25 September 2015

ACQUISITION OF THE BUSINESS OF DANDENONG TAXIS IN VICTORIA

Dandenong Taxis Limited operates a network of 105 cabs servicing the Urban Taxi Zone in South East Melbourne. Dandenong Taxis' area of operation abuts the Melbourne Metropolitan Taxi Zone and falls within Melbourne's South East Growth Corridor.

Cabcharge and Dandenong Taxis successfully negotiated an agreement for the acquisition of the network business and associated assets in January 2015. The acquisition was subject to ACCC approval. Cabcharge is pleased to report that after considering the proposed transaction, the ACCC has indicated that it does not intend to oppose Cabcharge's acquisition of Dandenong Taxis in Victoria, paving the way for the transaction to proceed.

Cabcharge Managing Director Andrew Skelton said, "There are notable opportunities for growth in the Urban Taxi Zone. Population has been growing strongly in the region for some time and investments in Public Transport have struggled to keep up".

"The Urban Taxi Zone is well placed to benefit from potential infrastructure investments, such as reinvigoration of the Port of Hastings and the opportunity for an additional Airport as set out in the long term Urban Growth Zone Plans".

Cabcharge and Dandenong Taxis will work together to complete the transaction in coming weeks. The transaction will be fully funded internally using existing resources, and whilst not material will be earnings accretive. As always, a key focus for Cabcharge will be ensuring that business continues as usual for the drivers and passengers of Dandenong Taxis.

Andrew Skelton added "The acquisition of Dandenong Taxis is in keeping with our Networks strategy to increase fleet size and establish a national operating plan that will lift the standard of services for both passengers and drivers".

Cabcharge is pleased to be associated with the contribution that Dandenong Taxis makes to its local community and looks forward to supporting the efforts of the Drivers and Taxi Operators that provide the services.