

ASX Announcement
15 October 2018

APN Outdoor Group Limited Scheme Meeting – Chairperson's Address

In accordance with ASX Listing Rule 3.13, set out following is the Chairperson's address which will be made at today's Scheme Meeting, to be held at:

PricewaterhouseCoopers, One International Towers, Watermans Quay,
Barangaroo, Sydney NSW at 10:00am (Sydney time).

For further information, please contact:

Investors

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About APN Outdoor

APN Outdoor is a leading outdoor company advertising across Australia and New Zealand, with over 40,000 high-impact connection points in iconic and influential locations.

With a comprehensive, quality platform that reaches 97% of Australians every day, APN Outdoor delivers reach, impact and effectiveness. Our focus on insights, powered by data, provides a deep understanding of audiences, including where to find them and how to connect with them. At the heart of our business are innovative media solutions that amplify, engage and inspire action – ensuring our advertisers achieve smarter impact. It's not outdoor without us.



**CHAIRPERSON'S ADDRESS
COURT CONVENED SCHEME MEETING
TO BE HELD AT PRICEWATERHOUSECOOPERS, ONE INTERNATIONAL
TOWERS, WATERMANS QUAY, BARANGAROO, SYDNEY NSW ON
MONDAY, 15 OCTOBER 2018 AT 10:00AM**

QUORUM

Good morning Ladies and Gentlemen. It is now 10.00a.m. and a quorum being clearly present, I declare the Meeting open. Could I ask that you turn off your mobile phones and any recording devices. Non-use of audio and video recording devices is specified in the Company's Constitution.

My name is Lisa Chung and I am an Independent Non-Executive Director of your Company, APN Outdoor Group Limited. I am also the Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Management Committee.

I will be the Chair of today's court approved Scheme Meeting, filling in for our current Chairman, Mr Doug Flynn, who is unable to attend today's meeting because of a prior commitment interstate, but is nonetheless with us on the teleconference link.

INTRODUCTION OF DIRECTORS AND EXECUTIVES

Also in attendance today is Jack Matthews, Independent Non-Executive Director and our Executive Team led by James Warburton, Chief Executive Officer and Managing Director.

CHAIR'S ADDRESS

On behalf of my fellow Directors and Management of APN Outdoor, I am pleased to welcome you here today for an important moment in the history of your company.

On 26 June 2018, APN Outdoor announced that it had entered into a Scheme Implementation Deed with JCDecaux SA under which JCDecaux SA agreed to acquire all of the shares in APN Outdoor for a total cash consideration of \$6.70 per share.

The purpose of this Scheme Meeting is to consider, and if thought fit, to approve the scheme of arrangement proposed between APN Outdoor and APN Outdoor Shareholders set out in the Scheme Booklet.

In terms of the Scheme, a wholly-owned subsidiary of JCDecaux SA, JCDecaux ANZ, will acquire all of the shares in APN Outdoor. APN Outdoor Shareholders will receive a total cash consideration of \$6.70 per share, comprising:

- a Special Dividend of \$0.30 cash per share held on the Special Dividend Record Date, payable by APN Outdoor; and
- Scheme Consideration of \$6.40 cash per share held on the Scheme Record Date, payable by JCDecaux ANZ.

APN Outdoor shareholders will have received a Scheme Booklet together with a personalised proxy form.

The Scheme Booklet includes:

- a notice convening today's meeting;
- an overview of the Scheme;
- the key considerations relevant to each shareholder's vote including reasons to vote in favour of, or against, the Scheme;
- frequently asked questions and answers; and
- information about the JCDecaux Group.

Today, shareholders will be asked to vote on a Scheme Resolution in relation to the proposed transaction which requires their approval for it to proceed.

I will present the Scheme Resolution to be considered and there will be time for questions and discussion. Following this, I will display the proxy votes for the Scheme Resolution and will take a vote by way of a poll on the Scheme Resolution. The results of today's Scheme Meeting will be announced to the ASX and posted on APN Outdoor's website later today.

BACKGROUND

Following the introduction of a new Executive Team in 2018 led by our Chief Executive Officer and Managing Director, James Warburton, APN Outdoor has had a renewed focus on transforming the business from an asset-oriented business into a sales and audience led organisation.

On 21 June 2018, APN Outdoor received an unsolicited offer from JC Decaux for 100% of the shares in APN Outdoor.

After comprehensive consideration of all the alternatives available to APN Outdoor, your Board negotiated an agreed transaction with JCDecaux at an attractive valuation for outdoor media transactions in Australia and New Zealand – which we believe is a great result for all shareholders.

The JCDecaux SA offer of \$6.70 total cash consideration per share, represents a solid enterprise value multiple equivalent to 12.9x APN Outdoor's estimated Underlying EBITDA for 2018.

The total cash consideration per share of \$6.70 represents a:

- 18% premium to the 'undisturbed' closing price on 19 June 2018¹ of \$5.68;
- 26% premium to the 3-month volume weighted average price (VWAP) to 19 June 2018¹ of \$5.32; and
- 34% premium to the 6-month volume weighted average price (VWAP) to 19 June 2018¹ of \$5.01.

The market multiple paid by JCDecaux SA reflects in part the strategic value of APN Outdoor to JCDecaux given the proposed acquisition will provide the JCDecaux Group with exposure to different out-of-home segments and, in particular, large format billboards where it has no presence in Australia. This will enable the JCDecaux Group to compete more effectively against online and other mainstream advertising channels.

DIRECTORS RECOMMENDATION

Your Directors have unanimously recommended that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interest of Shareholders, Shareholders vote in favour of the Scheme Resolution at today's meeting.

¹ 19 June 2018, being the day prior to press speculation regarding JCDecaux's takeover interest in APN Outdoor.

Your Directors and the Company's advisers have not received any competing approaches or proposals for APN Outdoor since the unsolicited proposal was first received from JCDecaux SA and announced to the ASX on 21 June 2018.

The Directors of APN Outdoor made their recommendation on the basis that:

- The total cash consideration of \$6.70 per share represents an attractive premium over APN Outdoor's recent share price performance and an attractive premium to multiples paid in comparable precedent outdoor media transactions in Australia and New Zealand;
- If the Scheme proceeds, Shareholders will receive certain and immediate value for their investment in APN Outdoor, and will avoid ongoing risks and uncertainties associated with APN Outdoor's business;
- Those APN Outdoor shareholders who can take advantage of the \$0.13 per APN Outdoor share in franking credits attached to the Special Dividend of \$0.30 declared (subject to the Scheme becoming Effective) will receive additional benefit from the value of those franking credits to them; and
- APN Outdoor's share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal emerging.

INDEPENDENT EXPERT

Your Directors appointed Lonergan Edwards & Associates as the independent expert to assess the merits of the Scheme. A copy of the Independent Expert's Report is included in the Scheme Booklet.

The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the full underlying value of APN Outdoor in a range between \$6.33 and \$6.88 per share. The total cash consideration under the Scheme of \$6.70 per share exceeds the midpoint of the Independent Expert's assessed valuation range.

SCHEME CONDITIONS

Implementation of the Scheme is conditional on approval by:

- the requisite majorities at today's meeting; and
- the court and other customary conditions.

As at the date of this meeting, APN Outdoor has received Australian Competition and Consumer Commission (ACCC) approval, Foreign Investment Review Board (FIRB) approval and New Zealand Offshore Investment Office (OIO) approval. If the Scheme is approved by shareholders at today's meeting, we will apply to the Federal Court of Australia (NSW) on 18 October for an order approving the Scheme.

KEY DATES AND EVENTS

The timetable to implement the Scheme and pay shareholders their total cash consideration would be as follows:

- 18 October – the Effective Date of the Scheme and last trading day in APN Outdoor Shares;
- 22 October – the Record Date for shareholders to receive the Special Dividend;
- 25 October – the Record Date for shareholders to receive the Scheme Consideration;
- 29 October – the Special Dividend Payment Date; and
- 31 October – the Implementation Date and payment of the Scheme Consideration.

I would like to thank all shareholders who are in attendance today and those who have appointed proxies or other representatives to vote at the meeting.



APN

APN Outdoor

Scheme Meeting

PricewaterhouseCoopers
One International Towers, Watermans Quay
Barangaroo, Sydney NSW 2000
10:00am Monday, 15 October 2018

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OUTDOOR



JCDecaux transaction

- The purpose of this Scheme Meeting is to consider, and if thought fit to approve, the scheme of arrangement proposed between APN Outdoor and APN Outdoor Shareholders as set out in the Scheme Booklet
- Under the Scheme, JCDecaux ANZ, a wholly owned subsidiary of JCDecaux SA, will acquire all of the shares of APN Outdoor
- APN Outdoor shareholders will receive a total cash consideration of \$6.70 per share as follows:
 - Special Dividend of \$0.30 for each share held on the Special Dividend Record Date; and
 - Scheme consideration of \$6.40 cash for each share held on the Scheme Record Date.
- APN Outdoor Shareholders will have received a Scheme Booklet including the notice convening today's meeting and a personalised proxy form.

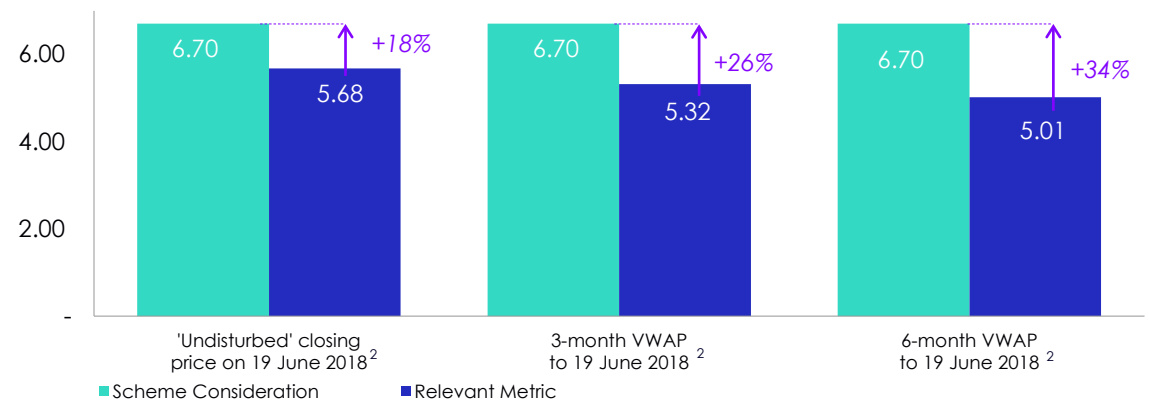


Directors' recommendation

Your Directors unanimously recommend¹ that Shareholders vote in favour of the Scheme Resolution at today's meeting, with the \$6.70 total cash consideration representing:

- A 12.9x multiple of EV/FY2018 EBITDA at the mid-point of guidance range
- Certain and immediate value for your investment in APN Outdoor
- An attractive premium over APN Outdoor's recent share price prior to the rumoured JCDecaux transaction

Share Price (\$)



¹ In the absence of a superior proposal and subject to the independent expert continuing to conclude that the scheme is in the best interest of shareholders

² 19 June 2018, being the day prior to press speculation regarding JCDecaux's takeover interest in APN Outdoor



Independent expert

- The APN Outdoor Board appointed Lonergan Edwards & Associates Limited as the Independent Expert to assess the merits of the Scheme
- The Independent Expert has concluded that the Scheme is **fair and reasonable** and therefore in the **best interest of APN Outdoor Shareholders** in the absence of a superior proposal
- The Independent Expert has assessed the fully diluted value of APN Outdoor Shares in a range between \$6.33 and \$6.88
- The total cash consideration of \$6.70 per APN Outdoor Share exceeds the midpoint of the Independent Expert's assessed valuation range



Scheme conditions

- ACCC clearance, NZ OIO and FIRB approvals have all now been received
- For the Scheme to proceed, “votes in favour” must be received:
 - From a majority in number of APN Outdoor Shareholders who vote at the Scheme Meeting (in person or by Proxy or representative); and
 - In respect of at least 75% of the total number of APN Outdoor shares voted on the Scheme Resolution to approve the Scheme
- The Scheme remains conditional on the Federal Court of Australia (NSW) approving the Scheme – court hearing scheduled for 18 October 2018

Key dates and events

If the Scheme is approved by APN Outdoor Shareholders

Event	
Court hearing and effective date of the Scheme	18 October 2018
Record date for Shareholders to receive the Special Dividend	22 October 2018
Record date for shareholders to receive the Scheme Consideration	25 October 2018
Special dividend payment date	29 October 2018
Implementation date and payment of the Scheme Consideration	31 October 2018

Scheme Resolution



Scheme Resolution

The resolution to be considered, and, if thought fit, pass at today's meeting is:

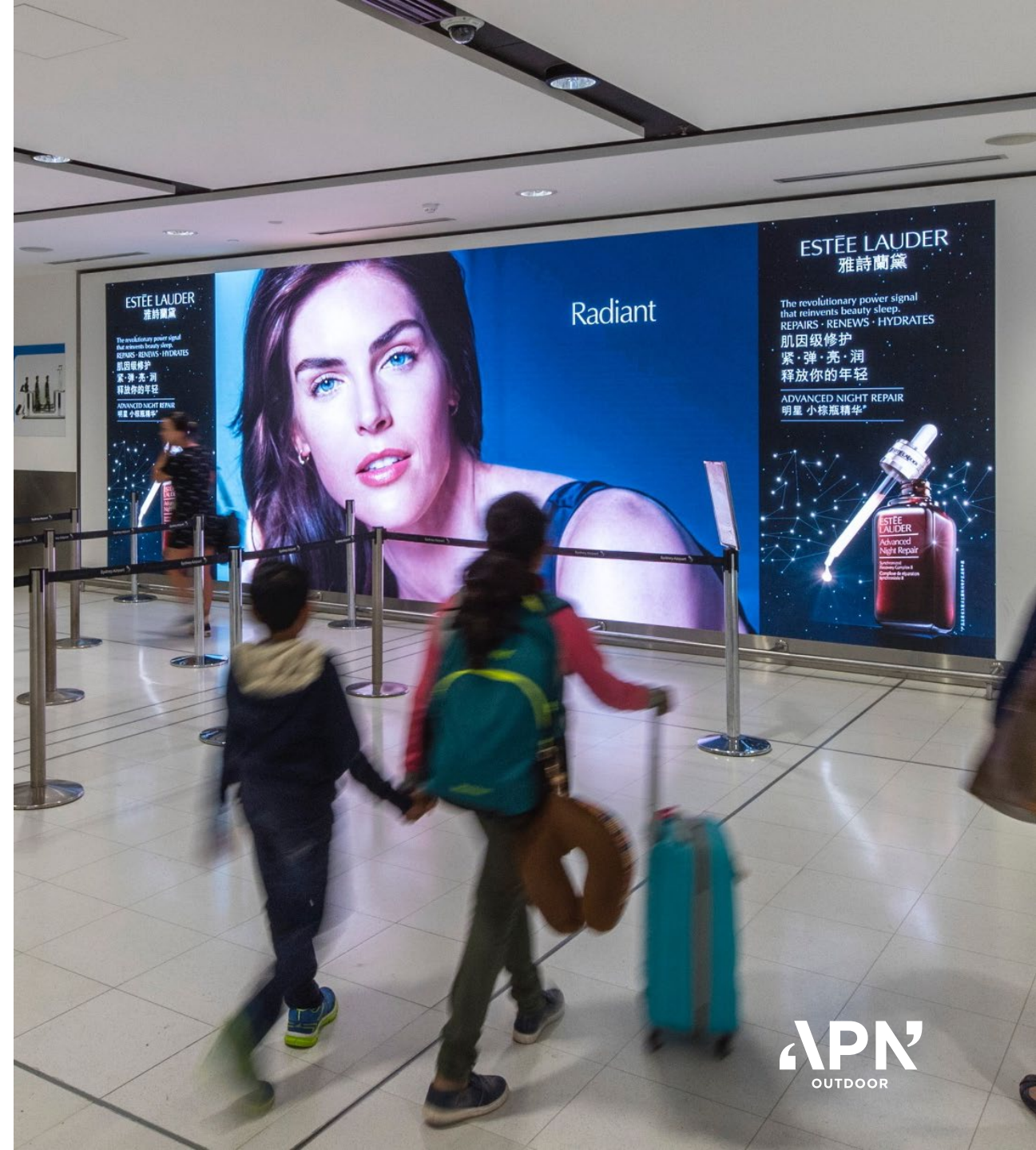
That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the Scheme of Arrangement proposed between APN Outdoor Group Limited and the holders of its ordinary shares (the terms of which are contained in and more particularly described in the Scheme Booklet of which the Notice of Scheme Meeting forms part)

is agreed to (with or without alterations or conditions as approved by the Court) and, subject to approval of the Scheme by the Court, the APN Outdoor Board is authorised to implement the Scheme with any such alterations or conditions.

Summary of proxy votes	For	Open	Against	Abstain
Votes	85,409,936	259,762	56,305	867,352
% of total votes	99.63%	0.3%	0.07%	

Conclusion

- Results of the poll will be announced to the ASX later today
- Please join the APN Outdoor Board and management team in attendance today for light refreshments



Smarter **Impact**,