# HALF YEAR REPORT

## 30 JUNE 2017

oOh!media Limited | ACN 602 195 380 | ASX Listing Code: OML

# oOh!media Limited and its Controlled Entities

# ACN 602 195 380 Appendix 4D Half Year Report

## Results for announcement to the market

### Details of the reporting period and the previous corresponding reporting period

Reporting period: For the half year ended 30 June 2017

Previous period: For the half year ended 30 June 2016

### Results for announcement to the market

In accordance with the ASX Listing Rule 4.2A, the Board and management of oOh!media Limited have enclosed an Appendix 4D for the half year ended 30 June 2017.

| | | Change % | 30-Jun-17 $'000 | 30-Jun-16 $'000 |
|---|---|---|---|---|
| Revenues from ordinary activities (1) | **Increased** | 18.0% | 172,985 | 146,643 |
| Profit from ordinary activities after income tax attributable to members (1) | **Increased** | 22.5% | 7,333 | 5,985 |
| Net Profit for the period attributable to members (1) | **Increased** | 22.5% | 7,333 | 5,985 |
| EBITDA – Statutory (1) and (2) | **Increased** | 19.0% | 31,869 | 26,777 |
| EBITDA – Underlying (1), (2) and (3) | **Increased** | 27.0% | 34,012 | 26,777 |

*(1) All of the above comparisons are on a statutory basis unless stated, with percentage variances throughout this Half Year Financial Report based on the actual dollar values, rather than the rounded amounts disclosed herein.*

*(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 note 3 'Operating segments' of the condensed consolidated financial statements for a reconciliation between statutory and underlying EBITDA.*

Refer to the attached Directors' 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** | | | |
| Interim 2017 dividend (to be paid 4 September 2017) | 4.5 | 4.5 | 30% |
| **Previous period** | | | |
| Interim 2016 dividend (paid 21 September 2016) | 4.0 | 4.0 | 30% |

#### Interim 2017 dividend dates

| | |
|---|---|
| Ex-dividend date | 18 August 2017 |
| Record date | 21 August 2017 |
| Payment date | 4 September 2017 |

| **Earnings per share** | 30-Jun-17 | 30-Jun-16 |
|---|---|---|
| Basic earnings per share (cents) | 4.0 | 4.0 |
| Diluted earnings per share (cents) | 4.0 | 4.0 |

## Net tangible assets

| | 30-Jun-17 | 30-Jun-16 |
|---|---|---|
| Net Tangible Assets per share (dollars) [(a) (c)] | (0.03) | 0.01 |
| Net Assets per share (dollars) [(b)] | 1.94 | 1.68 |

*(a) Derived by dividing the net assets less intangible assets, calculated on total issued shares of 164,138,049 (2016: 150,146,783 shares).*

*(b) Derived by dividing the net assets, calculated on total issued shares of 164,138,049 (2016: 150,146,783 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.*

## Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Financial Report.

## Attachments

The Half Year Financial Report of oOh!media Limited and its Controlled Entities for the half year ended 30 June 2017 is attached.


# oOh!MEDIA LIMITED

# HALF YEAR FINANCIAL REPORT

# 30 JUNE 2017

# Table of Contents

# General information

The Half Year Financial Report covers oOh!media Limited and its controlled entities. The financial statements are presented in Australian currency.

oOh!media Limited is a listed company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, 76 Berry Street
North Sydney NSW 2060

The Half Year Financial Report was authorised for issue, in accordance with a resolution of the Directors. The Directors have the power to amend and reissue the Half Year Financial Report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All media releases, financial reports and other information are available at the Investors section on our website: www.oohmedia.com.au.

# Directors' Report

The Directors of oOh!media Limited present their financial report for the half year ended 30 June 2017. The Half Year Report includes the results of oOh!media Limited (the Company) and the entities (the Group or oOh!media) that it controlled at the end of, or during the period.

## 1. Principal activities

oOh!media is a leading Out Of Home media company offering advertisers the ability to create deep engagement between people and brands across one of the largest and most diverse Out Of Home location-based networks in Australia and New Zealand. oOh!media's portfolio includes:

(a) Large format classic and digital roadside screens;
(b) Large and small format classic and digital signs located in retail precincts such as shopping centres;
(c) Large and small format classic and digital signs in airport terminals and lounges;
(d) Classic and digital signs in high dwell time environments such as cafés, pubs, universities, office buildings, gyms and sporting centres; and
(e) Online sites for millennials, students, flyers, small businesses, and city-based audiences.

oOh!media also owns a leading native content production company and digital printing operations.

## 2. Operating and financial review

The consolidated profit for the half year ended 30 June 2017 was $7,127,000 (30 June 2016: profit of $6,023,000). A review of the operations of the Group for the half year ended 30 June 2017 is set out in the Operating and Financial Review, which is attached and forms part of the Directors' Report.

## 3. Matters subsequent to reporting date

Other than the dividend matters mentioned below, no other matter or circumstance at the date of this report has arisen since 30 June 2017 that has significantly affected or may affect:
(a) The operations of the Group;
(b) The results of those operations in future financial years; or
(c) The Group's state of affairs in future financial years.

## 4. Dividends

The following fully franked dividends have been paid to date:

| Dividends paid during 2017 | Amount per share (cents) | Total paid ($) |
|---|---|---|
| Final 2016 dividend (paid 23 March 2017) | 10.0 | 16,413,805 |
| **Dividends paid during 2016** | | |
| Final 2015 dividend (paid 22 March 2016) | 6.7 | 10,042,130 |
| Interim 2016 dividend (paid 21 September 2016) | 4.0 | 6,005,871 |
| | | **16,048,001** |

After the reporting date, the Board has declared a fully franked interim dividend of 4.5 cents per ordinary share amounting to $7,386,212 in respect of the half year ended 30 June 2017. This dividend is payable on 4 September 2017. The financial effect of this dividend has not been brought to account in the condensed consolidated financial statements for the half year ended 30 June 2017 and will be recognised in subsequent financial reports.

# 5. Directors

The names of Directors who held office at any time during or since the half year ended 30 June 2017 and as at the date of this report:

| Name of Director | Type of Director |
|---|---|
| Michael Anderson | Chairman and Independent Non-Executive Director |
| Brendon Cook | Chief Executive Officer and Managing Director |
| Debra Goodin | Independent Non-Executive Director |
| Darren Smorgon | Independent Non-Executive Director |
| Geoffrey Wild AM | Non-Executive Director |
| Tony Faure | Non-Executive Director |

# 6. Auditor's independence declaration

The Lead Auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the half year ended 30 June 2017.

# 7. Rounding of amounts

The Company is a kind referred to in *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar, unless otherwise stated.

This report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001* (Cth).

**Michael Anderson**
Chairman

14 August 2017
Sydney

# Operating and Financial Review

## Introduction

The Directors are pleased to present the half year Operating and Financial Review (OFR) for oOh!media Limited for the period from 1 January 2017 to 30 June 2017 (H1 2017), including the prior comparable period from 1 January 2016 to 30 June 2016 (H1 2016).

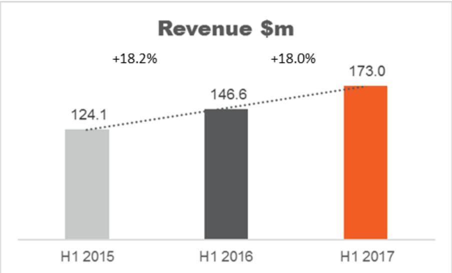
The OFR is provided to assist shareholders' understanding of oOh!media's strategy, performance and the factors underlying its results and financial position. It complements the financial disclosures in the Half Year Financial Report.

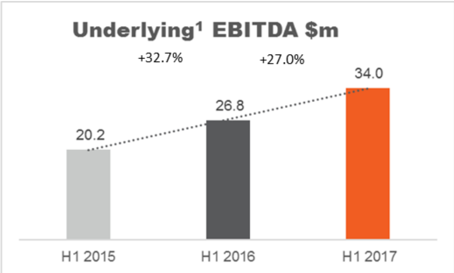
## Overview

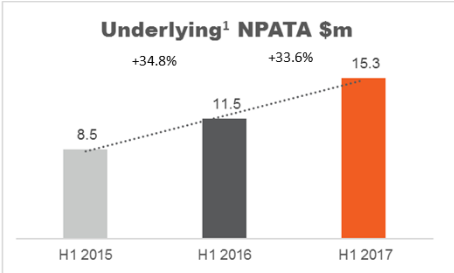
During H1 2017, oOh!media continued to successfully implement its strategy and achieve strong revenue and profit growth over H1 2016, delivering double-digit revenue and Underlying[1] Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) growth of 18.0% and 27.0% respectively. This strong performance resulted from market share gains by oOh!media in Out of Home[2], and Out Of Home growing faster than any other media sector[3] and contribution from its acquisitions. oOh!media has continued to invest in its end-to-end digital strategy with a pilot of its Quantium-derived insights with major advertisers, investment in proprietary trading systems to harness its data insights, and continued digitisation across its diverse portfolio where there are compelling returns. These investments will continue to drive revenue and earnings growth into the future.

## Performance summary

### Table 1: Performance summary




oOh!media's growth and continued leadership of the Out Of Home advertising industry was maintained during the first half of 2017. The Company recorded operational and financial improvements reflecting a combination of organic business growth and contributions from the new businesses acquired during H2 2016.

Group revenue rose 18.0% to $173.0m during HY 2017. All products other than Fly recorded revenue growth, with double-digit percentage increases achieved across Road, Retail, and Locate. Revenue growth also translated to gross profit of $75.3m in HY2017, up 25.1% on HY2016. Gross profit margin also improved by 2.5 percentage points to 43.5%. Pleasingly, Underlying EBITDA and Underlying adjusted Net Profit after Tax (NPATA) both grew significantly faster than revenue.

Underlying EBITDA grew 27.0% to $34.0m, with the Underlying EBITDA margin increasing by 1.4 percentage points to 19.7%. Underlying adjusted NPAT (NPATA) grew 33.6% to $15.3m, excluding non-operating items of $2.1m principally associated with the terminated APN Outdoor merger.

Out Of Home advertising continues to increase its share of advertising spend, growing by 6.4% in the half year to 30 June, according to Outdoor Media Association (OMA) data[4]. The two strongest categories are Roadside Billboards +13.8% and Retail/Lifestyle +9.7%, both of which oOh!media is well represented in.

oOh!media continues to benefit from operating a diversified portfolio of products as advertisers increasingly become aware of the benefits of linking oOh!media's physical assets with online, mobile and social media. The portfolio is also supported by significant ongoing investment in systems, processes and training to ensure our people and capabilities remain industry leading.

Three acquisitions made in H2 2016 influenced the H1 2017 performance. Cactus Imaging, a specialty printing business, has assisted in building capability to support the classic billboard market, while Junkee Media and Executive Channel International (ECN) are growing oOh!media's audiences across the Millennial and CBD environments, respectively.

Together, these businesses contributed almost half of the Group's revenue and operating cost growth in H1 2017. It is expected that their earnings contributions will significantly improve as their integration into oOh!media's core operations matures. The rate of profit growth relative to revenue growth is expected to be higher in H2 2017, partly due to a normal H1/H2 skew in favour of H2 and partly due to acquisitions made

[1] Underlying is financial measure which reflects adjustments for certain non-operating items including impairment, merger and acquisition-related expenses. Underlying represents the same concept as in the CY2016 Annual Report. Refer to note 3 'Operating segments' of the condensed consolidated financial statements for a reconciliation between statutory and underlying EBITDA.
[2] Per the Outdoor Media Association data for H1 2017.
[3] Per the SMI Media Trends Report June 2017. Out Of Home grew by 8.5% in H1 vs a decline of 1.6% for all media.
[4] The Outdoor Media Association is a representative body for Australia's Out Of Home industry

in H2 2016 being owned for a longer period. Together with organic initiatives, this is expected to drive revenue gains and margin expansion in H2 2017 and beyond.

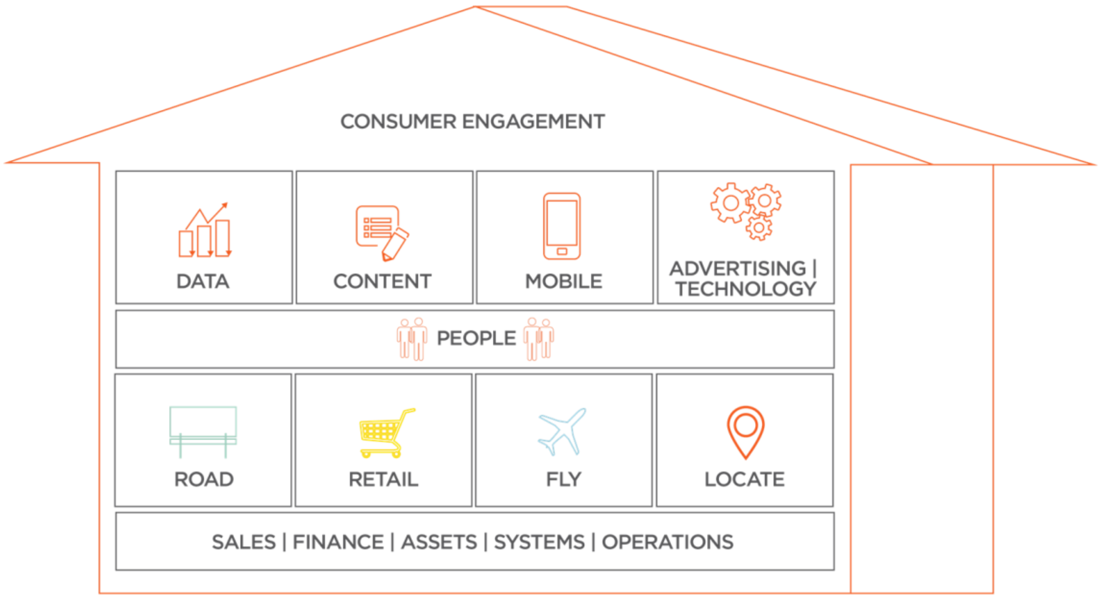
Capital expenditure increased 34.1% ($4.6m) during the half to $18.0m, reflecting continued investments in the digitisation of Road and Retail assets, and the development of new and improved IT platforms and systems. oOh!media's digital strategy requires operating systems to provide oOh!media and its advertisers with enhanced flexibility across assets, content and audiences. These system development costs represent $2.6m of the total capital expenditure. The increased investment in digitising assets and developing our systems and people will continue to drive the current revenue and earnings growth going forward.

# Delivering on strategy

oOh!media's growth is defined and underpinned by a clear strategy built on five key pillars:

- Delivering greater audiences and engagement, insights, and a world-leading approach to audience-based connections for its clients;
- Providing the most diverse product portfolio of any Out Of Home operator in Australia;
- Implementing a clearly defined end-to-end digital strategy which links the geo-specific nature of oOh!media's assets with audience data to drive return on investment (ROI) for its clients;
- Driving the business forward through inspirational leadership and continuing to invest in people to ensure they are the best in the business; and
- Creating value for stakeholders by growing revenue with improved margin opportunities.

The strategy is encapsulated in the oOh!media House (shown below). oOh!media has the broadest product portfolio in Out Of Home and by incorporating and analysing data based on actual customer behaviours in specific locations, oOh!media gains audience insights and is able to engage audiences by creating proprietary content and ecosystems based around how consumers act and make decisions.




# Audience engagement

By adopting an audience-led strategy and utilising an ever-expanding data set and analytics capability, oOh!media is able to deliver multiple audiences to advertisers by combining its extensive portfolio of digital screens and classic billboards integrated with mobile, social and online channels.

The acquisitions in H2 2016 significantly enhanced oOh!media's classic and digital product portfolio, providing realisable near-term cost synergies and significant revenue opportunities. Cost synergies have been achieved and revenue synergies are expected over H2 2017.

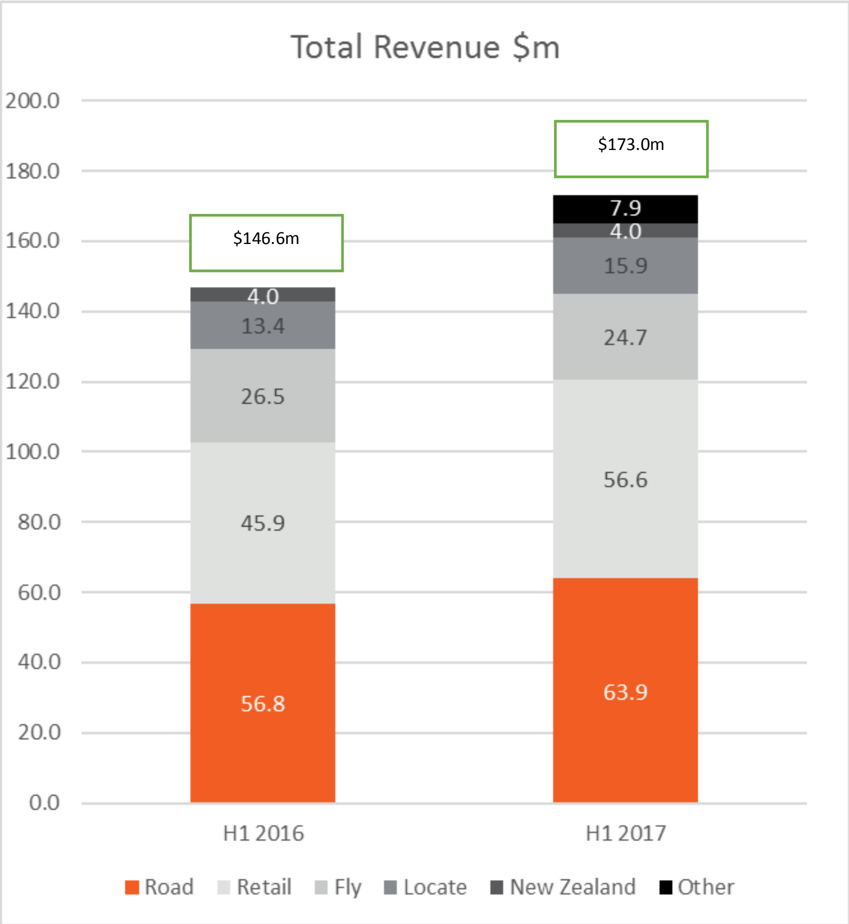
ECN augmented Inlink's CBD office network of digital displays and consolidated oOh!media's leading position in this premium business market. Junkee Media is one of Australia's fastest growing and most innovative Millennial-focused new media companies whose online publications and native content platforms attract 1.6 million unique Australian visitors a month. Junkee Media's online and video content capabilities also provided oOh!media with an in-house ability to create unique content tailored specifically to target audiences.

# Diverse product portfolio

Through a market-leading network of circa 21,000 classic and digital screens, including 230 large format screens across Road, Retail and Airports, oOh!media provides advertisers with access to a diverse range of audiences throughout Australia and New Zealand. These comprise large format metropolitan and regional roadside billboards (Road), screens located in retail precincts such as shopping centres (Retail), signs in airport terminals and lounges (Fly), and sites in high dwell time environments such as CBD office buildings, cafes, pubs, universities, gyms and sports centres (Locate).

oOh!media combines this extensive reach with sophisticated transaction-based data, insights and digital innovation, integrating its physical inventory with experiential, social and mobile online channels to provide clients with greater connections with consumers.

## Table 2: Total revenue




Road and Retail continue to exhibit strong double-digit growth. Road grew revenue 12.4%, and Retail 23.2%. They remain oOh!media's most significant revenue contributors, delivering 36.9% and 32.7%, respectively, of group revenue.

Fly grew its customer base but revenue declined 6.8% against the prior year as a consequence of three major long-term advertisers, with typically lengthy lead times to replace, reducing their spending during the period.

Whilst strong, Locate's revenue growth of 18.6% is below expectations. The ECN acquisition added a very strong office portfolio to provide the premier CBD audience in Australia. Integration programs are complete but realising the sales opportunities and repositioning in the market has taken longer than anticipated. All identified cost synergies have been realised and, with recent operational changes, management remains confident of the outlook for this audience channel.

New Zealand is performing as expected, with modest growth of 0.7% year on year despite the decision by Westfield to shift its advertising in-house. The underlying New Zealand business (adjusted to exclude Westfield from H1 2016) grew at 41.0%. During H1 2017, oOh!media's network in New Zealand reached 50 major shopping centres following new agreements in Hamilton, Christchurch and Auckland.

Other revenue predominantly relates to the external contributions from Cactus Imaging and Junkee Media, which together comprise 4.6% of revenue.

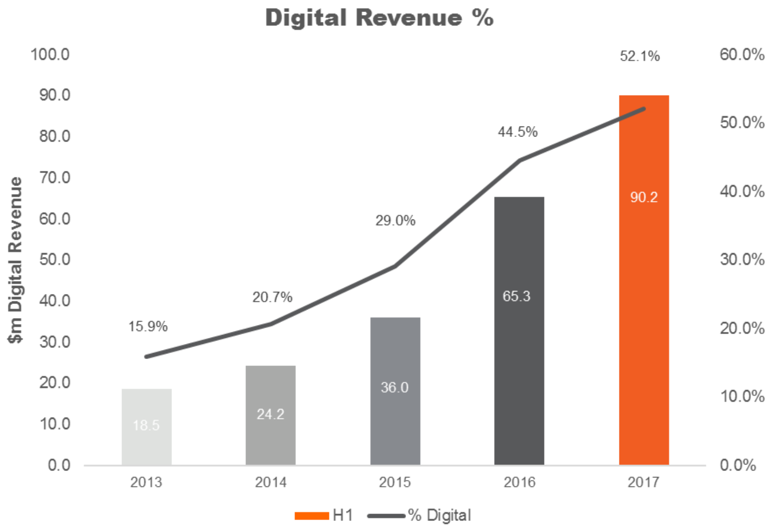
There were no major contracts due for renewal during the period, and oOh!media continues to maintain a balanced and diverse lease maturity profile.

# End-to-end digital portfolio

Digital conversion continued during H1 2017, with 17 roadside billboards converted, 23 large format Evoke signs in shopping centres and over 200 Shopalive faces.

Digital revenue has climbed steadily since 2013, and exceeded 50% for the first time during H1 2017.

### Table 3: Summary of digital revenue




oOh!media's exclusive Out Of Home partnership with leading data and analytics company Quantium allows oOh!media to enhance its existing suite of data insights and audience profiling tools with Quantium's extensive data set developed from actual consumer spending behaviour. This is a significant advancement on the current media industry implied data approach of statistical sampling and demographic profiling. This enhanced database will help oOh!media's customers understand how to best utilise the geographic location of oOh!media signs.

oOh!media began progressively rolling out its Quantium-powered data analytics platform in a pilot program with select key advertisers.

# Online capabilities

In 2014, oOh!media created Hijacked to provide a platform for advertisers to connect with the hard to reach university students. Hijacked amplified online content written by students for students across oOh!media's digital screens on university campuses across Australia. In 2016, the acquisition of Junkee Media broadened and deepened oOh!media's expertise in youth publishing. In May 2017, oOh!media relaunched Hijacked as Uni Junkee following its strongest result on record with more than 195,000 sessions, 133,000 unique users and 228,000 page views. Significantly, Junkee's traffic across its online brands grew by over 42.0% in the half. oOh!media also operates AWOL and Q-View for Qantas, and the Cusp for Westpac, using content created in-house.

# Terminated merger

On 19 May 2017, oOh!media and APN Outdoor announced the mutual termination of the Scheme Implementation Deed entered into in December 2016. Pursuing this transaction was a significant endeavour during the period under review. On 4 May 2017, the Australian Competition & Consumer Commission released a Statement of Issues outlining a number of areas in which it believed the merger might reduce competition.

After detailed consideration, the Board determined that the opportunity cost of continuing to pursue the transaction was no longer in shareholders' best interests due to the risk of very substantial undertakings, or a lengthy, costly and distracting process it believed would be required to achieve success. oOh!media has a very clear growth strategy that it has been successfully executing and that it continues to progress.

Costs totalling $2.0m attached to the proposed merger have been expensed as non-operating items in H1 2017. oOh!media did not pay any break fee in connection with the termination of the Scheme Implementation Deed.

# Review of Financial Position, Liquidity and Cash Flows

## Table 1: Summary of gross profit and loss

| $m | H1 2017 | H1 2016 | Change (%) |
|---|---|---|---|
| Revenue | 173.0 | 146.6 | 18.0% |
| Cost of media sites and production | (97.7) | (86.5) | (13.0%) |
| Gross profit | 75.3 | 60.1 | 25.1% |
| Gross profit margin (%) | 43.5% | 41.0% | 2.5% |
| Operating expenditure | (41.3) | (33.3) | (23.6%) |
| Underlying EBITDA | 34.0 | 26.8 | 27.0% |
| Underlying EBITDA margin (%) | 19.7% | 18.3% | 1.4% |
| Non-operating items | (2.1) | - | n/a |
| EBITDA | 31.9 | 26.8 | 19.0% |
| Depreciation & amortisation | (15.3) | (12.6) | (21.4%) |
| EBIT | 16.6 | 14.2 | 16.9% |
| Net finance costs | (2.8) | (2.4) | (16.8%) |
| Profit / (loss) before tax | 13.8 | 11.8 | 16.5% |
| Income tax (expense) / benefit | (6.7) | (5.8) | (14.6%) |
| Net profit after tax (NPAT) | 7.1 | 6.0 | 18.3% |
| Underlying NPATA | 15.3 | 11.5 | 33.6% |

Revenues of $173.0m in H1 2017 were up 18.0% on H1 2016, with significant growth across Road and Retail in particular, offset through softness in Fly. Organic growth drove slightly more than half of the $26.4m increase, with the H2 2016 acquisitions generating a growing contribution across the period.

Importantly, revenue growth also translated to a gross profit of $75.3m, up 25.1% on H1 2016. The gross profit margin improved by 2.5 percentage points as the business continues to benefit from scale.

Operating expenditure of $41.3m grew by 23.6% over H1 2016. Over half of the $8.0m increase is from the three businesses acquired in H2 2016. Of the remainder, the bulk has been generated from data research, personnel and marketing costs as the Company continues to deliver on its audience and digital strategy. Additionally, the continued digitisation of the business and the associated volume increase is transferring costs from supporting classic panel installations in the gross margin line to increased operations teams captured in operational expenditure. The business has, however, expanded its Underlying EBITDA margin by 1.4 percentage points to 19.7% despite the flow through of this increased operating expenditure. Depreciation and amortisation expenditure increased by 21.4% to $15.3m as a result of the increased capital expenditure attached to the digital roll out over the past two years. Importantly however, the impact of these costs on the Company's earnings is disproportionately felt in the first half given our second half revenue skew, where further earnings growth is expected. The contribution from the acquisitions is also expected to increase in the second half as revenue opportunities post-integration come to fruition.

Non-operating items of $2.1m (after tax impact of $1.5m) were incurred for H1 2017 and have been excluded from underlying profit numbers. Non-operating items mainly consist of costs attached to the proposed merger with APN Outdoor.

The balance sheet remains strong with the net debt / Underlying EBITDA ratio remaining similar to the prior year at 1.7x, and well within the Company's banking covenants. Net debt is expected to lower over the second half in line with the typical seasonality of the business.

### Table 2: Net debt, credit and liquidity ratios metrics as at 30 June 2017 and 31 December 2016

| $m | Actual 30 June 2017 | Actual 31 Dec 2016 |
|---|---|---|
| Borrowings | 145.4 | 122.4 |
| Cash and cash equivalents | (8.0) | (8.2) |
| Net total indebtedness | 137.4 | 114.2 |
| Net debt / Underlying EBITDA | 1.7x | 1.6x |

Key movements in net debt are explained as follows:

- EBITDA of $31.9m; offset by
- Tax payments of $19.0m, including a final payment related to FY 2016;
- Capital expenditure of $18.0m; and
- A final dividend payment of $16.4m.

### Table 3: Summary of cash flows

| $m | H1 2017 | H1 2016 | Variance |
|---|---|---|---|
| EBITDA | 31.9 | 26.8 | 5.1 |
| Net change in working capital and non-cash items | 1.0 | (11.0) | 12.0 |
| Interest and income tax (included in net cash from operating activities) | (21.4) | (12.3) | (9.1) |
| Net cash from operating activities | 11.5 | 3.5 | 8.0 |
| Capital expenditure | (18.0) | (13.4) | (4.6) |
| Acquisition refunds[5] | 0.2 | 0.1 | 0.1 |
| Concessional development advances / (payments) | (0.4) | (2.0) | 1.6 |
| Net cash flow before financing | (6.7) | (11.8) | 5.1 |

Net cash flows from operating activities of $11.5m were an improvement on H1 2016. The growth in EBITDA and underlying revenues had no impact on working capital as management adopted a rigorous approach to receivables collection in the half. These gains versus H1 2016 were partially offset through higher tax payments and finance costs, the latter principally reflecting increased capital expenditure and acquisition activities in H2 2016 required to drive further growth and fulfil strategy delivery. Working capital traditionally spikes in relation to revenues and EBITDA in June due to the timing of lunar billing periods[6], with the bulk of the monies already collected as of August. The business typically has a stronger cash conversion ratio in the second half of the year.

[5] This represents minor adjustments to the final settled amounts for acquisitions as part of the underlying purchase terms.

[6] There are 13 standard media billing periods in a year. Each period is made up of four weeks, beginning on a Monday and ending on the Sunday. This four-week period is commonly referred to as a lunar period in media and can result in two billing periods occurring in the same calendar month. For oOh!media, this occurs towards the end of the second quarter (increasing the media receivables) which is then collected in the third quarter.

KPMG

# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

## To the Directors of oOh!media Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2017 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Trent Duvall

*Partner*

Sydney

14 August 2017

# Condensed consolidated statement of profit or loss and other comprehensive income for the half year ended 30 June 2017

| | Notes | Consolidated 30-Jun-17 $'000 | 30-Jun-16 $'000 |
|---|---|---|---|
| Revenue from continuing operations | 5 | 172,985 | 146,643 |
| Cost of media sites and production | | (97,733) | (86,497) |
| **Gross profit** | | **75,252** | **60,146** |
| **Operating expenditure** | | | |
| Employee benefits expense | | (30,365) | (24,303) |
| Depreciation and amortisation expense | | (15,299) | (12,605) |
| Legal and professional fees | | (1,354) | (1,474) |
| Other property-related costs | | (1,822) | (1,404) |
| Advertising and marketing expenses | | (2,361) | (1,239) |
| Merger and acquisition related expenses | | (2,143) | - |
| Other expenses | | (5,338) | (4,949) |
| **Total operating expenditure** | | **(58,682)** | **(45,974)** |
| **Operating profit** | | **16,570** | **14,172** |
| Finance income | 6 | 28 | 47 |
| Finance costs | 6 | (2,837) | (2,452) |
| **Net finance costs** | | **(2,809)** | **(2,405)** |
| Share of profit of equity-accounted investees, net of tax | | 39 | 78 |
| **Profit before income tax** | | **13,800** | **11,845** |
| Income tax expense | 8 | (6,673) | (5,822) |
| **Profit after income tax** | | **7,127** | **6,023** |
| **Attributable to:** | | | |
| Owners of the Company | | 7,333 | 5,985 |
| Non-controlling interest | | (206) | 38 |
| **Profit for the period** | | **7,127** | **6,023** |
| **Other comprehensive income for the period** | | | |
| **Profit** | | **7,127** | **6,023** |
| **Items that may be subsequently classified to profit or loss:** | | | |
| Effective portion of changes in fair value of cash flow hedges, net of tax | | 24 | 24 |
| Foreign currency translation differences | | 58 | 101 |
| **Total comprehensive income for the period** | | **7,209** | **6,148** |
| **Attributable to:** | | | |
| Owners of the Company | | 7,415 | 6,110 |
| Non-controlling interest | | (206) | 38 |
| **Total comprehensive income for the period** | | **7,209** | **6,148** |

| **Earnings per share attributable to the ordinary equity holders of the Company** | **30-Jun-17 Cents** | **30-Jun-16 Cents** |
|---|---|---|
| Basic earnings per share | 4 | 4 |
| Diluted earnings per share | 4 | 4 |

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Condensed consolidated statement of financial position as at 30 June 2017

| | | Consolidated | |
|---|---|---|---|
| **ASSETS** | **Notes** | **30-Jun-17 $'000** | **31-Dec-16 $'000** |
| **Current assets** | | | |
| Cash and cash equivalents | | 8,035 | 8,193 |
| Trade and other receivables | | 79,626 | 79,411 |
| Inventories | | 339 | 565 |
| Other assets | | 8,667 | 8,104 |
| **Total current assets** | | **96,667** | **96,273** |
| **Non-current assets** | | | |
| Property, plant and equipment | | 112,229 | 102,822 |
| Intangible assets and goodwill | | 322,847 | 329,376 |
| Equity-accounted investees | | 245 | 207 |
| Deferred tax asset | | 9,116 | 9,949 |
| Derivative assets | 10 | 49 | - |
| **Total non-current assets** | | **444,486** | **442,354** |
| **Total assets** | | **541,153** | **538,627** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | | 47,865 | 47,943 |
| Loans and borrowings | | 35 | 63 |
| Deferred consideration | | 120 | 120 |
| Provisions | | 2,399 | 3,308 |
| Employee benefits | | 3,883 | 3,688 |
| Income tax payable | | 1,847 | 14,965 |
| **Total current liabilities** | | **56,149** | **70,087** |
| **Non-current liabilities** | | | |
| Loans and borrowings | | 145,407 | 122,341 |
| Provisions | | 17,652 | 16,403 |
| Employee benefits | | 2,513 | 2,155 |
| Derivative liabilities | 10 | 760 | 786 |
| **Total non-current liabilities** | | **166,332** | **141,685** |
| **Total liabilities** | | **222,481** | **211,772** |
| **Net assets** | | **318,672** | **326,855** |
| **EQUITY** | | | |
| Share capital | 9 | 349,510 | 349,510 |
| Reserves | | 26,867 | 25,763 |
| Accumulated losses | | (56,121) | (47,040) |
| Non-controlling interest | | (1,584) | (1,378) |
| **Total equity** | | **318,672** | **326,855** |

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Condensed consolidated statement of cash flows for the half year ended 30 June 2017

| | Consolidated | |
|---|---|---|
| **Cash flows from operating activities** | **30-Jun-17 $'000** | **30-Jun-16 $'000** |
| Receipts from customers (inclusive of Goods and Services Tax) | 198,038 | 153,179 |
| Payments to suppliers and employees (inclusive of Goods and Services Tax) | (163,412) | (137,371) |
| Cash generated from operations | 34,626 | 15,808 |
| Merger-related payments | (1,762) | - |
| Interest paid | (2,404) | (2,491) |
| Income tax paid | (18,984) | (9,835) |
| ***Net cash from operating activities*** | **11,476** | **3,482** |
| **Cash flows from investing activities** | | |
| Interest received | 28 | 47 |
| Acquisition of property, plant and equipment | (15,393) | (13,448) |
| Acquisition of intangible assets | (2,638) | - |
| Acquisition refunds | 182 | 270 |
| Deferred consideration paid | - | (169) |
| Concessional development payments | (372) | (1,957) |
| ***Net cash used in investing activities*** | **(18,193)** | **(15,257)** |
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | 75,000 | 44,000 |
| Repayment of borrowings | (52,000) | (31,000) |
| Payment of lease liabilities | (27) | (36) |
| Dividends paid | (16,414) | (10,042) |
| ***Net cash from financing activities*** | **6,559** | **2,922** |
| **Net decrease in cash and cash equivalents** | **(158)** | **(8,853)** |
| Cash and cash equivalents at beginning of period | 8,193 | 18,527 |
| **Cash and cash equivalents at end of period** | **8,035** | **9,674** |

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Condensed consolidated statement of changes in equity for the half year ended 30 June 2017

| Consolidated | Contributed equity $'000 | Foreign currency translation reserve $'000 | Other equity reserve $'000 | Cash flow hedge reserve $'000 | Share-based payments reserve $'000 | Accumulated losses $'000 | Non-controlling interest $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2016** | **283,585** | **166** | **18,408** | **(186)** | **7,048** | **(52,593)** | **(1,515)** | **254,913** |
| **Total comprehensive income for the period:** | | | | | | | | |
| Profit / (loss) for the period after income tax | - | - | - | - | - | 5,985 | 38 | 6,023 |
| **Other comprehensive income / (loss):** | | | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | - | - | - | 24 | - | - | - | 24 |
| Exchange differences on translation of foreign operations | - | 101 | - | - | - | - | - | 101 |
| **Total comprehensive income for the period** | **-** | **101** | **-** | **24** | **-** | **5,985** | **38** | **6,148** |
| **Transactions with owners, recorded directly in equity: Contributions and distributions** | | | | | | | | |
| Issue of ordinary shares | 486 | - | - | - | (486) | - | - | - |
| Dividends paid | - | - | - | - | - | (10,042) | - | (10,042) |
| Equity-settled share-based payment transactions | - | - | - | - | 728 | - | - | 728 |
| **Total transactions with owners of the Company** | **486** | **-** | **-** | **-** | **242** | **(10,042)** | **-** | **(9,314)** |
| **Balance at 30 June 2016** | **284,071** | **267** | **18,408** | **(162)** | **7,290** | **(56,650)** | **(1,477)** | **251,747** |

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Condensed consolidated statement of changes in equity for the half year ended 30 June 2017 (continued)

| Consolidated | Contributed equity $'000 | Foreign currency translation reserve $'000 | Other equity reserve $'000 | Cash flow hedge reserve $'000 | Share-based payments reserve $'000 | Accumulated losses $'000 | Non-controlling interest $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2017** | **349,510** | **226** | **17,648** | **(26)** | **7,915** | **(47,040)** | **(1,378)** | **326,855** |
| **Total comprehensive income for the period:** | | | | | | | | |
| Profit / (loss) for the period after income tax | - | - | - | - | - | 7,333 | (206) | 7,127 |
| **Other comprehensive income / (loss):** | | | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | - | - | - | 24 | - | - | - | 24 |
| Exchange differences on translation of foreign operations | - | 58 | - | - | - | - | - | 58 |
| **Total comprehensive income / (loss) for the period** | **-** | **58** | **-** | **24** | **-** | **7,333** | **(206)** | **7,209** |
| **Transactions with owners, recorded directly in equity: Contributions and distributions** | | | | | | | | |
| Issue of ordinary shares | - | - | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | - | (16,414) | - | (16,414) |
| Equity-settled share-based payment transactions | - | - | - | - | 1,022 | - | - | 1,022 |
| **Total transactions with owners of the Company** | **-** | **-** | **-** | **-** | **1,022** | **(16,414)** | **-** | **(15,392)** |
| **Balance at 30 June 2017** | **349,510** | **284** | **17,648** | **(2)** | **8,937** | **(56,121)** | **(1,584)** | **318,672** |

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Notes to the condensed consolidated Half Year Financial Statements

## 1. Reporting entity

oOh!media Limited is a company domiciled in Australia. The Company was incorporated on 7 October 2014 and listed on the Australian Securities Exchange (ASX) on 17 December 2014. The Company's registered office and principal place of business is at Level 2, 76 Berry Street, North Sydney, NSW 2060.

The condensed consolidated Half Year Financial Statements (Half Year Financial Statements) of the Company as at and for the half year ended 30 June 2017 comprises the Company and its subsidiaries (together referred to as the Group, and individually as Group entities), and the Group's interests in associates and joint ventures. The comparative information represents the financial position of the Company as at 31 December 2016 and the Group's performance for the period 1 January 2016 to 30 June 2016.

The Group is a for-profit entity and is primarily involved in outdoor media, production and advertising in Australia and New Zealand.

## 2. Basis of accounting

### (a) Statement of compliance

These Half Year Financial Statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting*, and the *Corporations Act 2001* (Cth), and with IAS 34 Interim Financial Reporting.

These Half Year Financial Statements do not include all the information required for a complete set of IFRS annual Financial Statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated Financial Statements as at and for the year ended 31 December 2016.

The accounting policies adopted in the preparation of these Half Year Financial Statements are consistent with those applied and disclosed in the Annual Report for the year ended 31 December 2016, unless otherwise stated. These Half Year Financial Statements should be read in conjunction with the Annual Report for the year ended 31 December 2016.

These Half Year Financial Statements were approved and authorised for issue by the Directors on 14 August 2017.

### (b) Use of judgements and estimates

In preparing these Half Year Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual consolidated Financial Statements as at and for the year ended 31 December 2016.

### (c) New standards and interpretations

The Group has adopted all of the relevant new, revised, or amending Accounting Standards and interpretations issued by the AASB that are mandatory for the current reporting period.

A number of new standards and amendments to standards are effective for annual reporting periods beginning after 1 July 2017 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these consolidated financial statements.

**AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014)**

With respect to the new standards on issue but not yet effective, AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014), the Group completed an assessment in 2016 of the impact of these standards on the Group's results, financial position and disclosures and determined that they will not have a material impact. The standards are effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

**AASB 16 Leases**

With respect to AASB 16 Leases, the Group is yet to assess the full impact of the new standard. The application of AASB 16 will have a material effect on the Group's reported assets and liabilities which will impact key financial ratios. Information on the undiscounted amount of the Group's December 2016 operating lease commitments under AASB 117, the current leases standard, is disclosed in note 24 of the latest Annual Report. The new standard is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that also early adopt AASB 15 Revenue from Contracts with Customers. Under AASB 16, the present value of these commitments would be shown as a liability on the balance sheet together with an asset representing the right-of-use. The ongoing income statement classification of what is currently predominantly presented as a cost of media sites will be split between amortisation and interest expense. In addition, the cost of implementing the standard may be significant. During the prior financial year the Group commenced a project to consolidate its leasing database into its core operating systems, which will provide the key underlying data required to assess and report the impact of AASB 16.

# Notes to the condensed consolidated Half Year Financial Statements

## 3. Operating segments

### (a) Basis for segmentation

The Group operates as a single segment providing a range of Out Of Home advertising solutions.

### (b) Reconciliation of information on reportable segments to IFRS measures

| | 30-Jun-17 $'000 | 30-Jun-16 $'000 |
|---|---|---|
| **Underlying EBITDA** | **34,012** | **26,777** |
| Merger-related costs | (1,988) | - |
| Acquisition-related expenses | (155) | - |
| **Statutory EBITDA** | **31,869** | **26,777** |
| Share of profit of equity-accounted investees, net of tax | 39 | 78 |
| Amortisation | (6,675) | (5,405) |
| Depreciation | (8,624) | (7,200) |
| Net finance costs | (2,809) | (2,405) |
| **Profit before income tax** | **13,800** | **11,845** |

## 4. Seasonality of operations

The Group's operational results are subject to seasonal fluctuations as media spend is typically stronger in the second half of the calendar year. In particular, Retail benefits from proportionally higher media spend leading up to the Christmas period. The Group attempts to minimise the seasonal impact through promoting the Out Of Home medium throughout the year. However, the first half of the year typically results in lower revenues and profitability.

## 5. Revenue

Key information relating to the Group's financial performance is detailed below. This is also included in management reports reviewed by the Group's chief operating decision maker (the Board).

| | 30-Jun-17 $'000 | 30-Jun-16 $'000 |
|---|---|---|
| Road | 63,887 | 56,850 |
| Retail | 56,557 | 45,906 |
| Fly | 24,736 | 26,527 |
| Locate | 15,886 | 13,393 |
| New Zealand | 3,994 | 3,967 |
| Other (1) | 7,925 | - |
| **External revenues (2)** | **172,985** | **146,643** |

*(1) Other revenues include Cactus and Junkee.*

*(2) All revenues excluding New Zealand have been generated in Australia.*

# Notes to the condensed consolidated Half Year Financial Statements

## 6. Finance costs

| | 30-Jun-17 $'000 | 30-June-16 $'000 |
|---|---|---|
| **Finance income** | **(28)** | **(47)** |
| Interest expense on bank borrowings | 2,783 | 2,285 |
| Finance leases | 1 | 2 |
| Other interest expense | 53 | 165 |
| **Finance costs** | **2,837** | **2,452** |
| **Net finance costs** | **2,809** | **2,405** |

## 7. Share-based payments

### Description of the share-based payment arrangements

As at 30 June 2017 the Group had the following share-based payment arrangements:

### Long-term incentive plan – performance rights

No performance rights vested during the period. The Company issued a further 712,615 performance rights that entitle senior executives to receive shares in the Company during the half year ended 30 June 2017. Details in relation to grants issued in the half year ended 30 June 2017 and in respect of grants of performance rights to employees in prior periods, are detailed in the table below. As the performance right entitles the holder of the right to receive a share for no consideration at a future date, the exercise price is considered to be nil.

The key terms of these grants and assumptions in the calculation of the grant date fair value are outlined below:

Performance rights granted to senior executives are as follows[7]:

| | Grant date | Vesting date | Number granted |
|---|---|---|---|
| Tranche #1 | 17-Dec-14 | 15-Feb-18 | 839,378 |
| Tranche #3 | 1-Feb-16 | 15-Feb-19 | 610,714 |
| Tranche #4 | 1-Mar-17 | 15-Feb-20 | 712,615 |
| **Total performance rights** | | | **2,162,707** |

### Vesting conditions for the performance rights are as follows:

Tranche # 1 – 3 years' service from grant date and 10% compound annual growth (CAGR) in earnings per share (EPS); and

Tranche # 3 – 3 years' service from grant date and 14% CAGR EPS.

Tranche # 4 – 3 years' service from grant date and (i) 75% of rights subject to EPS achieving EPS hurdle of 12% CAGR and (ii) 25% subject to achieving a Total Shareholder Return (TSR) performance hurdle.

[7] In March 2016, 264,249 Tranche #2 performance rights vested and were exercised. No further Tranche #2 performance rights remain outstanding.

# Notes to the condensed consolidated Half Year Financial Statements

## Reconciliation of performance rights

The number of performance rights on issue during the half year ended 30 June 2017 is illustrated below:

| | Number of rights | Face value |
|---|---|---|
| | # | $ |
| Outstanding at 1 January 2017 | 1,370,709 | 4,177,070 |
| Exercised during the period | - | - |
| Granted during the period | 712,615 | 3,224,939 |
| **Outstanding at 30 June 2017** | **2,083,324** | **7,402,009** |
| **Exercisable at 30 June 2017** | **-** | **-** |

## Measurement of fair values

The fair value of the share-based payment plans was measured based on the binomial model, except for the TSR portion of Tranche 4, which was based on the Monte Carlo model. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

*Fair value of performance rights and assumptions:*

| | Tranche #1 | Tranche #3 | Tranche #4 |
|---|---|---|---|
| Share price at grant date | $1.93 | $4.58 | $4.29 |
| 5-day VWAP at grant date | - | $4.55 | $4.54 |
| Fair value at grant date (EPS hurdle) | $1.73 | $4.23 | $3.91 |
| Fair value at grant date (TSR hurdle) | - | - | $2.20 |
| Exercise price | Nil | Nil | Nil |
| Expected volatility | 20%-25% | 33.9% | 36.3% |
| Expected life from grant date | 3 years | 3 years | 3 years |
| Expected dividends | 3.0%-3.5% | 2.50% | 3.31% |
| Risk-free interest rate (based on government bonds) | 2.74% | 1.90% | 1.99% |

# 8. Income tax

## (a) Tax recognised in profit or loss

| | 30-Jun-17 $'000 | 30-Jun-16 $'000 |
|---|---|---|
| **Current tax expense** | **6,673** | **5,822** |

## (b) Reconciliation of effective tax rate

| | 30-Jun-17 $'000 | 30-Jun-16 $'000 |
|---|---|---|
| Profit before tax | 13,800 | 11,845 |
| Income tax at 30% (2016: 30%) | 4,140 | 3,553 |
| *Tax effect of amounts which are not deductible (taxable) in calculating taxable income:* | | |
| Non-deductible expenses | 2,338 | 1,990 |
| Entities excluded from Australian tax group | 355 | - |
| (Over) / under-provided in prior years | (160) | 279 |
| **Tax expense recognised in the profit or loss** | **6,673** | **5,822** |

# Notes to the condensed consolidated Half Year Financial Statements

## 9. Capital and reserves

### (a) Contributed equity

| | 30-Jun-17 | 31-Dec-16 | 30-Jun-17 | 31-Dec-16 |
|---|---|---|---|---|
| | Number | Number | $'000 | $'000 |
| **Issued and paid up share capital** | **164,138,049** | **164,138,049** | **349,510** | **349,510** |

### (i) Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of these shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

### (b) Equity – dividends

On 23 March 2017, a fully franked final dividend of 10.0 cents per ordinary share amounting to $16,413,805 was paid in respect of the year ended 31 December 2016. A fully franked interim dividend of 4.5 cents per share amounting to $7,386,212 in respect to the half year ended 30 June 2017 (30 June 2016: $6,005,871) is payable on 4 September 2017 to Shareholders on Register as at 21 August 2017.

## 10. Financial instruments

### Accounting classifications and fair values

### (a) Fair values vs carrying amounts

The fair values of financial assets and liabilities equals the carrying amounts shown in the statement of financial position, with the exception of interest rate swaps. The fair value of interest rate swaps is determined as the present value of future contra and credit adjustments.

### (b) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the end of the reporting period plus an appropriate credit spread, and were as follows:

| | 30-Jun-17 | 31-Dec-16 |
|---|---|---|
| Interest rate swaps | 1.8%-1.9% | 2.4% |
| Bank loan | 3.1%-3.5% | 3.0%-3.5% |
| Leases | 8.7% | 3.8%-12.8% |

### (c) Fair values hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
(b) Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Notes to the condensed consolidated Half Year Financial Statements

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| Consolidated | 30 June 2017 | | | 31 December 2016 | | |
|---|---|---|---|---|---|---|
| | Carrying value $'000 | Level 1 $'000 | Level 2 $'000 | Carrying value $'000 | Level 1 $'000 | Level 2 $'000 |
| Interest rate swaps asset / (liability) | 49 | - | 49 | (26) | - | (26) |
| Put option liability on non-controlling interests | (760) | - | (760) | (760) | - | (760) |

### (d) Valuation techniques

The fair value of Level 2 interest rate swaps is determined as the present value of future contracted cash flows and credit adjustments. Cash flows are discounted using standard valuation techniques at the applicable market yield, having regard to the timing of the cash flows.

# 11. Subsequent events

Since the end of the reporting period, the Board has declared a fully franked interim dividend of 4.5 cents per ordinary share amounting to $7,386,212 in respect to the half year ended 30 June 2017 (30 June 2016: $6,005,871). This dividend is payable on 4 September 2017.

Other than the matters mentioned above, no other matters or circumstances at the date of this report have arisen since 30 June 2017 that have significantly affected or may affect:

(a) The operations of the Group;

(b) The results of those operations in future financial years; or

(c) The Group's state of affairs in future financial years.

# Directors' Declaration

In accordance with a resolution of the Directors of oOh!media Limited, we state that:

In the Directors' opinion:

(a) The Half Year Financial Statements and notes of the Group that are set out on pages 15 to 25, for the half year ended 30 June 2017, are in accordance with the *Corporations Act 2001* (Cth), including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the half year ended on that date; and

(ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001* (Cth); and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

**Michael Anderson**
Chairman

14 August 2017
Sydney

# Independent Auditor's Review Report

## To the shareholders of oOh!media Limited

### Conclusion

We have reviewed the accompanying ***Half-Year Financial Report*** of oOh!media Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of oOh!media Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Consolidated Entity's*** financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-Year Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 30 June 2017
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Consolidated Entity*** comprises oOh!media Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

### Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-Year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-Year Financial Report that is free from material misstatement, whether due to fraud or error.

KPMG

## Auditor's responsibility for the review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the Half-Year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-Year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of oOh!media Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-Year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Trent Duvall
*Partner*

Sydney

14 August 2017

# Corporate Directory
# oOh!media Limited ACN 602 195 380

| | |
|---|---|
| **Directors** | **Michael Anderson**<br>Chairman and Independent Non-Executive Director<br><br>**Brendon Cook**<br>Chief Executive Officer and Managing Director<br><br>**Debra Goodin**<br>Independent Non-Executive Director<br><br>**Darren Smorgon**<br>Independent Non-Executive Director<br><br>**Geoffrey Wild AM**<br>Non-Executive Director<br><br>**Tony Faure**<br>Non-Executive Director |
| **Company Secretary** | **Katrina Eastoe** |
| **Principal registered office** | Level 2, 76 Berry Street<br>North Sydney NSW 2060<br>Ph: +61 2 9927 5555 |
| **Share register** | Link Market Services Limited<br>Level 12, 680 George Street<br>Sydney NSW 2000<br>Ph: 1300 554 474 |
| **Auditors** | KPMG<br>Tower Three<br>International Towers Sydney<br>300 Barangaroo Avenue<br>Sydney NSW 2000 |
| **Bankers** | Commonwealth Bank of Australia<br>Westpac Banking Corporation<br>National Australia Bank |
| **Stock exchange listing** | The shares of oOh!media Limited are listed by ASX Ltd on the Australian Securities Exchange trading under the ASX Listing Code "OML". |
| **Website** | www.oohmedia.com.au |