



TEN NETWORK HOLDINGS LIMITED

2008 1H RESULTS BRIEFING

27 March 2008



Overview



- Strong group earnings performance
 - Group EBITDA up 11% to \$164m
- 11% lift in TV EBITDA to \$159m
 - Industry best EBITDA margin of 37%
- Solid performance by Eye Corp
 - Comparable earnings with 2007 and start ups well advanced
- Well positioned for future growth across all areas
- Advanced stages in the refinancing of key debt facility

Agenda



- Television Grant Blackley
- Out of Home Gerry Thorley
- Financial Results John Kelly
- Summary & Outlook Nick Falloon

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TELEVISION

Grant Blackley



Overview



- EBITDA growth of 11.4% to \$158.7m
- Revenue up 7.7%
- Excellent start to FY2008
 - Ratings up across all demographics
- Launched TEN HD in a seamless and controlled manner
- Digital Media platform continues to be extended with new and returning franchises
- Investment in technology nearing completion
 - End result is a digitised world class broadcast platform

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Television Revenue



- 1H 2008 TV revenues of \$434m (2007- \$403m)
 - Overall growth of 7.7% - ahead of market
- Improved revenue share for July - Dec 2007
 - 30.8% for 2007 (2006 – 30.3%)
- Reported quarterly growth does not reflect shift in timing with 53rd week in Q4 2007 :

Revenue Growth	Q1 2008	Q2 2008
Reported quarterly growth	10.6%	3.1%
Actual week on week growth	9.1%	5.4%

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Television Costs



- Cost growth (ex selling) for 1H of < 5%; inclusive of:
 - Launch & ongoing management of TEN HD in December 2007
 - New local programs *So You Think You Can Dance* and *GNW*
 - Inclusion of new content from both CBS Paramount & Fox Studio
 - Continued expansion of Digital Media operations
- Forecast cost growth (ex selling) will remain < 5% for FY
 - Includes acquired exclusive rights to *IPL Cricket Season*
 - Commissioning of new long form drama *Out of The Blue*

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Programming & Ratings



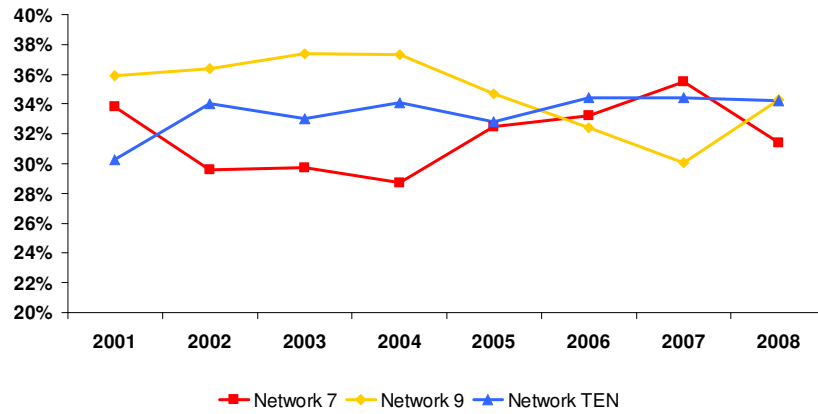
- Principal objectives for 2008 are:

1. Maintain compelling content targeting growth in 18-49's in peak zones
2. Retain a dominant position in 16-39's
3. Broaden and extend lead in daytime television
4. Extend brands on-line and to mobile devices

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5 Year Trend : 18-49s

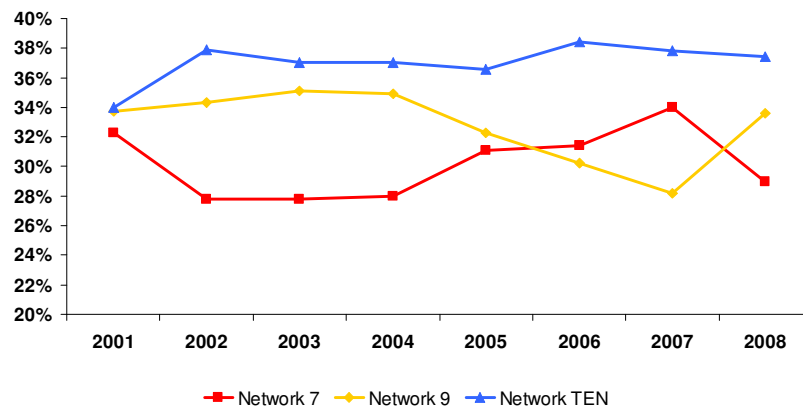


Zone 1 (1800-2230), Wks 7-41, 2001-2007 + Wks 7-11, 2008 (Excl Easter and Comm Games)
Commercial share for 5 City Metro

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5 Year Trend : 16-39s



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Commercial Share for 5 City Metro

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Programming Momentum



DOMESTIC

- ROVE Live
- Big Brother
- Big Brother – Big Mouth
- Kenny
- Out of the Blue
- GNW
- Are you Smarter than a Fifth Grader
- Australian Idol
- RUSH

INTERNATIONAL

- NCIS
- Futurama
- Dexter
- Top Model
- How to Look Good Naked
- Don't Forget the Lyrics
- SYTYCD (U.S. Version)
- WRITERS STRIKE – extension to all renewed current series

SPORT

- AFL
- IPL Cricket
- F1
- Moto GP
- Golf Portfolio

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Program Optimisation



- Accelerate our ability to optimise program mix between International and Domestic content
- 1st Year of the new 20th Century Fox deal
- New U.S. shows include: *Life*, *Back to You*, *Women's Murder Club*, *Burn Notice* & *Rules of Engagement*
- 100% renewal rate for proven shows: *House*, *Medium*, *NCIS*, *Law & Order* (Franchise), *Numb3rs*, *Californication*, *Supernatural* & *The Simpsons*
- CBS Paramount content making a difference: *CBS News & Current Affairs*, *Dr. Phil*, *Late Show with David Letterman*
- *So You Think You Can Dance*: multi-year big event franchise

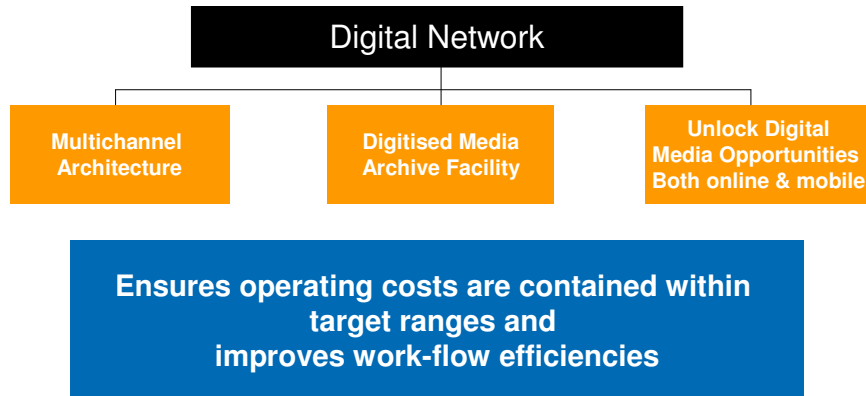
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Digitised Technology Framework



- Final stages of a technology investment program to:



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Digital Media



- Encouraging first year of operations
 - Recruitment of a high quality 35 member team
 - Good implementation of core technology platform and establishment of key infrastructure partnerships
 - Accelerating revenue conversion
- Advancing more brands into online and mobile



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2008 Television Forecasts



- Revenue
 - Market is remarkably resilient
 - We are already ahead of last year for the March / April period
 - Tracking up on last year post April, supported in part by record rating performances
- Costs
 - FY cost growth (ex selling) within 5%
- TV EBITDA
 - EBITDA to grow in 2008

Core Objective

Continue conversion of ratings to revenue and improve EBITDA margins

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eye™

Gerry Thorley





Overview

- 1H earnings on par with 2007
- Revenue momentum with 15% growth
- ANZ continues to deliver good margins
- US & UK Start up's now established and business models tracking well
- Continue to explore expansion in core silos

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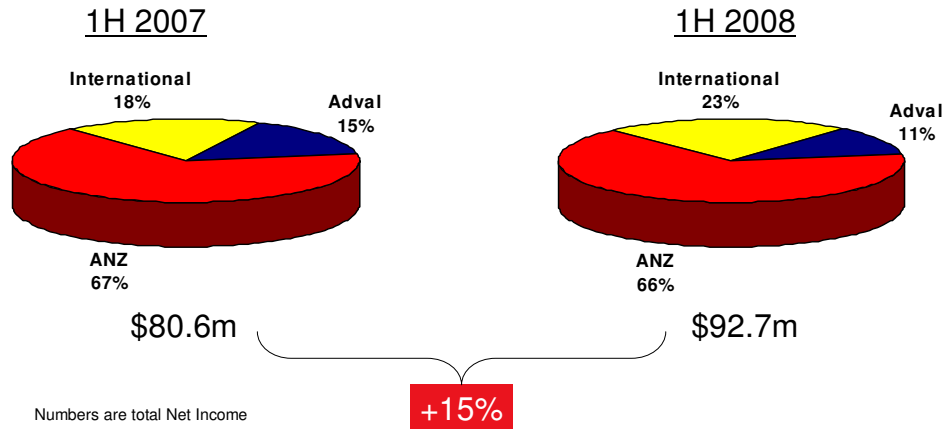
Revenue

- 1H08 Group Revenues grew 15% to \$92.7m
 - Media revenues up a healthy 21%
- Revenue growth highlights
 - ANZ growth +14%
 - UK growth +37%
 - USA growth +184%
 - Singapore growth +13%
- ANZ v Intl revenue composition evolving

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Revenue Composition



Growth Progress

- UK unit currently Eye Fly
 - Key airport terminals – largest being Manchester
 - Moving to profitability in 2009
- US unit all about Eye Shop
 - First full year of operations – from zero to 60 staff
 - Offices in NY, Austin, LA, Chicago, Atlanta
 - Significant operator of mall media alongside JCD & CCO
 - 2008 start-up costs reducing into 2009
- Singapore profitable and performing well



Eye Shop USA

- 249 malls now deployed
- 3,606 total ad panels active
- 170m+ monthly visitors
- EyeProof accountability tool launched to clients
- Selective expansion where appropriate for reach

National revenue tracking at 64%
Local/regional revenue tracking at 36%
Sept. – March Average

Contracts are long term
Build-out in place, now matching revenue with inventory

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Looking Forward

- ANZ
 - Continue to optimise existing asset base
 - Eye Plus dropped from January 08
 - MOVE - industry audience measurement - from mid 2008
- UK:USA:Asia
 - More development potential from base now established
 - Eye Brand more established
 - Digital inventory a clear differentiator

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2008 OOH Forecasts

- FY08:
 - Media revenue target at 20% + growth
 - Predict new-market losses circa \$12 million, subject to further investments
 - Costs within planning

- Medium term objectives:
 - Group media revenue target at 20% + growth
 - Group EBITDA margin target of 20% + reflecting ANZ historical



2008 1H Financial Results

John Kelly



TEN NETWORK HOLDINGS LIMITED DIVISIONAL RESULTS	2008	2007	Fav / (Unf)
	\$M	\$M	%
OPERATING REVENUE			
Television	433.8	402.9	7.7%
Out of Home #	92.7	80.6	15.0%
	526.5	483.5	8.9%
EXPENSES			
Television	275.1	260.5	(5.6)%
Out of Home	87.2	75.1	(16.1)%
Unallocated*	0.5	0.4	(12.6)%
	362.8	336.0	(8.0%)
EBITDA			
Television	158.7	142.4	11.4%
Out of Home #	5.5	5.5	0.4%
Unallocated	(0.5)	(0.4)	(12.6)%
	163.7	147.5	11.0%

* Unallocated costs refer to the corporate costs relating to the operation of Ten Holdings

Out-of-home revenue / EBITDA for 1H 2007 has been adjusted to exclude the one-off gain of \$8.9m from the sale of Big Tree Outdoor Malaysia

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Simplified Reporting Structure



- Remaining shareholders in Ten Group exchanged their shares for Ten Holdings shares in late February 2008
- End result 
- Tax consolidations required for new tax group with \$183.7m tax benefit
 - \$1.4m uplift in depreciable assets
 - \$182.3m uplift in television licenses + non-cash
- Going forward sole reporting focus will be on Ten Holdings

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TEN NETWORK HOLDINGS LIMITED GROUP RESULTS	2008 \$M	2007 \$M	Fav / (Unf) %
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION	163.7	156.4	4.7%
Depreciation			
Television	10.0	7.9	
Out of Home (OOH)	5.0	3.2	
Amortisation (OOH)	1.6	1.3	
EARNINGS BEFORE INTEREST & TAX	147.0	144.0	2.1%
Net Interest Expense	22.2	19.7	
PROFIT BEFORE TAX & DEB. INTEREST (DI)	124.9	124.3	0.4%
Tax Expense			
Normal	37.5	36.2	
<i>Prima facie tax rate</i>	30%	29.2%	
Tax Consolidations	(183.7)	-	
PROFIT AFTER TAX & BEFORE DI	271.1	88.1	207.9%

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TEN NETWORK HOLDINGS LIMITED GROUP RESULTS	2008 \$M	2007 \$M	Fav / (Unf) %
PROFIT AFTER TAX & BEFORE DI	271.1	88.1	207.9%
Debenture Interest	n/a	43.3	
Outside Equity Interests	0.5	7.0	
NET PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS	270.5	37.7	617.3%

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	Reported EPS		Normalised EPS*	
	2008	2007	2008	2007
	Actual cps	Actual cps	Actual cps	Actual cps
Basic	29.33	9.46	9.42	9.46
Diluted	29.33	9.46	9.42	9.46

* In 2008, Basic EPS excludes the income tax benefit of \$183.7m resulting from tax consolidations
In 2007, the exclusion of subordinated debenture interest has no impact on the normalisation of EPS as CanWest debentures accrued benefits at the same rate as other shareholders.

CASHFLOW ANALYSIS	2008	2007
	\$M	\$M
Normalised EBITDA	164	148
Increase In Net Program Assets	(16)	(29)
Net Increase in Working Capital	22	15
License Fees (Paid December)	(29)	(30)
CASH FLOW GENERATED FROM BUSINESS	142	104
Tax Paid	(31)	(44)
Tax Refund	13	6
Net Tax Paid	(18)	(38)
Net Bank Interest Paid	(23)	(17)
NET OPERATING CASHFLOWS	100	48
REALISATION RATE (Cash Flow from Business/ Normalised EBITDA)	87%	70%

CASHFLOW ANALYSIS		2008
		\$M
NET OPERATING CASHFLOWS (PER ASX 4D)		100
Capital Expenditure		
TV	- HD/Content Mgmt/ Adelaide Relocation	(5)
	- Other	(3)
OOH	- U.S.	(1)
	- U.K.	(2)
	- Singapore	(2)
	- Other	(4)
		(17)
Other		(4)
Dividends paid		(93)
INCREASE IN NET DEBT		(13)

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Debt Structure



- Core Average Net Debt Forecast for 2008 of \$585m
- Existing Debt Facilities of \$1.060bn
 - \$700m Syndicated Facility due December 2008
 - \$125m USD (\$210m AUD) US Private Placement due 2013
 - \$150m AUD US Private Placement due 2015
- Gearing levels comfortable
 - 2.4 times EBITDA & 6 times interest cover
- Significant surplus debt capacity on existing lines
- Well established Treasury Policy with appropriate hedging

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Bank Refinancing Update



- Well advanced with refinancing of existing \$700m Bank Facility
- Key features
 - Three year term
 - AUD/USD facility
 - Small increase in margins
- Documentation to proceed over next month



SUMMARY & OUTLOOK

Nick Falloon



Summary & Outlook



- Excellent earnings momentum
 - EBITDA 11% up on prior year
- TV delivering with industry best margins and a controlled cost base
- Ratings performance extremely encouraging for early 2008
- Television well placed for considerable growth in 2009
- Confident in the EYE model and in growing a profitable segment in coming years
- Capital Management still being considered

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Q & A

