
Free TV Digital Multi-channel Update

Introduction

In January 2009, new Government legislation came into effect allowing for the introduction of digital multi-channelling in Australia.

This paved the way for a significant expansion of commercial free-to-air television services:

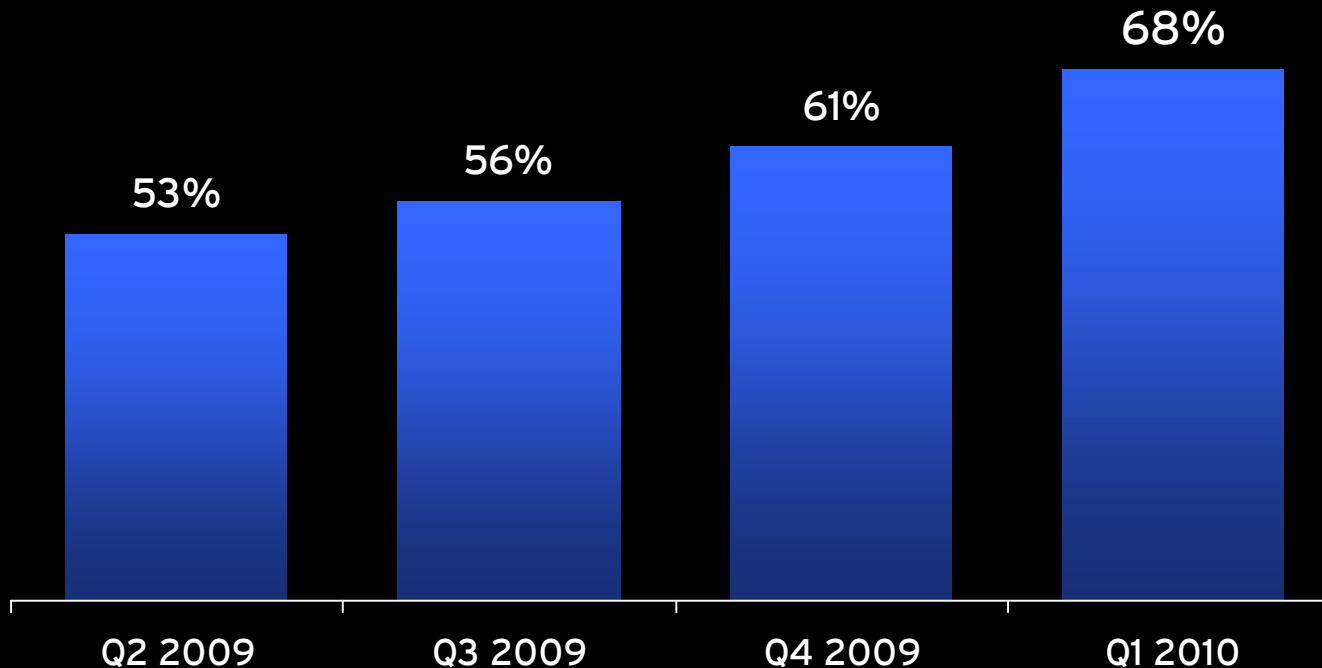
- November 2008 - Launch of Freeview digital platform
- January 2009 - Legislation came into effect allowing new digital multi-channels
- March 2009 - Ten launched ONE, a dedicated 24 hour sports channel
- August 2009 - Nine introduced GO!, a youth-centric entertainment channel
- November 2009 - Seven launched 7TWO, a broad entertainment offering.

Multi-channels key to digital take-up

Since the establishment of the Freeview digital platform and the introduction of Free TV's digital multi-channels (GO!, 7TWO and ONE), digital penetration has increased significantly.

According to the Government's latest Digital Tracker Report, more than two-thirds of Australian households have digital TV.

Household penetration of digital television in Australia



Multi-channels delivering big audiences

After just a year in market, Free TV's digital multi-channels are already aggregating significant audiences.

A review of the top programs on Free TV's three digital multi-channels so far this year shows every one of the top 20 programs delivers an average audience of at least 200,000 viewers.

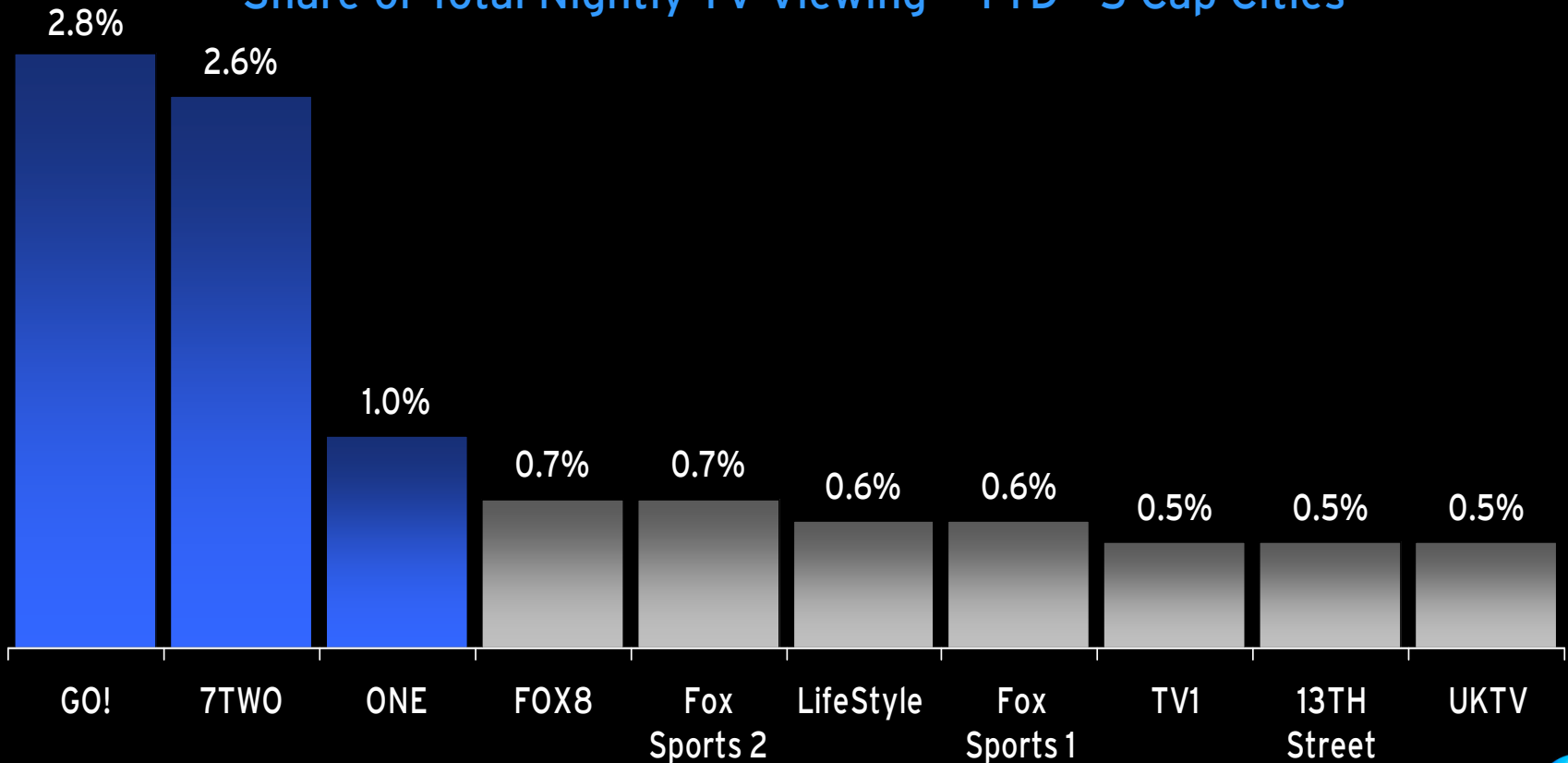
Top multi-channel programs

Rank	Program	Average Audience
1	JESSICA WATSON: THE HOMECOMING LIVE EXTENDED	332,000
2	THE BIG BANG THEORY -EV TX1	324,000
3	TOP GEAR -EV	306,000
4	HEARTBEAT-EP.2	290,000
5	A TOUCH OF FROST (R)	285,000
6	THE BIG BANG THEORY -EV	275,000
7	BLADES OF GLORY	262,000
8	HEARTBEAT-SAT	242,000
9	HEARTBEAT	242,000
10	JUDGE JOHN DEED	242,000
11	MEN IN BLACK -EV	234,000
12	LOONEY TUNES BACK IN ACTION -EV	228,000
13	SURF'S UP -EV	225,000
14	BLACKADDER GOES FORTH -EV	220,000
15	LOST	217,000
16	BLACKADDER GOES FORTH -EV TX3	216,000
17	FIA FORMULA ONE WORLD CHAMPIONSHIP 2010	210,000
18	BLACKADDER THE THIRD	209,000
19	A CINDERELLA STORY -EV	201,000
20	CATS & DOGS -EV	200,000

Multi-channels garnering big shares

Free TV's digital multi-channels have begun to carve out a significant share of television viewing.

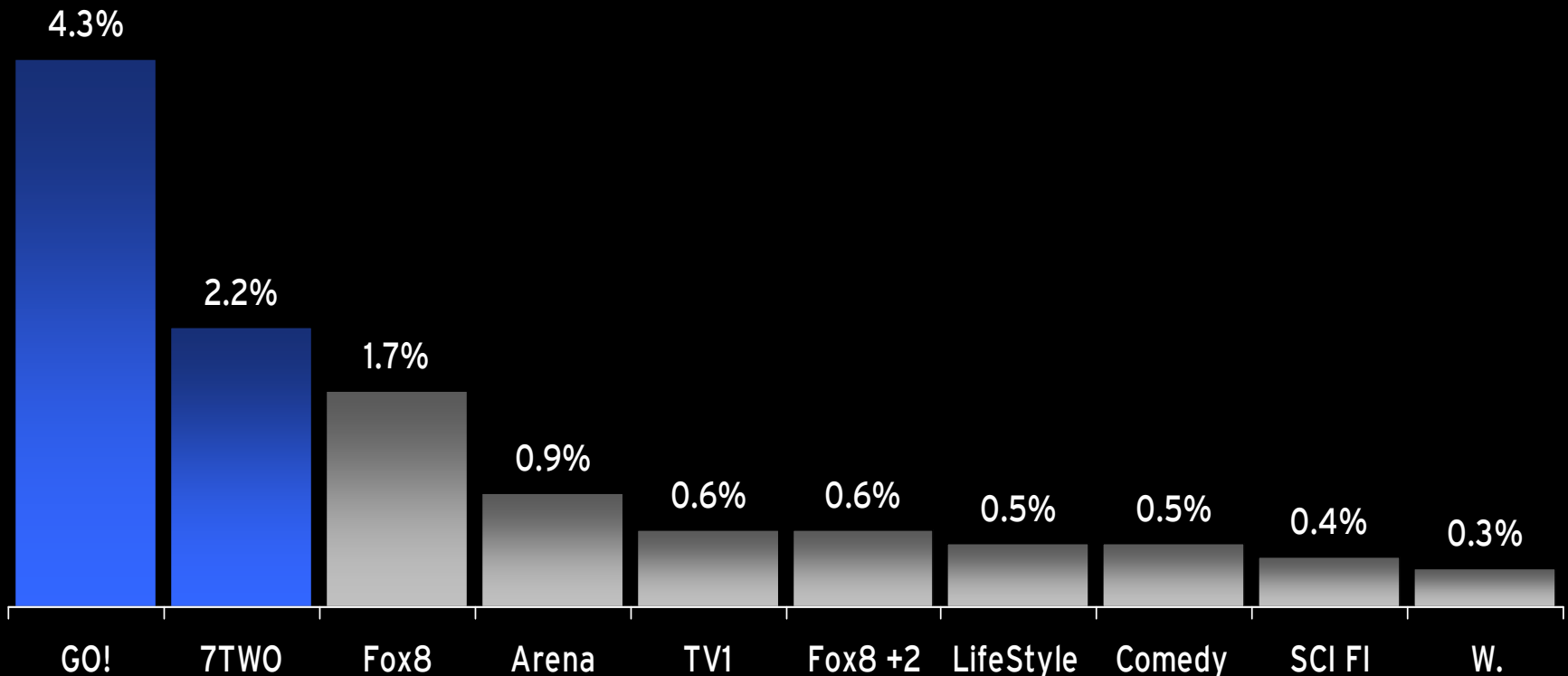
Free TV Multi-Channels and Pay TV Channels
Share of Total Nightly TV Viewing - YTD - 5 Cap Cities



Ent-based channels proving popular

Free TV's entertainment-based multi-channels outrank rival pay TV entertainment-based channels in the 16-39 demographic.

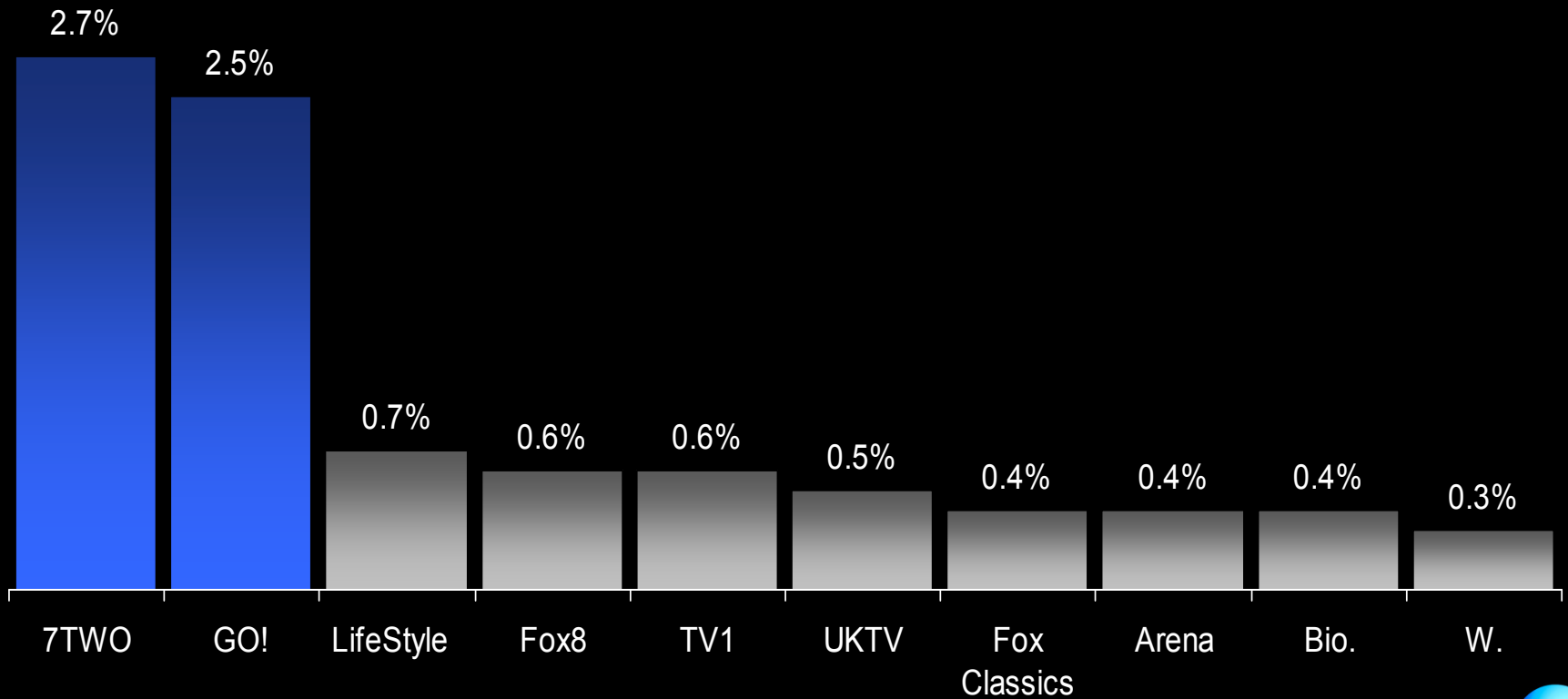
Free TV Multi-channels and Pay TV Channels
Share of Viewing - All Day - People 16-39



Ent evening viewing is popular too

Free TV's digital entertainment-based multi-channels are also garnering an impressive share of nightly television viewing.

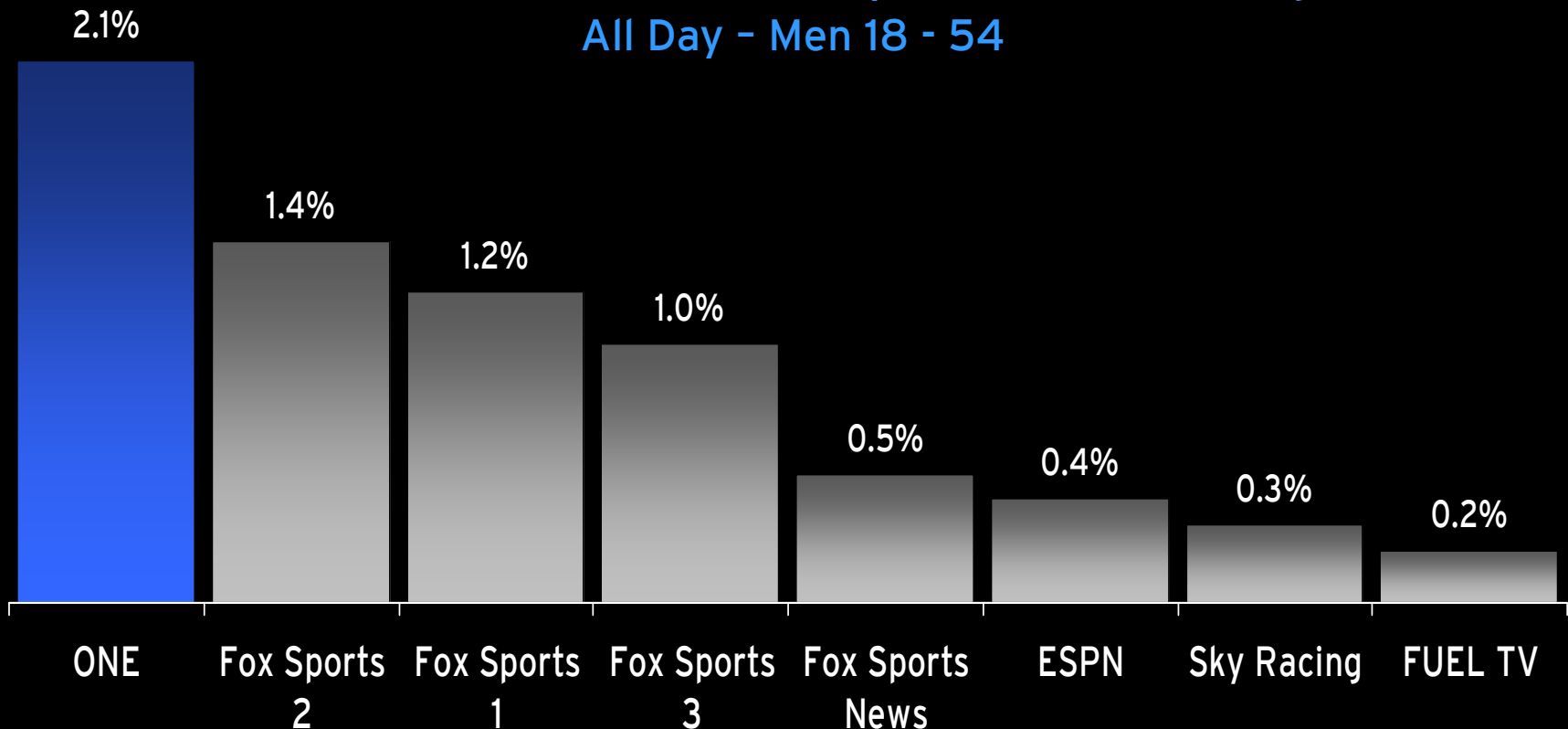
Free TV Multi-channels and Pay TV - Share of Viewing 6pm-midnight - 18+



ONE dominates sport channels

Dedicated sports multi-channel, ONE, significantly outperforms rival pay TV sports channels, particularly among men aged 18-54.

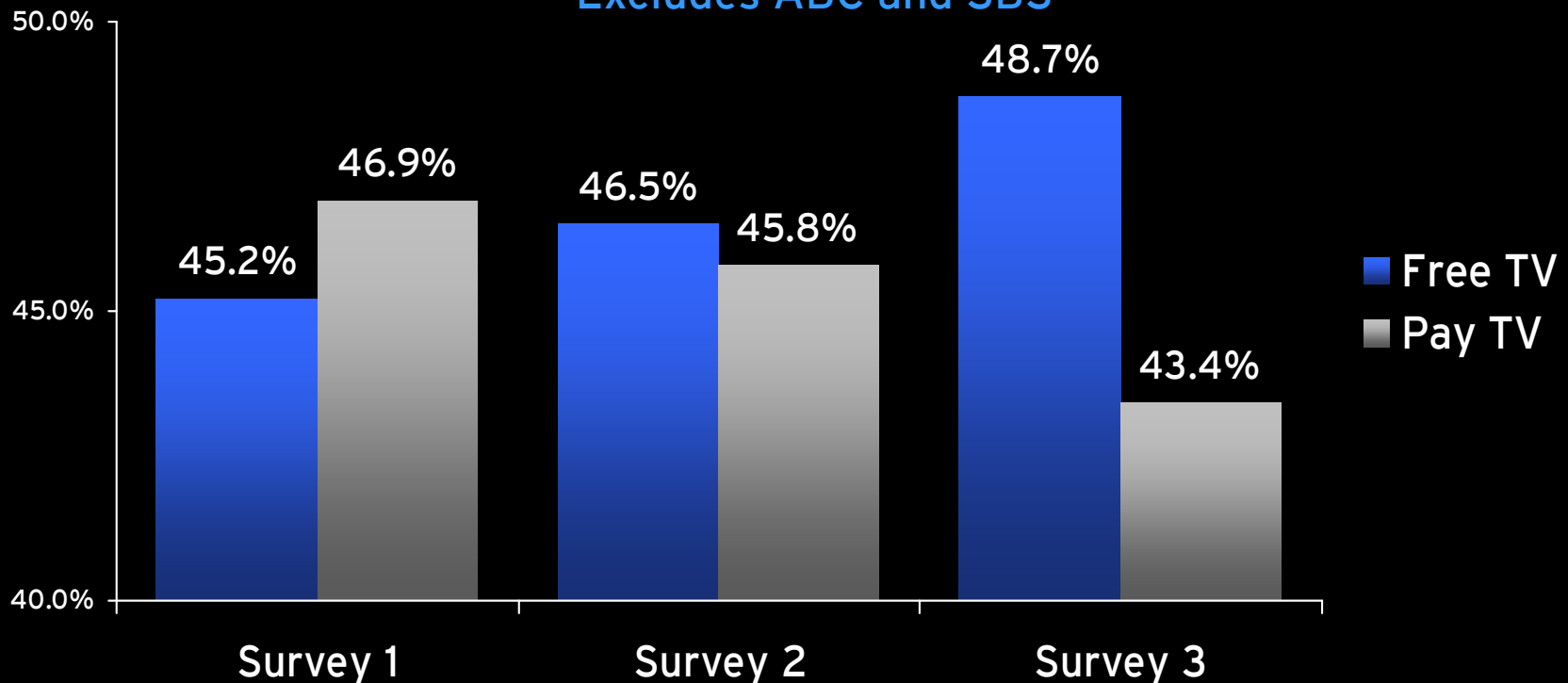
Free TV Multi-channel and Pay TV Share of Viewing
All Day - Men 18 - 54



Free TV stealing share from pay TV

People in pay TV homes are now watching more Free TV than pay TV in the evenings. This reflects the strength of Free TV's main channels, and the increasing popularity of the new digital multi-channels.

Share of Nightly Viewing - National Pay TV Homes
Excludes ABC and SBS



Summary

Free TV's digital multi-channels are proving a real success story.

Since launching last year, Free TV's three digital multi-channels have:

- Helped to drive uptake of digital television in Australia
- Attracted significant and consistent audiences, across a range of different genres and demographics
- Out-performed pay TV channels
- Begun to carve out a significant share of television viewing.

The next 12 months will see each network launch another digital multi-channel, heralding even more choice for Australian viewers and greater opportunities for Free TV advertisers.