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| **Company:** | Nine Entertainment Company Holdings Ltd (NEC) |
| **Title:** | Annual General Meeting |
| **Date:** | 10 November 2022 |
| **Time:** | 10:00 am AEDT |

**Start of Transcript**

Peter Costello: Good morning, ladies and gentlemen. As your Chairman, it is my pleasure to welcome you to the 2022 Annual General Meeting of Nine Entertainment Company. My name is Peter Costello.

I’d like start off today by acknowledging the traditional custodians of Country throughout Australia and their connections to land, sea and community. We pay our respects to their Elders past, present and emerging and extend that respect to all First Nations Peoples here today. For myself, I am on the land of the Cammeraygal people of the Eora Nation.

This meeting is being held as a hybrid meeting. We have some shareholders here with us in person and others participating virtually. You will be able to watch the meeting in real time, submit questions online and vote on the resolutions at the meeting today online. If we encounter significant technical problems during the meeting, we may adjourn the meeting until 3:00 pm this afternoon to ensure all shareholders have an opportunity to participate and will notify the ASX if that happens.

Before opening the meeting, I refer you to the disclaimer here on the screen and available through our ASX lodgement. It is now shortly after 10:00 am and I am advised that this is a properly constituted meeting as a quorum of at least two shareholders for a general meeting is present in person or by proxy. I declare the 2022 Annual General Meeting open.

I propose to take the Notice of Meeting as read. The Notice of Meeting and a Virtual Meeting Guide were provided to shareholders in advance of this meeting and are also available on the Company website and the ASX announcements platform.

Before we start, I will deal with some mechanics for the meeting. For people participating online, at the top of the screen you will see the meeting presenter and the presentation slides. At the bottom of the screen there are three boxes, these allow you to get a voting card, ask a question and download documents such as the Notice of Meeting.

If you have a question that you would like to ask today, there are a number of ways to do so. All shareholders, proxy holders and authorised corporate representatives in the room who are entitled to vote and ask questions have been issued with yellow voting cards. If there is anyone in the room who is entitled to vote and who does not have a yellow voting card, would you please see one of the Link Market Services staff at the registration table at the entrance door out there.

Non-voting shareholders have been issued with a blue card. If you hold a blue card, you are not entitled to vote but you may make comments and ask questions. Red cards indicate that the person is a visitor. Visitors and media are reminded that whilst we welcome you to join this meeting, this is a shareholder meeting, and you are not permitted to make comments or ask questions.

If shareholders wish to make comments or ask questions, they should raise their blue or yellow admission card. When I call you, could you please state your name, or if you are acting as a proxy, who you are appointed to represent prior to making a comment or asking a question, and please confine your comments and questions to the relevant item.

For online participants, you can type the question into the online platform. To do this, click Ask a Question and follow the prompts. There is a limit of 512 characters for written questions. Questions that are relevant to the business of this meeting will be read aloud to me by the Company Secretary when we are at that item of business. We may aggregate questions if we receive multiple questions on the same topic.

All voting will be by poll, and I declare the poll now open. You can lodge your vote at any time during the meeting. If you did not cast your vote prior to the meeting, you may cast a live vote at any time now using the online platform or, for people in the room, by completing your voting card and giving it to Link, the returning officer for this meeting. Link will collect voting cards in the room after discussion on all agenda items. Voting on the online platform will close five minutes after the close of the meeting. I will remind you of this at the end of the meeting. You cannot cast a vote over the phone.

If you experience any difficulties using the online platform, a helpline number is displayed at the top of the page. Please ring 1800 990 363.

Now, let me introduce you to the people who are with me this morning. We have Catherine West, Independent Non-Executive Director, the Chair of our People and Remuneration Committee and a member of the Audit and Risk Committee. Mr Andrew Lancaster, Non-Executive Director. Sam Lewis, Independent Non-Executive Director, Chair of the Audit and Risk Committee and a member of the People and Remuneration Committee. Mickie Rosen, Independent Non-Executive Director. Mike Sneesby our Chief Executive Officer who will address the meeting a little later; and Rachel Launders our General Council and Company Secretary.

A number of our Company executives are also present including our Chief Financial Officer, Maria Phillips, Michael Stephenson our Chief Sales Officer and Matt Stanton our new Chief Strategy Officer. Chris George and Simon Hannigan from Ernst & Young, the Company’s auditor, are also available to answer questions regarding the audit at the appropriate time.

I come now to the Chairman’s address.

Financial year 2022 was a very successful year for Nine. The quality of our content delivered through the unique combination of our platform assets led to strong audiences, revenue and profitability. Across the year and across all of our businesses, Nine built on its positive momentum and reported noticeable progress against the Company’s objectives. In particular, we continue to build a digital future.

Nine reported strong profit growth for the financial year with Group earnings before interest, tax, depreciation and amortisation, before specific items, up 24% and net profit after tax and minorities up 34% on the previous financial year.

There was a recovery in our traditional advertising markets, and digital earnings grew very strongly growing by 43% and now accounting for more than half of Group EBITDA. Subscription now contributes 32% of revenues. Across the financial year, Nine announced dividends of $0.14 per share up 33% on last year and consistent with our stated policy of a 60% to 80% payout.

In the light of this strong result, and the Board’s ongoing focus on capital management, in August Nine announced its intention to conduct an on-market share buy-back of up to 10% of issued capital. To date, Nine has purchased just over 10 million shares on the market. This initiative reflects the Company’s strong performance and balance sheet and leaves us with the capacity to maintain a dividend payout ratio of 60% to 80% through the cycle as well as invest in further strategic growth opportunities, both organic and inorganic.

Content is the key to Nine’s business. Across the year, Nine’s Total Television business, that’s both free to air and BPOD, talk radio stations and metro mastheads attracted the leading audiences in their respective target markets. This success reflects our deep understanding of our audiences and what they want as well as our recognition of the changes in the way this content is being consumed.

The advertising market was consistently strong across the year and remained remarkably resilient against the backdrop of global conflict and local economic challenges. Underpinned by our content performance, Nine held or gained underlying revenue share in these buoyant market conditions.

Across the year, Nine also remained focussed on its long term objectives of growing the Nine business and reweighting it towards its digital future. The growth in Nine Now and the initiation of significant revenue from the digital platform’s a testament to the success of this focus.

In addition, we have extended Stan’s investment in live streaming, successfully differentiating our subscription video on demand platform from the plethora of other international services. We have built - we have the benefit of a strong balance sheet and cashflow which during the year enabled us to continue investment in the future of our business.

In addition, we decided to support Domain’s acquisition of Realbase, which we believe adds a crucial element to the Group’s marketplaces strategy.

As a Group we are committed to ensuring trusted journalism remains available for all Australians through our investment in news and current affairs across all of our platforms, and during 2022, this commitment was tested. In May the New South Wales Supreme Court issued an extraordinary order requiring Nine to hand over copies of an upcoming television program and newspaper investigation to an interested party before the content had been published or even completed. The decision was overturned on appeal, but developments like this could severely hamper investigative journalism by allowing an aggrieved person the opportunity to edit stories or at least delay publication of significant stories.

Nine’s team of journalists across all our key platforms have successfully brought many stories of public interest to the fore over the past few years, and we are committed to continuing to do so in the future. We believe society generally benefits from free speech, which should be subject to few, clear and circumscribed exceptions.

We are hopeful that the most significant disruptions due to COVID, now behind us, our employees have proven committed and resilient through this period, and we are pleased that the operating environment is now finding its new normal.

These past few years have given us the opportunity to challenge previous paradigms and ensure we are the employer of choice in the media sector. One of the ways we did this was to recognise our employees with a one-off recognition bonus of $1,750 at the close of the financial year.

This year we completed our initial Materiality Assessment and Environmental, Social and Governance Policy. Sustainability is an overarching concept, the focus of which will differ in different companies, but it is designed to make sure that short term business practices are consistent with long term Company aspirations. We are committed to continuing improvement in this area.

Ensuring the safety of our employees is a challenging but vital part of our business. Our journalists and staff come under enormous pressure as they gather and bring to publication stories on tight deadlines and sometimes on hostile subjects. We are extremely aware that this is a demanding task which has a large impact on them and also on our ability to maintain important news gathering services. We are constantly assessing and mitigating these risks and the Board has an active participation in these discussions.

In addition, our people often work in complex political environments that adds to the pressure. This year a number of our staff, and some of our directors, including me and the CEO, were banned by the Russian Ministry of Foreign Affairs for a Russia phobic agenda. I can assure you, there is no such agenda, just a commitment to report facts as accurately as possible.

During the year we renewed key agreements with the NRL as well as content providers Sony and Starz Lionsgate. Nine’s success is built around strong partnerships with long production - with local production houses, international content suppliers, sporting bodies as well as our audiences and advertisers; and of course, our shareholders.

The last financial year marked the first full year for Mike Sneesby in the role of CEO. Mike has brought an increased focus on the growth engines of the Company and developing its digital future, with the insights that he gained in his previous role as CEO of Stan. I would like to thank Mike and his leadership team on behalf of our Board and all shareholders, for ensuring the ease of his transition and the continued momentum of the business.

The Board itself has worked co-operatively and given me great support. Prior to this meeting, Nick Falloon advised his intention to retire from the Board of Nine. Nick has been a valuable member of our Board since the merger with Fairfax in 2018, and of the Fairfax Board before that. I would like to thank Nick for his commitment to Nine and also Domain, where he will remain Chairman.

As a result, we will be looking to appoint an additional director to the Nine Board over the next 12 months after completing both a thorough review of current director skills and a subsequent search to identify the most suitable candidate.

We are excited about our business. We believe we have the pre-eminent suite of media assets in Australia. All of our businesses have strong market positions as well as opportunities to grow. Through these past two years, we expedited the expansion of our business into digital platforms. We further enhanced our competitive position. Nine will be instrumental in moulding and determining the future of Australia’s media.

I thank you for your time, and I will now invite Mike Sneesby, our CEO, to say a few words.

Mike Sneesby: Thank you Peter and good morning, everyone. It is great to have everyone back in person this year in the studio here at Nine.

2022 has been a record year for Nine. Record revenue, EBITDA, earnings per share and dividends. For the year to June, Nine reported Group revenues of $2.7 billion up 15% on the prior calendar period and Group EBITDA before specific items of $701 million, up 24% on FY21.

Group net profit after tax and pre-specific items, was $349 million for the year, which was up 34% on financial year 2021 and more than double the result of financial year 2020.

As a result, our cashflows and balance sheet are strong, with leverage at June 30 of just 0.3x. This, coupled with our confidence in outlook for our business, underpinned the decision to announce an on-market buy-back of up to 10% of issued capital, which we commenced in mid-September and have consistently executed since then. We have recently paid a final dividend of $0.07 for a total FY22 dividend of $0.14 per share.

Behind that record results were some standout highlights. Record profit for Total Television, notwithstanding key events on other networks, a massive 53% growth in publishing as the business rebases to a higher level, continued recovery in radio with clear share gains in a stronger market, and a stronger underlying profit performance at Stan, whilst making significant investments in growth through sport and originals, and 38% growth in ongoing EBITDA at Domain.

I would like to thank and congratulate the team at Nine on this exceptional result. They have focussed on the priorities that driver revenue and growth opportunities across the business whilst remaining disciplined on cost management.

All of the key divisions contributed to the EBITDA results of $701 million. Nine reported broadcasting EBITDA of $401 million, up 21%. This includes Nine’s Total Television business, as well as Nine radio. Total Television revenue growth of 10% to $1.3 billion reflected strong growth in both Nine’s free to air and BPOD revenues with digital revenues accounting for around 13% of the total. EBITDA of $386 million was up 19% on the prior fiscal year.

The metro free to air market bounced back strongly across the year resulting in total market revenue growth of 12% for the year, inclusive of the positive impacts of the Summer Olympics in the first half and the federal election in the second half of the financial year. Nine’s free to air revenues were more than $1.1 billion representing growth of 7% on the prior calendar period, and a share of more than 40% in the second half.

These results reflected Nine’s strong ratings performance, particularly main channel prime time where, excluding the Olympics, Nine maintained its lead in its targeted 25s to 54s demographics, 4.1 points ahead of the second placed channel. Free to air costs were 5% higher with more than half of this increase relating to the normalisation of some COVID related cost relief in fiscal 2021.

Overall, EBITDA from Nine’s broadcast television business totalled $285 million, up 14%. Nine’s live streaming and catch-up business, Nine Now, had an exceptional year, growing its revenues by 41% and EBITDA by 37% to $101 million. Nine Now recorded growth in all key metrics and remains central to the future and growth of our Total Television business.

Nine Radio continued to outperform the market as they focus on sales strategy and execution, capitalising on their strong audience results and the benefits of being part of the Nine Group. Nine’s radio audiences grew by 10% across the year resulting in 14% growth in advertising revenues, well ahead of market growth, and resulting in EBITDA growth of more than 80%.

Momentum remains positive at Stan with subscriber growth across both entertainment and sports. EBITDA of $29 million reflected a period of strategic investment, both in originals to diversify Stan’s content sources and build a long term library asset, and in live content, primarily sport, as a key differentiator to other entertainment based streaming platforms in Australia.

Nine’s publishing business recorded 53% growth in EBITDA to $180 million in fiscal 2022. Our combined publishing business now derives more than 60% of its revenue from digital sources, and more than 37% from subscriptions and licensing, both key to the longer term growth of the business.

Digital subscription and licensing revenue grew by 66% to more than $170 million across the year with digital subscriber numbers growing across each of The Herald, The Age, and The Australian Financial Review, augmented by the first payments from the digital platforms. Nine also recorded strong growth in advertising revenue across both digital and print.

In financial year 2022, Domain reported 38% growth in ongoing EBITDA, a result which reflected the Group’s success in driving its marketplaces strategy as well as the ongoing strength in the property market. The 24% growth in digital revenues was underpinned by residential, with 9% growth in national listings volumes coupled with a 14% increase in controllable yield. During the year, we supported Domain’s investment in Realbase, after which, Nine Now holds a stake of just over 60% in Domain.

Be it news, sports, or entertainment, Nine’s focus is on creating amazing content. We are the only media company in Australia to have distribution capability across broadcast TV, radio, streaming, publishing and consumer marketplaces, with established brands that Australians trust.

We continue to focus on digital growth opportunities. Across the year, we reported strong growth in revenue and EBITDA from our digital businesses. Nine Now and Stan, as well as digital components of publishing and Domain. Digital revenue increased by almost 30% to more than $1.1 billion, while EBITDA grew by 43% and accounted for more than half of the total Group EBITDA. This focus on digital growth is key to Nine’s longer term strategy to use Nine’s leading content to deliver increasingly diverse revenue streams from both consumer subscriptions and advertising across all available distribution platforms.

Nine’s Total Television business is perhaps the best example of this and represents a great opportunity for Nine. Key to Nine’s Total Television proposition is the performance of our content, which continues to lead the market in our targeted 25 to 54 demographic. Nine Now is fast becoming Australia’s preferred way to consume live television. Smart TVs are now almost ubiquitous across Australian households, and the option of live streaming our programming is seamless. Same TV, same content, but now a better than broadcast experience in terms of quality and a markedly enhanced advertising proposition.

In terms of audience, I’ll share a couple of data points. For the NRL grand final in September, more than 14% of total TV audiences live streamed the game through their Nine Now app. That’s up from 10% in 2021.

The latest season of The Block finished on Sunday night after 14 weeks, with almost 2.6 million Australians watching the contestants take away almost $2 million in prize money. In the all-important 25s to 54s demographic, The Block attracted a phenomenal 1.1 million Australians, more than double the audiences of the commercial networks combined. For the 2022 season of The Block, year-on-year average audiences across Australia were also up around 3%. Whilst free to air audiences were broadly flat, it was streaming through Nine Now that drove this year-on-year audience growth. Across the season, average audiences on Nine Now grew by 26% with Nine Now accounting for 16% of total people watching the show.

With the recent upgrades to technology, Nine Now is delivering on its better than broadcast promise, better picture quality, superior navigation and user friendly functions including the newly introduced start-over function, enabling a viewer to tune into the start of any live show regardless of the time.

The Total TV proposition offers a unique advertising opportunity with both mass market and targeted advertising propositions. The latter augmented by Nine’s pool of more than 21 million registered and de-duplicated users. The thing that makes Nine’s television business truly unique is the continued success and scale of Stan, our established subscription video on demand service, with around 2.5 million active subscribers and a reach of over 7 million subscriber accounts consistent and profitable.

Across all of our television platforms, there is a home for every genre of content and the ability to work together to maximise the impact of that content. Free television has historically been the natural home for news, sport and reality, while streaming has been filled with scripted content primarily sourced from big studios. That paradigm is evolving. Over the past couple of years Stan has been focussed on differentiating its content proposition and reducing its reliance on third party content with the successful expansion of originals and the extension into live events, most notably sport, two key pillars of this strategy.

The Stan original slate has proven to perform strongly compared with licensed content through studio output deals, with Stans original programming accounting for six of the top 10 most viewed feature films and four of the top 10 most viewed feature films over the past 24 months, whilst also building a long term content asset. Every Stan original scripted series made to date has been distributed in international markets as a result of either co-production arrangements or distribution partnerships.

Stan sport has also brought incremental subscribers to Stan, representing a committed and higher value audience, on average generating 4% higher entertainment ARPU than an entertainment only subscriber. It has also enhanced our Company-wide relationship with the sporting bodies, and many of Stan’s key sports are already positive contributors to the profitability in their own right.

This is the future of our business, taking our premium content into the digital world, ensuring we can capture audiences and advertisers alike across all available distribution platforms, and we are well progressed with significant potential ahead, across all of our businesses, television, radio, publishing and marketplaces.

During the year, we invited all of our people to join a conversation about Nine’s purpose and values. The timing of this was especially pertinent, coming off a couple of years where COVID interrupted the way our people traditionally operate. It was inspiring to witness firsthand the engagement and clear passion demonstrated across all parts of our business, right across the country, as our team brought Nine’s purpose and values to life.

The expression of purpose is a powerful statement and contains some aspirational goals. We shape culture by sparking conversations, challenging perspectives and entertaining our communities. We bring people together by celebrating the big occasions and connecting the everyday moments. Australia belongs here.

Being clear and aligned on the purpose and the values of our organisation that unite us provides a framework for a high-performance culture at Nine, crucial to our long-term success.

Moving now to current trading. Across Nine's wholly owned operations, operating performance for the first half is expected to be broadly in line with previous guidance and Company expectations. Across all of our advertising-driven businesses, Total Television, publishing and radio, Nine believes it has gained share in the first half and that in FY23 we expect Nine's advertising revenues to outperform the markets in which we operate.

The Nine Network and primary Channel Nine will once again win the ratings in all of our targeted demographics, 25-54s, 16-39s, and grocery buyers with children for 2022. Reflecting the strong ratings performance, Nine's Total TV revenues finished Q1 up around 9% on Q1 of FY22, driven by growth in both Nine Network and Nine Now.

In the December quarter, Nine is expecting Total TV revenue growth in the low single digits underpinned by ongoing growth at Nine Now. Nine continues to expect Total Television cost growth in FY23 to be similar to FY22, around 7%, with an increased weighting to the first half due to one-off events like the World Cup cricket, the coverage of the Queen's funeral, as well as the adaption of the US Open and timing related to the broadcast of *Ninja Warrior* in 2022.

Nine's radio ratings and audiences have been strong with our Talk network achieving its best ever results in recent surveys. In quarter 1, ad revenue growth totalled around 18%. We expect the radio ad market to grow in the mid-single digits on a percentage basis in the first half, with Nine expected to record some clear share gains.

Double-digit revenue growth in quarter 1 at Stan primarily reflects increased ARPU, including the entertainment price increase implemented through August and September. Nine continues to expect to report revenues and EBITDA growth in Stan in FY23 over FY22, with more balanced phasing in EBITDA than in FY22.

In Nine Publishing in the September quarter, subscription revenues grew in the mid-single digits with double-digit growth in digital offsetting print. Total advertising revenue across digital and print also recorded double-digit growth. Nine is currently expecting publishing revenue growth in Q2 to be slower, reflecting the broadly uncertain economic conditions. Higher wage, paper and distribution costs including fuel will impact on both half 1 and FY23 overall.

As Domain disclosed at its AGM yesterday, in the September quarter digital revenue grew by around 24% year-on-year. However, the flow-through effect of the recent interest rate hikes on the housing market is clearly impacting on the spring selling season with current market conditions trending well below expectations, particularly in the inner metro areas. Reflecting these more challenging market conditions, Domain is currently reviewing its previous cost guidance.

As a result of the impact of the softening housing market on Domain, Nine's first half EBITDA before specific items is now expected to be around the low end of the guidance cited in August, $380 million to $400 million. At this stage, Nine believes it is too early to give guidance for the FY23 result.

Nine remains confident that the diversification and balance of its earnings profile across growth, subscription, and advertising-based businesses will ensure ongoing strong profit and margin performance with almost half of Nine's revenues coming from outside of the traditional advertising cycle.

I would like to thank the entire team at Nine for their commitment, insights, and tireless application this year. I would also like to thank the Chairman and the Board for their guidance and support. I will now hand you back to Peter.

Peter Costello: Thank you very much, Mike. I will now turn to the formal business of today's meeting at which time Mike, the other Directors and I as appropriate will be available to respond to questions. Can I remind you that only shareholders and proxyholders holding blue or yellow voting cards, or logged into the online platform, are entitled to ask questions. Where undirected proxies have been given to me as the Chairman of the meeting, I will vote in favour of the resolution to the extent permitted.

During the meeting we will display on the presentation slides the number of direct and proxy votes received prior to the meeting on each resolution. A voting exclusion is in place for Resolution 1 relating to the Remuneration Report, and Resolution 4 relating to the grant of performance rights to Mr Sneesby. Any vote in favour of the resolutions by or on behalf of a restricted voter has been and will be excluded.

The first item of business in the Notice of Meeting is to receive and consider the Financial Report of the Company for the year ended 30 June 2022, together with the Directors Report and the Auditors Report as set out in the Annual Report. Please note, there is no voting applicable to this item of business. Mr George and Mr Hannagan from Ernst & Young are with us today and questions relevant to the conduct of the audit, the preparation and content of the Independent Audit Report, the accounting policies adopted by the Company, and their independence in relation to the conduct of the audit may be directed to them through me.

Mr Sneesby has already spoken about the FY22 results so I will now open the floor for questions and discussion in relation to the Financial Report, the Directors Report, or the Auditors Report. I will take questions from the floor first. Yes, sir.

Unidentified Male 1: (Shareholder) Thank you, Mr Chairman. I would like to congratulate you and the management for the great results. Under your management we become the most powerful network in Australia, so I can't understand why our share price so lagging, [I will call it].

Peter Costello: It's a good question. We had a very strong financial year ending 30 June, and we paid a record dividend. I think that our share price has been affected, like most of the rest of the market, with the emergence of higher inflation and higher interest rates. Asset prices have come down and our share prices have come down significantly with that. Secondly, there are some people who think that Australia may be going into leaner times, recession.

Some people talk about recession and they're looking at forward earnings and they're thinking that consumer stocks like ours, I think we'd be mainly seen as an informational consumer stock, might be affected by that, and so they're looking forward. I would say to you that these are mainly macroeconomic factors rather than anything specific to Nine. We acknowledge that the economic condition is going to be harder in the next year than it was in the last year, so we're just working even harder to make sure that we keep those dividends flowing. Yes.

Unidentified Male 1: (Shareholder) Thank you, Mr Chairman. Mr Chairman, I am looking at page 116 in regards to amortisation and impairments. That's impressive that there hasn't been an increased and it just remained constant whereas our revenues have increased. Can you make a comment in regards to that? Also, we've recorded the impairment losses of Nine Radio of $61 million. What's the cost of maintaining those assets?

Peter Costello: With the impairment, each year you have to look at how much you're carrying the value of an asset on your balance sheet. We essentially do a DCF model looking forward to see whether or not that value is right, and we make sure that we adjust it as a result.

In relation to radio, radio has been down a little bit through the COVID period, we think mainly because a lot of radio advertising is local advertising. National advertising was stronger than local advertising, and so that affected the cash flows and the revenues in radio and that has to be taken into account in the impairment model.

On the amortisation, I don't know that I can say anything more specific other than to take your congratulations and say we work hard to keep costs down and get revenues up. Thank you.

Chris: (Shareholder) Thank you, Mr Chairman. I'll declare a couple of interests. So that it's clear, I'm a former Labor Member of Parliament as you know, Peter, we were in the Parliament for part of the time together. I was in the other chamber compared with you, so people understand I'm a Labor Party supporter for 50-odd years.

Secondly, I've been a member of the Australian Journalists Association and the MEAA, the union that covers our industry for 52 years. That's another conflict of interest. Finally, I am a registered lobbyist, never been employed and never sought to be anywhere in this industry of media, et cetera, but I am a registered lobbyist.

The question I want to raise is a personal one. The publicity earlier this year about the statement by Mr Packer that he paid you something like $300,000 way back in the early part when it was Fairfax, not Nine, et cetera, and he stuck to what he said. I notice the Company put out that there was no lobbying or whatever. Irrespective of any argument about that, I just have to say, Mr Chairman, I do not think that in this particular Company which covers reporting on all businesses in our business pages and has standing, and you might say people accept what we print in the *Fin Review*, the business pages of *The Age* and *The Sydney Morning Herald*, we have standing and quality, right?

I think it's therefore important that the Chairman of the Company and other Directors at the very least declare beforehand, or appropriately, that they have these other employment or receiving remuneration. I think for the future I would urge you very strongly not to do whatever the payment is, and Mr Packer can claim what he wants, you can put your view that he's wrong, or maybe you might take a legal action against him, et cetera, but I'm not automatically saying lawyers should get in on the act.

But I do think it's important for the standing of the Company that our special - which you have mentioned, you and the CEO - has real standing in the community of what we deliver. You mentioned a lot of controversial issues have been published, TV, radio, the newspapers, which all sides of politics have felt bruised about, or in the broader community. I want that to continue because that actually gives quality and standing to the Company. I want that as a shareholder.

Peter Costello: That's a fair point. Can I just respond to those...

Chris: (Shareholder) Certainly, although I've got a couple of other little points.

Peter Costello: Okay. Well, I'll just respond to that, and I would just make this point, that I have been - and this is disclosed in my biography - involved in mergers and acquisitions in the private sector and in fact, as I disclosed publicly, was an advisor to CPH, the private company, in 2011.

Now, bear this in mind, I didn't come on the Nine Board until 2013, and that was over. I was not an advisor, there was nothing to declare at that point, and I became Chairman in 2016. I can assure you of this, [Chris], that I am thoroughly independent, and you saw the evidence of that in relation to the exposé in relation to Crown Casino. That might be what's motivating this whole thing.

Chris: (Shareholder) I'm not defending Mr Packer. He can take his own bruises, that's his problem.

Peter Costello: All right. Go to your other issues then.

Chris: (Shareholder) Yes. Thank you for that. The question here about the share price, I've just looked back over the phone; the capitalisation of our Company is about $2.5 billion. Our main competitor, News Limited, is about...

Peter Costello: I'd say $3.5 billion.

Chris: (Shareholder) Oh, $3.5 billion, sorry. $13 billion around is News Limited, et cetera. They've just been in a survey, [said] the least trusted news organisation according to the Morgan Poll. I don't know where we rated by clearly above that, et cetera. The capitalization long term at around this level I think means that the Company is always vulnerable to people to make a move against us to private equity firms, et cetera. The only way to stop that, get the share price up, the capitalisation, the value of the Company.

I think there's something a bit odd in the market that with what you've been outlining in the last 12, 18 months despite COVID, the valuation of the share price should have gone up much more than it has. It's actually gone down a little bit. My main concern is that this valuation, this Company is somewhat vulnerable despite all its potential and that. I don't ask you to say other than yes, you would probably agree you would like to see it a higher value as the capitalisation level.

Peter Costello: Well, that's a good question because you give the question and the answer. I agree with your answer. The only other thing I would point out is that we are doing a capital - a share buyback.

Chris: (Shareholder) Yes. Well, I was going to come to that in a moment.

Peter Costello: Okay. All right, you come to that.

Chris: (Shareholder) On the share buyback, I am by and large not overly enthusiastic as the more I've looked at share buybacks. The simplest way to improve the value of the shares going up is to reduce the number of shares, not automatically on the performance in the broader marketplace. It's very simple: okay, we'll have a buyback, the share price must go up, there's less shares.

One of the questions I was going to say about the buyback, in the Remuneration Report we should exclude the share options and the remuneration to senior executives that the share price has gone up and exclude what the buyback has done, because that's a very easy way to improve the value of the share which then the - irrespective of what else we're doing. That's a matter for the Company.

The longer I've seen buybacks, it's always a simple thing to do to get the share price up because you reduce the number of shares. I don't think it automatically should be the main thing we do to get the share price up. I have one other question in this area, is about circulation, which is a South Australian angle which I [unclear].

Peter Costello: All right. Can we come to that in general business, the circulation one?

Chris: (Shareholder) Yes, okay.

Peter Costello: I'll answer the share bit. It's not necessarily the case that buying shares always pushes you up because you've got to bear this in mind, that the Company has to expend money to buy the share, and that either comes out of capital reserves or it gets added to debt.

Chris: (Shareholder) Or dividend.

Peter Costello: Or it could come out of dividend. I don't think we would say we're buying shares at all to get the price up. What we think is that we have very low gearing levels. We have looked at the landscape; we do not see a better alternative at the moment than to invest in our own shareholders. We think this is a good use of capital. That's why we're buying the share - that's why the share buyback is occurring. It's not to move prices. I agree with you, I think that's very short-term thinking. It's because we think this is the best use of our capital at the moment. Our gearing ratios are so low that we can afford to raise them and we're taking a moderate investment in our own Company.

Chris: (Shareholder)The question I should have asked is about is there any evidence because the valuation is lower than we would like, of short selling against us in the marketplace, and is that monitored? People lend, borrow shares and then force the price down so that they make a profit at the expense of the valuation of the company. Is there any evidence...

Peter Costello: Oh, there would be short selling in our stock, unquestionably.

Chris: (Shareholder) But do we monitor that and work out...

Peter Costello: Yes. Yes, we do. To the extent you can, yes, we do. There would be. There's short selling in every stock on the ASX, and that's quite legal and we monitor it is the answer to your question.

Chris: (Shareholder) There's nothing there happening at the moment that the Board has received information?

Peter Costello: Nothing that we would regard as particularly worrying, no.

Chris: (Shareholder) Okay. Thank you.

Peter Costello: No, it's always there. Yes.

Don Adams: (Shareholder) Thank you, Mr Chairman. I was wondering when I'd get a chance.

Peter Costello: Okay. He's finished until general business.

Don Adams: (Shareholder) I'm Don Adams. I'm representing the Australian Shareholders Association and I'm carrying proxies today for 58 retail shareholders, which was an increase for us, at Nine. I wanted to ask you about gambling advertising. What steps is Nine taking to perhaps control gambling advertising, particularly on programming across all media, but particularly on programming which may be particularly attractive to children such as sport?

Peter Costello: I might ask Mike to come in here, but there's regulation on the times that you can show gambling and we adhere to that regulation.

Mike Sneesby: Yes. Look, I think it's obviously become a subject that has garnered more media attention recently given the activities in the market, but I think suffice to say the government does regulate the kinds of advertising that we can put onto our networks or onto our platforms. Nine engages proactively with the government and with the industries that are impacted by that in the formulation of those regulations. It's not up to Nine specifically to drive the outcome but certainly we engage positively to look for solutions that have the right impact socially.

Peter Costello: Okay. You can have one supplementary and then one to this gentleman again, and then we might have to go online.

Unidentified Male 2: Okay, sure.

Don Adams: (Shareholder) Okay, this is just a quick one about Stan Sport. You mentioned Stan is livestreaming. Is that pretty much restricted to Stan Sport or is there a lot of livestreaming elsewhere on Stan that I haven't found? Mike I think said that Stan Sport was showing positive contribution to EBITDA in some parts. How is Stan Sport doing overall?

Mike Sneesby: So, the first question, let me answer the positive contribution and clarification for you there. We look at each sport that we acquire, the cost of those sports rights against the revenue that it generates from the subscribers that are attributed. That comment refers to the fact that some of the sports that we've acquired are already delivering a positive contribution where the subscription revenue is greater than the cost of the licensing and production of those sports. Usually, it takes time and investment to make your money back and we've already had very positive outcomes in terms of the sports that we've acquired. All of them are performing at or better than the expectation when we acquired those sports and we put our business plans together.

Your other comment in relation to livestreaming, it is primarily sport and the comments about other livestreaming does point to the fact that we will look for other opportunities for livestreaming outside of the sports base and potentially in entertainment or other genres that make sense in the live environment.

Peter Costello: Your last question, sir.

Unidentified Male 2: Okay. I've probably got two, basically. First of all, with intangible assets, it says here on page 121 that it's got a finite life amortized. What intangible assets do you consider to be infinite and not prone to disruption, and also what are your views with NFTs and digital assets, because at Nine we've got assets such as the NRL that can have a use case of NFTs, selling of digital assets.

Peter Costello: Sorry, what's the question about the NRL?

Unidentified Male 2: That we can use them to sell NFTs or mint them.

Peter Costello: Do you want to make a comment on that one?

Unidentified Male 2: Non-fungible tokens, yes.

Mike Sneesby: Yes. What I would say is we've experimented with NFTs in limited parts of our business but certainly as we operate today, we don't see that as a big part or a big opportunity for creating asset value, but we have been experimenting with the technology and the concept to make sure that we do understand the category as it develops.

Peter Costello: Are there any questions online?

Unidentified Female 1: We have one question from Stephen Mayne for the Auditor. We're reportedly receiving tens of millions of dollars from Google and Facebook but are not allowed to disclose the exact amounts due to highly restrictive non-disclosure agreements imposed by the tech giants. Could the auditors explain what they know about the payments and where they are hidden in the accounts to satisfy the secrecy demands of the tech giants? Have they sighted the contracts? Also, could the CEO comment on whether we'll be receiving an increased amount from Facebook and Google in '22/'23?

Peter Costello: Do the auditors wish to comment? Maybe we should bring the mic in please.

Unidentified Male 3: Thanks, Peter, and thank you for the question, Mr Mayne. I can confirm that we have read the Facebook and the Google contracts and we're satisfied that the amounts that have been recorded as revenue are appropriate for the year. I'll let management comment on where those amounts are disclosed in the accounts but from our perspective they have been appropriately accounted for.

Mike Sneesby: Yes. For the location of accounts for the most part they are within the publishing business as part of our revenues in the subscription space. The other question I might just pick up, which I think was directed at me, in relation to the forward level of those payments. The deals with both Facebook and Google that we have announced publicly previously are essentially a flat revenue stream for us over the duration of the agreements.

Peter Costello: And whether they go up or whether they go down essentially will depend on whether they're renegotiated and on what terms.

All right. We'll now move to the next item of business. The next item of business, Resolution 1, is the adoption of the Remuneration Report. Votes received on this item of business are shown on the screen. The Annual Report for financial year ended 30 June 2022 contains the Remuneration Report which sets out the remuneration policy for the Company and its controlled entities for the financial year and reports on the remuneration arrangements in place for Directors and senior management during that period.

While the vote is advisory only, the Board will take note of the result of this vote as it reviews the Company's remuneration policy and practices in the future. The Company's overall remuneration philosophy is to provide a clear link between shareholders returns and executive remuneration. In developing executive remuneration arrangements the Board has sought and will continue to seek input from external parties, including remuneration advisors, proxy advisors, and shareholders.

The Company's remuneration structure and policies are designed to help build and retain a talented and motivated leadership team to deliver growing and sustainable total returns to shareholders. With respect to our short-term incentive arrangements, the EBITDA target must be satisfied for 50% of an executive's potential STI to be paid, with the balance depending on achieving personal objectives relevant to the executive's role.

The EBITDA target for the year was $596.9 million which was exceeded so the financial component of short-term incentives was paid at the maximum level. Individual measures were mostly achieved at above target levels, resulting in an overall STI outcome at above target levels. This reflects the Company's strong performance over the year to 30 June '22. During that financial year, performance rights were issued to a number of senior executives under the long-term incentive scheme. These performance rights will only vest if targets relating to cumulative earnings per share growth and total shareholder return are satisfied over the period to June 2025.

It is fair to say the targets were set to be a stretch for the business to achieve, so if rights vest in 2025 it seems likely shareholders will have enjoyed excellent returns over that period. The performance rights issued in FY20 were tested over the three years to 30 June '22 against challenging targets set three years ago. The relative total shareholder return target was not met, so half of those performance rights lapsed. The remaining performance rights were tested against the earnings per share growth target. Earnings per share growth exceeded the target so 50% of the total rights granted in FY20 have vested.

Also, in the financial year, Non-Executive Director fees were increased. This was the first increase since February 2017 when fees were reduced. The increases reflect the results of a benchmarking exercise against comparable companies.

At this stage, I would like to introduce Catherine West, who is the chair of the People and Remuneration Committee. I would be pleased to take any comments or questions you may have in relation to Director or executive remuneration policies or the Remuneration Report. I'll take questions from the floor first.

Don Adams: (Shareholder) Thank you, Mr Chairman. As you know from our previous discussions, there's a couple of aspects of remuneration policy that the association is not particularly happy with. One is that more than 50% of STI is paid in cash; we would prefer to have more than 50% of STI paid in deferred equity. The other is the three-year vesting period for long-term incentive; we prefer a four or five-year incentive. I'm wondering if other people in the market are commenting in these lines, and if so, would you be considering a review of remuneration policy in the next year?

Peter Costello: No. I'm aware that you've raised that with me and I think we've had robust discussions about it. I wouldn't say that there are a lot of people who take that view, no, and I think if you look at the proxy votes in relation to this resolution that bears it out. Yes.

Unidentified Male 2: Oh, me. Okay. Thank you, Mr Chairman. With regards to your long-term incentive, I notice that 20% is allocated to strategic and transformation objectives. Why isn't that at 40%? Wouldn't that emphasise Nine's focus on long term instead of earnings per share growth or total shareholder return? Shouldn't we concentrate more on strategic and transformation objectives since we are moving towards digital?

Peter Costello: Well, look, we have short-term incentives, that's largely EBITDA and KPIs; we have long-term incentives, which is EPS and TSR; and we have this digital incentive as well. The digital incentive is to move our company to its digital future. We think each of those test different things and you’ve got to have an emphasis on all of them. We think that that’s an adequate weighting. At some point we will be a digital company and then the interesting thing will become what we do with that digital transformation incentive. Are there any question online?

Unidentified Female 1: There are no questions online.

Peter Costello: Good. Yes.

Chris: (Shareholder) [Unclear] remuneration report, but I will abstain, by and large, over the last few years, even before COVID, came to the view that I was not overly happy with the whole concept of the way remuneration report. In our annual report one of the biggest sections of our business, of the document, is explaining the remuneration report. That’s the same in most companies because of the way you’ve got to go through analyst advice, et cetera, about it. I think it looks like an undue weighting about the activities of companies about the remuneration report.

I’ve been to other companies where – I think one chairman of a bank said, he couldn’t understand the – he’s no longer at that bank, but he as chairman could not understand the mathematics or the remuneration report. He said the board met for several hours and most of them said, no, we can’t quite work this out how you shareholders are working it out, et cetera. So, I’ve come to a view that the performance – I agree with the Shareholders Association partly, but I’m not going to vote against it. I’m now taking a view, by and large, I won’t vote for it either. I’ll just abstain. I’m a very, very small shareholder, so it’s not going to affect the staff, et cetera.

The increase in the directors’ fees, can you just remind us what that was again? It went up from what to what?

Peter Costello: We cut them in 2017, I think by 20%. We brought them back up 10%.

Chris: (Shareholder) To what level? Without the subcommittees, how much does a director now get paid?

Peter Costello: Well, I’ll ask them to pull that out of the report. It’s around $100,000.

Chris: (Shareholder) Is it?

Unidentified Female 1: Yes. It’s $140,000 per director and...

Chris: (Shareholder) $140,000. Do you get extra payment by serving on the subcommittees of the Board?

Unidentified Female 1: Yes.

Chris: (Shareholder) That means some people on the Board get up to $200,000. Would that be correct?

Unidentified Female 1: About $180,000.

Chris: (Shareholder) I have to say, for ordinary people $180,000 is a large amount of money. For the responsibility directors take on, I’m not going to argue against it. I think you’ve been conservative what you did in the past Mr. Chairman, but I always – a lot of people will say, gee, what do they do for $180,000 a year. Well, you’ve got a chance of being wrapped over the knuckles by the regulator if you get it wrong, blah, blah, and people get sacked and all of that stuff. So, I’m not going to argue against it. I just think it’s on the record of what people are earning, and I’m not going to argue against it.

Peter Costello: Fair point. The other thing you do for $180,000 is, you turn up at meetings like this and you take grillings.

Chris: (Shareholder) This is once a year and it’s a wonderful bonding…

Peter Costello: I’m just enjoying repartee. Yes, sir.

Unidentified Male 1: (Shareholder) It's [unclear] again. Mr. Chairman, I agree that we need to keep top talent and for this we need to pay. Other companies that I’m a big shareholder in, is the moment when management and directors start to get shares instead of cash, the share price actually went up by 25% because they invested. The new CEO had very low shares, the moment when she got over two million shares as a bonus, suddenly the share price just went through the roof. It’s a good idea.

Peter Costello: It’s a good idea. Bear in mind Resolution 4, we’re going to grant some performance rights to our CEO. So, we’re coming to exactly that point. Thank you. Now, Resolution 2 on the agenda is for the re-election of Samantha Lewis as a Director of the Company. Votes received on this item of business are shown on the screen. Details of Miss Lewis’s experience are set out in the explanatory statement which accompanied the notice of meeting. At this point I’d like to invite Miss Lewis to address the meeting and briefly speak to her re-election nomination.

Samantha Lewis: Thanks, Peter. Good morning, shareholders. I’m delighted to be here this morning standing for re-election. During my time on the Board, we have worked with and supported management as Nine has significantly strengthened its position through the merger with Fairfax, expansion and investment in our digital footprint, and continued investment in great content.

My many years as a partner of one of the large accounting advisory firms, as well as my more recent roles on other listed company boards means I bring a number of relevant skills and experiences that complement the combined skillset of your Board. In particular I bring expertise in accounting, finance, capital markets, and due diligence, and risk management, which is especially relevant to my role as Chair of the Audit and Risk Committee. I thank you for your continued support.

Peter Costello: Yes. Question, sir?

Unidentified Male 1: (Shareholder) Can I just ask, do you sit in on any other boards?

Samantha Lewis: Yes, I am on the board of two other listed companies, which is set out in the annual report. One is a rail transport business…

Unidentified Male 1: (Shareholder) I could not find it, so I’m asking.

Peter Costello: I think it’s there.

Chris: (Shareholder) [I wouldn’t know].

Peter Costello: It’s there.

Chris: (Shareholder) I just have – to you Mr. Chairman because we’re [now election] – does the Board have a policy of how long directors should serve? The BHP, our biggest listed company, basically says 10 years. At the end of the 10 years, no matter how good, bad, or ugly you are, you leave the board. They insist on it. A good director from [South Carolina, Houston], a very good director, when the 10 years were up many of us were disappointed. In a way we’d like to continue with her, but she said, the board’s policy is 10 years.

Now, you’re going through a restructure out of Fairfax, and I understand that, but longer term has the Board considered 10 years would be by and large a reasonable time to serve on the Board.

Peter Costello: We don’t have term limits.

Chris: (Shareholder) I’m not asking for a term limit formally. I’m asking for an understanding that you would say, by and large 10 years is more than enough.

Peter Costello: I don’t know that I would say that. We don’t have a strict term limit. We discuss people’s contributions to the Board, and we try and get the best people. We don’t have an artificial limit, is the answer to your question.

Chris: (Shareholder) Second question on - you’ve said in your remarks that you’ll look through the year to put an extra person on the Board.

Peter Costello: Yes.

Chris: (Shareholder) I think all the existing Board members have got excellent qualifications and you can’t argue about their re-election. So, Miss West I’ll – my vote will – if I look at the result, you’re doing better than Vladimir Putin is doing in Russia on the results you’re getting, et cetera.

Chris: (Shareholder) What I want to say, Mr. Chairman, I do think you should look at a broader range. Someone coming on the Board that is not the – some might use the – the usual suspects out of the board area. In view of the brand value of this Company, in representing a broad range of views on what we’re doing in the quality of our journalism, our digital world. I think there is a case that – I don’t want to suggest that you should appoint someone from the Labour Party, but I do suggest…

[Laughter]

No, I’m serious. I don’t object to Mr. Costello. I think that the background he brings to the Board, has got a lot of value to the Board. Also, on the Board, it might be useful to look broader than the normal range of people with experience just in the media itself, or accountancy, or legal. There may be people in the broader community. I do note we have a fair number of female directors, which is outstanding.

Peter Costello: Okay. Fair point. Are there any questions online?

Unidentified Female 1: I have one question from [Stephen Maine]. Given Peter Costello’s past political connections to the coalition, does he believe he still adds value for Nine shareholders?

Peter Costello: Stephen Maine. He asks that every year.

Unidentified Female 1: Also, could Samantha Lewis outline her views on whether it make sense to have a politically partisan chairman, when the moto of our newspapers is, independent always? Isn’t it time Nine had a politically independent chairman, particularly in this increasingly divided and polarised social media driven world?

[Inaudible]

Peter Costello: Thank you.

Samantha Lewis: Thank you Mr. Maine for the question. I will say, the position of the chair is a matter for the Board as a whole and the Board is absolutely united in supporting Peter in that role. Peter has made, as we’ve just been talking about, made a significant contribution to the Board and the Board dynamics, as well as to the Company as a whole. I just reiterate that the Board has always been and remains committed to the charter of editorial independence. So, we’re absolutely comfortable.

Peter Costello: Thank you.

Unidentified Male 1: (Shareholder) [Unclear] contribution to the country, he was the best treasurer for many, many years. The best.

Peter Costello: You’re embarrassing me. I’ll go to Resolution 3 if I may. Sorry, that was Resolution 3, 2. I’m going to Resolution 3 on the agenda for the re-election of Mickie Rosen as a Director of the Company. Votes received on this item of business are shown on the screen. Details of Miss Rosen’s experience are set out in the explanatory statement which accompanied the notice of meeting. At this point I’d like to invite Miss Rosen to address the meeting and briefly speak to her election nomination.

Mickie Rosen: Thank you, Peter. Good morning, everyone. My name is Mickie Rosen and I’ve had the honour of serving on the Nine Board for the past four years and on the Fairfax Board for about two years prior to the merger with Nine. I have over 30 years of operating, strategy, and board experience at the intersection of media, commerce, and technology for large global companies such as Yahoo, Fox, Disney, and Tribune, as well as growth and early-stage companies. I’ve served as a Senior Advisor to the Boston Consulting Group and built the foundation of my career with McKinsey & Company.

I currently advise start-ups and serve on public boards in both the United States and in Australia. It has been a privilege to be a part of and witness Nine’s expansion and growth into a multifaceted media and digital leader across broadcast, streaming, radio, publishing, and marketplaces. I continue to be excited and confident about Nine’s future, given our strong foundation, vision, purpose and values, and leadership. My hope is that I’ll have the opportunity to continue to serve as a Director and bring a strategic, global, and digital perspective to Nine’s ongoing evolution and success. Thank you very much for your support.

Peter Costello: Are there any questions? Any questions online?

Unidentified Female 1: We have one question from Stephen Maine. The Chairman has been on the Board for almost a decade, is he intending to retire at the next year’s AGM when his current three-year term expires, and does he believe the next Nine chairman is currently on the Board? Could Mickie Rosen comment on whether she is potentially a candidate for chair when Mr. Costello retires and what she believes the timing of that transition should be?

Peter Costello: I’ll answer the first part. I’m not going to make a statement now about what I’ll do next year. Mr. Maine, you asked me to do this last year and the answer is still the same. I’ll let you know what I’m doing next year, next year. So, we’ll come to that hurdle when we get there. How could I possibly live without the entertainment of Stephen Maine at annual general meetings? I think we’ll leave it there.

I’ll go now to Resolution 4, the approval to grant 826,641 performance rights to the Chief Executive Officer, Mike Sneesby as described in the explanatory statement. Votes received on this item of business are shown on the screen. Mr. Sneesby is the only Director entitled to participate in the performance rights plan. This plan provides long-term incentives for some of Nine’s key executives. Mr. Sneesby and the other executives who hold performance rights only receive a benefit from those rights if the Company’s performance for shareholders over the three-year testing period has been at a high level.

Targets have been set by the Board to be challenging, so if the Company does not perform strongly over the performance period for shareholders, no rights will [vest]. This means Mr. Sneesby’s incentives are strongly aligned with the Company’s performance. These performance rights will be tested over the three-year period to 30 June 2025. Vesting of 40% of these rights will be subject to Nine’s total shareholder return compared with the comparable ASX listed companies. A further 40% will vest if earnings per share growth targets over the thee year performance are satisfied. For the remaining 20% of the rights the Board will consider the performance of the Company against a number of measures to accelerate Nine’s transformation as a digital business over three years to 30 June 2025. Question.

Chris: (Shareholder) When can I ask about circulation issues?

Peter Costello: We’ll go to general business after we’ve done the voting.

Chris: (Shareholder) Thank you.

Peter Costello: No online questions?

Unidentified Female 1: There are no questions on this.

Peter Costello: Good. Thank you. Before I move to general business, which will be done after the voting, I will summarise again the proxies and direct votes that have been received for each resolution. These are shown on the screen. For shareholders in the room, we will now complete voting in the poll. All shareholders, proxyholders, and authorised corporate representative eligible to vote in this poll have been issued with yellow voting cards. To vote on the resolutions, please now indicate your vote on the front of your yellow voting card in relation to each resolution, marking either for, against, or abstain. Representatives of Linked Market Services will now come around and collect your completed voting cards.

Has everyone put their yellow card in the ballot box? One more. You can still lodge your vote via the online platform up until five minutes after the close of the meeting. Once I have received the scrutineer’s report on the poll the results will be announced by notice to the ASX. Ladies and gentlemen, that completes the items on the agenda of the annual general meeting today. I will now allow an opportunity for questions or comments in relation to management, and/or general business of the Company.

All of our Board members are available to answer questions posed by our shareholders. We have received of questions in advance, but the majority of those issues, I believe, have already been covered. So, I think I’ll go to general questions, and I know you want to raise a general question.

Chris: (Shareholder) Mr. Chairman, information of our total shareholding, how many are held by Australian superfunds? Are we 20%, 15% across our – some are retail, and some are industry funds. Have we got a sizable piece of their action because that’s confidence, investing in the future of the company, that they’re willing to put their money in, buy shares.

Peter Costello: I would think – I can’t give you the precise amount, but I would think they would be about weight, index weight in our Company.

Chris: (Shareholder) Index weight, 15%, 20%?

Peter Costello: I don’t know that it would be as high.

Chris: (Shareholder) Okay. Secondly, [a part of that], I presume from time to time you talk – and the Board, and the CEO talk to those superfunds as major investors…

Peter Costello: Yes.

Chris: (Shareholder) …and they ring you and ask for you – conversation about where the Company – particularly before the AGM…

Peter Costello: Yes.

Chris: (Shareholder) … because a lot of those votes they cast as a result of the report. I understand that. My question is – this is a very parochial South Australian question. This analyst mention of rugby league, in South Australia for most of us that’s an irrelevancy, [where Australia rules] football, like you are down at Essendon and I’m at the Adelaide Crows. What I really wanted to raise is, I found it at times difficult to buy a daily copy of the Australian Financial Review in Adelaide because at supermarkets in the suburbs I live in they usually get only one or two copies per day and by midday they’ve sold out. I’ve raised that issue with the supermarkets, and they say that’s all they’re given.

I’ve also raised the fact that the display of the *Fin Review*, sometimes you have to take a telescope to find it displayed in the supermarket, to find it even if it was there. I discovered our good friends News Limited, who provide a stand for [*The Tiser*] and *The Australian*, refused initially to allow the empty tray at the bottom to even have the *Fin Review*, until I suggested to somebody, I think that’s against the ACCC competitive rules, and low and behold, it’s there now. I just wonder, is it a policy that we want to restrict printed circulation and force people to go online, which might be cheaper for you not to distribute paper onto a digital – sign up digitally.

I’ve got to say, I’m an old-style bloke. I’m in my 70s, I’d rather read the paper and hold it each day. Make my scribble points about your performance, Mr. Chairman, and others, rather than try on the digital bring up pages and whatever. I noticed in the suburb is that – why is it that we’re only distributing – finally, the only other competition to *The Advertiser* monopoly, News Limited, is if the Melbourne *Age* comes in. You’ve got some places it doesn’t get to the supermarket or even a news agent until mid-afternoon.

I know this is a logistic issue, all of that, but it would be nice to have some more competition, not for only the *Fin Review*, but the Melbourne *Age*. [One reason] people only like to read *The Age*, is about the coverage of, amongst other things, football as it is in Melbourne. So, I just raise it as a comment. I’m happy to discuss with the appropriate executive level about it, but it really is important. If we have got the standing as a news organisation, media organisation, way above News Limited or other people, other organisations, I think we should be looking at making sure we are higher in the marketplace for people to access it in South Australia. That’s a South Australian plea.

Mike Sneesby: Thanks for the comment. I would just make, I think, an important point to that which is, it’s certainly not either a policy or a strategy for limiting distribution of our printed newspapers. You raise a good point which we should have a look at in terms of operations and distribution. So, thank you.

Peter Costello: Do we have any questions online?

Unidentified Female 1: We do. We have one from Stephen Maine. Is it pure coincidence that in three of the past five years, including today, the Nine and Seven West Media AGMs have been held on the same day at the same time in Sydney, or are our two biggest television companies working together to make it difficult for analysts, journalists, and shareholder advocates to engage with both companies at their AGMs? Will you undertake to work with Seven next year to ensure your AGMs aren’t held on the same day, at the same time? Well done on offering a hybrid AGM unlike Seven West.

Peter Costello: Well, will we liaise with Seven about the day of our annual general meeting, no. We haven’t in the past, we won’t do it in the future. Whatever your complaints are, Stephen, and I know you’re looking in, you seem to get a pretty fair go.

Unidentified Female 1: I also have a question from [Henry Kay]. In relation to The Block, how about having a house for people with disabilities in 2023?

Peter Costello: CEO.

Mike Sneesby: I think it’s a fair comment. Certainly, I think the variety of different properties that we put up on The Block every year changes. In some cases that may be more challenging than others, but I take the comment. I think it’s a good point.

Unidentified Female 1: Another question from Stephen Maine. How much money have we spent on the Ben Robert-Smith defamation matter? Have we tried to reach out to Seven Proprietor, Kerry Stokes, to stop funding the most expensive defamation action in Australian history? Shouldn’t journalism companies be working together on public interest journalism, not funding defamation actions against rivals? Also, well done on standing by your journalists in the line of fire. What’s the timeline regarding the finalisation of the case?

Peter Costello: At one point he says we’re in conspiracy with Channel Seven. In another point he says we should be liaising with them over defamation actions. The truth of the matter is, as Maine would know, or should know, that it is very dangers for competitors to talk to each other about mutual interests. There are very severe laws against this kind of thing, anti-competitive laws, cartel laws, and we want to stay on the right side of the law. We compete very actively against the Seven network and will continue to do so, and I’m sure they would say they compete very actively against us.

The idea of getting together over a particular story, I think, would raise a lot of eyebrows amongst the regulators. Having said that, look we stand behind our journalists when we think they’ve done the right thing. All journalists have the obligation to be factual, and if there’s an error we try and correct it, but if there’s not, and we believe there’s not, we stand behind them.

Chris: (Shareholder) Chairman, I just want to say I would be more concerned if you settled out of court right now. After the expenditure of millions of dollars, which is true, I think that would be a slap in the eye to the standard of what we which to be as a media company supporting very good investigatory journalists. I would [urge] (1) you don’t do a deal with Channel Seven. I don’t agree with Stephen on that. (2) I’d be more concerned if it was just announced, every side settled out of court and millions of dollars was this way and that without a final [conclusion] of the court ordering a decision which everyone can see is transparent.

Peter Costello: Fair point.

Unidentified Female 1: We’ve got another question from Henry Kay. Last year I mentioned the program Travel Guides having series for holidays for people with disabilities. I’m on a disability committee and have been told that they would never holiday in Australia due to the lack of facilities.

Mike Sneesby: Again, I think it’s relevant to the previous question around representation of disabilities in our programming. As I said, I think it’s a fair point which we’ll take on board.

Peter Costello: Sir.

Unidentified Male 2: (Shareholder) You said in regard to the impairment of radio that that was due to COVID. Now what we’re having is unexpected inflation. Meta has just sacked 11,000 of its workers. Twitter also sacked half of its workforce and going through – these digital companies that we have agreements with are going through disruption. With regards to our journalists, we had disruptions because of these companies a couple of years back. What is the viewpoint of Nine now, and will there be any future impairment based on the unexpected inflation and the disruption that the big tech companies are facing at the moment, especially with Meta and Alphabet that are sacking their workforces?

Peter Costello: We work our impairment off cashflow forecasts. So, if anything were to give us the view that our cashflows were less, for some reason, you would look at that from an impairment point of view. You’ve made a very good point, which is this, that our competitors are no longer Seven, [10], the ABC, SBS, News Corporation. Our competitors are now Facebook, Google, YouTube, Instagram. They’re all publishers, in my view, one way or another, and they’re all going for advertising.

So, we have been subject to this enormous wave of international competition. So, we respond to it. Streaming, we’ve got great streaming properties with Nine now. Of course, under the federal government’s bargaining laws we were able to negotiate and get agreements with Google and Facebook regarding payment for our material. That’s been very, very important. So, obviously we’ll continue to meet all of these challenges as they arise. This is a highly competitive industry now, and it’s a global industry, frankly, and we’re competing for eyeballs against companies around the world.

Unidentified Female 1: We have the final question from Stephen Maine. The Nine website describes Andrew Lancaster as an Independent Director. Surely this is wrong given he’s the CEO of WIN Corporation, [our largest] shareholder. Could the chair undertake to correct this claim or explain how Mr. Lancaster is classified as an Independent Director? On our Nine website it is actually incorrectly stated, and we will fix that today.

Peter Costello: Yes, I was going to say I think in our annual report that is not said.

Unidentified Female 1: That’s correct.

Peter Costello: Take it from the annual report, which is correct, and for some reason the website is – Page 39. For some reason the website doesn’t [follow that]. Yes, we will – the answer to that question is, we will have that corrected.

Unidentified Female 1: Then the last question online is from [Andrew Turner]. Regarding the share price, the CEO and Chairman will have had meeting with institutional shareholders and investor. Can you comment as to their general disposition towards Nine stock further to the Chairman’s comments regarding macro-economic effects?

Peter Costello: Well, I’ve made my comments. Do you want to make some comments?

Mike Sneesby: I don’t think there’s anything more to be said. I think we understand the economic environment is changing very rapidly, but I don’t think there’s any comment in relation to other shareholders’ position on our stock.

Peter Costello: As there are no more questions – well, there were a couple of – I think these have been covered, but I’ll go through them. There were a couple of questions online which I’ll just cover off for the sake of completeness. We had a question about future acquisitions relating primarily to our regional affiliate. I can’t talk, obviously, about specific or future acquisitions, but I think it’s fair to say we’re constantly considering the strategy and profile of our business and looking at opportunities which will expedite that strategy. In terms of our regional affiliate, we are very pleased to have WIN back. We’ve been working extremely well together with WIN and the subsequent return to Nine have been very strong and well ahead of our previous affiliate arrangement. So, I can assure you that’s been a very good relationship.

We also had a number of shareholders asking about the distribution of newspapers, which was also asked here. I don’t want to pre-empt your one-on-one discussion with our CEO, but I’ll give you a little indication about what might be coming. In recent years we have taken the tough, but necessary decision to consolidate the printing and distribution of newspapers. We believe print has along and profitable future, but costs have to be managed. Many newsagents have handed back their territories, requiring us to use a more centralised distribution model because it’s no longer profitable to deliver in small numbers.

During the pandemic our distributors faced severe driver shortages and higher turnover. Our printing partner experienced issues with its Victorian press. We’ve acknowledged these factors have caused problems for valued subscribers and we apologise again for the disruption they have experienced. We have seen improvements in recent months and we’re broadly back to pre-pandemic performance levels. We will continue to work closely with our printing and distribution partners where there are ongoing delivering and [wrapping] issues. Our print subscribers are incredibly valuable. Our team is working hard to ensure they get the service they deserve.

Chris: (Shareholder) That is both looking at acquisitions for both electronic broadcasting as well as regional newspapers other newspapers print. [Or was that overall] going to be broadcasting?

Peter Costello: I don’t know that we’d be looking at regional newspapers because we divested regional newspapers, so I don’t think we’d be going back there.

Chris: (Shareholder) Okay.

Peter Costello: We look at, for example with Domain, we recently bought a business called Realbase, which fits into Domain’s strategy. It’s what you would call, probably, a tech business. So, there’s plenty of stuff that’s out there that we’re looking at. Not much in big mainstream media because we have a leading position in television and radio already, but it’s more in that marketplace kind of thing that we’re always looking.

As there are no more questions, I now declare the meeting closed. For shareholders participating online, you now have five more minutes to lodge your votes via the online system. The results will be announced to the ASX as soon as they are available. Thank you all for your participation in our AGM today. I invite you to join the Board for morning tea outside. Thank you very much.

**End of Transcript**