



14 June 2017

## Ten Group Enters Voluntary Administration.

Ten Network Holdings Limited (ASX: TEN) (“TEN” or “the Company”) announces that Mr Mark Korda, Ms Jennifer Nettleton and Mr Jarrod Villani of Korda Mentha have been appointed as voluntary administrators of the Company and each of its subsidiaries listed in the attached schedule (together the “Ten Group”) by the Ten Group Directors.

This decision follows correspondence received from Illyria and Birketu over the weekend which left the Directors with no choice but to appoint administrators.

This decision comes despite the Ten Group making significant progress to realise the potential sources of improvements to future earnings identified in the Company’s Directors’ Report contained in its Half Year Financial results announcement, that is:

- delivery of the cost and revenue initiatives identified in the transformation process currently underway;
- renegotiation of material programming contracts; and
- reduction in Federal Government imposed licence fees.

In relation to the transformation process, the Company has identified initiatives that are expected to have a positive impact on earnings in the order of at least \$50 million in FY18 and potentially more than \$80 million per annum by FY19.

In relation to the renegotiation of programming contracts, the Company has agreed in principle the vast majority of the commercial terms of replacement volume content supply agreements with its US studio partners, Fox and CBS, although final terms have not yet been formally agreed. The effect of these replacement content agreements, if finalised and implemented, would be to reduce by approximately 50% the Group’s future liabilities for US content, while still allowing TEN access to the best productions of those studios over the medium term.

In relation to the reduction in Federal Government imposed licence fees, TEN anticipates that after the changes to regulations anticipated to be tabled in Parliament tomorrow pass through the Parliamentary process, the reduction in licence costs for TEN in FY17 will be in the order of \$22 million and, in FY18, \$12 million.

The administrators have advised the Company that they will work closely with management, employees, suppliers and content partners while they undertake a financial and operational assessment of the business. During this period, the Administrators intend to continue operations as much as possible on a business as usual basis.



The Directors of TEN regret very much that these circumstances have come to pass. They wish to take this opportunity to thank all TEN employees and contractors for their commitment and enthusiasm for TEN's programs and business. In particular, they would like to express their sincere gratitude, respect and admiration for TEN's leadership team, who have achieved everything the Board has asked them to do over the past few years in very challenging circumstances. They wish TEN and its management TEN all success in the future as the Administrators look to the potential sale or recapitalisation of the business.

**For more information, please contact:**

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**SCHEDULE**

	Company Name	ACN
1.	Ten Network Holdings Limited	081 327 068
2.	The Ten Group Pty Limited	057 564 708
3.	Network Ten Pty Limited	052 515 250
4.	Network Ten (Sydney) Pty Limited	008 664 962
5.	Network Ten (Brisbane) Pty Limited	050 148 537
6.	Network Ten (Melbourne) Pty Limited	008 664 953
7.	Network Ten (Perth) Pty Limited	009 108 614
8.	Network Ten (Adelaide) Pty Limited	007 577 666
9.	Caprice Pty. Limited	008 655 847
10.	Chartreuse Pty. Limited	008 655 874
11.	Television & Telecasters (Properties) Pty. Limited	050 690 161
12.	Ten Online Pty Limited	089 829 667
13.	Ten Ventures Pty Limited	089 830 759
14.	Ten Employee Share Plans Pty Limited	082 736 150