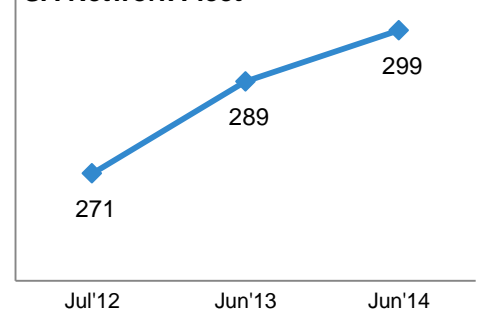
NSW Network Fleet



VIC Network Fleet



SA Network Fleet



Balance Sheet

(\$m)	2014	2013	2012	2011
Cash and cash equivalents	41.9	43.9	51.2	22.9
Advances to associates	-	18.0	17.7	14.2
Other current assets	70.5	71.5	80.2	78.1
Investments in associates	274.8	261.6	220.8	210.9
Property, plant and equipment	38.3	43.8	46.6	51.2
Taxi plate licences	71.4	71.8	60.4	54.4
Other non-current assets	62.8	62.5	46.5	47.2
Total assets	559.7	573.1	523.4	478.9
Loans and borrowings	159.1	197.4	166.5	146.7
Other liabilities	34.3	36.6	36.2	25.5
Total liabilities	193.4	234.0	202.7	172.2
Total net assets	366.3	339.1	320.7	306.7

Total net assets grew by \$27.2M or 8%, largely due to FY14 net profit of \$56.1m less total dividend paid of \$32.5m

Current cash balance of \$41.9M will support existing operational requirements

New bank funding facility of \$200M in place which expires on 1 July 2017

Cash flow generated was used to pay down bank borrowings

Net debt to equity ratio was 32% at 30 June 2014 (2013: 45.3%)

Cash Flow

(\$m)	2014	2013	2012	2011
Net cash from operating activities	57.8 ¹	70.4	69.9	32.2
Net cash from (used in) investing activities	11.0 ²	(66.3)	(15.8)	(27.2)
Net cash (used in) financing activities	(70.8) ³	(11.3)	(25.8)	(13.0)
	(2.0)	(7.2)	28.3	(8.0)
Cash and cash equivalents at 1 July	43.9	51.1	22.9	30.9
Cash and cash equivalents at 30 June	41.9	43.9	51.2	22.9

¹ Decrease from the effect of timing difference of year-end payments to Taxi Networks

² Positive cash flow from investing activities due to reduced capex and loan repayment from associates

³ Cash flow from financing reflects debt reduction activities

We maintained a strong cash conversion* of 84% (adjusted for timing of year-end payments).
Cash has been used to pay down borrowings.

* Cash conversion is defined as 'Net cash from operating activities/EBITDA'

Associates

ComfortDelGro Cabcharge (CDC)

(\$m)	FY14	FY13	FY12
Revenue	356.9	375.1	350.1
Expenses	(288.6)	(303.2)	(279.5)
EBIT	68.3	71.9	70.6
Net interest	(14.0)	(16.7)	(19.4)
Profit before tax	54.3	55.2	51.2
Income tax	(15.7)	(16.6)	(14.9)
NPAT	38.6	38.6	36.3
49% share	18.9	18.9	17.8

- CDC's equity accounted profit for the year of \$18.9m (2013: \$18.9m) was impacted by the loss of the bus contracts in Regions 1 & 3 in Sydney. This was offset by contributions from the acquisitions of Deane's Buslines and the route bus operations of the Driver Group and increase in services of existing business.
- CDC's balance sheet at 30 June 2014 remains solid, with net Debt (including bus financing) to Equity Ratio at 37% (30 June 2013: 52%).
- Bus fleet = 1,619 at June 2014 (1,670 at June 2013).

CityFleet (UK)

- NPAT contribution was \$1.7m, compared to \$1.5m in FY13 (up 16%), benefited from the stronger GBP. In GBP terms, NPAT contribution was £0.97m compared to £0.96m in the previous year.
- UK market continued to be difficult.
- CityFleet Group's balance sheet continues to remain strong, with no external borrowings.

Outlook

The Industries in which we operate have become increasingly competitive over recent years. Our businesses have withstood the tests of increased competition and achieved strong results, trading profitably throughout FY14. We intend to continue meeting the challenges of increased competition and are confident that, on the back of the quality of our service offerings and our experience, we can continue to be a leading provider of taxi related services. Where opportunity arises, we will seek to offer our services to other taxi networks.

In the months ahead, we will offer the *FAREWAYplus* product to taxis around Australia to replace the existing Cabcharge payment engines. *FAREWAYplus* provides us with a platform to offer a broader range of taxi related services to interested taxi networks and operators.

The limit on service fees in Victoria is expected to continue to impact upon us. New South Wales and Western Australia have indicated an intention to implement a limit on service fees, although we have yet to be informed of a start date. Our technical competence in payments will enable us to continue to provide payment services in a profitable manner into the future.

Our Business

We have an intimate knowledge and focus on the needs of the Australian Taxi Industry

We operate leading taxi networks in Sydney, Melbourne, Adelaide and Newcastle

We are invested in the broader land transport industry (buses)

Together with our Merchant Partners, we have developed and operate a national charge facility for the payment of taxi fares and other modes of passenger transport

Using this knowledge, we provide payment software services to banks and major retailers



Our Future

With a changing environment, we need to Refocus our business

We will leverage our strengths and history of innovation to improve the customer/driver connection for both passengers and taxi industry participants

We will develop our team to ensure we generate a cohesive response to competitive challenges

At the same time, we will review our Balance Sheet and Capital Management Policies to ensure the most efficient use of our capital and sustainable long term returns for our shareholders

We will update you on our progress later in 1H15



Disclaimer

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