

22 August 2013

Company Announcements Office Australian Securities Exchange Limited Level 6, 20 Bridge Street Sydney NSW 2000

By electronic lodgment

Total Pages: 10 (including cover letter)

Dear Sir / Madam

YEAR END RESULTS PRESENTERS' NOTES

Please find attached Presenters' Notes for the Presentation of Results for the financial year ended 29 June 2013.

Yours faithfully

For and on behalf of Seven West Media

Warren Coatsworth Company Secretary



Full Year 2013 Results Presentation

Slide 1

Opening slide – Tim Worner

Welcome to the Seven West Media full year 2013 results presentation.

I'm Tim Worner, Chief Executive Officer of the company, having assumed the role from Don Voelte as of 1st July.

Can I take this opportunity to thank Don for his leadership and contribution to the company over the past year.

Joining me today for the presentation are:

- a. Dave Boorman our new Chief Financial Officer
- b. Kurt Burnette Chief Sales and Digital Officer
- c. Chris Wharton CEO of the Seven West Media WA
- d. Nick Chan CEO of Pacific Magazines
- e. Rohan Lund Chief Operating Officer

Also here from the Executive team are:

- f. Bruce McWilliam Commercial Director
- g. Bridget Fair Group Chief of Corporate and Regulatory Affairs and
- h. Melanie Allibon our Group Human Resources Director

We are making a bit of a change to the way we do our results presentation.

Unfortunately that means you may have to hear slightly more of me than you have had to in the past, and again sadly you won't get the presentations from each of the management team.

However the good news is they will be very available to take your questions on their parts of the business at the conclusion of what will definitely be a much shorter presentation.

You know what they say about change – if you don't like it you are in the wrong business.

Okay on we go.

Slide 2

Disclaimer - Tim Worner

On page 2 is our disclaimer, which is customary for presentations of financial results.

Agenda - Tim Worner

On slide 3 is our agenda for today. I will run through the key highlights of our performance for the year, including our revenue performance and progress against our key cost initiatives.

Dave will then take you through the financial results in more detail before I review the business performance in TV, Newspapers and Magazines. We will then discuss our progress in some of the key areas of strategy we outlined at our investor day in May earlier this year before the group is available to take questions.

Slide 4

Full Year Overview - Tim Worner

Moving to slide 4.

Seven West Media delivered a Profit after Tax of \$225m for the full year 2013 when significant items are excluded, slightly ahead of the guidance we provided at the Investor Day in May and less than 1% down on last year.

The reported net loss of \$70m for the period, includes \$295m of significant items covering impairments of intangible assets and investments, and costs of restructuring activities.

Group EBIT, or Earnings Before Interest and Tax, was down from \$473m in 2012 to \$422m for the year. Our businesses have been operating in what has been widely acknowledged as a tough advertising market. However our businesses remain strong as demonstrated by the stabilisation of our EBIT in the second half and our EBITDA margin performance, which was 26% of revenues for the year.

The margin performance in our Television business continues to be fairly robust, being 25% for the full year, with margin improvements year on year in the second half, which is fully comparable for the first time given the additional AFL coverage in the second half of last year.

Our Newspaper business in Western Australia also continues to deliver strong margin, and at 35% for 2013, it is amongst the best EBITDA margin for a print business that we can find anywhere.

Our Magazines business reported an EBITDA margin of 14% in a really challenging year and our Yahoo!7 joint venture delivered EBITDA margin of 30%.

Finally, our concentration on the maintenance of our strong margins, and our focus on the cashflow result allows us to pay a final dividend of 6c in October after taking into account the non-cash impairment charge. This follows the interim 6c dividend paid earlier this year, resulting in a pay out ratio of 52%, and shows that continuity of the dividend has been maintained with approximately 50% of Net Profit after Tax being returned to shareholders.

Slide 5

EBITDA Margin Graphs - Tim Worner

On slide 5 we show our current and historic margin performance. All of our businesses are profitable and importantly show a healthy margin compared to our competition. As a result of the cost initiatives, year-on-year margins of the combined group stabilised in the second half of the year.

Market and Revenue Performance - Tim Worner

And now slide 6.

As I said, our businesses have been operating in subdued conditions over the past year, however we have seen improvements in market revenue trends in the Free to Air TV market in the second half and we expect this to continue into FY14 with low single digit growth. There is no doubt that we had a really strong year in Television as we improved our share consistently over the year to 40.5% in the second half, which is a fantastic achievement. It is good to see this division growing as a proportion of our business.

As I alluded to our publishing businesses have been operating in extremely difficult conditions, which we expect to continue, and yet they have also performed strongly, with circulation revenues holding up well and you will see that when we run through the business performance by division.

Slide 7

Costs Focus - Tim Worner

Slide 7 and our genuine focus on costs has also seen strong results. As a result of continued work on initiatives we have outlined in previous results announcements, total group costs are down in absolute terms by 1.6% year on year. That result reflects the very real dedication to the cost programs. We have been able to meet and exceed our cost saving targets but not at the expense of what is so critically important to the competitive position of our business - the strength of our brands and quality of the product we deliver to advertisers, viewers and readers.

The first phase of the cost program is complete, and actually exceeded the targets set as some benefits were delivered earlier than anticipated. The additional benefits from the next phase of the program are anticipated to be delivered in FY14 as previously disclosed. Despite major contracts containing CPI growth provisions, total group costs are anticipated to be similar to FY13 in absolute terms.

I will now ask our CFO Dave Boorman to take you through the financials in more detail.

Slide 8

Financials - Dave Boorman

Thanks Tim.

Slide 9

Group Key Financial Numbers – Dave Boorman

Turning to slide 9 and the Group Financial Results. As highlighted by Tim, Seven West Media reported a loss in the year of \$70m after significant items. Excluding these items the company reported a Net Profit after Tax of \$225m, slightly ahead of the guidance given in May 2013 and within 1% of NPAT in FY12. We are proposing a final fully franked dividend payment of 6c per share, payable in October. The year-on-year movement in the Basic Earnings Per Share, when adjusted for the significant items, is as a result

of the capital raising completed in August 2012. The diluted Earnings Per Share adjusts the number of shares for the CPS assuming it was converted at an average price in June.

Slide 10

Income Statement - Dave Boorman

Total group revenue was 3.9% lower than last year, at just under \$1.9bn, with a Television revenue increase of 0.4% being offset by publishing revenue declines.

Operating costs decreased in aggregate by 1.6% as noted before leaving EBIT at \$422m or 22% of revenue.

Finance costs have reduced following the debt repayment resulting from the capital raising and tax expenses have also fallen due to lower profitability.

In this format the significant items are reported gross of any tax effect.

Slide 11

Significant items - Dave Boorman

Following the standard impairment review as part of our normal processes, we have identified further impairment charges in addition to those included in the half year results. As you are no doubt aware, while the charges have a detrimental impact on our profits, there is no cash impact to the business and any significant charges have no impact on our banking arrangements.

As a reminder, the half year included impairment charges for the Magazines business and Yahoo!7, while the full year increases the charge for Magazines due to continued adverse trends in the advertising market and includes the assessment of our classified business in WA, Quokka, which has seen a higher than anticipated deterioration in performance since the half year.

There is very little headroom left in the calculations for impairment of the Television carrying value, and we will continue to monitor the trends closely over the coming months.

Restructure costs and other items include redundancy costs across the businesses as we have changed our operations and also a one-off benefit relating to finalisation of the change in the ACMA licence fee.

Slide 12

Net Debt / Cash Flow - Dave Boorman

Slide 12 demonstrates our strong operating cashflow performance at over \$500m for the year, and I would like to highlight a few things.

Working capital shows a cash inflow for the period, most of which relates to timing differences on major contracts.

Tax paid is lower than the previous year due to a refund received during the year, and finance costs reflect the reduced debt position with respect to our facilities as well as lower interest rates.

Capex is slightly lower than last year, although we expect this to be slightly higher in FY14 as we invest in the strategic initiatives and efficiency projects.

Net Debt - Dave Boorman

As you know, the capital raising completed in August 2012 played a major part in the debt reduction, and has significantly reduced the risk in our capital structure. We have continued to make progress in this area and have recently cancelled an unutilised revolving facility in order to save finance costs, leaving 2 tranches of debt remaining which expire in October 2015 and 2016.

Turning to performance levels.

Slide 14

Group Revenue Performance – Dave Boorman

This slide shows the performance of each business in terms of our year-on-year revenue growth. Television has delivered a stable revenue result in a declining market, reflecting our strong ratings and market share performance over the year which was a record 40.4% over the 12 months as provided in the KPMG data.

Television continues to increase in terms of revenue contribution for the Group, reaching 67% for the full year 2013. Revenue from the publishing businesses continues to contribute over \$550m per annum.

Slide 15

Group Costs and EBIT – Dave Boorman

Slide 15 shows the breakdown of costs and EBIT by division. Total costs declined 1.6%, or \$24m year-on-year, reflecting the cost initiatives put in place and executed throughout the period. Television costs increased, however this was limited to 1.7% as a result of savings initiatives which offset a structural increase in AFL costs. Adjusting for this increase, total group costs reduced by approximately 3% and Television costs reduced by 1% on a like-for-like basis.

Newspaper and Magazine costs reduced by 6.8% and 8.3% respectively while 'Other' costs reduced by 8.9%.

Despite completing phase 1 of the cost program in FY13 and embedding further savings in FY14, we have commenced a further phase of the project, to continue the progress we have made to date, and seek further efficiencies and savings to provide flexibility and investment as our industry changes.

Results for Yahoo!7 are included in the 'other' category. Seven West Media's share of Yahoo!7 profit was \$10m, down from \$13m in FY12 and in line with the first half performance. While the audience figures are strong, the financial performance declined due to search revenue declines, a restructuring of the Spreets commercial model and a one off benefit received in the prior year.

Slide 16

Television Divisional Performance - Dave Boorman

Slide 16 covers the specific performance of the Television division and the disclosure is consistent with the half year presentation.

Advertising revenue includes all the metro and regional advertising revenues and showed a decline of 1% for the full year, compared to a market decline of 2.2%, reflecting the strong market share performance.

Other revenue includes affiliation fees and program sales, which together increased by over 13% year-on-year.

Costs in Television are up 1.7% year-on-year, however excluding the impact of the new AFL deal, Television costs reduced by 1%, demonstrating the impact of the cost initiatives.

Slide 17

Newspapers Divisional Performance – Dave Boorman

Moving on to Newspapers on Slide 17, the continued advertising weakness in the newspaper sector is evident in the decline in advertising revenue of 16% over the year. Circulation revenue has held up well, remaining stable as the cover price increases implemented in September 2012 offset small reductions in circulation volumes.

Cost performance at the Newspaper division showed an absolute reduction of 7.4% when depreciation is excluded, demonstrating the implementation of the cost initiatives mentioned earlier. The restructuring announced in June 2013 will reduce costs further in FY14.

Slide 18

Magazines Divisional Performance - Dave Boorman

Financial performance in the Magazines division was impacted by weakness in the advertising market, although circulation revenue remains relatively robust, showing a 5% decline year on year, in line with volume declines.

Costs are down 8% reflecting savings in almost all operating areas of the business.

I will now hand back to Tim to talk through the operating highlights for the year.

Slide 19

Operating Highlights - Tim Worner

(Title slide)

Television – Tim Worner

Starting with Slide 20 and our television business. There is no doubt that Seven had a fantastic year. Despite a challenging market, the team delivered ratings leadership for the seventh consecutive year. That in turn has delivered a record share of 40.4% of the advertising market. The results are a clear demonstration of the strength and depth of the Television team.

The three pillars of our Television strategy are I think by now well known to you all. They have been operating consistently and the progress made in each of these areas underpinned the record performance. My Kitchen Rules had its most successful series. It is extremely difficult to keep growing a series year-on-year. They have done it. That of course is a franchise we created and control. We were able to launch another, House Rules, and also another big Australian drama created in-house, A Place To Call Home. We have consistently demonstrated our long-term strength and ability to create new, popular programs which our sales teams can monetise. News leadership was maintained in the year and sports rights have been extended most notably the Australian Open tennis and a package of horse racing including the Melbourne Cup Carnival and the Golden Slipper. We have demonstrated how additional channels can be used to expand our audience with AFL on 7mate in Perth.

Slide 21

Digital – Tim Worner

Moving to slide 21. The way our customers consume content is changing fast and we have tested and retested our strategy accordingly.

HbbTV product development has commenced and we expect exciting possibilities for advertisers and audiences. All this supports our ambition to deliver our premium content to anyone, at any time, on any device. By May of next year, we will be delivering hybrid broadcast services to connected TVs and we are very determined that our traditional model will fully harness the opportunities that broadband access can provide.

Our publishing divisions continue to develop and enhance our digital offering, using the multi-platform environment to support our core business and expand into new areas.

The West has successfully launched a number of new websites complementing the printed product and offering clients another advertising medium. These new sites, WestRealestate.com.au and WestAnnouncements.com.au, have performed well.

The objective is to manage and protect *The West*, preserving print economics while seeking and identifying new opportunities to utilise existing assets to create or secure scale in the digital space. We also aim to develop new products and new revenue streams to compensate for revenue declines within the existing publishing base.

In magazines, our drive to digital editions allows us to take advantage of new channels for the delivery of our content, connect with audiences who may not buy the print edition of a magazine and create new opportunities to build revenues.

Our magazines are big, powerful, highly-engaging and market-leading brands. Building on these strengths, our objective is to grow our magazine audiences through print, digital, social and other media. Our focus has been to create magazines for key categories of interests, magazines that revolve around passions. Within those categories, we look to establish our brands as market leaders and always with an emphasis on print. This has served us well and our new strategy builds on it and takes us to the

next stage. The latest edition of Marie Claire featuring Pink, linked with the launch of a tablet version of the magazine and a Sunday Night interview on Seven, had great results and is an excellent example of our media assets working really successfully together.

Yahoo!7 remains an important part of our digital strategy, reaching 8 million Australians each month. Our cross platform strategy saw over 90 million videostreams in the year with an additional 3 million full episodes of Seven's most popular programs streamed each month. The PLUS7 catch up TV service and the Yahoo!7 TV site has built an audience of approximately 3 million which will grow further as we have just this week extended the service to more mobile devices. I am pleased to tell you the PLUS7 app is currently number one in the entertainment category for iPads. Our audience is also engaged through social media, with the Fango and the 7 News apps leading this market both with over 800,000 downloads.

Slide 22

Publishing – Tim Worner

Moving to slide 22 and the publishing part of the Group.

You will have seen the new Enhanced Media Metrics Australia or (EMMA) figures released this week that give us new insight into our publishing performance.

According to EMMA, the average issue readership of The West Australian (Monday to Friday) is more than 600,000 and the total audience of The West including digital is more than 2 million in the last 4 week period.

In the case of magazines, Better Homes and Gardens established itself as the number one read magazine in Australia. That is important for us and our strategy because it is a big Seven brand on television as well. Pacific Magazines published 3 of the top 5 highest reaching magazines in the country.

Now we are obviously loving EMMA...it is more frequent, includes online audiences, is more granular, and is audited. But with only one set of data we will have to wait to see for any new trends emerging. Suffice to say we are looking forward to the next set of data.

Having said that, we have used Roy Morgan to provide comparative data throughout today's presentation.

Newspapers had a challenging year due to the market conditions, however Chris and the team continued to beat the market in terms of circulation and develop our digital assets to complement and enhance the core product.

Circulation in both the daily and weekend editions reduced by 3 to 4% as you have already seen, however the rate of decline was less than one third of the market decline and the West Australian now ranks 3rd in terms of sales volumes shown in the latest ABC data.

Cost initiatives delivered a cost reduction of around 7% in FY13, and were implemented while maintaining our focus on the quality of product, employees and content. We are still putting out an excellent paper six days a week.

The Magazines division was also operating in a very tough market in the financial year, although importantly continued to strengthen its competitive position in both readership and circulation. Circulation revenue grew to just under two thirds of the total revenue, which is important given the advertising revenue market outlook, although I do not think as a sector, magazines have done the best job of marketing themselves.

The Magazines team have made great progress on their cost initiatives, delivering an 8% reduction in absolute terms, while continuing to develop the digital side of the business via websites, social media and interactive consumer apps.

We are under no illusion concerning the challenges in the print industry. We will continue to do everything possible to maintain business performance as can be demonstrated through the cost reduction activities and the multi-platform cross promotion of our brands to support and grow revenue streams.

But we won't take our eye off the quality of our content. We are a story telling organisation and we need to make sure we foster an environment where our people feel supported in identifying and telling the very best stories.

Slide 23

Strategy Update – Tim Worner

I would now like to update you on our progress on the key projects that formed the spine of the strategy we outlined in May this year.

Slide 24

Strategic Framework - Tim Worner

In May, we outlined the three core elements of our strategy, namely to maintain our market & audience leadership positions, to redefine our operating model and to fuel new growth. I'm pleased to report that we have made good progress on each of those elements.

We continue to redefine our operating model to best position our businesses for the future. We have implemented the cost programs we outlined earlier this year, which can be seen in the current year financials and underpin our guidance for FY14. In addition, work has commenced in identifying the next phase of the program which will further enhance our performance in FY14 and beyond.

The second element of our strategy, is to fuel new growth for our business.

In May, we announced our first adjacent vertical investment in HealthEngine – Australia's leading health appointments marketplace – which we have since completed with Telstra. Our review of other suitable adjacent vertical opportunities that offer incremental revenue potential is ongoing and I have to say is occurring with great purpose.

We have also been conducting a strategic review of our data collection and utilisation across the group, to enhance our capability to target, engage and commercialise our audience.

Most importantly, in terms of that all important third part of our strategy we have certainly maintained our leadership and are the leading TV network by both revenue & audience share and the largest commercial producer of Australian TV content. Our newspaper continues to lead in WA, and is delivering strong operating margins, and our online & magazine businesses are amongst the top domestic players in their respective categories. We touch more than 15 million Australians every week. That is a lot of people. That, ladies and gentlemen, is a lot of opportunity.

I believe we have delivered a strong performance in a tough year and made solid progress against our plans in a changing marketplace. That's it for the presentation this morning. I would now like to open up to questions.