OOH!MEDIA LIMITED AND ITS CONTROLLED ENTITIES (THE GROUP) 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 2019

Previous period: For the half year ended 30 June 2018

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 2019.

		Change %	30-Jun-19 $'000	30-Jun-18 $'000
Revenues from ordinary activities(1)	Increased	58.8%	304,863	192,027
Profit from ordinary activities after income tax attributable to members(1)(4)	Decreased	-94.4%	515	9,273
Net Profit for the period attributable to the members(1)(4)	Decreased	-94.4%	515	9,273
EBITDA – Statutory(1)(2)	Increased	271.4%	134,919	36,327
EBITDA – Underlying(1)(2)(3)	Increased	274.2%	141,863	37,915
Underlying EBITDA Pre AASB16(1)(2)(3)(4)	Increased	47.8%	56,021	37,915

(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 and integration 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.

(4) AASB16 became effective for the Group on 1 January 2019. AASB16 establishes principles for the recognition and measurement of leasing arrangements. The Underlying EBITDA for the half-year ended 30 June 2019 doesn't include fixed rent costs due to the implementation of AASB16. These are now accounted for as depreciation of the right of use assets and interest expense on lease liabilities. The Board and executive management monitor the Underlying EBITDA Pre AASB16 line.

Refer to the attached Directors' Report, Half Year 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			
Interim 2019 dividend (to be paid 30 September 2019)	3.5	3.5	30%
Previous period			
Final 2018 dividend (paid 26 March 2019)	7.5	7.5	30%
Interim 2018 dividend (paid 21 September 2018)	3.5	3.5	30%

Interim 2019 dividend dates

Ex-dividend date	29 August 2019
Record date	30 August 2019
Payment date	30 September 2019

The oOh!media Dividend Reinvestment Plan (DRP) will operate in respect of the interim 2019 dividend. The DRP election deadline is 2 September 2019. (The DRP will be fully underwritten).

Net tangible assets

	30-Jun-19	30-Jun-18
Net tangible assets per security (dollars)[(a)(c)]	(0.53)	(0.16)
Net assets per security (dollars)[(b)]	2.73	2.08

(a) Derived by dividing the net assets less intangible assets, calculated on total issued shares of 239,320,183 (2018: 164,930,795 shares).

(b) Derived by dividing the net assets, calculated on total issued shares of 239,320,183 (2018: 164,930,795 shares).

(c) The net tangible assets per share is negative in both the current and prior period as a result of historical acquisitions. At the time of these acquisitions, a significant percentage of the purchase prices were allocated to intangible assets.

Details of associates and joint venture entities

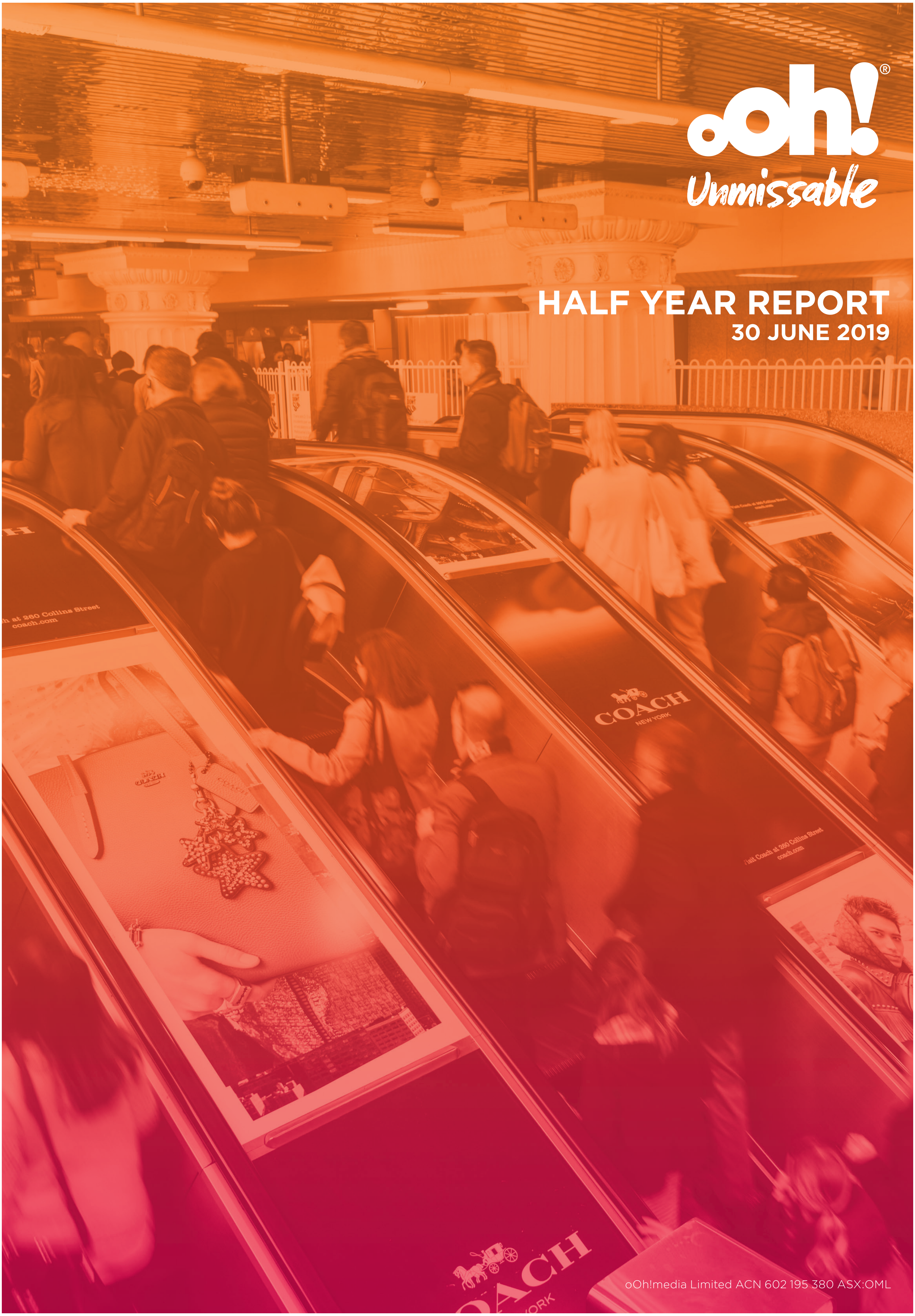
The Group acquired a 50% interest in oOh!edge Pty Limited in March 2014 and as at the date of this report, retains its original interest.

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 2019 is attached.



Unmissable

HALF YEAR REPORT
30 JUNE 2019

oOh!media Limited ACN 602 195 380 ASX:OML

CONTENTS

GENERAL INFORMATION

The Half Year 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, New South Wales 2060

The Half Year 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 Report.

Through the use of the internet, oOh!media Limited ensures that all 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 the website: www.oohmedia.com.au.

DIRECTORS' REPORT

The Directors of oOh!media Limited present their financial report for the half year ended 30 June 2019. The Half Year Report includes the results of oOh!media Limited (the Company) and the entities (the Group) that it controlled at the end of, or during the period.

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 portfolios 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 and gyms;

(e) online sites for millennials, students, flyers, small businesses and city-based audiences; and

(f) classic and digital rail and classic format advertising in public transport corridors including rail.

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

OPERATING AND FINANCIAL REVIEW

The consolidated profit for the half year ended 30 June 2019 was $500,000 (30 June 2018: profit of $9,227,000). A review of the operations of the Group for the half year ended 30 June 2019 is set out in the Operating and Financial Review, which is attached and forms part of the Directors' Report.

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 2019 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 the future financial years.

DIVIDENDS

The following fully franked dividends have been paid to date:

Dividends paid during 2019	Amount per share Cents	Total paid ($)
Final 2018 dividend (paid 26 March 2019)	7.5	17,811,345

Dividends paid during 2018		
Final 2017 dividend (paid 16 March 2018)	10.5	17,317,732
Interim 2018 dividend (paid 21 September 2018)	3.5	8,282,424
		25,600,156

After the reporting date, the Board declared a fully franked interim dividend of 3.5 cents per ordinary share amounting to $8,376,206[(1)] in respect of the half year ended 30 June 2019. The dividend is payable on 30 September 2019. 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 2019 and will be recognised in subsequent financial reports.

(1) Based on 239,320,183 total issued shares as at the date of this report.

DIRECTORS

The names of Directors who held office at any time during or since the half year ended 30 June 2019 and as at the date of this report:

Name of Directors	Type of Director
Tony Faure	Chairman and Non-Executive Director
Brendon Cook	Chief Executive Officer and Managing Director
Joanne Crewes	Independent Non-Executive Director
Debra Goodin	Independent Non-Executive Director and Lead Independent Director
Tim Miles	Independent Non-Executive Director (appointed effective 16 May 2019)
Darren Smorgon	Independent Non-Executive Director
Geoffrey Wild AM	Non-Executive Director (resigned effective 16 May 2019)

AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 7 and forms part of the Directors' Report for the half year ended 30 June 2019.

ROUNDING OF AMOUNTS

The Company is a kind referred to in ASIC Corporations Instrument 2016/191(Instrument) issued by the Australian Securities and Investments Commission (ASIC), 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).

Signed on behalf of the Directors.

Tony Faure
Chairman

26 August 2019
Sydney

OPERATING AND FINANCIAL REVIEW 1H2019

OVERVIEW

In a challenging media market for the first half of 2019 ("1H19"), oOh!media generated a pro forma (PF) 5% revenue growth, a 4% decline in Underlying EBITDA pre AASB16[(2)] and continued execution of its strategy to build a sustainable, scaled, multi-format Out Of Home business. Market feedback continues to reinforce our conviction that this strategic focus will position the company to outperform the broader media market as our diversified portfolio delivers market-beating results for advertisers.

oOh!media achieved its integration objectives for the Commute business (the rebranded Adshel acquisition) which was acquired on 28 September 2018. The Adshel acquisition and oOh!media's investment in its new technology platform create the best possible opportunity to benefit from an upturn in the media cycle going forward and from the expected increase in Out Of Home's share of total media spend.

oOh!media delivered top line growth on both a reported and pro forma basis. A pro forma basis for the historic period including Adshel's 1H18 results has been provided to enable comparability to the current reporting period given the materiality of its contribution. Underlying Earnings before interest, tax, depreciation and amortisation (Underlying EBITDA[(2)]) was broadly in line with the Company's expectations given the dampening effect of the May federal election and a soft macroeconomic environment on advertising sales.

This year oOh!media is reporting its results in accordance with the new leasing standard AASB16 which has resulted in a change to the Company's reported statutory result. There is no change to the fundamental economic performance and cash generation of the business. The first set of results presented below exclude AASB16 reporting as the company provided FY19 EBITDA guidance on this basis.

GROUP FINANCIAL RESULTS

Pre adoption of AASB16

A$m unless specified	1H19 Pre AASB16	1H18 PF[(3)]	Variance ($)	Variance (%)
Revenue	304.9	291.0	13.9	5
Gross Profit	126.6	128.8	(2.2)	(2)
Gross Profit Margin (%)	*41.5%*	*44.3%*	*n/a*	*-2.7 ppts*
Total operating expenditure	(70.6)	(70.4)	(0.2)	(0)
Underlying EBITDA[(2)]	56.0	58.4	(2.4)	(4)
Underlying EBITDA Margin (%)	*18.4%*	*20.1%*	*n/a*	*-1.7 ppts*
Non-Operating Items	(6.9)	(1.6)	(5.4)	(337)
EBITDA	49.1	56.8	(7.7)	(14)
Depreciation and Amortisation	(24.8)	(27.5)	2.7	10
EBIT	24.3	29.3	(5.0)	(17)
Net finance costs[(4)]	(10.4)	(10.8)	0.3	3
Profit Before Tax	13.8	18.5	(4.6)	(25)
Income Tax Expense[(5)]	(4.8)	(6.5)	1.7	26
Net Profit After Tax	9.0	12.0	(2.9)	(24)
Underlying NPATA[(2)(6)]	18.2	17.6	0.6	3
EPS (cps)	3.7	7.2	(3.5)	(48)
Interim Dividend fully franked (cps)	3.5	3.5	–	–

Differences in values due to rounding, ppts means percentage points, cps means cents per share

(2) Underlying EBITDA and NPATA reflect adjustments for certain non-operating items including impairment and acquisition-related expenses. Non-operating items of $6.9m (pre tax) relate to integration costs following the acquisition of Adshel in 2H18. Management believes Underlying provides a better representation of financial performance in the ordinary course of business.

(3) Pro forma refers to oOh!media's results combined with the management accounts for Commute for the period when it was not under oOh!media's ownership.

(4) 1H18 pro forma finance costs are adjusted to provide a similar debt structure to the pro forma period as was the case for 1H19, to allow for comparability of profit before tax, NPAT and Underlying NPATA between periods

(5) 1H18 pro forma income tax expense is adjusted to allow for comparability to the current period after accounting for the 1H18 interest adjustment outlined in (4) above

(6) 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.

OPERATING AND FINANCIAL REVIEW 1H2019 (continued)

IMPACT OF ADOPTION OF AASB16 ON THE PROFIT AND LOSS STATEMENT

The adoption of AASB16 has significantly increased the gross margin (high 60%s) and underlying EBITDA operating margin (mid 40%s) for the half versus low 40%s and high teen %s respectively relative to what has been reported in prior first halves. This is due to fixed lease costs now being excluded from gross margin under the new standard. Fixed lease costs are incorporated into a right of use lease asset and lease liability which reduce over the remaining lease period. Adopting the standard has therefore driven a significant corresponding increase in depreciation and finance charges. The net result of these movements is a $8.5 million decline in NPAT and underlying NPATA(2). This decrease in reported earnings is non-cash and is a temporary timing difference which will reverse over the weighted average life of the lease portfolio, and thus has no impact on the dividend declared for the interim result.

Post adoption of AASB16

A$m unless specified	1H19 Pre AASB16	1H19 Post AASB16	Variance ($)	Variance (%)
Revenue	304.9	304.9	–	–
Gross Profit	126.6	208.9	82.3	65
Gross Profit Margin (%)	*41.5%*	*68.5%*	*n/a*	*27.0 ppts*
Total operating expenditure	(70.6)	(67.1)	3.6	5
Underlying EBITDA(2)	56.0	141.9	85.8	153
Underlying EBITDA Margin (%)	*18.4%*	*46.5%*	*n/a*	*28.2 ppts*
Non-Operating Items	(6.9)	(6.9)	–	–
EBITDA	49.1	134.9	85.8	175
Depreciation and Amortisation	(24.8)	(104.3)	(79.5)	(320)
EBIT	24.3	30.6	6.4	26
Net finance costs	(10.4)	(29.0)	(18.5)	(177)
Profit Before Tax	13.8	1.6	(12.2)	(88)
Income Tax Expense	(4.8)	(1.1)	3.7	76
Net Profit After Tax	9.0	0.5	(8.5)	(94)
Underlying NPATA(2)(6)	18.2	9.7	(8.5)	(47)
EPS (cps)	3.7	0.2	(3.5)	(94)
Interim Dividend fully franked (cps)	3.5	3.5	–	–

Differences in values due to rounding, ppts means percentage points, cps means cents per share

OPERATING AND FINANCIAL REVIEW 1H2019 (continued)

REVENUE – DIVERSE PRODUCT PORTFOLIO DELIVERS REVENUE GROWTH

1H19 revenue increased by 5% to $304.9 million on a pro forma basis. Commute grew revenue by 13% demonstrating its contribution to the top line performance of oOh!media's diversified asset portfolio. On a reported basis, which excludes Commute from 1H18, revenue increased by 59%.

A$m unless specified	1H19	1H18 PF	Variance ($)	Variance (%)
Commute	111.5	98.9	12.6	13
Road	67.5	74.4	(6.9)	(9)
Retail	61.6	58.3	3.3	6
Fly	32.9	29.3	3.7	13
Locate	23.1	20.9	2.2	10
Other	8.2	9.2	(1.0)	(11)
Total	**304.9**	**291.0**	**13.9**	**5**

Differences in values due to rounding.

- In both Australia and New Zealand **Commute** demonstrated strong double-digit growth in the half, growing 13% on a pro forma basis. The business has largely overcome the loss of the Yarra Trams contract through asset roll outs across the Public Transport Victoria bus contract and Metro Trains Melbourne.

- **Fly** continued its strong momentum from 2018 with revenue growing by 13%, including the revenue contribution from Qantas In-Flight which was ahead of expectations and demonstrates the value of this innovation.

- **Road** suffered from a revenue decline of 9% during the first half. This format is typically driven by big brand-based advertising and was adversely affected by soft media spend and the cautious marketing behaviour of major advertisers during the federal election. 1H19 also cycles against a very strong 1H18 which saw significant advertising expenditure by banks and auto companies, which has not repeated so far this year.

- **Locate by oOh!media** delivered revenue growth of 10%, continuing its momentum from 2018. The office and study products in this format have a unique ability to target audiences in the CBD and tertiary education environments which has driven awareness and adoption by advertisers attracted to this space.

- **Retail** revenue grew by 6% which was a pleasing turn-around from a 4% decline in the prior corresponding period and reflects the outcomes of the repositioning of this format which oOh!media undertook from late Q2 in 2018.

- **Other** revenue represents the contribution from Junkee Media and Cactus Imaging.

oOh!media continues to maintain a balanced and diverse lease maturity profile.

The Company remains at the forefront of digital and data-led innovation in the sector with continued digitisation of assets in premium locations across its network, as well as continued investment in its technology platforms. Digital revenue as a percentage of total revenue represented 60% for the first half, compared to 64% in the prior corresponding half as Commute has a lower digitisation rate than the balance of the portfolio and was not included in the prior comparative period.

OPERATING AND FINANCIAL REVIEW 1H2019 (continued)

EARNINGS – DELIVERING ON CONTROLLABLE COMMITMENTS

At the beginning of the year oOh!media targeted an exit run-rate by the end of 2019 of $16 million in cost synergies from the Commute acquisition and the Group is on track for this target. It expects further synergies in 2020. The business exited 1H19 with $10 million in synergy run-rate savings. Operating expenditure excluding synergy realisation growth is 4%, below the previous guidance (excluding synergies) of between 5% and 7% due to cost discipline. Operating expenditure excluding depreciation, amortisation and non-operating items was flat on a pro forma basis.

The 5% increase in pro forma revenue translated to a pre AASB16 gross profit of $126.6 million. This represents a decline of 2% reflecting the impact of an adverse mix change and concession renewal rent increases. Road constituted 22% of the 1H19 revenue mix versus 26% in the prior corresponding period, a 4% decrease. Conversely both Fly and Commute, which have lower structural gross margins than Road, increased their mix contribution by 1% and 3% respectively. Commute's contribution in the half helped offset the impact of Road on overall revenue performance. On a statutory basis, revenue grew by 59% and gross profit by 139%, noting Commute was not included in the previous period.

Underlying EBITDA pre AASB16 fell by 4% on a pro forma basis to $56 million as a direct result of the decline in pro forma gross profit. On a statutory basis, after accounting for the adoption of AASB16, EBITDA grew by 271% to $134.9 million due to the fixed rents being captured as depreciation and interest expense under the new standard, resulting in an EBITDA margin of 47%.

Non-operating items of $6.9 million (pre-tax) are excluded from underlying trading results and relate to integration costs resulting from the acquisition of Adshel, and reflect mostly termination expenses and a non-cash impairment of a third party technology platform that was in development by Adshel. We expect final cash based integration costs to be marginally higher than the $7.0 million originally stated.

Depreciation and amortisation pre-adoption of AASB16 fell by 10% on a pro forma basis. This is a result of the uplift to fair market value of bus shelter assets acquired through Adshel and capital expenditure undertaken in the past twelve months to support the digital transformation of the portfolio, which is more than offset by the consistent application of a 20 year life for the bus shelter assets. The capital expenditure is a key strategic investment to ensure sustained growth as the media cycle normalises. On a statutory basis depreciation and amortisation increased by 457% to $104.3 million with the new standard classifying fixed rent as depreciation and interest as previously mentioned.

Net finance costs before accounting for the adoption of AASB16 were down 3% on a pro forma basis assuming that the pro forma period had a similar capital structure. Ignoring this pro forma adjustment, actual borrowing expenses increased significantly by 245% to $10.4 million due to increased debt associated with the Adshel acquisition. Factoring in the adoption of AASB16 there was a further increase in non-cash interest of $18.5 million to $29.0 million.

NPAT pre AASB16 fell 24% on a pro forma basis to $9.0 million and fell by 94% to $0.5 million when applying the new standard. On a pro forma basis NPAT was impacted by the challenging media market environment coupled with increased rents, operating costs and the $6.9m in integration costs.

Underlying NPATA on a pre AASB16 pro forma basis increased by 3% to $18.2 million and decreased by 35% when accounting for the new standard.

As outlined earlier, the 1H19 NPAT and NPATA impact of AASB16 is a decrease in profit after tax of $8.5 million which is a function of the maturity profile of the company's leases. The business proactively seeks to maintain a mature leasing profile ensuring the appropriate diversification of its revenue generating asset base. This impact will reverse across the portfolio such that in future years NPAT and NPATA will be higher than it would otherwise be reported due to the adoption of this standard. There is no impact on cash flows or debt covenant calculations from this standard.

INTERIM DIVIDEND

The Company declared a fully franked interim dividend of 3.5 cents per share, unchanged from the dividend declared for the prior corresponding half. The Company's dividend reinvestment plan (DRP) will operate for the interim dividend payable on 30 September 2019. The DRP will be fully underwritten and therefore has no cash impact. This reflects our efforts to de-lever, whilst continuing dividends notwithstanding the difficult current media conditions.

oOh!media remains focused on delivering on its gearing target of less than or approaching 2.0x by the end of 2020. At 30 June 2019, gearing was 2.7x, well within the bank covenants of 3.5x. The record date for entitlement to receive the interim dividend is 30 August 2019.

OPERATING AND FINANCIAL REVIEW 1H2019 (continued)

CASH FLOW GENERATION PRE AASB16

A$m unless specified	1H19	1H18	Variance ($)	Variance (%)
EBITDA	49.1	36.3	12.8	35
Net change in working capital	2.3	8.8	(6.5)	(74)
Interest and Income Tax (included in net cash from operating activities)	(34.3)	(16.0)	(18.2)	114
Net cash from operating activities	**17.1**	**29.1**	**(12.0)**	**(41)**
Capital expenditure	(28.3)	(14.5)	(13.8)	95
Proceeds from disposal of PP&E	0.5	0.3	0.2	56
Net cash flow before financing	**(10.7)**	**14.9**	**(25.6)**	**(172)**

Differences in values due to rounding.

1H19 cash flow was impacted by two non-recurring items: the $7 million payment paid under the previously reported termination deed relating to cessation of representation of 7-Eleven petro-convenience sites; and integration costs paid of $3.5 million. It was also impacted by tax paid exceeding tax expense in 1H19 by $23.6 million. Differences between tax paid and tax expense are a normal part of our business and typically the majority reverse in subsequent periods. We expect approximately $16 million of the 1H19 difference between tax expense and tax paid will reverse in subsequent periods. Absent these items, 1H19 net cash flow before financing would have been approximately $15 million positive. oOh!media historically generates more EBITDA and cash in H2.

On a reported basis capital expenditure increased by $13.8 million and was driven by the digitisation of the Commute network which was acquired in 2H18, the roll out of new assets in Brisbane airport and continuation of the investments in the digitisation of the group's assets. We also continue to invest in systems capability to create an operating platform providing an unrivalled system built on advanced, machine learning capability with enhanced technological infrastructure. Additionally this investment also included costs related to moving Commute from its legacy IT infrastructure to oOh!media's proprietary technology platform ahead of its original target. For the full year, the company is targeting the lower to mid-range of its stated capex guidance of between $55 million and $70 million.

AASB16 has not had an impact on the cash flow of the business and will not have an impact in the future. However it does change the presentation of the allocation on the cash flow statement.

FINANCIAL POSITION

A$m unless specified	1H19	FY18	Variance ($)	Variance (%)
Borrowings	432.7	405.6	27.2	7
Cash and Cash equivalents	(39.3)	(33.0)	(6.2)	(19)
Net Debt	393.4	372.5	20.9	6
Leverage Ratio (Net Debt/Underlying EBITDA)	2.7x	2.6x	0.1x	n/a

Differences in values due to rounding.

Excluding the impact of AASB16 the Company increased its gearing from 2.6x in December to 2.7x in June. This was in line with the Company's expectations and was driven by the distribution of the final dividend from FY18, an exit payment from the unprofitable 7-Eleven contract, temporary timing differences on tax paid, and one-off termination payments related to the restructure activities. These events were partially offset by the DRP take up in 1H19. This level of gearing is well within the Company's banking covenants and oOh!media will reduce its net debt further over 2H19, which is traditionally the case, given seasonality of earnings.

Adoption of AASB16 results in a significant increase in both the long-term liabilities of the company and non-current assets. The liabilities represent the present value of fixed rent contracts that the business has across its concession portfolio and its administration offices. The assets represent the right of use of these assets. The adoption of this standard has no impact on the gearing calculation applied by our lending banks nor implies a changed risk profile from what would otherwise be the case. The length of tenure on concessions increases the size of the right of use assets and associated liabilities and is an outcome of oOh!media managing the risk of short term losses of key contracts.

OUTLOOK – GUIDANCE REVISED TO UNDERLYING EBITDA PRE AASB16 OF $125.0 MILLION TO $135.0 MILLION

oOh!media provided guidance at the beginning of the year for underlying EBITDA of between $152 million and $162 million (excluding integration costs and the impact of the new AASB16 reporting). The Group has since advised underlying EBITDA is expected to be between $125 million and $135 million, excluding integration costs and the impact of AASB16.

As previously advised on 16 August 2019, there was a significant and broad-based decline in revenue for Q3 such that improved Q4 bookings were unable to offset this weakness.

oOh!media's overall strategy continues to focus on delivering sustainable revenue and earnings growth to maximise shareholder value.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

KPMG

TO THE DIRECTORS OF OOH!MEDIA LIMITED

I declare that, to the best of my knowledge and belief, in relation to the review of oOh!media Limited for the half year ended 30 June 2019 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

KPMG

Trent Duvall
Partner

Sydney
26 August 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2019

	Notes	Consolidated 30-Jun-19(6) $'000	Consolidated 30-Jun-18 $'000
Revenue from continuing operations	5	304,863	192,027
Cost of media sites and production		(95,949)	(104,450)
Gross profit		**208,914**	**87,577**
Operating expenditure			
Employee benefits expense		(49,219)	(36,007)
Depreciation and amortisation expense		(104,306)	(18,723)
Legal and professional fees		(3,153)	(1,770)
Other property-related expenses		–	(1,919)
Advertising and marketing expenses		(4,530)	(3,018)
Acquisition and integration related expenses		(6,944)	(1,588)
Other expenses		(10,149)	(6,948)
Total operating expenditure		**(178,301)**	**(69,973)**
Operating profit		**30,613**	**17,604**
Finance income	6	378	23
Finance costs	6	(29,351)	(3,049)
Net finance costs		**(28,973)**	**(3,026)**
Share of profit/(loss) of equity-accounted investees, net of tax		(6)	(20)
Profit/(loss) before income tax		**1,634**	**14,558**
Income tax expense	8	(1,134)	(5,331)
Profit/(loss) after income tax		**500**	**9,227**
Attributable to:			
Owners of the company		515	9,273
Non-controlling interest		(15)	(46)
Profit/(loss) for the period		**500**	**9,227**
Other comprehensive (loss)/income for the period			
Profit/(loss) for the period		**500**	**9,227**
Items that may be subsequently classified to profit or loss:			
Effective portion of changes in fair value of cash flow hedges, net of tax		(7,599)	(16)
Foreign currency translation differences		435	14
Total comprehensive (loss)/income for the period		**(6,664)**	**9,225**
Attributable to:			
Owners of the company		(6,649)	9,271
Non-controlling interest		(15)	(46)
Total comprehensive (loss)/income for the period		**(6,664)**	**9,225**

Earnings per share attributable to the ordinary equity holders of the company	30-Jun-19 Cents	30-Jun-18 Cents
Basic earnings per share	0.2	5.6
Diluted earnings per share	0.2	5.6

(6) AASB16 became effective for the group on 1 January 2019. AASB16 establishes principles for the recognition and measurement of leasing arrangements. The net profit for the half-year ended 30 June 2019 includes depreciation of the right-of-use assets and interest expense on lease liabilities relating to AASB16 leases, which were accounted for as operating expenses in the comparative period. Refer to Note 2 for further details.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	Consolidated 30-Jun-19[7] $'000	Consolidated Restated[8] 31-Dec-18 $'000
Current assets			
Cash and cash equivalents		39,267	33,027
Trade and other receivables		116,601	124,814
Inventories		4,580	5,739
Other assets		28,415	30,069
Income tax asset		14,067	–
Total current assets		**202,930**	**193,649**
Non-current assets			
Property, plant and equipment		248,103	244,866
Intangible assets and goodwill		779,991	785,670
Right-of-use-assets	2	741,512	–
Other assets		20,791	21,893
Total non-current assets		**1,790,397**	**1,052,429**
Total assets		**1,993,327**	**1,246,078**
Current liabilities			
Trade and other payables		88,366	93,073
Loans and borrowings		235	59
Deferred consideration		120	120
Interest bearing lease liabilities	2.2	158,007	–
Provisions		471	9,903
Employee benefits		7,450	6,797
Income tax payable		–	10,726
Total current liabilities		**254,649**	**120,678**
Non-current liabilities			
Loans and borrowings		432,668	405,511
Provisions		14,297	25,093
Employee benefits		3,576	3,554
Interest Bearing Lease Liabilities	2.2	620,780	–
Derivative liabilities	10	13,386	3,882
Deferred tax liability		1,514	7,350
Total non-current liabilities		**1,086,221**	**445,390**
Total liabilities		**1,340,870**	**566,068**
Net assets		**652,457**	**680,010**
Equity			
Share capital	9	685,449	675,371
Reserves		16,353	26,686
Accumulated losses		(48,440)	(21,263)
Equity attributable to the owners of the Company		**653,362**	**680,794**
Non-controlling interest		(905)	(784)
Total equity		**652,457**	**680,010**

(7) AASB16 became effective for the group on 1 January 2019. AASB16 establishes principles for the recognition and measurement of leasing arrangements. Refer to Note 2 for further details.

(8) 2018 balances have been restated due to the finalisation of an independent valuation of the identifiable tangible assets acquired in the Adshel acquisition. Refer to Note 11 for further details.

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 2019

	Consolidated	
	30-Jun-19 $'000	30-Jun-18 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	351,227	221,616
Payments to suppliers and employees (inclusive of goods and services tax)(9)	(205,506)	(176,481)
Cash generated from operations	**145,721**	**45,135**
Onerous lease provision settlement	(7,000)	–
Interest paid(9)	(28,099)	(2,788)
Income tax paid	(24,700)	(13,232)
Net cash from operating activities	**85,922**	**29,115**
Cash flows from investing activities		
Interest received	378	23
Payment for acquisition of subsidiaries, net of cash acquired	(2,413)	–
Acquisition of property, plant and equipment	(23,420)	(10,666)
Acquisition of intangible assets	(4,915)	(3,850)
Proceeds from sale of property, plant and equipment	502	323
Net cash used in investing activities	**(29,868)**	**(14,170)**
Cash flows from financing activities		
Proceeds from borrowings	60,000	53,000
Transaction costs related to issue of shares	(890)	–
Repayment of borrowings	(31,000)	(57,000)
Payment of lease liabilities(9)	(66,622)	(32)
Dividends paid	(11,302)	(17,318)
Net cash used in financing activities	**(49,814)**	**(21,350)**
Net increase/(decrease) in cash and cash equivalents	**6,240**	**(6,405)**
Cash and cash equivalents at beginning of period	33,027	15,919
Cash and cash equivalents at end of period	**39,267**	**9,514**

(9) AASB16 became effective for the group on 1 January 2019. AASB16 establishes principles for the recognition and measurement of leasing arrangements. Following the implementation of AASB16, fixed rent is excluded from Payments to suppliers and employees and included within Interest paid ($18.5m) and Payment of lease liabilities.

Differences in values due to rounding.

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 2019

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 2018	**349,510**	**70**	**17,688**	**39**	**10,154**	**(26,363)**	**(804)**	**350,294**
Total comprehensive income for the period:								
Profit/(loss) for the period after income tax	–	–	–	–	–	9,273	(46)	9,227
Other comprehensive income/(loss):								
Effective portion of changes in fair value of cash flow hedges	–	–	–	(16)	–	–	–	(16)
Exchange differences on translation of foreign operations	–	14	–	–	–	–	–	14
Total comprehensive income for the period	**–**	**14**	**–**	**(16)**	**–**	**9,273**	**(46)**	**9,225**
Transactions with owners, recorded directly in equity:								
Contributions and distributions								
Issue of ordinary shares	1,375	–	–	–	(1,375)	–	–	–
Share issue costs	(1,035)	–	–	–	–	–	–	(1,035)
Dividends paid	–	–	–	–	–	(17,318)	–	(17,318)
Equity-settled share-based payment transactions	–	–	–	–	1,268	–	–	1,268
Total transactions with owners of the Company	**340**	**–**	**–**	**–**	**(107)**	**(17,318)**	**–**	**(17,085)**
Balance at 30 June 2018	**349,850**	**84**	**17,688**	**23**	**10,047**	**(34,408)**	**(850)**	**342,434**
Restated balance as at 31 December 2018[8]	**675,371**	**284**	**16,608**	**(1,358)**	**11,152**	**(21,263)**	**(784)**	**680,010**
AASB16 transitional impact on Retained Earnings[7]	–	–	–	–	–	(9,877)	–	(9,877)
Restated balance as at 1 January 2019	**675,371**	**284**	**16,608**	**(1,358)**	**11,152**	**(31,140)**	**(784)**	**670,133**
Total comprehensive income for the period:								
Profit for the period after income tax	–	–	–	–	–	515	(15)	500
Other comprehensive income:								
Effective portion of changes in fair value of cash flow hedges	–	–	–	(7,599)	–	–	–	(7,599)
Exchange differences on translation of foreign operations	–	435	–	–	–	–	–	435
Total comprehensive income for the period	**–**	**435**	**–**	**(7,599)**	**–**	**515**	**(15)**	**(6,664)**
Transactions with owners, recorded directly in equity:								
Contributions and distributions								
Issue of ordinary shares (Employee Performance Rights)	3,569	–	–	–	(3,569)	–	–	–
Issue of Ordinary Shares (Dividend Reinvestment Plan)	6,509					(6,509)		–
Dividends paid	–	–	–	–	–	(11,302)	–	(11,302)
Equity-settled share-based payment transactions	–	–	–	–	400	–	–	400
Change to non-controlling interest	–	–	–	–	–	(4)	(106)	(110)
Total transactions with owners of the Company	**10,078**	**–**	**–**	**–**	**(3,169)**	**(17,815)**	**(106)**	**(11,012)**
Balance at 30 June 2019	**685,449**	**719**	**16,608**	**(8,957)**	**7,983**	**(48,440)**	**(905)**	**652,457**

(7) AASB16 became effective for the group on 1 January 2019. AASB16 establishes principles for the recognition and measurement of leasing arrangements. Refer to Note 2 for further details.

(8) 2018 balances have been restated due to the finalisation of an independent valuation of the identifiable tangible assets acquired in the Adshel acquisition. Refer to Note 11 for further details

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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 Interim Financial Statements (Interim Financial Statements) of the Company as at and for the half year ended 30 June 2019 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 2018 and the Group's performance for the period 1 January 2018 to 30 June 2018.

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 Interim Financial Statements are general purpose financial statements prepared in accordance with AASB134 Interim Financial Reporting, and the Corporations Act 2001 (Cth), and with IAS 34 Interim Financial Reporting.

These Interim Financial Statements do not include all the information required for a complete set of IFRS annual Financial Statements. 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 2018.

The accounting policies adopted in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the Annual Report for the year ended 31 December 2018, except for the adoption of new standards set out in Note 2(e). These Interim Financial Statements should be read in conjunction with the Annual Report for the year ended 31 December 2018 (the Annual Report 2018).

These Interim Financial Statements were approved and authorised for issue by the Directors on 26 August 2019.

(b) Rounding of amounts

The Company is a kind referred to in ASIC Corporations Instrument 2016/191(Instrument) issued by the Australian Securities and Investments Commission (ASIC), 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.

(c) Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The Group has, as a result of adopting AABS16 in the current year, an excess of current liabilities over current assets of $51.7m. The Group is generating positive operating cash flows and there is no indication that the Group will not be able to meet it's obligations.

(d) Use of judgements and estimates

In preparing these Interim 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 described in the last annual financial statements, except for the new significant judgements related to lessee accounting under AASB16. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

(e) New standards and interpretations

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

AASB16 Leases

The Group initially adopted AASB16 Leases from 1 January 2019. AASB16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied AASB16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated.

The details of the changes in accounting policies are disclosed below.

2.1 DEFINITION OF A LEASE

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Upon transition, the standard allows companies to utilise a number of 'practical expedients'. The Group has chosen to utilise the following:

a. The same discount rate (Incremental Borrowing Rate – see below) has been applied to leases with similar characteristics (eg. similar lease term);

b. All contracts which have previously been classified as a lease/licence will continue to be treated as a lease.

In addition, AASB16 has been applied to all contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease and non-lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

2.2 THE GROUP AS A LESSEE

The Group leases many assets including and predominantly related to property leases for advertising sites. As a lessee, the Group recognises a right-of-use asset and a lease liability at the lease commencement date for most leases.

At transition, for leases classified as operating leases under AASB117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's relevant incremental borrowing rate as at 1 January 2019. Right-of-use assets were measured at either:

a. Their carrying amount as if AASB16 had been applied since the commencement of the lease, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to a number of its largest leases; or
b. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment – the Group applied this approach to all other leases.

The Group presents right-of-use assets within its own line in non-current assets and presents lease liabilities as Interest bearing lease liabilities in the Statement of financial position.

Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the lease term using the straight-line method.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability (recognised in Finance costs in the income statement) and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impact on the Financial statements

Impacts on transition – 1 January 2019

On transition to AASB16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	1-Jan-19 $'000
Right-of-use assets	698,848
Deferred tax asset	4,236
Lease liabilities	(724,152)
Retained earnings	9,877
Reduction in provisions	11,191

Lease terms range from 1 to 24 years. The weighted average incremental borrowing rate applied is 4.8%

Impacts for the period – 30 June 2019

As a result of initially applying AASB16, in relation to the leases previously classified as operating leases, the Group recognised $741,512 thousand of right-of-use assets and $778,787 thousand of lease liabilities as at 30 June 2019.

Impact on profit before tax:	30-Jun-19 $'000
Reduction in rent charges	85,842
Depreciation relating to AASB16 leases	(79,490)
Interest charge relating to AASB16 leases	(18,530)
Net impact on profit before tax	**(12,178)**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.3 THE GROUP AS A LESSOR

In contracts where the Group is a lessor, the Group determines whether the lease is an operating lease or finance lease at inception of the lease. The accounting policies applicable to the Group as a lessor are not different from those under AASB117. However, when the Group is an intermediate lessor, the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. The Group was not required to make any adjustments on transition to AASB16 for leases in which it acts as a lessor. The impact of sub-lease contracts on transition to AASB16 was not material to the Group.

3. OPERATING SEGMENTS

(a) Basis for segmentation

On 28 September 2018, oOh!media completed the acquisition of 100% of the share capital in Adshel from HT&E Limited and commenced the integration of Adshel into the Group. On 10 December 2018 the former Adshel offering was rebranded as Commute by oOh!media (Commute). From January 2019 the Commute business has become part of the Group segment.

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

The Board and executive management review the Underlying EBITDA pre AASB16 to monitor business performance.

	30-Jun-19 $'000	30-Jun-18 $'000
Underlying EBITDA pre AASB16	**56,021**	**37,915**
Fixed rent pre AASB16	85,842	–
Underlying EBITDA	**141,863**	**37,915**
Acquisition related expenses	–	(1,588)
Non-operating items[10]	(6,944)	–
Statutory EBITDA	**134,919**	**36,327**
Share of (loss) of equity-accounted investees, net of tax	(6)	(20)
Amortisation	(7,102)	(7,965)
Depreciation	(97,204)	(10,758)
Net finance costs	(28,973)	(3,026)
Profit before income tax	**1,634**	**14,558**

(10) Non-operating costs of $6.9m relates to the redundancy payments resulting from the Adshel integration and the non-cash partial impairment of the 3rd party customised technology platform that was in development by Adshel of $3.42m.

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

Revenue by Product

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-19 $'000	30-Jun-18 $'000
Commute	111,516	–
Road	67,537	74,426
Retail	61,586	58,255
Fly	32,931	29,276
Locate	23,061	20,880
Other[11]	8,232	9,190
External Revenues	**304,863**	**192,027**

(11) Other revenues include subsidiary entities Cactus and Junkee.

6. NET FINANCE COSTS

	30-Jun-19 $'000	30-Jun-18 $'000
Finance income	**(378)**	**(23)**
Interest expense on bank borrowings	10,403	2,912
AASB16 Interest Expense	18,530	–
Finance leases	56	4
Other interest expense	362	133
Finance Costs	**29,351**	**3,049**
Net finance costs	**28,973**	**3,026**

7. SHARE-BASED PAYMENTS

Description of the share-based payment arrangements

As at 30 June 2019 the Group had the following share-based payment arrangements:

Long-term incentive plan – performance rights

A total of 843,816 Tranche #3 performance rights vested in 28 February 2019, with vesting conditions satisfied. The performance rights for Tranche #3 vested at greater than 100% based upon the Board's determination of the achievement for the CAGR Earnings per Share growth exceeding the 100% target. During the half year ended 30 June 2019, the Company issued a further 1,338,975 performance rights that entitle senior executives to receive shares in the Company. Details in relation to grants issued in the half year ended 30 June 2019 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 that existed during the period are as follows:

	Grant date	Vesting date	Number granted
Tranche #3	1-Feb-16	28-Feb-19	610,714
Tranche #4	1-Mar-17	15-Feb-20	712,615
Tranche #5	1-Feb-18	15-Feb-21	822,152
Tranche #6a	4-Mar-19	15-Feb-22	1,146,035
Tranche #6b	16-May-19	15-Feb-22	192,940
Total performance rights			**3,484,456**

Vesting conditions for the performance rights are as follows:

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

Tranche # 5 – 3 years service from grant date and (i) 75% of rights subject to EPS achieving EPS hurdle of 10% CAGR and (ii) 25% subject to achieving a Total Shareholder Return (TSR) performance hurdle.

Tranche # 6 – 3 years service from grant date and (i) 75% of rights subject to EPS achieving EPS hurdle of 10% CAGR and (ii) 25% subject to achieving a Total Shareholder Return (TSR) performance hurdle.

Reconciliation of performance rights

The number of performance rights on issue during the half year ended 30 June 2019 are illustrated below:

	Number of rights #	Face Value $'000
Outstanding at 1 January 2019	2,112,730	8,841
Exercised during the period	(843,816)	(3,569)
Granted during the period	1,338,975	3,824
Outstanding at 30 June 2019	**2,607,889**	**9,096**
Exercisable at 30 June 2019	**–**	**–**

Measurement of fair values

The fair value of the share-based payment plan was measured based on the Monte Carlo and Binomial models. The inputs used in the measurement of the fair values at grant date were as follows:

Fair value of performance rights and assumptions

	Tranche #3	Tranche #4	Tranche #5	Tranche #6a	Tranche #6b
Share price at grant date	$4.58	$4.29	$4.58	$3.49	$3.75
5-day VWAP at grant date	$4.55	$4.54	$4.54	$3.58	$3.63
Fair value at grant date (EPS hurdle)	$4.23	$3.91	$4.15	$3.17	$3.43
Fair value at grant date (TSR hurdle)	–	$2.20	$2.80	$1.76	$2.07
Exercise price	Nil	Nil	Nil	Nil	Nil
Expected volatility	33.9%	36.3%	33.0%	32.2%	31.5%
Expected life	3 years	3 years	3 years	3 years	3 years
Expected dividends	2.50%	3.31%	3.40%	3.40%	3.40%
Risk-free interest rate (based on government bonds)	1.90%	1.99%	2.13%	1.69%	1.19%

8. INCOME TAX

(a) Tax recognised in profit or loss

	30-Jun-19 $'000	30-Jun-18 $'000
Current tax expense	**1,134**	**5,331**

(b) Reconciliation of effective tax rate

	30-Jun-19 $'000	30-Jun-18 $'000
Profit before tax	1,634	14,558
Income tax at 30% (2018: 30%)	490	4,367
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax rate differential	(75)	–
Non-deductible expenses	844	877
Entities excluded from Australian tax group	2	53
(Over)/Under provided in prior years	(127)	34
Tax expense recognised in the profit or loss	**1,134**	**5,331**

9. CAPITAL AND RESERVES

(a) Contributed equity

	30-Jun-19 Share #	30-Jun-19 $'000
Opening Balance as at 1 January 2019	236,640,789	675,371
Employee rights issue	843,816	3,569
Dividend reinvestment plan	1,835,578	6,509
Issued and paid up share capital	**239,320,183**	**685,449**

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 26 March 2019, a fully franked final dividend of 7.5 cents per ordinary share amounting to $17,811,345 was paid in respect of the year ended 31 December 2018, in cash and shares issued under the DRP.

After the reporting date, the Board declared a fully franked interim dividend of 3.5 cents per share amounting to $8,376,206 in respect to the half year ended 30 June 2019 (30 June 2018: $8,282,424). This is payable on 30 September 2019 to Shareholders on the Register as at 30 August 2019. A fully underwritten DRP will apply.

10. FINANCIAL INSTRUMENTS

Accounting classifications and fair values

(a) Fair values vs carrying amounts

The fair values of financial assets and liabilities are equal to the carrying amounts shown in the statement of financial position, with the exception of interest rate derivatives. The fair value of interest rate derivatives is determined as the present value of future contracted cash flows 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-19	31-Dec-18
Interest rate derivatives	1.8% – 2.8%	1.8% – 2.8%
Bank loan	3.3% – 3.9%	3.1% – 3.9%
Leases	3.3% – 7.3%	5.1% – 8.7%

(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).

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.

	30 June 2019			31 December 2018		
Consolidated	Carrying value $'000	Level 2 $'000	Level 3 $'000	Carrying value $'000	Level 2 $'000	Level 3 $'000
Interest rate derivatives	(13,386)	(13,386)	–	(2,082)	(2,082)	–
Put option liability on NCI	–	–	–	(1,800)	–	(1,800)

(d) Valuation techniques

The fair value of Level 2 interest rate derivatives 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. BUSINESS COMBINATIONS

On 28 September 2018, the Group acquired Out of Home street furniture specialist Adshel from HT&E Limited (HT&E) for cash consideration of $572.8 million (the acquisition). The acquisition was funded through a combination of debt and equity. In July 2018, the Group completed a fully underwritten 1 for 2.3 pro rata accelerated non-renounceable capital raise for $329.9 million. The remaining consideration was funded through the Group's $450m syndicated debt facility secured in September 2018.

Since the initial purchase price accounting performed at the time of the acquisition, further adjustments have been made to the opening balance sheet, including the finalisation of an independent valuation of the identifiable tangible assets acquired in the Adshel acquisition. These adjustments have determined the net identifiable assets as being $66.8 million higher than previously reported. As a consequence, the goodwill acquired as part of the Adshel acquisition has decreased by this amount, resulting in the previously reported Adshel goodwill of $478 million decreasing to $411 million. The comparative information shown in the financial statements has been restated to include the adjusted fair values. There has been no impact to the comparative profit or loss in the period so as to require restatement because the acquisition occurred in the second half of 2018.

Details of the identified adjustments are as follows:

Purchase consideration	Provisional 2018 $'000	Preliminary 2018 $'000
Cash paid during the year ended 31 December 2018	578,612	578,612
Working capital adjustment received	(5,858)	(5,858)
	572,754	**572,754**

The provisional fair values of the identifiable assets and liabilities acquired by the Company are as follows:

	$'000	$'000
Cash and bank balances	8,259	8,259
Trade and other receivables	46,977	46,977
Inventories	5,736	5,736
Property, plant and equipment	137,888	71,122
Deferred tax assets	3,001	3,001
Identified intangible assets	5,791	5,791
Trade creditors and accruals	(33,610)	(33,610)
Provisions	(12,378)	(12,378)
Net assets acquired	**161,664**	**94,898**
Goodwill acquired(12)	411,090	477,856
Net assets acquired	**572,754**	**572,754**

Since the acquisition, the Group incurred integration costs. These costs have been included in the 'Acquisition and integration related expenses' in the profit or loss statement.

(12) Goodwill represents the value attributed to the commercial relationships, market reputation and business acumen acquired as part of the business combination. Purchase Price Allocation accounting on intangibles has yet to be completed and will be finalised before 28 September 2019. Finalisation of tax balances will also be completed by that date.

12. CONTINGENCIES

Details and estimates of maximum amounts of contingent liabilities are as follows:

	30-Jun-19 $'000	30-Jun-18 $'000
Bank guarantees	35,736	12,263
Break fee on Share Sale Agreement with HT&E	–	5,000
Transaction Fees	–	9,590
Bank guarantees	35,736	26,853

13. SUBSEQUENT EVENTS

The Board has declared a fully franked interim dividend of 3.5 cents per ordinary share amounting to $8,376,206[13] in respect to the half year ended 30 June 2019 (30 June 2018: $8,282,424). This dividend is payable on 30 September 2019 to shareholders on the register as at 30 August 2019. A fully underwritten DRP will apply.

Other than the matters mentioned above, no other matters or circumstances at the date of this report has arisen since 30 June 2019 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 the future financial years.

(13) Based on 239,320,183 total issued shares as at the date of this report.

DIRECTORS' DECLARATION

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

(1) In the Directors' opinion:

(a) the Interim Financial Statements and notes of the Group that are set out on pages 8 to 19, for the half year ended 30 June 2019, 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 2019 and of its performance for the half year ended on that date; and

(ii) complying with Australian Accounting Standard AASB134 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

Tony Faure
Chairman

26 August 2019
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

KPMG

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 2019 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 2019
- 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 13 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*
- 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.

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 Company's financial position as at 30 June 2019 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
26 August 2019

CORPORATE DIRECTORY

oOh!media Limited ACN 602 195 380

Directors	**Tony Faure** Chairman and Non-Executive Director
	Brendon Cook Chief Executive Officer and Managing Director
	Joanne Crewes Independent Non-Executive Director
	Debra Goodin Independent Non-Executive Director and Lead Independent Director
	Tim Miles Independent Non-Executive Director
	Darren Smorgon Independent Non-Executive Director
Company Secretaries	Melissa Jones, Maria Polczynski
Principal registered office	Level 2, 76 Berry Street North Sydney NSW 2060 Ph: +61 2 9927 5555
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Ph: 1300 554 474
Auditors	KPMG Tower Three International Towers Sydney 300 Barangaroo Avenue Sydney NSW 2000
Bankers	Commonwealth Bank of Australia Westpac Banking Corporation National Australia Bank ING Bank (Australia) Limited Sumitomo Mitsui Banking Corporation Bank of China Limited Agricultural Bank of China Limited
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

oOh! Unmissable