

Wednesday March 28, 2018

## **Seven West Media's direct to consumer digital product strategy paying off with record audiences and strong revenue growth**

Seven West Media (ASX: SWM) today gave details of its direct to consumer digital product strategy, which is delivering record audiences and strong revenue growth, and its strategic decision to sell its stake in Yahoo7.

Two years ago SWM began the process of taking control of its direct to consumer digital products where it made financial sense to do so.

The first of these were premium sports products, including 7Tennis, in January 2016. Then came Pacific's digital content in March that year, followed by West Australian Newspapers' in December 2016.

At the end of last year, Seven took control of its long-form video on demand content and launched its over-the-top (OTT) digital video platform 7plus to great success.

The strategy is delivering results for SWM:

- Nielsen's February ratings data showed SWM's unique monthly online audience, excluding audiences from Yahoo7, growing 51.5% YoY to a record high 4.4m.
- Included in this 4.4m is West Australian Newspapers' largest ever online audience of 1.7m, representing 24.4% YoY growth, and Pacific Magazines' unique online audience of 1.8m, which is up 6% YoY.
- 7plus achieved a 43% share of the BVOD audience market across January and February combined, helping drive SWM's OTT audience to 24.4% YoY growth, reaching a monthly unique audience of 2.9 million in February.
- 7plus' performance, together with live sport, has resulted in Seven Network's net digital revenue increasing by 82% YoY.

SWM is now focused on strategic development of Seven's market-leading News and Public Affairs brands, which represent around three million of Yahoo7's unique monthly audience of eight million.

As a natural next step of the strategy SWM has now exercised a put option under the Yahoo7 Shareholders Agreement, and will sell its 50% stake to Oath. The financial terms of the transaction, which is expected to complete in August, will be disclosed when they are settled.

SWM Chief Digital Officer Clive Dickens said: *"Our direct to consumer strategy is working, delivering strong revenue growth and record online audiences across the company. 7plus' hugely successful launch has helped ensure we are on track to exceed the prediction we made at last year's Allfronts to reach an OTT unique audience of three million in April."*

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*“7News, Sunrise, The Morning Show, Sunday Night and 7Sport are some of Australia’s most loved and powerful brands, and we are currently working on exciting new products for each of them, which we will announce shortly.*

*“All this comes on the eve of the Gold Coast 2018 Commonwealth Games, which will be the biggest event in Australia this decade, with guaranteed record-breaking broadcast and streaming audiences. Demand for digital advertising is at record levels, underpinning the importance of our direct to consumer strategy,” Mr Dickens said.*

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