



TEN NETWORK HOLDINGS LIMITED ANNUAL GENERAL MEETING PRESENTATION

16 DECEMBER 2015

DAVID GORDON

CHAIRMAN

INTRODUCTION

- **Welcome**
- **Process of Annual General Meeting**
- **Introduction of Directors**

PAUL ANDERSON

CHIEF EXECUTIVE OFFICER

FY15 FINANCIAL RESULTS/HIGHLIGHTS

- Revenue from continuing activities up 4.5%. Television segment revenue up 4.6%
- Television costs down 5.8% | Costs (ex selling) down 6.5%
 - Adjusted for corporate activity costs and Formula 1 renewal, costs (ex-selling) declined 8.4%
- EBITDA loss of \$12.0m
- Non-recurring items of \$262.9m including \$251.2m television licence impairment charge from 1H-15
- Net loss attributable to members of \$312.2m | Underlying net loss attributable to members of \$50.5m
- Australian Competition and Consumer Commission, Australian Communications and Media Authority and Foreign Investment Review Board approvals received for Foxtel investment in Ten Network and other strategic arrangements announced on 15 June 2015
- Ten Network issued \$77m in new shares to Foxtel and launched a fully underwritten \$77m pro-rata renounceable entitlement offer to Ten Network shareholders. Gross proceeds of up to \$154m before costs associated with capital raisings

FY15 OPERATIONAL HIGHLIGHTS

- **TEN: the only commercial primary free-to-air channel to grow in 2015**
- **Ten Network: the only commercial free-to-air network to grow in 2015**
- **TEN and Ten Network: best audience shares since 2011**
- **TEN: strong audience growth for established series**
- **TEN: five new series successfully launched in 2015; all renewed for 2016**
- **tenplay: expansion of market leading platform delivering strong audience, video view and revenue growth**
- **Advertising sales representation arrangement with Multi Channel Network (MCN) commenced 1 September 2015**
- **MCN now responsible for broadcast and digital selling activities, including employing sales and support staff. Ten Network's retained responsibilities include control over all strategic functions including pricing, commercial integration and the setting of rate cards**

AUDIENCE GROWTH

Across the ratings survey, TEN grew in all key audience groups



TOTAL PEOPLE



25 TO 54s



UNDER 55s

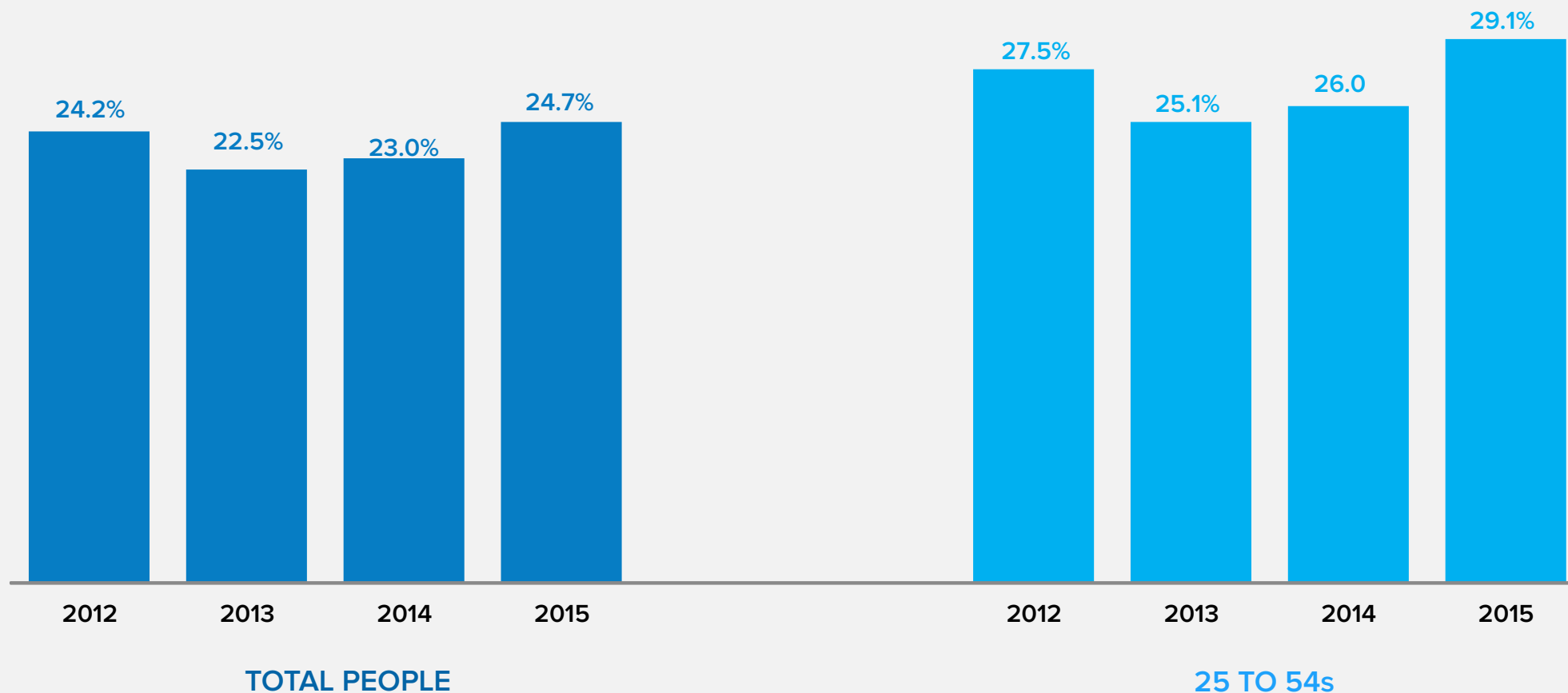


GROCERY BUYERS

Source: OzTAM, 5 City Metro, TEN, 18:00-22:30, Weeks 7 to 48 (excluding Easter), 2015 vs. 2014

AUDIENCE GROWTH

Ten Network: strong ratings growth in key demographics, highest audience shares since 2011



Source: OzTAM, 5 City Metro, Network Ten, 18:00-22:30, Weeks 7 to 48 (excluding Easter)

SUCCESSFUL NEW FORMATS IN 2015



The Winner Announced: 1.26 million viewers
Series: 51% timeslot growth
12 million Twitter impressions



The Final Decision: 1.56 million viewers
Series: 68% timeslot growth
10.0 million video views on tenplay



The Winner Announced: 947,000 viewers
Series: 48% timeslot growth
Reach: 7.3 million people



Series average: 690,000 viewers
Series: 26% timeslot growth
2.4 million video views on tenplay



Season Two: 730,000 viewers
Series: 37% timeslot growth in 25 to 54s
1.5 million Twitter TV impressions

Source: OzTAM, 5 City Metro, Consolidated, lift on timeslot based on same nights 2014, Adobe Analytics, Nielsen Twitter TV Ratings.

GROWING ESTABLISHED FORMATS



MASTERCHEF
UP 15%
 tenplay
UP 37%



THE BACHELOR
UP 25%
 tenplay
UP 49%



FAMILY FEUD
UP 5%
 tenplay
UP 3%



THE PROJECT
UP 5%
 tenplay
UP 17%



HYBPA
UP 87%
 tenplay
UP 284%



BONDI RESCUE
UP 19%
 tenplay
UP 46%

Source: OzTAM, lifts compared to 2014 season average, Family Feud lift based on 18:00-18:30 Network Ten Mon-Fri timeslot, Overnight, Weeks 7 to 48 (excluding Easter and Commonwealth Games). tenplay: video views from Adobe Analytics, The Bachelor and The Project comparison on a per episode basis.

MORE THAN
500,000
USERS ON CONNECTED
TV SETS

12 MONTHS TO AUGUST 2015:

★ **294**
MILLION
PAGE VIEWS **UP 8%**

▶ **165**
MILLION
VIDEO VIEWS **UP 7%**

👤 **26**
MILLION
UNIQUE VISITORS **UP 7%**

ADVERTISING
REVENUE **UP 21%**



WEEK ENDED
17 OCTOBER 2015:

30
MILLION
MINUTES VIEWED

5.2
MILLION
VIDEO STREAMS

1.1
MILLION
UNIQUE VISITORS

610,000
VIDEO UNIQUES

MORE THAN
2 MILLION
DOWNLOADS
SINCE SEPTEMBER 2013 LAUNCH

Source: Adobe Analytics, Ten Network.

TEN #1 IN SOCIAL MEDIA

MORE THAN
150 SOCIAL MEDIA
CHANNELS/ACCOUNTS



MORE THAN
11.8 MILLION
SOCIAL MEDIA FOLLOWERS

UP
15%
OVER THE LAST
12 MONTHS



#1 SHOW

ON TWITTER DURING ITS RUN



28.1 MILLION

TWITTER TV IMPRESSIONS
DURING ITS RUN



WEEKLY FACEBOOK REACH:
1.5 MILLION PEOPLE



#1 SHOW

ON TWITTER DURING ITS RUN



22 MILLION

TWITTER TV IMPRESSIONS
DURING ITS RUN



WEEKLY FACEBOOK REACH:
1.46 MILLION
FACEBOOK "LIKES"



#1 SHOW

ON TWITTER DURING ITS RUN



12 MILLION

TWITTER TV IMPRESSIONS
DURING ITS RUN

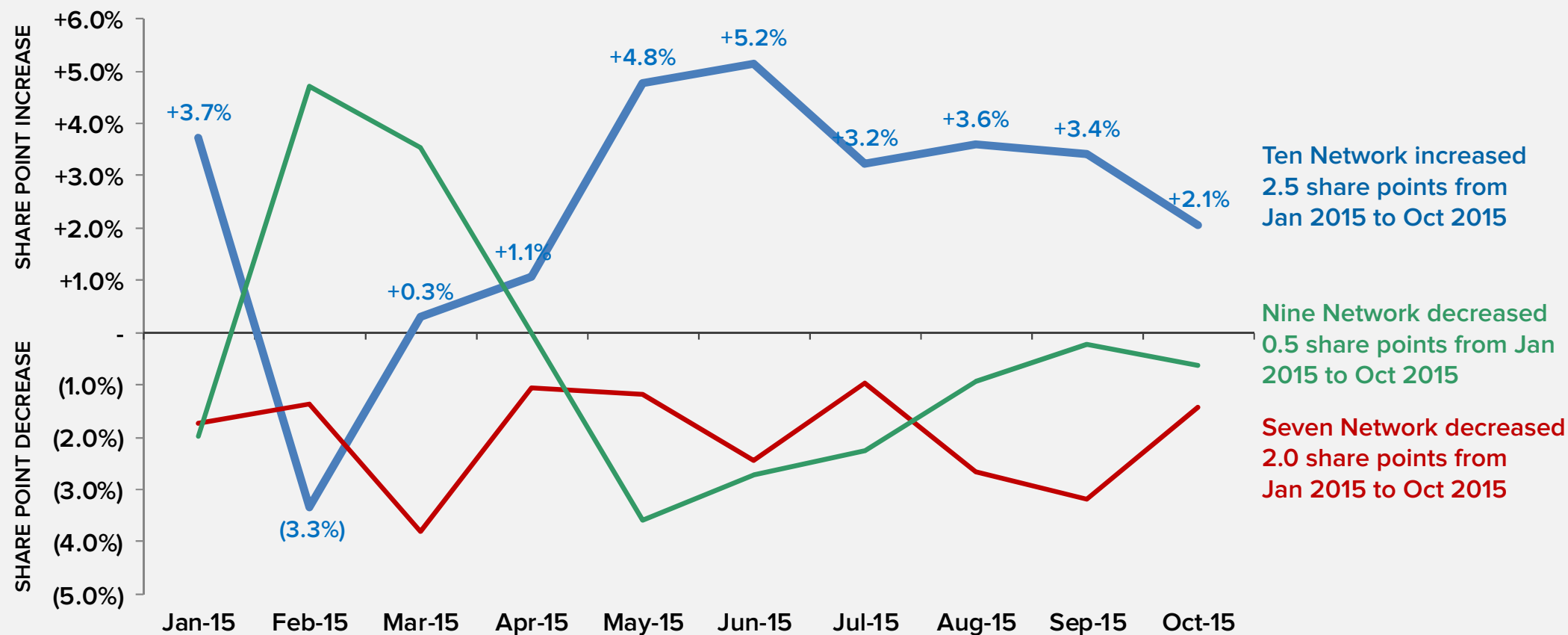


WEEKLY FACEBOOK REACH:
2.6 MILLION PEOPLE

Source: Nielsen Twitter TV Ratings, Facebook, Ten Network.

REVENUE SHARE GROWTH

Ten Network reclaiming revenue share in 2015:










Source: SMI, January – October 2015.

TEN AND MCN: REDEFINING TELEVISION

Highlight	Description																									
A Largest audience inventory	<ul style="list-style-type: none">Combination of MCN's existing 71 subscription television (Foxtel) channels with Ten Network's three metro television channels and digital platformGenerating revenues in excess of \$1.0bn	<div><div>MCN</div><div>TEN</div></div>																								
B Increased scale	<ul style="list-style-type: none">The combined MCN / Ten Network prime time audience share among people 25-54 is 41.1%Provides advertisers / agencies with access to a greater aggregated share of total TV audience and more efficient transactions	<div><div>Leading aggregated share of total TV audience</div><table><tr><td>Dec 14 – Nov 15 6pm-10.30pm</td><td></td><td></td><td></td><td></td><td>TEN + MCN</td></tr><tr><td>Audience share (total people)</td><td>28.4%</td><td>27.1%</td><td>18.5%</td><td>19.1%</td><td>37.6%</td></tr><tr><td>Audience share (25-54s)</td><td>25.7%</td><td>27.3%</td><td>21.6%</td><td>19.5%</td><td>41.1%</td></tr><tr><td>Audience share (16-54s)</td><td>25.5%</td><td>27.1%</td><td>21.7%</td><td>19.9%</td><td>41.6%</td></tr></table></div>	Dec 14 – Nov 15 6pm-10.30pm					TEN + MCN	Audience share (total people)	28.4%	27.1%	18.5%	19.1%	37.6%	Audience share (25-54s)	25.7%	27.3%	21.6%	19.5%	41.1%	Audience share (16-54s)	25.5%	27.1%	21.7%	19.9%	41.6%
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C Potential for improved value proposition	<ul style="list-style-type: none">Ten Network and MCN together provide agencies and advertisers with a superior selection of channel, program and sports brandsUnlocks new cross-platform, multi-screen, integrated cross-selling opportunitiesIncreased buying efficiency through a combination of Ten Network and MCN's assets to provide advertisers with the broadest coverage of the Australian audience, with the lowest duplication	<div><div>Market leading sports proposition</div><div><div>MCN</div><div>TEN</div></div></div>																								

Source: Shares based on Week 49 2014 to Week 48 2015, Share based on Commercial Networks, MCN, SBS and Other Commercial STV

TEN AND MCN: REDEFINING TELEVISION

Highlight	Description	
D World-class data and trading platforms	<ul style="list-style-type: none"> Access to MCN's unrivalled world-class data and trading platforms Landmark and Multiview, delivering a new paradigm in TV targeting and efficient, dynamic trading 	 
E Increased strength of premium digital offering	<ul style="list-style-type: none"> With the addition of catch-up and streaming service tenplay, MCN becomes the second largest premium digital publisher in Australia 	    

OUTLOOK AND STRATEGIC GOALS

OUTLOOK AND COST GUIDANCE

- Television ad market remains short in terms of forward bookings
- Ten Network Q1 FY16 gross advertising revenue up 10.7% year on year
- FY16 television costs (ex-selling) are expected to increase by 6.5%, reflecting program cost contractual increases and disciplined, selective investment in new prime time content to drive revenue growth. Non-programming costs (ex-selling) are expected to be flat
- Continued focus on disciplined and selective investment in programming

STRATEGIC GOALS

- Clear focus on improving profitability and returns to shareholders
- Grow revenue and audiences across all platforms via strategic and prudent investment in content
- Lead the industry in social media, engaging audiences across all platforms
- Increase power ratio via strategic partnership with MCN
- Further develop our digital platform and multi-channel strategies

2016 RETURNING AND NEW HITS

DOMESTIC



INTERNATIONAL





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