16 OCTOBER 2014

TEN NETWORK HOLDINGS LIMITED | FY14 FULL YEAR RESULTS PRESENTATION

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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

FY14 RESULTS

FINANCIAL AND OPERATING HIGHLIGHTS

FINANCIAL

- FY14 revenue from continuing activities down 4.3%
  - Television segment revenue down 4.2%
- FY14 costs up 7.0% (ex selling and Winter Olympics and Commonwealth Games)
- FY14 EBITDA loss of $79.3m
- Non-recurring items of ($54.2m)
- Net loss attributable to members of ($168.3m)
- Debt facilities restructured

OPERATING

- Focus on execution of strategic plan with significant ratings improvement since May 2014
  - First total people audience growth since 2011
- Disciplined approach to prime time program investment with a stable management team
- News and Operations strategic review successfully completed in July 2014
- Digital media: strong user and revenue growth with Tenplay
- Revenue share of 20.5% in the 12 month period to August 2014
  - Network ratings share of 22.8% for 2014 ratings year to date

Source: SMI. OzTAM, 5 City Metro, Weeks 7 to 41 2014 (excluding Easter Weeks 16 and 17) vs. Weeks 7 to 41 2013 (excluding Easter Weeks 13 and 14), 18:00-22:30, Consolidated excluding Week 41 which is Overnight both years. Network Totals (primary and multi-channels combined).

PERFORMANCE OVERVIEW
TURNAROUND STRATEGY AND EXECUTION

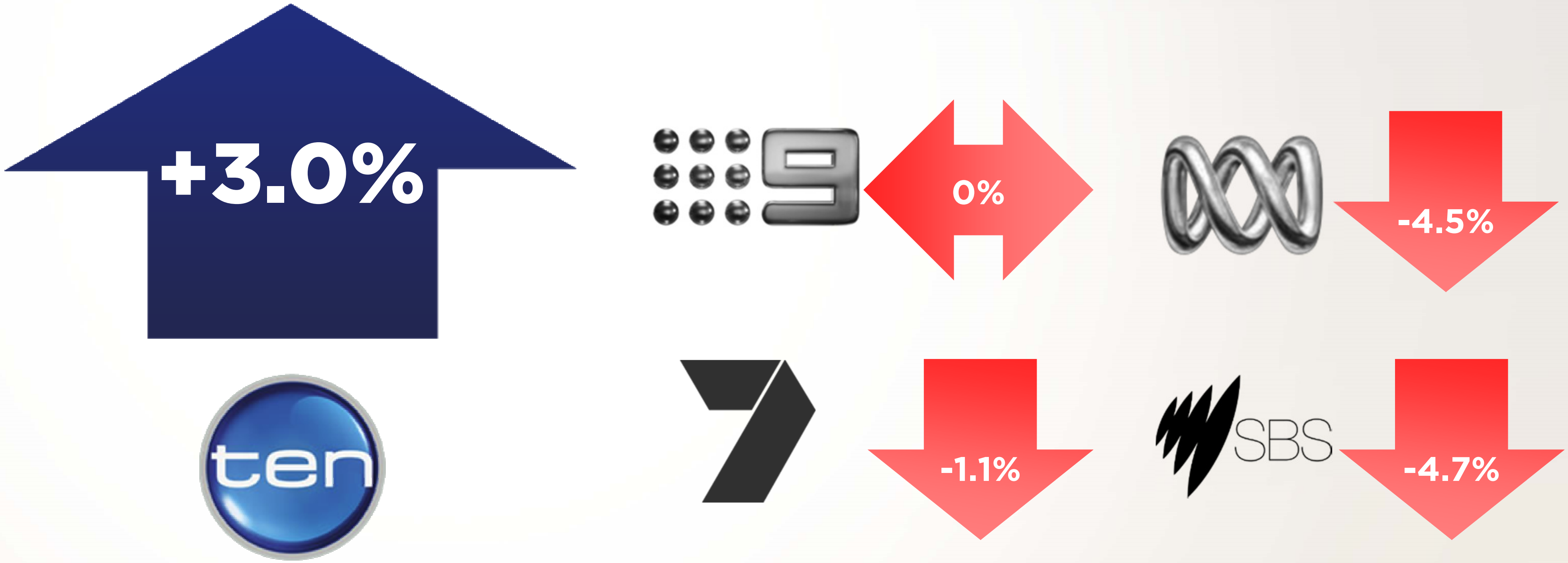
- Focus in 2014 on executing the strategic plan – results are being delivered
- Stability in management team with a disciplined approach to executing the strategy
- Focus remains on Event TV (including premium sport) and 25 to 54s with a consistent and stable schedule
- News and Operations restructure successfully completed, allowing greater investment in prime time content
- Strong ratings performance following Easter programming launches:
  - TEN Primary Channel: up 44% 25 to 54s | up 38% Total People
  - Total Network: up 26% 25 to 54s | up 24% Total People
- Early evenings (5pm to 7:30pm) strong growth with TEN Eyewitness News, Family Feud and The Project
- Strong growth from existing brands – MasterChef Australia | The Bachelor | The Project
- New revenue streams through Generate and InTENsify

Source: OzTAM, Weeks 7 to 18 2014 (excluding Easter Weeks 16 and 17) vs. Weeks 19 to 41 2014, 18:00-22:30, Overnight.

AUDIENCE GROWTH

NETWORK TEN IS GROWING

Across the survey year-to-date, Network Ten's **total people** audience is up 3.0% from 2013



Source: OzTAM, 5 City Metro, Weeks 7 to 41 2014 (excluding Easter Weeks 16 and 17) vs. Weeks 7 to 41 2013 (excluding Easter Weeks 13 and 14), 18:00-22:30, Consolidated excluding Week 41 which is Overnight both years. Network Totals (primary and multi-channels combined).

AUDIENCE GROWTH
NETWORK TEN IS GROWING

Across the survey year-to-date, Network Ten's **25 to 54s** audience is **up 2.5%** from 2013

+2.5%

Survey Year-To-Date, Zone 1 Audience vs. 2013

-3.0%

-11.2%

-0.8%

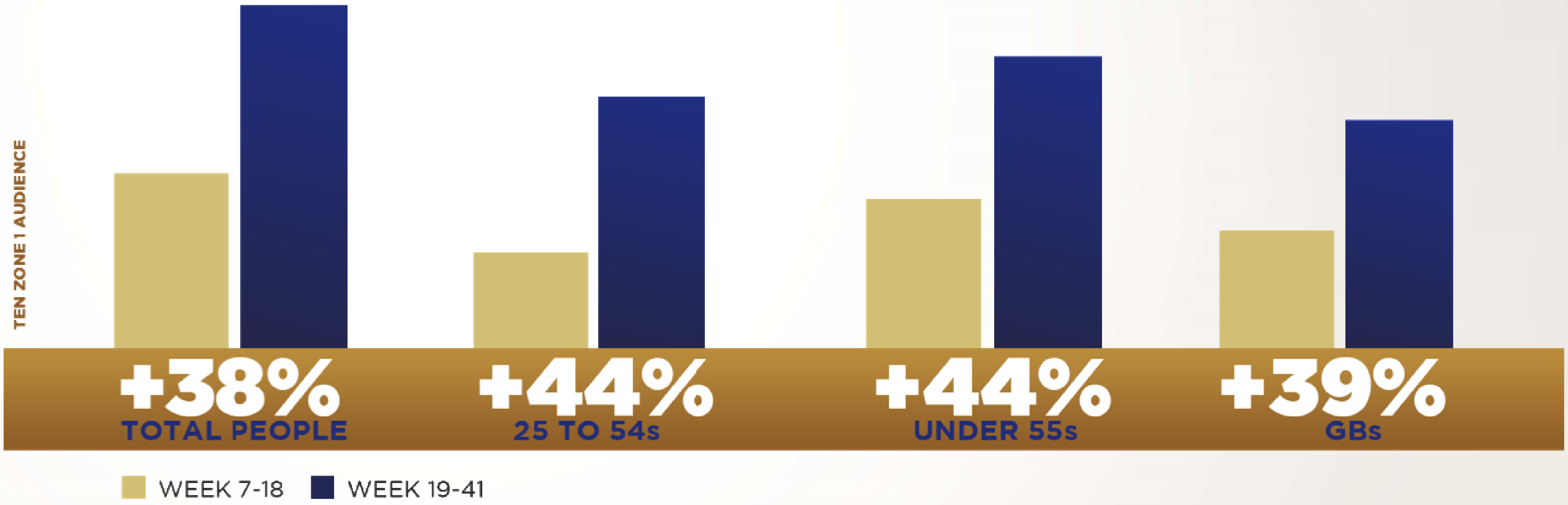
SBS **-2.1%**

Source: OzTAM, 5 City Metro, Weeks 7 to 41 2014 (excluding Easter Weeks 16 and 17) vs. Weeks 7 to 41 2013 (excluding Easter Weeks 13 and 14), 18:00-22:30, Consolidated excluding Week 41 which is Overnight both years. Network Totals (primary and multi-channels combined).

POST EASTER MOMENTUM

TEN UP 38% AFTER EASTER

TEN's primary channel audience is up 38% after Easter and up across all key demographics

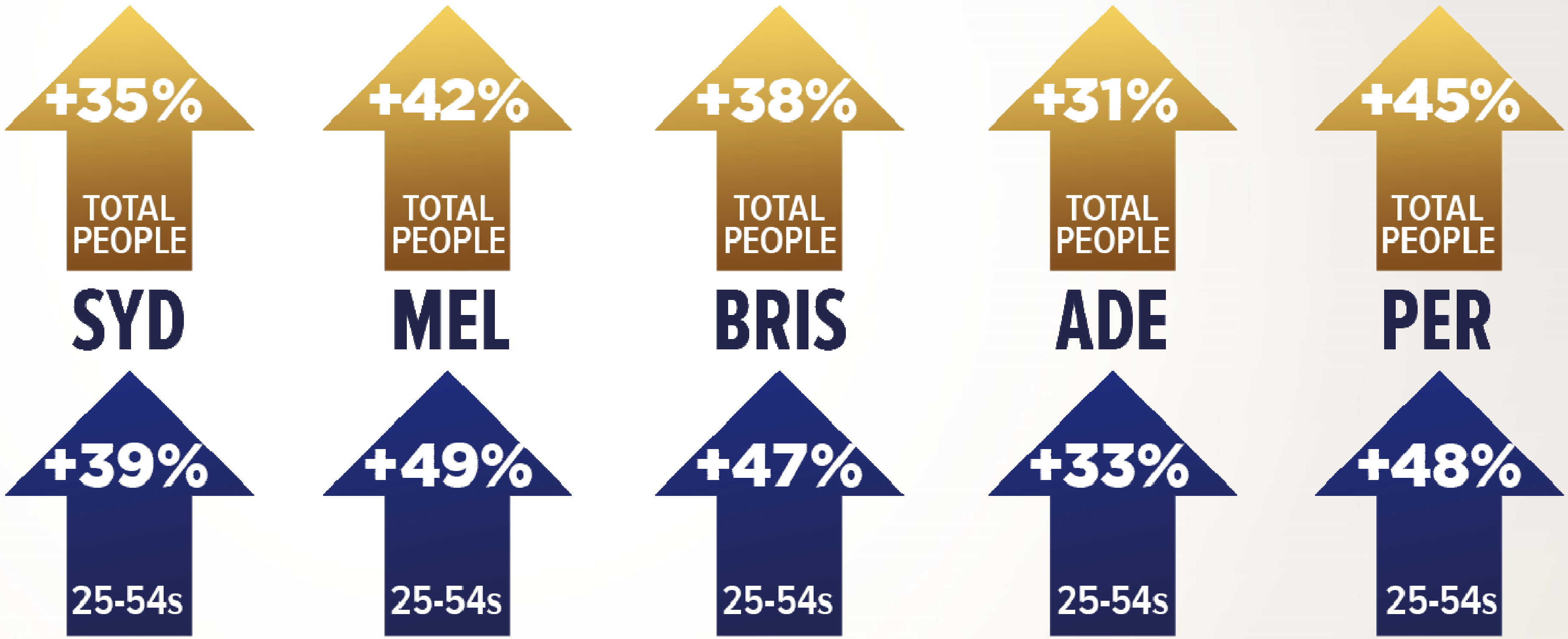


Source: OzTAM, Weeks 7 to 18 2014 (excluding Easter Weeks 16 and 17) vs. Weeks 19 to 41 2014, 18:00-22:30, Overnight.

POST EASTER MOMENTUM

STRONG GROWTH IN ALL MARKETS

TEN's primary channel audience since Easter is up by double digits in every city in total people and 25 to 54s



Source: OzTAM, Weeks 7 to 18 2014 (excluding Easter Weeks 16 and 17) vs. Weeks 19 to 41 2014, 18:00-22:30, Overnight.

TEN'S GROWTH BY HALF HOUR

REBUILDING THE SCHEDULE: MORE INCREASES THAN SEVEN AND NINE

TEN Primary Channel: Prime time half hours with year-on-year audience growth in 25 to 54s

	SUN	MON	TUES	WED	THURS	FRI	SAT
6:00-6:30PM		ten	ten	ten	ten	ten	
6:30-7:00PM	7 9					7	7 9
7:00-7:30PM	7 9	ten	ten 7	ten	ten		7
7:30-8:00PM	7 9	ten	7	ten 7	ten	ten	
8:00-8:30PM	7	9	7 9	ten 7 9	ten 9	ten	9
8:30-9:00PM		ten 9	9	7 9	ten 9	ten	9
9:00-9:30PM	9	ten 9	9	7	ten	ten	
9:30-10:00PM	9	ten 9	9	ten 7	ten	ten	
10:00-10:30PM	7 9	ten 7 9	9	ten		ten	ten

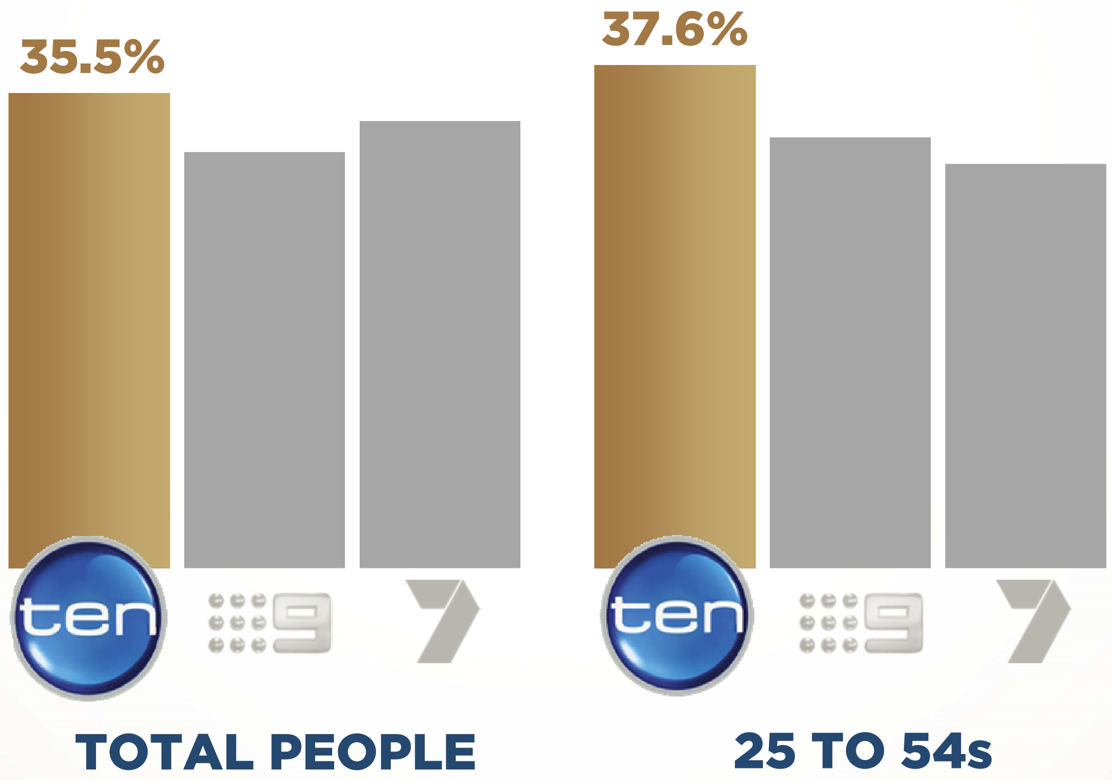
- TEN has grown in more half hour slots than its competitors:
  - TEN: 30 half hours (48%)
  - Nine: 23 half hours (37%)
  - Seven: 17 half hours (27%)
- Timeslot growth and audience flow key part of strategy
- Family Feud an example of disciplined investment with flow-on benefits

Source: OzTAM, 5 City Metro, Weeks 7 to 40, 2014 (excluding Easter Weeks 16 and 17) vs. Weeks 7 to 40, 2013 (excluding Easter Weeks 13 and 14), 18:00-22:30, Average Audience, Primary channels, 25 to 54s, Consolidated.

DAYTIME

#1 IN DAYTIME FOR 14TH CONSECUTIVE YEAR

Network Ten is **#1 in daytime** for the 14th consecutive year in total people and 25 to 54s



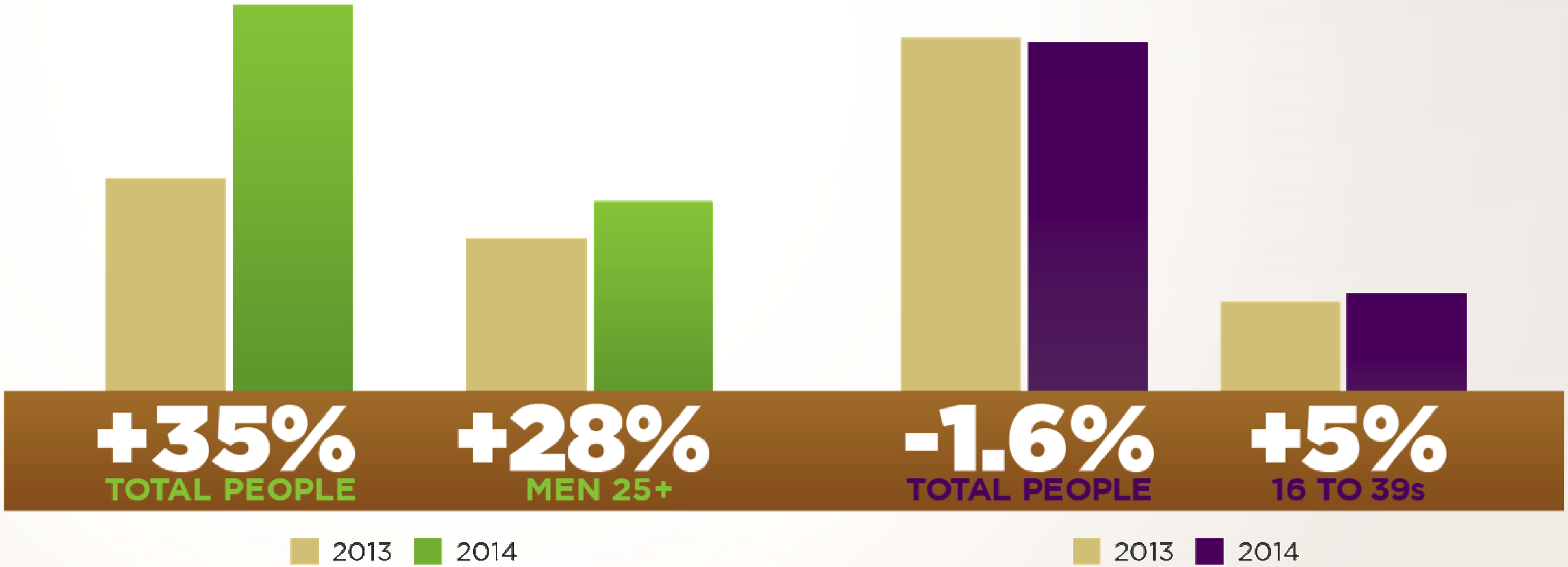
- Demographics:
  - #1 in total people (35.5% commercial share)
  - #1 in 25 to 54s (37.6%)
  - #1 in total women (37.1%)
  - #1 in women 25 to 54 (38.4%)
- Studio 10 revenue impact growing
- Brand funded strategy

Source: OzTAM, 5 City Metro, Weeks 7 to 40 2014 (excluding Easter Weeks 16 and 17), 09:00 – 18:00 Monday to Friday, Network Totals (primary and multi-channels combined), Consolidated,

ONE AND ELEVEN

YEAR ON YEAR GROWTH

Across the five capital cities, ONE's audience is up 35% and ELEVEN's audience is down 1.6% from 2013



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REVITALISING EXISTING BRANDS

EXISTING PROGRAM GROWTH AND SCHEDULE STABILITY

MasterChef 2014:
Up 31% on 2013 series
18 million online video views

The Project:
Up 17% since Family Feud's launch

The Bachelor Australia:
Final Decision: 1.44 million
Up 17% on 2013 | 14 million online video views series

Offspring:
Up 8% on 2013 series
12 million online video views

The Living Room:
Up 18% on 2013 series

Australian Formula 1 Grand Prix:
Up 10% on 2013

Source: OzTAM, 5 City Metro. Adobe Analytics.

NEW PROGRAMMING AND SPORT

DELIVERING AUDIENCE GROWTH

Family Feud:
Up 21% on 2014 timeslot average

Party Tricks:
Up 20% on 2014 timeslot average

Big Bash League:
Total audience up 314% in 2013-14

Gold Coast Cops:
Up 91% on 2013 timeslot average

Sochi:
Lifted Network Ten's audience 18% and ONE's audience 207%

Glasgow:
Evening sessions were #1 in their timeslot on TEN |
1.5 million online video views

Source: OzTAM, 5 City Metro. Adobe Analytics.

OVERSEAS PROGRAMMING

NEW AND RETURNING FRANCHISES

Madam Secretary:
Up 50% on 2014 timeslot average

Scorpion:
Up 28% on 2014 timeslot average

NCIS: New Orleans:
Up 42% on 2014 timeslot average

NCIS:
Up 45% after Easter

Modern Family:
Australia episode 1.2 million viewers

NCIS: Los Angeles:
Up 15% after Easter

The Good Wife:
Season 5 finale up 53% on first episode

Law & Order: SVU
Up 33% after Easter

Source: OzTAM, 5 City Metro.

COMING IN 2015

NEW EVENT TV AND MAJOR FRANCHISES

- #1 entertainment show in the UK
- A hit in eight markets
- Big, noisy, live Event TV
- Large-scale marketing and social media push

- Proven hit overseas
- Consistent audience growth in the US
- Tap into Australians' love of inventions
- Five 'Sharks' to be announced soon

- Coming home to TEN in 2015
- The six best races, live and free
- Motorsport 41 weeks of the year
- Matt White and Mark Webber

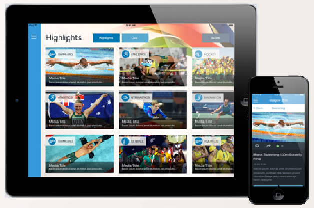
DIGITAL AND tenplay
INDUSTRY LEADING PLATFORM

- Tenplay's first year:
  - 282 million page views | Up 64% on previous year
  - 158 million video views | Up 56% on previous year
  - 29 million unique visitors | Up 17% on previous year
  - 1 million+ mobile app downloads
  - Advertising revenue up 24%
- So far in calendar 2014: Sochi Olympics app, Android, Windows Phone, Fetch TV
- #1 online catch-up TV service in Australia in July 2014
- Launched in FreeviewPlus in September 2014
- Beamly – unique visitors up 50% in last three months

HbbTV

Fetch TV

Sochi Olympics App



Commonwealth Games Live Streaming

Windows Phone

Source for page and video views and unique visitors: Omniture, Adobe Analytics, Nielsen Online Ratings Audience Profile.

PRIORITIES
EXECUTION OF STRATEGIC PLAN

- Continued execution of the strategic plan
  - Event television
  - 25 to 54s demographic focus
  - Live sport
  - Consistency in schedule
  - New formats
  - Build new revenue streams
- Rebuilding schedule by timeslot (48% improvement in 2014)
- Investment in prime time content with disciplined decision making
- Focus on costs and efficiencies to create further capacity to reinvest in prime time

CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER

PAUL ANDERSON

FY14 FINANCIAL RESULTS

HIGHLIGHTS

- Television revenue down 4.2%
- Television costs (ex-selling costs, Winter Olympics and Commonwealth Games) increased by 7.0%
- Television EBITDA loss of $79.3m
- Non-recurring items of $54.2m
  - Television licence impairment $52.8m
  - Television restructuring costs $8.7m
  - Gain on sale of investments and PP&E $21.4m
  - Provision of onerous contracts $8.8m
  - Writedown of other assets $5.2m
- Net debt at 31 August 2014 of $80.5 million
  - AUD $150 million USPP repaid in February 2014
  - Replaced with new $200 million Domestic Revolving Cash Advance Facility – expires December 2017
- No final dividend to be paid for FY14

TEN NETWORK HOLDINGS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Group Results ($m)	2014	2013	Fav / (Unf)
Television Revenue	601.7	628.3	(4.2%)
Television Expenses	(681.0)	(582.2)	(17.0%)
Television EBITDA	(79.3)	46.1	
Outdoor EBITDA	-	(4.3)	
Group EBITDA	(79.3)	41.8	
Depreciation & Amortisation	(15.7)	(17.7)	11.6%
EBIT	(95.0)	24.1	
Net Interest Expense	(17.4)	(16.5)	(5.6%)
(LOSS)/PROFIT BEFORE TAX & NRI	(112.4)	7.6	
Non-Recurring Items	(54.2)	(336.2)	
(LOSS) BEFORE TAX	(166.6)	(328.7)	49.3%
Income Tax Benefit	3.1	54.6	
(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	(163.5)	(274.0)	40.3%
Discontinued Operations	-	(4.1)	
Non-controlling interest	4.8	6.9	
NET (LOSS) AFTER TAX ATTRIB. TO MEMBERS	(168.3)	(285.0)	40.9%
Underlying Net (Loss) After Tax Attributable to Members	*(115.4)*	*(5.0)*	

Onerous contract provisions of $17.0m (2013: $19.4m) for Television and $17.0m (2013: $9.1m) for Outdoor have been utilised during the period. As at 31 August 2014 $35.3m 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 4E for the year ended 31 August 2014.

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NON-RECURRING ITEMS

FOR THE YEAR ENDED 31 AUGUST 2014

Non-Recurring Items ($m)	2014	2013
Impairment of television licences	52.8	292.1
Impairment of EYE US (Outdoor) assets	-	9.4
Restructuring costs	8.7	14.4
Provision for onerous contracts	8.8	20.3
Net gain on sale of Oasis Pty Limited	(14.3)	-
Net gain on sale of Perth land and buildings	(7.1)	-
Writedown of investments	5.2	-
Total Non-Recurring Items	54.2	336.2

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BALANCE SHEET

AS AT 31 AUGUST 2014

Group Balance Sheet ($m)	Aug-14	Aug-13	Aug-12
Cash and cash equivalents	13.4	122.4	93.9
Receivables	100.7	129.3	116.0
Program rights and inventories	154.3	197.1	152.2
Intangibles	732.9	785.7	1,079.8
Property, plant and equipment	51.0	54.2	70.1
Net assets held for sale	-	-	140.8
Other assets	36.2	30.1	18.9
Current debt	-	(150.0)	(123.3)
Other Current Liabilities	(197.2)	(181.6)	(315.8)
Non Current debt - CBA Facility (incl. capitalised interest)	(93.9)	-	(150.0)
Non Current debt - Other (other capitalised interest and costs)	(1.3)	-	-
Other Non Current Liabilities	(76.6)	(101.4)	(140.8)
TOTAL EQUITY	719.5	885.8	941.8

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TEN NETWORK HOLDINGS LIMITED

CASHFLOWS

FOR THE YEAR ENDED 31 AUGUST 2014

Group Cash Flow ($m)	2014	2013	Fav / (Unf)
Operating cash outflow	(36.1)	(54.2)	33.4%
Capital expenditure	(16.1)	(11.9)	(36.1%)
Proceeds from sale of PP&E	10.7	0.5	
Proceeds from sales of investments	2.3	92.0	(97.5%)
Other investing activities	0.2	(0.9)	121.2%
Dividends paid	(6.5)	(12.2)	46.3%
Refinancing costs	(3.4)	(0.6)	
Proceeds from issue of shares	-	222.8	(100.0%)
NET DEBT (INCREASE) / REDUCTION	**(49.0)**	**235.5**	

Net Debt at beginning of period	(27.6)	(263.1)
Non cash / capitalised Interest	(3.9)	-
Net Debt at end of period	**(80.5)**	**(27.6)**

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CORPORATE AND COST GUIDANCE

CORPORATE

- New $200 million Domestic Revolving Cash Advance Facility – expires December 2017
- Repayment of AUD $150 million USPP in February 2014
- Perth land and buildings sold in July 2014
- Oasis merger with RSVP in July 2014

COST GUIDANCE

- FY14 television cost growth (ex-selling costs) was 7.0%, excluding one-off events of XXII Olympic Winter Games in Sochi, Russia, and the XX Commonwealth Games in Glasgow, Scotland
  - Approximately $5.5 million better than guidance
- News and Operations review and restructuring in July 2014 to deliver cost savings benefits in FY15
- FY15 television costs (ex-selling costs) are expected to decrease by 8%
- Cost control and efficiencies remain an ongoing focus

QUESTIONS