18 February 2015

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

By electronic lodgment

Total Pages: 29 (including covering letter)

Dear Sir / Madam

HALF-YEAR FINANCIAL REPORT

In accordance with the Listing Rules, following are the Half-Year Report Appendix 4D and the Half-Year Financial Report at 27 December 2014.

Yours faithfully

Warren Coatsworth
Company Secretary

Seven West Media Limited
Appendix 4D
Half Year Report
for the half year ended 27 December 2014

Results for announcement to the market

	Dec 2014 $'000	Dec 2013 $'000	Movement
Reported			
Revenue from ordinary activities	**933,859**	966,262	Down 3.4%
(Loss) profit from ordinary activities after tax attributable to members	**(993,634)**	150,114	Down 761.9%
Net (loss) profit for the period attributable to members	**(993,634)**	150,114	Down 761.9%
Additional information			
Significant items before tax (refer note 5)	**(1,148,088)**	-	-
Profit before tax excluding significant items (refer note 2)	**195,346**	210,033	Down 7.0%
Profit after tax excluding significant items net of tax (refer note 16)	**137,468**	150,114	Down 8.4%

The current reporting period relates to the period from 29 June 2014 to 27 December 2014 and the previous reporting period relates to the period from 30 June 2013 to 28 December 2013.

Dividends	Amount per security	Franked amount per security
Final dividend 2014 (paid during current reporting period)	6 cents	6 cents
Interim dividend 2015 (not yet paid)	6 cents	6 cents

The record date for determining entitlements to the interim 2015 dividend is 13/3/2015 and the payment date is 1/4/2015. The interim dividend for 2015 has not been recognised as a liability at half year end. Refer note 10 for additional information on dividends.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 27 December 2014

	Notes	Dec 2014 $'000	Dec 2013 $'000
Revenue	3	**933,859**	966,262
Other income	3	**803**	34
Revenue and other income		**934,662**	966,296
Expenses	3	**(772,740)**	(725,486)
Share of net profit of equity accounted investees	7	**8,335**	9,517
Impairment of equity accounted investees	5	**(26,506)**	-
Impairment of intangible assets	5	**(1,064,964)**	-
(Loss) profit before net finance costs and tax		**(921,213)**	250,327
Net finance costs	4	**(31,529)**	(40,294)
(Loss) profit before tax		**(952,742)**	210,033
Tax expense	6	**(40,892)**	(59,919)
(Loss) profit for the half year		**(993,634)**	150,114
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		**(2,830)**	1,558
Exchange differences on translation of foreign operations		**89**	-
Tax relating to items that may be reclassified subsequently to profit or loss		**849**	(467)
Other comprehensive (expense) income for the half year, net of tax		**(1,892)**	1,091
Total comprehensive (expense) income for the half year attributable to owners of the Company		**(995,526)**	151,205
Earnings per share for (loss) profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	16	**-99.6 cents**	15.0 cents
Diluted earnings per share	16	**-79.6 cents**	13.2 cents

Consolidated Statement of Financial Position

As at 27 December 2014

	Notes	Dec 2014 $'000	Jun 2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**221,628**	68,833
Trade and other receivables		**255,508**	277,649
Current tax receivable		**-**	40,149
Program rights and inventories		**135,147**	142,256
Other assets		**8,117**	4,855
Total current assets		**620,400**	533,742
Non-current assets			
Program rights		**18,700**	-
Equity accounted investees	7	**274,781**	294,705
Other investments		**777**	777
Property, plant and equipment		**233,776**	231,967
Intangible assets	8	**2,483,103**	3,545,221
Other assets		**3,612**	3,427
Total non-current assets		**3,014,749**	4,076,097
Total assets		**3,635,149**	4,609,839
LIABILITIES			
Current liabilities			
Trade and other payables		**297,260**	304,130
Provisions		**74,187**	71,332
Deferred income		**27,832**	24,920
Current tax liabilities		**735**	-
Total current liabilities		**400,014**	400,382
Non-current liabilities			
Trade and other payables		**86,613**	20,961
Borrowings	11	**1,223,513**	1,227,361
Deferred tax liabilities		**51,277**	34,445
Provisions		**14,114**	14,545
Deferred income		**17,435**	14,985
Total non-current liabilities		**1,392,952**	1,312,297
Total liabilities		**1,792,966**	1,712,679
Net assets		**1,842,183**	2,897,160
EQUITY			
Share capital	9	**3,090,474**	3,090,474
Reserves		**(2,902)**	(1,453)
Accumulated deficit		**(1,245,389)**	(191,861)
Total equity		**1,842,183**	2,897,160

Consolidated Statement of Changes in Equity

For the half year ended 27 December 2014

	Notes	Share capital $'000	Cash flow hedge reserve $'000	Equity compensation reserve $'000	Reserve for own shares $'000	Foreign currency translation reserve $'000	Accumulated deficit $'000	Total equity $'000
Balance at 29 June 2013		**3,090,405**	**(5,680)**	**1,934**	**(1,517)**	**-**	**(221,264)**	**2,863,878**
Profit for the half year		-	-	-	-	-	150,114	150,114
Cash flow hedge gains taken to equity		-	1,558	-	-	-	-	1,558
Tax on other comprehensive income		-	(467)	-	-	-	-	(467)
Other comprehensive income for the half year, net of tax		-	1,091	-	-	-	-	1,091
Total comprehensive income for the half year		-	1,091	-	-	-	150,114	151,205
Transactions with owners in their capacity as owners								
Shares issued pursuant to executive and employee share plans	9	62	-	-	-	-	-	62
Dividends paid	10	-	-	-	-	-	(59,892)	(59,892)
Share based payment expense		-	-	475	-	-	-	475
Total transactions with owners		62	-	475	-	-	(59,892)	(59,355)
Balance at 28 December 2013		**3,090,467**	**(4,589)**	**2,409**	**(1,517)**	**-**	**(131,042)**	**2,955,728**
Balance at 28 June 2014		**3,090,474**	**(2,755)**	**2,819**	**(1,517)**	**-**	**(191,861)**	**2,897,160**
Loss for the half year		-	-	-	-	-	(993,634)	(993,634)
Cash flow hedge losses taken to equity		-	(2,830)	-	-	-	-	(2,830)
Foreign currency translation differences		-	-	-	-	89	-	89
Tax on other comprehensive expense		-	849	-	-	-	-	849
Other comprehensive (expense) for the half year, net of tax		-	(1,981)	-	-	89	-	(1,892)
Total comprehensive expense for the half year		-	(1,981)	-	-	89	(993,634)	(995,526)
Transactions with owners in their capacity as owners								
Dividends paid	10	-	-	-	-	-	(59,894)	(59,894)
Share based payment expense		-	-	443	-	-	-	443
Total transactions with owners		-	-	443	-	-	(59,894)	(59,451)
Balance at 27 December 2014		**3,090,474**	**(4,736)**	**3,262**	**(1,517)**	**89**	**(1,245,389)**	**1,842,183**

Consolidated Statement of Cash Flows

For the half year ended 27 December 2014

	Notes	Dec 2014 $'000	Dec 2013 $'000
Cash flows related to operating activities			
Receipts from customers		**1,068,112**	1,083,913
Payments to suppliers and employees		**(818,147)**	(829,628)
Dividends received from equity accounted investees	7	**2,083**	2,016
Interest and other items of similar nature received		**1,393**	4,196
Interest and other costs of finance paid		**(30,162)**	(39,901)
Income taxes paid, net of tax refunds		**17,670**	(46,497)
Net operating cash flows		**240,949**	174,099
Cash flows related to investing activities			
Payments for purchases of property, plant and equipment		**(13,270)**	(10,003)
Proceeds from sale of property, plant and equipment		**112**	146
Payments for software	8	**(8,883)**	(3,821)
Payments for equity accounted investees		**(1,000)**	-
Cash acquired on acquisition of controlled entity		**9**	297
Loans issued		**(228)**	(118)
Net investing cash flows		**(23,260)**	(13,499)
Cash flows related to financing activities			
Proceeds from shares issued pursuant to executive and employee share plans		**-**	62
Proceeds from borrowings		**45,000**	-
Repayment of borrowings		**(50,000)**	-
Dividends paid	10	**(59,894)**	(59,892)
Net financing cash flows		**(64,894)**	(59,830)
Net increase in cash and cash equivalents		**152,795**	100,770
Cash and cash equivalents at the beginning of the half year		**68,833**	257,316
Cash and cash equivalents at the end of the half year	12	**221,628**	358,086

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This half year financial report is for the Group consisting of Seven West Media Limited (the "Company" or "Parent Entity") 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 28 June 2014 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.

Basis of preparation

This half year report is for the reporting period ended 27 December 2014 and has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Act 2001 and with IAS 34 Interim Financial Reporting.

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

The accounting policies, standards and methods of computation adopted in the half year report are consistent with those applied by the Group in the consolidated financial statements for the year ended 28 June 2014.

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

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 report, are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the remainder of this financial year are discussed below.

Recoverable amounts of intangible assets and investments

The Group tests annually whether goodwill and intangibles with indefinite useful lives have suffered any impairment in accordance with the group accounting policy. In addition, the group also tests intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units have been determined based on value in use calculations and fair value less costs to sell. These calculations require the use of assumptions. Refer note 8 for details of these assumptions.

Onerous contracts

Recognition and measurement of provisions include key assumptions about the likelihood and magnitude of future cash outflows.
In the reporting period ended 27 December 2014 the Group has provided for onerous contracts relating to the minimum unavoidable net cost of existing unprofitable program rights deals (see Note 5). In measuring these provisions there is uncertainty over the actual costs to be incurred and future revenues which may be achieved for the program rights compared to the estimated cash flows included in the provision.

Restructuring and redundancy provisions

The provisions for restructuring and redundancy has been disclosed in note 5 as a result of the group having a constructive obligation and a detailed formal plan for restructuring.

Other assets

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

Comparatives

Comparative information is reclassified where appropriate to enhance comparability.

Significant accounting policies

A number of new or amended standards became applicable for the current reporting period, however the Group did not have to amend or change it's accounting policies or make retrospective adjustments as a result of adopting these standards. It is not expected that any of these changes will significantly effect the disclosures in the 27 June 2015 annual report.

2. SEGMENT INFORMATION

Description of segments

The chief operating decision makers consider the business from both a product and a geographical perspective and have identified the following reportable segments:

- Television (operation of commercial television stations).
- Newspapers (publisher of metro and regional newspapers in Western Australia).
- Magazines (publisher of magazines).
- Other includes Quokka (a weekly classified advertising publication), Radio (radio stations broadcasting in regional areas of Western Australia), ColourPress (commercial printing operation), digital publishing, West Australian Publishers, equity accounted investees including Yahoo7 and Community Newspapers, corporate costs and other minor operating segments.

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 regularly provided to the chief operating decision makers and as such, are not required to be disclosed.

	Television	Newspapers	Magazines	Other	Total
Half year ended 27 December 2014	$'000	$'000	$'000	$'000	$'000
Total segment revenue	677,168	125,028	114,071	26,563	942,830
Inter-segment revenue	-	-	-	(8,971)	(8,971)
Revenue from continuing operations	**677,168**	**125,028**	**114,071**	**17,592**	**933,859**
Other income	19	9	-	775	803
Share of net profit of equity accounted investees	-	-	-	8,335	8,335
Revenue, other income and share of equity accounted profits	677,187	125,037	114,071	26,702	942,997
Profit before significant items, net finance costs, tax, depreciation and amortisation	192,534	39,132	13,864	5,191	250,721
Depreciation and amortisation (i)	(10,776)	(10,659)	(1,906)	(505)	(23,846)
Profit before significant items, net finance costs and tax	**181,758**	**28,473**	**11,958**	**4,686**	**226,875**
Half year ended 28 December 2013					
Total segment revenue	683,674	139,396	123,816	29,259	976,145
Inter-segment revenue	-	-	-	(9,883)	(9,883)
Revenue from continuing operations	**683,674**	**139,396**	**123,816**	**19,376**	**966,262**
Other income	5	29	-	-	34
Share of net profit of equity accounted investees	-	-	-	9,517	9,517
Revenue, other income and share of equity accounted profits	683,679	139,425	123,816	28,893	975,813
Profit before significant items, net finance costs, tax, depreciation and amortisation	202,534	49,378	15,270	8,184	275,366
Depreciation and amortisation (i)	(12,090)	(10,581)	(1,952)	(416)	(25,039)
Profit before significant items, net finance costs and tax	**190,444**	**38,797**	**13,318**	**7,768**	**250,327**

(i) Excludes program rights amortisation which is treated consistently with other media content (refer note 3).

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

2. SEGMENT INFORMATION (CONTINUED)

	Notes	Dec 2014 $'000	Dec 2013 $'000
Reconciliation of profit before significant items, net finance costs and tax			
Profit before significant items, net finance costs and tax		**226,875**	250,327
Finance income	4	**1,398**	5,312
Finance costs	4	**(32,927)**	(45,606)
Profit before tax excluding significant items		**195,346**	210,033
Significant items	5	**(1,148,088)**	-
(Loss) profit before tax		**(952,742)**	210,033

3. REVENUE AND EXPENSES

	Notes	Dec 2014 $'000	Dec 2013 $'000
Sales revenue			
Advertising revenue		**732,262**	756,457
Circulation revenue		**102,825**	112,541
Rendering of services		**11,986**	12,270
Other revenue		**86,786**	84,994
Total revenue		**933,859**	966,262
Other income			
Foreign exchange gain		**772**	-
Net gain on disposal of property, plant and equipment and computer software		**31**	34
Total other income		**803**	34
Expenses			
Depreciation and amortisation (excluding program rights amortisation)		**23,846**	25,039
Advertising & marketing expenses		**26,954**	29,624
Printing, selling & distribution (including newsprint and paper)		**57,932**	62,471
Media content (including program rights amortisation)		**292,465**	294,462
Employee benefits expense (excluding significant items)		**204,693**	200,055
Raw materials and consumables used (excluding newsprint and paper)		**4,585**	4,450
Repairs and maintenance		**8,454**	7,488
Licence fees		**36,743**	38,246
Onerous contracts (significant item)	5	**42,683**	-
Redundancy and restructure costs (significant item)	5	**13,935**	-
Other expenses from ordinary activities		**60,450**	63,651
Total expenses		**772,740**	725,486
Depreciation and amortisation			
Property, plant and equipment and intangible assets		**23,846**	25,039
Television program rights amortisation		**66,667**	58,154
Total depreciation and amortisation		**90,513**	83,193

4. NET FINANCE COSTS

	Dec 2014 $'000	Dec 2013 $'000
Finance costs	**(32,927)**	(45,606)
Finance income	**1,393**	4,333
Ineffective portion of changes in fair value of cash flow hedges	**5**	979
Total finance income	**1,398**	5,312
Net finance costs	**(31,529)**	(40,294)

5. SIGNIFICANT ITEMS

	Dec 2014 $'000	Dec 2013 $'000
(Loss) profit before tax expense includes the following specific expenses for which disclosure is relevant in explaining the financial performance of the Group:		
Impairment of Television goodwill (i)	**(960,875)**	-
Impairment of Magazines and Newspapers goodwill (i)	**(65,709)**	-
Impairment of Magazines and Newspapers mastheads and licences (i)	**(38,380)**	-
Total impairment of intangible assets	**(1,064,964)**	
Impairment of equity accounted investees (ii)	**(26,506)**	-
Total impairment of intangible assets and equity accounted investees	**(1,091,470)**	-
Redundancy and restructure costs (iii)	**(13,935)**	-
Onerous contracts (iv)	**(42,683)**	
Total significant items before tax	**(1,148,088)**	-
Tax benefit	**16,986**	-
Total significant items net of tax	**(1,131,102)**	-

(i) On identification of indicators of impairment at the reporting date, an impairment review of the Group's assets was performed. The value-in-use calculation resulted in an impairment of $1,064,964,000 for the period. The impairment is a consequence of:

- Reduction in SWM share price over the six month period since June 2014 resulting in a significant gap emerging between the group's market capitalisation and the group's net assets (pre impairment).
- A decline in the free-to-air television advertising market for the 6 months to December 2014.
- Lower than expected growth forecast in the free-to-air television advertising market.
- Further decline in circulation and advertising revenue in print publishing businesses.

(ii) An impairment review of the Group's equity accounted investees was performed, resulting in an impairment of $26,505,700

(iii) The redundancy and restructure costs recognised relate to associated cost reduction programs across the Group.

(iv) Onerous contracts represent the minimum unavoidable net cost of the Group's existing unprofitable program rights deals.

6. TAX EXPENSE

Reconciliation of tax expense to prima facie tax payable

(Loss) profit before tax	**(952,742)**	210,033
Tax at the Australian tax rate of 30% (2013: 30%)	**285,823**	(63,010)
Tax effect of amounts which are not (deductible) taxable in calculating taxable income:		
Share of net profit of equity accounted investees	**2,501**	2,855
Deferred tax assets not recognised in relation to impairment of equity accounted investees	**(7,952)**	-
Deferred tax assets not recognised in relation to impairment of assets	**(319,489)**	-
Other changes in recognition of deferred tax assets and liabilities	**(109)**	(133)
Other non-assessable (non-deductible) items	**602**	369
Adjustments for current tax for prior periods	**(2,268)**	-
Tax expense	**(40,892)**	(59,919)

7. EQUITY ACCOUNTED INVESTEES

Name of entity	Principal activities	Reporting date	Dec 2014 Ownership interest %	Dec 2013 Ownership interest %
Airline Ratings Pty Limited	Ratings service provider	30 June	**50.0**	50.0
Australian News Channel Pty Limited	Pay TV channel operator	30 June	**33.3**	33.3
7Beyond Media Rights Limited	Television production	30 June	**50.0**	50.0
Community Newspaper Group Limited	Newspaper publishing	30 June	**49.9**	49.9
Coventry Street Properties Pty Limited (i)	Property management	30 June	**-**	50.0
Epicfrog Pty Limited (ii)	Online social network	30 June	**40.0**	-
Health Engine Pty Limited (iii)	Online health directory	30 June	**30.8**	22.3
Hybrid Television Services (ANZ) Pty Limited (iv)	TiVo distributor	30 June	**100.0**	66.7
Oztam Pty Limited	Ratings service provider	31 December	**33.3**	33.3
Perth Translator Facility Pty Limited (v)	Transmitter facilities provider	30 June	**-**	33.3
TX Australia Pty Limited	Transmitter facilities provider	30 June	**33.3**	33.3
Yahoo! Australia and New Zealand (Holdings) Pty Limited	Internet content provider	31 December	**50.0**	50.0

The above entities are incorporated in Australia apart from 7Beyond Media Rights Limited which is incorporated in Ireland.

(i) The total investment was disposed on 31 October 2014.
(ii) Seven West Media acquired 40% shareholding in Epicfrog Pty Limited on 30 October 2014 for $1,000,000.
(iii) Seven West Media acquired 22.3% of Health Engine Pty Limited during the financial year ended 29 June 2013. The investment in Health Engine Pty Limited increased to 30.83% during the year ended 28 June 2014 due to the acquisition of additional shares for $2,600,000
(iv) In the prior comparative period under the shareholder agreement, Seven West Media and the other shareholders had equal voting rights and Board representation on this investment. The shareholders collectively controlled the investment in Hybrid Television Services (ANZ) Pty Ltd and it was therefore previously equity accounted. 100% ownership was obtained of this investment in July 2014 and this entity is now a fully controlled subsidiary of the Group.
(v) On 14 July 2014, the shares held in Perth Translator Facility Pty Limited were transferred to TX Australia Pty Limited.

	$'000	$'000
Share of investees' profit		
Profit before tax	**12,224**	13,585
Tax expense	**(3,889)**	(4,068)
Share of net profit of investees disclosed in the consolidated statement of comprehensive income	**8,335**	9,517
Movements in carrying amounts		
Carrying amount at the beginning of the half year	**294,705**	304,394
Entity now classified as a controlled entity	**-**	(200)
Impairment of equity accounted investees (note 5)	**(26,506)**	-
Acquisitions/disposals and other movements	**330**	-
Share of profit/(losses) of investees after tax	**8,335**	9,517
Dividends received	**(2,083)**	(2,016)
Carrying amount at the end of the half year	**274,781**	311,695

In performing impairment testing for equity accounted investees, the Group has measured the investees at fair value less costs of disposal. This fair value measurement uses unobservable inputs and falls into Level 3 of the fair value hierarchy (refer Note 13).
The fair value has been determined using an EBITDA multiple methodology, the key assumptions therefore include applying a multiple deemed appropriate for the industry in which the investee operates to estimated EBITDA.

8. INTANGIBLE ASSETS

	Dec 2014 $'000	Jun 2014 $'000
Television licences - at cost	**2,300,000**	2,300,000
Magazine licences - at cost	**38,080**	38,080
Magazine licences - accumulated amortisation and impairment losses	**(38,080)**	(30,631)
Radio licences - at cost	**17,316**	17,316
Total licences	**2,317,316**	2,324,765
Magazine mastheads - at cost	**129,731**	129,731
Magazine mastheads - impairment losses	**(100,817)**	(84,954)
Newspaper mastheads - at cost	**100,558**	100,558
Newspaper mastheads - impairment losses	**(31,929)**	(16,497)
Total mastheads	**97,543**	128,838
Television program copyrights - at cost	**20,848**	20,848
Accumulated amortisation	**(14,848)**	(12,848)
Total television program copyrights	**6,000**	8,000
Software - at cost	**61,860**	52,977
Accumulated amortisation	**(29,296)**	(26,762)
Total software	**32,564**	26,215
Goodwill	**1,250,191**	1,251,330
Impairment losses	**(1,220,511)**	(193,927)
Total goodwill	**29,680**	1,057,403
Total intangible assets	**2,483,103**	3,545,221

	Licences $'000	Mastheads $'000	Program copyrights $'000	Computer software $'000	Goodwill $'000	Total $'000
Half year ended 27 December 2014						
Net carrying amount at the beginning of the half year	2,324,765	128,838	8,000	26,215	1,057,403	3,545,221
Additions	-	-	-	8,883	-	8,883
Adjustment post acquisition of controlled entity	-	-	-	-	(1,139)	(1,139)
Impairment loss	(7,085)	(31,295)	-	-	(1,026,584)	(1,064,964)
Amortisation charge	(364)	-	(2,000)	(2,534)	-	(4,898)
Net carrying amount at the end of the half year	2,317,316	97,543	6,000	32,564	29,680	2,483,103

In accordance with the Group's accounting policies, the Group performs its impairment testing at least annually at June 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 has identified the following indicators of impairment as at 27 December 2014:

- Reduction in SWM share price over the six month period since June 2014 resulting in a significant gap emerging between the group's market capitalisation and the group's net assets (pre impairment).
- A decline in the free-to-air television advertising market for the 6 months to December 2014.
- Lower than expected growth forecast in the free-to-air television advertising market.
- Further decline in circulation and advertising revenue in print publishing businesses.

8. INTANGIBLE ASSETS (CONTINUED)

As a result, the Group assessed the recoverable amount for each of the Cash Generating Units ('CGUs') and groups of CGUs being Television, Newspapers (Metro and Regional) and Magazines businesses. A CGU is the group of assets at the lowest level for which there are separately identifiable cash inflows. CGU groups represent the lowest level within the Group at which goodwill is monitored for internal management process.

The review identified the following impairment losses for each CGU and its respective assets at reporting date. Refer note 5.

	Television	Newspapers (Regional)	Magazines	Other	Total
	$'000	$'000	$'000	$'000	$'000
Mastheads	-	13,868	15,863	1,564	31,295
Licences	-	-	7,085	-	7,085
Goodwill	960,875	1,558	64,151	-	1,026,584
Total Impairment	**960,875**	**15,426**	**87,099**	**1,564**	**1,064,964**

(i) Impairment testing of cash generating units ('CGUs') including goodwill and indefinite life intangible assets
In accordance with the Group's accounting policies, the Group has evaluated whether the carrying amount of a CGU or group of CGUs exceeds its recoverable amount. The recoverable amount is determined to be the higher of its fair value less cost to sell and value-in-use.

In calculating the value-in-use, the cash flows include projections of cash inflows and outflows from continuing use of the group's assets making up the CGU. The cash flows are estimated for the assets of the CGU in their current condition and discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the risks specific to the CGU. The group uses a 5 year discounted cash flow model based on board approved budgets and forecasts with a terminal growth rate for years beyond the 5 year period.

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

Cash flows
Year 1 cash flows are based upon forecasts for the current financial year. Years 2 to 5 cash flows are forecast using year 1 as a base and a growth factor applied to revenue and expense in years 2 to 5. The rate of change takes account of management's best estimate of the likely results in these periods, using current market data, industry forecasts, and historical actual rates. The table below discloses the 5 year compounded average growth rates (CAGR) used in our assumptions:

	Television		Newspapers (Metro)		Newspapers (Regional)		Magazines	
	Dec-14	Jun-14	Dec-14	Jun-14	Dec-14	Jun-14	Dec-14	Jun-14
Revenue	2.0%	2.5%	-2.3%	-3.1%	-4.7%	-3.2%	-5.6%	-1.9%

Expenses have been adjusted to account for revenue growth or decline, cost reduction programs and other committed management initiatives.

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

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

	Terminal growth factor		Discount rate (pre-tax)		Discount rate (post-tax)	
	Dec-14	Jun-14	Dec-14	Jun-14	Dec-14	Jun-14
Televisions	2.0%	3.0%	13.5%	12.8%	9.8%	9.8%
Newspapers - Metro	1.0%	1.0%	14.7%	14.0%	11.0%	11.0%
Newspapers - Regional	1.0%	1.0%	20.0%	16.7%	11.0%	11.0%
Magazines	0.0%	1.0%	21.0%	15.0%	12.0%	11.0%

8. INTANGIBLE ASSETS (CONTINUED)

(ii) Impairment testing of Magazines masthead and licences

Key components of the calculation and the basis for each of Magazines mastheads and licences are detailed below:

Relief from Royalty Method over magazine mastheads' useful lives based on the following assumptions:

- Future maintainable revenue forecasts which are based on financial budgets and forecasts approved by management;
- Royalty rates between 10.0% and 11.0% (June 2014: 5.0% and 11.0%);
- Earnings multiples between 3x and 5x (June 2014: 3x and 5x).

Multi Period Excess Earnings Methodology over magazine licences' useful lives based on the following assumptions:

- Five year forecast based on financial budgets and forecasts approved by management;
- Discount rates between 12.25% and 13.25% (June 2014: 12.25% and 13.25%);
- Terminal growth rate of 0% (June 2014: 1.0%). This terminal rate does not exceed long term expected industry growth rates.

As a result of this analysis, management has recognised an impairment charge of $15,863,000 against the carrying value of mastheads and $7,085,000 against the carrying value of the licences.

(iii) Impact of possible changes in key assumptions

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

Following impairments to Television, Newspapers (Regional) and Magazines CGUs, the recoverable amounts are equal to the carrying amounts. Therefore any adverse movements in key assumptions would lead to further impairment losses.

The recoverable amount for Newspapers (Metro) is higher than the carrying amount and is not sensitive to reasonable foreseeable changes in key assumptions.

(iv) 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 27 December 2014			
Television	-	2,300,000	2,300,000
Newspapers (Metro and Regional)	-	68,629	68,629
Magazines	28,754	28,914	57,668
Other	926	17,316	18,242
Total goodwill and indefinite life assets	29,680	2,414,859	2,444,539
Year ended 28 June 2014			
Television	962,155	2,300,000	3,262,155
Newspapers (Metro and Regional)	1,558	82,497	84,055
Magazines	92,764	52,226	144,990
Other	926	18,880	19,806
Total goodwill and indefinite life assets	1,057,403	2,453,603	3,511,006

9. SHARE CAPITAL

	Dec 2014 $'000	Jun 2014 $'000
998,019,172 (June 2014: 998,004,222) Ordinary shares fully paid	**2,840,474**	2,840,474
2,500 (June 2014: 2,500) Convertible preference shares fully paid	**250,000**	250,000
	3,090,474	3,090,474

Ordinary shares

	Dec 2014 Shares	Dec 2013 Shares	**Dec 2014 $'000**	Dec 2013 $'000
Balance at the beginning of the half year	**998,004,222**	997,832,422	**2,840,474**	2,840,405
Movements during the half year:				
Shares issued pursuant to executive and employee share plans	**14,950**	87,100	**-**	62
	14,950	87,100	**-**	62
Balance at the end of the half year	**998,019,172**	997,919,522	**2,840,474**	2,840,467

	Dec 2014 Shares	Jun 2014 Shares	Dec 2013 Shares
The total number of shares issued by the Company is 999,160,872 and differs from the amount included in share capital as follows:			
Total shares issued by the Company	**999,160,872**	999,160,872	999,160,872
Executive and employee share plans treated as options (i)	**(1,141,700)**	(1,156,650)	(1,241,350)
Balance included in share capital	**998,019,172**	998,004,222	997,919,522

(i) Outstanding loans pursuant to the executive and employee share plans are treated as options.

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

Convertible preference shares (CPS)

There were no movements during the current or previous corresponding half years.

The total of 2,500 CPS were issued to Seven Group Holdings (SGH) on 21 April 2011 at an issue price of $100,000 per CPS. These may be converted by SGH into a fixed number of fully paid ordinary shares in SWM (SWM Shares) at any time.
Conversion by SGH of the CPS into SWM Shares is permitted where:

- A third party, other than SGH and its associates, makes a takeover bid for SWM that is unanimously recommended by the SWM Directors, or is to acquire all SWM Shares under a scheme of arrangement that has become effective;
- To enable SGH to maintain a shareholding in SWM of no less than 29.6% (less an adjustment for any SWM Shares sold by SGH) in the event of any issue of SWM Shares; and
- To the extent permitted by the SWM Board in writing.

9. SHARE CAPITAL (CONTINUED)

At conversion by SGH, SWM may at its discretion elect whether to settle in SWM Shares or in cash. If SWM elects to settle in shares, the number of SWM Shares into which each CPS will be converted will be calculated by multiplying the number of CPS being converted by the "conversion ratio." The conversion ratio is equal to the issue price adjusted by 7.143% per annum (compounded on a semi-annual basis) up to the fifth anniversary of the date of issue of the CPS (20 April 2016) and then adjusted by 9.143% per annum (compounded on a semi-annual basis) thereafter (the "adjusted issue price") divided by the fixed conversion price of $6.68.

The conversion price is adjusted following any reconstruction, consolidation, division, reclassification, securities issue or rights offer (subject to customary exceptions) to ensure that CPS holders are placed in a similar economic position prior to the occurrence of the event that gave rise to the adjustment. Following the 1-for-2 rights issue completed in August 2012, the fixed conversion price was adjusted from $6.68 to $6.31.

The conversion price is also adjusted downwards for any dividends paid to SWM Shareholders over and above an annual reference yield of 6.5% (excluding franking credits), initially calculated with reference to the first full year of ordinary dividends for the 2012 financial year. The fixed conversion price was further adjusted to $5.59 following the final dividend payment for the 2012 financial year.The final dividend for the 2014 financial year was paid in October 2014 (refer note 10) at which time the fixed conversion price was adjusted to $5.55.

If SWM elects to settle in cash, SWM will pay a cash amount for each CPS equal to the number of SWM Shares into which the CPS would have been converted multiplied by the average of the daily VWAPs (volume weighted average prices) of the SWM shares over the 10 trading days commencing on the date of service of the conversion notice.

The CPS are otherwise redeemable by SWM at the adjusted issue price five years from the date of issue, and on every half year anniversary thereafter, at the sole discretion of SWM with the form of settlement also at the discretion of SWM, in either SWM Shares or cash. The CPS are also redeemable at any time on the occurrence of standard tax and regulatory events. If SWM elects to settle in SWM Shares, the number of SWM Shares into which each CPS will be converted will be calculated by dividing the adjusted issue price by the average of the daily VWAPs of the SWM shares over five trading days prior to the date of conversion (calculated at a 5% discount). If SWM elects to settle in cash, SWM will pay a cash amount for each CPS equal to the adjusted issue price. In the case of tax and regulatory events, SWM's obligations to settle in SWM Shares or in cash will be calculated using 103% of the adjusted issue price.

SWM may not issue any preferred securities ranking ahead of the CPS without consent of the holders of 75% of the CPS. Voting rights are limited to those set out in Listing Rule 6.3. The CPS do not confer any dividend rights, although the conversion price may be adjusted as described above. Unless the CPS are redeemed, repurchased or exchanged by the fifth anniversary of their date of issue, SWM may not pay dividends, return capital or otherwise distribute value to any equal or lower ranking security holders until all CPS have been redeemed, repurchased or exchanged (subject to certain limited exceptions).

10. DIVIDENDS

	Dec 2014 $'000	Dec 2013 $'000
Final ordinary dividend for the year ended 28 June 2014 of 6 cents per share (29 June 2013: 6 cents), fully franked based on tax paid at 30%, paid on 10 October 2014 (2012: 11 October 2013)	**59,894**	59,892
Dividends not recognised at half year end		
In addition to the above dividends, since half year end the directors have declared a 2015 interim dividend of 6 cents per ordinary share (2014 interim: 6 cents), fully franked based on tax paid at the rate of 30%. The aggregate amount of the dividend payable on 1 April 2015 (2014 interim: 1 April 2014), but not recognised as a liability at year end, is estimated at	**59,894**	59,893

11. BORROWINGS

	Dec 2014 $'000	Jun 2014 $'000
NON-CURRENT		
Bank loans – unsecured (i)	**1,223,513**	1,227,361
Total non-current borrowings	**1,223,513**	1,227,361

(i) The unsecured bank loans are net of $6.5 million (June 2014: $7.6 million) unamortised refinancing costs.

12. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Dec 2014 $'000	Dec 2013 $'000
Reconciliation of cash at the end of the half year (as shown in the consolidated statement of cash flows) comprises:		
Cash at bank, on hand and at call	**221,628**	358,086
Total cash and cash equivalents at end of the half year	**221,628**	358,086

13. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the fair value hierarchy:
- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: 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
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Except for the equity accounted investees disclosed in Note 7, the only other assets or liabilities measured and recognised at fair value are the assets/liabilities recognised in relation to interest rate and foreign exchange cash flow hedges amounting to $7,686,000 (June 2014: $3,830,000). The fair values of these derivatives (classified as level 2 in the fair value measurement hierarchy) are measured with reference to forward interest rates and exchange rates and the present value of the estimated future cash flows. The carrying amounts of financial instruments disclosed in the statement of financial position approximate to their fair values.

14. CONTINGENT LIABILITIES

Seven West Media's tax liabilities have been calculated based on currently enacted legislation. Any changes to the tax law or interpretations (including proposed changes already announced) may require changes to the calculation of the tax balances shown in the financial statements.

Participation in media involves particular risks associated with defamation litigation and litigation to protect media rights. The nature of the Group's activities is such that, from time to time, claims are received or made by the Group. The directors are of the opinion that there are no material claims that require disclosure of such a contingent liability.

15. NET TANGIBLE ASSET (NTA) BACKING

	Dec 2014 $'000	Dec 2013 $'000
Net tangible asset backing per ordinary share (cents)	**-**	-

16. EARNINGS PER SHARE

	Dec 2014	Dec 2013
Basic earnings per share		
(Loss) profit attributable to the ordinary equity holders of the Company (i)	**-99.6 cents**	15.0 cents
Diluted earnings per share		
(Loss) profit attributable to the ordinary equity holders of the Company (i)	**-79.6 cents**	13.2 cents

	$'000	$'000
Earnings used in calculating earnings per share		
(Loss) profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share.	**(993,634)**	150,114

	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	**998,011,697**	997,875,972
Adjustments for calculation of diluted earnings per share:		
- Convertible Preference Shares (CPS) (i)	**248,483,421**	135,357,808
- Shares issued pursuant to the suspended executive and employee share plans treated as options deemed to have been converted into ordinary shares at the beginning of the half year	**1,141,700**	1,284,900
- Share rights issued pursuant to equity incentive plan	**439,882**	1,848,788
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**1,248,076,700**	1,136,367,468

(i) For the purpose of calculating diluted earnings per share, a notional CPS amount has been calculated. At 27 December 2014 the notional CPS amount is $324.0 million. This is divided by the conversion price to calculate the notional number of shares. Under the terms of the CPS there is more than one basis of conversion. For the calculation of diluted EPS the "Redemption Conversion Price" based on an average weighted share price has been used as the conversion price since this results in the most advantageous position for the holder of the CPS. This is in line with requirements of AASB 133: Earnings per Share. Refer note 9 for further details relating to the CPS.

Additional information:		
Earnings per share based on net profit excluding significant items net of tax		
Basic earnings per share	**13.8 cents**	15.0 cents
Diluted earnings per share	**11.0 cents**	13.2 cents

	$'000	$'000
Earnings used in calculating earnings per share based on profit excluding significant items		
(Loss) profit attributable to the ordinary equity holders of the Company	**(993,634)**	150,114
Add back significant items net of tax (refer note 5)	**1,131,102**	-
Profit after tax excluding significant items net of tax	**137,468**	150,114

17. SUBSEQUENT EVENTS

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

Directors' report

Seven West Media Limited
ABN 91 053 480 845
For the half year ended 27 December 2014

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 27 December 2014 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
Donald Rudolph Voelte AO (Deputy-Chairman)	Director since December 2008 and Deputy Chairman since July 2013
John Henry Alexander	Director since May 2013
Dr Michelle Elizabeth Deaker	Director since August 2012
David Evans	Director since August 2012
Peter Joshua Thomas Gammell	Director since September 2008
Ryan Kerry Stokes	Director since August 2012
Graeme Thomas John AO	Director from December 2008 to November 2014
Douglas Ronald Flynn	Director from August 2008 to September 2014
Alternate Director	
Bruce Ian McWilliam	Alternate director for Peter Gammell since November 2008

Review of results and operations

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

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

The lead auditor's independence declaration is set out on page 22 and forms part of the directors report for the half year ended 27 December 2014.

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 98 / 100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest one thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.

KM Stokes AC
Chairman

18 February 2015

Directors' declaration

Seven West Media Limited
ABN 91 053 480 845
For the half year ended 27 December 2014

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

1. The consolidated financial statements and notes set out on pages 2 to 17 are in accordance with the *Corporations Act 2001* , including:

(a) giving a true and fair view of the Group's financial position as at 27 December 2014 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; and

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

18 February 2015

KPMG

Independent auditor's review report to the members of Seven West Media Limited

We have reviewed the accompanying half-year financial report of Seven West Media Limited, which comprises the consolidated statement of financial position as at 27 December 2014, 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 17 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 27 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Seven West Media Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Seven West Media Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 27 December 2014 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*.

KPMG

Bruce Phillips
Partner

Sydney

18 February 2015

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

To: the directors of Seven West Media Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 27 December 2014 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

Bruce Phillips
Partner

Sydney

18 February 2015

Seven West Media

Review of Operations

Summary Financial Performance

	1HFY15 $m	1HFY14 $m	Change %[3]
Revenue	933.9	966.3	-3.4%
Other income	0.8	-	n/a
Share of net profit of equity accounted investees	8.3	9.5	-12.6%
Revenue, other income and equity accounted profits	**943.0**	**975.8**	**-3.4%**
Operating expenses excluding depreciation and amortisation	(692.3)	(700.4)	-1.2%
EBITDA [1]	**250.7**	**275.4**	**-9.0%**
Depreciation and amortisation	(23.8)	(25.1)	-5.2%
EBIT [2]	**226.9**	**250.3**	**-9.3%**
Net finance costs	(31.5)	(40.3)	-21.8%
Profit before significant items and tax	**195.4**	**210.0**	**-7.0%**
Significant items	(1,148.1)	-	n/a
(Loss) profit before tax	**(952.7)**	**210.0**	**n/a**
Tax expense	(40.9)	(59.9)	-31.7%
(Loss) profit after tax	**(993.6)**	**150.1**	**n/a**
EBITDA margin	26.6%	28.2%	
Basic EPS	-99.6 cents	15.0 cents	
Basic EPS excluding significant items net of tax	13.8 cents	15.0 cents	
Diluted EPS	-79.6 cents	13.2 cents	
Diluted EPS excluding significant items net of tax	11.0 cents	13.2 cents	

[1] EBITDA relates to profit before significant items, net finance costs, tax, depreciation and amortisation.
[2] EBIT relates to profit before significant items, net finance costs and tax.
[3] Change percentages are calculated on whole dollars and not the rounded amounts presented.

Reconciliation of EBIT to statutory (loss) profit before tax

	1HFY15 $m	1HFY14 $m	Change %
EBIT	**226.9**	**250.3**	**-9.3%**
Net finance costs	(31.5)	(40.3)	-21.8%
Impairment of intangible assets and equity accounted investees	(1,091.5)	-	n/a
Other significant items	(56.6)	-	n/a
(Loss) profit before tax	**(952.7)**	**210.0**	**n/a**

Seven West Media Limited reported a statutory net loss of $993.6 million for the half year ended 27 December 2014. This compares to the previous corresponding half year statutory profit of $150.1 million.

Significant Items

Significant items of $1,148.1 million ($1,131.1 million net of tax) relate to impairment of goodwill, impairment of magazine and newspaper mastheads, impairment of magazine licences, impairment of equity accounted investments, recognition of onerous television program contracts and one-off redundancy costs as part of the headcount reduction program across all three operating businesses.

	1HFY15 $m
Impairment of Television, Newspapers and Magazines goodwill	(1,026.6)
Impairment of Newspapers and Magazines mastheads and licences’	(38.4)
Impairment of equity accounted investees	(26.5)
Restructure costs and onerous contracts	(56.6)
Total significant items before tax	**(1,148.1)**
Tax benefit	17.0
Net significant items after tax	**(1,131.1)**

Excluding significant items, the current year profit after tax of $137.5 million is down 8.4 per cent on the previous year profit of $150.1 million.

The group delivered revenue of $943.0 million, down 3.4 per cent versus the previous year, and profit before significant items, net finance costs and tax (EBIT) of $226.9 million, down 9.3 per cent on the previous year.

Dividend

A fully franked final dividend of 6 cents per share has been declared and will be payable on 1 April 2015 (2014 final dividend: 6 cents per share fully franked).

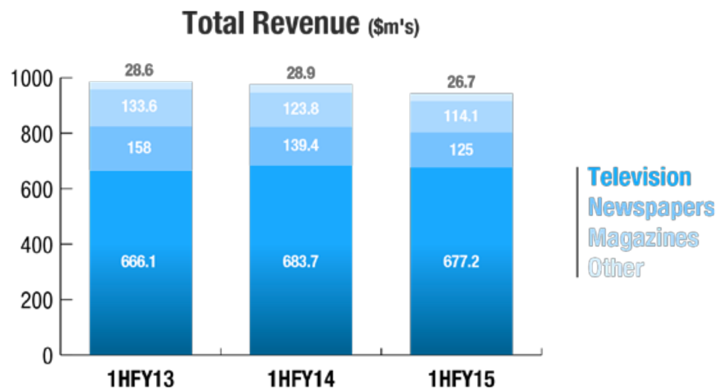
Advertising Market and Revenue Performance

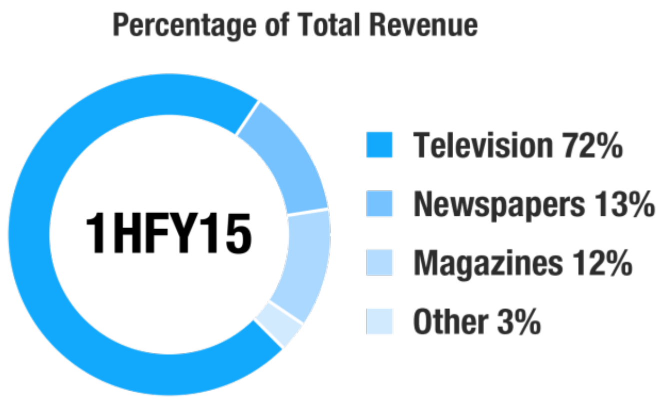
The total advertising market declined in the 6 months to 31 December 2014, down 0.3 per cent on the prior year according to SMI data. Advertising expenditure in the period was impacted by lower Government spending due to the Federal Election occurring in the prior corresponding period. Advertising conditions remained relatively short in the period as consumer confidence and business sentiment fluctuated.

The metropolitan television advertising market declined 3.0 per cent for the six months to 31 December 2014 versus the prior corresponding period. Seven delivered a 40.4 per cent revenue market share, marking its fifth of the last six advertising market share results above 40 per cent, based on Free TV data.

Advertising conditions in print remained challenging, while softer economic conditions in WA amplified the impact on West Australian Newspapers advertising revenue. Metro newspaper advertising fell by 12.4 per cent and magazine advertising market reduced 9.5 per cent, based on SMI data.

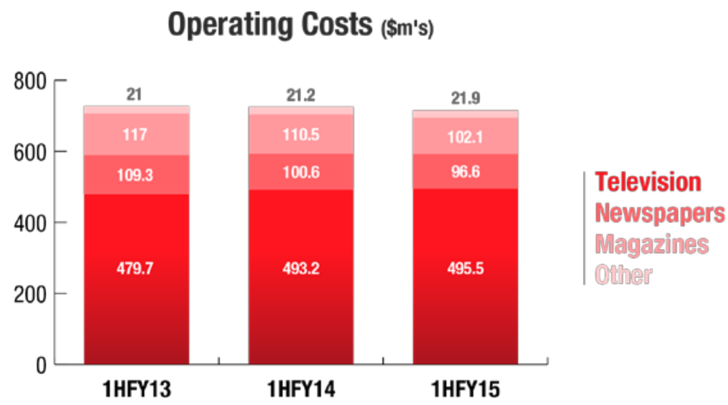
Group revenue of $943.0 million fell 3.4 per cent on the prior year. This comprised advertising revenue of $732.3 million, which was down 3.2 per cent, and other revenue (including circulation) of $210.7 million, down 3.9 per cent. Television revenue now makes up 72 per cent of group revenue.

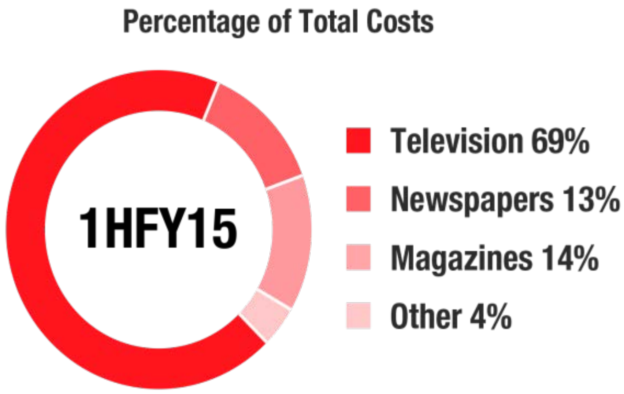




Cost Management

Total Group costs (including depreciation) decreased 1.3 per cent in the period to $716.1 million as a result of continued focus on cost reduction initiatives. Newspaper and Magazine cost reduced by 4.0 per cent and 7.6 per cent respectively while Television costs remained relatively flat with growth of 0.5 per cent versus last year.

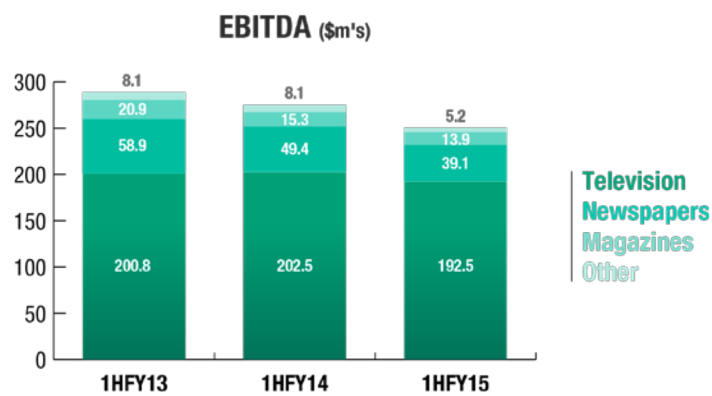


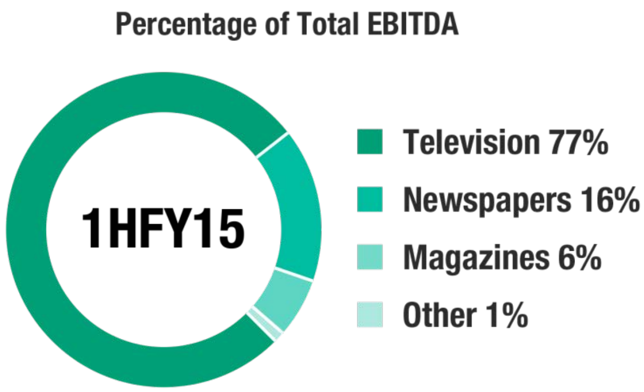


All costs shown in charts above exclude the impact of significant items and include depreciation and amortisation.

EBITDA and Operating Margins

Seven West Media delivered EBITDA of $250.7 million, 9.0 per cent lower than the prior first half ($275.4 million) at an EBITDA margin of 26.6 per cent. The company's key businesses continue to maintain strong margins with television's EBITDA margin of 28.4 per cent, newspapers EBITDA margin of 31.3 per cent and magazines EBITDA margin of 12.2 per cent. Television now accounts for 77 per cent of total group EBITDA versus 74 per cent in the prior first half.





All EBITDA margin percentages exclude the impact of significant items.

Balance Sheet

At 27 December 2014 Seven West Media had net assets of $1,842 million. Group net debt declined 12.3 per cent to $1,001.9 million compared to the prior first half ($1,141.8 million). The group has continued to use its strong operating cash flows to pay down debt. As a result the group's debt leverage ratio has reduced to 2.3x EBITDA versus the prior first half (2.4x EBITDA). Operating free cashflow conversion increased to 95% versus 91% in the prior comparative period.

Review of Businesses

A summary of the performance of Seven West Media's key business units for the half year ending 27 December 2014 is set out below.

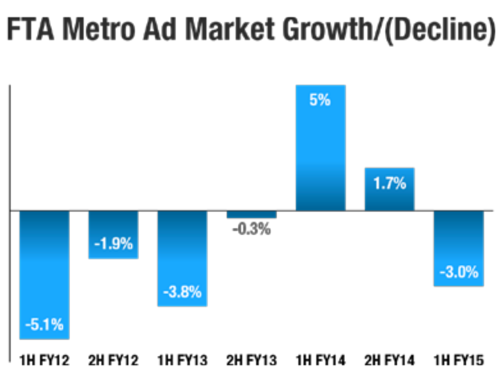
Television

The Seven Network marked its 16th consecutive half of market leadership in ratings and revenue. Seven's primetime audience share was 37.9 per cent and the revenue share was 40.4 per cent for the six months to 31 December 2014. This was a consistent theme throughout the metro markets with the Seven Network increasing revenue share in all capital cities. Seven's investment in content continues to yield strong returns both from a ratings performance and a program sales perspective. Eleven of the top twenty programs (excluding News/Public Affairs) were on Seven in the first half of FY15.

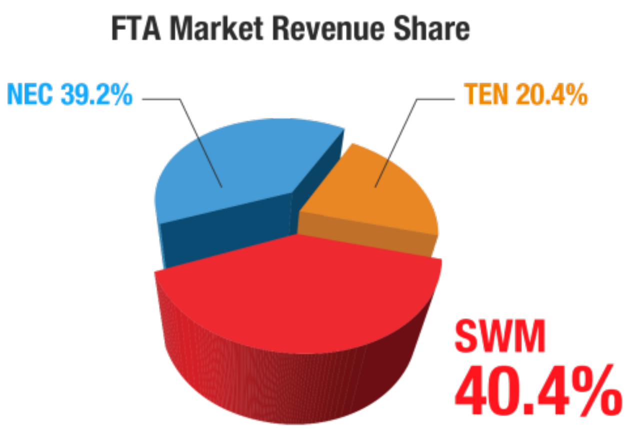
Live sport is one of the three critical pillars in Seven's programming strategy. Solidifying the network's position as the leader in television sport, Seven secured a long term agreement for all rights to the Olympic Games through to 2020, with an option to continue. The growing appeal of live sports on free to air television is evident by the audience growth achieved in the period. The AFL Grand Final audience grew 4 per cent year on year, while NFL audiences are up 28 per cent versus audience numbers last year on one of our competing networks.

Quality content is critical to driving ratings performance and, when produced internally, also provides an additional revenue opportunity. Program sales for Seven Productions have grown consistently at double digit levels, with sales this half up 19 per cent. Key content sales included: Home and Away; My Kitchen Rules; House Rules; A Place To Call Home; Winners & Losers; and Border Security, now in production on series 12. Investment in quality content is a strategic focus for the company and continues to flourish with Seven Productions growing by 6.1 per cent the number of drama hours produced in the period. Recent investments in new overseas production ventures 7Wonder and 7Beyond are beginning to deliver positive results.

The Seven Network has also marked several significant milestones in its digital transformation during the period. These include the launch of Hybrid TV, which combines the power of broadcast TV with the internet, allowing a wide range of new opportunities for Seven to interact with its audience like never before. Seven West Media has also entered into a joint venture with Foxtel (subject to ACCC approval) to launch its Subscription Video On Demand (SVOD) service, Presto. The 6 months to 27 December 2014 marked a period of significant investment into the digital delivery of the network's new tennis rights, which is a first for the network, and an important learning step towards the digital delivery of the Olympic Games, the Commonwealth Games and other live events.



Source: KPMG Free TV, 6 months to December 2014



Source: KPMG Free TV, 6 months to December 2014

Financial Performance: Television

	1HFY15 $m	1HFY14 $m	Change %
Revenue			
Advertising	596.8	606.1	-1.5%
Other	80.4	77.6	3.6%
Total Revenue	**677.2**	**683.7**	**-1.0%**
Costs			
Revenue variable costs	46.0	46.3	-0.7%
Depreciation and amortisation	10.8	12.1	-10.7%
Other costs	438.7	434.8	0.9%
Total Costs	**495.5**	**493.2**	**0.5%**
EBIT	**181.7**	**190.4**	**-4.6%**

Television revenue decreased by 1.0 per cent to $677.2 million accounting for 72 per cent of group revenue (70 per cent 1HFY14). EBIT (profit before significant items, net finance costs and tax) decreased 4.6 per cent to $181.7 million, making up 80 per cent of group EBIT (76 per cent 1HFY14).

Seven maintained its prudent cost approach with total cost growth limited to 0.5 per cent compared to prior first half, and delivered EBITDA of $192.5 million, down 4.9 per cent on the prior first half with a market leading EBITDA margin of 28.4 per cent for the FTA television sector.

Newspapers Publishing

Now in its 182nd year, The West Australian is the leading Monday to Saturday metro newspaper in Perth, and it continues to be an important part of the lives of all West Australians. The West is closely integrated with Channel 7 Perth, creating the most powerful promotional platform in the market with a high level of community engagement. Newspaper trends in print advertising continue to be challenging, due to the significant pressure from digital media as well as softer cyclical conditions in the local & national economy.

The West Australian's audited circulation from Monday-Friday was 157,755, with The Weekend West's audited circulation at 257,553 (ABC audit three months ended 31 December 2014). The average daily readership for Monday-Friday was 625,000 with The Weekend West at 665,000 (emmaTM conducted by Ipsos MediaCT, People 14+ for the 12 months ending December 2014). The West maintains its position as one of the strongest performing newspapers in the country. In print over 1.1 million people read The West Australian across the week, and 1.9 million people will access the publication either in print or online via website, tablet and mobile across the month (emmaTM conducted by Ipsos MediaCT for the 12 months ending December 2014). Digital subscriptions, while still off a relatively small base, have increased significantly over the past six months with the digital edition actively marketed in the Northern and remote parts of Western Australia.

Financial Performance: Newspapers

	1HFY15 $m	1HFY14 $m	Change %
Revenue			
Advertising	88.0	100.6	-12.5%
Circulation	30.3	32.2	-5.9%
Other	6.7	6.6	1.5%
Total Revenue	**125.0**	**139.4**	**-10.3%**
Costs			
Depreciation and amortisation	10.7	10.6	0.9%
Other costs	85.9	90.0	-4.6%
Total Costs	**96.6**	**100.6**	**-4.0%**
EBIT	**28.4**	**38.8**	**-26.8%**

Newspapers revenue declined 10.3 per cent to $125.0 million while EBIT fell 26.8 per cent to $28.4 million. Economic conditions in Western Australia's economy have continued to be challenging, particularly in retail sales, employment and auto sales, which are all key revenue categories for The West. These adverse cyclical conditions have impacted revenue in addition to the pressures from some of the structural challenges facing the newspaper industry. The newspapers division has maintained market leading operating margins despite current revenue trends with an EBITDA margin of 31.3 per cent achieved during the financial first half. Cost management continues to be a focus with operating costs down 4.6 per cent in the period. Management continue to work on new ways to drive greater operating efficiencies and improve revenue across the business.

Magazines Publishing

Our presence in magazine publishing is a key element in building our content and brands beyond broadcast television.

Pacific Magazines accounts for 35 per cent of magazine circulation and 50 per cent of women's weekly magazines sold in Australia. Our portfolio now reaches 8.8 million Australians aged 14+ every month. Pacific Magazines continued to out-perform the overall consumer magazine market with overall advertising share growing to 27.3 per cent in 1HFY15 versus 25.9 per cent in 1HFY14, based on SMI data. Over the last 12 months to December 2014, overall readership and circulation share was at 30 per cent and 35 per cent (34 per cent CY14) respectively. Digital editions have approximately tripled in copy sales on the prior year and our social network footprint continues to build with more than six million followers.

Financial Performance: Magazines

	1HFY15 $m	1HFY14 $m	Change %
Revenue			
Circulation	71.2	78.6	-9.4%
Advertising	38.9	40.1	-3.0%
Other	4.0	5.1	-21.6%
Total Revenue	**114.1**	**123.8**	**-7.8%**
Costs			
Depreciation and amortisation	1.9	2.0	-5.0%
Other costs	100.2	108.5	-7.6%
Total Costs	**102.1**	**110.5**	**-7.6%**
EBIT	**12.0**	**13.3**	**-9.8%**

Pacific Magazines revenue performance has been delivered in challenging conditions, but despite this has continued to improve its revenue market share. Revenue in the magazines division declined 7.8 per cent to $114.1 million versus the prior first half. A reduction in the rate of decline in advertising revenue contributed to the improved overall revenue trend. The rate of decline in advertising revenue slowed from 7.4 per cent in the 2014 financial first half to 3.1 per cent in FY15 is in line with management's expectations. Circulation revenue, however, was down 9.4 per cent impacted by soft retail conditions. Digital revenues are growing strongly but off a low base. The continued focus on cost initiatives delivered a 7.6 per cent reduction in operating costs.

Yahoo7 and Other Media

Other media assets include: Yahoo7, Australian News Channel (Sky News), Quokka, Community Newspapers, regional newspaper publishing and regional radio licences in West Australia.

Yahoo7 brings together the online assets of Yahoo Inc and the content creation and marketing strengths of Seven West Media. Engagement has grown strongly with an average 10 million Australian users visiting Yahoo7 each month, an increase of 16.1 per cent from the prior year average. There were approximately 68 million video streams over the period up 28.0 per cent on the prior year, of which over 24 million were long-form content.

Mobile audiences have grown over 35 per cent in the past year to approximately 7 million users on smartphone and over 2.5 million users on tablets and Yahoo7 is continuing its development of device aware experiences across web, tablet and mobile, leveraging Yahoo's global technology.

As traditional display advertising markets mature, Yahoo7 has invested in new targeting products and native advertising solutions helping to secure its position as the fastest growing online publisher (of the top five publishers) with advertising share up 16 per cent (according to Standard Media Index).

The company has also widened the availability of its PLUS7 catch-up TV offering which is now on over 10 platforms. The PLUS7 app has surpassed 1.5 million downloads and PLUS7 has seen a 36% per cent increase in the number of full-episode streams in the six months to 31 December 2014 compared to the same period last year.

Digital and other businesses contributed EBIT of $4.8 million, down 38.5 per cent compared to the prior first half. Increased profits from Yahoo7 were offset by declines predominantly related to some of the groups early stage investments and the performance of print classifieds in Quokka, Colourpress and other WA businesses.