



ASX Announcement

24 April 2015

Annual General Meeting - Addresses

In accordance with Listing Rule 3.13, attached are the Chairman's and CEO's addresses which will be delivered at the Annual General Meeting being held in Sydney today, commencing 11:00am (AEST).

-Ends

For more information

Richard Herring

Managing Director and CEO

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CFO and Company Secretary

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About APN Outdoor

APN Outdoor is a leading Trans-Tasman outdoor advertising business with a portfolio of premium, high-traffic, metropolitan, digital and static sites across Billboards, Transit, Airports and Rail environments.



CHAIRMAN'S ADDRESS – DOUG FLYNN

Before moving to the formal part of the meeting and the business update from your CEO, Richard Herring, I would like to warmly welcome you to this inaugural AGM of APN Outdoor Group Limited.

Since listing on the ASX in November last year, APN Outdoor has enjoyed strong support from investors with the company joining the ASX300 in March 2015. Management have embraced the new ownership structure and governance environment whilst remaining focussed on our digital first growth strategy. We were pleased to report the 2014 results at the end of February which were ahead of prospectus forecasts and I am confident management will continue to deliver results to achieve our prospectus forecast in the current year.

Your directors bring a diverse and complementary range of skills and experience to the Board and are excited to join the company as it embarks on this next phase of growth. Your Board has worked hard to ensure the right structures and frameworks are in place so that they are effective and that management is equipped with the right skills to deliver and achieve the strategic objectives.

APN Outdoor aspires to a high standard of governance and as a newly listed company, has sought and will continue to seek feedback from stakeholders. In demonstration of this, APN Outdoor chose to early adopt and report against the third edition of the ASX Corporate Governance Principles as set out in our Corporate Governance Statement on pages 25 to 38 of the 2014 Annual Report. We have sought advice from independent external consultants with regard to the director and executive remuneration framework and have engaged with investors and advisors to ensure we provide meaningful and useful information to the market.

Thank you for taking the time to attend this meeting and I look forward to your continued support.

I would now like to invite your CEO, Richard Herring to address the meeting and provide a business update.



CEO PRESENTATION – RICHARD HERRING

I am Richard Herring and as CEO of APN Outdoor, it gives me great pleasure to present an overview of the business, some detail around our 2014 performance and the 2015 outlook.

We are a leading Outdoor advertising business operating in the metropolitan markets of Australia and New Zealand. We focus on the large categories within these markets and hold leadership positions in each.

In the billboard segment we have holdings in prime roadside locations in both countries and have forged a leadership position in each market with the development of digital screens. Many of these are conversions of our existing static panels, although some are in new locations. These digital screens, which we refer to as *Elite* screens, were our main investment during 2014 and have gained strong and widespread support from our advertiser base.

In the Transit category we have over 90% coverage of Australia's capital cities with our advertising formats on buses and trams.

We also hold leadership positions in both Rail and Airport precincts in Australia and New Zealand. In each of these categories, we have developed high profile digital screens that enhance the advertiser opportunity to connect with their audiences in a flexible and time relevant manner.

The growth dynamics of the industry remain sound and sustainable.

Unlike most other media, our audiences are increasing and therefore improving our attractiveness to advertisers. In addition, our product offering has embraced technology. Digital screens, both large and small, as well as technologies designed to connect the Outdoor environment with a consumer's mobile device continue to proliferate.

At APN Outdoor we have led the market in both countries in developing large format digital screens and late last year launched the ground breaking *XtrackTV* offering in the Sydney and Melbourne underground rail networks. Our digital screen development is particularly evident at our Airports and we continue to keep pace with technology that enables advertisers to achieve a deeper level of engagement with their target audiences.

Other growth opportunities include contract wins, expansion into categories in which we currently have no presence, as well as the acquisition of parallel businesses that provide scale and synergies.



Outdoor markets remained strong in 2014 with revenue in Australia up 10% and New Zealand up 7%. APN Outdoor also achieved share growth in both markets during the year.

Contract wins and renewals underpin our business and two highlights in 2014 were the Auckland Airport contract win and renewal of our contract with the M5 motorway in Sydney.

Our development focus was centred on our *Elite* screen rollout, with the commissioning of an additional 11 screens in Australian capital cities. In Auckland we launched a network of 5 high quality *Elite* screens and added to this two high profile screens at Auckland Airport in the final quarter. At the end of 2014 we had 34 *Elite* screens operational. We also launched 66 *XtrackTV* screens that received an extremely positive reception from advertisers wanting to reach a commuter audience with full vision and audio communication in a high dwell time environment.

Positive markets and product innovation contributed to strong financial results in 2014. Our revenue, proforma EBITDA and proforma NPATA were all above prospectus forecasts.

Compared to Prospectus forecast, revenue was up \$5 million and proforma NPATA was up \$1.6m.

We have seen a solid start to 2015 on the back of good market growth and share improvement.

An additional seven *Elite* screens have been approved for development, of which two have already been built. Importantly two of these approvals are in the Sydney market - one on the Pacific Highway in Pymble, which is complete, and one on City West Link in the Inner West, which is imminent.

We will expand our *XtrackTV* offering into the Brisbane market in the middle of this year providing an Eastern Sea Board proposition that will enhance audience penetration.

As technology develops, so do the opportunities to connect advertisers with consumer's mobile devices in our environments. Campaigns using technology such as iBeacon are currently active and providing encouraging results for advertisers.

On the back of last year's Auckland Airport win, we were successful in not only renewing our current contract with Sydney Airport for all external advertising and within the International terminal, but expanding this contract by winning the rights to the T2 terminal, the busiest in Australia. The development plan for this will be completed throughout 2015.



We reaffirm the 2015 Prospectus forecasts representing 8% revenue growth to \$271.5m and 20% growth in proforma NPATA to \$28.3m.

Revenue growth of 8% is expected to arise from a combination of underlying market growth, the full year impact of *Elite* screens commissioned in 2014 and the current year digital development programme.

On behalf of the Management team at APN Outdoor, I thank you for your support and look forward to the continued growth of our business.