



TEN NETWORK HOLDINGS LIMITED

**ANNUAL
GENERAL
MEETING
PRESENTATION**

8 DECEMBER 2016

DAVID GORDON

CHAIRMAN

INTRODUCTION

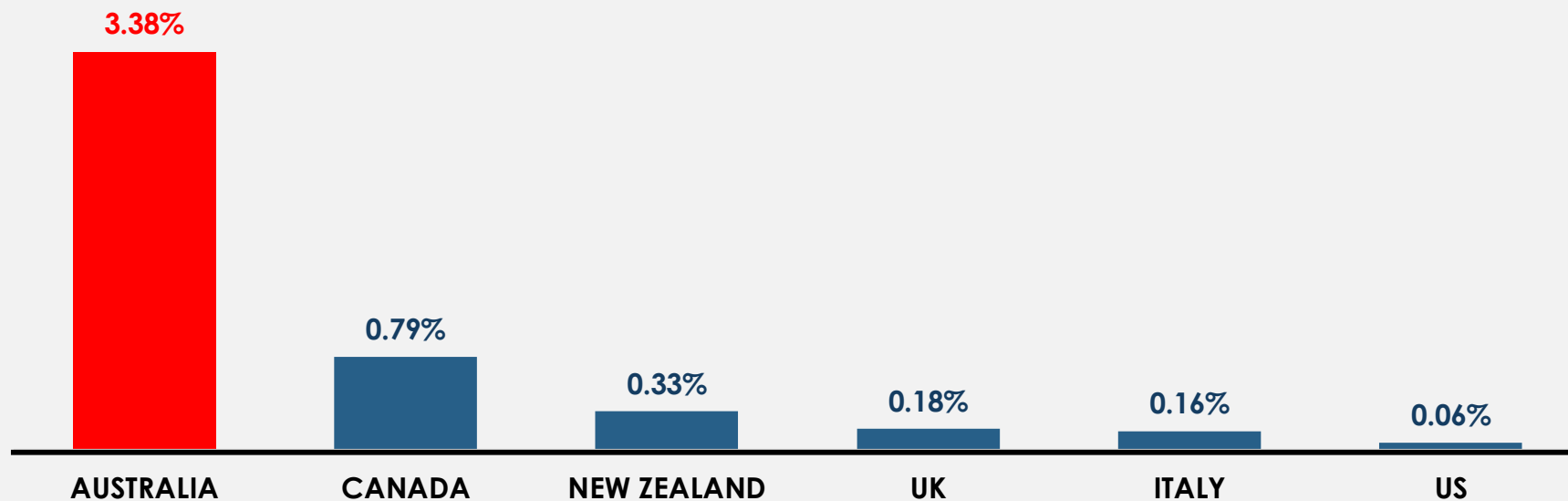
Welcome

Process of Annual General Meeting

Introduction of Directors

AUSTRALIA'S TV SUPER TAX

LICENCE FEE COMPARISON (% OF FREE-TO-AIR TV REVENUE)



Source: Venture Consulting

DAVID GORDON

CHAIRMAN

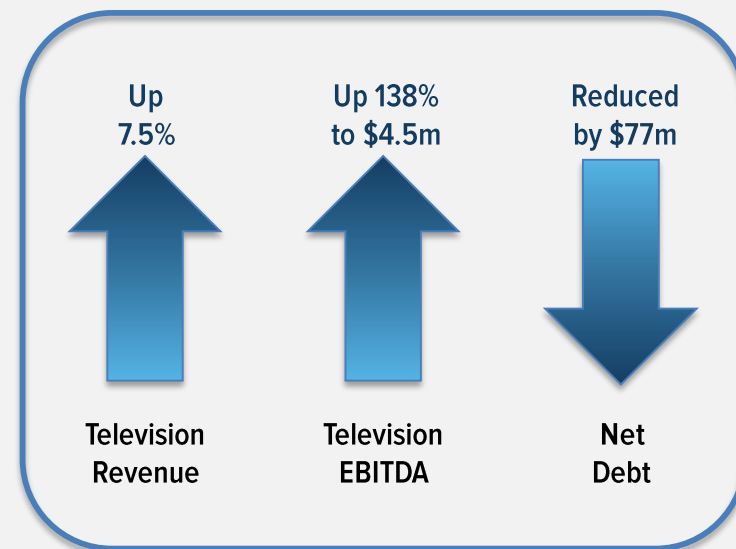
PAUL ANDERSON

CHIEF EXECUTIVE OFFICER

FY16 FINANCIAL HIGHLIGHTS

STRATEGY DELIVERING IMPROVED PERFORMANCE AS FINANCIAL RECOVERY CONTINUES

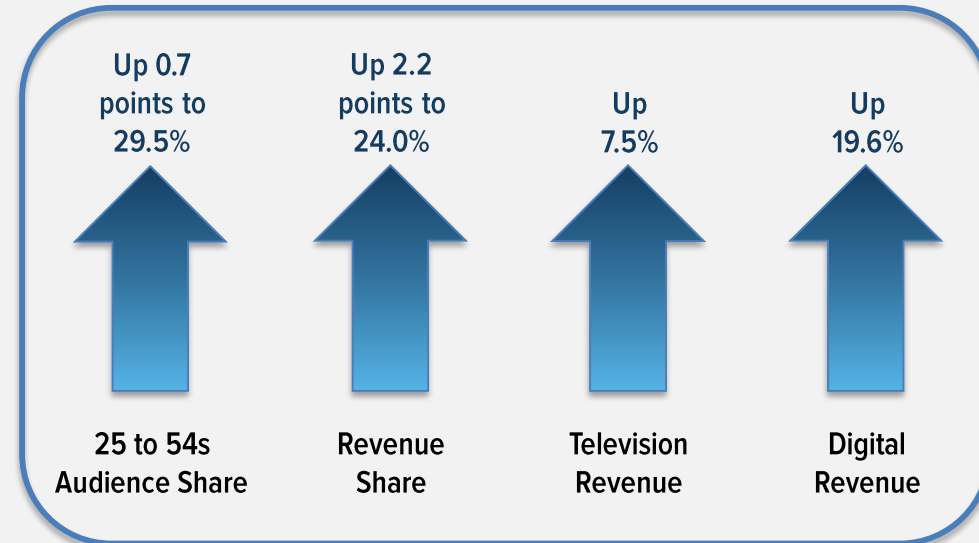
- Television revenue up 7.5% to \$676m
 - Strongest revenue performance in four years
- Revenue share up 2.2 points to 24.0%
- Television cost growth (ex-selling costs) of 5.1% within previous guidance of 5.5%
- Television EBITDA of \$4.5m, up from a prior year loss of \$12.0m
- Net significant items of \$125.3m, includes \$135.2m television licence impairment and a non-cash \$23.1m profit on sale of the Out-of-Home business
- Net loss attributable to members of \$156.8m (FY15: net loss of \$312.2m)
 - Underlying net loss attributable to members of \$31.5m (FY15: net loss of \$49.4m)
- Net debt reduced from \$131m in August 2015 to \$54m in August 2016



Source: SMI, Commercial FTA Revenue Share for the 12 months to 31 August 2016

FY16 OPERATIONAL HIGHLIGHTS

- Ten's strategy of investing in prime time content, new distribution channels and innovative strategic alliance with MCN continues to produce results
- Key achievements during the 12 months include
 - Strong advertising revenue and revenue share growth
 - Continued growth in television and online audiences
 - Network Ten: biggest audience in total people since FY12
 - Ten's revenue growth of 7.5% tracked well ahead of market
- Successful implementation of strategic arrangement with MCN
- New regional affiliate agreements with WIN and Southern Cross delivering increased regional audiences and revenue gains over previous agreement

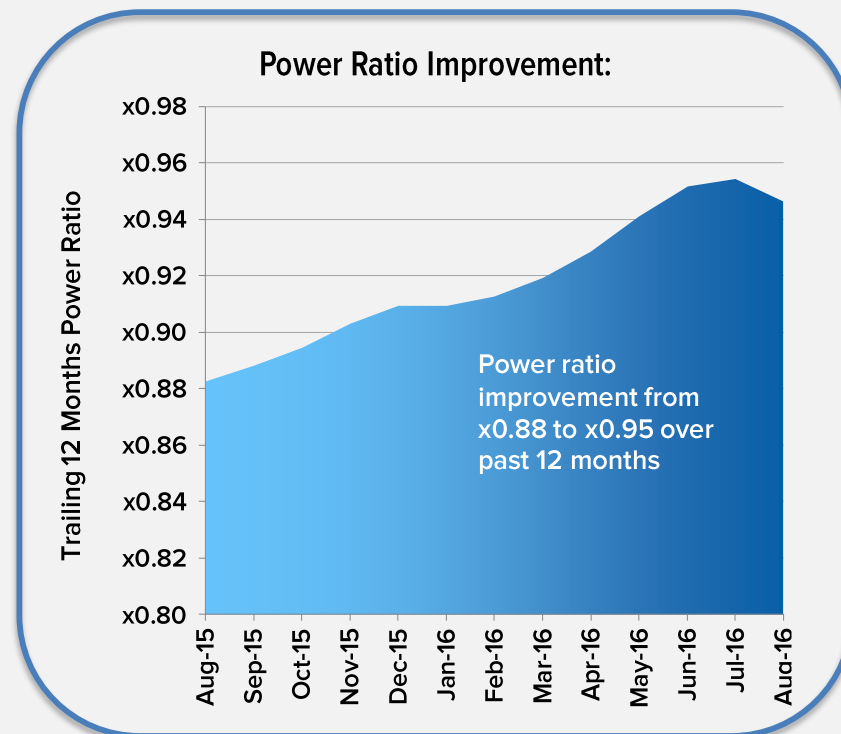


Source: OzTAM, 5 City Metro, TEN Primary and Network Ten, 18:00-22:30, September 1 to August 31, excludes Olympic weeks 31-32 2012 and 33-34 2016, Consolidated 7 days. SMI Revenue Share for 12 months to 31 August 2016

REVENUE PERFORMANCE

DELIVERING REVENUE AND REVENUE SHARE GROWTH

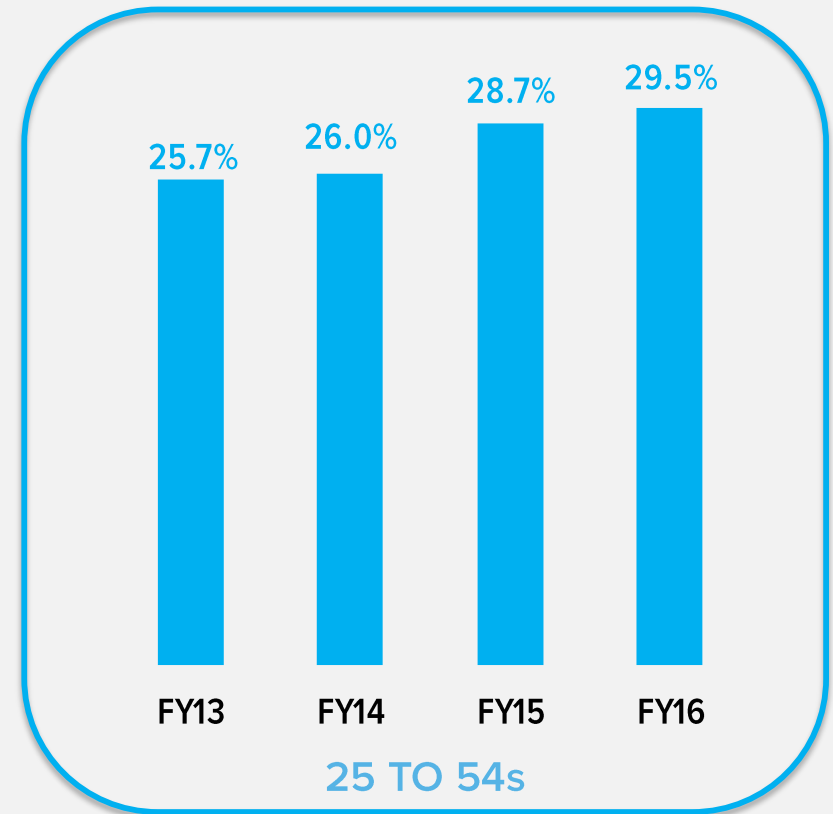
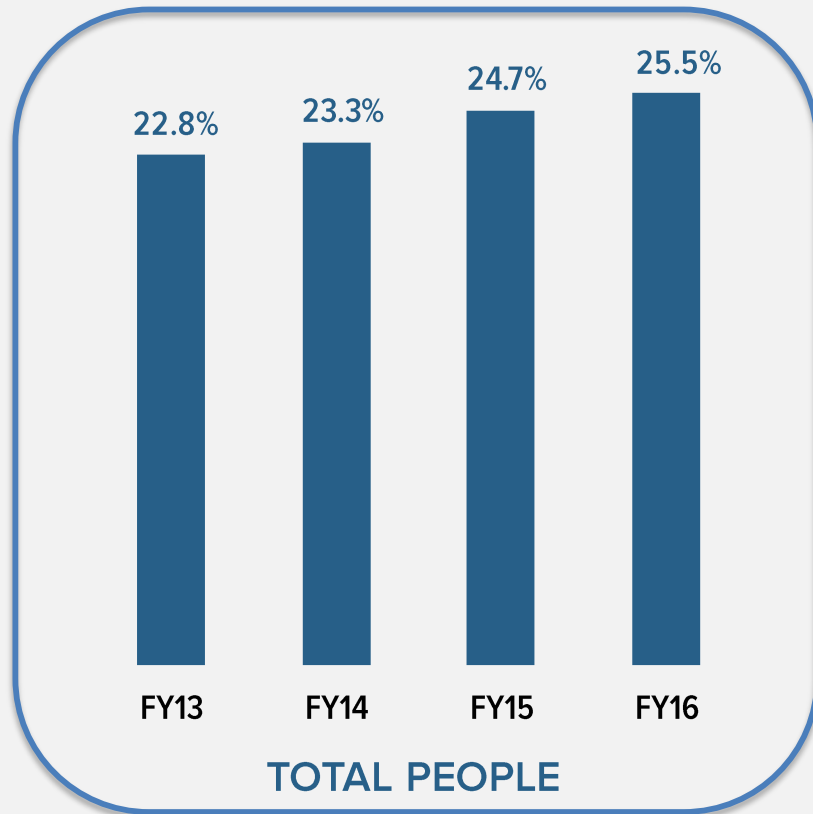
- Revenue growth outperformed the market
 - Television revenue up 7.5% and digital revenue up 19.6%
 - Power ratio improvement from 0.88x to 0.95x
- Successful implementation of the first stages of the strategic arrangement with MCN
 - Delivered clear benefits in terms of scale, audience reach and innovative integration opportunities
 - Access to sophisticated and industry leading dynamic trading system



Source: SMI Revenue Share for 12 months to 31 August 2016

AUDIENCE MOMENTUM

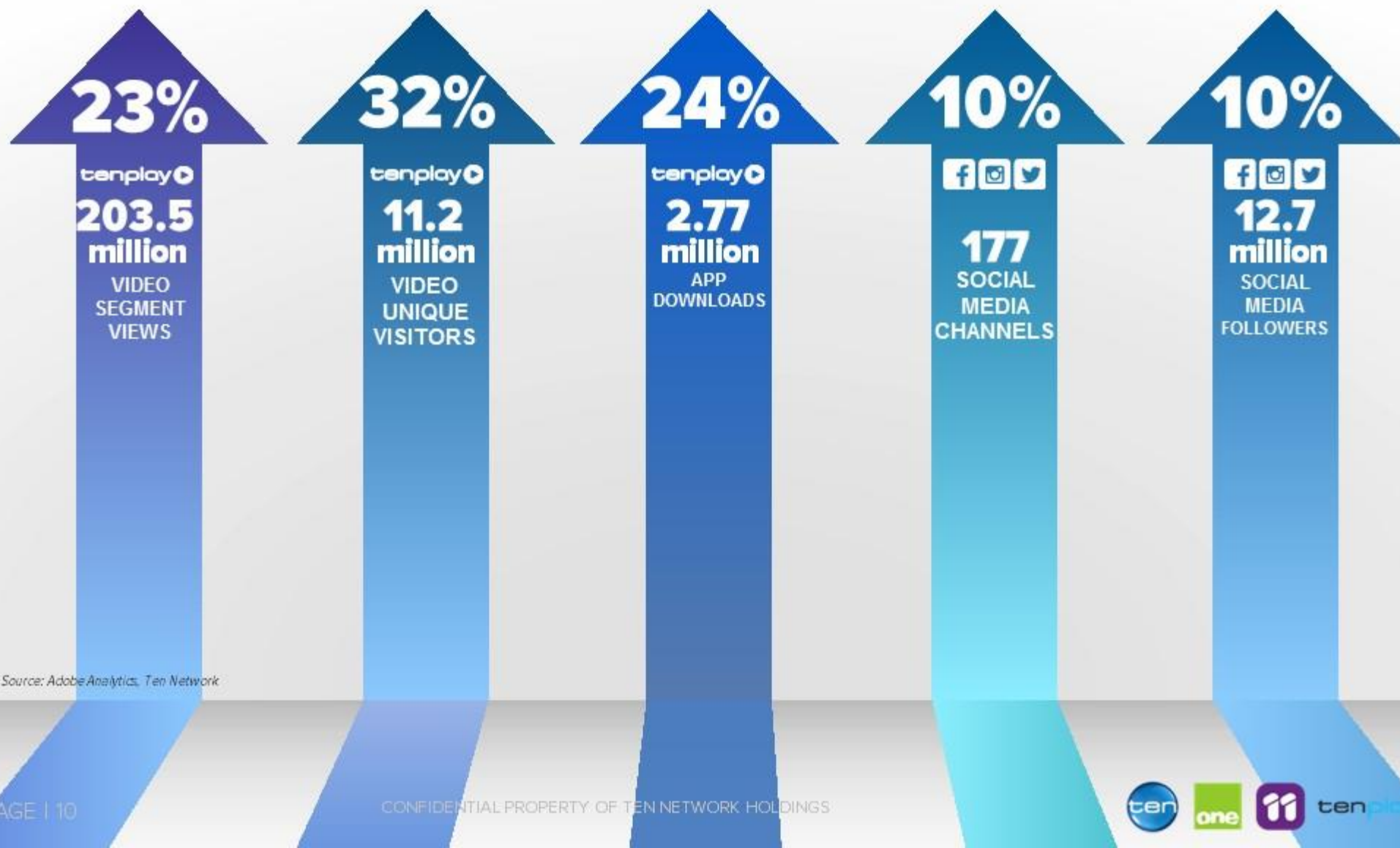
HIGHEST NETWORK COMMERCIAL SHARE IN 25 TO 54s SINCE FY12



TEN primary channel's audience grew 1.6% in total people and 3.0% in grocery buyers in FY16

Source: OzTAM, 5 City Metro, TEN Primary and Network Ten, 18:00–22:30, September 1 to August 31, excludes Olympic weeks 31-32 2012 and 33-34 2016, Consolidated 7 days

ONLINE AND SOCIAL MEDIA GROWTH



Source: Adobe Analytics, Ten Network

DOMESTIC 7.30PM SCHEDULE

KEY FRANCHISES YEAR-ROUND



DOMESTIC CONTENT

PROVEN AND CONSISTENT SCHEDULE ACROSS THE YEAR



THE POWER OF TV + THINKTV

- Television reaches 16 million Australians every day
- Industry research and marketing group ThinkTV set up by Ten, Seven, Nine and Foxtel in May 2016
- ThinkTV's key messages:
 - Nothing has the reach or scale of today's multi-platform television
 - Television makes more money for brands than any other medium
 - Television is 100% reliable, measurable and viewable



Source: ThinkTV

OUTLOOK AND GUIDANCE

- Television ad market remains short in terms of forward bookings
- Ten's television revenue up 1.9% in first quarter of 2017 financial year
- Ten will continue to invest in content and distribution channels to maintain our audience and revenue momentum
- Television costs (ex-selling costs) are expected to increase by mid-single digits in the 2017 financial year (guidance provided at FY 2016 results release in October 2016)
- Ten currently has a project underway to review all costs across the Company with the aim of minimising this increase
- Licence fee regime out of step with the media environment and at odds with the rest of the world
 - No change to licence fee regime will result in damage to local production industry and job losses



2017 CONTENT HIGHLIGHTS





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