Seven West Media Limited
Appendix 4D
Half Year Financial Report
for the half year ended 24 December 2016

Results for announcement to the market

	Dec 2016 $'000	Dec 2015 $'000	Movement
Reported			
Revenue from ordinary activities	**903,323**	895,704	Up 0.9%
Other income	**2,751**	1,000	Up 175.1%
Revenue and other income	**906,074**	896,704	Up 1.0%
Profit from ordinary activities after tax attributable to members	**12,385**	135,209	Down 90.8%
Net profit for the period attributable to members	**12,385**	135,209	Down 90.8%
Additional information			
Significant items before tax (refer note 4)	**(82,649)**	(7,318)	N/A
Profit before tax excluding significant items (refer note 1.3)	**129,427**	185,971	Down 30.4%
Profit after tax excluding significant items net of tax (refer note 6)	**95,745**	140,331	Down 31.8%

The current reporting period relates to the period from 26 June 2016 to 24 December 2016 and the previous reporting period relates to the period from 28 June 2015 to 26 December 2015.

Dividends	Amount per security	Franked amount per security
Final dividend 2016 (paid during current reporting period)	4 cents	4 cents
Interim dividend 2017 (not yet paid)	2 cents	2 cents

The record date for determining entitlements to the interim 2017 dividend is 20/3/2017 and the payment date is 13/4/2017. The interim dividend for 2017 has not been recognised as a liability at half year end. Refer note 10 for additional information on dividends.

Net Tangible Assets		
Net tangible asset backing per ordinary share (cents)	**(0)**	(0)

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Directors' Report

Seven West Media Limited
ABN 91 053 480 845

FOR THE HALF YEAR ENDED 24 DECEMBER 2016

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 24 December 2016 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
Dr Michelle Elizabeth Deaker	Director since August 2012
David Evans	Director since August 2012
Peter Joshua Thomas Gammell	Director since September 2008
The Hon. Jeffrey Gibb Kennett AC	Director since June 2015
Michael Malone	Director since June 2015
Sheila Clare McGregor	Director from June 2015 to February 2017
Ryan Kerry Stokes	Director since August 2012
Executive	
Timothy Worner (Managing Director & Chief Executive Officer)	Managing Director & Chief Executive Officer since June 2015

Review of results and operations

A review of operations and of the results of those operations is set out in pages 2 to 7.

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 24 December 2016.

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.

Kerry Stokes

KM Stokes AC
Chairman

15 February 2017

Seven West Media

Review of Operations

Group Performance

Summary Financial Performance

	1HFY17 $m	1HFY16 $m	Change %[3]
Revenue	903.3	895.7	0.9%
Other income	2.7	1.0	170.0%
Share of net loss of equity accounted investees	(0.9)	(3.8)	76.3%
Revenue, other income and equity accounted profits	905.1	892.9	1.4%
Operating expenses excluding depreciation and amortisation	(734.3)	(663.6)	10.7%
EBITDA [1]	**170.8**	**229.3**	**(25.5%)**
Depreciation and amortisation	(22.3)	(23.9)	(6.7%)
EBIT [2]	**148.5**	**205.4**	**(27.7%)**
Net finance costs	(19.1)	(19.5)	(2.1%)
Profit before significant items and tax	**129.4**	**185.9**	**(30.4%)**
Significant items excluding tax	(82.6)	(7.3)	nm
Profit before tax	**46.8**	**178.6**	**(73.9%)**
Tax expense	(34.4)	(43.4)	(20.7%)
Profit after tax	**12.4**	**135.2**	**(90.8%)**
EBITDA margin	18.9%	25.7%	
Basic EPS	0.8 cents	9.0 cents	
Basic EPS excluding significant items net of tax	6.4 cents	9.3 cents	
Diluted EPS	0.8 cents	8.9 cents	
Diluted EPS excluding significant items net of tax	6.4 cents	9.3 cents	

[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] "nm" means "not meaningful"

Reconciliation of EBIT to statutory profit before tax

	1HFY17 $m	1HFY16 $m	Change %
EBIT	**148.5**	**205.4**	**(27.7%)**
Net finance costs	(19.1)	(19.5)	(2.1%)
Significant items excluding tax	(82.6)	(7.3)	nm
Profit before tax	**46.8**	**178.6**	**(73.9%)**

Seven West Media Limited reported a statutory net profit of $12.4 million (including significant items) for the half year ended 24 December 2016. This compares to the previous corresponding half year statutory net profit of $135.2 million (including significant items). Significant items (net of tax) of $83.3 million in the current period relate to the impairment of investment in Yahoo7, sale of Magazine's youth titles, disposal of Australian News Channel and costs of exiting the Presto joint venture.

The adjustment in the investment value of Yahoo7 relates to an acceleration in the shift from premium display to programmatic advertising and the loss of a service contract in the period. Management is undertaking measures to improve profitability.

Underlying net profit after tax of $95.7 million is down 31.8 per cent on the previous half year profit after tax of $140.3 million.

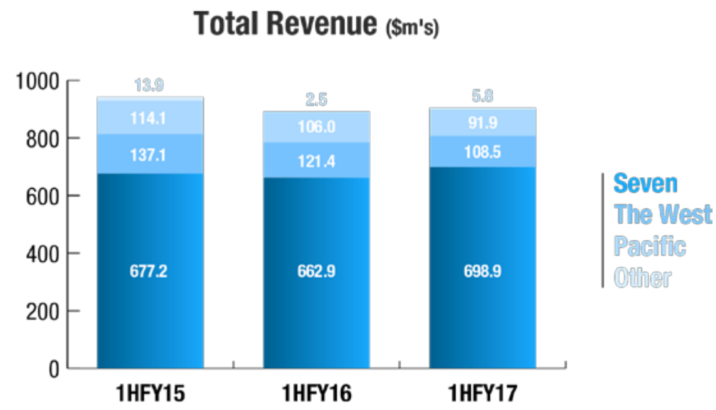
The group delivered revenue of $905.1 million (including share of associates), up 1.4 per cent versus the previous year, and profit before significant items, net finance costs and tax (EBIT) of $129.4 million, down 30.4 per cent on the previous year. A fully franked interim dividend of 2 cents per share has been declared and will be paid in April 2017 (2016 interim dividend: 4 cents per share fully franked).

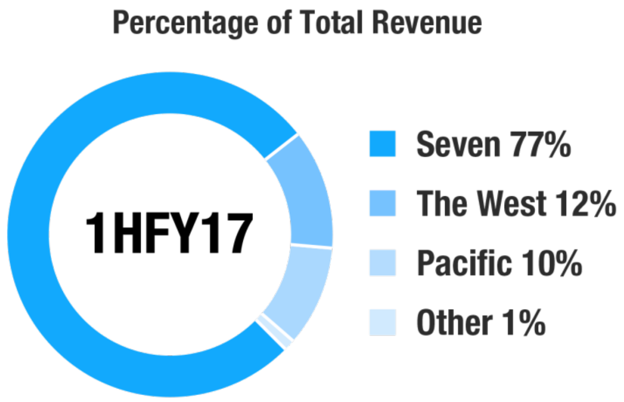
Advertising Market and Revenue Performance

SMI data reported that the Australian advertising market declined 0.4 per cent in the 6 months to 31 December 2016 compared to the same period in the previous year. Metropolitan television advertising growth declined 4.5 per cent year on year for this period based on KPMG Free TV data. Seven outperformed the market growing its lead across commercial networks with a 40.8 per cent share. Over the same period Seven grew revenue by 4.6% excluding 3rd party productions and program sales. Advertising in the digital market maintained its strong growth, with SMI data indicating an increase of 10.0 percent for the 6 month period to 31 December 2016 against the prior year.

SWM's digital revenues continue to grow strongly +200% YoY, particularly from live streaming. Yahoo7 has continued to see strong growth in video and native advertising, however softer trends in traditional static display in the move to programmatic has impacted yields. Trends in publishing advertising remained the same, however our assets continue to outperform their peers. This has been achieved while also accelerating the transformation of these businesses. In the face of challenging cyclical conditions in the WA economy, The West Australian Newspapers has delivered a further consecutive period of stronger than market revenue trends with particularly strong growth in digital. Pacific completed a restructuring of its portfolio including the sale of several titles in the half which impacted revenue. Yet despite this Pacific continues to gain traction on its closest peer.

Group revenue of $905.1 million (including share of net loss of equity accounted investees) was 1.4 per cent higher than the prior half year with advertising revenue of $674.4 million. Television revenue represents 77 per cent of group revenue.

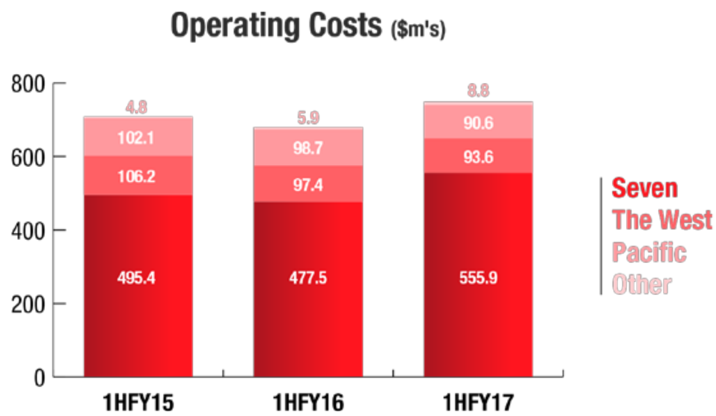


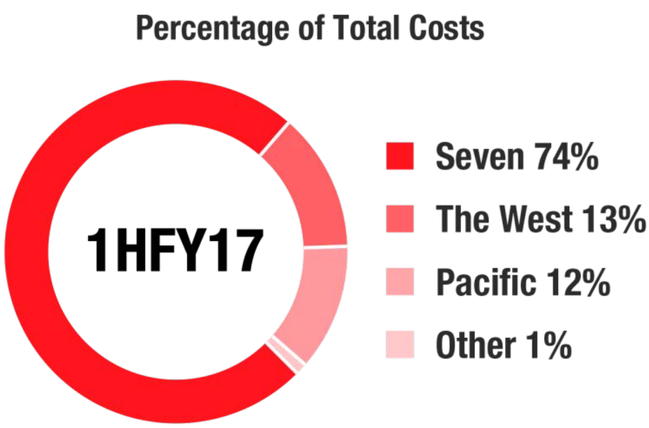


The charts above exclude Corporate revenue.

Cost Management

Excluding significant items and major events, total Group costs (including depreciation and amortisation) for the 6 months to 24 December 2016 increased 10.1 per cent due to the Olympic costs and 3rd party productions in Television. Excluding these costs, operating expenses would have declined 3.8 per cent against the same prior year period. This demonstrates the Group's ongoing disciplined approach to cost control. Newspapers and Magazines recorded cost reductions of 4.2 per cent and 8.9 per cent respectively.

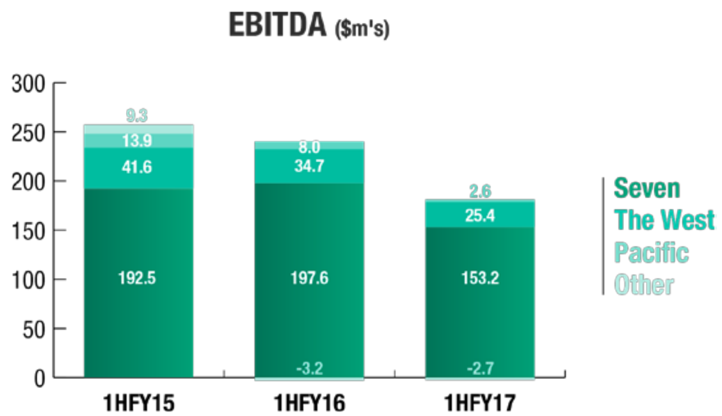


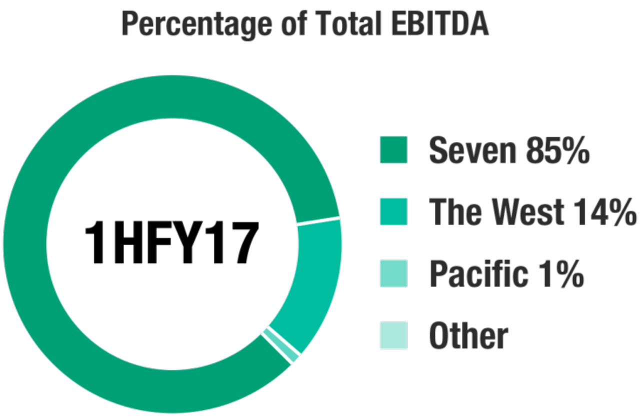


The charts above exclude the impact of significant items and Corporate costs.

EBITDA and Operating Margins

Seven West Media delivered EBITDA for the 6 month period to 24 December 2016 of $170.8 million, 25.5 per cent lower than the prior year at an EBITDA margin of 18.9 per cent. Television EBITDA accounted for 85 per cent of total group EBITDA for the period.





All EBITDA margin percentages exclude the impact of significant items and Corporate costs.

Balance Sheet

At 24 December 2016 Seven West Media had net assets of $1,208.0 million.

Group net debt decreased to $681.2 million. The Group's debt leverage ratio at 24 December 2016 was 2.2x EBITDA (June 2016: 2.0x).

In October 2016, the Group extended its debt facilities for a further two years with no changes to covenants or undertakings, out to an expiry date of October 2020. Consistent with the Group's debt reduction focus, the overall facility limit was reduced to $900 million, down from $1.1 billion.

Review of Businesses

A summary of the performance of Seven West Media's key business units for the half year ending 24 December 2016 is set out below.

Seven

Seven continues to lead the market in television advertising revenue share based on KPMG Free TV data, delivering a 40.8 per cent share for the 6 months to 31 December 2016 (Dec 15: 38.5 per cent) in what continues to be a tough and competitive advertising market.

In 2016, Seven completed its 21st consecutive half of ratings and revenue leadership with a 38.9 per cent total individual rating share excluding Olympics for primetime 18:00-22:30. Seven's broadcast audience for the 2016 ratings year grew by 1 per cent year on year. With its strongest performance in 5 years, Seven delivered the number one position in all key demographics, all people, 16-39, 16-54, and 25-54. Key to this demographic performance was the success of Seven's new produced programming, Seven Year Switch, Wanted, 800 Words, First Dates and The Secret Daughter.

Seven is Australia's most-watched broadcast television platform. Through its broadcast channels including 7, 7TWO, 7mate and 7Flix (which launched in late February 2016) - Seven continues to lead in primetime and dominate across breakfast and morning television. In 2016, Seven's news and public affairs performance strengthened and sees the network delivering positive audience growth at 6:00pm and leadership across breakfast and morning television.

Seven delivered the most watched program (AFL Grand Final), top entertainment program (My Kitchen Rules), top event drama (Molly) and top regular drama (800 Words). Seven's broadcast of the 2016 Olympic Games reached over 18 million Australians. As a result of Seven's ratings dominance in the Olympic broadcast period, Seven's leadership in news and current affairs, including breakfast and morning television, was strengthened in the second half of the year.

Seven continues to innovate in the delivery of its content, ensuring it is available to consumers anywhere, anytime and on any device. The delivery of the Olympics established a new precedent in the way Seven delivers content. Over 20.7bn minutes of content was consumed across Seven's platforms, reaching 18.6 million viewers. Olympics on 7 app was achieved over 1.5 million downloads and reached a Unique Audience of over 2.9m Australians according to Nielsen. Over 37 million streams of live streaming and video on demand were consumed. Over 250,000 people registered for the premium Olympics offer. This form of delivery will be enhanced further with our upcoming sports line-up over the next 18 months.

Seven continues to deliver strong growth across its digital platforms with total streams across the network, including Plus7 increasing 119 per cent on the prior half based on VPM data with 140 million streams. Plus7 average monthly audience increased 17 per cent year on year.

Program sales and third party productions grew revenue 16.7 per cent in the period driven by sustained international demand for Seven's productions and new third party commissions. Seven established a wholly owned production company in New Zealand in the period and also took a controlling stake in UK scripted drama production company Slim Film and Television.

Program sales of Seven content and third party production activities continue to be strong. Highlights for the period include the commission of a second series of MKR UK by Channel 4, commissions in Germany and the success of Beat Bugs for Netflix and the release of the second and third special episodes of Home & Away on Foxtel Play and Presto. 7Productions also delivered series 4 of A Place to Call Home for Foxtel in the half, securing a commission for series 5 of this internationally acclaimed drama.

Financial Performance: Seven

	1HFY17 $m	1HFY16 $m	Change %
Revenue			
Advertising, Affiliate fees and Other revenue	648.7	619.9	4.6%
Program Sales and Third Party Productions	50.2	43.0	16.7%
Total Revenue	**698.9**	**662.9**	**5.4%**
Costs			
Revenue variable costs	32.9	39.0	(15.5%)
Depreciation and amortisation	10.2	12.2	(16.2%)
Other costs	512.8	426.3	20.3%
Total Costs	**555.9**	**477.5**	**16.4%**
EBIT	**143.0**	**185.4**	**(22.9%)**

Television revenue increased 5.4 per cent to $698.9 million accounting for 77 per cent of group revenue (74 per cent in 1HFY16). EBIT (Profit before significant items, net finance costs and tax) decreased 22.9 per cent to $143.0 million making up 91.5 per cent of group EBIT (excluding Corporate costs). Television EBITDA was $153.2 million, down 22.5 per cent on the prior year with an EBITDA margin of 21.9 per cent.

The West

The last six months has seen some of the most positive initiatives in WA Newspapers' history, with the acquisition of The Sunday Times and Perth Now in November, followed by the relaunch of The West Australian website in December.

WAN relaunched the West Australian website on December 12, 2016 in a critical milestone of the company's digital strategy. This, combined with the acquisition of Perth Now, has resulted in 163 per cent YoY increase in digital audience to 1.1m people per month (Nielsen DRM, December 2016). WAN digital revenue also increased by 107 per cent YoY and continues to scale rapidly. A number of new digital initiatives are underway, including the launch the of iOS and Android mobile application for The West Australian in Q3 FY17.

In print, The West Australian was the best performing weekday newspaper in 2016, with 3.7 per cent net readership growth for Monday to Friday taking it to 894K, while The Sunday Times was the best performing Sunday newspaper in 2016, with readership of 471K (EMMA, 12 months to December 31, 2016). The West Australian continues to publish Australia's best performing newspaper-inserted magazines. Readership for Seven Days and West Weekend Magazines deliver greater reach in their state market than any other newspaper inserted magazine in a major metro newspaper. Seven Days is the best-read magazine in Western Australia (followed by West Weekend magazine).

The West Australian's total masthead sales declined by 4 per cent YoY to 167K per day, while The Sunday Times declined by 4.9 per cent YoY to 179K per week. Total market sales declined by 16.5 per cent for the major metro newspaper mastheads, making WAN one of the best performing publishers in the country (Audit Bureau Circulation September 2016).

Financially, WAN has been impacted by challenging economic conditions in the state. The company continues to execute its integration with television with the appointment of a local Chief Revenue Officer to drive additional sales synergies across all media, including TV, print, digital and radio.

Financial Performance: The West

	1HFY17 $m	1HFY16 $m	Change %
Revenue			
Advertising	65.7	78.0	(15.8%)
Circulation	27.3	28.6	(4.6%)
Other	15.5	14.8	4.7%
Total Revenue	**108.5**	**121.4**	**-10.7%**
Costs			
Depreciation and amortisation	10.5	10.7	(1.9%)
Other costs	83.1	86.7	(4.2%)
Total Costs	**93.6**	**97.4**	**(3.9%)**
EBIT	**14.9**	**24.0**	**(38.0%)**

The West revenue declined 10.7 per cent to $108.5 million while EBIT fell 38.0 per cent to $14.9 million. The business has maintained market leading operating margins despite current revenue trends with an EBITDA margin of 23.4 per cent achieved during the financial half year. Cost management remains an ongoing focus for the business with all processes under review to achieve greater efficiencies. Operating costs declined 4.2 per cent in the period. The impact of the acquisition of Sunday and Perth Now had a positive contribution to EBIT in its first month of operation.

Pacific

In the period Pacific has undertaken Phase One of a determined transformation plan to drive organisational change and future growth, and which has delivered immediate business performance in key metrics.

Central to the transformation plan were three initiatives: the refinement of the portfolio to focus on the key consumer and commercial categories of Homes, Health, Food, Fashion & Beauty and Entertainment; the optimisation of its core print business, leading to significant cost-out reductions; and investment in digital growth and new revenue opportunities.

Pacific initiated the transformation plan in September, with the decision to close, transition certain titles to digital only and sell non-core and non-strategic titles. As a result of the restructuring of Pacific's portfolio in the period, revenue and profit have been impacted due to the lost revenue from closed or sold titles and the cost of implementing this transformation.

The cost-out focus of the transformation plan drove a 20 per cent reduction in headcount, delivered through structural and systems-based changes which have revolutionised the content production process and fuelled content efficiency, output and quality. This has been shown in the period, where Pacific has also extended its position as Australia's best-performing magazine publisher, securing 27 per cent of all readership (consumer paid) with only 12% of total titles published (emmaTM by Ipsos MediaCT, 12 months to Nov 2016, people 14+, based on average gross readership).

The cost-out program has also helped protect the business against continuing advertising trends in magazines, with the market down 18 per cent in the period. Due to the timing of the program, the business captured $0.5m of benefit this half, but will realise approximately $5m in savings in the second half.

The falls in advertising revenue have also been partially offset by strong growth in digital advertising, social media revenue and other projects, including e-commerce. In July 2016 Pacific also took in house the development, management and monetisation of all its digital properties, and over the last 6 months digital audiences grew 177 per cent with 80 per cent of the audience via mobile, making Pacific the leading mobile publisher in the country. Pacific grew digital revenue 102% in the period.

The transformation at Pacific is gaining traction while at the same time delivering on its strategy to create new revenue opportunities through its brands across online transactions, services, brand extensions, events, and strategic partnerships. These dual priorities – optimising and protecting traditional, while fuelling and accelerating new growth – will remain at the heart of Pacific's strategy moving forward, partnered with an unrelenting focus on cost management and improving the company's profitability.

Financial Performance: Pacific

	1HFY17 $m	1HFY16 $m	Change %
Revenue			
Circulation	57.8	67.1	(13.8%)
Advertising	25.4	32.8	(22.5%)
Other	8.7	6.1	42.6%
Total Revenue	**91.9**	**106.0**	**(13.3%)**
Costs			
Depreciation and amortisation	1.3	0.7	87.1%
Other costs	89.3	98.0	(8.9%)
Total Costs	**90.6**	**98.7**	**(8.2%)**
EBIT	**1.3**	**7.3**	**(82.8%)**

In the second half of this financial year, Pacific will focus on leveraging the scale it has built in digital to drive greater monetisation across its assets as well as to continue to drive growth in its new digital ventures. The business expects to deliver material earnings growth in the 2H post this transformation.

Other Business and New Ventures

Other Business and New Ventures assets include Yahoo7, Community Newspapers, Western Australia Radio, Red Live as well as our investments in early stage businesses including: Airtasker, Society One, Health Engine, StartsAtSixty and Nabo. Investments in the period included Draftstars, the leading daily fantasy sports operator. Seven's holding in Australian News Channel (Sky News) was sold to News Corp in November 2016. Seven also sold its stake in Presto to Foxtel during the period.

The reach and effectiveness of Seven's media assets has driven significant growth for our portfolio of early stage businesses. This portfolio now includes Australia's #1 Peer to Peer Lender, SocietyOne; #1 GP booking platform; HealthEngine; #1 Peer to Peer Job Marketplace, Airtasker and #1 Daily Fantasy Sports operator, Draftstars, as well as the fastest growing publisher for digital audience over 50 with StartsAtSixty.

SWM (which includes Yahoo7) has secured the position as the leading local digital publisher by audience. This position has been supported by the strong audience growth in Pacific and The West as well as the success of Seven's Olympic coverage through its digital offering. Video and Native now represent greater than 50% of revenue with total video streams up 49 per cent in the period. However, traditional static display advertising has remained under pressure from the transition to programmatic which is impacting yields. The decline in higher margin display advertising and the cost of transformation in the period resulted in Yahoo7's profit declining 40 per cent. Initiatives have been undertaken throughout the period to reduce the cost base of the business to reflect the revenue environment. Yahoo Inc. has announced that the proposed Verizon transaction has now been delayed until 2Q of CY17.

Financial Performance: Other

	1HFY17 $m	1HFY16 $m	Change %
Revenue			
Radio and other revenue	7.4	8.5	(11.7%)
Yahoo7 Share of NPAT	3.4	5.7	(40.4%)
Total Revenue	**10.8**	**14.2**	**(23.3%)**
Costs			
Depreciation and amortisation	0.3	0.3	-
Other costs	5.4	5.6	(4.4%)
Total Costs	**5.7**	**5.9**	**3.3%**
EBIT	**5.1**	**8.3**	**(37.8)**
Early stage investments share of net losses	**(8.0)**	(11.7)	**(30.8%)**
EBIT	**(2.9)**	**(3.4)**	**14.3%**

Other Business and New Ventures contributed negative EBIT of $2.9 million, an improvement of 14.3 per cent compared to the prior year. The group's investment in various early stage investments have a negative impact on the current half year results; however, are reflective of an investment in future growth for the Group.

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

To the Directors of Seven West Media Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 24 December 2016 there have been:

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

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

KPMG

KPMG

Sydney

15 February 2017

Tracey Driver

Partner

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 24 December 2016

	Notes	**Dec 2016 $'000**	Dec 2015 $'000
Revenue	2	**903,323**	895,704
Other income	2	**2,751**	1,000
Revenue and other income		**906,074**	896,704
Expenses	3	**(763,801)**	(694,819)
Share of net loss of equity accounted investees	7	**(931)**	(3,765)
Impairment of equity accounted investees	4	**(75,500)**	-
Profit before net finance costs and tax		**65,842**	198,120
Finance income	1.3	**799**	2,044
Finance costs	1.3	**(19,863)**	(21,511)
Profit before tax		**46,778**	178,653
Tax expense	5	**(34,393)**	(43,444)
Profit for the half year		**12,385**	135,209
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		**3,540**	(241)
Exchange differences on translation of foreign operations		**122**	(2)
Tax relating to items that may be reclassified subsequently to profit or loss		**(878)**	72
Other comprehensive income (expense) for the half year, net of tax		**2,784**	(171)
Total comprehensive income for the half year attributable to owners of the Company		**15,169**	135,038
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	6	**0.8 cents**	9.0 cents
Diluted earnings per share	6	**0.8 cents**	8.9 cents

Consolidated Statement of Financial Position

As at 24 December 2016

	Notes	**Dec 2016 $'000**	Jun 2016 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**153,271**	94,788
Trade and other receivables		**242,505**	295,592
Program rights and inventories		**197,716**	234,285
Other assets		**8,492**	6,718
Total current assets		**601,984**	631,383
Non-current assets			
Program rights		**49,995**	29,205
Equity accounted investees	7	**152,702**	216,010
Other investments		**23,042**	23,147
Property, plant and equipment		**197,074**	209,097
Intangible assets	8	**1,577,698**	1,552,962
Other assets		**7,398**	3,873
Total non-current assets		**2,007,909**	2,034,294
Total assets		**2,609,893**	2,665,677
LIABILITIES			
Current liabilities			
Trade and other payables		**294,323**	322,555
Provisions		**77,932**	98,295
Deferred income		**32,739**	34,231
Current tax liabilities		**20,707**	4,900
Total current liabilities		**425,701**	459,981
Non-current liabilities			
Trade and other payables		**59,951**	39,324
Provisions		**28,373**	32,727
Deferred income		**6,486**	8,474
Deferred tax liabilities		**46,944**	61,878
Borrowings	11	**834,430**	810,752
Total non-current liabilities		**976,184**	953,155
Total liabilities		**1,401,885**	1,413,136
Net assets		**1,208,008**	1,252,541
EQUITY			
Share capital	9	**3,393,546**	3,393,145
Reserves		**(2,058)**	(5,021)
Accumulated deficit		**(2,183,480)**	(2,135,583)
Total equity		**1,208,008**	1,252,541

Consolidated Statement of Changes in Equity

For the half year ended 24 December 2016

	Notes	Share capital $'000	Cash flow hedge reserve $'000	Equity compensation reserve $'000	Reserve for own shares $'000	Foreign currency translation reserve $'000	Accumulated deficit $'000	Total equity $'000
Balance at 27 June 2015		**3,396,847**	**(5,182)**	**3,771**	**(1,517)**	**95**	**(2,199,022)**	**1,194,992**
Profit for the half year		-	-	-	-	-	135,209	135,209
Cash flow hedge losses taken to equity		-	(241)	-	-	-	-	(241)
Foreign currency translation differences		-	-	-	-	(2)	-	(2)
Tax on other comprehensive income		-	72	-	-	-	-	72
Other comprehensive expense for the half year, net of tax		-	(169)	-	-	(2)	-	(171)
Total comprehensive (expense) income for the half year		-	(169)	-	-	(2)	135,209	135,038
Transactions with owners in their capacity as owners								
Shares bought back on market		(3,805)	-	-	-	-	-	(3,805)
Shares issued pursuant to executive and employee share plans		103	-	-	-	-	-	103
Dividends paid		-	-	-	-	-	(60,500)	(60,500)
Share based payment expense		-	-	267	-	-	-	267
Total transactions with owners		(3,702)	-	267	-	-	(60,500)	(63,935)
Balance at 26 December 2015		**3,393,145**	**(5,351)**	**4,038**	**(1,517)**	**93**	**(2,124,313)**	**1,266,095**
Balance at 25 June 2016		**3,393,145**	**(7,030)**	**3,472**	**(1,517)**	**54**	**(2,135,583)**	**1,252,541**
Profit for the half year		-	-	-	-	-	12,385	12,385
Cash flow hedge gains taken to equity		-	3,540	-	-	-	-	3,540
Foreign currency translation differences		-	-	-	-	122	-	122
Tax on other comprehensive expense		-	(878)	-	-	-	-	(878)
Other comprehensive income for the half year, net of tax		-	2,662	-	-	122	-	2,784
Total comprehensive income for the half year		-	2,662	-	-	122	12,385	15,169
Transactions with owners in their capacity as owners								
Shares sold pursuant to cancellation of loan plan		401						401
Dividends paid		-	-	-	-	-	(60,282)	(60,282)
Share based payment expense		-	-	179	-	-	-	179
Total transactions with owners		401	-	179	-	-	(60,282)	(59,702)
Balance at 24 December 2016		**3,393,546**	**(4,368)**	**3,651**	**(1,517)**	**176**	**(2,183,480)**	**1,208,008**

Consolidated Statement of Cash Flows

For the half year ended 24 December 2016

	Notes	**Dec 2016 $'000**	Dec 2015 $'000
Cash flows related to operating activities			
Receipts from customers		**1,052,308**	1,019,015
Payments to suppliers and employees		**(876,191)**	(834,930)
Dividends received from equity accounted investees	7.2	**700**	2,375
Dividend received other		**-**	737
Interest and other items of similar nature received		**485**	2,044
Interest and other costs of finance paid		**(15,340)**	(19,212)
Income taxes paid, net of tax refunds		**(33,805)**	(6,981)
Net operating cash flows		**128,157**	163,048
Cash flows related to investing activities			
Payments for purchases of property, plant and equipment		**(5,268)**	(10,612)
Proceeds from sale of property, plant and equipment		**1,611**	133
Payments for intangibles		**(8,147)**	(2,254)
Payments for other investments		**(16,718)**	-
Payments for equity accounted investees		**(2,596)**	-
Payment for purchase of controlled entities, net of cash acquired		**(2,948)**	(301)
Proceeds from sale of equity accounted investees		**6,500**	-
Loans issued to related parties		**(5,187)**	(6,154)
Net investing cash flows		**(32,753)**	(19,188)
Cash flows related to financing activities			
Payment for share buy back	9	**-**	(3,805)
Proceeds from shares sold pursuant to cancellation of loan plan		**565**	-
Payments for transaction costs arising on share issues		**-**	(1,641)
Proceeds from borrowings		**266,000**	31,176
Repayment of borrowings		**(243,204)**	(95,000)
Dividends paid	10	**(60,282)**	(60,500)
Net financing cash flows		**(36,921)**	(129,770)
Net increase in cash and cash equivalents		**58,483**	14,090
Cash and cash equivalents at the beginning of the half year		**94,788**	141,845
Cash and cash equivalents at the end of the half year		**153,271**	155,935

1. SEGMENT INFORMATION

1.1 Description of Segments

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

Reportable segment	Description of Activities
Television	Production and operation of commercial television programming and stations.
Newspapers	Publishers of newspapers and insert magazines in Western Australia; Quokka (weekly classified advertising publication); Colourpress, Digital publishing and West Australian Publishers.
Pacific (formerly Magazines)	Publisher of magazines in print and digital editions.
Other Business and New Ventures	Made up of equity accounted investees including Yahoo7, Draftstars, Australian News Channel and Community Newspapers; Radio (radio stations broadcasting in regional areas of Western Australia), RED Live and Presto (until disposal).

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 Unit Chief Executive Officers 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.

1.2 Segment information

		Television	Newspapers	Pacific	Other Business and New Ventures	Corporate [A]	Total
Half year ended 24 December 2016	REF	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from continuing operations		696,219	108,367	91,889	6,848	-	903,323
Other income		2,642	109	-	-	-	2,751
Share of net loss of equity accounted investees		-	-	-	(931)	-	(931)
Revenue, other income and share of net loss of equity accounted investees		**698,861**	**108,476**	**91,889**	**5,917**	**-**	**905,143**
Expenses		(545,680)	(83,074)	(89,291)	(8,654)	(7,657)	(734,356)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		**153,181**	**25,402**	**2,598**	**(2,737)**	**(7,657)**	**170,787**
Depreciation and amortisation	[B]	(10,181)	(10,520)	(1,344)	(208)	(43)	(22,296)
Profit before significant items, net finance costs and tax		**143,000**	**14,882**	**1,254**	**(2,945)**	**(7,700)**	**148,491**
Half year ended 26 December 2015							
Revenue from continuing operations		662,888	120,645	106,018	6,153	-	895,704
Other income		33	784	-	2	181	1,000
Share of net loss of equity accounted investees		-	-	-	(3,765)	-	(3,765)
Revenue, other income and share of net loss of equity accounted investees		**662,921**	**121,429**	**106,018**	**2,390**	**181**	**892,939**
Expenses		(465,330)	(86,710)	(98,012)	(5,610)	(7,976)	(663,638)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		**197,591**	**34,719**	**8,006**	**(3,220)**	**(7,795)**	**229,301**
Depreciation and amortisation	[B]	(12,148)	(10,721)	(718)	(276)	-	(23,863)
Profit before significant items, net finance costs and tax		**185,443**	**23,998**	**7,288**	**(3,496)**	**(7,795)**	**205,438**

[A] Corporate is not an operating segment. The amounts presented above are unallocated revenue and costs.
[B] Excludes program rights amortisation which is treated consistently with Media Content (refer note 3).

1. SEGMENT INFORMATION (continued)

1.3 Other segment information

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

	Notes	Dec 2016 $'000	Dec 2015 $'000
Reconciliation of profit before significant items, net finance costs and tax			
Profit before significant items, net finance costs and tax		**148,491**	205,438
Finance income		**799**	2,044
Finance costs		**(19,863)**	(21,511)
Profit before tax excluding significant items		**129,427**	185,971
Significant items	4	**(82,649)**	(7,318)
Profit before tax		**46,778**	178,653

2. REVENUE AND OTHER INCOME

	Dec 2016 $'000	Dec 2015 $'000
Sales revenue		
Advertising revenue	**674,410**	677,705
Circulation revenue	**85,057**	95,743
Program sales and fees	**108,229**	94,597
Rendering of services	**13,783**	11,885
Other revenue	**21,844**	15,774
Total revenue	**903,323**	895,704
Other income		
Foreign exchange gain	**-**	181
Net gain on disposal of property, plant and equipment and other intangibles	**2,751**	82
Dividends received	**-**	737
Total other income	**2,751**	1,000

3. EXPENSES

	Notes	Dec 2016 $'000	Dec 2015 $'000
Expenses			
Depreciation and amortisation (excluding program rights amortisation)		**22,296**	23,863
Advertising & marketing expenses		**24,021**	25,890
Printing, selling & distribution (including newsprint and paper)		**46,852**	54,086
Media content (including program rights amortisation)		**349,253**	270,630
Employee benefits expense (excluding significant items)		**203,454**	202,836
Raw materials and consumables used (excluding newsprint and paper)		**4,698**	4,297
Repairs and maintenance		**7,979**	8,391
Licence fees		**31,103**	37,007
Loss on sale of investments (significant item)	4	**7,149**	-
Redundancy and restructure costs (significant item)	4	**-**	7,318
Other expenses from ordinary activities		**66,996**	60,501
Total expenses		**763,801**	694,819
Depreciation and amortisation			
Property, plant and equipment and intangible assets		**22,296**	23,863
Television program rights amortisation		**57,889**	65,035
Total depreciation and amortisation		**80,185**	88,898

4. SIGNIFICANT ITEMS

	REF	Dec 2016 $'000	Dec 2015 $'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 equity accounted investees	[A]	**(75,500)**	-
Redundancy and restructure costs	[B]	**-**	(7,318)
Loss on disposal of investments	[C]	**(7,149)**	-
Total significant items before tax		**(82,649)**	(7,318)
Tax (expense) benefit		**(711)**	2,196
Total significant items net of tax		**(83,360)**	(5,122)

[A] At December 2016 an impairment review of the Group's equity accounted investees was performed, resulting in an impairment of $75.5m (refer note 7).

[B] The redundancy and restructure costs recognised for December 2015 relate to transformation programs across the Group.

[C] Loss on disposal of investments relate to Presto TV Pty Limited and Australian News Channel Pty Limited.

5. TAX EXPENSE

Reconciliation of tax expense to prima facie tax payable

	Dec 2016	Dec 2015
Profit before tax	**46,778**	178,653
Tax at the Australian tax rate of 30% (2015: 30%)	**(14,033)**	(53,596)
Tax effect of amounts which are not (deductible) taxable in calculating taxable income:		
Share of net loss of equity accounted investees	**(279)**	(1,129)
Deferred tax assets not recognised in relation to impairment of equity accounted investees	**(22,650)**	-
Other changes in recognition of deferred tax assets and liabilities	**-**	(55)
Other non-assessable items	**(51)**	10,052
Adjustments for tax of prior periods	**2,620**	1,284
Tax expense	**(34,393)**	(43,444)

6. EARNINGS PER SHARE

	Dec 2016	Dec 2015
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company	**0.8 cents**	9.0 cents
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company	**0.8 cents**	8.9 cents

	$'000	$'000
Earnings used in calculating earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share.	**12,385**	135,209

	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 earnings per share	**1,507,250,149**	1,510,678,634
Adjustments for calculation of diluted earnings per share:		
- Shares issued pursuant to the suspended executive and employee share plans treated as options deemed to have been converted into ordinary shares at the beginning of the half year	**-**	901,250
- Share rights issued pursuant to equity incentive plan	**-**	398,801
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**1,507,250,149**	1,511,978,685

	Dec 2016	Dec 2015
Additional information:		
Earnings per share based on net profit excluding significant items net of tax		
Basic earnings per share	**6.4 cents**	9.3 cents
Diluted earnings per share	**6.4 cents**	9.3 cents

	Dec 2016	Dec 2015
	$'000	$'000
Earnings used in calculating earnings per share based on profit excluding significant items		
Profit attributable to the ordinary equity holders of the Company	**12,385**	135,209
Add back significant items net of tax (refer note 4)	**83,360**	5,122
Profit after tax excluding significant items net of tax	**95,745**	140,331

7. EQUITY ACCOUNTED INVESTEES

Name of entity	REF	Principal activities	Reporting date	Ownership interest Dec 2016 %	Dec 2015 %
Airline Ratings Pty Limited		Ratings service provider	30 June	**50.0**	50.0
Australian News Channel Pty Limited	[A]	Pay TV channel operator	30 June	**-**	33.3
7Beyond Media Rights Limited		Television production	30 June	**50.0**	50.0
Bulls N' Bears Holdings Pty Ltd		Public company news provider	30 June	**50.0**	-
Community Newspaper Group Limited		Newspaper publishing	30 June	**49.9**	49.9
Draftstars Pty Ltd	[B]	Fantasy sports platform	30 June	**33.3**	-
Epicfrog Pty Limited (trading as Nabo)		Online social network	30 June	**25.2**	25.2
Evolink Pty Ltd (trading as Muzz Buzz Express)		Drive-through coffee franchise	30 June	**50.0**	-
Health Engine Pty Limited		Online health directory	30 June	**24.0**	24.0
New You Group Pty Limited (trading as Kochie Money Makeover)	[C]	Provider of general financial advice	30 June	**50.0**	-
Oscar Winter Pty Limited	[D]	Online retail jewellery business	30 June	**33.3**	-
Oztam Pty Limited		Ratings service provider	31 December	**33.3**	33.3
Presto TV Pty Limited	[E]	SVOD service provider	30 June	**-**	50.0
Starts at 60 Pty Limited	[F]	Online social network for seniors	30 June	**35.3**	-
TX Australia Pty Limited		Transmitter facilities provider	30 June	**33.3**	33.3
Yahoo! Australia and New Zealand (Holdings) Pty Limited		Internet content provider	31 December	**50.0**	50.0

[A] Investment in Australian News Channel Pty Limited was disposed of during the half year ended 24 December 2016.
[B] Seven West Media acquired 33.3% shareholding in Draftstars Pty Ltd on 12 September 2016.
[C] Seven West Media acquired 50% shareholding in New You Group Pty Limited on 11 April 2016.
[D] Seven West Media acquired 33.3% shareholding in Oscar Winter Pty Limited on 8 December 2016.
[E] Investment in Presto TV Pty Limited was disposed of during the half year ended 24 December 2016.
[F] Seven West Media acquired 35.3% shareholding in Starts at 60 Pty Limited on 8 February 2016.

7.1 Significant Equity Accounted Investees

	Yahoo Australia and New Zealand (Holdings) Pty Limited
Investment	A jointly controlled entity with Yahoo Inc of which the Group has a 50% interest shareholding. Yahoo7 is a digital platform providing e-mail, online news, lifestyle content, video, catch up TV services as well as weather, travel and retail comparison services.
Principal place of business/ Country of incorporation	Australia
Accounting treatment	Equity method

The following is summarised financial information of the investment, and reconciliation with the carrying amount of the investment in the consolidated financial statements. All amounts shown are 100% unless otherwise stated. There is no other comprehensive income recognised in the below numbers.

	REF	Dec 2016 $'000	Dec 2015 $'000
Revenue		**40,963**	49,959
Net profit for the half year	[A]	**6,783**	11,384
Group's 50% share of profit for the year		**3,392**	5,692

[A] Includes depreciation and amortisation of $2,251,000 (Dec 2015: $2,219,000) and income tax expense of $2,931,000 (Dec 2015: $5,017,000)
Interest expense and income for both reporting periods is not significant.

	REF	Dec 2016 $'000	Jun 2016 $'000
Current assets	[B]	**41,100**	34,566
Non-current assets		**76,018**	75,386
Current liabilities		**(15,366)**	(15,383)
Non-current liabilities		**(2,821)**	(2,570)
Net assets		**98,931**	91,999

[B] Includes cash and cash equivalents of $24,257,000 (Jun 2016: $12,488,000).

7. EQUITY ACCOUNTED INVESTEES (continued)

Movements in carrying amount of the investment in Yahoo7	Dec 2016 $'000	Jun 2016 $'000
Carrying amount at the beginning of the half year	**200,779**	200,002
Impairment of equity accounted investees (note 4)	**(75,500)**	-
Share of profit of investees after tax	**3,392**	8,777
Dividends received	**-**	(8,000)
Carrying amount at the end of the half year	**128,671**	200,779

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

In accordance with the Group's accounting policies, the Group performs its impairment testing at least annually at June for its investments.
At each reporting date reviews are performed for indications of impairment. Where an indication of impairment is identified, a formal impairment assessment is performed. The group has identified the following to be indicators of impairment as at 24 December 2016:

- Acceleration in the decline of the premium display market
- Loss of a client service contract in New Zealand
- Market uncertainty due to the ongoing delays in the potential acquisition of Yahoo Inc.

The recoverable amount was based on its value in use, and a $75.5m impairment charge recorded during the period. The value in use was determined using a pre-tax discount rate of 14.7% and a terminal value growth rate of 3.5%. Previously the recoverable value was determined on a fair value less costs to sell basis.

	Dec 2016 $'000	Jun 2016 $'000
Groups share of net assets (50%)	**49,466**	46,000
Fair value adjustment of acquisition	**79,205**	154,779
Carrying amount of the investment at end of the half year	**128,671**	200,779

There are no significant capital commitments or contingent liabilities held by or owed by this equity accounted investee as at reporting date.

7.2 Other Equity Accounted Investees

Below is the summarised financial information for the Group's remaining associates and jointly controlled investments.
All amounts shown are 100% unless otherwise stated.

	REF	Dec 2016 $'000	Dec-15 $'000
Net loss for the year (continuing operations)		**(8,072)**	(3,458)
Group's share of loss for the half year	[A]	**(4,323)**	(9,457)

[A] Share of loss is based on ownership percentages ranging from 24% to 50% for each equity accounted investee.

Movements in carrying amounts of other investments	Dec 2016 $'000	Jun 2016 $'000
Carrying amount at the beginning of the half year	**15,231**	14,319
Share of loss of investees after tax	**(4,323)**	(21,588)
Dividends received	**(700)**	(4,375)
Acquisitions and other movements	**13,823**	26,875
Carrying amount at the end of the half year	**24,031**	15,231

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 beyond its interests in equity accounted investees as the Group has no obligation in respect of these losses.

8. INTANGIBLE ASSETS

	Licences	Mastheads [A]	Program copyrights	Computer software	Goodwill [B]	Trademark	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Half year ended 24 December 2016							
Net carrying amount at the beginning of the half year	1,388,048	97,542	-	37,385	29,946	41	1,552,962
Additions	-	16,902	-	6,120	-	11	23,033
Amortisation charge	-	-	-	(3,024)	-	(5)	(3,029)
Acquisition of controlled entity	-	-	-	-	4,732	-	4,732
Net carrying amount at the end of the half year	1,388,048	114,444	-	40,481	34,678	47	1,577,698
Comprised of:							
Cost	2,355,396	247,191	20,848	86,048	1,255,189	60	3,964,732
Accumulated amortisation and impairment	(967,348)	(132,747)	(20,848)	(45,567)	(1,220,511)	(13)	(2,387,034)

	Licences	Mastheads	Program copyrights	Computer software	Goodwill	Trademark	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 25 June 2016							
Net carrying amount at the beginning of the year	1,388,048	97,542	4,000	35,928	29,680	-	1,555,198
Additions	-	-	-	5,788	-	49	5,837
Amortisation charge	-	-	(4,000)	(4,331)	-	(8)	(8,339)
Acquisition of controlled entity	-	-	-	-	266	-	266
Net carrying amount at the end of the year	1,388,048	97,542	-	37,385	29,946	41	1,552,962
Comprised of:							
Cost	2,355,396	230,289	20,848	79,928	1,250,457	49	3,936,967
Accumulated amortisation and impairment	(967,348)	(132,747)	(20,848)	(42,543)	(1,220,511)	(8)	(2,384,005)

A. Masthead additions for the half year relate to acquired business assets from Nationwide News Pty Limited, a subsidiary of News Corporation. The business assets acquired include the Sunday Times masthead and its digital edition, the Perth Now Website.

B. Goodwill additions for the half year relate to the acqusition of Slim Film & Television Pty Limited on 28th July 2016.

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, Newspapers (Metro and Regional) and Magazines businesses. 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. No impairment losses for intangible assets have been incurred or reversed during the current half year.

8. INTANGIBLE ASSETS (continued)

8.1 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. The recoverable amount is determined to be the higher of its fair value less cost to sell and value-in-use.

In calculating the value-in-use, the cash flows include projections of cash inflows and outflows from continuing use of the Group's assets making up the CGU. 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. The Group uses a 5 year discounted cash flow model based on board approved budgets and forecasts with a terminal growth rate for years beyond the 5 year period.

The identification of impairment indicators and the estimation of future cash flows require management to make significant estimates and judgements. Key components of the calculation and the basis for each CGU are detailed below:

8.1.A. Cash flows

Year 1 cash flows are based upon budgets and forecasts for the next 12 months. Year 2 to 5 cash flows are based on the following assumptions:

Television

- The advertising market growth rates are assumed to be consistent with industry market participant expectations and long-term industry growth rates.
- The Company's share of Metro Free to Air advertising market is assumed to remain stable.
- Expenses are assumed to increase by CPI and known fixed increases for specific program rights.

Newspapers (Metro and Regional) and Pacific

- Publishing revenue has been assumed to decline as management expect a cyclical downturn and structural changes to continue.

Assumptions have been made in line with past performance and management's expectations of market development.

- Digital revenue has been assumed to grow based on market maturity and new initiatives. These assumptions are in line with industry trends and management expectations of market development.
- Expenses are expected to decrease based on ongoing cost reduction initiatives and volume assumptions.

8.1.B. 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.

8.1.C. 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 flows projections are detailed below.

	Terminal growth factor		Discount rate (pre-tax)		Discount rate (post-tax)	
	Dec-16	**Jun-16**	**Dec-16**	**Jun-16**	**Dec-16**	**Jun-16**
Television	1.5%	1.5%	13.7%	13.9%	9.8%	9.8%
Newspapers - Metro	0.5%	0.5%	13.8%	13.5%	11.0%	11.0%
Newspapers - Regional	0.5%	0.5%	17.5%	17.7%	11.0%	11.0%
Pacific	0.0%	0.0%	17.8%	16.7%	12.0%	12.0%

8. INTANGIBLE ASSETS (continued)

8.2 Impairment review of Pacific masthead and licences

Pacific mastheads and licences are tested separately prior to the testing of the CGU. Key components of the calculation and the basis for each of Pacific mastheads and licences are detailed below.

Relief from Royalty Method over Pacific mastheads' useful lives and was based on the following assumptions:

- Future maintainable revenue forecasts which are based on historical actual results as well as financial budgets and forecasts approved by management;
- Royalty rates used of 10.0% (June 2016: Between 10.0% and 10.5%);
- Earnings multiples between 3x and 5x (June 2016: 3x and 5x).

In 2015, licences were fully written down to nil. Multi Period Excess Earnings Methodology was used to assess the licences' useful lives and was based on the following assumptions:

- Five year forecast based on financial budgets and forecasts approved by management;
- Discount rates between 12.25% and 13.25%;
- Terminal growth rate of 0%. This terminal rate does not exceed long term expected industry growth rates.

8.3 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.

Following an impairment analysis of Television, Newspapers (Regional and Metro) and Pacific CGUs, the recoverable amounts are equal to the carrying amounts. Therefore any adverse movements in key assumptions would lead to changes in carrying amount.

8.4 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** $'000	**Licences, masthead** $'000	**Total** $'000
Half year ended 24 December 2016			
Television	4,873	1,370,732	1,375,605
Newspapers (Metro and Regional)	266	85,531	85,797
Pacific	28,613	28,913	57,526
Other Business and New Ventures	926	17,316	18,242
Total goodwill and indefinite life assets	34,678	1,502,492	1,537,170
Year ended 25 June 2016			
Television	141	1,370,732	1,370,873
Newspapers (Metro and Regional)	266	68,629	68,895
Pacific	28,613	28,913	57,526
Other Business and New Ventures	926	17,316	18,242
Total goodwill and indefinite life assets	29,946	1,485,590	1,515,536

9. SHARE CAPITAL

	Dec 2016 $'000	Jun 2016 $'000
1,508,034,368 (June 2016:1,507,137,418) Ordinary shares fully paid	**3,393,546**	3,393,145

Ordinary shares

	Dec 2016 Shares	Jun 2016 Shares	Dec 2016 $'000	Jun 2016 $'000
Balance at the beginning of the half year	**1,507,137,418**	1,512,536,488	**3,393,145**	3,396,847
Movements during the half year:				
Shares issued pursuant to executive and employee share plans	**-**	30,900	**-**	103
Shares sold pursuant to cancellation of loan plan	**896,950**		**401**	
Shares bought back on market	**-**	(5,429,970)	**-**	(3,805)
	896,950	(5,399,070)	**401**	(3,702)
Balance at the end of the half year	**1,508,034,368**	1,507,137,418	**3,393,546**	3,393,145

	REF	Dec 2016 Shares	Jun 2016 Shares	Dec 2015 Shares
Total shares issued by the Company		**1,508,034,368**	1,508,034,368	1,508,034,368
Executive and employee share plans treated as options	[A]	**-**	(896,950)	(901,250)
Balance included in share capital		**1,508,034,368**	1,507,137,418	1,507,133,118

[A] There are no outstanding loans pursuant to the executive and employee share plans treated as options as these have been cancelled during the half year and the shares have been sold.

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.

10. DIVIDENDS

	Dec 2016 $'000	Dec 2015 $'000
Final ordinary dividend for the year ended 25 June 2016 of 4 cents per share (27 June 2015: 4 cents), fully franked based on tax paid at 30%, paid on 7 October 2016 (27 June 2015: 9 October 2015)	**60,282**	60,500
Dividends not recognised at half year end		
In addition to the above dividends, since half year end the directors have declared a 2017 interim dividend of 2 cents per ordinary share (2016 interim: 4 cents), fully franked based on tax paid at the rate of 30%. The aggregate amount of the dividend payable on 13 April 2017 (2016 interim: 11 April 2016), but not recognised as a liability at year end, is estimated at	**30,161**	60,285

11. BORROWINGS

	REF	Dec 2016 $'000	Jun 2016 $'000
NON-CURRENT			
Bank loans – unsecured, net of unmamortised refinancing costs	[A]	**834,430**	810,752

The Group completed a refinance of its existing syndicated debt facilities. All facilities are currently set to expire in October 2020.

[A] The unsecured bank loans are net of $5.6 million (June 2016: $4.3 million) unamortised refinancing costs.

12. 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:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) 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
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Assets or liabilities measured and recognised at fair value through profit and loss are the assets/liabilities recognised in relation to interest rate cash flow hedges and foreign exchange cash flow hedges amounting to $5,902,000 (June 2016: $9,920,000). The fair values of these derivatives (classified as level 2 in the fair value measurement hierarchy) are measured with reference to forward interest rates and exchange rates and the present value of the estimated future cash flows.

13. 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.

14. 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 25 June 2016 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.

14.1 Basis of preparation

This half year financial report is for the reporting period ended 24 December 2016 and has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Act 2001 and with IAS 34 Interim Financial Reporting.

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

The accounting policies, standards and methods of computation adopted in the half year financial report are consistent with those applied by the Group in the consolidated financial statements for the year ended 25 June 2016.

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

14.2 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.

14.2.A. Recoverable amounts of intangible assets and investments

The Group tests annually 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 using the higher of value in use and fair value less costs to sell approaches. These calculations require the use of assumptions.

14.2.B. Recoverable amounts of Property, Plant and Equipment

The estimation of useful lives, residual value and depreciation methods require some judgement and are reviewed at least annually.

14.2.C. Restructuring and redundancy provisions

The provisions for restructuring and redundancy has been recorded as a result of the group having a constructive obligation and a detailed formal plan for restructuring.

14.2.D. 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.

14.2.E. Other Assets

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

14.2.F. 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. The fair value is determined by an external valuer using a valuation model. The most appropriate valuation model used is dependent on the terms 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.

14. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14.3 Comparatives

Comparative information is reclassified where appropriate to enhance comparability.

14.4 Significant accounting policies

A number of new or amended standards became applicable for the current reporting period, however the Group did not have to amend or change it's accounting policies or make retrospective adjustments as a result of adopting these standards. It is not expected that any of these changes will significantly affect the disclosures in the 25 June 2016 annual report.

15. SUBSEQUENT EVENTS

In the interval between the end of the half year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of these operations, or the state of affairs of the Group, currently or in future financial years.

Directors' Declaration

Seven West Media Limited
ABN 91 053 480 845

FOR THE HALF YEAR ENDED 24 DECEMBER 2016

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

1. the consolidated financial statements and notes set out on pages 9 to 25 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Group's financial position as at 24 December 2016 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

KM Stokes AC
Chairman

15 February 2017

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 is not in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the Group's financial position as at 24 December 2016 and of its performance for the Half-year ended on that date; and

ii) 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 24 December 2016;
- Consolidated statement of profit and 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 15 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.

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
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility 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. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 24 December 2016 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Seven West Media Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

KPMG

KPMG | Tracey Driver

Sydney | *Partner*

15 February 2017