TEN NETWORK HOLDINGS LIMITED

1H FY17 RESULTS PRESENTATION

27 APRIL 2017

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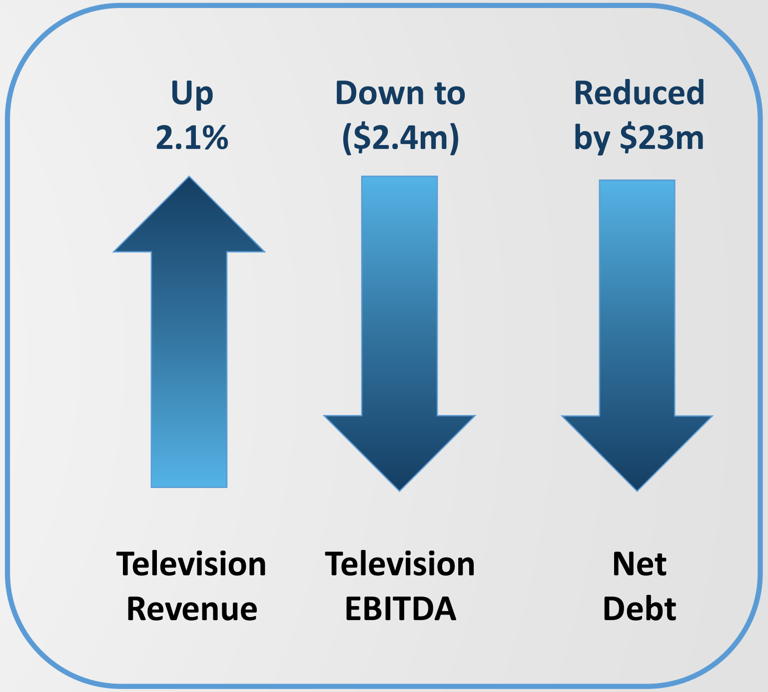
OVERVIEW

PAUL ANDERSON, CEO

1H FY17 FINANCIAL HIGHLIGHTS

TELEVISION REVENUE AND MARKET SHARE GROWTH DRIVEN BY INVESTMENT IN LOCAL CONTENT

- Investment in content driving television revenue up 2.1% to $341.4m
  - Revenue share in 1H FY17 up 1.8 points to 25.2%
  - Digital revenue up 17.0%
  - First full half year period of new regional affiliate agreements
- Television cost growth (ex-selling costs) of 7.4%. Full year cost guidance remains unchanged
- Television EBITDA loss of $2.4 million (1H FY16: $10.1m)
- Non-cash television licence impairment charge of $214.5m
- Net loss attributable to members of $232.2m (1H FY16: net profit of $13.4m)
- Net debt of $30.2m at 28 February 2017



Source: SMI.

1H FY17 OPERATIONAL HIGHLIGHTS

- Network Ten commercial share of 24.7% in total people and 28.1% of 25 to 54s so far in 2017
- Network Ten had its highest network commercial share in total people in 2016 in five years
- Benefits from Multi Channel Network (MCN) in scale and audience reach continue
  - MCN arrangement has driven above-market revenue growth
  - Power ratio improved from x0.92 to x1.00 for six months to February 2017
  - Launch of dynamic trading in February 2017
  - MCN and TEN have a combined audience share of 40.5% for 25 to 54s
- tenplay: video views up 31%, unique visitors up 16%
  - On 12 platforms, more than any other commercial network; eight new platforms to be added in 2017
  - New short-form content product, tendaily, launching in September year
- New operational structure implemented to commence delivery of whole-of-business transformation program

Source: OzTAM, 5 City Metro, 18:00-22:30. Weeks 1 to 16 2017. OzTAM, 5 City Metro, 18:00-22:30. 1.9.16 to 28.2.17. Adobe Analytics. SMI.

TRANSFORMATION – WHOLE-OF-BUSINESS IMPROVEMENT

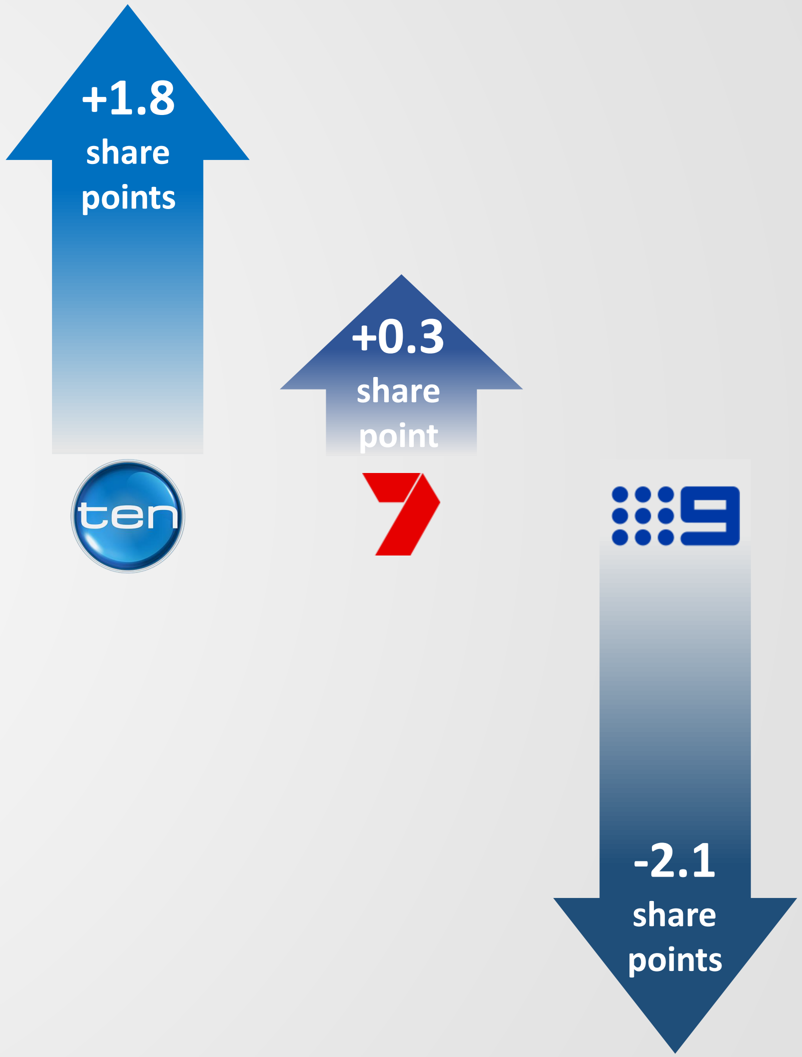
- Detailed analytics and assessment of potential benefits completed in December 2016
- Transformation program methodology adopted
- Chief Transformation Officer appointed
- Detailed build-up and planning phase almost complete
- Material revenue initiatives and cost savings have been identified
- Benefits expected to impact financial results from the 2018 financial year
- One-off costs of $1.3m in 1H FY17
- Further implementation costs anticipated in 2H FY17

REFINANCING UPDATE

- Current shareholder guaranteed facility expires in December 2017
- Group is seeking to secure an amended or new facility of approximately $250 million
- Confidence in improvement in future earnings key to refinancing
- Key areas of improvements to future earnings include:
  - Delivery of revenue and cost initiatives identified in the transformation program
  - Renegotiation of material programming contracts
  - Reduction in television licence fees
- Detailed disclosures have been provided in the Appendix 4D

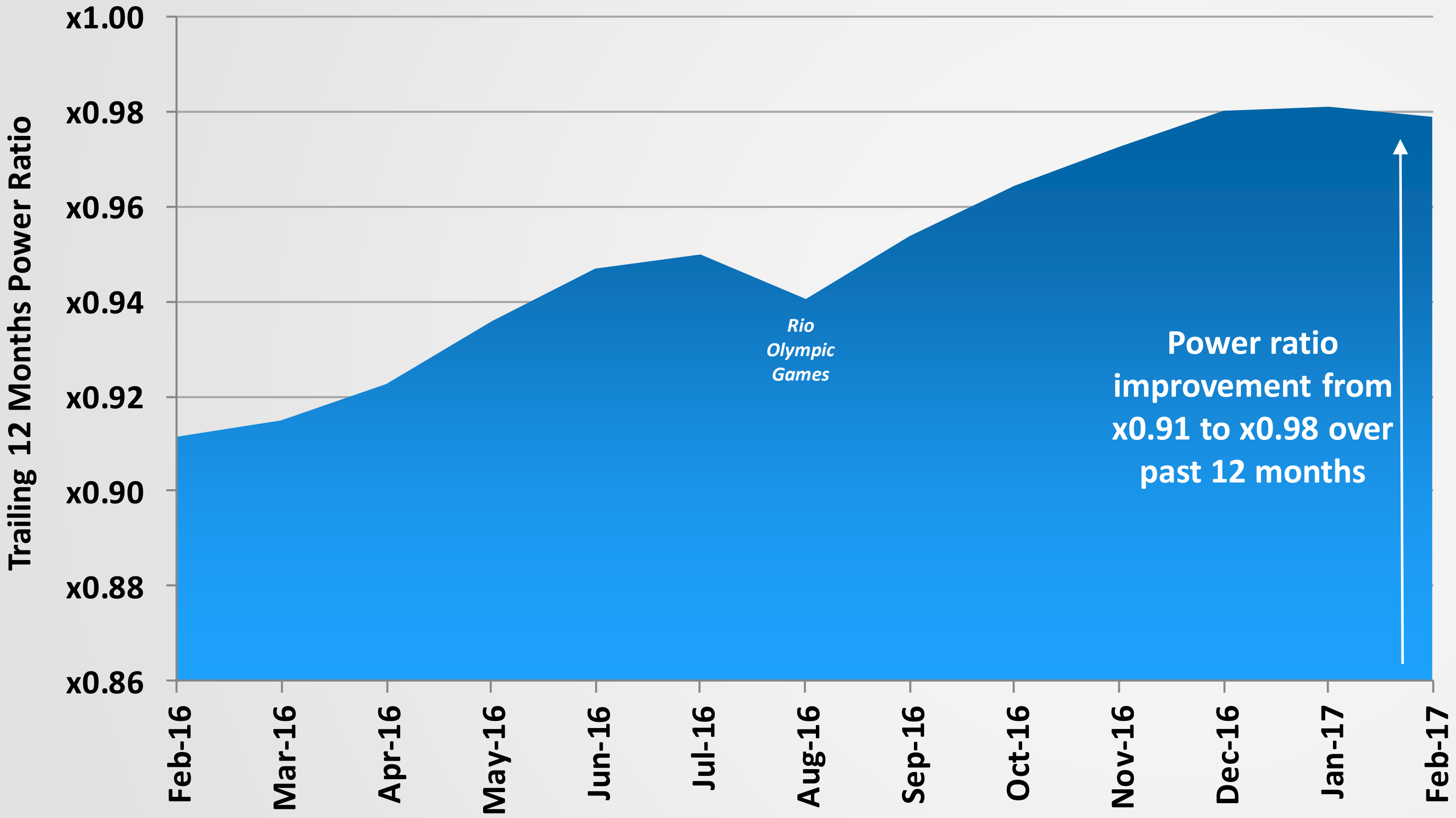
1H FY17 TELEVISION REVENUE PERFORMANCE

- Partnership with MCN delivering results
- Revenue growth outperformed the market
- Television revenue up 2.1%
- Capital city free to air television advertising market declined 5.6% in 1H FY17
- Revenue share in 1H FY17 up 1.8 points to 25.2%
- Highest 1H revenue share since 1H FY12
- Revenue share growth in 22 of past 24 months, to February 2017
- Power ratio increased from x0.92 to x1.00 for six months to February 2017
- Digital revenue up 17.0%
- Full dynamic trading model in market from February 2017



Source: SMI.

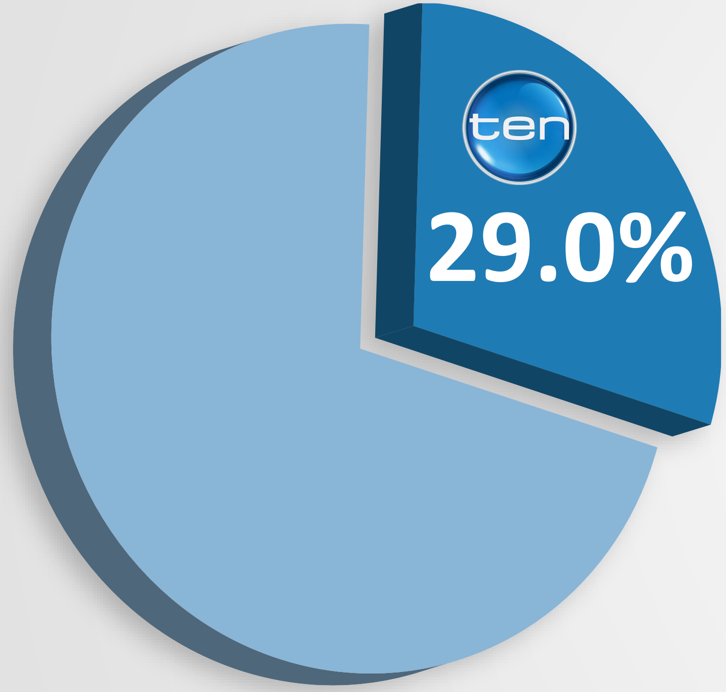
POWER RATIO CONTINUES TO IMPROVE



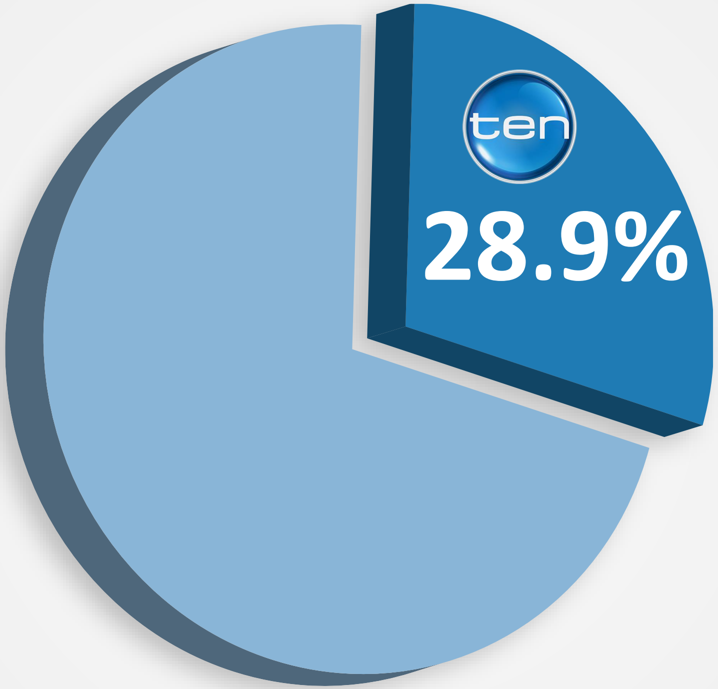
Power ratio has exceeded x1.00 in six of the past 12 months

Source: SMI

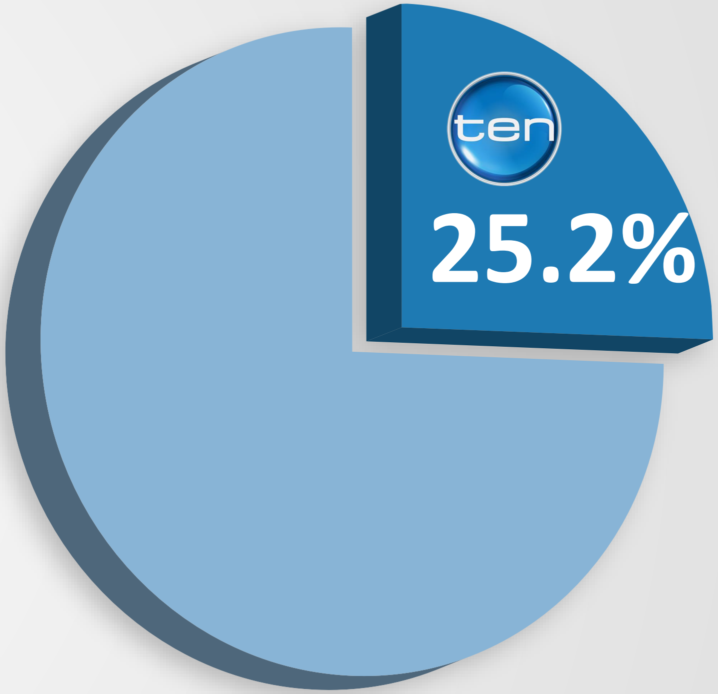
TELEVISION AUDIENCE PERFORMANCE



UNDER 55s



25 TO 54s



TOTAL PEOPLE

Commercial audience shares. Source: OzTAM, 5 City Metro, Consolidated 7, 18:00-22:30, Network Total, 1.9.16 to 28.2.17.

ONLINE & SOCIAL MEDIA PERFORMANCE

tenplay

31%
113.2m
VIDEO SEGMENT VIEWS

16%
15.3m
UNIQUE VISITORS

12%
TIME SPENT PER VISIT

5%
180
SOCIAL MEDIA CHANNELS

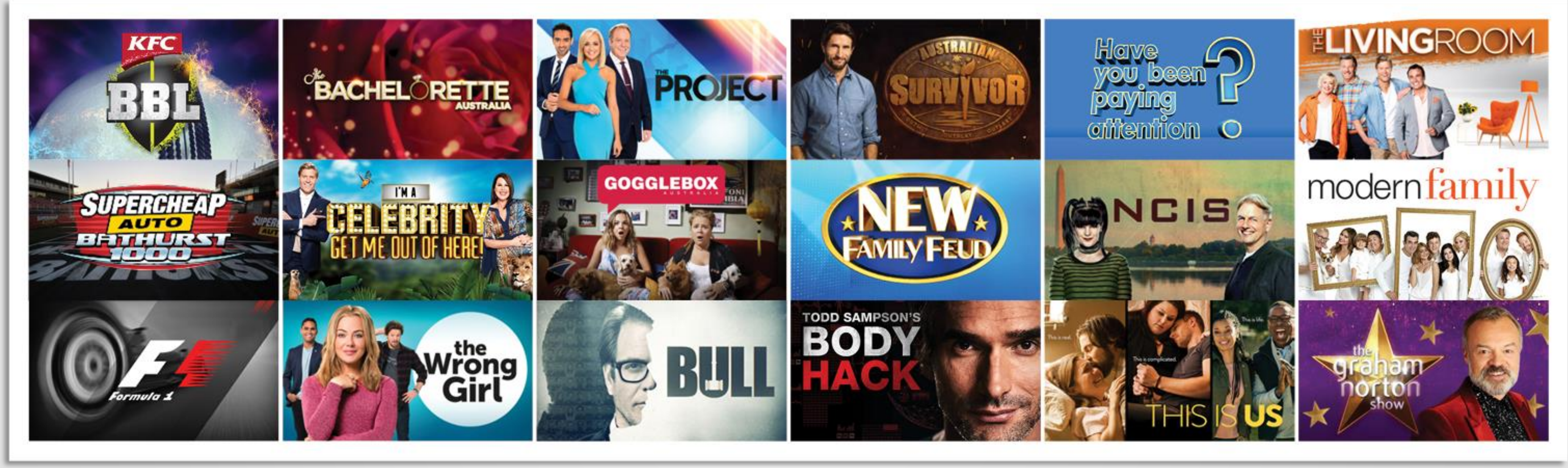
13%
13.6m
SOCIAL MEDIA FOLLOWERS

TENDAILY TO LAUNCH IN SEPTEMBER 2017

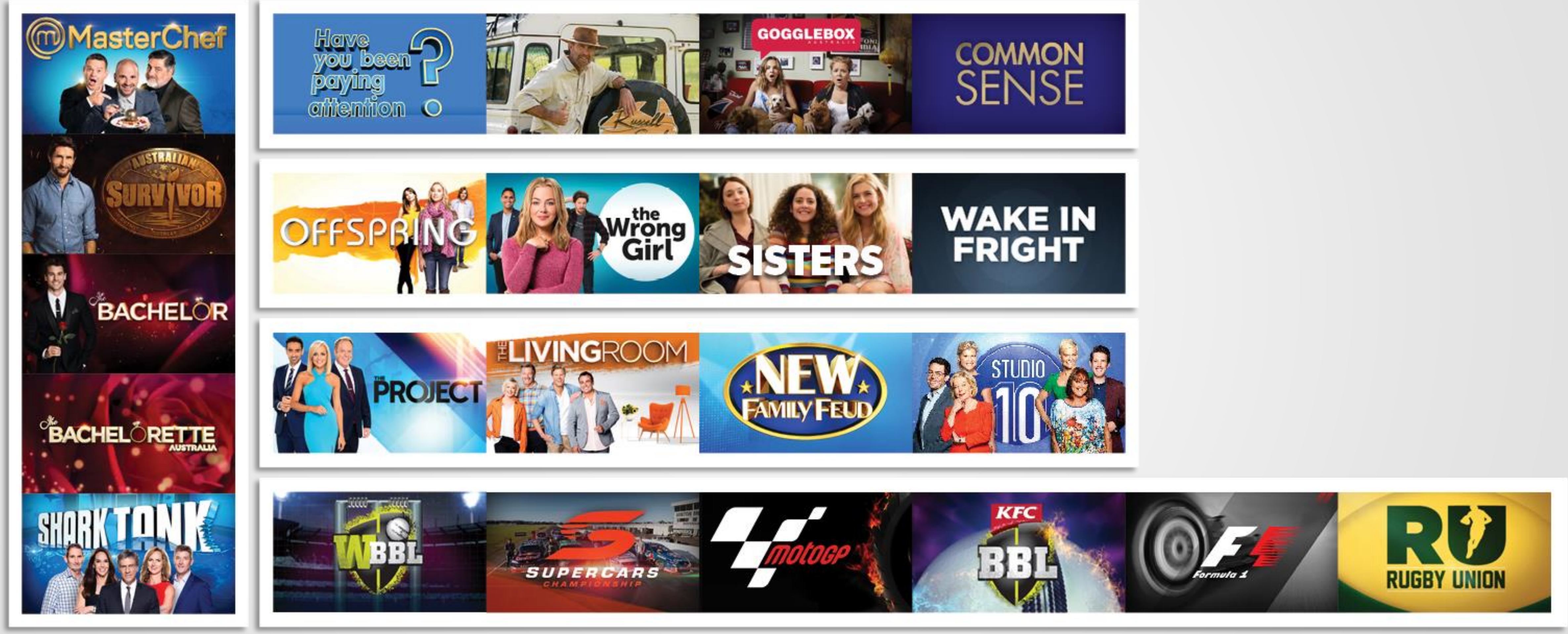
DIGITAL REVENUES UP 17.0%

Source: Adobe Analytics, Facebook, Twitter, Instagram

KEY CONTENT


KFC
BBL
The BACHELORETTE AUSTRALIA
THE PROJECT
AUSTRALIAN SURVIVOR
Have you been paying attention?
THE LIVING ROOM
SUPERCHEAP AUTO BATHURST 1000
I'M A CELEBRITY GET ME OUT OF HERE!
GOGGLEBOX AUSTRALIA
NEW FAMILY FEUD
NCIS
modern family
Formula 1
the Wrong Girl
BULL
TODD SAMPSON'S BODY HACK
THIS IS US
the graham norton show

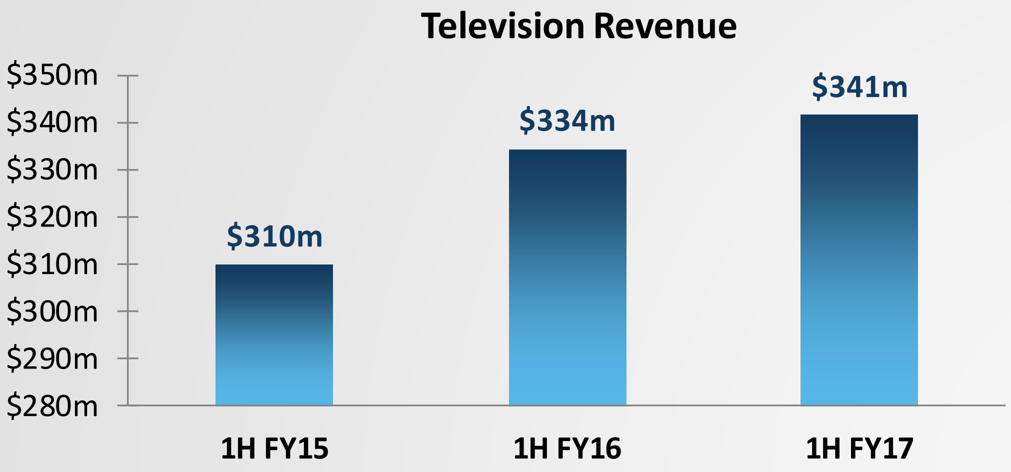
KEY LOCAL CONTENT: STILL TO COME

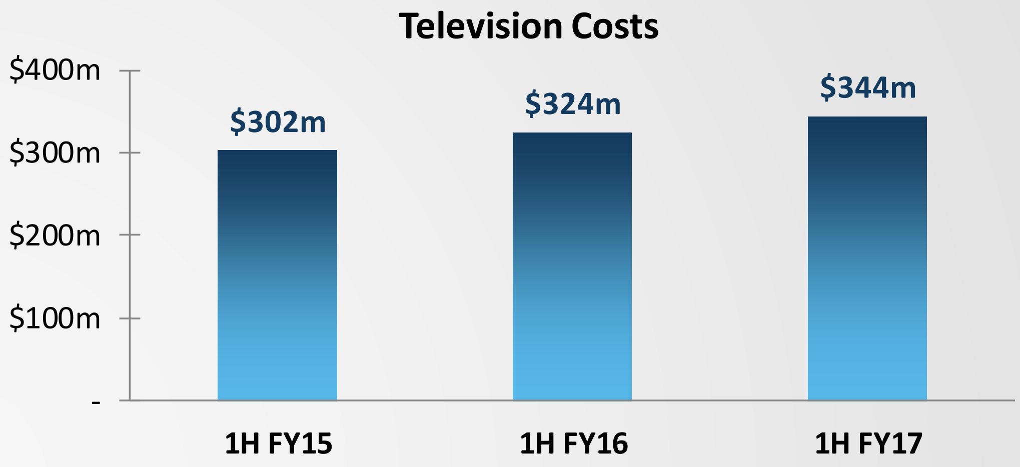


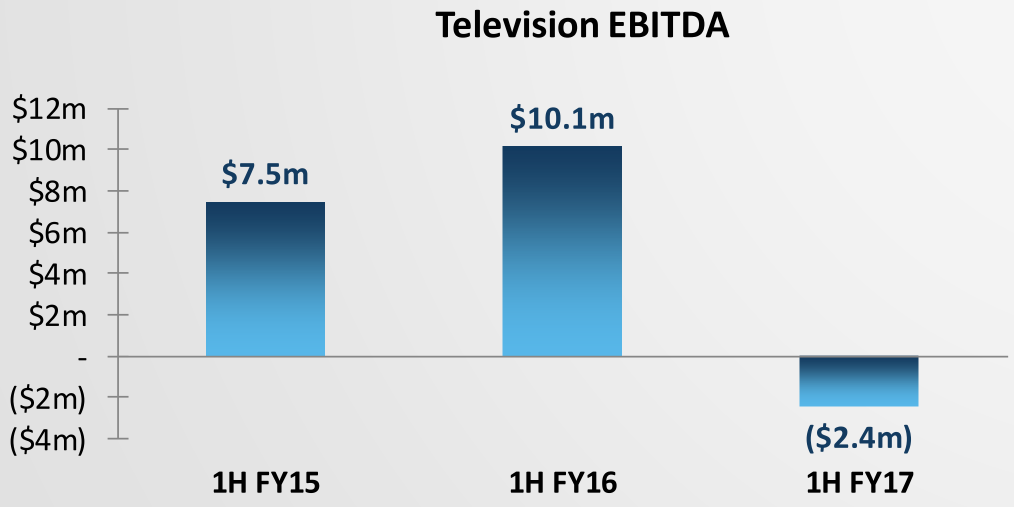
FINANCIAL REVIEW

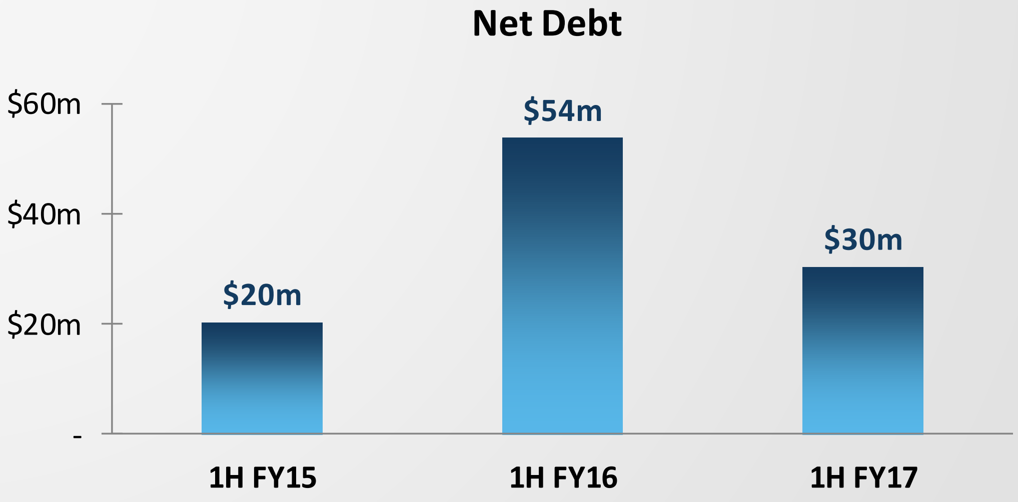
DAVE BOORMAN, CFO

1H FY17 FINANCIAL HIGHLIGHTS









STATEMENT OF COMPREHENSIVE INCOME

Income statement for the half year ended 28 February 2017

Group Results ($m)	1H FY17	1H FY16	Fav / (Unf)
Television Revenue	341.4	334.2	2.1%
Television Expenses	(343.8)	(324.1)	(6.1%)
Television EBITDA	**(2.4)**	**10.1**	
Depreciation & Amortisation	(5.6)	(6.9)	18.0%
EBIT	**(8.1)**	**3.3**	
Net Interest Expense	(9.1)	(9.3)	1.9%
(LOSS)/PROFIT BEFORE TAX & SIGNIFICANT ITEMS	**(17.2)**	**(6.0)**	**(186.2%)**
Significant Items	(214.6)	23.3	-
(LOSS)/PROFIT BEFORE TAX	**(231.7)**	**17.3**	
Income Tax (Expense)/Benefit	(0.1)	(2.1)	93.2%
(LOSS)/PROFIT AFTER TAX	**(231.9)**	**15.2**	
Non-Controlling Interest	(0.3)	(1.8)	82.6%
NET (LOSS)/PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS	**(232.2)**	**13.4**	
Underlying Net (Loss) / Profit After Tax Attributable to Members	*(17.6)*	*(9.9)*	*(78.1%)*

Onerous contract provisions of $nil (1H FY16: $1.2m) for Television and $nil (1H FY16: $4.7m) for Outdoor have been utilised during the period. As at 28 February 2017 there are no Onerous contract provisions remaining on the Balance Sheet (29 February 2016 balance was $0.5m).

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SIGNIFICANT ITEMS

Significant items for the half year ended 28 February 2017

Significant Items[1] ($m)	1H FY17	1H FY16
Impairment of Television Licences	(214.5)	-
Restructuring Costs	(1.3)	(1.6)
Net Gain on Sale of EYE US	-	24.8
Legal Settlement Receipt	1.3	-
TOTAL SIGNIFICANT ITEMS[1]	**(214.6)**	**23.3**

Key impairment considerations:

- Declining marketing conditions
- Terminal growth rate 1.0%
- Details included in Note 3 of the Appendix 4D

[1] Pre-tax effect of Significant items.

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BALANCE SHEET

Balance sheet as at 28 February 2017

Group Balance Sheet ($m)	Feb-17	Aug-16	Feb-16
Cash and Cash Equivalents	15.3	14.8	15.8
Receivables	83.1	104.7	83.7
Program Rights and Inventories	187.0	156.8	230.5
Intangibles	132.0	346.5	481.7
Property, Plant and Equipment	42.6	42.2	39.7
Other Assets	14.1	15.7	25.0
Current Liabilities	(285.0)	(168.6)	(223.9)
Borrowings (Non-Current)	-	(90.2)	(51.5)
Other Non-Current Liabilities	(36.6)	(39.0)	(47.4)
TOTAL EQUITY	**152.6**	**382.8**	**553.6**

- Bank facility reclassified to current liabilities
- Non-cash impairment charge reducing total assets and total equity
- Facility expected to be drawn to higher levels prior to expiry

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CASH FLOWS

Cash flows for the half year ended 28 February 2017

Group Cash Flow ($m)	1H FY17	1H FY16
Operating Cash (Outflow)/Inflow	31.1	(27.7)
Capital Expenditure	(6.1)	(1.9)
Other Investing Activities	0.6	(0.7)
Dividends Paid	-	(0.7)
Net Proceeds from Issue of Shares	-	146.4
NET DEBT (INCREASE) / REDUCTION	**25.6**	**115.3**
Net Debt at Beginning of Period[(1)]	(53.5)	(131.4)
Non Cash / Capitalised Interest[(1)]	(2.3)	(2.1)
Cash Held by EYE US on Disposal	-	(2.0)
NET DEBT AT END OF PERIOD[(1)]	**(30.2)**	**(20.2)**

[(1)] Excludes capitalised shareholder guarantor fees of $29.0m (1H FY16: $17.1m) less capitalised transaction costs of $0.7m (1H FY16: $1.6m) .

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OUTLOOK & GUIDANCE

- Television advertising market remains very challenging and difficult to predict
- Signs of improvement in first quarter of calendar 2017
- Television costs (ex-selling costs) guidance unchanged at mid-single digits for full financial year
- Group is seeking to secure an amended or new facility of approximately $250 million
- Absent any relief in television licence fees, full 2017 financial year underlying EBITDA loss of between $25 million and $30 million

QUESTIONS

GLOSSARY

Term	Definition
Commercial audience share	Network Ten's share of audience for the three free-to-air commercial networks (Network Ten, Nine Network and Seven Network), 5 city metro markets, 18:00-22:30, as measured by OzTAM, Australia's official television audience measurement system
Commercial revenue share	Network Ten's share of revenue for the three free-to-air commercial networks (Network Ten, Nine Network and Seven Network) as measured by either Free TV or SMI
Digital revenue	Display and video advertising, competitions, sponsorships and other revenue generated on tenplay, prior to any allowances for commissions paid to advertising agencies
EBITDA	Earnings before interest, tax, depreciation and amortisation
Metro	Sydney, Melbourne, Brisbane, Adelaide, Perth
Net debt	Debt relating to the company's revolving cash advance facility including capitalised interest and commitment fees less cash and cash equivalents
Out-of-Home segment	Includes Roads and Maritime Services ('RMS') contract in Australia and International operations
Power ratio	Proportional commercial revenue share achieved compared to commercial audience share
Significant items	Amounts as set out in Note 2 of the 28 February 2017 Appendix 4D: Preliminary Final Report
SMI	Standard Media Index
Television segment	Includes television, catch-up and digital properties
Underlying net (loss) / profit attributable to members	Net (loss) / profit after tax attributable to members excluding significant items
1H FY16	The six month period from 1 September 2015 to 29 February 2016
1H FY17	The 12 month period from 1 September 2016 to 28 February 2017

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