

TEN NETWORK HOLDINGS LIMITED

Annual General Meeting – 9 December 2010



TEN NETWORK HOLDINGS LIMITED

**Nick Falloon
Executive Chairman**

SERIOUSLY TEN



TEN HOLDINGS IN 2010 – OVERVIEW



- Strong earnings growth and strengthened balance sheet
- Improved Australian advertising market
- Successful programming and strengthened ratings for TEN
- Expanding content portfolio for ONE
- New multi-channel ELEVEN – to launch January 2011
- Strong performance in Digital Media

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TEN HOLDINGS FY2010 RESULTS



Group Revenue	\$991.5m	↑ 10% on 2009
Group EBITDA	\$208.1m	↑ 38% on 2009
Television EBITDA	\$194.2m	↑ 37% on 2009
Underlying Group NPAT	\$96.9m	↑ 105% on 2009

TV cost growth (normalised) managed to 3%

Results for FY ending 31 August 2010

TEN – 2010 RATINGS HIGHLIGHTS



- Strengthened performance – all key demographics and total people
- TEN is #1 in under 50s
- #1 in 18-49 34.1% share ↑ 1.9%
- #1 in 16-39 37.0% share ↑ 0.5%
- TEN is the only primary network to grow audience in 25-54
- TEN wins the year in daytime

Source: OzTAM, 5-city metro. Survey weeks 7-48, 2010 excl. Easter and Commonwealth Games, 3-station primary commercial share refers to 7, 9 and TEN only.
Prime-time is Sun-Sat 18:00-22:30, daytime is Mon-Fri 9:00-18:00. Year-on-year comparisons weeks 7-48 2009, excl. Easter. 2009 data Live only.
2010 weeks 7-47 Consolidated, week 48 Overnights.

TEN – 2010 PROGRAMMING HIGHLIGHTS

TEN delivers:

- The year's #1 show – MasterChef Australia: Winner Announced
 - Peak 4.35m, average audience 4.03m
 - MasterChef Australia is Australia's highest rating reality series
 - Online over 13m video views, 48m page views
- International hits: Modern Family, Undercover Boss US, The Good Wife, Glee, NCIS, Lie To Me
- Appealing new local formats: Junior MasterChef Australia, Undercover Boss Australia
- Compelling domestic drama: Hawke, Offspring
- Great Australian comedy: Talkin' 'bout your Generation, Hamish & Andy specials, Good News Week
- Winning factual line-up: Bondi Vet, Bondi Rescue, Keeping up with the Joneses
- TEN News at Five: #1 regular daytime program

TEN – STRONG 2011 LINE-UP



- **NEW** domestic formats
 - The Renovators, Class of 2011
- **NEW** international
 - Hawaii Five-O, Blue Bloods, The Defenders, Mixed Signals
- Strong returning portfolio
 - **Domestic:** The Biggest Loser - Families, MasterChef Australia, Talkin' 'bout Your Generation, 7PM Project, Offspring, Rush, GNW, Bondi Vet, Bondi Rescue, Recruits, Junior MasterChef, Undercover Boss Australia ... and AFL Grand Final (on TEN and ONE)
 - **International:** Modern Family, NCIS, NCIS: Los Angeles, Glee, The Good Wife, House, Merlin, Rules of Engagement, Undercover Boss, Lie to Me and Law & Order franchise
- News and public affairs to strengthen 6-7pm timeslot
 - **NEW** 6pm with George Negus
 - **NEW** 6.30 Evening News (local)
 - Builds on timeslot-winning TEN News at Five



TARGETED MULTI-CHANNEL



- Australia's #1 sports channel
- Reaches 3.6m viewers every week
 - More viewers than Fox Sports 1, 2 & 3, Fox Sports News & ESPN combined
- Strengthened sports portfolio with **NEW & EXCLUSIVE** sports rights:
 - Formula 1 – 5 years
 - Moto GP – 5 years
 - NBL – 5 years
 - Club channels - Liverpool & Arsenal – 3 years
 - JV arrangement for Ironman Series – 5 years
 - Hopman Cup – 4 years
 - Next 2 Ryder Cups
 - US Masters Golf – extended 3-year exclusive arrangement)
 - Extended and improved NFL, Nascar & MLB rights arrangements



PREMIUM YOUTH CHANNEL



- Launching January 2011
- ‘Distinctly youthful’, bold and fun network with 13-29 demographic focus
- Long-term, quality content supply
 - Extended, long-term output deal with CBS for TEN & ELEVEN
- Targeted domestic and international programming
 - Exclusive FTA home of Neighbours and The Simpsons
 - Access to CBS content library with 70,000+ hrs of programming
- True multi-platform and socially engaging channel

MULTI-CHANNEL STRATEGY



- Well-considered, stand-alone and compelling broadcast offerings:



'mass family appeal'



'sports lovers'



'distinctly youthful'

- 2011 year of transition
 - Prudent reinvestment for future growth
- Long term and sustainable models with efficient content supply

REGULATORY UPDATE



- Anti-siphoning outcome
 - Affirms broad access to key sports on FTA
 - Listed sports on multi-channels positive for ONE
- Digital switchover 2013
 - Considerable FTA role and commitment
 - ‘Digital dividend’ for Government
- Convergent media review
 - Outcome must reflect the changing operating environment for all media
 - Review of ongoing license fees and relevance of reach rules



OUT-OF-HOME IN 2010



- Trading conditions improving
 - Notably in Australia, although slower recovery than TV
 - International recovery building
- Earnings improvement
 - Achieved with disciplined cost management
- Strategic new business wins in key Shop and Fly segments



CORPORATE UPDATE



- New major shareholders
 - Representation on renewed board
 - 4 new directors to commence 13 December 2010
- New Chairman appointed by Board
 - Nick Falloon steps down as Executive Chairman
 - Brian Long appointed non-executive Chairman
- Dividend policy
 - FY2010 total dividend 11 cents per share (unfranked)
 - Next dividend due December 2011
 - Dividends then to be declared and paid bi-annually



2010 SUMMARY



- Strengthened balance sheet
- Prudent re-investment in business to succeed in multi-channel environment
- Compelling and targeted offerings on TEN, ONE and ELEVEN
 - With complementary Digital Media offerings
- TEN – the leading network for under-50s
- Continuing our highly targeted and cost-efficient model in multi-channel environment
- Rebuilding value in EYE
- Well-positioned for sustainable growth

