

30 APRIL 2015



TEN NETWORK HOLDINGS LIMITED | FY15 HALF YEAR RESULTS PRESENTATION

HAMISH McLENNAN - EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PAUL ANDERSON - CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER

DISCLAIMER

The material that follows is a presentation of general background information about the Company's financial position and general activities current at the date of the presentation.

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The information contained in this presentation may not necessarily be in statutory format. Amounts, totals and change percentages are calculated on whole numbers and not the rounded amounts presented.

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
HAMISH McLENNAN

1H FY15 RESULTS

FINANCIAL AND OPERATING HIGHLIGHTS

FINANCIAL

- 1H FY15 EBITDA \$7.5m
- 1H FY15 revenue from continuing activities down 2.2%
 - Television segment revenue down 1.6%
- 1H FY15 television costs (ex-selling) down 2.1%
- Non-recurring items for television licence impairment charge of \$251.2m
- Net loss attributable to members of \$264.4m
- Underlying net loss attributable to members of \$13.2m

OPERATING

- Network Ten and TEN delivering first ratings momentum and consistency in years
 - TEN: Best start to a ratings year since 2012
 - Network Ten and TEN: growing in total people and people 25 to 54
 - Successful launch in 2015 of three new formats
- Benefits of News and Operations restructure flowing through
- Lower operating cost base and ongoing cost discipline
- Increased focus on new formats with strong advertiser opportunities gaining traction

Source: OzTAM, 5 City Metro, Weeks 7 to 17 2015 vs. 2014 excluding Easter, Consolidated excluding Week 17 which is Overnight



THE STRATEGY

A CLEAR PLAN

- Focus on people 25 to 54, the biggest part of the TV audience and the biggest spenders
- Invest in Event TV, from I'm A Celebrity... Get Me Out Here! to MasterChef Australia, Shark Tank to The Great Australian Spelling Bee
- Invest in premium live sport such as KFC T20 Big Bash League, Formula One and V8 Supercars
- Consistent and stable program schedule across all three broadcast channels
- Develop new formats: Family Feud, I'm A Celebrity... Get Me Out Of Here!, Shark Tank, Gogglebox, The Great Australian Spelling Bee, Studio 10 and more
- Expand tenplay and other digital platforms and increase revenue
- Maintain tight cost control program
- Invest savings in prime time content

THE SCORECARD

DELIVERING GROWTH

- Network Ten is the only commercial network that is growing
- TEN is the only commercial primary channel that is growing
- TEN: Best start to the ratings year since 2012
- TEN: 10 weeks of growth since start of 2015 ratings year
- Advertising revenue share trending higher
- tenplay: audience up 23%
- tenplay: video views up 52%
- Television costs (ex-selling costs) declined 2.1% in first half FY 2015



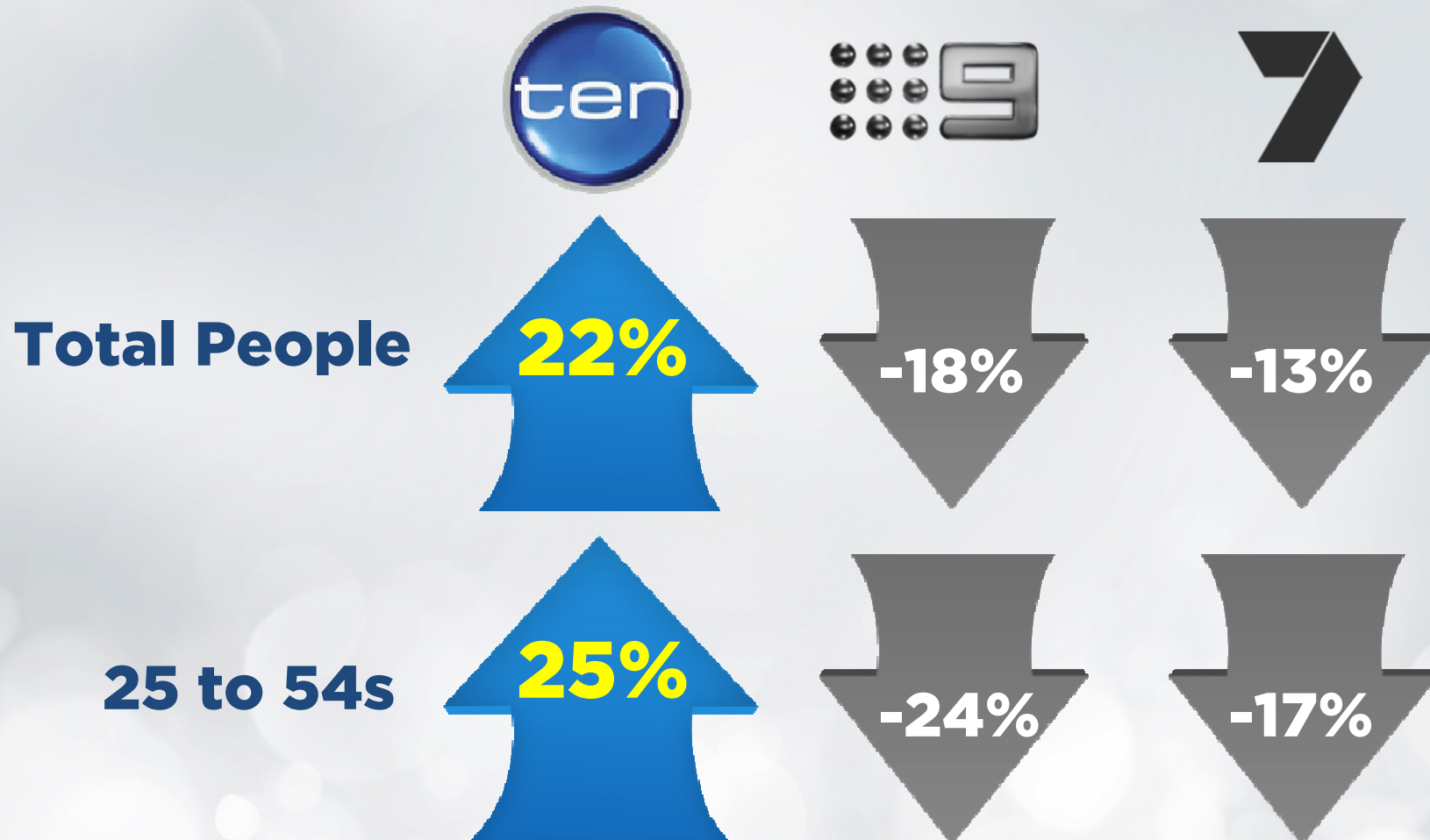
Sources: OzTAM, 5 City Metro, Weeks 7 to 17 2015 vs. 2014 excluding Easter, Consolidated excluding Week 17 which is Overnight, Omniture.



DELIVERING AUDIENCE GROWTH

TEN'S MOMENTUM

Across the survey year-to-date, TEN is growing in both total people and 25 to 54s



Source: OzTAM, 5 City Metro, 18:00-22:30, Primary Channels, Weeks 7-17 2015 vs. 2014 excluding Easter, Consolidated excluding Week 17 which is Overnight.

DELIVERING AUDIENCE GROWTH

TEN IS GROWING

TEN's Zone 1 audience has grown year-on-year in 10 of the past 11 weeks



Zone 1 Audience
2015 vs. 2014


Source: OzTAM, 5 City Metro, 18:00-22:30, Primary Channel, Weeks 7-17 2015 vs. 2014, Consolidated excluding Week 17 which is Overnight.


TEN'S GROWTH BY HALF HOUR

CONSISTENT GROWTH IN 25 TO 54s

	SUN	MON	TUES	WED	THURS	FRI	SAT
6:00-6.30PM	ten	ten	ten	ten	ten	ten	
6:30-7.00PM	ten	ten	ten	ten	ten	ten	
7:00-7.30PM	ten	ten	ten		ten	ten	
7:30-8.00PM	ten	ten	ten	ten	ten	ten	
8:00-8.30PM	ten	ten	ten	ten	ten		
8:30-9.00PM	ten	ten	ten	ten	ten	ten	ten
9:00-9.30PM	ten	ten	ten		ten	ten	
9:30-10.00PM		ten	ten		ten		
10:00-10.30PM		ten	ten		ten		

Nine half-hour lifts = 4
 Seven half-hour lifts = 5
TEN half-hour lifts = 46

 94% have **declined**

 92% have **declined**

 **73% have lifted**

Source: OzTAM, 5 City Metro, 25 to 54, Primary Channels, Audience, Weeks 7 to 16 2015 vs. 2014 (excluding Easter), Consolidated.

2015 SUCCESSFUL FORMATS



KFC T20 Big Bash League:

- #1 in timeslot: 25 to 54s, total people
- Big Final 1.01 million viewers
- 24 million Twitter impressions



I'm A Celebrity...Get Me Out Of Here!:

- Winner Announced: 1.26 million viewers
- Lifted timeslot audience 51%
- 10.6 million Twitter impressions



Family Feud:

- Australia's #1 game show
- Has lifted network audience 19% in timeslot



Australian Formula One:

- #1 in timeslot in all age groups
- 1.08 million viewers



Shark Tank:

- Has lifted timeslot audience 18%
- Growing online, social media audience



Gogglebox:

- Innovative joint production
- Strong results with women plus online, social media

Source: OzTAM, 5 City Metro. Nielsen Twitter TV Ratings.

2015 SUCCESSFUL FORMATS



The Odd Couple:

- Has lifted timeslot audience 9%
- #1 new comedy in 2015



The Project:

- 7pm to 7.30pm: Up 3% on 2014
- 6.30pm to 7.30pm: Up 10% on 2014



Studio 10:

- Up 31% on 2014
- Strong advertorial revenue



TEN Eyewitness News

- Dominates timeslot
- #1 regular program in day time



The Living Room:

- Up 8% on 2014
- #2 in timeslot among women

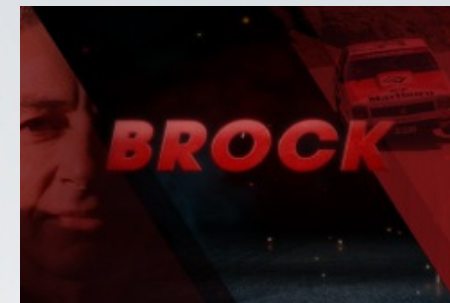


V8 Supercars: Clipsal 500

- #1 in timeslot in 25 to 54s, total people
- TEN: 90% of total TV audience
- 1.4 million Twitter impressions

Source: OzTAM, 5 City Metro. Nielsen Twitter TV Ratings.

FRESH CONTENT STILL TO COME



tenplay : STRONG GROWTH

BEYOND THE TV SCREEN

- 2 million downloads | Up from 400,000 in April 2014
- September 2014 to February 2015
 - Page views 134.6 million | Up 64%
 - Video views: 66.3 million | Up 52%
 - Unique visitors 14.6 million | Up 23%
 - Advertising revenue | Up 29%



Source for tenplay growth vs. September 2013 to February 2014, Omniture, Adobe Analytics, Nielsen.

CAPITALISING ON SOCIAL MEDIA

BEYOND THE TV SCREEN

- 140+ social media channels/accounts
- 9.4 million social media followers
- Up 8% over past six months

- I'm A Celebrity... Get Me Out of Here!
 - #1 show on Twitter during its run
 - 12 million Twitter impressions during its run
 - Weekly Facebook reach: 2.6 million people

- KFC T20 Big Bash League
 - 24 million Twitter impressions
 - 9 million Twitter impressions via TEN Sport |
Up 3,000% on 2013-14

Source: Nielsen Twitter TV Ratings, Twitter Analytics.



KEY PRIORITIES

THE NEXT SIX MONTHS

- Revenue focus:
 - Continue to close the gap between audience and revenue shares
 - Integration and creative solutions via Generate
 - Direct sales via INTENSIFY
 - Further expand digital revenue
- Consistent ratings, stable schedules
- Returning content: MasterChef Australia, TBL Families, The Bachelor, V8 Supercars, Rugby Union, KFC T20 Big Bash League 2015-16
- New content: The Great Australian Spelling Bee, The Bachelorette
- Cost control and efficiencies remain an ongoing focus

CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER
PAUL ANDERSON

INCOME STATEMENT

FOR THE HALF YEAR ENDED 28 FEBRUARY 2015

Group Results (\$m)	2015	2014	Fav / (Unf)
Television Revenue	309.8	315.0	(1.6%)
Television Expenses	(302.3)	(304.9)	0.8%
Television EBITDA	7.5	10.1	(25.7%)
Outdoor EBITDA	-	-	-
Group EBITDA	7.5	10.1	(25.7%)
Depreciation & Amortisation	(7.3)	(7.5)	1.9%
EBIT	0.2	2.6	(94.2%)
Net Interest Expense	(6.5)	(7.8)	16.0%
(LOSS)/PROFIT BEFORE TAX & NRI	(6.3)	(5.2)	(23.4%)
Non Recurring Items - Television Licence Impairment	(251.2)	-	-
(LOSS)/PROFIT BEFORE TAX	(257.5)	(5.2)	
Income Tax (Expense)/Benefit	(3.8)	0.4	
(LOSS)/PROFIT AFTER TAX	(261.3)	(4.8)	
Non-controlling interest	3.1	3.2	(5.6%)
NET (LOSS)/PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS	(264.4)	(8.0)	
<i>Underlying Net (Loss) / Profit After Tax Attributable to Members</i>	<i>(13.2)</i>	<i>(8.0)</i>	<i>(65.7%)</i>

Onerous contract provisions of \$5.2m (2014: \$8.5m) for Television and \$9.9m (2014: \$6.6m) for Outdoor have been utilised during the period. As at 28 February 2015 \$23.2m of onerous contract provisions remain on the Balance Sheet.

The information contained on this page may not necessarily be in statutory format. A full reconciliation of EBIT is provided in Appendix 4D for the half year ended 28 February 2015.

BALANCE SHEET

AS AT 28 FEBRUARY 2015

Group Balance Sheet (\$m)	Feb-15	Aug-14	Feb-14
Cash and cash equivalents	20.0	13.4	19.6
Receivables	96.4	100.7	105.0
Program rights and inventories	202.3	154.3	230.6
Intangibles	481.7	732.9	785.7
Property, plant and equipment	48.5	51.0	58.4
Other assets	23.3	36.2	24.2
Current Liabilities	(235.2)	(197.2)	(202.2)
Borrowings (Non-Current)	(117.5)	(95.2)	(53.4)
Other Non-Current Liabilities	(63.8)	(76.6)	(88.4)
TOTAL EQUITY	455.7	719.5	879.5
NET DEBT	(92.3)	(80.5)	(35.9)

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CASHFLOWS

FOR THE HALF YEAR ENDED 28 FEBRUARY 2015

Group Cash Flow (\$m)	2015	2014
Operating cash (outflow)/inflow	(18.1)	10.1
Capital Expenditure	(4.9)	(11.6)
Deferred Consideration	15.0	-
Payments for investments	-	(0.1)
Other investing activities	0.8	0.1
Dividends Paid	(1.6)	(3.3)
Refinancing Costs	-	(2.8)
NET DEBT (INCREASE) / REDUCTION	(8.8)	(7.6)
Net Debt at beginning of period	(80.5)	(27.6)
Non cash / capitalised Interest	(3.0)	(0.7)
NET DEBT AT END OF PERIOD	(92.3)	(35.9)

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OUTLOOK AND COST GUIDANCE

COST GUIDANCE

- Cost guidance remains unchanged from October 2014
- FY15 television costs (ex-selling costs) are expected to decrease by 8%
- Cost management key to re-investing in the Group's primetime schedule
- However, leverage in managing the cost of programming* remains limited by fixed output deals and the proportion of overall programming spend which they represent

OUTLOOK

- The strategic review process continues and may or may not result in a transaction which is acceptable to TEN
- TEN welcomes a review of the television licence fee
- Government needs to urgently consider proposals to reform media ownership rules
- Television ad market remains short in terms of forward bookings
- Continuing to find new ways for advertisers to deepen engagement with viewers

**Refer Commitments note in the 2014 Annual Report.*

QUESTIONS