

27 August 2014

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 28 June 2014.

Yours faithfully

**For and on behalf of Seven West Media**



**Warren Coatsworth**  
Company Secretary

For personal use only

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

**Year Ended 28 June 2014**

**Results for announcement to the market**

	2014 \$'000	2013 \$'000	Movement
<b>Reported</b>			
Revenue from ordinary activities	1,844,920	1,866,457	Down 1.2%
Profit/(loss) from ordinary activities after tax attributable to members	149,188	(69,758)	Up 313.9%
Net profit/(loss) for the period attributable to members	149,188	(69,758)	Up 313.9%
<b>Additional information</b>			
Significant items before tax	(87,040)	(308,374)	Down 71.8%
Profit before tax excluding significant items	330,389	319,563	Up 3.4%
Profit after tax excluding significant items net of tax	236,228	225,175	Up 4.9%

The current reporting period relates to the period from 30 June 2013 to 28 June 2014 and the previous reporting period relates to the period from 1 July 2012 to 29 June 2013.

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend 2013 (paid during current reporting period)	6 cents	6 cents
Interim dividend 2014 (paid during current reporting period)	6 cents	6 cents
Final dividend 2014 (not yet paid)	6 cents	6 cents

The record date for determining entitlements to the final 2014 dividend is 5/9/2014 and the payment date is 10/10/2014

The final dividend for 2014 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 28 June 2014 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

27 August 2014 --- Australia's leading multi-platform media business, Seven West Media, today reported the company's financial results for the 2013-2014 financial year:

- Seven West Media delivers profit growth, slightly ahead of guidance.
- Television secures a record, market leading advertising revenue share of 40.5 per cent as broadcast television strengthens leadership.
- Television EBITDA margin improves with EBITDA growth of 12 per cent in the second half.
- Despite challenges in the sector, publishing businesses increase market share, out-performing peers.
- Cost reduction initiatives achieved as company continues significant investment in content to drive home market leadership.

### 2014 Group Financial Year Highlights:

- Net profit after tax (excluding significant items) up 4.9 per cent to \$236.2 million.
- Group revenue declined 1.1 per cent to \$1,861.8 million.
- Total operating expenses reduced 0.4 per cent to \$1,453.6 million.
- Group EBITDA margin of 25 per cent with strong operating cash flows (excluding interest and tax) of over \$400 million.
- Final dividend of 6 cents per share (fully franked) declared, taking total dividends to shareholders over past twelve months to 12 cents (fully franked).

Commenting, the Chief Executive Officer of Seven West Media, Tim Worner, said: "This is a positive result in challenging market conditions. It underlines our strength as an integrated media company across broadcast television, publishing and new forms of digital delivery. We are delivering leadership in broadcast television and our publishing businesses continue to outperform their peers.

"Our objective is leadership in content delivery across our media platforms. We are making significant progress in putting in place the architecture for our future development, building our businesses and advancing our presence in new forms of distribution.

"We will invest in our content to drive home leadership, but we are committed to continue to manage costs and if that means making tough decisions on content, we will. We are committed to delivering for our shareholders."

**Results**

<b>Financial Results</b>	<b>Year Ended 28 June 2014</b>	<b>Year Ended 29 June 2013</b>	<b>Inc/(dec) %</b>
Profit before tax	\$243.4m	\$11.2m	n/a
Profit/(loss) after tax	\$149.2m	(\$69.8m)	n/a
Profit/(loss) attributable to shareholders	\$149.2m	(\$69.8m)	n/a
Basic EPS	14.9 cents	(7.1 cents)	n/a
Diluted EPS	12.7 cents	(6.1 cents)	n/a
Final Dividend per Ordinary Share	6 cents	6 cents	n/a
<b>Additional Information:</b>			
Significant items before tax	(\$87.0m)	(\$308.4m)	n/a
Profit before tax excluding significant items	\$330.4m	\$319.6m	3.4%
Profit after tax excluding significant items	\$236.2m	\$225.2m	4.9%

*n/a: percentage movement is not meaningful*

Seven West Media reports a statutory net profit after income tax of \$149.2 million. In the prior corresponding 2012-2013 financial year, the company reported a statutory net loss of \$69.8 million.

<b>Financial Results</b>	<b>Year Ended 28 June 2014</b>	<b>Year Ended 29 June 2013</b>	<b>Inc/(dec) %</b>
Total Revenue*	\$1,861.8m	\$1,882.0m	(1.1%)
EBITDA	\$458.2m	\$480.0m	(4.5%)
EBIT	\$408.2m	\$422.0m	(3.3%)
<b>Reconciliation to statutory results:</b>			
Profit before significant items, net finance costs and tax	\$408.2m	\$422.0m	(3.3%)
Net finance costs	(\$77.8m)	(\$102.4m)	(24.0%)
Profit before tax excluding significant items	\$330.4m	\$319.6m	3.4%
Significant Items	(\$87.0m)	(\$308.4m)	n/a
Profit before tax	\$243.4m	\$11.2m	n/a

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

**Balance Sheet**

Seven West Media's net debt declined 6.6 per cent over the year to \$1.16 billion compared to the prior year's \$1.24 billion. The group continues to use its strong operating cash flows to pay down debt with the debt leverage ratio reduced to 2.5x EBITDA (vs 2.6x FY13). As previously reported, in February 2014 Seven West Media entered into new revolving bilateral credit facilities totalling \$1.4 billion. The new facilities provide a lower cost of funding for the group and extend the initial maturity date out to October 2017. The facilities were provided by seven Australian and international banks.

## **EBITDA and Operating Margins**

Seven West Media delivered EBITDA of \$458.2 million, 4.5 per cent lower than the prior year at an EBITDA margin of 24.6 per cent (25.5 per cent in prior year).

The company's key businesses continue to maintain strong margins with television delivering an improvement in EBITDA margin, rising to 25.7 per cent, with newspapers and magazines delivering EBITDA margins of 32.8 per cent and 10.3 per cent respectively. The strong performance of the television business led to an increase in the percentage of EBITDA contribution to the group, which now accounts for 73 per cent of total group EBITDA.

## **Cost Management**

Group operating costs decreased 0.4 per cent in the period to \$1,453.6 million as a result of continued focus on cost reduction initiatives. Newspaper and magazine cost reductions of 7.9 per cent and 4.3 per cent respectively were offset by television cost growth of 1.7 per cent in the year. The company has achieved the cost reduction objectives that it set out at the start of the last financial year, offsetting investment in content and inflation pressures to keep total group costs at just over \$1.4 billion by delivering the \$120 million in cost savings and revenue initiatives over the two year period.

## **Business Performance**

### **Television**

Television revenue grew 3 per cent to \$1,306 million accounting for 70 per cent of group revenue while EBIT (earnings before interest and tax) increased 7.5 per cent to \$312 million, making up 76 per cent of group EBIT. Seven delivered a market leading EBITDA margin of 25.7 per cent for the full year, with EBITDA increasing 12.4 per cent on the corresponding prior period in the second half of the year.

Seven continues to lead the market in television advertising revenue share, building share in a tough and competitive advertising market and delivering a record revenue market share of 40.5 per cent in FY14.

Across the 2014 television season and in a year of major events, Seven continues to lead in primetime, building on its market-leading performance in the 2013 television season. Seven is number one on primary channels and the combined audiences of digital channels across primetime, and has grown share in every key audience demographic, driven by My Kitchen Rules, House Rules, The X Factor and key sports events.

### **The West Australian**

The West Australian maintained its position as one of the strongest performing newspapers in the country, and continues to deliver world class operating margins despite challenging market conditions. While newspaper declines in print advertising continue, the Company continues to outperform its peers both in terms of circulation and advertising.

Newspaper revenue declined 12.4 per cent to \$265.4 million while EBIT fell 23.9 per cent to \$65.9 million. The newspaper division has maintained market leading operating margins with an EBITDA margin of 32.8 per cent during the financial year. Cost management has been a key focus with total costs down 7.9 per cent in the period, although this has not jeopardised the quality of The West. Management continues to drive greater operating efficiencies across the business.

The integration project with Channel 7 Perth continues, with the completion of the studio complex and the formation of the single newsroom for both television and newspapers scheduled for late calendar 2014. The new multi-media editorial platform is also on track and scheduled for completion in late 2014. In a world of digital news, management believes there will be a growing emphasis on video; these two projects are therefore fundamental to its future in Western Australia.

#### **Pacific Magazines**

Pacific Magazines has delivered a positive revenue performance in a challenging market. Revenue declined 7.3 per cent to \$237.5 million compared to a 10.8 per cent decline last year, with an improvement in the rate of decline in advertising revenue contributing to the overall revenue trend. The company delivered a 4.3 per cent decrease in costs to \$217.1 million, generating EBIT of \$20.4 million.

Pacific Magazines out-performed the overall magazine market, increasing market share in both advertising revenue and circulation. Annual gross readership grew by 2.4 per cent in the twelve months to June 2014, with the company's titles now accounting for 32 per cent of the readership market.

#### **Yahoo7**

Yahoo7 has continued its strong growth in audience with 9.1 million Australians visiting its platform each month, an increase of 19.5 per cent. User engagement continues to grow with more than 7.4 billion page views and video downloads growing at 25 per cent year on year as the PLUS7 catch up service leverages the success of Seven's primetime programming. Financial performance at Yahoo7 also improved, with the share of profit from Yahoo7 increasing 22 per cent compared to the last financial year.

Commenting, Mr Worner said: "This year has been focused on laying the foundations for future growth in our business. Our market positions are strong and getting stronger, and there are a number of exciting developments that I look forward to updating you on in the coming year, such as early progress on HbbTV, which will be launched as Freeview Plus next week."

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