

Results for the Full Year Ended June 2012



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Agenda

FY12 Full Year Overview

Priorities and Outlook

Advertising Market

Financials

Operating Divisions

- Television
- Newspapers
- Magazines

Group Operations

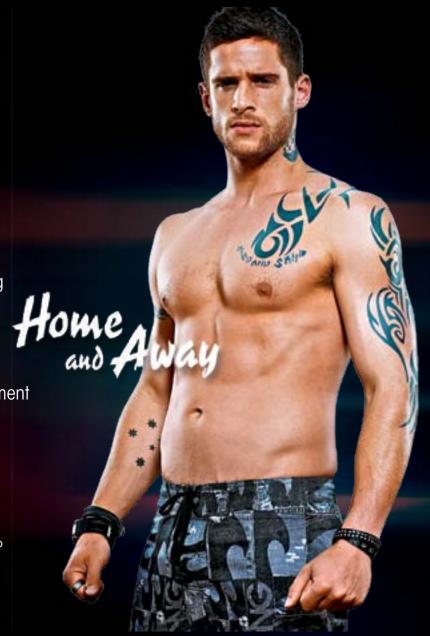
- Yahoo!7

Questions



FY12 Full Year. Overview

- Profit after tax of \$226.9m up from \$115.1m in prior corresponding period (before full year SMG merger). Pro-forma not meaningful due to capital structure change
- EBITDA of \$535.0m up from \$274.3m in prior corresponding period (before full year SMG merger). Pro-forma prior corresponding period \$617.5m including SMG operations
- EBIT of \$473.4m up from \$217.6m in prior corresponding period (before Full Year SMG merger). Pro-forma prior corresponding period \$550.1m including SMG operations
 - Market guidance EBIT issued in April 2012 of between \$460m and \$470m
 - July 2012 capital raising update EBIT of \$473m confirmed
- Overall group EBIT margin 24.2% reflecting current market and consumer sentiment
 - Compared to pro-forma 2011, Television earnings down 15% with revenue up 3% and EBITDA margin of 26%
 - Newspaper earnings reflects challenging economic conditions with overall revenue decline of 5% but EBITDA margin of 39%
 - Magazines earnings down 9% in difficult conditions with pro-forma revenue and cost reducing by 6% and 5% respectively holding EBITDA margin at 17%
 - Yahoo!7 20% EBITDA growth to \$45m with revenue growth of 27% and EBITDA margin of 37%



FY12 Full Year. Context and History

Net Profit after Tax before significant items



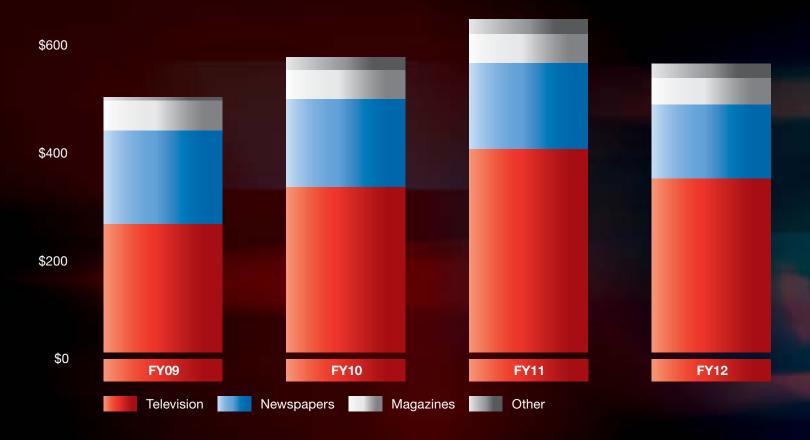
Note

FY11 includes two and a half months of SMG.

FY12 includes twelve months of SMG.

FY12 Full Year. Context and History (continued)

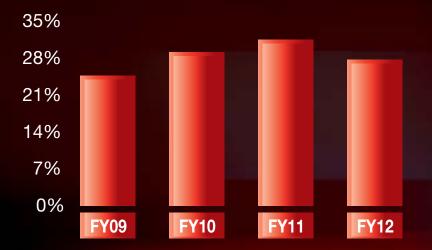
Pro-forma EBITDA





FY12 Full Year. Context and History (continued)

SWM Group EBITDA





Priorities and Outlook. Status

- Seven is and will continue to be the only "must buy" for brand advertisers in Australia. In a fragmenting world competitive advantage will come from scale.
- Content remains our core and will ensure that scale (building multi-platform franchises, dominating news and live sport and making our great content available across multiple publishing environments like mobile, tablets and even smart TVs)
- Scale will fuel our growth. TV is uniquely placed to disintermediate perceived barriers for digital publishing as we transition our print assets to a digital world whilst still maximizing the print opportunity. Our scale in TV and content will allow us to continue to dominate the lounge room as new models emerge. Our scale across the group will allow us unparalleled opportunities to identify new growth areas where we will continue to out innovate our peers and build successful profitable digital businesses.
- We will be relentless in pursuing greater efficiencies across all our businesses.





Priorities and Outlook. Group Outlook

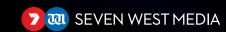
 While we expect the wider advertising market to continue to trend below previous year in the near term, market share goals remain at peak levels

 Focus on cost control in all divisions while maintaining our investment in our products. Cost synergies within the Group especially in the "back of house" areas remains a priority

Priorities and Outlook. Management Changes

- Dr Michelle Deaker, Mr David Evans and Mr Ryan Stokes appointed as Directors, further enhancing the strength and experience of the Board
- Enhanced management structure with appointment of experienced corporate executive Don Voelte as CEO and Managing Director in June 2012 who leads an experienced media team across SWM's businesses with over 175 years of combined media experience
- Former CEO David Leckie retained in advisory role to SWM's television business
- Chief Operating Officer role established leading the transition to digital challenge for the group





Priorities and Outlook. Environment

- Revenue markets remain challenging across all divisions
- Total cost growth expectations
 - Group: Cost review underway in back office
 - Television:
 - Cost growth consistent with current year expected Full year of new AFL contract Cost review underway in News unit
 - Newspapers & Magazines:
 - CPI or lower cost growth expected
 - Cost review underway in both businesses
- Tax paid this year affected by the merger last year and payment timing differences and expected to be about half the current year levels in FY13
- Working capital absorption in current year is low and expected to revert to more normal \$30m to \$40m next year
- Normal capex levels of approximately \$50m per annum expected in FY13



Kurt Burnette - Chief Sales & Digital Officer

ADVERTISING MARKET

Advertising. Market Performance

Total Advertising Market¹

- FY11/12 -0.2%

January-June 2012 +1.2%

Year on year	TV Metro ²	Magazines ¹	Newspapers ¹	On-line ¹
FY11/12	-3.6%	-10.6%	-8.1%	+22.6%
Jan-Jun 2012	-1.9%	-12.3%	-9.4%	+23.6%

Note

1. Source: SMI Data

2. Source: Free TV Data

Advertising. Market Outlook

- TV
 - Flat to low single digit growth
- On-line
 - Continued growth
- Magazines
 - Market decline continuing but rate of decline to prior year diminishing
- Newspapers
 - Market decline continuing but rate of decline to prior year diminishing

Overall Advertising Market growth of low single digits

Source: SWM media forecast/view



Peter Lewis - Chief Financial Officer

FINANCIALS



Financials. Key Financial Numbers

	FY12 Actual \$m	FY11 Actual ⁱⁱ \$m
Profit before tax	325.2	173.5
Profit after tax	226.9	115.1
Basic EPS after tax (ordinary shares)	33.3 cents	36.2 cents
Diluted EPS after tax	26.7 cents	35.2 cents
Proposed October 2012 dividend	6 cents	26 cents
	As at 30 June 12 \$m	As at 25 June 11 \$m
Net assets	2,619.4	2,511.5
Net (debt)/cash	(1,854.7)	(1,943.5)
Pro-forma post capital raising Net (Debt)/Cash including pre-paid establishment costs ⁱⁱⁱ	(1,421.7)	

i. Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presented ii. FY11 comparative includes 12 months of WAN and 2.5 months of Seven Media Group

iii. Includes adjustment for Capital raising of \$440m completed August 2012

Consolidated SWM. Income Statement

	SWM Consol FY12 \$m	SWM Consol FY11" \$m
Revenue	1,937.1	725.7
Other income	0.2	0.1
Expenses ⁱⁱ	(1,484.0)	(515.5)
Share of equity accounted investees	20.1	7.3
Profit before net finance costs and tax	473.4	217.6
Net finance costs	(148.2)	(44.0)
Profit before tax	325.2	173.5
Income tax expense	(98.3)	(58.4)
Profit after tax	226.9	115.1

i. Amounts, totals and change percentages calculated on whole underlying numbers and not rounded amounts presented
 ii. FY11 comparative includes 12 months of WAN and 2.5 months of Seven Media Group

iii. FY11 comparative expenses include \$26.4m of transaction costs

Consolidated SWM. Balance Sheet

	30 June 2012 Actual \$m	25 June 2011 Actual \$m
Receivables	329.9	315.5
Program rights and inventories	120.5	129.2
Intangibles ⁱⁱ	3,865.5	3,875.0
Available for sale financial assets	0.8	0.8
Investments	351.8	346.8
Fixed assets	262.4	282.1
Other assets including Tax ⁱⁱ	32.7	19.8
Current Payables, Provisions, Deferred Income and Tax	(429.0)	(431.4)
Non Current Payables, Provisions, Deferred Income and Tax	(60.4)	(82.8)
Net Cash/(Debt)	(1,854.7)	(1,943.5)
Total Shareholders' Equity	2,619.4	2,511.5

Note

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

ii. FY11 comparatives have been restated following finalisation of accounting for the acquisitions of SMG (H1) Pty Limited. Goodwill increased by \$12.1m with a corresponding decrease in deferred tax assets



Consolidated SWM. Net Cash/Debt Flow

	FY12 Actual \$m	FY11 Actual ⁱⁱ \$m
EBITDA	535.0	274.3
Working capital and other movements	(20.2)	(67.9)
Net share of Associates/Dividends received from associates	(2.8)	(1.1)
Operating cash flows before interest and tax	512.0	205.3
Loans received/(issued)	(0.6)	-
Income tax paid	(108.5)	(30.3)
Net finance costs paid (including refinance costs)	(187.5)	(34.0)
Net payment for property, plant & equipment and software	(31.2)	(19.6)
Payments for own shares/Share issues	(0.9)	1,131.2
Dividends paid (net of DRP participation)	(114.7)	(73.2)
Net increase in cash and cash equivalents	68.6	1,179.4
Acquisition of SMG (H1)	_	(2,874.0)
Opening Net Cash/(Debt)	(1,943.5)	(248.9)
unamortised refinancing costs	20.2	-
Closing Net Cash/(Debt)	(1,854.7)	(1,943.5)



i. Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presented ii. FY11 comparative includes 12 months of WAN and 2.5 months of Seven Media Group

Consolidated. Pro Forma Income Statement

- Market guidance for FY12 EBIT of \$460 to \$470 million (including Associates) issued in April 2012
- Capital raising EBIT estimate of \$473m issued in July 2012

	FY12 Actual \$m	FY11 Pro-forma ⁱⁱ \$m
Revenue ¹	1,957.4	1,960.6
Operating expenses	(1,422.4)	(1,343.1)
EBITDA	535.0	617.5
Depreciation and amortisation	(61.6)	(67.4)
EBIT	473.4	550.1

Note

^{1.} Includes share of profit of equity accounted investees and other income

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

ii. FY11 Proforma includes 12 months of both WAN and Seven Media Group

Pro Forma. Divisional Performance

Revenue and EBIT by Division (ii)

	FY12 \$m	FY11PF" \$m	inc/(dec) %
Revenue		1 1 1 1 1	
Television ¹	1,262.4	1,229.2	2.7
Newspapers ²	348.4	367.5	(5.2)
Magazines	287.2	305.0	(5.8)
Other ³	59.5	58.9	1.0
	1,957.4	1,960.6	(0.2)
EBIT			
Television	291.0	340.9	(14.6)
Newspapers ²	116.2	139.3	(16.6)
Magazines	39.8	43.5	(8.5)
Other ³	26.4	26.4	
	473.4	550.1	(13.9)

- FY12 includes \$23.4m of contra and advertorial costs resulting from change in accounting methodology
 Newspapers includes The West Australian and Regionals
- 3. Other includes share of profit of equity accounted investees, Radio, Quokka, ColourPress, Digital and other
- i. Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presentedii. FY11 Proforma includes 12 months of both WAN and Seven Media Group



Pro Forma. Costs By Division

Expenses including Licence Fees and Depreciation

	FY12 \$m	FY11PF" \$m	inc/(dec) %
Expenses			
Television ¹	971.4	888.3	9.3
Newspapers	232.2	228.2	1.8
Magazines	247.4	261.5	(5.4)
Other ²	33.0	32.5	1.6
	1,484.0	1,410.5	5.2

- 1. FY12 includes \$23.4m of contra and advertorial costs resulting from change in accounting methodology. Like for like cost growth is 6.7%.
- 2. Other includes Radio, Quokka, ColourPress, Digital and other
- Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presented
 FY11 Proforma includes 12 months of both WAN and Seven Media Group



Other Pro Forma. Divisional Performance

	FY12 \$m	FY11PF" \$m	inc/(dec) %
EBIT			
Other businesses	7.3	7.4	(1.4)
Community News share of profits	3.0	4.6	(34.9)
	10.3	12.0	(14.2)
Yahoo7 share of profits	13.1	11.7	12.0
ANC share of profits	3.0	2.7	11.1
	26.4	26.4	-

Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presented
 FY11 Proforma includes 12 months of both WAN and Seven Media Group

SWM. Net Debt

	June 12 Actual \$m	June 11 Actual \$m
Syndicated Bank Facilities	1,930	1,531
Bilateral Bank Facilities	_	216
Subordinated Notes	_	315
Total Debt	1,930	2,062
Cash	(75)	(119)
SWM Total Net Debt	1,855	1,944
SWM FY12 and FY11 Pro-forma EBITDA	535	618
SWM Total Leverage Ratio	3.5×	3.1×
SWM pro-forma Leverage Ratio incl. capital raising proceeds of \$433m in August 2012	2.7×	

- Syndicated bank facilities amounts includes \$20.2m of unamortised refinancing costs.
- SWM refinanced all the debt components into one facility in November 2011. The new facilities have the following characteristics as at the time of the refinancing:
 - average tenor of 4 years
 - Total margin on debt facilities of approximately 3% including amortisation of refinancing costs
- Approximately \$880m of the net debt is hedged for FY13 at an average "all in" rate of approximately 7%.











OPERATING DIVISIONS

Operating Divisions. SWM Overview

- Market leading positions in core media categories FTA television, print media and online
- Best mix of media assets in Australia, a combination ideally placed to capture advertising spend
- High free cash flow generation, high margin, low capital intensity / high return on capital
- Entrenched market positions supported by strong fundamentals

Television

- Australia's leading FTA television network for 6th year in a row
- 12 of top 20 Primary channel programs
- 15 of top 20 Digital channel programs







Newpapers

- #1 Newpaper in WA
- 21 Regional publications across WA
- 57% of West Australians read The West or visit TheWest.com.au



Magazines

- Second largest magazine publisher in Australia with a portfolio of leading titles
- Magazines reach 6.6 million people each month

Pacific magazines

Digital

- Yahoo! 7 has 8.8 million unique users
- One of Australia's leading online platforms
- Leading websites in WA









	FY12 \$m	FY11PF	inc/(dec) %
Revenue ³			
Advertising ¹	1,116.9	1,087.7	2.7
Other ²	145.5	141.5	2.8
	1,262.4	1,229.2	2.7
Costs ³			
Revenue variable costs ⁴	82.8	61.7	34.2
Other costs	888.6	826.6	7.5
	971.4	888.3	9.3
EBIT	291.0	340.9	(14.6)

Note

- 1. Advertising revenues includes metro and regional advertising revenues
- 2. Other includes affiliate fees, program sales and other
- 3. FY12 includes \$23.4m of contra and advertorial costs resulting from change in accounting methodology. Like for like cost growth is 6.7%.
- 4. Revenue variable costs include Licence fees, contra and advertorial costs which are directly variable to revenue streams.
- i. Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presented
- ii. FY11 Proforma includes 12 months of both WAN and Seven Media Group

Television. Update

- Continue to lead the market in ratings share
- Continue to lead the market in revenue share
- Difficult and subdued advertising market
- Heavy focus on three pillars of The Seven Strategy



The Seven Strategy. Australian Programs

- Excellent performance of Australian programs but search never ends
- New multiple night reality franchise, House Rules
- Development of cross-platform friendly content
- New drama, A Place To Call Home
- Some cancellations and cost management of long-running series



The Seven Strategy. Live News and Public Affairs



The Seven Strategy. Live Sport

- Four game AFL deal beneficial despite tough advertising market
- Strongest product in a weak market
- Target has been iconic events
- NRL update



The Seven Strategy. Looking Ahead

- Cost management and continued review of back office to invest in front-of-house i.e content
- Fragmenting audience is an opportunity as well as a threat
- Second screen potential eg. FANGO is just the beginning
- How do we take our big brands and make more money from them?
- Priority is having the best programs



THE SOCIAL WAY TO WATCH TV





Newspapers. Divisional Performance

	FY12 \$m	FY11PF ⁱⁱ \$m	inc/(dec) %
Revenue			
Advertising	264.8	283.3	(6.5)
Circulation	68.0	68.8	(1.2)
Other	15.6	15.4	1.0
	348.4	367.5	(5.2)
Costs			
Depreciation & Amortisation	21.0	19.8	5.9
Other costs	211.2	208.4	1.4
	232.2	228.2	1.8
EBIT	116.2	139.3	(16.6)

i. Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presentedii. FY11 Proforma includes 12 months of both WAN and Seven Media Group

Newspapers. Update



- Advertising market remains soft
 - Display Softness in retail remains
 - Classified: Realestate subdued
 Motors subdued
 Employment stable
 Announcements and other strong
- Circulation continues to outperform peers
 - Monday to Friday
 - Saturday
- Continued tight management of costs
 - WA facing cost pressure; under review
- Digital assets deliver solid performance
 - Thewest.com.gu
 - Westrealestate.com.au
 - Wjobs.com.au
 - Westannouncements.com.au



Magazines. Pro forma divisional performance

	FY12 \$m	FY11PF" \$m	inc/(dec) %
Revenue			
Circulation	177.7	179.9	(1.2)
Advertising	97.7	109.7	(11.0)
Other	11.8	15.4	(22.9)
	287.2	305.0	(5.8)
Costs			
Depreciation & Amortisation	8.9	10.0	(11.1)
Other costs	238.5	251.5	(5.2)
	247.4	261.5	(5.4)
EBIT	39.8	43.5	(8.5)

i. Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presentedii. FY11 Proforma includes 12 months of both WAN and Seven Media Group

Magazines. FY12 Review

- Difficult market conditions impact revenues
- Revenue declines supported by solid circulation performances
- Advertising revenue impacted by subdued market and a highly competitive environment
- Continued cost management delivers 5.2% reduction YOY
- EBITDA margin slightly down at 17%
- Strengthened competitive position in terms of circulation and readership shares



Magazines. Outlook

- Ad market remains short and very soft
- Circulations market is relatively robust
- Management expects to deliver operational efficiencies and cost savings
- 1st interactive Digital edition of Men's Health launched August 2012
- Expect Pacific Magazines to continue to improve its competitive position





Rohan Lund – Chief Operating Officer

GROUP OPERATIONS

Yahoo!7. Pro forma divisional performance

	FY12 \$m	FY11PF" \$m	inc/(dec) %
Revenue			
Advertising	84.6	73.1	15.7
Other	37.3	23.1	61.5
	121.9	96.2	26.7
Costs			
Depreciation & Amortisation	8.8	5.8	51.7
Other costs	76.5	58.5	30.8
	85.3	64.3	32.6
EBIT	36.6	31.9	14.7

i. Amounts, totals and change percentages calculated on whole underlying numbers and not the rounded amounts presentedii. FY11 Proforma includes 12 months of both WAN and Seven Media Group

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

Yahoo!7. Update

BUILDING REACH THROUGH SOCIAL

8.8m UNIQUE USERS UP 26% YoY



CREATING COMPANION EXPERIENCES

500k+ FANGO DOWNLOADS



GAINING SHARE WITH DATA SCIENCE

SMI DISPLAY UP 37% FOR H2



MOBILIZING ALL EXPERIENCES

4.3M MOBILE AUDIENCE + 2M+ APP DOWNLOADS



PREMIUM CONTENT

PLUS7

1M ACTIVE USERS



CAPTURING TRANSACTIONS

SPREETS + TOTALTRAVEL



QUESTIONS