



15 February 2021

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

2021 HALF YEAR RESULTS – APPENDIX 4D & HALF YEAR FINANCIAL REPORT

Seven West Media Limited (ASX: SWM) attaches the Appendix 4D and Half Year Financial Report for the half year ended 26 December 2020.

This release has been authorised to be given to ASX by the Board of Seven West Media Limited.

Ends.

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Seven West Media Limited
Appendix 4D
Half Year Financial Report
for the half year ended 26 December 2020

Results for announcement to the market

	Dec 2020 \$'000	Restated ³ Dec 2019 \$'000	Movement
Reported			
Revenue from ordinary activities	644,238	714,467	Down 9.8%
Other income	-	774	N/A
Revenue and other income	644,238	715,241	Down 9.9%
Profit (loss) from ordinary activities after tax from continuing operations attributable to members	116,188	(47,876)	N/A
Net profit (loss) from continuing operations for the period attributable to members	116,206	(48,680)	N/A
Additional information			
Group EBIT ¹	151,702	117,238	Up 29.4%
Group EBITDA ²	165,658	133,134	Up 24.4%
Significant items of income (expense) before tax	41,493	(165,575)	N/A
Profit before tax excluding significant items from continuing operations	120,864	96,809	Up 24.8%
Profit after tax excluding significant items net of tax from continuing operations	86,581	68,462	Up 26.5%

The current reporting period relates to the period from 28 June 2020 to 26 December 2020 and the previous reporting period relates to the period from 30 June 2019 to 28 December 2019.

Dividends

No dividends were declared or paid during the half year ended 26 December 2020 or during the prior corresponding period.

Net tangible assets

	Dec 2020	Jun 2020
Net tangible asset backing per ordinary share (cents)	(0.39)	(0.47)

Entities over which control was gained or lost during the period

On 9th July 2020, the Group disposed of its investment in 7Beyond Media Rights Limited.

On 9th July 2020, the Group disposed of its investment in Seven West Studios Limited.

Note 1: Group EBIT is profit before significant items, net finance costs and tax from continuing operations

Note 2: Group EBITDA is profit before significant items, net finance costs, tax, depreciation and amortisation from continuing operations

Note 3: Prior year figures have been restated for amendments to AASB 112 Income Taxes and discontinued operations

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Directors' Report

Seven West Media Limited
ABN 91 053 480 845

FOR THE HALF YEAR ENDED 26 DECEMBER 2020

The Directors of Seven West Media Limited (the Company) are pleased to present their report together with the consolidated financial statements for the half year ended 26 December 2020 and the review report thereon.

Directors

The Directors of Seven West Media Limited at any time during or since the end of the half year are:

Name	Period of Directorship
Non-Executive	
Kerry Matthew Stokes AC (Chairman)	Director since September 2008 and Chairman since December 2008
John Henry Alexander	Director since May 2013
Teresa Dyson	Director since November 2017
David Evans	Director since August 2012
Colette Garnsey OAM	Director since December 2018
Michael Malone	Director since June 2015
Ryan Kerry Stokes AO	Director since August 2012
Michael Ziegelaar	Director since November 2017
Executive	
James Warburton (Managing Director & Chief Executive Officer)	Managing Director & Chief Executive Officer since August 2019

Review of results and operations

A review of operations and of the results of those operations is attached and forms part of this Report.

Net liability position and basis of preparation

Current year performance

For the six months ended 26 December 2020 the Group recorded Earnings Before Interest and Tax (EBIT) (and before significant items) of \$151.7m. The statutory profit after tax was \$116.3m (including significant items). The 1HFY21 net operating cash inflows were \$82.2m. At reporting date, the Group was in a net liability position of \$114.9m, including available cash of \$411.7m and net debt of \$328.9m.

The COVID-19 pandemic continued to impact the Australian advertising market in the first quarter of the financial year as advertising clients managed the impacts of the Australian and foreign government restrictions on their operations.

In the second quarter however, SMI reported the Australian advertising market down by only -1.4% compared to same period in the prior year. ThinkTV reported the metropolitan free-to-air market grew by 16.6% in the same period.

SWM's revenue for the half was down \$71.0m or -9.9% on the prior corresponding half (Q1: -20.3% yoy, Q2: -0.1% yoy).

COVID-19 restrictions continue to impact content production activities. Major sporting codes and global sporting events continue to be impacted by COVID-19 restrictions, with this expected to continue throughout 2021.

While news gathering and broadcasting have continued throughout the COVID-19 pandemic, all other content production has been impacted, although the lifting of work restrictions in certain Australian states allowed for the production of Seven's new content line up for the 2021 year. The Group incurred additional costs in respect of the interruptions and delays to the production of key content.

Directors' Report

Seven West Media Limited

ABN 91 053 480 845

Current year performance (continued)

The Group's revised content strategy, outlined in the August 2019 results and 2019 AGM, was initially impacted by COVID-19 shutdowns earlier in 2020 that impacted the 1HY21 content. Many of the scheduled 1HFY21 programs will now form part of the content line up for calendar year 2021. The Group expects it will take some time for the impact of the new strategy to positively impact earnings and cash flow.

Building on the cost transformation initiatives that were implemented in FY20, further annualised, recurring cash savings were secured in the first half of FY21 through the renegotiation of long term content agreement. These have resulted in the release of \$45.5m of onerous contract provisions that were previously required in relation to these contracts.

Debt facilities

During the first half of the financial year, the Group amended the debt facilities. A secured syndicated facility agreement was entered into with maturities in July 2022 (\$450 m) and December 2022 (\$300 m). Under the terms of the agreement the existing leverage and interest cover ratios are replaced by a minimum liquidity requirement until 31 December 2021 and a minimum EBITDA test (from March 21) until 31 December 2021 at which time leverage and interest cover covenants are reinstated. The amended interim covenants provide the Group with the flexibility required to complete the transformation program that commenced during FY20.

Net liability position

As at 26 December 2020, the Group's liabilities exceeded its assets by \$114.9m, (27 June 2020: liabilities exceeded assets by \$236.1m).

The group moved into a net liability position as at FY20 as a result of the following:

- \$123.5m impairment of intangible assets and programming rights as a result of carrying value assessments performed at FY20 reporting date;
- reassessment of onerous contracts provisions required in respect of certain programming rights agreements resulting in the recognition of \$136.9m of additional provisions in FY20;
- an accounting policy change resulting in the recognition of a deferred tax liability of \$138.5m relating to the treatment of the Group's indefinite lived intangible assets. This accounting policy change was as a result of an IFRIC Agenda Decision issued in April 2020; and
- the adoption of AASB 16 Leases at the start of FY20 which resulted in the recognition of Right of Use Assets of \$117.1m and Lease Liabilities of \$175.2m.

The FY20 adoption of AASB 16 on a fully retrospective basis and the accounting policy change relating to the recognition of deferred tax on the Group's television licences resulted in a restatement of the prior year balance sheet. As a result, liabilities exceeded assets by \$122.9m at 28 December 2019 on a restated basis.

Trading in the first half and the reassessment of onerous contracts provisions following the successful renegotiation of key contracts has improved the net liability position to \$114.9m as at 26 December 2020.

The Group has positive net current assets as at 26 December 2020 of \$309.3m with Group net debt position (cash and cash equivalents less drawn debt facilities) at \$328.9m.

Cashflow forecasts

In the ordinary course of business the Group prepares longer term and detailed projections for the next 12 months. These risk adjusted forecast future cashflows have been used by the Board to assess the Group's ability to meet its obligations as and when they fall due including compliance with the requirements of the new debt facilities over the forthcoming 12 months.

While market conditions in the first quarter were significantly down on the prior year, market conditions have been less severe than forecast. The metro free-to-air market grew in the second quarter, supported by the resumption of major sports and the lifting of COVID trading restrictions in many States earlier than originally anticipated.

Due to the uncertainty of key assumptions included in the cashflow forecasts, which are not within the control of the Group, the Directors recognise that action is required to advance the Group's content, transformation and balance sheet strategy. The Directors therefore approved several actions to accelerate the Group's transformation and debt reduction agenda to ensure adequate liquidity is in place going forward.

The Group uses best estimate assumptions in the development of projections which include benchmarking against independently sourced information for key assumptions such as the metropolitan free-to-air advertising market. The key assumption, which remains uncertain and which may be material, is the continuation and extent of the advertising market recovery from COVID-19.

Directors' Report

Seven West Media Limited

ABN 91 053 480 845

Cashflow forecasts (continued)

The risk adjusted cashflow projections included in the analysis support that the Group will continue as a going concern and be able to meet its obligations as and when they fall due.

As the continued recovery of the advertising market is expected to be impacted by the progression of the COVID-19 pandemic, domestic and international travel restrictions and other business restrictions, the Group continues to search for and implement further cost saving initiatives. Transformation remains a core pillar of the Group's strategy.

The market may not recover to the extent or at the time anticipated in current projections, management has therefore identified further operational responses and additional funding initiatives which are being implemented to provide additional earnings or liquidity to manage the Group's financial performance and cashflows. These initiatives include:

- the sale of the Group's portfolio of early stage digital businesses, SWM Ventures;
- the sale of the Seven Studios business including the historical content catalogue; and
- further operational cost and cash saving initiatives.

These consolidated financial statements have been prepared on a going concern basis.

Matters subsequent to the end of the half year

On 15 February 2021, the Group repaid and cancelled \$150.0m of the secured debt facilities, reducing drawn facilities to \$600.0m. Following repayment and cancellation of the \$150.0m, the secured syndicated facility agreement has maturities in July 2022 of \$300.0m and December 2022 of \$300.0m.

On 5 February 2021 the Group successfully renegotiated the cancellation of an indefinite life program rights contract. The Group had recognised an onerous contract provision in a prior period relating to this contract. The onerous contract provision of \$44.9m was reversed as at 26 December 2020 as a adjusting subsequent event on the basis that the negotiation of the cancellation of the rights contract was substantially completed as at this date and the financial impact of the negotiations was known at the time.

Subsequent to 26 December 2020, Airtasker Pty Ltd commenced an IPO process. As at the 26 December 2020, the Group owned an 18.4% share in Airtasker Pty Ltd which is accounted for as a financial asset in accordance with AASB 9.

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

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the half year ended 26 December 2020.

Rounding

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest one thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.



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KM Stokes AC
Chairman

15 February 2021

Seven West Media

Review of Operations

Group Performance

Summary of Financial Performance

	1H21 \$m	1H20 ⁴ \$m	Change ³ %
Revenue	644,238	714,467	(10%)
Other income	-	774	(100%)
Share of net profit of equity accounted investees	1,195	903	32%
Revenue, other income and equity accounted profits	645,433	716,144	(10%)
Operating expenses excluding depreciation and amortisation	(479,775)	(583,010)	(18%)
EBITDA¹	165,658	133,134	24%
Depreciation and amortisation	(13,956)	(15,896)	(12%)
EBIT²	151,702	117,238	29%
Net finance costs	(30,838)	(20,429)	51%
Profit (loss) before significant items and tax from continuing operations	120,864	96,809	25%
Significant items of income (expense) excluding tax	41,493	(165,575)	(125%)
Profit (loss) before tax from continuing operations	162,357	(68,766)	336%
Tax (expense) benefit	(46,005)	19,407	(337%)
Profit (loss) after tax from continuing operations	116,352	(49,359)	336%
EBITDA margin	25.7%	18.6%	
Basic EPS	7.6 cents	(3.2 cents)	
Basic EPS excluding significant items net of tax	5.6 cents	4.5 cents	
Diluted EPS	7.6 cents	(3.2 cents)	
Diluted EPS excluding significant items net of tax	5.6 cents	4.5cents	

⁽¹⁾ EBITDA relates to profit before significant items, net finance costs, tax, depreciation and amortisation.

⁽²⁾ EBIT relates to profit before significant items, net finance costs and tax.

⁽³⁾ Change percentages are calculated on whole dollars and not the rounded amounts presented.

⁽⁴⁾ Prior year figures have been restated for amendments to AASB112 Income Taxes

Reconciliation of EBIT to Statutory Profit Before Tax

	1H21 \$m	1H20 \$m	Change %
EBIT	151,702	117,236	29%
Net finance costs	(30,838)	(20,429)	51%
Significant items excluding tax	41,493	(165,575)	(125%)
Profit (loss) before tax from continuing operations	162,357	(68,766)	336%

Seven West Media Limited reported a statutory net profit after tax from continuing operations of \$116.4 million (including significant items) for the half year ended 26 December 2020. This compares to the previous corresponding half year statutory net loss after tax of \$49.4 million.

Underlying net profit after tax of \$86.6 million is up 26.5 per cent compared to the underlying net profit after tax of \$68.5 million in the prior period.

The group delivered revenue of \$644.2 million (excluding share of associates), down 9.9 per cent compared with the previous year. Profit before significant items, net finance costs and tax (EBIT) of \$151.7 million increased by 29.3 per cent on the previous year.

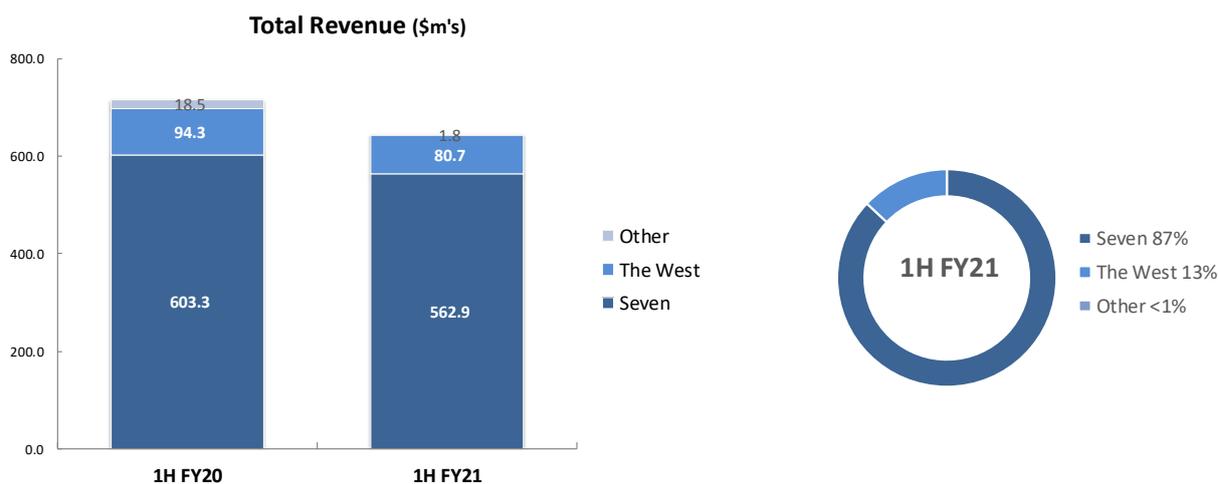
The dividend remains temporarily suspended with a focus on prudent capital management and paying down debt.

Advertising Market and Revenue Performance

SMI data reported that the Australian advertising market fell 7.2 per cent in the 6 months to 31 December 2020 compared to the previous period. The market has improved since the 38.7 per cent decline in the second quarter of CY20 with the third quarter improving in trend, albeit still declining 20.2 per cent and the fourth quarter returning to growth, up 5.3 per cent. Advertising in the digital market outperformed the broader ad market, with SMI data indicating an increase of 8.2 per cent for the 6 months period to 31 December 2020 against the prior year.

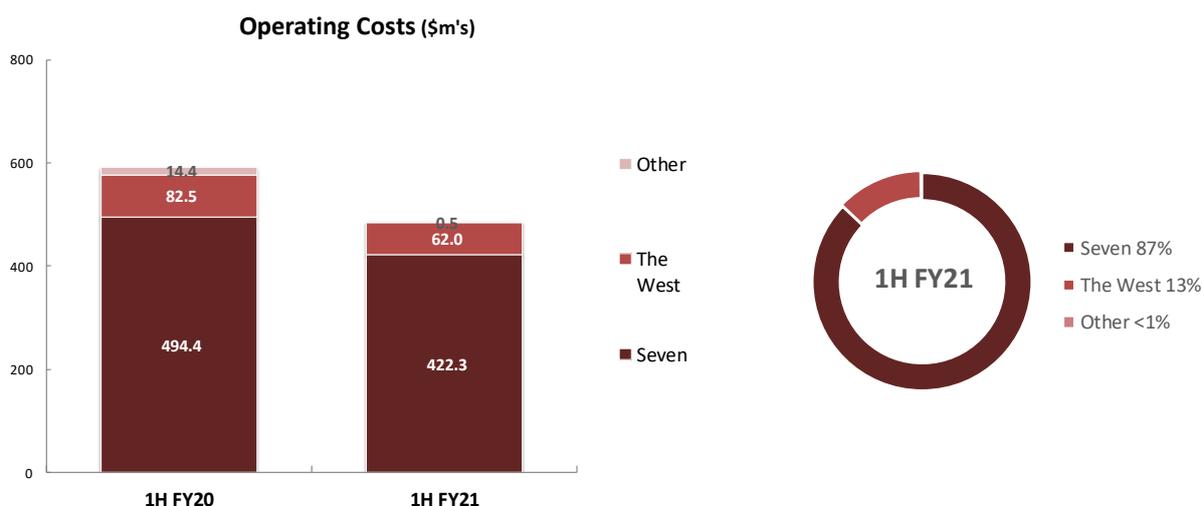
Metropolitan television advertising increased 0.6 per cent to \$1.33 billion for this period based on KPMG ThinkTV data. ThinkTV also reported that advertising revenues from online catch-up and live TV streaming grew 44.4 per cent YoY during the December half.

Seven reported a 36.8 per cent share of the combined metro television and BVOD advertising market among commercial networks for the half. SWM's digital revenues continued to grow rapidly and will represent a higher proportion of revenue in the 2021 financial year.



Cost Management

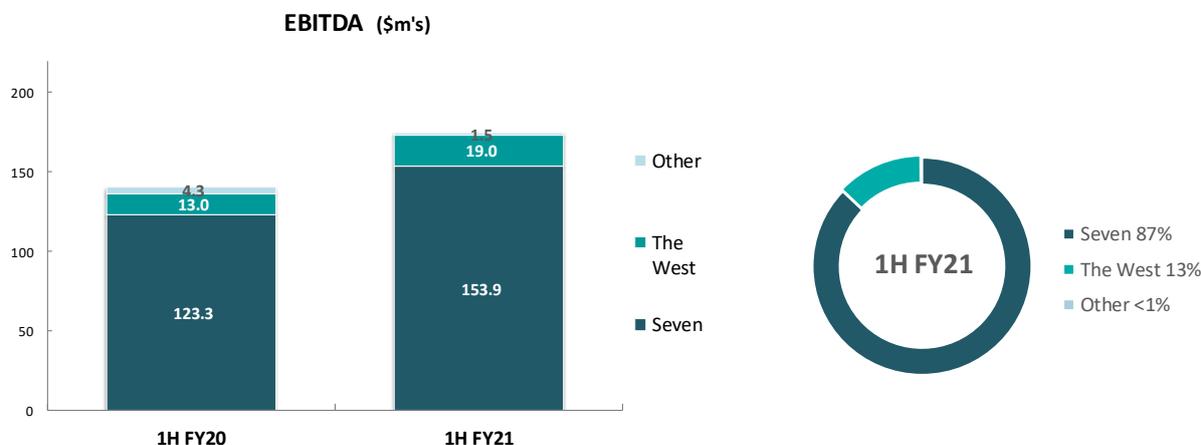
Excluding significant items, total Group costs (including depreciation and amortisation) for the 6 months to 26 December 2020 decreased 17.7 per cent. Costs in the Seven business, including digital and Seven Studios, decreased 14.8 per cent with cost growth from content investment offset by annualised cost savings initiatives across the business. The West recorded cost reductions of 24.1 per cent, largely attributable to cost reduction initiatives during FY20. The Group benefited from temporary net cost savings of \$30.5 million during the half from government measures to support businesses through COVID-19.



The charts above exclude the impact of significant items and Corporate costs.

EBITDA and Operating Margins

Seven West Media delivered EBITDA for the six-month period to 26 December 2020 of \$165.7 million on an underlying basis, an increase of 24.4 per cent compared to the prior year, at an EBITDA margin of 25.7 per cent. Seven's EBITDA accounted for 87 per cent of total group EBITDA for the period.



The charts above exclude the impact of significant items and Corporate costs.

Balance Sheet

At 26 December 2020, the Group's total liabilities exceeded its assets by \$114.9 million (previously reported 27 June 2020: liabilities exceeded assets by \$236.1 million).

The Group has positive net current assets as at 26 December 2020 of \$309.3 million.

Net Debt

Group net debt (cash and cash equivalents less drawn debt facilities) at the end of the period stood at \$328.9 million.

The Group amended the debt facilities during 2020. A secured syndicated facility arrangement has been put in place with maturities in July 2022 (\$450.0 million) and December 2022 (\$300.0 million). Under the terms of the agreement leverage and interest cover ratios in place under the prior agreement have been replaced by a minimum liquidity requirement and a minimum EBITDA test (from March 21) until 31 December 2021 at which time leverage and interest cover covenants are reinstated.

The amended interim covenants provide the Group with the flexibility required to complete the transformation program that was commenced during FY20.

At 26 December 2020, the Group had available cash of \$411.7 million and drawn debt facilities of \$750 million.

Review of Businesses

A summary of the performance of Seven West Media's key business units for the half year ending 26 December 2020 is set out below.

Seven

Seven's implementation of its content led growth strategy across the first half of financial year 2021 saw it return to leadership as the #1 network for the period. A string of successful, externally-produced prime time tentpoles, including Big Brother, Farmer Wants A Wife and SAS Australia, secured Seven a 38.5% prime time commercial audience share for the half, growing 0.6% share points compared to the same period the year prior.

This growth in share extended to other key demographics, including 25 to 54s, which grew 0.3% and 16 to 39s which grew 2.3%. The resonance of these new prime time tentpoles with younger audiences saw Seven lead the 16 to 39s demographic for the half. Big Brother, Farmer Wants A Wife and SAS Australia each delivered significant viewership growth for the key demographics of 25 to 54s and 16 to 39s compared to programming aired at the same time the year prior, confirming the success of the content led growth strategy.

The half coincided with the return of the 2020 AFL Premiership Season, which grew its audience across the whole season by 15% for 25 to 54s and 12% for total people. The season concluded with the 2020 AFL Grand Final, which was the most watched television event of the year, viewed by an average national audience of 3 million people.

The content spine of 7NEWS, Sunrise, The Morning Show, The Chase and Home and Away each continued to deliver strong results across the half. 7NEWS won every single week of the half, growing its audience year on year. Sunrise continued its dominance at breakfast, winning every single morning of the ratings survey year for the second year in a row. The Morning show continued as the #1 morning television program, and The Chase won every week of the survey year, growing audience year on year.

Home and Away was the #1 Australian drama on commercial television, averaging 1 million viewers nationally for each episode across the year. The strength of this content spine, combined with the successful content led growth strategy in prime time, delivered ratings share growth across the half.

Revenue declined 6.7 per cent in the Seven business, driven by a decline in advertising markets. Costs in the Seven business, including digital and Seven Studios, decreased 14.8 per cent which was attributable to cost out initiatives actioned in FY20 and temporary cost savings of \$24.8 million related to COVID-19.

Overall EBIT for Seven increased 29.0 per cent to \$140.5 million.

Digital

Seven's Broadcast Video on Demand (BVOD) streaming service 7plus has established itself as the dominant platform in the market. During the half 7plus secured a 44 per cent share of commercial free to air BVOD minutes, an increase of over 10 share points compared to the prior corresponding period.

Across calendar year 2020, 7plus grew its total viewership by 76 per cent, more than double the average market growth rate of 35 per cent. This growth was driven by Seven's successful content strategy of drawing in viewers with prime time tentpoles, alongside extensive exclusive and library content. 7plus registered users grew 86 per cent year on year.

7plus is well positioned to continue its leadership of the CFTA BVOD market thanks to Seven's slate of prime time tentpoles across 2021, and the Tokyo Olympic and Paralympic Games in July and August.

Since launching in March 2019, 7NEWS.com.au continues to go from strength to strength. Average monthly unique audience increased 36 per cent in the 6-months to December 2020 compared to the prior corresponding period.

Seven delivered robust digital revenue growth during the period, increasing by 73 per cent in 1HFY21 compared to the prior period. Digital EBIT grew 168 per cent during the period.

Publishing

The Group's portfolio of news brands in WA make it the pre-eminent media company in the state. All together The West Australian, The Sunday Times, Community News Group, thewest.com.au and PerthNow.com.au reach 94 per cent of the population each month (emma CMV for 12 months to September 2020). According to emma CMV readership data, multi-platform total audience of 1.52 million people for The West Australian increased 2 per cent during the latest quarterly survey (September 2020).

The West continues to push on with its digital transformation, with thewest.com.au and PerthNow online audience increasing 2.7 per cent and 19.5 per cent year on year. In print, The West Australian Monday-Friday edition continues to have one of the highest market reach of any major metro weekday masthead in the nation, with 19.5 per cent of West Australians on average reading an issue of the weekday edition.

The onset of COVID-19 had a meaningful adverse impact on travel, motoring and building advertising which are key contributors to The West's advertising revenues. Revenue declined 14.4 per cent during the half for The West Australian Newspapers division.

Following a successful launch in the metro market in 2019, online paywalls were rolled out into regional markets during 2020. Strong growth was experienced for regional mastheads, aided by the introduced of new local sports streaming content across AFL, Netball, Hockey and Basketball.

The West continues to evolve its business model, during the period costs at The West decreased 24 per cent as a result of cost out initiatives and the benefit of temporary cost savings related to COVID-19.



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 of Seven West Media Limited for the half-year ended 26 December 2020 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

Duncan McLennan

Partner

Sydney

15 February 2021

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 26 December 2020

	Notes	Dec 2020 \$'000	Restated ^{1 2} Dec 2019 \$'000
Continuing Operations			
Revenue	3	644,238	714,467
Other income	3	-	774
Revenue and other income		644,238	715,241
Expenses			
Expenses	4	(493,731)	(598,906)
Impairment of intangible assets	5	-	(61,565)
Impairment of right of use assets	5	-	(3,726)
Impairment of fixed assets	5	(2,743)	-
Impairment of other assets	5	-	(41,123)
Onerous contracts benefit (expense)	5	37,836	(51,810)
Income (costs) related to investments	5	3,645	(7,351)
Gain on sale of investments	5	3,445	-
Share of net profit of equity accounted investees	8	1,195	903
Profit (loss) before net finance costs and tax from continuing operations		193,885	(48,337)
Finance income		1,085	593
Finance costs		(31,923)	(21,022)
Write off of unamortised refinancing cost	5	(690)	-
Profit (loss) before tax from continuing operations		162,357	(68,766)
Tax (expense) benefit	6	(46,005)	19,407
Profit (loss) for the half year from continuing operations		116,352	(49,359)
Discontinued operations			
(Loss) profit after tax for the year from discontinued operations	19	(18)	804
Profit (loss) for the year		116,334	(48,555)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		2,097	804
Exchange differences on translation of foreign operations		106	15
Tax relating to items that may be reclassified subsequently to profit or loss		(629)	(241)
Items that will not be reclassified to profit or loss:			
Net change in fair value of financial assets (net of tax)		4,510	(279)
Other comprehensive income (expense) for the half year, net of tax		6,084	299
Total comprehensive (expense) income for the half year attributable to owners of the Company		122,418	(48,256)
Total comprehensive income (expense) attributable to:			
Owners of the Company		122,272	(47,577)
Non-controlling interests		146	(679)
Total comprehensive income (expense) for the year		122,418	(48,256)
Earnings per share for profit (loss) attributable to the ordinary equity holders of the Company			
Basic earnings per share	7	7.6 cents	(3.2 cents)
Diluted earnings per share	7	7.6 cents	(3.2 cents)

Comparative financial information has been restated for the following:

¹ The Group has adopted amendments to AASB 112. Refer to Note 21 for more detail.

² Information has been restated and presented on a continuing operations basis. For details on the Group's discontinued operations refer to Note 19.

Consolidated Statement of Financial Position

As at 26 December 2020

	Notes	Dec 2020 \$'000	Jun 2020 \$'000	Restated ¹ Dec 2019 \$'000
ASSETS				
Current assets				
Cash and cash equivalents		411,661	352,021	114,542
Trade and other receivables		196,400	156,456	230,604
Program rights and inventories		186,114	137,436	192,242
Contract assets		16,493	2,425	5,833
Asset held for sale	18	-	-	17,316
Other assets		17,855	13,295	24,827
Total current assets		828,523	661,633	585,364
Non-current assets				
Program rights		-	41,042	499
Equity accounted investees	8	10,708	9,513	11,493
Other financial assets	9	85,577	79,135	83,393
Property, plant and equipment		48,421	51,456	123,715
Intangible assets	10	480,914	483,501	487,428
Right of use assets		83,626	87,527	110,527
Other assets		11,100	12,223	5,416
Total non-current assets		720,346	764,397	822,471
Total assets		1,548,869	1,426,030	1,407,835
LIABILITIES				
Current liabilities				
Trade and other payables		252,104	221,014	230,587
Lease liabilities		10,702	9,350	8,479
Provisions		187,258	128,526	149,498
Deferred income		7,181	11,931	11,516
Contract liabilities		33,971	31,031	24,907
Current tax liabilities		28,053	346	9,766
Total current liabilities		519,269	402,198	434,753
Non-current liabilities				
Trade and other payables		6,668	5,188	11,791
Lease liabilities		210,861	214,262	166,662
Provisions		110,568	229,427	115,699
Deferred income		2,400	2,650	-
Contract liabilities		6,542	9,542	9,542
Deferred tax liabilities		66,865	49,583	109,212
Borrowings	14	740,602	749,268	683,053
Total non-current liabilities		1,144,506	1,259,920	1,095,959
Total liabilities		1,663,775	1,662,118	1,530,712
Net assets		(114,906)	(236,088)	(122,877)
EQUITY				
Share capital	11	3,405,666	3,405,666	3,405,666
Reserves	12	19,338	11,970	15,095
Non-controlling interests		1,148	3,522	(89)
Accumulated deficit		(3,541,058)	(3,657,246)	(3,543,549)
Total equity		(114,906)	(236,088)	(122,877)

Comparative financial information has been restated for the following:

¹ The Group has adopted amendments to AASB 112. Refer to Note 21 for more detail.

Consolidated Statement of Changes in Equity

For the half year ended 26 December 2020

	Notes	Share capital \$'000	Reserves \$'000	Accumulated deficit \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 29 June 2019		3,393,546	14,640	(3,495,673)	(87,487)	398	(87,089)
Profit (loss) for the half year¹		-	-	(47,876)	(47,876)	(679)	(48,555)
Cash flow hedge gains (losses) taken to equity		-	804	-	804	-	804
Foreign currency translation differences		-	15	-	15	-	15
Tax on other comprehensive income		-	(241)	-	(241)	-	(241)
Net change in fair value of financial assets (net of tax)		-	(279)	-	(279)	-	(279)
Other comprehensive income (expense) for the half year, net of tax		-	299	-	299	-	299
Total comprehensive income (expense) for the half year		-	299	(47,876)	(47,577)	(679)	(48,256)
Transactions with owners in their capacity as owners							
Issue of ordinary shares		12,120	-	-	12,120	-	12,120
Share based payment expense		-	156	-	156	-	156
Disposal of NCI		-	-	-	-	192	192
Total transactions with owners		12,120	156	-	12,276	192	12,468
Balance at 28 December 2019		3,405,666	15,095	(3,543,549)	(122,788)	(89)	(122,877)
Balance at 27 June 2020							
Balance at 27 June 2020		3,405,666	11,970	(3,657,246)	(239,610)	3,522	(236,088)
Profit (loss) for the half year		-	-	116,188	116,188	146	116,334
Cash flow hedge gains (losses) taken to equity		-	2,097	-	2,097	-	2,097
Foreign currency translation differences		-	106	-	106	-	106
Tax on other comprehensive income		-	(629)	-	(629)	-	(629)
Net change in fair value of financial assets (net of tax)		-	4,510	-	4,510	-	4,510
Other comprehensive income (expense) for the half year, net of tax		-	6,084	-	6,084	-	6,084
Total comprehensive income (expense) for the half year		-	6,084	116,188	122,272	146	122,418
Transactions with owners in their capacity as owners							
Share based payment expense		-	1,284	-	1,284	-	1,284
Disposal of NCI		-	-	-	-	(2,520)	(2,520)
Total transactions with owners		-	1,284	-	1,284	(2,520)	(1,236)
Balance at 26 December 2020		3,405,666	19,338	(3,541,058)	(116,054)	1,148	(114,906)

Comparative financial information has been restated for the following:

¹ The Group has adopted amendments to AASB 112. Refer to Note 21 for more detail.

Consolidated Statement of Cash Flows

For the half year ended 26 December 2020

	Notes	Dec 2020 \$'000	Dec 2019 \$'000
Cash flows related to operating activities			
Receipts from customers		660,919	888,644
Payments to suppliers and employees		(586,669)	(840,563)
Dividends received from equity accounted investees	8	-	2,800
Interest and other items of similar nature received		1,085	464
Interest and other costs of finance paid		(16,572)	(13,181)
Interest paid on lease liability		(8,998)	(7,236)
Receipt of Government grants		35,888	-
Income taxes paid, net of tax refunds		(3,446)	(12,049)
Net operating cash flows		82,207	18,879
Cash flows related to investing activities			
Payments for purchases of property, plant and equipment		(5,202)	(10,968)
Proceeds from sale of property, plant and equipment		108	-
Payments for intangibles		(958)	(4,602)
Proceeds from sale of other assets		32	-
Payments for other investments		-	(2,000)
Payments for equity accounted investees		-	(540)
Proceeds on sale of subsidiaries (net of cash disposed)		(3,662)	-
Recovery of loans previously impaired		3,644	-
Loans issued to investees		(1,000)	(2,384)
Net investing cash flows		(7,038)	(20,494)
Cash flows related to financing activities			
Proceeds from borrowings		-	91,000
Repayment of borrowings		-	(62,000)
Payment of refinancing costs		(11,600)	-
Payment of lease liabilities		(3,929)	(3,298)
Net financing cash inflows (outflows)		(15,529)	25,702
Net increase in cash and cash equivalents		59,640	24,087
Cash and cash equivalents at the beginning of the half year		352,021	90,455
Cash and cash equivalents at the end of the half year		411,661	114,542

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This half year financial report is for the Group consisting of Seven West Media Limited (the "Company") 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 27 June 2020 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.

1.1 Basis of preparation

This half year financial report is for the reporting period ended 26 December 2020 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.

New accounting policies adopted for the period are disclosed in Note 21.

This half year financial report has been prepared on the basis of historical cost except for assets described in Note 15.

1.2 Current Year Performance

For the six months ended 26 December 2020 the Group recorded Earnings Before Interest and Tax (EBIT) (and before significant items) of \$151.7m. The statutory profit after tax was \$116.3m (including significant items). Net operating cash inflows for the period were \$82.2m. At reporting date, the Group was in a net liability position of \$114.9m, including available cash of \$411.7m and net debt of \$328.9m.

The COVID-19 pandemic continued to impact the Australian advertising market in the first quarter of the financial year as advertising clients managed the impacts of the Australian and foreign government restrictions on their operations.

In the second quarter however, SMI reported the Australian advertising market down by only -1.4% compared to same period in the prior year. ThinkTV reported the metropolitan free-to-air market grew by 16.6% in the same period.

SWM's revenue for the half was down \$71.0m or -9.9% on the prior corresponding half (Q1: -20.3% yoy, Q2: -0.1% yoy).

COVID-19 restrictions continue to impact content production activities. Major sporting codes and global sporting events continue to be impacted by COVID-19 restrictions, with this expected to continue throughout 2021.

While news gathering and broadcasting have continued throughout the COVID-19 pandemic, all other content production has been impacted, although the lifting of work restrictions in certain Australian states allowed for the production of Seven's new content line up for the 2021 year. The Group incurred additional costs in respect of the interruptions and delays to the production of key content.

The Group's revised content strategy, outlined in the August 2019 results and 2019 AGM, was initially impacted by COVID-19 shutdowns earlier in 2020 that impacted the 1HY21 content. Many of the scheduled 1HFY21 programs will now form part of the content line up for calendar year 2021. The Group expects it will take some time for the impact of the new strategy to positively impact earnings and cash flow.

Building on the cost transformation initiatives that were implemented in FY21, further annualised, recurring cash savings were secured in the first half of FY21 through the renegotiation of long term content agreements. These have resulted in the release of \$45.5m of onerous contracts provisions that were previously required in relation to these contracts.

1.3 Debt Facilities

During the first half of the financial year, the Group amended the debt facilities. A secured syndicated facility agreement was entered into with maturities in July 2022 (\$450 million) and December 2022 (\$300 million). Under the terms of the agreement the existing leverage and interest cover ratios are replaced by a minimum liquidity requirement until 31 December 2021 and a minimum EBITDA test (from March 21) until 31 December 2021 at which time leverage and interest cover covenants are reinstated. The amended interim covenants provide the Group with the flexibility required to complete the transformation program that commenced during FY20.

On 15 February 2021, the Group repaid and cancelled \$150.0m of the secured debt facilities, reducing gross facilities to \$600.0m. Following repayment and cancellation of the \$150.0m, the secured syndicated facility agreement has maturities in July 2022 of \$300.0m and December 2022 of \$300.0m.

1.4 Net Liability Position

As at 26 December 2020, the Group's liabilities exceeded its assets by \$114.9m (27 June 2020: liabilities exceeded assets by \$236.1m).

The group moved into a net liability position as at 27 June 2020 as a result of the following:

- \$123.5m impairment of intangible assets and programming rights as a result of carrying value assessments performed at FY20 reporting date;
- reassessment of onerous contracts provisions required in respect of certain programming rights agreements resulting in the recognition of \$136.9m of additional provisions in FY20;
- an accounting policy change resulting in the recognition of a deferred tax liability of \$138.5m relating to the treatment of the Group's indefinite lived intangible assets. This accounting policy change was as a result of an IFRIC Agenda Decision issued in April 2020; and
- the adoption of AASB 16 Leases at the start of FY20 which resulted in the recognition of Right of Use Assets of \$117.1m and Lease Liabilities of \$175.2m.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The FY20 adoption of AASB 16 on a fully retrospective basis and the accounting policy change relating to the recognition of deferred tax on the Group's television licences resulted in a restatement of the prior year balance sheet. As a result, liabilities exceeded assets by \$122.9m at 28 December 2019 on a restated basis.

Trading in the first half and the reassessment of onerous contracts provisions following the successful renegotiation of key contract has improved the net liability position to \$114.9m as at 26 December 2020.

The Group has positive net current assets as at 26 December 2020 of \$309.3m with Group net debt position (cash and cash equivalents less drawn debt facilities) at \$328.9m.

1.5 Cashflow Forecasts

In the ordinary course of business the Group prepares longer term and detailed projections for the next 12 months. These risk adjusted forecast future cashflows have been used by the Board to assess the Group's ability to meet its obligations as and when they fall due including compliance with the requirements of the new debt facilities over the forthcoming 12 months.

While market conditions in the first quarter were significantly down on the prior year, market conditions have been less severe than forecast. The metro free-to-air market grew in the second quarter, supported by the resumption of major sports and the lifting of COVID trading restrictions in many States earlier than originally anticipated.

Due to the uncertainty of key assumptions included in the cashflow forecasts, which are not within the control of the Group, the Directors recognise that action is required to advance the Group's content, transformation and balance sheet strategy. The Directors therefore approved several actions to accelerate the Group's transformation and debt reduction agenda to ensure adequate liquidity is in place going forward.

The Group uses best estimate assumptions in the development of projections which include benchmarking against independently sourced information for key assumptions such as the metropolitan free-to-air advertising market. The key assumption, which remains uncertain and which may be material, is the continuation and extent of the advertising market recovery from COVID-19.

The risk adjusted cashflow projections included in the analysis support that the Group will continue as a going concern and be able to meet its obligations as and when they fall due.

As the continued recovery of the advertising market is expected to be impacted by the progression of the COVID-19 pandemic, domestic and international travel restrictions and other business restrictions, the Group continues to search for and implement further cost saving initiatives. Transformation remains a core pillar of the Group's strategy.

The market may not recover to the extent or at the time anticipated in current projections, management has therefore identified further operational responses and additional funding initiatives which are being implemented to provide additional earnings or liquidity to manage the Group's financial performance and cashflows. These initiatives include:

- the sale of the Group's portfolio of early stage digital businesses, SWM Ventures;
- the sale of the Seven Studios business including the historical content catalogue; and
- further operational cost and cash saving initiatives.

These consolidated financial statements have been prepared on a going concern basis.

1.6 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 preliminary half year financial 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.

1.6.A. Recoverable amounts of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

1.6.B. Recoverable amounts of program rights

The Group recognises program rights at the earlier of when cash payments are made or from the commencement of the rights period of the contract. These are capitalised and amortised over the useful life of the content. The assessment of the appropriate carrying value of these rights requires estimation by management of the forecast future cash flows which will be derived from that content. This estimate is based on a combination of market conditions and the value generated from the broadcast of comparable programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.6.C. Recoverable amounts of intangible assets and investments

Each reporting period the Group tests whether investments, goodwill and intangibles with indefinite useful lives have suffered any impairment in accordance with the Group accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use and fair value less cost to sell approaches. These calculations require the use of estimates and assumptions.

1.6.D. Recoverable amounts of property, plant and equipment and right of use assets

The estimation of useful life, residual value and depreciation methods require some judgement and are reviewed at least annually. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with carrying amount. These are included in the income statement.

1.6.E. Restructuring and redundancy provisions

The provision for restructuring and redundancy is in respect of amounts payable in connection with restructuring and redundancies, including termination benefits, on-costs, outplacement and consultancy services.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

1.6.F. Onerous provisions

The Group has recognised an onerous contract provision in relation to a number of specific non-cancellable purchase contracts for television programs and sporting broadcast rights. The majority of the provision relates to the Tokyo Olympics and Cricket Australia.

Key assumptions made concerning future events are:

- The economic benefits expected to be received under the contracts is based on the historical benefits received on similar television programming and sports rights, adjusted to reflect the Group's expectation of future growth rates for the advertising market;
- The costs of fulfilling the contract are estimated with reference to contractual rates and historical incremental costs of similar programming assumed to increase by CPI; and
- The expected term of the legacy output deals is estimated based on current US market ratings performance and historical series life of similar programming.

1.6.G. Current and deferred taxes

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

1.6.H. Share-based payments

The Group measures the cost of equity transactions with employees by reference to the fair value of equity instruments at the date at which they are granted and conditions of the grant. The estimate also requires determination of the most appropriate inputs into the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them.

1.7 Comparatives

Comparative information is reclassified where appropriate to enhance comparability.

2. SEGMENT INFORMATION

2.1A. Description of segments

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

Reportable segment	Description of Activities
Television	Production and operation of commercial television programming and stations as well as distribution of programming content across platforms in Australia and around the world
The West	Publishers of newspapers and insert magazines in Western Australia; Colourpress; Digital publishing; West Australian Publishers and Community Newspaper Group.
Other Business and New Ventures	Made up of equity accounted investees including TX Australia, Oztam, Starts at 60.

The chief operating decision makers, responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chief Executive Officer, the Chief Financial Officer, Business Segment Chief Executive Officer and other relevant members of the executive team.

Segment performance is evaluated based on a measure of profit / (loss) before significant items, net finance costs and tax.

Revenue from external sales is predominantly to customers in Australia and total segment assets are predominantly held in Australia.

Total assets and liabilities by segment are not provided regularly to the chief operating decision makers and as such, are not required to be disclosed.

2.1B. Segment information

		Television	The West	Other Business and New Ventures	Corporate [A]	Total
	REF	\$'000	\$'000	\$'000	\$'000	\$'000
Half year ended 26 December 2020						
Advertising revenue		481,586	45,456	-	-	527,042
Circulation revenue		-	27,941	-	-	27,941
Program sales		26,420	-	-	-	26,420
Affiliate fees		49,272	-	-	-	49,272
Rendering of services		-	6,123	-	-	6,123
Other revenue		5,654	1,204	582	-	7,440
Revenue from continuing operations		562,932	80,724	582	-	644,238
Other income		-	-	-	-	-
Share of net profit of equity accounted investees		-	-	1,195	-	1,195
Revenue, other income and share of net profit of equity accounted investees		562,932	80,724	1,777	-	645,433
Expenses		(408,970)	(61,736)	(293)	(8,776)	(479,775)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		153,962	18,988	1,484	(8,776)	165,658
Depreciation and amortisation	[B]	(13,506)	(207)	(217)	(26)	(13,956)
Profit (loss) before significant items, net finance costs and tax		140,456	18,781	1,267	(8,802)	151,702
Half year ended 28 December 2019 (restated)¹						
Advertising revenue		491,690	52,481	5,169	-	549,340
Circulation revenue		-	27,698	-	-	27,698
Program sales		53,196	-	-	-	53,196
Affiliate fees		52,911	-	-	-	52,911
Rendering of services		-	9,114	58	-	9,172
Other revenue		4,995	4,790	12,365	-	22,150
Revenue from continuing operations		602,792	94,083	17,592	-	714,467
Other income		599	175	-	-	774
Share of net profit of equity accounted investees		-	-	603	300	903
Revenue, other income and share of net profit of equity accounted investees		603,391	94,258	18,195	300	716,144
Expenses		(480,135)	(81,254)	(14,156)	(7,465)	(583,010)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		123,256	13,004	4,039	(7,165)	133,134
Depreciation and amortisation	[B]	(14,390)	(1,223)	(262)	(21)	(15,896)
Profit (loss) before significant items, net finance costs and tax		108,866	11,781	3,777	(7,186)	117,238

[A] Corporate is not an operating segment. The amounts presented above are unallocated costs.

[B] Excludes program rights amortisation which is treated consistently with Media Content (refer Note 4).

Comparative financial information has been restated for the following:

¹ Information has been restated and presented on a continuing operations basis. For details on the Group's discontinued operations refer to Note 19.

2. SEGMENT INFORMATION (continued)

2.1C. Other segment information

The chief operating decision makers assess the performance of the segments based on a measure of profit / (loss) before significant items, net finance costs and tax.

	Notes	Dec 2020 \$'000	Restated ¹ Dec 2019 \$'000
Reconciliation of profit (loss) before significant items, net finance costs and tax			
Profit (loss) before significant items, net finance costs and tax		151,702	117,238
Finance income		1,085	593
Finance costs		(31,923)	(21,022)
Profit (loss) before tax excluding significant items		120,864	96,809
Significant items before tax	5	41,493	(165,575)
Profit (loss) before tax from continuing operations		162,357	(68,766)

Comparative financial information has been restated for the following:

¹ Information has been restated and presented on a continuing operations basis. For details on the Group's discontinued operation refer to Note 19

3. REVENUE AND OTHER INCOME

Accounting policy

Revenue recognition and measurement

The Group derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Customer contracts can have a wide variety of performance obligations, from production contracts to format licences and distribution activities. For these contracts, each performance obligation is identified and evaluated. Under AASB 15 the Group needs to evaluate if a distribution right is a right to access the content (revenue recognised over time) or represents a right to use the content (revenue recognised at a point in time). The Group has determined that most distribution revenues are satisfied at a point in time due to there being limited ongoing involvement in the use of the rights following its transfer to the customer.

The transaction price, being the amount to which the Group expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Group's performance may result in additional revenues based on the achievement of agreed targets such as audience targets. Variable consideration is not recognised until the performance obligations are met.

Revenue is stated exclusive of GST and equivalent sales taxes.

3. REVENUE AND OTHER INCOME (continued)

Accounting policy

Revenue recognition criteria for the Group's key classes of revenue are as follows:

Class of revenue	Recognition criteria	Timing of recognition
[A] Advertising	- Television Advertising is generated from selling spot airtime and is recognised at the point of transmission. - Newspapers and Pacific Advertising is generated from selling space in the newspaper or magazine and is recognised at the point of publication.	At the point in time when the advertisement is broadcast or published.
[B] Circulation	Circulation revenue is generated through the distribution and sale of newspapers and magazines to third party consumers. Recognised on delivery of the newspaper or magazine to the customer and the right to be compensated has been obtained.	At the time the newspapers and magazines are distributed.
[C] Program sales includes:		
(i) Programme production	Revenue generated from the programmes produced for broadcasters in Australia and internationally and is recognised at the point of delivery of an episode and acceptance by the customer.	At the point in time when obligations have been accepted by the customers.
(ii) Distribution rights	A licence is granted for the transmission of a programme in a stated territory, media and period and revenue is recognised at the point when the contract is signed, the content is available for download and the licence period has started.	Recognised on delivery of rights to the customer.
[D] Affiliate fees	Affiliate fees earned through the transmission of network channels in a stated territory. Recognised in the period of the broadcast feed to the affiliates in line with the contract terms and conditions.	Recognised over time as conditions are met over the contract life.
[E] Rendering of services	The revenue is recognised when the service has been performed. These services mainly relate to printing and are generally delivered over a period of time.	At the point in time the services are delivered.
[F] Other revenue includes:		
Rental income	Rental income is derived through the leasing of assets and the benefits are to be transferred over time.	Revenue is recognised over the life of the lease.
Dividends	Dividend revenue is recognised when the right to receive payment is established.	At the point in time the dividend is declared.

	Dec 2020 \$'000	Restated ¹ Dec 2019 \$'000
Sales revenue		
Advertising revenue	527,042	549,340
Circulation revenue	27,941	27,698
Program sales	26,420	53,196
Affiliate fees	49,272	52,911
Rendering of services	6,123	9,172
Other revenue	7,440	22,150
Total revenue	644,238	714,467
Other income		
Sundry income	-	774
Total other income	-	774

Comparative financial information has been restated for the following:

¹ Information has been restated and presented on a continuing operations basis. For details on the Group's discontinued operations refer to Note 19.

		Dec 2020	Restated ¹ Dec 2019
4. EXPENSES	Notes	\$'000	\$'000
Expenses			
Depreciation and amortisation (excluding program rights amortisation)		(13,956)	(15,896)
Advertising & marketing expenses		(10,387)	(15,379)
Printing, selling & distribution (including newsprint and paper)		(14,240)	(17,141)
Media content (including program rights amortisation)		(261,501)	(303,129)
Employee benefits expense (excluding significant items) ²		(121,444)	(160,693)
Raw materials and consumables used (excluding newsprint and paper)		(3,123)	(3,630)
Repairs and maintenance		(9,539)	(10,178)
Licence fees		(7,420)	(13,059)
Rental expense relating to operating leases ³		(771)	(1,624)
Other expenses from ordinary activities		(51,350)	(58,177)
Total expenses		(493,731)	(598,906)
<i>Depreciation and amortisation</i>			
Property, plant and equipment and intangible assets		(5,444)	(7,578)
Right of use assets	21	(5,002)	(5,103)
Amortisation of intangible assets		(3,510)	(3,215)
Total depreciation and amortisation		(13,956)	(15,896)
Television program rights amortisation		(44,570)	(47,660)
Total depreciation and amortisation (including program rights and amortisation)		(58,526)	(63,556)

Comparative financial information has been restated for the following:

¹ Information has been restated and presented on a continuing operations basis. For details on the Group's discontinued operations refer to Note 19.

Other

² Includes \$33.4 million of federal government JobKeeper subsidies received over the period July - September 2020.

³ In May 2020 the International Accounting Standards Board issued amendments to IFRS16 for COVID-19 Related Rent Concessions permitting lessees, as a practical expedient, not to assess whether a particular rent concession occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for the rent concessions as if they are not lease modifications. The Group was provided with \$736,000 of rent concessions in HY21 that have been recorded in the P&L.

5. SIGNIFICANT ITEMS	REF	Dec 2020	Dec 2019
		\$'000	\$'000
Profit before tax expense includes the following specific expenses for which disclosure is relevant in explaining the financial performance of the Group:			
Impairment of intangible assets		-	(61,565)
Impairment of right of use assets		-	(3,726)
Impairment of fixed assets	[E]	(2,743)	-
Impairment of other assets		-	(41,123)
Total impairment of other assets		(2,743)	(44,849)
Onerous contracts benefit (expense)	[A]	37,836	(51,810)
Income (costs) related to investments	[B]	3,645	(7,351)
Gain on disposal of investments	[C]	3,445	-
Write off of unamortised borrowing costs	[D]	(690)	-
Total gain (expense) arising from recognition of significant items before tax		41,493	(165,575)
Tax (expense) benefit		(11,722)	47,754
Total gain (expense) arising from recognition of significant items net of tax		29,771	(117,821)

[A] Onerous benefit amount relates to the reversal of prior period onerous contract provision. Onerous contract costs relate to other television programming.

[B] The amount relates to recovery of previously impaired loans receivable

[C] The Group disposed of its investments in 7Beyond Media Rights Limited and Seven West Studios Limited during the period.

[D] The amount relates to unamortised borrowing costs written off following the July 2020 debt refinance.

[E] The amount relates to impairment of fixed assets in a CGU that has previously impaired the carrying value of its assets

	Dec 2020 \$'000	Restated ^{1 2} Dec 2019 \$'000
6. TAX EXPENSE		
Reconciliation of tax expense to pre-tax statutory profit (loss) before tax		
Profit (loss) before tax from continuing operations	162,357	(68,766)
Profit (loss) before tax from discontinued operations	(18)	1,383
Total profit (loss) before tax	162,339	(67,383)
Tax at the Australian tax rate of 30% (2019: 30%)	(48,702)	20,215
Tax effect of amounts which are not (deductible) taxable in calculating taxable income:		
Share of net profit of equity-accounted investees	472	90
Deferred tax assets not recognised in relation to impairment of assets	-	(1,278)
Non-assessable income	1,416	2,454
Other non-deductible items	809	(2,385)
Adjustments for tax of prior periods	-	(268)
Tax benefit (expense)	(46,005)	18,828
Tax expense (benefit) recognised in continuing operations	(46,005)	19,407
Tax expense (benefit) recognised in discontinued operations	-	(579)
Tax benefit (expense)	(46,005)	18,828

Comparative financial information has been restated for the following:

¹ The Group has adopted amendments to AASB 112. Refer to Note 21 for more detail.

² Information has been restated and presented on a continuing operations basis. For details on the Group's discontinued operations refer to Note 19.

7. EARNINGS PER SHARE

Accounting policy

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit (loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Retrospective adjustments

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. In addition, basic and diluted earnings per share of all periods presented shall be adjusted for the effects of errors and adjustments resulting from changes in accounting policies, accounted for retrospectively.

	Dec 2020	Restated ^{1 2} Dec 2019
Basic earnings per share		
(Loss) profit attributable to the ordinary equity holders of the Company	7.6 cents	(3.2 cents)
Diluted earnings per share		
(Loss) profit attributable to the ordinary equity holders of the Company	7.6 cents	(3.2 cents)
	\$'000	\$'000
Earnings used in calculating earnings per share		
Profit (loss) attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	116,188	(47,876)
	Number	Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic and diluted earnings per share	1,537,840,662	1,509,498,121

Comparative financial information has been restated for the following:

¹ The Group has adopted amendments to AASB 112. Refer to Note 21 for more detail.

² Information has been restated and presented on a continuing operations basis. For details on the Group's discontinued operations refer to Note 19.

8. EQUITY ACCOUNTED INVESTEEES

Accounting policy

An associate is an entity, other than a subsidiary, over which the Group has significant influence but not control. Significant influence is the power to participate in the financial and operating decisions of the entity with shareholding generally up to 50 per cent of the voting rights.

A jointly controlled entity is an entity in which the Group holds an interest under a contractual arrangement where the Group and one or more other parties undertake an economic activity that is subject to joint control.

Measurement

Interests in associates and jointly controlled entities are accounted for using the equity method. They are initially recognised at cost plus the investor's share of retained post-acquisition profits, impairment and other changes in net assets, until significant influence or joint control ceases.

Dividends received or receivable from equity accounted investees are recognised in the consolidated financial statements as a reduction in the carrying amount of the investment.

When the Group's share of losses equals or exceeds its interest in an equity accounted investee, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Impairment

Equity accounted investees are tested for impairment annually or when indicators of impairments exist.

Name of entity	REF	Reporting date	Ownership interest	
			Dec 2020	Jun 2020
			%	%
Health Engine Pty Limited		30 June	16.3	16.3
NPC Media Pty Limited		30 June	50.0	50.0
Oztam Pty Limited		31 December	33.3	33.3
Starts at 60 Pty Limited		30 June	35.3	35.3
TX Australia Pty Limited		30 June	50.0	50.0

Below is the summarised financial information for the Group's associates and jointly controlled investments.

	REF	Dec 2020	Dec 2019
		\$'000	\$'000
Net profit (loss) for the year (continuing operations)		211	(5,490)
Group's share of profit (loss) for the half year	[A]	1,195	903

[A] Share of profit (loss) is based on ownership percentages ranging from 16.3% to 50.0% for each equity accounted investee.

	Dec 2020	Jun 2020
	\$'000	\$'000
Movements in carrying amounts of equity accounted investments		
Carrying amount at the beginning of the period	9,513	12,850
Share of profit of investees after tax	1,195	1,203
Dividends received	-	(5,100)
Acquisitions and other movements	-	560
Carrying amount at the end of the period	10,708	9,513

The carrying amount of each investment is based on the fair value of investments at acquisition date adjusted for equity accounted profits, dividends, impairments and any other movement since acquisition.

The Group has not recognised losses in relation to its interests in equity accounted investees as the Group has no obligation in respect of these losses.

9. OTHER FINANCIAL ASSETS

Accounting policy

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVTOCI) and amortised cost financial assets. The classification depends on the Group's business model for managing the financial asset as well as its contractual cash flow characteristics.

Management has determined the financial assets relating to other investments to be classified at FVTOCI. Gains or losses arising from changes in the value of the financial asset are taken to the fair value reserve. Accordingly, any gains or losses realised on the sale of these assets remain in the fair value reserve rather than being transferred to the profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

	Dec 2020 \$'000	Jun 2020 \$'000
Movements in carrying amounts of other financial assets		
Carrying amount at the beginning of the period	79,135	60,552
Net change in fair value of financial assets at fair value through other comprehensive income	6,442	(4,537)
Acquisitions	-	23,120
Carrying amount at the end of the period	85,577	79,135

Other financial assets represent equity investments in listed and unlisted entities comprising of Prime Media Group Limited, Airtasker Pty Limited, SocietyOne Australia Pty Limited and Open Money Group Pty Ltd.

10. INTANGIBLE ASSETS

Accounting policy

Goodwill

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the consideration and transaction cost of the business combination minus the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over their useful life and tested for impairment whenever there is an indication that they may be impaired. Intangible assets with indefinite lives are tested for impairment annually. The amortisation period and method is reviewed at least annually.

A summary of the policies applied to the Group's intangible assets is as follows:

	Useful life	Amortisation method used	Internally generated or acquired
Goodwill	Indefinite	No amortisation	Acquired
Television licences	Indefinite	No amortisation	Acquired
The West mastheads	Indefinite	No amortisation	Acquired
Radio licences	Indefinite	No amortisation	Acquired
Trademark	Finite (10-15 years)	Amortised on a straight line basis over its useful life	Acquired
Computer software	Finite (3 - 15 years)	Amortised on a straight line basis over its useful life	Internally developed and acquired

10. INTANGIBLE ASSETS (continued)

	Licences \$'000	Mastheads \$'000	Computer software \$'000	Goodwill \$'000	Trademark \$'000	Total \$'000
Half year ended 26 December 2020						
Net carrying amount at the beginning of the half year	461,779	-	21,722	-	-	483,501
Additions	-	-	959	-	-	959
Disposals	-	-	(36)	-	-	(36)
Amortisation charge	-	-	(3,510)	-	-	(3,510)
Net carrying amount at the end of the half year	461,779	-	19,135	-	-	480,914
Comprised of:						
Cost	2,300,000	119,555	97,450	1,236,083	-	3,753,088
Accumulated amortisation and impairment	(1,838,221)	(119,555)	(78,315)	(1,236,083)	-	(3,272,174)
Year ended 27 June 2020						
Net carrying amount at the beginning of the year	540,660	-	23,810	926	82	565,478
Additions	-	-	14,124	-	-	14,124
Disposals	-	-	(1,426)	-	-	(1,426)
Amortisation charge	-	-	(8,241)	-	-	(8,241)
Acquisition (disposal) of controlled entity	[A] (17,316)	-	-	(926)	(82)	(18,324)
Impairment	[B] (61,565)	-	(6,545)	-	-	(68,110)
Net carrying amount at the end of the year	461,779	-	21,722	-	-	483,501
Comprised of:						
Cost	2,300,000	119,555	96,527	1,236,083	-	3,752,165
Accumulated amortisation and impairment	(1,838,221)	(119,555)	(74,805)	(1,236,083)	-	(3,268,664)

[A] Licences disposed as a part of Redwave media sale on 31 December 2019; trademark disposal relates to sale of Media Beach Pte. Limited on 13 November 2019.

[B] The Group assessed the recoverable amount of each of the Cash Generating Units ('CGUs') and groups of CGUs being television and The West (Metro and Regional). The Pacific business assets were sold on 1 May 2020 and are removed from the prior year impairment assessment. Refer to Note 10.1A for further details

10. INTANGIBLE ASSETS (continued)

10.1 Impairment of non-financial assets

Accounting policy

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units or CGUs). Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use.

In calculating the recoverable value, the cash flows include projections of cash inflows and outflows from continuing use of the CGU's assets. For value in use model, the cash flows are estimated for the assets of the CGU in their current condition and discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the risks specific to the CGU. For fair value less cost to sell model, the recoverable amount is calculated by using discounted cash flow projections based on financial budgets and forecasts covering a five-year period with a terminal growth rate applied thereafter.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses are recognised in profit and loss unless the asset has previously been revalued, in which case the impairment is recognised as a reversal to the extent of that previous revaluation with any excess recognised in the profit and loss.

The Group performs its impairment testing at least annually for intangible assets with indefinite useful lives. At each reporting date reviews are performed for indications of impairment for the Group's assets with indefinite lives. Where an indication of impairment is identified, a formal impairment assessment is performed.

The Group assessed the recoverable amount for each of the Cash Generating Units ('CGUs') and groups of CGUs being Television and The West (Metro and Regional). A CGU is the group of assets at the lowest level for which there are separately identifiable cash inflows. CGU groups are an aggregation of CGUs which have similar characteristics.

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 carrying amounts.

10.1A. Allocation of goodwill and indefinite life assets

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.

Allocation of CGU Groups	Goodwill	Licences, masthead	Total
	\$'000	\$'000	\$'000
Half year ended 26 December 2020			
Television	-	461,779	461,779
The West (Metro and Regional)	-	-	-
Other Business and New Ventures	-	-	-
Total goodwill and indefinite life assets	-	461,779	461,779
Year ended 27 June 2020			
Television	-	461,779	461,779
The West (Metro and Regional)	-	-	-
Pacific	-	-	-
Other Business and New Ventures	-	-	-
Total goodwill and indefinite life assets	-	461,779	461,779

10. INTANGIBLE ASSETS (continued)

10.1B. Impairment of cash generating units ('CGUs') including goodwill and indefinite life assets

In accordance with the Group's accounting policies, the Group has evaluated whether the carrying amount of a CGU or group of CGUs exceeds its recoverable amount as at 26 December 2020. The Group has determined the CGUs to be Television and The West (Metro and Regional).

Valuation Methods

Television

The recoverable amount was determined using a value-in-use model by discounting the future cash flows expected to be generated from the continuing use of these CGUs.

The West

In prior periods, The West mastheads, licences and goodwill have been fully written down. Management's assessment has shown no indicators of impairment reversal in the current period.

Key components of the calculation and the basis for each CGU are detailed below:

(i) Cash flows

Year 1 cash flows are based upon forecasts for the next 6 months. Future cash flows are based on the following assumptions:

Television

- The advertising market growth rates are assumed to be consistent with industry market participant expectations, taking into consideration the historical industry growth rates, the market outlook prior to COVID-19 and an assumed market recovery from COVID-19 in FY21 and FY22.
- the Group's share of the metropolitan free to air advertising takes into account historical show performance and management's expectation of share in forward periods, taking into consideration the impact of programming across the schedule.
- Expenses are assumed to increase by CPI and known fixed increases for specific program rights.

The West

- Publishing revenue forecasts are management's best estimates using: current market data, industry forecasts and historical actual rates.
- Digital revenue assumptions are in line with industry forecasts and managements expectations of market development.
- Expenses are expected to decrease based on committed cost reduction initiatives and volume assumptions.

(ii) Terminal growth factor

A terminal growth factor that estimates the long term growth for that CGU is applied to the year 5 cash flows into perpetuity. These terminal growth rates do not exceed long term expected industry growth rates. The terminal growth factor for each CGU is detailed below.

(iii) Discount rate

The discount rate is an estimate of the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the CGU. The pre-tax and post-tax discount rates applied to the CGU's cash flow projections are detailed below.

	Terminal growth factor		Discount rate (pre-tax)		Discount rate (post-tax)	
	Dec-20	Jun-20	Dec-20	Jun-20	Dec-20	Jun-20
Television	0.0%	0.0%	16.4%	17.9%	10.4%	10.4%
The West - Metro	-0.5%	-0.5%	16.0%	14.0%	10.5%	10.5%
The West - Regional	-0.5%	-0.5%	14.6%	14.6%	10.5%	10.5%

10. INTANGIBLE ASSETS (continued)

10.1C. Impact of possible changes in key assumptions

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 key assumptions in the value in use calculations (disclosed in Note 10.1B) include metropolitan free to air (Metro FTA) market growth rates, Metro FTA market share, discount rate and terminal growth rate. These assumptions are based on past experience and the Group's forecast operating and financial performance for the Television CGU taking into account current market and economic conditions, risks and uncertainties.

The group has assessed the impact on recoverable value of the CGU of the following changes in key assumptions as part of their sensitivity analysis (all other assumptions) held constant:

Key cashflow assumption	Change	Impact on recoverable value
Metro FTA market growth rate	+/- 1%	+/- \$260.0m
Metro FTA market share	+/- 1%	+/- \$127.0m
BVOD market medium term growth rate	+/- 1%	+/- \$20.0m
BVOD market share in medium term	+/- 1%	+/- \$36.0m
Discount rate	+/- 1%	+/- \$37.0m
Terminal growth rate	+/- 1%	+/- \$65.0m

No sensitivity is presented for The West as all intangible and tangible assets have been fully written down.

10.1D. Impact of COVID-19 on key assumptions

As the global outbreak of COVID-19 continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the Group's activities and operating performance.

The Group believes that the assumptions adopted in the value in use calculations reflect an appropriate balance between the Group's experience to date and the uncertainty associated with the COVID-19 pandemic. Management have considered and applied judgement on key assumptions to reflect the appropriate risk and uncertainty in its cash flow to determine the CGU recoverable value. As a result, future forecast cash flows have taken into account the following factors:

- The Group's best estimate of the expected duration of COVID-19 impact, timing of recovery and rate of market recovery;
- advertising market growth rates in the medium term for are assumed to be consistent with long-term historical industry growth rates;
- The Company's share of Metro FTA advertising takes into account historical share performance and management's expectation of share in forward years, taking into consideration, the impact of programming across the schedule.

11. SHARE CAPITAL

Accounting policy

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares are fully-paid and have no par value. They carry one vote per share and the right to dividends. They bear no special terms or conditions affecting income or capital entitlements of the shareholders.

REF	Dec 2020 \$'000	Jun 2020 \$'000
1,538,034,368 (June 2020: 1,538,034,368) Ordinary shares fully paid	3,405,666	3,405,666

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up 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.

12. RESERVES

Accounting policy

(i) Cash flow hedge reserve

The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges

(ii) Reserve for own shares

Treasury shares are shares in Seven West Media Limited that are held by the SWM Equity Incentive Plan Trust for the purpose of issuing shares under the group employee share scheme.

(iii) Equity compensation reserve

The share based payments reserve is used to recognise the grant date fair value of incentive shares issued to eligible employees with performance related conditions. Once the vesting conditions of the respective share schemes are met and the shares are exercised, the accumulated amount of the share based payment reserve relating to the vested shares is transferred to share capital.

(iv) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(v) Fair value reserve

Fair value reserve is used to recognise the valuation of the Groups accounting for other investments as fair value through other comprehensive income.

	Dec 2020 \$'000	Jun 2020 \$'000	Dec 2019 \$'000
Cash flow hedge reserve	(1,626)	(3,094)	(2,992)
Equity compensation reserve	4,157	2,873	3,033
Reserve for own shares	(597)	(597)	(597)
Foreign currency translation reserve	74	(32)	(149)
Fair value reserve	17,330	12,820	15,800
Total Reserves	19,338	11,970	15,095

12. RESERVES (CONTINUED)

12.1A Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	REF	Cash flow hedge reserve \$'000	Equity compensation reserve \$'000	Reserve for own shares \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Total \$'000
Balance at 29 June 2019		(3,555)	2,877	(597)	(164)	16,079	14,640
Cash flow hedge gain(losses) taken to equity		804	-	-	-	-	804
Foreign currency translation differences		-	-	-	15	-	15
Tax on other comprehensive income		(241)	-	-	-	-	(241)
Net change in fair value of financial assets at fair value through other comprehensive income (net of tax)		-	-	-	-	(279)	(279)
Tax relating to items that will not be reclassified to P&L		-	-	-	-	-	-
Share based payment expense		-	156	-	-	-	156
Balance at 28 December 2019		(2,992)	3,033	(597)	(149)	15,800	15,095
Balance at 27 June 2020		(3,094)	2,873	(597)	(32)	12,820	11,970
Cash flow hedge (losses) gains taken to equity		2,097	-	-	-	-	2,097
Foreign currency translation differences		-	-	-	106	-	106
Tax on other comprehensive income		(629)	-	-	-	-	(629)
Net change in fair value of financial assets at fair value through other comprehensive income (net of tax)		-	-	-	-	4,510	4,510
Share based payment expense		-	1,284	-	-	-	1,284
Balance at 26 December 2020		(1,626)	4,157	(597)	74	17,330	19,338

13. DIVIDENDS

Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

No dividends were declared or paid during the half year ended 26 December 2020 or during the prior corresponding period.

14. BORROWINGS

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings. Any related accrued interest is included in trade payables and accruals.

	REF	Dec 2020 \$'000	Jun 2020 \$'000
NON-CURRENT			
Borrowings - secured		750,000	-
Borrowings - unsecured		-	750,000
Unamortised refinancing costs		(9,398)	(732)
Borrowings net of unamortised refinancing costs		740,602	749,268

14.1 A Financial arrangements

As at 26 December 2020, the Group had access to secured syndicated debt facilities to a maximum of \$750,000,000 (June 2020: \$750,000,000). The amount of these facilities undrawn at reporting date was \$nil (June 2020: \$nil).

In July 2020 the Group entered into a secured syndicated facility agreement with maturities in July 2022 (\$450 million) and December 2022 (\$300 million). Under the terms of the agreement the previous leverage and interest cover ratios were replaced by a minimum liquidity requirement and minimum EBITDA test (from March 2021) until December 2021 at which time the leverage and interest cover covenants are reinstated. The amended interim covenants provide the Group with the flexibility required to complete the transformation program commenced in FY20.

The lenders hold a first ranking general security over the group assets and a mortgage over the freehold properties in Broome and Mt Coot-tha.

The Group has been in compliance with its financial covenant requirements to date including the period ended 26 December 2020.

In addition, the Group continues to have access to a \$13,400,000 (June 2020:\$20,000,000) multi-option facility with Australia and New Zealand Banking Group Limited. As at reporting date, \$11,646,470 of this facility (June 2020: \$11,000,000) was utilised for the provision of bank guarantees.

The facilities are subject to a weighted average interest rate of 5.45 per cent at 26 December 2020 (2019: 3.32 per cent) .

Fair Value

The carrying amount and fair value of Group borrowings at the end of the financial year was \$750,000,000 (June 2020: \$750,000,000).

15. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying amounts of financial instruments disclosed in the statement of financial position approximate to their fair values. AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table shows the valuation techniques and measurement level inputs used to assess the fair value of financial assets and financial liabilities at 26 December 2020.

Type	Valuation Technique	Measurement Level	Amount
Other Financial Assets - Listed Entities	The fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.	Level 1	\$11,464,816
Interest Rate Swaps and Collars	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, future prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bonds prices.	Level 2	At December 2020 the interest rate cash flow hedges amount to \$2,323,000 (June 2020: \$4,420,000)
Other Financial Assets - Unlisted Entities	The fair value is based on the equity price established in the most recent round of equity financing and consideration of any other key changes in the investment which requires a level of judgement.	Level 3	\$85,577,000
Intangible Assets	Refer to Note 10.1B for detail.		
Asset Held For Sale	Refer to Note 18 for detail.		

Impact of COVID-19 on assessment of fair value of Other (unlisted) investments

The fair value of other financial assets is measured through a Level 3 (significant unobservable inputs) approach under AASB 9. This methodology included using

- The issue prices in the most recent round of equity raising conducted by each company assuming this was in the last 12 months; and
- Comparison of issue price movements to listed peers over the same period.

The Group continues to monitor COVID-19 related market conditions, gradual easing of government imposed lockdowns and improved confidence in recovery of company earnings from COVID-19 lead management to expand the inputs and analysis to support the current fair value methodology. In the absence of recent pricing activity additional criteria included:

- review of performance of investments against budgets in the period before COVID-19 and following onset of COVID-19 related lockdowns and restrictions;
- cost reduction and cash flow measures put in place by management to limit COVID-19 impact; and
- trajectory of the businesses through the recovery period following COVID-19 lockdown period and long-term revenue generating potential.

The revised procedures and ongoing COVID-19 impact has not lead to a change in the fair value of other (unlisted) financial assets in the first half of FY21.

16. CONTINGENT LIABILITIES

The Group'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.

17. SUBSEQUENT EVENTS

On 15 February 2021, the Group repaid and cancelled \$150.0m of the secured debt facilities, reducing drawn facilities to \$600.0m. Following repayment and cancellation of the \$150.0m, the secured syndicated facility agreement has maturities in July 2022 of \$300.0m and December 2022 of \$300.0m.

On 5 February 2021 the Group successfully renegotiated the cancellation of an indefinite life program rights contract. The Group had recognised an onerous contract provision in a prior period relating to this contract. The onerous contract provision of \$44.9m was reversed as at 26 December 2020 as a subsequent adjusting event on the basis that the negotiation of the cancellation of the rights contract was substantially completed as at this date and the financial impact of the negotiations was known at the time.

Subsequent to 26 December 2020, Airtasker Pty Ltd commenced an IPO process. As at 26 December 2020, the Group owned an 18.4% share in Airtasker Pty Ltd which is accounted for as a financial asset in accordance with AASB 9.

18. ASSET HELD FOR SALE

Accounting policy

Accounting for asset held for sale

Non-current assets and disposal groups (assets and liabilities relating to an activity that is to be sold) are classified as 'held for sale' if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use. The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. These conditions are usually met as from the date on which a letter of intent or agreement to sell is ready for signing. Non-current assets held for sale and disposal groups are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

In the half year ended 28 December 2019, the Group transferred \$17.3 million of Western Australian Regional Radio non-current assets to assets held for sale during the period. These assets were sold on 31 December 2019.

19. DISCONTINUED OPERATIONS

19.1 Discontinued Operations - Pacific Segment

On the 1st May 2020, the Group announced the completion of the sale of the Pacific Magazines assets to Bauer for a sale price of \$40 million adjusted for working capital, leave provisions as well as \$6.6 million in advertising in Bauer publications. Total cash received after adjustments to the sale price was \$35.9 million.

With Pacific Magazines being classified as a discontinued operation, the Pacific segment is no longer presented in the segment note.

The results of Pacific segment for the period are presented below:

19.1A Results of the discontinued operation:

	Dec 2020 \$'000	Dec 2019 \$'000
Revenue from contracts with customers	21	57,261
Expenses	(21)	(54,772)
Gain on sale of discontinued operation	-	-
Operating income	-	2,489
Finance Costs	(18)	(1,106)
Profit (loss) before tax	(18)	1,383
Tax (expense) benefit	-	(579)
Profit (loss) for the year from discontinued operations	(18)	804

19. DISCONTINUED OPERATIONS (continued)

19.1B Cash flows of the discontinued operation:

The net cash flows incurred by Pacific Magazines are, as follows:

	Dec 2020 \$'000	Dec 2019 \$'000
Operating cash flows	57	540
Investing cash flows	-	(373)
Financing cash flows	(29)	(39)
Net cash (outflow)/inflow	28	128
Net cash inflow on disposal		
Cash Consideration (net of associated costs)	-	-
Net cash inflow associated with the discontinued operation	28	128

20. SIGNIFICANT NON-CASH TRANSACTIONS

The Group engaged in the following significant non-cash investing and financing activities during the period:

	REF	Dec 2020 \$'000	Dec 2019 \$'000
Non-cash investing (outflow) inflow			
Acquisition of other financial assets		-	(21,120)
Total non-cash investing (outflow) inflow		-	(21,120)
Non-cash financing (outflow) inflow			
Repayment of unsecured bilateral revolving credit facilities	[B]	(750,000)	-
Drawdown of secured syndicated facility	[B]	750,000	-
Issue of ordinary shares as consideration for acquisition of other financial assets	[A]	-	12,102
Total non-cash financing (outflow) inflow		-	12,102

[A] The Group issued \$12.1 million of shares in exchange for the acquisition of \$12.1 million of shares in Prime Media Group Limited on 19 December 2019.

[B] The Group entered into a new syndicated secured debt facility during the period. The unsecured bilateral revolving credit facility was repaid. Further details are disclosed in Note 14.1A

21. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations issued but not yet effective

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Tentative agenda decisions that if issued will impact the Group in the current and prior period

There are no tentative agenda decisions issued for the period ended 26 December 2020 that are expected to have a material impact on the Group in the current and prior period.

New and amended standards and interpretations

The following accounting standards and interpretations have been issued and are effective for the Group for the period beginning 28 June 2020.

AASB 112 Income Taxes

In April 2020, the IFRS interpretation committee published agenda decision Multiple Tax Consequences of Recovering an Asset (AASB 112 Income Taxes) which considered how an entity determines the tax base of an asset with two distinct tax consequences over its life (taxable economic benefits from use and capital gains on disposal or expiry). The Group identified that assets which would fall into the category above include Television Licences which at 27 June 2020 had a carrying value of \$461.8 m.

The decision proposes that in these circumstances an entity identifies independent temporary differences (and deferred taxes) that reflect these distinct tax consequences.

The Group has considered the impact of the accounting policy change on results reported in the current and comparative reporting periods and applied to the Group. The Group has retrospectively adjusted the deferred tax accounting for acquired indefinite life assets, specifically Television and Radio Licences. As at 27 June 2020 the impact of this change in accounting policy was an increase in deferred tax liabilities by \$138.5 m.

(b) Other adjustments

On adoption of amendments to AASB 112, other items of the primary financial statements such as earnings per share, deferred taxes and retained earnings were adjusted as necessary.

21. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

21.1A. Impact on Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the half year ended 28 December 2019				
	REF	Reported \$'000	Amendments to AASB 112 Impact \$'000	Discontinued Operations Impact \$'000	Restated \$'000
Revenue		771,718	-	(57,251)	714,467
Other income		784	-	(10)	774
Revenue and other income from continuing operations		772,502	-	(57,261)	715,241
Expenses		(653,678)	-	54,772	(598,906)
Impairment of intangible assets		(61,565)	-	-	(61,565)
Impairment of right of use assets		(3,726)	-	-	(3,726)
Impairment of other assets		(41,123)	-	-	(41,123)
Onerous contracts		(51,810)	-	-	(51,810)
Costs related to investments		(7,351)	-	-	(7,351)
Share of net profit of equity accounted investees		903	-	-	903
Profit (loss) before net finance costs and tax from continuing operations		(45,848)	-	(2,489)	(48,337)
Finance income		593	-	-	593
Finance costs		(22,128)	-	1,106	(21,022)
Write off of unamortised refinancing cost		-	-	-	-
Profit (loss) before tax from continuing operations		(67,383)	-	(1,383)	(68,766)
Tax benefit (expense)		359	18,469	579	19,407
Profit (loss) for the half year from continuing operations		(67,024)	18,469	(804)	(49,359)
Discontinued operations					
Profit (loss) after tax from discontinued operations		-	-	804	804
Profit (loss) for the half year		(67,024)	18,469	-	(48,555)
Other comprehensive income (expense)					
Items that may be reclassified subsequently to profit or loss:					
Effective portion of changes in fair value of cash flow hedges		804	-	-	804
Exchange differences on translation of foreign operations		15	-	-	15
Tax relating to items that may be reclassified subsequently to profit or loss		(241)	-	-	(241)
					-
Items that will not be reclassified to profit or loss:					
Net change in fair value of financial assets at fair value through other comprehensive income		(279)	-	-	(279)
Tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
					-
Other comprehensive (expense) income for the half year, net of tax		299	-	-	299
Total comprehensive income for the half year attributable to owners of the Company		(66,725)	18,469	-	(48,256)
Total comprehensive income (expense) attributable to:					
Owners of the Company		(66,046)	18,469	-	(47,577)
Non-controlling interests		(679)	-	-	(679)
Total comprehensive income for the year		(66,725)	18,469	-	(48,256)
Earnings per share for profit attributable to the ordinary equity holders of the Company					
Basic earnings per share		(4.4 cents)			(3.2 cents)
Diluted earnings per share		(4.4 cents)			(3.2 cents)

21. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

21.1B. Impact on Consolidated Statement of Financial Position

	As at 28 December 2019		
	Reported \$'000	Amendments to AASB 112 Impact \$'000	Restated \$'000
ASSETS			
Current assets			
Cash and cash equivalents	114,542	-	114,542
Trade and other receivables	230,604	-	230,604
Program rights and inventories	192,242	-	192,242
Contract assets	5,833	-	5,833
Asset held for sale	17,316	-	17,316
Other assets	24,827	-	24,827
Total current assets	585,364	-	585,364
Non-current assets			
Program rights	499	-	499
Equity accounted investees	11,493	-	11,493
Other financial assets	83,393	-	83,393
Property, plant and equipment	123,715	-	123,715
Intangible assets	487,428	-	487,428
Right of use assets	110,527	-	110,527
Deferred tax assets	34,517	(34,517)	-
Other assets	5,416	-	5,416
Total non-current assets	856,988	(34,517)	822,471
Total assets	1,442,352	(34,517)	1,407,835
LIABILITIES			
Current liabilities			
Trade and other payables	230,587	-	230,587
Lease liabilities	8,479	-	8,479
Provisions	149,498	-	149,498
Deferred income	11,516	-	11,516
Contract liabilities	24,907	-	24,907
Current tax liabilities	9,766	-	9,766
Total current liabilities	434,753	-	434,753
Non-current liabilities			
Trade and other payables	11,791	-	11,791
Lease liabilities	166,662	-	166,662
Provisions	115,699	-	115,699
Contract liabilities	9,542	-	9,542
Deferred tax liabilities	-	109,212	109,212
Borrowings	683,053	-	683,053
Total non-current liabilities	986,747	109,212	1,095,959
Total liabilities	1,421,500	109,212	1,530,712
Net assets	20,852	(143,729)	(122,877)
EQUITY			
Share capital	3,405,666	-	3,405,666
Reserves	15,095	-	15,095
Non-controlling interests	(89)	-	(89)
Accumulated deficit	(3,399,820)	(143,729)	(3,543,549)
Total equity	20,852	(143,729)	(122,877)

Directors' Declaration

Seven West Media Limited
ABN 91 053 480 845

FOR THE HALF YEAR ENDED 26 DECEMBER 2020

In the opinion of the Directors of Seven West Media Limited (the Company):

1. the consolidated financial statements and notes set out on pages 11 to 39 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Group's financial position as at 26 December 2020 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;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



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KM Stokes AC
Chairman

15 February 2021



Independent Auditor's Review Report

To the shareholders of Seven West Media Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Seven West Media Limited.

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 does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 26 December 2020 and of 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*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 26 December 2020;
- Consolidated statement of profit or loss and other 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 21 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Seven West Media Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Responsibilities of the Directors 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
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 26 December 2020 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*.

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.

KPMG

Duncan McLennan

Partner

Sydney

15 February 2021