TEN TV RECLAIMS INDUSTRY-BEST MARGIN: 37%

27 March 2008

Ten Network Holdings Limited (Ten Holdings) today reported an 11 per cent rise in normalised year-on-year earnings for the six months to 29 February 2008.

The Company's television business, Network Ten (TEN) posted an industry-best 36.6 per cent operating margin for the half. EBITDA jumped 11.4 per cent as the network continued to translate ratings momentum into higher earnings and market share.

Fulfilling management predictions, TEN's share of metropolitan TV revenue in the six months to December 2007 exceeded that of the prior comparable period, reaching 30.8 per cent.

Television cost growth (ex-selling) was contained to 5 per cent and is tracking in line with guidance of within 5 per cent for the full financial year.

Total normalised operating revenue at the Company's out-of-home (OOH) advertising division, Eye Corp (EYE), rose 15 per cent. Normalised earnings were comparable year-on-year despite previously flagged start-up losses in international developing businesses.

Ten Holdings' interim results include:

TEN HOLDINGS – 1H FY 2008

• Group revenue	$526.5m	**UP** 8.9% on 1H07
• Group EBITDA	$163.7m	**UP** 11.0% on 1H07
• TV revenue	$433.8m	**UP** 7.7% on 1H07
• TV EBITDA	$158.7m	**UP** 11.4% on 1H07
• TV EBITDA margin	36.6%	**Industry-best**
• Out-of-home revenue	$92.7m	**UP** 15.1%$^{\Delta}$ on 1H07
• Out-of-home EBITDA	$5.5m	**UP** 0.4%$^{\Delta}$ on 1H07

$^{\Delta}$ 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.

Commenting on the results, Ten Holdings' executive chairman, Nick Falloon, said: "Our strategy to expand TEN's pipeline of international content – through agreements with 20th Century Fox Television and CBS Paramount International Television – and enhance our domestic slate is positively affecting ratings and earnings.

"TEN is enjoying its strongest start to a ratings year in key buying demographics since OzTAM began in 2001. For the six weeks of 2008 survey to date, we're number one in our target 18-49 demographic, enjoying significant audience growth on 2007 in all major audience groups* and gaining revenue market share.

Ten Network Holdings Limited ABN 14 081 327 068
1 Saunders Street, Pyrmont NSW 2009
GPO Box 10 Sydney NSW Australia 2001
Telephone 02 9650 1010 Facsimile 02 9650 1111 TTY 02 9650 1213
www.tencorporate.com.au
www.ten.com.au

"We've achieved all this while also returning TEN's operating margin to its customary industry-leader status, now nearly 37 per cent."

Of the Company's OOH division, the executive chairman said: "EYE's start-up businesses in the US and UK are tracking well as we invest for the long term.

"We remain confident in the business model and the potential for EYE's international operations to mirror their established Australasian counterparts."

TEN NETWORK HOLDINGS LIMITED
DIVISIONAL RESULTS

	1H 2008 $m	1H 2007 $m	Favourable/ (Unfavourable) %
OPERATING REVENUE			
Television	433.8	402.9	7.7
Out-of-Home$^{\Delta}$	92.7	80.6	15.1
	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$^{\Delta}$	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 Network Holdings Limited.
$^{\Delta}$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.

OUTLOOK
The executive chairman noted the television advertising market was remarkably resilient, notwith-standing the current international malaise in debt and equity markets. "To this point, we are already ahead of last year in the March/April period and tracking well in other months," Mr Falloon said.

"As management predicted, TEN is gaining market share, and we expect to further improve on our record start in key buying demographics.

"Television costs are firmly under control, and based on current projections TEN is set to better 2007 EBITDA in the current financial year. However, that projection will depend on the influence of the Beijing Olympic Games and the state of the advertising market during that period.

Ten Network Holdings Limited ABN 14 081 327 068
1 Saunders Street, Pyrmont NSW 2009
GPO Box 10 Sydney NSW Australia 2001
Telephone 02 9650 1010 Facsimile 02 9650 1111 TTY 02 9650 1213
www.tencorporate.com.au
www.ten.com.au

"EYE's established businesses remain highly profitable as we continue to invest for growth. Start-up losses are now expected to amount to approximately $12 million (previously forecast as $10 million) for the financial year as a whole, with the $2 million increase reflecting the less robust market conditions in the United States and the United Kingdom.

DIVIDENDS

Shareholders received their first fully franked ordinary dividend payment for 2008 of 10.0 cents per share (cps) on 4 January, up on the 9.0 cps paid in the prior corresponding period and maintaining the Company's position among the sector's higher-yielding stocks. It is the current intention of Ten Holdings to announce its second fully franked ordinary dividend for 2008 in June with payment in early July.

TELEVISION

Grant Blackley, chief executive officer – television, said: "TEN is confidently moving through 2008, empowered by our strongest start since OzTAM ratings began in all key buying demographics.

"In the six weeks of 2008 survey to date, we're number one in 18-49 and building on our record share in that demographic achieved in 2007.

"TEN's audience in our target 18-49 demographic is up 9.1 per cent on the same time a year ago*.

"For the second year in a row, TEN is number one in all major demographics in daytime and we're extending that lead.

"*So You Think You Can Dance Australia* is **the** break-out hit of the season, quickly becoming the year's highest-rating new show in 18-49 (average commercial share of 46.5 per cent) as well as in overall audience (averaging 1.55 million viewers).

"*Dance Australia* is a new anchor program for the start of survey that we can monetise even better in future. Alongside the successful return of *The Biggest Loser*, *Dance Australia* confirms TEN's enviable track record as the big-event network.

"The commissioning, broadcast and extension of *Good News Week* augurs well for TEN's other new local programs yet to enter the schedule, including *Out of the Blue*, *Kenny*, *Bondi Vet* and the much-anticipated Australian drama, *Rush*.

"The US writers' strike is concluded, removing a considerable area of uncertainty, and our agreements with CBS Paramount International Television and 20th Century Fox Television are fully on-line, delivering TEN significant volume in new series to date including *Back to You*, *Rules of Engagement*, *Burn Notice* and *Women's Murder Club*.

"Adding to our AFL and motorsport portfolio, we have progressively expanded our premium live sport inventory, securing exclusive Australian broadcast rights to the Indian Premier League Cricket for the next five years as well as free to air rights to the 2010 Delhi Commonwealth Games.

"As with our profitable 2007 Rugby World Cup coverage, these events will be margin positive and deliver incremental revenue to TEN.

Ten Network Holdings Limited ABN 14 081 327 068
1 Saunders Street, Pyrmont NSW 2009
GPO Box 10 Sydney NSW Australia 2001
Telephone 02 9650 1010 Facsimile 02 9650 1111 TTY 02 9650 1213

www.tencorporate.com.au
www.ten.com.au

"TEN-HD's offering is increasingly appealing, boosted by major sport including NASCAR, the World Golf Championships and Formula 1 and MotoGP. We continue to educate viewers and advertisers on the advantages digital TV creates, and plans are well advanced for TEN's second Standard Definition digital channel, which will launch early next year and create yet another reason for viewers to stay with TEN.

"We are translating TEN's ratings into greater revenue share and are proud to see TEN post its fifth consecutive quarter of profit growth, with our operating margin again the industry's best.

"TEN's Sales and Digital Media divisions continue to deliver spectacular brand alignment opportunities with our key programs, creating integrated TV campaigns, product features and digital extensions that link television activity with web, mobile phones and portable devices.

"TEN Digital's video-focused websites give viewers more opportunities to engage with TEN, thereby delivering additional, highly-engaged consumers to clients. This year, TEN Digital has launched major new websites for flagship brands such as *So You Think You Can Dance Australia* and *The Biggest Loser*, along with pioneering mobile content for Optus as part of their *Dance* sponsorship."

OUT-OF-HOME
Gerry Thorley, chief executive officer – Eye Group, said: "EYE continues to deliver high-value OOH audiences through attractive inventory in distinct lifestyle environments: shoppers, flyers, drivers and tertiary students.

"By expanding EYE's presence, driving product innovation and seeking increased accountability we are pursuing further growth in all markets.

"Meanwhile, EyeProof – our new internet-based proof-of-performance service ensuring advertiser confidence in delivery of mall campaigns – is now available in North American Eye Shop properties and will be progressively introduced across Australia, New Zealand, Singapore and the UK.

"EYE's ingenuity is also seen through extensive investment in new technology displays at Singapore Changi Terminal 3 and at Manchester Airports Group.

"While OOH remains among the fastest-growing media in all territories in which EYE operates, accountability is more important than ever. EYE fully supports the Outdoor Media Association of Australia (OMA)'s launch of the new industry audience measurement system, MOVE, which will assess all mainstream OOH formats and elevate the Australian OOH sector to world's best practice level."

-ends-

CONTACTS

Media:
Margaret Fearn, Head of Corporate Comms
Tel: 02 9650 1658

Analysts:
John Kelly, Group Chief Financial Officer
Tel: 02 9650 1319

***Please note:** 2008 share/audience figures relate to survey weeks 7-12, 2008 vs prior corresponding periods since OzTAM ratings began in 2001.* Dance Australia *figures refer to weeks 6-12, 2008. All ratings data: OzTAM Zone 1 (1800-2230, Sun-Sat) or daytime (0900-1700, Mon-Fri) metro commercial share/audience unless otherwise noted.*