SEVEN WEST MEDIA

19 February 2019

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

By electronic lodgment

Total Pages: 34 (including covering letter)

Dear Sir / Madam

HALF-YEAR FINANCIAL REPORT

In accordance with the Listing Rules, following are the Half-Year Report Appendix 4D and the Half-Year Financial Report at 29 December 2018.

Yours faithfully

Warren Coatsworth
Company Secretary

SEVEN WEST MEDIA LIMITED ABN 91 053 480 845
50 HASLER ROAD, OSBORNE PARK WA 6017 AUSTRALIA
T +61 8 9482 3111 **F** +61 8 9482 9080

Seven West Media Limited
Appendix 4D
Half Year Financial Report
for the half year ended 29 December 2018

Results for announcement to the market

	Dec 2018 $'000	Restated[3] Dec 2017 $'000	Movement
Reported			
Revenue from ordinary activities	**797,441**	809,418	Down 1.5%
Other income	**602**	708	Down 10.9%
Revenue and other income	**798,043**	810,126	Down 1.5%
Profit from ordinary activities after tax attributable to members	**86,161**	100,011	Down 13.8%
Net profit for the period attributable to members	**86,161**	100,011	Down 13.8%
Additional information			
Underlying group EBIT[1]	**146,767**	159,311	Down 7.9%
Underlying group EBITDA[2]	**161,488**	176,783	Down 8.8%
Significant items before tax (refer Note 4)	**(8,587)**	-	N/A
Profit before tax excluding significant items (refer Note 1.1C)	**128,817**	141,344	Down 8.8%
Profit after tax excluding significant items net of tax	**91,797**	99,675	Down 7.8%

The current reporting period relates to the period from 01 July 2018 to 29 December 2018 and the previous reporting period relates to the period from 25 June 2017 to 30 December 2017.

Dividends	Amount per security	Franked amount per security
Final dividend 2018 (paid during current reporting period)	nil	nil
Interim dividend 2019	nil	nil

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

Note 1: Underlying EBIT is profit before significant items, net finance costs and tax

Note 2: Underlying EBITDA is profit before significant items, net finance costs, tax, depreciation and amortisation

Note 3: Prior year figures have been restated for retrospective transition method of AASB 9 Financial Instruments standard

This page was intentionally left blank

Table of Contents

Directors' Report

Seven West Media Limited
ABN 91 053 480 845

FOR THE HALF YEAR ENDED 29 DECEMBER 2018

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 29 December 2018 and the review report thereon.

Directors

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

Name	**Period of Directorship**
Non-Executive	
Kerry Matthew Stokes AC (Chairman)	Director since September 2008 and Chairman since December 2008
John Henry Alexander	Director since May 2013
Teresa Dyson	Director since November 2017
David Evans	Director since August 2012
Peter Joshua Thomas Gammell	Director since September 2008
Colette Garnsey OAM	Director since December 2018
The Hon. Jeffrey Gibb Kennett AC	Director since June 2015
Michael Malone	Director since June 2015
Ryan Kerry Stokes	Director since August 2012
Michael Ziegelaar	Director since November 2017
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 attached and forms part of this Report.

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

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 29 December 2018.

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.

…………………………..
KM Stokes AC
Chairman

19 February 2019

Seven West Media

Review of Operations

Group Performance

Summary of Financial Performance

	1HFY19 $m	1HFY18[4] $m	Change %[3]
Revenue	797.4	809.4	(1.5%)
Other income	0.6	0.7	(10.9%)
Share of net profit of equity accounted investees	0.9	1.2	(25.0%)
Revenue, other income and equity accounted profits	798.9	811.3	(1.5%)
Operating expenses excluding depreciation and amortisation	(637.4)	(634.5)	0.5%
EBITDA [1]	**161.5**	**176.8**	**(8.8%)**
Depreciation and amortisation	(14.7)	(17.5)	(15.9%)
EBIT [2]	**146.8**	**159.3**	**(7.9%)**
Net finance costs	(18.0)	(18.0)	0.0%
Profit before significant items and tax	**128.8**	**141.3**	**(8.8%)**
Significant items excluding tax	(8.6)	-	nm[5]
Profit before tax	**120.2**	**141.3**	**(14.9%)**
Tax expense	(34.4)	(41.7)	(17.4%)
Profit after tax	**85.8**	**99.6**	**(13.9%)**
EBITDA margin	20.2%	21.8%	
Basic EPS	5.7 cents	6.6 cents	
Basic EPS excluding significant items net of tax	6.1 cents	6.6 cents	
Diluted EPS	5.7 cents	6.6 cents	
Diluted EPS excluding significant items net of tax	6.1 cents	6.6 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) Prior year figures have been restated for AASB 9 Financial Instruments standard.
(5) "nm" means "not meaningful"

Reconciliation of EBIT to Statutory Profit Before Tax

	1HFY19 $m	1HFY18[4] $m	Change %
EBIT	**146.8**	**159.3**	**(7.9%)**
Net finance costs	(18.0)	(18.0)	0.0%
Significant items excluding tax	(8.6)	-	nm
Profit before tax	**120.2**	**141.3**	**(14.9%)**

Seven West Media Limited reported a statutory net profit after tax of $85.8 million (including significant items) for the half year ended 29 December 2018. This compares to the previous corresponding half year statutory net profit after tax of $99.6 million.

Underlying net profit after tax of $91.8 million is down 7.8 per cent on the previous half year underlying profit after tax of $99.6 million.

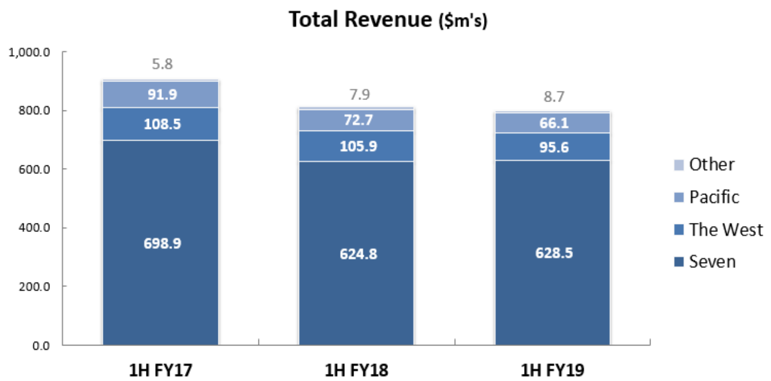
The group delivered revenue of $798.9 million (including share of associates), down 1.5 per cent versus the previous year, and profit before significant items, net finance costs and tax (EBIT) of $146.8 million was down 7.9 per cent on the previous year. The decline was partially impacted by the additional week in the first half of FY18 (27 weeks vs 26 weeks). The average weekly EBIT in 1H FY18 was $6m.

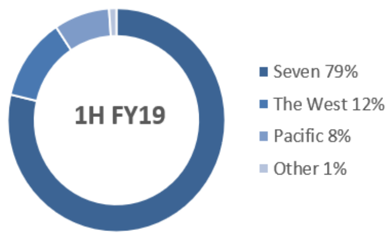
The dividend has been temporarily suspended with a focus on prudent capital management and balance sheet flexibility post relaxation in media ownership legislation.

Advertising Market and Revenue Performance

SMI data reported that the Australian advertising market fell 2.2 per cent in the six months to 31 December 2018 versus the prior corresponding period. Metropolitan television advertising decreased 5.0 per cent to $1.4 billion for this period based on KPMG ThinkTV data. ThinkTV also reported that advertising revenues from online catch-up and live TV streaming grew 43 per cent YoY. Seven reported a 39.2 per cent share among commercial networks for the calendar year and 38.4 per cent for the half.

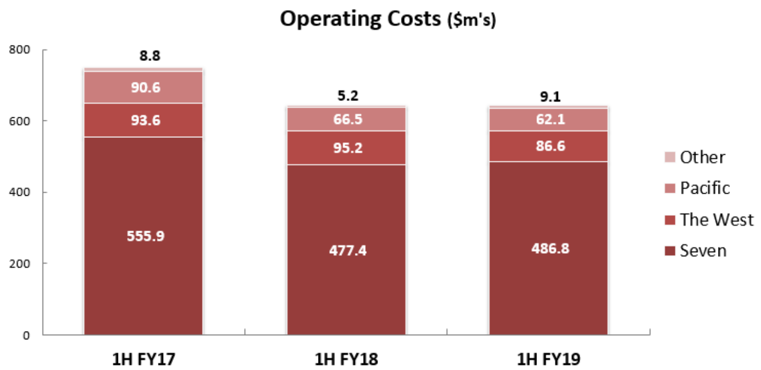
Advertising in the digital market also came under pressure, with SMI data indicating a decline of 3.2 per cent for the 6 month period to 31 December 2018 against the prior year. Despite this market decline, SWM’s digital revenues continued to grow rapidly and will represent a significantly higher proportion of revenue in the 2019 financial year. Conditions in publishing advertising remain challenged; however the rate of decline has slowed. Our assets also continue to outperform peers. Market conditions in the advertising market in WA remain subdued but improvement in the WA mining sector is expected to have flow on benefits to the WA economy over the next twelve to eighteen months.

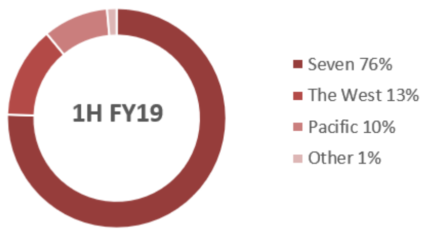




Cost Management

Excluding significant items, total Group costs (including depreciation and amortisation) for the 6 months to 29 December 2018 was relatively in line with prior year. The company has undertaken a cost out program of $135 million to $145 million across the 2017-2019 financial years with a targeted net reduction in costs of $50-60 million after factoring in the new cricket costs, content investment, AFL uplift and spectrum charge. In the period, Seven’s costs increased 2.0 per cent reflecting cricket costs with savings skewed to the second half. The West and Pacific recorded cost reductions of 9.0 per cent and 6.7 per cent respectively.

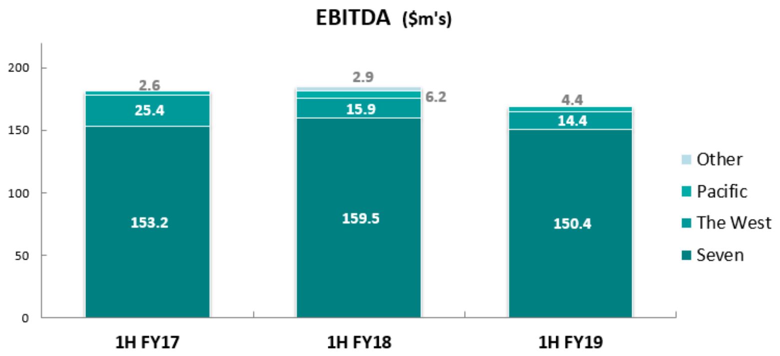


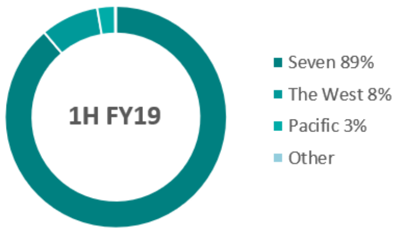


The charts above exclude the impact of significant items and Corporate costs.

EBITDA and Operating Margins

Seven West Media delivered EBITDA for the six-month period to 29 December 2018 of $161.5 million, 8.8 per cent lower than the prior year, at an EBITDA margin of 20.2 per cent. Seven's EBITDA accounted for 89 per cent of total group EBITDA for the period.





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

Balance Sheet

At 29 December 2018 Seven West Media had net assets of $632.8 million.

Group net debt decreased to $589.0 million. The Group's debt leverage ratio at 29 December 2018 was 2.3x EBITDA (June 2018: 2.3x).

Review of Businesses

A summary of the performance of Seven West Media's key business units for the half year ending 29 December 2018 is set out below.

Seven

The transformation of Seven's television business is continuing at pace. Strategic priorities in the business unit include, 1) focusing on the core, driving greater ratings and revenue share performance; 2) growing digital streaming and video on demand revenue; 3) expanding 7Studios footprint and continue to grow its earnings; 4) transforming the television operating model and continue to identify and extract operational efficiencies and cost savings.

2018 saw Seven complete its 12th consecutive year of ratings leadership, winning 35 of the 40 ratings weeks with the highest commercial FTA share of primetime in ratings history and Seven's highest ever shares of the key P25-54 and P16-39 demographics. Seven's ratings performance improved in the July to December half with an increase of 1.7 percentage points in primetime and 2.9 percentage points on all day share versus the prior corresponding period. In the 2018 calendar year, Seven delivered a revenue market share of 39.2 per cent and a 38.4 per cent revenue share for the July to December half, which was 5 per cent growth in share on the prior year.

Seven benefited from the first financial period with its new 6 year rights deal with Cricket Australia bringing Tests and Big Bash games, both together on the Seven network for the first time. The result has been a significant improvement in ratings and revenue performance in the back half of the calendar year. It also completes Seven's offering with year round premium sport on the network.

This addition bolsters Seven's line up with the most watched sports and non-sports events (AFL Grand Final and Royal Wedding: Prince Harry and Meghan), top drama (The Good Doctor) and lifestyle program (Better Homes and Gardens) as well as the most successful new Australian show (The Real Full Monty). 7 News was Australia's most watched news service, and Sunrise and The Morning Show were number one in their respective timeslots. In October, Seven announced the launch of a new channel, 7food, which joins 7, 7TWO, 7mate and 7Flix as part of Australia's most-watched network.

Costs in the Seven business, including digital and 7Studios remained relatively flat overall, up 2.0 per cent with cost growth from the new cricket deal and 7Studios growth offset by cost savings initiatives across the business, including the impact of the headcount reduction implemented in 2018. Cost savings will be skewed to the second half of the financial year. Overall EBIT for Seven declined 3.9 per cent to $141.7 million.

Seven Studios

In 2018 Seven Studios created and produced around 1000 hours of premium television across all genres from bases in Sydney, Los Angeles, Auckland and London. Revenue from program sales and third party productions was $45.7 million up 20.1 per cent on the prior corresponding period.

Finish program sales continues to grow strongly with increasing demand from global SVOD deals. 14 new and original titles have been commissioned this year and there are an additional 20 hit series returning or in production across the Seven Studios group, which includes joint ventures Slim Productions, GSTV and 7Beyond.

Seven's content has sold into 190 territories across the globe. Major projects included My Kitchen Rules, Border Security, House Rules and Home and Away, which celebrated its 30th Anniversary in 2018.

Digital Platforms

Early 2018 saw the full launch of Seven's new OTT live and on-demand platform 7plus, which followed the return of Seven's long form video rights from Yahoo7. The platform has scaled rapidly and in the Oct-Dec quarter 7plus secured the number one share of Broadcast Video On Demand (BVOD) viewing minutes.

Alongside exclusive original programming, Seven developed a market-leading BVOD content library from the world's biggest studios, ensuring multi-platform and stacking rights were included in content deals. This deliberate strategy to create a broad, deep and rich library of premium content paid off, with streaming metrics growing significantly.

The BVOD market continues to grow strongly up 43 per cent year on year for the July to December period.

The West

SWM WA's multi-platform publications continue to deliver significant reach across WA, with 83 per cent of the state (1.6 million) aged 14+ engaging with its print and digital brands every month. In total (Australia), 3.1 million people read our mastheads each month. The West Australian's total masthead readership is 2,442,000 in total, including 1,465,000 or 75 per cent of West Australians. This is the highest cross-platform reach of any major metro masthead. The Sunday Times/PerthNow has a total masthead readership of 1.9 million. WA's digital audience across thewest.com.au and PerthNow reaches 2 million and 1.7 million unique audience per month respectively.

Despite local economic conditions remaining challenging, the rate of decline in advertising revenue slowed in the period down 11.6 per cent with national advertising delivering year on year growth. Print and digital circulation declined 5.6 per cent. Total revenue for WAN declined 9.8 per cent with EBIT down 16.6 per cent with cost savings partially offsetting top line declines.

WAN's refreshed leadership team is accelerating transformation across the group, and its $10 million cost out program is tracking above expectations. The creation of a seven-day newsroom is enabling the editorial team to work more efficiently, creating content across print and digital formats, and preparing for the launch of digital subscriptions.

Pacific

Pacific is Australia's best performing publisher, securing a 26 per cent share of circulation sales from just 12 titles, with Better Homes and Gardens retaining its position as Australia's number one magazine. The increased focus on print performance improved the YoY circulation and advertising trend. Total revenue declined 9.1 percent YoY to $66.1 million.

Its ongoing transformation program, Pacific 2020, continues to deliver results, with operating expenses down 6.7 per cent YoY to $62.1 million in the Jul-Dec half. Pacific is targeting further cost base reductions in the second half. Pacific's EBIT in the half declined to $4.0 million.

Pacific is seeing an improved print circulation trend, while digital audiences continue to grow at pace, up 33 per cent YoY, representing approximately 30 per cent of total advertising revenue.

Other Business and New Ventures

Other Business and New Ventures assets include Community Newspapers, Western Australia Radio, Red Live as well as our investments in early stage businesses including: Airtasker, SocietyOne, HealthEngine, Startsat60 and Huddle.

The reach and effectiveness of Seven's media assets has driven significant growth for our portfolio of early stage businesses, with portfolio value up 10 per cent YoY. This portfolio includes Australia's #1 Peer to Peer Lender, SocietyOne; #1 GP booking platform, HealthEngine; and #1 Peer to Peer Job Marketplace, Airtasker as well as the fastest growing publisher for digital audience over 50 with Startsat60.

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

To the Directors of Seven West Media Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Seven West Media Limited for the half-year ended 29 December 2018 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	Tracey Driver
Sydney	*Partner*
19 February 2019	

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 29 December 2018

	Notes	**Dec 2018 $'000**	Restated* Dec 2017 $'000
Revenue	2	**797,441**	809,418
Other income	2	**602**	708
Revenue and other income		**798,043**	810,126
Expenses	3	**(652,123)**	(652,011)
Write off of unamortised refinancing cost	4	**(8,587)**	-
Share of net profit of equity accounted investees	7.1 & 7.2	**847**	1,196
Profit before net finance costs and tax		**138,180**	159,311
Finance income		**808**	575
Finance costs		**(18,758)**	(18,542)
Profit before tax		**120,230**	141,344
Tax expense	5	**(34,444)**	(41,669)
Profit for the half year		**85,786**	99,675
<u>Other comprehensive income (expense)</u>			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		**(206)**	2,405
Exchange differences on translation of foreign operations		**125**	(252)
Tax relating to items that may be reclassified subsequently to profit or loss		**62**	(722)
Other comprehensive (expense) income for the half year, net of tax		**(19)**	1,431
Total comprehensive income for the half year attributable to owners of the Company		**85,767**	101,106
Total comprehensive income (expense) attributable to:			
Owners of the Company		**86,142**	101,442
Non-controlling interests		**(375)**	(336)
Total comprehensive income for the year		**85,767**	101,106
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	6	**5.7 cents**	6.6 cents
Diluted earnings per share	6	**5.7 cents**	6.6 cents

**The Group has adopted AASB 9 and AASB 15. Refer Note 18 for more detail.*

Consolidated Statement of Financial Position

As at 29 December 2018

	Notes	Dec 2018 $'000	Restated* Jun 2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**99,566**	142,163
Trade and other receivables		**250,880**	276,986
Current tax receivable		**-**	9,119
Program rights and inventories		**217,513**	205,068
Asset held for sale		**36,102**	35,500
Other assets		**21,617**	7,070
Total current assets		**625,678**	675,906
Non-current assets			
Program rights		**1,998**	2,169
Equity accounted investees	7.1 & 7.2	**3,812**	3,445
Other financial assets	8	**60,553**	28,384
Property, plant and equipment		**144,532**	141,572
Intangible assets	9	**1,030,350**	1,033,962
Other assets		**9,273**	6,968
Total non-current assets		**1,250,518**	1,216,500
Total assets		**1,876,196**	1,892,406
LIABILITIES			
Current liabilities			
Trade and other payables		**242,791**	280,247
Provisions		**85,444**	104,477
Deferred income		**26,107**	26,858
Current tax liabilities		**11,351**	-
Total current liabilities		**365,693**	411,582
Non-current liabilities			
Trade and other payables		**21,463**	29,785
Provisions		**130,401**	137,186
Deferred income		**10,500**	-
Deferred tax liabilities		**26,737**	10,959
Borrowings	12	**688,592**	769,851
Total non-current liabilities		**877,693**	947,781
Total liabilities		**1,243,386**	1,359,363
Net assets		**632,810**	533,043
EQUITY			
Share capital	10	**3,393,546**	3,393,546
Reserves		**16,702**	545
Non-controlling interests		**(2,634)**	(1,071)
Accumulated deficit		**(2,774,804)**	(2,859,977)
Total equity		**632,810**	533,043

**The Group has adopted AASB 9 and AASB 15. Refer Note 18 for more detail.*

Consolidated Statement of Changes in Equity

For the half year ended 29 December 2018

	Notes	Share capital $'000	Cash flow hedge reserve $'000	Equity compensation reserve $'000	Reserve for own shares $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated deficit $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
Balance at 24 June 2017		**3,393,546**	**(3,523)**	**2,350**	**(597)**	**(756)**	**-**	**(2,970,353)**	**420,667**	**(1,758)**	**418,909**
Effect of adoption of new AASB 9 accounting standard*	18.2.1	-	-	-	-	-	-	6,862	6,862	-	6,862
Balance at 24 June 2017 (restated)		**3,393,546**	**(3,523)**	**2,350**	**(597)**	**(756)**	**-**	**(2,963,491)**	**427,529**	**(1,758)**	**425,771**
Profit (loss) for the half year		-	-	-	-	-	-	100,011	100,011	(336)	99,675
Cash flow hedge gains taken to equity		-	2,405	-	-	-	-	-	2,405	-	2,405
Foreign currency translation differences		-	-	-	-	(252)	-	-	(252)	-	(252)
Tax on other comprehensive expense		-	(722)	-	-	-	-	-	(722)	-	(722)
Other comprehensive income for the half year, net of tax		-	1,683	-	-	(252)	-	-	1,431	-	1,431
Total comprehensive income (expense) for the half year		**-**	**1,683**	**-**	**-**	**(252)**	**-**	**100,011**	**101,442**	**(336)**	**101,106**
Transactions with owners in their capacity as owners											
Dividends paid		-	-	-	-	-	-	(30,161)	(30,161)	-	(30,161)
Share based payment expense		-	-	146	-	-	-	-	146	-	146
Total transactions with owners		**-**	**-**	**146**	**-**	**-**	**-**	**(30,161)**	**(30,015)**	**-**	**(30,015)**
Balance at 30 December 2017		**3,393,546**	**(1,840)**	**2,496**	**(597)**	**(1,008)**	**-**	**(2,893,641)**	**498,956**	**(2,094)**	**496,862**
Balance at 30 June 2018		**3,393,546**	**(1,080)**	**2,544**	**(597)**	**(322)**	**-**	**(2,859,977)**	**534,114**	**(1,071)**	**533,043**
Effect of adoption of new AASB 15 accounting standard*	18.1	-	-	-	-	-	-	(988)	(988)	-	(988)
Effect of adoption of new AASB 9 accounting standard*	18.2.2	-	-	-	-	-	16,079	-	16,079	-	16,079
Balance at 1 July 2018 (restated)		**3,393,546**	**(1,080)**	**2,544**	**(597)**	**(322)**	**16,079**	**(2,860,965)**	**549,205**	**(1,071)**	**548,134**
Profit (loss) for the half year		-	-	-	-	-	-	86,161	86,161	(375)	85,786
Cash flow hedge (losses) gains taken to equity		-	(206)	-	-	-	-	-	(206)	-	(206)
Foreign currency translation differences		-	-	-	-	125	-	-	125	-	125
Tax relating to items that may be reclassified subsequently to P&L		-	62	-	-	-	-	-	62	-	62
Other comprehensive income for the half year, net of tax		-	(144)	-	-	125	-	-	(19)	-	(19)
Total comprehensive income for the half year		**-**	**(144)**	**-**	**-**	**125**	**-**	**86,161**	**86,142**	**(375)**	**85,767**
Transactions with owners in their capacity as owners											
Share based payment expense		-	-	97	-	-	-	-	97	-	97
Disposal of NCI		-	-	-	-	-	-	-	-	(1,188)	(1,188)
Total transactions with owners		**-**	**-**	**97**	**-**	**-**	**-**	**-**	**97**	**(1,188)**	**(1,091)**
Balance at 29 December 2018		**3,393,546**	**(1,224)**	**2,641**	**(597)**	**(197)**	**16,079**	**(2,774,804)**	**635,444**	**(2,634)**	**632,810**

**The Group has adopted AASB 9 and AASB 15. Refer Note 18 for more detail.*

Consolidated Statement of Cash Flows

For the half year ended 29 December 2018

	Notes	**Dec 2018 $'000**	Dec 2017 $'000
Cash flows related to operating activities			
Receipts from customers		**905,648**	912,068
Payments to suppliers and employees		**(819,930)**	(807,537)
Dividends received from equity accounted investees	7.2	**480**	500
Interest and other items of similar nature received		**779**	469
Interest and other costs of finance paid		**(15,617)**	(11,659)
Income taxes paid, net of tax refunds		**(4,287)**	(27,487)
Net operating cash flows		**67,073**	66,354
Cash flows related to investing activities			
Payments for purchases of property, plant and equipment		**(11,365)**	(3,670)
Proceeds from sale of property, plant and equipment		**507**	54
Payments for intangibles		**(4,603)**	(9,172)
Payments for other investments		**(1,024)**	(1,022)
Payment for purchase of controlled entities, net of cash acquired		**-**	(3,736)
Loans issued to related parties		**(1,778)**	(3,061)
Net investing cash flows		**(18,263)**	(20,607)
Cash flows related to financing activities			
Proceeds from borrowings		**76,000**	115,000
Repayment of borrowings		**(167,407)**	(60,000)
Dividends paid	11	**-**	(30,161)
Net financing cash (outflows) inflows		**(91,407)**	24,839
Net (decrease) increase in cash and cash equivalents		**(42,597)**	70,586
Cash and cash equivalents at the beginning of the half year		**142,163**	69,490
Cash and cash equivalents at the end of the half year		**99,566**	140,076

The Group has adopted AASB 9 and AASB 15. Refer Note 18 for more detail.

1. SEGMENT INFORMATION

1.1A. 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.
The West	Publishers of newspapers and insert magazines in Western Australia; Quokka (weekly classified advertising publication); Colourpress; Digital publishing and West Australian Publishers.
Pacific	Publisher of magazines in print and digital editions.
Other Business and New Ventures	Made up of equity accounted investees including TX Australia, Oztam, Starts at 60, Yahoo7 until reclassified to asset held for sale (in FY18); Radio (radio stations broadcasting in regional areas of Western Australia) and RED Live.

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

1.1B. Segment information

Half year ended 29 December 2018	REF	Television $'000	The West $'000	Pacific $'000	Other Business and New Ventures $'000	Corporate [A] $'000	Total $'000
Advertising revenue		515,893	52,801	18,941	7,523	-	595,158
Circulation revenue		-	28,703	45,023	-	-	73,726
Program sales		45,108	-	-	-	-	45,108
Affiliate fees		55,883	-	-	-	-	55,883
Rendering of services		-	11,480	-	59	-	11,539
Other revenue		10,491	2,563	2,083	890	-	16,027
Revenue from continuing operations		627,375	95,547	66,047	8,472	-	797,441
Other income		574	13	13	2	-	602
Share of net profit of equity accounted investees		608	-	-	239	-	847
Revenue, other income and share of net profit of equity accounted investees		**628,557**	**95,560**	**66,060**	**8,713**	**-**	**798,890**
Expenses		(478,098)	(81,178)	(61,697)	(8,897)	(7,532)	(637,402)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		**150,459**	**14,382**	**4,363**	**(184)**	**(7,532)**	**161,488**
Depreciation and amortisation	[B]	(8,776)	(5,423)	(358)	(155)	(9)	(14,721)
Profit (loss) before significant items, net finance costs and tax		**141,683**	**8,959**	**4,005**	**(339)**	**(7,541)**	**146,767**
Half year ended 30 December 2017							
Advertising revenue		528,719	59,716	21,653	4,867	-	614,955
Circulation revenue		-	30,393	49,272	-	-	79,665
Program sales		38,080	-	-	-	-	38,080
Affiliate fees		51,849	-	-	-	-	51,849
Rendering of services		-	12,752	-	47	-	12,799
Other revenue		6,141	3,029	1,725	1,175	-	12,070
Revenue from continuing operations		624,789	105,890	72,650	6,089	-	809,418
Other income		17	20	-	671	-	708
Share of net profit of equity accounted investees		-	-	-	1,196	-	1,196
Revenue, other income and share of net profit of equity accounted investees		**624,806**	**105,910**	**72,650**	**7,956**	**-**	**811,322**
Expenses		(465,344)	(90,004)	(66,491)	(5,048)	(7,652)	(634,539)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		**159,462**	**15,906**	**6,159**	**2,908**	**(7,652)**	**176,783**
Depreciation and amortisation	[B]	(12,104)	(5,159)	(3)	(176)	(30)	(17,472)
Profit (loss) before significant items, net finance costs and tax		**147,358**	**10,747**	**6,156**	**2,732**	**(7,682)**	**159,311**

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

1.1C. 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 2018 $'000	Restated Dec 2017 $'000
Reconciliation of profit before significant items, net finance costs and tax			
Profit before significant items, net finance costs and tax		**146,767**	159,311
Finance income		**808**	575
Finance costs		**(18,758)**	(18,542)
Profit before tax excluding significant items		**128,817**	141,344
Significant items before tax	4	**(8,587)**	-
Profit before tax		**120,230**	141,344

Accounting policy

Revenue recognition and measurement

AASB 15 Revenue from Contracts with Customers establishes a principle-based approach for revenue recognition which requires identification of discrete performance obligations within a transaction and an associated transaction price allocation to these obligations.

The Group recognises revenue only when the performance obligation is satisfied and the control of goods or services is transferred, typically at the point of published, broadcast or streamed.

Revenue is recognised for the major business activities as follows:

	Class of revenue	Recognition criteria
[A]	Advertising	Recognised when the advertisement has been published, broadcast or streamed.
[B]	Circulation	Recognised on delivery of the newspaper or magazine to the customer and the right to be compensated has been obtained.
[C]	Program sales includes:	
	(i) 3rd party commissioned program	Recognised when contractual obligations have been delivered and accepted by the customers.
	(ii) distribution royalty	Recognised as it is earned in line with the distribution contract terms and conditions.
[D]	Affiliate fees	Recognised in the period of the broadcast feed to the affiliates in line with the contract terms and conditions.
[E]	Rendering of services	The revenue is recognised when the service has been performed. Mostly relating to printing services.
[F]	Other revenue includes:	
	Government grants	Recognised initially as deferred income when it is highly probable that the grant will be received. This may include the following:
	(i) cash grants or funding	Recognised when all attaching conditions will be complied with.
	(ii) reimbursement of expense	Recognised over the periods necessary to match the costs that it is intended to compensate.
	(iii) reimbursement for cost of asset	Recognised over the lifetime of the asset on a systematic basis.
	Rental income	Recognised on a straight line basis over the term of the lease.
	Dividends	Recognised when the right to receive payment is established.

2. REVENUE AND OTHER INCOME

	Dec 2018 $'000	Dec 2017 $'000
Sales revenue		
Advertising revenue	**595,158**	614,955
Circulation revenue	**73,726**	79,665
Program sales	**45,108**	38,080
Affiliate fees	**55,883**	51,849
Rendering of services	**11,539**	12,799
Other revenue	**16,027**	12,070
Total revenue	**797,441**	809,418
Other income		
Net gain on disposal of property, plant and equipment and other intangibles	**175**	39
Gain on investment at fair value	**-**	634
Sundry income	**427**	35
Total other income	**602**	708

3. EXPENSES

	Dec 2018 $'000	Dec 2017 $'000
Expenses		
Depreciation and amortisation (excluding program rights amortisation)	**(14,721)**	(17,472)
Advertising & marketing expenses	**(19,348)**	(21,047)
Printing, selling & distribution (including newsprint and paper)	**(38,660)**	(42,380)
Media content (including program rights amortisation)	**(293,765)**	(275,983)
Employee benefits expense (excluding significant items)	**(190,413)**	(204,121)
Raw materials and consumables used (excluding newsprint and paper)	**(3,659)**	(4,448)
Repairs and maintenance	**(8,922)**	(8,801)
Licence fees	**(16,634)**	(17,110)
Rental expense relating to operating leases	**(9,334)**	(12,118)
Other expenses from ordinary activities	**(56,667)**	(48,531)
Total expenses	**(652,123)**	(652,011)
Depreciation and amortisation		
Property, plant and equipment and intangible assets	**(14,721)**	(17,472)
Television program rights amortisation	**(54,935)**	(55,444)
Total depreciation and amortisation	**(69,656)**	(72,916)

4. SIGNIFICANT ITEMS

	REF	Dec 2018 $'000	Dec 2017 $'000
Profit before tax expense includes the following specific expenses for which disclosure is relevant in explaining the financial performance of the Group:			
Write off of unamortised refinancing cost	[A]	**(8,587)**	-
Total significant items before tax		**(8,587)**	-
Tax benefit		**2,576**	-
Total significant items net of tax		**(6,011)**	-

[A] The amount relates to capitalised refinancing costs written off following the November 2018 debt refinance. This includes previously unamortised refinancing costs of $2.8m and benefit capitalised as a result of transition to AASB 9 of $5.8m.

5. TAX EXPENSE

	Dec 2018 $'000	Restated Dec 2017 $'000
Reconciliation of tax expense to pre-tax statutory profit before tax	**120,230**	141,344
Tax at the Australian tax rate of 30% (2017: 30%)	**(36,069)**	(42,403)
Tax effect of amounts which are not (deductible) taxable in calculating taxable income:		
Share of net profit of equity-accounted investees	**236**	359
Non-assessable income	**1,919**	1,204
Other non-deductible items	**7**	(448)
Adjustments for tax of prior periods	**(537)**	(381)
Tax expense	**(34,444)**	(41,669)

6. EARNINGS PER SHARE

Accounting policy

Basic earnings per share

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

Diluted earnings per share

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

Retrospective adjustments

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

	Dec 2018	Restated Dec 2017
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company	**5.7 cents**	6.6 cents
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company	**5.7 cents**	6.6 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.	**86,161**	100,011

	Number	Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic and diluted earnings per share	**1,507,840,662**	1,507,840,662

7. EQUITY ACCOUNTED INVESTEES

Accounting policy

An associate is an entity, other than a subsidiary, over which the Group has significant influence but not control. Significant influence is the power to participate in the financial and operating decisions of the entity with shareholding generally being between 20 per cent and 50 per cent of the voting rights.

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

Measurement

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

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

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

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

Impairment

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

Name of entity	REF	Principal activities	Reporting date	Ownership interest **Dec 2018** **%**	 Jun 2018 %
7Beyond Media Rights Limited		Television production	30 June	**50.0**	50.0
Community Newspaper Group Limited		Newspaper publishing	30 June	**49.9**	49.9
Crowdspark Limited		Online news provider	30 June	**21.9**	21.9
Epicfrog Pty Limited (trading as Nabo)		Online social network	30 June	**23.5**	23.5
Health Engine Pty Limited		Online health directory	30 June	**16.3**	16.3
New You Group Pty Limited (trading as Kochie Money Makeover)		Provider of general financial advice	30 June	**50.0**	50.0
NPC Media Pty Limited	[A]	Playout and content managements services	30 June	**50.0**	-
Oscar Winter Pty Limited		Online retail jewellery business	30 June	**33.3**	33.3
Oztam Pty Limited		Ratings service provider	31 December	**33.3**	33.3
Starts at 60 Pty Limited		Online social network for seniors	30 June	**35.3**	35.3
TX Australia Pty Limited		Transmitter facilities provider	30 June	**33.3**	33.3
Yahoo Australia & New Zealand (Holdings) Pty Limited	[B]	Internet content provider	31 December	**-**	50.0

[A] Seven West Media acquired 50.0% shareholding of NPC Media Pty Limited on 1 July 2018.

[B] In June 2018, investment in Yahoo!7 Pty Ltd has been reclassified as Asset Held for Sale following announcement by the Group to sell its 50% stake to Oath, a subsidiary of Verizon Inc. Refer Note 16 for detail.

7.1 Significant Equity Accounted Investees

	Yahoo Australia and New Zealand (Holdings) Pty Limited
Investment	A jointly controlled entity with Oath 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	In FY18, equity method up to the date of announcement of sale on 28 March 2018.

7. EQUITY ACCOUNTED INVESTEES (continued)

The following is summarised financial information of the investment, and reconciliation with the carrying amount of the investment in the consolidated financial statements. There is no other comprehensive income recognised in the below numbers.

No data is presented in FY19 as investment in Yahoo!7 Pty Ltd was reclassified to Asset Held for Sale in June 2018.

	REF	**Dec 2018 $'000**	Dec 2017 $'000
Revenue		-	36,044
Net profit for the half year	[A]	-	2,537
Group's 50% share of profit for the year		-	1,268

[A] In December 2017, this includes depreciation and amortisation of $3,799,000 and income tax benefit of $981,000. Interest expense and income is not significant.

		Dec 2018 $'000	Jun 2018 $'000
Current assets	[B]	-	32,430
Non-current assets		-	71,082
Current liabilities		-	(9,352)
Non-current liabilities		-	(2,480)
Net assets		-	91,680

[B] In June 2018, this includes cash and cash equivalents of $22,091,000.

	Dec 2018 $'000	Jun 2018 $'000
Movements in carrying amount of the investment in Yahoo7		
Carrying amount at the beginning of the half year	-	46,379
Share of profit of investees after tax	-	988
Carrying amount at the end of the half year	-	47,367
Investment transferred to Asset Held for Sale (refer Note 16)	-	(47,367)
Carrying amount of the investment at the end of the half year/ financial year	-	-

7.2 Other Equity Accounted Investees

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

	REF	**Dec 2018 $'000**	Dec 2017 $'000
Net loss for the year (continuing operations)		**(3,442)**	(3,653)
Group's share of profit (loss) for the half year	[A]	**847**	(72)

[A] Share of profit (loss) is based on ownership percentages ranging from 16.3% to 50% for each equity accounted investee.

	Dec 2018 $'000	Jun 2018 $'000
Movements in carrying amounts of other equity accounted investments		
Carrying amount at the beginning of the half year	**3,445**	4,983
Impairment of equity accounted investees	-	(1,254)
Share of profit of investees after tax	**847**	716
Dividends received	**(480)**	(1,000)
Carrying amount at the end of the half year	**3,812**	3,445

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

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

8. OTHER FINANCIAL ASSETS

Accounting policy

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

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

	Dec 2018 $'000	Jun 2018 $'000
Movements in carrying amounts of other financial assets		
Carrying amount at the beginning of the half year	**28,384**	21,384
Effect of adoption of new AASB 9 accounting standard (1 July 2018)	**22,971**	-
Acquisitions and other movements	**9,198**	7,000
Carrying amount at the end of the half year	**60,553**	28,384

Other financial assets represent equity investments in unlisted entities comprising of Airtasker, SocietyOne and others. The fair value of other financial assets is measured through a Level 3 (significant unobservable inputs) approach under the accounting standard *AASB 13 Fair Value Measurement.* The valuation technique used was based on the equity price established in the most recent round of equity financing and consideration of any other key changes in the investment which requires a level of judgement. The Group has initially applied AASB 9 at 1 July 2018 for other financial assets. Under the transition methods chosen, comparative information is not restated.

9. INTANGIBLE ASSETS

Accounting policy

Goodwill

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

Intangible Assets

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

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

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

	Useful life	**Amortisation method used**	**Internally generated or acquired**
Goodwill	Indefinite	No amortisation	Acquired
Television licences	Indefinite	No amortisation	Acquired
The West mastheads	Indefinite	No amortisation	Acquired
Radio licences	Indefinite	No amortisation	Acquired
Pacific mastheads	Indefinite	No amortisation	Acquired
Trademark	Finite (10-15 years)	Amortised on a straight line basis over its useful life	Acquired
Pacific licences	Finite (8 - 25 years)	Amortised on a straight line basis over the period of the licence	Acquired
Computer software	Finite (3 - 15 years)	Amortised on a straight line basis over its useful life	Internally generated and acquired

		Licences $'000	Mastheads $'000	Computer software $'000	Goodwill $'000	Trademark $'000	Total $'000
Half year ended 29 December 2018							
Net carrying amount at the beginning of the half year		955,660	37,913	34,317	4,494	1,578	1,033,962
Additions		-	-	3,516	-	24	3,540
Disposals		-	-	(93)	-	-	(93)
Amortisation charge		-	-	(5,235)	-	(7)	(5,242)
Acquisition/ disposal of controlled entity	[A]	-	-	(317)	-	(1,500)	(1,817)
Net carrying amount at the end of the half year		955,660	37,913	32,188	4,494	95	1,030,350
Comprised of:							
Cost		2,355,396	251,124	108,938	1,257,333	121	3,972,912
Accumulated amortisation and impairment		(1,399,736)	(213,211)	(76,750)	(1,252,839)	(26)	(2,942,562)
Year ended 30 June 2018							
Net carrying amount at the beginning of the year		955,660	37,913	25,354	926	49	1,019,902
Additions		-	-	19,923	-	36	19,959
Amortisation charge		-	-	(10,214)	-	(7)	(10,221)
Acquisition of controlled entity	[B]	-	-	30	3,568	1,500	5,098
Impairment		-	-	(776)	-	-	(776)
Net carrying amount at the end of the year		955,660	37,913	34,317	4,494	1,578	1,033,962
Comprised of:							
Cost		2,355,396	251,124	111,819	1,257,333	1,597	3,977,269
Accumulated amortisation and impairment		(1,399,736)	(213,211)	(77,502)	(1,252,839)	(19)	(2,943,307)

A. Computer software and Trademark disposed relates to the disposal of The Mentor Platform Pty Limited on 31st July 2018.
B. Goodwill additions in FY18 relate to the acquisition of Great Southern Television Limited on 10th December 2017. Trademark acquired relates to the acquisition of The Mentor Platform Pty Limited on 19th January 2018.

9.1 Impairment of non-financial assets

Accounting policy

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

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

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

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

The Group assessed the recoverable amount for each of the Cash Generating Units ('CGUs') and groups of CGUs being Television, The West (Metro and Regional) and Pacific 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.

9.1A. Allocation of goodwill and indefinite life assets

For the purpose of impairment testing, intangible assets with indefinite lives, including goodwill, are allocated to the Group’s operating divisions which represent the lowest level within the Group at which the assets are monitored for internal management purposes.

Allocation of CGU Groups	**Goodwill** $’000	**Licences, masthead** $’000	**Total** $’000
Half year ended 29 December 2018			
Television	3,568	938,344	941,912
The West (Metro and Regional)	-	37,913	37,913
Pacific	-	-	-
Other Business and New Ventures	926	17,316	18,242
Total goodwill and indefinite life assets	4,494	993,573	998,067
Year ended 30 June 2018			
Television	3,568	938,344	941,912
The West (Metro and Regional)	-	37,913	37,913
Pacific	-	-	-
Other Business and New Ventures	926	17,316	18,242
Total goodwill and indefinite life assets	4,494	993,573	998,067

9. INTANGIBLE ASSETS (continued)

9.1B. Impairment of cash generating units ('CGUs') including goodwill and indefinite life assets

In accordance with the Group's accounting policies, the Group has evaluated whether the carrying amount of a CGU or group of CGUs exceeds its recoverable amount as at 29 December 2018. The Group has determined the CGUs to be Television, The West (Metro and Regional) and Pacific businesses.

Valuation Methods
Television
The recoverable amount was determined using a value-in-use model by discounting the future cash flows expected to be generated from the continuing use of this unit.

The West
The recoverable amount are classified within Level 3 of the fair value hierarchy and is determined based on fair value less cost to sell calculations using discounted cash flow projections based on financial forecasts covering a five-year period with a terminal growth rate applied thereafter. In the prior year, the recoverable amount was determined using a value-in-use model.

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

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

(i) Cash flows
Year 1 cash flows are based upon budgets 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 takes into account historical share performance and management's expectation of share in forward periods, taking into consideration the impact of the Cricket agreement and programming across the schedule.
- Expenses are assumed to increase by CPI and known fixed increases for specific program rights.

The West (Metro and Regional)
- Publishing revenue has been assumed to decline in line with past performance, current market trend and management's expectations of market development.
- Digital revenue assumptions are in line with industry trends and management's expectations of market development.
- Expenses are expected to decrease based on committed cost reduction initiatives and volume assumptions.

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

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

	Terminal growth factor		Discount rate (pre-tax)		Discount rate (post-tax)	
	Dec-18	Jun-18	Dec-18	Jun-18	Dec-18	Jun-18
Television	0.5%	0.5%	14.0%	14.5%	9.3%	9.3%
The West - Metro	0.0%	0.0%	15.2%	13.4%	10.5%	10.5%
The West - Regional	0.0%	0.0%	19.0%	16.0%	10.5%	10.5%

9.1C. Impact of possible changes in key assumptions

The values assigned to the key assumptions represent management's assessment of future performance in each CGU based on historical experience and internal and external sources. The estimated recoverable amounts are highly sensitive to key assumptions.

Following the impairment analysis performed on the Television and The West (Metro and Regional) CGUs, the recoverable amounts are equal to the carrying amounts. Therefore, any adverse movements in key assumptions would lead to changes in the carrying amount.

10. SHARE CAPITAL

Accounting policy

Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.
Ordinary shares are fully-paid and have no par value. They carry one vote per share and the right to dividends. They bear no special terms or conditions affecting income or capital entitlements of the shareholders.

	Dec 2018	Jun 2018
	$'000	$'000
1,508,034,368 (June 2018:1,508,034,368) Ordinary shares fully paid	**3,393,546**	3,393,546

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.

11. DIVIDENDS

Accounting policy

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

	Dec 2018	Dec 2017
	$'000	$'000
In FY18, no final dividend was declared. In FY17, final ordinary dividend for the year ended 24 June 2017 of 2 cents per share fully franked based on tax paid at 30%, paid on 18 October 2017.	**-**	30,161
Dividends not recognised at half year end		
No interim dividend has been declared.	**-**	-

12. BORROWINGS

Accounting policy

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

	REF	Dec 2018 $'000	Restated Jun 2018 $'000
NON-CURRENT			
Bank loans – unsecured, net of unamortised refinancing costs	[A]	**688,592**	769,851

The Group completed a refinance of its new syndicated debt facilities in November 2018. These new facilities are split into Tranche A and Tranche B, with maturity dates of November 2021 and 2022 respectively. Lower rates were negotiated as a result of this refinance.

[A] In FY19, the unsecured bank loans are net of unamortised refinancing costs totalling $1.4 million. In FY18, the unsecured bank loans were net of $10.1 million unamortised refinancing costs, made up of $3.3m relating to the original unamortised refinancing cost and $6.8m of gain capitalised as a result of transition to AASB 9, reflecting the expected cashflow benefit of the previously refinanced debt facilities to the original debt facility (refer to Note 18).

13. 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).

The following table shows the valuation techniques and measurement level inputs used to assess the fair value of financial assets and financial liabilities at 29 December 2018.

Type	Valuation Technique	Measurement Level	Amount
Interest Rate Swaps and Collars	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, future prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bonds prices.	Level 2	The interest rate cash flow hedges and foreign exchange cash flow hedges in aggregate amount to $1,967,000 (June 2018: $2,712,000).
Forward Exchange Contracts	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies	Level 2	
Other Financial Assets	Refer to Note 8 for detail.		
Intangible Assets	Refer to Note 9.1B for detail.		
Asset Held For Sale	Refer to Note 16 for detail.		

14. 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.

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.

16. ASSET HELD FOR SALE

Accounting policy

Accounting for asset held for sale

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

Sale of Yahoo!7 Pty Ltd

Yahoo7 is a web portal, providing email, online news and lifestyle content as well as weather, travel and retail comparison services. On 28 March 2018, the Company announced its intention to sell its 50% shareholding in Yahoo!7 Pty Ltd to Oath Inc, a Verizon Inc company, arising out of the exercise of the put option on change of control in Yahoo! Inc. Over the last 24 months, Seven West Media has been taking back control of its content from Yahoo7. After selling its shares, Seven West Media will complete this process by reassuming all of its remaining digital content including 7 News, 7Sport and its short form video.

In accordance with the terms of the shareholder agreement both shareholders have obtained an independent valuation of Yahoo7 prior to 30 June 2018, but no agreement was reached on the selling price. Subsequently, a third independent valuation was engaged to perform a new valuation. The result of this valuation will determine the final selling price. As at the date of this report, the third valuation has not yet been finalised and negotiations between Seven and Oath is ongoing.

In June 2018, an impairment loss of $11.9 million, including estimated selling costs, to write down the Company's shareholding to the lower of its carrying amounts and its fair value less costs to sell has been included in Significant Items. The fair value measurement of Yahoo7 of $36.1m has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The Company, together with their independent valuation expert, has estimated the selling price based on a 5 year cash flow model using budgets and forecasts determined based on their interpretation of the terms of the shareholders agreement, a discount rate of 10% and a terminal growth rate of 2%.

The increase in value of Yahoo7 to December is in relation to selling costs incurred subsequent to June 2018.

A further impairment could arise in the future if the third independent valuation of Yahoo7 is less than the fair value measurement of $36.1m as it will reduce the final selling price of the Company's shareholding in Yahoo7.

17. SUMMARY OF OTHER 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 30 June 2018 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.

17.1 Basis of preparation

This half year financial report is for the reporting period ended 29 December 2018 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.

For new accounting policies adopted for the year, refer to Note 18.

This half year financial report has been prepared on the basis of historical cost except for assets described in Note 13.

17.2 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.

17.2.A. Recoverable amounts of receivables

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

17.2.B. Recoverable amounts of program rights

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

17.2.C. 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 based on value-in-use and fair value less cost to sell approaches. These calculations require the use of estimates and assumptions.

17.2.D. Recoverable amounts of Property, Plant and Equipment

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

17. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

17.2.F. Onerous provisions

The Group has recognised an onerous contract provision in relation to a number of specific non-cancellable purchase contracts for television programs and sporting broadcast rights. The majority of the provision relates to legacy output deals for US content and the Tokyo Olympics. The onerous losses arise over the next six years aligned with the expected broadcast date of the programs and events.

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

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

17.2.H. Share-Based Payments
The Group measures the cost of equity transactions with employees by reference to the fair value of equity instruments at the date at which they are 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.

17.3 Comparatives
Comparative information is reclassified where appropriate to enhance comparability.

17.4 Significant accounting policies
The Group has adopted the new accounting standards for AASB 15 "Revenue from Contracts with Customers" and AASB 9 "Financial Instruments". Refer to Note 18 for detail.

The below standard has been issued but was not effective during the half year ended 29 December 2018. The Group has elected not to early adopt this standard or make amendments in these financial statements:

AASB 16 Leases
AASB 16 *Leases* is effective 1 July 2019. AASB 16 will change lease accounting for lessees under operating leases. Such agreements will require recognition of an asset, representing the right to use the leased item, and a liability, representing future lease payments. Lease costs (such as property rent) will be recognised in the form of depreciation and interest, rather than as an operating cost.

The detailed assessment of impact on the Group's performance is progressing, with the current focus on the modelling of impact based on the lease database. The adoption is likely to have a material impact on the presentation of the Group's assets and liabilities, mainly due to property leases.

Due to the quantity of leases under review, the Group has not substantially completed the assessment of lease contracts under the new accounting standard. Therefore, a quantification of the impact on the Group's results cannot yet be reliably estimated.

18. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations
The Group has adopted AASB 15 "Revenue from Contracts with Customers" and AASB 9 "Financial Instruments" from 1 July 2018. The nature and effect of the changes as a result of adoption of these new accounting standards are detailed below.

Several other amendments and interpretations apply for the first time from 1 July 2018, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

18.1 AASB 15 Revenue from Contracts with Customers
AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 118 'Revenue', AASB 111 'Construction Contracts' and related interpretations.

The Group has adopted AASB 15 on a modified retrospective basis. The effect of applying this basis is an adjustment to opening retained earnings of $0.99m in accumulated deficit at 1 July 2018 for the cumulative effect of applying AASB 15 up to 30 June 2018. Accordingly, the information presented for FY18 has not been restated - i.e. it is presented, as previously reported, under AASB 118, AASB 111 and related interpretations.

The Group's revenue recognition policy for 3rd party production contracts has changed from percentage of completion to delivery of performance obligations in accordance to AASB 15. The change in accounting policy resulted in the deferral of 3rd party commissioned revenue and related costs, where timing of recognition and delivery was not aligned in the prior comparative period. The July 2018 balance sheet including tax was adjusted for the impact of the timing difference.

Without the adoption of AASB 15, the Group's reported revenue and cost in its half year financial report for the six months ended 30 December 2018 would have been $5.8m and $5.5m lower respectively. The net impact after tax to the Group's retained earnings as at 29 December 2018 would have been $0.2m lower.

There was no material impact on the Group's half year statement of cashflows for the six month period ended 29 December 2018.

As the effect of the application of AASB 15 on all other revenue streams is not material, further details of the new significant accounting policies will be set out in the Group's consolidated financial statements as at and for the year ending 29 June 2019.

18.2 AASB 9 Financial Instruments

AASB 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement.*

The Group has adopted AASB 9 from 1 July 2018 on a fully retrospective basis, adjusting the comparative information for the period beginning 25 June 2017 except as described in section 18.2.2 below. Accordingly, the information presented in December 2017 and June 2018 has been restated to include the effect of transition. Refer to section 18.2.1 below.

18.2.1. Fully retrospective basis

Impact on statement of profit or loss	**Ref**	**30-Dec-17**	**30-Dec-17**	**30-Dec-17**
		'000s	**'000s**	**'000s**
		Reported	**Adjusted**	**Restated**
Finance costs	(a)	(17,038)	(1,504)	(18,542)
Profit before tax		142,848	(1,504)	141,344
Tax benefit (expense)		(42,120)	451	(41,669)
Profit for the half year		100,728	(1,053)	99,675
Basic earnings per share	(b)	6.7 cents	(0.1 cents)	6.6 cents
Diluted earnings per share	(b)	6.7 cents	(0.1 cents)	6.6 cents

Impact on consolidated statement of financial position	**Ref**	**30-Jun-18**	**30-Jun-18**	**30-Jun-18**
		'000s	**'000s**	**'000s**
Liabilities		**Reported**	**Adjusted**	**Restated**
Borrowings	(a)	776,647	(6,796)	769,851
Deferred tax liabilities	(b)	8,919	2,040	10,959
Equity				
Accumulated deficit	(b)	(2,864,733)	4,756	(2,859,977)

Impact on consolidated statement of changes in equity	**Ref**	**24-Jun-17**	**24-Jun-17**	**24-Jun-17**
		'000s	**'000s**	**'000s**
Equity		**Reported**	**Adjusted**	**Restated**
Accumulated deficit	(a)	(2,970,353)	6,862	(2,963,491)

The nature of these adjustments are described below:

(a) Borrowing costs

On adoption of AASB 9, the Group identified a material adjustment relating to the 2016 refinance of its debt facility. AASB 9 maintains the assessment criteria for determining if a debt refinancing is deemed to be substantial or non-substantial. For debt modifications that are non-substantial, the difference between the net present value of the expected future cash flows under the new facility is compared to the original facility and is capitalised and amortised over the remainder of the facility term.

As a result, a benefit of $6.9m has been recognised as an FY18 opening retained earnings adjustment on transition and interest expense for the 6 months to December 2017 increased by $1.5m.

In November 2018, the Group completed a further refinance of its debt facilities. This refinance was assessed to be a substantial modification, and accordingly, the net amount of the unamortised borrowing cost and gain capitalised at the time of modification of $8.6m was written off to the profit or loss. Refer Note 4 for detail.

(b) Other adjustments

On adoption of AASB 9, other items of the primary financial statements such as earnings per share, deferred taxes and retained earnings were adjusted as necessary.

18.2.2. Exception to the retrospective transition basis

On adoption of AASB 9, the Group's accounting for its other investments held is now required to be fair valued at each reporting period. Previously, these investments were held at cost. The Group has elected to classify these investments as fair value through other comprehensive income as these investments are not held for trading. The transition classification only takes effect from the date of initial application and therefore the prior year statements are not adjusted for this change. The effect of applying this is an increase to Other Financial Assets of $23.0m, Fair Value Reserves of $16.1m and Deferred Tax Liability of $6.9m at 1 July 2018. Refer Note 8 for detail on fair value assumptions.

18.2.3. Other Items

(i) Trade receivables

The standard also introduces a new impairment model that requires the recognition of impairment provisions based on the expected credit losses rather than incurred credit losses as measured under AASB 139. Based on the Group's assessment, there are no material changes to the measurement of trade and other receivables under the new method.

(ii) Other

There are no other changes to the measurement of the Group's financial assets and liabilities.

Directors' Declaration

Seven West Media Limited
ABN 91 053 480 845

FOR THE HALF YEAR ENDED 29 DECEMBER 2018

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

1. the consolidated financial statements and notes set out on pages 11 to 27 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Group's financial position as at 29 December 2018 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

19 February 2019

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, nothing has come to our attention that causes us to believe that the Half-year Financial Report of Seven West Media Limited does not present fairly, in all material respect, the financial position of Seven West Media Limited as at 29 December 2018, and of its financial performance and cash flows for the year then ended, in accordance with the *Corporations Act 2001,* including:

- Giving a true and fair view of the ***Group's*** financial position as at 29 December 2018 and of its performance for the Half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001.*

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

- Consolidated Statement of Financial Position as at 29 December 2018.
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year then ended
- Notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Seven West Media Limited (the Company) and the entities it controlled at the Half-year 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.

Assurance Practitioner's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the accompanying 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 29 December 2018 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 the 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.

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

KPMG

Sydney

19 February 2019

Tracey Driver

Partner