



SEVEN WEST MEDIA

**Delivering
the future
of content.
Anywhere.
Any screen.
Anytime.**

RESULTS FOR THE YEAR
ENDED 27 JUNE 2015



presto

Pacific magazines

YAHOO! 7

The West
Australian



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Agenda

FY15 Full Year Highlights

Performance and Outlook

Financials

Operating Divisions

- Television
- Digital
- Yahoo7
- Newspapers
- Magazines

Strategy

Questions



FY15 Highlights

Operational

- Maintained leadership.
- Distribution of content anywhere, anytime, on any device.
- Expansion of content production globally.
- New revenue streams established.

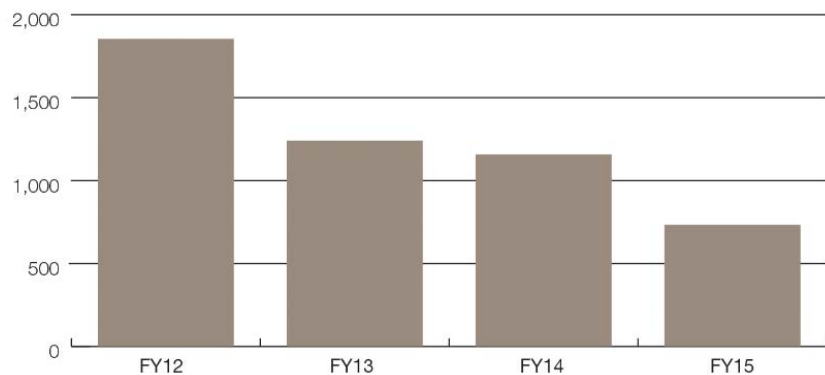
Financial

- Profit after tax of \$209.1m (excl. significant items) down 11.5% YoY.
- Loss after tax of \$1,887.4m (incl. significant items).
- \$2,096.5m of significant items (net of tax) predominately relating to impairment of Television goodwill and licences.
- Tight operating cost control delivered a 2.4% reduction YoY.
- EBIT of \$356.3m down 12.7% YoY. Group EBITDA margin of 22.9%.
- Strong operating cashflows (before interest and tax) of \$349.0m.
- Early conversion of the convertible preference shares.
- Proceeds raised in the Pro-rata Offer used to reduce debt.
- Secured debt extension to October 2018.
- Final dividend of 4 cents per share fully franked.

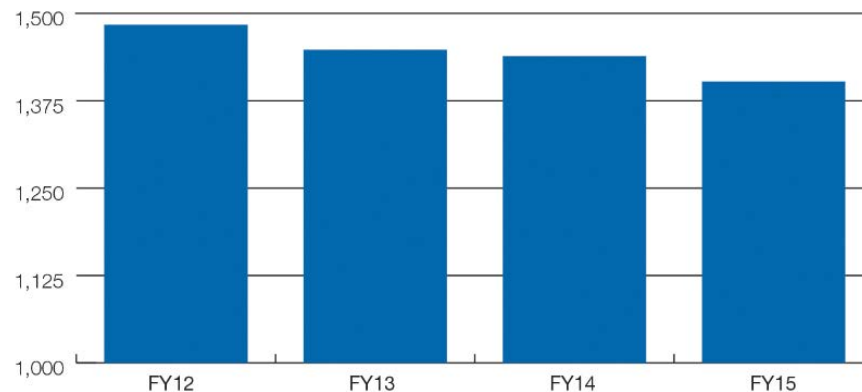


FY15 Highlights

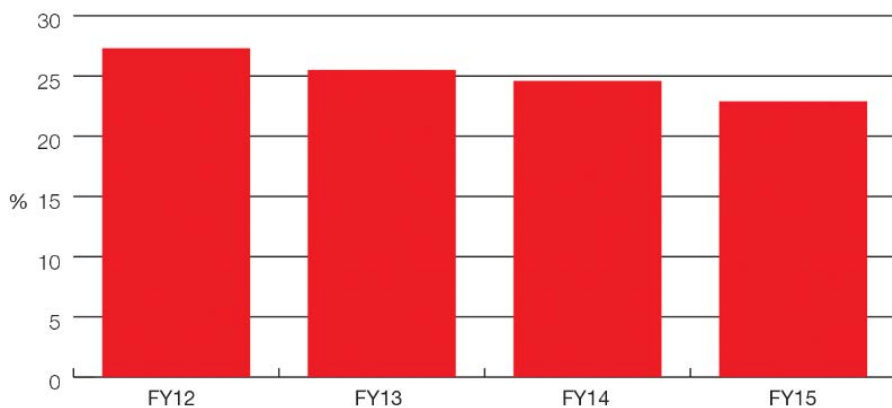
\$'m Net Debt (\$m)



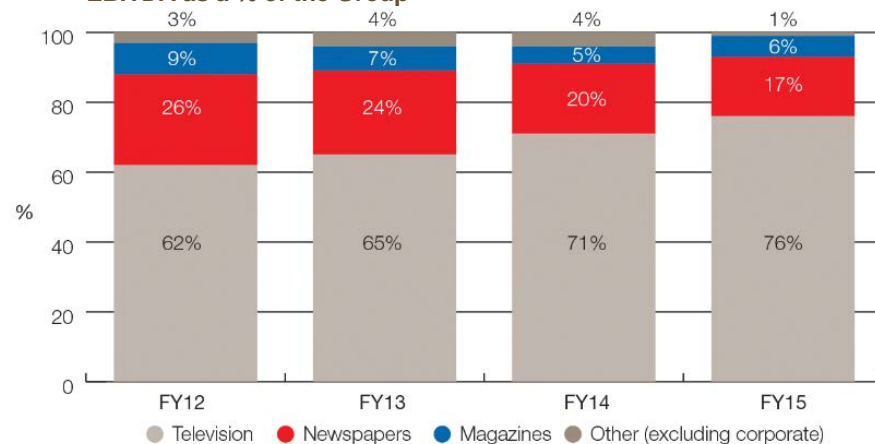
\$'m Total Group Costs (\$m)



Group EBITDA Margin (%)



EBITDA as a % of the Group



Performance & Outlook. **Solid revenue performance**

Total Advertising Market: July 2014 - June 2015 +3.1%²

Year on year	TV ¹	Newspapers ²	Magazines ²
Jul 14 - Dec 14	-3.0%	-8.2%	-9.5%
Jan 15 - Jun 15	+0.2%	-13.2%	-15.2%
FY15	-1.6%	-10.5%	-11.8%

Seven West Media Advertising Revenue:

Year on year	TV	Newspapers	Magazines
Jul 14- Jun 15	-3.1%	-13.3%	-4.9%

- Television maintained leadership with full year market share of 40%.
- Advertising market share in Digital continues to grow.

Advertising Market Outlook

- TV - Low single digit growth.
- Newspapers - Early signs of improvement in trend.
- Magazines - Continuation of trend.

Group Outlook

- FY16 operating cost growth to remain below CPI (excluding third party commissions and events).
- Underlying Group EBIT for FY16 to be 5 to 10% lower than FY15.

1. Free TV Metro 2. SMI

Financials



XFACTOR

Key Group results

Statutory results

	FY15 \$m	FY14 \$m
(Loss)/ Profit before tax	(1,827.2)	243.4
(Loss)/ Profit after tax	(1,887.4)	149.2
Basic EPS ²	(181.1) cents	14.8 cents
Diluted EPS ^{1 2}	(181.1) cents	12.6 cents
Proposed Final FY15 dividend	4 cents	6 cents

4 cents

Fully franked proposed final
FY15 dividend

Additional Information

Earnings per share based on net profit excluding significant items (net of tax)

	FY15 \$m	FY14 \$m	Inc/(dec) %
Profit after tax excluding significant items	209.1	236.2	(11.5)
Significant items (net of tax)	(2,096.5)	(87.0)	-
Profit after tax	(1,887.4)	149.2	-
Basic EPS ²	20.1 cents	23.4 cents	(14.4)
Diluted EPS ²	16.0 cents	19.9 cents	(19.7)

\$209.1 million

profit after tax excluding
significant items

Note 1: Statutory Diluted Earnings Per Share for June 2015 does not assume conversion of the CPS as this would have an anti-dilutive effect on EPS. This is in line with the requirements of AASB 133 Earnings Per Share.

Note 2: Calculation of the DEPS assumes conversion of the weighted average CPS for the full financial year and the EPS calculation assumes conversion of the CPS at conversion date. Prior year comparatives were restated in line with AASB 133 Earnings per Share.

Amounts, totals and change percentages calculated on whole numbers and not the rounded amounts presented.

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Consolidated SWM. Income Statement

	FY15 \$m	FY14 \$m	Inc/(dec) %
Revenue, other income and share of equity accounted investees	1,774.7	1,861.8	(4.7)
Expenses (including depreciation)	(1,418.4)	(1,453.6)	(2.4)
Profit before significant items, net finance costs and tax	356.3	408.2	(12.7)
Net finance costs	(60.7)	(77.8)	(22.0)
Profit before significant items and tax	295.6	330.4	(10.5)
Significant items before tax	(2,122.8)	(87.0)	-
(Loss)/ profit before tax	(1,827.2)	243.4	-
Tax expense	(60.2)	(94.2)	-
(Loss)/ profit after tax	(1,887.4)	149.2	-

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Consolidated SWM. Significant Items

	FY15 \$m	FY14 \$m
Impairment of Television goodwill	(960.9)	-
Impairment of Television licences	(929.3)	
Impairment of Newspapers and Magazines goodwill	(65.7)	(61.7)
Impairment of Newspapers and Magazines mastheads and licences	(38.4)	(25.3)
Impairment of equity accounted investees	(71.0)	-
Total impairment	(2,065.2)	(87.0)
Restructure costs and onerous contracts	(56.6)	-
Transaction costs on conversion of CPS	(0.9)	-
Total significant items before tax	(2,122.8)	(87.0)
Tax benefit	26.3	-
Net significant items after income tax	(2,096.5)	(87.0)

- Significant items (net of tax) of \$1,131.1m were recognised in December 2014.
- Significant items (net of tax) of \$965.4m were recognised at June 2015.
- \$2,065.2m total impairment is non-cash in nature and has no impact on the Group's ability to pay franked dividends.

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Consolidated SWM. Cash flow

	FY15 \$m	FY14 \$m	Inc/(dec) %
EBITDA	407.0	458.2	(11.2)
Working capital and other movements	(62.1)	(46.7)	33.0
Redundancy and restructuring (significant items)	(11.0)	-	-
Dividends received net of share of associates profit	15.1	4.6	229.0
Operating cash flows before interest and tax	349.0	416.1	(16.1)
Tax received/(paid)	(6.8)	(100.1)	(93.2)
Net finance costs paid	(59.2)	(77.6)	(23.7)
Net payment for property, plant & equipment and software	(40.3)	(40.3)	-
Dividends paid	(119.8)	(119.8)	-
Loans issued, proceeds and payments for investments	(3.2)	6.6	(149.2)
Share issue (net of transaction costs)	308.2	-	-
Net increase in cash and cash equivalents	427.9	84.9	404.2
Opening net cash/(debt)	(1,158.5)	(1,240.9)	(6.6)
Change in unamortised refinancing costs	(2.3)	(2.6)	(11.5)
Closing net cash/(debt)	(732.9)	(1,158.5)	(36.7)

Note: Closing net debt, excluding unamortised refinancing costs is \$738.2m (Jun 14: \$1,166.1m). Closing unamortised refinancing costs are \$5.3m (Jun 14: \$7.6m)

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SWM. Net Debt

	FY15 \$m	FY14 \$m	Inc/(dec) %
Total Borrowings¹	874.6	1,227.4	(28.7)
Cash	(141.8)	(68.8)	106.1
SWM total net debt	732.9	1,158.5	(36.7)
SWM LTM EBITDA	407.0	458.2	(11.2)
SWM Total Leverage Ratio	1.8x	2.5x	(28.0)

- Extended debt facility to October 2018.
- Reduced total facility to \$1.1billion and secured lower lending margins.

Note 1: Total borrowings of \$874.6m are net of unamortised refinancing costs of \$5.3m (June 14: \$7.6m).

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Revenue Performance

	FY15 \$m	FY14 \$m	Inc/(dec) %
Revenue			
Television	1,279.2	1,305.7	(2.0)
Newspapers	260.9	291.2	(10.4)
Magazines	220.1	237.5	(7.3)
Other Business and New Ventures ^{1 2}	13.6	27.4	(50.4)
Corporate ²	0.9	-	-
	1,774.7	1,861.8	(4.7)
Revenue as a % of Group			
Television	72%	70%	
Newspapers	15%	16%	
Magazines	12%	13%	
Other Business and New Ventures	1%	1%	
Corporate	-	-	

Note 1: Includes share of profit of equity accounted investments.

Note 2: A reallocation of revenue and costs between "Other Business and New Ventures" and "Corporate" has occurred in FY15. Comparatives have been restated to reflect the new segment structure.

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Group Costs and EBIT

	FY15 \$m	FY14 \$m	Inc/(dec) %
Costs ¹			
Television	983.2	993.6	(1.0)
Newspapers	209.2	219.7	(4.8)
Magazines	199.8	217.1	(8.0)
Other Business and New Ventures ²	10.3	8.5	21.2
Corporate ²	15.9	14.7	8.2
	1,418.4	1,453.6	(2.4)
EBIT			
Television	296.0	312.1	(5.1)
Newspapers	51.7	71.6	(27.8)
Magazines	20.3	20.4	(0.5)
Other Business and New Ventures ²	3.3	18.9	(82.3)
Corporate ²	(15.0)	(14.7)	(2.1)
	356.3	408.2	(12.7)

Note 1: Costs include depreciation and amortisation and exclude significant items.

Note 2: A reallocation of revenue and costs between "Other Business and New Ventures" and "Corporate" has occurred in FY15. Comparatives have been restated to reflect the new segment structure.

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Divisional Performance. **Television**

	FY15 \$m	FY14 \$m	Inc/(dec) %
Revenue ¹			
Advertising	1,118.1	1,153.3	(3.1)
Affiliate fees, program sales and other	161.1	152.4	5.7
	1,279.2	1,305.7	(2.0)
Costs			
Revenue variable costs ²	80.4	83.8	(4.1)
Depreciation and amortisation	25.2	24.1	4.7
Other costs	877.6	885.7	(0.9)
	983.2	993.6	(1.0)
EBIT	296.0	312.1	(5.1)

Note 1: Advertising revenue includes advertorial revenue.

Note 2: Revenue variable costs include licence fees, contra and advertorial costs which are directly variable to revenue streams.

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Divisional Performance. Newspapers

	FY15 \$m	FY14 \$m	Inc/(dec) %
Revenue ¹			
Advertising	167.9	193.8	(13.3)
Circulation	61.6	66.5	(7.4)
Other	31.4	30.9	1.6
	260.9	291.2	(10.4)
Costs ¹			
Depreciation & amortisation	21.5	21.4	0.5
Other costs	187.7	198.3	(5.3)
	209.2	219.7	(4.8)
EBIT	51.7	71.5	(27.7)
Metro Circulation and readership			
Average daily issues (000's) ²	157	166	
Average weekend issues (000's) ²	258	275	
Average daily readership (000's) ³	573	637	
Average weekend readership (000's) ³	616	681	

Note 1: Following a review of the internal reporting structure, the revenue and cost items relating to ColourPress, Newspapers Digital Publishing and other WA Publishers were reclassified from "Other Business and New Ventures" to "Newspapers". FY14 results have also been restated to reflect this change.

Note 2: Source: ABC; Note 3: EmmaTM conducted by Ipsos MediaCT for the 12 months ending June 2015.

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Divisional Performance. **Magazines**

	FY15 \$m	FY14 \$m	Inc/(dec) %
Revenue			
Circulation	142.2	154.4	(7.9)
Advertising	69.2	72.8	(4.9)
Other	8.7	10.3	(15.5)
	220.1	237.5	(7.3)
Costs			
Depreciation and amortisation	3.2	4.0	(20.0)
Other costs	196.6	213.1	(7.7)
	199.8	217.1	(8.0)
EBIT	20.3	20.4	(0.5)
Circulation and readership			
Total circulation share ¹ (%)	35.7	35.2	
Readership market share ² (%)	30.1	31.6	

Note 1: Source: AMAA from ABC (based on 16 audited titles).

Note 2: Source: EmmaTM conducted by Ipsos MediaCT for the 12 months ending June 2015 (excluding new titles added to the survey the readership market share has increased to 33.1%).

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Divisional Performance. Yahoo7

	FY15 \$m	FY14 \$m	Inc/(dec) %
Revenue			
Advertising	78.2	77.6	0.7
Other	21.4	23.0	(7.0)
	99.6	100.6	(1.0)
Costs			
Depreciation and amortisation	6.4	7.3	(12.3)
Other costs	67.6	60.4	12.0
	74.0	67.7	9.4
EBIT	25.5	32.9	(22.4)
Daily Active Users (m's) ¹	3.1	2.8	
Total video streams (m's) ¹	133	116	

Note 1: Yahoo7

Note: The above result is based on 100% of the business. Seven West Media's share is 50%.

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Divisional Performance.

Other Business and New Ventures

	FY15 \$m	FY14 \$m	Inc/(dec) %
Revenue			
Radio	9.9	10.5	(5.7)
Yahoo7 share of net profit	11.1	12.0	(7.5)
Early stage investments share of net losses	(12.7)	(1.3)	-
Other	5.3	6.1	(14.5)
	13.6	27.4	(50.4)
Costs			
Depreciation and amortisation	0.8	0.5	60.0
Other costs	9.5	8.0	18.7
	10.3	8.5	21.2
EBIT	3.3	18.9	(82.3)

Note: Following a review of the internal segment reporting structure, the revenue and cost items relating to ColourPress, Newspapers Digital Publishing and other WA Publishers were reclassified from "Other Business and New Ventures" to "Newspapers". FY14 results have also been restated to reflect this change.

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Operating Divisions

Operating Divisions



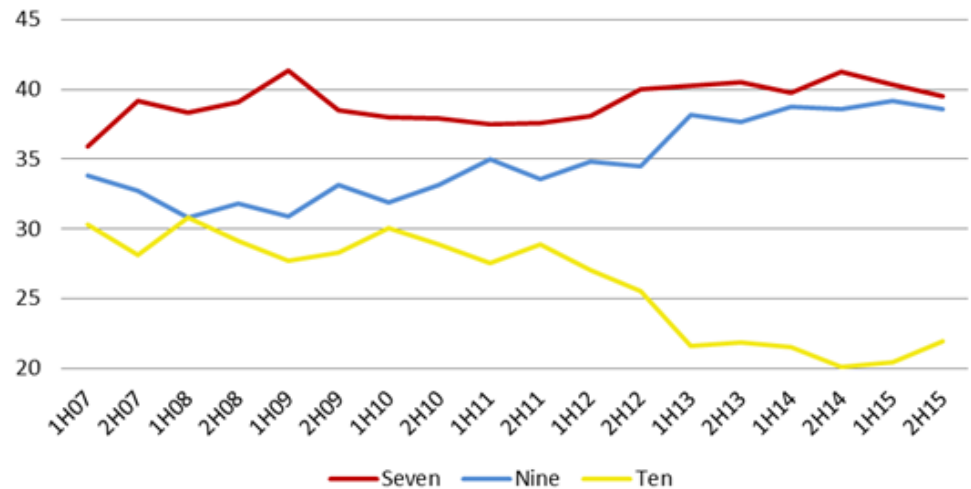
Television

17th consecutive half year of leadership

FY15 review

- #1 Network in revenue and ratings share
 - 40.0% revenue share in FY15².
 - 38.5% ratings share in FY15¹.
- Largest ratings lead over nearest competitor in 2H since 2011¹.
- 10 of the top 20 programs are on Seven¹.
- My Kitchen Rules maintains dominance as #1 show and House Rules delivers highest ratings of all renovation shows¹.
- Strategic roadmap to Olympics well established.
- Federal government review of licence fees underway.
- Reviewing international content deals.

Metro FTA TV advertising revenue market share



Note 1: Source: Ozdam Note 2: Source: Free TV

Television

Content at the core

FY15 review

- Strong program sales growth +17% year on year.
- Growing pipeline of new commissioned productions for third parties.
- 7Productions, 7Wonder and 7Beyond producing over 700 hours of scripted, factual, kids and reality programming per annum.
- Investing in growing production and distribution capabilities with several key appointments.
- Sustained demand for our content internationally.



Digital

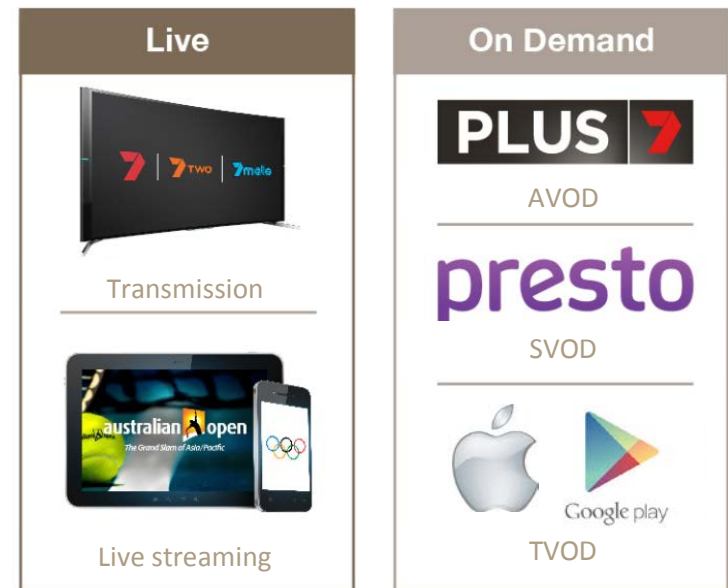
Content. Anywhere. Any screen. Anytime.

FY15 review

- Launched Presto SVOD service in 3Q15 with subscriber growth on track.
- Launching live 24/7 streaming of 7, 7Mate and 7TWO content.
- Social community across Seven West Media now greater than 12 million.
- Hybrid Television adoption growing with all major manufacturers on board.
- Establishing new distribution agreements with 3rd party platforms.
- Nielsen introducing new streaming measurement system.
- Formed long term media partnership on Racing.com with Racing Victoria.
- Monetisation of tennis digital rights.
- Launched 40 Days Of 'Live & Free' Sport, increasing reach and return on sports rights.
- Innovation on the delivery of Olympics.



SEVEN WEST MEDIA





Olympic Games

Compatibility	Mobile App iOS & Android	Tablet App iOS & Android	Responsive Website	Apple Watch & Samsung Gear	Consoles & Gaming	Apple TV
FREE Live Streaming	7	7Two	7Mate	Olympic News		
FREE VOD	Highlights		Archives		Extras	
PAID	36 Live Streams	Live Stream - 2 Foreign Languages		SVOD	Selective Streaming HD/SD	



New 6 Year AFL Deal

The Seven Network remains the home of AFL Football

Update

- New 6 year agreement for the 2017-2022 season.
- \$140 million + \$10 million contra.
- All premium timeslots on Seven.
- More live prime time games than ever before:
 - Thursday Night Football;
 - Friday Night Football;
 - Saturday Night Football;
 - Sunday Afternoon Football;
- AFL Finals Series, AFL Grand Final.
- Brownlow Medal and all major holiday or holiday eve “blockbuster” matches.
- Overflow mechanism provides more than 4 games in every market except Melbourne.
- Substitution mechanism provides best game in every market.
- Greater advertiser presence in all digital simulcasts on all platforms.



Yahoo7

Market leading expertise in ad tech and data

FY15 review

- Highly engaged audience with 3.1 million¹ Daily Active Users.
- Strategic focus on mobile, video, native and social revenue models:
 - Mobile audiences grown 31%.
 - >130 million video streams served in the year up 15%.
 - Strong growth in native advertising up 300% from H1.
 - Secured advertising partners for local Tumblr commercialisation.
- Enhanced video delivery and content offering across the network.
- Leveraging Yahoo inc. investment in ad tech to monetise in local market to third parties.

YAHOO!7



Note 1: Yahoo7 data

Newspapers

News for Western Australians. Anywhere. Anytime.

FY15 review

- Engaging 71% of West Australians every month¹.
- Successful integration of Seven Perth into The West Australian.
- Newsgate fully operational across all metro publications and being rolled out across regional mastheads.
- Advertising market remains challenging in WA.
- Costs savings and management restructure.
- Integration of Seven West Media WA sales teams.
- New Head of Digital appointed.
- Digital platform enhancements to be delivered in the coming year.



Note 1: Source: emma™ conducted by Ipsos MediaCT, People 14+ for the 12 months ending June 2015, Nielsen Online Ratings June 2015, People 14+ only.

Magazines

Growing audience reach and engagement

FY15 review

- Advertising revenue share increased to a record high of 31.5% (30.1% FY14).¹
- Total Audience increased 14% with social media footprint increasing 71% year on year.
- Leveraging brands and audience to build new revenue streams.
- New initiatives gaining traction, BHG Shop, The Parcel. Further initiatives to be announced later this year.
- Enhanced capabilities in digital and e-commerce, new Head of Digital appointed.
- Cost program delivers further efficiencies.



Note 1: SMI

Strategy & Outlook

Strategy & Outlook



Strategy & Outlook

- Create or own the right content to ensure ongoing leadership in television.
- Grow our television production and distribution business globally.
- Syndicate and distribute our content wherever it can be measured and monetised.
- Focus on mobile delivery to extend reach and frequency.
- Extend publishing businesses into video, eCommerce and social.
- Lead and innovate in live sport - lay the foundations for the Rio 2016 Olympics and Paralympics.
- Invest in data technology to enable new advertising sales models.
- Build on the early success of our RED Events portfolio.
- Leverage power of SWM assets to build new revenue streams.
- Identify and drive efficiencies and simplification across people, process and technology.
- Committed to change our culture to be more agile and innovative



Questions

