

oOh!media Limited
ABN 69 602 195 380

23 February, 2015



ASX & Media Release

oOh!media delivers strong growth and exceeds Prospectus forecasts

Australia's largest out-of-home media company, oOh!media Limited (ASX: OML), today reported that it had grown strongly and exceeded forecasts across all key financial metrics in its first Full Year Results since re-listing on the ASX.

Key points – CY 2014

- Pro forma revenue of **\$260.8** million for the full year to 31 December 2014, up **7.1%** on the previous corresponding period (pcp) and up **1.0%** on the forecast in the IPO Prospectus.
- Pro forma EBITDA of **\$42.1** million, up **27.9%** on the pcp and **4.7%** ahead of the Prospectus forecast.
- Pro forma Adjusted NPAT of **\$18.2** million up **222.3%** on the pcp and **4.0%** ahead of the Prospectus forecast.
- Digital revenues continue to outperform, with the percentage of total pro forma revenue reaching **23.2%**, against Prospectus forecast of **22.0%** and the prior year of **16.9%**.
- Strong balance sheet position - ending 2014 with 1.5x Net Debt to 2014 Pro Forma EBITDA.
- The Board reconfirms pro forma CY2015 forecast of **\$266.4** million revenue, **\$48.6** million EBITDA and **\$22.2** million Adjusted NPAT.

In announcing oOh!'s Full Year Results today Chief Executive Officer Brendon Cook said the company had delivered strong revenue growth – delivering a better than anticipated EBITDA and Adjusted NPAT.

"While most traditional media businesses are experiencing a decline in relevance, audiences and revenues as a result of the media landscape fragmenting, oOh! is one of the few that is bucking the trend," Mr Cook said.

"Our core asset mix of static and digital roadside billboards, and portfolio of advertising panels in shopping centres, airports and other key out-of-home environments continue to perform strongly as they reach a growing audience across both metropolitan and regional areas.

"On top of this our new digital out-of-home media strategy and offerings have helped us further increase our share of the \$13.4 billion spent on advertising in Australia in 2014, by delivering advertisers more creative engagement opportunities with consumers nationally and therefore broaden the out-of-home campaign capability."

Last year, oOh! fast tracked its digital roll out to delivering Australia's largest audience reaching digital network that comprises of more than 1,900 digital signs underpinned by the most advanced proprietary content management system in the country, ARGYLE

"Through our investment in digitisation and innovation, we have changed the face of one of the oldest advertising mediums through delivering dynamic and interactive media platforms for advertisers to engage with customers," Mr Cook said.

"It has also enabled us to increase the yield from our assets by providing time-sensitive advertising opportunities such as "sale" or "limited time" offers that the out-of-home industry previously could not provide.

"This has seen us not only continue to be the market leader in Australia's fastest growing traditional media segment, but also lead the market in digital revenues. Digital now represents almost a quarter of our revenue, which is well above the industry average, and we forecast that within three years digital will contribute half of our revenue."

All four operating divisions of oOh! made a significant contribution to the company's strong financial performance.

Road: The Road division performed in line with expectations – delivering slightly above forecast due to the strength of oOh!'s combined national regional and metropolitan offering. While there was a slight drop in revenue from the pcp, this was a result of oOh! not renewing metropolitan loss-making or marginally profitable contracts in 2014. In 2014 oOh! focused development activities around our digital sign council approvals including Melbourne's full motion "Times Square" site at Bourke Street Mall and Brisbane's largest Digital billboard located at the iconic Story Bridge.

Retail: The Retail division delivered annual pro forma revenue growth of 8.3%, reflecting continued growth in the value advertisers place on the retail offering and the success of oOh!'s market leading digital solutions in delivering consumer engagement. While the underlying media revenue was in line with forecast, total revenue was slightly lower than forecast as a result of lower revenue from ancillary services such as production, installation and creative services. Retail continues to lead walk-by engagement and connection with shoppers via mobile online and social media for advertisers.

Fly: The Fly division grew strongly against both historical and forecast revenue, with the integrated QView Content platform in Qantas Lounges being a key driver. The initiative attracted new advertisers to the Fly format and was instrumental in attracting a number of brand campaigns that extended into the wider Fly offering. The year saw Fly deliver a 17.5% revenue increase on a pro forma basis and 21.5% increase on a statutory basis on the pcp. These results exceeded prospectus forecasts by 8.2%. oOh! Fly was the first Australia wide digital out-of-home network and it continues to attract new customers to the segment and overall industry by being at the forefront of technological advances in engaging audiences.

Place: The Place division achieved stronger than forecast revenue and significant growth on the previous corresponding period as a result of the offering gaining momentum with advertisers, the expansion of faces in the market and the launch of the Hijacked online news and student website product to universities around the country. Revenues compared to the previous corresponding period were up 63.7% and 62.5% on a pro forma and statutory basis respectively. The division also over achieved forecast Pro Forma and Statutory revenue by 4.1%, and is leading the commercialisation of native content and editorial lead strategies that are creating new opportunities for customers.

New Zealand: The New Zealand business delivered stable revenues when compared to 2013, despite the Auckland Airport contract expiring in the third quarter.

Mr Cook said: “The digitisation of our retail assets in New Zealand is a sharp focus this year, we anticipate that our New Zealand revenues will experience an uplift in the future.”

The 2015 focus, as per the Prospectus is the digital strategy roll-out which will see the company digitise marquee large format billboards in addition to further rolling out digital assets across key retail centre locations in Australia.

“The company is on track to continue delivering growth and achieve on our Prospectus pro forma forecast revenue of \$266.4m, EBITDA of \$48.6m for CY2015,” he said.

Table 1a: Summary Financial Information: Pro Forma CY2014 and CY2013

\$'m	Pro Forma				
	CY2014			CY2013	
	Actual	Forecast	Change (%)	Actual	Change (%)
Revenue	260.8	258.2	1.0%	243.5	7.1%
EBITDA (pre impairment charge)	42.1	40.3	4.7%	33.0	27.9%
Net Profit After Tax ("NPAT")	(1.9)	(2.6)	27.7%	(3.9)	50.9%
Adjusted NPAT ⁽¹⁾	18.2	17.5	4.0%	5.6	222.3%

Table 1b: Summary Financial Information: Statutory CY2014 and CY2013

\$'m	Statutory				
	CY2014			CY2013	
	Actual	Forecast	Change (%)	Actual	Change (%)
Revenue	261.3	258.6	1.0%	250.4	4.4%
EBITDA (pre impairment charge)	35.9	30.9	16.2%	29.1	23.6%
Net Profit After Tax ("NPAT")	(24.8)	(28.5)	13.0%	(18.9)	(31.1)%
Adjusted NPAT ⁽¹⁾	(4.7)	(8.4)	43.7%	(9.4)	49.7%

Notes to Table 1a and 1b: 1. Adjusted NPAT is defined as Net Profit After Tax before acquired amortisation (after tax) and non-cash items such as impairments. oOh!media's Management believes Adjusted NPAT is an important measure of the underlying earnings of the business due to the number of acquisitions undertaken during historical periods which resulted in higher than normal amortisation, which represents a non-cash charge.

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About oOh!: oOh! specialises in providing clients with Unmissable creative media solutions that connect with more consumers while they are away from home. We do this through our diverse product offering across road, retail, airport, café, venue, study, social sports and experiential opportunities, throughout urban and regional Australia as well as OOH channels in New Zealand. oOh! also has the largest audience-reaching digital advertising network in Australia that when combined with our large static portfolio creates unmissable impact for brands.

ooh![®]

PRELIMINARY FINANCIAL REPORT 2014

GIVEN TO THE AUSTRALIAN
SECURITIES EXCHANGE
UNDER LISTING RULE 4.3A

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

Details of the reporting period and the previous corresponding reporting period

Reporting period: For the year ended 31 December 2014

Previous period: For the year ended 31 December 2013

Results for announcement to the market

In accordance with the ASX Listing Rule 4.3A, the board and management of oOh!media Limited has enclosed an Appendix 4E for the full financial year ended 31 December 2014.

			2014 \$'000
Revenues from ordinary activities (statutory)	increased	4.4% to	261,299
Loss from ordinary activities after tax attributable to the members	increased	31% to	(24,785)
Loss from ordinary activities for the year attributable to the members	increased	31% to	(24,785)

Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

Discussion and analysis of results for the year ended 31 December 2014

Refer the attached Press Release and the Operating and Financial Review.

Net tangible assets

	31-Dec-14	31-Dec-13
Net Tangible Assets per security (cents)	0.16	(1.98)
Net Assets per security (cents)	1.61	1.61

Control gained over entities

oOh!media Limited listed on the Australian Stock Exchange on 17 December 2014. The acquisition of Outdoor Media Investments Limited (OMI) and its subsidiaries by oOh!media Limited completed on 18 December 2014. The results are for a full 12 months. See Note 2 Basis of preparation.

Homemaker Pty Limited was acquired by OMI in September 2014.

Details of associates and joint venture entities

OMI acquired a 50% interest in oOh!Edge Pty Limited in March 2014.

Audit qualification or review

The financial statements are currently in the process of being audited.

OPERATING AND FINANCIAL REVIEW

Introduction

The Directors are pleased to present the full year Operating and Financial Review (OFR) for oOh!media Limited (oOh!media). oOh!media completed an Initial Public Offering (IPO) on the Australian Securities Exchange on 17 December 2014. This review covers the period from 1 January 2014 to 31 December 2014 including the prior corresponding period.

The OFR is provided to assist shareholders' understanding of oOh!media's business performance and the factors underlying its results and financial position. Given oOh!media listed in December 2014, comparisons both to the previous financial year and to the forecast contained in the IPO Prospectus (Forecast) are provided on both a Statutory and Pro Forma basis.

The Directors believe that the Pro Forma presentation of results is a better indicator of underlying performance and differs from the Statutory presentation. The Pro Forma results reflect the full year effect of the operating and capital structure that was put in place at the time of the IPO and excludes the costs of the IPO, one-off tax implications arising as a result of the IPO and other non-recurring items which are not expected to occur in the future.

Overview

oOh!media delivered strong financial results for the financial year ended 31 December 2014 compared to CY2013 and to CY2014 Forecast on both a Statutory and Pro Forma basis.

Table 1a: Summary Financial Information: Pro Forma CY2014 and CY2013

\$'m	Pro Forma				
	CY2014			CY2013	
	Actual	Forecast	Change (%)	Actual	Change (%)
Revenue	260.8	258.2	1.0%	243.5	7.1%
EBITDA (pre-impairment charge)	42.1	40.3	4.7%	33.0	27.9%
Net Profit After Tax ("NPAT")	(1.9)	(2.6)	27.7%	(3.9)	50.9%
Adjusted NPAT ⁽¹⁾	18.2	17.5	4.0%	5.6	222.3%

Table 1b: Summary Financial Information: Statutory CY2014 and CY2013

\$'m	Statutory				
	CY2014			CY2013	
	Actual	Forecast	Change (%)	Actual	Change (%)
Revenue	261.3	258.6	1.0%	250.4	4.4%
EBITDA (pre-impairment charge)	35.9	30.9	16.2%	29.1	23.6%
Net Profit After Tax ("NPAT")	(24.8)	(28.5)	13.0%	(18.9)	(31.1)%
Adjusted NPAT ⁽¹⁾	(4.7)	(8.4)	43.7%	(9.4)	49.7%

Notes to Table 1a and 1b: 1. Adjusted NPAT is defined as Net Profit After Tax before acquired amortisation (after tax) and non-cash items such as impairments. oOh!media's Management believes Adjusted NPAT is an important measure of the underlying earnings of the business due to the number of acquisitions undertaken during historical periods which resulted in higher than normal amortisation, which represents a non-cash charge.

Pro Forma revenue of \$260.8 million was 1.0% above the Forecast of \$258.2 million and 7.1% above the prior period result of \$243.5 million. Statutory revenue of \$261.3 million was 1.0% above the Forecast of \$258.6 million and 4.4% above the prior period result of \$250.4 million.

Pro Forma EBITDA of \$42.1 million was 4.7% above Forecast and 27.9% above the prior period result of \$33.0 million. Statutory EBITDA was 16.2% higher than Forecast and 23.6% higher than the prior period.

Pro Forma Adjusted NPAT of \$18.2 million was 4.0% above Forecast and 222.3% above the prior period result of \$5.6 million. Statutory Adjusted NPAT was a loss of \$4.7 million or \$3.7 million favourable to Forecast and \$4.7 million favourable to the prior period.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Table 2: Revenue, gross profit and operating expenditure: Statutory and Pro Forma CY2014 and CY2013

\$'m	Statutory			Pro Forma		
	CY2014 Actual	CY2014 Forecast	CY2013 Actual	CY2014 Actual	CY2014 Forecast	CY2013 Actual
Revenue	261.3	258.6	250.4	260.8	258.2	243.5
Cost of media sites and production	(173.3)	(173.0)	(167.5)	(172.9)	(172.6)	(162.2)
Gross profit	88.0	85.6	82.9	88.0	85.6	81.3
Total operating expenditure	(52.1)	(54.7)	(53.8)	(45.8)	(45.3)	(48.3)
EBITDA (pre-impairment charge)	35.9	30.9	29.1	42.1	40.3	33.0
EBITDA margin %	13.7%	11.9%	11.6%	16.2%	15.6%	13.6%

CY2014 Pro Forma revenue grew at 7.1% and was 1.0% above Forecast. At the same time, the EBITDA margin improved to 16.2% on a Pro Forma basis and 13.7% on a Statutory basis reflecting improved operating efficiency versus CY2013.

Table 3: Summary of digital metrics

\$'m	Statutory		Pro Forma		
	CY2014 Actual	CY2014 Forecast	CY2014 Actual	CY2014 Forecast	CY2013 Actual
Revenue growth	4.4%	3.3%	7.1%	6.0%	2.8%
Digital revenue growth	46.8%	37.9%	46.8%	37.9%	60.5%
Digital media revenue as % of total revenue	23.2%	22.0%	23.2%	22.0%	16.9%
Active faces	25,514	25,760	25,514	25,760	23,994
Digital active faces	10,887	9,730	10,887	9,730	8,136

In addition to continued strong performance of our core static assets in Road, Retail, Fly and Place across metropolitan and regional Australia, another key contributor to growth has been the roll out of oOh!media's digital strategy. Table 3 highlights the key measures indicating the progress of oOh!media's comprehensive digital strategy. Digital revenue achieved strong year on year growth of 46.8% compared to the Forecast of 37.9%. Digital media revenue as a percentage of total revenue for the CY2014 period was 23.2% against a Forecast of 22.0%, and prior year result of 16.9%.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Divisional Performance

Table 4: Revenue by division: Statutory and Pro Forma CY2014 and CY2013

\$'m	Statutory		Pro Forma		
	CY2014 Actual	CY2013 Actual	CY2014 Actual	CY2014 Forecast	CY2013 Actual
Road	102.3	106.6	102.3	101.9	102.8
Retail	89.5	84.6	89.1	90.7	82.2
Fly	51.0	42.0	51.0	47.1	43.4
Place	8.8	5.4	8.8	8.5	5.4
Australia	251.6	238.6	251.1	248.2	233.8
New Zealand	9.7	9.7	9.7	10.0	9.7
Discontinued operations	-	2.0	-	-	-
Total revenue	261.3	250.4	260.8	258.2	243.5

All operating divisions made a significant contribution to the company's strong financial performance.

Road

The Road division performed in line with expectations, over achieving versus the Forecast by 0.3% on a Pro Forma basis. Against CY2013, Pro Forma revenue was marginally lower by 0.5% mainly due to the business not renewing or re-tendering for loss-making or marginally profitable contracts.

Retail

Against CY2013 Retail revenue grew 8.3% and 5.9% on a Pro Forma and Statutory basis respectively, reflecting the continuing growth and roll out of digital signage assets across oOh!media's national retail network. Pro Forma revenue was 1.7% lower than Forecast as a result of lower than expected ancillary revenue associated with production, installation and creative services, with core media revenue in line with Forecast.

Fly

The Fly division grew strongly in CY2014 achieving a 17.5% increase on a Pro Forma basis and 21.5% on a Statutory basis. Growth was driven by the establishment of the Qantas Lounges business which featured the integrated Q-View Content platform and which was instrumental in attracting a number of key clients with marquee branding campaigns to the airport environment. The Fly division achieved a full year revenue result 8.2% above Forecast.

Place

The Place division achieved revenue growth over the prior period of 63.7% and 62.5% on a Pro Forma and Statutory basis, respectively, in CY2014. Growth was driven by expansion of the number of faces across the division, strong performance of the Hijacked study social media product into universities and substantially improved site occupancy reflecting the continued maturing of the business. The division achieved a revenue result 4.1% above Forecast both on a Pro Forma and Statutory basis.

New Zealand

The New Zealand business' revenues were relatively stable in CY2014 ending the year 0.2% lower than CY2013 on a Statutory and Pro Forma basis, as a result of the Auckland Airport contract expiring in October 2014. Excluding the impact of the Auckland Airport Contract, the division achieved growth closely in line with expectations ending the year 3.1% marginally below Forecast.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Profitability Discussion

Table 5: Profile of direct and operating expenses: Statutory and Pro Forma CY2014 and CY2013

\$'m	Statutory			Pro Forma		
	CY2014 Actual	CY2014 Forecast	CY2013 Actual	CY2014 Actual	CY2014 Forecast	CY2013 Actual
Revenue	261.3	258.6	250.4	260.8	258.2	243.5
Cost of media sites and production	(173.3)	(173.0)	(167.5)	(172.9)	(172.6)	(162.2)
Gross profit	88.0	85.6	82.9	88.0	85.6	81.3
Employee benefit expense	(36.5)	(39.0)	(36.8)	(32.4)	(31.7)	(33.6)
Other operating expenses	(15.5)	(15.7)	(17.0)	(13.4)	(13.7)	(14.8)
Total operating expenditure	(52.1)	(54.7)	(53.8)	(45.8)	(45.3)	(48.3)
EBITDA (pre-impairment charge)	35.9	30.9	29.1	42.1	40.3	33.0

Higher than expected revenue versus the Forecast resulted in variable expenses being greater than expected. Notwithstanding this, the EBITDA margin improved versus both the prior year and outperformed versus the Forecast.

The cost of media sites and production ended the CY2014 year 0.2% higher than Forecast on both a Statutory and Pro Forma basis. This reflects a favourable outcome as revenue over achieved by 1.0% to Forecast. Statutory employee expense ended CY2014 \$2.5 million below Forecast as a result of lower costs associated with closing out the Management Equity Plan (MEP). The costs to close out the MEP are one-off in nature and have no impact on the Pro Forma results nor future MEP costs.

On a Pro Forma basis employee expenses were lower than prior year reflecting the full year impact of synergies achieved from the merger of Eye Corp and oOh!media. Pro Forma employee expenses finished the year higher than Forecast due to higher commissions and year-end bonus provisioning to support the overall favourable CY2014 results.

In CY2014, Other operating expenses were 1.7% and 0.9% lower than forecast on a Pro Forma and Statutory basis, respectively. Other expenses were lower than the prior year reflecting the full year impact of synergies achieved from the merger of Eye Corp and oOh!media.

Table 6: Other costs: Statutory and Pro Forma CY2014 and CY2013

\$'m	Statutory			Pro Forma		
	CY2014 Actual	CY2014 Forecast	CY2013 Actual	CY2014 Actual	CY2014 Forecast	CY2013 Actual
EBITDA (pre-impairment charge)	35.9	30.9	29.1	42.1	40.3	33.0
Depreciation	(13.5)	(14.2)	(14.3)	(13.5)	(14.2)	(14.3)
EBITA (pre-impairment charge)	22.4	16.7	14.8	28.7	26.1	18.7
Amortisation	(8.9)	(9.0)	(9.5)	(8.9)	(9.0)	(9.5)
EBIT	13.5	7.7	5.3	19.7	17.1	9.2
Net finance costs ⁽¹⁾	(26.0)	(26.2)	(21.9)	(3.8)	(4.1)	(4.5)
Share of NPAT from associates	0.3	0.2	-	0.3	0.2	-
Impairment charge	(11.1)	(11.1)	-	(11.1)	(11.1)	-
Profit / (loss) before tax	(23.3)	(29.4)	(16.6)	5.1	2.1	4.7
Income tax (expense)/benefit	(1.5)	0.9	(2.3)	(7.0)	(4.7)	(8.6)
Profit / (loss) after tax	(24.8)	(28.5)	(18.9)	(1.9)	(2.6)	(3.9)
Add: Amortisation	8.9	9.0	9.5	8.9	9.0	9.5
Add: Impairment charge	11.1	11.1	-	11.1	11.1	-
Adjusted NPAT	(4.7)	(8.4)	(9.4)	18.2	17.5	5.6

Note to Table 6: 1. Net finance costs as presented on Table 6 are the net costs to the business for interest expense on debt, cash and cash equivalent facilities. Net finance costs as presented on Table 7 is the reconciling difference between the amounts presented in the Statutory and Pro Forma results.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Table 6 highlights that CY2014 has been a year of transition as a result of oOh!media becoming a publicly listed company.

Additional information on the key drivers of costs below EBITDA that have had an impact on Statutory and Pro Forma NPAT and adjusted NPAT are outlined below.

Depreciation

Depreciation was \$13.5 million for CY2014, a decrease of \$0.7 million over both the prior year and Forecast on a Pro Forma basis. The main driver of the reduced cost to prior year was the half year impairment of non-digital assets. Capital expenditure was below forecast for CY2014 also contributing the lower cost to forecast.

Amortisation

Amortisation was \$8.9 million for CY2014, in line with the Forecast and \$0.6 million below CY2013. The lower amortisation in CY2014 is a result of certain intangible assets being fully written down.

Net finance costs

Statutory net finance costs were \$26.0 million, an increase of \$4.1 million over CY2013 and \$0.2 million lower than forecast. The increase over prior year was a result of the write-off of deferred borrowing costs in relation with the close out of the pre-IPO banking facility.

Pro Forma net financing costs were \$3.8 million for CY2014, a decrease of \$0.7 million over CY2013 and \$0.2 million lower than Forecast. Pro Forma interest costs reflect the estimated interest costs of the capital structure following the IPO which resulted in lower levels of debt funding and lower interest rates than under the Statutory capital structure.

Share of NPAT of associates

Share of NPAT from associates was \$0.3 million, an increase of 33.5% against Forecast on both a Statutory and Pro Forma basis. The associated venture performed well as a result of a large contract that persisted through to the end of financial year.

Impairment charge

The impairment charge of \$11.1 million, included \$4.6m of Goodwill and Intangibles in New Zealand that were deemed to have been impaired due to the end of a related contract and \$6.5m in Australia in relation to Plant and Equipment, was in line with expectations.

Income Tax Expense

Statutory income tax expense of \$1.5 million was \$2.3 million higher than the Forecast as a result of higher pre-tax profits. Statutory income tax expense was \$0.8 million lower than CY2013. Pro Forma income tax expense of \$7.0 million was \$2.2 million higher than Forecast as a result of higher pre-tax profits. Pro Forma tax expense was \$1.6 million lower than prior year.

Table 7: Pro Forma adjustments to Statutory results for CY2014 and CY2013 revenue and NPAT

\$'m	CY2014 Actual	CY2014 Forecast	CY2013 Actual
Statutory revenue	261.3	258.6	250.4
Discontinued operations	(0.5)	(0.4)	(6.9)
Pro forma revenue	260.8	258.2	243.5
Statutory NPAT	(24.8)	(28.5)	(18.9)
Discontinued operations	0.1	0.1	0.2
Transaction costs and shareholder fees	3.3	3.3	4.9
Listed public company costs	(1.1)	(1.1)	(1.2)
Net finance costs	22.1	22.1	17.4
Management equity plan	3.9	7.0	-
Prior period tax asset writeoff	1.9	1.9	-
Income tax impact	(7.4)	(7.5)	(6.3)
Pro forma NPAT	(1.9)	(2.6)	(3.9)

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Table 7 provides a reconciliation of movements from Statutory to Pro Forma results for revenue and NPAT. The objective of the adjustments are to re-state the CY2014 Statutory results as if the operating and capital structure following the IPO in December 2014 had been in place from the beginning of the financial year and also to remove the effect of one-off costs associated with the business preparing and transitioning to a publicly listed entity.

One-off costs included transaction costs and shareholder fees, and costs to close out the pre-existing MEP. Listed public company costs and net finance costs represent cost adjustments associated with restating the Statutory results as if the operating and capital structure has been in place from the beginning of CY2014.

Review of Financial Position

The balance sheet as at 31 December, 2014 shows a strong financial position and reflects the impact of further deleveraging during the year. At 31 December, 2014 the Net Assets of the Group were \$241.6 million, an increase of \$140.1 million over 31 December 2013 reflecting the impact of the IPO, and an increase of \$12.4 million over Pro Forma 30 June, 2014.

From the period 30 June, 2014 to 31 December, 2014 Pro Forma net debt reduced from \$76.3 million to \$61.7 million resulting in oOh!media's net debt to Pro Forma EBITDA, declining from 1.9x to 1.5x.

Table 8: Statement of financial position: Statutory and Pro Forma CY2014 and CY2013

\$'m	Statutory 31-Dec-14	Pro Forma 30-Jun-14	Statutory 31-Dec-13
Cash and cash equivalents	20.2	5.6	15.5
Trade and other receivables	52.2	56.5	48.2
Income tax receivable	1.7	3.7	2.0
Other assets	11.7	4.3	6.6
Total current assets	85.8	70.1	72.3
Property, plant and equipment	62.4	64.1	71.1
Intangible assets and goodwill	217.6	225.9	226.7
Investments in equity-accounted investees	0.3	-	-
Deferred tax asset	9.8	10.7	5.9
Total non-current assets	290.1	300.7	303.7
Total assets	375.9	370.8	376.0
Trade and other payables	26.5	33.8	28.7
Borrowings	0.2	0.1	10.3
Deferred consideration	2.3	1.1	-
Provisions	8.8	9.7	6.7
Total current liabilities	37.8	44.7	45.7
Borrowings	81.7	81.8	198.3
Deferred consideration	-	2.2	13.3
Provisions	14.7	12.9	15.4
Derivative liability interest rate swaps	0.1	-	1.7
Total non-current liabilities	96.4	96.9	228.7
Total liabilities	134.3	141.6	274.5
Net assets	241.6	229.2	101.5
Contributed equity	283.6	303.0	142.1
Reserves	24.6	7.6	1.2
Accumulated losses	(66.4)	(81.3)	(41.6)
Non-controlling interest	(0.1)	(0.1)	(0.1)
Total equity	241.6	229.2	101.5

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Table 8 compares the balance sheet Statutory financial position as at 31 December 2014 with the Pro Forma financial position as at 30 June 2014. The Pro Forma financial position, rather than a Statutory position, is presented for 30 June 2014 because the Pro Forma is adjusted to include the impact of the IPO and the proposed new funding structure. This provides a more meaningful comparison basis as opposed to the financial position as at 31 December 2013, which reflected the capital structure prior to the IPO.

Table 9: Net indebtedness and credit metrics: Statutory and Pro Forma 2014

\$'m	Statutory 31-Dec-14	Pro Forma 30-Jun-14
Borrowings	81.9	82.0
Cash and cash equivalents	(20.2)	(5.6)
Net total indebtedness	61.7	76.3
Net debt / CY2014 pro forma EBITDA	1.5x	1.9x
CY2014 pro forma EBITDA / pro forma net finance costs	11.0x	9.9x

Table 9 presents the components of net indebtedness on a Statutory basis as at 31 December 2014 and for comparative purposes on Pro Forma basis as at 30 June 2014 per the Prospectus disclosures. Net total indebtedness ended the CY2014 period at \$61.7 million or \$14.6 million lower than the 30 June 2014 Pro Forma position. The reduction in net indebtedness was a result of the increase in cash and cash equivalents generated over the second half of 2014. As a result of the higher level of cash at year end and the greater than Forecast EBITDA performance, the credit ratios as at 31 December 2014 reflect an improvement over the June Pro Forma position.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Review of Cash Flows

Table 10: Statement of cash flows: Statutory and Pro Forma CY2014 and CY2013

\$'m	Statutory		Pro Forma		
	CY2014 Actual	CY2014 Forecast	CY2014 Actual	CY2014 Forecast	CY2013 Actual
EBITDA (pre-impairment charge)	35.9	30.9	42.1	40.3	33.0
Non-cash items in EBITDA	5.8	9.1	1.9	2.0	2.7
Changes in working capital	(3.2)	(1.8)	(3.2)	(1.8)	(1.5)
Cash received from equity accounted investees	0.0	0.2	0.0	0.2	-
Free cash flow	38.4	38.4	40.8	40.7	34.2
Payments for acquisition	(22.5)	(22.0)	(7.5)	(7.0)	(4.6)
Maintenance capital expenditure	(3.1)	(4.5)	(3.1)	(4.5)	(3.3)
Growth capital expenditure	(9.3)	(9.8)	(9.3)	(9.7)	(7.9)
Capital expenditure	(12.3)	(14.3)	(12.3)	(14.3)	(11.2)
Proceeds from disposal of property, plant and equipment	-	-	-	-	0.4
Net cash flow before financing and taxation	3.6	2.1	21.0	19.4	18.8
Tax paid	(0.4)	(1.6)	(0.4)	(1.6)	
Interest and other costs paid on borrowing	(11.6)	(12.0)	(3.9)	(3.9)	
Repayment of bank borrowings	(170.9)	(145.3)	-	-	
Net proceeds from banking facility	102.7	81.6	-	-	
Repayment of Exchangeable Notes	(74.3)	(74.8)	-	-	
Payment of interest rate swaps	(1.8)	(1.6)	-	-	
Proceeds from issue of shares	166.6	166.3	0.2	0.2	
Repayment of finance leases	(0.2)	(0.2)	(0.2)	(0.2)	
IPO transaction costs	(8.0)	(8.3)	-	-	
Net cost to cancel existing management equity plan	(1.0)	(1.0)	-	-	
Net cash flow before dividend	4.7	5.2	16.7	13.9	18.8
Payment of dividends	-	-	-	-	-
Net cash flow	4.7	5.2	16.7	13.9	18.8
Free cash flow conversion ⁽¹⁾	107%	124%	97%	101%	104%

Note to Table 10: 1. Free cash flow conversion calculated as Free cash flow divided by EBITDA (pre-impairment charge)

Free cash flow for CY2014 was in line with Forecast on both a Pro Forma and Statutory basis. Versus CY2013, Free cash flow increased \$6.6 million or 19.2% on a Pro Forma basis. On a Statutory basis, the variance in Non-cash items in EBITDA, and EBITDA (pre-impairment charge) relates to the lower cost to close out the MEP.

Net cash flow before financing and taxation ended the CY2014 period \$1.6 million or 7.9% higher than Forecast and \$2.2 million or 11.4% above CY2013 on a Pro Forma basis. The increase in net cash flow to Forecast was primarily a result of a higher EBITDA performance and lower maintenance capital expenditure. Against CY2013, the higher EBITDA, offset by acquisition payments and increased growth capital expenditure were the main drivers of the increase in net cash flow.

Pro Forma net cash flow for CY2014 of \$16.7 million was \$2.8 million or 19.7% ahead of Forecast as a result of the higher net cash flow before financing and taxation and lower cash taxes paid during the period. Statutory net cash flow for CY2014 of \$4.7 million was \$0.5 million below Forecast as lower cash interest and taxes were offset by a higher net repayment of bank borrowings. Variances in Net proceeds from banking facility and Repayment of bank borrowings, on a Statutory basis, are a result of presentation in the Forecast of these items on a net basis whereas in the Actual results are presented on a gross basis.

Free cash flow conversion, on a Statutory basis, tracked below Prospectus as a result of the value of non-cash items within EBITDA being lower than Forecast. On a Pro Forma basis free cash flow conversion was in line with Forecast.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Table 11: Statutory to Pro Forma cash flow reconciliation

\$'m	CY2014 Actual	CY2014 Forecast	Change (\$m)	Change (%)
Statutory net cash flow	4.7	5.2	(0.5)	(10.7)%
Discontinued operations	-	0.1	(0.1)	(100.0)%
Listed public company costs	(1.1)	(1.1)	(0.0)	0.0%
Management equity plan	1.0	1.0	(0.0)	0.5%
Deferred consideration for acquisition of EYE	15.0	15.0	(0.0)	0.0%
Net finance costs	8.2	8.1	0.1	0.8%
Repayment of bank borrowings	170.9	145.3	25.6	17.6%
Net proceeds from banking facility	(102.7)	(81.6)	(21.1)	(25.9)%
Repayment of Exchangeable Notes	74.3	74.8	(0.5)	(0.7)%
Payment of interest rate swaps	1.8	1.6	0.2	11.0%
Proceeds from issue of shares	(166.6)	(166.1)	(0.5)	(0.3)%
Transaction costs and shareholder fees	11.4	11.6	(0.2)	(1.7)%
Pro forma net cash flow	16.7	13.9	2.8	20.3%

Table 11 explains the movement from Statutory to Pro Forma net cash flow. The primary difference between Statutory and Pro Forma net cash flow is the funds movements relating to the IPO. All reconciling items are in line with the Forecast with the exception of items relating to the Repayment of bank borrowings, and Net proceeds from banking facility. The difference between the Actual and Forecast banking movements is a result of presentation in the Forecast of banking items on a net versus gross basis. The main reconciling difference between the respective Pro Forma and Statutory net cash flow variances to Forecast is the higher repayment of bank borrowings which are only recognised on a statutory basis.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER 2014

	Notes	Consolidated	
		31-Dec-14 \$'000	31-Dec-13 \$'000
Revenue from continuing operations	3	261,299	250,367
Cost of media sites and production		(173,320)	(167,445)
Gross profit		87,979	82,922
Employee benefits expense		(32,511)	(36,801)
Consultancy fees		(182)	(1,076)
Depreciation and amortisation expense	4	(22,433)	(23,789)
Legal and professional fees		(875)	(1,556)
Other property related costs		(2,132)	(2,410)
Advertising and marketing expenses		(2,285)	(2,592)
Impairment losses		(11,119)	-
IPO related expenses	5	(6,123)	-
Other expenses		(7,973)	(9,429)
Operating profit/(loss)		2,346	5,269
Finance income		62	30
Finance costs		(26,044)	(21,921)
Net finance costs		(25,982)	(21,891)
Share of profit of equity-accounted investees, net of tax		304	-
Loss before income tax		(23,332)	(16,622)
Income tax (expense)/benefit		(1,453)	(2,289)
Loss from continuing operations		(24,785)	(18,911)
Net loss attributable to:			
Equity holders of the parent		(24,787)	(18,153)
Non-controlling interest		2	(758)
Loss for the year		(24,785)	(18,911)
Other comprehensive loss for the period			
Items that may be subsequently classified to profit or loss:			
Effective portion of changes in fair value of cash flow hedges, net of tax		(93)	-
Foreign currency translation differences		(115)	(82)
Total comprehensive loss for the period		(24,993)	(18,993)
Total comprehensive loss for the period is attributable to:			
Equity holders of the parent		(24,995)	(18,235)
Non-controlling interest		2	(758)
		(24,993)	(18,993)
Loss per share			
Basic loss per share (cents)		(0.37)	(0.29)
Diluted loss per share (cents)		(0.37)	(0.29)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR YEAR ENDED 31 DECEMBER 2014

	Notes	Consolidated	
		31-Dec-14 \$'000	31-Dec-13 \$'000
Assets			
Current assets			
Cash and cash equivalents		20,197	15,503
Trade and other receivables		52,237	48,176
Income tax receivable		1,699	1,987
Inventories		234	1,218
Other assets		11,440	5,402
Total current assets		85,807	72,286
Non-current assets			
Property, plant and equipment	7	62,387	71,120
Intangible assets and goodwill	8	217,587	226,693
Investments in equity-accounted investees		304	-
Deferred tax asset		9,816	5,897
Total non-current assets		290,094	303,710
Total assets		375,901	375,996
Liabilities			
Current liabilities			
Trade and other payables		26,508	28,749
Borrowings	9	216	10,302
Deferred consideration		2,323	-
Provisions		8,785	6,670
Total current liabilities		37,832	45,721
Non-current liabilities			
Borrowings	9	81,663	198,284
Deferred consideration		-	13,320
Provisions		14,677	15,428
Derivative liability interest rate swaps		94	1,705
Total non-current liabilities		96,434	228,737
Total liabilities		134,266	274,458
Net assets		241,635	101,538
Equity			
Contributed equity		283,585	142,072
Reserves		24,566	1,197
Accumulated losses		(66,404)	(41,617)
Non-controlling interest		(112)	(114)
Total equity		241,635	101,538

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2014

	31-Dec-14 \$'000	31-Dec-13 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of Goods and Services Tax)	282,741	272,692
Payments to suppliers and employees (inclusive of Goods and Services Tax)	(243,104)	(241,846)
Cash generated from operations	39,637	30,846
Interest paid	(11,569)	(12,997)
Income tax paid	(434)	(4,162)
Net cash from (used in) operating activities	27,634	13,687
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(11,874)	(11,235)
Payment for acquisition of intangible assets	(5,905)	-
Payment for acquisition of subsidiaries, net of cash acquired	(2,017)	(11,307)
Deferred consideration paid	(15,000)	-
Proceeds from sale of property, plant and equipment	-	396
Proceeds from sale of subsidiaries	-	279
Net cash used in investing activities	(34,796)	(21,867)
Cash flows from financing activities		
Proceeds from issue of shares	585	1,100
Proceeds from issue of share related to IPO	167,115	-
Payments for buyback of shares	(1,108)	(1,640)
Payment of transaction costs related to IPO	(9,260)	-
Net cost to cancel existing management equity plan	(1,044)	-
Proceeds from minority shareholder interest	-	500
Payment of interest rate swaps	(1,813)	-
Proceeds from borrowings	103,157	34,286
Payment of transaction costs related to loans and borrowings	(420)	-
Repayment of borrowings	(170,932)	(24,983)
Repayment of related party borrowings	(74,274)	-
Payment of lease liabilities	(150)	(508)
Net cash from financing activities	11,856	8,755
Net increase in cash and cash equivalents	4,694	575
Cash and cash equivalents at beginning of period	15,503	14,928
Cash and cash equivalents at end of period	20,197	15,503

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed equity	Foreign currency transaction reserve	Other Equity reserve	Cash flow hedge reserve	Share-based payments reserve	Accumulated losses	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2013	142,612	197	-	-	462	(23,464)	144	119,951
Total comprehensive income for the period:								
Profit/(loss) for the period after income tax	-	-	-	-	-	(18,153)	(758)	(18,911)
Other comprehensive income:	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	(82)	-	-	-	-	-	(82)
Total comprehensive income for the period	-	(82)	-	-	-	(18,153)	(758)	(18,993)
Transactions with owners, recorded directly in equity:								
Issue of ordinary shares	1,100	-	-	-	-	-	-	1,100
Buyback of ordinary shares	(1,640)	-	-	-	-	-	-	(1,640)
Share issue costs	-	-	-	-	-	-	-	0
Movement to reserve	-	-	-	-	-	-	-	0
Equity-settled share-based payment transactions	-	-	-	-	620	-	-	620
Capital contribution by minority shareholder	-	-	-	-	-	-	500	500
Total transactions with owners	(540)	-	-	-	620	-	500	580
Balance at 31 December 2013	142,072	115	-	-	1,082	(41,617)	(114)	101,538
Balance at 1 January 2014	142,072	115	-	-	1,082	(41,617)	(114)	101,538
Total comprehensive income for the period:								
Profit/(loss) for the period after income tax	-	-	-	-	-	(24,787)	2	(24,785)
Other comprehensive income:	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	(93)	-	-	-	(93)
Exchange differences on translation of foreign operations	-	(115)	-	-	-	-	-	(115)
Total comprehensive income for the period	-	(115)	-	(93)	-	(24,787)	2	(24,993)
Transactions with owners, recorded directly in equity:								
Issue of ordinary shares	166,656	-	-	-	-	-	-	166,656
Buyback of ordinary shares	(1,108)	-	-	-	-	-	-	(1,108)
Share issue costs	(5,627)	-	-	-	-	-	-	(5,627)
Movement to reserve	(18,408)	-	18,408	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	5,169	-	-	5,169
Capital contribution by minority shareholder	-	-	-	-	-	-	-	-
Total transactions with owners	141,513	-	18,408	-	5,169	-	-	165,090
Balance at 31 December 2014	283,585	-	18,408	(93)	6,251	(66,404)	(112)	241,635

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

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Significant accounting policies

The accounting policies adopted in this report have been consistently applied by each entity in the consolidated group and are consistent with those of the previous year and as disclosed in the Prospectus, except for the following:

- Hedge Accounting has been adopted in compliance with AASB 139 Financial Instruments: Recognition and Measurement. The accounting policy for cash flow hedges is as follows:
- When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income (OCI) and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.
- The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.
- If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

2. Basis of preparation

An internal restructure took place in connection with the Listing of oOh!media Limited on 17 December 2014. This resulted in a newly incorporated company, oOh!media Limited, becoming the holding company of the Outdoor Media Investments Limited Group (OMI).

The Directors elected to account for the restructure as a capital re-organisation rather than a business combination. In the Directors' judgement, the continuation of the existing accounting values is consistent with the accounting that would have occurred if the assets and liabilities had already been in a structure suitable to IPO and most appropriately reflects the substance of the internal restructure. As such, the consolidated financial statements of the new oOh!media Limited group have been presented as a continuation of the pre-existing accounting values of assets and liabilities in OMI's financial statements.

The Preliminary Final Report of oOh!media Limited and subsidiaries for the year ended 31 December 2014 does not include all notes of the type that would normally be included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance and financial position of the Group as the full financial report.

The preliminary final report has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards (AASB), which has been prepared on an accruals basis and is based on the historical cost convention. This Report should be read in conjunction with the Annual Financial Report as at 31 December 2014. Comparative information is reclassified where appropriate to enhance comparability.

This Report is based on the Annual Financial Report which is in the process of being audited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Revenue

	31-Dec-14 \$'000	31-Dec-13 \$'000
Sale of media, production and services	259,532	249,910
Other	1,767	457
	261,299	250,367

4. Depreciation and amortisation

(a) Depreciation expense

	31-Dec-14 \$'000	31-Dec-13 \$'000
Plant and equipment	12,285	13,159
Leased plant & equipment	878	715
Leasehold improvements	329	394
	13,492	14,268

(b) Amortisation expense

Licences	8,290	8,912
Brands	439	439
Software	212	170
	8,941	9,521

Total depreciation and amortisation

	22,433	23,789
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5. IPO related expenses

	31-Dec-14 \$'000	31-Dec-13 \$'000
Share based payments	3,902	-
Stamp duty	1,000	-
Legal, professional and other	1,221	-
	6,123	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Acquisition of subsidiary

The Group acquired 100% of the share capital in Homemaker Media Pty Limited in September 2014 for consideration of \$4,352,000 including \$2,323,000 which has been deferred and is contingent on the achievement of certain conditions in the share sale agreement.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(i) Homemaker Media Pty Limited

Purchase Consideration	2014 \$'000
Cash	2,029
Deferred consideration	2,323
	<u>4,352</u>

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

	\$'000
Cash and bank balances	12
Trade and other receivables	408
Property, plant and equipment	219
Intangible asset	3,956
Accounts payable	(243)
Net identifiable assets acquired	<u>4,352</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Property, plant and equipment

	31-Dec-14 \$'000	31-Dec-13 \$'000
<i>Plant and equipment</i>		
Cost (gross carrying amount)	96,940	89,514
Accumulated amortisation and impairment	(40,564)	(25,506)
	56,376	64,008
<i>Leased plant & equipment</i>		
Cost (gross carrying amount)	10,332	10,253
Accumulated amortisation and impairment	(7,728)	(6,850)
	2,604	3,403
<i>Leasehold improvements</i>		
Cost (gross carrying amount)	4,394	5,991
Accumulated amortisation and impairment	(987)	(2,282)
	3,407	3,709
<i>Total property, plant and equipment</i>		
Cost (gross carrying amount)	111,666	105,758
Accumulated amortisation and impairment	(49,279)	(34,638)
Net carrying amount	62,387	71,120

8. Intangible assets and goodwill

	31-Dec-14 \$'000	31-Dec-13 \$'000
<i>Brands</i>		
Cost (gross carrying amount)	7,529	7,529
Accumulated amortisation and impairment	(2,169)	(1,730)
	5,360	5,799
<i>Goodwill</i>		
Cost (gross carrying amount)	118,116	118,116
Accumulated amortisation and impairment	(2,638)	-
	115,478	118,116
<i>Licences</i>		
Cost (gross carrying amount)	119,898	115,917
Accumulated amortisation and impairment	(24,089)	(13,860)
	95,809	102,057
<i>Software</i>		
Cost (gross carrying amount)	1,361	930
Accumulated amortisation and impairment	(421)	(209)
	940	721
<i>Total intangible assets</i>		
Cost (gross carrying amount)	246,904	242,492
Accumulated amortisation and impairment	(29,317)	(15,799)
Net carrying amount	217,587	226,693

Note: Intangibles relate primarily to the acquisition of oOhlmedia Group Limited by OMI in March 2012, and the subsequent acquisition of Eye Corp in November 2012. Certain intangible assets arising from these transactions, in particular site leases, were recorded on OMI's statement of financial position at their assessed fair values. The value of these assets are being amortised over the remaining life of the acquired leases (15 years on average). Accordingly, amortisation is considered to be primarily an acquisition-related, non-cash expense.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Borrowings

	31-Dec-14 \$'000	31-Dec-13 \$'000
Current		
Bank loan	-	11,799
<i>Unamortised borrowing costs</i>	-	(1,647)
Lease creditor	216	150
	216	10,302
Non-current		
Bank loan	82,000	137,997
<i>Unamortised borrowing costs</i>	(414)	(3,613)
Lease creditor	77	292
Borrowings from related party	-	63,628
	81,663	198,284

10. Dividends

There were no dividends paid, recommended or declared during the current financial period.

11. Subsequent events

The Group agreed to acquire certain assets from Independent Outdoor Media Pty Limited on 2 October 2014 for consideration of \$6,000,000 with \$5,450,000 paid in cash and \$550,000 deferred based on conditions precedent in the agreement being met. This transaction was completed on 1 January 2015.

Other than the matter mentioned above, no other matter or circumstance at the date of this report has arisen since 31 December 2014 that has significantly affected or may affect:

- (a) the operations of the Group;
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in the future financial years.