19 November 2014

The Manager
Company Announcements Office
ASX Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**Annual General Meeting Addresses and Presentation**

Nine Entertainment Co. (ASX: NEC) is holding its Annual General Meeting in Sydney today, commencing at 10am (AEST). The Chairman's speech, the Chief Operating Officer's speech and the accompanying presentation are attached.

Yours Faithfully

**Simon Kelly**
Chief Financial Officer, Chief Operating Officer &
Company Secretary

:::television:::digital:::events

***NINE ENTERTAINMENT CO.***
***ANNUAL GENERAL MEETING***
***CHAIRMAN'S ADDRESS – MR DAVID HASLINGDEN***

The 2014 financial year was a very busy year for Nine Entertainment. We completed the acquisitions of Nine Adelaide and Perth, took full control of the Mi9 business, listed on the Australian Securities Exchange, refinanced our debt facilities and prepared to launch a new Subscription Video-On-Demand service.

Despite these distractions, each of our operating businesses maintained their own positive momentum over the year. The Company finished the 2014 financial year ahead of its Pro Forma Prospectus forecasts, reporting year-on-year growth in Pro Forma revenue of 6% and EBITDA of 5%, despite a marked softening in the advertising market over the second half of the year.

Growth in profitability was underpinned by the improved operating performance of the Nine Network and Nine Live, whilst the Pro Forma results for Nine Digital were in line with expectations. We also reported strong cash flow and a conservative leverage profile. Following the release of the full year result, the Directors declared the Company's maiden dividend of 4.2 cents per share.

Having emerged from a period when we were primarily focussed on satisfying covenants, we are now stronger than ever, with a new shareholder base and a conservative capital structure and momentum across each of our business units. The Board's focus is firmly on how we build long-term sustainable shareholder value, whilst ensuring operating performance is optimised and governance standards are maintained.

We believe that we have the pre-eminent suite of media and entertainment assets in Australia and, with our balance sheet capacity and strong cash flows, we are well placed to build from this solid base. The boundaries between our traditional sectors of Television, Digital and Live Events are becoming increasingly blurred. We are constantly looking for ways to optimise the monetisation of our precious content through more than one distribution channel, with the launch of 9news.com.au and the growth in 9JumpIn great examples of this. The recent bringing together of our TV and digital sales functions also reflects this change in mindset. Today, our client facing executives sit together by advertising client, regardless of the media they represent.

In August, we announced the formation of a Joint Venture with Fairfax Media to launch Australia's first mainstream Subscription Video on Demand or SVOD service. Two weeks ago we announced "Stan" as the brand behind this business together with details of some of the exclusive content that will be available only on Stan when it launches later in this financial year. We are excited about working with Fairfax on this new business opportunity. Together, with our long history in Australian commercial television and Fairfax's strength in digital and subscription services, we will make Stan a formidable player in the SVOD space. Our combined ability to market and promote the service will be second to none. We are very close to announcing our final launch plans for Stan, so expect to hear more about this in the near future.

We watch, with interest, the Government's discussion regarding deregulation of the media sector. The media sector in Australia continues to operate within a regulatory framework that was established in the 1990s – a framework which is clearly of decreasing relevance with the proliferation of media sources and evolution of traditional media, primarily driven by digitisation. We believe that it is important that Australian media can operate without artificial barriers in a world where media consumption has become barrier-free. It seems ironic that, whilst we are currently only allowed to broadcast our leading Nine News content directly to 75% of the population, our newly relaunched 9news.com.au website is available to all Australians.

With a relatively low level of underlying leverage and a clear focus on enhancing the consumer, advertiser and shareholder proposition, the Board and management team will be looking for opportunities to expand the company's current portfolio of businesses in a deregulated environment.

Of course, the Board will only pursue such opportunities if they meet strict strategic and economic return measures.

Your Directors also remain very focused on ensuring we have the right governance structures in place for a listed company. Leading into, and for our first year as a listed company, we believed it was in the best interests of all stakeholders to maintain stability amongst the Board, particularly given the significant changes that the company had gone through over the past few years. Now that we have delivered on our forecast earnings and are about to celebrate our first year of listing, we are focused on building out a full Board succession plan and expanding the breadth of skills across the Board. In addition, we are well down the path of evolving our remuneration framework to one which meets listed company benchmarks and I will touch on this process further when we come to the resolution on the Remuneration Report.

In closing, I would like to thank all of the Company's management and staff for their ongoing commitment and focus. Listing on the ASX requires an enormous amount of time and effort and during this period, the business not only did not miss a beat but continued to gain momentum. Thank you also to my fellow Board members who have supported the management team and me throughout the year.

Sydney, Australia
19 November 2014

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# NINE ENTERTAINMENT CO.
# ANNUAL GENERAL MEETING
# CHIEF OPERATING OFFICER'S ADDRESS – MR SIMON KELLY

All-in-all, we are very pleased with the 2014 results which, across all key metrics, were ahead of the expectations we previously set.

Our free to air business recorded another year of share gains in an advertising market which progressively softened over the year.  Solid share improvement combined with careful cost control, saw the free to air business record EBITDA ahead of Prospectus forecasts.

The integration of our newly acquired stations in Perth and Adelaide remains on track.  While it is early days, we are seeing positive signs of improvement with both narrowing the gap to their eastern seaboard counterparts, recording above average share gains which contributed to the overall Metro share gain for the year.

Our Live business recorded a strong step up in earnings, while our Digital business continues its operational transition, both in line with expectations.

We reported strong operating cash flow and a conservative leverage profile which sets us apart from our peers and provides us with significant flexibility.

Late in the financial year we refinanced our debt facilities and we will see the benefits of lower interest costs in FY15.

As the Chairman mentioned, we declared a final dividend of 4.2 cents per share, marginally ahead of the Prospectus forecast.  This payout reflects the midpoint of our 50-60% payout range and takes into account that we were listed for approximately half the year.  As we'd previously flagged this final dividend was unfranked.  We expect to be in a position to commence full franking with effect from the FY15 final dividend.

Looking now at our financial results in more detail.

As you would have noted from the Annual Report, our Statutory Reported and Pro Forma results for the 2014 financial year differed significantly.  These differences arise because of changes in the group operating and capital structure stemming from the IPO as well as acquisitions during the period, and the impact of one-off items associated with these changes.

You can see here a summary of the key differences between the Statutory Reported and Pro Forma Net Profit after Tax.  These reflect normalisation adjustments for one-off items associated with the IPO, and changes in our group operating and capital structure. A full analysis of these is included in the Annual Report and I am happy to take any questions on these at the appropriate time.

For the purposes of the remainder of this presentation today, I am going to focus on the Pro Forma results which are more representative of the performance of our underlying operations. These Pro Forma results assume that we had owned Adelaide, Perth and Mi9 for the full year and that the post IPO capital structure had been in place throughout, as well as excluding any one-off items.

In 2014 we exceeded our Pro Forma Prospectus forecasts on virtually all measures. Revenue was 0.8% higher, Group EBITDA was 2.0% up, and Operating Free Cash Flow up 17%. Growth on Pro Forma FY13 was also pleasing with a revenue increase of 5.8% resulting in growth in Net Profit after Tax of 5.5%.

So, turning to the performance of our key divisions.

Our core television business reported Pro Forma EBITDA of $242m, which was $4m above Prospectus and $20m up on FY13. The Metro Free to Air advertising market proved progressively more challenging over the year, turning from solid growth in the first half to a decline in the last quarter. Over the same period, regional markets were flat.

In FY14, we lifted Nine's Total People commercial ratings share across the 5 capital city stations by 0.9 share points. In our key advertiser demographic of 25-54s, we improved our audience across the network by 0.7 share points.

The chart at the foot here shows how revenue share and ratings share have tracked over the past 7 years. You can see the strong momentum we have had over this period and how we have moved into a positive power ratio over the past 18 months. Our full year metro ad revenue share of 38.7% was 0.8 share points higher than our Olympic-boosted 2013 share and ahead of Prospectus. This was partly driven by incremental revenue share growth from our newly acquired stations in Adelaide and Perth which both recorded second half growth of over 2 share points against an East Coast gain of 0.8 share points.

Overall TV costs were up by 2.9%, but were $8m below Prospectus. Of course, we benefited as the costs of the 2012 Olympics dropped out, but this was more than offset by increases in sports rights costs and increased investment in local production. Our FY14 programming costs now fully reflect the step up in costs under our new long term cricket and NRL contracts. In the second half, we increased our nightly News from half an hour to an hour at an incremental $10m in annualised costs.

So, in overall terms, compared with 2013, the combination of a 4.3% increase in revenues and a 2.9% lift in costs resulted in a 9% lift in TV EBITDA to $242m.

Moving on to Nine Live.

Our recently renamed Nine Live business recorded a strong year. Revenue was up by 36% and EBITDA up 19% on the prior corresponding period, both exceeding the Prospectus forecasts. All of the principal segments of Nine Live contributed to this growth.

Our core ticketing business, Ticketek, remains the single largest contributor to the Nine Live result. And this business continues to grow in terms of both revenue and profitability. You can see the historic ticketing volume trend in the chart on the left here. In FY14, ticket volumes were up a further 7%, while average revenue per ticket was 2.5% higher.

Over the past few years we have been developing new business adjacencies to compliment the Ticketek business as it matures. You can see here to the right that much of the underlying top line growth in Live was driven by one of these new businesses, Nine Touring and Events. This accounted for 24% of Live revenue, up from less than 5% in FY13. During the year, this business promoted tours by One Direction, Ricky Martin and Keith Urban, amongst others. Whilst a lower margin contributor in itself, the focus of Nine Touring and Events remains very much on maximising the total return across our portfolio of businesses. The combination of a touring business with our ticketing business and our television and digital advertising sponsored businesses has proven very powerful, enabling us to take unique propositions to key advertisers and setting us apart from our competitors.

Turning now to Nine Digital….We acquired 100% control of this business effective 1 November 2013. The results in the columns here to the left reflect the underlying earnings of 100% of the business.

Underlying revenue growth of 7% was underpinned by very strong growth in search and video revenues. This was partially offset by a decline in display ad revenue, as fragmentation of this space continued to erode the share of the larger players.

Underlying EBITDA declined by around 15%, which mainly reflects a shift in advertising away from our owned and operated properties to lower margin third party inventory, as well as some costs associated with increased product investment.

As part of the terms of our acquisition of Microsoft's 50% interest in the business, FY15 will be impacted by certain changes to its commercial arrangements which will see revenue and earnings decline. To provide full transparency on how we see the business post these changes, I've included here the Pro Forma FY14 result. This reflects our view of the new baseline earnings of this business following its separation from Microsoft, which is unchanged from the position we had at the time of the Prospectus.

Turning now to our cash flow and debt position. Operating Free Cash Flow before capital expenditure and key money of $272m was well up on both Prospectus and FY13, reflecting our focus on cash and working capital management. This represents an 87% Group EBITDA conversion rate, which compares favourably with the 76% Prospectus forecast and the 79% recorded in FY13.

Net debt at the end of June was $537m, equating to Net Leverage of 1.7 times, which compares with the 2.0 times Pro Forma in the Prospectus and is comfortably lower than the targeted 2 to 2.5 times range we have spoken to in the past. Following the June refinancing, we now have an $825m facility, which gives us significant undrawn capacity and significantly lower interest costs.

So, looking forward, I will turn now to our key initiatives and focus areas in the current year.

We continue to target a 40% Free to Air revenue share by the end of calendar 2015, and our confidence of delivering this continues to increase. As you have already seen, we have had strong momentum over the past 7 years and this is set to continue given our ratings performance this year and in light of our content line up – the Cricket World Cup, a UK Ashes Series, the Rugby World Cup, a new season of the Block and what promises to be the biggest show of the year – the Gallipoli mini series over 8 hours of breathtaking television, to name just some of the outstanding content that we have coming. The improving share trends in Adelaide and Perth will also help contribute towards our overall goal. At the same time we have good visibility of our television cost structures and expect low underlying cost inflation over the next few years.

At Nine Live, as I mentioned earlier, we are looking for opportunities to expand our core business, particularly in areas which are complementary to the existing NEC portfolio. While we still expect underlying growth from the core, a growing pipeline of touring events should be solid contributors to earnings in the medium term. In this regard, we have recently announced plans to broaden the base of the touring business into International Sports and Exhibitions and will be hosting some of Europe's best soccer teams in an off season tournament next year. In the exhibition space we will be co-promoting the Imperial War Museum exhibition which will open in Melbourne next year.

Our digital business is transitioning to its post-Microsoft operating environment which will see it much more closely aligned with our core TV business. We have already co-located our sales forces which is an industry first and is already showing real promise. Strategically, the benefit of owning 100% of our digital business cannot be under-estimated. Today we are agnostic as to whether we monetise our content on television or digitally. This means we can focus on ensuring we provide the best consumer experience, uncompromised by considerations as to any revenue leakage to third party owners as we were in the past.

One of our early initiatives following moving to 100% ownership of digital was the Daily Mail Australia joint venture. This provides unique traffic and a source of incremental revenue. The Daily Mail Australia web site is already the 5th most trafficked news website in Australia.

The successful launch of Stan, our Subscription Video on Demand service, is another key priority. Stan will offer unlimited access to thousands of hours of entertainment including first-run exclusives, award-winning TV shows, classic catalogue, blockbuster movies and an exciting slate of kids content. All available on demand, in full HD, across multiple devices for a low cost fixed monthly fee, with no lock-in contracts.

We believe that Stan will be a complementary service to our free to air television offering and we expect it will quickly establish itself as one of the leading players in this space following its launch later this financial year.

Our Nine Ventures team is actively looking for new opportunities for investment in consumer-facing businesses where we believe we can add significant value beyond a direct financial investment, through our combined marketing and consumer distribution. Historically we have successfully incubated businesses such as seek, carsales, eBay Australia, Mathletics and more recently iSelect. In our portfolio today we retain an 18% interest in ASX-listed Yellow Brick Road and a stake in an online literacy startup, Literacy Planet. Over time we anticipate building out a portfolio of such opportunities in varying stages of their life cycle.

We will continue to focus on ensuring we deliver strong operating cash flow conversion and that our leverage remains conservative. This places us in a strong position to take advantage of any media sector deregulation or consolidation should opportunities arise. As the Chairman flagged earlier, any investments would be subject to strict strategic evaluation and financial hurdles.

In closing, and before I hand back to the Chairman, I'd like to make a few comments about current trading and our outlook.

In operational terms, we are very pleased with how our businesses are tracking in what has been a challenging start to the year. As we said at the time of our full year results announcement in late August, the advertising market for the first few months of FY15 has been difficult with the Metro Free-to-Air market ending down 5% for the September quarter. While the second quarter has been on an improving trend we expect the market will be in decline over the first half, and to see modest growth in half 2. Against this backdrop, we are confident we will deliver ratings and revenue share improvements and we will deliver on our full year television cost inflation guidance of plus 1 to 2% before the cost of the Cricket World Cup.

Taking these factors into account and based on what we can see today, we expect first half Net Profit after Tax of $85 - $90m.

Based on our free to air market growth assumption of 1 to 2% in the second half, we expect to post full year EBITDA at least in line with the $311m reported last year. In addition, the bottom line will benefit from approximately $25m of interest cost savings flowing through as a result of our new debt facilities. In overall terms, therefore, we expect to report growth in full year Net Profit after Tax of approximately 10%.

Our half and full year guidance excludes a one-off profit of approximately $5m on the sale of our HWW business which completed in the half.

Sydney, Australia
19 November 2014

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2014

# Annual General Meeting

## 19 November 2014

# Disclaimer

### 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, (19 November 2014). 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.

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### 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. 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 further information regarding NEC's FY14 Final Results, refer to the ASX release, dated 28 August 2014.

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

# Chairman's Address

**David Haslingden**

nine entertainment co.

2014

# Operational Review

## COO/CFO - Simon Kelly

# 2014 operational highlights

1. Result moderately ahead of Prospectus Pro Forma forecast
2. Revenue share and cost control drive improved TV result in a softening advertising market
3. Integration of Nine Adelaide and Perth on track
4. Record Live result with strong contributions from each of its principal business units
5. Digital transition and evolution continuing following 100% acquisition of Mi9
6. Operating free cash flow up $38m (Pro Forma basis) to $272m
7. Conservative Net Leverage of 1.7X
8. Debt refinancing completed - substantially lower costs and increased flexibility going forward
9. Maiden final dividend of 4.2 cents per share, unfranked

# Reconciling the result

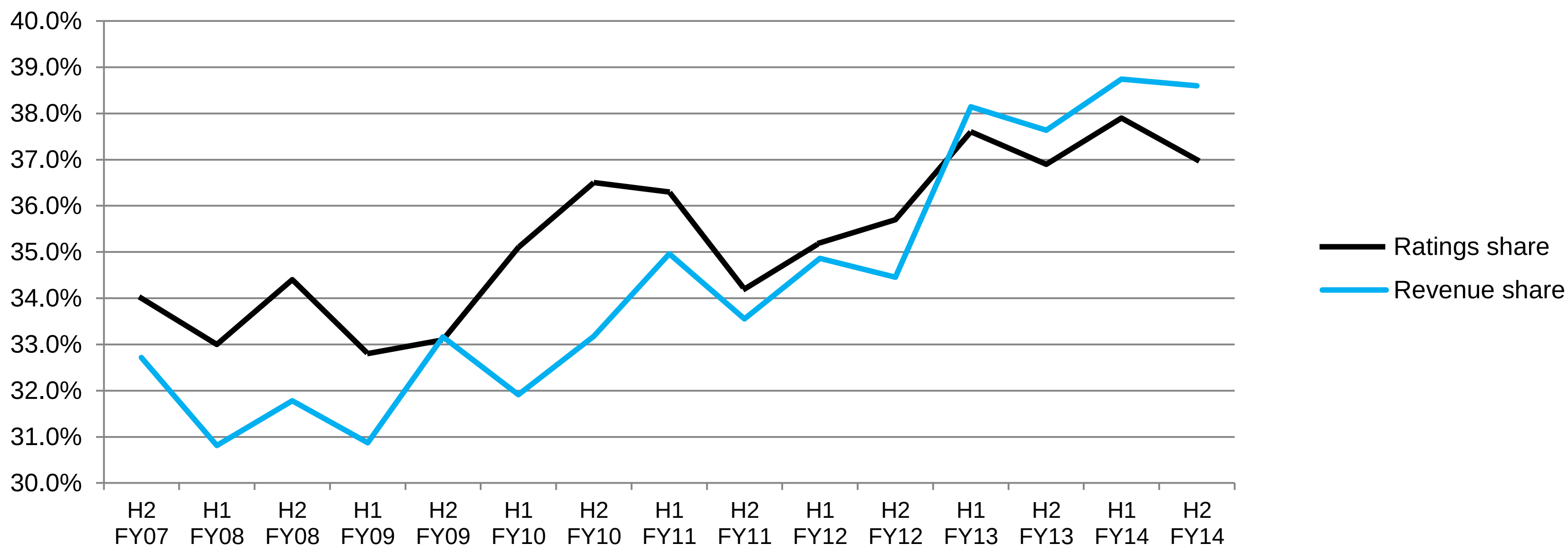
| $m | Actual FY14 |
|---|---|
| Reported NPAT | 57.9 |
| IPO related costs | 51.6 |
| Funding costs/debt restructure | 46.6 |
| Impact of acquisitions/divestments | (4.8) |
| Other | 12.3 |
| Tax effect of Pro Forma adjustments | (19.4) |
| Pro Forma NPAT | 144.2 |

# FY14 result - ahead of Prospectus


| | Pro Forma | | | | |
|---|---|---|---|---|---|
| | Actual | Prospectus Forecast | Variance | Actual | Variance |
| $m | FY14 | FY14 | % | FY13 | % |
| Revenue | 1,578.3 | 1,565.9 | +0.8 | 1,493.0 | +5.8 |
| Group EBITDA | 311.0 | 305.0 | +2.0 | 297.2 | +4.7 |
| NPAT | 144.2 | 139.5 | +3.4 | 136.7 | +5.5 |
| Operating Free Cash Flow | 271.9 | 232.6 | +16.9 | 234.1 | +16.2 |
| Operating Free Cash Flow Conversion | 87% | 76% | +11 pts | 79% | +8 pts |
| Earnings per share – cents | 16.4 | 15.9 | +3.2 | nm | nm |
| Dividend per share – cents | 4.2 | 4.1 | +2.5 | - | - |

# Nine Network – positive momentum

| Pro Forma $m | Actual FY14 | Prospectus Forecast FY14 | Variance | Actual FY13 | Variance |
|---|---|---|---|---|---|
| **Revenue** | **1,227.6** | **1,231.4** | **-0.3%** | **1,177.6** | **+4.3%** |
| **EBITDA** | **241.5** | **237.6** | **+1.6%** | **221.0** | **+9.3%** |
| **Margin** | **19.7%** | **19.3%** | **+0.4 pts** | **18.8%** | **+0.9 pts** |



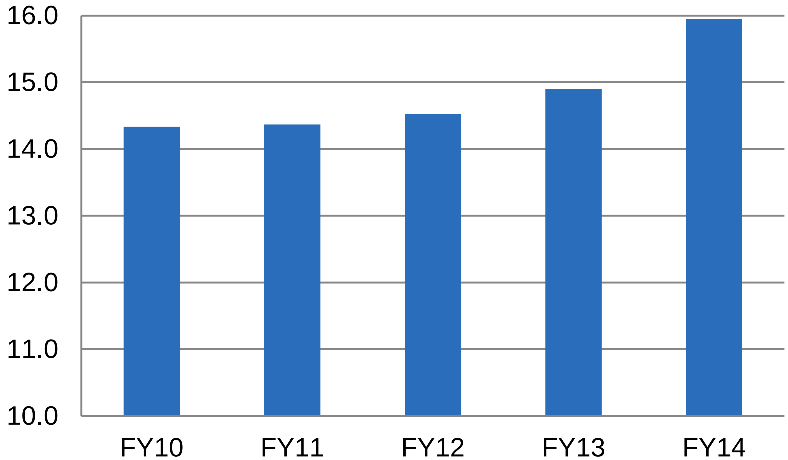

Source: Free TV data for revenue share; OzTAM data, Year to June, 6am-midnight, survey weeks, ex Olympics/Easter for ratings share

# Nine Live – all segments growing


| $m | Actual FY14 | Prospectus Forecast FY14 | Variance | Actual FY13 | Variance |
|---|---|---|---|---|---|
| **Revenue** | **228.0** | **211.8** | **+7.7%** | **167.4** | **+36.2%** |
| **EBITDA** | **68.0** | **67.1** | **+1.3%** | **57.3** | **+18.7%** |
| **Margin** | **29.9%** | **31.7%** | **- 1.8 pts** | **34.3%** | **-4.4 pts** |

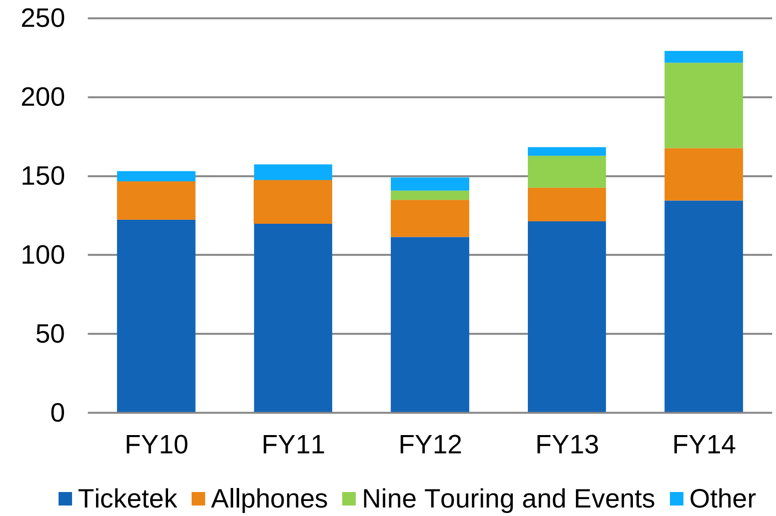
## Ticketek's ticket volumes

m




## Contribution to Nine Live Revenue

$m

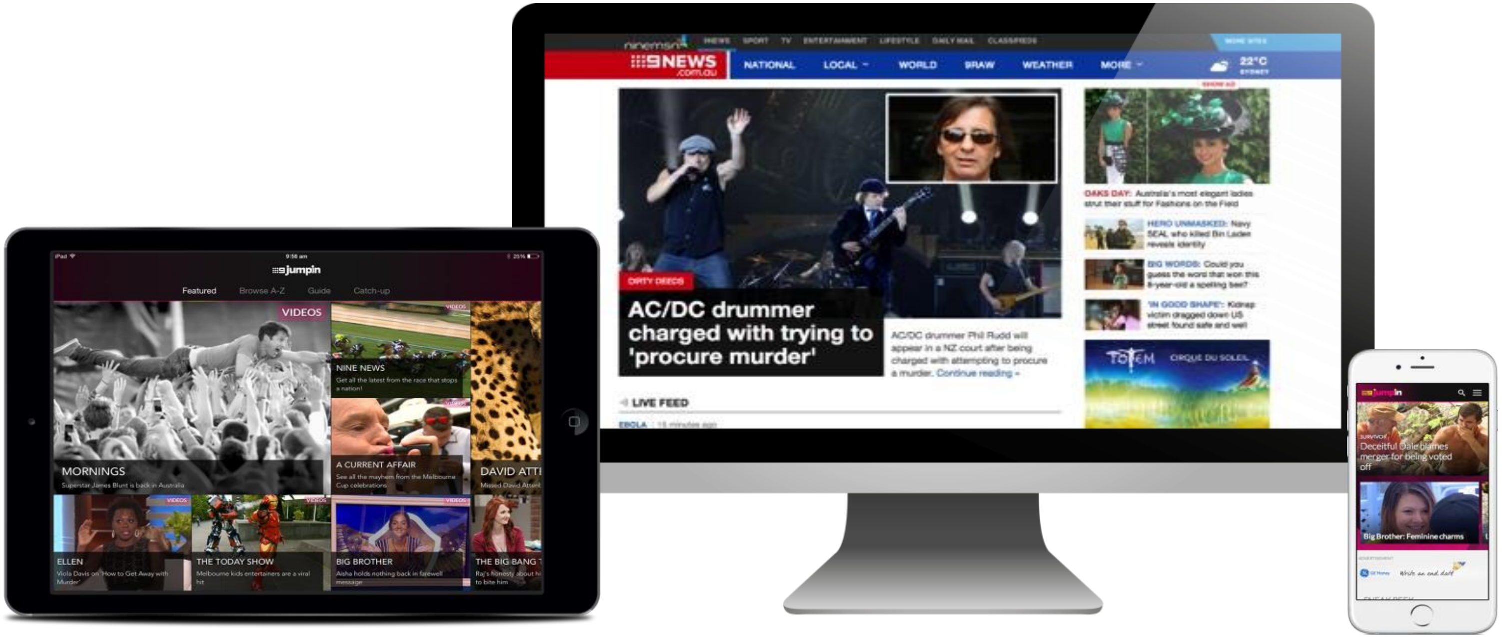




2014
nine entertainment co.

# Nine Digital – tracks to expectations

| $m | Underlying FY14 | Underlying FY13 | Underlying Variance | Pro Forma Actual FY14 |
|---|---|---|---|---|
| **Revenue** | **158.7** | **147.9** | **+7.3%** | **122.7** |
| **EBITDA** | **28.0** | **33.1** | **-15.4%** | **15.6** |
| **Margin** | **17.7%** | **22.4%** | **-4.7 pts** | **12.7%** |



## Positive cash flow and conservative debt profile


| Pro Forma | Actual FY14 | Prospectus Forecast FY14 | Variance | Actual FY13 |
|---|---|---|---|---|
| Operating Free Cash Flow, $m | 271.9 | 232.6 | +39.3 | 234.1 |
| Operating Free Cash Flow Conversion | 87% | 76% | +11 pts | 79% |

| Pro Forma, As at | Actual 30 Jun 2014 | Actual 30 Jun 2013 | Variance |
|---|---|---|---|
| Net Debt, $m | 537.3 | 601.7 | -64.4 |
| Net Leverage | 1.7X | 2.0X | -0.3X |

# Key initiatives


1. Targeting 40% revenue share in TV, with low underlying cost inflation
2. Pursuing further expansion opportunities at Nine Live, whilst growing underlying business
3. Integration of Digital, and identifying incremental revenue opportunities
4. Launch of Stan in JV with Fairfax later this financial year
5. Constantly assessing growth initiatives through Nine Ventures
6. Ongoing focus on cash flow and conservative leverage
7. Positioned to take advantage of any media sector deregulation and consolidation

# FY15 guidance

- Business tracking well in a challenged but improving FTA market
- First half Net Profit after Tax of $85 - $90m (vs $95m in H1 FY14)
- Full year outlook:
  - EBITDA at least equal to the $311m reported in FY14
  - Net Profit after Tax up c10% on FY14 driven by $25m of interest savings
  - Predicated on full year FTA cost growth of 1-2% (ex Cricket World Cup) and H2 FY15 FTA market growth of 1-2%
- Half and full year guidance excludes one-off profit of c$5m (after tax) from sale of HWW


MORNINGS
WE THINK POPULAR.
WIDE WORLD OF SPORTS
FEEL THE PASSION
Love Child
ABSINTHE
GALLIPOLI
2015
FOOTY SHOW
Primary ETHICS
Daily Mail Australia
MARRIED
AT FIRST SIGHT
Women's Weekly
BIG BROTHER
Kim Kardashian
ZOO
THE BLOCK
TICKETEK
STATE OF ORIGIN
NEW SEASON
HOUSEHUSBANDS
TO CATCH A SMUGGLER
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