



Television New Zealand	
Annual results announcement – 29 August 2014	
Reporting Period	Year ended 30 June 2014
Previous Reporting Period	Year ended 30 June 2013

<i>Amount (000's)</i>	Year ended 30 June 2014	Year ended 30 June 2013	% change
Revenue from ordinary activities	\$360,585	\$362,110	0.4% decrease
Profit before income tax	\$34,982	\$26,285	33% increase
Profit for the period	\$18,111	\$14,440	25% increase

Final Dividend	\$0	\$0	
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Comments:	<p>TVNZ has posted a net profit after tax of \$18.1 million, up 25% on the same period last year.</p> <p>Announcing the annual result today, Chief Executive Kevin Kenrick said the company had delivered on its full year Statement of Intent earnings target.</p> <p>Total revenue softened slightly by 0.4% to \$360.6 million, and operating expenses were down 3.0% to \$325.6 million.</p> <p>Underlying earnings increased 7.5% to \$27.2 million, after excluding gains on the sale of property, plant and equipment.</p> <p>“Growth in Digital Media was the standout performance for the year - TVNZ Ondemand streams were up 78% for the year and now average more than 1 million per week, and an increased focus on publishing more, and faster, news online boosted onenews.co.nz video streams by 63%,” Mr Kenrick said.</p> <p>Off the back of strong audience growth, online advertising revenue was up 30%.</p> <p>“Online revenue is currently a modest component of total revenue, but it’s a major driver of future growth and the company</p>
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is investing to significantly enhance both its TVNZ Ondemand and ONE News online service offerings.”

Mr Kenrick said TVNZ has the most compelling content with all 20 of the top 20 most watched TV shows for the year screening on TVNZ. Overall *New Zealand’s Got Talent* was the most watched show, *ONE News* the most watched news, and *Sunday* the most watched current affairs show. *Seven Sharp* was the most improved show for year, he said, and is now performing more strongly than its predecessor *Close Up* and is regularly delivering more than twice the audience of 7pm shows on rival networks.

Mr Kenrick said viewers clearly welcomed TVNZ’s increasingly integrated approach to on-air and online content, with the multi-screen coverage of America’s Cup and FIFA World Cup events both showcasing examples of this growing trend in viewing behaviour.

As part of a tighter focus on its core on-air and online investments, TVNZ had divested surplus land & buildings during the year and relinquished its stake in both Hybrid Television Services and Igloo by selling its minority shareholding back to Hybrid and SKY TV respectively. Shortly after the financial year end, the company announced the sale of the TVNZ Archive to the Crown.

Mr Kenrick said the company’s focus was now on creating and sourcing the most compelling content, expanding online distribution, and delivering superior value to advertisers. The recent exit of non-core assets has freed up capital to invest in technology infrastructure to fast track online growth, and to refurbish its Auckland building to meet future accommodation needs in one central location.

“Encouraging progress has been made in the last year as we reshape TVNZ to succeed in the rapidly evolving media world. Content continues to be at the heart of the business and our future slate of new and returning local and international programming is very strong. Solid earnings growth during what has been a year of transformation has fuelled our confidence to invest boldly in the future of the business.”

Financial Highlights Summary – Year ended

	FY2014	FY2013
	\$'000	\$'000
Revenue and income	360,585	362,110
<i>Television revenue</i>	306,842	311,607
<i>Digital Media revenue</i>	12,890	9,925
Operating expenses	(325,603)	(335,825)
Underlying earnings	<u>34,982</u>	<u>26,285</u>
Interest expense	(249)	(1,118)
Asset impairment and remediation reversal	(3,188)	1,074
Financial Instruments	(167)	394
Share of results of associate / impairment	(6,342)	(4,969)
Income Tax	(6,925)	(7,226)
Net Profit after tax	<u>18,111</u>	<u>14,440</u>