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HALF-YEAR FINANCIAL REPORT AND MEDIA RELEASE

In accordance with the Listing Rules, following are the Half-Year Report Appendix 4D, the Half-Year Financial Report at 29 December 2012 and the Media Release.

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Seven West Media Limited
Appendix 4D
Half Year Report
For the half year ended 29 December 2012

Results for announcement to the market

		$'000
Reported		
Revenue from ordinary activities	down 3.4% to	977,901
Loss from ordinary activities after tax attributable to members	down 167.1% to	(109,339)
Net loss for the period attributable to members	down 167.1% to	(109,339)
Additional information		
Significant items before tax (refer note 4)		(260,725)
Profit before tax excluding significant items (refer note 2)	down 11.9% to	204,038
Profit after tax excluding significant items net of tax (refer note 13)	down 12.7% to	142,251

The current reporting period relates to the period from 1 July 2012 to 29 December 2012 and the previous reporting period relates to the period from 26 June 2011 to 31 December 2011.

Dividends	Amount per security	Franked amount per security
Final dividend 2012	6 cents	6 cents
Interim dividend 2013	6 cents	6 cents

The record date for determining entitlements to the interim 2013 dividend is 15/3/2013 and the payment date is 2/4/2013.
The interim dividend has not been recognised as a liability at half year end. Refer note 12 for details of dividends paid during the half year.

Consolidated Statement of Comprehensive Income

For the half year ended 29 December 2012

	Notes	**Dec 2012 $'000**	Dec 2011 $'000
Revenue	3	**977,901**	1,012,046
Other income	3	**130**	140
Revenue and other income		**978,031**	1,012,186
Expenses	3	**(732,304)**	(714,157)
Share of net profit of equity-accounted investees	7	**8,296**	11,715
Impairment of intangible assets	4	**(195,228)**	-
Impairment of equity-accounted investees	4	**(60,203)**	-
(Loss)/profit before net finance costs and income tax		**(1,408)**	309,744
Net finance costs	5	**(55,279)**	(78,083)
(Loss)/profit before income tax		**(56,687)**	231,661
Income tax expense	6	**(52,652)**	(68,624)
(Loss)/profit for the half year		**(109,339)**	163,037
Other comprehensive (expense)/ income			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		**(3,636)**	4,409
Income tax relating to components of other comprehensive income		**1,090**	(1,323)
Other comprehensive (expense)/income for the half year, net of tax		**(2,546)**	3,086
Total comprehensive (expense)/income for the half year attributable to owners of the Company		**(111,885)**	166,123
Earnings per share for (loss)/profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	13	**-11.4 cents**	24.5 cents
Diluted earnings per share	13	**-9.5 cents**	21.6 cents

Consolidated Statement of Financial Position

As at 29 December 2012

	Notes	Dec 2012 $'000	Jun 2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	11	**231,926**	75,052
Trade and other receivables		**283,688**	329,865
Program rights and inventories		**133,016**	116,442
Other assets		**6,338**	7,862
Total current assets		**654,968**	529,221
Non-current assets			
Program rights and inventories		**-**	4,035
Investments accounted for using the equity method		**298,458**	351,766
Other investments		**777**	777
Property, plant and equipment		**255,040**	262,410
Intangible assets	8	**3,661,978**	3,865,545
Deferred tax assets		**23,497**	22,040
Other assets		**3,074**	2,795
Total non-current assets		**4,242,824**	4,509,368
Total assets		**4,897,792**	5,038,589
LIABILITIES			
Current liabilities			
Trade and other payables		**344,813**	339,281
Current tax liabilities		**9,491**	6,230
Provisions		**61,278**	64,352
Deferred income		**19,025**	19,096
Total current liabilities		**434,607**	428,959
Non-current liabilities			
Trade and other payables		**66,185**	39,557
Borrowings	10	**1,494,612**	1,929,799
Provisions		**16,310**	16,350
Deferred income		**4,077**	4,531
Total non-current liabilities		**1,581,184**	1,990,237
Total liabilities		**2,015,791**	2,419,196
Net assets		**2,882,001**	2,619,393
EQUITY			
Share capital	9	**3,090,474**	2,656,017
Reserves		**(7,516)**	(4,893)
Accumulated deficit		**(200,957)**	(31,731)
Total equity		**2,882,001**	2,619,393

Consolidated Statement of Changes in Equity

For the half year ended 29 December 2012

	Notes	Share capital $'000	Cash flow hedge reserve $'000	Equity compensation reserve $'000	Reserve for own shares $'000	(Accumulated deficit)/ retained earnings $'000	Total equity $'000
Balance at 25 June 2011		**2,489,061**	**(58)**	**217**	**-**	**22,259**	**2,511,479**
Profit for the half year		-	-	-	-	163,037	163,037
Cash flow hedge gains taken to equity		-	4,409	-	-	-	4,409
Income tax on other comprehensive income		-	(1,323)	-	-	-	(1,323)
Other comprehensive income for the half year, net of tax		-	3,086	-	-	-	3,086
Total comprehensive income for the half year		-	3,086	-	-	163,037	166,123
Transactions with owners in their capacity as owners							
Shares issued pursuant to the executive and employee share plan	9	364	-	-	-	-	364
Dividend reinvestment plan share issues	9	93,835	-	-	-	-	93,835
Dividends paid	12	-	-	-	-	(158,389)	(158,389)
Share based payment expense		-	-	34	-	-	34
Total transactions with owners		94,199	-	34	-	(158,389) -	64,156
Balance at 31 December 2011		**2,583,260**	**3,028**	**251**	**-**	**26,907**	**2,613,446**
Balance at 30 June 2012		**2,656,017**	**(4,392)**	**799**	**(1,300)**	**(31,731)**	**2,619,393**
Loss for the half year		-	-	-	-	(109,339)	(109,339)
Cash flow hedge losses taken to equity		-	(3,636)	-	-	-	(3,636)
Income tax on other comprehensive expense		-	1,090	-	-	-	1,090
Other comprehensive expense for the half year, net of tax		-	(2,546)	-	-	-	(2,546)
Total comprehensive expense for the half year		-	(2,546)	-	-	(109,339)	(111,885)
Transactions with owners in their capacity as owners							
Shares issued pursuant to the executive and employee share plan	9	6	-	-	-	-	6
Shares issued pursuant to 1-for-2 entitlement offer	9	439,633	-	-	-	-	439,633
Transaction costs arising on share issues	9	(7,403)	-	-	-	-	(7,403)
Deferred tax recognised directly in equity	9	2,221	-	-	-	-	2,221
Payments made for own shares		-	-	-	(217)	-	(217)
Dividends paid	12	-	-	-	-	(59,887)	(59,887)
Share based payment expense		-	-	140	-	-	140
Total transactions with owners		434,457	-	140	(217)	(59,887)	374,493
Balance at 29 December 2012		**3,090,474**	**(6,938)**	**939**	**(1,517)**	**(200,957)**	**2,882,001**

Consolidated Statement of Cash Flows

For the half year ended 29 December 2012

	Notes	**Dec 2012 $'000**	Dec 2011 $'000
Cash flows related to operating activities			
Receipts from customers		**1,130,081**	1,141,236
Payments to suppliers and employees		**(793,882)**	(809,402)
Dividends received from equity accounted investees		**1,901**	13,714
Interest and other items of similar nature received		**4,850**	5,184
Interest and other costs of finance paid		**(55,172)**	(130,300)
Income taxes paid		**(47,537)**	(50,489)
Net operating cash flows		**240,241**	169,943
Cash flows related to investing activities			
Payments for purchases of property, plant and equipment		**(10,882)**	(10,688)
Proceeds from sale of property, plant and equipment		**202**	238
Payments for software		**(2,825)**	(4,023)
Payments for investments		**(150)**	-
Loans issued		**(326)**	(650)
Net investing cash flows		**(13,981)**	(15,123)
Cash flows related to financing activities			
Proceeds from issues of shares	9	**439,633**	-
Proceeds relating to shares issued pursuant to the executive and employee share purchase plans	9	**6**	364
Payments made for own shares		**(217)**	-
Payments for share issue costs	9	**(7,403)**	-
Proceeds from borrowings		**-**	1,993,000
Repayment of borrowings		**(441,518)**	(2,105,070)
Dividends paid		**(59,887)**	(64,554)
Net financing cash flows		**(69,386)**	(176,260)
Net increase/(decrease) in cash and cash equivalents		**156,874**	(21,440)
Cash and cash equivalents at beginning of year		**75,052**	118,567
Cash and cash equivalents at end of half year	11	**231,926**	97,127

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This half year financial report is for the Group consisting of Seven West Media Limited (the "Company" or "Parent Entity") and its subsidiaries. Prior to 12 April 2011, the Group consisted of West Australian Newspapers Holdings Limited and its subsidiaries.

The half year financial report is a general purpose financial report and is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Seven West Media Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of preparation

This half year report is for the reporting period ended 29 December 2012 and has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Act 2001 and with IAS 34 Interim Financial Reporting.

It does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The accounting policies and methods of computation adopted in the half year financial report are consistent with those applied by the Group in the consolidated financial statements for the year ended 30 June 2012.

This half year financial report has been prepared on the basis of historical cost except for derivative financial instruments which are stated at their fair value.

Use of estimates and judgements

The preparation of the half year financial report requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the half year report, are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the remainder of this financial year are discussed below.

Recoverable amounts of intangible assets

The Group tests annually whether goodwill and intangibles with indefinite useful lives have suffered any impairment in accordance with the group accounting policy. In addition, the group also tests intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units have been determined based on value in use calculations and fair value less costs to sell. These calculations require the use of assumptions. Refer to note 8 for details of these assumptions.

Other assets

The Group also tests other assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Comparatives

Comparative information is reclassified where appropriate to enhance comparability.

2. SEGMENT INFORMATION

Description of segments

The chief operating decision makers consider the business from both a product and a geographical perspective and have identified the following reportable segments:

- Television (operation of commercial television stations).
- Newspapers (The West Australian newspaper and insert magazines and The Countryman and other newspapers published in regional areas of Western Australia).
- Magazines (publisher of magazines).
- Other includes Quokka (a weekly classified advertising publication), Radio (radio stations broadcasting in regional areas of Western Australia), ColourPress (commercial printing operation), digital publishing, West Australian Publishers, equity accounted investees including Yahoo!7 and Community Newspapers, corporate costs and other minor operating segments.

Information about reportable segments (i), (ii), (iii)

	Television	Newspapers	Magazines	Other	Total
Half year ended 29 December 2012	$'000	$'000	$'000	$'000	$'000
Total segment revenue	666,096	157,889	133,615	30,944	988,544
Inter-segment revenue	-	-	-	(10,643)	(10,643)
Revenue from continuing operations	666,096	157,889	133,615	20,301	977,901
Profit before significant items, net finance costs, tax, depreciation and amortisation	200,731	58,980	20,894	8,056	288,661
Depreciation and amortisation (iv)	(14,352)	(10,275)	(4,274)	(443)	(29,344)
Profit before significant items, net finance costs and tax	186,379	48,705	16,620	7,613	259,317
Half year ended 31 December 2011					
Total segment revenue	655,822	185,511	150,032	32,617	1,023,982
Inter-segment revenue	-	-	-	(11,936)	(11,936)
Revenue from continuing operations	655,822	185,511	150,032	20,681	1,012,046
Profit before significant items, net finance costs, tax, depreciation and amortisation	225,922	77,118	26,767	11,011	340,818
Depreciation and amortisation (iv)	(15,381)	(10,647)	(4,496)	(550)	(31,074)
Profit before significant items, net finance costs and tax	210,541	66,471	22,271	10,461	309,744

(i) Revenue from external sales is predominantly to customers in Australia and total segment assets are predominantly held in Australia.
(ii) Total assets and liabilities by segment are not regularly provided to the chief operating decision maker and as such, are not required to be disclosed.
(iii) The comparative numbers have been restated for a $4.8 million reallocation of costs between Television and Corporate to be consistent with current operating segments.
(iv) Excludes program rights amortisation which is treated consistently with other media content (refer note 3).

The chief operating decision makers assess the performance of the operating segments based on a measure of earnings before net finance costs and tax. This measurement basis excludes the effects of significant items from the operating segments.

A reconciliation of earnings before significant items, net finance costs and tax to (loss)/profit before income tax is provided as follows:

	Notes	**Dec 2012 $'000**	Dec 2011 $'000
Reconciliation of profit before significant items, net finance costs and tax			
Profit before significant items, net finance costs and tax		**259,317**	309,744
Finance income	5	**6,532**	4,892
Finance costs	5	**(61,811)**	(82,975)
Profit before tax excluding significant items		**204,038**	231,661
Significant items	4	**(260,725)**	-
(Loss)/profit before income tax		**(56,687)**	231,661

3. REVENUE AND EXPENSES

	Dec 2012 $'000	Dec 2011 $'000
Sales revenue		
Advertising revenue (i)	**759,989**	798,057
Circulation revenue	**121,708**	127,429
Rendering of services	**6,182**	9,377
Other revenue	**90,022**	77,183
Total revenue	**977,901**	1,012,046
Other income		
Net gain on disposal of property, plant and equipment and computer software	**130**	140
Expenses (i)		
Depreciation and amortisation (excluding program rights amortisation)	**29,344**	31,074
Advertising & marketing expenses	**29,938**	32,367
Printing, selling & distribution (including newsprint and paper)	**68,015**	76,507
Media content (including program rights amortisation)	**279,927**	250,526
Employee benefits expense (excluding significant items)	**205,650**	207,399
Raw materials and consumables used (excluding newsprint and paper)	**4,971**	5,339
Repairs and maintenance	**7,317**	8,444
Licence fees	**37,456**	37,552
Other expenses from ordinary activities	**64,392**	64,949
Redundancy and restructure costs (significant item - refer note 4)	**5,294**	-
Total expenses	**732,304**	714,157
Depreciation and amortisation		
Property, plant and equipment	**18,180**	23,825
Intangible assets	**11,164**	7,249
Depreciation and amortisation per expenses itemised above	**29,344**	31,074
Television program rights amortisation	**55,586**	63,930
Total depreciation and amortisation	**84,930**	95,004

(i) The current half year includes $13.7 million of contra and advertorial revenue and expenses resulting from a change in accounting methodology. Includes all metro and regional advertising revenue from the placement of advertisements derived under broadcast licence agreements.

4. SIGNIFICANT ITEMS

	Dec 2012	Dec 2011
Profit/(loss) before income tax expense includes the following specific expenses whose disclosure is relevant in explaining the financial performance of the Group:		
Impairment of Magazine mastheads, licences and goodwill (i)	**(195,228)**	
Impairment of equity-accounted investee (ii)	**(60,203)**	-
Impairment of intangible assets and equity-accounted investees	**(255,431)**	-
Redundancy and restructure costs (iii)	**(5,294)**	-
Total significant items before tax	**(260,725)**	-
Income tax benefit	**9,135**	
Net significant items after income tax	**(251,590)**	-

(i) An impairment of Magazine intangible assets was recognised following an assessment of their recoverable amounts at 29 December 2012. The impairment largely reflects the continuing subdued nature of the advertising market and structural challenges facing the publishing industry. The total impairment comprises amounts of $51.1 million for mastheads, $18.8 million for licences and $125.3 million for goodwill. Refer note 8 for additional information on intangible assets.

(ii) An impairment loss on SWM's investment in Yahoo!7 was recognised following an assessment of its recoverable amount at 29 December 2012. The impairment largely reflects the deterioration in the results of Spreets, its group buying business.

(iii) The redundancy and restructure costs form part of a set of initiatives to confront a challenging economy and cautious consumer confidence.

5. NET FINANCE COSTS

	Dec 2012 $'000	Dec 2011 $'000
Finance costs	**(61,811)**	(82,731)
Ineffective portion of changes in fair value of cash flow hedges	**-**	(244)
Total finance costs	**(61,811)**	(82,975)
Finance income	**4,766**	4,892
Ineffective portion of changes in fair value of cash flow hedges	**1,766**	-
Total finance income	**6,532**	4,892
Net finance costs	**(55,279)**	(78,083)

6. INCOME TAX EXPENSE

Reconciliation of income tax expense to prima facie tax payable

	Dec 2012 $'000	Dec 2011 $'000
(Loss)/profit before income tax	**(56,687)**	231,661
Tax at the Australian tax rate of 30% (2011 – 30%)	**17,006**	(69,498)
Tax effect of amounts which are not (deductible)/taxable in calculating taxable income:		
Share of net profit of equity-accounted investees	**2,489**	3,515
Deferred tax assets not recognised in relation to impairment of assets	**(76,629)**	-
Other changes in recognition of deferred tax assets and liabilities	**5,183**	(773)
Other non-assessable / (non-deductible) items	**(701)**	(1,868)
Income tax expense	**(52,652)**	(68,624)

7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of entity	Principal activities	Reporting date	Ownership interest Dec 2012 %	Ownership interest Dec 2011 %
Airlines Ratings Pty Limited (i)	Ratings service provider	30 June	**50.0**	-
Australian News Channel Pty Limited	Pay TV channel operator	30 June	**33.3**	33.3
Bloo (WA) Pty Ltd	Online business directory	30 June	**27.8**	27.8
Community Newspaper Group Limited	Newspaper publishing	30 June	**49.9**	49.9
Coventry Street Properties Pty Limited	Property management	30 June	**50.0**	50.0
Hybrid Television Services (ANZ) Pty Ltd (ii)	TiVo distributor	30 June	**66.7**	66.7
Impact Merchandising Pty Limited (iii)	Magazine Merchandising	30 June	**50.0**	100.0
Oztam Pty Limited	Ratings service provider	31 December	**33.3**	33.3
Perth Translator Facility Pty Limited	Transmitter facilities provider	30 June	**33.3**	33.3
TX Australia Pty Limited	Transmitter facilities provider	30 June	**33.3**	33.3
Yahoo! Australia and New Zealand (Holdings) Pty Ltd	Internet content provider	31 December	**50.0**	50.0

The above entities are incorporated in Australia.

(i) Seven West Media acquired 50% of Airlines Ratings Pty Limited during the current period.

(ii) Under the shareholder agreement, Seven West Media and the other shareholders have equal voting rights and Board representation. As a result, the investment in Hybrid Television Services (ANZ) Pty Ltd is equity accounted.

(iii) In the comparative period the entity was accounted for as a controlled entity.

	Dec 2012 $'000	Dec 2011 $'000
Share of investees' profit		
Profit before income tax	**11,764**	16,466
Income tax expense	**(3,468)**	(4,751)
Share of net profit of investees disclosed in the consolidated statement of comprehensive income	**8,296**	11,715
Impairment of equity-accounted investees (refer note 4)	**(60,203)**	-

8. INTANGIBLE ASSETS

	Dec 2012 $'000	Jun 2012 $'000
Television licences - at cost	**2,300,000**	2,300,000
Magazine licences - at cost	**38,080**	38,080
Magazine licences - accumulated amortisation and impairment losses	**(28,342)**	(6,811)
Radio licences - at cost	**17,316**	17,316
Total licences	**2,327,054**	2,348,585
Newspaper mastheads - at cost	**100,558**	100,558
Magazine mastheads - at cost	**129,731**	129,731
Magazine mastheads - impairment losses	**(51,107)**	-
Total mastheads	**179,182**	230,289
Television program copyrights - at cost	**20,848**	20,848
Accumulated amortisation	**(6,848)**	(4,848)
Total television program copyrights	**14,000**	16,000
Software - at cost	**36,662**	40,589
Accumulated amortisation	**(19,642)**	(19,968)
Total software	**17,020**	20,621
Goodwill	**1,250,050**	1,250,050
Impairment losses	**(125,328)**	-
Total goodwill	**1,124,722**	1,250,050
Total intangible assets	**3,661,978**	3,865,545

Consolidated	Licences $'000	Mastheads $'000	Program copyrights $'000	Computer software $'000	Goodwill $'000	Total $'000
Half-year ended 29 December 2012						
Opening net book amount	2,348,585	230,289	16,000	20,621	1,250,050	3,865,545
Additions	-	-	-	2,825	-	2,825
Amortisation charge	(2,738)	-	(2,000)	(6,426)	-	(11,164)
Impairment loss	(18,793)	(51,107)			(125,328)	(195,228)
Closing net book amount	2,327,054	179,182	14,000	17,020	1,124,722	3,661,978

Impairment of cash generating units (CGU) including goodwill and indefinite life assets

Management and the Directors reviewed the carrying values of all intangible assets at reporting date to ensure that no amounts were in excess of their recoverable amounts. A total impairment of $195.2 million was recognised for Magazine intangible assets (refer note 4).
No other impairment losses for intangible assets have been incurred or reversed during the current or prior years.

The estimated recoverable amounts of the cash generating units (CGUs) were performed using the following methodologies:

Television
Discounted cash flow projections over the assets' useful lives based on the following assumptions:
- Five year forecast based on financial budgets and forecasts approved by management;
- Average annual revenue growth rate over the 5 year forecast period of 4.08% (June 2012: 4.0%);
- Pre-tax discount rate of 13.47% (June 2012: 13.5%);
- Terminal growth rate of 3.1% (June 2012: 4.0%);
- TV licence fee rebate at a rate of 50% continues into perpetuity.

8. INTANGIBLE ASSETS (CONTINUED)

Newspapers and Other WA

Discounted cash flow projections over the assets' useful lives based on the following assumptions:

- Five year forecast based on financial budgets and forecasts approved by management;
- Pre-tax discount rate of 15.34% (June 2012: 14%);
- Terminal growth rate of 2% (June 2012: 2%).

The recoverable amount for Newspapers and Other WA overall business is significantly higher than the carrying value, and as such, is not sensitive to reasonably foreseeable changes in key assumptions.

Magazines

Relief from Royalty Method over magazine mastheads' useful lives based on the following assumptions:

- Future maintainable revenue forecasts which are based on historical actual results as well as financial budgets and forecasts approved by management;
- Royalty rates between 1.5% and 11.0% (June 2012: 1.5% and 11.0%);
- Earnings multiples between 5x and 7x (June 2012: 8x and 10x).

Multi Period Excess Earnings Methodology over magazine licences' useful lives based on the following assumptions:

- Five year forecast based on financial budgets and forecasts approved by management;
- Discount rates between 14% and 16% (June 2012: 14% and 16%);
- Terminal growth rate of 2% (June 2012: 2%).

The recoverable amount of the overall Magazine CGU that includes goodwill is determined based on value in use and using discounted cash flow projections based on the following assumptions:

- Five year forecast based on financial budgets and forecasts approved by management;
- Pre-tax discount rate of 16.9% (June 2012: 15.2%);
- Terminal growth rate of 2.5% (June 2012: 2.5%).

The values assigned to the key assumptions represent management’s assessment of future performance in each CGU based on historical experience and internal and external sources. The estimated recoverable amounts are highly sensitive to key assumptions.

The estimated recoverable amount of the Television CGU, based on value in use, exceeds its carrying amount by approximately $21.2 million. Accordingly, currently no impairment is required.
Holding all other assumptions constant, a reduction in the average annual revenue growth rate from 4.08% to 4.05% would result in the estimated recoverable amount equalling the carrying amount. Holding all other assumptions constant, an increase in the pre tax discount rate used from 13.47% to 13.55% would result in the estimated recoverable amount equalling the carrying amount. Holding all other assumptions constant, a decrease in the terminal growth rate (beyond next 5 years) from 3.1% to 3.05% would result in the estimated recoverable amount equalling the carrying amount.

Following impairments to the individual and overall Magazine CGUs, the recoverable amounts are equal to the carrying amounts. Therefore any adverse movements in key assumptions would lead to further impairments.

Seven West Media does not consider that there are any reasonably possible changes to key assumptions of other significant intangible assets with indefinite useful lives and goodwill which would cause the carrying amounts to exceed recoverable amounts.

For the purpose of impairment testing, intangible assets with indefinite lives, including goodwill, are allocated to the Group’s operating divisions which represent the lowest level within the Group at which the assets are monitored for internal management purposes. Intangible assets with indefinite useful lives of $3,260,875,000, including $960,875,000 goodwill, relate to the Television operating division, $84,055,000, including $1,558,000 goodwill, relate to the Newspapers operating division, $239,987,000, including $161,363,000 goodwill, (June 2012 $416,422,000, including $286,691,000 goodwill), relate to the Magazines operating division and $36,303,000, including $926,000 goodwill, relate to the Other WA division.

9. SHARE CAPITAL

	Dec 2012 $'000	Jun 2012 $'000
997,821,022 (June 2012: 664,733,554) Ordinary shares fully paid	**2,840,474**	2,406,017
2,500 (June 2012: 2,500) Convertible preference shares fully paid	**250,000**	250,000
	3,090,474	2,656,017

Ordinary shares

	Dec 2012 Shares	Dec 2011 Shares	Dec 2012 $'000	Dec 2011 $'000
Balance at the beginning of the half year	**664,733,554**	608,792,249	**2,406,017**	2,239,061
Movements during the year:				
Shares issued pursuant to the executive and employee share plan	**31,650**	146,550	**6**	364
Shares issued pursuant to 1-for-2 entitlement offer (i)	**333,055,818**	-	**439,633**	-
Dividend reinvestment plan share issues	**-**	35,391,643	**-**	93,835
Transaction costs arising on share issues	**-**	-	**(7,403)**	-
Deferred tax recognised directly in equity	**-**	-	**2,221**	-
	333,087,468	35,538,193	**434,457**	94,199
Balance at the end of the half year	**997,821,022**	644,330,442	**2,840,474**	2,333,260

	Dec 2012 Shares	Jun 2012 Shares	Dec 2011 Shares
The total number of shares issued by the Company is 999,160,054 and differs from the amount included in share capital as follows:			
Total shares issued by the Company	**999,160,872**	666,105,054	645,719,542
Executive and employee share plans treated as options (ii)	**(1,339,850)**	(1,371,500)	(1,389,100)
Balance included in share capital	**997,821,022**	664,733,554	644,330,442

(i) On 16 July 2012, Seven West Media Limited announced a fully underwritten 1-for-2 accelerated renounceable entitlement offer of new Seven West Media Limited shares to raise approximately $440 million. Approximately 333 million shares were issued at a price of $1.32. The net proceeds, after transaction costs, of approximately $432 million, together with existing funds were used to repay debt. The total amount of debt repaid was $441.5 million.

(ii) Outstanding loans pursuant to the executive and employee share plans are treated as options.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Convertible preference shares (CPS)

	Dec 2012 Shares	Dec 2011 Shares	Dec 2012 $'000	Dec 2011 $'000
Balance at the beginning of the half year	**2,500**	-	**250,000**	-
Movements during the year:				
Shares issued to Seven Group Holdings Limited in relation to business combination	**-**	2,500	**-**	250,000
Balance at the end of the half year	**2,500**	2,500	**250,000**	250,000

9. SHARE CAPITAL (CONTINUED)

The full terms and conditions of the CPS are set out in Appendix C of the Explanatory Memorandum in the Proposal to Acquire Seven Media Group issued by Seven West Media Limited (SWM) on 8 March 2011. A summary of these terms is described below and should be read in conjunction with the full CPS Terms of Issue set out in Appendix C of the Proposal.

The total of 2,500 CPS were issued to Seven Group Holdings (SGH) at an issue price of $100,000 per CPS. These may be converted by SGH into a fixed number of fully paid ordinary shares in SWM (SWM Shares) at any time after the release of SWM's accounts for the half-year ending 31 December 2013.
Earlier conversion by SGH of the CPS into SWM Shares is permitted where:

- A third party, other than SGH and its associates, makes a takeover bid for SWM that is unanimously recommended by the SWM Directors, or is to acquire all SWM Shares under a scheme of arrangement that has become effective;
- To enable SGH to maintain a shareholding in SWM of no less than 29.6% (less an adjustment for any SWM Shares sold by SGH) in the event of any issue of SWM Shares; and
- To the extent permitted by the SWM Board in writing.

At conversion by SGH, SWM may at its discretion elect whether to settle in SWM Shares or in cash. If SWM elects to settle in shares, the number of SWM Shares into which each CPS will be converted will be calculated by multiplying the number of CPS being converted by the "conversion ratio." The conversion ratio is equal to the issue price adjusted by 7.143% per annum (compounded on a semi-annual basis) up to the fifth anniversary of the date of issue of the CPS and then adjusted by 9.143% per annum (compounded on a semi-annual basis) thereafter (the "adjusted issue price") divided by the fixed conversion price of $6.68.

The conversion price is adjusted following any reconstruction, consolidation, division, reclassification, securities issue or rights offer (subject to customary exceptions) to ensure that CPS holders are placed in a similar economic position prior to the occurrence of the event that gave rise to the adjustment. Following the 1-for-2 rights issue the fixed conversion price was adjusted from $6.68 to $6.31.

The conversion price is also adjusted downwards for any dividends paid to SWM Shareholders over and above an annual reference yield of 6.5% (excluding franking credits), initially calculated with reference to the first full year of ordinary dividends for the 2012 financial year. The final dividend for the 2012 financial year was paid in October 2012 (refer note 12) at which time the fixed conversion price was adjusted to $5.59.

If SWM elects to settle in cash, SWM will pay a cash amount for each CPS equal to the number of SWM Shares into which the CPS would have been converted multiplied by the average of the daily VWAPs (volume weighted average prices) of the SWM shares over the 10 trading days commencing on the date of service of the conversion notice.

The CPS are otherwise redeemable by SWM at the adjusted issue price five years from the date of issue, and on every half-year anniversary thereafter, at the sole discretion of SWM with the form of settlement also at the discretion of SWM, in either SWM Shares or cash. The CPS are also redeemable at any time on the occurrence of standard tax and regulatory events. If SWM elects to settle in SWM Shares, the number of SWM Shares into which each CPS will be converted will be calculated by dividing the adjusted issue price by the average of the daily VWAPs of the SWM shares over five trading days prior to the date of conversion (calculated at a 5% discount). If SWM elects to settle in cash, SWM will pay a cash amount for each CPS equal to the adjusted issue price. In the case of tax and regulatory events, SWM's obligations to settle in SWM Shares or in cash will be calculated using 103% of the adjusted issue price.

SWM may not issue any preferred securities ranking ahead of the CPS without consent of the holders of 75% of the CPS. Voting rights are limited to those set out in Listing Rule 6.3. The CPS do not confer any dividend rights, although the conversion price may be adjusted as described above. Unless the CPS are redeemed, repurchased or exchanged by the fifth anniversary of their date of issue, SWM may not pay dividends, return capital or otherwise distribute value to any equal or lower ranking securityholders until all CPS have been redeemed, repurchased or exchanged (subject to certain limited exceptions).

10. BORROWINGS

	Dec 2012 $'000	Jun 2012 $'000
NON-CURRENT		
Bank loans – unsecured (i)	**1,494,612**	1,929,799
Total non-current borrowings	**1,494,612**	1,929,799

(i) The unsecured bank loans are net of $13.9 million (June 2012 $20.2 million) unamortised refinancing costs.

In August 2012 Seven West Media repaid $441.5 million of bank loans mostly funded out of proceeds from the issue of new shares. Refer note 9.

11. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Dec 2012 $'000	Dec 2011 $'000
Reconciliation of cash at the end of the half year (as shown in the consolidated statement of cash flows) comprises:		
Cash at bank, on hand and at call	**231,926**	97,127
Total cash and cash equivalents at end of the half year	**231,926**	97,127

12. DIVIDENDS

Final ordinary dividend for the year ended 30 June 2012 of 6 cents per share (25 June 11: 26 cents), fully franked based on tax paid at 30%, paid on 12 October 2012 (2011: 14 October 2011)	**59,887**	158,389
Dividends not recognised at half year end		
In addition to the above dividends, since half year end the directors have declared a 2013 interim dividend of 6 cents per ordinary share (2012 interim: 19 cents), fully franked based on tax paid at the rate of 30%. The aggregate amount of the dividend payable on 2 April 2013, but not recognised as a liability at half year end, is estimated at	**59,889**	122,490

Dividend reinvestment plan

Seven West Media had a dividend reinvestment plan in operation. Upon completion of the Entitlement Offer in July 2012 Seven West Media suspended the dividend reinvestment plan.

13. EARNINGS PER SHARE

Basic earnings per share		
(Loss)/profit attributable to the ordinary equity holders of the Company (i)	**-11.4 cents**	24.5 cents
Diluted earnings per share		
(Loss)/profit attributable to the ordinary equity holders of the Company (i)	**-9.5 cents**	21.6 cents

	$'000	$'000
Earnings used in calculating earnings per share		
(Loss)/profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share.	**(109,339)**	163,037

13. EARNINGS PER SHARE (CONTINUED)

	Dec 2012 Number	Dec 2011 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share (i)	**957,195,473**	664,449,968
Adjustments for calculation of diluted earnings per share:		
- Convertible Preference Shares (CPS) (ii)	**186,411,283**	90,415,260
- Shares issued pursuant to the suspended executive and employee share plans treated as options deemed to have been converted into ordinary shares at the beginning of the financial year	**1,355,675**	1,479,956
- Share rights issued pursuant to equity incentive plan	**493,217**	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**1,145,455,648**	756,345,184

(i) AASB 133: Earnings per Share requires the calculation of basic and diluted earnings per share for all periods presented to be adjusted retrospectively for shares issued under a rights issue. Accordingly, the weighted average number of ordinary shares includes an adjustment, relating to the shares issued pursuant to the 1-for-2 entitlement offer completed in August 2012, for the period from 1 July 2012 to the dates when the shares were issued. The December 2011 comparative basic and diluted EPS have been restated accordingly.

(ii) For the purpose of calculating diluted earnings per share, a notional CPS amount has been calculated. At 29 December 2012 the notional CPS amount is $281.6 million. This is divided by the conversion price to calculate the notional number of shares. Under the terms of the CPS there is more than one basis of conversion. For the calculation of diluted EPS the "Redemption Conversion Price" based on an average weighted share price has been used as the conversion price since this results in the most advantageous position for the holder of the CPS. This is in line with requirements of AASB 133: Earnings per Share. Refer note 9 for further details relating to the CPS.

Additional information:

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

Basic earnings per share	**14.9 cents**	24.5 cents
Diluted earnings per share	**12.4 cents**	21.6 cents

	$'000	$'000
Earnings used in calculating earnings per share based on profit excluding significant items		
Profit attributable to the ordinary equity holders of the Company	**(109,339)**	163,037
Add back significant items net of tax (refer note 4)	**251,590**	-
Profit after tax excluding significant items net of tax	**142,251**	163,037

14. NET TANGIBLE ASSET (NTA) BACKING

Net tangible asset backing per ordinary share (cents)	**-**	-

15. CONTINGENT LIABILITIES

Seven West Media's tax liabilities have been calculated based on currently enacted legislation. Any changes to the tax law or interpretations (including proposed changes already announced) may require changes to the calculation of the tax balances shown in the financial statements.

Participation in media involves particular risks associated with defamation litigation and litigation to protect media rights. The nature of the Group's activities is such that, from time to time, claims are received or made by the Group. The directors are of the opinion that there are no material claims that require disclosure of such a contingent liability.

16. SUBSEQUENT EVENTS

No matters or circumstances have occurred since 29 December 2012 which would significantly affect the results of operations in the financial period or in subsequent periods.

Directors' report

Seven West Media Limited

FOR THE HALF YEAR ENDED 29 DECEMBER 2012

Your directors present their report on the Consolidated Entity consisting of Seven West Media Limited and the entities it controlled at the end of, or during, the half-year ended 29 December 2012.

Directors

The following persons were directors of Seven West Media Limited from the beginning of the half-year and up to the date of this report unless otherwise indicated:

KM Stokes AC - Chairman
ME Deaker (appointed 22 August 2012)
D Evans (appointed 22 August 2012)
DR Flynn
PJT Gammell
GT John AO
JC Reizes
RK Stokes (appointed 22 August 2012)
DR Voelte AO - Managing Director and Chief Executive Officer
SMC Walsh AO (resigned 30 January 2012)

Review of results and operations

A review of operations and of the results of those operations in the form of the media release is attached and forms part of this report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20.

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

KM Stokes AC
Chairman

20 February 2013

Directors' declaration

Seven West Media Limited
FOR THE HALF YEAR ENDED 29 DECEMBER 2012

In the opinion of the directors of Seven West Media Limited:

(a) the financial statements and notes set out on pages 2 to 15 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Consolidated Entity's financial position as at 29 December 2012 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Seven West Media Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

KM Stokes AC
Chairman

20 February 2013

Independent auditor's review report to the members of Seven West Media Limited

We have reviewed the accompanying half-year financial report of Seven West Media Limited, which comprises the consolidated statement of financial position as at 29 December 2012, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 29 December 2012 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Seven West Media Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Seven West Media Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 29 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Bruce Phillips
Partner

Sydney

20 February 2013

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Seven West Media Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 29 December 2012, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Bruce Phillips
Partner

Sydney

20 February 2013

Seven West Media releases interim financial results

20 February 2013 --- Australia's leading multi-platform media business, Seven West Media, today reported the company's interim financial results for the first half of the 2012-13 financial year.

Profit before significant items, net finance costs and tax (EBIT) is $259.3 million. Profit before significant items, net finance costs, tax, depreciation and amortisation (EBITDA) is $288.7 million.

The company delivered above its market guidance for EBIT of greater than $250 million, issued at the company's annual general meeting last November.

Seven West Media reports a profit after income tax, excluding significant items net of tax, of $142.3 million on revenues of $977.9 million. The company is reporting a statutory net loss of $109.3 million following the inclusion of significant items relating to impairment of the carrying values of the company's magazines business, its investment in Yahoo!7 (including Spreets) and redundancy and restructure costs.

Despite difficulties in the overall advertising market, Seven West Media delivered an overall EBITDA margin of 29 per cent reflecting the strong performances of the company's key market-leading media businesses.

At the formation of Seven West Media about two years ago, the company's net debt was approximately $2.1 billion.
By 30 June 2012, net debt had reduced to $1.85 billion. Following a successful $440 million ($432 million net of costs) capital raising, net debt fell to $1.4 billion. This together with $160 million of net operational cash flows (net of dividends paid) has reduced net debt by $592 million during the six months to December 2012. Net debt now stands at $1.26 billion.

An interim dividend of 6 cents per share (fully franked) has been declared.

Don Voelte AO, the Managing Director and Chief Executive Officer of Seven West Media, said:

- "Our businesses are performing well in what is a challenging market for all media companies."
- "We are building our businesses with a focus on our content that delivers audiences and revenue."
- "We continue to focus on strengthening our balance sheet, delivering stronger returns for shareholders and deliver market-leading margins in an overall advertising market that continues to be difficult."
- "Good progress is being made on driving greater efficiencies across our business to manage our costs."
- "These initiatives will assist in our performance in the second half of 2012-2013 and in 2013-14."

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Results

Interim Results	Half Year Ended 29 December 2012	Half Year Ended 31 December 2011
(Loss) profit before tax	($56.7m)	$231.7m
(Loss) profit after tax	($109.3m)	$163.0m
(Loss) profit attributable to shareholders	($109.3m)	$163.0m
Basic EPS	-11.4 cents	24.5 cents
Diluted EPS	-9.5 cents	21.6 cents
Interim Dividend per Ordinary Share	6 cents	19 cents
Additional Information:		
Significant items before tax	($260.7m)	--
Profit before tax excluding significant items	$204.0m	$231.7m
Profit after tax excluding significant items net of tax	$142.3m	$163.0m

The company has delivered a statutory loss after tax of $109.3 million for the first half of the current financial year. The result was underpinned by statutory revenues of $977.9 million.

EBITDA of $288.7 million is down from $340.8 million in the prior corresponding period with EBIT of $259.3 million down from $309.7 million in the prior corresponding period. Significant items of $251.6 million after tax include impairment of the magazine businesses mastheads and licences and the company's investment in the Yahoo!7 joint venture.

Interim Results*	Half Year Ended 29 December 2012	Half Year Ended 31 December 2011
Total Revenue	$986.3m	$1,023.9m
EBITDA	$288.7m	$340.8m
EBIT	$259.3m	$309.7m
Reconciliation to statutory results:		
Profit before significant items, net finance costs and tax	$259.3m	$309.7m
Net finance costs	($55.3m)	($78.1m)
Profit before tax excluding significant items	$204.0m	$231.7m
Significant Items	($260.7m)	-
(Loss)/ profit before income tax	($56.7m)	$231.7m

**Revenue includes share of equity-accounted investees and other income*

Initiatives	2012-13	2013-14
Phase 1 – Revenue/Expenses	$60m	$70m
Phase 1 – Capital	$14m	(?)
Phase 2 – Expenses	--	$50m
	$74	$120m

As outlined at the company's annual general meeting last November, Seven West Media is undertaking a set of initiatives that will deliver $60 million in improved revenue and reduced expenses in the 2012-2013 financial year, and has reduced capital expenditure budget by $14 million. These initiatives are designed to deliver an annual $70 million in 2013-2014. Building on these initiatives, the company is also implementing a phase 2 programme that will deliver an increasing-over-time savings, with an expected $50 million in 2013-2014.

Balance Sheet

Seven West Media has net assets of $2.882 billion and $113.6 million in available undrawn facilities at 29 December 2012.

On 16 July 2012, the company announced an underwritten pro rata accelerated entitlement offer to raise approximately $440 million. This offer was successfully completed on 17 August 2012. The proceeds from the equity raising were used to pay down debt, strengthening the company's balance sheet.

At 29 December 2012, the group's debt leverage ratio was 2.6x and approximately $865 million of interest rates hedges were fixed at interest rates of approximately 7 per cent. The average tenor of the group's debt facilities is 3.5 years.

Business Performance

Broadcast Television

Seven delivered EBIT of $186.4 million on revenues of $666.1 million. EBIT margin is 28.0 per cent and EBITDA margin is 30.1 per cent.

Seven continues to lead the market in television advertising revenue share, building share in a tough advertising market. Recent industry figures put Seven's share of the advertising revenue market at 40.29 per cent for July-December and 40.16 per cent across the 2012 calendar year – the highest revenue share ever reported by a network not broadcasting an Olympic Games in an Olympic Games year. (Source: Free TV (KPMG) Industry Revenue Share Numbers).

More Australians watch Seven than any other television network. Seven was the most-watched network for total viewers across the 2012 television year and is delivering a strong performance across the opening weeks of the 2013 television year.

Seven's cost growth of 7.7 per cent in the first six months reflects the continuing significant investment in Australian programming and the first year of the new Australian Football League agreement, and a change in accounting methodology in relation to revenue from contra advertising services provided in exchange for broadcast rights or other goods and services.

Revenue variable costs (those costs that vary directly with revenue, such as contra and licence fees) grew by 45.3 per cent from the prior corresponding period, largely reflecting that change in accounting methods. Other costs grew at 4.9 per cent and include the new AFL agreement. Cost growth on a like-for-like basis (excluding contra) is 4.7 per cent.

Newspapers

The West Australian and regional newspapers delivered EBITDA of $59.0 million and EBIT of $48.7 million on revenues of $158.0 million. EBITDA margin is 37.3 per cent. EBIT margin is 30.8 per cent.

The company continues to manage its newspaper business in a challenging environment with costs down 8.2 per cent over the prior corresponding period, helping to offset the 3.1 per cent decline in circulation revenues to $33.9 million and the 17.4 per cent decline in advertising revenue to $117.0 million compared to the prior corresponding period. Excluding depreciation and amortisation costs, cost reduction for the year is 8.7 per cent.

The West Australian has maintained its position as one of the strongest performing newspapers in the country. According to recent publishing figures, The West Australian is the most-read newspaper in Western Australia with The Weekend West the only metropolitan newspaper to increase circulation year on year. The West Australian reaches an average weekday readership of 493,000 people per day.

Magazines

Seven West Media's magazine publishing business, Pacific Magazines, has delivered a positive performance in a challenging market – with EBIT of $16.6 million on revenues of $133.6 million. EBITDA margin is 15.6 per cent. EBIT margin is 12.4 per cent. The company delivered an 8.4 per cent decrease in costs to $117.0 million.

In the most recent publishing figures, Pacific Magazines increased its share of circulation to a record 33.3 per cent of gross copies sold – up from a 30.1 per cent share a year ago. Pacific Magazines – with a 28.6 per cent share - is also the only major publisher to increase readership share over the most recent quarter and the twelve months to December 2012.

The company's share of magazine market advertising revenue is 27 per cent.

Circulation revenue of $85.7 million is down 4.6 per cent on the corresponding period. Total advertising revenue of $43.3 million is down 19.7 per cent on the corresponding period.

Sources: Roy Morgan Single Source Australia January 2012 - December 2012; ABC Audit, December 2012.

Online and Digital Media

Digital is becoming the core of how Seven West Media businesses operate. Yahoo!7 remains a key platform in the company's digital strategy with scale audiences in online and mobile and progress across the second and third screens with more than 1 million unique users of Plus7 every month, 5 million mobile users and more than 700,000 people downloading FANGO. Yahoo!7 delivered total revenue of $54.1 million and an EBITDA margin of 35 per cent. This is based on 100 per cent of the business. Seven West Media's share in Yahoo!7 is 50 per cent.

In addition, Seven West Media is aggressively preparing for the delivery of the company's content across an array of new platforms and devices. The group has also been progressing multiple initiatives to commercialise its audiences beyond advertising through data and transactions and using the promotional power of its assets to move into adjacent verticals.

Commenting, Mr Voelte said: "We at Seven West Media see the future. It is an evolution, not a revolution. Bottom line, advertisers, viewers and readers want quality production and great content. That has not changed. What is changing is the transmission and end devices for the delivery of our superior product. We are on the case."