

TEN HOLDINGS REPORTS Q1 EARNINGS

18 December 2008

Ten Network Holdings Limited (Ten Holdings) today reported its results for the first quarter of financial year 2009 and declared its first dividend for the 2009 financial year.

Group revenue was \$292.3 million, and group earnings before interest, tax, amortisation and depreciation (EBITDA) was \$91.6 million.

Revenue from the television business Network Ten (TEN) was \$244.8 million, which was 12.1 per cent lower than the same time last year. On a normalised basis (excluding the AFL Grand Final and the Rugby World Cup which occurred in the corresponding period in 2008), TEN's revenue for the first quarter of financial year 2009 was down approximately 5 per cent.

Revenue from the out-of-home advertising division, Eye Corp (EYE), was broadly in line with the prior year at \$47.5 million.

Ten Holdings' first quarter results for the 2009 financial year are as follows:

	Q1 2009 \$m	Q1 2008 \$m	Variance %
TV Revenue	244.8	278.4	(12.1%)
Eye Revenue	47.5	48.6	(2.3%)
Group Revenue	292.3	327.0	(10.6%)
Group EBITDA	91.6	122.5	(25.2%)

Speaking at the Company's annual general meeting today, Ten Holdings' executive chairman Nick Falloon said: "As we flagged at our full year results in October, the revenue market continues to be challenging and visibility remains short across the sector. Ten Holdings is not immune from this tough economic operating environment.

"To ensure that Ten Holdings retains the flexibility required in this market, and to ensure we are well placed to benefit from an eventual upturn in the cycle, a comprehensive cost review has been conducted across the Group in recent months and the results of this review have been implemented.

"The immediate positive impact of this cost review to the television business, TEN, is substantial. Notwithstanding the launch and ongoing commitment to our new multi-channel ONE in early 2009, as well as deployment of funds to new international and domestic program initiatives, TEN is expected to deliver zero cost growth for the full year (ex selling).

"EYE is also realising significant savings in operating costs.

"As a further measure of prudence in a continuing uncertain economic environment, which provides limited visibility, the Board of Ten Holdings has determined to pay a reduced fully franked first ordinary dividend of 2 cents per share on 13 January 2009. This payment represents approximately 40% of earnings since 1 July 2008. We will continue to assess the ongoing level of payout, taking into account the prevailing market conditions," Mr Falloon said.

The ex-dividend date is 23 December 2008 and the record date is 31 December.

"The Company has also cancelled the on-market share buy-back that was announced in July 2008. The total number of shares purchased under the buy-back was 2.3 million," said Mr Falloon.

1 of 2

"TEN ended the intensely competitive and disrupted 2008 ratings year, which included the Beijing Olympics and the US writers' strike, in a sound position.

"We delivered a highly competitive position in the key 18-49 demographic, and we are committed to building further on that offering. For the eighth year running, TEN was the leader in 16-39s. TEN also continues to hold the network lead in daytime (9am-5pm)* in all key demographics.

"Despite the external market conditions, TEN continues to be a highly effective and efficient television operator, most closely focused on the demographics of greatest interest to advertisers.

"While strictly managing costs, TEN has built an outstanding program line-up for 2009 and is well prepared for the launch of our new multi-channel ONE in early 2009.

"TEN's 2009 schedule is our strongest in recent years. It comprises an extensive international and domestic line-up of new and returning shows to provide depth and consistency of programming right across the year.

"With the launch in 2009 of our new, dedicated sports multi-channel, ONE, the Network will provide a broader and more diverse offering for our viewers and advertisers.

"For EYE, the out-of-home market continues to be impacted by the prevailing economic factors, particularly in the international markets of the United Kingdom and USA. The EYE team is reviewing all segments of the operations," Mr Falloon said.

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TEN's line-up for 2009 includes:

NEW DOMESTIC

TEN has announced seven new Australian programs including a fourth major franchise, *MasterChef Australia*, taking a prime position in the mid-year schedule: Sunday nights and Monday through Friday at 7pm. Other new Australian shows include *Recruits*, *Bondi Vet*, *Guerrilla Gardeners*, *Undercover Boss*, *Australia's Hidden Genius*, and *Talkin' 'bout my Generation*. One further 7 pm strip show is yet to be announced.

NEW INTERNATIONAL

Merlin, *Lie to Me*, *Life on Mars*, *Little Britain USA*, *The Doctors*, *Worst Week* and *Harper's Island*.

RETURNING AUSTRALIAN AND INTERNATIONAL

All TEN's proven domestic and international favourites return.

- Australian: *Biggest Loser Australia*, *Dance Australia*, *Rove*, *Good News Week*, *Bondi Rescue*, a full 22-episode season of quality drama *RUSH*, *Australian Idol*, *Are You Smarter than a 5th Grader?* and AFL, including the year's biggest sporting event the AFL Grand Final.
- International: *NCIS*, *House*, *Life*, *Supernatural*, *SVU*, *Numb3rs*, *Medium*, *Dexter*, brand new *Simpsons*, *Californication* and *Criminal Intent*.

DAYTIME

The winning daytime line up of *9 am*, *Oprah*, *Dr Phil*, *Ready Steady*, *The Bold and the Beautiful*, *Huey's Cooking Adventures*, *Totally Wild*, *TEN News* and *Judge Judy* also returns in 2009.

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2 of 2