

Q3 TRADING UPDATE

5 April 2016: Nine Entertainment Co. (ASX:NEC) has today provided an update to the market on current trading conditions.

The advertising market in the March quarter remained subdued. Nine's ratings during the period were softer than anticipated, which has impacted FTA revenue share. In particular, Nine's Summer of Cricket was adversely impacted both by the weather and the standard of the competition, with c30% of scheduled play days lost.

For the quarter, Nine's Television revenues were down c11%, against Q3 FY15. This was also impacted by the earlier timing of Easter this year and the absence of the Cricket World Cup event.

The Free-To-Air advertising market is now expected to record a low single digit decline for FY16, versus our previous guidance of 'flat to down marginally'. Reflecting the disappointing ratings start to 2016, Nine's share is now expected to be c37% for the year.

Given the revenue environment, the Company continues to focus on all cost lines, with reported TV costs expected to be at least 4% lower across the year, notwithstanding higher-than-expected legal expenses incurred during H2.

The trends experienced in Digital in the first half, have continued in the second half.

The Company's full year results will be released on August 25 2016.

Further information:

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