ANNUAL REPORT 2017

oOh!media Limited ACN 602 195 380 ASX:OML

Contents

The Annual Report was authorised for issue, in accordance with a resolution of the Directors. The Directors have the power to amend and reissue the Annual 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. These reports, all media releases, financial reports and other information are available at the Investors section of our website: www.oohmedia.com.au.

Directors' Report

Introduction

The Directors of oOh!media Limited (oOh!media or the Company) present their report of the consolidated entity consisting of oOh!media Limited and the entities it controlled (the Group) at the end of, or during, the year ended 31 December 2017 and the Auditor's Report thereon.

The Directors and Company Secretary who held office at any time during or since the end of the financial year ended 31 December 2017, together with their qualifications, experience and further details, are set out on 24 and 25 of the Annual Review, and page 5 of this Annual Report.

The Directors' Report has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth). The information below forms part of this Directors' Report.

Corporate structure

oOh!media Limited is a company limited by shares that is incorporated and domiciled in Australia.

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:

- large format classic and digital roadside screens;
- large and small format classic and digital signs located in retail precincts such as shopping centres;
- large and small format classic and digital signs in airport terminals and lounges;
- classic and digital signs in high dwell time environments such as cafés, pubs, universities, office buildings, gyms and sporting centres; and
- online sites for millennials, students, flyers and small businesses and city-based audiences.

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

Operating & financial review

The consolidated profit attributable to the owners of the parent entity for the financial year ended 31 December 2017 was $33,206,089 (CY2016: $24,481,129). A review of operations and results of the Group for the year ended 31 December 2017 is set out in the Annual Review, which forms part of this Annual Report.

The CY2016 accounts have been restated for a change in policy relating to the tax treatment of intangibles on acquisitions. Further details can be found in Note 9 of the Financial Statements.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group in the period.

Likely developments & expected results

The Group's prospects and strategic direction are discussed in the Annual Review, which forms part of this Annual Report. Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in prejudice to the Group.

Risk management

The Company takes a proactive approach to risk management and actively manages risks such as project risk, contractual risk, compliance risk and finance risk. The Board of oOh!media (the Board) has mechanisms in place to ensure management's objectives and activities are in line with those determined by the Board including:

- Board approval of:
  - the Company's strategic plan and objectives;
  - the Company's annual financial forecasts and operating budgets;
  - all material contracts and agreements;
  - all project developments;
- regular review by the Board of the Company's adherence to and performance against the above items; and
- regular review by the Audit, Risk and Compliance Committee of the Company's risk management process, with improvements introduced where appropriate.

The Company has identified the following as being the most relevant risks to the business achieving its operational and financial targets:

Business Element	Description of risk and the Company's mitigation
Adapting to change	The outdoor advertising industry has outperformed the advertising industry as a whole, continuing to grow strongly in 2017 after five years of sustained year-on-year growth (SMI data). A disruption to or downturn in economic conditions in one or more of oOh!media's environments or geographic regions may reduce revenues. This may have a significant impact on operating profit as a large proportion of oOh!media's costs have a fixed component. oOh!media has developed a diversified portfolio to mitigate this risk, with diversity and scale across a number of different environments that produce quality Out Of Home margins and return on investment for advertisers. oOh!media has also invested in scalable systems and operating models to manage operating costs into the future.
Business partners	oOh!media is dependent on relationships with concession holders to manage its lease and licence portfolio, media agencies to represent this portfolio to their advertiser clients, and customers who desire the portfolio to advertise their goods and services. Many concession contracts require oOh!media to participate in competitive processes ahead of or at each renewal. Loss of relationships with media agencies, a change in the size or structure of the media agency market, or loss of relationships with key customers could impact the Group's future operating and business performance. No single concession contract, agency relationship or advertiser of oOh!media is of an individual size that could have a material impact on the Group's operating profits. oOh!media staggers renewals of contracts to mitigate risk, and has invested in data and insights to give agencies and customers more focus and reach for their desired audience using oOh!media's unique portfolio.
Acquisitions & integration	Acquisitions may not deliver projected benefits or value, and integrations may not be successful, resulting in interruptions to the achievement of business strategy. oOh!media has deep experience managing business integrations and where appropriate, appoints full time project managers to assist with the management and delivery of integration programs. oOh!media regularly reports against the performance of the integration and the new business to the Board. After a series of acquisitions in 2016, oOh!media focused on integration and performance over 2017, with all businesses now successfully integrated into the Group.
Projects & Governance	
Project Management	Key projects, including migration to cloud platforms and implementation of new system modules, may not be managed effectively resulting in loss of business, IP or business functionality. oOh!media engages dedicated project managers for key projects to ensure focus and delivery against objectives and budget, and introduces additional cost effective specialised resources where required. oOh!media also constantly reviews priorities to make sure key projects are prioritised.
Governance	The rapid growth of the Group in scale and diversity could result in governance systems being unable to manage the increased complexity of the business, impacting the quality of performance of the Group. oOh!media engages professional in-house governance experts across its corporate, finance, legal and operations functions to provide advice and support, and to manage governance systems as and when required.
IT & Cybersecurity	
IT security & resilience	Failure to appropriately address security risks around external threats to the digital network, IT systems and data (including personal information) through physical breaches or hacking, could result in system suspension or failure, the potential loss of intellectual property or a personal information data breach. In addition to a comprehensive series of internal and external site level security controls, oOh!media proactively tests the controls against internal and external threats. In 2017, oOh!media conducted an external IT security review, including a review of its governance framework and policies, and engaged an independent external company to conduct an external hacking review to test the systems and identify opportunities for continuous improvement. Internally, the site controls limit access to key information, with a number of systems having an internalised auditing function to track usage and breach. This is complemented by monitoring of medium and high-risk systems. oOh!media has invested in new cloud-based systems with enhanced capabilities to replace ageing systems to manage the complex nature of oOh!media's diverse business. oOh!media has disaster recovery and business continuity plans, tested and reviewed regularly.

People & Capability	
WHSE&Q	Work, health, safety, environmental and quality (WHSE&Q) risks could occur causing physical injury or death to employees or others, damage to property or the environment, damage to reputation and involve regulatory breach. oOh!media has a dedicated WHSE&Q function, complemented by a WHSE&Q management system that is rigorously enforced. This team conducts Quality Assurance on providers to ensure compliance with policies, induction, licensing requirements, insurance and WHS policies. oOh!media has a Group-wide training program for WHSE&Q, including specific training on bullying and harassment. oOh!media conducts third party independent audits of its WHSE&Q system to identify any areas for continuous improvement, and reports to the CEO and Board at least monthly on WHSE&Q-related matters.
Key management retention & succession	Key management succession planning may not be successful, whether seeking internal or external candidates, which may impact the business strategy and ability to achieve sustained EBITDA performance and growth. oOh!media has both a short-term and long-term succession and organisational structure plan for key management roles, complemented by both STI and LTI remuneration programs. The matter is regularly reviewed by the Board and Senior Executive has been specifically created to share responsibility and accountability for sustainable leadership and business performance.
Structure, capability & culture	Business structure and staff capability may not continue to evolve to meet the growing changes and complexity in the products, market, agencies and emerging digital environment. This failure may negatively impact the innovative and entrepreneurial culture of the organisation and the ongoing relevance and performance of oOh!media within the market. oOh!media has a dedicated and national award-winning people function that has a three-year people and culture plan. Before any major initiative, structure, culture and capability is carefully assessed to ensure the best of the culture and capability is maintained, whilst adopting to new favourable opportunities. oOh!media has Group-wide induction and continuous training programs, a mentoring program, recognition programs beyond remuneration, and a Head of Talent to focus on finding and retaining the right talent for oOh!media.

Matters subsequent to reporting date

Apart from the dividend declared as discussed in this report, no other matter or circumstance at the date of this report has arisen since 31 December 2017 that has significantly affected or may affect:

- the operations of the Group;
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Environmental & WHS regulation

The Directors recognise the importance of environmental and occupational health and safety issues. The Directors are committed to compliance with all relevant laws and regulations to ensure the protection of the environment, the community and the health and safety of employees, contractors and the community. The operations of the consolidated entity are not subject to any particular or significant environmental regulation under the law of the Commonwealth of Australia or any of its states or territories, or New Zealand. The Group has not incurred any significant environmental liabilities.

Proceedings on behalf of the Company

No proceedings have been brought on behalf of the Group, nor have any applications been made in respect of the Group under section 237 of the *Corporations Act 2001* (Cth).

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.

Directors' meetings

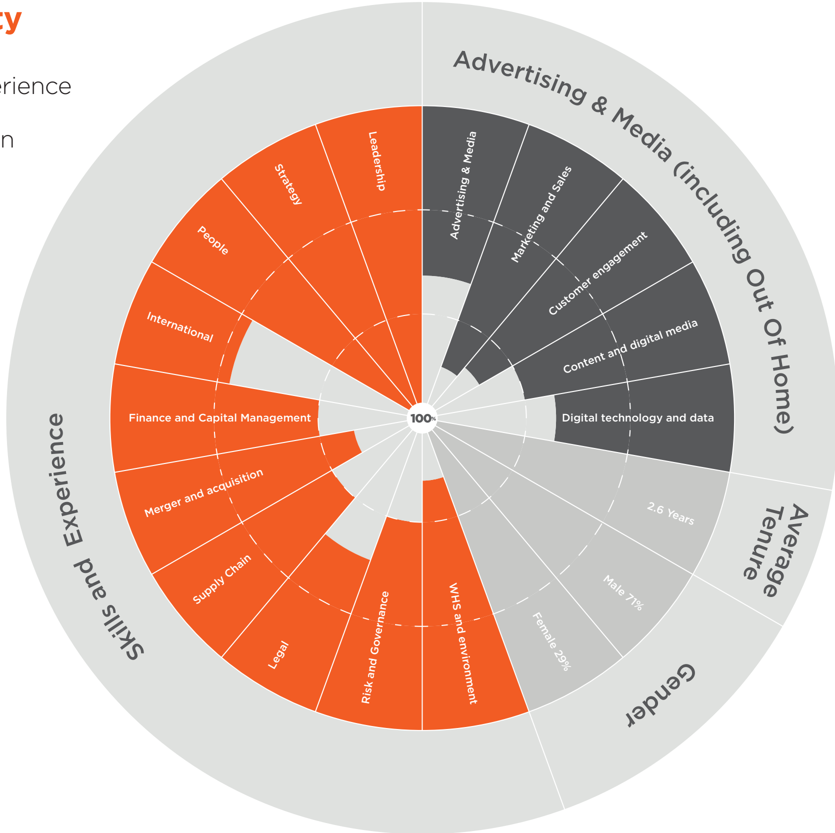
The record below shows the number of Directors' meetings held during the year, the number of meetings the Directors were eligible to attend and the number of meetings attended.

Name of Director	Board		Audit, Risk & Compliance Committee		Remuneration & Nomination Committee	
Number of meetings held	11 Ordinary	7 Special	6		7	
	Attended		Chair/Member	Attended	Chair/Member	Attended
Michael Anderson[1]	10	6	-	-	Member	6
Brendon Cook	10	5	-	-	-	-
Joanne Crewes[2]	4	0	-	-	-	-
Tony Faure[3]	11	5	-	-	Member	7
Debra Goodin	11	7	Chair	6	-	-
Darren Smorgon	11	6	Member	6	Chair	7
Geoffrey Wild AM	11	3	Member	6	-	-

1. Michael Anderson was Chair of the Board between 1 January 2017 and 22 September 2017.
2. Joanne Crewes was appointed as a Director of the Board on 22 September 2017.
3. Tony Faure was appointed as Chair of the Board on 22 September 2017.

Board skills, experience & diversity

The Board, together with the Remuneration & Nomination Committee, review the skills, experience and diversity represented by Directors on the Board and determine whether the composition and mix of these factors remain appropriate for the Company's strategy, subject to limits imposed by the Constitution and the terms served by existing Non-executive Directors. We are confident the current Board composition provides a strong combination of skills, experience and diversity to allow oOh!media to execute its long-term strategy to drive sustainable growth and maximise shareholder value.



Shares issued & exercise of rights

Ordinary shares of oOh!media Limited

No fully paid ordinary shares were issued in 2017. At 31 December 2017, there were 2,083,324 (CY2016: 1,370,709) unissued ordinary performance rights.

Refer to Note 8 of the Financial Statements for further details of the performance rights.

Directors' interests in shares, rights and options of the Company

The relevant interests of each Director in the equity of the Company and related bodies corporate as at the date of this Directors' Report are disclosed in the Remuneration Report.

Shareholder returns

	CY2017	CY2016[1]	CY2015[1]
Profit/(loss) attributed to owners of the Company ($'000)	33,206	24,481	21,046
Basic EPS (cents)	20.2	16.0	12.5
Dividends ($'000) - Interim paid and final declared	24,621	22,420	14,239
Dividends per share (cents)	15.0	14.0	9.5
Change in share price - closing at balance date ($)	4.50	4.57	4.72

The CY2016 dividend included a special final dividend, representing a 3.0 per cent premium above the top end of the Company's standard dividend policy range, issued in accordance with the permitted dividend agreed as part of the proposed merger with APN Outdoor and as set out in the Scheme Implementation Deed in force at the time.

Net profit amounts have been calculated in accordance with the Australian Accounting Standards. Dividends for 2017 were fully franked and it is expected that dividends in future years will continue to be fully franked.

1. Prior year comparatives have been restated following the Group's election to change deferred tax accounting policy during the year. Refer to Note 9 Income Tax of the Notes to the Financial Statements for further details.

Dividends

The following fully franked dividends have been paid to date:

Dividends paid during 2017	Amount per share (cents)	Total paid ($)
Final 2016 dividend[1] (paid 28 March 2017)	10.0	16,413,805
Interim 2017 dividend (paid 4 September 2017)	4.5	7,386,210
		23,800,015
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

1. The final 2016 dividend included a special dividend, representing a 3.0 per cent premium above the top end of the Company's standard dividend policy range, issued in accordance with the permitted dividend agreed as part of the proposed merger with APNO and as set out in the Scheme Implementation Deed in force at the time.

After the reporting date, the Board has declared a fully franked final dividend of 10.5 cents per ordinary share amounting to 15.0 cents in respect of the year ended 31 December 2017. This dividend is payable on 16 March 2018. The financial effect of this dividend has not been brought to account in the consolidated Financial Statements for the year ended 31 December 2017 and will be recognised in subsequent financial reports.

Indemnification & insurance of Directors and Officers

The Company, to the extent permitted by law, indemnifies each Director, alternate Director and Executive Officer of the Company on a full indemnity basis against all losses, liabilities, costs, charges and expenses incurred by that person as an Officer of the Company or one of its related bodies corporate.

The Company, to the extent permitted by law, may purchase and maintain insurance, or pay, or agree to pay, a premium for insurance for each Director, alternate Director and Executive Officer of the Company against any liability incurred by that person as an Officer of the Company or its related bodies corporate, including a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings, whether civil or criminal and whatever their outcome.

The Company may enter into contracts with a Director or former Director agreeing to provide continuing access to board papers, books, records and documents of the Company that relate to the period during which the Director or former Director was a Director. The Company may arrange that its related bodies corporate provide similar access to board papers, books, records or documents.

Insurance premiums

The Company has paid insurance premiums in respect of Directors' and Officers' Liability insurance for the year ended 31 December 2017 and since the end of the financial year. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been Directors, alternate Directors or Executive Officers of the Company or in that capacity to the extent allowed by the *Corporations Act 2001* (Cth). The terms of the policies prohibit disclosure of the liability and premium paid.

Non-audit services

During the year, KPMG, the Company's auditor, performed certain other services in addition to its statutory duties.

The Board has considered the non-audit services provided during the year by the auditor, and, in accordance with the advice received from the Audit, Risk & Compliance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirement of the *Corporations Act 2001* (Cth) for the following reasons:

- all non-audit services are subject to corporate governance procedures adopted by the Group and have been reviewed by those charged with the governance of the Group throughout the year to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants as they did not involve the auditor reviewing or auditing its own work, acting in a management or decision-making capacity for the Group, acting as an advocate to the Group or jointly sharing the risks and rewards.

Details of the audit and non-audit service fees paid or payable to the Company's auditor during the year are disclosed in Note 30 of the Financial Statements.

Audit and assurance services	**CY2017 $**	**CY2016 $**
KPMG Australia		
Audit and review of Financial Statements	279,025	364,000
Other assurance services	56,331	24,831
Total audit and assurance services	**335,356**	**388,831**

Other services		
KPMG Australia		
Taxation compliance and advisory services	197,528	157,499
Acquisition-related services	54,819	376,500
Merger-related services	568,950	175,000
Other services	-	10,250
Total other services	**821,297**	**719,249**
Total auditor's remuneration	**1,156,653**	**1,108,080**

Audited Remuneration Report

The Remuneration Report is attached and forms part of this Directors' Report.

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 audit of oOh!media Limited for the financial year ended 31 December 2017 there have been:

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

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

KPMG

KPMG

Trent Duvall

Partner

Sydney

19 February 2018

Other information

The following information, contained in the Annual Review section of this Annual Report, forms part of this Directors' Report:

- Operating and Financial Review
- Board of Directors

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001* (Cth).

Signed on behalf of the Directors.

Tony Faure
Chair

19 February 2018, Sydney

Remuneration Report (AUDITED)

The Directors are pleased to present the 2017 Remuneration Report which outlines remuneration information for Non-executive Directors, Executive Directors and other key management personnel (together KMP).
The information in this Report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

Introduction

As Chair of the Remuneration & Nomination Committee, I am supportive and proud of the principles and practices applied to remuneration at oOh!media.

Our philosophy has been consistent over the last three years, which in turn provides consistency in delivery of results for shareholders. We also continue to improve and in 2017 included additional measures for long-term incentive plan targets.

2017 was a strong year and our remuneration across the Group and for key executives appropriately balanced reward against organisational performance whilst acknowledging the individual contributions each key executive made to the Company.

Darren Smorgon
Chair, Remuneration & Nomination Committee

19 February 2018, Sydney

Reporting principles

The Remuneration Report refers to a range of non-IFRS (International Financial Reporting Standards) financial information including Underlying EBITDA and Underlying NPATA. oOh!media believes this non-IFRS financial information provides useful insight to users of this report in measuring the financial performance and condition of oOh!media. The definitions have been reconciled to statutory financial measures within the Financial Statements.

The Remuneration Report has been prepared on a basis consistent with the Financial Statements and accordingly includes total remuneration details for the year ended 31 December 2017. oOh!media's remuneration framework is structured to ensure it is market competitive, and supports and motivates the Senior Executive and the broader team to work toward both short and long-term strategic objectives that align to sustainable value creation for shareholders.

Key management personnel

The key management personnel (KMP) for 2017 are the six Non-executive Directors and two Executives who have specific responsibility for planning, directing and controlling the material activities of oOh!media. There is also an extended senior leadership team that supports the KMP. There were five changes to the KMP during 2017:

- Tony Faure, Non-executive Director, was appointed as Chair of oOh!media Limited on 22 September 2017;
- Michael Anderson, Non-executive Director, stepped down as Chair of oOh!media Limited on 22 September 2017, remaining as a Non-executive Director;
- Debra Goodin, Non-executive Director, was appointed Lead Independent Director of the Board of oOh!media Limited on 22 September 2017;
- Joanne Crewes, Non-executive Director, was appointed to the Board of oOh!media Limited on 22 September 2017; and
- Peter McClelland, Chief Financial Officer and Chief Operating Officer, stepped down from the Company on 15 December 2017.

List of KMP

Non-executive Directors	
Michael Anderson	Independent Non-executive Director
Joanne Crewes	Independent Non-executive Director
Tony Faure[1]	Chair and Non-executive Director
Debra Goodin[2]	Independent Non-executive Director and Lead Independent Director
Darren Smorgon	Independent Non-executive Director
Geoffrey Wild AM	Non-executive Director

Executives	
Brendon Cook	Chief Executive Officer and Managing Director
Peter McClelland[3]	Chief Financial Officer and Chief Operating Officer

Remuneration philosophy

This Remuneration Report explains the Board's approach to Non-executive Director and executive remuneration, and to performance and remuneration outcomes for oOh!media and its KMP.

Remuneration principles and strategy

The success of oOh!media can be attributed to attracting and retaining talented individuals which represents one of the pillars in our long-term growth strategy. oOh!media's remuneration framework focuses on a competitive fixed annual remuneration (FAR) combined with short-term incentives (STI) and long-term incentives (LTI). All incentives are "at-risk" and reward achievement of oOh!media's annual objectives and individual KPIs as well as long-term growth in shareholder value.

1. Tony Faure was appointed as a consultant to Junkee Media following the acquisition by oOh!media in July 2016. As a consequence, the Board determined Tony Faure was not considered to be an Independent Director of oOh!media.
2. On Tony Faure's appointment as Chair of oOh!media on 22 September 2017, oOh!media also appointed Debra Goodin as Lead Independent Director.
3. On 24 October 2017, the Company announced that Peter McClelland would step down as Chief Financial & Operating Officer of the Company effective 15 December 2017. Since the end of the reporting period, the Company has appointed Sheila Lines as the Chief Financial Officer, to commence 1 March 2018. This role will be considered Executive KMP from the date of appointment.

ATTRACT AND RETAIN	REWARD ACHIEVEMENT OF GOALS AND KPI	LONG-TERM ALIGNMENT TO SHAREHOLDERS
FAR	STI	LTI
Cash		Equity
▪ Benchmarked against comparable independent remuneration data and advice ▪ Set competitively to relevant industry peer groups	▪ STI outcomes based on earnings performance and achievement on individual KPIs ▪ Set each year and linked to group performance against organisation strategy	▪ Based on Compound Annual Growth Rate of oOh!media's Earnings per Share and Relative Total Shareholder Return ▪ Three year performance period ▪ Board retains right to alter target or clawback as necessary
Market competitive fixed annual remuneration	Set challenging short and long term incentives linked to the creation of sustainable shareholder returns	

oOh!media's remuneration principles guide practices that are:

- market competitive;
- performance related;
- fair;
- consistent across all levels of the Group; and
- easily understood.

Remuneration is linked to achievement of business objectives through interlinked goals and KPIs.

These are set at an all-of business level, with subsequent goals developed for each Senior Executive. All employees are then engaged in setting their own goals and KPIs in agreement with management and in alignment with the overall strategic priorities. This happens quarterly and ensures employees are rewarded for overall company achievement as well as their individual contribution to oOh!media's success.

The Board reviews all remuneration principles, practices, strategies and approaches to ensure they support the long-term business strategy and are appropriate for a listed company of oOh!media's size.

Components of remuneration

Component	Performance measures	Link to strategy and performance
Fixed Annual Remuneration (FAR) Salary and other benefits including superannuation.	Multiple measures are used to determine yearly fixed remuneration changes including individual performance and contributions during the previous year.	oOh!media ensures employees are rewarded fairly for their contribution to the success of the Company by benchmarking against comparable independent remuneration data and advice. Fixed remuneration is set competitively relative to industry peers and similarly sized publicly listed companies to attract and retain the right talent and considers the factors of: ▪ core responsibilities; ▪ business and individual performance; ▪ internal and external relativities; and ▪ contribution to the organisation.
Annual Bonus Short Term Incentive (STI) Most employees are eligible to participate in the Annual Bonus Program. Participants must be employed by 1 October in the year to be eligible for a bonus that year.	STI performance targets are: ▪ 70% on achievement of full year Underlying EBITDA (derived from oOh!media's audited results); and ▪ 30% on achievement of individual KPIs. A threshold hurdle of 90% of budgeted EBITDA must be achieved before any entitlement to an STI payment occurs. All employees, including the Senior Executives, have the same STI mix of 70% Underlying EBITDA and 30% individual KPIs.	Full year Underlying EBITDA was chosen as the key measure as it aligns to key reporting metrics and the internal financial measures that guide our efforts and management focus. The performance target is based on budget expectations as set by the Board for 2017. The Board retains the right to alter the target during the performance period to account for significant acquisitions or divestments. KPIs are set each year and linked to the organisational strategy and are cascaded through the organisation to ensure alignment of all employees to the strategy. Performance against these KPIs forms the basis of the individual component of the STI and allows us to distinguish and reward performance at the individual level. In the case of over achievement on either Underlying EBITDA or individual KPIs, there is the opportunity for greater than a 100% STI payment. In the case of under achievement on either Underlying EBITDA or individual KPIs, the STI payable will be less than 100%.
Long-Term Incentive (LTI) An allocation of performance rights granted, by invitation, to a defined set of senior leaders as approved by the Board and aligned to long-term shareholder value creation.	There are two LTI performance hurdles. The first is based on the Compound Annual Growth Rate (CAGR) of oOh!media's Earnings Per Share (EPS) over a three-year performance period (as per the full year audited financial results), and represents 75% of the award. A second hurdle was introduced for the 2017 LTI Program based on Relative Total Shareholder Return (TSR) over a three-year performance period assessed against the ASX200 index (excluding Financials & Industrials), representing 25% of the award.	Aligns the interests of executives and shareholders by focusing on long-term growth. CAGR of EPS was chosen as the most relevant long-term measure as it aligns to our key reporting metrics and internal metrics for Senior Executives. Relative TSR is seen as having objectivity and transparency with a multi-year measurement of performance. These hurdles are agreed by the Board prior to the performance period and communicated with the LTI offer. The Board retains the right to alter the target during the performance period to account for significant acquisitions or divestments or to clawback or adjust any or all allocated LTI in relevant circumstances. The number of rights that vest is a percentage of those allocated, based on the CAGR of oOh!media's EPS and Relative TSR over the performance period.

Remuneration governance

Remuneration & Nomination Committee and Board oversight

A Remuneration & Nomination Committee (RNC) was established in 2014 with a clear charter and set of responsibilities.

The RNC has been delegated responsibility to review and make recommendations to the Board, with the Board maintaining overall responsibility as outlined below.

oOh!media BOARD

The Board maintains overall responsibility for oversight of the Company's remuneration policy and the principles and processes which give effect to that policy. The Board approves, having regard to the recommendations of the Remuneration & Nomination Committee, the:

- size, composition and criteria for membership of the Board, including review of Board succession plans, performance evaluation and the succession of the Chair, CEO and CFO, as well as Senior Executive performance assessment processes and results;
- Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
- short-term incentive strategy, performance targets and bonus payments, including major changes and developments to the Company's LTI plans; and
- effectiveness of the Board Diversity Policy.

REMUNERATION & NOMINATION COMMITTEE (RNC)

The RNC has delegated authority to assist the Board and make recommendations on matters relating to the operation, nomination and remuneration of the Board, KMP and Senior Executives.

The key responsibilities of the committee in relation to remuneration and nomination activities are to:

- develop a board skills matrix setting out the mix of skills and diversity that is required by the business, and compare and assess this to what the Board currently has or is looking to achieve in its membership;
- review and recommend remuneration arrangements for Non- executive Directors and Executive Directors including the CEO, and approve the remuneration of the other Senior Executives;
- review major changes to the overall remuneration strategy or practices, including short-term and long-term incentive participation, performance targets and hurdles, and participation in the LTI Plan;
- approve annual salary review budget and spend;
- review major changes and developments in remuneration policy and people practices for the Group;
- review and make recommendations on gender pay strategies;
- approve the appointment of remuneration consultants for the purposes of the *Corporations Act 2001* (Cth); and
- review and recommend to the Board the Remuneration Report for inclusion in the annual Directors' Report.

EXTERNAL ADVISORS

- The committee has rights of access to management and to external auditors/resources without management present, and rights to seek explanations and additional information from management, advisers and auditors.
- The committee may seek the advice of the Company's auditor, solicitor or other independent advisers (including external consultants and specialists) as to any matter pertaining to the powers or duties of the committee or the responsibilities of the committee, as the committee may require.

Use of advisers

Since 2016, oOh!media has engaged Aon Hewitt to provide benchmarking data on an ongoing basis. oOh!media subscribes to Aon Hewitt's Media and General Industry Salary Surveys, as well as participating in its Policy and Practice reviews. This allows oOh!media to access insight, expertise and benchmarking data as they relate to both individual positions and overall remuneration within oOh!media.

During 2017, oOh!media engaged Aon Hewitt to provide benchmarking data for Non-executive Directors with a view to reviewing Board fees for 2018. No additional remuneration recommendations for 2017 were made as part of any data provided by Aon Hewitt.

Share trading

In 2014, oOh!media adopted a Policy for Dealing in Securities, the purpose of which is to explain the types of conduct in dealings in securities that are prohibited under the *Corporations Act 2001* (Cth). This policy was reviewed by the Board and management in 2016 with refreshed amendments adopted by the Board in September 2016. The policy is designed to establish best practice procedures for the buying and selling of securities that protect oOh!media, Directors and employees against the misuse of unpublished information that could materially affect the value of securities. The policy applies to all Directors, Officers, Senior Executives and employees of the Group and their connected persons. The policy provides that relevant persons must not deal in oOh!media's securities:

- where they are in possession of material price-sensitive information;
- on a short-term basis (within a three-month window of purchase); and
- during trading blackout periods (except in exceptional circumstances).

Trading is only permitted in trading windows or in all other periods by:

- Directors, with the prior approval of the Chairman of the Board;
- the Chairman of the Board, with the prior approval of the Chairman of the Audit, Risk & Compliance Committee; and
- Senior Executives, with the prior approval of the CEO.

The policy can be found under Corporate Governance of the Investors section of the oOh!media website – www.oohmedia.com.au/investors.

Diversity & remuneration

oOh!media recognises the value of a diverse and inclusive workforce reflective of the markets where we operate. Accordingly, the Board and management of oOh!media are focused on diversity, inclusion and belonging as key business goals. oOh!media is committed to addressing and promoting gender equality. Gender pay analysis was undertaken in 2016 and in 2017, including a comparison of like roles, to identify any underlying disparity between male and female pay. Since 2016, oOh!media has continually reduced disparities in pay by prioritising female remuneration that was below the peer average.

Remuneration framework and performance

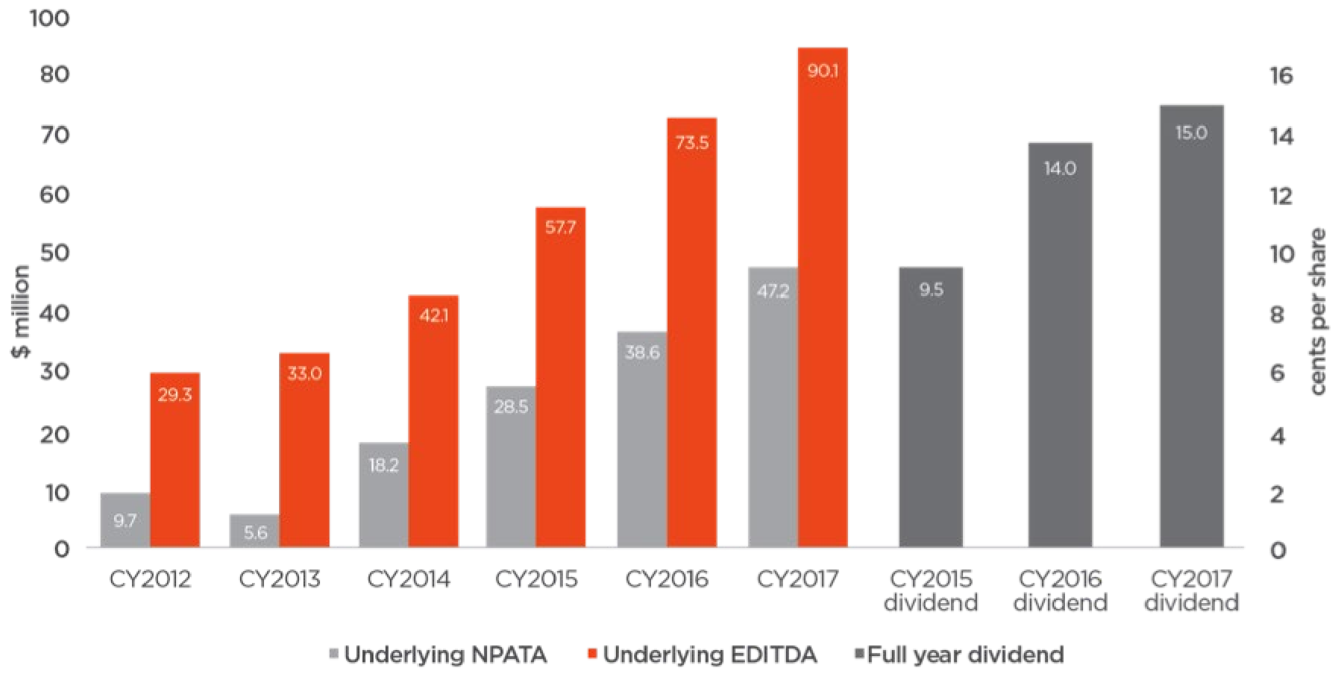
In line with the continued growth in the Out Of Home sector, oOh!media delivered another strong performance for CY2017. Revenue has grown for the past six years, as has Underlying EBITDA and Underlying NPATA.

Remuneration linked to performance and shareholder wealth

The Remuneration & Nomination Committee considers Underlying EBITDA to be the most relevant measure of short-term performance to link executive remuneration. Management believes the Underlying measure provides a better representation of financial performance in the ordinary course of business. Underlying represents the same concept as underlying in the 2016 Annual Report.

In 2017 the Remuneration & Nomination Committee approved a LTI program comprising a combination of CAGR of EPS and Relative TSR. For LTI purposes as a listed company, CAGR of EPS is seen as an appropriate measure by linking remuneration to the impact on long-term shareholder value, and Relative TSR is seen as having objectivity and transparency with multi-year measurement of performance. Relative TSR is measured against the ASX200 index (excluding Financials and Industrials).

Underlying EBITDA, Underlying NPATA and dividends for the past six years are shown below[1]:



The change in the oOh!media Limited (ASX: OML) share price over the course of the trading year is reflected below:

Date	Share price	Change in share price from end of previous year
31 December 2014	$2.00	n/a
31 December 2015	$4.72	136%
31 December 2016	$4.57	-3%
31 December 2017	$4.50	-2%

1. The CY2016 accounts have been restated for a change in policy relating to the tax treatment of intangibles on acquisitions.

Executive KMP remuneration

Executive KMP	FAR for 2017
Brendon Cook	$622,259
Peter McClelland	$524,682

2017 STI outcomes

The Board again set a challenging STI scheme target for 2017, targeting a 28.0 per cent increase in Underlying EBITDA from CY2016. The strong Out Of Home market in CY2017, combined with strong revenue growth in our key strategic products, resulted in actual Underlying EBITDA achieving 98.3 per cent of the STI scheme target. Based on the STI payout schedule, the 70.0 per cent Underlying EBITDA component was paid at 87.6 per cent to target and the 30.0 per cent individual component was paid based on personal performance against key KPIs.

Target STI for 2017

The table below outlines the Target STI for the Executive KMP for CY2017.

Executive KMP	Min STI	Target STI opportunity[1]	As a % of FAR	Max STI opportunity[2]	Max as a % of FAR
Brendon Cook	$0	$307,500	49%	$830,250	133%
Peter McClelland[3]	$0	$259,191	49%	$699,816	133%

Final 2017 STI payments

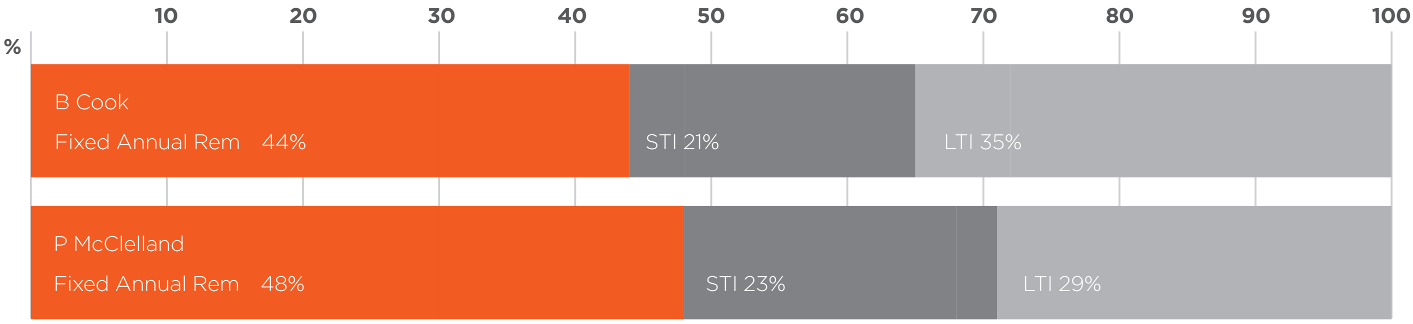
The STI payments to the Executive KMP for the calendar year ended 31 December 2017, based on the 2017 STI Plan and including the STI payment as a percentage of the FAR, are explained in the following table:

Executive KMP	Target opportunity as a % of FAR	Actual payment as a % of FAR	Amount paid (inclusive of superannuation)	2017 key achievements
Brendon Cook	49%	51%	$317,803 (103% of target)	▪ Delivered significant growth in revenue, EBITDA and NPATA in line with guidance ▪ Maintained and grew business momentum during proposed merger with APN Outdoor ▪ Integration of 2016 acquisitions including ECN, Cactus Imaging and Junkee Media ▪ Maintained and built on strong culture and engagement of employees ▪ Delivered on data and insights amplification ▪ Successful delivery of ROI series to agencies and clients
Peter McClelland	49%	43%	$226,393 (91% of pro-rated target)	▪ Delivered significant growth in revenue, EBITDA and NPATA in line with guidance ▪ Managed key merger and acquisition activities ▪ Successfully managed significant investor relationships, communications and events ▪ Delivered new finance systems ▪ Oversaw key systems and process improvement projects

1. Target STI represents the amount payable at 100 per cent of Underlying EBITDA plus 100 per cent on personal KPIs.
2. Maximum STI is available on achievement of 150 per cent of budgeted EBITDA and 200 per cent of the Individual Component.
3. Peter McClelland's actual target STI was pro-rated until his exit date of 15 December 2017.

Components of remuneration

The following table shows the target remuneration mix as a percentage of total remuneration for each of the Executive KMP in 2017. The STI amount reflects the Target STI opportunity and the LTI amount is based on the total face value of the number of performance rights granted in February 2017 related to the 2017 LTI program.



The rights over ordinary shares granted in the period were:

Executive KMP and Officers	Plan	Number of rights granted during 2017	Vesting condition	Grant date	Face value at grant date	Fair value at grant date	Vesting date
Brendon Cook	LTI Plan	110,485	CAGR EPS and TSR	1 March 2017	$500,000	$276,213	February 2020
Peter McClelland	LTI Plan	70,710	CAGR EPS and TSR	1 March 2017	$320,000	$176,775	February 2020
Katrina Eastoe	LTI Plan	26,516	CAGR EPS and TSR	1 March 2017	$120,000	$66,290	February 2020

The rights for ordinary shares in 2017 for Brendon Cook will be bought on market at the time of vesting in February 2020 and in accordance with achievement against the relevant LTI hurdles.

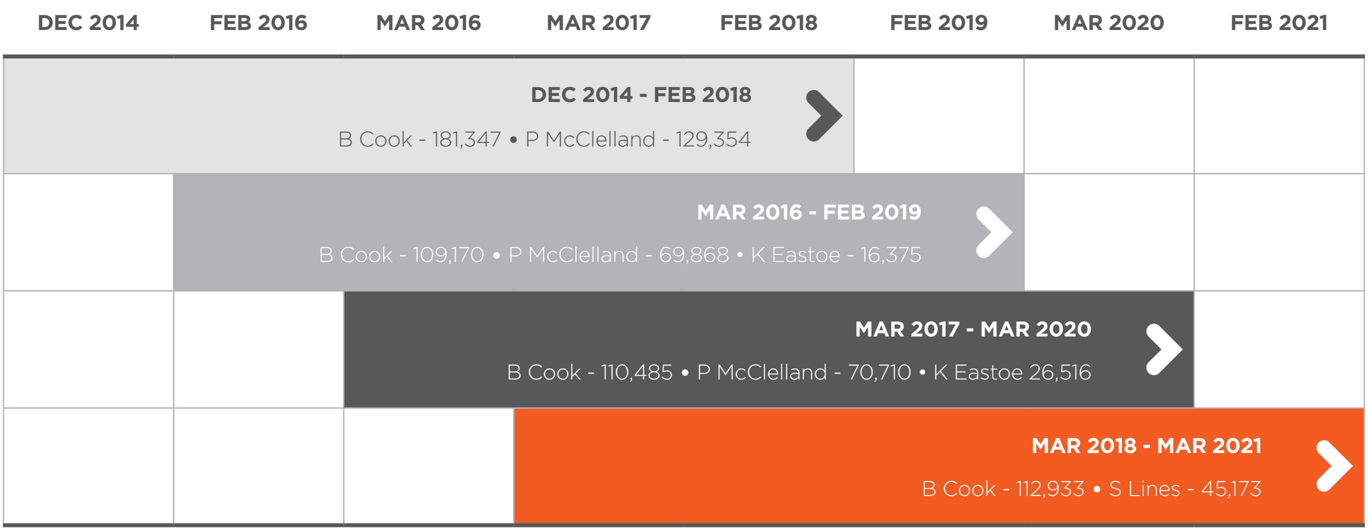
2018 LTI Plan

Since the reporting period, the Board has approved the granting of rights over ordinary shares in oOh!media as part of the 2018 LTI Plan to Brendon Cook, Sheila Lines[1] and nominated employees, with the grant to occur on or about 1 March 2018 and the Company recommending the LTI grant for Brendon Cook to the shareholders at the Annual General Meeting (AGM) in accordance with the ASX Listing Rule 10.14. These rights have not been included in this Annual Report on the basis that the accounting expense has not yet been incurred. The details of the rights approved to be issued to Executive KMP and Officers are listed below.

Executive KMP and Officers	Plan	Number of rights granted during 2017	Vesting condition	Proposed grant date	Face value at grant date	Vesting date
Brendon Cook	LTI Plan	112,933	CAGR EPS and TSR	1 March 2018[2]	$500,000	February 2021
Sheila Lines[1]	LTI Plan	45,173	CAGR EPS and TSR	1 March 2018	$200,000	February 2021

1. Shelia Lines has been appointed CFO of oOh!media, to commence 1 March 2018.
2. Subject to shareholder approval.

The table below sets out the details of each tranche of rights issued or approved to be issued to Executive KMP and Officers since listing, together with their respective vesting dates.



Non-executive Director remuneration

Overview & arrangements

The Board aims to set Non-executive Directors' remuneration at a level that attracts and retains high calibre and talented Non-executive Directors. They receive fixed fees only, to preserve independence.

No changes to Board fees were made in 2017, however changes were recommended for 2018 to remain competitive with market benchmarks. The changes were recommended after a review was undertaken in 2017 using benchmarking data of non-executive directors' remuneration from a range of comparable companies.

Aon Hewitt provided the data and guidance on market practices to inform changes to Board fees but did not provide any recommendations. The Board is satisfied that the remuneration benchmarking provided by Aon Hewitt was free from undue influence by the Board or members of the KMP. These changes became effective from 1 January 2018.

The total amount provided to all Non-executive Directors for their services as Directors, as fixed by oOh!media, must not exceed $1,000,000 in aggregate in any financial year.

Non-executive Director fees

Between 1 January and 31 December 2017, the Directors' annual fee structure was as follows:

	Chair fee[1,2]	Member fee[1,2]
Board	$190,000[3]	$90,000
Audit, Risk & Compliance Committee	$25,000	$10,000
Remuneration & Nomination Committee	$15,000	$10,000

From 1 January 2018, the Directors' annual fee structure is as below:

	Chair fee[1]	Member fee[1]
Board	$225,000[3]	$112,000
Audit, Risk & Compliance Committee	$25,000	$12,500
Remuneration & Nomination Committee	$20,000	$10,000

1. Inclusive of superannuation.
2. In September 2017 the Board approved an increase in the Non-executive Director fees, effective 1 January 2018.
3. The Chair of the Board receives no extra member fees in addition to Chair fee.

Statutory disclosure

Statutory remuneration tables

The following table of KMP remuneration has been prepared in accordance with accounting standards and the *Corporations Act 2001* (Cth) requirements.
The amounts shown relating to share-based remuneration are equal to the accounting expense recognised in oOh!media's Financial Statements in respect of the LTI grant. The amounts disclosed do not reflect the actual cash amount received this year or in future years.

Peter McClelland stepped down as CFO & COO on 15 December 2017. The amount disclosed for Mr McClelland's STI cash bonus is for the year ended 31 December 2017 and is pro-rated to 15 December 2017.

Mr McClelland's share-based remuneration expense in relation to the Group's LTI Plan includes an accelerated charge to the Company of $216,590 on termination in relation to the fair value of the Rights due to vest in 2018, 2019 and 2020. In accordance with the Plan Rules, these are not accelerated but remain on-foot to vest or lapse in accordance with the terms on which they were issued. This does not necessarily reflect the value (if any) that Mr McClelland may receive for these unvested performance rights, as this will depend on whether the hurdles are achieved and, if they are, the share price at the date of vesting.

		Short Term			Post Employment	Share based remuneration	Other	Total	
KMP	Year	Salary and fees^	Cash Bonus	Non-monetary benefits	Superannuation	LTI Grants[1]	Termination benefit	Total	Performance related[2]
Michael Anderson[3]	2017	$151,011	-	-	$14,346	-	-	$165,357	-
	2016	$173,516	-	-	$16,484	-	-	$190,000	-
Brendon Cook	2017	$525,991	$290,231	$46,300	$77,531	$345,587	-	$1,285,640	49%
	2016	$513,161	$318,000	$46,300	$48,750	$312,608	-	$1,245,027	51%
Ton Faure[4,7]	2017	$203,830	-	-	$10,814	-	-	$214,644	-
	2016	$134,802	-	-	$8,531	-	-	$143,333	-
Debra Goodin[5]	2017	$114,155	-	-	$10,845	-	-	$125,000	-
	2016	$115,677	-	-	$10,989	-	-	$126,666	-
Geoffrey Wild AM	2017	$91,324	-	-	$8,676	-	-	$100,000	-
	2016	$91,324	-	-	$8,676	-	-	$100,000	-
Darren Smorgon	2017	$105,023	-	-	$9,977	-	-	$115,000	-
	2016	$95,890	-	-	$9,110	-	-	$105,000	-
Joanne Crewes[6]	2017	$22,505	-	-	$2,138	-	-	$24,643	-
	2016	-	-	-	-	-	-	-	-
Peter McClelland[8]	2017	$485,260	$206,752	$6,024	$87,454	$454,092	$322,924	$1,562,506	42%
	2016	$461,862	$264,248	$6,300	$43,877	$304,078	-	$1,086,573	53%

^ (including annual leave)

1. Fair value of performance rights related to the LTI grants scheduled to vest in 2018, 2019 and 2020 respectively.
2. Performance-related % is calculated by adding cash bonus and share-based remuneration amounts (all of which have performance hurdles that determine payment) and dividing by total remuneration.
3. Michael Anderson chaired the Board from 1 January to 22 September 2017 and received pro-rated fees as captured in the above table.
4. Tony Faure chaired the Board from 22 September to 31 December 2017 and received pro-rated fees as captured in the above table.
5. Debra Goodin was appointed Lead Independent Director on 22 September 2017. There is no additional remuneration for this role.
6. Joanne Crewes was appointed as a Non-executive Director on 22 September 2017 and received pro-rated fees based on the above table.
7. Tony Faure, Non-executive Director of oOh!media, was engaged as a consultant by Junkee Media Pty Limited for $90,000 from the period 1 January to 31 December 2017. Junkee Media Pty Limited is a subsidiary of the Company.
8. The reported LTI grants include the full fair-value amount of Peter McClelland's unvested LTI grants scheduled to vest in 2018, 2019 and 2020. In accordance with the Plan Rules, these are not accelerated but remain on-foot to vest or lapse in accordance with the terms on which they were issued.

Shares

The following table sets out the movement during the reporting period in the number of ordinary shares in oOh!media held directly, indirectly, or beneficially by KMP including their related parties. These changes are also reflective as at the date of this report.

Name of Director	Held at 1 Jan 2017	Granted as remuneration	Exercise of performance rights	Net change other	Held at 31 December 2017
Michael Anderson	101,703	-	-	-	101,703
Brendon Cook	715,543	-	-	-	715,543
Joanne Crewes	Nil	-	-	-	Nil
Tony Faure[1]	88,888	-	-	-	88,888
Debra Goodin	16,785	-	-	-	16,785
Peter McClelland	135,023	-	-	-	135,023
Darren Smorgon	45,708	-	-	-	45,708
Geoffrey Wild AM	Nil	-	-	-	Nil

Rights over shares granted as compensation

The following table sets out the movement during the reporting period in the number of rights over ordinary shares in oOh!media, held directly, indirectly or beneficially, by KMP or officers in oOh!media, including their related parties.

Executive KMP and Officers	Number held at 1 Jan 2017	Number granted as remuneration	Vesting condition	Number and value – vested and exercised	Held at 31 December 2017	Not vested
Brendon Cook	290,517	110,485	CAGR EPS and Relative TSR	- / -	401,002	401,002
Peter McClelland	199,402	70,710	CAGR EPS and Relative TSR	- / -	270,112[2]	270,112[2]
Katrina Eastoe	16,375	26,516	CAGR EPS and Relative TSR	- / -	42,891	42,891

1. In addition to the above shares in oOh!media, Tony Faure holds 13,098 shares (5 per cent of total shares) in Junkee Media Pty Limited (a subsidiary of the Company acquired on 1 July 2016). These shares are subject to an option which may require the Company to purchase the shares in future periods. The estimated value of the liability attributable to the option recognised by oOh!media at 31 December 2017 is $240,000.
2. Number held by Peter McClelland as at 15 December 2017, his final day employed by the Company.

Further information

Service agreements

oOh!media has entered into service contracts with each Senior Executive. The Group retains the right to terminate a contract immediately by making payment equal to the agreed number of months' fixed annual remuneration in lieu of notice, including superannuation plus any statutory entitlements of accrued annual and long service leave.

The service contracts outline the components of compensation but do not prescribe how compensation levels are modified year-to-year. The Remuneration & Nomination Committee reviews compensation each year to take into account any changes in scope or nature of role, cost of living or agreed objectives to determine and recommend any changes in line with the remuneration strategy and principles.

The key conditions of the service agreements of the Executive KMP are set out in the following table.

Name	Agreement commenced	Agreement expires	Notice of termination		Termination payments under the contract
			By Company	By Employee	
Brendon Cook	1 Oct 2014	No expiry	12 months	12 months	12 Months FAR
Peter McClelland	1 Oct 2014	15 Dec 2017	6 months	3 months	6 Months FAR
Sheila Lines	1 Mar 2018	No expiry	6 months	6 months	6 Months FAR

All current Non-executive Directors were appointed as at 7 October 2014, except for Debra Goodin and Tony Faure, who were appointed on 28 November 2014, and Joanne Crewes, who was appointed on 22 September 2017.

The terms of their agreements have no fixed end date, no fixed notice of termination period, nor any agreed termination payments.

All Non-executive Directors may not hold office without re-election beyond the third Annual General Meeting following the meeting at which they were last elected.

Detailed information on STI and LTI granted in CY2017

	Annual bonus short-term incentive	Long-term incentive
Description	Annual Incentive plan delivered in cash with a Company Underlying EBITDA payment threshold.	Award of performance rights with a three-year performance period.
Conditions	Individual KPIs are set at the beginning of the performance period and are aligned to business level strategic priorities. For 2017, these included: ▪ growing Underlying EBITDA; ▪ delivering digital growth; ▪ aligning leaders around a shared vision and building a performance-based culture; and ▪ developing audience-led solutions.	A combination of CAGR of EPS and Relative TSR as performance measures were chosen to encourage continual year-on-year growth. The threshold and stretch targets for the performance period are determined by the Board and specified to the participant at the time of grant of the performance rights. The specific rates are advised in the Remuneration Report of oOh!media in the year in which vesting is scheduled to occur.
Performance period	Calendar year.	Three calendar years i.e. 1 January 2017 to 31 December 2019.

	Annual bonus short-term incentive	Long-term incentive
Amount that can be earned	**Underlying EBITDA component:**	The number of performance rights granted was a fixed dollar amount determined by reference to the face value of the shares on the date of grant. The number of performance rights granted to each executive was the LTI value attributable to the individual divided by the face value of the share at the time of grant ($4.52). Rights were granted for nil consideration. The number of performance rights granted to each of the KMP was:

Underlying EBITDA achieved	STI payable % target
<90%	0%
90%-100%	30% plus 7% for every 1% achievement above 90%
100%-150%	100% plus 4% for every 1% achievement above 100%
Greater than 150%	300% (capped)

Individual component

The percentage awarded for the individual component of the STI is determined by the individual's performance rating against achievement of their goals and KPIs as recommended by the individual's direct manager (or the Chair for the CEO). This rating is guided by Senior Executives for all employees and performance calibration processes are used to ensure consistency across teams.

The guide for bonus percentage on the individual component varied from 0% to 200%, with the final percentage being determined by the Remuneration & Nomination Committee for the Executive KMP and by Senior Executives for all other employees in line with agreed performance and budgets.

KMP	No.	Face Value	Date of grant
Brendon Cook	110,485	$500,000	1 March 2017
Peter McClelland	70,710	$320,000	1 March 2017

<table>
<thead>
<tr><th></th><th>Annual bonus short-term incentive</th><th>Long-term incentive</th></tr>
</thead>
<tbody>
<tr><td>Vesting</td><td>n/a</td><td>For the 2017 LTI, granted in 2017, the performance rights will vest, or not, following the publication of the 31 December 2019 audited Financial Statements to the Australian Securities Exchange.

The percentage of performance rights that vest, if any, will be determined at the end of the performance period by reference to the following vesting schedule:

<table>
<tr><th>Company’s CAGR of EPS over the performance period</th><th>% of rights that vest</th></tr>
<tr><td>Less than 9% CAGR</td><td>Nil</td></tr>
<tr><td>9% CAGR (threshold performance target)</td><td>50%</td></tr>
<tr><td>Between 9% and 14% CAGR</td><td>Straight line pro rata vesting between 50% and 100%</td></tr>
<tr><td>14% CAGR (stretch performance target)</td><td>100%</td></tr>
<tr><td>Between 14% and 19% CAGR</td><td>Straight line pro rata vesting between 100% and 150%</td></tr>
<tr><td>19% CAGR or above (exceptional performance target)</td><td>150%</td></tr>
<tr><th>Company’s Relative TSR over the performance period</th><th>% of rights that vest</th></tr>
<tr><td>Less than 50% Relative TSR</td><td>Nil</td></tr>
<tr><td>50% Relative TSR (threshold performance target)</td><td>50%</td></tr>
<tr><td>Between 50% and 75% Relative TSR</td><td>Straight line pro rata vesting between 50% and 100%</td></tr>
<tr><td>At or above 75% Relative TSR</td><td>100%</td></tr>
</table>
The threshold and stretch targets for oOh!media’s CAGR of EPS and Relative TSR over the performance period are determined by the Board and specified to the participant at the time of grant of the performance rights. Following testing, any rights that do not vest, lapse.</td></tr>
<tr><td>Restrictions</td><td>Participants must be employed and not under notice of resignation or termination at the completion of the performance period (calendar year) to be eligible for an STI award. The Board retains discretion to settle partial or complete payment in the case of good leavers.</td><td>Shares allocated on the vesting of rights after the three-year performance period are not subject to any additional trading restrictions. If an executive ceases employment with oOh!media before the end of the performance period, their entitlement to rights (if any) will depend on the circumstances of cessation. All rights will lapse in the event of termination for cause. A full or pro rata number of rights may be approved by the Board if an executive ceases employment by reason of redundancy, ill health, death, or other circumstances approved by the Board including resignation with good leaver status.</td></tr>
<tr><td>Clawback</td><td>n/a</td><td>To ensure integrity within the LTI Plan, the Board retains the authority to clawback or adjust LTI awards in circumstances such as fraudulent or dishonest behaviour, gross misconduct, and breach of obligations or material financial misstatement.</td></tr>
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Corporate Governance Report

Introduction

The Board of oOh!media is responsible for the overall governance of the Group.

The Board has created a framework for overseeing oOh!media's corporate governance, having regard to corporate governance principles and recommendations, including those published by the Australian Securities Exchange (ASX) Corporate Governance Council. The framework includes:

- corporate governance policies and practices;
- risk management processes; and
- internal controls.

The framework is considered appropriate for oOh!media's business and designed to promote responsible governance. This Corporate Governance Statement outlines oOh!media's compliance between 1 January 2017 and 31 December 2017, following the third edition of the ASX Corporate Governance Council Principles and Recommendations (the ASX CGC Principles and Recommendations).

This Corporate Governance Statement is current as at 19 February 2018 and has been approved by the Board.

All charters and policies referred to in this Corporate Governance Statement are available at http://investors.oohmedia.com.au/Investor-Centre/?page=Corporate-Governance.

The 2017 Annual Report is available at http://investors.oohmedia.com.au/Investor-Centre/?page=Results---Reports.

Role & Responsibilities of the Board

The Board is responsible for overseeing oOh!media's overall direction and good governance. The Board's role, responsibilities and functions have been captured in the Board Charter, adopted by the Board on 28 November 2014 and reviewed annually.

The Board's role is to:

- represent and serve the interests of shareholders;
- protect and optimise Company performance and build sustainable value for shareholders;
- set, review and ensure compliance with oOh!media's values and governance framework; and
- ensure shareholders are kept informed of oOh!media's performance and major developments affecting its state of affairs.

Responsibilities and functions specifically reserved for the Board include:

- appointment of a Chair;
- appointment and removal of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO);
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time-to-time.

Administration of the Board

The Board holds regular meetings and has diarised a minimum of eight meetings a year, with additional unscheduled meetings as frequently as may be required to deal with other matters. In addition, the Non-executive Directors meet at least once a year in the absence of the CEO and management, and at such other times as they may determine. The Independent Directors may also meet on their own as they determine appropriate.

Independent Legal Advice

To support proper discharge of duties, the Board collectively, and each Director individually, has the right to seek independent professional legal advice. This has been captured clearly in each Director's letter of appointment.

Committees of the Board

While at all times the Board maintains full responsibility for guiding and monitoring oOh!media, it has delegated certain responsibilities and functions to committees and management.

The Board has established the following committees to assist it in discharging its functions:

- Remuneration & Nomination Committee; and
- Audit, Risk & Compliance Committee.

Each committee was appointed by the Board, and each of its charters adopted, on 28 November 2014.

The Board, at least once in each year, reviews the membership and, at least every two years, the charter of each committee, to determine its adequacy for current circumstances.

Each Committee:

- may make recommendations to the Board in relation to its membership, responsibilities, functions or otherwise;
- meets as often as its members deem necessary in order to fulfil their role;
- normally meets at least four times a year with additional meetings scheduled as required; and
- consists of three members comprising Non-executive Directors (a majority of whom are independent) and an independent Chair.

The membership and attendance records of each Director are set out on page 4 of the Annual Report, and the relevant qualifications and experience of the members of each committee are set out on pages 24 and 25 of the Annual Review.

Remuneration & Nomination Committee

oOh!media has established a Remuneration & Nomination Committee to assist the Board, and make recommendations on matters relating to Board size, composition, succession planning, nomination of the Directors, CEO and CFO, and remuneration of the Directors, CEO and Senior Executives.

Responsibilities of this committee include:

- providing assistance to the Board to develop a board skills matrix setting out the mix of skills and diversity that is required by the business, compare and assess this to what the Board currently has or is looking to achieve in its membership;
- in accordance with the Board Diversity & Inclusion Policy, annually reviewing the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Group; and
- ensuring that the committee, the Board and management have available to them sufficient information and external advice to ensure informed decision-making regarding remuneration.

Appointment of Directors & Succession Planning

In appointing Non-executive Directors, the Board seeks to ensure that candidates have the appropriate skills, expertise and experience to complement the existing members of the Board.

Factors considered when reviewing a potential candidate for Board appointment, include (without limitation):

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- the existing composition of the Board, having regard to the factors outlined in the Diversity & Inclusion Policy and the objective of achieving a Board comprising Directors from a diverse range of backgrounds;
- the capability of the candidate to devote the necessary time and commitment to the role; and
- potential conflicts of interest and independence.

The Remuneration & Nomination Committee advises the Board annually, capturing the following details:

- the process by which candidates are identified and selected, including whether external search organisations are used;
- the steps taken to ensure that a diverse range of candidates is considered; and
- the factors taken into account in the selection process, including the board skills matrix used to identify any 'gaps' in the skills and experience of the Directors on the Board.

External search organisations may be engaged (as appropriate) to assist the Board to identify potential Director candidates. With regard to the current Directors, no material adverse information was revealed in respect of any Director, nor was any matter identified that might influence a Director's ability to act in the best interests of the Company and its shareholders.

As at the date of this Corporate Governance Report, no external candidate had been put before shareholders for appointment or election. In the event of same, as with the recent appointment of Joanne Crewes as a Non-executive Director of the Board of oOh!media Limited, oOh!media has and will continue to follow a formal selection process, including:

- conducting appropriate checks before putting forward to shareholders a candidate for election as a Director, for their subsequent appointment;
- consulting with all Directors, with any recommendations from the Remuneration & Nomination Committee; and
- following election/approval, an offer of a Board appointment to be made by the Chair and confirmed by a letter of appointment in the standard format approved by the Board or the Remuneration & Nomination Committee from time-to-time.

In accordance with oOh!media's Constitution, no Director, except the CEO, shall hold office without re-election beyond the third Annual General Meeting at which the Director was last elected or re-elected. Directors available for re-election at a General Meeting are reviewed by the Remuneration & Nomination Committee after consultation with the Board.

Any external or internal candidate to be put to the shareholders for appointment or election will be notified to shareholders in the relevant Notice of Meeting.

Board, Committee & Director Performance

The Remuneration & Nomination Committee is further tasked with assisting the Board, as required, in relation to the performance evaluation of the Board, its committees and individual Directors, and in developing and implementing plans for identifying, assessing and enhancing Director competencies.

The Remuneration & Nomination Committee engages in the following process:

- on an annual basis, Directors provide written feedback to the committee in relation to the performance of the Board and its committees against a set of agreed criteria;
- the CEO provides feedback to the Remuneration & Nomination Committee from senior management in connection with any issues that may be relevant in the context of the Board performance review;
- each committee of the Board reviews, and provides feedback on, its own performance to the Remuneration & Nomination Committee; and
- feedback is provided by the Remuneration & Nomination Committee to the Chair of each committee and the Board, or an external facilitator, and discussed by each committee and the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its committees.

Where appropriate to facilitate the performance evaluation process, assistance may be obtained from a third party adviser.

This performance evaluation generally occurs in the first quarter of each calendar year in relation to performance for the previous calendar year, however the evaluation for 2017 was delayed due to the proposed merger with APN Outdoor. The performance evaluation for each of the Board and committees was conducted in the fourth quarter of 2017.

Policies in relation to Remuneration of Non-executive Directors & Senior Executives

To ensure the independence of Directors, Directors are paid fees but are not invited to participate in oOh!media's performance-based remuneration plans.

Senior Executives are generally entitled to a remuneration package that contains a mix of base salary and performance-related incentives. The Remuneration & Nomination Committee engages a range of services from external consultants to provide information, data and advice, where appropriate, in relation to remuneration quantum and structure and industry practice, and subsequently approves and recommends remuneration and reviews to the Board.

The Remuneration & Nomination Committee has approved the practices developed for selection and engagement of consultants to ensure their independence from management.

Further details of remuneration for Non-executive Directors and Senior Executives are set out on pages 17 to 21 of the Remuneration Report.

Audit, Risk & Compliance Committee

The Board has established the Audit, Risk & Compliance Committee to assist the Board in:

- carrying out its accounting, auditing and financial reporting responsibilities;
- reviewing ethical and legal compliance; and
- carrying out its risk management responsibilities, including the identification of the main risks associated with oOh!media's businesses, the review and implementation of oOh!media's risk management framework, systems and procedures, and making recommendations to enhance the effectiveness of the risk management framework.

The Audit, Risk & Compliance Committee's primary role with respect to accounting and financial oversight includes:

- overseeing oOh!media's relationship with the external auditor and the external audit function generally;
- overseeing the preparation of the Financial Statements and reports; and
- overseeing oOh!media's financial controls and systems.

The Audit, Risk & Compliance Committee's primary roles with respect to risk management and compliance are to review and report to the Board that:

- the Audit, Risk & Compliance Committee has, at least annually, reviewed oOh!media's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk;
- adequate policies and processes have been designed and implemented to manage identified risks;
- oOh!media has the necessary level of insurance;
- tax compliance and tax risk management are being overseen;
- at least annually an audit is being undertaken to test the adequacy of, and compliance with, prescribed policies; and
- proper remedial action is being undertaken to redress areas of weakness.

The Audit, Risk & Compliance Committee also approves policies, processes and frameworks for identifying, analysing and addressing complaints, and reviews material complaints and their resolution.

Risk management framework

Risk management is viewed by oOh!media as integral to its objective of creating and maintaining shareholder value. oOh!media is committed to embedding risk management practices through all levels of the organisation to support the achievement of business objectives and to fulfil its corporate governance obligations.

oOh!media has a Risk Management Policy and a documented risk assessment process, scheduled for review at least annually by management and the Audit, Risk & Compliance Committee. The Audit, Risk & Compliance Committee reviewed and approved oOh!media's risk management framework at a comprehensive level in November 2017 and reported to the Board that it is satisfied that the risk management framework and risk mitigation strategy is sound and effectively identifies and seeks to mitigate all areas of potential risk.

Internal audit

The Audit, Risk & Compliance Committee is responsible for overseeing processes to ensure there is an adequate system of internal control, reviewing the internal control systems and the operational effectiveness of the policies and procedures related to risk and control, monitoring breakdowns of internal controls, and reviewing the effectiveness of oOh!media's internal control framework.

Given the relative size of the Company, oOh!media does not have an internal audit function. Instead, the shared services function, working with external advisers as appropriate, oversees the adequacy and effectiveness of oOh!media's systems for risk management, internal control and governance, and provides recommendations to improve the efficiency and effectiveness of these systems and processes. The CFO provides the Audit, Risk & Compliance Committee with information to assist it to discharge its roles and responsibilities. The information is reviewed by the Audit, Risk & Compliance Committee on an annual basis.

External auditor

In 2017, the external auditor audit engagement partner was rotated by the external auditor with approval from the Audit, Risk & Compliance Committee and the Board.

Environment & Social Sustainability Risks

oOh!media identifies and reports against material economic, environmental and social sustainability risks as part of its formal risk review process. Together with the Audit, Risk & Compliance Committee, oOh!media identifies further measures to improve its reporting process for material economic, environmental or social sustainability risks so that it can adequately communicate how it manages and intends to manage identified risks.

oOh!media has also prepared a Sustainability Report, reporting against material economic, environmental and social sustainability risks in accordance with the Global Reporting Initiative's G4 Sustainability Reporting Guidelines. The Sustainability Report is set out on pages 35 to 47 of this Annual Report.

Further details of key risks and risk management at oOh!media are set out on pages 3 and 4 of the Directors' Report within the Annual Report.

CEO & CFO Declaration

Before the Board approves oOh!media's half-year and full-year financial reports, the CEO and CFO provide the Board with declarations that, in their opinion, the financial records of the Group have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board received declarations of this kind in respect of the half year ended 30 June 2017 on the 14 August 2017 from the Chief Executive Officer and the Chief Financial Officer, and in respect of the full financial year ended 31 December 2017 from the Chief Executive Officer and the Acting Chief Financial Officer on 19 February 2018 prior to approving the full-year financial reports.

Auditor at the Annual General Meeting

oOh!media's external auditor will attend the Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report. The external auditor is also given a reasonable opportunity to answer written questions submitted by shareholders.

Inclusion, diversity & belonging

oOh!media is committed to unlocking the innovative potential of the Company by creating and supporting an environment where all ideas are heard, inspiring our people to harness their creativity to generate value and growth in an inclusive and diverse culture.

To do this, we:

- create a workplace where every individual can shine regardless of gender, cultural identity, age, sexual orientation, disability, work style or approach;
- leverage the value of diversity and inclusion for all stakeholders to deliver innovation, the best customer experience, and improved financial performance; and
- maintain and build on our "family" culture to ensure a sense of identity and belonging amongst all people at oOh!media.

oOh!media has implemented a range of programs and initiatives to support the achievement of its innovation, diversity and inclusion goals during 2017. This includes:

- the continued implementation of the oOh!media Inclusion, Diversity and Belonging strategy;
- the maintenance of measurable objectives for gender diversity and an inclusive and innovative workforce; and
- the Inclusion, Diversity and Belonging Committee.

The proportion of male and female employees in key senior leadership within oOh!media, and members of the Board, are set out in the table below.

Level	Male (%)	Female (%)
Employees	47.8	52.2
Key senior leadership[1]	85.0	15.0
Board	71.4	28.6

Further information, including oOh!media's measurable objectives, is detailed at http://investors.oohmedia.com.au/Investor-Centre/?page=Corporate-Governance.

The Diversity & Inclusion Policy is available on oOh!media's website at http://investors.oohmedia.com.au/Investor-Centre/?page=Corporate-Governance.

1. For these purposes, key senior leadership includes the Senior Executives (as defined in the Glossary) and their senior direct reports.

Composition of the Board & Independence of Directors

Responsibility for the composition and succession planning of the Board rests with the Directors.

The Board of oOh!media currently comprises seven Directors including a Managing Director. The names of current Directors and the dates they were appointed to the Board are set out below.

Director	Independent	Date of Appointment
Michael Anderson - Non-executive Director	Yes	7 October 2014
Brendon Cook - Managing Director and Chief Executive Officer	No	7 October 2014
Joanne Crewes - Non-executive Director	Yes	22 September 2017
Tony Faure - Non-executive Chair	No	28 November 2014
Debra Goodin - Non-executive Director and Lead Independent Director	Yes	28 November 2014
Darren Smorgon - Non-executive Director	Yes	7 October 2014
Geoffrey Wild AM - Non-executive Director	No	7 October 2014

The Board has adopted guidelines in the Board Charter to assist in assessing the independence of Directors. These guidelines are consistent with the factors relevant to assessing the independence of a Director as set out in the ASX CGC Principles and Recommendations. The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment (as disclosed by each Non-executive Director to the Board). Mr Faure retains a 5% shareholding in a subsidiary of the Company, Junkee Media and separately acts as a consultant to Junkee Media; Mr Wild AM is Chair of a subsidiary of a significant shareholder of the Company Accordingly the Board has determined neither Mr Faure nor Mr Wild AM to be independent for CY2017. Based on this assessment, the Board currently has a majority of Directors that are considered to be independent.

Mr Faure was appointed Chair of oOh!media on 22 September 2017. As Mr Faure is not considered to be an Independent Director, the Board has appointed Ms Goodin as Lead Independent Director, also effective from 22 September 2017. The Lead Independent Director can assume the role of Chair when the Chair is unable to act in that capacity due to unavailability or lack of independence. The Non-independent Chair Protocol is available on oOh!media's website at http://investors.oohmedia.com.au/Investor-Centre/?page=Corporate-Governance.

The Board considers that its overall composition is appropriate in oOh!media's circumstances, and that it is well placed to fulfil its responsibilities. There is a clear division of responsibility between the Chair and the Chief Executive Officer. The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in oOh!media and its operation and an increasing contribution to the Board as a whole.

Board skills matrix

The Board seeks to ensure that its membership includes an appropriate balance of skills, diversity, experience and independence in order to enhance Board performance and maximise value for shareholders.

It is not expected that all Directors will have skills and experience in all areas. Rather, the Board as a whole needs to have the skills and experience identified as being necessary. The Board considers that this is the case.

The table on page 5 of this Annual Report captures the skills and experience represented on the Board.

Company Secretary

The Board appointed Ms Katrina Eastoe as the Company Secretary for oOh!media on 1 September 2015. Ms Eastoe acts as Company Secretary of the Board and Committees.

Ms Eastoe has over 18 years' experience in senior leadership positions in legal and governance roles across media, FMCG and manufacturing industries in Australasia and Asia-Pacific. This includes serving as Group Corporate Counsel Asia Pacific with Associated British Foods and George Weston Foods in Australia, New Zealand, China, and South East Asia, where Katrina also managed Corporate Responsibility Reporting and Governance for George Weston Foods. Ms Eastoe was Legal Counsel at BlueScope Steel for its manufacturing, construction and OHS activities in Australia and New Zealand, with prior experience in commercial private legal practice.

Ms Eastoe holds a Bachelor of Arts and a Bachelor of Laws from the Australian National University and a Graduate Diploma in Legal Practice from the College of Law. She is a Graduate of the Australian Institute of Company Directors, a member of the Communications & Media Law Association and is a former Director of the Australian and New Zealand Sports Law Association.

The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, including the ASX, and all statutory and other filings.

The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All Directors have direct access to the Company Secretary.

Board's Relationship with Management

The Board has delegated the day-to-day management of oOh!media and the implementation of oOh!media's strategic objectives to the Senior Executives of oOh!media. The Board approves corporate objectives for the CEO to satisfy and, jointly with the CEO, develops the duties and responsibilities of the CEO.

The CEO is responsible for implementing strategic objectives, plans and budgets approved by the Board. The management function is conducted by, or under the supervision of, the CEO as directed by the Board and by other Officers to whom the management function is delegated by the CEO.

The CEO and Senior Executives have established the following committees to assist the CEO in discharging the CEO's responsibilities:

- Disclosure Committee, formally appointed by the Board, responsible for compliance with oOh!media's continuous disclosure obligations;
- Inclusion & Diversity Committee, responsible for recommending strategies to maintain and improve an inclusive, diverse and supportive workplace; and
- Workplace Health & Safety Committee, responsible for reviewing and recommending WHS compliance strategies.

Agreements with Directors & Senior Executives

Non-executive Directors are engaged through a letter of appointment that sets out the Director's roles and responsibilities and oOh!media's expectations, including in respect of the requirement to comply with company policies and oOh!media's Code of Conduct. The letter also addresses Non-executive Directors' indemnity and insurance arrangements, ongoing rights to access company information and confidential obligations that apply on an ongoing basis.

oOh!media enters into a service contract with each Senior Executive, which sets out their individual roles and responsibilities, as well as their KPIs and corporate obligations in respect of adherence to oOh!media's Code of Conduct and company policies.

Induction & continuing education of Directors

oOh!media has resources to induct new Directors and a continuing development program for Directors to ensure they are equipped with opportunities to develop and maintain the skills and knowledge necessary to perform their role effectively:

- all induction materials are made available to each Director on appointment, confirmed in writing in their letter of appointment; and
- a training and continuing education program is built into the Board agenda over the calendar year.

All induction and training materials remain accessible to the Board at all times.

Performance of Senior Executives

The Remuneration & Nomination Committee sets KPIs for the CEO, and formally evaluates the achievement of those objectives each year.

The Senior Executives' KPIs are set annually. They are recommended by the CEO to the Remuneration & Nomination Committee and the Board. The CEO conducts multiple one-on-one performance evaluations with individual Senior Executives to assess whether they have met their KPIs set in the preceding year.

During 2017, two performance evaluations for the CEO and each of the Senior Executives were undertaken and conducted in accordance with the process outlined above.

oOh!media has procedures in place to ensure that the Senior Executive is able to participate fully and actively in decision-making at the earliest opportunity, including:

- induction of core policies and procedures, located on oOh!media's intranet for ease of reference; and
- a Delegation of Authority Policy to promote good governance practices for payments and commitments of oOh!media.

Code of Conduct

oOh!media is committed to a high level of integrity and ethical standards in all business practices. Employees must conduct themselves in a manner consistent with current community and Company standards and in compliance with all relevant legislation. On 28 November 2014, the Board adopted a formal Code of Conduct, which outlines how oOh!media expects its representatives to behave and conduct business in the workplace. This Code of Conduct was last reviewed and revised by the Board in 2016. All employees (including temporary employees and contractors) and Directors must comply with the Code of Conduct.

The Code of Conduct is designed to:

- provide a benchmark for professional behaviour throughout oOh!media;
- support oOh!media's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the code.

oOh!media regularly monitors and tests policies under the code to ensure that commitments remain relevant, effective and consistent with stakeholders' expectations.

Dealing in Securities Policy

The Company aims to achieve the highest possible standards of corporate conduct and governance. On 28 November 2014, the Board adopted the Dealing in Securities Policy. This policy was last reviewed and revised by the Board in September 2016. The Directors consider that compliance with this policy is essential to ensure that the highest standards of conduct are being met by all Directors and employees.

The purpose of the Dealing in Securities Policy is to:

- explain the types of conduct in dealing in securities that are prohibited under the *Corporations Act 2001* (Cth). Such prohibitions apply to all Directors and employees of the Company and its related bodies corporate (collectively the Group) as defined in the *Corporations Act 2001* (Cth); and
- establish a best practice procedure for the buying and selling of securities that protects the Company, its Directors and employees against the misuse of unpublished information that could materially affect the value of securities.

The policy applies to all Directors and Officers of the Group, Senior Executives, employees of the Group, and connected persons of these parties, and raises awareness of the insider trading laws. The Company Secretary reminds all Directors, Officers and employees of the Group of their obligations at least twice a year.

Continuous Disclosure Policy

On 28 November 2014, oOh!media adopted a Continuous Disclosure Policy, which establishes procedures to ensure compliance with its obligations under the *Corporations Act 2001* (Cth) and ASX Listing Rules to disclose material price-sensitive information to the market in a timely manner. This policy was last reviewed and revised by the Board in September 2016.

The Board has appointed the Disclosure Committee, which is responsible for compliance with oOh!media's continuous disclosure obligations. The Disclosure Committee comprises key management – the CEO, CFO and the Company Secretary (or their delegates). The Disclosure Committee reviews all material before it is released publicly. This committee manages the day-to-day continuous disclosure issues and operates flexibly and informally. It is responsible for compliance, coordinating disclosure and ensuring that principles of the Continuous Disclosure Policy are understood by employees.

Information is communicated to shareholders through the lodgement of all relevant financial information and other information with the ASX, with continuous disclosure announcements also made available on oOh!media's website.

Investor Relations

oOh!media communicates important information regularly to shareholders and other stakeholders through a range of forums and publications including:

Notices of Meetings: oOh!media encourages shareholders to provide email addresses so that notices of meetings and explanatory material can be sent via email;

Annual General Meeting: oOh!media encourages attendance and full participation of shareholders at its Annual General Meeting and full transcripts of the Chair's and the CEO's speeches are lodged with the ASX. Shareholders unable to attend the AGM in person are encouraged to lodge proxies electronically in accordance with instructions on the proxy form;

Annual Report: oOh!media's Annual Report contains important information about oOh!media's activities and results for the previous financial year. Shareholders can elect to receive oOh!media's Annual Report as an electronic copy or in hard copy through the mail;

Announcements lodged with the ASX: All ASX announcements, including annual and half-year financial results, are released via the ASX;

Media releases: All media releases are collated and centrally published on the investor section of the Company website;

Presentations: Copies of all investor presentations made to analysts and media briefings are made available on the investor section of the website, and where appropriate, oOh!media uses web-casting or teleconferencing; and

Communications: oOh!media has an investor relations program to facilitate two-way communication with investors, incorporating a telephone helpline facility and an online email inquiry service to assist shareholders with any queries. Shareholders are given the option of receiving communications from oOh!media, and sending communications to oOh!media, electronically.

All of the above can be found on the Company's website.

Information about oOh!media

oOh!media aims to ensure that shareholders are kept informed of all major developments affecting the state of affairs of oOh!media. Additionally, oOh!media recognises that potential investors and other interested stakeholders may wish to obtain information about oOh!media from time-to-time.

An overview of oOh!media's profile, businesses and corporate governance framework is available at oOh!media's website at http://www.oohmedia.com.au.

Corporate Governance Practices

The extent to which oOh!media's corporate governance practices satisfy the ASX Corporate Governance Council (CGC) Principles and Recommendations are detailed in the following table for CY2017.

Recommendation		Comply	Reference
Principle 1 – Lay solid foundations for management and oversight			
1.1	A listed entity should disclose:		
	(a) the respective roles and responsibilities of its board and management; and	Yes	25
	(b) those matters expressly reserved to the board and those delegated to management.	Yes	25
1.2	A listed entity should:		
	(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and	Yes	26
	(b) provide security holders with all material information in its possession in relation to a decision on whether or not to elect or re-elect a director.	Yes	26
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	30
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair on all matters to do with proper functioning of the board.	Yes	29
1.5	A listed entity should:		
	(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;	Yes	28
	(b) disclose that policy or a summary of it; and	Yes	28
	(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:	Yes	28
	(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined 'senior executive' for these purposes); or	Yes	28
	(2) if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators', as defined and published under that Act.	n/a	n/a
1.6	A listed entity should:		
	(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	Yes	26
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	27
1.7	A listed entity should:		
	(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	Yes	30
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	30

Recommendation		Comply	Reference
Principle 2 – Structure the board to add value			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least 3 members, a majority of whom are independent directors; (2) is chaired by an independent director; and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committees met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the process it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes Yes Yes Yes Yes n/a	25, 26 4 25 25 4 n/a
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	29
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes Yes Yes	5 29 29
2.4	A majority of the board of a listed entity should be independent directors.	Yes	29
2.5	A chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	29
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	30
Principle 3 – Act ethically and responsibly			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes Yes	30 30
Principle 4 – Safeguard integrity in corporate reporting			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; (2) is chaired by an independent director, who is not the chair of the board; and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members of those meetings; or (b) if it does not have an audit committee, disclose that fact and the process it employs to independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes Yes Yes Yes Yes n/a	25, 27 4 25 25 4 n/a
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	28
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	28

Recommendation		Comply	Reference
Principle 5 – Make timely and balanced disclosure			
5.1	A listed entity should:		
	(a) have a written policy for complying with its continuous disclosure obligations under the listing rules; and	Yes	31
	(b) disclose that policy or a summary of it.	Yes	31
Principle 6 – Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	31
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	31
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	31
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	32
Principle 7 – Recognise and manage risk			
7.1	The board of a listed entity should:		
	(a) have a committee or committees to oversee risk, each of which:		
	(1) has at least 3 members, a majority of whom are independent directors;	Yes	25, 27
	(2) is chaired by an independent director;	Yes	4
	and disclose:		
	(3) the charter of the committee;	Yes	25
	(4) the members of the committee; and	Yes	25
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	4
	(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	n/a	n/a
7.2	The board or a committee of the board should:		
	(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	Yes	27
	(b) disclose in relation to each reporting period, whether such a review has taken place.	Yes	27
7.3	A listed entity should disclose:		
	(a) if it has an internal audit function, how the function is structured and what role it performs; or	n/a	n/a
	(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	27
7.4	A listed entity should disclose whether it has any material disclosure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	28
Principle 8 – Remunerate fairly and responsibly			
8.1	A board of a listed entity should:		
	(a) have a remuneration committee which:		
	(1) has at least 3 members, a majority of whom are independent directors;	Yes	25, 26
	(2) is chaired by an independent director;	Yes	4
	and disclose:		
	(3) the charter of the committee;	Yes	25
	(4) the members of the committee; and	Yes	25
	(5) as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	4
	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	n/a	n/a
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and other senior executives.	Yes	27
8.3	A listed entity which has an equity-based remuneration scheme should:		
	(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and	Yes	27
	(b) disclose that policy or a summary of it.	Yes	27

Sustainability Report

Introduction

I am pleased to present the 2017 Sustainability Report.

The outcomes of conscious and responsible corporate behaviour are inextricably linked to financial performance and lead to long-term sustainable growth. oOh!media has created a framework for overseeing long-term sustainable growth and the reporting of same, having regard to internationally recognised principles including those published by the Global Reporting Initiative (GRI). That framework includes:

- operational and governance policies and practices;
- risk management processes; and
- internal controls.

The framework is considered appropriate for oOh!media's business and designed to promote sustainable and ethical behaviour.

This Sustainability Report outlines oOh!media's core sustainability activities between 1 January 2017 and 31 December 2017 (the reporting period), following the GRI's G4 Sustainability Reporting Guidelines.

Tony Faure
Chair

19 February 2018, Sydney

Reporting Principles

The GRI is an international independent standards organisation that helps businesses, governments and other organisations understand and communicate their impacts on issues such as the environment, labour management and business transparency across activities and supply chains. The GRI's Core G4 Sustainability Reporting Guidelines are effective until 30 June 2018.

This Sustainability Report is current as at 19 February 2018 and has been approved by the Board. Any questions regarding this report can be directed to the Company Secretary of oOh!media Limited.

Organisational Profile

oOh!media Limited, a publicly listed company on the Australia Securities Exchange (ASX), operates across Australia and New Zealand, with headquarters located in North Sydney, NSW, Australia,

oOh!media provides its products and services for the benefit of both media agencies and clients wishing to advertise their own products and services.

As at 31 December 2017, oOh!media has 464 permanent employees and 16 casual employees working across Australia and New Zealand. Most of oOh!media's activities are performed by employees of oOh!media. Of these employees, none are covered by collective bargaining agreements.

In more detail:

Total number of employees by contract and gender

Contract type	Female	Male	Total
Permanent	243	221	464
Casual	4	12	16
Total	247	233	480

Number of permanent employees by employment type and gender

Employment type	Female	Male	Total
Full time	206	218	424
Part time	37	3	40
Total	243	221	464

Total workforce by region and gender

Location	Female	Male	Total
New South Wales	173	165	338
Victoria	51	51	102
Queensland	13	10	23
South Australia	4	1	5
New Zealand	6	6	12
Total	247	233	480

The ratio of annual compensation for the highest paid individual against the median annual total compensation is 14x. The ratio of percentage increase in annual total compensation for the highest paid individual against the median percentage increase in annual total compensation is 1:2.

oOh!media's supply chain can be broken down into the following categories:

Commercial: oOh!media engages with commercial partners to secure properties, generally by exclusive rights under lease or licence, on which oOh!media can in turn install advertising media for sale to third parties. This involves all parties referred to in the overview of principal activities on page 2 of this Directors' Report. The majority of these activities are operated from within oOh!media.

Operations: oOh!media's operations include the procurement and installation of manufactured goods including digital and classic screens and structures, printing of classic screens, creation and procurement of content, data and insights, the development and maintenance of information technology systems and processes, and the management of all workplace health, safety and environmental elements associated with same. The majority of these activities are led from within oOh!media. with support from specialist manufacturers, installers and service providers.

Sales and marketing: oOh!media has a dedicated sales and marketing team to assist media agencies and advertisers source the most effective locations for their advertising and engagement needs. The majority of these activities are operated from within oOh!media.

Support services: oOh!media operates a suite of support services to ensure quality management and effective governance. These include human resources, finance and legal functions. The majority of these activities are operated from within oOh!media.

No significant changes to the supply chain have occurred during the reporting period.

oOh!media is also a member of the following associations and organisations:

- Outdoor Media Association (Australia)
- Outdoor Media Association of New Zealand
- Founding member and shareholder of Measurement of Outdoor Visibility and Exposure (MOVE)
- Media Federation of Australia (MFA) and Next Generation (ngen)
- Association for Data-driven Marketing and Advertising (ADMA)
- Australian Association of National Advertisers (AANA)
- Property Council of Australia (PCA)
- Data Governance Australia (DGA)
- Global Association for Marketing at Retail (POPAI)
- Federation European Publicite Exterieur (FEPE). oOh!media's CEO, Brendon Cook, holds the role of Vice President.

Stakeholders

oOh!media's stakeholders are an essential part of oOh!media's operations, and planning and engagement with stakeholders is a key element of effective risk management and opportunity development. The following is a list of stakeholders that oOh!media believes have the greatest potential impact on sustainability risks.

Investors: oOh!media communicates important information regularly to investors through a range of forums and publications in accordance with oOh!media's Continuous Disclosure Policy and Media Communications Policy. These forums and publications are further detailed in the Investor Relations section on page 31 of the Corporate Governance Report. An overview of oOh!media's profile, businesses and corporate governance framework is also available under the Investors tab on oOh!media's website at http://www.oohmedia.com.au. oOh!media's investor relations program is led by the CEO and CFO with support from the Company Secretary, the Deputy CFO and an external investor relations consultant.

For deeper insight, the Board commissioned a confidential perception audit during the reporting period, seeking feedback on the quality of the Company's communication and publications. Whilst the results were generally very pleasing, identified opportunities have been adopted in this Annual Report and the Annual Review.

The Chair, the Lead Independent Director and the Chair of the Remuneration & Nomination Committee also make themselves available for meetings with investors, analysts and proxy advisers over the year to ensure two-way engagement.

Employees: oOh!media's vision is to be Australia's most desirable employer in the media industry, attracting the best talent to the Company's innovative, fun and achievement-driven culture. This culture promotes high performance, employee retention, and attracts high calibre talent. Each business unit has access to a HR business partner for specialised support, with dedicated resources for recruitment, talent management, organisational change and development and continuous improvement.

All new employees participate in an online onboarding and induction program, with feedback from the new employee at multiple stages along the way. Once settled, employees set KPIs with their managers, linked to the Company's strategic goals. Managers check-in with employees regularly to support their progress, and employees and managers are able to provide feedback to each other at any time, including as part of the quarterly check-ins and annual performance review process.

Each employee participates in in-house learning programs, designed to suit their particular role in oOh!media. Online training is provided on relevant topics including ethics, business acumen and knowledge, legal and regulatory requirements and WHS, complemented by face-to-face programs.

oOh!media also conducts regular employee engagement surveys through Aon Hewitt and in 2017 conducted a cultural audit through The SLAP Company, which gave deep insights into the strengths and opportunities in the oOh! culture relevant to achieving its strategy.

Commercial partners: oOh!media is dependent on relationships with concession holders to manage its lease and licence portfolio. oOh!media has deep experience working with commercial partners, with dedicated account managers to facilitate meaningful and successful relationship outcomes, particularly when managing risks in the portfolio environment such as safety, data protection and advertising regulatory compliance. Commercial partners can be private landlords, government bodies, local councils and regulatory authorities.

Service providers: oOh!media selectively secures the services of specialists where required. Service providers are required to comply with oOh!media's Code of Conduct and WHSE & Sustainability Policy to ensure oOh!media's ethical and quality standards are maintained across all environments. Safety management plans are required by service providers, bespoke to the services provided. oOh!media and the respective service providers review performance during the relationship and at times of contract review.

Media agencies: oOh!media is dependent on relationships with media agencies to represent oOh!media's products and services to their advertiser clients. oOh!media has invested in data and insights to give agencies a greater understanding of the performance of advertiser client campaigns using oOh!media's unique portfolio, and the opportunities presented with technological advancements. Each agency has a dedicated oOh!media relationship manager to ensure feedback is received and distributed across the business.

Advertisers: oOh!media is also dependent on relationships with customers who advertise their goods and services. Whilst a smaller proportion of revenue than that sourced through media agencies, oOh!media's digital footprint and operational support has allowed advertisers to engage direct for bespoke campaigns.

Government and local councils: Planning laws continue to develop alongside commercial property opportunities and technological advancements. Similarly, federal, state and local safety regulations and advertising standards develop alongside community expectations. oOh!media has always and will continue to engage directly and through industry with regulatory bodies to ensure Out Of Home advertising activity is of high quality, conducted with safety as an absolute priority for all stakeholders.

Communities: oOh!media is passionate about our community and our ability to operate in a way that benefits the wider community. Where required, oOh!media engages with communities, business alliances and resident groups in relevant environments ahead of developing advertising solutions to secure feedback on proposed activities. oOh!media also regularly engages specialists to provide assessments of the impact of its activities on local community environments, whether the impact of heritage, lighting, traffic or noise.

Ethics & Integrity

oOh!media has 3 core values:

- **Bold Dreams:** We dream big and inspire others with our ideas and passion. We are bold and push boundaries to create Unmissable moments. In other words, we ensure we are always clear on what we want to create and look for ways to make things better for our clients and ourselves.
- **Big Impact:** We do our best for the customer and oOh!media as a whole, always striving to be better. We are curious, looking for diverse ideas and ways to continuously learn. In other words, we make sure everything we do is meaningful for our audience and always bring our best selves to work.
- **Deep Connection:** We have a genuine care and respect for ourselves and each other as individuals. We have fun together and celebrate our camaraderie as much as our success. In other words, we are one team with shared goals and always look after our work family and mates.

These values are represented in oOh!media's policies, including:

- Code of Conduct
- Workplace Behaviour Policy
- Diversity & Inclusion Policy
- Continuous Disclosure Policy
- Dealing in Securities Policy
- WHSE & Sustainability Policy
- Conflict of Interest Procedure

Each of these can be found on the oOh!media website at http://www.oohmedia.com.au/corporate-governance.

The Code of Conduct is designed to ensure that oOh!media and all people employed, contracted by, associated with, or acting on behalf of oOh!media. maintain a reputation for the highest standards of business conduct, professionalism and integrity. The key components of the Code of Conduct include:

- Our actions must be governed by the highest standards of integrity and fairness;
- Our decisions must be made in accordance with the spirit and letter of applicable law; and
- Our business must be conducted honestly and ethically, with our best skills and judgment, and for the benefit of customers, employees, shareholders and oOh!media alike.

oOh!media supports these policies with a Whistleblower Policy, which together with the Code of Conduct, sets out the process for seeking advice on ethical and lawful behaviour, and for reporting concerns about unethical or unlawful behaviour. Employees have access to an in-house legal team comprising qualified solicitors, in addition to an independent counselling service operated by the St James Ethics Centre. Concerns can be reported to key management including the CEO, CFO, Group HR Director or General Counsel, the Audit, Risk & Compliance Committee, or where required, to an independent external whistleblower service at no cost and with the guarantee of anonymity.

Key impacts, risks & opportunities

The most relevant risks to the business achieving its operational and financial targets are captured under risk management on pages 3 and 4 of this Annual Report. The summary below describes the key risks and associated challenges and opportunities, together with mitigations strategies and actions undertaken by the Company.

Whilst there continues to be change following technological advancement, regulatory development and an increasingly competitive environment, oOh!media has and continues to prioritise strategies that allow it to take advantage of these challenges for long-term business growth. It is this approach that has resulted in year-on-year revenue growth for over 14 years, and allowed the Company to transform from an Out Of Home media property business to a location-based new-media business delivering industry leading insights and technological advancements.

To align with the GRI G4 Guidelines, oOh!media has collated these risks into material issues, or 'aspects', that reflect oOh!media's significant economic, environmental and social impacts or those elements that substantively influence the assessments and decisions of oOh!media's stakeholders. In this Sustainability Report, these have been captured under four headings:

- **People:** maintaining an innovative, engaged and safe workforce is essential for oOh!media's continued performance.
- **Operations, economic impacts and governance:** oOh!media takes a zero tolerance approach to unethical business practices, and is committed to acting professionally, fairly and with integrity in all activities and with all stakeholders.
- **Environment and sustainability:** managing business in an environmentally responsible manner, considering and caring for the environment, now and for the future.
- **Community:** consulting with local communities as part of our everyday business activities, and working with community partners to invest time, resources and money where we can make a positive difference.

There are a number of governance mechanisms in place to manage these risks:

- **Capable people:** Senior management and dedicated teams trained in relevant regulatory and legal requirements, to specialist internal and external advisers across the areas of finance, law, WHSE and supply chain management.
- **Systems and processes:** a framework of policies, systems and processes to guide the business.
- **Documentation:** standard template contracts to ensure compliance to standards and allocate risk appropriately amongst parties.

Material aspects

In accordance with the GRI G4 Guidelines, the material issues or aspects that reflect oOh!media's significant economic, environmental and social impacts are set out in the table below, noting whether the impacts are internal, external or both, and subsequently explored in further detail below.

Category	Issue and Boundary
People	▪ Safety (internal and external) ▪ Talent acquisition, retention & management (internal) ▪ People development (internal) ▪ Diversity, inclusion & belonging (internal) ▪ Flexible working & parental leave (internal)
Operations, Economic Impacts & Governance	▪ Suppliers (internal and external) ▪ Data protection & privacy management (internal and external) ▪ Compliance with regulations & standards (internal and external) ▪ Corporate governance framework (internal) ▪ Corporate governance report (internal and external)
Environment & Sustainability	▪ Carbon emissions (internal and external) ▪ Commercial development (internal and external) ▪ Recycling & waste (internal and external) ▪ Energy (internal and external) ▪ Sustainable printing (internal and external) ▪ Quality control (internal and external) ▪ Regulatory compliance (internal and external)
Community	▪ Contribution (internal and external) ▪ Industry support (internal and external) ▪ Employee giving (internal and external)

People

oOh!media is committed to being an employer of choice through our exceptional culture and leading people practices. Beyond the foundation of providing a safe working environment for all people across our business, we aim to engage, develop and support our people to be better and to contribute fully in their careers and life. As innovation leaders, we recognise that our differences as individuals are key to our success and promote diversity as a core operating principle.

These aspects are of high materiality to oOh!media and its stakeholders.

Safety: oOh!media strives to create a safe and healthy workplace for all employees, contractors and visitors. oOh!media maintains high standards in WHS for its outdoor operations, warehouse, printing and office environments and has a comprehensive WHS management framework and plan in place.

- Ongoing commitment to a comprehensive policy and framework for WHS supported by our WHS Management System.
- A WHS Committee with representatives from across the business that meets bi-monthly to review the WHS framework, initiatives, incidents, learnings, communication and training programs.
- Accreditation to AS/NZS4081:2001 Occupational Health and Safety Management Systems maintained since 2015.
- Regular reporting of WHS initiatives, issues and opportunities to the Senior Executive, the Audit, Risk & Compliance Committee and the Board.

oOh!media did not receive any fines or grievances for non-compliance with safety laws and regulations over the reporting period.

Talent acquisition, management & retention: oOh!media has a formal talent acquisition and management process to ensure the best talent is retained for the benefit of oOh!media and its stakeholders.

In March 2017, oOh!media launched its mobile onboarding experience. This experience commences 30 days prior to a new employee commencing and continues until the end of their first 12 months. During this time, the Company measures its Employee Net Promoter Score – how likely the new employee is to refer oOh!media as a place to work. At the end of the reporting period, oOh!media's average Employee Net Promoter Score was 92/100.

Employer branding was launched during the reporting period, incorporating an external careers website and talent community where potential employees can submit their profiles to be considered for future opportunities. In the months following the launch, the oOh!media Talent Community grew month-on-month by over 1000, and oOh!media saw significant growth in engaged members on LinkedIn – individuals who are following the company page, visiting the careers page or viewing oOh!media jobs. This community grew by over 5,000 members in two months. During the reporting year:

- 15 per cent of top talent at oOh!media received an increase in role responsibility and 11 per cent were mobilised into new opportunities;
- top talent was seen to be concentrated around 1-2 years and 2-5 years of tenure, indicating the enhanced recruitment and attraction strategies are having a positive impact; and
- overall employee turnover was 18 per cent, with voluntary turnover at 12 per cent, well below industry benchmarks.

These retention results are especially positive, given that the Company acquired a number of businesses in the prior year.

oOh!media also has a long-term incentive plan (LTI Plan) (share ownership) for senior managers and talented individuals to further promote retention of key people. Further details on the LTI Plan is set out on pages 13 and 18 of the Remuneration Report.

People development: oOh!media has a comprehensive people development agenda, and over the reporting period related activities included culture and engagement, leadership, employee development and performance.

- Supporting the innovative culture of the Company through the physical environment by starting a multi-year facilities refresh, introducing collaborative, flexible and future-focused workplaces aligned with the principles of activity-based working.
- Embedding of performance and goal-setting conversations including manager and employee training on performance, goal setting and career development.
- Completed training needs analysis and set development focus areas across technical, career, culture and competency-based development in 2016-17.
- Delivering year three of our three-year "LEAD" leadership development program, which now includes all people leaders at oOh!media. The program aims to build inspirational leaders and includes face-to-face workshops, knowledge boosts, online content and learning cohorts. It builds from a core of self-awareness and personal effectiveness through to skills and mindsets for leading teams and culture.
- Maintaining a talent management program, ensuring we have the right people to meet our longer-term strategy and that we deploy our best people into roles that can maximise their contribution to the business.

Diversity, inclusion & belonging: oOh!media is committed to unlocking the innovative potential of the Company by creating and supporting an environment where all ideas are heard, inspiring our people to harness their creativity to generate value and growth in an inclusive and diverse culture. oOh!media's Diversity & Inclusion Policy is available under the Investors tab on oOh!media's website at http://www.oohmedia.com.au. Further details of oOh!media's diversity, inclusion and belonging framework is set out on page 28 of the Corporate Governance Report.

Over the reporting period, oOh!media's focus on gender diversity and inclusion achieved a number of outcomes:

- Women in leadership roles increased from 27 per cent in 2015 to 39 per cent in 2017, with women filling more than 60 per cent of our high-talent leadership pipeline.

- Continued operation of the Women in Leadership program, including mentoring, executive coaching, internal and external networking and specialised Women in Leadership development opportunities.
- An increase in female representation, with 52 per cent of total permanent employees being female.
- 100 per cent of employees returned from parental leave during the year
- The appointment of a new, highly experienced female Non-executive Director to the Board.

In 2015, the Board approved a set of diversity objectives for 2016-2017, set out below, with performance status as at the end of the reporting period.

Objectives	Details, targets and status
Increase the percentage of women in leadership roles	▪ Women to represent 33% of all managers by end 2016 and 40% by end 2017. *39% as at December 2017* ▪ Women to represent 17% of key senior leadership positions by end 2016 and 25% by end 2017. *15% as at December 2017*
Increase female participation rates	▪ Ensure female interviewers and candidates in all possible selection and interview processes. *Proactively managed by Talent Acquisition team* ▪ Targeting external female talent for key roles and any new Board appointments. *Female Non-executive Director appointed 22 September 2017.*
Increase targeted leadership development for women	▪ Introduce targeted development through formal mentoring, development plans and a Women in Leadership program. *Program implemented in 2015 and maintained over 2016 and 2017.*
Demonstrate commitment to inclusive behavioural practices	▪ Introduce and tailor development that deliberately fosters a culture of inclusion and builds awareness of inherent biases. *Included as part of LEAD program* ▪ Build supporting processes and programs that build inclusive behavioural practices
Demonstrate appreciation for all employees regardless of gender, cultural identity, age, sexual orientation, disability, work style or approach	▪ Celebrate the diversity of our Company and ensure that it is reflected at internal and external events. *Deliberate efforts made to include diverse representation at Company events* ▪ Participate in government and/or industry initiatives that are designed to improve diversity or promote inclusive cultures. *Publicly endorsed support for marriage equality initiative.*
Create an environment to ensure all employees can shine	Review, refine and introduce policies and practices that support inclusion and diversity, such as: ▪ Flexible working arrangements ▪ Parental leave policies and stay in touch programs ▪ Gender pay equity reviews ▪ Formal innovation incubation processes ▪ Review relevant engagement survey metrics and look for positive change year-on-year. *Flexible work embedded more deeply in culture, stay in touch and return to work programs launched and pay equity review undertaken with positive year-on-year movement.*

oOh!media did not receive any fines or grievances for non-compliance with discrimination laws and regulations over the reporting period.

Flexible working & parental leave: All employees have access to flexible working arrangements, either on an ad hoc basis or the ability to request a formal arrangement. The introduction of activity-based working in many of our offices, combined with technology improvements, has made flexible working a normal workplace activity. Primary caregivers can access 12 weeks' parental leave as a combination of upfront payments, return to work bonuses and extra leave and receive $1000 worth of vouchers to put towards essential services upon commencing parental leave. Combined with keeping in touch and return to work programs, this helped ensure all employees scheduled to return from parental leave in 2017 did in fact return to work.

Over the reporting period, oOh!media received widespread independent recognition, including the following:

- Winner – 2017 Sir Ken Robinson Innovation & Creativity Award, Australian HR Institute Awards
- Finalist – Employer of Choice (100-999 employees), Australian HR Awards
- Top 10 – APAC Companies for Candidate Experience, Cande Awards
- Top 5 – Employee Engagement, ANZ Employee Engagement Awards
- Recognised – Innovative HR Teams, HRD

Operations, Economic Impacts & Governance

oOh!media conducts all its business operations in an honest and ethical manner. We believe corporate governance helps build an environment of trust, transparency and accountability. Not only does this align with our strategy to build a sustainable business, to deliver long-term value for our shareholders, and to behave as would be expected of the best leaders in the industry, it also aligns with our values.

The following aspects are of high materiality to oOh!media and its stakeholders.

Suppliers: oOh!media selects suppliers based on capability, quality, innovation, good governance and ethical behaviour and regulatorily compliant work practices. Suppliers are required to comply with oOh!media's Code of Conduct, Workplace Behaviour Policy, WHSE & Sustainability Policy and Privacy Policy as a minimum. Local suppliers are required to provide a detailed safety management plan, or agree to oOh!media's WHS Agreement stipulating the minimum safety standards. Particular offshore suppliers are subjected to additional due diligence, whether requiring compliance with Australian standards, demonstrating good governance regarding privacy and people management, or hosting oOh!media for site inspections of manufacturing and distribution facilities. No negative labour or environmental practices have been identified with any current suppliers in oOh!media's domestic or international supply chains.

Data protection & privacy management: A core feature of oOh!media's strategy is the use of data to develop insights for the benefit of advertisers. The bulk of data used is de-identified and anonymous, however we also manage personal information from time-to-time. In all cases, oOh!media takes data and privacy management obligations seriously, and has an established governance and data management framework to ensure application of industry best practices in ingesting, processing, storing and purging data, including:

- implementation of multiple audit points to cover full stages of data lifecycles;
- privacy policies for oOh!media's general operations, and co-operative policies where collecting information on behalf of an advertiser or commercial partner;
- privacy management plans with suppliers of data;
- review of personal information collection by the oOh!media legal team;
- a secure private storage database located onshore in Australia where data is encrypted and stored as a blob object to ensure maximum security, only transmitted in an encrypted format through the oOh!media private cloud environment; and
- a structured mandatory data breach reporting process.

Compliance with regulations & standards: oOh!media operates within a number of regulatory frameworks. In addition to those applied to most businesses, all content displayed via oOh!media assets is governed in Australia by the standards set by the Advertising Standards Bureau (ASB), the Australian Association of National Advertisers (AANA), and in New Zealand by the Advertising Standards Authority (ASA). oOh!media is diligent in adhering to these standards, providing clients and employees with Advertising Standard Guidelines as well as having developed its own Policy and Content Review Committee for the review of creative content.

oOh!media is a foundation member of the Out Of Home industry body, the Outdoor Media Association (OMA), which is a self-regulating body to whose standards oOh!media adheres.

During the reporting period:

- there were no incidents of corruption, non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by oOh!media, and no legal actions for anti-competitive behaviour; and
- oOh!media received two minor fines from Melbourne City Council for incorrectly extending an experiential activity from within a premises onto the street verge of the premises.

Corporate governance framework: oOh!media has a corporate governance framework approved by the Board, supported by core functions and registers across the business. oOh!media has a program to review and audit sections of the corporate governance framework from time-to-time to ensure currency with best practice.

Corporate Governance Report: oOh!media has prepared a complete Corporate Governance Report for the reporting period, following the third edition of the ASX Corporate Governance Council (ASX CGC) Principles & Recommendations, which is available on pages 25 to 34 of this Annual Report.

Environment & Sustainability

oOh!media is committed to managing its business in an environmentally responsible manner and believes that caring for and considering the environment, now and for the future, is crucial to our continued success.

These aspects are of low materiality to oOh!media and its stakeholders.

Carbon emissions: oOh!media has minimal carbon or energy intensive business activities, and is a relatively low emitter of greenhouse gas emissions compared to other activities or other industries. In general, oOh!media's activities and geographic distribution present limited exposure to potential costs associated with carbon pricing or regulatory caps, and oOh!media is not considered to be exposed to environmental or climate-related risks that could materially affect its operations or stakeholders. Regardless, oOh!media does have a continuous improvement objective to reduce carbon emissions from activities.

Commercial development: All our commercial developments comply with environmental and planning legislation of the relevant state or council jurisdiction, supported by a Statement of Environmental Effects (or equivalent), which sets out the current operational state of our asset and details any planning or environmental consequences of the proposed future development. This process ensures the consent authority can fully consider any impact/s attributable to the development proposal prior to making its determination.

We aim to incorporate environmentally friendly or sustainable products into all our commercial developments. This includes LED lighting on classic billboards, being more environmentally friendly than traditional lighting practices, as well as ensuring our digital billboards are equipped so
their brightness adjusts to ambient lighting levels, meaning that power reductions occur automatically as the operational need for energy reduces.

Recycling & waste: oOh!media's intent is to recycle, reuse or refurbish our assets where feasible, including static sign housing and advertising skins and digital screens. We have a goal to have 100 per cent of skins either supplied to charities for disaster relief, repurposed in farming or other environments, or where possible, recycled. Over the reporting period, oOh!media repurposed approximately 70 per cent of skins, and continues to work with contract installers to set strategies and targets for repurposing or recycling of skins.

oOh!media operates a printing company – Cactus Imaging. All street furniture posters are printed on synthetic paper with 100 per cent of waste sent to recycling. Cactus Imaging has also initiated the introduction of a lighter weight material used to print for billboards, resulting in almost 40 per cent less PVC in production and consequential waste. Over the reporting period, more than 75 per cent of billboard skins used the lighter material, resulting in 25 per cent less materials used.

Energy: All new digital assets installed by oOh!media have and continue to be fitted with LED lighting that extends usage life and reduces energy consumption by half compared to alternate forms of lighting. Since 2013, oOh!media has proactively reduced the energy consumption of over 5000 classic shopping centre panels from 550kW to 75kW, and since 2015 has refurbished nearly 1000 retail units with resultant savings in costs and carbon. Commercial operations have reduced the energy usage in our top 100 large format road sites by 50 per cent by changing existing lights to LED, and on certain large format road sites we use solar power. We also make sure energy is used efficiently, with panels in shopping centres switched off overnight, and road sites including dimming functions to only use as much energy is required during daylight hours. Since late 2016, Cactus Imaging has initiated energy reduction initiatives in factory including conversion of all lighting to LED and amended energy efficient machine start up and operational procedures, resulting in a progressive energy usage reduction of 2 per cent over the reporting period. Our head office building is powered by green power, with all offices having energy saving initiatives in place.

Sustainable printing: Different printing products have different safety qualities and consequential impacts on the environment across the product life cycle. Cactus Imaging elects to use less aggressive latex and UV ink products for the favourable safety and environmental benefits for Cactus Imaging and its stakeholders.

Quality control: the oOh!media Environmental Management System has maintained accreditation to ISO14001:2015 Environmental Management Systems since first achieved in 2015.

Regulatory compliance: oOh!media did not receive any fines or grievances for non-compliance with environmental laws and regulations over the reporting period.

Community

oOh!media has a history of community support for over 20 years, evolving from the origins of the oOh!media business as a family operation. During the reporting period, oOh!media developed oOh! Community, a dedicated function to activate oOh!media's vision to create deeper engagement between not-for-profit initiatives and the community through Unmissable creative across our diverse portfolio of location-based media.

These aspects are of low materiality to oOh!media and its stakeholders.

Contribution: oOh!media supports a number of charities by providing free of charge advertising space, amplifying advertising campaigns through oOh!media's network, providing media packages to auction for charity events, and by entering formal sponsorship arrangements. Over the reporting period, oOh!media responded to nearly 70 requests for support, amplified 21 advertising campaigns, donated 14 media packages at a value of $640,000, and provided over $20 million in media space to charity and community causes.

Charities and causes we actively support include:

- Humpty Dumpty Foundation
- Ovarian Cancer Research Foundation
- Sony Foundation
- Marriage Equality
- Royal Flying Doctor Service
- Make a Wish Foundation
- Dry July Foundation
- UnLtd
- Taronga Conservation Society Australia
- Australian Children's Music Foundation
- Cerebral Palsy Alliance
- Pink Hope
- Tour de Cure

We also sponsored the following events:

- TEDx Sydney
- Mercedes Benz Fashion Week
- Cox Plate
- Kooyong Classic
- APIA International
- Polo in the City

Industry support: Through the OMA, oOh!media also supported:

- the donation of used advertising skins to be converted into tarpaulins for use as shelter for disaster relief; and
- National Missing Persons Week. In conjunction with other OMA members, almost $1 million was donated in advertising space and production costs.

Employee giving: oOh!media offers employees a paid work day a year to volunteer for a registered charity, in addition to extra time off for people participating in special charity events.

Report prepared in accordance with the Guidelines

The extent to which oOh!media's Sustainability Report has been prepared in accordance with the G4 Sustainability Reporting Guidelines are detailed in the following table for CY2017.

GRI		Reference
Strategy and Analysis		
G4-1	Statement from the most senior decision-maker of the organisation	35
G4-2	Description of key impacts, risks and opportunities	38
Organisational Profile		
G4-3	Name of the organisation	35
G4-4	Primary brand, products and services	2
G4-5	Location of headquarters of the organisation	35
G4-6	Number of countries in which the organization operates	35
G4-7	Nature of ownership and legal form	35
G4-8	Markets served	35
G4-9	Scale of the organisation	35
G4-10	Workforce statistics	36
G4-11	Employees covered by collective bargaining agreements	35
G4-12	Description of the organisation's supply chain	36
G4-13	Significant changes during reporting period	n/a
G4-14	Precautionary principle	36
G4-15	Externally developed principles or initiatives to which the organization subscribes or endorses	36
G4-16	Organisational memberships	36
Identified Material Aspects and Boundaries		
G4-17	Entities included in the organisation's consolidated financial statements	85
G4-18	Process for defining the report content, the Aspect Boundaries and the implementation of the GRI principles	38
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Financial Report

Consolidated financial statements

General information

This report covers oOh!media Limited (the Company), 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 Annual Financial Report was authorised for issue, in accordance with a resolution of the Directors. The Directors have the power to amend and reissue the Annual 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.

Consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Consolidated 2017 $'000	2016 restated* $'000
Revenue from continuing operations	5	380,276	336,142
Cost of media sites and production		(204,747)	(191,195)
Gross Profit		**175,529**	**144,947**
Operating expenditure			
Employee benefits expense		(61,690)	(52,090)
Depreciation and amortisation expense	11, 12	(33,468)	(27,685)
Legal and professional fees		(3,280)	(910)
Other property-related costs		(3,670)	(3,025)
Advertising and marketing expenses		(5,147)	(3,741)
Acquisition-related expenses		(175)	(2,793)
Merger-related costs		(1,968)	(1,310)
Other expenses	6	(11,672)	(10,790)
Total operating expenditure		**(121,070)**	**(102,344)**
Operating profit		**54,459**	**42,603**
Finance income		53	108
Finance costs		(5,571)	(5,068)
Net finance costs	**7**	**(5,518)**	**(4,960)**
Share of profit/(loss) of equity-accounted investees, net of tax		68	(8)
Profit before income tax		**49,009**	**37,635**
Income tax expense	9	(15,955)	(13,247)
Profit after income tax		**33,054**	**24,388**
Attributable to:			
Owners of the Company		33,206	24,481
Non-controlling interest		(152)	(93)
Profit		**33,054**	**24,388**
Other comprehensive income/(loss)			
Profit		**33,054**	**24,388**
Items that may be subsequently classified to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		65	160
Foreign currency translation differences		(156)	60
Fair value movement in put option, net of tax		40	-
Total comprehensive income		**33,003**	**24,608**
Attributable to:			
Owners of the Company		33,155	24,701
Non-controlling interest	18(c)	(152)	(93)
Total comprehensive income		**33,003**	**24,608**
Earnings per share attributable to the ordinary equity holders of the Company			
Basic earnings per share (cents)	28	20	16
Diluted earnings per share (cents)	28	20	16

* Prior year comparatives have been restated following the Group's election to change deferred tax accounting policy during the year. Refer to Note 9 'Income tax' of the accompanying notes for further details.

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

Consolidated statement of financial position

AS AT 31 DECEMBER 2017

	Notes	Consolidated 31 December 2017 $'000	31 December 2016 restated* $'000	1 January 2016 restated* $'000
Current assets				
Cash and cash equivalents		15,919	8,193	18,527
Trade and other receivables	10	81,348	79,411	60,089
Inventories		673	565	1,168
Other assets	14	12,699	8,104	5,443
Total current assets		**110,639**	**96,273**	**85,227**
Non-current assets				
Property, plant and equipment	11	107,606	102,822	80,279
Intangible assets and goodwill	12	372,203	377,173	297,105
Equity-accounted investees		275	207	150
Total non-current assets		**480,084**	**480,202**	**377,534**
Total assets		**590,723**	**576,475**	**462,761**
Current liabilities				
Trade and other payables	16	44,241	47,943	38,618
Loans and borrowings	15	65	63	112
Deferred consideration		473	120	1,952
Provisions	17	1,531	3,308	4,306
Employee Benefits		4,125	3,688	1,688
Income tax payable		6,913	14,965	9,073
Total non-current liabilities		**57,348**	**70,087**	**55,749**
Non-current liabilities				
Loans and borrowings	15	138,701	122,341	104,742
Provisions	17	19,369	16,403	13,448
Employee benefits		2,661	2,155	2,014
Derivative liabilities		680	786	186
Deferred tax liability	9	21,670	25,551	22,292
Total non-current liabilities		**183,081**	**167,236**	**142,682**
Total liabilities		**240,429**	**237,323**	**198,431**
Net assets		**350,294**	**339,152**	**264,330**
Equity				
Share capital	18(a)	349,510	349,510	283,585
Reserves	18(b)	27,951	25,763	25,436
Accumulated losses		(26,363)	(34,743)	(43,176)
Equity attributable to the owners of the Company		**351,098**	**340,530**	**265,845**
Non-controlling interest	18(c)	(804)	(1,378)	(1,515)
Total equity		**350,294**	**339,152**	**264,330**

* Prior year comparatives have been restated following the Group's election to change deferred tax accounting policy during the year. Refer to Note 9 'Income tax' of the accompanying notes for further details.

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

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2017

		Consolidated	
	Notes	2017 $'000	2016 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		418,555	352,137
Payments to suppliers and employees (inclusive of goods and services tax)		(331,903)	(284,204)
Cash generated from operations		86,652	67,933
Merger-related payments		(2,957)	-
Interest paid		(5,464)	(5,537)
Income tax paid		(27,854)	(9,835)
Insurance recovery		-	1,497
Net cash from operating activities	29	**50,377**	**54,058**
Cash flows from investing activities			
Interest received		52	108
Acquisition of property, plant and equipment	11	(25,023)	(35,986)
Acquisition of intangible assets	12	(7,918)	(3,036)
Acquisition of subsidiaries, net of cash acquired		-	(80,957)
Acquisition of non-controlling interest	22	(300)	-
Transaction costs related to acquisitions		(1,139)	(2,044)
Acquisition refunds		398	270
Proceeds from sale of property, plant and equipment		450	-
Deferred consideration paid		-	(1,507)
Concession development advances		(353)	(3,715)
Net cash used in investing activities		**(34,833)**	**(126,867)**
Cash flows from financing activities			
Proceeds from issue of shares		-	61,760
Transaction costs related to issue of shares		-	(1,122)
Proceeds from loans and borrowings		102,000	172,000
Repayment of loans and borrowings		(86,000)	(154,000)
Payment of finance lease liabilities		(18)	(115)
Dividends paid	18(d)	(23,800)	(16,048)
Net cash (used in)/ from financing activities		**(7,818)**	**62,475**
Net increase/(decrease) in cash and cash equivalents		**7,726**	**(10,334)**
Cash and cash equivalents at 1 January		8,193	18,527
Cash and cash equivalents at 31 December		**15,919**	**8,193**

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

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 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 restated*	283,585	166	18,408	(186)	7,048	(43,176)	(1,515)	264,330
Total comprehensive income for the period:								
Profit/(loss) for the period after income tax	-	-	-	-	-	24,481	(93)	24,388
Other comprehensive income/(loss):								-
Effective portion of changes in fair value of cash flow hedges	-	-	-	160	-	-	-	160
Exchange differences on translation of foreign operations	-	60	-	-	-	-	-	60
Total comprehensive income for the period	-	**60**	-	**160**	-	**24,481**	**(93)**	**24,608**
Transactions with owners, recorded directly in equity:								
Contributions and distributions								
Issue of ordinary shares	66,732	-	-	-	(486)	-	-	66,246
Share issue costs	(1,122)	-	-	-	-	-	-	(1,122)
Dividends paid	-	-	-	-	-	(16,048)	-	(16,048)
Equity-settled share-based payment transactions	-	-	-	-	1,353	-	-	1,353
Put option on acquisition	-	-	(760)	-	-	-	-	(760)
Deferred tax asset on share issue costs	315	-	-	-	-	-	-	315
Changes in ownership interests								
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	230	230
Total transactions with owners of the Company	**65,925**	**-**	**(760)**	**-**	**867**	**(16,048)**	**230**	**50,214**
Balance at 31 December 2016 restated*	**349,510**	**226**	**17,648**	**(26)**	**7,915**	**(34,743)**	**(1,378)**	**339,152**

* Prior year comparatives have been restated following the Group's election to change deferred tax accounting policy during the year. Refer to Note 9 'Income tax' of the accompanying notes for further details.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2017

	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**	**(34,743)**	**(1,378)**	**339,152**
Total comprehensive income for the period:								
Profit/(loss) for the period after income tax	-	-	-	-	-	33,206	(152)	33,054
Other comprehensive income/(loss):								
Effective portion of changes in fair value of cash flow hedges	-	-	-	65	-	-	-	65
Exchange differences on translation of foreign operations	-	(156)	-	-	-	-	-	(156)
Fair value movement in put Option	-	-	40	-	-	-	-	40
Total comprehensive income for the period	**-**	**(156)**	**40**	**65**	**-**	**33,206**	**(152)**	**33,003**
Transactions with owners, recorded directly in equity:								
Contributions and distributions								
Dividends paid	-	-	-	-	-	(23,800)	-	(23,800)
Equity-settled share-based payment transactions	-	-	-	-	2,239	-	-	2,239
Changes in ownership interests								
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	(1,026)	726	(300)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**2,239**	**(24,826)**	**726**	**(21,861)**
Balance at 31 December 2017	**349,510**	**70**	**17,688**	**39**	**10,154**	**(26,363)**	**(804)**	**350,294**

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

Index to the Notes

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

Note 2. Basis of accounting

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth). The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

Full disclosure notes are included to explain events and transactions that are significant to gain an understanding of the changes in financial position and performance of the Group since the last consolidated financial statements as at and for the year ended 31 December 2016.

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 19 February 2018.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items in the statement of financial position:

- Derivative financial instruments, share based payments and the put option are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and in accordance with that instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of judgements and estimates

In preparing these consolidated 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 consolidated financial statements as at and for the year ended 31 December 2016.

i. Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3(a)(iv) - Business combinations;
- Note 11 - Estimated useful lives of assets;
- Note 8 (iii) - Share-based payments;
- Note 12 - Estimated useful life of intangibles;
- Note 17 (ii) - Onerous lease provisions; and
- Note 13 - Impairment of non-current assets.

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending 31 December 2018 are included in the following notes:

- Notes 10 and 17 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 8 (iii) - Share-based payments; measurement of fair value and assessment of the vesting period; and
- Note 13 - Impairment test: key assumptions underlying recoverable amounts.

(iii) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and which reports directly to the Chief Financial Officer.

The finance team reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Audit, Risk & Compliance Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 3(a)(iv) - Business combinations;
- Note 20 - Financial risk management; and
- Note 8 (iii) - Share-based payment arrangements.

(e) Changes in accounting policies

During the year, the Company changed its accounting policy with respect to the recognition of deferred tax liabilities on acquisition-related intangibles assets. Refer to Note 9 'Income tax' for further details.

The accounting policies adopted in this report have been consistently applied by each entity in the Group and with the exception of the above, are consistent with those of the previous year.

(f) New standards and interpretations

The Group has adopted all of the relevant new, revised, or amended 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 January 2018 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements.

i. 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 has completed an assessment of the impact of these standards on the Group's results, financial position and disclosures and has 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. The Group has not adopted these new standards or amendments before their mandatory effective dates.

ii. AASB 16 Leases

AASB 16 Leases will replace existing accounting requirements for leases under AASB 117 Leases. Under current requirements, leases are classified based on their nature as either finance leases, which are recognised on the consolidated statement of financial position, or operating leases, which are not recognised on the consolidated statement of financial position. The Group's accounting for operating leases as a lessee will result in the recognition of a right-of-use (ROU) asset and an associated lease liability on the consolidated statement of financial position. The lease liability represents the present value of future lease payments, with the exception of short-term leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard. The Group's accounting for leases as a lessor remains unchanged under AASB 16.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. A project has been established to ensure a high quality implementation in compliance with the accounting standard. The project has members from finance, legal, technology and commercial functions with oversight from the Chief Financial Officer. Key responsibilities of the project include setting accounting policy, finalising an impact assessment, budgeting and costing of implementation, identifying data and system requirements, and finalising the implementation plan.

As at the end of the reporting period, the Group has non-cancellable undiscounted operating lease commitments of $318,093,000 (2016: $310,256,000) as disclosed in Note 23. These commitments predominantly relate to lease contracts with property partners and office premises which will require recognition of ROU assets and associated lease liabilities. The Group is currently assessing the impact of the new requirements on the Group's consolidated financial statements; however, the impact is expected to materially 'gross-up' the Group's consolidated statement of financial position, impacting key financial ratios. As the project develops further, quantitative and qualitative disclosure will be provided.

Note 3. Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements. Where applicable, accounting policies can be found throughout the notes to these financial statements, beneath the appropriate note disclosure.

(a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of oOh!media Limited and the results of subsidiaries. oOh!media Limited and its subsidiaries together are referred to in this Annual Financial Report as 'the Group'.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

ii. Investments in equity-accounted investees

The Group's interest in equity-accounted investees represents its interest in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group's interest in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in that investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iv. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. All payments to purchase a business are recorded at fair value at the acquisition date. The non-controlling interest in the acquiree is either measured at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the business acquired, the difference is recognised directly in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

A liability for restructuring costs is recognised as at the date of acquisition of an entity or part thereof when there is a demonstrable commitment by the acquiree to restructure the acquired entity and a reliable estimate of the amount of the liability can be made.

When control is lost, any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

v. Non-Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. See also Note 22.

(b) Income tax - see 'Note 9. Income tax

(c) Receivables and revenue recognition - see 'Note 10. Trade and other receivables' and 'Note 5. Revenue'

(d) Plant and equipment - see 'Note 11. Property, plant and equipment'

(e) Intangibles - see 'Note 12. Intangible assets and goodwill'

(f) Financial instruments - see 'Note 20. Financial risk management'

(g) Leases - see 'Note 23. Leases'

(h) Trade and other payables - see 'Note 16. Trade and other payables'

(i) Employee benefits - see 'Note 8. Share based payments'

(j) Cash and cash equivalents - see 'Note 29. Reconciliation of cash flows from operating activities'

(k) Impairment of assets - see 'Note 13. Impairment of non-current assets'

(l) Foreign currency translation

i. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

ii. Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates unless this is not a reasonable approximation of the:
  - Cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
  - All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, ceases operation or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(m) Borrowings - see 'Note 15. Loans and borrowings'

(n) Finance income and finance costs - see 'Note 7. Net finance costs'

(o) Maintenance and repairs - see 'Note 11. Property, plant and equipment'

(p) Provisions - see 'Note 17. Provisions'

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

(r) Share capital - see 'Note 18. Capital and reserves'

(s) Glossary - Refer to page 100 for Glossary of defined terms.

Note 4. 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

	2017 $'000	2016 $'000
Underlying EBITDA	**90,070**	**73,540**
Merger-related costs	(1,968)	(1,310)
Insurance recovery (net of costs)	-	1,217
Prior year GST audit	-	(366)
Acquisition-related expenses	(175)	(2,793)
Statutory EBITDA	**87,927**	**70,288**
Share of profit/(loss) of equity-accounted investees, net of tax	68	(8)
Amortisation	(14,552)	(11,417)
Depreciation	(18,916)	(16,268)
Net finance costs	(5,518)	(4,960)
Profit/(loss) before income tax	**49,009**	**37,635**

Note 5. Revenue

	2017 $'000	2016 $'000
Sale of media, production and other services	379,338	334,110
Other	938	2,032
	380,276	**336,142**

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).

	2017 $'000	2016 $'000
Road	137,109	124,588
Retail	126,330	109,176
Fly	55,011	56,006
Locate	33,950	28,910
New Zealand	9,593	9,814
Other [1]	18,283	7,648
External Revenues [2]	**380,276**	**336,142**

1. Other revenues include Cactus and Junkee Media.
2. All revenues excluding New Zealand have been generated in Australia.

Accounting policy: Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable, net of the amount of goods and services tax. Revenue from core operating activities consists of Out Of Home advertising revenues. Revenue from Out Of Home advertising is recognised equally on a pro rata basis over the period in which the advertising is on display. Revenue for media production work is recognised on completion of the assignment. Revenue is recognised on a gross basis with commissions payable to advertising and media agencies recognised as expenses in 'Cost of media sites and production'.

Note 6. Other expenses

	2017 $'000	2016 $'000
Office expenses	2,280	1,898
Information technology and communications expenses	2,599	2,094
Taxes and charges	2,623	2,831
Loss on sale of assets	75	436
Other expenses	4,095	3,531
	11,672	**10,790**

Note 7. Net finance costs

	2017 $'000	2016 $'000
Finance income	**(53)**	**(108)**
Interest expense on bank borrowings	5,328	4,596
Amortisation of debt facility establishment costs	209	346
Finance leases	18	12
Other interest expense	16	114
Finance costs	**5,571**	**5,068**
Net finance costs	**5,518**	**4,960**

Accounting policy: Finance income and finance costs

i. Finance costs

Finance costs are recognised as expenses in the period in which they are incurred using the effective interest method. Finance costs include interest on bank borrowings, finance lease charges, short-term and long-term borrowings and ancillary costs incurred in connection with arrangement of borrowings.

ii. Finance income

Finance income is recognised as income in the period in which it is earned. Finance income includes interest income, which is recognised on a time proportion basis using the effective interest method.

Note 8. Share-based payments

Description of the share-based payment arrangements

As at 31 December 2017 the Group had the following share-based payment arrangements:

Long-term incentive plan - performance rights

No performance rights vested during the year ended 31 December 2017. The Company issued a further 712,615 performance rights that entitle senior executives to receive shares in the Company during the year ended 31 December 2017. Details in relation to grants issued in the year 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.

i. Performance rights granted to senior executives are as follows[1]:

	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).

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 Relative Total Shareholder Return (TSR) performance hurdle[2].

1. In March 2016, 264,249 Tranche #2 performance rights vested and were exercised. No further Tranche #2 performance rights remain outstanding.
2. There are two LTI performance hurdles. The first is based on the Compound Annual Growth Rate (CAGR) of oOh!media's Earnings Per Share (EPS) over a three-year performance period (as per the full year audited financial results) and represents 75% of the award. A second hurdle was introduced for the 2017 LTI Program based on Relative Total Shareholder Return (TSR) over a three-year performance period assessed against the ASX200 index (excluding Financials & Industrials), representing 25% of the award.

ii. Reconciliation of performance rights

The number of performance rights on issue during the year 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 31 December 2017	**2,083,324**	**7,402,009**
Exercisable at 31 December 2017	**-**	**-**

A share-based payment expense of $2,239,000 relating to the performance rights was expensed in the year to 31 December 2017 (2016: $1,353,000) and is included in the 'Employee benefits' expense line in the consolidated statement of profit or loss and other comprehensive Income.

iii. Measurement of fair values

The fair value of the share-based payment plans 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 #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% to 25%	33.9%	36.3%
Expected life	3 years	3 years	3 years
Expected dividends	3.0% to 3.5%	2.50%	3.31%
Risk-free interest rate (based on government bonds)	2.74%	1.90%	1.99%

Accounting policy: Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Benefits falling more than 12 months after the end of the reporting period are classified as non-current.

iii. Shared-based payment transactions

The Group currently engages in the practice of allocating its employees equity share-based payments as part of their remuneration packages.

The grant date fair value of share-based payment arrangements granted to employees is recognised as a share-based payment expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value of the equity instrument is calculated using the Monte Carlo and Binomial models.

iv. Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value and classified as non-current.

v. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent a cash refund or reduction of future payments is available.

Employee benefits expenses includes contributions to defined contribution plans of $3,876,000 for the current reporting period (2016: $3,140,000).

Note 9. Income tax

Adoption of Voluntary Tax Transparency Code

On 3 May 2016, the Australian Treasurer released a Voluntary Tax Transparency Code (the Voluntary Code). The Voluntary Code recommends additional tax information be publicly disclosed to help educate the public about large and medium businesses' corporate compliance with Australia's tax laws. The Group fully supports and has signed up to this Voluntary Code. Accordingly, the income tax disclosures in this note include the recommended additional disclosures.

(a) Tax recognised in profit or loss

	2017 $'000	2016 restated $'000
Current tax expense		
Current tax expense	20,268	15,170
Adjustment for prior periods	(432)	415
Total current income tax expense	**19,836**	**15,585**
Deferred tax expense		
Origination and reversal of temporary differences	(3,881)	(2,338)
Total deferred income tax expense	**(3,881)**	**(2,338)**
Total tax expense	**15,955**	**13,247**

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

(b) Tax recognised directly in other comprehensive income (OCI)

	2017			2016		
	Before tax $'000	Tax (expense) benefit $'000	Net of tax $'000	Before tax $'000	Tax (expense) benefit $'000	Net of tax $'000
Changes in fair value of cash flow hedges	**65**	**-**	**65**	**160**	**(48)**	**112**

(c) Reconciliation of effective tax rate

	2017 $'000	2016 restated $'000
Profit after income tax for the year	33,054	24,388
Total tax expense	15,955	13,247
Profit before income tax	**49,009**	**37,635**
Tax using the Company's domestic tax rate 30% (2016: 30%)	14,703	11,291
Effect of tax rates in foreign jurisdictions	(21)	(24)
Non-deductible expenses	1,493	1,405
Effect of share of profit/(loss) of equity-accounted investees	20	(2)
Current year losses for which no deferred tax asset was recognised	192	162
Under provided in prior years	(432)	415
Total tax expense	**15,955**	**13,247**

The effective tax rate is calculated as company income tax expense divided by profit before income tax, adjusted for post-tax share of results of equity accounted investees.

	OML Group		Australian operations	
	2017 $'000	2016 restated $'000	2017 $'000	2016 restated $'000
Profit from ordinary activities before income tax expense	49,009	37,635	47,820	36,436
Less: Post-tax share of results of equity accounted investees	68	(8)	68	(8)
Adjusted profit before income tax expense	48,941	37,643	47,752	36,444
Income tax expense	15,955	13,247	15,622	12,911
Effective tax rate	**32.6%**	**35.2%**	**32.7%**	**35.4%**

(d) Recognised deferred tax assets and liabilities

Movement in deferred tax balances during the year

	Balance 1 January 2017 $'000	Recognised in profit or loss $'000	Recognised on acquisitions $'000	Recognised in OCI $'000	Recognised directly in equity $'000	Balance 31 December 2017 $'000
Plant and equipment	(1,537)	(83)	-	-	-	(1,620)
IPO transaction costs	147	-	-	-	-	147
Transaction costs related to acquisitions	1,010	115	-	-	-	1,125
Cash flow hedges	8	(20)	-	-	-	(12)
Capital costs deductible over 5 years	1,181	(689)	-	-	-	492
Accrued expenses	1,680	246	-	-	-	1,926
Provisions	5,955	435	-	-	-	6,390
Employee benefits provision	1,505	283	-	-	-	1,788
Total tax assets	**9,949**	**287**	**-**	**-**	**-**	**10,236**

	Balance 1 January 2016 restated $'000	Recognised in profit or loss $'000	Recognised on acquisitions $'000	Recognised in OCI $'000	Recognised directly in equity $'000	Balance 31 December 2016 restated $'000
Plant and equipment	(737)	(800)	-	-	-	(1,537)
IPO transaction costs	220	(73)	-	-	-	147
Transaction costs related to acquisitions	444	566	-	-	-	1,010
Cash flow hedges	56	-	-	(48)	-	8
Capital costs deductible over 5 years	1,429	(563)	-	-	315	1,181
Accrued expenses	2,043	(436)	73	-	-	1,680
Provisions	5,226	570	159	-	-	5,955
Employee benefits provision	1,110	277	118	-	-	1,505
Total tax assets	**9,791**	**(459)**	**350**	**(48)**	**315**	**9,949**

Movement in deferred tax liability balances during the year

	2017 $'000	2016 restated $'000
Deferred tax liability at 1 January	**35,500**	**32,147**
Deferred tax liability on intangibles acquired	-	6,233
Deferred tax liability unwind on intangible amortisation	(3,594)	(2,880)
Deferred tax liability at 31 December	**31,906**	**35,500**
Net deferred tax liability	**21,670**	**25,551**

Accounting policy: Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

2017 accounting policy change:

The Group previously made an accounting policy choice with respect to the measurement of the tax cost base when determining deferred tax balances for licences acquired by the Group. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. When making this assessment, the Group previously considered the tax consequences of recovering licences through use and then disposal (including sale, abandonment or expiry as defined under the tax legislation) together. As the licences are not depreciable for tax, the tax base from use and then disposal equals the capital gains tax value. This results in the tax base of licences generally being equal to the accounting base on acquisition with no resulting temporary difference to recognise.

Effective 1 January 2017, management has changed its policy for measuring deferred tax consequences and now considers the tax consequences of recovering licences through use and then disposal separately. Under this approach the tax base from use (nil as the licences are not depreciable for tax) is considered separate from the tax from disposal (capital gains tax value). This results in a taxable temporary difference (deferred tax liability) on revenue account and a deductible temporary difference (deferred tax asset) on capital account. As it is not currently probable that future capital gains will be made, the deferred tax asset has not been recognised.

The change does not affect the Group's assessable income or tax paid. The change in accounting policy is applied retrospectively resulting in deferred tax liabilities being recorded for business combinations that occurred in prior years, offset by an increase to goodwill. Tax expense has also been restated to reflect changes in deferred tax liabilities.

Management has elected to apply this new accounting policy to provide greater comparability across the market.

Impact to 31 December 2016

	Previous policy $'000	Change $'000	New policy $'000
Goodwill	199,429	47,797	247,226
Deferred tax asset/(liability)	-	(35,500)	(35,500)
Income tax expense	(16,127)	2,880	(13,247)
Change in EPS	14 cents	2 cents	16 cents

Impact to 1 January 2016

	Previous policy $'000	Change $'000	New policy $'000
Goodwill	142,714	41,564	184,278
Deferred tax asset/(liability)	-	(32,147)	(32,147)
Retained earnings	(52,657)	9,481	(43,176)

Had the Group continued to apply the previous accounting policy in the current period, at 31 December 2017, goodwill would have been lower by $47,797,000, deferred tax liabilities would have been lower by $31,906,000, tax expense would have been higher by $3,594,000, net profit after tax would have been lower by $3,594,000, and earnings per share would have been lower by 2.0 cents.

Tax consolidation legislation

oOh!media Limited and its wholly-owned Australian controlled entities apply the tax consolidation legislation.

The deferred tax balances recognised by the parent entity and the consolidated entity in relation to wholly-owned entities joining the tax consolidated group are initially measured and remeasured based on the carrying amounts of the assets and liabilities of those entities at the level of the tax consolidated group and their tax values, as applicable under the tax consolidation legislation.

oOh!media Limited, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under a tax sharing agreement with the tax consolidated entities are recognised as tax-related amounts receivable or payable. Expenses and revenues arising under the tax sharing agreement are recognised as a component of income tax (expense)/benefit.

In accordance with Urgent Issues Group Interpretation 1052 "Tax Consolidation Accounting", the controlled entities in the tax consolidated group account for their own deferred tax balances, except for those relating to tax losses.

Note 10. Trade and other receivables

	2017 $'000	2016 $'000
Trade receivables	81,120	77,745
Allowance for impairment of receivables	(991)	(688)
	80,129	77,057
Other receivables	1,219	2,354
Total trade and other receivables	**81,348**	**79,411**

Information on the Group's exposure to credit and market risks and impairment losses for trade and other receivables are included in Note 20.

Accounting policy: Trade Receivables

All trade debtors are recognised at the amount receivable as they are due for settlement no more than 45 days from the date of recognition. Recoverability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity may not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the provision is recognised in the statement of financial position with a corresponding charge recognised in the statement of profit or loss and other comprehensive income.

Note 11. Property, plant and equipment

Reconciliation of carrying amount

Consolidated	2017			
	Leasehold improvements $'000	Plant & equipment $'000	Leased plant & equipment $'000	Total $'000
Cost				
At 1 January 2017	7,881	169,130	10,332	187,343
Additions	164	25,620	239	26,023
Reclassification to software intangibles	-	(1,530)	-	(1,530)
Disposals	-	(6,241)	-	(6,241)
Effects of movements in exchange rates	-	(708)	-	(708)
At 31 December 2017	**8,045**	**186,271**	**10,571**	**204,887**
Accumulated depreciation				
At 1 January 2017	(2,338)	(73,523)	(8,660)	(84,521)
Depreciation for the year	(984)	(17,498)	(434)	(18,916)
Disposals	-	5,716	-	5,716
Effects of movements in exchange rates	-	440	-	440
At 31 December 2017	**(3,322)**	**(84,865)**	**(9,094)**	**(97,281)**
Carrying amount at 31 December 2017	**4,723**	**101,406**	**1,477**	**107,606**

Consolidated	2016			
	Leasehold improvements $'000	Plant & equipment $'000	Leased plant & equipment $'000	Total $'000
Cost				
At 1 January 2016	4,861	125,008	10,332	140,201
Additions	3,684	32,302	-	35,986
Business combinations	-	12,329	-	12,329
Disposals	(664)	(723)	-	(1,387)
Effects of movements in exchange rates	-	214	-	214
At 31 December 2016	**7,881**	**169,130**	**10,332**	**187,343**

Consolidated	2016			
	Leasehold improvements $'000	Plant & equipment $'000	Leased plant & equipment $'000	Total $'000
Accumulated depreciation				
At 1 January 2016	(1,345)	(50,362)	(8,215)	(59,922)
Depreciation for the year	(1,358)	(14,465)	(445)	(16,268)
Business combinations	-	(9,134)	-	(9,134)
Disposals	365	586	-	951
Effects of movements in exchange rates	-	(148)	-	(148)
At 31 December 2016	**(2,338)**	**(73,523)**	**(8,660)**	**(84,521)**
Carrying amount at 31 December 2016	**5,543**	**95,607**	**1,672**	**102,822**

Accounting policy: Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Within the Group, depreciation is calculated on a straight line basis to write-off the cost of each item of plant and equipment over its estimated remaining useful life (less the estimated residual value). Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

- Leasehold improvements 2-10 years; and
- Plant and equipment 2-20 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income.

Accounting policy: Maintenance and repairs

Certain plant and equipment is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated over their useful lives. Other routine operating maintenance, repair costs and minor renewals are charged as expenses as incurred.

Note 12. Intangible assets and goodwill

Reconciliation of carrying amount

Consolidated	2017				
	Brands $'000	Goodwill $'000	Licences $'000	Software $'000	Total $'000
Cost					
At 1 January 2017	9,783	249,864	159,325	10,179	429,151
Additions	-	-	2,100	6,171	8,271
Reclassification from plant & equipment	-	-	-	1,530	1,530
Adjustment	-	(219)	-	-	(219)
At 31 December 2017	**9,783**	**249,645**	**161,425**	**17,880**	**438,733**
Accumulated amortisation and impairment					
At 1 January 2017	(3,250)	(2,638)	(41,962)	(4,128)	(51,978)
Amortisation for the year	(852)	-	(11,004)	(2,696)	(14,552)
Reclassification	-	-	-	-	-
At 31 December 2017	**(4,102)**	**(2,638)**	**(52,966)**	**(6,824)**	**(66,530)**
Carrying amount at 31 December 2017	**5,681**	**247,007**	**108,459**	**11,056**	**372,203**

Consolidated	2016 restated*				
	Brands $'000	Goodwill $'000	Licences $'000	Software $'000	Total $'000
Cost					
At 1 January 2016	7,648	186,916	138,548	2,703	335,815
Acquisitions through business combinations	2,135	62,948	21,372	4,440	90,895
Additions	-	-	-	3,036	3,036
Reclassification	-	-	(595)	-	(595)
At 31 December 2016	**9,783**	**249,864**	**159,325**	**10,179**	**429,151**
Accumulated amortisation and impairment					
At 1 January 2016	(2,608)	(2,638)	(32,744)	(720)	(38,710)
Amortisation for the year	(642)	-	(9,492)	(1,283)	(11,417)
Acquisitions through business combinations	-	-	-	(2,125)	(2,125)
Reclassification	-	-	274	-	274
At 31 December 2016	**(3,250)**	**(2,638)**	**(41,962)**	**(4,128)**	**(51,978)**
Carrying amount at 31 December 2016	**6,533**	**247,226**	**117,363**	**6,051**	**377,173**

* Prior year comparatives have been restated following the Group's election to change deferred tax accounting policy during the year. Refer to Note 9 'Income tax' of the accompanying notes for further details.

Accounting policy: Intangible assets

i. Goodwill

Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for impairment testing. Refer to Note 13 for further information.

ii. Licences

Licences represent the rights and relationships associated with acquired site leases and the associated new business revenue streams. Licences are amortised over their expected useful life (on average 15 years).

iii. Other intangibles

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

iv. Amortisation

Amortisation is calculated to write-off the cost of intangible assets less estimated residual values using the straight line method over their estimated useful lives, and is recognised in the statement of profit or loss and comprehensive income. The estimated useful lives are as follows:

- Licences 15 years;
- Brands 2-15 years; and
- Software 3 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Note 13. Impairment of non-current assets

Cash generating units (CGUs) have been identified as follows for the year ended 31 December 2017: Australia, New Zealand, Cactus and Junkee Media. The independence of cash inflows is assessed in identifying CGU's. The carrying value of assets allocated to each CGU is supported by their recoverable amount.

	Australia $'000	Cactus $'000	Junkee $'000	New Zealand $'000	Total $'000
Goodwill	239,905	2,561	4,541	-	247,007

The recoverable amount of the Group's CGUs was based on value in use. Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the units. Value in use as at 31 December 2017 was determined similarly to the 31 December 2016 impairment test and was based on the following key assumptions:

- Annual EBITDA growth — Latest management forecast for next twelve months, plus 3% EBITDA growth in subsequent years with the exception of Junkee Media where higher growth rates were used reflective of the business case.
- Terminal growth rate — 3.0%
- Discount rate post-tax — Australia 9.7% (2016: 9.4%) and New Zealand 11.8% (2016: 11.2%), Cactus 12.4% (2016: 13.3%) and Junkee Media 15.0% (2016: 15.0%).

The values assigned to the key assumptions represent management's assessment of future trends in the media industry and are based on historical data from both external and internal sources. No impairment was recognised in 2017 (2016: Nil).

Accounting policy: Impairment of assets

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Note 14. Other assets

	2017 $'000	2016 $'000
Advance payments	1,291	1,407
Prepayments	2,801	1,871
Other assets[1]	8,607	4,826
Total other assets	**12,699**	**8,104**

Notes to other assets

1. Other assets consist primarily of revenue recognised but not yet invoiced.

Note 15. Loans and borrowings

	2017 $'000	2016 $'000
Current		
Finance lease liabilities	65	63
Total current borrowings	**65**	**63**
Non-current		
Bank loan	139,000	123,000
Unamortised borrowing costs	(467)	(676)
Finance lease liabilities	168	17
Total non-current borrowings	**138,701**	**122,341**
Total loans and borrowings	**138,766**	**122,404**

The banking syndicate has security over the assets of the Company and its subsidiaries. On 19 December 2016, the Group refinanced its secured revolving facilities agreement for the amount of $170 million with an expiry of May 2020. The Group also secured an additional three year $50 million banking facility in February 2016 exclusively with Westpac. The total facilities agreement available is $220 million.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 20.

Accounting Policy: Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Note 16. Trade and other payables

	2017 $'000	2016 $'000
Trade payables	3,964	7,460
Accrued expenses	30,902	33,243
Income in advance	5,239	3,073
Other payables	4,136	4,167
Total trade and other payables	**44,241**	**47,943**

Information about the Group's exposure to currency and liquidity risks is included in Note 20.

Accounting policy: Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Income in advance is recognised within trade payables where invoices are issued in advance of the period in which the revenue is earned.

Note 17. Provisions

Reconciliation of movements in provisions	2017			
	Onerous contracts $'000	Make good $'000	Straight lining of site rents $'000	Total $'000
Balance at 1 January 2017	349	12,773	6,589	19,711
Credited to profit or loss:	-	(223)	-	(223)
Provisions made during the year	-	304	2,592	2,896
Provisions used during the year	(349)	(795)	(270)	(1,414)
Effects of movements in exchange rates	-	(49)	(21)	(70)
Balance at 31 December 2017	**-**	**12,010**	**8,890**	**20,900**
2017				
Current provisions	-	318	1,213	1,531
Non-current provisions	-	11,692	7,677	19,369
	-	**12,010**	**8,890**	**20,900**
2016				
Current provisions	349	1,405	1,554	3,308
Non-current provisions	-	11,368	5,035	16,403
	349	**12,773**	**6,589**	**19,711**

Accounting policy: Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

i. Make good

A make good provision is recognised for the costs of restoration or removal in relation to plant and equipment and site leases where there is a legal or constructive obligation. The provision is initially recorded when a reliable estimate can be determined and discounted to present value. The unwinding of the effect of discounting on the provision is recognised as a finance cost. At the time of initial recognition of the make good provision, a corresponding asset is recognised as part of plant and equipment.

ii. Onerous contracts

The provision represents the present value of the estimated costs that will be incurred until the end of the lease terms where the obligation is expected to exceed the economic benefit to be received. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

iii. Straight line rent

A provision for straight line rent is recognised to account for the difference between the straight line accounting expense recognised in the statement of profit or loss and other comprehensive income and the periodic cash payment as a result of fixed rental increases. The provision is amortised to nil in profit or loss by the lease expiration date.

Note 18. Capital and reserves

(a) Contributed equity

	2017 Number	2016 Number	2017 $'000	2016 $'000
Issued and paid up share capital	**164,138,049**	**164,138,049**	**349,510**	**349,510**

	2017 Number of shares	2016 Number of shares
Escrow fully paid ordinary shares	-	570,719
Fully paid ordinary shares	164,138,049	163,567,330
Number of shares as at 31 December	**164,138,049**	**164,138,049**

Movements in contributed equity

	2017 Number	2016 Number	2017 $'000	2016 $'000
Balance at 1 January	164,138,049	149,882,534	349,510	283,585
Transaction costs arising from issue of shares	-	-	-	(1,122)
Deferred tax asset in relation to transaction costs	-	-	-	315
Issuance of performance rights - Tranche #2	-	264,249	-	486
Capital raising - shares issued	-	12,631,579	-	60,000
ECN acquisition - shares issued	-	944,586	-	4,486
Share purchase plan	-	415,101	-	1,760
Balance at 31 December	**164,138,049**	**164,138,049**	**349,510**	**349,510**

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) Reserves

Reserves	2017 $'000	2016 $'000
Foreign currency translation reserve	70	226
Other equity reserve	17,688	17,648
Cash flow hedge reserve	39	(26)
Share-based payments reserve	10,154	7,915
Total reserves	**27,951**	**25,763**

Nature and purpose of reserves

Foreign currency translation reserve - The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations in New Zealand (refer to Note 3(l)).

Other equity reserve - The other equity reserve mostly represents the difference between the issued capital in Outdoor Media Investments Limited (OMI) and the consideration paid to acquire OMI on 18 December 2014. The transaction was accounted for as a common control transaction as disclosed in the annual financial statements for the year ended 31 December 2014. The other equity reserve reflects the share price movements for former OMI owners who remained as oOh!media Limited (OML) owners. It also includes $720,000 in relation to the put option on the NCI in the Junkee Media acquisition (see Note 22).

Cash flow hedge reserve - The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss (refer to Note 20).

Share-based payments reserve - The share-based payments reserve is used to record the value of share-based payments provided to employees as part of their remuneration and the expense relating to cancelled shares under the legacy share-based payments plan. The current balance relates to unexercised rights issued to senior executives. A portion of this reserve may be reversed against contributed equity if the underlying rights are exercised and results in shares being issued.

(c) Non-Controlling Interests (NCI)	2017 $'000	2016 $'000
Balance at beginning of the year	(1,378)	(1,515)
Share of operating loss for the period after income tax	(152)	(93)
Acquisition of non-controlling interest	726	230
Balance at end of the year	**(804)**	**(1,378)**

In December 2017, the Group acquired the remaining 30% interest in oOh!media Social Sports Pty Limited (refer to Note 22). Accordingly, the information relating to the NCI on Social Sports is only for the period January to November 2017. In July 2016, the Group acquired an 85% equity interest in Junkee Media Pty Limited (refer to Note 22). Similarly, the comparative information relating to the NCI on Junkee Media is only for the period from July to December 2016. During 2017, the Group's equity interest in Junkee Media and CloseBuys Pty Limited remained the same as in the previous reporting period and their information is for the full 12 months.

(d) Equity - dividends

Dividends

The following fully ranked 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
Interim 2017 dividend (paid 4 September 2017)	4.5	7,386,212
		23,800,017
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, a final dividend of 10.5 cents per qualifying ordinary share amounting to $17,234,495 has been proposed by the Board of Directors. The dividends have not been recognised as liabilities and there are no tax consequences.

Dividend franking account	2017 $'000	2016 $'000
Franking credits available to shareholders of the Company for subsequent financial years based on a tax rate of 30%	**36,661**	**19,010**

The ability to utilise franking credits is dependent upon the ability to declare dividends. In accordance with the tax consolidation legislation, the Company, as the head entity in the tax-consolidated group, has assumed the benefit of the $36,661,000 (2016: $19,010,000) franking credits. The impact on the franking account of dividends proposed or declared before the Annual Financial Report was authorised for issue but not recognised as a distribution to equity holders during the period is to reduce the balance by $7,386,212 (2016: $7,034,000).

(e) Capital management policy

The Board's policy is to retain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Capital consists of share capital, retained earnings and the non-controlling interest of the Group.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a capital position.

Accounting policy: Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with AASB 112 Income Taxes.

Note 19. Fair values

Accounting classification and fair values

(i) Fair values vs carrying amounts

Without exception, in line with 2016, the fair values of the following financial assets and liabilities are equal to their carrying amounts as shown in the consolidated statement of financial position:

Assets	Liabilities
Cash and cash equivalent	Bank loan
Trade and other receivables	Deferred consideration
	Interest rate swaps
	Finance lease liabilities
	Trade and other payables

(ii) 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:

	2017	2016
Interest rate swaps	1.8%-2.0%	2.4%
Bank loan	3.1%-3.5%	3.0%-3.5%
Leases	5.1%-8.7%	3.8%-12.8%

(iii) Fair values hierarchy

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy referred to at note 2(d). The different levels have been defined as follows. 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	31 December 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	**(40)**	**-**	**(40)**	**26**	**-**	**26**
Put option liability on NCI	**720**	**-**	**720**	**760**	**-**	**760**

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.

Note 20. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates, foreign exchange and other price risks and aging analysis for credit risk.

Risk management is carried out by senior executives under policies approved by the Board of Directors. Senior executives identify, evaluate and hedge financial risks in close co-operation.

(a) Credit risk

Credit risk is the financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(i) Management of credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks, as well as credit exposures to agency and direct clients, including outstanding receivables and committed transactions. For banks primarily lenders in the syndicated senior term debt facility are used.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of media and services are made to customers with appropriate credit histories based on enquires through the Group's credit department. Ongoing customer credit performance is monitored on a regular basis.

Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are provided under the Group's banking facilities.

(ii) Cash and cash equivalents

The Group held cash and cash equivalents of $15.9 million at 31 December 2017 (31 December 2016: $8.2 million). The cash and cash equivalents are held with credit worthy counterparties that are large banks, primarily members of the Group's syndicated debt facility.

Interest rate swaps are subject to credit risk in relation to the relevant counterparties, which are large banks and members of the Group's syndicated debt facility. The credit risk on swap contracts is limited to the net amount to be received from counterparties on contracts that are favourable to the consolidated entity.

(iii) Exposure to credit

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2017 $'000	2016 $'000
Financial assets		
Cash and cash equivalents	15,919	8,193
Trade receivables	81,120	77,745
Total financial assets	**97,039**	**85,938**

(iv) Receivables

The aging of trade receivables at the end of the reporting date that were not impaired was as follows:

	2017 $'000	2016 $'000
Neither past due nor impaired	76,650	70,628
Past due 0-30 days	1,986	3,905
Past due 31-60 days	740	2,178
Past due 61-90 days	641	258
Past due 91 days	1,103	776
	81,120	**77,745**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2017 $'000	2016 $'000
Balance at 1 January	688	413
Doubtful debts on acquisition	-	64
Impairment loss recognised	399	351
Amounts written off	(96)	(140)
Balance at 31 December	**991**	**688**

Other than those receivables specifically considered in the above allowance for impairment, we do not believe there is a material credit quality issue with the remaining trade receivables balance.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(i) Management of liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(ii) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting date:

	2017 $'000	2016 $'000
Revolving facility including bank guarantees	**70,744**	**87,568**

(iii) Maturities of financial liabilities

The table below analyses the Group's financial liabilities, net and gross settled derivative financial instruments in relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the reporting date.

Consolidated	**31 December 2017**			
	Carrying amount $'000	Contractual cash flows $'000	12 months or less $'000	Between 1 and 5 years $'000
Non-derivatives				
Bank debt	139,000	(149,963)	(5,212)	(144,751)
Lease liabilities	233	(245)	(68)	(177)
Trade and other payables	44,241	(44,241)	(44,241)	-
Deferred acquisition consideration	473	(473)	(473)	-
Total non-derivatives	**183,947**	**(194,922)**	**(49,995)**	**(144,928)**
Derivatives				
Interest rate swaps used for hedging	(40)	40	40	-
Put option liability on NCI	720	(720)	-	(720)

Consolidated	**31 December 2016**			
Non-derivatives				
Bank debt	123,000	(137,960)	(4,771)	(133,189)
Lease liabilities	80	(86)	(5)	(81)
Trade and other payables	47,943	(47,943)	(47,943)	-
Deferred acquisition consideration	120	(120)	(120)	-
Total non-derivatives	**171,143**	**(186,109)**	**(52,839)**	**(133,270)**
Derivatives				
Interest rate swaps used for hedging	26	(26)	(26)	-
Put option liability on NCI	760	(760)	-	(760)

The Group's banking facilities loan agreement includes a change of control clause that triggers a review in the event of a change of control. The banking syndicate could hypothetically cancel the facility as a result of the review, however this is considered to be very unlikely given the continued strong support from the banks. As at 31 December 2017 balance date, no change of control event is anticipated and therefore the bank debt is assessed as non-current in line with the existing maturity dates of the facility.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Management of currency risk

The Group operates in New Zealand and therefore is exposed to foreign exchange transaction risks with respect to the New Zealand dollar. Foreign exchange transaction risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency and through net investments in foreign operations. The risk is measured using cash flow forecasting. The Group has an accounting exposure to movements in the AUD/NZD exchange rate in consolidating the NZD net assets of oOh!media New Zealand Holdings Limited and its subsidiaries at each balance date. The current Australian Accounting Standards require that any such movements be booked to the Group's foreign currency translation reserve (FCTR).

Given the immaterial nature of the New Zealand operations to the overall Group, no hedging of this exposure is undertaken.

(ii) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate policy is to fix estimated interest rate risk exposure at a minimum of 50% for a period of at least 12 months or as otherwise determined by the Board.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, monthly or quarterly, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group was as follows:

	2017 $'000	2016 $'000
Fixed rate instruments		
Financial liabilities	(233)	(80)
Variable rate instruments		
Financial assets	15,919	8,193
Financial liabilities	(139,000)	(123,000)

(iii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (BP) in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

	31 December 2017			
	Profit or loss		Equity	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
	$'000	$'000	$'000	$'000
Variable rate instruments	(1,390)	1,390	-	-
Interest rate swaps	-	-	(620)	620
Cash flow sensitivity (net)	(1,390)	1,390	(620)	620

	31 December 2016			
	Profit or loss		Equity	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
	$'000	$'000	$'000	$'000
Variable rate instruments	(1,230)	1,230	-	
Interest rate swaps	-	-	(410)	410
Cash flow sensitivity (net)	**(1,230)**	**1,230**	**(410)**	**410**

Accounting policy: Financial instruments

The Group classifies its non-derivative financial assets in the following categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its assets at initial recognition.

The Group classifies its non-derivative financial liabilities in the following categories: financial liabilities at fair value through profit or loss, and other financial liabilities.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Hedge accounting has been adopted in compliance with AASB "139 Financial Instruments: Recognition and Measurement". The accounting policy for cash flow hedges is as follows:

- When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.
- The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

(v) Non-derivative financial liabilities - measurement

A financial liability is classified as at fair value through the profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Note 21. List of subsidiaries and equity-accounted investees

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 3(a):

	Consolidated entity		
Name of entity	Country of incorporation	2017	2016
Outdoor Media Investments Limited	Cayman Islands	100%	100%
Outdoor Media Holdings Pty Limited	Australia	100%	100%
Outdoor Media Operations Pty Limited	Australia	100%	100%
Outdoor Media Exchangeable Finco Pty Limited	Australia	100%	100%
oOh!media Group Pty Limited	Australia	100%	100%
oOh!media Operations Pty Limited	Australia	100%	100%
oOh!media Produce Pty Limited	Australia	100%	100%
oOh!media Assets Pty Limited	Australia	100%	100%
oOh!media Factor Pty Limited	Australia	100%	100%
oOh!media Digital Pty Limited	Australia	100%	100%
oOh!media Place Based Pty Limited	Australia	100%	100%
oOh!media Retail Pty Limited	Australia	100%	100%
oOh!media Lifestyle Pty Limited	Australia	100%	100%
oOh!media Shop Pty Limited	Australia	100%	100%
oOh!media Roadside Pty Limited	Australia	100%	100%
oOh!media MEP Pty Limited	Australia	100%	100%
oOh!media Regional Pty Ltd	Australia	100%	100%
Red Outdoor Pty Ltd	Australia	100%	100%
Closebuys Pty Limited	Australia	82.75%	82.75%
oOh!media Café Screen Pty Limited	Australia	100%	100%
oOh!media Social Sports Pty Limited	Australia	100%	70%
Social Sports Media Pty Ltd	Australia	100%	70%
In 2 Indoor Pty Ltd	Australia	100%	70%
World Indoor Soccer Federation Pty Ltd	Australia	100%	70%
Eye Corp Pty Limited	Australia	100%	100%
Eye Corp Australia Pty Limited	Australia	100%	100%
oOh!media Fly Pty Limited	Australia	100%	100%
Eye Drive Sydney Pty Limited	Australia	100%	100%
Eye Outdoor Pty Limited	Australia	100%	100%
Eye Mall Media Pty Limited	Australia	100%	100%
Eye Drive Melbourne Pty Limited	Australia	100%	100%
oOh!media Study Pty Limited	Australia	100%	100%
Outdoor Plus Pty Limited	Australia	100%	100%
Eye Shop Pty Limited	Australia	100%	100%
Homemaker Media Pty Limited	Australia	100%	100%
Inlink Group Pty Ltd	Australia	100%	100%
Inlink Office Pty Ltd	Australia	100%	100%
Inlink Café Pty Ltd	Australia	100%	100%
Inlink Fitness Pty Ltd	Australia	100%	100%
Executive Channel International Pty Ltd	Australia	100%	100%
Executive Channel Pty Ltd	Australia	100%	100%
Junkee Media Pty Limited	Australia	85%	85%
InTheMix dot com dot au Pty Ltd	Australia	85%	85%
Thought By Them Pty Ltd	Australia	85%	85%
Qjump Australia Pty Limited	Australia	85%	85%
Faster Louder Pty Ltd	Australia	85%	85%
Sound Alliance Nominees Pty Ltd	Australia	85%	85%
InTheMix Inc Fein	Australia	85%	85%
Cactus Imaging Pty Limited	Australia	100%	100%
Cactus Holdings Pty Limited	Australia	100%	100%
oOh!media New Zealand Holdings Limited	New Zealand	100%	100%
oOh!media New Zealand Limited	New Zealand	100%	100%
oOh!media Retail New Zealand Limited	New Zealand	100%	100%
oOh!media Study New Zealand Limited	New Zealand	100%	100%

(b) Equity-accounted investees

During 2014, oOh!media Factor Pty Limited (a wholly-owned subsidiary of oOh!media Limited) entered into a joint venture agreement with Driving Edge Marketing Pty Limited to establish a joint venture for the purposes of engaging in activities similar to that of the Group (provision of Out Of Home advertising solutions). This resulted in the incorporation of a new legal entity (oOh!Edge Pty Limited), of which both joint venture partners hold a 50% interest. The carrying value of the Group's investment in this joint venture at 31 December 2017 was $275,000, which represents the Group's share of profit for the period since inception of the joint arrangement (31 December 2016: $207,000). The Group made no initial monetary investment in the joint venture.

Note 22. Acquisition of non-controlling interest (NCI)

In December 2017, the Group acquired the remaining 30% of oOh!media Social Sports Pty Limited (Social Sports) for consideration of $300,000 in cash, increasing its ownership from 70% to 100%. The carrying amount of Social Sports's net assets in the Group's financial statements on the date of the acquisition was negative $4,039,000. The Group recognised a decrease in NCI of $726,000 and a decrease in retained earnings of $1,026,000.

	2017 $'000
Carrying amount of NCI acquired	(726)
Cash consideration paid to NCI	(300)
A decrease in equity attributable to owners of the Group	**(1,026)**

During the prior year, the Group acquired 85% of Junkee Media Pty Limited. The carrying value of the NCI in relation to the balance remaining of 15% is shown below.

	2016 $'000
Carrying amount of NCI acquired	(230)
Cash consideration paid to NCI	-
A decrease in equity attributable to owners of the Group	**(230)**

Accounting policy: Written put options on NCI

Written put options entered into with non-controlling shareholders in an acquiree as part of a business combination are accounted for in accordance with the present access method. The fair value of the option is recognised as a financial liability and in other equity as a component of the non-controlling interest. Subsequent changes in the fair value of the financial liability are recognised directly in other equity.

Note 23. Leases

Operating leases

Future minimum lease payments

Commitments in relation to non-cancellable operating leases contracted for at the reporting date are payable as follows:

	2017 $'000	2016 $'000
Within one year	71,138	66,182
Later than one year but not later than five years	183,776	183,362
Later than five years	63,179	60,712
	318,093	**310,256**

Amounts recognised in profit and loss	2017 $'000	2016 $'000
Lease expense	91,374	85,599
Contingent lease expense	33,291	36,540
	124,665	**122,139**

Accounting policy: Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease. The present value of future payments for surplus leased space under non-cancellable operating leases is recognised as a liability, net of sub-leasing revenue, in the period in which it is determined that the leased space will be of no future benefit to the Group. Each lease payment is allocated between the surplus lease space provision and finance charge.

Finance leases

Assets under finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal.

The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred. The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the Group will obtain ownership of the asset, for the life of the asset.

Note 24. Capital commitments

During 2017, the Group entered into contracts to purchase plant and equipment in 2018 for $2,377,000 (2017: $1,673,000).

Note 25. Contingencies

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

	2017 $'000	2016 $'000
Bank guarantees	10,256	9,432
Break fee on Scheme of Arrangement with APNO[1]	-	7,000
Success fees payable advisers[2]	-	7,508

Notes to contingencies

1. In December 2016, the Company entered into a Scheme of Implementation Deed with APN Outdoor Limited ('the merger'). The merger was subject to ACCC and shareholder approval. On 19 May 2017, following the release of a Statement of Issues by the ACCC, both parties announced the mutual termination of the Scheme of Implementation Deed. The parties agreed to waive all break fees, so no break fee was payable by or to the Company following the termination.
2. The Company engaged advisers in 2016 to assist with the merger process who were contractually entitled to success fees on completion of the merger. The success fee component was payable only if the Scheme of Implementation was implemented and the merger proceeded. Given that the Scheme of Implementation was not completed, the success fees did not become due and payable.

Note 26. Related parties

(a) Parent entity and ultimate controlling party

As at 31 December 2017, the parent entity of the Group is oOh!media Limited.

(b) Subsidiaries

Interest in subsidiaries is set out in Note 21.

(c) Transactions with the shareholder-related parties

	Transaction value for the 12 months ended		Balance outstanding	
	2017 $	2016 $	2017 $	2016 $
Sale of media and services				
WPP				
Revenue[1]	44,534,059	45,859,681	-	-
Receivables[1]	-	-	10,060,163	10,233,436

Notes to transactions with shareholder-related parties

1. All sales with related parties are on an arm's length basis and are subject to commercial trading terms and conditions. Outstanding balances with these related parties are to be settled in cash within two months of the end of the reporting period. None of the balances are secured.

(d) Transactions with Key Management Personnel

(i) Key Management Personnel compensation

The Key Management Personnel compensation comprised:

	2017 $	2016 $
Short-term employee benefits	1,883,482	1,609,871
Post-employment benefits	164,985	92,627
Share-based payments	799,679	629,102
	2,848,146	**2,331,600**

Key Management Personnel also participate in the Group's share plans, details of which are discussed in Note 8.

In addition to the above, Non-executive Director compensation included short-term employee benefits of $687,848 (2016: $614,209) and post-employment benefits of $56,796 (2016: $53,790).

(ii) Directors' related party transactions

Current directorships and shareholdings held by oOh!media Limited's Chairman Tony Faure and Non-executive Director Geoffrey Wild have given rise to two related party conflicts. As at 31 December 2017, Tony Faure holds a 5.0% interest in Junkee Media with a right to sell this to the Company in furture periods, and received $90,000 in consulting fees from Junkee Media in 2017. Given his shareholding in Junkee Media and ongoing consultancy support, the Board has appointed Debbie Goodin as Lead Independent Director, effective from 22 September 2017. The Lead Independent Director can assume the role of Chair when the Chair is unable to act in that capacity due to unavailability or lack of independence. The position also offers an alternative point of contact for shareholders.

Geoffrey Wild holds the position of Chairman at WPP Australia. To mitigate any potential conflicts arising, there is a Board protocol in place whereby either of the aforementioned Board members are asked to exit a Board meeting should any matters arise that may impact their independence.

(e) Transactions with equity-accounted investees

oOh!Edge Pty Limited

	Transaction value for the 12 months ended		Balance outstanding	
	2017 $	2016 $	2017 $	2016 $
Receivables	-	-	1,190,387	2,353,004
Management fees	158,000	285,013	-	-

Note 27. Subsequent events

Since the end of the financial year, the Board has declared a fully franked final dividend of 10.5 cents per ordinary share, amounting to $17,234,495 in respect of the year ended 31 December 2017 (31 December 2016: $16,413,805). This dividend is payable on 16 March 2018. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 31 December 2017 and will be recognised in subsequent financial reports.

Apart from the matters referred to above, no other matter or circumstance at the date of this report has arisen since 31 December 2017 that has significantly affected or may affect:

(a) the operations of the Group;

(b) the results of those operations in future financial years; and

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

Note 28. Earnings per share

The table below shows the calculation of basic and diluted earnings per share for 2017 and 2016.

	2017 $'000	2016 restated* $'000
Profit attributable to ordinary shareholders	33,206	24,481
Net profit after income tax attributable to equity holders of the parent	**33,206**	**24,481**

Weighted average number of shares outstanding - basic	**Number of shares**	
Opening issued ordinary shares balance	164,138,049	149,882,534
Effect of allotment and issuances	-	3,085,596
Weighted average number of ordinary shares at 31 December	**164,138,049**	**152,968,130**

Weighted average number of shares outstanding - diluted		
Weighted average number of ordinary shares-basic	164,138,049	152,968,130
Effect of performance rights on issue	1,625,813	1,370,709
Weighted average number of ordinary shares at 31 December	**165,763,862**	**154,338,839**

Earnings per share	**2017**	**2016 restated***
Basic profit earnings per share (cents)	20	16
Diluted profit earnings per share (cents)	20	16

* Prior year comparatives have been restated following the Group's election to change deferred tax accounting policy during the year. Refer to Note 9 'Income tax' of the accompanying notes for further details.

Note 29. Reconciliation of cash flows from operating activities

	2017 $'000	2016 restated* $'000
Cash flows from operating activities		
Profit after income tax for the year	33,054	24,388
Adjustments for:		
Depreciation	18,916	16,268
Amortisation	14,552	11,417
Straight-lining of site rents	-	2,552
Transaction costs related to acquisitions	1,139	1,774
Net finance costs	16	114
Share of profit /(loss) of equity-accounted investees, net of tax	68	(8)
Net loss on sale of non-current assets	75	436
Net exchange differences	4	22
Equity-settled share-based payment transactions	2,239	1,353
Other items	-	17
	70,063	**58,333**
Changes in:		
Trade receivables	(1,937)	(16,999)
Deferred tax balances	(3,881)	(3,038)
Other operating assets	(4,703)	(1,908)
Trade payables	(5,837)	6,500
Other provisions	2,132	4,537
Provision for income taxes payable	(8,052)	5,891
Other operating liabilities	2,592	742
Cash generated from operating activities	**50,377**	**54,058**

Accounting policy: Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other highly liquid investments with original maturities of three months or less that are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

* Prior year comparatives have been restated following the Group's election to change deferred tax accounting policy during the year. Refer to Note 9 'Income tax' of the accompanying notes for further details.

Note 30. Auditor's renumeration

	2017 $	2016 $
Audit and assurance services		
KPMG Australia		
Audit and review of financial statements	279,025	364,000
Other assurance services	56,331	24,831
Total audit and assurance services	**335,356**	**388,831**
Other services		
KPMG Australia		
Taxation compliance and advisory services	197,528	157,499
Acquisition-related services	54,819	376,500
Merger-related services	568,950	175,000
Other services	-	10,250
Total other services	**821,297**	**719,249**
Total auditor's remuneration	**1,156,653**	**1,108,080**

Note 31. Parent entity disclosures

As at and throughout the financial year ended 31 December 2017 the parent entity of the Group was oOh!media Limited (2016: oOh!media Limited).

	2017 $'000	2016 restated* $'000
(a) Financial position		
Financial position of parent entity at year end		
Current assets	165,426	159,003
Non-current assets	373,546	373,546
Total assets	**538,972**	**532,549**
Current liabilities	6,913	15,056
Non-current liabilities	160,164	147,903
Total liabilities	**167,077**	**162,959**
Net assets	**371,895**	**369,590**
Total equity of parent entity comprising of:		
Contributed equity	349,510	349,510
Reserves	22,385	20,080
Retained earnings	-	-
Total equity	**371,895**	**369,590**

	2017 $'000	2016 restated* $'000
(b) Comprehensive income		
Result of parent entity		
Profit for the year:		
Dividends received from subsidiary	23,800	16,048
Other comprehensive profit/(loss)	65	160
Total comprehensive income for the year	**23,865**	**16,208**

(c) Parent entity capital commitments for acquisition of property, plant and equipment

The parent entity did not have any capital commitments for the acquisition of property, plant or equipment as at 31 December 2017 (2016: Nil).

(d) Guarantees and contingent liabilities

Please refer to Note 25 for information on the guarantees and contingent liabilities of the parent entity.

* Prior year comparatives have been restated following the Group's election to change deferred tax accounting policy during the year. Refer to Note 9 'Income tax' of the accompanying notes for further details.

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 consolidated financial statements and notes of the Group that are set out on pages 48 to 92 of this Annual Report and the Remuneration Report on pages 10 to 24 in the Directors' Report within the Annual Report, 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 31 December 2017 and of its performance for the financial year ended on that date; and
      ii. complying with Australian Accounting Standards 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.
2. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth) from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2017.
3. The Directors draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed on behalf of the Board

Tony Faure
Chair

19 February 2018 Sydney

Independent Auditor's Report

To the shareholders of oOh!media Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of the oOh!media Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises the:

- Consolidated statement of financial position as at 31 December 2017
- Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end and from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Key Audit Matters	94

The ***Key Audit Matters*** we identified are:

- Recoverable amount of goodwill and intangible assets

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of goodwill and intangible assets ($372million)

Refer to Note 12 to the financial report

The key audit matter	How the matter was addressed in our audit
Recoverable amount of goodwill and intangible assets is a Key Audit Matter due to: • the size of the balance (being 63% of total assets); and • the level of judgement required by us in evaluating management's assessment of recoverability as contained in their value in use model. These judgements included: • the determination of cash generating units (CGU); and • forecast cash flows, discount rates applied, and the assumptions underlying the forecast growth and terminal growth rates. In assessing this key audit matter, we involved senior audit team members, including valuation specialists, who collectively understand the Group's business, the Out of Home (OOH) advertising market and the economic environment it operates in.	Our procedures included, amongst others • We assessed management's determination of the Group's CGUs based on our understanding of the nature of the Group's business. We analysed the impact of the Group's internal reporting to assess how results are monitored and reported and the implications to CGU identification in accordance with accounting standards; • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the value in use model; • Working with our valuation specialists we used our knowledge of the Group, and the OOH advertising market, to assess the key assumptions used in the Group's value in use model, such as forecast cash flows. We compared management's forecast growth and terminal growth rates and discount rates to published market and industry trends; and • We assessed the recoverable amount of the Group's total goodwill and intangible assets against the market capitalisation of the Group at 31 December 2017, to inform the focus of our testing on the judgements used by management in the value in use model.

KPMG

Other Information

Other Information is financial and non-financial information in oOh!media Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's ability to continue as a going concern and whether the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of oOh!media Limited for the year ended 31 December 2017, complies with *Section 300A* of the *Corporations Act 2001*.

Director's responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 10 to 24 of the Director's report for the year ended 31 December 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our Audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Trent Duvall
Partner

Sydney
19 February 2018

Shareholder Information

Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There are no other classes of equity securities.

Share rights: Share rights holders do not have any voting rights on the share rights held by them. The shareholder information set out below is applicable as at 18 January 2018.

Distribution of equity securities

Analysis of number of equity security holders by size of holding:

Range	Number of holders	% of holders	Number of shares	% of shares
1 - 1,000	675	33.92	261,070	0.16
1,001 - 5,000	823	41.36	2,152,654	1.31
5,001 - 10,000	268	13.47	1,987,729	1.21
10,001 - 100,000	191	9.60	4,613,901	2.81
100,001 and over	33	1.66	155,122,695	94.51
Total number of security holders	**1,990**	**100.00**	**164,138,049**	**100.00**
Holders holding less than a marketable parcel of shares	190	9.55	2,798	-

Restricted securities

There are currently no restricted securities on issue.

On-market buy back

There is no current on-market buy back.

Unquoted equity securities

Range	Number of rights holders	Number of rights	% of rights
1 – 1,000	0	0	0
1,001 – 5,000	0	0	0
5,001 – 10,000	0	0	0
10,001 – 100,000	20	880,790	64
100,001 and over	2	489,919	36
Total	**22**	**2,083,324**	**100**

Total of quoted and restricted securities

Range	Number of shares
Ordinary shares not subject to voluntary escrow (quoted securities)	164,138,049
Ordinary shares subject to voluntary escrow (restricted securities)	0
Total number of shares	**164,138,049**

Twenty largest quoted equity security holders

Range	Number of ordinary shares held	Percentage of ordinary shares %
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	60,195,880	36.67
J P MORGAN NOMINEES AUSTRALIA LTD	33,193,107	20.22
NATIONAL NOMINEES LTD	14,649,396	8.93
CAVENDISH SQUARE HOLDING BV	12,939,385	7.88
CITICORP NOMINEES PTY LTD	9,866,493	6.01
UBS NOMINEES PTY LTD	5,563,598	3.39
BNP PARIBAS NOMS PTY LTD	4,404,592	2.68
BNP PARIBAS NOMINEES PTY LTD	3,762,317	2.29
UBS NOMINEES PTY LTD	3,325,280	2.03
BNP PARIBAS NOMS (NZ) LTD	1,049,208	0.64
ARGO INVESTMENTS LTD	1,005,493	0.61
ECAPITAL NOMINEES PTY LTD	760,320	0.46
DEBRA COOK	500,000	0.30
CITICORP NOMINEES PTY LTD	389,523	0.24
WARBONT NOMINEES PTY LTD	337,196	0.21
INVESTMENT CUSTODIAL SERVICES LTD	283,947	0.17
BAINPRO NOMINEES PTY LTD	263,944	0.16
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	225,735	0.14
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	224,595	0.14
SCOTT GANT	219,151	0.13
Total held by top 20 largest holders	**153,159,160**	**93.31**
Other	**10,978,889**	**6.69**
Total	**164,138,049**	**100.00**

Substantial holders

Range	Number of ordinary shares held	Percentage of ordinary shares %
HMI CAPITAL LLC	15,752,488	9.60
JCP INVESTMENT PARTNERS LTD	15,479,058	9.43
YARRA FUNDS MANAGEMENT LTD	13,144,653	8.09
CAVENDISH SQUARE HOLDING BV	12,939,385	7.88
AUSTRALIAN SUPER PTY LTD	11,619,674	7.08
WELLINGTON MANAGEMENT GROUP LLP	8,277,465	5.04

Glossary

Term	Meaning/definition
AASB	Australian Accounting Standards Board
AGM	Annual General Meeting
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange, as operated by ASX Limited ABN 98 008 624 691
AUD, A$, $ or Australian dollar	The lawful currency of the Commonwealth of Australia
Auditor	KPMG
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations
Board or Board of Directors	The board of Directors of oOh!media
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CF&OO	Chief Financial and Operating Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
CHAMP Funds	CHAMP Buyout III Pte Limited and certain funds managed by CHAMP III Management Pty Limited, being P.T. Limited as trustee of the CHAMP Buyout III (WW) Trust, Perpetual Trustee Company Limited as trustee of the CHAMP Buyout III Trust; and Perpetual Corporate Trust Limited as trustee of the CHAMP Buyout III (SWF) Trust
Company	oOh!media Limited ACN 602 195 380
Company Secretary	The Company Secretary of oOh!media as appointed from time-to-time
Constitution	The constitution of the Company
Corporations Act	Corporations Act 2001 (Cth)
CY2014	Financial year ended 31 December 2014
CY2015	Financial year ended 31 December 2015
CY2016	Financial year ended 31 December 2016
CY2017	Financial year ended 31 December 2017
CY2018	Financial year ended 31 December 2018
Digital revenue	Revenue from digital advertising display panels
Director	Each of the Directors of oOh!media as appointed to the position from time-to-time
EBIT	Earnings before interest and taxation
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EPS	Earnings Per Share
ECN	Executive Channel Pty Ltd ABN 78 111 937 234
Escrow	An 'escrow' is a restriction on sale, disposal, or encumbering of, or certain other dealings in respect of, the shares concerned for the period of the escrow, subject to exceptions set out in the escrow arrangement
FAR	Fixed annual remuneration
FCTR	Foreign Currency Translation Reserve
FMCG	Fast moving consumer goods
Group	oOh!media Limited and its subsidiaries
GST	Goods and services or similar tax imposed in Australia and New Zealand
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
Inlink	Inlink Group Pty Ltd ABN 98 089 615 814
KMP	Key Management Personnel
KPI	Key Performance Indicator
KPMG	KPMG ABN 51 194 660 183

Term	Meaning/definition
Listing	The admission of oOh!media to the Official List of the ASX
Listing Rules	The Official Listing Rules of ASX
LTI	Long term incentive as payable under the LTI Plan
LTI Plan	oOh!media's long-term incentive plan, as amended by oOh!media from time-to-time
Management	The management of oOh!media
MD	Managing Director
MOVE	Measurement of Outdoor Visibility and Exposure, Australia's national Out of Home audience measurement system
n/a	Not applicable
NCI	Non-controlling Interest
NED	Non-executive Director
NPAT	Net profit after tax
NPATA	Net profit after tax before amortisation of acquired intangibles
NZD	New Zealand Dollars
OCI	Other Comprehensive Income
OFR	Operating and Financial Review
OMA	Outdoor Media Association, the peak national industry body that represents most of Australia's traditional and digital outdoor media display companies and production facilities, as well as some media display asset owners
Officer	An Officer of the Company
OMI	Outdoor Media Investments Limited ABN 32 156 446 187
OML	oOh!media Limited ACN 602 195 380
oOh!media	oOh!media Limited ACN 602 195 380
Out Of Home	Out Of Home, also commonly referred to as out of home or outdoor advertising, represents the media sector of the advertising industry that communicates with people when they are out of their home
Registry	Link Market Services Limited ABN 54 083 214 537
Rights	Rights to shares granted pursuant to the LTI Plan
Senior Executive	The senior executive management of oOh!media
Share of security	A fully paid ordinary share in oOh!media
Share registry	Link Market Services Limited ABN 54 083 214 537
Shareholder	The registered holder of a Share
SMI	Standard Media Index
STI	oOh!media's short term incentive plan, as amended by oOh!media from time-to-time
STI Plan	Short term incentive payable under the STI Plan
TSR	Total Shareholder Return
VWAP	Volume weighted average price
WHS	Workplace health & safety
WHSE&Q	Work, health, safety, environment & quality
WPP	Cavendish Square Holding BV

Corporate Directory

Directors	**Michael Anderson** Independent Non-executive Director **Brendon Cook** Chief Executive Officer and Managing Director **Joanne Crewes** Independent Non-executive Director **Tony Faure** Chairman and Non-executive Director **Debra Goodin** Independent Non-executive Director and Lead Independent Director **Darren Smorgon** Independent Non-executive Director **Geoffrey Wild AM** Non-executive Director
Company Secretary	**Katrina Eastoe**
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
Auditor	KPMG Tower Three International Towers Sydney 300 Barangaroo Avenue Sydney NSW 2000
Bankers	Commonwealth Bank of Australia Westpac Banking Corporation 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

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Unmissable