

TEN NETWORK HOLDINGS LIMITED

2008 Full Year Result Briefing

16 October 2008



Overview

- Group EBITDA of \$215.0m
- TV EBITDA of \$209.0m
 - TV EBITDA impacted by Beijing Olympics and soft revenue market
 - Cost growth managed to 4%
- Out of Home EBITDA of \$7.1m
 - Difficult trading conditions during period
 - Long term value model in growth sector
- Core management focus on improving operating earnings for shareholders

Agenda

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

seriously ten

Grant Blackley Television



Overview

- TV EBITDA of \$209.0m
 - Unusual and disrupted year
- Excellent performance in nine months to May 2008
 - EBITDA growth of 13% on 7% revenue growth
- Final quarter advertising impacted by Beijing Olympics and a softer than expected revenue market
- Multi-channel plans fully researched & well developed
- Continued focus on improving performance and unlocking further value in 2009 FY

Television Revenue

- Strong performance in **revenue share** across financial period:

Free TV Revenue Shares	6 Month Period Ending	
	Dec 07	June 08
TEN Share	30.8%	29.1%
TEN Growth	10.9%	3.8%
Market Growth	9.4%	0.7%

- Adverse market conditions since April 2008
- TEN estimates that Beijing Olympics directly reduced TEN's August 2008 revenues by approximately \$20m

Television Costs

- Overall TV cost growth (ex selling) within 4%
 - Another good performance & less than previous 5% growth guidance
- Cost growth managed with continued investment in key program franchises :
 - So You Think You Can Dance (New franchise)
 - Rugby World Cup (Major profitable event)
 - New content from CBS Paramount and Fox (Positive portfolio mix)
- Cost focus remains a priority for TEN management

Digitised Infrastructure

- We have invested to gain a world class multi-platform broadcast architecture
- Three key technology project outcomes :
 1. Fully digitised media and archive facility; content → data
 2. Broadcast facility will provide three unique multi-channel distribution paths
 3. Multi-platform distribution model
- Dividends will be realised over coming years
 - Enabling future operating cost efficiencies
 - Creation of new revenue streams

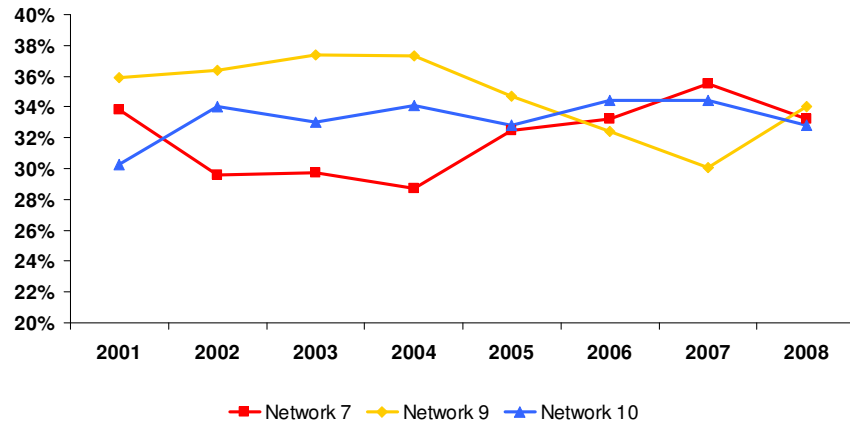
The Multi-channel transformation

- Executive team have diligently researched and crafted a plan to engage viewers and advertisers through a unique and differentiated offering.
- TEN's plans will be announced in the near term
- Freeview:
 - TEN is an active and committed participant in Freeview
 - Freeview will drive education, adoption and transformation
 - Freeview creates a platform – EPG, PVR & other services

Program – Goals for 2009

- Focus on core 18-49s in primetime and continue to lead and dominate daytime in all key advertiser profiles
- Market, invigorate and monetise big franchises
 - *SYTYCD, The Biggest Loser, AFL, Australian Idol*
- Commission and acquire additional content to deliver improved performances within released *Big Brother* slots
- 2009 Program Schedule will be announced at our launch in November

Ratings Trend for 18-49s

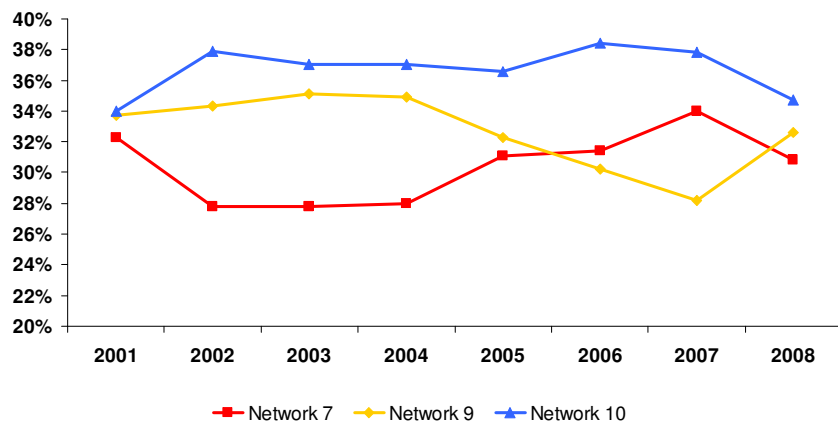


Zone 1 (1800-2230), Wks 7-41, 2001-2007 + Wks 7-11, 2008 (Excl Easter and Olympic Games)
Commercial share for 5 City Metro

ten 2008 FY Results

11

Ratings Trend for 16-39s

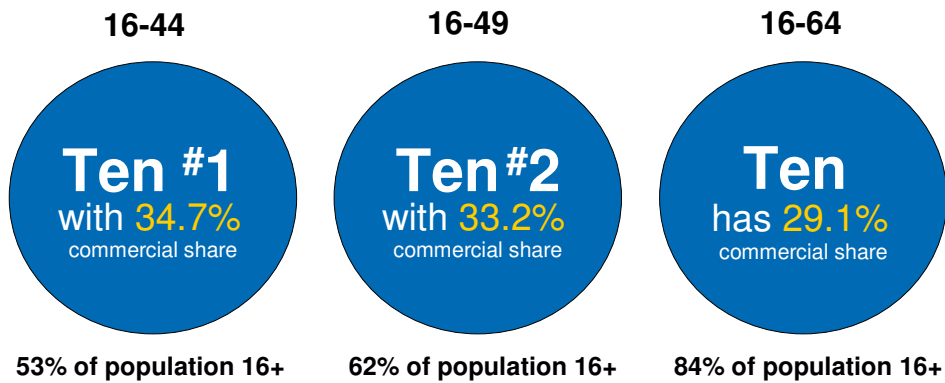


Zone 1 (1800-2230), Wks 7-41, 2001-2007 + Wks 7-11, 2008 (Excl Easter and Olympic Games)
Commercial Share for 5 City Metro

ten 2008 FY Results

12

Valuable & Competitive Audience



2009 for TV

- Programming will deliver valuable and competitive audiences
 - We remain a strategically targeted operation
 - We look forward to announcing 2009 Programming and Multi-channelling plans in November.
- Revenue market is currently difficult to predict
 - Comparables will become easier from late calendar 2008
 - Current market offers shorter than desirable visibility
 - TEN will benefit with no Olympics and return of AFL Grand Final
- Costs will remain a core focus
- Key objective to maximise operating earnings for shareholders and invest to build value in TEN



Gerry Thorley



OOH Overview

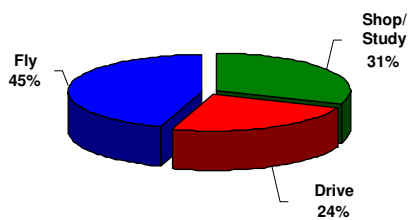
- OOH FY08 EBITDA of \$7.1m
- 'Investment for Growth' strategy on track despite difficult trading conditions across EYE regions
- New regions more settled and focused
- Digital revenue growth of 71% very encouraging
- ANZ business unit continues as the model for international growth

OOH Revenue

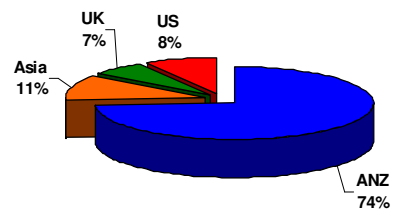
- FY08 Group Revenues grew by 8%
- FY08 Media Revenues grew by 15%
- FY08 International revenues grew by 25%
- Global OOH growth consistently above traditional media

Revenue By Segment

Media Revenue By Business (% of total)



Media Revenue By Region (% of total)



OOH Digital

- **EYE Pioneering Digital OOH**
 - Established FY05
 - From 153 Ad faces FY05 to 1,701 in FY08
- **EYE Digital Offers**
 - High definition quality images
 - 7-second creatives
 - Maximum of three advertisers per loop
 - High impact sites
 - Key audience networks
- **EYE Digital Revenues**
 - Revenues grew by 71%
 - Ad faces grew by 41%
 - Attractive margins



eye 2008 FY Results

19

2008 Highlights

- T3 Singapore - Launched, including first LED installation
- T2 Sydney - Contract renewed, fit-out now underway
- Shop USA - Continued selective digital deployment
- Shop USA - EYE Proof tool launched
- Eye Tracking research - Fly and Study locations

eye 2008 FY Results

20

2009 for OOH

- Optimise trading within tough economic environment
- Consolidation of existing assets
- Contain new market losses
- EBITDA margins of 20%+ remain the target for ANZ

seriously ten

John Kelly Financial Results



TEN HOLDINGS DIVISIONAL RESULTS	2008 \$M	2007 \$M	Fav / (Unf) %
OPERATING REVENUE			
Television	826.2	831.3	(0.6%)
Out of Home [^]	177.8	164.2	8.3%
	1,004.0	995.5	0.9%
EXPENSES			
Television	617.2	594.3	(3.9%)
Out of Home	170.7	160.9	(6.1%)
Unallocated*	1.1	0.9	(22.2%)
	789.0	756.1	(4.4%)
EBITDA			
Television	209.0	237.0	(11.8%)
Out of Home [^]	7.1	3.3	115.2%
Unallocated*	(1.1)	(0.9)	(22.2%)
	215.0	239.4	(10.2%)

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

[^] Comparative adjusted to exclude the one-off gain of \$8.9m in Out of Home in 2007 from sale of Big Tree Outdoor Media Malaysia



2008 FY Results

23

TEN NETWORK HOLDINGS LIMITED GROUP RESULTS	2008 \$M	2007 \$M	Fav / (Unf) %
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION	215.0	248.3	(13.4%)
Depreciation			
Television	21.0	17.6	
Out of Home	11.2	8.0	
Amortisation (OOH)	2.9	3.5	
EARNINGS BEFORE INTEREST & TAX	179.9	219.3	(18.0%)
Net Interest Expense	48.9	42.7	
PROFIT BEFORE TAX & DEBENTURE INTEREST (DI)	131.0	176.6	(25.8%)
Tax Expense / (Benefit)			
Normal	40.9	47.2	
<i>Prima facie tax rate</i>	31.2%	26.7%	
Non Recurring	(183.9)	-	
PROFIT AFTER TAX & BEFORE DI	274.0	129.4	111.7%



2008 FY Results

24

TEN NETWORK HOLDINGS LIMITED			
GROUP RESULTS Continued			
	2008 \$M	2007 \$M	Fav / (Unf) %
PROFIT AFTER TAX & BEFORE DI	274.0	129.4	111.7%
Debenture Interest	N/A	50.9	
Outside Equity Interests	0.5	12.4	
NET PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS	273.5	66.1	313.8%
Normalisation Adjustment			
Reverse debenture interest	-	50.9	
Non Recurring Tax Expense	(183.9)	-	
Minority interests impact	-	2.0	
NORMALISED NPAT ATTRIBUTABLE TO MEMBERS	89.6	119.0	(24.7%)



2008 FY Results

25

CASHFLOW ANALYSIS		
	2008 \$M	2007 \$M
EBITDA – Reported	215	248
Less: Profit on sale of Big Tree Outdoor	-	(9)
Profit on sale of Adelaide Land & Buildings	-	(4)
EBITDA - Adjusted	215	235
Decrease / (Increase) In Net Program Assets	10	(5)
Net Decrease / (Increase) in Working Capital	34	(14)
CASH FLOW GENERATED FROM BUSINESS	259	216
Net Tax Paid	(63)	(67)
Net Bank Interest Paid	(48)	(37)
NET OPERATING CASHFLOWS (PER ASX 4E)	147	112
REALISATION RATE (Cash flow generated from business / EBITDA –Adjusted)	120%	92%



2008 FY Results

26

CASHFLOW ANALYSIS Cont...	2008	2007
	\$M	\$M
NET OPERATING CASHFLOWS (PER ASX 4E)	147	112
Capital Expenditure		
Television	(20)	
Out of Home	(15)	
	(35)	
Dividends Paid	(125)	
Share Buyback	(4)	
Other	(6)	
INCREASE IN NET DEBT	(23)	(73)

Debt Structure

- Core Average Net Debt Forecast of \$600m
- Ongoing Debt Facilities of \$990m
 - \$630m Syndicated Facility due April 2011
 - \$125m USD (\$210m AUD) US Private Placement due 2013
 - \$150m AUD US Private Placement due 2015
- Gearing levels comfortable
 - 2.9 times Debt/EBITDA & 4.7 times interest cover
- Significant surplus debt capacity on existing lines
- Well established Treasury Policy with appropriate hedging

Nick Falloon Summary



Summary

- Well positioned to withstand current difficult times
- TV in good shape with a low cost base and solid program futures
- OOH has quality international assets in fast growing sector
- Strong balance sheet & conservatively geared
- Maintain focus on internal performance and maximise shareholder returns



Questions

