



## ASX RELEASE

### Regulatory Changes in the Taxi Industry

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#### Victorian Government announcement and non-cash impairment

The Victorian Government today announced regulatory changes to the personal transport industry that include removing all existing licences, applying requirements on rank and hail work, replacing the Knowledge Test and a compensation package for existing licence holders.

The Victorian announcement follows previous regulatory changes by the NSW, Queensland, South Australian, Western Australian, Tasmanian and ACT Governments.

"It is pleasing that governments are finally recognising the need for regulatory change to keep up with the evolving personal transport industry. We hope regulation will create a fairer environment for all industry participants," said Andrew Skelton, Chief Executive Officer at Cabcharge.

#### Non-Cash Impairment Charges Relating to Taxi Licences

As part of the year-end impairment review process, Cabcharge expects to book impairment charges of \$27.7 million in FY16 relating to its national portfolio of taxi licence plates. The impairment charges reflect the recent regulatory changes announced across Cabcharge's portfolio of licences.

The impairments are non-cash and do not impact on banking covenants. The impairments do not affect Cabcharge's ability to pay future dividends.

Mr Skelton said "Cabcharge holds fewer than 3% of the taxi plate licences issued in Australia. Most licence holders are mum and dad investors who have purchased taxi licence plates either to operate a taxi business in their local community or to establish retirement savings. These investments typically form a large portion of their retirement capital."

"We are pleased that the Victorian Government announcement clears much of the remaining regulatory uncertainty overhanging the industry in Victoria and allows us to set our future strategy to improve our service for our customers," concluded Andrew Skelton.

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### **About Cabcharge Australia Limited**

Cabcharge is an Australian company with a diversified portfolio of payment technology, financial services, taxi payments and passenger transport. In addition to providing a payment method, Cabcharge is the leading electronic payment system for taxis in Australia, found in 97% of Australian taxis as well as limousines and water taxis. Cabcharge also owns Combined Communications Network Pty Ltd (CCN) – the largest taxi company in Australia. Cabcharge was established by the taxi industry in 1976 as a financial services provider for the Industry to provide a secure alternative to cash. With a history of innovation, Cabcharge is committed to providing the best payment solutions with security and reliability paramount.

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