



FOR IMMEDIATE RELEASE

22 February 2016

APN Outdoor over delivers on Prospectus targets in 2015

APN Outdoor Group Limited (ASX:APO) today reported its financial performance for the year ending 31 December 2015.

Financial highlights include:

- Exceeded all key Prospectus targets
- Revenue up 20% on last year to \$300.8m
- Pro forma EBITDA up 62% on last year to \$73.3m
- Pro forma NPATA up 83% on last year to \$43.3m, 53% ahead of Prospectus forecast
- Statutory NPAT of \$41.0m was \$15.3m ahead of Prospectus forecast
- Full year dividend of 15.5 cents per share (fully franked) – well ahead of Prospectus forecast of 10.0 cents per share

Operational highlights include:

- Strong market growth continues, driven by increased audiences and digitisation
- Increased market share in both Australia and New Zealand
- Digital rollout target exceeded - 52 large format digital screens operational at the end of 2015
- XtrackTV exceeded revenue expectations and expanded into the Brisbane and Adelaide markets
- Sydney Airport outdoor advertising contract retained and expanded
- Major asset upgrades including digitisation completed at Auckland and Sydney Airports
- Completed three asset acquisitions across Australia and New Zealand

Financial summary

YE December \$ millions	2015	2015	2014	2015 Growth		
	Actual	Prospectus	Actual	Prospectus \$	Prospectus %	2014 %
Revenue	300.8	271.5	250.6	29.3	11%	20%
Expenses	(227.5)	(217.8)	(205.3)	(9.7)	4%	11%
EBITDA	73.3	53.7	45.3	19.6	37%	62%
EBITDA Margin %	24.4%	19.8%	18.1%			
EBIT	63.1	41.7	35.3	21.4	51%	78%
NPATA	43.3	28.3	23.7	15.0	53%	83%
NPAT	41.4	26.2	21.6	15.2	58%	91%
NPAT (statutory)	41.0	25.7	(12.2)	15.3	60%	n/a
EPS - diluted (cents)	26.0		14.1			
Net Debt / EBITDA	0.8x		1.7x			

EPS based on NPATA

Above results shown on pro forma basis

APN Outdoor Group Limited is a publicly listed company on the Australian Stock Exchange. As the most progressive leaders in Outdoor advertising across Australia and New Zealand, APN Outdoor boasts 36,000 high-impact sites in attention-grabbing locations. APN Outdoor is committed to driving the Outdoor industry forward and is constantly investing in research, innovation and cutting-edge digital developments to produce improved results for its advertisers.

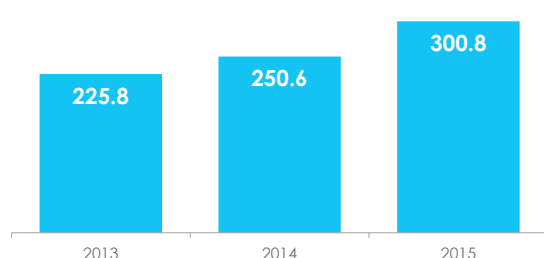
Web: www.apnoutdoor.com.au Facebook: facebook.com/APNOutdoor LinkedIn: linkedin.com/company/apn-outdoor Twitter: twitter.com/APNOutdoorAU YouTube: youtube.com/apnoutdoor

2015 heralded APN Outdoor Group Limited's (APN Outdoor) first full year as a publicly listed company on the ASX. Following our successful listing in November 2014, the business maintained focus on its strategy and realised the benefits gained through investment in new products, contract wins, targeted acquisitions and operational excellence. Our businesses in both Australia and New Zealand performed exceptionally well and were driven by similar dynamics. We remain confident that our strategy is robust and able to provide sustainable growth into the future.

Financial Performance

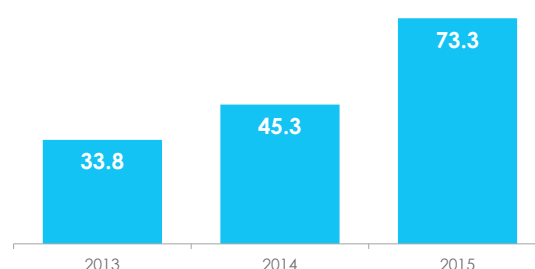
Revenue Growth – pro forma

- up 20% (\$50.2m) on prior year
- above Prospectus forecast by 11% (\$29.3m)



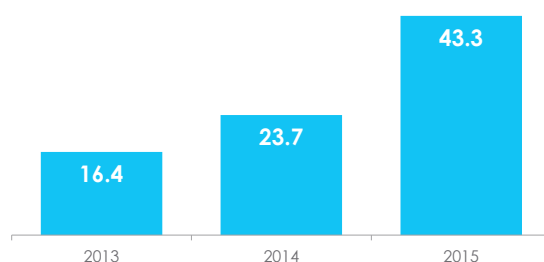
EBITDA Growth – pro forma

- up 62% (\$28.0m) on prior year
- above Prospectus forecast by 37% (\$19.6m)



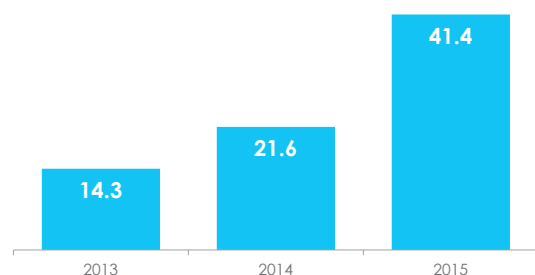
NPATA Growth – pro forma

- up 83% (\$19.6m) on prior year
- above Prospectus forecast by 53% (\$15.0m)



NPAT Growth – pro forma

- up 91% (\$19.8m) on prior year
- above Prospectus forecast by 58% (\$15.2m)

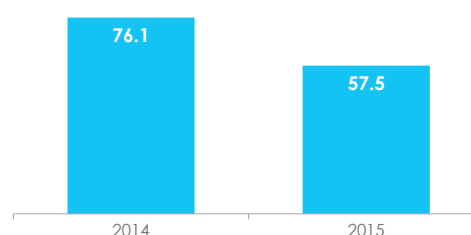


Capital Management

Our business model generates strong cash flows. In 2015 operating cash flows funded investment activities, dividends and debt reduction. At the end of the financial year rent due on 4th January 2016 was prepaid. Adjusted cash conversion was 92%.

During the year net debt was reduced by \$18.6m to \$57.5m (excluding unamortised borrowing costs). Our net debt to EBITDA ratio reduced from 1.7x to 0.8x during the year. At 31 December 2015, we have \$55m of funding available from undrawn banking facilities and cash.

Net Debt (\$m)

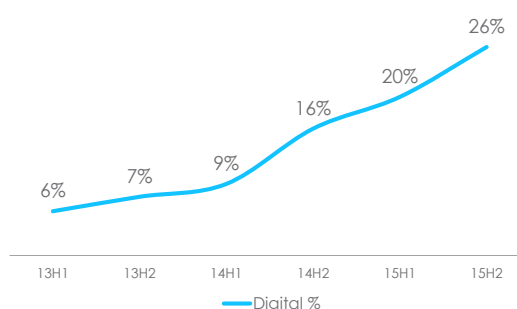


Business Review

Growth in Digital

- Maintained a clear leadership position in large format digital billboards (Elite screens)
- An additional 18 Elite screens added in Australia during the year of which 9 were in the Sydney market
- 52 Elite screens active at the end of 2015
- Digital revenues generated 26% of all revenues in the second half of 2015

Digital proportion of revenue



Geographic Expansion

Completed three asset acquisitions providing geographic depth to our current portfolio with good digital conversion prospects

XtrackTV Expansion

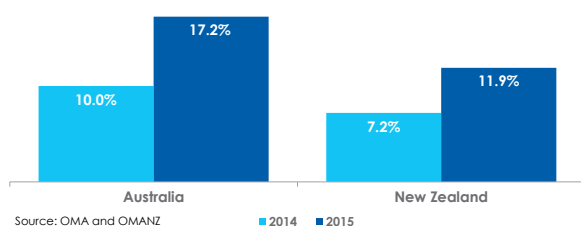
Expanded our highly successful new product, XtrackTV into the Brisbane and Adelaide markets

Airport Renewal

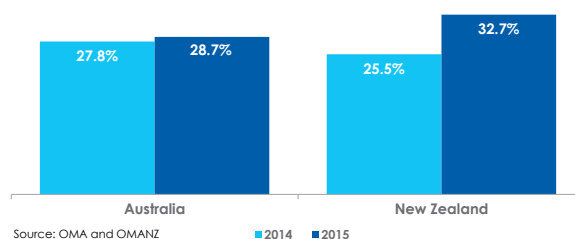
Renewed and expanded one of Australia's largest Outdoor contracts at Sydney Airport

Market Performance

Market Growth



Market Share



Both the Australian and New Zealand Outdoor advertising markets enjoyed solid growth in 2015. The Australian market increased by 17.2% and the New Zealand market by 11.9%. The industry continues to benefit from increasing audiences due to population growth, expanded urbanisation and increased travel habits. The investment in new products, specifically digital screens, has added to the attractiveness to advertisers by offering a broader rationale for inclusion in media plans.

APN Outdoor's market share grew in both markets due to a combination of factors including new product investment, contract wins, acquisitions and operational improvements.

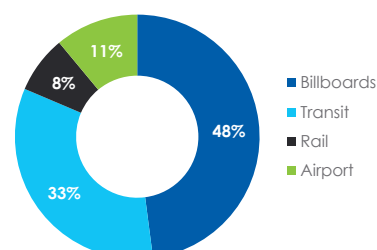
Achieving share growth in a competitive market is particularly pleasing and will continue to remain a measure of our overall performance.

Outdoor Category Leadership

APN Outdoor operates in four of the primary Outdoor advertising categories being Billboards, Transit, Airports and Rail. Our aim is to achieve and maintain the leadership position in all of these categories.

\$ millions	2015	2014	Growth \$	Growth %
Billboards	143.9	122.9	21.0	17%
Transit	101.0	91.7	9.3	10%
Rail	22.8	16.2	6.6	41%
Airport	33.1	19.8	13.3	67%
TOTAL	300.8	250.6	50.2	20%

Revenue by category - 2015



Sales and Marketing

We continued to improve both our trade marketing and sales efforts throughout 2015. Pleasingly our sales team were recognised in late 2015 in the prestigious Media I Awards as the best National media sales team adjudged against all media sales team peers.

The two major 2015 research initiatives were:

The Attention Economy researched how audiences in nine major metropolitan Trans-Tasman markets move, think, feel and respond to Outdoor advertising.

My Real World delved deeply into what transit media means to Australians within their personal sphere of existence and what sorts of action this personal connection elicits.

Future Focus and Strategy

Digital Screens	Organic	Acquisitions
<ul style="list-style-type: none">Invest in targeted premium digital screen locationsPromote attributes to encourage new advertisers and broader usageMaintain clear leadership position in digital Billboards	<ul style="list-style-type: none">Retain existing contracts on favourable termsWin new contracts within strategic category scopeLeverage existing contracts to upgrade panel quality	<ul style="list-style-type: none">Complement existing category baseQuality assets representing valueProvide geographic depth and balanceProvide strong digital prospects

Outlook

Outdoor advertising momentum from 2015 has continued into the early months of 2016. However, our revenues and earnings are weighted to the second half of the year. Assuming a continuation of current market conditions we expect a revenue increase for 2016 in the range of 8% to 11% and full year EBITDA to be in the range of \$84m to \$88m.

Demand from advertisers and agencies for our large format digital screens remains strong and as a result, we are planning to accelerate our rollout programme in 2016 to over 20 new digital Elite Screens. To date we have commissioned 2 new Elite Screens in 2016 with a further 9 approved and at various stages of construction.

For more information

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Conference call

Richard Herring, Chief Executive Officer and Wayne Castle, Chief Financial Officer, will host a conference call today at 9.30am (Sydney time).

The call will be webcast live at <http://investors.apnoutdoorcorporate.com/Investor-Centre/>

Analysts and investors who wish to participate in the teleconference should dial 1800 558 698 and quote conference ID 607995.

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.