

16 August 2017

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

By electronic lodgment

Total Pages: 6 (including covering letter)

Dear Sir / Madam

APPENDIX 4E AND YEAR END RESULTS ANNOUNCEMENT

Following is a copy of the Appendix 4E and the Year End Results Announcement for the financial year ended 24 June 2017.

Yours faithfully
For and on behalf of Seven West Media



Warren Coatsworth
Company Secretary

Seven West Media Limited
Appendix 4E
Preliminary Final Report
Under ASX Listing Rule 4.3A

Year Ended 24 June 2017

Results for announcement to the market

	2017 \$'000	2016 \$'000	Movement
Reported			
Revenue from ordinary activities	1,673,575	1,720,541	-2.7%
Other income	5,409	6,142	-11.9%
Revenue and other income	1,678,984	1,726,683	-2.8%
(Loss) profit from ordinary activities after tax attributable to members	(744,326)	184,289	n/a
Net (loss) profit for the period attributable to members	(744,326)	184,289	n/a
Additional information			
Significant items before tax	(988,793)	(32,933)	n/a
Profit before tax excluding significant items	222,831	280,346	-20.5%
Profit after tax excluding significant items net of tax	166,809	207,343	-19.5%

The current reporting period relates to the period from 26 June 2016 to 24 June 2017 and the previous reporting period relates to the period from 28 June 2015 to 25 June 2016.

Dividends	Amount per security	Franked amount per security
Final dividend 2016 (paid during current reporting period)	4 cents	4 cents
Interim dividend 2017 (paid during current reporting period)	2 cents	2 cents
Final dividend 2017 (not yet paid)	2 cents	2 cents

The record date for determining entitlements to the final 2017 dividend is 26 September 2017 and the payment date is 18 October 2017. The final dividend for 2017 has not been recognised as a liability at year end.

Audit

This report is based on financial statements which have been audited by KPMG. Refer to the 24 June 2017 Seven West Media Limited and controlled entities Financial Report for the independent auditor's report to the members of Seven West Media Limited.

Net Tangible Assets

Net tangible asset backing per ordinary share (cents)	-	-
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Seven West Media Releases Annual Financial Results

- Seven West Media accelerates the transformation of its business across all platforms.
- Revenue and ratings leadership in broadcast television for the eleventh consecutive television year.
- Underlying EBIT of \$261.4 million was within guidance.
- Underlying net profit after tax (excl. significant items) of \$166.8 million.
- Recognised \$988.8 million of significant items which predominantly reflect non-cash impairment of the carrying value of intangible assets, and recognition of provision relating to onerous contracts.
- Statutory net loss of \$745.0 million.
- Revised market growth assumptions impacting the carrying value of Television, Newspaper, Magazine and Yahoo7 assets.
- Operating cashflows (before interest and tax) of \$226.9 million.
- Fully franked final dividend of 2c brings full year payout ratio to 36 per cent of underlying NPAT.
- Seven West Media forecasts FY18 underlying Group EBIT to be 5 per cent lower than FY17.

Overview

16 August 2017 --- Seven West Media today reported the company's financial results for FY17. Commenting, the Managing Director and Chief Executive Officer of Seven West Media, Tim Worner, said: "Our results reflect a tough market, one that continues to change at pace, but a pace that we must match in our transformation."

"Despite these tougher conditions, we continue to lead in the core markets in which we compete, while at the same time making the necessary and sometimes difficult decisions in the transformation of our business. On the financials, our underlying EBIT was within guidance provided at the announcement of our financial results for FY16. Operating costs continue to be a focus with operating costs down \$20 million (excluding Olympic Games, license fees and 3rd party commissions)."

“This year we marked our 22nd consecutive half of ratings and revenue leadership in metro broadcast television. We also expanded our leadership in content creation and distribution across new delivery platforms with over 45 per cent share in live streaming and AVOD catch-up revenue. We have continued to invest in creating our own content and we are growing our productions business globally, delivering a further 11 per cent revenue growth in the year.”

“The West has successfully integrated The Sunday Times and PerthNow into the business and has rapidly improved the digital offering of the business. Pacific, which has faced material revenue pressure, is accelerating its transformation. We are also investing in new business where we’re leveraging the power of our assets to help growth with very pleasing results.”

“This period we have booked a material impairment in the carrying value of our assets. This reflects the current challenging market conditions which have led us to revise our market growth assumptions, impacting the carrying value of intangible assets.”

Results

Seven West Media reports an underlying profit after income tax, excluding significant items net of tax of \$166.8 million on total revenues of \$1,679.4 million. EBITDA of \$306.7 million is down from \$363.5 million in the corresponding period with EBIT of \$261.4 million.

This is within guidance outlined at the company's 2017 interim financial results.

Seven West Media Limited reported a statutory net loss of \$745.0 million for the year ended 24 June 2017. This compares to the previous year statutory net profit of \$184.3 million.

Seven West Media recorded significant items of \$988.8 million in the period, including the impairment of intangibles, equity accounted investees, other assets including fixed assets, restructuring costs, onerous contracts and net loss on disposal of investments.

The reduction in the carrying value of the television assets represented the largest proportion of these write downs. Softer free to air market conditions and a revision in growth assumptions for the market outlook have impacted the carrying value of the television licence and certain sports rights. In the prior period, FY16, significant items of \$32.9 million related to restructuring costs.

A final dividend of 2 cents per share (fully franked) has been declared.

Financial Results	Year Ended 24 June 2017	Year Ended 25 June 2016
Total Revenue*	\$1,679.4m	\$1,713.8m
EBITDA	\$306.7m	\$363.5m
EBIT	\$261.4m	\$318.1m
Underlying NPAT	\$166.8m	\$207.3m
Underlying EPS	11.1 cents	13.7 cents
Final Dividend per Ordinary Share	2 cents	4 cents
(Loss) profit before tax	(\$766.0m)	\$247.4m
(Loss) profit after tax	(\$745.0m)	\$184.3m
Basic EPS	(49.4 cents)	12.2 cents
Diluted EPS	(49.4 cents)	12.2 cents
Reconciliation to statutory results:		
Profit before significant items, net finance costs and tax	\$261.4m	\$318.1m
Net finance costs	(\$38.6m)	(\$37.8m)
Profit before tax excluding significant items	\$222.8m	\$280.3m
Significant Items before tax	(\$988.8m)	(\$32.9m)
(Loss) profit before tax	(\$766.0m)	\$247.4m
*Revenue includes share of equity-accounted investees and other income		

Balance Sheet

At 24 June 2017 Seven West Media had net assets of \$418.9 million. Group net debt at the end of the year was \$725.7 million and the debt leverage ratio was 2.4x EBITDA. In October 2016, the Group extended its debt facilities for a further two years with no changes to covenants or undertakings, out to an expiry date of October 2020. The overall facility limit was reduced to \$900 million, down from \$1.1 billion.

Cost Management

Group operating costs including depreciation and amortisation increased by 1.6 per cent to \$1,418.0 million driven by major one off events, growth in 3rd party productions and the purchase of The Sunday Times and PerthNow. On an underlying basis excluding these expenses, operating costs decreased 6.1 per cent during the financial year.

Outlook

Management earnings guidance for FY18 is for underlying EBIT to be 5 per cent lower than FY17. Advertising conditions have been challenging, however the company expects the broadcast metro market to outperform FY17 and are targeting increased share. Seven Studios is forecast to exceed this year's performance and revenue from our 100 per cent owned digital products is projected to double again. The company is targeting cost savings in the financial year to more than offset the AFL uplift in FY18 with a further incremental cost savings to be delivered in FY19 on FY18.