

ACQUISITION OF TRANSIT SYSTEMS MARINE BUSINESS AND CAPITAL RAISING

SEALINK TO BECOME LARGEST MARINE TOURISM AND TRANSPORT COMPANY IN AUSTRALIA

- **SeaLink Travel Group Limited to acquire 100% of the Transit Systems Marine business, including the renowned Stradbroke Ferries**
- **Purchase price of \$125 million**
- **Underlying 2015 EBITDA would have doubled on a full year basis (SeaLink FY2015 \$18.6 million)¹**
- **Purchase consideration includes vendors acquiring \$8 million of SeaLink shares**
- **\$40 million non-underwritten placement to professional and sophisticated investors**
- **Share Purchase Plan to eligible shareholders**
- **SeaLink fleet of vessels to increase from 27 to 60**
- **Provides new growth engine, significantly enhancing SeaLink's ability to compete for large scale marine transport business opportunities in Australia and overseas**

SeaLink Travel Group (ACN 109 078 257) (ASX: SLK) (**SeaLink**) today announced that it has entered into an agreement to acquire 100% of the securities in the Transit Systems Marine business which encompasses passenger and vehicular ferry services in south-east Queensland and in Gladstone, subject to satisfaction of customary conditions precedent. The purchase price is \$125 million (plus working capital adjustments) and includes vessels, land, plant equipment, all contracts, licences, intellectual property and goodwill. The price includes a deferred payment of up to \$3 million, which is subject to certain conditions.

SeaLink also announced the successful Placement of approximately 16 million shares at a price of \$2.50, a 3.5%² discount to the 10 day VWAP of SeaLink shares on the ASX up to 15 September 2015. SeaLink will also offer all eligible shareholders the opportunity to acquire additional shares (up to \$15,000 each) via a non-underwritten Share Purchase Plan that will seek to raise up to \$16.9 million.

SeaLink Managing Director, Mr. Jeff Ellison said, "This is a major opportunity for SeaLink to crystallise our growth strategy following our successful listing on the ASX in 2013. It also reinforces our position as the leading provider of marine ferry services in Australia and will be transformational for the company. It provides us with a new growth engine as it will significantly enhance our ability to compete for large scale marine transport business opportunities in Australia and overseas."

¹ Pro forma consolidation of SeaLink FY15 EBITDA (audited) and Transit Systems Marine FY15 EBITDA (unaudited). Transit Systems Marine figures are based on estimated maintainable earnings after the current Gladstone construction contracts are completed. Underlying EBITDA excludes any goodwill amortisation or costs associated with the acquisition. The pro forma financial information in this announcement has not been audited or reviewed.

²Adjusted for the 4 cents per share dividend that was announced on 19 August 2015.

Transit Systems CEO, Mr. Clint Feuerherdt said the company was confident of SeaLink's ability to successfully manage and grow the Transit Systems Marine assets.

"After being involved in extensive negotiations with its management team over many months, we believe that SeaLink is the ideal operator of these assets. We will still have an investment in the business as part of the sale agreement and look forward to its future success."

About Transit Systems Marine

Transit Systems is an Australian-owned transport company founded in 1995. As well as the marine operations in Queensland, it operates a substantial bus business both in Australia and overseas. Due to major expansion of their international bus businesses, the owners wish to divest their marine operations.

Transit Systems Marine operates 33 vessels in Queensland at Gladstone, Southern Moreton Bay Islands and North Stradbroke Island. It operates contracted and non-contracted passenger and vehicular ferry services to Curtis Island, Moreton Bay Islands and holds a contract with the Queensland State Government to own and operate the Moggill Ferry on the Brisbane River. It also has a number of strategic properties, which will be acquired as part of the acquisition. The Transit Systems brand will not be acquired as part of the purchase.

The purchase includes 33 vessels comprising;

- 19 passenger-only ferries
- 10 vehicular ferries
- 2 water Ambulances
- 1 utility boat
- 1 cable ferry at Moggill on the Brisbane River

Unaudited turnover for Transit Systems Marine in FY 2015 was \$90 million.

Impact of the transaction on SeaLink Travel Group

Based on a pro-forma historical basis for the 12 months ending June 2015, the combined group would have:

- 60 vessels (SeaLink standalone: 27 vessels)
- EBITDA (underlying earnings before interest, tax, acquisition expenses, depreciation and amortisation) of \$37.8 million. (a 100% increase from SeaLink standalone: \$18.6 million³)
- Underlying earnings per share (EPS) would have increased 48% from 12.5 cents to 17.8 cents on a pro forma historical basis (based on assumed increased share capital⁴)
- Net Profit after Tax of \$17.7 million⁵ (SeaLink standalone \$9.6 million)

³ Pro forma consolidation of SeaLink FY15 EBITDA (audited) and Transit Systems Marine FY15 EBITDA (unaudited). Transit Systems Marine figures are based on estimated maintainable earnings after the current Gladstone construction contracts are completed. Underlying EBITDA excludes any goodwill amortisation or costs associated with the acquisition.

⁴ Assumes 40% of the maximum amount raised under the Share Purchase Plan.

⁵ Based on underlying EBITDA less depreciation using SeaLink's standard accounting policy, less financing charges related to the acquisition.

The transaction is expected to be materially earnings per share and EBITDA accretive in the first full financial year.

As a consolidated group SeaLink will operate 60 vessels, transport over 6 million passengers per annum and employ over 900 staff in 6 regions.

SeaLink's Board believes that this acquisition is highly attractive for a number of reasons. These include:

Natural Alignment - A key part of SeaLink's business strategy is to seek domestic growth opportunities, whether by business or vessel acquisitions, with a focus on marine transport and tourism transport services.

Portfolio Diversification – Further expansion into Queensland will further reduce concentration on its key South Australia businesses.

A new growth engine - Transit Systems Marine will significantly enhance SeaLink's ability to compete for large scale marine transport business opportunities in Australia and overseas.

Complementary management skills – Like SeaLink, Transit Systems Marine has a successful track record in identifying and developing business opportunities, and will complement SeaLink's existing skills in managing and delivering sustainable growth over an extended period.

High quality operations – Transit Systems Marine like SeaLink has a reputation for operating safe, reliable and environmentally responsible marine operations by a quality work force.

Equity placement and share purchase plan

SeaLink will fund the purchase through:

- The Placement of approximately 16 million shares in SeaLink;
- Issuing \$8 million of shares to the vendors at the placement price;
- Undertaking a Share Purchase Plan to eligible shareholders of up to \$15,000 per shareholder; and
- Funding the balance from a new Bank facility.

Private placement - \$40 million has been raised through the issue of 16 million SeaLink shares under a private placement to sophisticated and professional investors. The non-underwritten placement, was concluded today, and was joint lead managed by Bell Potter Securities Limited, Ord Minnett Limited and Taylor Collison Limited.

Equity placement to vendor – Approximately 3.2 million SeaLink shares (\$8 million) will be issued to the vendors as part consideration at the same price as the private placement and the Share Purchase Plan. These shares will be subject to voluntary escrow for one year from 15 September 2015.

Share Purchase Plan - SeaLink's eligible shareholders will be given the opportunity to subscribe for up to \$15,000 of shares at the same price as the private placement. Based on eligible shareholders, the Share Purchase Plan can raise up to \$16.9 million.

Bank Funding – SeaLink has entered into a binding funding letter with ANZ Banking Group (ANZ) whereby the bank has agreed to advance SeaLink significant facilities to fund the acquisition and the ongoing business of the Group. Based on a purchase price of \$125 million, additional bank funding for the acquisition will be approximately \$57 million, the exact quantum depending on the level of acceptances under the SPP. The bank facility includes performance guarantees of \$15 million which will be required to support ongoing marine contracts. Total interest bearing debt for SeaLink after the acquisition will be circa \$67 million.

Management Composition

SeaLink's Management will be augmented by the addition of experienced existing members of Transit Systems Marine including Rob Mitchell (Gladstone Area Manager); David Thomson (South-East Queensland Ferries General Manager); and John Murray (Financial Controller).

SeaLink Managing Director, Mr Jeff Ellison said: "We are very fortunate to have Rob, David and John join the team. We believe they have the insights, experience and integrity to add a great deal of value to SeaLink's operations and growth."

Timetable

The following is an indicative timetable of the transaction:

| Event | Event Date ⁶ |
|--|------------------------------|
| Trading halt request | 16 September 2015 |
| Placement book build opened | 16 September 2015 at 10.00am |
| Placement book build closed | 16 September 2015 at 5.00pm |
| Record date for the Share Purchase Plan | 17 September 2015 at 7.00pm |
| Trading halt lifted | 18 September 2015 |
| Settlement of placement | 23 September 2015 |
| Placement shares allotted and commence trading | 24 September 2015 |
| Share Purchase Plan offer to open | 24 September 2015 |
| Share Purchase Plan offer to close | 13 October 2015 |
| Expected date of acquisition of Transit Systems Marine (Subject to satisfaction of CPs) | 30 October 2015 |

Additional information

An investor presentation, which explains the transaction, its risks and conditions in more detail, is being lodged today with the Australian Securities Exchange (ASX).

For more information please call:

Carla Schaefer, Investor Relations, SeaLink Travel Group 08 8202 8619 or 0409 101 188

⁶ Time zone: Australian Eastern Standard Time
Note: SeaLink reserves the right to vary these dates