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ACN : 091 780 924

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Form 388
Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

OOH!MEDIA GROUP LIMITED

ACN

091 780 924

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial year ends

Financial year end date
31-12-2011

Auditor's report

Were the financial statements audited?

Yes

Details of current auditor or auditors

Appointment of an auditor

Date of appointment **28-05-2004**

Business Name
PKF EAST COAST PRACTICE

Registration number **BN98383543**

State/Territory of registration **NSW**

Address
LEVEL 10
1 MARGARET STREET
SYDNEY NSW 2000
Australia

Form 388 - Copy of financial statements and reports
OOH!MEDIA GROUP LIMITED ACN 091 780 924

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.
Yes

Signature

Select the capacity in which you are lodging the form
Secretary

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.
Yes

Authentication

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Name	Simon Peter YEANDLE , Secretary
Date	30-04-2012

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oOh!media

General purpose annual financial report 2011

oOh!media Group Limited
ACN 091 780 924

Contents	Page

Directors' Report

Your Directors present their report on oOh!media Group Limited for the year ended 31 December 2011.

Directors

The following persons were Directors of the Company during the whole year and until the date of this report:
Mr Christopher Bregenhoj (Executive Director)
Mr Brendon Cook (Managing Director and CEO)
Mr Geoffrey Wild AM

Mr Brian Bickmore, Mr Graham Jones and Mr David Standen were directors from the beginning of the financial year until their resignations on 15 March 2012.

Mr Darren Smorgon , Mr Paul Kennedy and Mr Barry Zuckerman were appointed as directors on 15 March 2012 and continue in office at the date of this report.

Mr John Porter was appointed as director and Chairman on 17 March 2012 and continues in office at the date of this report.

Principal activities

oOh!media Group Limited's activities include out-of-home media, production and advertising. The Group continues to focus on the outdoor advertising industry and accordingly it has made a number of acquisitions in the media industry. It intends to continue to grow its business through organic development and acquisition.

There were no significant changes in the nature of the activities during the financial year, other than as detailed in the review of operations and significant changes in the state of affairs noted below.

Dividends

No dividends were paid during the year and no dividend is proposed.

Results and financial position

The consolidated net profit after tax for the year comprises:	2011	2010
	$'000	$'000
Revenue from sales	119,171	109,700
Earnings before net borrowing costs, tax, depreciation and amortisation	21,039	21,117
Depreciation and amortisation	(4,568)	(4,306)
Earnings before net borrowing costs and tax	16,471	16,811
Net borrowing costs	(4,167)	(5,629)
Profit from ordinary activities before income tax	12,304	11,182
Income tax (expense)	(4,266)	(4,154)
Net profit after tax	8,038	7,028

Net cash flow from operating activities for the year amounted to $10,132,000 (2010: $14,032,000), a decrease of $3,900,000.

Net cash flow for the year amounted to $(7,879,000) (2010: $11,373,000) reflecting the settlement of the acquisition of Sports and Outdoor Media Pty Limited.

Net assets for the year increased by $24,567,000 to $111,658,000 at 31 December 2011.

02

Review of operations

The Group operated in the out-of-home media industry. Currently the Group has operations only in Australia.

Significant changes in the state of affairs

On 31 January 2011, the Company announced it had made the final payment for the Sports and Outdoor Media Pty Limited acquisition earlier than the contracted date, following its recent successful capital raising. Under the early settlement agreement, $18.5 million was paid to the vendor, consisting of $4.2 million in ordinary shares at 20 cents per share and $14.3 million in cash for the balance of the deferred consideration. There are no further payments to be made in respect of this acquisition.

On 13 December 2011, the Company announced that it had entered into a Scheme Implementation Agreement with Outdoor Media Operations Pty Limited, under which Outdoor Media Operations Pty Limited has agreed to offer to acquire all the Company's ordinary shares that the CHAMP III Funds do not already own. This was implemented by way of a Court approved scheme of arrangement (Scheme). Outdoor Media Operations Pty Limited is owned by the CHAMP III Funds.

Following the passing of a resolution at a Scheme Meeting of the Company's shareholders on 27 February 2012, the Scheme was approved by shareholders.

Following the passing of a resolution at a General Meeting of the Company's shareholders on 27 February 2012, all 23,000,000 outstanding share options were to be cancelled as at 7pm on 8 March 2012.

On 29 February 2012, Court approval of the Scheme was granted and the Scheme became effective of 15 March 2012.

Further details can be found in the Scheme Booklet and on the Company's website www.oohmedia.com.au.

Matters subsequent to the end of the financial year

There is at the date of this report no matter or circumstance, other than as noted in note 29 to the financial statements, which has arisen since 31 December 2011 that has significantly affected or may affect:

i. the operations of the Group;
ii. the results of these operations; or
iii. the state of affairs of the Group for the financial years subsequent to 31 December 2011.

Likely developments and expected results of operations

Further acquisition and growth opportunities are being investigated, with a view to broadening the Group's business base to maximise shareholder value.

Information on Directors

Director	Special Responsibilities	Independence	Particulars of Directors' interests in shares and options of the Company	
			Shares	Options
Non-executive Directors				
Mr Paul Kennedy	Member of Audit Committee	Not independent	-	-
Mr John Porter, Chairman	Member of Audit Committee Chairman of Remuneration Committee	Independent	-	-
Mr Darren Smorgon	Member of Remuneration Committee	Not independent	-	-
Mr Geoffrey Wild AM	Member of Remuneration Committee	Not independent	-	-
Mr Barry Zuckerman	Chairman of Audit Committee	Not independent	-	-
Executive Directors				
Mr Christopher Bregenhoj		Not independent	-	-
Mr Brendon Cook	CEO and Managing Director Member of Audit Committee	Not independent	-	-

Qualification and experience of Directors

Non-executive Directors

Mr Brian Bickmore (appointed 17 May 2005, resigned 15 March 2012)
Brian Bickmore is one of Australia's leading media executives and brings to oOh!media considerable local and international success in building and operating national media networks and enterprises. As a founding executive member and longest serving Director of Austereo Group Limited, Mr Bickmore has been at the forefront of the Australian radio industry for over 25 years. Following Mr Bickmore's retirement from Austereo Group Limited in 2004, he assumed independent directorships with listed media groups RG Capital Radio Limited and Photon Group Limited. Mr Bickmore subsequently assumed the role of Independent Chairman of RG Capital Radio Limited. He is also Chairman of Australian bakery cafe chain Pie Face.

Mr Graham Jones FCPA, FAICD (appointed 5 October 2001, resigned 15 March 2012)
Chairman until 15 March 2012
Graham Jones, who is presently Principal of Wallace Jones & Hood Pty Ltd, a business and art consultancy, has had a long career in business in Australia and internationally. Mr Jones conducts a successful consultancy specialising in business strategy, reconstruction, cost reduction and organisational effectiveness. He has held the following positions as Treasurer of IBM Australia/NZ and CFO/Finance Director of Rank Industries Australia, Capita Financial Group, House of Fraser Holdings (incorporating Harrods Ltd) and Qantas Airways Ltd. He is also Chairman of Media Access Australia, a Not For Profit organisation encouraging access to all forms of media for people with disabilities.

Mr Paul Kennedy (appointed 15 March 2012)
Mr Kennedy joined CHAMP Private Equity in 2005. He is responsible for the assessment of potential investment opportunities, the management of third party due diligence processes, and participates in the portfolio management of investee companies of the funds managed or advised by CHAMP Private Equity. Mr Kennedy holds a Bachelor of Commerce and a Bachelor of Science (Mathematics and Computer Science) from the University of Adelaide and a Master of Business Administration (With Distinction) from INSEAD, France.

Mr John Porter (appointed 17 March 2012)
Chairman
Prior to joining oOh!media, Mr. Porter was Executive Director and Chief Executive Officer of Austar United Communications Limited from June 1999 to March 2012. Mr. Porter was Managing Director of Austar Entertainment Pty Limited from July 1997 to December 1999. From January 1997 to August 1999, he also served as the Chief Operating Officer of United Asia Pacific, Inc. ("UAP"). Mr. Porter led the establishment of Austar Entertainment Pty Limited in 1995, and by doing so played an integral role in the development of Australia's subscription television industry. Prior to joining AUSTAR, Mr. Porter spent ten years in various senior management capacities for Time Warner Cable, a subsidiary of Time Warner, Inc. Mr. Porter has more than 25 years of management experience in the US and Australian subscription television industries. Mr. Porter served as the president on the Board of the Australian Subscription Television and Radio Association, and a director of Multi Channel Network, a position he has held since March 2000.

Mr Darren Smorgon (appointed 15 March 2012)
Mr Smorgon is a Director of CHAMP Private Equity, and has been with the group since 1999. His responsibilities include all aspects of the investment and portfolio company management process including deal origination and execution, portfolio company monitoring and exit management. During 2000-2001, he spent 12 months in New York with CHAMP Private Equity's New York based affiliate, Castle Harlan, Inc. where he worked on the sale of Ion Track Instruments, Inc. Mr Smorgon holds Bachelor of Economics (with Merit) and Masters of Commerce (with Merit) degrees from the University of New South Wales and is an Associate of the Securities Institute of Australia. He is a member of the Board of Directors and Investment Committee of CHAMP Private Equity. He is also a Director of two portfolio companies of the funds managed or advised by CHAMP Private Equity: Golding Contractors Pty Limited and LCR Group Pty Limited. He was formally a Director of Study Group International, Penrice Soda Products Pty Ltd and Australian Discount Retail Pty Ltd.

Mr David Standen (appointed 3 July 2006, resigned 15 March 2012)
David Standen is an Executive Director of Macquarie Capital Advisers Limited, a Macquarie Group Limited company, focusing on corporate advisory and private equity investments in the telecommunications, media and technology markets. Prior to joining Macquarie Bank, Mr Standen has served in executive capacities at NCR, AT&T and as a Partner in the legal firm Gilbert & Tobin and brings many years operational and transaction experience.

Mr Geoffrey Wild AM (appointed 10 July 2007)
Geoffrey Wild has spent over thirty years in the advertising industry, including as Deputy Chairman of Clemenger BBDO, and a Board Member of BBDO Worldwide. He was Chairman of the NSW Tourism Commission, and a Director of the Sydney Olympic Committee Bid Company and one of four Vice Presidents of that Committee. Currently Mr Wild sits on several boards including as Chairman of WPP Holdings (Australia) Pty Ltd. He is Deputy Chairman of Arab Bank Australia Limited, and a long serving Board Member of Phil Ruthven's IBIS World, the business and economic forecasting group and until recently, of the PGA (Professional Golf Association). He is a former Director of the NSW TAB Limited and OPSM. He was awarded the Order of Australia (AM) in 2000, for his contribution to business, tourism and the Olympics.

Mr Barry Zuckerman (appointed 15 March 2012)
Mr Zuckerman joined CHAMP Private Equity in 2001 and is the Finance Director for the group. He is responsible for the finance and operations infrastructure of the group and manages the day-to-day financial operations for the funds. Mr Zuckerman holds a Bachelor of Commerce degree from the University of Cape Town, South Africa and is a member of The Institute of Chartered Accountants in Australia.

Qualification and experience of Directors

Executive Directors

Mr Brendon Cook CEO and Managing Director
(appointed 15 November 2002)
Brendon Cook founded Outdoor Network Australia, now known as oOh!media, in 1989. Mr Cook has had 33 years' experience in outdoor media with companies including Australian Posters, Britescreens and Alan Davis. Mr Cook is also a board member of the OMA (Outdoor Media Association of Australia) and has, for more than 13 years, been an active member of The Executive Connection Group, an international organisation dedicated to increasing the effectiveness of CEOs.

Mr Christopher Bregenhoj Executive Director
(appointed 20 February 2000)
Christopher Bregenhoj worked for 13 years in Hong Kong where he started his career as a practicing accountant and became a partner in KPMG. Subsequently he joined Morgan Grenfell (Hong Kong) Limited as an Associate Director. In 1988 he returned to Australia where he established First Equity Capital Ltd, a private investment banking and corporate advisory company which joined with Consortium Capital Limited and Gemini Investment Holdings Limited to form Gemini Capital Limited in 1996. He was appointed as non-executive chairman of Human Therapeutics Group in December 1999 and has been a director of oOh!media Group Limited since its incorporation on 28th February 2000 as Pi2 Ltd.

Company Secretary

Mr Michael Egan (appointed 3 May 2001, resigned 15 March 2012)
Michael Egan was Company Secretary of the Company and its controlled entities until his resignation on 15 March 2012. Mr Egan has a range of experience in the Chartered Accounting profession, in business and in consulting. Mr Egan has held Directorships in ASX listed companies and in Australian subsidiaries of multi-national companies including Anglo-Australian group Rio Tinto and Hoechst (Germany).

Mr Simon Yeandle (appointed 15 March 2012)
Simon Yeandle is Company Secretary of the Company and Chief Financial Officer of the oOh!media group of companies. He is a Chartered Accountant with 24 years' experience in the media and finance industries through Australia, Europe and North America. He has held senior management positions in television, advertising sales and other media companies including CNN and Foxtel. He is actively involved in all areas of the business and with our customers and suppliers.

Retirement, election and continuation in office of Directors

Each Director holds office until the first Annual General Meeting after his/her appointment, at which each Director seeking re-election as a Director must offer himself/herself for re-election in accordance with the Company's Constitution. The Managing Director, by reason of holding office as Managing Director of the Company, is exempted from the provisions of the Constitution that require him/her to be re-elected to office.

Environmental Regulations

The Company has determined that there is no particular or significant environmental legislation which is relevant to its operations.

Insurance of Officers

During the financial year, a premium of $60,708 was payable to insure all Directors and officers of the Company and related bodies corporate.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be bought against any Director in their capacity as officer of the Company or a related body corporate.

Websites

Further information in relation to oOh!media Group Limited and its controlled entities is available on the Group's website at www.oohmedia.com.au.

Shares under option

There were no unissued ordinary shares of oOh!media Group Limited under option at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of oOh!media Group Limited issued during the year ended 31 December 2011.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Auditor

PKF have been appointed as Auditor in accordance with section 327 of the Corporations Act 2001.

Independence declaration

In accordance with the Audit Independence requirements of the Corporations Act 2001, the Directors have received and are satisfied with the "Auditor's Independence Declaration" provided by the Group external auditor PKF. A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 40.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors.

Mr Christopher Bregenhoj
Director, Sydney
30 April 2012

Statement of Comprehensive Income

for the year ended 31 December 2011

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Revenue from continuing operations	2	**119,171**	109,700
Other recurring income	2	**4**	30
Costs of media sites and production		**(71,590)**	(64,129)
Employees and Directors costs		**(16,890)**	(16,253)
Insurance costs		**(132)**	(152)
Property related costs		**(912)**	(870)
Depreciation and amortisation	3	**(4,568)**	(4,306)
Legal and professional fees		**(234)**	(1,117)
Share based payments expense	3	**(455)**	(422)
Loss on disposal of non-current assets	3	**(67)**	-
Other expenses from ordinary activities		**(6,605)**	(5,640)
Underlying operating profit for the year		**17,722**	16,841
Fair value adjustment on acquisition of businesses	2	**446**	-
Expenses in relation to acquisitions of businesses	3	**(266)**	-
Scheme-related expenses incurred	3	**(625)**	-
Scheme-related expenses accelerated on the Scheme becoming effective	3	**(802)**	-
Operating profit for the year	3	**16,475**	16,841
Borrowing costs	3	**(3,736)**	(5,659)
Profit before income tax for the year, before crystallization of Sports and Outdoor Media Pty Limited future financing charges		**12,739**	11,182
Acceleration of future financing charges in relation to the early settlement of the acquisition of Sports and Outdoor Media Pty Limited		**(435)**	-
Profit before income tax for the year		**12,304**	11,182
Income tax (expense)	4	**(4,266)**	(4,154)
Profit from continuing operations attributable to the members of oOh!media Group Limited for the year		**8,038**	7,028
Other comprehensive income		**-**	-
Total comprehensive income for the year		**8,038**	7,028

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance Sheet
as at 31 December 2011

	Notes	Consolidated 2011 $'000	2010 $'000
Current Assets			
Cash and cash equivalents	5	**473**	6,525
Trade and other receivables	6	**26,006**	23,949
Inventories	7	**95**	92
Total Current Assets		**26,574**	30,566
Non-Current Assets			
Property, plant and equipment	8	**24,518**	19,788
Intangible assets	9	**105,506**	99,016
Financial assets	10	**896**	413
Total Non-Current Assets		**130,920**	119,217
Total Assets		**157,494**	149,783
Current Liabilities			
Trade and other payables	12	**13,939**	15,318
Deferred consideration for the acquisition of Sports & Outdoor Media Pty Limited	26(a)	**-**	16,878
Borrowings	13	**7,808**	4,812
Current tax liabilities		**1,099**	2,137
Provisions	14	**530**	452
Total Current Liabilities		**23,376**	39,597
Non-Current Liabilities			
Borrowings	15	**20,626**	21,247
Provisions	16	**942**	755
Deferred tax liabilities	17	**892**	1,093
Total Non-Current Liabilities		**22,460**	23,095
Total Liabilities		**45,836**	62,692
Net Assets		**111,658**	87,091
Equity			
Equity attributable to equity holders of the parent entity			
Contributed equity - share capital	18	**94,819**	79,547
Reserves		**1,679**	422
Retained earnings		**15,160**	7,122
Total Equity		**111,658**	87,091

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 31 December 2011

	Notes	Consolidated 2011 $'000	2010 $'000
Cash flows from operating activities			
Receipts from customers		**116,696**	107,123
Payments to employees and suppliers		**(98,243)**	(85,498)
Interest received		**4**	30
Borrowing costs paid		**(2,963)**	(4,518)
Income tax paid and received		**(5,362)**	(3,105)
Net cash inflow from operating activities	21	**10,132**	14,032
Cash flows from investing activities			
Payments for the acquisition of Sports and Outdoor Media Pty Limited	26	**(13,861)**	(3,950)
Payments for the acquisition of controlled entities and businesses, net of cash acquired	26	**(6,805)**	(1,650)
Payments for plant and equipment		**(7,546)**	(3,711)
Payments for intangible assets		**(957)**	(317)
Payments for investments		**(484)**	-
Proceeds from sale of property, plant and equipment		**31**	-
Net cash (outflow) from investing activities		**(29,622)**	(9,628)
Cash flows from financing activities			
Proceeds from issue of shares		**10,930**	11,361
Proceeds from borrowings		**5,000**	375
Repayment of borrowings		**(2,800)**	(2,800)
Repayment of finance leases		**(1,519)**	(1,967)
Net cash inflow from financing activities		**11,611**	6,969
Net (decrease)/increase in cash and cash equivalents held		**(7,879)**	11,373
Cash and cash equivalents at the beginning of the financial year		**6,374**	(4,999)
Cash and cash equivalents at the end of the financial year	5	**(1,505)**	6,374

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

Statement of Changes in Equity

for the year ended 31 December 2011

Consolidated
2011

	Contributed equity- Share capital $'000	Reserves- Option reserve $'000	Retained Earnings $'000	Total $'000
Total equity at 1 January	**79,547**	**422**	**7,122**	**87,091**
Profit and total comprehensive income for the year	-	-	8,038	8,038
Total comprehensive income for the year	**-**	**-**	**8,038**	**8,038**
Transactions with equity holders in their capacity as equity holders				
Contributions of equity, net of transaction costs	11,072	-	-	11,072
Shares issued in respect of the acquisition of Sports and Outdoor Media Pty Limited	4,200	-	-	4,200
Share based payments expense - options	-	1,257	-	1,257
Total of transactions with equity holders in their capacity as equity holders	**15,272**	**1,257**	**-**	**16,529**
Total equity at 31 December	**94,819**	**1,679**	**15,160**	**111,658**

Consolidated
2010

	Contributed equity- Share capital $'000	Reserves- Option reserve $'000	Retained Earnings $'000	Total $'000
Total equity at 1 January	66,996	-	94	67,090
Profit and total comprehensive income for the year	-	-	7,028	7,028
Total comprehensive income for the year	-	-	7,028	7,028
Transactions with equity holders in their capacity as equity holders				
Contributions of equity, net of transaction costs	12,551	-	-	12,551
Share based payments expense - options	-	422	-	422
Total of transactions with equity holders in their capacity as equity holders	12,551	422	-	12,973
Total equity at 31 December	79,547	422	7,122	87,091

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

Notes to the Financial Statements

31 December 2011

1 Summary of Significant Accounting Policies

This report incorporates the assets and liabilities of all of the entities controlled by oOh!media Group Limited (the 'Company' or 'parent entity') as at 31 December 2011 and the results of all controlled entities for the year then ended. oOh!media Group Limited and its controlled entities together are referred to in this financial report as the 'consolidated entity' or 'Group'. oOh!media Group Limited is an unlisted public Company, incorporated and domiciled in Australia. The Company has adopted Class Order 98/2016 as a result of ceasing to be a disclosing entity after the end of the financial year ended 31 December 2011 and before the earlier of the lodgement deadline and the deadline for reporting to members.

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied to all years presented, unless otherwsie stated.

(a) Basis of preparation

(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

This general purpose financial report has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements are prepared in Australian dollars in accordance with the historical cost convention.

(ii) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(b) New, revised or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The consolidated entity has early adopted AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2010-02 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements'. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 1053 Application of Tiers of Australian Accounting Standards

The consolidated entity has early adopted AASB 1053 from 1 January 2011. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The consolidated entity being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The consolidated entity has early adopted AASB 2010-2 from 1 January 2011. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the consolidated entity's disclosure requirements.

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

The consolidated entity has applied Interpretation 19 from 1 January 2011. The interpretation clarified that equity instruments issued to a creditor to extinguish a financial liability qualifies as consideration paid. The equity instruments issued are measured at their fair value, or if not reliably measured, at the fair value of the liability extinguished, with any gain or loss recognised in profit or loss.

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The consolidated entity has applied AASB 2010-3 amendments from 1 January 2011. The amendments resulted in some accounting changes for presentation, recognition or measurement purposes, whilst some amendments related to terminology and editorial changes had no or minimal effect on accounting. The main changes were:

AASB 127 'Consolidated and Separate Financial Statements' and AASB '3 Business Combinations' – the amendments clarified that contingent consideration from a business combination that occurred before the effective date of revised AASB 3 is not to be restated; the scope of the measurement choice of non-controlling interest is limited to when the rights acquired include entitlement to a proportionate share of net assets in the event of liquidation; and required an entity in a business combination to account for the replacement of acquiree's share-based payment transactions, unreplaced and voluntarily replaced, by splitting between consideration and post combination expenses.

Notes to the Financial Statements

31 December 2011

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of oOh!media Group Limited and its controlled entities as outlined in note 26 ('the Group') as at 31 December each year.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in controlled entities held by oOh!media Group Limited are accounted for at cost in the separate financial statements of the parent entity.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition (see note 1(w)).

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income and statement of financial position of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is oOh!media Group Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. Amounts payable and receivable in foreign currencies are translated to Australian currency at the rates of exchange at the date of the balance sheet. Resulting exchange differences are brought to account in determining the profit or loss for the period.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and taxes paid. Revenue is recognised for the major business activities as follows:

(i) Media business

Revenue for the placement of advertising is recognised for the specific period the advertisement is displayed. Revenue for media production work is recognised on completion of the assignment.

(ii) Other

Interest revenues are accrued over the period during which they are earned.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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 substantively 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 deferred tax liabilities are offset if, and only if:

(i) the entity has a legally enforceable right to set-off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

oOh!media Group Limited and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 January 2003. The Australian Taxation Office has been notified of this decision. The entities have entered into a tax sharing agreement.

As a consequence, oOh!media Group Limited as the head entity in the tax consolidated Group and the controlled entities in the tax consolidated Group will continue to account for their own current and deferred tax amounts. In addition to its own current and deferred tax

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amounts, oOh!media Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

(g) Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities assumed at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless the notional price at which they could be placed in the market is a better indicator of fair market value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

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 acquisition. The discount rate is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Goodwill is brought to account on the basis described in note 1(o). Business combinations are accounted for on the basis as described in note 1(w).

h) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable and independent cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. See notes 8, 9 and 10.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, bank overdrafts and other working capital facilities.

(j) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 90 days from the date of recognition. Collectibility of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(k) Inventories

Work in progress

Work in progress is stated at cost less progress billings to customers. Costs comprise direct materials, direct labour, direct third party costs and an appropriate proportion of overheads if relevant.

(l) Financial instruments and other financial assets

(i) Available-for-sale financial assets

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair values are taken directly to equity, unless the losses are significant or prolonged. The fair value of available-for-sale financial assets is determined based on the present value of net cash inflows from expected future dividends and subsequent disposal of the securities. The discount rate used to determine the present value of the net cash inflows was based on a market interest rate and the risk premium specific to the unlisted securities.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either:

i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or

ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mis-match. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

(iii) 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. The fair value of loans and receivables is determined based on measurement at amortised cost using the effective interest method, less any provision for impairment.

(m) Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation. 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 income statement during the financial period in which they are incurred.

Depreciation is calculated on a straight line basis so as to write off the net cost of each item of plant and equipment over its expected useful life to the consolidated entity. 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:

Plant and equipment	3-20 years

Leasehold property and improvements are amortised over the life of the lease or the expected useful life whichever is the shorter.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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Compensation from third parties for items of property, plant and equipment that are impaired, lost or given up are be included in profit or loss when the compensation becomes receivable.

(n) Leases

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

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating lease payments are charged to the income statements in the period in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(o) Intangible assets

(i) Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the cost of acquisition, including the fair value of shares issued over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill. Goodwill on acquisition of business combinations is not amortised. Instead goodwill is evaluated according to note 1 (h) 'Impairment of Assets' to determine whether its carrying amount exceeds its recoverable amount and hence whether an impairment loss has been incurred and should be recognised. Goodwill is allocated to the cash generating units of the Group for the purposes of impairment testing.

(ii) Development costs

Development costs relating to the development of licences or contracts are carried at cost less accumulated amortisation. Development expenditure is only capitalised if:

- it is probable that future economic benefits that are attributable to the asset will flow to the Group;
- all costs are separately identifiable;
- the Group controls the asset and can restrict the access of others to the benefit; and
- the expenditure arises from development or the development phase of an internal project.

(iii) Licences, Contracts, Patents, Trademarks and Other

All licences, contracts, patents and trademarks are assessed as having either a finite or indefinite useful life.

All items that have been classified as being indefinite lived assets will be impairment tested annually in accordance with note 1(h). All items classified as finite lived assets are amortised on a straight line basis over the useful life of the asset. This amortisation is included in the depreciation and amortisation charge in the Statement of Comprehensive Income.

The Directors assess at the end of each reporting period all classifications and rates used, to ensure appropriateness.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Other financial liabilities and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. 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 balance sheet date.

(r) Employee entitlements

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date 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 to be provided by employees up to the reporting date. In calculating the liability, consideration is given to expected future wage and salary levels, experience of employee departures, periods of service and historical data.
Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Equity based compensation costs

The Company currently engages in the practice of allocating to its employees shares and share options as part of their remuneration packages. Equity based compensation benefits are provided to employees via the oOh!media Group Limited Employee Share Option Plan, as set out in note 18 to the financial statements.

These payments and also payments made to other counterparties in return for goods and services are measured at the more readily determinable fair value of the goods/services or the fair values of the equity instrument.

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An expense is recognised for all share based remuneration determined with reference to the fair value of the equity instruments issued. The fair value of equity instruments is calculated using market prices where available, and where market prices are not available using a valuation technique consistent with the Black-Scholes methodology, to estimate the price of those equity instruments in an arm's length transaction between knowledgeable, willing parties. The fair value calculated in accordance with AASB2 is charged against profit over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. This amount is expensed.

Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital.

(s) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:

- interest on bank overdrafts;
- amortisation of ancillary costs incurred with the arrangement of borrowings; and
- finance lease charges.

(t) Share issue costs

Share issue costs are charged directly against share capital.

(u) Rounding of accounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of accounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(v) Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are set out below:

(i) Income taxes

The Group is subject to income taxes. Significant judgement is required in determining the carrying amount of current and deferred tax assets and liabilities. The Group recognises current and deferred tax assets and liabilities based on estimates and predictions of future events, including profit budgets, forecasts and the likelihood of any adverse changes in income tax legislation. The recoupment of tax losses is subject to the Group satisfying legislative requirements particularly the continuity of ownership test and the same business test and complying with the interpretation of those tests by the Australian Taxation Office via its relevant taxation rulings. Where these estimates and predictions differ from the final outcomes of these events, such differences will impact the current and deferred tax assets and liabilities and income tax expense in the periods in which the final outcomes of these events occur. Details of the nature and carrying amount of current and deferred tax assets and liabilities are set out in note 4, 11 and 17.

(ii) Impairment of assets

Note 1(h) sets out the Group's accounting policy regarding testing certain assets for impairment. The calculation of the recoverable amount of these assets requires the use of assumptions including: the probability of lease/licence renewal, the continuity of expected earning capacity of the assets and the discount rates applied to cash flow projections. These assumptions are reviewed for each impairment test carried out and any changes in the assumptions might change the recoverable amounts calculated for these assets.

(w) Business combinations

Acquisitions of controlled entities and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in statement of comprehensive income as income.

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2. Revenue and other income

	Consolidated	
	2011 $'000	2010 $'000
Revenue from continuing operations		
Sales revenue		
Sale of media production and services	**119,171**	109,700
Other income		
Interest income	**4**	30
Fair value adjustment on acquisition of businesses (see note 26(a))	**446**	-
Total revenue and other income	**119,621**	109,730

3. Items included in profit before income tax

Expenses		
Depreciation of plant and equipment	**3,932**	3,715
Amortisation of intangible assets	**636**	591
Loss on disposal of non-current assets	**67**	-
Directors' and employees' superannuation contributions	**875**	925
Minimum lease payments expense in respect of operating leases	**24,889**	21,714
Legal and professional expenses and duties payable in respect of acquisitions of businesses	**266**	-
Borrowing costs		
Interest on bank facilities drawn	**2,407**	2,983
Present value adjustments and payments in relation to the deferred consideration on the acquisition of businesses	**1,329**	2,676
	3,736	5,659
Share based payments expense		
Share based payments expense-options	**455**	422
	455	422
CHAMP Scheme-related expenses (see notes 28 and 29):		
Legal and professional fees	**625**	-
Share based payments expense-options accelerated on the Scheme becoming effective	**802**	-
	1,427	-

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4. Income tax

(a) Income tax expense

	Consolidated 2011 $'000	Consolidated 2010 $'000
Current tax (charge)	**(4,322)**	(3,874)
Deferred tax credit/(charge)	**59**	(744)
(Under)/overprovision in prior periods	**(3)**	464
Income tax (expense)	**(4,266)**	(4,154)
Income tax (expense) is attributable to:		
(Profit) from continuing operations	**(4,266)**	(4,154)
Deferred tax credit/(charge) included in the income tax (charge) comprises:		
(Decrease)/increase in deferred tax assets	**(188)**	151
Decrease/(increase) in deferred tax liabilities	**247**	(895)
	59	(744)

(b) Reconciliation of income tax attributable to the financial year to the prima facie income tax (expense) due on the operating profit

	2011	2010
Profit from continuing operations before income tax	**12,304**	11,182
Income tax (charge) calculated at 30% (2010: 30%)	**(3,691)**	(3,355)
Tax effect of differences:		
Non-deductible expenses and non-assessable income	**(610)**	(228)
Capital raising costs	**78**	73
(Under)/overprovision in prior periods	**(3)**	464
Temporary differences brought to account due to changes in tax legislation	**-**	(422)
Temporary differences previously not brought to account	**-**	(720)
Other	**(40)**	34
Income tax (expense)	**(4,266)**	(4,154)

oOh!media Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2003. The Australian Taxation Office has been notified of this decision. The entities have entered into a tax sharing agreement.

As a consequence, oOh!media Group Limited as the head entity in the tax consolidated Group and the controlled entities in the tax consolidated Group will continue to account for their own current and deferred tax amounts. In addition to its own current and deferred tax amounts, oOh!media Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

Assets or liabilities arising under tax sharing agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

The tax consolidated Group has franking credits available for subsequent reporting periods, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax at 31 December 2011, of $10,273,816 (2010: $4,911,157).

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5. Current assets - Cash and cash equivalents

	Consolidated	
	2011 $'000	2010 $'000
Cash at bank and in hand	**473**	6,525

6. Current assets - Trade and other receivables

	2011	2010
Trade receivables	**23,441**	22,344
Provision for bad and doubtful debts	**(143)**	(949)
Net trade receivables	**23,298**	21,395
Other debtors	**1,422**	1,076
Prepayments	**1,286**	1,478
	26,006	23,949

Movement in provisions for bad and doubtful debts

Carrying value at 1 January	**949**	577
Additional provisions made during the year	**65**	405
Amounts used during the year	**(871)**	(33)
Carrying value at 31 December	**143**	949

All credit risks associated with trade receivables have been provided for in the balance sheet. Provisions for bad and doubtful debts are made on the following bases:

- Individual ongoing assessments of each invoice and customer account, based on knowledge of the customer and their credit history; and
- A statistical method to determine the level of provision, based on past levels of bad debts written off.

Details of the company's credit risks and risk management policies are set out in note 19.

7. Current assets - Inventories

	Consolidated	
	2011 $'000	2010 $'000
Work in progress at cost	**95**	92

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8. Non-current assets - Property, plant and equipment

	Consolidated 2011 $'000	Consolidated 2010 $'000
Leasehold improvements at cost	**3,905**	1,563
Less: accumulated depreciation	**(1,413)**	(930)
	2,492	633
Plant and equipment at cost	**27,987**	21,899
Less: accumulated depreciation	**(10,621)**	(8,251)
	17,366	13,648
Leased plant and equipment at cost	**9,956**	9,724
Less: accumulated amortisation	**(5,296)**	(4,217)
	4,660	5,507
Total carrying value at 31 December	**24,518**	19,788
Plant and equipment includes assets under construction, at cost	**1,299**	1,100

Assets under construction have not been depreciated during the year.

Movements in carrying amounts **2011**	**Leasehold improvements $'000**	**Plant and equipment $'000**	**Leased plant & equipment $'000**	**Total $'000**
Consolidated				
Carrying value at 1 January 2011	**633**	**13,648**	**5,507**	**19,788**
Additions	**2,342**	**4,825**	**232**	**7,399**
Additions as a result of business combinations	**-**	**1,356**	**-**	**1,356**
Disposals	**-**	**(93)**	**-**	**(93)**
Depreciation and amortisation expense	**(483)**	**(2,370)**	**(1,079)**	**(3,932)**
Carrying value at 31 December 2011	**2,492**	**17,366**	**4,660**	**24,518**

2010				
Consolidated				
Carrying value at 1 January 2010	619	12,544	6,280	19,443
Additions	238	3,182	374	3,794
Additions as a result of business combinations	-	313	-	313
Disposals	-	(47)	-	(47)
Depreciation and amortisation expense	(224)	(2,344)	(1,147)	(3,715)
Carrying value at 31 December 2010	633	13,648	5,507	19,788

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9. Non-current assets - Intangible assets

	Consolidated					
	2011			2010		
	Definite useful life $'000	Indefinite useful life $'000	Total $'000	Definite useful life $'000	Indefinite useful life $'000	Total $'000
Goodwill at deemed cost	-	11,460	11,460	-	10,838	10,838
Licences	4,759	90,163	94,922	6,013	83,391	89,404
Less: accumulated amortisation	(1,750)	-	(1,750)	(1,350)	-	(1,350)
Less: impairment loss	(451)	-	(451)	(451)	-	(451)
	2,558	90,163	92,721	4,212	83,391	87,603
Retail software applications, in development stage	758	-	758	-	-	-
Computer software at cost	1,173	-	1,173	1,043	-	1,043
Less: accumulated amortisation	(606)	-	(606)	(468)	-	(468)
	567	-	567	575	-	575
Total carrying value at 31 December	3,883	101,623	105,506	4,787	94,229	99,016
Licences include those in a development stage, at cost	-	-	-	-	588	588

Licences in development have not been amortised during the year.
Retail software applications in development have not been amortised during the year.

Movements in carrying amounts 2011	Goodwill $'000	Licences $'000	Retail software applications $'000	Computer Software $'000	Total $'000
Consolidated					
Carrying value at 1 January 2011	10,838	87,603	-	575	99,016
Additions	-	93	758	130	981
Additions as a result of business combinations	622	5,523	-	-	6,145
Amortisation expense	-	(498)	-	(138)	(636)
Carrying value at 31 December 2011	11,460	92,721	758	567	105,506
2010					
Consolidated					
Carrying value at 1 January 2010	10,838	86,578	-	437	97,853
Additions	-	113	-	201	314
Additions as a result of business combinations	-	1,337	-	-	1,337
Amortisation expense	-	(425)	-	(63)	(488)
Carrying value at 31 December 2010	10,838	87,603	-	575	99,016

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Intangible assets other than goodwill have definite or indefinite lives. Intangible assets having indefinite useful lives comprise outdoor media asset leases, licences and contracts. Management have assessed the useful lives of these leases, licences and contracts and have determined that the useful lives are indefinite. The factors that have played a significant role in these determinations include:

- The useful lives of the leases, licences and contracts are not definite;
- The leases, licences and contracts may be renewed at little or no cost;
- The leases, licences and contracts may have been renewed in the past;
- The presence (or lack thereof) of any compelling challenge to the lease, licence and contract renewals;
- The intention to renew the leases, licences and contracts and the Group's ability to do so; and
- The probability of the leases, licences and contracts contributing to the Group's net cash inflows indefinitely.

Impairment tests for cash generating units containing goodwill and intangible assets with indefinite useful lives
(i) Cash generating units (CGUs)

CGUs fall into one of the following categories, which are based upon the degree to which the cash flows from a group of assets are independent from other assets or groups of assets:
- groups of outdoor media asset leases, licences and contracts, to the extent that they are the smallest identifiable group of outdoor media assets that generate those cash flows; and
- businesses, to the extent that they are the smallest identifiable group of outdoor media assets that generate those cash flows. This would generally happen in the case of a business combination that is run independently from the rest of the Group's operations and cash flows cannot be allocated to individual outdoor media assets or group of assets.

In assessing the independence of the cash flows from assets, management considers in particular how revenue is generated and recorded, and how management makes commercial decisions based upon the cash flows and results of the impairment tests conducted.

CGUs for impairment testing have been identified as

• media asset property leases and contracts;

• retail media asset licenses and contracts; and

• regional out-of-home business, incorporating the Sports and Outdoor Media Pty Ltd business and other business combinations. (Note this CGU has changed from the 2010 CGU of solely the Sports and Outdoor Media Pty Ltd business, as other regional out-of-home assets have been aggregated into this business, and it is now known as regional out-of-home.)

Goodwill acquired through business combinations and intangible licences have been allocated to these CGUs.

(ii) Carrying amount of goodwill and intangible assets with indefinite useful lives allocated to each CGU

The carrying amounts of goodwill and intangible assets with indefinite useful lives allocated to each of the CGUs are set out below.

				Consolidated 2011
	Property leases $'000	**Retail media asset licences $'000**	**Regional out-of-home business $'000**	**Total $'000**
Carrying amount of goodwill	**8,631**	**2,829**	**-**	**11,460**
Carrying amount of leases, licences and contracts with indefinite lives	**19,441**	**27,875**	**42,847**	**90,163**

				Consolidated 2010
	Property leases $'000	Retail media asset licences $'000	Sports and Outdoor Media Pty Ltd $'000	Total $'000
Carrying amount of goodwill	8,387	2,451	-	10,838
Carrying amount of leases, licences and contracts with indefinite lives	17,075	24,845	41,471	83,391

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(iii) Recoverable amount of CGUs

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use 1 to 5 year cash flow projections based on financial budgets prepared and approved by management. Cash flows beyond the financial budgets are extrapolated using estimated growth rates, as set out below.

(iv) Key assumptions used in value in use calculations for the CGUs for goodwill and intangible assets with indefinite useful lives

The calculation for value in use for outdoor media asset businesses and licences and contracts includes the following assumptions:

Discount rates
The pre-tax discount rates applied to cash flow projections are in the range from 14.1% p.a. to 21.5% p.a. (2010: 16.2% p.a. to 20.7% p.a.). These discount rates are consistent with past experience and external sources of information.

Expected licence/contract tenure
This is the expected time that each CGU is expected to deliver economic benefit to the entity and is in the range from 10 to 60 years, which is not materially different from using a terminal value in the value in use calculations.

Contribution
Contribution is the economic benefit expected to flow to the entity from each CGU.

Growth rate
Growth rate is the annual pecentage increment in contribution. Management determines this with regard to expected inflation, industry and demand growth rates over the expected licence/contract tenures of each cash generating unit. The contribution growth rates applied to all CGUs are in the range from 0.0% p.a. to 3.0% p.a.

(v) Sensitivity to changes in assumptions
Management believe that any possible changes in any of the above key assumptions would not cause the carrying value of each cash generating unit to exceed its fair value materially.

10. Non-current assets - financial assets

	Consolidated	
	2011 $'000	2010 $'000
Available-for-sale financial assets - unlisted equity securities	**423**	413
Loans and receivables	**473**	-
Total carrying value of financial assets	**896**	413

Notes to the Financial Statements

31 December 2011

11. Deferred tax assets

	Consolidated 2011 $'000	2010 $'000
The balance comprises temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Employee benefits	**441**	362
Provisions for doubtful debts	**43**	272
Legal costs of a capital nature	**100**	150
Accruals & sundry items	**119**	107
Total amounts recognised in the statement of comprehensive income	**703**	891
Amounts recognised directly in equity		
Capital raising expenses	**283**	141
Set-off of deferred tax liabilities pursuant to set-off provisions (see note 17)	**(986)**	(1,032)
Net deferred tax assets	**-**	-
Movements		
At 1 January	**-**	-
(Charged)/credited to the statement of comprehensive income	**(188)**	151
Credited to equity	**142**	100
Set-off of deferred tax liabilities pursuant to set-off provisions (see note 17)	**46**	(251)
At 31 December	**-**	-

12. Current liabilities - Trade and other payables

Trade payables	**3,258**	4,095
Other payables	**10,681**	11,223
	13,939	15,318

Trade payables are unsecured and non interest-bearing.

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13. Current liabilities - Borrowings

	Consolidated	
	2011 $'000	2010 $'000
Bank facilities drawn	**1,978**	151
Lease liabilities (see note 23)	**1,180**	1,861
Commercial bill line	**4,650**	2,800
	7,808	4,812

14. Current liabilities - Provisions

Employee entitlements (see note 24)	**530**	452
Movements in provisions		
Carrying value at 1 January	**452**	371
Additional provision recognised	**707**	564
Unused amounts reversed during the year	**(91)**	(40)
Amounts used during the year in respect of employee entitlements paid	**(538)**	(443)
Carrying value at 31 December	**530**	452

15. Non-current liabilities - Borrowings

Lease liabilities (see note 23)	**703**	1,665
Commercial bill line (see note 13)	**20,000**	19,650
Less: costs of facilities	**(77)**	(68)
	20,626	21,247

Unrestricted access was available at 31 December to the following bank facilities:

Working capital facility / bank overdraft	**8,000**	15,000
Commercial bill line	**24,650**	22,450
Equipment finance revolving facility	**3,000**	6,000
Total facilities	**35,650**	43,450
Used at 31 December:		
Working capital facility	**1,978**	151
Commercial bill line	**24,573**	22,450
Equipment finance revolving facility	**1,883**	3,526
	28,434	26,127

The working capital and the commercial bill facilities may be drawn at any time and are reviewed annually by the bank. They are secured by a fixed and floating charge over all the assets of the Group. There are no material terms or conditions relating to the assets pledged as collateral.

Details of the Group's interest rate exposure are set out in note 19.

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16. Non-current liabilities - Provisions

	Consolidated 2011 $'000	2010 $'000
Employee entitlements (see note 24)	**942**	755

Movements in provisions		
Carrying value at 1 January	**755**	575
Additional provision recognised	**315**	232
Unused amounts reversed during the year	**(21)**	(5)
Amounts used during the year in respect of employee entitlements paid	**(107)**	(47)
Carrying value at 31 December	**942**	755

17. Non-current liabilities - Deferred tax liabilities

The balance comprises temporary differences attributable to:		
Amounts recognised in statement of comprehensive income		
Intangible assets	**1,045**	1,179
Finance leased assets	**833**	594
Deferred consideration on the acquisition of Sports & Outdoor Media Pty Limited	**-**	352
Set-off of deferred tax assets pursuant to set-off provisions (see note 11)	**(986)**	(1,032)
Net deferred tax liabilities	**892**	1,093
Movements		
At 1 January	**1,093**	446
(Credited)/charged to the statement of comprehensive income	**(247)**	898
Set-off of deferred tax assets pursuant to set-off provisions (see note 11)	**46**	(251)
At 31 December	**892**	1,093

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31 December 2011

18. Contributed equity

	2011	2010	Consolidated 2011	Consolidated 2010
	No. of securities		$'000	$'000
(a) Issued and paid up capital:				
Ordinary shares issued and fully paid (no par value)	**501,225,275**	438,120,012	**94,819**	79,547
Options outstanding at 31 December	**23,000,000**	23,000,000		

(b) Movements in ordinary share capital and options over ordinary shares:

Date	Details	Number of Shares	$'000	Number of Options	$'000
1 January 2010		370,977,155	66,996	-	-
31 March 2010	Shares issued in consideration for the acquisition of Sports and Outdoor Media Pty Ltd	10,000,000	1,046	-	-
18 June 2010	Options issued	-	-	13,500,000	322
21 June 2010	Options issued	-	-	9,500,000	100
6 December 2010	Shares issued via a share placement	57,142,857	11,405	-	-
	Deferred tax credit recognised directly in equity in the year	-	100	-	-
31 December 2010		**438,120,012**	**79,547**	**23,000,000**	**422**
19 January 2011	Shares issued via a share placement	29,473,684	5,600	-	-
20 January 2011	Shares issued via a share placement	12,631,579	2,400	-	-
31 January 2011	Shares issued in consideration for the acquisition of Sports and Outdoor Media Pty Ltd	21,000,000	4,200	-	-
1 June 2011	Amount received under orders from the Takeovers Panel *	-	3,683	-	-
	Transaction costs accounted for as a deduction from equity in the year	-	(753)	-	-
	Share based payments (options) expensed in the year	-	-	-	1,257
	Deferred tax credit recognised directly in equity in the year	-	142	-	-
31 December 2011		**501,225,275**	**94,819**	**23,000,000**	**1,679**

* On 4 May 2011, the Company made an application to the Takeovers Panel in relation to its affairs. The application raised a number of concerns affecting an efficient, competitive and informed market. Full details of the application and its resolution can be found at www.takeovers.gov.au.

Notes to the Financial Statements

31 December 2011

(c) Ordinary shares

Voting rights

Every holder of shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him or her, and a proportionate vote for every partly paid share, registered in such shareholder's name on the parent entity's share register.

A poll may be demanded by the Chairperson of the meeting, by any 5 shareholders present in person or by proxy, attorney or representative, or by any one or more shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the shares of all those shareholders having the right to vote at that meeting.

Dividends rights

Dividends are payable out of the parent entity's profits and are declared or determined to be payable by the Directors. Dividends declared will be payable on the shares at a fixed amount per share.

Liquidation Rights

The parent entity has only one class of shares on issue, which all rank equally in the event of liquidation. Once all the liabilities of the parent entity are satisfied, a liquidator may, with the authority of a special resolution of shareholders, divide among the shareholders at the time the whole or any part of the remaining assets of the parent entity. The liquidator may with the sanction of a special resolution of the parent entity vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder can be compelled to accept any shares or other securities in respect of which there is any liability.

(d) Options

An Employee Share Option Plan ('ESOP') is operated by the Company to allow selected permanent employees and Directors to participate in the growth of the Company through the issue of options over ordinary shares in the Company. Eligibility for participation is at the discretion of the Board.

The options are granted for no consideration and carry no dividend or voting rights. The options are generally exercisable within five years from the date of grant at the exercise price, subject to the satisfaction of performance hurdles. The options expire five years from the date of grant.

Each option issued is convertible into one ordinary share. The exercise price of the options is the weighted average market price of the Company's shares sold on the ASX during the week immediately prior to and including the grant date. The exercise price is payable at the time of exercise of the options. The options must not be transferred, encumbered or otherwise disposed of without the prior consent of the Board.

Options normally lapse if the optionholder ceases to be an employee of the Company or any of its subsidiaries and in the case of a Director, ceases to hold office, otherwise than by death, permanent incapacity, redundancy, retirement or termination by convenience. In these events, options normally vest no the date of cessation.

(e) Options issued under the Employee Share Option Plan ("ESOP")

Grant date	Vesting date	Expiry date	Exercise Price	Fair value of each option at grant date	Outstanding at 1 January 2011	Issued during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 December 2011
21 May 2010	21 May 2010	20 May 2015	$0.12	$0.069	3,000,000	-	-	-	3,000,000
21 May 2010	21 May 2012	20 May 2015	$0.12	$0.067	6,750,000	-	-	-	6,750,000
21 May 2010	21 May 2013	20 May 2015	$0.12	$0.058	6,700,000	-	-	-	6,700,000
21 May 2010	21 May 2014	20 May 2015	$0.12	$0.050	6,550,000	-	-	-	6,550,000
					23,000,000	-	-	-	**23,000,000**
Weighted average exercise price					**$0.12**	-	-	-	**$0.12**
No options were exercised during the year.									
Weighted average remaining contractual life (years)									**0.2**

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The assessed fair value at grant date of options, calculated in accordance with AASB2 Share Based Payments, granted to Directors and key management personnel is allocated equally over the period from grant date to vesting date, and the amounts are disclosed in the remuneration tables. Fair values are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term and expected life of the option, the vesting and performance criteria, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Inputs into the model used are set out below:
Dividend yield: 0%
Expected volatility: 60%
Risk-free interest rate: 5.60%
Expected life of options: 2.8 to 5 years

These inputs are reviewed and updated for each and every grant of options.

As a condition of the Scheme of Arrangement becoming effective (see note 28), all share options were cancelled on 15 March 2012, effective 8 March 2012.

19. Financial instruments and financial risk management

(a) Risks arising from financial instruments

The Group conducts transactions in the following financial instruments:

- Cash and cash equivalents;
- Receivables;
- Deposits;
- Payables; and
- Borrowings, including bank bills and bank loans.

The Group is exposed to financial risks as a result of these transactions. These can be classified into credit risk, liquidity risk and market risk (in respect of interest rate risk, foreign currency risk and other price risks).

The Group has in place a risk management framework that mitigates these risks, with the purpose of mitigating overall risk to financial performance. Financial risk management policies are approved by the Audit Committee. The Group does not conduct derivative transactions nor trade speculatively in financial instruments, derivative or otherwise. Interest rates are fixed on certain bank loans, as approved by the board of Directors on a case by case basis.

The Group manages its risks in consideration of both its financial results and its underlying financial position.

Financial Risk Factors and mitigation

The financial risks associated with the Group's transactions and the Group's related risk management policies, are set out below.

Market Risks
(i) Interest Rate Risk
Interest rate risk is the risk that the fair value of a financial instrument or its cash flows will vary, due to changes in interest rates.

Interest bearing financial assets comprise cash at bank and in hand. Surplus cash at bank is used to reduce working capital facilities, therefore there is minimal interest rate risk on financial assets.

Financial liabilities relate to debt and borrowings from the Group's primary banker, Westpac Banking Corporation.

Notes to the Financial Statements

31 December 2011

Cash flow interest rate risk arises mainly from borrowings that attract variable interest rates. Working capital facilities attract a variable interest rate. The Group manages the interest rate exposure on this facility in accordance with targeted ratios of fixed interest debt to variable interest rate debt. These targets are continually reviewed.

Other financial liabilities comprise commercial bill lines and equipment finance facilities, which have fixed interest rates. The deferred consideration for the acquisition of Sports and Outdoor Media Pty Limited has associated fixed borrowing costs.

The Group does not hedge interest rate risk or use derivatives to manage its interest rate risk. All interest rates applicable are Australian interest rates.

All other assets and liabilities are non-interest bearing.

(ii) Other price risk
Other price risk is the risk that the fair value of available-for-sale financial assets will fluctuate due to changes in market prices, other than those arising from interest rate risk and currency risk.

(iii) **Foreign currency risk**
Foreign currency risk is the risk that the fair value of a financial instrument or its cash flows will vary, due to changes in foreign currency rates.

The Group conducts transactions solely in Australian dollars and is not subject to any foreign currency risk.

(iv) Credit Risk
Credit Risk is the risk that the fair value of a financial asset will decrease due to the failure of an entity with whom the Group transacts to fulfil its contractual obligations. The primary source of credit risk is trade receivables relating to customers who are given credit terms for payment of invoices for the supply of goods and services. The practices in place to manage these risks are:

- Credit checks are conducted on all new customers, and credit limits are set;
- Collateral held as security may be required;
- Ongoing assessments are conducted on the fair value of trade receivables and, where appropriate, a provision for bad and doubtful debtors is made against those assets which require it.

The maximum exposure to credit risk is the carrying value of trade receivables net of any provisions. Details of trade and other receivables are set out in note 6.

(v) Liquidity Risk
Liquidity risk is the inherent risk that the Group will have insufficient funds to meet its commitments to settle financial transactions and liabilities as and when they fall due. All financial liabilities with a contractual maturity date contribute to the Group's liquidity risks. The practices in place to manage these risks are:

- ongoing cash flow forecasting is performed; and
- a cash policy is in place that maintains a minimum level of cash and cash equivalents, and a minimum level of undrawn bank facilities.

Notes to the Financial Statements

31 December 2011

(vi) Capital Risk Management

The Group's and parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, fund growth with new debt or sell assets to reduce debt.

(b) Derivative financial instruments and hedging activities

The Group does not engage in hedging activities, conduct hedging transactions in, nor hold, financial instruments to hedge risks. Consequently the Group does not perform hedge accounting.

(c) Breaches

During the year the Group has not breached any of its agreements with its lenders, suppliers, customers or employees.

20. Key management personnel disclosures

Total remuneration for Directors and key management personnel

		Consolidated
	2011 **$**	2010 $
Short-term employment benefits	**3,292,173**	3,523,707
Post employment benefits	**87,031**	71,043
Share-based payments	**1,256,851**	407,521
	4,636,055	4,002,271

Transactions with Directors and key management personnel

Transactions with Directors or key management personnel were as follows:

Office fit-out goods and services purchased on normal commercial terms and conditions from an entity owned by a party related to a director	**2,169,580**	-
	2,169,580	-

There were no outstanding balances at the end of the reporting period relating to transactions with Directors and key management personnel.

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21. Cash flow information

(a) Reconciliation of cash flow from operating activities with profit from ordinary activities after income tax

	Consolidated	
	2011 $'000	2010 $'000
Profit from ordinary activities after income tax	**8,038**	7,028
Depreciation and amortisation	**4,568**	4,306
Non-cash employee benefits expense - employee entitlements	**265**	228
Share based payments	**1,257**	422
Fair value adjustment on acquisition of businesses	**(446)**	-
Non-cash borrowing costs	**1,216**	1,193
Loss on disposal of non-current assets	**67**	-
(Increase) in trade debtors	**(1,903)**	(3,146)
Decrease/(increase) in other operating assets	**550**	(1,182)
(Increase)/decrease in tax assets and liabilities	**(1,097)**	224
(Decrease)/increase in trade creditors	**(1,007)**	1,386
(Decrease)/increase in other operating liabilities	**(1,376)**	3,573
Net cash inflow from operating activities	**10,132**	14,032

(b) Reconciliation of cash

Cash at the end of the financial year is reconciled to the related items in the balance sheet as follows:

Cash at bank and in hand (see note 5)	**473**	6,525
Bank facilities drawn (included in Borrowings - see note 13)	**(1,978)**	(151)
	(1,505)	6,374

(c) Non-cash financing and investing activities

Acquisition of plant and equipment by means of finance leases	**38**	375

22. Contingencies

At 31 December 2011, the Group has issued bank guarantees in respect of property leases and contracts totalling $4,229,766 (2010: $1,913,773). These are not expected to be drawn on at any time, and are returnable upon lease and contract termination. Other than the guarantees mentioned above, the Group had no contingent liabilities or assets at 31 December 2010 and 31 December 2011.

Notes to the Financial Statements

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23. Capital and lease commitments

(a) Capital commitments

At 31 December 2011 the Group had no capital expenditure contracted for.

(b) Lease commitments

	Consolidated	
	2011 $'000	**2010 $'000**
Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
- within one year	**26,854**	24,979
- later than one year but not later than 5 years	**43,737**	48,098
- later than 5 years	**12,304**	5,151
Commitments not recognised in the financial statements	**82,895**	78,228

Operating lease commitments include minimum contracted payments in relation to non-cancellable out-of-home media asset leases, licences and contracts.

	2011 $'000	2010 $'000
Finance leases		
Commitments in relation to finance leases are payable as follows:		
- within one year	**1,283**	2,076
- later than one year but not later than 5 years	**757**	1,774
- later than 5 years	**-**	-
Minimum lease payments	**2,040**	3,850
Less: future finance charges	**(157)**	(324)
Recognised as a liability	**1,883**	3,526
Representing lease liabilities:		
Current (see note 13)	**1,180**	1,861
Non-current(see note 15)	**703**	1,665
	1,883	3,526

The weighted average interest rate implicit in the leases is 8.3% p.a. (2010: 8.6% p.a.). The rental commitments represent fixed portions of long-term rental contracts. The Directors believe that the associated future revenue streams will be sufficient to cover these commitments.

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24. Employee benefits

	Consolidated	
	2011 $'000	2010 $'000
Employee benefits and related on-costs liabilities		
Provision for employee benefits - current (see note 14)	**530**	452
Provision for employee benefits - non-current (see note 16)	**942**	755
Aggregate employee benefits and on-costs liabilities	**1,472**	1,207
Employee numbers		
Number of employees at the reporting date	**148**	129

25. Related party transactions

(a) Wholly owned Group

The wholly owned Group consists of oOh!media Group Limited and its wholly owned controlled entities, listed in note 26.

Transactions between oOh!media Group Limited and other entities within the wholly owned Group during the year ended 31 December 2011 consisted of:

- management fees charged by oOh!media Group Limited;
- loans advanced by and to oOh!media Group Limited; and
- investments in subsidiaries of oOh!media Group Limited

(b) Other transactions with Directors and key management personnel

Disclosures relating to Directors and key management personnel are set out in note 20.

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26. Investments in controlled entities and business combinations

	Country of incorporation	Class of shares	Effective equity holding 2011	2010
Closebuys Pty Limited	Australia	Ordinary	**72.5%**	-
oOh!media Assets Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Digital Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Factor Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Lifestyle Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Produce Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Retail Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Roadside Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Shop Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media MEP Pty Limited	Australia	Ordinary	**100%**	100%
oOh!media Tryvertising Pty Limited	Australia	Ordinary	**100%**	100%
Red Outdoor Py Limited	Australia	Ordinary	**100%**	-
Sports and Outdoor Media Pty Limited	Australia	Ordinary	**100%**	100%

(a) Acquisitions of controlled entities and businesses

(1)
On 9 December 2010, the Company completed the acquisition of the outdoor advertising assets of the NSW-based outdoor advertising business Prime Positions for a consideration of $1.65 million, paid in cash on completion. It is not practicable to disclose separately the acquiree's profit or loss included in the company's profit for the year since the date of acquisition, or as if the acquisition occurred on 1 January 2010, because all the acquired business assets have been integrated into the Company's operations.

(2)
On 31 January 2011, the Company announced it had made the final payment for its Sports and Outdoor Media Pty Ltd acquisition earlier than the contracted date, following its recent successful capital raising. Under the early settlement agreement, $18.5 million was paid to the vendor, consisting of $4.2 million in ordinary shares at 20 cents per share and $14.3 million in cash for the balance of the deferred consideration and borrowing costs. There are no further payments to be made in respect of this acquisition.

(3) Acquisitions of out-of-home media businesses and assets
During the year the company has made a number of minor acquisitions of out-of-home media assets. These have been accounted for under AASB3 Business Combinations, as each group operated as a separate business prior to acquisition.

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Details of the acquisitions are as follows:

	2011 Out-of-home media businesses Total $'000	2010 Out-of-home media businesses Total $'000
Aggregate fair value of assets acquired and liabilities assumed		
Plant and equipment	1,356	313
Intangible assets	5,523	1,337
Carying amount of assets and liabilities assumed immediately before the combination	6,879	1,650
Add: goodwill	622	-
Less: fair value adjustment on acquisition	(446)	-
Total fair value of assets acquired and liabilities assumed	7,055	1,650
Settled by:		
Cash paid in current year	6,805	1,650
Cash to be paid in future years	250	-
	7,055	1,650

	Consolidated	
	2011 $'000	2010 $'000
Outflow of cash to acquire controlled entities or businesses net of cash acquired		
Cash consideration paid in current year (see Statement of Cash Flows)	(6,805)	(1,650)
Total	(6,805)	(1,650)

27. Investments in Associates

Investments in associates are accounted using the equity method of accounting. Information relating to associates is set out below.

		Consolidated	
Associate	**Principal Activity**	2011 % interest	2010 % interest
Place-Based Media Pty Limited	Out-of-home media	20%	-

The share of profits of associates accounted for using the equity method for the year was $nil (2010: $nil).
The carrying value of investments in associates at 31 December 2011 was $nil (2010: $nil).

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28. Scheme of Arrangement

On 13 December 2011, the Company announced that it had entered into a Scheme Implementation Agreement with Outdoor Media Operations, under which Outdoor Media Operations has agreed to offer to acquire all the Company's ordinary shares that the CHAMP III Funds do not already own. This was implemented by way of a Court approved scheme of arrangement (Scheme). Outdoor Media Operations is owned by the CHAMP III Funds.

The Scheme is a members' scheme of arrangement under Part 5.1 of the Corporations Act proposed between oOh!media and oOh!media Shareholders (other than the CHAMP III Funds) as at 7pm on the Record Date for the Scheme, which was 8 March 2012.

Once the Scheme became Effective, oOh!media Shareholders (other than CHAMP III Funds) were entitled to elect to receive either:

• $0.325 cash per oOh!media share that they held on the Record Date; or
• mixed consideration comprising $0.10 cash and one Class B Share in Outdoor Media Investments, an unlisted exempted company incorporated under the laws of the Cayman Islands, for each oOh!media share that they held on the Record Date.

Further details can be found in the Scheme Booklet and on the Company's website www.oohmedia.com.au.

29. Events occurring after reporting date

(a) Scheme of Arrangement

Following the passing of a resolution at a Scheme Meeting of the Company's shareholders on 27 February 2012, the Scheme was approved by shareholders.

Following the passing of a resolution at a General Meeting of the Company's shareholders on 27 February 2012, all 23,000,000 outstanding share options were cancelled as at 7pm on the Record Date.

On 29 February 2012, Court approval of the Scheme was granted and the Scheme became effective of 15 March 2012.

(b) Bank facilities

Following the Scheme of Arrangement becoming effective, the company has in place new bank facilities between a syndicate of lenders and the Company's immediate parent company, Outdoor Media Operations Pty Limited. The Company and its controlled entities have acceded as borrowers under the new facilities agreement.

This agreement gives Outdoor Media Operations Pty Limited total facilities of $152,000,000, of which $77,000,000 was used to fund the purchase of the Company's shares by Outdoor Media Operations Pty Limited, the balance of $75,000,000 being for the use of the Company to funds its operations.

(c) Acquisitions of controlled entities and businesses

On 7 February 2012 the Company acquired 70% of the issued share capital of Penquin Australia Pty Limited and acquired 70% of the issued share capital of Cafe Screen Media Pty Limited.

On 26 March 2012 the company completed the acquisition of the out-of-home media assets of the Victoria-based out-of-home media business King Outdoor .

The aggregate purchase consideration paid for the above controlled entities and businesses was $4.359 million.

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30. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

oOh!media Assets Pty Limited
oOh!media Digital Pty Limited
oOh!media Factor Pty Limited
oOh!media Lifestyle Pty Limited
oOh!media Produce Pty Limited
oOh!media Pty Limited
oOh!media Retail Pty Limited
oOh!media Roadside Pty Limited
oOh!media Shop Pty Limited
oOh!media MEP Pty Limited
oOh!media Tryvertising Pty Limited
Red Outdoor Py Limited
Sports and Outdoor Media Pty Limited.

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC'). The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by oOh!media Group Limited, they also represent the 'Extended Closed Group'.

The consolidated statement of comprehensive income of the 'Closed Group' for the year is represented by the consolidated statement of comprehensive income for all of the entities controlled by oOh!media Group Limited for the year, set out on page 6.

The summary of movements in consolidated retained earnings of the 'Closed Group' for the year is represented by the 'retained earnings' section of the consolidated statement of changes in equity for all of the entities controlled by oOh!media Group Limited for the year, set out on page 9.

Notes to the Financial Statements

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Set out below is a statement of financial position of the 'Closed Group' as at the end of the year.

	Consolidated	
	2011 $'000	2010 $'000
Current Assets		
Cash and cash equivalents	473	6,525
Trade and other receivables	26,764	23,949
Inventories	95	92
Total Current Assets	27,332	30,566
Non-Current Assets		
Property, plant and equipment	24,518	19,788
Intangible assets	104,748	99,016
Financial assets	896	413
Total Non-Current Assets	130,162	119,217
Total Assets	157,494	149,783
Current Liabilities		
Trade and other payables	13,939	15,318
Deferred consideration for the acquisition of Sports & Outdoor Media Pty Limited	-	16,878
Borrowings	7,808	4,812
Current tax liabilities	1,099	2,137
Provisions	530	452
Total Current Liabilities	23,376	39,597
Non-Current Liabilities		
Borrowings	20,626	21,247
Provisions	942	755
Deferred tax liabilities	892	1,093
Total Non-Current Liabilities	22,460	23,095
Total Liabilities	45,836	62,692
Net Assets	111,658	87,091
Equity		
Contributed equity - share capital	94,819	79,547
Reserves	1,679	422
Retained earnings	15,160	7,122
Total Equity	111,658	87,091

Notes to the Financial Statements

31 December 2011

31. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following amounts:

	Parent Entity	
	2011 $'000	2010 $'000
Current Assets	**164**	3,530
Non-Current Assets	**98,030**	95,308
Total Assets	**98,194**	98,838
Current Liabilities	**9,781**	5,213
Non-Current Liabilities	**24,574**	39,612
Total Liabilities	**34,355**	44,825
Net Assets	**63,839**	54,013
Equity		
Contributed equity - share capital	**94,819**	79,547
Reserves	**1,679**	422
(Accumulated losses)	**(32,659)**	(25,956)
Total Equity	**63,839**	54,013
(Loss) and total comprehensive income for the year	**(6,703)**	(4,465)

(b) Guarantees entered into by the parent entity

At 31 December 2011, the parent entity has provided financial guarantees on behalf of controlled entities in respect of property lease and contracts totalling $489,355 (2010: $489,355). These are not expected to be drawn on at any time and are returnable upon lease and contract termination.

The parent entity has also provided financial guarantees in respect of bank facilities, secured by a fixed and floating charge over all the assets of the Group.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2010 or 31 December 2011.

(d) Commitments for expenditure

The parent entity did not have any capital expenditure or lease commitments contracted for as at 31 December 2010 or 31 December 2011.

32. Authorisation for issue

The financial report of oOh!media Group Limited for the year ended 31 December 2011 was authorised for issue in accordance with a resolution of the Directors on 30 April 2012.

Directors' Declaration

The Directors of oOh!media Group Limited declare that:

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Christopher Bregenhoj
Director
30 April 2012

Chartered Accountants
& Business Advisers

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To: the directors of oOh!media Group Limited and the entities it controlled during the year

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2011, there have been:

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

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

PKF

Paul Bull
Partner

30 April 2012
Sydney

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PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OOH!MEDIA GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of oOh!media Group Limited, which comprises the balance sheet as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of oOh!media Group Limited (the company) and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

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Chartered Accountants
& Business Advisers

Opinion

In our opinion the financial report of oOh!media Group Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*;

PKF

Paul Bull
Partner

30 April 2012
Sydney

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Company Secretary
Simon Yeandle

Share Registry
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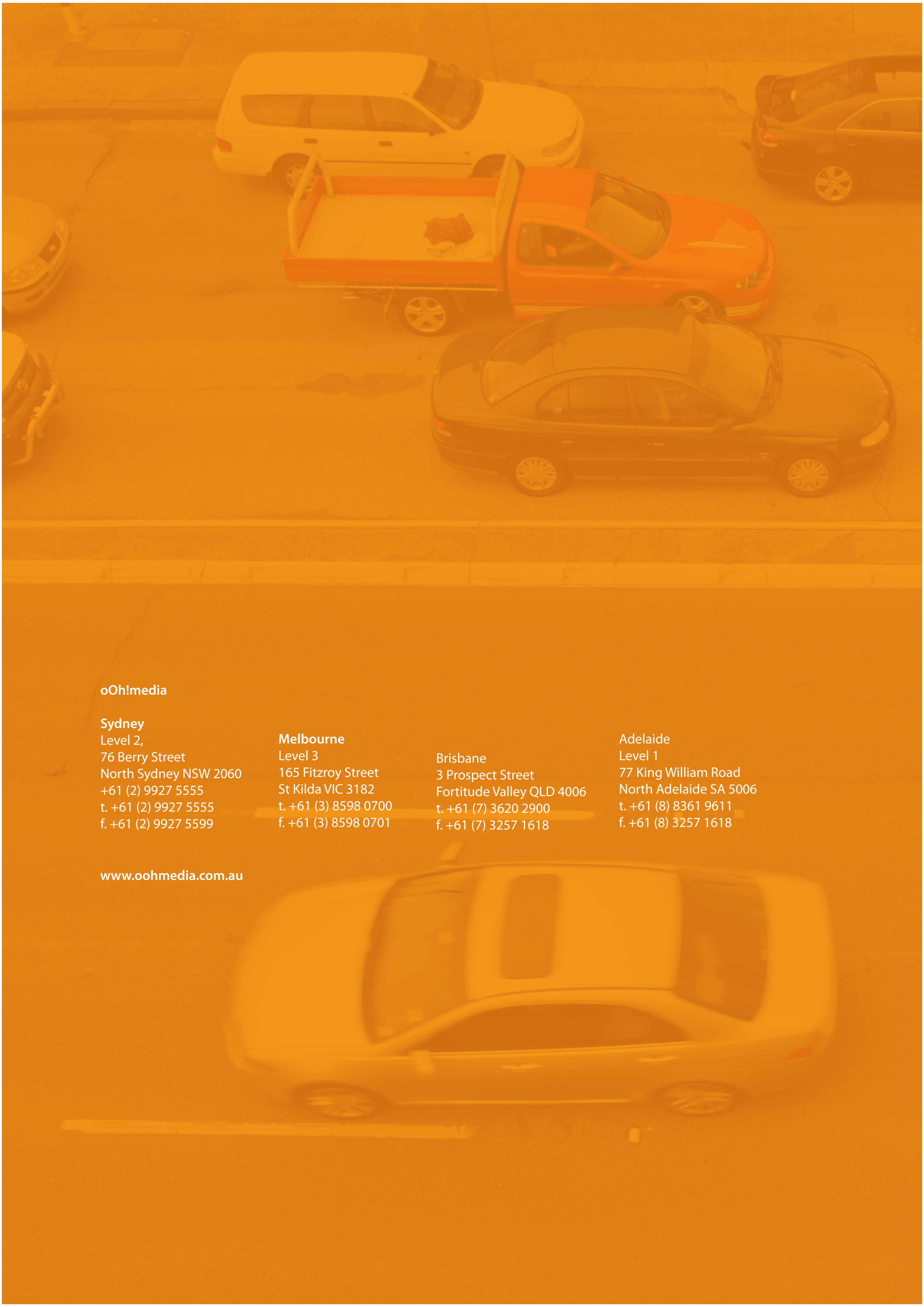

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