



TEN NETWORK HOLDINGS LIMITED

22 October 2009

Dear shareholder

It has been a challenging yet pivotal year for Ten Network Holdings Limited ('Ten Holdings' or 'the Company') – a year in which, like companies worldwide, we faced the effects of a global financial crisis.

It was also a year in which we achieved important strategic and operational milestones in our businesses in television and out-of-home advertising. These achievements, outlined in your Annual Review, place our businesses in a stronger position to benefit from an upturn in market conditions.

The Ten Holdings group has continued to operate within its banking covenants. As a measure of prudence, in August 2009 we undertook a fully underwritten equity raising of \$138 million. The positive response to this equity raising – and the improvement in the Company's share price performance since – was evidence of the improved sentiment towards the Company. The proceeds were used to pay down debt, further improving gearing levels and enhancing our balance sheet.

Directors considered that it was in the best interests of the Company to raise capital in this manner due to the speed and certainty associated with such process and the ability to build the level of institutional support on the Company's share register, which was lacking at that time due to Canwest's presence as a controlling shareholder.

While the focus of the Board and management remained clearly on Ten Holdings' strategic and operational performance, the strained economic situation of its major shareholder, Canwest, continued to be an external distraction during the year. The benefits of the improved spread of institutional shareholders obtained from the August capital raising were evident at the time of the sell-down by Canwest of its 50.06 per cent stake in early October. The sell-down was met with strong demand from the investment community, reinforcing the continued positive market sentiment and leading to sustained share price improvement, to the benefit of all shareholders.

With the resignation of two Directors representing Canwest, the Board was reconstituted. The Board has also initiated a process to effect future Board renewal and has commissioned international search firm, Korn Ferry, to recommend appropriately qualified Directors to join the Board during the course of 2010.

You will note in the Notice of Meeting that two current Directors, Jack Cowin and John Studdy, retire by rotation in accordance with the Constitution of the Company and stand for re-election at the Annual General Meeting to be held on 10 December 2009. Shareholder activist Stephen Mayne has also nominated for election to the Board on the single-issue platform of seeking the Company to offer shareholders the right to participate in a share purchase plan.

The Board considers that Directors should be elected on the basis of skills and experience that will assist the Company in its ongoing goal of enhancing returns to shareholders, rather than on a singular issue. Your Directors consider that it is not in the best interests of the Company and its shareholders for Mr Mayne to be elected as a Director and recommend that shareholders vote against his election.

As 2009 draws to a close, your Company has made considerable strides in ensuring it is in a more advantageous position to benefit from an economic upturn.

We thank you for your continued support during what has been a demanding, but ultimately rewarding, period and we welcome your attendance at the forthcoming Annual General Meeting.

Yours sincerely

Nick Falloon
Executive Chairman