



16 February 2017

## Ten Network Holdings Trading Update.

Ten Network Holdings Limited (ASX: TEN) (“TEN”, “the Company”) today provided a trading update to the market in relation to its 2017 financial year.

At the TEN Annual General Meeting on 8 December 2016, the Company advised that although the advertising market remained extremely short in terms of forward bookings, TEN’s television revenue had increased 1.9% in the first quarter of the 2017 financial year. TEN’s television revenue is expected to increase by approximately 1.2% for the half year to 28 February 2017.

TEN has continued to increase its market share in a declining advertising market, driven by the strategy of investing in prime time content, and the innovative and market-leading arrangement with Multi Channel Network Pty Ltd.

As a result of the weak advertising market and increased content and other costs, TEN’s television earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the half year are expected to be \$10 million to \$15 million lower than the \$10.1 million EBITDA profit reported for the previous corresponding period, resulting in an EBITDA loss of up to \$5 million.

As previously advised, a rigorous cost reduction project is underway and a further update will be provided as part of the half-year results presentation. An impairment review, including the value of television licences, will be undertaken as part of the half-year accounting process.

A continuing decline in television advertising markets, absent any relief in television licence fees, will result in an EBITDA loss for the full year of between \$20 million and \$30 million.

TEN Chief Executive Officer, Paul Anderson, said: “This industry is obviously under severe duress and yet commercial free-to-air television broadcasters continue to be penalised by the world’s most expensive broadcast licence fees.

“Without the investment of the commercial free-to-air broadcasters, local production will dry up, jobs will be lost and local news will be a thing of the past.

“As we have been saying for years now, the current regulatory framework is unsustainable. Without an urgent reduction in licence fees to the levels paid overseas, and without reform of Australia’s archaic media laws, this sector faces a very uncertain future,” he said.



“It is time for the Government to face the reality that the world has changed. Australian media companies are competing directly for viewers and advertisers against globally dominant internet companies that are taking a growing share of advertising dollars out of this country. These companies are exempt from local media regulation or content obligations, and they don’t pay television licence fees.

“We are calling for urgent action from the Government and the Parliament to ensure a future for the high-quality, free television service that Australians highly value and rely on,” Mr Anderson said.

**For more information, please contact:**

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