

oOh!media Limited
ABN 69 602 195 380

8 May 2015

ASX Announcement



CHAIRMAN AND CEO ADDRESS TO AGM: 8 MAY 2015

CHAIRMAN'S ADDRESS

Ladies and Gentlemen, this past year has been one of great success for oOh!media in terms of achieving a solid financial performance and delivering many non-financial highlights.

Among the highlights was our listing on the Australian Securities Exchange in December 2014.

oOh!media is a market leader in an industry which according to CEASA gained 5.2% of total advertising expenditure in 2014 – up from 4.8% in 2013 and 4.6% in 2012.

The industry's market share growth - and oOh!media's 2014 results – are encouraging when you consider most traditional media are struggling to maintain share.

Since our listing, your company - oOh!media - has achieved:

- Active engagement with you, our investors;
- Admission to the S&P/ASX 300 index; and
- Strong first year results.

We have continued to grow organically through our core products and through acquisition, having completed two business acquisitions in 2014 and introduced two new online products that link our physical signs into online, mobile and social environments.

Our 2014 year results, released in February of this year, showed we were ahead of both the Prospectus forecast and the previous corresponding period on all key financial metrics - revenue, EBITDA and adjusted NPAT.

I am happy to advise that we are on track to deliver against 2015 financial forecasts as per the Prospectus and can also confirm the Board's intent to declare a dividend in line with our Prospectus payout ratio of between 40% and 60% of 2015 adjusted NPAT.

Our confidence in the business is based on the clear growth strategy, which is centred on three key pillars:

- Organic Growth;
- Strategic contracts and acquisitions; and,
- Digital strategy, on which your CEO will provide more detail shortly.

This strategy is underpinned by our quality leadership team and supported by the Board's commitment to governance.

Your Board has the diverse range of skills and experience required for us to ensure your company can realise the tremendous opportunities it has in front of it.

- Your Board members are engaged in Board and sub-committees, including the Remuneration and Audit and Risk Committees.
- We have adopted and applied the practices and processes recommended by the third edition of the ASX Corporate Governance Council Principles and Recommendations. These practices are embedded in our company as reported in our Corporate Governance Statement;

- We have sought independent external advice as appropriate, for example, on our review of remuneration structures to ensure engagement of management and stakeholder alignment; and,
- Our annual report incorporates additional disclosures on our remuneration framework and environmental, social and governance practices.

In concluding, I would like to thank my fellow Board members, our CEO, Brendon Cook, and all our management and staff for their commitment and efforts throughout 2014.

I also would like to thank you for your support as investors in oOh! and for your attendance today. I would now like to introduce you to your CEO, Brendon Cook, who will provide greater content and detail around our 2014 results, including an update on 2015.

CEO'S ADDRESS

Good morning and thank you for joining us here today. I am pleased to be back in front of investors to present your company's results.

2014 was a tremendous year for oOh!media, Australia's leading Out of Home media company which provides advertisers with proven and creative solutions to connect with consumers while they are out and about.

oOh!media is a market leader in all four Out Of Home environments in which we operate.

In 2014 we launched a new market positioning statement which really demonstrates the value we offer. Through our high quality assets nationally and creative solutions, we are simply the "Unmissable" advertising medium ensuring advertisers get exposure in a crowded market and gain a proven return on their advertising investment.

Through our four operating divisions - Road, Retail, Fly and Place-based - we own Australia's largest audience reaching network.

This network is experiencing growing demand as more and more advertisers divert advertising spend into the Out Of Home environment, reflected in revenue growth for the overall sector.

Just recently, the Out Of Home industry body, the OMA, reported a 22.4% increase in net revenue year-on-year for the first quarter this year. This represents the most successful quarter to-date.

And this was achieved off the back of a strong 2014, where once again the industry delivered year on year growth. The sector also increased its market share, which according to CEASA reached 5.2% of total advertising spend in 2014.

Your company, oOh!media, benefited from this upswing in the Out Of Home media sector

But 2014 was not only about strong revenue performance.

The year also saw a range of important highlights, including:

- oOh!media remaining a leading Out Of Home company, with leadership in all segments in which we operate
- strong financial growth for year end, delivering strong revenues from each of our operating divisions of road, retail, fly and place
- not only meeting, but exceeding on the roll out of our digital strategy in respect to digital signs but also launching two new online products, Hijacked into universities and Qview in Qantas lounges, to extend our reach by linking the physical sign with online, mobile and social environments

- finalising the strategic bolt-on acquisitions of Homemaker Media and key assets from iOM to enhance our Retail and Road offerings; and,
- our high performing team - continues to receive industry plaudits, with our sales team being voted best media sales team in the country - and that's across all media.

Our success comes despite significant shifts in the Australian media and marketing landscape as a result of new disruptive offerings transforming the way people consume information.

This has challenged the revenues of some traditional media channels.

But our audiences are growing and technology is our friend.

As a result we are performing strongly in this current media market.

We are delivering by providing advertisers with a growing audience, across a truly national footprint, and through a range of platforms that deepens their engagement with consumers.

This is the result of our sound business strategy.

As your Chairman mentioned earlier, our business strategy is based on three key pillars and numerous initiatives to support them.

In regards to organic growth, we are growing the sector by increasing inventory across major audience environments, driving market research and benefiting from the emergence of greater audience measurement and insights. Internally we are focusing on yield management and the scalability of our business.

We also continue to evaluate strategic contracts and acquisition opportunities to further enhance oOh!media's leadership position and portfolio diversity. Since forming the company we have made more than 20 acquisitions to add value to the business, including the two mentioned earlier that we completed last year.

And finally, a pillar that is of significant interest, our Digital Strategy.

Our digital strategy centres on the fact that "technology is our friend" and is building a new media digital capacity.

Today, oOh!media delivers Australia's widest reaching digital network consisting of more than 1,900 signs, all connected by what we believe to be the most advanced proprietary content management system in the country.

But our digital strategy is more than delivering digital signs – it is about using our inventory to help advertisers gain deeper engagement with consumers through dynamic and interactive content that integrates our physical signs with new online assets, mobile devices and social networks.

This is through NFC or QR Code technology across our entire inventory; our Wi-Fi solutions in environments such as airports, cafes and venues; and, our complete online solutions such as Q-view, Hijacked and In2Sports.

Our digital revenues continue to outperform, achieving 23% of our group revenue in 2014. In 2015, we anticipate this will grow to 30% of group revenues.

As outlined in the prospectus, this year will see a sharp focus on digitising roadside billboards and the further expansion of our digital assets in retail environments – both environments which are ripe for further digital growth.

We are well on track to deliver against our prospectus commitment of more digital billboards by year end. Recently we have started development of digital billboards in Perth, Adelaide and our times-square like billboard in Bourke Street Mall. The recent approval for the first three and only digital

sites on Sydney's heavily trafficked Southern Cross Drive, continues our Signature series approach of digitising the best and highest demand sites.

Though while digital is important and creates value, our static billboards are equally as important. Static's always-on nature has and will continue to be successful in helping our clients sell more.

This is why the mix of static and digital going forward is important. We expect that by calendar year 2018 static and digital will be delivering a 50/50 split in revenues.

Looking at our 2014 Financial Results, it was clearly a strong year and positive start to our re-listing on the ASX.

I am proud to say we delivered strong revenue growth and exceeded prospectus forecasts across all metrics – both on a Pro Forma and statutory basis.

More importantly we continued our long run of year-on-year revenue growth.

Our balance sheet is strong with a healthy net debt position. Our net debt to pro-forma EBITDA was at 1.5 times, which coupled with our banking facility of \$140 million, enables us to accelerate our digital programs and accommodate strategic and profit accretive bolt-on acquisitions as appropriate.

This is a very pleasing set of numbers for our first reporting season with solid revenue growth and profit fall through. They highlight the leverage and scalability of our operating structures.

Particularly pleasing was revenue growth, especially in the last quarter – as the EYE integration was successfully completed. During this time, we delivered a 13% revenue increase compared to the previous corresponding period.

What's more, this revenue growth is being maintained in line with prospectus.

As mentioned by the Chair, we are on track to deliver against forecast.

In conclusion, I would like to thank the team at oOh!media for such a successful 2014. Without their dedication and hard work, we would not be standing here providing such a positive result or outlook.

I would also like to thank my executive team, a very capable group of executives who continually look for ways to improve the business and keep us as the leaders of an industry that is going through rapid transformation.

And to the Chairman and fellow Board members, I cannot thank you enough for your support and guidance in 2014.

I am looking forward to an even more exciting 2015 and beyond as we continue to develop oOh! into a market leading new media platform to ensure you, our shareholders, realise true value.

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About oOh!media Limited: 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..