oOh!media Limited
ACN 602 195 380

20 February 2017

ASX Announcement

oOh!media continues to deliver strong revenue and earnings growth

oOh!media Limited (ASX:OML)(**oOh!media**) today announced its financial results for the year ended 31 December 2016 (**CY16**) which included more than 20% year on year revenue and profit growth, earnings margin expansion and an increased dividend payment.

Financial highlights included:

- Revenue of $336.1m, up 20.1% from CY15 including growth across all products
- Gross profit of $144.9m, an increase of 30.3% from CY15, driven by strong performances in Road and Locate by oOh!
- Gross profit margin of 43.1%, up from 39.7% in CY15
- Underlying[1] EBITDA of $73.5m, up 27.4% on CY15 (EBITDA of $70.3m, up 24.2% on CY15)
- Underlying[1] EBITDA margin of 21.9%, up from 20.6% in CY15
- Underlying[1] NPATA[2] of $35.6m, an increase of 24.8% from CY15 (NPATA of $32.9m, an increase of 18.8% from CY15)
- NPAT of $21.5m, an increase of 16.8% from CY15
- Delivered at top-end of earnings guidance provided in December 2016
- Fully franked final dividend of 10.0 cents per share, resulting in a fully franked full year dividend for CY16 of 14.0 cents per share (CY15: 9.5 cps fully franked full year)

Operational highlights included:

- Digital revenue as a percentage of total revenue of 45.6% (CY15: 31.9%), representing early achievement of a stated goal of greater than 45.0% by end of 2018, as outlined in the 2015 Annual Report.
- More than doubled our large format digital screens in premium locations to 190 (CY15: 90), including 54 large format Road billboards, exceeding the prospectus target of 50 by 2018
- 8,000+ digital screens and 14,000+ classic panels across Australia and New Zealand with eight online content and publishing platforms
- Strong maturity profile with only 16.2% of contracts representing CY16 revenue due for renewal in CY17 and no more than 21.0% due for renewal in any one year to the end of 2020
- Acquisition and integration of Executive Channel Network (ECN) to expand CBD audience; Junkee Media to expand publishing and content capabilities; and Cactus Imaging to strengthen core printing, production and supply chain efficiencies for classic billboards
- Announcement of proposed merger with APN Outdoor Group to create a leading media group by market capitalisation

[1] Underlying EBITDA and NPATA reflect adjustments for certain non-operating items including impairment and acquisition-related expenses. Non-operating items of $3.3m mainly consist of acquisition costs, due diligence costs associated with the proposed APN Outdoor merger, and insurance proceeds relating to claims from prior periods. Management believes Underlying provides a better representation of financial performance in the ordinary course of business

[2] Net profit after tax before acquired amortisation (after tax) and non-cash items such as impairments. The Directors believe Underlying NPATA is an important measure of the underlying earnings of the business due to the number of acquisitions undertaken during historical periods which resulted in higher than normal amortisation, which represents a non-cash charge.

oOh!media's CEO, Brendon Cook, said: "We are extremely pleased with business performance for 2016. We delivered an increase across key financial metrics including revenue growth across each product. The strong results reflect the ability of the oOh!media team to execute our strategy in developing a network which offers advertisers the ability to deeply engage with audiences.

"Our physical assets, combined with engaging content and the ability to provide growing connections through online, mobile and social media, is why advertisers are increasingly finding our offering compelling compared to other advertising mediums. As we further our data and analytics capabilities, the solutions we develop will drive further value for our clients through research and reporting of measurable outcomes.

"We maintain a disciplined approach to digitisation of our assets, with an inventory of high quality assets and a planned development pipeline."

All products achieved positive revenue growth during the year:

- Road revenue of $124.6m, up 12.3% on CY16, driven by momentum of new assets installed in late 2015 and 2016 including the introduction of 29 large format screens in premium locations during CY16
- Retail revenue of $109.2m, up 10.2% on CY16, attributable to the additional 39 large format digital EVOKE screens and an additional 200+ ShopaLive screens during CY16
- Fly revenue of $56.0m, up 2.8% on CY16, replacing revenue lost by T3 Sydney tender loss, attributable to part year developments in securing wins and asset rollouts at T4 Melbourne and Brisbane Virgin Australia Domestic Terminal, with the extension and rights expansion of the Cairns Airport mandate
- Locate by oOh! revenue of $28.9m, up 196.4% on CY16 driven by the successful integration of the CY15 Inlink acquisition, strong organic growth and the acquisition of ECN in late 2016
- New Zealand revenue of $9.8m, up 75.2% on CY16, driven by a number of significant long term contract renewals and wins, and a dedicated program of digital conversion to lift the quality of digital assets to international retail standards

"Our performance highlights the benefits of our diversified portfolio of assets, and we firmly believe this positions the company for continuing growth. Importantly, the products are increasingly benefitting from greater coordination of campaigns and the network effect across multiple media environments and channels," Mr Cook said.

Financial Position & guidance

Net debt / Underlying EBITDA of 1.6x at 31 December 2016 remains similar to the prior year of 1.5x at 31 December 2015. Importantly, the net debt / Underlying EBITDA position strengthened in the second half of CY16 despite three acquisitions – fully or partially funded by debt – and the increase in capital expenditure to accelerate opportunities for digital conversion as outlined in August 2016.

The Board is pleased to declare a final and fully franked dividend of 10.0 cents per share, an increase of 49.3% on the final dividend for CY15. This is equal to the capped amount as announced to the market during December 2016. The final dividend will be paid on 28 March 2017.

Due to the status of the proposed Scheme of Arrangement with APN Outdoor, oOh!media is not in a position to provide specific CY17 earnings guidance.

We are confident of continued growth in the Out Of Home sector over CY17; further execution and investment in oOh!media's end to end digital strategy; and realising the full run-rate and synergies of acquisitions completed during CY16.

Merger update

During CY16, oOh!media announced a proposed merger with APN Outdoor Group, to create a leading media group by market capitalisation. Significant value accretion is expected for both shareholder groups including pre-tax cost synergies of at least $20m per annum[3].

The Board of oOh!media believes the merger is in the best interests of oOh!media's shareholders, in the absence of a superior proposal. Shareholders will have a chance to vote on the merger at the Scheme Meeting, with the specific date to be announced in the Scheme Booklet, to be published shortly.

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About oOh!media Limited: oOh!media is a leading operator in Australia and New Zealand's fast-growing Out Of Home advertising industry. We create deep engagement between people and brands through Unmissable location-based media solutions. Our network is unparalleled, with a diverse portfolio of static and digital signs across roadside, retail, airport and place based media offering in CBD office towers, cafes, fitness venues, bars and universities. We combine this extensive reach with sophisticated data, industry leading insights and world leading digital innovation, integrating our physical inventory with social and mobile online channels to provide clients with greater connections with consumers.

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[3] On a full run-rate basis and excluding one-off transaction and integration costs.

oOh!media Limited and its Controlled Entities
ACN 602 195 380
Appendix 4E
Preliminary Final Report

Results for announcement to the market

Details of the reporting period and the previous corresponding reporting period

Reporting period: For the year ended 31 December 2016
Previous period: For the year ended 31 December 2015

Results for announcement to the market

In accordance with the ASX Listing Rule 4.3A, the Board and management of oOh!media Limited have enclosed an Appendix 4E for the year ended 31 December 2016.

		Change %		2016 $'000	2015 $'000
Revenues from ordinary activities[1]	**Increased**	**20%**	to	336,142	279,807
Profit from ordinary activities after income tax attributable to members[1]	**Increased**	**17%**	to	21,601	18,394
Net profit for the period attributable to members[1]	**Increased**	**17%**	to	21,601	18,394
EBITDA - Statutory[(1) and (2)]	**Increased**	**24%**	to	70,288	56,587
EBITDA - Underlying [(1),(2) and (3)]	**Increased**	**27%**	to	73,540	57,724

(1) All of the above comparisons are on a statutory basis unless stated.
(2) Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-IFRS measure. This is included in management reports reviewed by the Group's chief operating decision maker (the Board).
(3) The Directors believe that the Underlying presentation of results is a better indicator of performance and differs from the statutory presentation. The Underlying results exclude the impact of acquisition-related expenses, merger related costs and other items.

Refer to the attached Directors' Report, Annual Financial Report and Operating and Financial Review for discussion of the results.

Dividend information

	Amount per share cents	Franked amount per share cents	Tax rate for franking credit
Current period			
Final 2016 dividend (declared after balance date)	10.0	10.0	30%
Interim 2016 dividend (paid 21 September 2016)	4.0	4.0	30%
Previous period			
Final 2015 dividend (paid 22nd March 2016)	6.7	6.7	30%
Interim 2015 dividend (paid 23 September 2015)	2.8	2.8	30%

Final 2016 dividend dates

Ex-dividend date	23 February 2017
Record date	24 February 2017
Payment date	28 March 2017

Earnings per share	2016	2015
Basic earnings per share (cents)	14	12
Diluted earnings per share (cents)	14	12

Net tangible assets	2016 $	2015 $
Net tangible assets per security (dollars) [(a) (c)]	(0.015)	(0.004)
Net asset per security (dollars) [(b)]	1.991	1.701

(a) Derived by dividing the net assets less intangible assets, calculated on total issued shares of 164,138,049 (2015: 149,882,534 shares).

(b) Derived by dividing the net assets, calculated on total issued shares of 164,138,049 (2015: 149,882,534 shares).

(c) The net tangible assets per share reduced from the prior period as a result of acquisitions over the past 12 months whereby a significant percentage of the purchase prices were allocated to intangible assets. A number of acquisitions undertaken during historical periods have resulted in a high percentage of the Group's assets being allocated to intangible assets.

Results for announcement to the market
Continued

Control gained over entities during the period

Control was gained by way of acquisition during the year.

Entity	Date of acquisition
Junkee Media Pty Limited	1 July 2016
InTheMix dot com dot au Pty Ltd	1 July 2016
Thought By Them Pty Ltd	1 July 2016
Qjump Australia Pty Limited	1 July 2016
Faster Louder Pty Ltd	1 July 2016
Sound Alliance Nominees Pty Ltd	1 July 2016
InTheMix Inc Fein	1 July 2016
Cactus Imaging Pty Limited	1 August 2016
Cactus Holdings Pty Limited	1 August 2016
Executive Channel Pty Limited	31 October 2016
Executive Channel International Pty Limited	31 October 2016

Commentary on the Group acquisitions and business combinations are included in Note 22 of the attached Annual Financial Report.

Details of associates and joint venture entities

	Percentage of ownership interest held:	
	2016	2015
Entity	%	%
oOh!Edge Pty Limited	50	50

Audit qualification or review

The financial statements have been audited and an unqualified opinion has been issued which is included in the attached Annual Financial Report.

Additional information

For additional information required under ASX Listing Rule 4.3A, please refer to the attached Annual Financial Report for the year ended 31 December 2016 of oOh!media Limited and its controlled entities.