



Interim Results Briefing 27 February 2014

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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. In particular, this information is important for comparative purposes with Pro Forma information contained in the Company's IPO Prospectus dated 8 November 2013.

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 other stated.

Positive momentum across the business



- **First half earnings moderately ahead of underlying Prospectus forecast run rate**
- **Metro market revenue share increased from 38.1% to 38.7%**
- **Fifth consecutive year of ratings improvement in 2013, winning all key advertising demographics**
- **Integration of Nine Adelaide and Nine Perth on track**
- **Record Events half with strong contributions from each of its principal business lines**
- **Digital transition and evolution continuing following 100% acquisition of Mi9**
- **Operating Free Cash Flow up \$47m (on a Pro Forma comparable basis) to \$178m**
- **Conservative Net Leverage of 1.6x**

On track to deliver prospectus full year forecast



	Reported		Pro Forma		Variance	Prospectus Pro Forma Forecast
	H1 FY14	H1 FY13	H1 FY14	H1 FY13	%	FY 14
\$m						
Revenue	799.7	651.1	845.6	773.4	+9.3	1,565.9
Group EBITDA	185.4	125.6	188.7	161.8	+16.6	305.0
NPAT	89.2	(80.2)	95.2	76.6	+24.3	139.5
Operating Free Cash Flow	198.3	119.4	178.0	175.6	+1.4	232.6
Operating Free Cash Flow Conversion	107%	95%	94%	109%	-15 pts	76%

	Reported		Pro Forma		Variance
	31 Dec 2013	30 June 2013	31 Dec 2013	30 June 2013	
As at					
Net Debt, \$m	496.3	517.0	496.3	601.7	-\$105.4m
Net Leverage	1.6x	nm	1.6x	2.0x	-0.4x

2014

Refer to glossary in Appendix 5 for definitions of all capitalised terms. Totals may not add due to rounding.

television

SEE IT FIRST

9 NEWS



FAT TONY & CO



Love Child

Nine Network – strong first half



\$m	Pro Forma H1 FY14	Pro Forma H1 FY13	Variance
Revenue	649.6	620.3	+4.7%
EBITDA	149.2	119.6	+24.7%
Margin	23.0%	19.3%	+3.7 pts

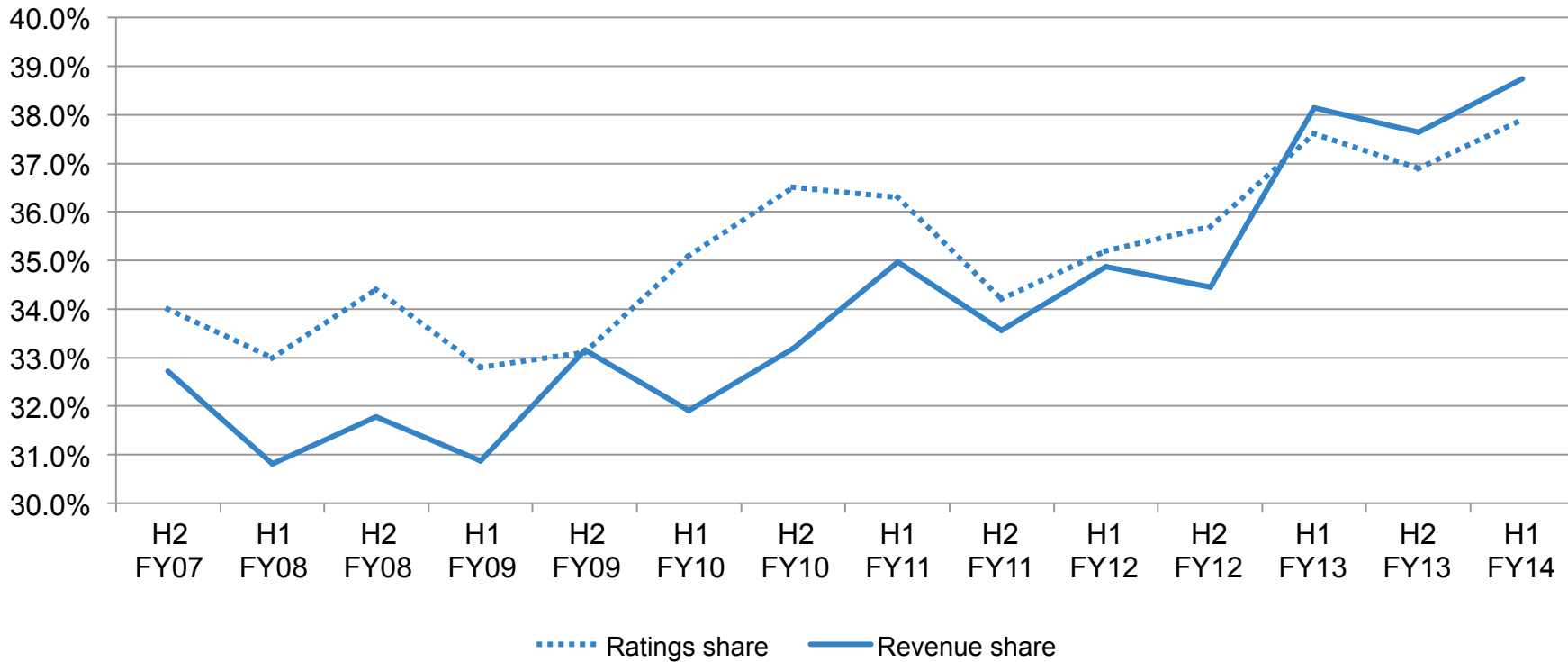
- FTA Metro market returned to growth +5%
- Fifth consecutive ratings year of share improvement
- Growth in all key advertising demographics
 - #1 25-54 (+1.3 share pts)
 - #1 18-49 (+1.4 share pts)
 - #1 16-39 (+1.9 share pts)
 - #2 All People (+1.2 share pts)
- Share of 38.7%, up from 38.1%
- Flat costs

2014

Revenue share follows ratings improvement



Nine's Metro Ratings and Revenue Share



2014

events



ONE DIRECTION

allphones arena

BEYONCÉ

Rihanna

Diamonds World Tour

entertainment co television digital events nine

Nine Events – record first half result



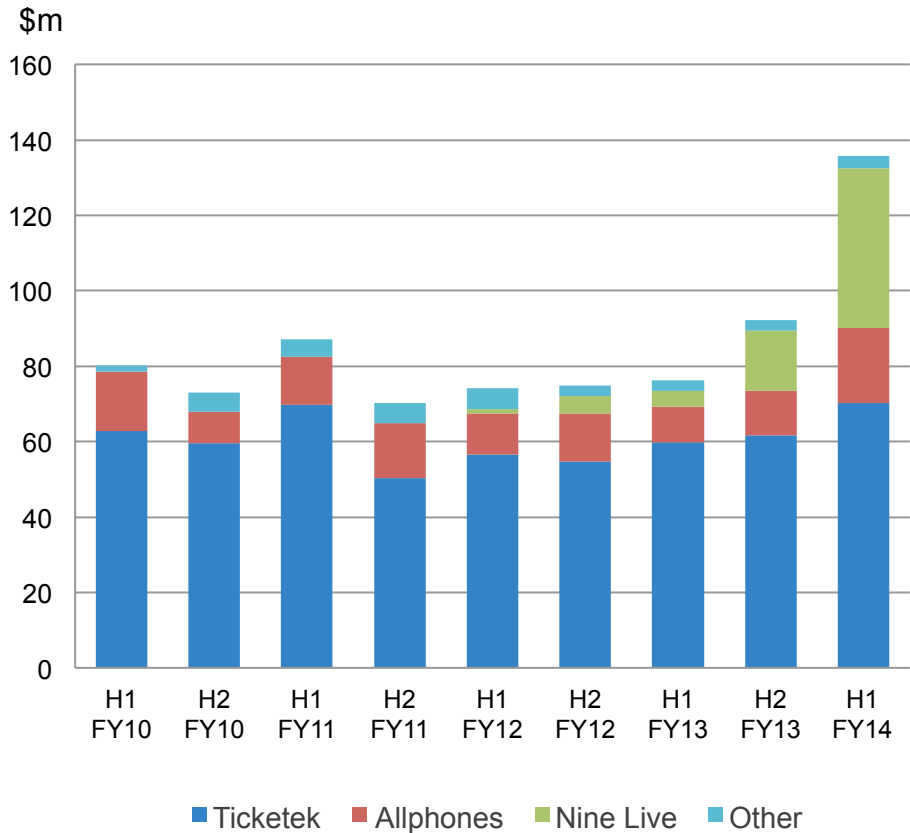
\$m	H1 FY14	H1 FY13	Variance
Revenue	134.6	74.5	+80.7%
EBITDA	40.1	25.9	+54.8%
Margin	29.8%	34.8%	-5.0 pts

- Revenue growth driven by Nine Live and Allphones
- All principal segments contributed to EBITDA growth
- Core Ticketek business continues to grow
- Nine Live growth from One Direction and Ricky Martin tours
- Margin impacted by dilutionary effect of lower margin Nine Live

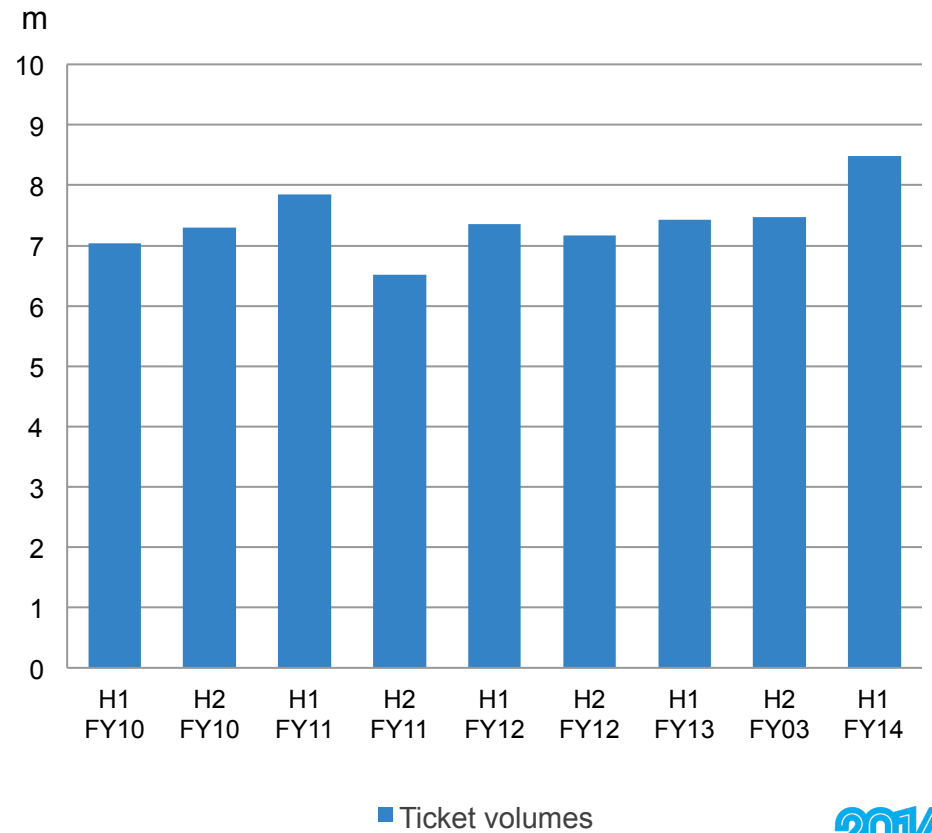
Core ticketing business continues to grow as Events diversifies



Contribution to Events' Revenue



Ticketek's ticket volumes[^]

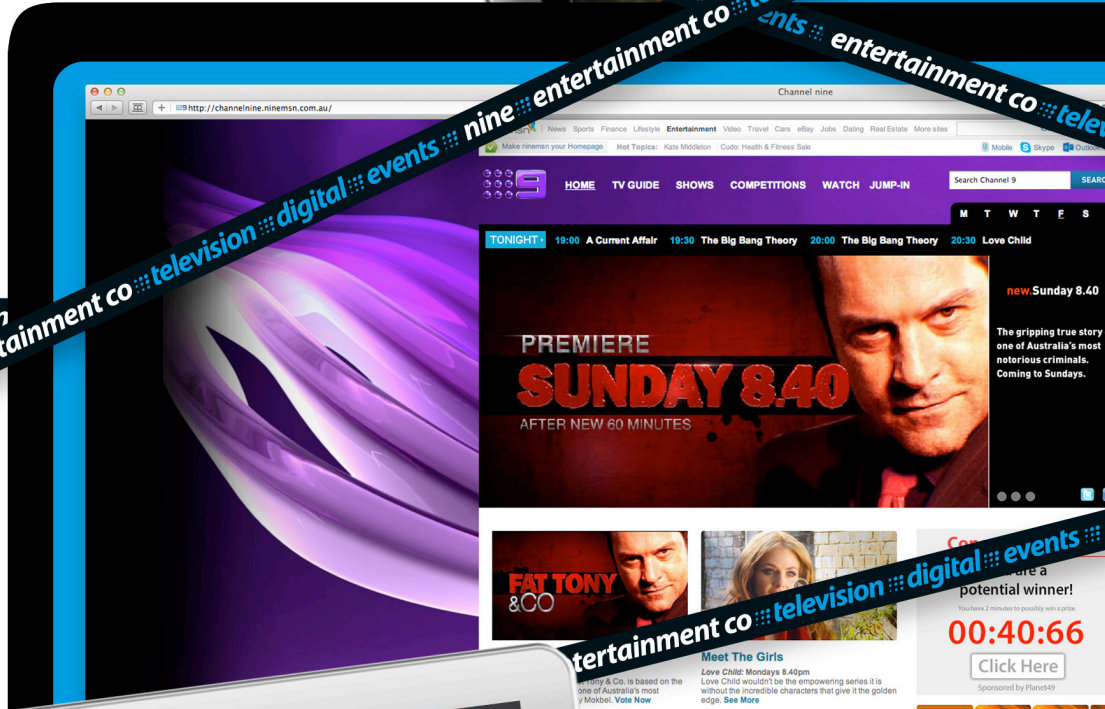


2014

Refer to glossary in Appendix 5 for definitions of all capitalised terms. Totals may not add due to rounding.

[^] Ticket volumes Australia and New Zealand, ex World Cup Rugby

digital



Nine Digital – tracks to expectations as business transitions



\$m	Underlying H1 FY14	Underlying H1 FY13	Underlying Variance	Pro Forma H1 FY14	Pro Forma Forecast FY14
Revenue	79.4	78.6	+1.0%	61.4	122.7
EBITDA	13.7	21.2	-35.4%	7.8	15.6
Margin	17.3%	27.0%	-9.7 pts	12.7%	12.7%

- Acquired control of Mi9 on 1 November 2013
- Mi9 remains the leading domestic online publisher:
 - Leading overall audience network with monthly reach of 10.1m
 - Superior data product – data on over 14m Australians
 - Leading share of online display market revenue – strong growth from online video advertising (long form video up 26%). Growth in search revenue from Bing
 - Underlying H1 results reflect flow through of FY13 Microsoft product and strategy changes
 - Margin decline a result of mix
- Remain comfortable with post 1 July 2014 go forward annual earnings base of \$15.6m

2014

Under 100% ownership – Digital is evolving



- Deepening the integration between TV and Digital
 - Capitalising on great content no matter what the device, time or place
 - Strong cross-promotion eg. Cricket Australia
 - Jump-in – the home of catch-up TV for NINE, Go and GEM (web and app). 600k downloads to date
- Expanding reach through partnerships
 - Daily Mail Australia – already 8th largest news site in Australia
 - Identification and assessment of additional opportunities
- Utilising market leading data offering to increase advertising effectiveness and revenue
 - Data-based advertising now drives 26% of total revenue
 - Experian relationship continues to grow
 - Partnering with clients to combine datasets
- Developing plans to launch a Subscription Video on Demand (SVOD) service

nine :::
entertainment co.



Positive cash flow and conservative debt profile



	Pro Forma H1 FY14	Pro Forma H1 FY13	Variance	Pro Forma Forecast FY14
Operating Free Cash Flow, \$m	178.0	175.6	+2.4	232.6
Operating Free Cash Flow Conversion	94%	109%	-15 pts	76%
Capex and Purchased Ticketing Rights, \$m	26.8	16.8	+10.0	50.4
Operating Free Cash Flow Conversion, post capex and Purchased Ticketing Rights	80%	98%	-18 pts	60%

As at	Pro Forma 31 Dec 2013	Pro Forma 30 Jun 2013	Variance
Net Debt, \$m	496.3	601.7	-105.4
Net Leverage	1.6x	2.0x	-0.4x

- H1 FY14 Operating Free Cash Flow impacted by \$48m licence fee (\$45m paid in H2 FY13)
- Like-for-like Operating Free Cash Flow and Conversion favourable to prior period (+\$47m/+13.3 points)
- Additional Adelaide/Perth capital and ticket contract renewals increased investment spend
- Conservative Net Leverage of 1.6x
- Long term debt tenure and substantial cash and undrawn facilities

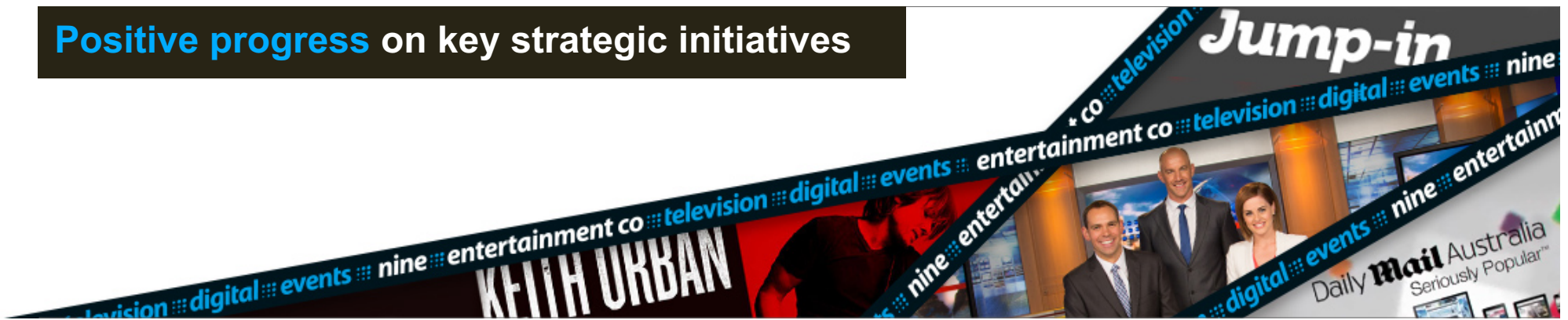
2014

Confident of delivering Prospectus forecasts



- Moderately stronger first half result than had been assumed in the Prospectus full year forecast
- Outlook for the second half remains in line with Prospectus
 - Q3 tracking to expectations
 - Limited visibility of Q4 FTA market
 - Events seasonality skewed to first half – second half on track
 - Digital post transition run rate as flagged in Prospectus
- Remain confident of delivering Prospectus forecast

Positive progress on key strategic initiatives



Nine Network

- Integration of Nine Adelaide and Perth
- One hour News
- Healthy sports pipeline
- Product mix and schedule

Nine Events

- Major Ticketek contracts renewed
- Growing pipeline for Nine Live

Nine Digital

- Daily Mail Australia
- Consolidation and integration
- StreamCo

Group

- Sales co-location
- Improving cash flow
- Regulatory change



when Love comestotown



MARRIED AT FIRST SIGHT

THE BLOCK



9 NEWS

A CURRENT AFFAIR

MORNINGS

60 MINUTES

INSIDE STORY



THE ASHES

HOUSEHUSBANDS

FAT TONY & CO

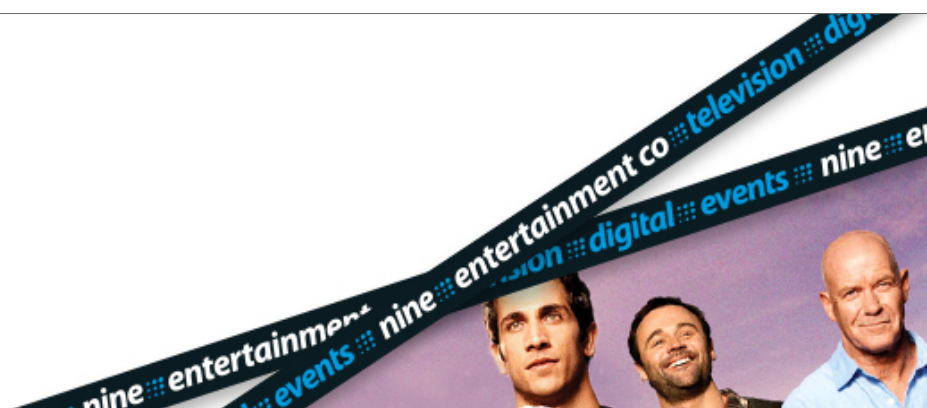
Gallipoli GINA

Love Child



- Appendix 1: Summary of segmental results
- Appendix 2: Cash flow
- Appendix 3a: Pro Forma adjustments – Nine Network
- Appendix 3b: Pro Forma adjustments – NPAT
- Appendix 3c: Pro Forma adjustments – Cash Flow
- Appendix 4: Debt and leverage calculations
- Appendix 5: Glossary

Appendix 1: Segmental profit and loss



\$m		Reported		Pro Forma		Variance
		H1 FY14	H1 FY13	H1 FY14	H1 FY13	
Revenue	Network	637.1	576.6	649.6	620.3	+4.7%
	Events	134.6	74.5	134.6	74.5	+80.7%
	Digital	27.9	~	61.4	78.6	-21.9%
Total Revenue		799.7	651.1	845.6	773.4	+9.3%
EBITDA	Network	141.9	96.0	149.2	119.6	+24.7%
	Events	40.1	25.9	40.1	25.9	+54.8%
	Digital	6.1	~	7.8	21.2	-63.2%
	Corporate, ex Specific Items	(7.6)	(5.2)	(10.5)	(6.5)	+61.5%
EBITDA		180.5	116.7	186.6	160.2	+16.5%
Share of Associates' NPAT		4.9	8.9	2.1	1.6	+31.3%
Group EBITDA		185.4	125.6	188.7	161.8	+16.6%

2014

Appendix 2: Cash flow



\$m	Pro Forma H1 FY14	Pro Forma H1 FY13	Variance	Pro Forma Forecast FY14
EBITDA	186.6	160.2	+26.4	301.5
Change in working capital	(9.6)	14.5	-24.2	(70.3)
Distributions from Associates	1.0	0.9	+0.1	1.3
Operating Free Cash Flow	178.0	175.6	+2.4	232.6
Capex and Purchased Ticketing Rights	(26.8)	(16.8)	-10.0	(50.4)
Operating Free Cash Flow, after capex and Purchased Ticketing Rights	151.2	158.8	-7.6	182.2

2014

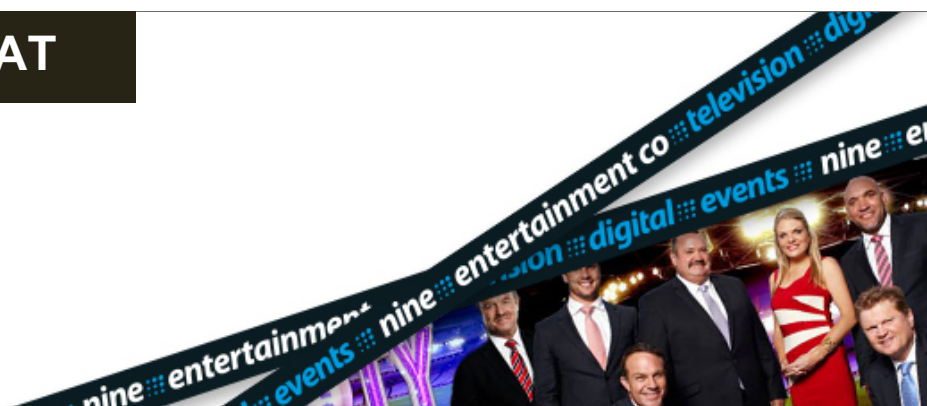
Appendix 3a: Pro Forma adjustments – Nine Network



\$m	H1 FY14		H1 FY13	
	Revenue	EBITDA	Revenue	EBITDA
Reported	637.1	141.9	576.6	96.0
Affiliate fees Adelaide/Perth	(11.6)	~	(43.8)	~
Actual revenue Adelaide/Perth	24.1	~	87.5	~
Incremental EBITDA Adelaide/Perth	~	7.3	~	23.6
Pro Forma	649.6	149.2	620.3	119.6

2014

Appendix 3b: Pro Forma adjustments – NPAT



\$m	H1 FY14	H1 FY13	Pro Forma Forecast FY14
Statutory NPAT (including Specific Items)	31.7	(82.4)	82.2
Specific Items before tax	61.1	3.2	60.0
Tax effect of Specific Items	(3.6)	(1.0)	(5.0)
Statutory NPAT (excluding Specific Items)	89.2	(80.2)	137.2
Public Company costs	(1.0)	(1.2)	(1.0)
Net interest adjustment	7.1	150.8	8.9
Impact of Adelaide and Perth acquisitions	7.2	22.8	6.5
Impact of Mi9 acquisition	(1.7)	13.2	(8.1)
IPO related remuneration adjustments	(1.8)	~	1.2
Tax effect of Pro Forma adjustments	(3.8)	(28.8)	(5.0)
Pro Forma NPAT	95.2	76.6	139.7

2014

Appendix 3c: Pro Forma adjustments – Cash flow



\$m	H1 FY14	H1 FY13
Statutory cash flows from operating activities	149.9	(4.3)
Statutory interest received	(2.7)	(6.1)
Statutory interest and other costs of finance paid	29.8	129.8
Statutory income tax	21.3	~
Statutory free cash flow	198.3	119.4
Impact of historical divestments	~	(15.2)
Impact of historical acquisitions	4.6	31.6
Cash held on trust	(25.3)	(27.1)
Impact of NRL contract	~	60.0
Specific Items and other adjustments	0.4	6.9
Pro Forma Operating Free Cash Flow	178.0	175.6

Appendix 4: Debt and leverage calculations



As at, \$m	31 Dec 2013	Pro Forma 30 Jun 2013
Interest bearing loans and borrowings	898.0	870.7
MTM derivatives	(133.9)	(99.7)
Gross debt (net of MTM derivatives)	764.1	771.0
Cash and cash equivalents	(429.4)	(307.5)
Cash held on trust	136.3	110.9
Deferred payment related to Mi9	25.3	27.3
Net Debt	496.3	601.7
Net Leverage	1.6x	2.0x

2014

Appendix 5: Glossary



- EBITDA – earnings before interest, tax, depreciation and amortisation, from continuing businesses before Specific Items
- FTA – free-to-air
- Group EBITDA – EBITDA plus share of Associates' net profit, from continuing businesses before Specific Items
- Metro – Sydney, Melbourne, Brisbane, Adelaide and Perth
- Net Debt – gross debt per the balance sheet net of mark-to-market on debt hedge instruments less available cash plus deferred purchase consideration on the acquisition of controlled entities
- Net Leverage – Net Debt divided by FY Prospectus forecast Group EBITDA
- nm – not meaningful
- Net Profit after Tax (NPAT) – net profit after tax, from continuing businesses before Specific Items
- NRL – National Rugby League
- Operating Free Cash Flow – EBITDA adjusted for changes in working capital and other non-cash items (not relating to Specific Items) plus dividends received from Associates
- Operating Free Cash Flow Conversion – Operating Free Cash Flow divided by Group EBITDA
- Pro Forma – as adjusted to reflect the impact of acquisitions, divestments and/or other transactions as if these had been effective for the whole reporting period, before Specific Items and after adjusting for standalone listed company costs
- Purchased Ticketing Rights – the amount paid to venue owners or promoters to secure exclusive ticketing rights
- Reported – extracted from Statutory Accounts
- Revenue – operating revenue from continuing businesses, excluding intersegment revenue, interest income and Specific Items
- Specific Items – amounts as set out in Note 3(d) of the Half Year Financial Report
- Statutory Accounts – audited or audit reviewed, consolidated financial statements
- Underlying – 100% of the earnings of Mi9 in the respective periods

