



TEN NETWORK HOLDINGS LIMITED

ABN 14 081 327 068

Appendix 4E

Preliminary Final Report

Year ended: 31 August 2008

Previous corresponding period: 31 August 2007

Results for Announcement to the Market

				\$A'000
Revenue from continuing operations	up	0.13%	to	1,006,126
Profit for the period attributable to members	up	313.55%	to	273,482
Normalised net profit for the period attributable to members	down	24.7%	to	89,611

The 2008 result includes non-recurring income tax benefits of \$183.9m (see Note 5). The new Ten Network Holdings Limited tax consolidated group was formed in February 2008 and the majority of the benefit relates to the restatement of the tax cost base of the television licences (see Note 2).

Excluding the above amounts (plus associated minority interests) and the impact of the restatement of debenture interest in 2007, normalised net profit for the period attributable to members for the 2008 year was \$89.6m (2007: \$119.0m).

Dividends

	Amount per security	Franked amount per security
Dividends paid		
December 2007 dividend	10.0¢	10.0¢
June 2008 dividend	3.5¢	3.5¢

Refer to attached Media Release for discussion of results.



Consolidated income statement

	31 August 2008 \$A'000	31 August 2007 \$A'000
Revenue	1,006,126	1,004,851
Expenses	(823,130)	(784,585)
Finance costs ^A	(51,949)	(95,999)
Share of net profit of associates and joint ventures accounted for using the equity method	-	1,408
Profit before income tax	131,047	125,675
Income tax benefit/ (expense) (See Note 5)	142,958	(47,152)
Profit for the year	274,005	78,523
Profit is attributable to:		
Profit attributable to members of Ten Network Holdings Limited	273,482	66,131
Profit attributable to minority interest	523	12,392
	274,005	78,523

^A: 2008 finance costs no longer include any subordinated debenture interest due to CanWest exchanging all their debentures previously issued by a subsidiary, The Ten Group Pty Limited, into equity in Ten Network Holdings Limited in August 2007. 2007 finance costs include \$50.9m subordinated debenture interest.

Earnings per share (EPS)

Reported

	31 August 2008	31 August 2007
Basic EPS (cents per share)	29.57 cents	16.29 cents
Diluted EPS (cents per share)	29.57 cents	13.86 cents

Normalised^B

Basic EPS (cents per share)	9.69 cents	13.92 cents
Diluted EPS (cents per share)	9.69 cents	13.92 cents

^B: 2008: excludes non-recurring income tax benefits of \$183.9m (see Note 5).
2007: EPS excludes subordinated debenture interest accrued to August 2007 for comparison to 2008. Reported Basic EPS reflects the fact that subordinated debenture was accrued up to 30 June 2007.

The above consolidated income statement should be read in conjunction with the accompanying notes.



Consolidated balance sheet

	31 August 2008 \$A'000	31 August 2007 \$A'000
Current Assets		
Cash and cash equivalents	30,938	20,187
Receivables	159,055	186,227
Program rights & inventories	144,275	133,294
Current tax assets	20,178	5,545
Assets of disposal group classified as held for sale ^c	-	10,446
Other	9,510	12,315
Total Current Assets	363,956	368,014
Non-Current Assets		
Receivables	248	249
Program rights & inventories	798	2,693
Other financial assets	5,512	3,182
Property, plant and equipment	123,228	119,657
Intangible assets	1,204,626	1,210,602
Derivative financial instruments	3,356	5,389
Deferred tax assets	11,326	8,812
Other	770	967
Total Non-Current Assets	1,349,864	1,351,551
Total Assets	1,713,820	1,719,565
Current Liabilities		
Payables	217,796	197,614
Provisions	19,133	21,042
Liabilities directly associated with assets of a disposal group classified as held for sale ^c	-	5,878
Total Current Liabilities	236,929	224,534
Non-Current Liabilities		
Payables	12,948	14,178
Interest-bearing liabilities	570,441	542,604
Derivative financial instruments	69,191	68,029
Deferred tax liabilities ^d	38,745	226,860
Provisions	19,292	16,032
Total Non-Current Liabilities	710,617	867,703
Total Liabilities	947,546	1,092,237
Net Assets	766,274	627,328



Consolidated balance sheet (continued)

	31 August 2008 \$A'000	31 August 2007 \$A'000
Equity		
Contributed equity ^E	2,220,704	2,212,271
Reserves	(1,222,192)	(1,208,715)
Accumulated losses	(232,243)	(381,045)
Total parent entity interest	766,269	622,511
Minority interest in controlled entities ^F	5	4,817
Total Equity	766,274	627,328

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated balance sheet – Commentary

^C: As at 31 August 2007, Eye Corp Pty Limited, a controlled entity, had classified the balances of its Indonesian operations and Adval Australia Pty Limited (a controlled entity) as held for sale. As at 31 August 2008, neither of these are considered as held for sale.

^D: Deferred tax liabilities have significantly decreased due to an uplift in the tax cost base of television licences following the formation of the new Ten Network Holdings Limited tax consolidated group. See further discussion in Note 2.

^E: Contributed equity has increased as a result of the exchange of minority interests held by AMP Life Limited ("AMP") and Copplemere Pty Limited ("Copplemere") minus the on-market share buy-back. See further discussion in Note 2.

^F: Minority interest in controlled entities has decreased as a result of the exchange of minority interests held by AMP and Copplemere. See further discussion in Note 2.



Consolidated statement of recognised income and expense

	31 August 2008 \$A'000	31 August 2007 \$A'000
AASB 139 hedge reserves	(615)	4,292
Exchange differences on translation of foreign operations	(3,700)	(2,757)
Net income recognised directly in equity	(4,315)	1,535
Profit for the year	274,005	78,523
Total recognised income and expense for the year before minority interest	269,690	80,058
Total recognised profit for the year is attributable to:		
Members of Ten Network Holdings Limited	269,147	66,879
Minority interest	543	13,179
	269,690	80,058

The above consolidated statement of recognised income and expense should be read in conjunction with the accompanying notes.



Consolidated cash flow statement

	31 August 2008 \$A'000	31 August 2007 \$A'000
Cash and its equivalents		
Cash at hand	88	88
Cash classified as held for sale	-	3,316
Cash at bank	30,850	20,099
At end of year	30,938	23,503
At beginning of year	23,503	21,995
Effects of exchange rate changes on cash and its equivalents	(109)	79
Net cash inflows/(outflows) for the year	7,326	1,587
Represented by:		
Cash Flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	1,124,356	1,046,106
Payments to suppliers and employees (inclusive of goods and services tax)	(866,357)	(829,995)
Interest received	3,033	2,467
Bank interest paid	(51,221)	(39,515)
Net income tax received/(paid)		
Prior year refunds received	12,995	6,409
Current year payments	(58,810)	(73,454)
Tax prepayment re tax consolidation	(17,576)	-
Net cash flows from operating activities (refer Note 9)	146,420	112,018
Cash Flows from investment activities		
Acquisition of property, plant and equipment	(35,383)	(57,488)
Proceeds on disposal of property, plant and equipment	5	8,295
Payment for purchase of controlled entities & operations net of cash acquired	-	(37,302)
Payment for other investments	(2,445)	(2,262)
Proceeds from the sale of investments	-	27,260
Guarantee refunds	894	-
Deferred consideration	(3,302)	(2,509)
Distributions from investments	55	108
Advances to other entities	1,280	624
Net cash flows from investment activities	(38,896)	(63,274)
Cash Flows from financing activities		
Distributions		
Dividend paid	(125,225)	(61,569)
Debenture interest paid	-	(59,969)
Share buyback	(3,608)	-
Financing establishment costs paid	(1,365)	-
Payments for redemption of subordinated debentures previously held by Canwest	-	(45)
Proceeds from borrowings	270,000	280,000
Repayment of borrowings	(240,000)	(205,574)
Net cash flows from financing activities	(100,198)	(47,157)
Net cash inflows/(outflows) for the year	7,326	1,587

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.



Notes to the consolidated financial statements

Note 1: Basis of Preparation of the Preliminary Final Report

This general purpose Preliminary Final Report for the reporting period ended 31 August 2008 has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards (AASB), which include Australian equivalents to International Financial Reporting Standards (AIFRS).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The accounting policies adopted in the preparation of this Report are consistent with those applied in the 31 August 2007 Annual Financial Report.

Note 2: Exchange of minority shareholders, Tax Consolidation and Share Buyback

Exchange of minority shareholders in The Ten Group Pty Limited

During February 2008, AMP and Copplemere exchanged their remaining interests (totalling 5,435,916 shares) in The Ten Group Pty Limited into the equivalent number of new shares in Ten Network Holdings Limited. The value of the shares exchanged was recorded at the prevailing market value of \$13.1m in total.

Tax Consolidation

Following the above exchange, Ten Network Holdings Limited now holds 100% of the shares in The Ten Group Pty Limited and as a result, a new tax consolidated group was formed in February 2008. This triggers the requirement to reassess the tax cost bases of the tax consolidated group – broadly with reference to proportional market values. An income tax benefit of \$188.1m was booked to the income statement as a result of this calculation. Of this benefit, an amount of \$186.4m relates to a reduction to deferred tax liabilities arising from an uplift of \$621.4m in the tax cost base of television licences. The remaining benefit of \$1.6m relates to uplifts in the tax cost bases of other depreciable assets, particularly fixed assets such as plant and equipment.

Share Buybacks

On 3 July 2008, Ten Network Holdings Ltd commenced an on-market share buyback program. As at 31 August 2008, Ten Network Holdings Limited has purchased 2,348,280 of issued shares valued at \$3,608,042.

Note 3: Adjustment to Equity for Out of Home Site Lease Costs

AASB 117 *Leases* requires lease costs to be recognised on a straight line basis for contracts with fixed annual increases. The impact of AASB 117 is that costs recognised for site leases will be higher in earlier years and balance out in later years of the lease term. This is a timing issue only with no impact on total costs incurred and recognised over the full term of a contract.

Opening retained earnings in 2007 were adjusted to reflect this treatment.



Note 4: Revenues and Expenses

	31 August 2008 \$A'000	31 August 2007 \$A'000
4.1 Revenues		
Sales Revenue	1,003,089	989,412
Other revenue		
- Interest revenue	3,033	2,418
- Profit on sale of Big Tree Outdoor (Equity accounted associate)	-	8,924
- Profit on sale of other non-current assets	4	4,097
Total revenues from continuing operations	1,006,126	1,004,851
4.2 Expenses		
Details of relevant expenses		
- Television activities	(637,474)	(611,420)
- Out Of Home activities	(184,541)	(172,281)
- Corporate	(1,115)	(884)
Total expenses	(823,130)	(784,585)
4.3 Income tax benefit/ (expense)	142,958	(47,152)

Note 5: Reconciliation of Income Tax Expense

	31 August 2008 \$A'000	31 August 2007 \$A'000
Normal	(40,921)	(47,152)
Non-recurring adjustments		
Out-of-Home	(4,187)	-
Tax consolidation (Refer Note 2)	188,066	-
	183,879	-
Total Income tax benefit/ (expense)	142,958	(47,152)

Note 6: Dividends

Details of dividends declared or paid during the year ended 31 August 2008 are as follows:

Payment date	Type	Amount per security	Total dividend \$	Franked amount per security	Foreign sourced dividend amount per security
4 January 2008	1 st 2008 Dividend	10.0 cents	92,214,908	10.0 cents	-
16 July 2008	2 nd 2008 Dividend	3.5 cents	32,465,475	3.5 cents	-



Note 7: Earnings per share

Reported

- (a) Basic EPS (Refer Note (i) below)
- (b) Diluted EPS (Refer Note (ii) below)

Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS ^H

Normalised ^G

- (a) Basic EPS (Refer Note (i) below)
- (b) Diluted EPS (Refer Note (ii) below)

	31 August 2008	31 August 2007
(a) Basic EPS	29.57 cents	16.29 cents
(b) Diluted EPS	29.57 cents	13.86 cents
Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS ^H	924,846,778	405,950,981
(a) Basic EPS	9.69 cents	13.92 cents
(b) Diluted EPS	9.69 cents	13.92 cents

^G: 2008: excludes non-recurring income tax benefits of \$183.9m (see Note 5).

2007: EPS excludes subordinated debenture interest accrued to August 2007 for comparison to 2008. Reported Basic EPS reflects the fact that subordinated debenture interest was accrued up to 30 June 2007.

^H: 2008: The number of shares as at 31 August 2008 reflects the exchange of the debentures previously held by Canwest, which occurred on 27 August 2007, the exchange of the shares in The Ten Group Pty Limited previously held by AMP and Coppelmere into new shares in Ten Network Holdings Limited, and the on market buyback of shares in Ten Network Holdings Limited.

Notes on Earnings Per Share Calculations

- (i) *Basic Earnings Per Share*

Basic earnings per share is determined by dividing the operating profit after tax attributable to members of Ten Network Holdings Limited by the weighted average number of ordinary shares outstanding during the financial year.

- (ii) *Diluted Earnings Per Share*

Diluted earnings per share in 2007 has been calculated on the basis that the convertible debentures in The Ten Group Pty Limited had been exchanged and the subordinated debentures had been redeemed. The number of ordinary shares on issue is 925,236,720.

Note 8: NTA Backing

	31 August 2008	31 August 2007
Net tangible asset backing per ordinary share	(\$0.47)	(\$0.63)
Net asset backing per ordinary security	\$0.83	\$0.68



Note 9: Reconciliation of Profit After Income Tax to Net Cash Flows From Operating Activities

	31 August 2008 \$A'000	31 August 2007 \$A'000
Profit after income tax	274,005	78,523
Non-cash revenue	-	(1,650)
Non-cash expenses	34,597	29,440
Non-cash expenses – Tax consolidation adjustment	(188,066)	-
Set up costs for loan facility	1,365	-
Profit on sale of Adelaide land and buildings	-	(4,001)
Loss/(Profit) on sale of other non-current assets	4	(96)
Profit on sale of Big Tree Outdoor Sdn Bhd	-	(8,924)
Debenture interest accrued	-	50,883
Net increase in provisions	1,969	598
Net decrease in tax provisions	(15,360)	(19,893)
Net decrease in accrued revenue and expense items in payables/(receivables)	37,906	(12,862)
Net cash flows from operating activities	146,420	112,018

Note 10: Changes in the Composition of the Consolidated Entity

2008

During the year ended 31 August 2008, the consolidated entity made no significant acquisitions.

There have been no disposals during the current financial year.

Refer to note 2 Exchange of minority shareholders, tax consolidation and share buybacks for changes in the consolidated entity's equity.

2007

During the year ended 31 August 2007, the consolidated entity made two acquisitions:

- On 15 September 2006, Eye Corp Pty Limited, a controlled entity, acquired 100% of the issued capital of Ultimate Media Group Pty Limited (now called Eye Study Pty Limited) which in turn owned 100% of the issued shares in Ultimate Media Group (New Zealand) Pty Limited (now called Eye Study New Zealand Limited).
- On 14 December 2006, Eye Corp Pty Limited, a controlled entity, acquired 100% of the issued capital of Foxmark Media, LLC.

The contribution of the above acquisitions to the consolidated entity's profit after tax in the current period is not material.

There have been no material disposals during the current financial year.



Note 11: Associates and Joint Venture Entities

Name	Ownership interest		Aggregate share of profits/(losses) \$A'000		Contribution to net profit \$A'000	
	31 August 2008	31 August 2007	31 August 2008	31 August 2007	31 August 2008	31 August 2007
	Big Tree Outdoor Sdn Bhd ^H	-	-	-	779	-
Global Television Limited ^I	-	-	-	629	-	629

^H: On 30 March 2007, Eye Corp Pty Limited, a controlled entity, completed the sale of its 30% interest in Big Tree Outdoor Sdn Bhd.

^I: On 5 January 2007, The Ten Group Pty Limited, a controlled entity, sold its 24.3% interest in Global Television Limited.

Note 12: Segment Note

2008 ^J	Television \$'000	Out of Home \$'000	Eliminations/ Unallocated \$'000	Consolidated \$'000
Revenue				
Sales to external customers	825,986	177,103	-	1,003,089
Inter-segment sales	187	678	(865)	-
Total sales revenue	826,173	177,781	(865)	1,003,089
Other revenue	1,933	777	327	3,037
Total revenue	828,106	178,558	(538)	1,006,126
Segment Result				
EBITDA	209,011	7,130	(1,115)	215,026
Depreciation	(20,984)	(11,209)	-	(32,193)
Amortisation	-	(2,870)	-	(2,870)
EBIT	188,027	(6,949)	(1,115)	179,963
Finance costs				(51,949)
Interest revenue				3,033
Profit before tax				131,047
Income tax benefit (Refer Note 5)				142,958
Profit after tax				274,005

^J: 2008 for the Television segment is a 52 week year (2007: 53 week year).



Note 12: Segment Note (continued)

2007	Television \$'000	Out of Home \$'000	Eliminations/ Unallocated \$'000	Consolidated \$'000
Revenue				
Sales to external customers	826,412	163,000	-	989,412
Inter-segment sales	173	444	(617)	-
Total sales revenue	826,585	163,444	(617)	989,412
Other revenue ^K	5,610	9,569	260	15,439
Total revenue	832,195	173,013	(357)	1,004,851
Segment Result				
Result	236,395	11,427	(884)	246,938
Share of associates' and joint ventures' profit	629	779	-	1,408
EBITDA	237,024	12,206	(884)	248,346
Depreciation	(17,555)	(8,011)	-	(25,566)
Amortisation	-	(3,524)	-	(3,524)
EBIT	219,469	671	(884)	219,256
Finance costs ^L				(95,999)
Interest revenue				2,418
Profit before tax				125,675
Income tax expense				(47,152)
Profit after tax				78,523

^K: Other revenue in the Television Segment includes \$4.0m relating to the profit on sale of Adelaide land and buildings. Other revenue in the Out of Home Segment includes \$8.9m relating to the profit on the sale of shares in Big Tree Outdoor Sdn Bhd.

^L: Finance costs include \$50.9m of accrued debenture interest in respect of profits for the period to June 2007.



Note 13: Issued and Quoted Securities at End of Current Period

Category of securities	Total number	Number quoted	Issue price per security	Amount paid up per security
Ordinary securities	925,236,720	925,236,720	-	-
Changes during current period:				
Copplemere exchange	749,998	749,998	2.45	2.45
AMP exchange	4,685,918	4,685,918	2.40	2.40
Share buyback	(2,348,280)	(2,348,280)	-	

Note 14: Events Occurring After Reporting Date

No matter, item, transaction or event of a material nature has occurred between 31 August 2008 and the date of this report.



Commentary on Results

Refer to attached Media Release.

Annual Meeting

The annual meeting will be held as follows:

Place

TBA

Date

TBA

Time

TBA

Approximate date the annual report will be available

TBA

Audit

This report is based on accounts which have been audited.

A handwritten signature in black ink, appearing to be "S. Partington".

Sign here: _____

Company Secretary

Date: 16 October 2008

Print name: Stephen Partington