15 February 2022

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

APPENDIX 4D AND HALF YEAR FINANCIAL REPORT

Seven West Media Limited (ASX: SWM) attaches the Appendix 4D and Half Year Financial Report for the half year ended 25 December 2021.

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

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About Seven West Media

Seven West Media (ASX: SWM) is one of Australia's most prominent media companies, with a market-leading presence in content production across broadcast television, publishing and digital.

The company is home to some of Australia's most renowned media businesses, including the Seven Network and its affiliate channels 7two, 7mate, 7flix; broadcast video on demand platform 7plus; 7NEWS.com.au; The West Australian; and The Sunday Times. With iconic brands such as Australia's leading news and breakfast programs **7NEWS** and **Sunrise, Big Brother**, **SAS Australia**, **Farmer Wants A Wife**, **The Voice**, **Dancing With The Stars: All Stars**, **Home and Away, The Chase Australia** and **Better Homes and Gardens**, Seven West Media is also the broadcast partner of the AFL, Cricket Australia, Supercars, the Commonwealth Games and the Olympics.

Seven West Media Limited
Appendix 4D
Half Year Financial Report
for the half year ended 25 December 2021

Results for announcement to the market

	Dec 2021 $'000	Restated[3] Dec 2020 $'000	Movement
Reported			
Revenue from ordinary activities	**818,418**	644,238	Up 27.0%
Other income	**1,092**	-	N/A
Revenue and other income	**819,510**	644,238	Up 27.2%
Profit (loss) from ordinary activities after tax from continuing operations attributable to members	**120,495**	116,730	Up 3.2%
Net profit (loss) from continuing operations for the period attributable to members	**120,495**	116,748	Up 3.2%
Additional information			
Group EBITDA[2]	**215,282**	164,942	Up 30.5%
Group EBIT[1]	**203,477**	152,477	Up 33.4%
Significant items of income (expense) before tax	**(9,609)**	41,493	N/A
Profit before tax excluding significant items from continuing operations	**183,199**	121,639	Up 50.6%
Profit after tax excluding significant items net of tax from continuing operations	**128,675**	87,123	Up 47.7%

The current reporting period relates to the period from 27 June 2021 to 25 December 2021 and the previous reporting period relates to the period from 28 June 2020 to 26 December 2020.

Dividends

No dividends were declared or paid during the half year ended 25 December 2021 or during the prior corresponding period.

Net tangible assets	**Dec 2021**	**Jun 2021**
Net tangible asset backing per ordinary share (cents)	**(0.32)**	(0.39)

Entities over which control was gained or lost during the period

The group gained control over the following entities on 23 December 2021 as part of the Prime Media Group of companies acquisition:

135 Nominees Pty Ltd
Broadcast Production Services Pty Ltd
Geraldton Telecasters Pty Ltd
Golden West Network Pty Ltd
Golden West Satellite Communications Pty Ltd
Mid West Television Pty Ltd
Mining Television Network Pty Ltd
Prime Digitalworks Pty Ltd
Prime Media Broadcasting Services Pty Ltd
Prime Media Group Services Pty Ltd
Prime New Media Investments Pty Ltd
Prime Properties (Albury) Pty Ltd
Prime Television (Holdings) Pty Ltd
Prime Television (Northern) Pty Ltd
Prime Television (Southern) Pty Ltd
Prime Television (Victoria) Pty Ltd
Prime Television Investments Pty Ltd
Screenworld Pty Ltd
Seven Affiliate Sales Pty Ltd
Telepro Pty Ltd
Zamojill Pty Ltd

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

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

Note 3: Prior year figures have been restated for adoption of IFRIC agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement (AASB 138 Intangible Assets)

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Directors' Report

Seven West Media Limited
ABN 91 053 480 845

FOR THE HALF YEAR ENDED 25 DECEMBER 2021

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 25 December 2021 and the review report thereon.

Directors

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

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

Review of results and operations

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

Basis of preparation

Current year performance

For the six months ended 25 December 2021 the Group recorded Earnings Before Interest and Tax (EBIT) (and before significant items) of $203.5m. The statutory profit after tax was $120.5m (including significant items). The 1HFY22 net operating cash inflows were $133.6m. At reporting date, the Group was in a net asset position of $218.4m, including available cash of $246.6m and net debt of $116.7m.

As at 25 December 2021, the Group's net assets exceeded its liabilities by $218.4 million (26 December 2020: liabilities exceeded assets by $120.3 million).

Over the last 12 months the Group has returned to a net asset position as a result of:
- continued strong operating profits and cash generation during the half year.
- prior period reversals of impairment in the Group's Television licences following the carrying value assessment of the TV CGU performed at the 26 June 2021 balance date. This reflects the continued improvement in the conditions and outlook in the metro free-to-air market and the new revenue streams secured from the usage of the Group's content on global digital platforms following the enactment of the Media Bargaining Code in February 2021; and
- prior period exit from a long term onerous program contract and the reassessment of other onerous contracts provisions required in respect of certain programming rights agreements resulting in the reversal of $66.7 million of previously recognised provisions during the year ended 26 June 2021.

The Group has positive net current assets as at 25 December 2021 of $55.5 million.

SMI data reported that the Australian total advertising market grew by 23.9 per cent in the 2021 calendar year compared to the previous year, with 19.3 per cent growth in the six months to 31 December 2021. This growth continued to reflect the strong performance of metropolitan free-to-air television and digital with these segments supporting the recovery of the overall market with growth reported to be 20.1 per cent and 36.1 per cent respectively for the full calendar year.

Current year performance (continued)

ThinkTV reported that metropolitan free to air television advertising market increased by 18.5 per cent to $2.77 billion in the calendar year, growing by 13 per cent in the second half of the calendar year. While this demonstrated a strong recovery from a COVID affected 2020 calendar year, this result was also 6 per cent growth on the market in the 2019 calendar year. Despite lockdowns and border closures intermittently impacting key metropolitan markets throughout the 2021 calendar year and into 2022, the market has remained strong.

The Broadcast Video on Demand (BVOD) category continues its rapid growth - at a CAGR of 43 per cent since 2018. ThinkTV reported growth of 57.6 per cent in the six months to December 2021, with advertising revenues from online catch-up and live TV streaming reaching $193.1 million.

The West Australian newspapers delivered above market revenue trends in a sector that continues to face strong headwinds. Advertising revenue at The West Australian grew by 1 per cent compared to the 14.5 per cent market decline reported by SMI.

Debt facilities

In October 2021, the Group refinanced their existing debt facility. A secured revolving syndicated facility agreement was entered into which matures in October 2024 ($600 million). Under the terms of the agreement the previous minimum liquidity requirements and EBITDA test were replaced by a total leverage ratio and a total interest cover ratio test. The Group has been in compliance with its financial covenants to date, including the period ended 25 December 2021.

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

Matters subsequent to the end of the half year

Seven Network (Operations) Limited, a wholly owned subsidiary of Seven West Media Limited, completed its acquisition of 100% of the issued share capital of Prime Television (Holdings) Pty Limited and its subsidiaries, and Seven Affiliate Sales Pty Limited (Prime Media Group) from PRT Company Limited (formerly Prime Media Group Limited) on 31 December 2021. SWM paid $124.2 million to PRT Company Limited on 31 December 2021. A further $4.8 million was paid for transaction costs arising from the acquisition.

Prime Group was consolidated from 23 December 2021, the date of effective control. The provisional opening balance sheet of Prime Group is included in SWM’s consolidated balance sheet at 25 December 2021 (half year-end balance date). Transactions costs of $4.8 million were expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 25 December 2021.

On 21 January 2022 PRT Company Limited (PRT) announced the payment of a fully franked dividend to existing shareholders of $0.26 per share and a capital return of $0.10 per share. Seven West Media Limited holds 54,594,368 shares in PRT (classified as a Financial Asset), the dividend and capital return were paid to shareholders on 4 February 2022. Seven West Media received cash dividends and a capital return totalling $19.6m from PRT.

Following the receipt of the dividend and capital return from PRT Company Limited on 4 February 2022, the fair value of the PRT Company Limited Investment was reduced to zero. A fair value loss of $19.1 million was recognised in Other Comprehensive Income (reserves).

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 25 December 2021.

Rounding

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

Signed in accordance with a resolution of the Directors.

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KM Stokes AC

Chairman

15 February 2022

Seven West Media Limited
Review of Operations
Group Performance

Summary of Financial Performance

	H1FY22 $m	H1FY21[4] $m	Change[3] %
Revenue	818.4	644.2	27.0%
Other income	1.1	-	nm
Share of net profit of equity accounted investees	0.2	1.2	(80.8%)
Revenue, other income and equity accounted profits	**819.7**	**645.4**	**27.0%**
Operating expenses excluding depreciation and amortisation	(604.4)	(480.5)	25.8%
EBITDA[1]	**215.3**	**164.9**	**30.6%**
Depreciation and amortisation	(11.8)	(12.5)	(5.6%)
EBIT[2]	**203.5**	**152.5**	**33.4%**
Net finance costs	(20.3)	(30.8)	(34.2%)
Profit before significant items and tax from continuing operations	**183.2**	**121.6**	**50.6%**
Significant items excluding tax	(9.6)	41.5	nm
Profit before tax from continuing operations	**173.6**	**163.1**	**6.4%**
Tax (expense) benefit	(53.1)	(46.2)	14.8%
Profit after tax from continuing operations	**120.5**	**116.9**	**3.1%**
EBITDA margin	26.3%	25.6%	
EPS from continuing operations			
Basic EPS	7.8	7.6	
Basic EPS excluding significant items net of tax	8.4	5.7	
Diluted EPS	7.8	7.6	
Diluted EPS excluding significant items net of tax	8.4	5.7	

(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 adoption of IFRIC agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement (AASB 138 Intangible Assets)
(5) "nm" means "not meaningful"

Reconciliation of EBIT to statutory profit before tax

	H1FY22 $m	H1FY21[4] $m	Change[3] %
EBIT	**203.5**	**152.5**	**33.4%**
Net finance costs	(20.3)	(30.8)	(34.2%)
Significant items	(9.6)	41.5	nm
Profit (loss) before tax from continuing operations	**173.6**	**163.1**	**6.4%**

Seven West Media Limited reported profit before significant items, net finance costs and tax (EBIT) of $203.5 million which was up 33.4 per cent on the previous corresponding period. Excluding significant items, the current half year profit after tax of $128.7 million is up 47.7 per cent on the previous corresponding period.

The Company delivered revenue including share of equity accounted investees profits of $819.7 million, up 27 .0 per cent versus the previous half year.

Significant items before tax of $9.6 million were recorded in the period, including the transaction costs incurred in the acquisition of the Prime business and the write off of previously unamortised borrowing costs associated with the 2020 debt facility which was refinanced during the period.

SWM Board will assess capital management options during 2H22 to further enhance shareholder value .

Advertising Market and Revenue Performance

SMI data reported that the Australian total advertising market grew by 23.9 per cent in the 2021 calendar year compared to the previous year, with 19.3 per cent growth in the six months to 31 December 2021. This growth continued to reflect the strong performance of metropolitan free-to-air television and digital with these segments supporting the recovery of the overall market with growth reported to be 20.1 per cent and 36.1 per cent respectively for the full calendar year.

ThinkTV reported that metropolitan free to air television advertising market increased by 18.5 per cent to $2.77 billion in the calendar year, growing by 13 per cent in the second half of the calendar year. While this demonstrated a strong recovery from a COVID affected 2020 calendar year, this result was also 6 per cent growth on the market in the 2019 calendar year. Despite lockdowns and border closures intermittently impacting key metropolitan markets throughout the 2021 calendar year and into 2022, the market has remained strong.

The Broadcast Video on Demand (BVOD) category continues its rapid growth - at a CAGR of 43 per cent since 2018. ThinkTV reported growth of 57.6 per cent in the six months to December 2021, with advertising revenues from online catch-up and live TV streaming reaching $193.1 million.

Seven outperformed the market in the half, growing its digital gross advertising revenue by 111 per cent YoY.

The West Australian newspapers delivered above market revenue trends in a sector that continues to face strong headwinds. Advertising revenue at The West Australian grew by 1 per cent in the half compared to the 8.6 per cent market decline reporte d by SMI.

Cost Management

Costs remain a priority and a continued focus to ensure that the benefits of the restructuri ng completed in FY20 and FY21 are retained as the Company continues to invest in premium content and manage through FY22 which is impacted by one-off costs from historical contracts.

Total Group costs in H1FY22 were $616.2 million, $123.3 million higher than the prior corresponding period. This cost increase reflects a return to a normalised programming schedule in H1FY22 as compared to a heavily COVID interrupted half in FY21. The one off $53.0 million net cost of the Tokyo Summer Olympic Games and $29.1 million prior year one off benefits from JobKeeper and PING grants were also reflected in this year on year cost growth. This outcome is in line with the cost guidance provided at the Company's FY21 results in August 2021.

Cashflow

The significant improvement in business performance and earnings generated net operating cash inflows of $133.6 million, up 63.9 per cent on the prior year. Working capital movements largely relate to the timing of programming payments. Tax payments will normalise in the second half reversing the year to date inflows as tax lodgements for periods post the business and market recovery from COVID are made.

Following the decision to reinvest in a further round of SWM Ventures, $13.6 million of payments to portfolio companies were made during the half year to December 2021.

The Company held $246.6 million of cash as at 25 December 2021, a decrease of $165.1m from prior year reflecting the repayment and restructure of the debt facilities during the intervening period. This also includes the $23.2 million of cash acquired with Prime.

Balance Sheet

As at 25 December 2021, the Group's assets exceeded its liabilities by $218.4 million (26 December 2020: liabilities exceeded assets by $120.3 million).

The Group has returned to a net asset position over the past 12 months as a result of:

- strong operating profits and cash generation;
- prior period reversal of impairments of the Group's Television licences following the carrying value assessment of the TV CGU at 26 June 2021. This reflects the significant improvement in conditions and outlook in the metro free-to-air market and the new revenue streams secured from the usage of the Group's content on global digital platforms following the enactment of the Media Bargaining Code in February 2021; and
- prior period exits from a long-term onerous program contracts and the reassessment of other onerous contracts provisions required in respect of certain programming rights agreements resulting in the prior period reversal of $66.7 million of previously recognised provisions.

The Group has positive net current assets as at 25 December 2021 of $55.5 million.

The reported balance sheet at 25 December 2021 includes the preliminary acquisition balance sheet arising from the acquisition of Prime. For further detail refer to Note 16.

Net Debt

At 25 December 2021, the Group had available cash of $246.6 million with net debt of $116.7 million.
During the 2021 financial year, as a result of the successful cost management activities and the strong operating performance during the year, $250.0 million of the Group's debt facility was able to be repaid and cancelled reducing the total facility limit to $500.0 million by year end. Leverage reduced to below 1.0x.

As a result of these improvements, the Company commenced a renegotiation of its syndicated facility agreement.

In October 2021, the Company completed the refinancing also securing additional limits to allow for the acquisition of Prime. The new facility has a $600 million limit and matures in October 2024. The capital management restrictions imposed by the previous facility were eased, interest margin reduced by 50 per cent and leverage and interest cover ratios reinstated.

The Company has operated with significant headroom to the applicable covenants during the year.

Due to the consolidation of Prime from the date of the shareholder vote on 23 December, which was prior to the financial close of the transaction, the reported net debt is lower than would be calculated after the acquisition completed. The $124.2 million liability relating to the payment of the acquisition price and transaction costs for Prime is classified as a Trade and Other Payable at reporting date. This would increase net debt to $240.9 million which is in line with the position reported for June 2021.

For further details of the balances reflected in the accounts relating to the Prime acquisition as well as the details of the acquisition, refer to Note 16.

Review of Operations

Seven

Seven's content and transformation strategy accelerated throughout the financial year with the tentpoles that were successfully launched in 2020 returning in 2021 to deliver the audience consistency and strength required for Seven to reclaim position as the number 1 network. Seven also finished 2021 with the leading commercial free-to-air BVOD platform.

Seven's strategy continues to focus on acquiring, engaging and retaining advertising friendly demographics. Our aim is to bring viewers the best entertainment, news and sport content to engage these audiences at scale. The revitalised entertainment schedule is continuing to enrich the demographic profile of the network and enhance our proposition for advertisers.

Since its launch 7REDiQ has enhanced our digital audience targeting capabilities, unifying insights and data analytics across the Group. This data offering securing premium revenue, supporting the growth in the overall BVOD market as well as Seven's share of tha t market. The proportion of Seven's digital inventory that is sold with a data overlay doubled during the half and the business is on track to have 50 per cent of all programmatic activity transacted with addressable targeted segments in 2022.

Seven Network

In 2021 the Seven Network has reclaimed the title of Australia's number 1 television network and achieved the strongest free-to-air commercial audience share growth of any network.

Measured across the 2021 television ratings survey year, the Seven Network has the greatest share of total television viewers in Australia – with or without the inclusion of Seven's record-breaking Olympic Games Tokyo 2020 coverage. Seven is dominant, ranking number 1 in total people, 16 to 39s and under 50s.

Seven	HY22 $m	HY21 $m	Inc/(Dec) %
Revenue	**732.1**	562.9	30.1%
Costs	**(526.9)**	(409.7)	28.6%
EBITDA	**205.2**	153.2	33.9%
EBIT	**193.8**	141.2	37.3%

Seven's free digital on-demand and streaming service 7plus once again ranks number 1, recording more total minutes and live minutes streamed than any other Australian commercial free-to-air BVOD service in 2021.

The 2022 financial year commenced with the Tokyo Summer Olympic Games which was a landmark media event reaching 20.2 million Australians across broadcast and 7plus. More than 4.74 billion minutes of Olympic content was streamed and at the conclusion of the event, 7plus registered users numbered 9.2 million. These users have remained highly engaged with 7plus since the conclusion of the event due to the strong content that followed. Registered users have continued to grow, exceeding 10 million by the end of December 2021.

The Voice, which launched out of the Games, was the number 1 entertainment show in 2021. The *AFL Finals Series*, (including the AFL Grand Final which was the number 1 program in 2021) and *The Ashes* followed, allowing the network to continue its ratings momentum well into 2022.

The depth of the Seven broadcast schedule remains unparalleled. This consistency is led by our market-leading news and public affairs programming with *7NEWS*, *Sunrise* and *The Morning Show* all leading their timeslots by a material margin.

7NEWS continued its dominance as the number 1 news service in the country. It remains the most trusted source of broadcast news in the country with our evening 6pm news bulletin continuing to average over 1 million metro viewers in 2021.

Seven's programming schedule begins each day with *Sunrise* which remains Australia's most-watched breakfast show for an 18th consecutive financial year. *The Morning Show* counted 14 years as the most-watched morning show. *Home and Away* continues to be the number 1 Australian drama on free to air. Rounding out Seven's dominance throughout the day is the lead-in to Seven's market leading nightly news service with *The Chase*. Seven is also the home of Australia's number one summer and winter sports in the cricket and AFL.

This revitalised Entertainment schedule with successful new formats, combined with our market-leading News and Sports franchises has resulted in our return as the number 1 broadcast network securing a 39.6 per cent audience share in the half. This ratings momentum with our tentpole shows, content spine and premium sport is now also reflected in leading 40.3 per cent share of television advertising revenue.

Seven's revenue grew by 30.1 per cent to $732.1 million including the first half contribution from the partnerships with Google and Facebook. As programming scheduling normalised, costs grew by 28.6 per cent to $526.9 million and EBIT increased by 37.3 percent to $193.8 million.

Digital platforms

Seven's Broadcast Video on Demand (BVOD) streaming platform 7plus increased share of Total Minutes streamed in H1FY22 to 50.5 per cent, up 6.5 per cent year on year. Streaming minutes on 7plus grew by 88 per cent, comfortably outperforming commercial FTA market streaming growth of 64 per cent.

7plus finished 2021 as at the leading commercial free-to-air streaming platform.

The launch of audience measurement system VOZ in July 2021 now allows us to highlight the incremental reach of BVOD. Digital revenue included within the Seven business increased by 111.0 per cent during the half to $96.8 million.

The West

West Australian Newspapers is the fastest growing digital news brand in Australia*. Publications include The West Australian, The Sunday Times, 19 regional publications, 13 suburban newspapers and the State's most popular news website PerthNow.com.au

WAN	HY22 $m	HY21 $m	Inc/(Dec) %
Revenue	**85.8**	80.7	6.3%
Costs	**(66.4)**	(61.7)	7.6%
EBITDA	**19.4**	19.0	2.1%
EBIT	**19.2**	18.8	2.1%

The West Australian averages 356k print readers every day and 464k on the weekend**. The Sunday Times has an average of 389k readers every weekend**. Latest data reveals that in the past year these Roy Morgan readership numbers have risen 17 per cent for the daily newspaper and 13.0 per cent for the Sunday newspaper on the back of award-winning journalism and powerful newspaper presentations.

Most significantly, thewest.com.au and PerthNow.com.au have 3.2m unique monthly audiences collectively.

In print, The West Australian Monday–Friday edition has the equal highest market reach of any major metro weekday masthead in the nation, with 16 per cent of West Australians on average reading an issue of the weekday edition. Average weekday readership of The West Australian was up 13.0 per cent in the 12 months to September 2021 – performing in line with the broader industry. Pleasingly, the Saturday West now has the highest reach of any Saturday metro masthead in Australia**.

The West has continued to transform its business with a strong focus on driving a greater share of its revenue from digital subscriptions and circulation, through high quality local editorial. The result of this focus is demonstrated in the leading readership and circulation results across the country, as well as the strong growth in digital subscriptions revenue, up 46.0 per cent YoY.

Economic conditions continue to improve in WA, although advertising conditions have been mixed. Strong retail trade has continued to be a positive catalyst for advertising spend, but certain sectors have been faced with demand outstripping supply, such as auto and real estate, which has resulted in reduced advertising spend. Travel remains impacted by COVID-19.

Overall total revenue grew by 6.3 per cent to $85.8 million including the first half contributions from Google and Facebook partnerships. Operating costs have been a priority and a continued focus. The West's costs increased 7.6 per cent or $4.7 million to $66.4 million in 1H22. Excluding the temporary benefit from JobKeeper and the Government's PING grant in the prior period, costs were down 4.0 per cent YoY.

**Nielsen Digital Media Ratings, Monthly Tagged, Nov 2021 vs Dec 2021, People 2+, Digital (C/M), Text, Current Events & Global News (subcategory), Unique Audience, MoM% UA Change*

*** Roy Morgan, All people 14+. Average issue readership for the years to September 2021*

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 25 December 2021 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

D McLennan

Duncan McLennan

Partner

Sydney

15 February 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 25 December 2021

	Notes	Dec 2021 $'000	Restated [1] Dec 2020 $'000
Continuing Operations			
Revenue	3	**818,418**	644,238
Other income	3	**1,092**	-
Revenue and other income		**819,510**	644,238
Expenses	4	**(616,263)**	(492,956)
Impairment of fixed assets	5	**-**	(2,743)
Income (costs) related to investments	5	**(4,794)**	3,645
Net gain on disposal of investments	5	**-**	3,445
Onerous Contracts provisioning	5	**-**	(16,633)
Reversal of onerous provisioning	5	**-**	54,469
Share of net profit of equity accounted investees	8	**230**	1,195
Profit before net finance costs and tax from continuing operations		**198,683**	194,660
Finance income		**470**	1,085
Finance costs		**(20,748)**	(31,923)
Write off of unamortised refinancing cost	5	**(4,815)**	(690)
Profit before tax from continuing operations		**173,590**	163,132
Tax expense	6	**(53,080)**	(46,238)
Profit for the half year from continuing operations		**120,510**	116,894
Discontinued operations			
Loss after tax for the year from discontinued operations		**-**	(18)
Profit for the year		**120,510**	116,876
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		**-**	2,097
Exchange differences on translation of foreign operations		**107**	106
Tax relating to items that may be reclassified subsequently to profit or loss		**-**	(629)
Items that will not be reclassified to profit or loss:			
Net change in fair value of financial assets (net of tax)		**10,185**	4,510
Other comprehensive income for the half year, net of tax		**10,292**	6,084
Total comprehensive income for the half year attributable to owners of the Company		**130,802**	122,960
Total comprehensive income attributable to:			
Owners of the Company		**130,787**	122,814
Non-controlling interests		**15**	146
Total comprehensive income for the year		**130,802**	122,960
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	7	**7.8 cents**	7.6 cents
Diluted earnings per share	7	**7.8 cents**	7.6 cents

Comparative financial information has been restated for the following:
[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.

Consolidated Statement of Financial Position

As at 25 December 2021

	Notes	**Dec 2021 $'000**	Jun 2021 $'000	Restated[1] Dec 2020 $'000
ASSETS				
Current assets				
Cash and cash equivalents		**246,594**	253,332	411,661
Trade and other receivables		**227,780**	211,965	196,400
Program rights and inventories		**136,687**	184,325	186,114
Contract assets		**1,282**	2,468	16,493
Other assets		**23,543**	12,803	17,855
Total current assets		**635,886**	664,893	828,523
Non-current assets				
Program rights		**-**	34	-
Equity accounted investees	8	**16,065**	15,835	10,708
Other financial assets	9	**90,210**	37,355	90,077
Property, plant and equipment		**68,881**	49,453	48,421
Intangible assets	10	**731,612**	680,280	473,201
Right of use assets		**73,211**	72,089	83,626
Other assets		**3,248**	3,698	6,600
Total non-current assets		**983,227**	858,744	712,633
Total assets		**1,619,113**	1,523,637	1,541,156
LIABILITIES				
Current liabilities				
Trade and other payables		**332,226**	256,967	252,104
Lease liabilities		**12,474**	10,524	10,702
Provisions		**102,155**	151,990	187,258
Deferred income		**40,019**	25,217	7,181
Contract liabilities		**19,598**	27,105	33,971
Current tax liabilities		**73,910**	44,809	28,053
Total current liabilities		**580,382**	516,612	519,269
Non-current liabilities				
Trade and other payables		**7,517**	7,014	6,668
Lease liabilities		**191,785**	193,801	210,861
Provisions		**84,366**	97,459	110,568
Deferred income		**1,200**	1,200	2,400
Contract liabilities		**-**	5,042	6,542
Deferred tax liabilities		**172,174**	124,864	64,551
Borrowings	14	**363,246**	493,310	740,602
Total non-current liabilities		**820,288**	922,690	1,142,192
Total liabilities		**1,400,670**	1,439,302	1,661,461
Net assets / (liabilities)		**218,443**	84,335	(120,305)
EQUITY				
Share capital	11	**3,432,966**	3,405,666	3,405,666
Reserves	12	**9,064**	22,766	19,338
Non-controlling interests		**1,090**	1,075	1,148
Accumulated deficit		**(3,224,677)**	(3,345,172)	(3,546,457)
Total equity		**218,443**	84,335	(120,305)

Comparative financial information has been restated for the following:

[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.

Consolidated Statement of Changes in Equity

For the half year ended 25 December 2021

	Notes	Share capital $'000	Reserves $'000	Accumulated deficit $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 27 June 2020		**3,405,666**	**11,970**	**(3,657,246)**	**(239,610)**	**3,522**	**(236,088)**
Effect of adoption of IFRIC agenda decision[1]		-	-	(5,941)	(5,941)	-	(5,941)
Balance at 27 June 2020 (Restated)		**3,405,666**	**11,970**	**(3,663,187)**	**(245,551)**	**3,522**	**(242,029)**
Profit (loss) for the half year[1]		-	-	116,730	116,730	146	116,876
Cash flow hedge gains (losses) taken to equity		-	2,097	-	2,097	-	2,097
Foreign currency translation differences		-	106	-	106	-	106
Tax on other comprehensive income		-	(629)	-	(629)	-	(629)
Net change in fair value of financial assets (net of tax)		-	4,510	-	4,510	-	4,510
Other comprehensive income (expense) for the half year, net of tax		-	6,084	-	6,084	-	6,084
Total comprehensive income (expense) for the half year		**-**	**6,084**	**116,730**	**122,814**	**146**	**122,960**
Transactions with owners in their capacity as owners							
Share based payment expense		-	1,284	-	1,284	-	1,284
Disposal of NCI		-	-	-	-	(2,520)	(2,520)
Total transactions with owners		**-**	**1,284**	**-**	**1,284**	**(2,520)**	**(1,236)**
Balance at 26 December 2020		**3,405,666**	**19,338**	**(3,546,457)**	**(121,453)**	**1,148**	**(120,305)**
Balance at 26 June 2021		**3,405,666**	**22,766**	**(3,345,172)**	**83,260**	**1,075**	**84,335**
Profit (loss) for the half year		-	-	120,495	120,495	15	120,510
Foreign currency translation differences		-	107	-	107	-	107
Net change in fair value of financial assets (net of tax)		-	10,185	-	10,185	-	10,185
Other comprehensive income (expense) for the half year, net of tax		-	10,292	-	10,292	-	10,292
Total comprehensive income (expense) for the half year		**-**	**10,292**	**120,495**	**130,787**	**15**	**130,802**
Transactions with owners in their capacity as owners							
Share based payment expense		-	3,306	-	3,306	-	3,306
Shares issued pursuant to vesting of executive and employee share plans		27,300	(27,300)	-	-	-	-
Total transactions with owners		**27,300**	**(23,994)**	**-**	**3,306**	**-**	**3,306**
Balance at 25 December 2021		**3,432,966**	**9,064**	**(3,224,677)**	**217,353**	**1,090**	**218,443**

Comparative financial information has been restated for the following:
[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.

Consolidated Statement of Cash Flows

For the half year ended 25 December 2021

	Notes	Dec 2021 $'000	Restated [1] Dec 2020 $'000
Cash flows related to operating activities			
Receipts from customers		**911,462**	660,919
Payments to suppliers and employees		**(777,588)**	(587,385)
Dividend received from other investments		**1,092**	-
Interest and other items of similar nature received		**470**	1,085
Interest and other costs of finance paid		**(14,411)**	(16,572)
Interest paid on lease liability		**(8,436)**	(8,998)
Receipt of Government grants		**-**	35,888
Income taxes paid, net of tax refunds		**21,000**	(3,446)
Net operating cash flows		**133,589**	81,491
Cash flows related to investing activities			
Payments for purchases of property, plant and equipment		**(8,508)**	(5,202)
Proceeds from sale of property, plant and equipment		**-**	108
Payments for intangibles		**(304)**	(242)
Proceeds from sale of other assets		**222**	32
Payments for other financial assets		**(4,500)**	-
Cash inflow from first time consolidation of Prime		**23,367**	-
Proceeds on sale of subsidiaries (net of cash disposed)		**-**	(3,662)
Recovery of loans previously impaired		**152**	3,644
Loans issued for other financial assets		**(9,100)**	-
Loans issued to investees		**-**	(1,000)
Net investing cash flows		**1,329**	(6,322)
Cash flows related to financing activities			
Proceeds from borrowings		**396,000**	-
Repayment of borrowings		**(526,000)**	-
Payment of refinancing costs		**(7,124)**	(11,600)
Payment of lease liabilities		**(4,532)**	(3,929)
Net financing cash inflows (outflows)		**(141,656)**	(15,529)
Net increase in cash and cash equivalents		**(6,738)**	59,640
Cash and cash equivalents at the beginning of the half year		**253,332**	352,021
Cash and cash equivalents at the end of the half year		**246,594**	411,661

Comparative financial information has been restated for the following:
[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This half year financial report is for the Group consisting of Seven West Media Limited (the "Company") and its subsidiaries. The half year financial report is a general purpose financial report and is to be read in conjunction with the annual report for the year ended 26 June 2021 and any public announcements made by Seven West Media Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

1.1 Basis of preparation

This half year financial report is for the reporting period ended 25 December 2021 and has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Act 2001 and with IAS 34 Interim Financial Reporting.

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

New accounting policies adopted for the period are disclosed in Note 20.

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

1.2 Current Year Performance

For the half year ended 25 December 2021 the Group recorded Earnings Before Interest and Tax (EBIT) (and before significant items) of $203.5 million. The statutory profit after tax was $120.5 million (including significant items). The HY22 net operating cash inflows were $133.6 million.

As at 25 December 2021, the Group's net assets exceeded its liabilities by $218.4 million (26 December 2020: liabilities exceeded assets by $120.3 million).

Over the last 12 months the Group has returned to a net asset position as a result of:
- continued strong operating profits and cash generation during the half year.

- prior period reversals of impairment in the Group's Television licences following the carrying value assessment of the TV CGU performed at the 26 June 2021 balance date. This reflects the continued improvement in the conditions and outlook in the metro free-to-air market and the new revenue streams secured from the usage of the Group's content on global digital platforms following the enactment of the Media Bargaining Code in February 2021; and

- prior period exit from a long term onerous program contract and the reassessment of other onerous contracts provisions required in respect of certain programming rights agreements resulting in the reversal of $66.7 million of previously recognised provisions during the year ended 26 June 2021.

The Group has positive net current assets as at 25 December 2021 of $55.5 million.

1.3 Debt Facilities

In October 2021, the Group refinanced their existing debt facility. A secured revolving syndicated facility agreement was entered into which matures in October 2024 ($600 million). Under the terms of the agreement the previous minimum liquidity requirements and EBITDA test were replaced by a total leverage ratio and a total interest cover ratio test. The Group has been in compliance with its financial covenants to date, including the period ended 25 December 2021.

1.4 COVID-19

ThinkTV reported that metropolitan free to air television advertising market increased by 18.5 per cent to $2.77 billion in the calendar year, growing by 13 per cent in the second half of the calendar year. While this demonstrated a strong recovery from a COVID affected 2020 calendar year, this result was also 6 per cent growth on the market in the 2019 calendar year. Despite lockdowns and border closures intermittently impacting key metropolitan markets throughout the 2021 calendar year and into 2022, the market has remained strong.

The Broadcast Video on Demand (BVOD) category continues its rapid growth - at a CAGR of 43 per cent since 2018. ThinkTV reported growth of 57.6 per cent in the six months to December 2021, with advertising revenues from online catch-up and live TV streaming reaching $193.1 million.

The Group has not received any further COVID-19 Government Benefits during the half year ended 25 December 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5 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 key estimates and associated assumptions are set out below.

1.5.A. Recoverable amounts of receivables

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

1.5.B. Recoverable amounts of program rights

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

1.5.C. Recoverable amounts of intangible assets and investments

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

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

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

1.5.E. Restructuring and redundancy provisions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5.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 Cricket Australia.

Key assumptions made concerning future events are:

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

1.5.G. Current and deferred taxes

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

1.5.H. Share-based payments

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

1.6 Comparatives

Comparative information is reclassified where appropriate to enhance comparability.

2. SEGMENT INFORMATION

2.1A. Description of segments

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

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

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

Segment performance is evaluated based on a measure of profit / (loss) before significant items, net finance costs and tax. Revenue from external sales is predominantly to customers in Australia and total segment assets are predominantly held in Australia. Total assets and liabilities by segment are not provided regularly to the chief operating decision makers and as such, are not required to be disclosed.

2.1B. Segment information

Half year ended 25 December 2021	REF	Television $'000	The West $'000	Other Business and New Ventures $'000	Corporate [A] $'000	Total $'000
Advertising revenue		634,760	46,070	-	-	680,830
Circulation revenue		-	27,314	-	-	27,314
Licencing of content and programming		36,041	5,482	-	-	41,523
Affiliate fees		56,093	-	-	-	56,093
Rendering of services		-	5,509	-	-	5,509
Other revenue		5,136	1,385	628	-	7,149
Revenue from continuing operations		732,030	85,760	628	-	818,418
Other income		-	-	1,092	-	1,092
Share of net profit of equity accounted investees		42	-	188	-	230
Revenue, other income and share of net profit of equity accounted investees		**732,072**	**85,760**	**1,908**	**-**	**819,740**
Expenses		(526,880)	(66,364)	(512)	(10,702)	(604,458)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		**205,192**	**19,396**	**1,396**	**(10,702)**	**215,282**
Depreciation and amortisation	[B]	(11,348)	(234)	(217)	(6)	(11,805)
Profit (loss) before significant items, net finance costs and tax		**193,844**	**19,162**	**1,179**	**(10,708)**	**203,477**

2. SEGMENT INFORMATION (continued)

Half year ended 26 December 2020 (restated)[1]	REF	**Television** $'000	**The West** $'000	**Other Business and New Ventures** $'000	**Corporate [A]** $'000	**Total** $'000
Advertising revenue		481,586	45,456	-	-	527,042
Circulation revenue		-	27,941	-	-	27,941
Licencing of content and programming		26,420	-	-	-	26,420
Affiliate fees		49,272	-	-	-	49,272
Rendering of services		-	6,123	-	-	6,123
Other revenue		5,654	1,204	582	-	7,440
Revenue from continuing operations		562,932	80,724	582	-	644,238
Other income		-	-	-	-	-
Share of net profit of equity accounted investees		-	-	1,195	-	1,195
Revenue, other income and share of net profit of equity accounted investees		**562,932**	**80,724**	**1,777**	**-**	**645,433**
Expenses		(409,686)	(61,736)	(293)	(8,776)	(480,491)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		**153,246**	**18,988**	**1,484**	**(8,776)**	**164,942**
Depreciation and amortisation	[B]	(12,015)	(207)	(217)	(26)	(12,465)
Profit (loss) before significant items, net finance costs and tax		**141,231**	**18,781**	**1,267**	**(8,802)**	**152,477**

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

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

Comparative financial information has been restated for the following:
[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.

2.1C. Other segment information

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

	Notes	**Dec 2021** **$'000**	Restated [1] Dec 2020 $'000
Reconciliation of profit before significant items, net finance costs and tax			
Profit before significant items, net finance costs and tax		**203,477**	152,477
Finance income		**470**	1,085
Finance costs		**(20,748)**	(31,923)
Profit before tax excluding significant items		**183,199**	121,639
Significant items before tax	5	**(9,609)**	41,493
Profit before tax from continuing operations		**173,590**	163,132

Comparative financial information has been restated for the following:
[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.

3. REVENUE AND OTHER INCOME

Accounting policy

Revenue recognition and measurement

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

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

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

Revenue is stated exclusive of GST and equivalent sales taxes.

3. REVENUE AND OTHER INCOME (continued)

Accounting policy

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

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

	Dec 2021 **$'000**	Dec 2020 $'000
Sales revenue		
Advertising revenue	**680,830**	527,042
Circulation revenue	**27,314**	27,941
Licencing of content and programming	**41,523**	26,420
Affiliate fees	**56,093**	49,272
Rendering of services	**5,509**	6,123
Other revenue	**7,149**	7,440
Total revenue	**818,418**	644,238
Other income		
Dividends received	**1,092**	-
Total other income	**1,092**	-

4. EXPENSES

	Notes	Dec 2021 $'000	Restated[1] Dec 2020 $'000
Expenses			
Depreciation and amortisation (excluding program rights amortisation)		**(11,805)**	(12,465)
Advertising & marketing expenses		**(10,284)**	(10,387)
Printing, selling & distribution (including newsprint and paper)		**(13,182)**	(14,240)
Media content (including program rights amortisation)		**(345,033)**	(261,501)
Employee benefits expense (excluding significant items)[2]		**(151,737)**	(121,444)
Raw materials and consumables used (excluding newsprint and paper)		**(2,750)**	(3,123)
Repairs and maintenance		**(12,749)**	(9,539)
Licence fees		**(11,763)**	(7,420)
Rental expense relating to operating leases[3]		**(1,558)**	(771)
Other expenses from ordinary activities		**(55,402)**	(52,066)
Total expenses		**(616,263)**	(492,956)
Depreciation and amortisation			
Property, plant and equipment and intangible assets		**(5,551)**	(5,444)
Right of use assets		**(4,019)**	(5,002)
Amortisation of intangible assets		**(2,235)**	(2,019)
Total depreciation and amortisation		**(11,805)**	(12,465)
Television program rights amortisation		**(49,841)**	(44,570)
Total depreciation and amortisation (including program rights and amortisation)		**(61,646)**	(57,035)

Comparative financial information has been restated for the following:
[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.
[2] The Group did not receive any federal government JobKeeper subsidies during the current period (HY21: $25.7 million).
[3] In May 2020 the International Accounting Standards Board issued amendments to IFRS16 for COVID-19 Related Rent Concessions permitting lessees, as a practical expedient, not to assesses whether a particular rent concession occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for the rent concessions as if they are not lease modifications. The Group was not provided with any rent concessions during HY22 (HY21:$0.7 million).

5. SIGNIFICANT ITEMS

	REF	Dec 2021 $'000	Dec 2020 $'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 fixed assets		-	(2,743)
Total impairment		-	(2,743)
Income (costs) related to investments	[A]	**(4,794)**	3,645
Gain on disposal of investments		-	3,445
Onerous Contracts provisioning		-	(16,633)
Reversal of onerous contracts provisioning		-	54,469
Write off of unamortised borrowing costs on refinance of debt		**(4,815)**	(690)
Total gain (expense) arising from recognition of significant items before tax		**(9,609)**	41,493
Tax (expense) benefit		**1,444**	(11,722)
Total gain (expense) arising from recognition of significant items net of tax		**(8,165)**	29,771

[A] Costs in the Half Year ended 25 December 2021 are costs related to the Group's acquisition of Prime. Refer to Note 16 for further details.

6. TAX EXPENSE

	Dec 2021 $'000	Restated [1] Dec 2020 $'000
Reconciliation of tax expense to pre-tax statutory profit (loss) before tax		
Profit before tax from continuing operations	**173,590**	163,132
Profit (loss) before tax from discontinued operations	**-**	(18)
Total profit before tax	**173,590**	163,114
Tax at the Australian tax rate of 30% (2020: 30%)	**(52,077)**	(48,935)
Tax effect of amounts which are not (deductible) taxable in calculating taxable income:		
Share of net profit of equity-accounted investees	**69**	472
Non-assessable income	**722**	1,416
Other non-deductible items	**(1,794)**	809
Tax benefit (expense)	**(53,080)**	(46,238)
Tax expense (benefit) recognised in continuing operations	**(53,080)**	(46,238)
Tax expense (benefit) recognised in discontinued operations	**-**	-
Tax benefit (expense)	**(53,080)**	(46,238)

Comparative financial information has been restated for the following:
[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.

7. EARNINGS PER SHARE

Accounting policy

Basic earnings per share

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

Diluted earnings per share

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

Retrospective adjustments

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

	Dec 2021	Restated[1] Dec 2020
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company	**7.8 cents**	7.6 cents
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company	**7.8 cents**	7.6 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	**120,495**	116,730

	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	**1,537,840,662**	1,537,840,662
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	**1,538,059,738**	1,537,840,662

Comparative financial information has been restated for the following:

[1] The Group has adopted IFRIC Agenda Decisions. Refer to Note 20 for further details.

8. 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.

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.

			Ownership interest	
			Dec 2021	Jun 2021
Name of entity	REF	Reporting date	**%**	%
Health Engine Pty Limited		30 June	**16.3**	16.3
NPC Media Pty Limited		30 June	**50.0**	50.0
Oztam Pty Limited		31 December	**33.3**	33.3
Starts at 60 Pty Limited		30 June	**35.3**	35.3
TX Australia Pty Limited		30 June	**50.0**	50.0
Mildura Digital Television Pty Limited	[A]	30 June	**50.0**	-
West Digital Television Pty Limited	[A]	30 June	**50.0**	-
West Digital Television No.2 Pty Limited	[A]	30 June	**50.0**	-
West Digital Television No.3 Pty Limited	[A]	30 June	**50.0**	-
West Digital Television No.4 Pty Limited	[A]	30 June	**50.0**	-
WA SatCo Pty Limited	[A]	30 June	**50.0**	-
Broadcast Transmission Services Pty Limited	[A]	30 June	**33.0**	-

[A] Acquired as part of the acquisition of Prime, refer to Note 16 for further disclosure.

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

		Dec 2021	Dec 2020
	REF	**$'000**	$'000
Net profit for the year (continuing operations)		**2,022**	211
Group's share of profit for the half year	[B]	**230**	1,195

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

8. EQUITY ACCOUNTED INVESTEES (continued)

	REF	Dec 2021 $'000	Jun 2021 $'000
Movements in carrying amounts of equity accounted investments			
Carrying amount at the beginning of the period		**15,835**	9,513
Share of profit of investees after tax		**230**	6,322
Acquisitions and other movements	[C]	**-**	-
Carrying amount at the end of the period		**16,065**	15,835

[C] Associates acquired in the Prime acquisition were provisionally written down to nil value in the opening balance sheet acquired.

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

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

9. OTHER FINANCIAL ASSETS

Accounting policy

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

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 2021 $'000	Jun 2021 $'000
Movements in carrying amounts of other financial assets		
Carrying amount at the beginning of the period	**37,355**	79,135
Contractual rights converted to Equity	**-**	4,500
Net change in fair value of financial assets at fair value through other comprehensive income	**14,281**	506
Acquisitions (disposals)	**38,600**	(46,786)
Foreign Currency revaluation	**(26)**	-
Carrying amount at the end of the period	**90,210**	37,355

Other financial assets represent equity investments in listed and unlisted entities comprising of PRT Company Limited (formerly Prime Media Group Limited), RAIZ Invest Limited , SocietyOne Australia Pty Limited, Open Money Group Pty Limited and a portfolio of other SWM Ventures.

Acquisitions during the period were made using a mix of cash and contra advertising agreements.

Subsequent to the half year end the Group received a capital return from PRT Company Limited. Refer to Note 18 for further details.

10. INTANGIBLE ASSETS

Accounting policy

Goodwill

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

Intangible Assets

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

Costs incurred for internally developed software and websites are capitalised and amortised over the estimated useful life of the software or website. Costs that relate to the design and ongoing maintenance of the internally developed software and websites are expensed as incurred.

Software-as-a-Service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. For SaaS arrangements, the Group assesses if the contract will provide a resource that it can 'control' to determine whether an intangible asset is present. If the Group cannot determine control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when incurred.

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

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

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

10. INTANGIBLE ASSETS (continued)

	REF	Licences $'000	Mastheads $'000	Computer software $'000	Goodwill $'000	Trademark $'000	Total $'000
Half year ended 25 December 2021							
Net carrying amount at the beginning of the half year		670,277	-	10,003	-	-	680,280
Additions through business combinations	[A]	-	-	18	53,467	-	53,485
Additions		-	-	304	-	-	304
Disposals		-	-	(222)	-	-	(222)
Amortisation charge		-	-	(2,235)	-	-	(2,235)
Net carrying amount at the end of the half year		670,277	-	7,868	53,467	-	731,612
Comprised of:							
Cost		2,300,000	119,555	95,891	1,289,550	-	3,804,996
Accumulated amortisation and impairment		(1,629,723)	(119,555)	(88,023)	(1,236,083)	-	(3,073,384)
Year ended 26 June 2021							
Net carrying amount at the beginning of the year		461,779	-	13,234	-	-	475,013
Additions		-	-	1,876	-	-	1,876
Disposals		-	-	(32)	-	-	(32)
Amortisation charge		-	-	(4,057)	-	-	(4,057)
Reversal/(Impairment)	[B]	208,498	-	(1,018)	-	-	207,480
Net carrying amount at the end of the year		670,277	-	10,003	-	-	680,280
Comprised of:							
Cost		2,300,000	119,555	95,991	1,236,083	-	3,751,629
Accumulated amortisation and impairment		(1,629,723)	(119,555)	(85,988)	(1,236,083)	-	(3,071,349)

[A] During the period the Group acquired Goodwill through acquisition of Prime. Refer to Note 16 for further details.

[B] The reversals and impairments recognised during the prior year are the result of the following changes to key assumptions in the Group's cash flow forecasts:

Television

- Improved market conditions for the traditional Free to Air television metro advertising market.
- Regulatory changes in the media industry.

Refer to Note 10.1.C for further details of the impairment reversals.

The West

- Further declines in circulation and advertising revenue in print publishing businesses.

10. INTANGIBLE ASSETS (continued)

10.1 Impairment of non-financial assets

Accounting policy

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

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

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

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

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

Management and the Directors reviewed the carrying values of all intangible assets at reporting date to ensure that no amounts were in excess of their carrying amounts.

10.1A. Allocation of goodwill and indefinite life assets

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

Allocation of CGU Groups	**Goodwill** $'000	**Licences, masthead** $'000	**Total** $'000
Half year ended 25 December 2021			
Television	53,467	670,277	723,744
The West (Metro and Regional)	-	-	-
Other Business and New Ventures	-	-	-
Total goodwill and indefinite life assets	53,467	670,277	723,744
Year ended 26 June 2021			
Television	-	670,277	670,277
The West (Metro and Regional)	-	-	-
Other Business and New Ventures	-	-	-
Total goodwill and indefinite life assets	-	670,277	670,277

10. INTANGIBLE ASSETS (continued)

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

The Group is required to assess each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset is required to be calculated to ensure that no book values are in excess of recoverable amounts.

In assessing indicators for impairment the Group considers the following:

- worse than expected actual performance in the period with continued downturn in immediate to medium term forecasts;
- material changes in mid-term and/or long-term growth rates;
- net assets in excess of market capitalisation; or
- adverse changes to the operating environment.

In the half year ended 25 December 2021, no indicators of impairment have been identified by the Group. Further there are no indicators identified which would give rise to a potential increase or reversal of a previous impairment. No recoverable amount assessment has been undertaken at 25 December 2021.

10.1C. Prior Year reversal of prior period impairment charges

In the second half of FY20 the COVID-19 pandemic created significant uncertainty with ongoing restrictions and shortness of the market. At the time, the forecasts used to undertake the impairment testing at year end reflected the Group's best estimates of the outlook of the business in what were unprecedented market conditions. This uncertainty continued, albeit to a lesser extent, in the first half quarter of FY21 which was included in managements assumptions and forecasts. Strong indicators of market recovery in quarter 2 were treated cautiously when testing the CGUs for impairment for the half year ended 26 December 2020. Despite ongoing risk of further COVID-19 related disruptions in Australia, and the impact these may have on the Group's business and Metro FTA advertising, recovery in the second half of FY21 exceeded the Group's forecast assumptions.

In FY21, the operating results of the Television CGU, combined with realised cost savings from the Group's cost out initiatives and a revision of assumptions for the broader advertising market resulted in increased headroom when compared to most recent impairment testing models from December 2020 and June 2020. In addition to improved market conditions, regulatory changes in the Media Industry arising from the Treasury Laws Amendment (News Media and Digital Platforms Bargaining Code) Bill 2021 has meant that future segment revenue assumptions now include the revenue streams arising from negotiations with other third parties impacted by the Code. These regulatory changes represented a structural shift in the Industry and as a result contributed to the increased headroom and reversal of prior period impairment in June 2021 of $208.5 million in the Television CGU.

There have been no further impairment reversals in the current period.

11. SHARE CAPITAL

Accounting policy

Ordinary shares are classified as equity.

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

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

	REF	Dec 2021 $'000	Jun 2021 $'000
1,590,118,239 (June 2021: 1,538,034,368) Ordinary shares fully paid	[A]	**3,432,966**	3,405,666

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

[A] The Group issued 40,833,871 ordinary shares at $0.495 per share on 1 September 2021 and 11,250,000 ordinary shares at $0.63 per share on 25 November 2021 as part of the Seven West Media's Employees and Executives Short Term Incentive Plan. As at 25 December 2021, the Group held 52,277,577 (June 2021: 193,706) of the Company's own shares.

12. RESERVES

Accounting policy

(i) Cash flow hedge reserve

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

(ii) Reserve for own shares

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

(iii) Equity compensation reserve

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

(iv) Foreign currency translation reserve

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

(v) Fair value reserve

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

	Dec 2021 $'000	Jun 2021 $'000	Dec 2020 $'000
Cash flow hedge reserve	**-**	-	(1,626)
Equity compensation reserve	**13,955**	10,649	4,157
Reserve for own shares	**(27,897)**	(597)	(597)
Foreign currency translation reserve	**50**	(57)	74
Fair value reserve	**22,956**	12,771	17,330
Total Reserves	**9,064**	22,766	19,338

12. RESERVES (continued)

12.1A Movements in reserves

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

	REF	Cash flow hedge reserve	Equity compensation reserve	Reserve for own shares	Foreign currency translation reserve	Fair value reserve	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Balance at 27 June 2020		**(3,094)**	**2,873**	**(597)**	**(32)**	**12,820**	**11,970**
Cash flow hedge gain(losses) taken to equity		2,097	-	-	-	-	2,097
Foreign currency translation differences		-	-	-	106	-	106
Tax on other comprehensive income		(629)	-	-	-	-	(629)
Net change in fair value of financial assets at fair value through other comprehensive income		-	-	-	-	6,442	6,442
Tax relating to items that will not be reclassified to P&L		-	-	-	-	(1,932)	(1,932)
Share based payment expense		-	1,284	-	-	-	1,284
Balance at 26 December 2020		**(1,626)**	**4,157**	**(597)**	**74**	**17,330**	**19,338**
Balance at 26 June 2021		**-**	**10,649**	**(597)**	**(57)**	**12,771**	**22,766**
Foreign currency translation differences		-	-	-	107	-	107
Net change in fair value of financial assets at fair value through other comprehensive income		-	-	-	-	14,281	14,281
Tax relating to items that will not be reclassified to P&L		-	-	-	-	(4,096)	(4,096)
Share based payment expense		-	3,306	-	-	-	3,306
Shares issued pursuant to vesting of executive and employee share plans		-	-	(27,300)	-	-	(27,300)
Balance at 25 December 2021		**-**	**13,955**	**(27,897)**	**50**	**22,956**	**9,064**

13. DIVIDENDS

Accounting policy

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

No dividends were declared or paid during the half year ended 25 December 2021 or during the prior corresponding period.

14. BORROWINGS

Accounting policy

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

	REF	**Dec 2021 $'000**	Jun 2021 $'000
NON-CURRENT			
Borrowings - secured		**370,000**	500,000
Unamortised refinancing costs		**(6,754)**	(6,690)
Borrowings net of unamortised refinancing costs		**363,246**	**493,310**

14.1 A Financial arrangements

As at 25 December 2021, the Group had access to secured revolving syndicated debt facilities to a maximum of $600,000,000 (June 2021 secured syndicated debt facility: $500,000,000). The amount of these facilities undrawn at reporting date was $230,000,000 (June 2021: $nil).

In October 2021, the Group entered into a secured revolving syndicated facility agreement with an October 2024 maturity ($600 million). The lenders hold a first ranking general security over the group assets and a mortgage over the freehold properties in Broome and Mt Coot-tha.

Under the terms of the new debt facility agreement the previous minimum liquidity requirements and minimum EBITDA test were replaced by semi annual total leverage ratio and total interest cover tests. The Group has been in compliance with its financial covenants to date, including the period ended 25 December 2021.

In addition, the Group continues to have access to a $13,400,000 (June 2021:$13,400,000) multi-option facility with Australia and New Zealand Banking Group Limited. As at reporting date, $12,164,257 of this facility (June 2021: $11,646,470) was utilised for the provision of bank guarantees.

The facilities are subject to a weighted average interest rate of 2.35 per cent at 25 December 2021 (2020: 5.45 per cent) .

Fair Value

The carrying amount and fair value of Group borrowings at the end of the financial year was $370,000,000 (June 2021: $500,000,000).

15. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

(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 25 December 2021.

Type	Valuation Technique	Measurement Level	Amount $'000
Other Financial Assets - Listed Entities	The fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.	Level 1	$35,390
Other Financial Assets - Unlisted Entities	The fair value is based on the equity price established in the most recent round of equity financing and consideration of any other key changes in the investment which requires a level of judgement.	Level 3	$54,820
Intangible Assets	Refer to Note 10.1B for detail.		

Impact of COVID-19 on assessment of fair value of Other (unlisted) investments
The fair value of other financial assets is measured through a Level 3 (significant unobservable inputs) approach under AASB 9. This methodology included using

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

During the half year, the ongoing COVID-19 related market conditions, government imposed lockdowns and uncertainty on the impact to the company earnings lead management to expand the inputs and analysis to support the current fair value methodology.

16. ACQUISITION OF SUBSIDIARIES

Seven Network (Operations) Limited, a wholly owned subsidiary of Seven West Media Limited, completed its acquisition of 100% of the issued share capital of Prime Television (Holdings) Pty Limited and its subsidiaries, and Seven Affiliate Sales Pty Limited (Prime) from PRT Company Limited (formerly Prime Media Group Limited) on 31 December 2021.

The acquisition of Prime will expand the Group's potential audience reach to more then 90% of Australia's population each month, and is expected to generate cost synergies as a result of the consolidation.

Prime was consolidated from 23 December 2021, the date of effective control. Aggregate details of the provisional net assets acquired and consolidated are as follows:

	REF	Dec 2021 $'000
Carrying value of net assets acquired		
Cash and bank balances		23,367
Trade receivables and other assets		37,662
Program rights and Inventories		4,515
Property Plant and Equipment		16,486
Intangible assets		18
Right-of-use assets		2,658
Deferred tax assets		1,607
Trade payables and other liabilities		(6,911)
Provisions		(5,961)
Lease liabilities		(2,667)
Total carrying value of net assets recognised		70,774
Cash consideration payable	[A]	124,241
Difference between consideration and net assets recognised as Goodwill and other Intangible assets on acquisition	[B]	53,467
Net Cash Flow		
Payments for the acquisition of subsidiaries	[A]	-
Less: cash and cash equivalents acquired		23,367
Net cash inflow		23,367

Under accounting standards, the Group has 12 months from the date of acquisition in which to complete it's assessment of the fair value of assets and liabilities acquired. At 25 December 2021 no fair value adjustments have been made to the net assets acquired and no valuation of other intangible assets recognised on first time consolidation has been finalised.

[A] Seven West Media Limited paid PRT Company Limited $124.2 million on 31 December 2021. Refer Note 18 for further details.
[B] A valuation of other intangible assets has not been finalised as at the date of this report.

17. 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.

18. SUBSEQUENT EVENTS

Seven Network (Operations) Limited, a wholly owned subsidiary of Seven West Media Limited, completed its acquisition of 100% of the issued share capital of Prime Television (Holdings) Pty Limited and its subsidiaries, and Seven Affiliate Sales Pty Limited (Prime) from PRT Company Limited (formerly Prime Media Group Limited) on 31 December 2021. SWM paid $124.2 million to PRT Company Limited on 31 December 2021. A further $4.8 million was paid for transaction costs arising from the acquisition.

Prime was consolidated from 23 December 2021, the date of effective control. The provisional opening balance sheet of Prime Group is included in SWM's consolidated balance sheet at 25 December 2021 (half year-end balance date). Transactions costs of $4.8 million were expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 25 December 2021.

On 21 January 2022 PRT Company Limited (PRT) announced the payment of a fully franked dividend to existing shareholders of $0.26 per share and a capital return of $0.10 per share. Seven West Media Limited holds 54,594,368 shares in PRT (classified as a Financial Asset), the dividend and capital return were paid to shareholders on 4 February 2022. Seven West Media received cash dividends and a capital return totalling $19.6m from PRT.

Following the receipt of the dividend and capital return from PRT Company Limited on 4 February 2022, the fair value of the PRT Company Limited Investment was reduced to zero. A fair value loss of $19.1 million was recognised in Other Comprehensive Income (reserves).

19. SIGNIFICANT NON-CASH TRANSACTIONS

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

	REF	**Dec 2021 $'000**	Dec 2020 $'000
Non-cash investing (outflow) inflow			
Acquisition of other financial assets	[A]	**(25,000)**	-
Total non-cash investing (outflow) inflow		**(25,000)**	-
Non-cash financing (outflow) inflow			
Repayment of unsecured bilateral revolving credit facilities		-	(750,000)
Drawdown of secured syndicated facility		-	750,000
Total non-cash financing (outflow) inflow		-	-

[A] The Group invested in financial assets and issued contra revenue to investees.

20. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations issued but not yet effective

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

New and amended standards and interpretations

AASB 2020-3 Amendments to AASB 137 Onerous Contracts - Cost of Fulfilling a Contract (effective date 1 January 2022)

AASB 137 defines an Onerous Contract as a contact in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

The amendments to AASB 137 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The Group has yet to fully assess the impact of the amendments to AASB 137 when applied to future periods.

Accounting policies adopted during the prior period

The following accounting standards and interpretations have been issued and adopted by the Group in prior periods.

IFRIC agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement (AASB 138 Intangible Assets)

In April 2021, the IFRS interpretation committee published agenda decision Configuration or customisation costs in a cloud computing arrangement (AASB 138 Intangible Assets) which considers whether an intangible asset can be recognised in relation to configuration or customisation of application software. The Group has identified several assets that have configuration or customisation costs included in the asset's cost base. These assets at 26 of December 2020 had a written down value of $7,713,000 (27 June 2020: $8,488,000).

The decision sets out three options for accounting for costs incurred for customisation on cloud computing arrangements:
> If the services received are distinct, the costs are recognised as an expense when the supplier configures or customised the application software.
> If the services are not distinct, the costs are recognised as an expense when the supplier provides access to the application software over the contract term.
> When a third-party supplier configures or customises the application software, costs are recognised as an expense when incurred.

The Group has considered the impact of the accounting policy change on the results reported in the current and comparative reporting periods and applied to the Group. The Group has retrospectively adjusted the carrying values of intangible software assets. As at 26 December 2020 the impact of this change in accounting policy was a decrease in software assets of $7,713,000 (June 2020: $8,488,000), decrease in software amortisation expense of $1,491,000 (June 2020: $2,483,266), and a net increase in operating expenses of $775,000 (June 2020: $1,615,000).

20. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

20.1A Impact on Consolidated Statement of Profit of Loss and Other Comprehensive Income

	REF	For the half year ended 26 December 2020 Reported $'000	Amendments for IFRIC agenda decisions Impact $'000	**Restated $'000**
Continuing Operations				
Revenue		644,238	-	644,238
Other income		-	-	-
Revenue and other income from continuing operations		644,238	-	644,238
Expenses	[A]	(493,731)	775	(492,956)
Reversal (Impairment) of fixed assets		(2,743)	-	(2,743)
Income (costs) related to investments		3,645	-	3,645
Net gain on disposal of investments		3,445	-	3,445
Onerous Contracts provisioning		(16,633)	-	(16,633)
Reversal of onerous provisioning		54,469	-	54,469
Share of net profit of equity accounted investees		1,195	-	1,195
Profit (loss) before net finance costs and tax from continuing operations		193,885	775	194,660
Finance income		1,085	-	1,085
Finance costs		(31,923)	-	(31,923)
Write off of unamortised original financing cost		(690)	-	(690)
Profit (loss) before tax from continuing operations		162,357	775	163,132
Tax (expense) benefit		(46,005)	(233)	(46,238)
Profit (loss) for the year from continuing operations		116,352	542	116,894
Discontinued operations				
(Loss)/profit after tax for the year from discontinued operations		(18)	-	(18)
Profit (loss) for the year		**116,334**	**542**	116,876
Other comprehensive income (expense)				
Items that may be reclassified subsequently to profit or loss:				
Effective portion of changes in fair value of cash flow hedges		2,097	-	2,097
Exchange differences on translation of foreign operations		106	-	106
Tax relating to items that may be reclassified subsequently to profit or loss		(629)	-	(629)
Items that will not be reclassified to profit or loss:				
Net change in fair value of financial assets (net of tax)		4,510	-	4,510
Other comprehensive income (expense) for the year, net of tax		**6,084**	**-**	**6,084**
Total comprehensive income (expense) attributable to:				
Owners of the Company		122,272	542	122,814
Non-controlling interests		146	-	146
Total comprehensive income (expense) for the year		**122,418**	**542**	**122,960**
Earnings per share for profit (loss) attributable to the ordinary equity holders of the Company				
Basic earnings per share		7.6 cents	-	7.6 cents
Diluted earnings per share		7.6 cents	-	7.6 cents

[A] AASB 138 impact on expenses includes decrease in depreciation and amortisation of $1,491,000 and increase in expenses of $716,000.

20. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

20.1B Impact on Consolidated Statement of Financial Position

	As at 26 December 2020		
	Reported	Amendments for IFRIC agenda decisions Impact	**Restated**
	$'000	$'000	**$'000**
ASSETS			
Current assets			
Cash and cash equivalents	411,661	-	**411,661**
Trade and other receivables	196,400	-	**196,400**
Program rights and inventories	186,114	-	**186,114**
Contract assets	16,493	-	**16,493**
Other assets	17,855	-	**17,855**
Total current assets	828,523	-	**828,523**
Non-current assets			
Program rights	-	-	**-**
Equity accounted investees	10,708	-	**10,708**
Other financial assets	90,077	-	**90,077**
Property, plant and equipment	48,421	-	**48,421**
Intangible assets	480,914	(7,713)	**473,201**
Right of use assets	83,626	-	**83,626**
Other assets	6,600	-	**6,600**
Total non-current assets	720,346	(7,713)	**712,633**
Total assets	1,548,869	(7,713)	**1,541,156**
LIABILITIES			
Current liabilities			
Trade and other payables	252,104	-	**252,104**
Lease liabilities	10,702	-	**10,702**
Provisions	187,258	-	**187,258**
Deferred income	7,181	-	**7,181**
Contract liabilities	33,971	-	**33,971**
Current tax liabilities	28,053	-	**28,053**
Total current liabilities	519,269	-	**519,269**
Non-current liabilities			
Trade and other payables	6,668	-	**6,668**
Lease liabilities	210,861	-	**210,861**
Provisions	110,568	-	**110,568**
Deferred income	2,400	-	**2,400**
Contract liabilities	6,542	-	**6,542**
Deferred tax liabilities	66,865	(2,314)	**64,551**
Borrowings	740,602	-	**740,602**
Total non-current liabilities	1,144,506	(2,314)	**1,142,192**
Total liabilities	1,663,775	(2,314)	**1,661,461**
Net assets	(114,906)	(5,399)	**(120,305)**
EQUITY			
Share capital	3,405,666	-	**3,405,666**
Reserves	19,338	-	**19,338**
Non-controlling interests	1,148	-	**1,148**
Accumulated deficit	(3,541,058)	(5,399)	**(3,546,457)**
Total equity	(114,906)	(5,399)	**(120,305)**

20. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

20.1C Impact on Consolidated Statement of Cash Flows

Amendments to AASB138 have no impacts on the total cash flows for the period ended 26 December 2020 or cash and cash equivalents at the end of the same period. Cash outflows related to operating activities increased as operational expenses for software costs are no longer recognised as payments for intangibles. Line items that were not affected by the change in accounting policy have not been included below.

	As at 26 December 2020		
	Reported	Amendments for IFRIC agenda decisions Impact	**Restated**
	$'000	$'000	$'000
Cash flows related to operating activities			
Payments to suppliers and employees	(586,669)	(716)	**(587,385)**
Net operating cash flows	**82,207**	**(716)**	**81,491**
Cash flows related to investing activities			
Payment for intangibles	(958)	716	**(242)**
Net investing cash flows	**(7,038)**	**716**	**(6,322)**
Net increase (decrease) in cash and cash equivalents	59,640	**-**	**59,640**

20.1D Impact on segment disclosures

The following operating segments were affected by the change in accounting policy:

	For the year ended 26 December 2020 Amendments for IFRIC agenda decisions*					
	Reported Total	Television	The West	Other Business and New Ventures	Corporate *	**Restated Total [1]**
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses	(479,775)	(716)	-	-	-	**(480,491)**
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation	**165,658**	**(716)**	**-**	**-**	**-**	**164,942**
Depreciation and amortisation	(13,956)	1,491	-	-	-	**(12,465)**
Profit (loss) before significant items, net finance costs and tax	**151,702**	**775**	**-**	**-**	**-**	**152,477**

*Corporate is not an operating segment and was not affected by the change in accounting policy.

	As at 26 December 2020		
	Reported	Amendments for IFRIC agenda decisions Impact	**Restated**
	$'000	$'000	$'000
Reconciliation of profit (loss) before significant items, net finance costs and tax			
Profit (loss) before significant items, net finance costs and tax	151,702	775	**152,477**
Finance income	1,085	-	**1,085**
Finance costs	(31,923)	-	**(31,923)**
Profit (loss) before tax excluding significant items	**120,864**	**775**	**121,639**
Significant items before tax	41,493	-	**41,493**
Profit (loss) before tax	162,357	775	**163,132**

Directors' Declaration

Seven West Media Limited
ABN 91 053 480 845

FOR THE HALF YEAR ENDED 25 DECEMBER 2021

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 39 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Group's financial position as at 25 December 2021 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 2022

Independent Auditor's Review Report

To the shareholders of Seven West Media Limited

Report on the Half-year Financial Report

Conclusion

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

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Seven West Media Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 25 December 2021 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 25 December 2021;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

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

Basis for Conclusion

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

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

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 25 December 2021 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

KPMG

DMcLennan

Duncan McLennan

Partner

Sydney

15 February 2022