

***ANNUAL GENERAL MEETING***

***NOVEMBER 13, 2017***



### Important Notice and Disclaimer

This document is a presentation of general background information about the activities of Nine Entertainment Co. Holdings Limited (“NEC”) current at the date of the presentation, (13 November 2017). The information contained in this presentation is of general background and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate. NEC, its related bodies corporate and any of their respective officers, directors and employees (“NEC Parties”), do not warrant the accuracy or reliability of this information, and disclaim any responsibility and liability flowing from the use of this information by any party. To the maximum extent permitted by law, the NEC Parties do not accept any liability to any person, organisation or entity for any loss or damage suffered as a result of reliance on this document.

### Forward Looking Statements

This document contains certain forward looking statements and comments about future events, including NEC’s expectations about the performance of its businesses.

Forward looking statements can generally be identified by the use of forward looking words such as, ‘expect’, ‘anticipate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘propose’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’ and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings or financial position or performance are also forward looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors which can cause NEC’s actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are outside the control of NEC. As such, undue reliance should not be placed on any forward looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information

or other forecast. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of NEC.

### Pro Forma Financial Information

The Company has set out in this presentation certain non-IFRS financial information, in addition to information regarding its IFRS statutory information.

The Company considers that this non-IFRS financial information is important to assist in evaluating the Company’s performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business.

For a reconciliation of the non-IFRS financial information contained in this presentation to IFRS-compliant comparative information, refer to the Appendices of this presentation.

All dollar values are in Australian dollars (A\$) unless otherwise stated.



# CHAIRMAN'S ADDRESS

PETER COSTELLO, AC





# CEO'S ADDRESS

HUGH MARKS



- Group revenue down 3%:
  - FTA market soft across the year
  - Olympics impacted ad market and share
  - Nine's share momentum improving
- Group costs down 1% or 5% including licence fees:
  - FTA costs down 2%, ex licence fees
  - Reported FTA costs down 6%
- NPAT (pre-specific items) of \$124m
- Specific Item net cost of \$327m, primarily non-cash
- EPS up 4% (Pre-Specific Items)
- DPS of 9.5c, fully franked:
  - 83% payout ratio pre licence fee benefit
- Net debt of \$225m

\$M	FY17	FY16	VARIANCE
Revenue <sup>1</sup>	1,237.8	1,282.4	-3%
<b>Group EBITDA<sup>1</sup></b>	<b>205.6</b>	<b>201.7</b>	<b>+2%</b>
EBIT <sup>1</sup>	170.3	169.5	-
<b>NPAT<sup>1</sup> (Continuing Businesses)</b>	<b>123.6</b>	<b>120.3</b>	<b>+3%</b>
Statutory Net Profit	(203.4)	324.8	Nm
<b>Earnings per Share, before Specific Items – cents<sup>1</sup></b>	<b>14.2</b>	<b>13.7</b>	<b>+4%</b>
Earnings per Share, Statutory - cents	(23.4)	36.9	Nm
<b>Dividend per Share - cents</b>	<b>9.5</b>	<b>12.0</b>	<b>-21%</b>
\$M	FY17	FY16	
Net Debt, as at 30 June	224.5	177.6	



# IMPROVEMENT ACROSS THE BOARD



CONTINUING BUS. SM		FY17	FY16	VARIANCE
<b>Revenue</b>	Television	1,080.4	1,130.0	-4%
	Digital	154.7	149.9	+3%
	Corporate	2.7	2.5	-
<b>Total rev</b>		<b>1,237.8</b>	<b>1,282.4</b>	<b>-3%</b>
<b>Costs</b>	Television	892.1	946.5	-6%
	Digital	125.8	123.9	+2%
	Corporate	14.6	12.3	+19%
<b>Total costs</b>		<b>1,032.5</b>	<b>1,082.7</b>	<b>-5%</b>
<b>EBITDA</b>	Television	188.3	183.5	+3%
	Digital	28.9	26.0	+11%
	Corporate	(11.9)	(9.8)	-21%
<b>Share of associates<sup>1</sup></b>		<b>0.2</b>	<b>2.1</b>	<b>-90%</b>
<b>Group EBITDA</b>		<b>205.6</b>	<b>201.7</b>	<b>+2%</b>

## Television

- Revenue down 4%
  - Metro FTA market down 3.7%
  - Regional down 2.8%
  - 35.7% share of metro FTA market (35% H1 and 36.4% H2)
- Costs down 2%
  - Licence fee relief \$32.8m
  - Incl. licence fees, costs down 6%

## Digital

- 7% H2 revenue growth driven primarily by video
- Further margin improvement with focus on more profitable business

## Corporate

- Increased costs due to higher employee costs
- Incl. SXL dividend of \$2.7m



## BROADCAST TELEVISION

Australia's leading free-to-air network in the key advertiser demographics

☐☐☐E ☐☐☐Go! ☐☐☐Gem ☐☐☐Life

## VIDEO ON DEMAND

Unique mix of leading local advertising and subscription based on demand video services

☐☐☐E9NOW Stan.

## DIGITAL PUBLISHING

Diverse portfolio of leading digital platforms across News, Sport, Entertainment and Lifestyle

☐☐☐nine.com.au ☐☐☐Honey

## CONTENT PRODUCTION

Television content production and distribution

☐☐☐PRODUCTION



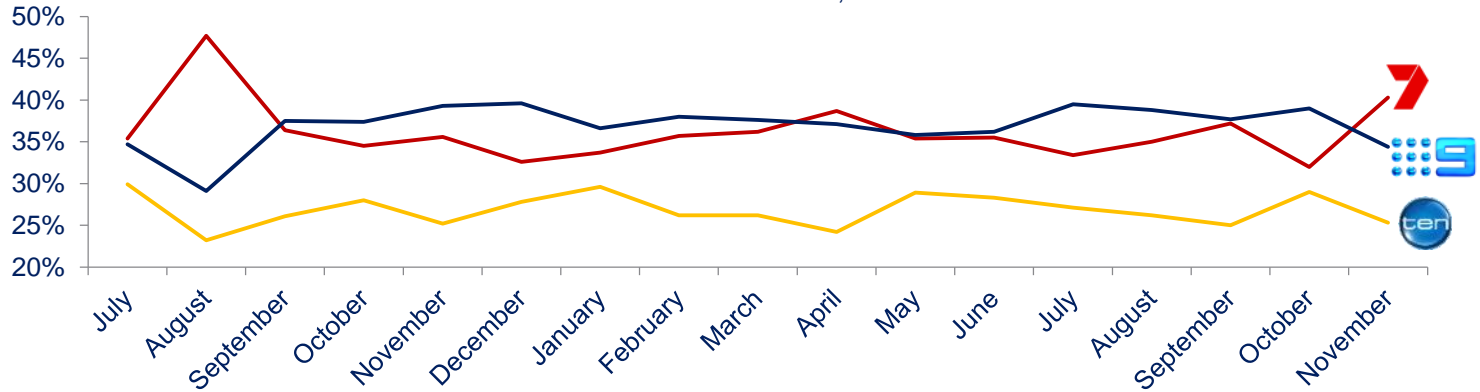
Nine

## STRONG RATINGS PERFORMANCE IN 2017 to date

- Strong network leadership position in all key marketing demographics – 25-54s, 16-39s, GB+CH<sup>1</sup>
- Network prime time share growth of c2.5 pts in targeted 25-54 demographics<sup>1</sup>
- # 1 Total People primary channel prime time share with growth of c3.8 pts<sup>1</sup>

### MONTHLY SHARE RATINGS PERFORMANCE

METRO NETWORK COMMERCIAL SHARE  
6AM-MIDNIGHT, P25-54<sup>2</sup>



<sup>1</sup> OzTam prime-time ratings, survey year to date, consolidated basis

<sup>2</sup> Network metro shares, Consolidated, 6am-midnight, people 25-54. 1 July 2016 – 4 November 2017



**MARRIED  
AT FIRST SIGHT**



**the  
voice**



**BUYING  
BLIND**



**TALKIN'  
ABOUT YOUR  
GENERATION**



**THE  
BLOCK**



**TRUE STORY**  
with  
HAMISH & ANDY





# FORMAL BUSINESS



## ITEM 1. FINANCIAL REPORT

To receive and consider the Financial Report of the Company for the year ended 30 June 2017, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

**Note:** There is no voting applicable to this item of business





## RESOLUTION 1. ADOPTION OF THE REMUNERATION REPORT

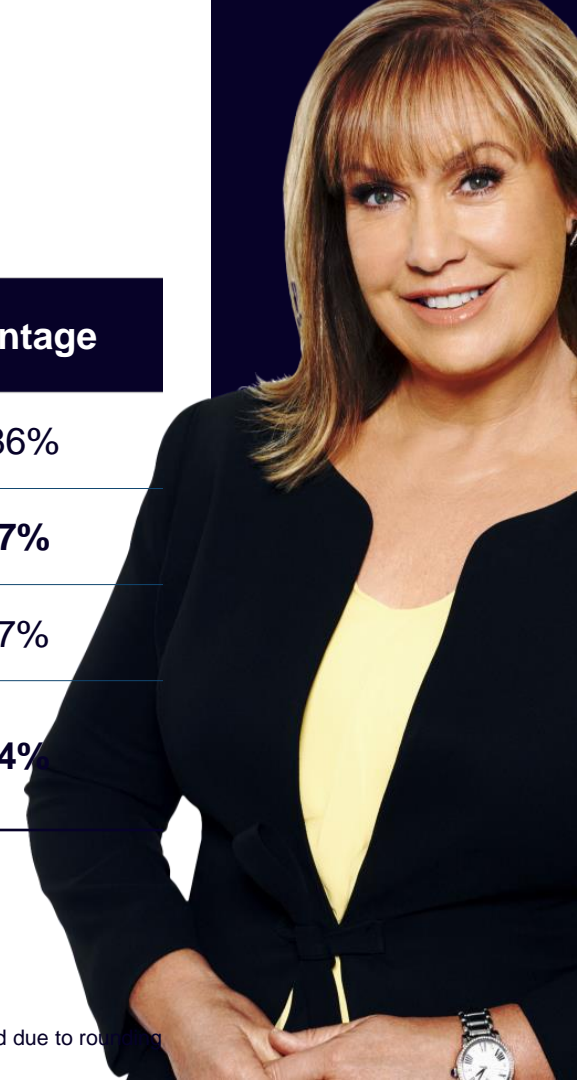
To consider and, if thought fit, pass the Resolution as a non-binding resolution:

*“That the Remuneration Report for the year ended 30 June 2017 as set out in the Annual Report be adopted.”*

**Note:** The vote on this Resolution is advisory only and does not bind the Company.

## RESOLUTION 1. ADOPTION OF THE REMUNERATION REPORT

Proxy Count	Number	Percentage
For	701,049,488	96.86%
<b>Against</b>	<b>22,247,501</b>	<b>3.07%</b>
Open	511,788	0.07%
<b>Open Proxies held by Board</b>	<b>283,543</b>	<b>0.04%</b>





## RESOLUTION 2: ELECTION OF MS JANETTE KENDALL AS A DIRECTOR

To consider and, if thought fit, pass the Resolution as an ordinary resolution:

*“To elect Ms Janette Kendall, who was appointed a Director of the Company by the Board, and is required to seek election in accordance with clause 26.6 of the Constitution, as a Director.”*

**Note:** The Board recommends that shareholders vote IN FAVOUR of Resolution 2.



## RESOLUTION 2: ELECTION OF MS JANETTE KENDALL AS A DIRECTOR

Proxy Count	Number	Percentage
For	723,115,630	99.90%
<b>Against</b>	<b>216,705</b>	<b>0.03%</b>
Open	473,785	0.07%
<b>Open Proxies held by Board</b>	<b>268,860</b>	<b>0.04%</b>

## RESOLUTION 3. ELECTION OF MS SAMANTHA LEWIS AS A DIRECTOR

To consider and, if thought fit, pass the Resolution as an ordinary resolution:

*“To elect Ms Samantha Lewis, who was appointed a Director of the Company by the Board, and is required to seek election in accordance with clause 26.6 of the Constitution, as a Director.”*

**Note:** The Board recommends that shareholders vote IN FAVOUR of Resolution 3.





## RESOLUTION 3. ELECTION OF MS SAMANTHA LEWIS AS A DIRECTOR

Proxy Count	Number	Percentage
For	722,349,906	99.80%
<b>Against</b>	<b>938,429</b>	<b>0.13%</b>
Open	477,785	0.07%
<b>Open Proxies held by Board</b>	<b>272,860</b>	<b>0.04%</b>





## RESOLUTION 4: RE-ELECTION OF MR PETER COSTELLO AS A DIRECTOR

To consider and, if thought fit, pass the Resolution as an ordinary resolution:

*“To re-elect Mr Peter Costello, who retires in accordance with clause 26.10 of the Constitution and offers himself for re-election, as a Director.”*

**Note:** The Board recommends that shareholders vote IN FAVOUR of Resolution 4.



## RESOLUTION 4: RE-ELECTION OF MR PETER COSTELLO AS A DIRECTOR

Proxy Count	Number	Percentage
For	711,906,188	98.35%
<b>Against</b>	<b>11,474,722</b>	<b>1.59%</b>
Open	467,120	0.06%
<b>Open Proxies held by Board</b>	<b>262,195</b>	<b>0.03%</b>



## RESOLUTION 5: GRANT OF 2018 PERFORMANCE RIGHTS TO THE CEO

To consider and, if thought fit, pass the Resolution as an ordinary resolution:

*“To approve for all purposes the grant of 958,904 performance rights to the Chief Executive Officer, Mr Hugh Marks, as described in the Explanatory Statement.”*

**Note:** The Board recommends that shareholders vote IN FAVOUR of Resolution 5.

## RESOLUTION 5. GRANT OF 2018 PERFORMANCE RIGHTS TO THE CEO



Proxy Count	Number	Percentage
For	720,994,756	99.62%
<b>Against</b>	<b>2,261,515</b>	<b>0.31%</b>
Open	524,231	0.07%
<b>Open Proxies held by Board</b>	<b>295,986</b>	<b>0.04%</b>

## SUMMARY OF PROXY POSITIONS

Proxy Count	Resolution 1 Remuneration Report	Resolution 2 Janette Kendall	Resolution 3 Samantha Lewis	Resolution 4 Peter Costello	Resolution 5 2018 Perf. Rights
For	96.86%	99.90%	99.80%	98.35%	99.62%
Against	3.07%	0.03%	0.13%	1.59%	0.31%
Open	0.07%	0.07%	0.07%	0.06%	0.07%
Open Proxies held by Board	0.04%	0.04%	0.04%	0.03%	0.04%





**9x10**

## QUESTION & ANSWER

The logo for the number nine, featuring a 3x3 grid of nine white dots to the left of the word "Nine" in a white, bold, sans-serif font. The background is a solid blue color with a pattern of larger, lighter blue circles.

**•••Nine**