

FreeLiveQuotes Investor Survey 1Q 2001

Executive summary



Background

This latest FLQ survey is designed to give an insight into shareholder sentiment on the future of Television Broadcasting, in particular the role of the ABC amidst the three commercial shareholder funded networks. A Trevor Sykes article in the *AFR Weekend Edition* on February 17 calculated a hypothetical commercial value for the ABC of \$1.78Bn. This was calculated with a comparison of audience reach to the commercial networks. A \$1.78Bn figure puts the ABC slightly ahead of Channel Seven and less than the value ascribed to the Channel Nine network. This survey indicates Australian Shareholders love the ABC and value it substantially ahead of all commercial networks.

About the survey

This survey of 2,134 Australians with an interest in sharemarket investing was conducted from 21-23 February 2001. Registered users of the ASX share price and portfolio website *Freelivequotes.com.au* were polled online and via email.

Key findings

This survey reveals:

- Investors ranked the ABC as Australia's most valuable television network ahead of Channel Nine, SBS, Channel Seven and Network Ten
- Shareholders like to watch the ABC ahead of any other network; more than twice as many as the nearest commercial network, Channel Nine
- Significantly more individual investors trust ABC news and current affairs ahead of any other network, with Network Ten ranking the least trusted
- Investors rated the present performance of ABC Management led by Jonathan Shier as the worst of all the networks, while David Leckie and his team at Channel Nine rated the most favoured
- 88% of shareholders opposed commercialisation of the ABC.

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Australian Television



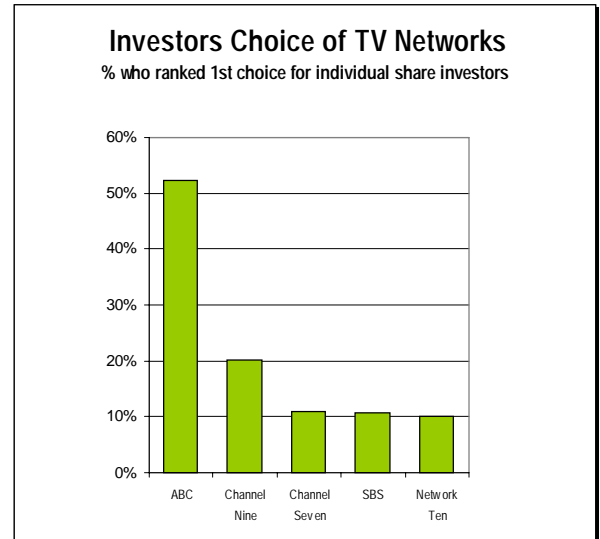
Which network do you like to watch the most?

The ABC ranked first among networks investors like to watch.

- Over half the respondents (52%) ranked ABC as the TV network they like to watch the most
- The ABC ranked ahead of commercial broadcasters Channel Nine, Channel Seven, SBS and Network Ten
- Many respondents who ranked commercial networks first commented on the distinctive character and role of the ABC

"While 9 is my pick the ABC has a major roll to play in getting the message to viewers - an example would be the story on Monday on how the current government has allowed to large international drug companies to gain a larger market share in a Australia through acceptance of their more expensive drugs into the PBS scheme."

" even though I watch channel nine for entertainment purposes I feel that the ABC is the most reliable channel for education and information. I feel that the impartiality that the abc has and the fact that it does not have to reach for profits and concentrate journalistic integrity add to the abc's reliability."



Which network do you like to watch the most?

Results

ABC	52%
Channel Nine	20%
Channel Seven	11%
SBS	11%
Network Ten	10%

Which network do you like to watch the least?

- SBS ranked as least liked among investors; closely followed by Network Ten
- Many commented their dislike for Ten was due to youth-audience focus "not aimed at my age group."
- Two respondents commented on Channel Seven's persistent corporate branding "HATE the watermark. Will not watch.", "Hate that Ch7 watermark logo!"

Which network do you like to watch the least?

Results

SBS	31%
Network Ten	30%
Channel Seven	17%
Channel Nine	14%
ABC	7%

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Australian Television

Whose News and Current Affairs coverage do you trust most?

- More investors trust the ABC for News and Current affairs than any other network.
- Eight out of ten investors trust the national broadcasters the ABC and SBS ahead of commercial networks in their News and Current affairs coverage
- Less than 2% of respondents ranked Network Ten as their most trusted source of news and current affairs.

Whose News and Current Affairs coverage do you trust most?

Results

ABC	66%
SBS	17%
Channel Nine	11%
Channel Seven	4%
Network Ten	2%

Many who voted for the ABC commented on a perceived political bias with the ABC:

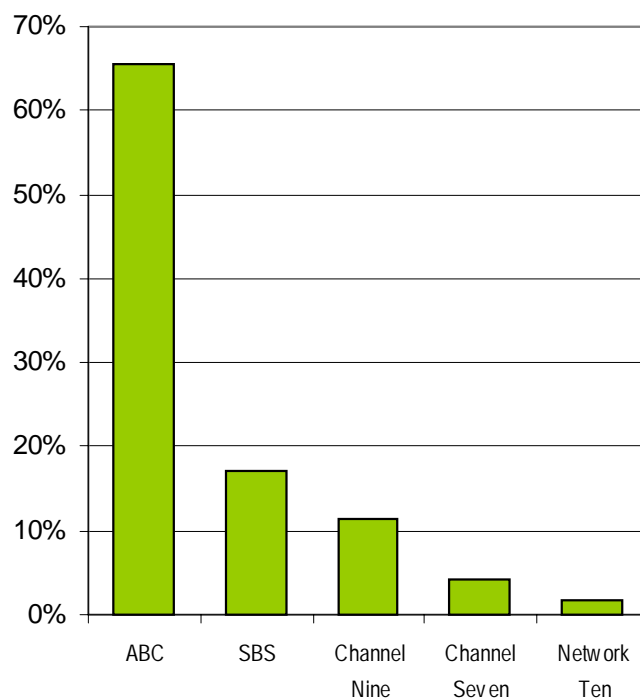
"I trust it because it is generally more comprehensive (despite being reliably left-wing). I find it easier to filter out ABC bias than not be told anything at all on the remaining commercial channels (except SBS)."

"ABC is our news channel and we have the intellect to see through the political bias."

"I think ABC workers are a bunch of lefties, but I am prepared to put up with them for lack of something better. I wish the ABC was like the public broadcasters in Canada, where political opinions are meticulously balanced so as to avoid bias and thereby preserve democracy. Go there, observe, and hopefully learn something!"

Who Shareholders Trust for TV News

% who ranked 1st choice for individual share investors



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Australian Television

If Australia could only have two TV networks, which two would you choose?

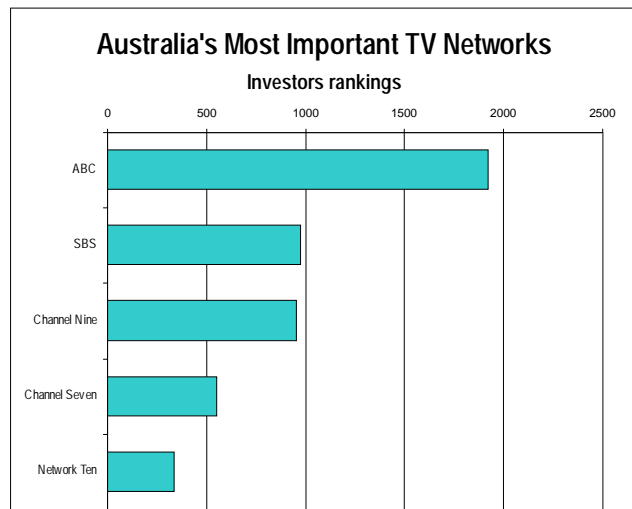
Results

ABC	41%
SBS	21%
Channel Nine	20%
Channel Seven	12%
Network Ten	7%

Many opted for one commercial and one national broadcaster and underlined in their comments how they perceived the commercial networks to be similarly good at entertaining and the national broadcasters to be important and trustworthy.

"May as well have the best from both the private and public sector. Keep as many people as possible with what would appear to be a third world (ie 2 channels) effort at television broadcasting."

"I would choose the ABC and any one of the commercial networks as they would get the better commercial programs. (Preference for 7 or 9 over 10)"



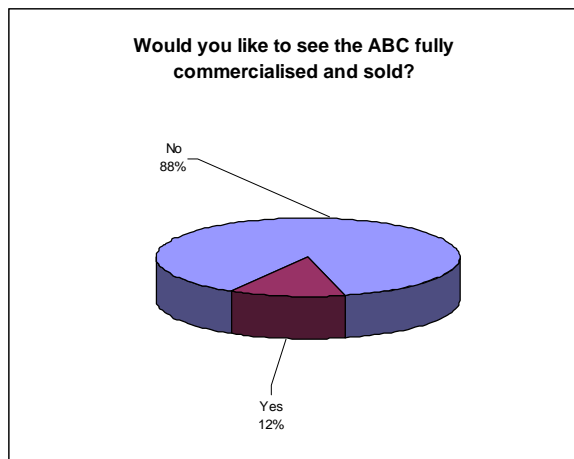
Would you like to see the ABC fully commercialised and sold?

The large majority of investors voiced strong opposition to the idea of commercialising the ABC.

- Yes 14%
- No 86%

A significant number expressed their distress at the very idea:

"If they flog off the ABC I'll bloody well emigrate. I live in the country, (I'm a farmer)it's a life line to an intelligent and informed world. It is a big part of everyday life for me and without it I'm not sure where my information would come from as I don't have ready access to newspapers."

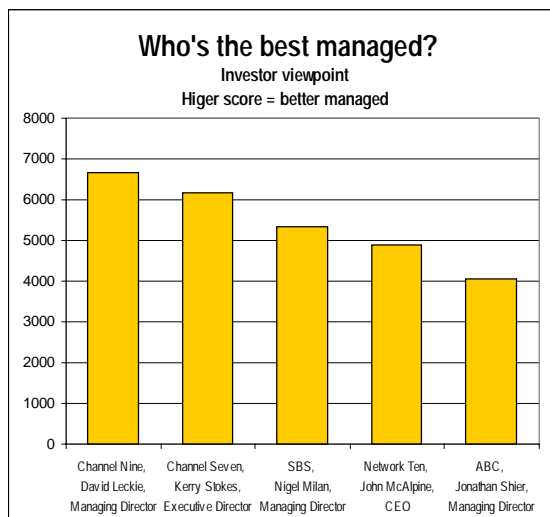


In your opinion, which network has the best management team?

David Leckie and his team at Channel Nine received investors vote of confidence as being the best performing management team at a television network while Jonathan Shier at the ABC received the worst response.

Who's the best Television Network managed?

Channel Nine, David Leckie, Managing Director	6677
Channel Seven, Kerry Stokes, Executive Director	6153
SBS, Nigel Milan, Managing Director	5326
Network Ten, John McAlpine, CEO	4893
ABC, Jonathan Shier, Managing Director	4057



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Australian Television

Demographics of respondents

Income

Under \$25,000	12%
\$25,000 - \$50,000	33%
\$50,000 - \$75,000	29%
\$75,000 - \$100,000	15%
\$100,000 - \$125,000	5%
\$125,000 - \$150,000	3%
Over \$150,000	4%

Age

Under 18	1%
18-24	7%
25-34	23%
35-44	27%
45-54	26%
Over 55	15%

Sex

Female	14%
Male	86%

Occupation

Accounting	5%
Academic	4%
Banking	2%
Business Owner	13%
Financial Services	5%
High Tech	3%
Human Resources	2%
Information Technology	11%
Legal	2%
Medical	3%
Professional/Managerial	15%
Retired	10%
Other	25%

