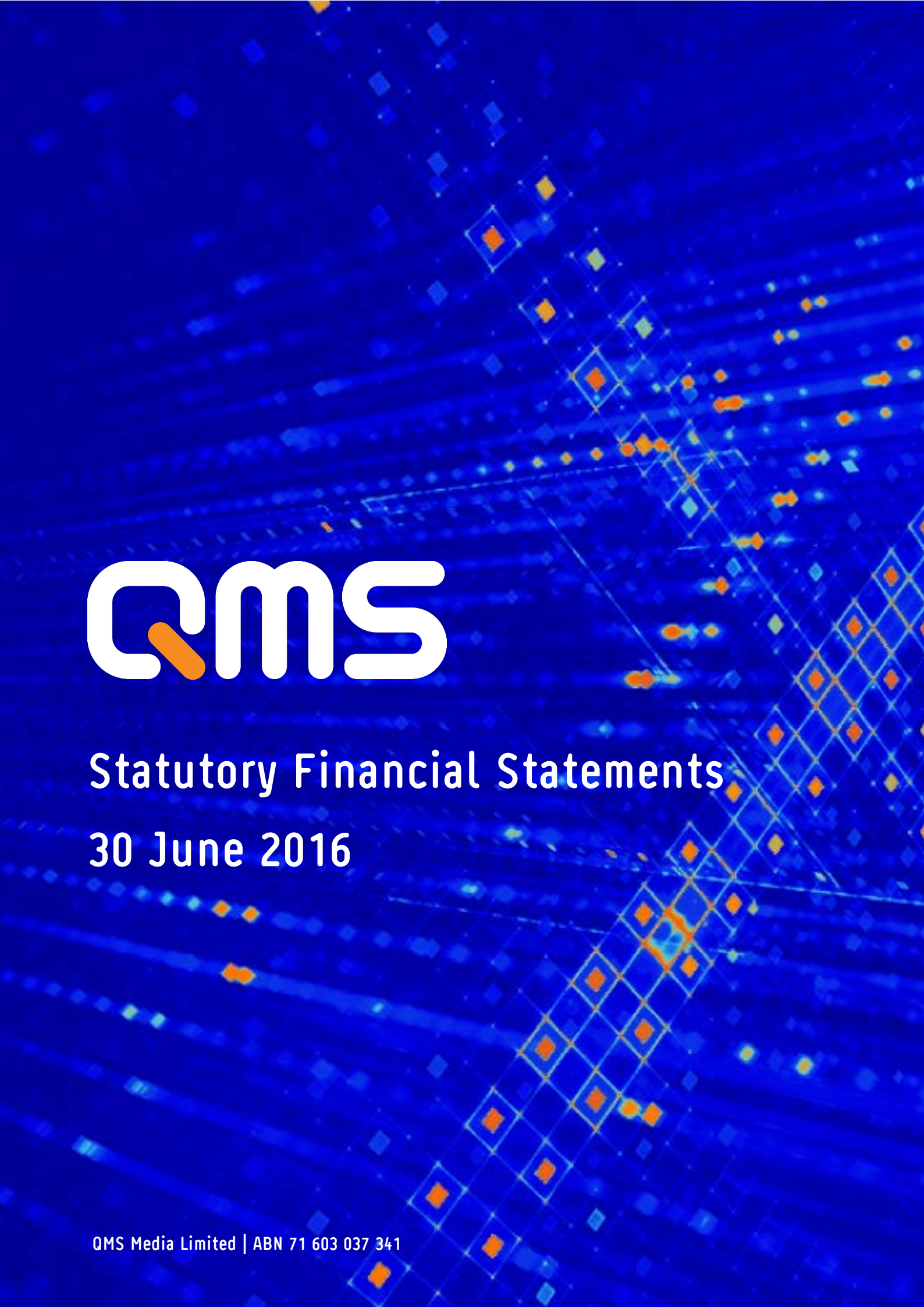


Statutory Financial Statements

30 June 2016

QMS Media Limited | ABN 71 603 037 341

Contents

Operating and Financial Review

The directors are pleased to present the Operating and Financial Review ('OFR') for QMS Media Limited and its controlled entities (collectively referred to as the 'Group') for the year ended 30 June 2016.

The financial information presented in this final report has been prepared on a statutory basis in accordance with the measurement and recognition requirements of Australian Accounting Standards. The prior period statutory information is presented for the period 25 November 2014 to 30 June 2015.

For the purposes of the Operating and Financial Review and financial results presentation, comparisons have been made to the Pro forma Actual 2015[1] results, which were disclosed in the 2015 investor presentation. The Group was not trading for the full comparative period and therefore the Pro forma Actual 2015 results provide a more meaningful comparison in assessing the financial performance of the Group.

In addition, certain non-IFRS measures, in particular underlying EBITDA, are used by directors and management as measures of assessing the financial performance of the Group. The directors consider these measures to be a better indicator of the underlying performance of the business and provide more meaningful comparisons of the operating performance of the business. Underlying EBITDA is the primary measure of the operating performance of the business and is a common performance measure used in the industry in which QMS Media Limited operates.

The table below details key financial information for the year ended 30 June 2016, in comparison to the 2015 Pro forma Actual results, which is the basis for the discussion in this Operating and Financial Review.

June year end	2016 Actual $'000	2015 Pro forma Actual $'000
Revenue and other income	111,825	59,639
Cost of sales	(53,053)	(35,264)
Gross profit	**58,772**	**24,375**
Gross profit margin	*52.6%*	*40.9%*
Operating expenses	(31,679)	(25,100)
EBITDA	**27,093**	**(725)**
EBITDA margin	*24.2%*	*(1.2%)*
Non-underlying revenue	(2,092)	-
Non-underlying expenses	1,797	5,444
EBITDA - underlying	**26,798**	**4,719**
EBITDA margin - underlying	*24.0%*	*7.9%*

Revenue

Total statutory revenue and other income for FY16 was $111.8 million, representing growth of 88% on a pro forma basis. This included $2.1 million of deferred and contingent consideration relating to the June 2015 IPO acquisitions which was recognised in other income during the year.

Growth was driven by the expanded platform of high quality assets across the Group, uplift from the conversion of static sites to digital platforms which yield higher revenue, and contribution from acquisitions.

[1] Pro forma Actual 2015 results represent the actual results of the acquired subsidiaries and assets from the IPO for the year ended 30 June 2015.

These drivers have been partially offset by the delayed ramp up of the Bali Airport and Auckland Transport concessions.

There has been strong delivery on digital growth with digital revenue contributing 62% of Australian media revenue and 39% of total media revenue. At 30 June 2016, the Group had 45 landmark digital billboards and 132 small format digital billboards (FY15 Pro forma Actual: 21 and nil).

The Group has strengthened its market coverage in Australia and is in a market leading position in New Zealand. The acquisition of iSite Limited in December 2015 has provided the opportunity to leverage the Group's digital development and marketing capability across iSite's high quality asset base in New Zealand. Since acquisition, 8 new digital landmark billboards became operational. iSite has been successfully integrated into the Group and is performing strongly with EBITDA ahead of acquisition guidance.

During FY16, the Group launched the Digilab, a dedicated technology hub, established to drive continual innovation and creative thinking across the business. The Digilab provides the platform for dynamic ad-serving and content management that delivers our clients increased flexibility and campaign leverage. The Digilab's primary purpose is to develop new initiatives through fostering creative thinking across all areas of the business and to provide QMS with a competitive edge through the testing and adoption of new technology. This innovation lead technology allows us to provide opportunities that other advertising companies cannot.

Gross Margins

Gross margin improved from 41% to 53% reflecting the shift in revenue mix as digital sites assume a higher proportion of total revenues and vertical integration benefits from bringing previously outsourced print production services in-house.

Expenses

Cost of sales and underlying operating expenses for FY16 were $82.9 million, compared to FY15 Pro forma Actual cost of sales and operating expenses of $54.9 million (excluding non-underlying expenses). The increase of $28.0 million relates to the growth in the Australian media business and contribution from the acquisitions undertaken during the year. This increase comprised:

- Increased cost of sales of $17.8 million associated with increased revenue generated; and
- Increased operating expenses of $10.2 million to fund the investment in sales, development and operations infrastructure to support future growth.

The non-underlying expenses relate to acquisition, restructuring and integration costs incurred during the year.

Reconciliation of operating profit to EBITDA

A reconciliation between operating profit as shown in the statement of profit or loss and other comprehensive income and underlying EBITDA is shown below:

	$'000
Operating profit	**19,149**
Depreciation expense	3,978
Amortisation expense	3,966
EBITDA	**27,093**
Costs associated with acquisitions	688
Restructuring and integration costs	1,109
Release of deferred and contingent consideration	(2,092)
Underlying EBITDA	**26,798**

FY16 underlying EBITDA of $26.8 million was significantly higher than the Pro forma FY15 Actual underlying EBITDA of $4.7 million. This is attributable to the growth in the media business, stronger gross margins and contributions from acquisitions undertaken during the year.

Outdoor advertising market

The strength of the outdoor advertising market is fundamentally important to the Group's financial performance.

The Outdoor Media Association reported a sixth year of consecutive growth in the Out-of-Home industry, with a 17% increase in net revenue year on year, taking the industry's net revenue to $677.8 million, up from $579.3 million in CY14. Out-of-Home audiences continue to grow at a time when other traditional media channel audiences are in decline, with technology enhancing the medium in ways that give it an edge over other media channels.

The Group is confident that the shift to increased advertising expenditure on outdoor advertising assets is structural rather than temporary and the performance of the outdoor advertising market is expected to remain strong, reflecting the following:

- The ability of outdoor advertising to engage with consumers in a receptive form;
- Demand for digital assets that give advertisers the ability to communicate with consumers immediately and to adapt the message being communicated to account for the time of day, weather, demographic of viewer, events and other external factors; and
- The continued fragmentation of mainstream media.

Acquisitions

During the year the Group has continued to expand its market presence within the outdoor advertising industry through strategic acquisitions. iSite Limited and Omnigraphics Limited were acquired in December 2015 and the acquisition of Australian Billboard Company Pty Ltd was completed on 29 January 2016.

iSite Limited is one of the two leading outdoor advertising businesses in the New Zealand market. This acquisition significantly expanded the Group's presence in New Zealand providing opportunities to apply its core capabilities to drive growth across the expanded platform of assets in New Zealand.

Omnigraphics Limited is one of New Zealand's leading large format digital printing companies. Its print production capabilities support the Group's expanded outdoor media presence in the New Zealand market.

Australian Billboard Company Pty Ltd operates the Gold Coast City Council's outdoor advertising concession for street furniture throughout the Gold Coast region. The acquisition secured over 700 street furniture panels located from Coolangatta to Paradise Point and inland to Robina. Aligning with the Group's growth strategy, this acquisition provides significant digital conversion opportunities with 50 of the street furniture panels already converted at 30 June 2016. The intention is to convert up to 100 panels before the Commonwealth Games in 2018.

Funding

The Group's operations in FY16 were funded from: (1) cash generated from operating activities; and (2) utilisation of a loan facility with Australia & New Zealand Banking Group Limited ('ANZ') to fund the expansion of high quality assets and the conversion of static sites to digital platforms.

In December 2015, the Group undertook a $50.3 million capital raise through an institutional entitlement offer and a retail entitlement offer. These funds were used to complete the acquisition of iSite and cover acquisition costs.

As at 30 June 2016 the Group had $12.6m in cash and cash equivalents. Based on current operational forecasts and expected market conditions, the Group has sufficient funds to support its current activities.

On 9 September 2016, the Group executed a new facility agreement and associated security documents with National Australia Bank Limited, which replaced the existing ANZ facility. As a result, the Group's total facility has increased by $16.8 million to $57.9 million. There is an additional step-up in the facility of $10.0 million upon the achievement of certain financial targets at 31 December 2016. The facility is available for drawings in Australian and New Zealand Dollars, is for general corporate purposes, and has a maturity date of 3 years, expiring on 9 September 2019. The facility agreement contains the usual security and financial covenants typical for facilities of this nature.

Risks

The Group operates in a competitive marketplace and consequently faces a number of risks. The risks identified below are considered the more significant risks and are not an exhaustive list of all risks faced by the Group.

- The financial performance of the Group is heavily dependent on the strength of Out-of-Home advertising expenditure. The outdoor advertising industry has grown strongly during FY16 in all key markets in which the Group operates. A downturn in the general level of advertising expenditure or a shift in the allocation of advertising expenditure to other formats (e.g. television, print, radio) could negatively impact the Group's financial performance;
- The digital outdoor advertising sector is highly competitive and demand for digital advertising sites may raise market rents with a resulting adverse effect on the Group's gross margins;
- The Group is heavily reliant on its relationships with media agencies to sell the Out-of-Home advertising space that it owns and/or manages. Accordingly, the loss of these relationships or a significant change in the media landscape could adversely impact the Group's ability to generate revenues;
- The Group seeks to constantly expand its inventory of premium billboards. Failure to execute roll out of billboards in accordance with planned timetables will negatively impact upon expected future revenues.

The Board of directors, together with the executive management team, is primarily responsible for managing risk. The Group constantly monitors risks to operations and financial performance and, where commercially viable, utilises risk mitigation tools and strategies.

Index to the Directors' report

Directors' report

For the year ended 30 June 2016

The directors of QMS Media Limited ('Company') present their report together with the financial report of the Company and its controlled entities (collectively referred to as the 'Group') for the year ended 30 June 2016. The information set out below is to be read in conjunction with the Operating and Financial Review which forms part of this directors' report.

1. Directors

The directors of the Company during the financial year and up to the date of this report are:

- Wayne Stevenson – Independent Non-Executive Chairman
- Robert Alexander – Independent Non-Executive Director
- Anne Parsons – Independent Non-Executive Director
- Barclay Nettlefold – Chief Executive Officer
- David Edmonds – Director Corporate and Legal

2. Principal activities

The principal activities of the Group during the course of the financial year were the provision of Out-of-Home advertising and media services over a portfolio of owned and represented static and digital billboards throughout Australia and overseas.

3. Results of operations

A description of the Group's operations, business model, material business risks, sources of funding, review of financial performance and position, and future prospects are detailed in the Operating and Financial Review on pages 3 to 6.

Shareholder returns

	2016	2015
Profit / (loss) attributable to owners of the Company	$13,418,000	($4,844,000)
Basic and diluted earnings/(loss) per share (cents)	4.80	(32.51)
Dividend paid	$nil	$nil
Dividend per share	$nil	$nil

4. Dividends

On 29 August 2016, the Board recommended the payment of a final, fully franked dividend of 1.5 cents per share ($4,528,815). Proposed dividends on ordinary shares are not recognised as a liability as at 30 June 2016. No dividends were paid for the year ended 30 June 2016.

5. Significant changes in the state of affairs

Since 30 June 2015, the Company obtained control of the following entities:

Entity	Date control gained
QMS NZ Limited	26 November 2015
iSite Limited	10 December 2015
Omnigraphics Limited	11 December 2015
Australian Billboard Company Pty Ltd	29 January 2016

There were no other significant changes in the state of affairs of the Group during the financial year, other than those noted in the Operating and Financial Review.

6. Matters subsequent to the end of the financial year

On 29 August 2016, the Board recommended the payment of a final, fully franked dividend of 1.5 cents per share ($4,528,815). Proposed dividends on ordinary shares are not recognised as a liability as at 30 June 2016.

On 9 September 2016, the Group executed a new facility agreement and associated security documents with National Australia Bank Limited, which replaced the existing ANZ facility. As a result, the Group's total facility has increased by $16.8 million to $57.9 million. There is an additional step-up in the facility of $10.0 million upon the achievement of certain financial targets at 31 December 2016. The facility is available for drawings in Australian and New Zealand Dollars, is for general corporate purposes, and has a maturity date of 3 years, expiring on 9 September 2019. The facility agreement contains the usual security and financial covenants typical for facilities of this nature.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

7. Likely developments

There are no other circumstances or matters that will significantly affect the operations and future results of the Group other than the developments that have been outlined in this report and the Operating and Financial Review.

8. Environmental regulation

The Group is subject to environmental laws and regulations, which vary depending on the jurisdiction of the location of operations. The Group has policies and procedures in place to ensure compliance with all environmental laws and regulations. The directors are not aware of any material breaches of environmental regulations during the financial year.

9. Information on directors

	Experience, special responsibilities and other directorships
Wayne Stevenson Chartered Accountant Fellow of the Australian Institute of Company Directors Bachelor of Commerce (Accounting) Independent Non-Executive Chairman Chairman of the Remuneration, Nomination and Corporate Governance Committee Appointed 10 April 2015	Experienced financial services executive with extensive finance, strategy and operational expertise across Australasian and International markets. Wayne has been involved in the finance industry for over 30 years, and has gained a wide range of experience, particularly with the ANZ Banking Group. Current independent non-executive directorships: • OnePath Life Insurance Ltd • OnePath General Insurance Ltd • ANZ Lenders Mortgage Insurance Ltd • Credit Union Australia Limited
Robert Alexander Chartered Accountant Bachelor of Commerce Degree Independent Non-Executive Director Chairman of the Audit and Risk Management Committee Appointed 10 April 2015	Robert is an experienced senior finance and operations executive who has over 30 years experience working within the commercial sector. Robert has worked in global organisations in industries such as media, entertainment, professional services and the print industry, with considerable experience in mergers and acquisitions. • Global CFO of Eye Corp Pty Ltd • Global CFO of OPUS Group Limited • Senior finance and operations experience with major organisations including Universal Music and Hoyts Entertainment Ltd
Anne Parsons Journalism and Business Psychology Independent Non-Executive Director Appointed 10 April 2015	Anne is a highly regarded advertising and media executive with over 20 years experience gained in a wide variety of roles across the globe. She has worked in many media channels and has extensive experience in multi-channel solutions. • Currently managing partner of Cherry London • Chairman of MediaCom Australia, and CEO for 6 years • MD of Zenith Media Melbourne for 10 years
Barclay Nettlefold Bachelor Degree (Accounting and Marketing) Chief Executive Officer Appointed 25 November 2014	Barclay is an experienced advertising and media executive with over 30 years experience in the Asia Pacific region and has managed and developed various outdoor advertising businesses in this region. • Co-Founder of Nettlefold Advertising sold to Hoyts Group • Co-Founder of Eye Corp • Founder of News Outdoor South East Asia, in partnership with News Corp • Formed QMS APAC as a JV with Qatar Media

9. Information on directors (continued)

	Experience, special responsibilities and other directorships
David Edmonds Bachelor of Law and Commerce (Hons) Director Corporate and Legal Appointed 25 November 2014	David is a corporate finance lawyer, with significant experience in mergers and acquisitions, project financing and business development in Australia, Indonesia and Thailand. Previously with Minter Ellison and Blake Dawson Waldron (now Ashurst), David has worked in the outdoor advertising industry for over 10 years throughout the Asia Pacific region. • Jakarta and Indonesia with Blake Dawson Waldron and then Minter Ellison affiliated firms • Established Thailand office of Minter Ellison in Bangkok • Regional COO and General Counsel for News Outdoor Group for Asia Pacific • Led commercial strategy and negotiations for QMS APAC M&A team

10. Company Secretary

Anthony Carafa, Member of the Institute of Chartered Accountants in Australia was appointed to the position of Company Secretary in June 2015. Anthony Carafa has previously held roles as an officeholder and acted in this capacity in advising many large businesses in various corporate matters and ASIC compliance related services.

11. Directors' meetings

The number of directors' meetings (including Board and Committee meetings) and the number of meetings attended by each director during the financial year are shown below.

Name of Director	Board Meeting		Audit and Risk Management Committee		Remuneration, Nomination and Corporate Governance Committee	
	Held	Attended	Held	Attended	Held	Attended
Wayne Stevenson	11	11	7	7	3	3
Barclay Nettlefold	11	11	-	-	-	-
Anne Parsons	11	11	-	-	3	3
David Edmonds	11	11	7	6	3	3
Robert Alexander	11	11	7	7	-	-

12. 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 purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

13. Indemnification and insurance of officers and auditor

The Company has indemnified the directors and officers of the Company for costs incurred, in their capacity as a director or officer, for which they may be held personally liable, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the Company paid a premium to insure the directors and officers of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability, the name of the insurer, the limit of liability and the premium paid for the policy.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

14. Non-audit services

During the financial year KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the financial year by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for non-audit services provided during the year are set out below.

	2016 $	2015 $
Services other than audit and review of Financial Statements		
Taxation services	43,722	-
Investigative Accountant services in relation to IPO	-	1,665,000
	43,722	**1,665,000**

15. Auditor's independence declaration

The auditor's independence declaration is set out on page 84 and forms part of the directors' report for the financial year ended 30 June 2016.

16. Directors' interests

The relevant interest of each director in the share capital of the Company as at the date of this report is as follows:

	Ordinary shares
Barclay Nettlefold	45,059,236
David Edmonds	1,375,000
Wayne Stevenson	1,123,076
Anne Parsons	-
Robert Alexander	-

There are no performance rights or options over ordinary shares.

17. Rounding off

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with the Rounding Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

18. Remuneration report

Message from the Chairman and Chair of the Remuneration, Nomination and Corporate Governance Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the QMS Media Limited remuneration report for the 2016 financial year.

In our last report to shareholders we signalled our intention to review the overall remuneration framework to address disparities between the compensation arrangements inherited through the various acquisitions made as part of the IPO process. During the year we have, in conjunction with independent advisors, reviewed the framework and have embarked on a two year implementation program.

The new remuneration framework has been specifically structured to link remuneration with the Group's business strategy and drivers, ensuring alignment between executive remuneration and the delivery of sustainable shareholder returns.

The following key principles underpin the framework:

- Alignment of executive performance with creation of sustainable value for shareholders;
- Motivation and retention of executives through a mix of fixed and variable (at risk) pay;
- Delivery of market competitive remuneration to assist the Group to attract and retain talent;
- Behaviour alignment consistent with the Group's values and culture; and
- Simple, clear and transparent processes and documentation which is easily understood by participants and stakeholders.

The Group undertook a benchmarking exercise of senior executive remuneration during the year comparing it to similar sized entities and comparable companies. The new framework will, over time, comprise the following three elements:

- Fixed remuneration positioned at the median of listed organisations of a similar size and complexity;
- Short term incentives (STI) designed to drive performance over a twelve month period relative to pre-determined Key Performance Indicators linked to our strategy; and
- Long term incentives (LTI) designed to recognise the creation of long term shareholder value.

As part of the phased implementation, senior executives of the Group participated in the STI program for the first time. It is intended that during 2017 the programme be extended more broadly through the Group and for the LTI program to be implemented (subject to shareholder approval).

Integral to the integration of the various acquisitions made during the year, the Group realigned its organisation structure and key responsibilities to recognise the changing nature of the Group. As a consequence, the number of employees satisfying the definition of Key Management Personnel reduced from that previously reported.

For 2016, the Board identified the following drivers integral to delivering our business strategy:

- Financial performance;
- Delivery of a strong platform and pipeline of quality outdoor media assets;
- Digital development strategy;
- Integration of acquisitions; and
- Strong market coverage in key geographies.

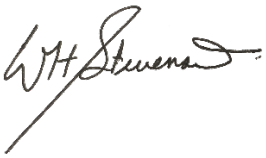
During the year the Group produced strong financial outcomes, delivered on the digital development program, successfully integrated IPO acquisitions as well as several additional acquisitions, whilst at the same time

increasing market share and brand recognition. This could not have been achieved without the dedication and support of our senior executive team and all employees at QMS Media Limited.

On behalf of the Board, I would like to thank all of our employees for their dedication and efforts in achieving the outstanding result for the year.

The Board recommends the remuneration report to shareholders for approval at the 2016 financial year Annual General Meeting. As part of its commitment to corporate governance best practice, the Board welcomes feedback form external stakeholders on its remuneration practices and disclosures.

Yours Sincerely



Wayne Stevenson

Chairman and Chair of the Remuneration, Nomination and Corporate Governance Committee

QMS Media Limited

18. Remuneration report – audited

The directors of QMS Media Limited present the remuneration report for the Company and its controlled entities (collectively referred to as the 'Group') for the year ended 30 June 2016, in accordance with the Corporations Act 2001 and Australian Accounting Standards.

The remuneration report outlines key elements and information on the remuneration framework for non-executive directors, executive directors and other Key Management Personnel ('KMP'). KMP are identified as those people who have the authority and responsibility for planning, directing and controlling the Group's activities, either directly or indirectly. Under AASB 124 Related Party Disclosures, this is deemed to include non-executive directors. The remuneration report is provided in the following format:

1. Introduction
2. Remuneration framework overview
3. 2016 financial year performance
4. Non-executive directors and executive KMP remuneration
5. Remuneration governance

The remuneration report has been prepared on a basis consistent with the Financial Statements and includes total remuneration details for the year ended 30 June 2016. This report refers to a range of non-IFRS financial information including EBITDA. The Board believes that this non-financial information provides useful insight to users in measuring the financial performance of the Group and are consistent with those used by industry competitors.

1. Introduction

In the lead up to the IPO listing on 29 June 2015, certain individuals were identified as KMP for the 30 June 2015 remuneration report because they had responsibility for the strategic operations of the business at this time. There were a number of acquisitions that were undertaken at the time of the IPO which required additional management resources in a number of departments across the Group. Due to the complexity of the listing process and additional specialist resources required, a broader management group was responsible for directing the activities of the Group during this time.

Prior to the IPO, the Group was a private Company with limited trading operations. The composition and structure of the Group significantly changed as a result of the IPO and the acquisitions undertaken at this time. As a result, the Group re-evaluated its corporate structure and a new level of corporate governance was established effective from 1 July 2015. This included, but was not limited to redefining the following:

- Responsibilities for the direction, goals and objectives of the Group;
- Responsibilities for the development of strategic objectives of the Group;
- Delegation authority and power to manage the Group's operations;
- Authority limits for capital expenditure, site acquisitions and business acquisitions; and
- Process for determining how decisions are made and reported to the Board.

This new corporate governance structure developed post IPO has resulted in a change to the individuals identified as KMP from the prior period.

Effective from 1 July 2015, the following KMP were identified based on their specific authority and responsibility for the strategic operation of the business, including but not limited to the planning, directing and the control of the material activities of the Group.

18. Remuneration report – audited (continued)

Non-Executive Directors	
Wayne Stevenson	Chairman and Independent Non-Executive Director
Anne Parsons	Independent Non-Executive Director
Robert Alexander	Independent Non-Executive Director

Executive KMP	
Barclay Nettlefold	Chief Executive Officer
David Edmonds	Director Corporate and Legal
Peter Cargin	Chief Financial Officer

2. Remuneration framework overview

The Group operates in a competitive market and thus attracting and retaining talented individuals is at the core of our success. We recognised last year that there were many disparities between the compensation arrangements inherited from the various acquisitions made during the IPO and have sought to implement a consistent market competitive framework across the Group. To achieve this, we have enlisted the services of independent remuneration advisers to develop a clear, transparent and easily understood framework consistent with current market best practice.

As a result, the Group's remuneration framework is moving towards a combination of fixed and performance based components. The performance based component is at risk, which means that it is not paid if pre-determined performance measurement criteria are not met.

For 2016, remuneration outcomes consisted of a combination of Fixed Annual Remuneration and Short Term Incentives. It is the Board's intention to add to this by implementing the Long Term Incentive program for the 2017 financial year.

The principles that underpin the Group's remuneration framework are designed to ensure alignment of the individual goals with those of the Group, ensuring that the common goal of value creation and sustainable shareholder growth are aligned.

Our employees are remunerated on not only the overall Group achievement, but also on specific individual performance hurdles that contribute to the Group achieving its strategy. This ensures that there is consistency and a common purpose driving the performance of individuals.

2.1 Remuneration components

2.1 Fixed Annual Remuneration (FAR)

Compensation levels for all senior executives have been benchmarked against comparative positions in other similar organisations. In addition, due to the significant changes occurring within the Group, the Remuneration, Nomination and Corporate Governance Committee has also reviewed those positions where the complexity and span of control has changed significantly.

2.2 Short Term Incentive (STI)

Contracts for senior executives allow for bonuses to be paid on the achievement of financial and non-financial targets. In line with benchmarking from independent advisors, the STI program has been revamped and tailored toward individual outperformance against KPIs that are linked to the key value drivers of the Group.

18. Remuneration report – audited (continued)

2.3 Long Term Incentive (LTI)

The Group has previously adopted rules for an Employee Incentive Plan which allows it to issue options, or such other approved securities convertible into shares to eligible persons (including directors, subject to compliance with the ASX listing rules) as the Board approves from time to time. Details of this scheme are on the Company website. As at the date of this report, no securities have been issued under the plan. The Group intends to implement a formal LTI program in the 2017 financial year.

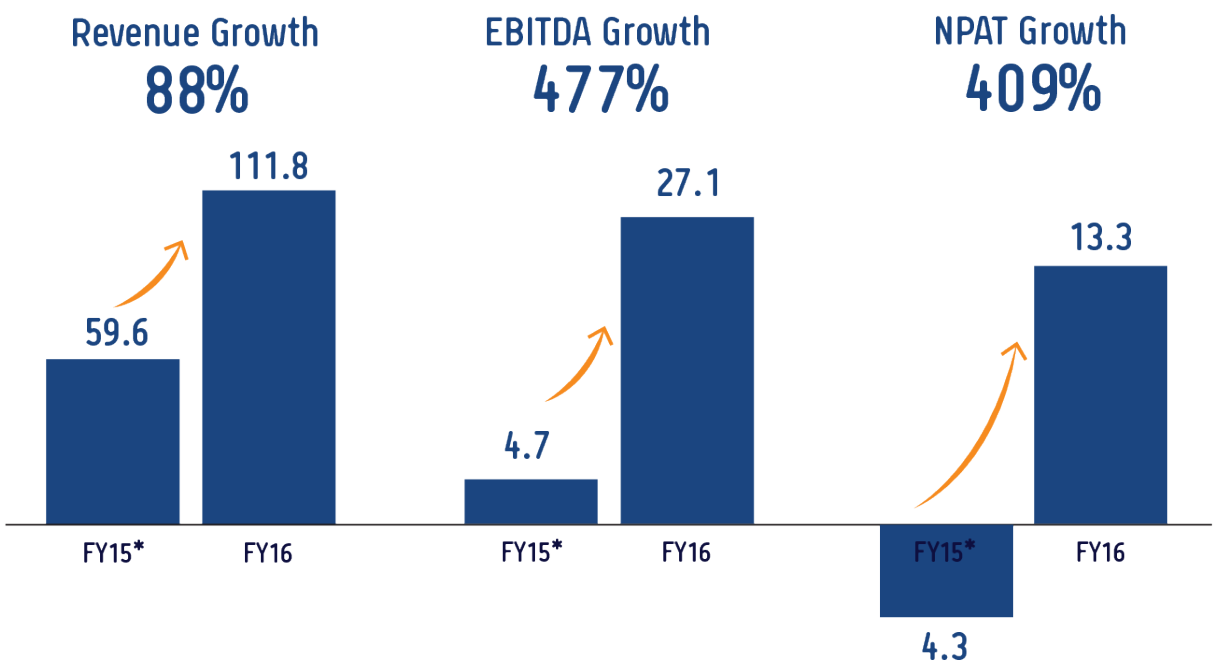
Component	Implementation	Link to Performance
Fixed Annual Remuneration (FAR) Comprises base salary, leave entitlements, and employer contributions to superannuation.	The Group bases its fixed remuneration on the responsibilities associated with, and the skills required to perform the role. The Group also considers a number of other factors including the benchmarking of senior executive position remuneration to industry peer companies and comparable sized companies median pay levels as well as the individual's historical performance and contribution to the Group in the prior year. Superannuation is paid at the statutory level of 9.5% for all employees. Fixed remuneration is reviewed annually, taking into account market movements and individual performance outcomes.	There are no guaranteed fixed remuneration increases. The Group aims to attract and retain the highest calibre employees by ensuring that its remuneration packages are market competitive, however they are underpinned by the performance and contribution of the individual.
Short Term Incentives (STI) Annual bonuses based on performance over a twelve month period, based on achieving pre-determined performance measurement criteria (KPIs).	On target STI payout outcomes for the executive KMP comprise: • CEO 30%-40% of FAR • Other KMP 25%-30% of FAR Performance against the STI targets is assessed at the end of the financial year.	The Group performance target was based on the achievement of the FY16 Board approved budget. The at risk incentives aim to motivate employees to achieve outstanding performance.

3. 2016 financial year performance

The Group delivered a strong financial performance for the 2016 financial year, its first full year as a listed company. As a result, the Board determined that the achievement of revenue, EBITDA and NPAT were the most relevant measures for assessing performance for the current financial year. Other statutory measures relating to dividend payments, share price growth and dividend payout ratios are not considered applicable at this time.

18. Remuneration report – audited (continued)

For 2016, revenue, EBITDA and NPAT were all substantially up on the Pro Forma Actual results for the previous year as shown in the following graph.



*FY15 Pro Forma Actual

Other factors considered in the determination of STIs were linked to the achievement of KPIs across a range of activities including:

- Successful rollout of large digital screens in Australia and New Zealand;
- Strong pipeline of permitted sites for growth in FY17;
- Successful completion and integration of various IPO acquisitions and subsequently the New Zealand iSite and Omnigraphics businesses;
- Delivery of digital innovation plans – Digilab developed and implemented for clients;
- Growth in revenue contribution from digital; and
- Completed implementation of governance structures, systems and processes to support transition to a publicly listed entity.

The above achievements were an excellent result for the Group, enabling it to capitalise on the strong momentum in the Out-of-Home advertising market.

18. Remuneration report – audited (continued)

4. Non-executive directors and executive KMP remuneration

Details of the nature and amount of each major element of remuneration of each non-executive director and executive KMP of the Group for the year ending 30 June 2016 are:

in dollars	Short-term				Post-employment				
	Salary and fees[1]	STI cash bonus[2]	Non-monetary benefits	Total	Superannuation benefits	Other long term benefits	Termination benefits	Total	Proportion of remuneration performance related
Non-executive directors									
Wayne Stevenson	120,000	-	-	120,000	11,400	-	-	131,400	0.0%
Robert Alexander	85,000	-	-	85,000	8,075	-	-	93,075	0.0%
Anne Parsons	75,000	-	-	75,000	7,125	-	-	82,125	0.0%
Sub-total non-executive directors' remuneration	**280,000**	**-**	**-**	**280,000**	**26,600**	**-**	**-**	**306,600**	**0.0%**
Executive KMP									
Barclay Nettlefold	512,500	144,750	-	657,250	48,751	-	-	706,001	20.5%
David Edmonds	335,000	83,750	-	418,750	39,781	-	-	458,531	18.3%
Peter Cargin	320,400	76,250	-	396,650	37,244	-	-	433,894	17.6%
Sub-total executive KMP remuneration	**1,167,900**	**304,750**	**-**	**1,472,650**	**125,776**	**-**	**-**	**1,598,426**	**19.1%**
Total remuneration	**1,447,900**	**304,750**	**-**	**1,752,650**	**152,376**	**-**	**-**	**1,905,026**	**16.0%**

[1] Includes allowances.

[2] STI bonus in respect of FY16 performance, accured at 30 June 2016, to be paid in FY17.

18. Remuneration report – audited (continued)

Details of the nature and amount of each major element of remuneration of each non-executive director and executive KMP of the Group for the year ending 30 June 2015 are:

in dollars	Short-term				Post-employment				
	Salary and fees	STI cash bonus	Non-monetary benefits	Total	Superannuation benefits	Other long term benefits	Termination benefits	Total	Proportion of remuneration performance related
Non-executive directors									
Wayne Stevenson	26,667	-	-	26,667	2,533	-	-	29,200	0.0%
Robert Alexander	18,889	-	-	18,889	1,794	-	-	20,683	0.0%
Anne Parsons	16,667	-	-	16,667	1,583	-	-	18,250	0.0%
Sub-total non-executive directors' remuneration	**62,223**	**-**	**-**	**62,223**	**5,910**	**-**	**-**	**68,133**	**0.0%**
Executive KMP									
Barclay Nettlefold #	7,333	-	-	7,333	697	-	-	8,030	0.0%
David Edmonds ^	4,000	-	-	4,000	-	-	-	4,000	0.0%
Peter Cargin*	59,270	-	-	59,270	5,631	-	-	64,901	0.0%
Sub-total executive KMP remuneration	**70,603**	**-**	**-**	**70,603**	**6,328**	**-**	**-**	**76,931**	**0.0%**
Total remuneration	**132,826**	**-**	**-**	**132,826**	**12,238**	**-**	**-**	**145,064**	**0.0%**

employed by Q Media Pty Ltd, a subsidiary of QMS Media Limited. The salary paid relates to the period from the date of acquisition of Q Media Pty Ltd (23 June 2015) to 30 June 2015.

^ engaged as a consultant by Q Media Pty Ltd, a subsidiary of QMS Media Limited. The fees paid relates to the period from the date of acquisition of Q Media Pty Ltd (23 June 2015) to 30 June 2015.

* employed from 15 April 2015 by QMS Media Limited.

18. Remuneration report – audited (continued)

Fixed and variable remuneration

The relative proportions of the fixed and variable pay components of the executive KMP remuneration for the 2016 financial year are detailed in the table below. The STI component represents the on target component calculated on the base salary, excluding allowances and superannuation.

Executive KMP	Fixed remuneration	At risk - STI	At risk - LTI
Barclay Nettlefold	70%	30%	N/A
David Edmonds	75%	25%	N/A
Peter Cargin	75%	25%	N/A

For the 2017 financial year, the Remuneration, Nomination and Corporate Governance Committee will introduce a Long Term Incentive program.

Short term incentives

In light of the strong performance delivered in the financial year and the Board approved FY16 EBITDA budget being exceeded, short term incentive payments were issued to executive KMP. The FY16 financial year STI program and payments relevant to each executive KMP are summarised below.

	Cash $	Super $	STI included in remuneration $	Percentage of STI payable	Percentage of STI forfeited
Executive KMP					
Barclay Nettlefold	144,750	13,751	158,501	100%	0%
David Edmonds	83,750	7,956	91,706	100%	0%
Peter Cargin	76,250	7,244	83,494	100%	0%

Remuneration is based on the achievement of individual pre-determined performance criteria and the FY16 Board approved EBITDA budget being exceeded. No amounts have been forfeited in the FY16 financial year due to all individual and Group financial criteria being exceeded.

Non-executive directors

The Board aims to set remuneration for non-executive directors at a level that attracts and retains non-executive directors of a high calibre and talent. The Board periodically reviews the level of fees paid to non-executive directors, including seeking advice from independent advisors.

Remuneration for non-executive directors is not linked to Group performance and is solely comprised of directors' fees (including statutory superannuation), in order to maintain director independence.

Total compensation for all non-executive directors did not exceed $350,000, the cap set in March 2015 based on an external advisor's benchmarking fee data for non-executive directors against the fees paid by a range of comparable companies. Total fees for 2016 were less than the compensation limit.

This cap is currently being reviewed to accommodate the appointment of an additional non-executive director(s).

18. Remuneration report – audited (continued)

The directors' annual fee structure, including superannuation for the year ended 30 June 2016 was as follows:

	Chair Fee	Member Fee
	$	$
Board	120,450	82,125
Audit and Risk Management Committee	10,950	N/A
Remuneration, Nomination and Corporate Governance Committee	10,950	N/A

Non-executive directors have not received performance related compensation and are not provided with retirement benefits apart from superannuation.

Shareholdings in the Group

The following table sets out the movement during the reporting period in the number of ordinary shares in QMS Media Limited held, directly, indirectly or beneficially, by each director or KMP, including their related parties, as follows:

	Held at 1 July 2015	Acquired	Retail entitlement offer	Held at 30 June 2016
Non-executive directors				
Wayne Stevenson	769,230	200,000	153,846	1,123,076
Anne Parsons	-	-	-	-
Robert Alexander	-	-	-	-
Executive KMP				
Barclay Nettlefold	45,059,236	-	-	45,059,236
David Edmonds	1,375,000	-	-	1,375,000
Peter Cargin	153,846	-	30,770	184,616

Contractual arrangements with executive KMP's

The following table details the remuneration and other main conditions of employment for the executive KMP as per their employment contracts.

Executive KMP	Notice of termination	Termination payment
Barclay Nettlefold	24 Months	24 Months
David Edmonds	12 Months	12 Months
Peter Cargin	9 Months	9 Months

All executive KMP are employed on a full time basis.

18. Remuneration report – audited (continued)

Loans to or from the Group with KMP and their related parties

Barclay Nettlefold is a director, controller of, substantial shareholder in, and the beneficiary of the following companies and underlying trusts:

- Wenvale Pty Ltd ATF the Barclay Nettlefold Family Trust;
- Nosea Pte Ltd;
- Outdoor Solutions B.V.I Ltd;
- Media Puzzle Pte Ltd; and
- Titan MG Pty Ltd ATF Titan MG Trust.

The transactions relating to directors and their related entities comprised:

	2016	2015
Amounts payable	**$'000**	**$'000**
Outdoor Solutions B.V.I Ltd	82	78
Total	**82**	**78**

No interest was payable by the directors and their related entities during the financial year (2015: $nil).

5. Remuneration Governance

Responsibility for remuneration

The Remuneration, Nomination and Corporate Governance Committee was established in 2015. Its charter is to support and advise the QMS Media Limited Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of the Group in relation to governance and oversight of the Group's remuneration and nomination policies and practices. This enables the Group to attract and retain directors and senior executives and appropriately align the interests of management to stakeholders.

The key responsibilities of the Committee in relation to setting remuneration are:

- Review and make recommendations regarding the general remuneration strategy for the Group;
- Review and make recommendations regarding changes in remuneration policy and practices, including the composition and participation of the short and long term incentive programs;
- Review and evaluate market practice and trends in remuneration matters;
- Review and make recommendations to the Board regarding executive management remuneration; and
- At a minimum, annually review the composition of the long and short term incentive programs.

As part of the Board's commitment to align remuneration with Group performance, individual employee performance is assessed and measured on an annual basis against pre-determined performance criteria.

18. Remuneration report – audited (continued)

Share trading policy

The Group established its Securities Trading Policy in 2015 for the purpose of establishing best practice procedures and processes for the buying and selling of securities that protects the Group, its directors and employees against engaging in dealings which breach, or have the potential to breach the prohibitions on insider trading activities contained in the Corporations Act 2001.

The Policy outlines the parameters in which a restricted person is not able to deal in the Company's securities and sets the parameters for when dealing in securities is permissible. These are:

- No dealings in the Company's securities are permitted when individuals are in possession of price sensitive information that is not generally available to the public; and
- No trading is to be undertaken in blackout periods (except in exceptional circumstances) and then only with the approval of the Chairman of the Board.

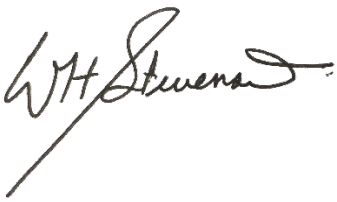
External remuneration consultants

During the 2016 financial year, QMS Media Limited engaged the services of external remuneration consultants Egan and Associates in the development of its short term incentive program and to provide preliminary advice on the proposed LTI program.

No remuneration recommendations were provided for the 2016 financial year. However, Egan and Associates assisted the Group with the provision of relevant market information in relation to remuneration benchmarking for comparable companies across a number of metrics for the senior executive positions.

The Group considers it important to seek external advice on an ongoing basis so as to enable it to remain fully informed about remuneration trends and market information for specific matters and policy and frameworks generally.

This directors' report is made out in accordance with a resolution of the directors:



Wayne Stevenson

Chairman

28 September 2016

Melbourne

Corporate governance statement

For the year ended 30 June 2016

Introduction

The Board of directors of the Company has overall responsibility for corporate governance, including establishing the corporate governance framework. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

The Company has taken into account the guidelines published by the ASX Corporate Governance Council as well as its corporate governance principles and recommendations.

Various aspects of the Company's corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to our website at www.qmsmedia.com.

Board of directors

The Board aims to build sustainable value for shareholders whilst protecting the assets and reputation of the Company. The Board has adopted a formal Charter which sets out the functions and responsibilities of the Board, its structure and governance requirements. Under the Board Charter, the overall functions of the Board are to:

(i) Set the direction, goals and objectives of the Company;

(ii) Monitor the implementation of policies, strategies and financial objectives and provide effective oversight of the Company;

(iii) Review and monitor the principal risks of the Company, the system of internal controls and compliance, and adherence to regulatory and ethical standards;

(iv) Approve and monitor processes that provide financial control and accountability and which ensure accurate and timely financial reporting, including approval of dividends, financial results, budgets and strategic plans, major capital expenditure, acquisitions and divestments;

(v) Appoint and monitor the performance of directors and officers of the Company; and

(vi) Act as an effective interface with the Company's shareholders and other stakeholders.

To ensure that the Board is able to effectively fulfill its responsibilities, it has established guidelines for the nomination and selection of directors and for the operations of the Board.

The responsibility for the operation and administration of the Company is delegated by the Board to Senior Management. The Board ensures that this team is appropriately qualified and experienced to discharge its responsibilities and has in place procedures to assess the performance of the Senior Management team.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship two specialist sub-committees have been established to focus on particular responsibilities and provide informed guidance and feedback to the Board.

Audit and Risk Management Committee

The Audit and Risk Management Committee's role is to assist the Board in fulfilling its responsibilities for corporate governance and oversight of the Company's financial reporting, internal control structure, risk management systems and internal and external audit functions.

Key responsibilities

The Audit and Risk Management Committee's key responsibilities and functions are to assist the Board in fulfilling its responsibilities to:

(i) Oversee the financial reporting process, the system of internal controls relating to all matters affecting the Company's financial performance, the internal and external audit process, and the process for monitoring compliance with laws and regulations and the Company's Code of Conduct;

(ii) Develop and ensure the effective implementation of appropriate ethical standards and management of the Company and the conduct of its business;

(iii) Review and monitor the effectiveness of the Company's risk management strategies as well as the adequacy of the Company's insurance arrangements; and

(iv) Review and oversee any related party transactions.

As set out in its Charter, the Audit and Risk Management Committee comprises at least three members, the majority of whom are independent non-executive directors. The Chair of the Committee is an independent director who is not the Chair of the Board.

Remuneration, Nomination and Corporate Governance Committee

The Remuneration, Nomination and Corporate Governance ('RNCG') Committee's role is to support and advise the Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of the Company in relation to governance and oversight of the Company's remuneration and nomination policies and practices. This enables it to attract and retain directors and senior management and appropriately align their interests with those of key stakeholders.

Key responsibilities

The RNCG Committee's key responsibilities and functions are to ensure that:

(i) Directors and senior management of the Company are remunerated fairly and appropriately;

(ii) Remuneration policies and outcomes strike an appropriate balance between the interests of the Company's shareholders and rewarding the Company's executives and employees in order to secure the long term benefits of their energy and loyalty;

(iii) Human resources practice and policies are consistent with and complementary to the strategic direction and objectives of the Company;

(iv) Board and Committee composition reflects appropriate skills expertise and diversity;

(v) Proper succession plans are in place for directors and senior management; and

(vi) Appropriate corporate governance policies are implemented and that Company performance against corporate governance policies is critically reviewed.

As set out in its Charter, the RNCG Committee comprises at least three members, the majority of whom are independent directors.

Committee Membership

Membership of Board Committees during the year and as at the date of this report is set out below.

	Remuneration, Nomination and Corporate Governance Committee	Audit and Risk Management Committee
Wayne Stevenson, Independent Non-Executive Chairman	Chair	Member
Barclay Nettlefold, Chief Executive Officer	-	-
Robert Alexander, Independent Non-Executive Director	-	Chair
Anne Parsons, Independent Non-Executive Director	Member	-
David Edmonds, Director Corporate and Legal	Member*	Member

* David Edmonds resigned from the Remuneration, Nomination and Corporate Governance Committee on the close of business on 30 June 2016.

Each director's relevant qualifications and experience are listed on pages 10 to 11 of these Financial Statements.

Attendance at Committee Meetings

Refer to section 11 within the Directors' report for details regarding attendance at Committee meetings.

Powers delegated to management

The Board has delegated to the Chief Executive Officer authority and powers to manage the Group within levels of authority specified by the Board from time to time. The Chief Executive Officer may delegate aspects of his or her authority and power but remains accountable to the Board for the Group's performance and is required to report regularly to the Board on the progress being made by the Group.

The respective roles and responsibilities of the Board and management, including those matters expressly reserved to the Board and those delegated to management, are set out in the Board Charter and Delegation of Authority.

The Chief Executive Officer's role includes:

(i) responsibility for the effective leadership of the management team;

(ii) the development of strategic objectives for the business; and

(iii) the day-to-day management of the Company's operations.

Independence of directors

The Board Charter sets out guidelines and thresholds of materiality for the purpose of determining independence of directors in accordance with the ASX Recommendations. The Board considers an independent director to be a non-executive director who is not a member of the Company's management and who is free of any business or other relationship which could materially interfere with, or reasonably be perceived to interfere with the independent exercise of judgement.

The Board considers thresholds of materiality for the purpose of determining "independence" on a case-by-case basis, having regard to both the quantitative and qualitative principles. The Board reviews the independence of each director in light of interests disclosed to the Board on an ongoing basis. Refer to the Company's website for a specific definition of director independence.

The Board considers that Wayne Stevenson, Robert Alexander and Anne Parsons are free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the

independent exercise of the director's judgement and are able to fulfil the role of an independent director for the purpose of the ASX Recommendations.

Barclay Nettlefold and David Edmonds are currently considered by the Board not to be independent. Barclay Nettlefold is currently the Chief Executive Officer and holder of approx. 14.9% of the Company's shares. David Edmonds is employed by the Company in an executive capacity as Director Corporate and Legal.

Annual General Meeting

The Company's AGM will be held on 25 November 2016. The Company's external auditor, KPMG, has indicated that they will attend the AGM and will be available to answer questions from shareholders relevant to the audit of the financial report for the year ended 30 June 2016.

Key Governance Policies

The Group has adopted a number of key policies, full copies of which are available on the Company website.

Code of Conduct

The Board recognises the need to observe the highest standard of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct which is based on the Company's core values and the expectations of all of our stakeholders.

The Company is committed to maintaining ethical standards in the conduct of its business in order to:

(i) Promote standards of responsibility and professional conduct of its directors and employees;

(ii) Promote a healthy, respectful and positive workplace environment; and

(iii) Support our business reputation and corporate image in the wider community.

The Code applies to the Company and all of its subsidiaries and all employees are expected to understand the principles of the Code and uphold its values.

Continuous Disclosure Policy and Shareholder Communication Policy

Continuous Disclosure

The Company has adopted a set of procedures and guidelines to ensure that it complies with its continuous disclosure obligations in accordance with all applicable legal and regulatory requirements, including the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange (ASX).

The Continuous Disclosure Policy sets out procedures which are aimed at ensuring that directors and management are aware of and fulfill their obligations in relation to the timely disclosure of price sensitive information. Continuous disclosure announcements are made to the ASX and are available on the Company website at qmsmedia.com.

Shareholder Communication

The Board's aim is to ensure that shareholders are provided with sufficient information to assess the performance of the Company and that they are informed of all major developments affecting the state of affairs of the Company.

The Company's Shareholder Communication Policy recognises that interaction with shareholders goes beyond its strict legal obligations and includes market briefings, annual reports, shareholder meetings, newsletters, and other shareholder communications, its website and media releases.

The Company's website contains relevant information for shareholders, including announcements lodged with the ASX by the Company, annual reports, press releases, key policies and terms of reference for the Board and its Committees and other material relevant to the Company's shareholders.

Diversity Policy

The Company is committed to an inclusive and diverse workplace and acknowledges the positive outcomes and benefits which can be achieved through embracing a diverse workforce.

The Company aims to ensure that:

(i) Its culture at all levels supports all aspects of diversity, while maintaining a high performance culture;

(ii) Recruitment selection and promotion practices are appropriately structured to attract and consider a diverse range of candidates and avoid any conscious or unconscious bias;

(iii) Its programs and processes are designed to develop a broader and more diverse pool of employees and support domestic responsibilities;

(iv) Equality is at the forefront of conscious behaviors and action is taken against discriminatory behaviors; and

(v) Objectives are set on an annual basis to improve diversity and measure such improvement.

Gender diversity

As at 30 June 2016, the proportion of women employed by the Group was as follows:

(i)	Board of directors	20% (2015: 20%)
(ii)	Key Management Personnel	17% (2015: 14%)
(iii)	Senior Management	30% (2015: 30%)
(iv)	Total Group Representation	33% (2015: 35%)

Securities Trading Policy

The Company has adopted a Securities Trading Policy for dealing in securities which: (i) prohibits types of conduct that would breach the Corporations Act 2001; and (ii) establishes a best practice procedure in relation to dealing in shares by directors and employees.

The policy regulates dealings in securities to minimise the risk of transactions breaching, or potentially breaching, the prohibitions on insider trading contained in the Corporations Act 2001 and aims to increase transparency with respect to dealings in securities in the Company.

Compliance with Corporate Governance Principles

The Company's corporate governance practices, and the extent to which the Company has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) in 2014, is set out below. Details on compliance with the Corporate Governance Principles and Recommendations relate to the year ended 30 June 2016, unless specified otherwise.

Recommendation	Comply
Principle 1 – Lay solid foundations for management and oversight	
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its Board and management; and (b) those matters expressly reserved to the Board and those delegated to management.	Yes
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes
1.4 The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the functioning of the Board.	Yes
1.5 A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (i) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Yes
1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period[1] in accordance with that process.	Yes/will comply
1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes

[1] The evaluation of the performance of the Board has been performed on an informal basis throughout the 2016 financial year. A formal evaluation will be submitted to the Remuneration, Nomination and Corporate Governance Committee in H1 FY17.

Recommendation	Comply
Principle 2 – Structure the Board to add value	
2.1 The Board of a listed entity should: (a) have a Nomination Committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the Committee; (iv) the members of the Committee; and (v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a Nomination Committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes
2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Yes
2.3 A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship relevant to assessing independence, but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each director.	Yes
2.4 A majority of the Board of a listed entity should be independent directors.	Yes
2.5 The Chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes
Principle 3 – Act ethically and responsibly	
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose the code or a summary of it.	Yes

Recommendation	Comply
Principle 4 – Safeguard integrity in corporate reporting	
4.1 The Board of a listed entity should: (i) have an Audit Committee which: (ii) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors[1]; and (iii) is chaired by an independent director, who is not the chair of the Board, and disclose: (iv) the charter of the Committee; (v) the relevant qualifications and experience of the members of the Committee; and (vi) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings. (a) if it does not have an Audit Committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Will comply/Yes
4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes
4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes
Principle 5 – Make timely and balanced disclosure	
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes
Principle 6 – Respect the rights of security holders	
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes

[1] The Committee is comprised of two non-executive directors and one executive director. The Company considered that with the appointment of the non-executive directors taking effect on 10 April 2015 it was appropriate for one executive director to sit on the committee until the non-executive directors are fully familiar with the Company's business. The Company intends the Committee to be comprised of only non-executive directors in due course.

Recommendation	Comply
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes
Principle 7 – Recognise and manage risk	
7.1 The Board of a listed entity should: (a) have a Committee or Committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent Chair, and disclose: (iii) the charter of the Committee; (iv) the members of the Committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes
7.2 The Board or a Committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such review has taken place.	Yes
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes
Principle 8 – Remunerate fairly and responsibly	
8.1 The Board of a listed entity should: (a) have a Remuneration Committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the Committee; (iv) the members of the Committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Yes

Recommendation	Comply
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes
8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	N/A

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2016

	Note	2016 $'000	2015* $'000
Revenue and other income	6	111,825	4,095
Cost of sales		(53,053)	(1,585)
Gross profit		**58,772**	**2,510**
Advertising and marketing expenses		(696)	(47)
Consultancy fees		(865)	(582)
Employee benefits expense		(20,243)	(648)
Legal and professional fees		(901)	(434)
IPO related expenses		-	(1,724)
Costs associated with acquisitions		(688)	(1,040)
Office costs		(2,450)	(153)
Restructuring and integration costs		(1,109)	-
Other expenses		(4,727)	(219)
Depreciation expense	12	(3,978)	(70)
Amortisation expense	13	(3,966)	(182)
Operating profit/(loss)		**19,149**	**(2,589)**
Finance income		155	29
Finance costs		(1,068)	(3,077)
Net finance costs	7	**(913)**	**(3,048)**
Profit/(loss) before tax		**18,236**	**(5,637)**
Income tax (expense)/benefit	9	(4,945)	743
Profit/(loss) after tax		**13,291**	**(4,894)**
Profit/(loss) after tax attributable to:			
Owners of the Company		13,418	(4,844)
Non-controlling interests		(127)	(50)
		13,291	**(4,894)**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		2,458	(11)
Total comprehensive income/(loss) net of tax		**15,749**	**(4,905)**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		15,876	(4,855)
Non-controlling interests		(127)	(50)
Total comprehensive income/(loss) for the year		**15,749**	**(4,905)**
Earnings per share			
Basic and diluted earnings/(loss) per share (cents)	8	4.80	(32.51)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the Notes to the Financial Statements on pages 41 to 80.

*The Company was registered on 25 November 2014 and commenced operations on 17 March 2015.

Statement of financial position

As at 30 June 2016

	Note	2016 $'000	2015 $'000
Assets			
Cash and cash equivalents		12,642	21,411
Trade and other receivables	10	23,591	9,934
Inventories		622	616
Other current assets	11	9,874	7,947
Total current assets		**46,729**	**39,908**
Deferred tax assets	9	4,569	2,697
Property, plant and equipment	12	56,143	18,960
Other non-current assets	11	-	704
Intangible assets and goodwill	13	133,911	89,315
Total non-current assets		**194,623**	**111,676**
Total assets		**241,352**	**151,584**
Liabilities			
Trade and other payables		11,612	10,310
Loans and borrowings	17	3,666	3,282
Deferred and contingent consideration	18	8,341	13,376
Current tax liabilities		3,627	813
Provisions	19	1,168	504
Deferred revenue		2,852	594
Other liabilities		4,876	4,079
Total current liabilities		**36,142**	**32,958**
Deferred and contingent consideration	18	2,658	8,153
Loans and borrowings	17	14,177	-
Other non-current liabilities		1,887	-
Provisions	19	6,200	2,706
Deferred tax liabilities	9	9,028	915
Total non-current liabilities		**33,950**	**11,774**
Total liabilities		**70,092**	**44,732**
Net assets		**171,260**	**106,852**
Equity			
Share capital	15	164,902	116,243
Reserves		(2,039)	(4,497)
Retained earnings/(accumulated losses)		8,574	(4,844)
Total equity attributable to equity holders of the Company		**171,437**	**106,902**
Non-controlling interest		(177)	(50)
Total equity		**171,260**	**106,852**

The statement of financial position is to be read in conjunction with the Notes to the Financial Statements on pages 41 to 80.

Statement of changes in equity

For the year ended 30 June 2016

	Share capital $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at inception	-	-	-	-	-	-	-
Profit/(loss) after tax	-	-	-	(4,844)	(4,844)	(50)	(4,894)
Other comprehensive income/(loss)	-	(11)	-	-	(11)	-	(11)
Total comprehensive income	-	(11)	-	(4,844)	(4,855)	(50)	(4,905)
Transactions with owners of the Company							
Contributions and distributions							
Issue of ordinary shares	120,196	-	-	-	120,196	-	120,196
Share issue costs	(5,265)	-	-	-	(5,265)	-	(5,265)
Deferred tax benefit	1,312	-	-	-	1,312	-	1,312
Total contributions and distributions	116,243	-	-	-	116,243	-	116,243
Changes in ownership interests							
Acquisition of subsidiary with common control	-	-	(4,486)	-	-	-	(4,486)
Total changes in ownership interests	-	-	(4,486)	-	-	-	(4,486)
Balance at 30 June 2015	**116,243**	**(11)**	**(4,486)**	**(4,844)**	**106,902**	**(50)**	**106,852**

	Share capital $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2015	116,243	(11)	(4,486)	(4,844)	106,902	(50)	106,852
Profit/(loss) after tax	-	-	-	13,418	13,418	(127)	13,291
Other comprehensive income/(loss)	-	2,458	-	-	2,458	-	2,458
Total comprehensive income	-	2,458	-	13,418	15,876	(127)	15,749
Transactions with owners of the Company							
Contributions and distributions							
Issue of ordinary shares	50,693	-	-	-	50,693	-	50,693
Share issue costs	(2,170)	-	-	-	(2,170)	-	(2,170)
Deferred tax benefit	136	-	-	-	136	-	136
Total contributions and distributions	48,659	-	-	-	48,659	-	48,659
Balance at 30 June 2016	**164,902**	**2,447**	**(4,486)**	**8,574**	**171,437**	**(177)**	**171,260**

The statement of changes in equity is to be read in conjunction with the Notes to the Financial Statements on pages 41 to 80.

Statement of cash flows

For the year ended 30 June 2016

	Note	2016 $'000	2015* $'000
Cash flows from operating activities			
Cash receipts from customers		114,080	5,267
Cash paid to suppliers and employees		(89,716)	(2,489)
Interest paid		(371)	(12)
Income taxes paid		(2,173)	-
Net cash from operating activities	*27*	**21,820**	**2,766**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(47,991)	(68,255)
Payments of acquisition costs		(688)	(1,039)
Acquisition of property, plant and equipment		(26,306)	(991)
Deposits paid on intangible assets		-	(1,624)
Deferred consideration payments		(14,833)	-
Acquisition of site lease intangible assets		(3,090)	(2,538)
Net cash used in investing activities		**(92,908)**	**(74,447)**
Cash flows from financing activities			
Proceeds from issue of share capital		50,693	95,003
Proceeds from issue of convertible notes		-	9,500
Transaction costs related to issue of shares		(2,170)	(5,365)
Receipt / (payment) of related party loans		262	(3,099)
Proceeds / (repayment) of borrowings (net)		13,197	(2,936)
Net cash from financing activities		**61,982**	**93,103**
Net decrease in cash and cash equivalents		**(9,106)**	**21,422**
Cash and cash equivalents at 1 July		21,411	-
Effect of movements in exchange rates on cash held		337	(11)
Cash and cash equivalents at 30 June		**12,642**	**21,411**

The statement of cash flows is to be read in conjunction with the Notes to the Financial Statements on pages 41 to 80.

*The Company was registered on 25 November 2014 and commenced operations on 17 March 2015.

Index to the Notes to the Financial Statements

Notes to the Financial Statements

1. Reporting entity

QMS Media Limited (the "Company") is a Company domiciled in Australia. The Financial Statements of the Company as at and for the year ended 30 June 2016 comprise the Company and its controlled entities (collectively referred to as the "Group").

The Group was registered on 25 November 2014 and commenced operations on 17 March 2015. Therefore, this is the first full year financial results of the Group.

The Company's registered business address is 214 Park Street, South Melbourne, VIC, 3205.

The Group is a for-profit entity and is primarily involved in the provision of Out-of-Home advertising and media services over a portfolio of owned and represented static and digital billboards throughout Australia and overseas.

2. Basis of accounting

(a) Statement of compliance

The Financial Statements are a general purpose financial report which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report complies with International Financial Reporting Standards adopted by the International Accounting Standards Board.

These Financial Statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its obligations associated with all financial liabilities as and when they fall due.

These Financial Statements were authorised for issue by the Board of directors on 28 September 2016. Details of the Group's significant accounting policies are included in notes 31.

(b) Basis of measurement

These Financial Statements are prepared on a historical cost basis, except for loans and receivables that are measured at amortised cost and deferred and contingent consideration that are measured at fair value.

3. Functional and presentation currency

These Financial Statements are presented in Australian dollars, which is the Company's functional currency.

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with the Rounding Instrument, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

4. Use of judgements and estimates

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities are detailed below.

4. Use of judgements and estimates (continued)

Recognition of deferred tax assets and availability of future taxable profits (refer note 9)

Management have exercised their judgement to assess the probability of future taxable profits expected to become available in order to enable unused carry forward tax losses to be utilised. Management have made these judgements with reference to the latest available profit forecasts and have recognised deferred tax assets to the extent that it is probable that future taxable profits will be available to enable the carry forward tax losses to be utilised.

Recoverability of goodwill and site lease intangible assets (refer note 13)

Management reviews the carrying amount of its goodwill and indefinite life intangible assets (site leases) at least annually, and whenever there is an indication of impairment. Assets that do not generate independent cash flows are allocated to an appropriate cash generating unit ('CGU'). The recoverable amount of CGUs has been determined with reference to the value in use valuation approach which is determined by discounting the future cash flows expected to be generated from the continuing use of the business.

The cash flow forecasts are based on the Board approved budget for the next twelve months with an EBITDA growth rate applied to the remaining five year forecast period. After this time, the forecast period is extrapolated into perpetuity with a rate consistent with the long term average growth rate appropriate to each CGU. The determination of the value in use requires estimation and judgement of future cash flows using a combination of internal and external sources of information. Cash flow forecasts and growth rate assumptions are reflective of past performance, market conditions, and forecast future performance. As a result, actual results may differ from estimates.

Measurement of deferred and contingent consideration (refer note 18)

Management exercises judgement in measuring and recognising deferred and contingent consideration at fair value. Fair value is determined with reference to contractual obligations and expected future performance with reference to the latest available profit forecasts. Judgement is required to quantify the best estimate of the consideration required to settle the obligation. Due to the inherent uncertainty of consideration contingent on future performance, consideration may differ from the original estimate.

Business combinations (refer note 22)

The recognition of goodwill through business combinations is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and liabilities assumed. To a certain extent, the determination of the fair value of these assets and liabilities is based on managements judgement, in particular in relation to site lease intangible assets. Accounting for the acquisition is done on a provisional basis, for a period of 12 months from date of acquisition.

When measuring the fair value of an asset or liability, the Group uses market observable data where available. Management regularly reviews the significant unobservable inputs and valuation adjustments and significant valuation judgements are reported to the Audit and Risk Management Committee.

Site lease intangible assets have been recognised as part of the assets acquired through business combinations. Site lease intangible assets have been recognised at fair value using an excess earnings method. The fair value is determined based on discounting the incremental cash flows based on Earnings Before Interest and Tax directly attributable to the permitted site, over the weighted average lease term, to arrive at a net present value. The valuation involves a number of key assumptions including the risk-adjusted discount rate, growth rate of revenue, gross margin, the weighted average lease life and the overall underlying customer attrition rate. All these inputs are highly judgemental, with the customer attrition rate of 20% representing the most sensitive driver of the net present value.

The allocation of the purchase price affects the results of the Group as goodwill is not amortised, whereas site lease intangible assets are amortised. Therefore, differing amortisation charges are recorded based on the allocation between goodwill and site lease intangible assets.

5. Operating segments

The Group operates in one market segment being Out-of-Home advertising. Segment information reported to the Chief Executive Officer, who is considered the chief operating decision maker of the Group, is substantially similar to information provided in this financial report.

6. Revenue and other income

	2016 $'000	2015 $'000
Sale of media and print production services	109,359	3,121
Release of deferred and contingent consideration	2,092	-
Gain on remaining interest acquired in associates	-	795
Other income	374	179
	111,825	**4,095**

7. Net finance costs

	2016 $'000	2015 $'000
Interest income	155	29
Finance income	**155**	**29**
Interest expense	(525)	(11)
Discount unwind on deferred and contingent consideration and loans	(420)	(36)
Borrowing costs amortisation	(123)	-
Brokerage costs on convertible note	-	(530)
Conversion of convertible notes to equity	-	(2,500)
Finance costs	**(1,068)**	**(3,077)**
Net finance costs recognised in profit or loss	**(913)**	**(3,048)**

8. Earnings per share

The calculation of basic and dilutive earnings per share has been based on the following profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

(i) Profit/(loss) attributable to ordinary shareholders (basic and diluted)

	2016 $'000	2015 $'000
Profit/(loss) for the year, attributable to the owners of the Company	13,418	(4,844)

(ii) Weighted-average number of ordinary shares (basic and diluted)

	Weighted average ('000)
Issued ordinary shares at 1 July 2015	251,601
Effect of institutional entitlement offer – December 2015	27,731
Effect of retail entitlement offer – December 2015	4,652
	279,332

(iii) Earnings per share

	2016	2015
Basic and diluted earnings/(loss) per share (cents)	4.80	(32.51)

9. Income taxes

(a) Amounts recognised in profit or loss

		2016 $'000	2015 $'000
Current tax (expense)/benefit			
Current period		(3,014)	(20)
		(3,014)	**(20)**
Deferred tax (expense)/benefit			
Origination and reversal of temporary differences	9(d)	(1,931)	763
		(1,931)	**763**
Tax (expense)/benefit		**(4,945)**	**743**

(b) Amounts recognised directly in equity

	2016 $'000	2015 $'000
Deferred tax expense on share issue costs recognised directly in equity	1,448	1,312
	1,448	**1,312**

(c) Reconciliation of effective tax rate

	2016 $'000	2015 $'000
Profit/(loss) before tax	18,236	(5,637)
Prima facie income tax (expense)/benefit at 30%	(5,471)	1,691
Non-deductible expenses	(1,393)	(1,225)
Non-assessable income	899	292
Difference in tax and accounting cost base	10	-
Difference in overseas tax rates	50	-
Utilisation of previously unrecognised tax losses	596	-
Other	364	(15)
Tax (expense) / benefit	**(4,945)**	**743**
Effective tax rate	27%	(13%)

9. Income taxes (continued)

(d) Movement in deferred tax balances

For the year ended 30 June 2016:

	Balance at 30 June 2015						Balance at 30 June 2016		
	Deferred tax assets $'000	Deferred tax liabilities $'000	Total $'000	Recognised in profit or loss $'000	Recognised directly in equity $'000	Acquired in business combinations $'000	Total $'000	Deferred tax assets $'000	Deferred tax liabilities $'000
Property, plant and equipment	5	(736)	(731)	(227)	-	(86)	(1,044)	8	(1,052)
Intangible assets	-	(110)	(110)	656	-	(8,291)	(7,745)	74	(7,819)
Employee benefits	277	-	277	59	-	7	343	355	(12)
Provisions	342	(69)	273	1,198	-	62	1,533	1,533	-
Prepayments	-	-	-	(129)	-	-	(129)	-	(129)
IPO costs and share issue costs	1,561	-	1,561	(3)	136	-	1,694	1,694	-
Carry forward losses	-	-	-	903	-	-	903	903	-
Other	512	-	512	(526)	-	-	(14)	2	(16)
Net tax asset / (liability)	**2,697**	**(915)**	**1,782**	**1,931**	**136**	**(8,308)**	**(4,459)**	**4,569**	**(9,028)**

Amounts acquired in business combinations primarily relate to deferred tax liabilities recorded on intangible site assets in iSite and on IPO acquisitions.

The Group has $2,706,000 of carry forward tax losses whereby a deferred tax asset has not been recorded due to the recognition criteria not being met (2015: $1,045,000).

9. Income taxes (continued)

For the period ended 30 June 2015:

					Balance at 30 June 2015		
	Net balance at inception	Recognised in profit or loss	Recognised directly in equity	Acquired in business combinations	Total	Deferred tax assets	Deferred tax liabilities
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	-	(4)	-	(727)	(731)	5	(736)
Intangible assets	-	-	-	(110)	(110)	-	(110)
Employee benefits	-	(2)	-	279	277	277	-
Provisions	-	8	-	265	273	342	(69)
Other items	-	231	281	-	512	512	-
IPO costs and share issue costs	-	530	1,031	-	1,561	1,561	-
Carry forward tax loss	-	-	-	-	-	-	-
Net tax asset / (liability)	**-**	**763**	**1,312**	**(293)**	**1,782**	**2,697**	**(915)**

10. Trade and other receivables

	2016 $'000	2015 $'000
Trade and other receivables	23,750	9,986
Less: Provision for doubtful debts	(159)	(52)
	23,591	**9,934**

11. Other assets

	2016 $'000	2015 $'000
Prepayments	3,928	2,954
Options on acquisition	2,475	4,373
Deposits	1,467	109
Sundry receivables	1,100	-
Other	904	1,215
	9,874	**8,651**
Current	9,874	7,947
Non-current	-	704
	9,874	**8,651**

12. Property, plant and equipment

(a) Reconciliation of carrying amount

	Note	Land and buildings $'000	Plant and equipment $'000	Fixtures and fittings $'000	Under con-struction $'000	Total $'000
Cost						
Balance at inception		-	-	-	-	-
Acquisitions through business combinations		5,576	8,559	39	214	14,388
Acquisitions through common control		-	1,446	-	-	1,446
Other additions		-	3,168	29	-	3,197
Disposals		-	(11)	(5)	-	(16)
Balance at 30 June 2015		**5,576**	**13,162**	**63**	**214**	**19,015**
Accumulated depreciation						
Balance at inception		-	-	-	-	-
Depreciation		(2)	(67)	(1)	-	(70)
Disposals		-	11	4	-	15
Balance at 30 June 2015		**(2)**	**(56)**	**3**	**-**	**(55)**
Carrying amounts at 30 June 2015		**5,574**	**13,106**	**66**	**214**	**18,960**

12. Property, plant and equipment (continued)

	Note	Land and buildings $'000	Plant and equipment $'000	Fixtures and fittings $'000	Under con-struction $'000	Total $'000
Cost						
Balance at 1 July 2015		5,576	13,162	63	214	19,015
Acquisitions through business combinations	*22*	-	17,906	25	-	17,931
Additions		-	14,915	551	2,501	17,967
Transfers from Intangible assets	*13*	-	5,851	-	-	5,851
Transfers		-	214	-	(214)	-
Effect of movements in exchange rates		-	257	5	-	262
Disposals		-	(724)	(33)	-	(757)
Balance at 30 June 2016		**5,576**	**51,581**	**611**	**2,501**	**60,269**
Accumulated depreciation						
Balance at 1 July 2015		(2)	(56)	3	-	(55)
Depreciation		(70)	(3,829)	(79)	-	(3,978)
Effect of movements in exchange rates		-	(148)	-	-	(148)
Disposals		-	51	4	-	55
Balance at 30 June 2016		**(72)**	**(3,982)**	**(72)**	**-**	**(4,126)**
Carrying amounts at 30 June 2016		**5,504**	**47,599**	**539**	**2,501**	**56,143**

(b) Leased plant and machinery

The Company leases production and printing equipment under a number of finance leases which are recorded in the statement of financial position.

As at 30 June 2016, the net carrying amount of secured leased equipment was $697,000 (2015: $518,000).

(c) Security

At 30 June 2016, properties with a carrying amount of $5,504,000 were subject to a registered debenture that forms security for bank loans (2015: $5,574,000).

(d) Property, plant and equipment under construction

As new static and digital billboard sites are developed, the costs to construct (including permits, physical structures and LED panels) are capitalised in the statement of financial position. Structures are depreciated when installed and ready for use.

(e) Capitalised staff costs

Certain salary costs in relation to the Commercial and Development team that are directly responsible for bringing the assets into the location and condition necessary for use, are capitalised as part of the cost of property, plant and equipment.

13. Intangible assets and goodwill

(a) Reconciliation of carrying amount

	Note	Goodwill	Site Leases	Development costs	Other	Total
		$'000	$'000	$'000	$'000	$'000
Cost						
Balance at inception		-	-	-	-	-
Acquisitions through business combinations		59,005	14,963	-	1,348	75,316
Acquisitions through common control		-	440	-	-	440
Other acquisitions		-	13,090	531	120	13,741
Balance at 30 June 2015		**59,005**	**28,493**	**531**	**1,468**	**89,497**
Accumulated amortisation						
Balance at inception		-	-	-	-	-
Amortisation		-	(138)	-	(44)	(182)
Balance at 30 June 2015		**-**	**(138)**	**-**	**(44)**	**(182)**
Carrying amount at 30 June 2015		**59,005**	**28,355**	**531**	**1,424**	**89,315**

	Note	Goodwill	Site Leases	Development costs	Other	Total
		$'000	$'000	$'000	$'000	$'000
Cost						
Balance 1 July 2015		59,005	28,493	531	1,468	89,497
Acquisitions through business combinations	*22*	28,541	11,962	-	347	40,850
Provisional IPO acquisition adjustments	*22*	(5,945)	4,507	-	-	(1,438)
Additions		8,291	4,833	-	-	13,124
Transfers		-	(215)	-	215	-
Transfers to Property, plant and equipment	*12*	-	(4,123)	(373)	(1,355)	(5,851)
Effect of movements in exchange rates		1,040	869	-	9	1,918
Balance at 30 June 2016		**90,932**	**46,326**	**158**	**684**	**138,100**
Accumulated amortisation						
Balance 1 July 2015		-	(138)	-	(44)	(182)
Amortisation		-	(3,785)	-	(181)	(3,966)
Effect of movements in exchange rates		-	(41)	-	-	(41)
Balance at 30 June 2016		**-**	**(3,964)**	**-**	**(225)**	**(4,149)**
Carrying amount at 30 June 2016		**90,932**	**42,362**	**158**	**459**	**133,911**

(b) Impairment testing

The Group has three cash generating units ('CGUs'). The carrying amounts of goodwill and indefinite life intangible assets (site leases) identified in each CGU are as follows:

	Goodwill 2016 $'000	Site Leases 2016 $'000	Goodwill 2015 $'000	Site Leases 2015 $'000
Australia	56,359	23,427	53,249	26,724
New Zealand	32,248	12,201	1,255	-
Other	2,325	6,734	4,501	1,631
	90,932	**42,362**	**59,005**	**28,355**

The carrying value of all CGUs are supported by their recoverable amount and accordingly no impairment has been recorded at 30 June 2016 (2015: $nil). The recoverable amount of the CGUs and associated goodwill and intangible assets were determined with reference to the value in use valuation approach.

13. Intangible assets and goodwill (continued)

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the business.

The cash flow forecasts are based on the Board approved forecasts for the next twelve months with an EBITDA growth factor applied to the remaining five year forecast period. After this time the forecast period is extrapolated into perpetuity with a rate consistent with the long term average growth rate appropriate to each CGU.

The key assumptions adopted in the impairment model of each CGU are as follows:

	Australia	New Zealand	Other
EBITDA growth rate	3.3% - 4.1%	4.0%	5.3%
Terminal growth rate	3.0%	3.0%	3.0%
Discount rate (post tax)	11.5%	12.0%	12.0%

The above assumptions were determined using a combination of internal and external sources of information and represent managements best estimate of future trends in the media industry.

There is sufficient headroom available in all CGU's. Therefore, there is no reasonably possible change in assumptions which is likely to cause an impairment.

14. Equity-accounted investees

Associates

The Group holds an investment in Titan Media Group NZ Pty Ltd which is classified as an investment in associate. For the year ended 30 June 2016, this entity is in a loss position and therefore no share of investment has been recorded in the statement of profit or loss and other comprehensive income.

15. Capital and reserves

(a) Share capital

	No. Ordinary shares '000	Value $'000
On issue at 1 July 2015	251,601	116,243
Issued for cash	50,320	50,693
Share issue costs, net of tax	-	(2,034)
On issue at 30 June 2016	**301,921**	**164,902**

(i) Ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings of the Company. In the event of the winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

15. Capital and reserves (continued)

(b) Nature and purpose of reserves

(i) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the Financial Statements of foreign operations.

(ii) Merger reserve

Where the Company acquires an entity that is classified as a common control transaction, the Company has made an accounting policy choice to recognise the assets acquired and liabilities assumed using book values, with an adjustment made to a separate component of equity (the merger reserve) to reflect any difference between the consideration paid and the capital of the acquiree.

	2016	2015
	$'000	$'000
Digital Outdoor Media (Aust) Pty Ltd	(144)	(144)
Riverview Signage Trust	4,630	4,630
	4,486	**4,486**

(c) Dividends

On 29 August 2016, the Board recommended the payment of a final, fully franked dividend of 1.5 cents per share ($4,528,815). Proposed dividends on ordinary shares are not recognised as a liability as at 30 June 2016.

16. Capital management

The Group's operations in FY16 were funded from: (1) cash generated from operating activities; and (2) utilisation of a loan facility with Australia & New Zealand Banking Group Limited ('ANZ') to fund the expansion of high quality assets and the conversion of static sites to digital platforms.

In December 2015, the Group undertook a $50.3 million capital raise through an institutional entitlement offer and a retail entitlement offer. These funds were used to complete the acquisition of iSite and cover acquisition costs.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business and maximise value to shareholders. Management monitors the return on capital on an ongoing basis, as well as the level of dividends to ordinary shareholders.

The Board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Subsequent to 30 June 2016, the Group executed a new facility agreement and associated security documents with National Australia Bank Limited, which replaced the existing ANZ facility. Refer to note 26, subsequent events, for further details.

17. Loans and borrowings

	2016	2015
Current liabilities	**$'000**	**$'000**
Bank loans and borrowings	3,260	2,961
Finance lease liabilities	406	321
	3,666	**3,282**
Non-current liabilities		
Bank loans and borrowings	14,177	-
	14,177	**-**
Total	**17,843**	**3,282**

On 24 February 2016, the Group executed an extension to its existing loan facility arrangements with ANZ. As a result, the Group's ANZ facility increased by $29.2 million, which includes a $4.0 million bank guarantee facility. The total banking facilities now available to the Group is $41.1 million. The majority of the facility has a maturity date of three years, expiring on 24 February 2019. The bank loans and borrowings are secured against the assets of the Australian companies.

Subsequent to 30 June 2016, the Group executed a new facility agreement and associated security documents with National Australia Bank Limited, which replaced the existing ANZ facility. Refer to note 26, subsequent events, for further details.

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

Borrowing	Currency	Nominal interest rate	Year of maturity	2016 Carrying amount $'000	2015 Carrying amount $'000
Credit cards	AUD/NZD	-	2016	31	12
ANZ commercial bills	AUD	5.25% - 5.50%	2019	1,900	2,949
ANZ acquisition facility	AUD	5.25% - 5.50%	2017-2019	12,075	-
ANZ asset finance facility	AUD	5.25% - 5.50%	2019	2,314	-
Kiwibank loan	NZD	7.35% - 7.55%	2017-2020	1,117	-
Finance lease liabilities	AUD/NZD	Various	2017	406	321
Total interest-bearing liabilities				**17,843**	**3,282**

(b) Finance lease liabilities

Finance lease liabilities (minimum lease payments) are payable as follows:

	Future MLP's 2016 $'000	Interest 2016 $'000	PV of MLP's 2016 $'000	Future MLP's 2015 $'000	Interest 2015 $'000	PV of MLP's 2015 $'000
Less than one year	414	8	406	338	17	321
	414	**8**	**406**	**338**	**17**	**321**

18. Deferred and contingent consideration

	Note	2016 Carrying amount	2015 Carrying amount
Current deferred and contingent consideration		**$'000**	**$'000**
Drive by Media		-	10,626
Plexity Holdings		2,433	1,600
Paramount Outdoor		-	1,150
Australian Billboard Company Pty Ltd	*22(c)*	3,000	-
Vail Media Book		2,043	-
Apex Outdoor		815	-
BMG Australasia Pty Ltd		50	-
		8,341	**13,376**
Non-current deferred and contingent consideration			
Apex Outdoor		398	-
Australian Billboard Company Pty Ltd	*22(c)*	1,828	-
Plexity Holdings		-	2,900
BMG Australasia		-	1,552
Vail Media Book		432	2,781
Paramount Outdoor		-	920
		2,658	**8,153**
Total deferred and contingent consideration		**10,999**	**21,529**

Majority of deferred and contingent consideration relates to acquisitions of subsidiaries.

The non-current deferred consideration relating to Australian Billboard Company Pty Ltd includes $66,000 of interest expense which has been recognised in the statement of profit or loss and other comprehensive income for the year ended 30 June 2016. This relates to the discount unwind on the acquisition date deferred consideration, given the final acquisition payment is due to be made at a date greater than 12 months from the year end date.

19. Provisions

	Straight line leasing	Make good	Employee entitlements	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance at inception	-	-	-	-
Assumed in a business combination	1,370	835	929	3,134
Provisions made during the period	27	-	49	76
Balance at 30 June 2015	**1,397**	**835**	**978**	**3,210**
Current	14	-	490	504
Non-current	1,383	835	488	2,706
	1,397	**835**	**978**	**3,210**

19. Provisions (continued)

	Note	Straight line leasing	Make good	Employee entitlements	Total
		$'000	$'000	$'000	$'000
Balance at 1 July 2015		1,397	835	978	3,210
Assumed in a business combination	22	274	1,108	367	1,749
Provisional IPO acquisition adjustments		574	190	-	764
Effect of movements in exchange rates		2	6	16	24
Provisions released during the year		-	(15)	-	(15)
Provisions made during the year		1,329	-	307	1,636
Balance at 30 June 2016		**3,576**	**2,124**	**1,668**	**7,368**
Current		-	-	1,168	1,168
Non-current		3,576	2,124	500	6,200
		3,576	**2,124**	**1,668**	**7,368**

Make Good

As part of acquisitions made, the Group has recognised make good provisions of $1,108,000 (2015: $835,000), in order to return any leased premises and sites to their original condition upon termination of the lease.

20. Financial instruments – fair values and risk management

(a) Accounting classifications and fair values

The following table details the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

			2016 Fair value				
	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Options on acquisition	11	2,475	2,475	-	-	2,475	2,475
Deferred and contingent consideration	18	(2,658)	(2,962)	-	(2,530)	(432)	(2,962)
		(183)	**(487)**	**-**	**(2,530)**	**(2,043)**	**(487)**

			2015 Fair value				
	Note	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Options on acquisition	11	4,373	4,373	-	1,626	2,747	4,373
Deferred and contingent consideration	18	(8,153)	(9,385)	-	(1,150)	(8,235)	(9,385)
		(3,780)	**(5,012)**	**-**	**476**	**(5,488)**	**(5,012)**

20. Financial instruments – fair values and risk management (continued)

(b) Measurement of fair values

(i) Valuation technique

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Deferred consideration	*Where the Group has obligations to pay specified amounts at future dates, the deferred consideration is measured at present value using a risk-adjusted discount rate, with the unwinding of any interest element recognised in profit or loss.*	Risk-adjusted discount rate (13.5%)	The estimated deferred consideration would increase/decrease if the risk adjusted discount rate is higher or lower.
Contingent consideration	*Discounted cash flow based on a valuation model that considers the present value of the expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by estimating the expected earnings based on the calculation stipulated in the purchase agreements. This estimation is judgemental and is determined by management with reference to past performance and current budget plans.*	Risk-adjusted discount rate (13.5%), forecast earnings	The estimated contingent consideration would increase/decrease if the risk adjusted discount rate or forecast earnings is higher or lower.

(c) Financial risk management

(i) Risk management framework

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Board and Audit and Risk Management Committee is provided with the authority to manage any identified material risks.

(ii) Credit risk

Credit risk is managed on a Group wide basis. Credit risk arises from cash and cash equivalents, deposits with banks and exposures to agencies and direct clients, including outstanding receivables and committed transactions. The Group has no significant concentrations of credit risk. Ongoing customer credit performance is monitored on a regular basis.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 30 June 2016 was:

	2016	2015
	$'000	$'000
Cash and cash equivalents	12,642	21,411
Trade and other receivables	23,750	9,986
Total	**36,392**	**31,397**

20. Financial instruments – fair values and risk management (continued)

Impairment

At year end, the ageing of trade and other receivables that were not impaired was as follows:

	2016 $'000	2015 $'000
Current	15,749	718
Due 1 - 30 days	2,661	6,731
Due 31 - 60 days	3,160	1,241
Due 61+ days	2,021	1,244
Total	**23,591**	**9,934**

The movement in the allowance for doubtful debts in respect of trade receivables during the year was as follows:

	2016 $'000	2015 $'000
Balance at 1 July	(52)	-
Amounts provided for	(119)	(52)
Amounts written off	12	-
Balance at 30 June	**(159)**	**(52)**

Other than those receivables specifically considered in the above allowance for doubtful debts, the Group does not consider there to be a material credit quality issue with the remaining trade receivables balance.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows.

Exposure to liquidity risk

The following table details the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

			2016 Contractual cash flows		
	Note	Carrying amount	Total	Less than 12 months	1-5 years
Non-derivative financial liabilities		$'000	$'000	$'000	$'000
Deferred and contingent consideration	*18*	(10,999)	(11,303)	(8,341)	(2,962)
Bank loans and borrowings	*17*	(17,437)	(17,437)	(3,260)	(14,177)
Finance lease liabilities	*17*	(406)	(406)	(406)	-
Trade payables		(11,612)	(11,612)	(11,612)	-
		(40,454)	**(40,758)**	**(23,619)**	**(17,139)**

20. Financial instruments – fair values and risk management (continued)

			2015 Contractual cash flows		
	Note	Carrying amount	Total	Less than 12 months	1-5 years
Non-derivative financial liabilities		$'000	$'000	$'000	$'000
Deferred and contingent consideration	*18*	(21,529)	(22,761)	(13,376)	(9,385)
Bank loans and borrowings	*17*	(2,961)	(2,961)	(2,961)	-
Finance lease liabilities	*17*	(321)	(338)	(338)	-
Trade payables		(10,309)	(10,309)	(10,309)	-
		(35,120)	**(36,369)**	**(26,984)**	**(9,385)**

The Group's liquidity is dependent upon the Group being able to manage its cash outflows and financing obligations as it continues to expand its operations and therefore liquidity is an area of risk. The Group has obligations to pay further acquisition consideration as disclosed above and in note 18 and plans to invest further capital into its asset network as part of its growth strategy.

On 24 February 2016, the Group executed an extension to its existing loan facility arrangements with ANZ. As a result, the Group's ANZ facility increased by $29.2 million, which includes a $4.0 million bank guarantee facility. The total banking facilities now available to the Group is $41.1 million. The majority of the facility has a maturity date of three years, expiring on 24 February 2019.

Financing arrangements are in place that are subject to covenant requirements. As at the date of signing the Financial Statements, the Group has met its covenant requirements and the forecast cash flows indicate the Group has sufficient liquidity to undertake its strategic capital expenditures. The Group expects to fund part of its capital expenditure from cash flow from operations, and should cash flows from operations not be sufficient, discretionary capital expenditure may be deferred to manage the Group's liquidity profile.

The interest payments on variable interest rate loans in the table above reflect the interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration may be different from the amount in the above table as interest rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group operates internationally and is exposed to foreign exchange transaction risks arising from currency exposures, primarily with respect to the Indonesian Rupiah and New Zealand Dollar. Foreign exchange transaction risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group has foreign currency exposure to movements in the AUD/NZD and AUD/IDR exchange rates in consolidating the NZD and IDR net assets of its subsidiaries in those countries at each reporting date. The Australian accounting standards require that such movements be recorded to the Group's Foreign Currency Translation Reserve ("FCTR") in equity.

20. Financial instruments – fair values and risk management (continued)

No hedging of this exposure is currently undertaken because:

- The movements in the FCTR are limited due to the offsetting level of IDR assets and liabilities and NZD assets and liabilities; and
- Both operations are core to the Group's business and are not expected to be disposed of and therefore the balance in the FCTR is not expected to be realised within the foreseeable future.

Interest rate risk

Borrowings at variable interest rates expose the Group to cash flow interest rate risk. The Group's borrowings are all at floating rates, except for the finance lease liabilities. The Board continually monitors the borrowing levels and will adopt an appropriate hedging strategy as required.

The carrying amount of financial assets and liabilities with exposure to interest rate risk is as follows:

	2016 $'000	2015 $'000
Cash and cash equivalents	12,642	21,411
Loans and borrowings	(17,843)	(3,282)
Net debt	**(5,201)**	**18,129**

Cash flow sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2016 Profit or loss	2016 Equity (net of tax)	2015 Profit or loss	2015 Equity (net of tax)
Loans and borrowings	(178)	(178)	(33)	(33)

21. List of subsidiaries and equity accounted investments

Set out below is a list of subsidiaries and equity accounted investments of the Group.

	Principal place of business	Ownership interest 2016	Ownership interest 2015
MMTB Pty Ltd	Australia	100%	100%
MMT Land Pty Ltd	Australia	100%	100%
Omnigraphics Australia Pty Ltd	Australia	100%	100%
QMS Australia Pty Ltd	Australia	100%	100%
QMS Rail Media Pty Ltd	Australia	100%	100%
QMS Australian Holdings Pty Ltd	Australia	100%	100%
Q Media Pty Ltd	Australia	100%	100%
Standout Media Pty Ltd	Australia	100%	100%
QMS Insite Media Pte Ltd	Singapore	100%	100%
PT INsite Media	Indonesia	51%	51%
The Digital Outdoor Group Pty Ltd	Australia	50%	50%
Digital Outdoor Media (Aust) Pty Ltd	Australia	100%	100%
Digital Outdoor Media (NSW) Pty Ltd	Australia	100%	100%
Digital Outdoor Media (QLD) Pty Ltd	Australia	100%	100%
Digital Outdoor Media (VIC) Pty Ltd	Australia	100%	100%
Digital Outdoor Media (WA) Pty Ltd	Australia	100%	100%
Riverview Signage Trust	Australia	100%	100%
Riverview Signage Pty Ltd	Australia	100%	100%
QMS NZ Holdings Ltd	New Zealand	75%	75%
QMS NZ Retail Ltd	New Zealand	75%	75%
Paramount Outdoor Pty Ltd	Australia	100%	100%
Plexity Holdings Pty Ltd	Australia	80%	80%
BMG Australasia Pty Ltd	Australia	65%	65%
Ambient Advertising NZ Ltd	New Zealand	75%	75%
iSite Limited	New Zealand	100%	-
Omnigraphics Limited	New Zealand	37%	-
QMS NZ Limited	New Zealand	100%	-
Australian Billboard Company Pty Ltd	Australia	51%	-
Equity-accounted Investments			
Titan Media Group NZ Pty Ltd	New Zealand	38%	38%

22. Acquisition of subsidiaries

(a) iSite Limited

On 10 December 2015, the Group acquired 100% of shares in iSite Limited ("iSite") from Infratil Limited for $45.0 million. iSite is one of the two leading outdoor advertising businesses in the New Zealand market and the acquisition significantly expanded the Group's presence in New Zealand and provides opportunities to apply QMS Media's core capabilities to drive growth across an expanded platform of assets in New Zealand.

Initial cash consideration was paid in December 2015, with deferred consideration paid in January 2016.

The table below summarises the provisional fair values of identifiable assets acquired and liabilities assumed at acquisition date:

	$'000
Cash paid	45,010
Total consideration transferred	**45,010**
Cash and cash equivalents	2,352
Trade and other receivables	4,822
Other assets	1,214
Property, plant and equipment	4,120
Intangible assets	3,195
Trade and other payables	(1,441)
Provisions	(531)
Other liabilities	(2,897)
Total identifiable net assets acquired	**10,834**
Consideration transferred	45,010
Less: Total identifiable net assets	(10,834)
Less: Recognition of site lease intangible (refer note 22d)	(11,962)
Plus: Recognition of deferred tax liability on site lease intangible	3,349
Goodwill	**25,563**

The Group has twelve months from acquisition date to finalise the purchase price accounting and therefore these amounts are provisional.

For the period ended 30 June 2016, iSite contributed $20.5 million revenue and $2.0 million net profit before tax to the results of the Group.

The Group incurred acquisition related costs for due diligence and legal advice. These expenses have been recognised in the costs associated with acquisitions line item in the statement of profit or loss and other comprehensive income.

(b) Omnigraphics Limited

On 11 December 2015, QMS NZ Holdings Limited, a 75% owned subsidiary of the Group, acquired 49% of the shares in Omnigraphics Limited ('Omnigraphics') through a subscription agreement put in place by the existing shareholders for consideration of $14,000.

Omnigraphics is one of New Zealand's leading large format digital printing companies and this acquisition is further expected to strengthen the Group's presence in New Zealand.

22. Acquisition of subsidiaries (continued)

The table below summarises the provisional fair values of identifiable assets acquired and liabilities assumed at acquisition date:

	$'000
Cash paid	14
Total consideration transferred	**14**
Cash and cash equivalents	(18)
Trade and other receivables	983
Inventory	50
Other assets	66
Property, plant and equipment	640
Trade and other payables	(645)
Loans and borrowings	(1,387)
Provisions	(107)
Other liabilities	(921)
Total identifiable net assets/(liabilities) acquired	**(1,339)**
Consideration transferred	14
Plus: Total identifiable net liabilities	1,339
Goodwill	**1,353**

The Group has twelve months from acquisition date to finalise the purchase price accounting and therefore these amounts are provisional.

For the period ended 30 June 2016, Omnigraphics contributed a loss before tax of $0.1 million to the results of the Group.

(c) Australian Billboard Company Pty Ltd

On 29 January 2016, the Group acquired 51% of the shares in Australian Billboard Company Pty Ltd ("ABsee") from AK Portfolio Pty Ltd. ABsee operates the Gold Coast City Council's outdoor advertising concession for street furniture throughout the Gold Coast region. The agreement contains both put and call options, the terms of which are identical, to increase the shareholding in ABsee to 100% of issued capital.

The acquisition secured over 700 street furniture panels located from Coolangatta to Paradise Point and inland to Robina. Aligning with the Group's digital growth strategy, this acquisition provides significant digital conversion opportunities with 50 of the street furniture panels already converted to digital at 30 June 2016.

The total aggregate consideration was $11.8 million assuming all options are exercised and incentive payments are triggered. Initial consideration of $2.6 million was paid, and subsequent incentive payments of $4.2 million were made as the digital permits to convert existing static advertising panels to digital were delivered. If the remaining options are exercised, consideration of $5.0 million is payable over three instalments up to July 2017. The fair value of the deferred consideration has been recorded as at 30 June 2016.

22. Acquisition of subsidiaries (continued)

The table below summarises the provisional fair values of identifiable assets acquired and liabilities assumed at acquisition date:

	$'000
Cash paid	6,775
Deferred consideration	4,762
Total consideration transferred	**11,537**
Cash and cash equivalents	106
Trade and other receivables	567
Other assets	17
Property, plant and equipment	13,171
Trade and other payables	(771)
Provisions	(1,111)
Loan and borrowings	(2,040)
Other liabilities	(27)
Total identifiable net assets acquired	**9,912**
Consideration transferred	11,537
Less: Total identifiable net assets	(9,912)
Goodwill	**1,625**

The Group has twelve months from acquisition date to finalise the purchase price accounting and therefore these amounts are provisional.

For the period ended 30 June 2016, ABsee contributed a loss before tax of $0.3 million to the results of the Group.

(d) Valuation technique

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	*Market comparison technique and cost technique*: The valuation model considers quoted market prices for similar items when available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Site lease intangibles	*Excess earnings method:* The fair value is determined based on discounting the incremental cash flows based on Earnings Before Interest and Tax directly attributable to the site, over the weighted average lease term, to arrive at a net present value. The valuation involves a number of key assumptions including the risk-adjusted discount rate, growth rate of revenue, gross margin, the weighted average lease life and the overall underlying customer attrition rate. All these inputs are highly judgmental, with the customer attrition rate representing the most sensitive driver of the net present value. If the attrition rate was to increase by 5% this would have the impact of decreasing the valuation by $1,432,000 (2015: $2,200,000).

22. Acquisition of subsidiaries (continued)

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the accounting for the acquisition will be revised.

(e) Goodwill

Goodwill arising from acquisitions has been recognised as the excess of the consideration paid above the fair value of the assets acquired and liabilities assumed as a part of the business combination.

The goodwill is attributable mainly to the skills and technical talent of the acquired entities' work force, and the synergies expected to be achieved from integrating each Company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

(f) Finalisation of 2015 IPO acquisitions purchase price accounting ('PPA')

The Group has twelve months from acquisition date to finalise any PPA adjustments under AASB 3 Business Combinations. Therefore, the PPA adjustments for the acquisitions completed in June 2015 as part of the IPO listing process have been finalised during the year ended 30 June 2016.

In accordance with AASB 3, during the measurement period the acquirer shall adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of assets and liabilities recognised as of that date.

The new information obtained has revised the intangible assets and goodwill provisional balances recognised in the statement of financial position as follows:

	2016 Final $'000	2015 Provisional balance $'000
Goodwill	53,060	59,005
Site Lease intangibles	19,109	14,602

Majority of the movement from Goodwill into Site Lease intangibles relates to the PPA calculation for PT INsite Media. The Group obtained new information about facts and circumstances that existed as of the acquisition date relating to the Bali Airport concession. Had these facts been known at the acquisition date, the Site Lease intangible would have been $4,321,000 greater than the amount disclosed in the annual report for the period ended 30 June 2015.

23. Operating leases

(i) Future minimum lease payments

At 30 June 2016, the future minimum lease payments under non-cancellable leases were payable as follows:

	2016 Site Rent $'000	2016 Other $'000	2016 Total $'000	2015 Site Rent $'000	2015 Other $'000	2015 Total $'000
Less than one year	18,797	1,163	19,960	7,517	3,728	11,245
Between one and five years	64,702	3,060	67,762	34,285	2,038	36,323
More than five years	70,601	1,230	71,831	21,167	875	22,042
	154,100	**5,453**	**159,553**	**62,969**	**6,641**	**69,610**

23. Operating leases (continued)

(ii) Amounts recognised in profit or loss

	2016 Site Rent $'000	2016 Other $'000	2016 Total $'000	2015 Site Rent $'000	2015 Other $'000	2015 Total $'000
Lease expense	9,986	1,512	11,498	523	149	672
	9,986	**1,512**	**11,498**	**523**	**149**	**672**

24. Capital commitments

As at 30 June 2016, the Group is contracted to purchase property, plant and equipment for $2,682,000 to be incurred during 2017 (2015: $3,163,000).

25. Related parties

(a) Key Management Personnel

The Key Management Personnel of the Company and Group are defined under AASB 124 Related Party Disclosures to include non-executive directors, executive directors and those persons with authority and responsibility for planning, directing and controlling the activities of the Group during the year. This consists of:

- Wayne Stevenson;
- Robert Alexander;
- Anne Parsons;
- Barclay Nettlefold;
- David Edmonds; and
- Peter Cargin.

Barclay Nettlefold is a director, controller of, substantial shareholder in, and the beneficiary of the following companies and underlying trusts:

- Wenvale Pty Ltd ATF the Barclay Nettlefold Family Trust;
- Nosea Pte Ltd;
- Outdoor Solutions B.V.I Ltd;
- Media Puzzle Pte Ltd; and
- Titan MG Pty Ltd ATF Titan MG Trust.

(b) Transactions with key management personnel

(i) Loans to or from directors and their related entities

The transactions relating to directors and their related entities comprised:

Amounts payable	2016 $'000	2015 $'000
Outdoor Solutions B.V.I Ltd	82	78
Total	**82**	**78**

No interest was payable by the directors and their related entities during the financial year (2015: $nil).

25. Related parties (continued)

(ii) Key Management Personnel compensation

Compensation of the Group's KMP includes salaries, non-cash benefits, contributions to complying superannuation funds and short term incentives.

The KMP compensation comprised:

	2016 $	2015 $
Short-term employee benefits	1,752,650	423,165
Post-employment benefits	152,376	13,483
	1,905,026	**436,648**

(iii) Key Management Personnel and director transactions

The Company entered into the following transactions relating to KMP:

- Nosea is the holder of 5% of Titan Media Group Limited. In addition, King Victor Limited, a Company in which Barclay Nettlefold holds a 1/3rd beneficial interest, holds 16.07% of Titan Media Group Limited.
- Q Media Pty Ltd was the exclusive sales agent for all advertising signage of Titan Media Group Limited in consideration of payment of a fixed monthly rental. This agreement was terminated on 31 July 2015.
- Titan MG Pty Ltd is the holder of a 50% interest in Titan Media Group NZ Pty Ltd. QMS NZ Holdings Limited owns the other 50% of Titan Media Group NZ Pty Ltd.

(c) Other related parties

(i) Other related parties consist of the following:

- Titan Media Group NZ Pty Ltd is an equity-accounted investee of which the Group holds a 37.5% economic interest.
- Partington Family Trust
- Spear Family Trust

(ii) The loans relating to other related parties comprised:

	2016 $'000	2015 $'000
Amounts receivable/(payable)		
Titan Media Group NZ Pty Ltd	(209)	673
Partington Family Trust	(279)	-
Spear Family Trust	(279)	-
	(767)	**673**

No interest was payable on the related party loans during the financial year (2015: $nil). The loans are not expected to be repaid by 30 June 2017.

26. Subsequent events

On 29 August 2016, the Board recommended the payment of a final, fully franked dividend of 1.5 cents per share ($4,528,815). Proposed dividends on ordinary shares are not recognised as a liability as at 30 June 2016.

On 9 September 2016, the Group executed a new facility agreement and associated security documents with National Australia Bank Limited, which replaced the existing ANZ facility. As a result, the Group's total facility has increased by $16.8 million to $57.9 million. There is an additional step-up in the facility of $10.0 million upon the achievement of certain financial targets at 31 December 2016. The facility is available for drawings in Australian and New Zealand Dollars, is for general corporate purposes, and has a maturity date of 3 years, expiring on 9 September 2019. The facility agreement contains the usual security and financial covenants typical for facilities of this nature.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

27. Reconciliation of cash flows from operating activities

	Note	**2016**	**2015**
Cash flows from operating activities		**$'000**	**$'000**
Profit/(loss) after tax		13,291	(4,894)
Adjustments for:			
Depreciation	*12*	3,978	70
Amortisation	*13*	3,966	182
Net finance costs	*7*	913	3,048
Asset write-off		-	2
Non-controlling interest		127	50
IPO Transaction costs		-	1,225
Costs associated with acquisitions		688	1,040
Gain on remaining interest acquired in associates		-	(795)
Tax expense/(benefit)	*9*	4,945	(743)
		27,908	**(815)**
Change in trade and other receivables		(7,282)	1,545
Change in inventories		53	-
Change in other assets		(783)	-
Change in trade and other payables		(917)	1,607
Change in provisions and employee benefits		2,409	49
Change in deferred revenue		2,245	392
Change in other liabilities		731	-
Cash generated from operating activities		**24,364**	**2,778**
Interest paid		(371)	(12)
Income taxes paid		(2,173)	-
Net cash from operating activities		**21,820**	**2,766**

28. Auditors' remuneration

	2016	2015
Audit and review services – Australia	**$**	**$**
Auditors of the Company - KPMG		
Audit and review of the Group Financial Statements	305,000	200,000
Audit of subsidiary Financial Statements	19,000	-
	324,000	200,000
Audit and review services – New Zealand		
Auditors of the Company - KPMG		
Audit of subsidiary Financial Statements	40,000	-
Other services		
Auditors of the Company - KPMG		
Taxation services	43,722	-
Investigating Accountants services in relation to IPO	-	1,665,000
Total auditors' remuneration	**407,722**	**1,865,000**

29. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2016 the parent entity of the Group was QMS Media Limited.

	2016	2015
	$'000	**$'000**
Result of parent entity		
Profit/(loss) for the year	3,280	(2,628)
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss) for the year	**3,280**	**(2,628)**
Financial position of parent entity at year end		
Current assets	157,279	99,400
Total assets	172,669	114,813
Current liabilities	(10,138)	(806)
Total liabilities	(21,131)	(806)
Total equity of parent entity comprising of:		
Share capital, net of share issue costs	(164,266)	(116,635)
Redeemable preference shares	13,287	-
(Retained earnings)/accumulated losses	(559)	2,628
Total equity	**(151,538)**	**(114,007)**

On 26 August 2016, the Board recommended the payment of a dividend of $4,000,000 from Digital Outdoor Media (Aust) Pty Ltd to QMS Media Limited. Upon receipt of this dividend, the Company has sufficient profits available in order for a dividend to be paid to shareholders, ensuring that both the Corporations Act 2001 and ATO requirements have been satisfied.

29. Parent entity disclosures (continued)

Parent entity guarantees, contingent liabilities and capital commitments

There are no contractual commitments by QMS Media Limited to acquire any property, plant or equipment.

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:

- QMS Media Limited
- Digital Outdoor Media (Aust) Pty Ltd
- Digital Outdoor Media (NSW) Pty Ltd
- Digital Outdoor Media (QLD) Pty Ltd
- Digital Outdoor Media (VIC) Pty Ltd
- Digital Outdoor Media (WA) Pty Ltd
- Riverview Signage Pty Ltd ATF Riverview Signage Trust
- Paramount Outdoor Pty Ltd
- Q Media Pty Ltd
- Omnigraphics Australia Pty Ltd
- Standout Media Pty Ltd
- MMTB Pty Ltd
- MMT Land Pty Ltd
- QMS Australia Pty Ltd
- QMS Rail Media Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare Financial Statements and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

30. Deed of cross guarantee (continued)

(a) Statement of profit or loss and other comprehensive income

	2016 $'000
Revenue	80,594
Cost of sales	(35,756)
Gross profit	**44,838**
Advertising and marketing expenses	(422)
Consultancy fees	(709)
Employee benefits expense	(14,296)
Legal and professional fees	(717)
Costs associated with acquisitions	(688)
Office costs	(1,678)
Restructuring and integration costs	(790)
Other expenses	(3,204)
Depreciation expense	(2,093)
Amortisation expense	(1,174)
Operating profit	**19,067**
Finance income	100
Finance costs	(943)
Net finance costs	**(843)**
Profit before tax	**18,224**
Income tax (expense)/benefit	(4,442)
Profit after tax	**13,782**
Other comprehensive income	
Foreign currency translation differences	-
Total comprehensive income for the year	**13,782**

30. Deed of cross guarantee (continued)

(b) Statement of financial position

	2016 $'000
Assets	
Cash and cash equivalents	4,685
Trade and other receivables	17,592
Inventories	560
Other current assets	51,704
Total current assets	**74,541**
Deferred tax assets	3,974
Investments	41,735
Property, plant and equipment	28,184
Intangible assets and goodwill	60,226
Total non-current assets	**134,119**
Total assets	**208,660**
Liabilities	
Trade and other payables	8,386
Loans and borrowings	3,099
Deferred and contingent consideration	8,341
Current tax liabilities	2,953
Provisions	588
Deferred revenue	446
Other liabilities	2,571
Total current liabilities	**26,384**
Deferred and contingent consideration	2,658
Loans and borrowings	13,288
Provisions	3,522
Deferred tax liabilities	2,728
Total non-current liabilities	**22,196**
Total liabilities	**48,580**
Net assets	**160,080**
Equity	
Share capital	164,621
Redeemable preference shares	(13,287)
Merger reserve	145
Retained earnings	8,601
Total equity	**160,080**

31. Significant accounting policies

The following significant accounting policies have been adopted in the preparation of the attached Financial Statements.

(a) Principles of consolidation

These Financial Statements incorporate the assets and liabilities of all subsidiaries of the Company and the results of subsidiaries.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The assets, liabilities and results of all subsidiaries are fully consolidated into the Financial Statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries are consistent with accounting policies adopted by the Group.

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group has control over the relevant activities of Omnigraphics Limited, is exposed to variability in returns and there is a clear link between the two. As a result, Omnigraphics Limited is consolidated into the Group's results, despite 49% ownership held by QMS NZ Holdings Limited.

(b) Income tax

The income tax expense/(income) for the period comprises current income tax expense/ (income) and deferred tax expense/(income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period. Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

31. Significant accounting policies (continued)

Tax consolidation regime

The Company and its wholly-owned Australian controlled entities formed a tax consolidated Group at the close of business on 30 June 2016 and have implemented the tax consolidation legislation.

The deferred tax balances recognised by the parent entity and the Group in relation to wholly-owned entities joining the tax consolidated Group are initially measured and remeasured based on the carrying amounts of the assets and liabilities of those entities at the level of the tax consolidated Group and their tax values, as applicable under the tax consolidation legislation.

The Company, as the head entity in the tax consolidated Group, recognises current and deferred tax amounts relating to transactions, events and balances of the controlled entities in this Group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under a tax sharing agreement with the tax consolidated entities are recognised as tax-related amounts receivable or payable. Expenses and revenues arising under the tax sharing agreement are recognised as a component of income tax (expense)/benefit.

The controlled entities in the tax consolidated Group account for their own deferred tax balances, except for those relating to tax losses.

(c) Receivables and revenue recognition

(i) Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable, net of the amount of goods and services tax. Revenue from core operating activities consists of Out-of-Home advertising revenues. Revenue from Out-of-Home advertising is recognised equally on a pro-rata basis over the period in which the advertising is on display. Revenue for media production work is recognised on completion of the assignment. Commissions payable to advertising agencies are recognised as cost of sales.

(ii) Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Recoverability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income.

(iii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(d) Plant and equipment

Plant and equipment are measured on the historical cost basis and therefore carried at historical cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

31. Significant accounting policies (continued)

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 profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated Group commencing from the time the asset is held ready for use.

The expected useful lives are as follows:

LED Digital signs	12 years
Static signs	20 years
Machinery and equipment	12 years
Office equipment	4-5 years
Leasehold improvements	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of these cash-generating units represents the Group's investment in each business segment.

(ii) Other Intangibles

Other intangible assets represent the rights associated with acquired leases and the associated new business revenue streams. These other intangible assets are being amortised over the remaining term of the acquired leases (ranging from 8-20 years).

(f) Other financial assets

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its assets at initial recognition.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

31. Significant accounting policies (continued)

(ii) 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. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

(iv) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Loans and receivables and held-to-maturity Investments are subsequently carried at amortised cost using the effective interest method.

(g) Leases

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

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

(ii) Finance leases

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal.

(h) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Unearned income is recognised within trade payables where rental invoices are issued in advance of the period in which the revenue is earned.

31. Significant accounting policies (continued)

(i) Employee benefits

(i) Wages and salaries, annual leave and sick 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 the provision for employee benefits in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave 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 provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) Superannuation

The Group contributes superannuation benefits to numerous, but solely accumulation-type superannuation funds including personal, award based at various percentages of salary pursuant to employee contracts and statutory obligations.

(v) Employee benefit on-costs

On-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(k) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities, if applicable) assumed is recognised (subject to certain limited exemptions).

31. Significant accounting policies (continued)

The Group has provided for payment of additional consideration in relation to certain acquisitions. The consideration has been discounted over the time in which it is due. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss, but only after a reassessment of the identification and measurement of the net assets acquired.

Consideration transferred as part of the business combination may include deferred consideration or contingent consideration.

Deferred consideration is recognised and measured at fair value at the acquisition date and is included in the consideration transferred. The unwinding of any interest element of deferred consideration is recognised in the profit or loss.

Contingent consideration is an obligation to transfer additional payments to the former owners if certain specified future events are met. Contingent consideration is measured at fair value on the acquisition date and included in the consideration transferred. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is measured at fair value at the acquisition date and is remeasured at each reporting date until the contingency is settled, with changes in fair value recognised in profit or loss.

The Group has entered into a number of put options and forward contracts to acquire the remaining non-controlling interests in certain entities. Where the non-controlling interest still has present access to the returns in the entity, the Group has elected to adopt the anticipated acquisition method of accounting whereby the contract is accounted for as if the put option has been exercised or the forward has been satisfied by the non-controlling shareholders. The Group has recognised a liability for the present value of the exercise price of the option or of the forward purchase price. The Group has elected to recognise any subsequent changes in the fair value of the put liability in equity including any changes in the accretion of interest. Subsequent changes to the fair value of the forward contracts are recognised in the profit or loss.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

Where the Company acquires an entity that is classified as a common control transaction, the Company has made an accounting policy choice to recognise the assets acquired and liabilities assumed using book values, with an adjustment made to a separate component of equity (the merger reserve) to reflect any difference between the consideration paid and the capital of the acquiree.

(l) 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 circumstances 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 of disposal, and value in use. For the purposes of assessing impairment, assets that do not generate independent cash flows are allocated to cash generating units.

(m) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These Financial Statements are presented in Australian dollars, which is the Company's functional and presentation currency.

31. Significant accounting policies (continued)

(ii) Transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(iii) Foreign controlled entities

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such Investments, are taken to shareholders' equity. When a foreign operation is sold, ceases operation or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(n) Borrowings

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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 reporting period.

(o) Financing costs

Financing costs are recognised as expenses in the period in which they are incurred. Financing costs include interest on bank overdraft, finance lease charges, short-term and long-term borrowings and ancillary costs incurred in connection with arrangement of borrowings.

31. Significant accounting policies (continued)

(p) Maintenance and repairs

Certain plant and equipment is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated. Other routine operating maintenance, repair costs and minor renewals are charged as expenses as incurred.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

A make good provision is recognised for the costs of restoration or removal in relation to plant and equipment and site leases where there is a legal or constructive obligation. The provision is initially recorded when a reliable estimate can be determined and discounted to present value. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(s) Segment reporting

Results that are reported to the Board (the chief operating decision maker) are based on a single operating segment basis.

(t) Earnings per share

The Company presents basic and diluted earnings per share data. Basic earnings per share is calculated by dividing the net profit/(loss) attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year. The earnings per share is determined by adjusting the net profit/(loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

32. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2016 (unless otherwise stated), and have not been applied in preparing these Financial Statements.

Those which may be relevant to the Group are set out below. The Group does not plan to early adopt these standards.

(a) AASB 2014-1 Amendments to Australian Accounting Standards – Part E: Financial Instruments

Defers the mandatory application date of AASB 9 *Financial Instruments* to annual reporting periods beginning on or after 1 January 2018. This aligns with the IASB's tentative decision that IFRS 9 will be mandatorily effective for years beginning on or after 1 January 2018.

(b) AASB 15 Revenue from contracts with customers

AASB 2016-5 Amendments to Australian Accounting Standards arising from AASB 15

AASB 15 (effective on or after 1 January 2017) introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements.

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the Financial Statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

(c) AASB 9 Financial Instruments (December 2010) (includes financial assets and financial liability requirements)

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
AASB 9 Financial Instruments (December 2009) (Financial asset requirements only)
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

In AASB 9 (December 2010), the AASB added requirements for the classification and measurement of financial liabilities that are generally consistent with the equivalent requirements in AASB 139 except in respect of the fair value option; and certain derivatives linked to unquoted equity instruments.

The AASB also added the requirements in AASB 139 in relation to the derecognition of financial assets and financial liabilities to AASB 9.

AASB 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets; amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

The guidance in AASB 139 on impairment of financial assets. Guidance on hedge accounting continues to apply as long as hedge accounting provisions in AASB 2013-9 are not applied.

32. New standards and interpretations not yet adopted (continued)

(d) AASB 16 Leases

Effective from 1 January 2019, AASB 16 removes the classification of leases as either operating or finance leases, effectively treating all leases as finance leases. As a result, most leases will be brought onto the balance sheet with the aim of providing greater visibility and transparency to the balance sheet. The definition of what is a lease will become a key area of judgement with leases brought on balance sheet, with service contracts remaining off balance sheet.

The Group has a large portfolio of leases and therefore AASB 16 is expected to significantly change the presentation of the balance sheet, with an increase in both reported assets and liabilities. There will also be changes in the accounting over the life of the lease, with the recognition of a front-loaded pattern of expenses for most leases required, even when constant annual rentals are made. The impact of AASB 16 has not yet been quantified.

Directors' declaration

1. In the opinion of the directors of QMS Media Limited:

   (a) the Financial Statements and Notes that are set out on pages 36 to 80 and the remuneration report in section 18 of the directors' report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance, for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2016.

3. The directors draw attention to note 2 of the Financial Statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Wayne Stevenson
Chairman

Barclay Nettlefold
Director and Chief Executive Officer

28 September 2016
Melbourne

Independent audit report

Independent auditor's report to the members of QMS Media Limited

Report on the financial report

We have audited the accompanying financial report of QMS Media Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 32 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising 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 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. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independent audit report (continued)

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 16 to 25 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of QMS Media Limited for the year ended 30 June 2016, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

M Trinci

Maria Trinci
Partner

Melbourne, Australia
28 September 2016

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

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of QMS Media Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Maria Trinci
Partner

Melbourne, Australia
28 September 2016

ASX additional information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings (as at 30 June 2016)

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number
Wenvale Pty Ltd	14.92%
National Nominees Limited	12.27%
J P Morgan Nominees Australia	11.31%
Mediascape Pty Ltd	10.46%
Citicorp Nominees Pty Ltd	8.84%
HSBC Custody Nominees	8.12%
UBS Nominees Pty Ltd	7.87%
BNP Paribas Nominees Pty Ltd	6.93%

Voting rights – Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Securities subject to voluntary escrow

Shareholder	Shares subject to voluntary escrow	Period of escrow^
Wenvale Pty Ltd ATF Barclay Nettlefold Family Trust	45,059,236	2 years
Mediascape Pty Ltd ATF the Mediascape Trust	31,569,985	1 year
John O'Neill Pty Ltd ATF O'Neill Pastoral Discretionary Trust	5,961,538	50% 1 year / 50% 2 years
David Edmonds #	1,375,000	50% 1 year / 50% 2 years
Other management	4,606,250	50% 1 year / 50% 2 years
	88,572,009	

includes shares held by David Edmonds and Anne Hutton ATF Hutmond Family Trust.
^ applies from 15 July 2015.

Distribution of equity security holders

Category	Number of equity security holders Ordinary shares
1 - 1,000	141
1,001 - 5,000	206
5,001 - 10,000	157
10,001 - 100,000	583
100,001 and over	103
	1,190

The number of shareholders holding less than a marketable parcel of ordinary shares is 90.

Securities Exchange

The Company is listed on the Australian Securities Exchange. The home exchange is Melbourne.

Other information

QMS Media Limited, incorporated and domiciled in Australia, is a publicly listed Company limited by shares.

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

There are no unquoted equity securities.

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
Wenvale Pty Ltd ATF Barclay Nettlefold Family Trust	45,059,236	14.92%
National Nominees Limited	37,057,525	12.27%
J P Morgan Nominees Australia	34,143,519	11.31%
Mediascape Pty Ltd ATF the Mediascape Trust	31,569,985	10.46%
Citicorp Nominees Pty Ltd	26,676,757	8.84%
HSBC Custody Nominees	24,506,322	8.12%
UBS Nominees Pty Ltd	23,762,649	7.87%
BNP Paribas Nominees Pty Ltd	20,922,538	6.93%
John O'Neill Pty Ltd ATF O'Neill Pastoral Discretionary Trust	5,961,846	1.97%
Dmack Pty Ltd	1,440,000	0.48%
Mr A Trevena	1,250,000	0.41%
Mr W Stevenson	1,123,076	0.37%
Sandhurst Trustees Ltd	1,030,542	0.34%
Mrs P Sargood	1,000,000	0.33%
Zero Nominees Pty Ltd	1,000,000	0.33%
Mr Y Shamgar	900,000	0.30%
CS Fourth Nominees Pty Ltd	872,513	0.29%
Invia Custodian Pty Ltd	862,909	0.29%
RBC Investor Services	788,274	0.26%
Ms A Hutton ATF Hutmond Family Trust	750,000	0.25%
	260,677,691	**86.34%**

Corporate directory

Company Secretary

Anthony Carafa

Chartered Accountant

Principal registered office

Dobbyn and Carafa

Chartered Accountants

Level 9

636 St Kilda Road

Melbourne, Victoria 3004

Telephone +61 3 8530 1669

Facsimile +61 3 8530 1616

Share register

Computershare Investor Services Pty Limited

452 Johnson Street

Abbotsford, Victoria 3067

Telephone 1300 850 505

Facsimile 1300 137 341

Stock exchange listing

The shares of QMS Media Limited are listed by ASX Limited on the Australian Securities Exchange, trading under the ASX listing code “QMS”.

Investor website

http://www.qmsmedia.com/investors/

Company website

http://www.qmsmedia.com/