

Seven West Media

The 2019 report

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Who we are

Create. Engage. Grow.

Our focus is on creating world-class content that engages audiences at scale and drives growth for our partners and our own businesses.

We create premium entertainment, news and lifestyle content for local and international audiences.

We are Australia's largest producer of premium television. The shows we create are watched in over 190 territories, and are proving to be worldwide hits on global streaming platforms.

Our brands

BROADCAST



TWO

7mate

DIGITAL

7plus

7NEWS
com.au

7flix



RACING.COM

thevest.com.au

perth now.



We engage audiences anytime, anywhere, on any platform, and every month 19 million Australians turn to us to be informed, to be inspired and to be entertained.

We are Australia's most-watched television network for a 13th consecutive financial year, and we are also number one in the key advertising demographic of P25-54 across the day.

Our digital audiences and revenues continue to grow rapidly, accelerated by our data, insights and technology. We are also investing in new disruptive businesses where we can leverage the power of our assets to drive growth.

We continue to evolve our business, reshaping our operations to position us for future success.

**We are Seven West Media.
We own our future.**

PRODUCTION & DISTRIBUTION



Slim
film+television

PUBLISHING



OTHER



Our Strategic Framework and Performance Dashboard

We are implementing three strategic pillars in our long-term growth strategy.

Our performance dashboard tracks the accomplishments and progress against these strategic pillars.

Focus on the Core.

- Improve ratings and revenue performance
- Grow returns on content investment
- Create, secure and curate the best local and international content
- Maximise the return on our content investment through every window and overseas sale

Milestones Achieved

- Grew revenue share to 38.8% and ratings share to 40.3% across the day
- #1 share of primetime viewing
- Strengthened 7NEWS' leadership position with audience share growth in every metro market
- Sports portfolio outperforming with AFL audiences up 10% and cricket exceeding projections
- Increased investment in produced content and digital platforms

Transform the Operating Model.

- Deliver on operating cost saving targets
- Drive efficiencies in existing assets
- Partner with competitors in non-competitive areas to improve profitability
- Evolve to a leaner & more agile operating model while protecting content quality

Milestones Achieved

- Cost out at the top end of guidance range, leading to \$38m net cost reduction with savings across all business units
- Completed exit from Yahoo7 JV
- Ongoing cost savings initiatives implemented for FY20 realisation
- Completed Sydney office consolidation
- Established playout JV with broadcasting partners

Grow new Revenue Streams.

- Drive greater digital adoption and yield
- Introduce new content monetisation formats
- Invest in data, automation and targeted advertising to maximise inventory yield
- Invest in adjacent verticals where we can leverage the power of our assets

Milestones Achieved

- Seven's digital EBIT reached \$15.1m with revenue up 67% YoY
- 7th consecutive year of EBIT growth in Seven Studios
- New commissions secured from Netflix and Facebook
- Launch of 7NEWS.com.au which ranked #5 News site within 90 days of launch
- Early stage investment portfolio grew 24% YoY to \$95m
- Digital subscriptions launched on thewest.com.au



The year ahead

Seven's upcoming Summer of Cricket will deliver more primetime Test and Big Bash coverage, and combined with the 2020 AFL season, Seven will screen premium sport every week of the year. The strong performance of the 2019 seasons will support a significant increase in how we monetise these premium events.

We will build upon the strong programming foundations delivered by our market-leading core of news, sport, breakfast and drama shows with a refreshed slate of bold entertainment programming to strengthen our prime time performance.

We will capitalise on the growing BVOD market and invest in our portfolio of direct to consumer digital products, driving yield using insights from our rapidly growing data and technology capabilities. These investments will also enable greater efficiencies in how we serve and meet our customer needs through real time programmatic buying and audience targeting.

Seven Studios will invest in its global footprint, growing audiences and revenue by producing and distributing its hit shows to broadcasters and digital platforms around the world.

We will continue the transformation of our company, ensuring we become even more efficient and effective at delivering the world class content that our audiences want, when they want, on their preferred platform.

We will identify and invest in new disruptive businesses, while supporting the growth of our existing portfolio, to create long term value for shareholders.

And we will be gearing up for Tokyo 2020, which will be the most-watched Olympic Games ever, and the biggest digital event in Australian history.



We will identify and invest in **new disruptive businesses**

Letter from the Chairman

Welcome to our annual report for shareholders.

It has been another twelve months of substantial change for Seven West Media and a challenging year for the media industry. Political and economic uncertainty has resulted in decreased consumer and business confidence, both at home and around the world, which has affected advertising expenditure.

Your Board and Executive Team are making some tough, but necessary, strategic decisions to change the way we do business in future.

The Board and I thank Tim Worner for the enormous contribution he made during his 26 years of service to the Group, the last six as Chief Executive.

We are delighted that James Warburton has returned to lead the company through our next chapter of growth, with a sharper focus on growing revenue and continuing the transformation of this great company.

Our underlying principles remain the same – create world-class content and use it to create deep engagement with audiences and greater value for our business, our advertisers and you, our shareholders.

We are confident in the strength of our company, and thanks to our market-leading broadcast assets and our investment in growth areas such as Seven Studios, Seven Digital and Seven West Ventures, we have much to be optimistic about.

In this environment, our company's key elements are more valuable than ever.

The power of world-class brands that people love and trust.

Creating and owning our own content.

Live event programming, news, sport and water-cooler entertainment.

Seven West Media is proud to be a leader in all three areas and we now have a sharp focus on growing our revenue base across our core business and through new opportunities.

But, as we forge ahead with our strategy, it is imperative that we are allowed to compete on a level playing field.

Last year, the Australian commercial television networks invested around \$2 billion on content, of which 85 per cent was spent on local content. Together we employ 15,000 Australians and contribute \$2.8 billion to the local economy. Since Seven West Media was formed in 2011, we have paid \$420 million in corporate tax.

And we do this while complying with local content quotas and a Code of Practice that require us to meet community standards, including ensuring our news and current affairs programs are accurate and impartial.

The global digital giants that we compete against for advertising dollars have no such restrictions, and have paid a tiny fraction of the tax they owe Australia. So, the Australian Competition and Consumer Commission's Digital Platforms inquiry was a critical milestone in addressing the effect that these foreign organisations are having on local media and advertising, and the impact they have on the supply of news and journalism in this country.

The power of

**world-class brands that
people love and trust.**

We welcome the ACCC's Final Report, which makes a number of recommendations that, if enacted, will go some way toward correcting the regulatory disparity, and supporting the valuable contribution that local media businesses make to Australian society.

We are encouraged that the Government has accepted the need for reform, and that these digital platforms need to be held to account and their activities made more transparent. We anticipate that the Government's response will address the substantial bargaining imbalance between these digital giants and local media business, and potentially provide a real opportunity for our company to better monetise our content on these platforms.

In December we were delighted to welcome Colette Garnsey OAM as a new non-executive and independent Director of Seven West Media. Colette is a highly-experienced and well-regarded Director with a long successful executive career in customer-focused industries. She brings a broad range of skills and we are confident she will make a great contribution to Seven West Media as we capitalise on the opportunities ahead.

On behalf of the Board, I thank you, our shareholders, for your ongoing support of this great Australian company. And I also thank the thousands of passionate and creative people that make up the Seven West Media team, working so hard every day to deliver for our audiences and advertisers.



Kerry Stokes AC
Chairman



Review of Operations

Group Performance

Seven Key Outcomes

13 years of consecutive ratings leadership



Revenue share increased to

38.8%

in FY19 (+0.7% pts)

\$38m

Total Group cost savings from transformation

Digital EBIT growth

>300%

Net debt reduced to

< \$565m

7th

consecutive year of EBIT growth in Seven Studios



SEVEN WEST VENTURES

portfolio grew **24%**

\$129.3m

Underlying net Group Profit after tax

Summary of Financial Performance

	FY19 \$m	FY18 ⁴ \$m	Change % ³
Revenue	1,552.9	1,620.7	(4.2%)
Other income	3.6	0.4	nm ⁵
Share of net profit of equity accounted investees	1.1	1.7	(33.1%)
Revenue, other income and equity accounted profits	1,557.6	1,622.8	(4.0%)
Operating expenses excluding depreciation and amortisation	(1,314.0)	(1,351.9)	(2.8%)
EBITDA¹	243.6	270.9	(10.1%)
Depreciation and amortisation	(31.5)	(35.3)	(10.6%)
EBIT²	212.1	235.6	(10.0%)
Net finance costs	(34.7)	(38.3)	(9.3%)
Profit (loss) before significant items and tax	177.4	197.3	(10.1%)
Significant items excluding tax	(611.0)	(8.5)	nm
Profit (loss) before tax	(433.6)	188.8	nm
Tax (expense) benefit	(10.8)	(56.0)	(80.7%)
Profit (loss) after tax	(444.4)	132.8	nm
EBITDA margin	15.6%	16.7%	
Basic EPS	(29.5 cents)	8.8 cents	
Basic EPS excluding significant items net of tax	8.6 cents	9.3 cents	
Diluted EPS	(29.5 cents)	8.8 cents	
Diluted EPS excluding significant items net of tax	8.6 cents	9.3 cents	

(1) EBITDA relates to profit before significant items, net finance costs, tax, depreciation and amortisation.

(2) EBIT relates to profit before significant items, net finance costs and tax.

(3) Change percentages are calculated on whole dollars and not the rounded amounts presented.

(4) Prior year figures have been restated for AASB 9 Financial Instruments standard.

(5) "nm" means "not meaningful"

Reconciliation of EBIT to statutory profit before tax

	FY19 \$m	FY18 ⁴ \$m	Change %
EBIT	212.1	235.6	(10.0%)
Net finance costs	(34.7)	(38.3)	(9.3%)
Significant items excluding tax	(611.0)	(8.5)	nm
Profit (loss) before tax	(433.6)	188.8	nm

Group

Review of Operations



Seven West Media Limited reported a statutory loss before tax of \$433.6 million for the year ended 29 June 2019. This compares to the previous corresponding year statutory profit before tax of \$188.8 million. Excluding significant items, the current year profit after tax of \$129.3 million is down 7.9 per cent on the previous year profit of \$140.4 million.

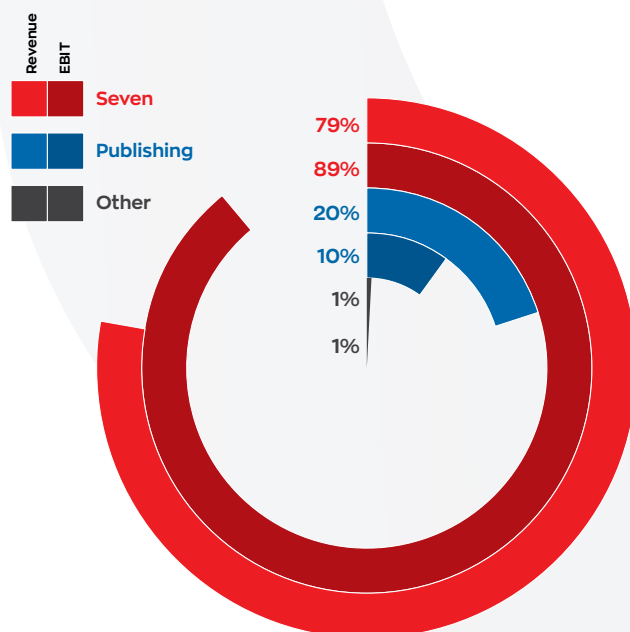
Seven West Media recorded significant items before tax of \$611.0 million in the period, including the impairment of intangibles, equity accounted investees, other assets including fixed assets, restructuring costs, refinancing costs, onerous contracts and net loss on sale of asset held for sale.

The Group delivered revenue including share of equity accounted investees profits of \$1,557.6 million, down 4.0 per cent versus the previous year. Profit before significant items, net finance costs and tax (EBIT) of \$212.1 million was down 10 per cent on the previous year. The dividend remains temporarily suspended with a focus on prudent capital management and balance sheet flexibility post relaxation in media ownership legislation.

Advertising Market and Revenue Performance

SMI data reported that the Australian advertising market declined by 2.3 per cent in the financial year compared to the previous year, driven by an uncertain political environment and softer real estate market conditions.

Metropolitan television advertising decreased 5.2 per cent to \$2.79 billion in the financial year based on KPMG Think TV data.



*EBIT excludes the impact of Corporate costs.

Group

Review of Operations



The Broadcast Video on Demand (BVOD) category continues to grow rapidly, with advertising revenues from online catch-up and live TV streaming up 32 per cent YoY to \$124 million. Seven reported a 34.6 per cent BVOD share among commercial FTA networks for the financial year and 37 per cent in 2H19.

SMI reported the digital advertising market was flat year-on-year at -0.2 per cent with growth in BVOD offsetting the decline in display advertising. Seven outperformed the market, growing its digital advertising revenue by 67 per cent YoY.

Seven's publishing businesses continue to execute their transformational strategies, restructuring and focusing on digital growth.

West Australian Newspapers delivered above market revenue trends in a sector that continues to face strong headwinds, while operating in a challenging local economy. Readership of The West Australian grew by 6 per cent in the 12 months to March 2019, while readership of The Sunday Times was up 1.8 per cent in the same period. Digital revenue continues to grow strongly, which will be further bolstered by The West Australian's paywall, which launched at the end of the financial year.

Pacific continues to execute its transformation strategy. Digital now represents approximately 30 per cent of all Pacific advertising revenue, and Pacific commands a 23.4 per cent share of all agency spend in the category in the financial year.



Cost Management

Excluding significant items, total Group costs, including depreciation and amortisation, reduced \$41.7 million representing a 3 per cent decrease year on year.

EBITDA and Operating Margins

Seven West Media delivered EBITDA of \$243.6 million with an EBITDA margin of 15.6 per cent. Seven's EBITDA, which includes its production business, now accounts for 90.8 per cent of total Group EBITDA.

Balance Sheet

At 29 June 2019 Seven West Media had net assets of \$103.1 million.

Group net debt at the end of the year was \$564.4 million and the debt leverage ratio was 2.3x (Dec 2018: 2.3x).

Seven Network

Review of Operations

Seven is Australia's most-watched television network for the 13th consecutive financial year.

Thanks to our 'always on' strategy, and our commitment to delivering world-class programming throughout the day, across the network, in every week of the year, Seven grew its share of both audience across the day and revenue over the financial year.



Seven continues to evolve at pace. At the heart of our strategy for growth is a focus on creating and securing the best entertainment, news and lifestyle content to engage audiences at scale.

Seven is Australia's most-watched network for a thirteenth consecutive year, with 40.3 per cent commercial ratings share for FY19. Seven was also number one in the key advertising demographic of P25-54 across the day.

Over the course of the financial year, we grew our audience share across the day by one percentage point and our revenue share by 0.7 percentage points.

This success has come from the consistency and depth in our broadcast schedule, led by our market-leading News and Current Affairs programming. 7NEWS, Sunrise and The Morning Show all lead in their timeslots by a material margin, giving Seven a number one position for more than 50 per cent of every week day, through this content alone.

7NEWS had a remarkable year, growing audience share in all five capital city metro markets. During the year we also launched a late night news service, The Latest, and 7NEWS.com.au which quickly established itself as one of the most-popular online news services in the country.

Sunrise was not only Australia's most-watched breakfast show for a 14th consecutive financial year, but has also grown its share of viewing year on year. The Morning Show celebrated its 12th birthday as the most-watched morning show and grew its share of viewing.

Our News and Current Affairs combined with our marquee sports rights, which are locked in until 2022-23, provide us and our advertising partners certainty on audience delivery for years to come.

Seven's first Summer of Cricket broke records, with the network enjoying 39 days with a commercial FTA viewing share in excess of 40 per cent – the most in ratings history. Seven's fresh and innovative coverage of Test and Big Bash Cricket lifted daily audience share by 5.2 percentage points across the summer.

The 2019 AFL Season launched with a series of blockbuster ties, reaffirming its position as Australia's number one winter sport. Seven's AFL

coverage continues to reach over four million national viewers each round, and after 17 rounds of the season, viewing was up 10 per cent year on year.

Having dominated summer viewing, we launched our 2019 entertainment schedule featuring established favourites: My Kitchen Rules, Better Homes and Gardens, Andrew Denton's Interview and House Rules. Seven is also the home of the most-watched Australian drama Home and Away, the most-watched US drama The Good Doctor and the most-watched UK drama Manhunt.

Our suite of multichannels continue to outperform. 7mate was the most watched multichannel of the financial year, 7TWO led its target demographics and this year we launched a new channel, 7FOOD, building on our already strong position in this key advertising vertical.

The advertising market began the 2019 financial year strongly, but softness in the housing sector, political uncertainty from the leadership spill and the federal election negatively impacted the advertising sector for the full financial year.

Seven continues to focus on improving the sales process and enhancing our customer offering by investing in technology and platforms to meet partner objectives and drive greater return on investment from their advertising spend.

Seven grew its revenue share in the period, partially offsetting the impact of the television advertising market decline, resulting in Seven's revenue declining 2.9 per cent to \$1,227.9 million in the period.

Cost initiatives implemented in 2018/2019 delivered an \$18.1 million reduction in the 2019 financial year, more than offsetting cost increases from the new cricket rights deal and uplift in the AFL.

Seven's EBITDA of \$221.4 million was delivered at an 18.0 per cent margin. EBIT (profit before significant items, net finance costs and tax) decreased 6.3 per cent to \$202.4 million. This represents 89 per cent of Group EBIT excluding corporate costs.

Seven Studios

Review of Operations

Seven Studios continues to grow its global footprint, creating and distributing premium content to international broadcasters and streaming platforms.

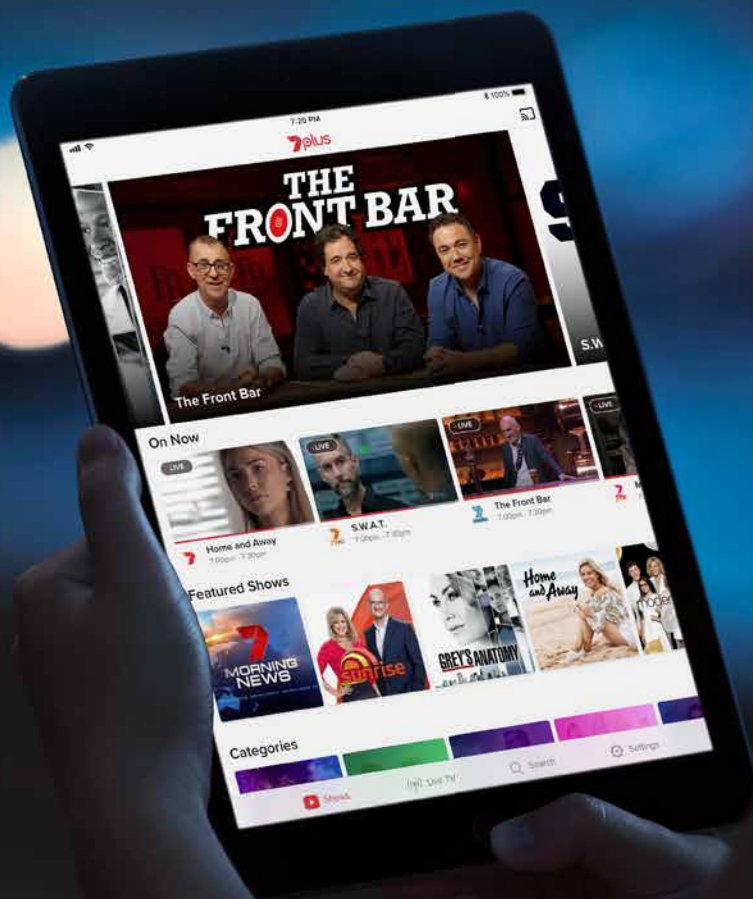
This year we've seen many of our shows become worldwide hits, greenlit several premium dramas, launched a new venture in the UK and signed new deals with global digital giants.



Digital platforms

Review of Operations

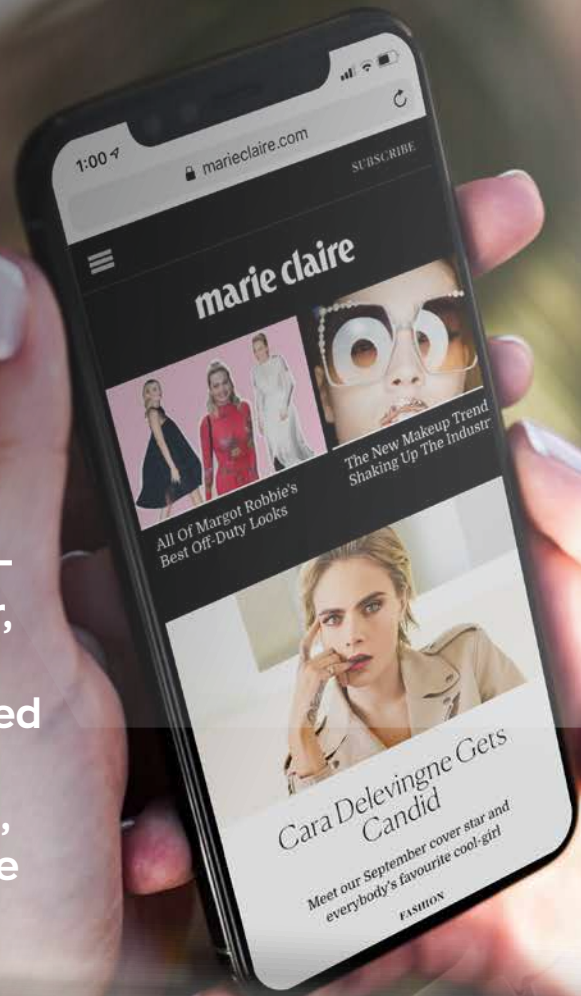
Seven's strategy to own and operate its direct to consumer digital products is paying off, with its platforms reaching record high audiences and delivering rapid revenue growth. Each digital asset is now performing significantly stronger than when part of the Yahoo7 joint venture.



Publishing

Review of Operations

Pacific remains Australia's best-performing magazine publisher, commanding 26 per cent of all readership from just 12 measured titles and leading in the key categories of Women's Fashion, Home & Lifestyle, Men's Lifestyle and Teens.



Through some of Australia's best-known brands, such as New Idea, Better Homes & Gardens and marie claire, Pacific now reaches more than 2.5 million¹ Australians every month, an increase of more than 28 per cent year on year.

Pacific has also outperformed the market in both print circulation and advertising revenue, although the print advertising market continues to face significant headwinds and has experienced year on year declines of 20.5 per cent². Pacific has performed better than market at -11.9 per cent, and remains the country's number one publisher on a revenue-per-title basis, and offset these declines with an extended cost-out program.

The company's transformation has continued at pace, with double digit audience growth accelerating through the period to create what is now one of Australia's largest women's digital networks.

Digital revenue continues to grow with much of the improvement driven through digital video, which was up 106 per cent in the period to become the fastest-growing advertiser product. Original video creation, integration and distribution remains a focus in the coming year, meeting market demand, and will fuel further growth in the space.

Seven's portfolio of news brands in WA make it the pre-eminent media company in the state. All together The West Australian, The Sunday Times and PerthNow.com.au reach 81 per cent of the population each month.

The West is a leading digital publisher in WA with 1.1 million Unique Audience per month and an average of 1.6 million people in WA reading The West, Sunday Times, thewest.com.au and PerthNow.com.au.

The West continues to evolve its business model in the context of challenging economic conditions in Western Australia and structural changes in print media. WA economic conditions continue to be difficult, with a pickup in mining activity yet to flow into the retail sector, resulting in a very short advertising market. Although this year was more challenging than expected, WA's outlook is slowly improving.

The West has several commercial revenue initiatives underway to further utilise existing business assets, including the recent launch of digital subscriptions for thewest.com.au. The business will continue to reduce its cost base in the coming year and implement further efficiencies across its newsroom and print centre through automation, process improvement and asset utilisation.

marie claire

Better
Homes
and Gardens

New Idea

InStyle

The West
AustralianBEAUTY
crewWOMEN'S
Women's HealthMENS
Men's Healthhome
beautiful thewest.com.au

New Idea food

Who

Girlfriend

that's life!

The
Sunday Times

allrecipes.com

diabetic
LIVING

family circle

practical
PARENTING.

perth now.

1 Nielsen Digital Panel

2 SMI Data - Magazine Media Consumer Magazines FY19

Other businesses & new ventures

Review of Operations

Seven West Ventures holds a number of growth investments where we leverage the power of our assets to unlock maximum growth potential and drive long-term value creation. The portfolio is focused on disruptive, scalable businesses with a strong consumer or media proposition.

Over the last twelve months the value of our portfolio, which includes investments in Airtasker, Health Engine and SocietyOne has grown by 24 per cent to \$95 million. Key portfolio investments have displayed strong revenue during the year and continue to scale well. The Group continues to focus on businesses with alignment to its key verticals: home, health, wealth and lifestyle.



Airtasker

Risk, environment & people

Corporate social responsibility

Risk Management

Seven West Media maintains sound risk management systems in order to protect and enhance shareholder value. The Board acknowledges that the management of business risk is an integral part of the Company's operations and that a sound risk management framework, aligned to its strategy, not only helps to protect established value, it can also assist in identifying and capitalising on opportunities to create value. The table below sets out the key risks (in no particular order) which could impact achievement of the Company's strategic objectives. These risks are actively monitored under our risk management framework and there are processes in place to identify, measure, evaluate, monitor and report on each of them and then control or mitigate them, to the extent possible. For more information on the Company's risk management framework refer to pages 49 to 51 of the Corporate Governance Statement of this Annual Report.

Risk Management Framework – Key Risks and Mitigations

Strategic Objective	Risk Category	Mitigations
<i>Ratings & Revenue</i>	Structural change The rapid transformation of the media industry due to technological change represents a material economic sustainability risk for the Company.	The Company is responding to and participating in this change under its current strategic framework, including a focus on rapid digital transformation of the Company and leveraging growing 'total video' television consumption by exploiting key content across multiple platforms, particularly by targeting leadership in linear broadcast and Broadcast Video on Demand ("BVOD"). Notably, in this financial year the Company enhanced its position in BVOD and participation in digital growth through the sale of its 50 per cent interest in Yahoo7 to Verizon Media, such that the Company now owns and operates all of its 'direct to consumer' digital products, creating the conditions for the Company to scale its 7plus BVOD service and capture its full revenue return.
	Regulatory change The media industry is subject to regulation such as television licence conditions and anti-siphoning.	Management maintains specialised expertise in regulatory matters and participates in regulatory reviews through direct engagement and via representation on a variety of industry bodies. The Company has participated in the current Digital Platform Review as the television industry questions the differential cost of regulatory compliance for online services in comparison to much higher regulatory costs and required investment in content for commercial broadcast licence holders.
<i>Content/Product</i>	Competition for key entertainment rights The Company recognises the value of premium content to its audiences and advertisers and the importance of the Company securing rights or creating attractive content at a sustainable cost.	The Company's production and programming expertise and track record of success is seen as an advantage to the Company in the competition for, and creation of, content. The Company ensures a disciplined approach is maintained in acquiring content rights and production resourcing and that revenue opportunities through the exploitation of its produced or acquired content are maximised, including by targeting key demographics for advertisers and demonstrating the return on advertising investment through reliable measurement systems.

Corporate social responsibility

Risk, environment & people

Risk Management Framework – Key Risks and Mitigations

Strategic Objective	Risk Category	Mitigations
Technology	Strategy execution There is an ongoing risk that the Company's technology may not be fit for purpose or that major technology projects may not be delivered on plan, impacting business performance or requiring new investment.	The Company has increased its technology capabilities through enhanced staffing expertise, project delivery governance and reporting processes to better manage this risk.
	Cyber security risk The number of reported cyber security incidents is on the rise globally and the Company recognises that such incidents, should they occur, may negatively impact financial and operational performance.	The Company has deepened its technical and personnel capabilities in this area and continues to improve prevention measures and educate staff concerning cyber security risks to appropriately manage the potential adverse effects on the business.

Environment

Sustainability

Seven West Media monitors and measures the effectiveness of sustainable business practices across our businesses and sets internal targets to measure the impact of the inputs and outputs of our business activities on the communities and natural systems in which we operate. These include:

- The Group's magazine and newspaper businesses have internal controls in place to ensure that the paper we use is from sustainable sources and not from illegally logged timber.
- Pacific purchases all virgin fibre paper via an outsourced provider that does so in accordance with Pacific's requirements that all material is PEFC C-o-C or FFC certified which assures that forests are managed in accordance with stringent environmental, social and economic requirements.
- In FY19 99.5 per cent of newsprint used for The West Australian and The Sunday Times came from recycled consumer product and the remaining 0.5 per cent was sourced from certified plantation forests.
- The West Australian and The Sunday Times printed waste measure is < 5 per cent per year and all waste was recycled.
- In our press, waste ink is collected and reprocessed, aluminum plates used during the printing process are recycled and plant wastewater is processed and used for reticulation on site.

- In FY17 SWM recorded an Overall Net Energy of 194 TJ and forecast that energy consumption would fall further. Being below 200 TJ Seven West Media in FY 18 applied for and was successful in deregistration from Greenhouse gas reporting scheme due to this sustained reduction.
- Self-assessed energy consumption were:

Year	FY18	FY19
Total Energy	186 TJ	178 TJ

- Seven West Media is always reviewing its property portfolio with the aim to consolidate and optimise usage of space. In November 2018, Seven vacated its Pyrmont offices (~6,500m²) and relocated to an existing leasehold at its Media City offices located in Eveleigh. The increase in staff numbers has been achieved by optimising the use of all floors in this Green Star 4 Star rated office.
- Seven took the opportunity during the relocation to modernise its IT infrastructure to more efficient systems seeing a net reduction in Data Centre floorspace of 90m² within its lease holdings. This had a major contribution to the reduction in energy consumption by the Sydney operations.
- Overall Net Energy (Consumed minus Produced) across our entire business has reduced by 8 per cent between FY17 and FY19 whilst maintaining the same operating conditions. Since FY14, Overall Net Energy has fallen 22.3 per cent.
- FY19 saw Seven West Media donate or recycle 95 per cent of electronic IT assets through certified eCycling companies which reduces landfill by encouraging reuse and recycling of equipment. All three suppliers are certified to AS/NZS 5377:2013.

People

At Seven West Media, the commitment, passion and creativity of our people underpin who we are and what we do. Seven West Media understands that our people ensure our success and in return, is committed to creating a workplace where employees can fulfil their individual career aspirations and potential and are inspired by a high-performance culture rewarded for achievement and results.

Management works to promote a collaborative and innovative workplace that is safe, flexible, inclusive and that fosters creativity and excellence. This ensures that the Company continues to meet the highest performance standards and serves the evolving needs of our stakeholders, our customers and our audiences.

People Policies & Practices

We have a comprehensive set of frameworks that support our culture to build a high-performance workplace and drive our focus on results, productivity and safety. Our vision is central to everything we do, which describes our strategy, values and how we measure our success.

The intent of our people policies and practices is to create a workplace where employees are assured that:

- Minimum legal requirements are being met;
- Best practices appropriate to the Company can be documented and implemented;
- Management decisions and actions are consistent and predictable;
- Employees, as well as the Company are protected from the pressures of expediency; and
- The Company's values are promoted.

Fundamental to building a high-performance culture are the Company's strategic People pillars:

- Reward and performance framework and strategies to attract and retain talented employees by rewarding high performance and delivering superior long-term results, while adhering to sound risk management and governance principles.
- Employee and industrial relations transformation initiatives and reforms which brought about the implementation of new sustainable enterprise agreements across the Company; the most significant workplace reform in the media industry in 20 years aligning workplace terms and conditions with community standards.
- Workplace health and safety agenda with an intense focus on safety and mental health embedding a safety mindset in all areas of the business.

- Talent and development framework to create an environment where continuous learning is part of an employee's development and progression so that they can reach their full potential. This drives leadership capability and is an important channel through which our culture is embedded and reinforced.

- Employee engagement strategies to ensure we are living up to our commitment to employees. This includes continued improvements in employee engagement and refreshing our employee value proposition including the relaunch of our benefits program.

Through these policies and practices, we make it clear that discrimination on any basis is not acceptable. In instances where employees require support for disability, we work with them to identify suitable alternatives to meet their needs.

Employee Engagement

Seven West Media is focused on attracting, rewarding and retaining 'best in class' employees. Commencing with the employee onboarding and orientation process, the Company recognises the importance of early employee engagement. This is reflected in a series of activities and events from meeting the Managing Director and Chief Executive Officer and members of his leadership team to interactive online learning modules designed to communicate and embed the Company's culture and reinforce the ongoing importance of meeting behavioural expectations and effective risk management across our businesses.

To help ensure we are living up to our commitment to employees, the Company conducts employee engagement surveys to solicit feedback on everything from decision-making and professional development to whether or not we are living the Company's values. The survey also provides key insights to drive improvement programs in culture, leadership, teamwork, reward and recognition.

Career & Professional Development

Over the past year, we further invested in the growth, learning and development of our employees. The Company introduced a leadership development program to continue building a high-performance organisation. The program's focus areas include building high-performance teams, advanced coaching, managing performance, resilience, conflict resolution, change management and emotional intelligence.

Further online courses have been completed by employees, including compliance-related training for new and existing employees (focusing on appropriate workplace behaviour, fraud awareness, anti-bribery and anti-money laundering, and other compliance matters).

Corporate social responsibility

Risk, environment & people

Mentoring, both internal and external, has become a key feature of our culture and is playing an important role in identifying and supporting leadership development, while increasing engagement and productivity.

Regular reviews, including goal setting and ongoing career development, are a key part of performance measurement and management, and support the Company's high-performance ambitions. As well as encouraging regular and ongoing feedback with managers, the Company requires all employees to have at least two formal review sessions with their manager each year. During these reviews, employees are encouraged to raise, discuss and respond to matters relating to performance, training, further education and development of required skills and capabilities.

The Company has increased its focus on increasing the pool of management capability where key high-potential employees are identified and supported through the organisation. A thorough talent and succession planning process has resulted in a deeper review of people and their potential including opportunities for female talent. A key objective is to embed gender diversity as an active consideration in succession planning. Executive level succession plans were reviewed by the Board and provide a diverse list of candidates, for whom development plans to ensure preparedness to take on future opportunities have been established.

Safety and Wellness

Seven West Media recognises the value of effective workplace safety and wellness as an integral part of how we successfully manage our business. We are committed to building a positive health and safety culture, with a focus on personal wellness, injury prevention and the mitigation of risk through maintaining high workplace safety and wellness standards and performance. With a comprehensive mental health framework, strong risk management processes and engaging wellness initiatives, the business continues to strive to improve in its safety outcomes, including the Lost Time Injury Frequency Rate (LTIFR) which continues to remain significantly below the industry benchmark of 4.5. The Company is also committed to supporting employees during overseas deployments, wherever they might be.

With an increasing focus on mental health, the Company has taken an active focus in building awareness and support for managing mental health in our workplace. We have developed and implemented a comprehensive framework which includes training, initiatives and events tailored for managers and employees to support positive mental health.

The Company's wellness program provides a range of benefits and initiatives to optimise the physical and mental health and wellness of employees, including:

- Confidential counselling services through our Employee Assistance Program;
- Educational seminars on a variety of health topics;
- Fitness classes and flu vaccinations; and
- Psychological wellbeing training and events.

As part of the Company's ongoing focus to improving mental health in the workplace, it hosted various events and fundraising efforts throughout the year for foundations including Beyond Blue and R U OK. The events included guest speakers, morning teas and fitness events to support positive mental health in the workplace. We also promoted wellbeing initiatives such as Mental Health Week, Men's Health Week and Women's Health Week.

Our annual wellness program calendar includes monthly events delivered to employees across the various locations in which we operate. The calendar is reviewed regularly to ensure it continues to promote health as well as meeting the needs of our employees.

Diversity and Inclusion

Seven West Media recognises the benefits of an inclusive and respectful workplace culture that draws on the experiences, diversity and perspectives of our people to ensure that our business remains innovative and sustainable and continues to meet the needs of our stakeholders and audiences.

We view diversity through a broad lens of difference in people across gender, nationality, ethnicity, disability, sexual orientation, gender identity, generation/age, socio-economic status, religious belief, professional and educational background as well as global and cultural experiences.

Overall Gender Balance



Proportion of Women in Management Positions¹



1. "Management positions" refers to positions that are responsible for managing teams and/ or function as defined by the Workplace Gender Equality Act.

Gender Balance

We have achieved an overall gender balance across the Company as well as achieving female representation in management positions of 50 per cent.

We will continue to focus our strategy to achieve a more diverse and inclusive workplace in other areas of the business by:

- Embedding flexibility in the way we work;
- Supporting our commitment to inclusion and diversity;
- Uncovering and taking steps to mitigate potential bias in our behaviours, systems, policies and processes; and
- Ensuring our brand is attractive to a diverse range of people.

Diversity Commitments and Initiatives

During FY19, the Board reviewed the Company's Diversity Policy which is a key part in its overall talent and culture strategies and guides investment in the areas of recruiting, staffing, account planning, succession planning, promotions and many more. The Company supports an inclusive work environment where people have genuine access to career opportunities, training and benefits.

Our diversity and inclusiveness commitments and initiatives are also focused around having a workforce that represents the broader community in which we operate, leveraging differences to achieve better business results and deliver a better experience for our employees and our audiences.

Some of the Company's achievements towards its diversity commitments and initiatives include:

- Established policies to support strategies across recruitment and attraction, retention, working flexibly, performance management, remuneration and learning and development;
- Created and implemented processes for onboarding and orientation, performance and development, competitive remuneration and recognition;
- Continued to build on 'Mentor Spark', an all-employee mentoring program; and

- Launched an external mentoring program, 'Rare Birds' for 30 senior leaders, and launched a skills-sharing program and platform.

In addition, the Company has been at the forefront of supporting diversity to increase the visibility and contribution of women leaders within the media industry as well as across the broader community. Some highlights include:

- **Women in Media** – In its second year, the Company sponsored again the Women in Media conference in October 2018. This not-for-profit organisation supports equity, the importance of mentoring and the power of networking for women in media.
- **International Women's Day** – The Company was involved in several IWD initiatives around the country to help accelerate gender parity.
- **Footy Means Business Program** – The program is designed for participants to learn about career options available, especially linked to football. Now in its 12th year, the program invited a group of 50 young indigenous men from all over the country to learn about working in media. Representatives from the AFL attend along with the teams and their coaches.

LGBTQI+

The Company seeks to provide a safe, inclusive and supportive workplace for all employees, to bring their whole self to work. 'United' is Seven West Media's LGBTQI+ employee inclusion and diversity group that is dedicated to building a framework, strategy and initiatives to expand awareness and celebrate the importance of diversity and inclusiveness across the business. It also provides employees with opportunities to exchange ideas, build relationships and support the Company's diversity and inclusion strategy.

The purpose of *United* is to showcase that the Company is representing a diverse culture in the workplace and in everything we do. *United* uses the Company's social network platform to engage the entire Seven Community as well as holding events that bring together everyone as "One Connected Team."

Employee Turnover by Gender and Age Statistics

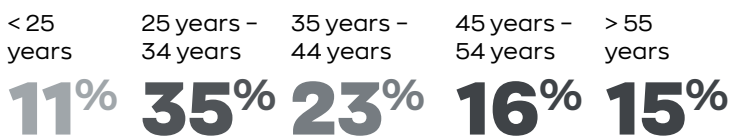
Employee Turnover by Gender

(as a percentage of total women and as a percentage of total men)



Employee Turnover by Age

(as a percentage of total turnover)



Corporate social responsibility

Risk, environment & people

Measurable Objectives

In 2019 and 2020, the Company proposes to build on the diversity initiatives from the previous year that enable us to facilitate diversity, inclusion and promote growth for the Company and for our employees.

Our focus will continue in the four key areas:

- Flexible work practices (FWP);
- Gender diversity and inclusion (GD);
- Career development and performance (CDP); and
- Talent and succession planning (TSP).

The Company has posted its Workplace Gender Equality Act Public Report for 2018-2019 on its website, which contains the Company's Gender Equality Indicators.

The Company's progress against diversity objectives were established in 2018, and our commitments set for the 2019/20 financial year, can be found in our Corporate Governance Statement at <http://www.sevenwestmedia.com.au/about-us/corporate-governance/>.

Measurable Objective	Link to Diversity Policy			
	CDP	FWP	GD	TSP
Monitor initiatives that facilitate diversity and inclusion, and promote growth for the Company and for all employees.	•	•	•	
Annual succession planning to consider diversity initiatives.				•
Monitor and report on employee turnover by age and gender and parental leave return rates.			•	•
Monitor and report on the proportion of women in the Company, in senior executive positions, and on the Board.			•	

The Future of Television

Think TV

Seven West Media is a founding stakeholder of the independent industry research, education and marketing group, Think TV. Think TV leads a collective effort from television broadcasters across Seven Network, Nine, Network Ten and Multi-Channel Network/Foxtel to demonstrate how television advertising in broadcast quality content environments remains profoundly effective and the clear leader among all media channels in terms of advertising impact, viewability and return on investment ("ROI"). Think TV is an initiative of Australia's leading commercial television broadcasters focused on helping the advertising and marketing community get the best out of multi-platform television, by innovating to make television inventory easier to buy and emphasising the measurable reach and quality of emotional engagement of the medium which is essential for building brands and connecting with target audiences. Think TV undertakes and publishes globally recognised research on television advertising ROI with a current focus on Broadcast Video On Demand ("BVOD"), the fastest

growing media in the Australian market in the last 12 months, as well as promoting commercial television as a 'total video' proposition delivering Australia's most-consumed television content by linear and BVOD, to dramatically change perceptions of the industry with advertisers and agencies. In 2019 Think TV's engagement with marketers has extended into econometric modelling projects, using real client data, to demonstrate the power of television to grow brands and businesses.



Seven in the Community

Seven plays an important role in society, with millions of Australians trusting us as their source of news and information, as well as turning to us for inspiration and entertainment.

We also take a proactive role in making a positive contribution to the communities in which we operate, through numerous initiatives right across Australia.

At Group level, we threw our support behind the McGrath Foundation who, together with Cricket Australia, raises awareness of the need for breast cancer care nursing services in Australia. To help promote the Pink Test in January, we ran extensive editorial and promotional on-air support. We even turned our big red 7 logo pink for the day.

This year we formalised our relationship with social purpose organisation UnLtd, which supports charities working with young people. We donated a large advertising package to UnLtd who will auction it and benefit from the proceeds, and a second directly to UnLtd's partner Whitelion, which provides a range of services for vulnerable and at risk children.

In addition, numerous Seven staff took part in UnLtd's fundraising events including cricket competitions in Sydney and Melbourne, and the AdLand Bailout which gives executives the chance to experience what it is like to be incarcerated in a youth detention facility for 24 hours.

We continue to be a proud supporter of the arts. Over the past year, we gave considerable support and promotion to two remarkable international collections visiting Australia.

In the first half of the financial year, Art Exhibitions Australia (AEA) partnered with the Art Gallery NSW to exhibit a magnificent selection of works from the State Hermitage Museum in Saint Petersburg, Russia. The exhibition featured works from towering figures of modern art including Monet, Cézanne, Matisse, Gauguin and Picasso.

In the second half, AEA partnered with the National Gallery in Canberra to bring Claude Monet's pioneering painting 'Impression, Sunrise' from which the Impressionism movement takes its name, to Australia. In addition, the exhibition featured forty impressionist and related paintings from the Musée Marmottan money in Paris, the Tate and Australian and New Zealand collections.

In both instances, we donated significant editorial and advertising support across our broadcast, streaming, digital and publishing platforms.



Seven in the Community

New South Wales

This year we became a major partner of Blacktown Council and a partner to Parramatta Council Events. We also supported The Nelune Foundation and the Comprehensive Cancer Centre.

Seven continues to be long term supporters of the Children's Hospital at Westmead, Ronald McDonald House at Westmead, the NSW Schools Spectacular, the Sydney Swans, Cancer Council NSW, Surf Life Saving in Cronulla, Manly and Narrabeen, the City of Sydney and the Royal Agricultural Society.

We also supported many major and community events, including the Seven Bridges Walk, the Sydney Royal Easter Show, Fairfield Council's Cabramatta Moon Festival, and Liverpool and Penrith Council's Australia Day and New Year's Eve celebrations.



Victoria

For 62 years, Seven Melbourne has been taking the Good Friday Appeal into the homes of Victorians with one purpose – to help children and families who most need our help. In a partnership with the Royal Children's Hospital and the Herald Sun that has spanned 88 years, we have broadcasted 930 hours of television to help raise \$345 million to support the hospital. The money is used to ensure the Royal Children's Hospital remains a world leading centre of medical excellence in paediatric care.

For five years, Seven Melbourne has supported Neale Daniher as he has led the fight against Muscular Neurone Disease (MND). What started out as one man's brave battle has become so much more. We are proud to say that our television

broadcast of the Big Freeze takes the fight against MND into nearly 2 million homes across Australia every year and has helped Neale to raise more than \$45 million for the cause.

Our 16 year partnership with the City of Melbourne is a success story that keeps evolving and growing as our city embraces the future. Under that partnership, Seven Melbourne has delivered nine broadcasts of the Moomba Festival.

In total, Seven Melbourne has more than 40 partnerships including EJ Whitten Legends match, Cadel Evans Great Ocean Road Race, Herald Sun's Run For The Kids, Very Special Kids, Pako Festa and the Victorian State School Spectacular.

South Australia

In May, we announced a major partnership with the Royal Flying Doctor Service Central Operations, which provides extensive primary health care and 24-hour emergency service to over 50,000 patients every year in South Australia and the Northern Territory. To mark the occasion, our Chairman Kerry Stokes unveiled a 7NEWS branded aeromedical plane.

This year Seven signed a multi-year agreement to support the Santos Tour Down Under. The 2019 event saw a record economic impact of \$70.7 million for South Australia, up 11 per cent year on year.

Seven Adelaide partners with major sporting and community organisations including the South Australian Football League (SANFL), Adelaide Crows Football Club, Port Adelaide Football Club and Surf Life Saving South Australia. We also support local arts performances at the Adelaide Festival Centre, Adelaide Cabaret Festival, the Art Gallery of South Australia and the largest Fringe Festival venue, The Garden of Unearthly Delights.



We also proudly support The Flinders Foundation, Breakthrough Mental Health Research Foundation, The Advertiser Foundation, Little Heroes Foundation, and Carols by Candlelight which benefits Novita Children's Services. Many of our Presenters are Patrons of these charities.

In addition, the Channel 7 Children's Research Foundation of South Australia was established in 1976 by Seven Adelaide. It now distributes approximately \$1.5 million in research grants each year. In total, the Foundation has facilitated over \$28 million in grants to improve the health, education and welfare of children in South Australia.

Queensland

Seven Queensland has a long-held tradition of supporting our cities and regional communities. We have been doing this for decades and are proud to play a role in enhancing the welfare and development of our local business, sporting, cultural and tourism industries.

In the last 12 months alone, our support has reached the depth and breadth of the Sunshine State. Events include the Royal Queensland Show and several regional show associations; RSPCA adoption events; Stanthorpe Apple & Grape Festival; Caloundra Music Festival; several Business Awards; the Paniyiri Greek Festival and Ronald McDonald House Charities events.

A key strategy has been to secure naming rights of several running events including the 7NEWS Gold Coast Running Festival, 7Sunshine Coast Marathon, 7Rocky River Run and the newly launched 7Cairns Marathon. Our support also extends to other sporting entities including the Brisbane Heat, Brisbane Lions, USC Thunder, Channel 7 Brisbane Racing Carnival; the Cairns Amateurs and the Channel 7 Ipswich Cup to name just a few.

The intent of our partnerships is to work collaboratively with local community groups and sporting organisations to grow awareness, attendance, fundraising efforts and the overall fan experience. Our contributions across Queensland ensure we are playing an active part in building sustainable communities for the future.



Seven in the Community

Western Australia

Telethon again broke records in October 2018, raising \$38,000,554 to make a total of \$306 million since 1968 thanks to the generosity of Western Australia. Telethon is transforming the lives of children in Western Australia funding over 40 children's health charitable organisations providing world class medical research, cutting-edge equipment and vital services and therapies.

The Channel 7 Telethon Trust, Curtin University and the Telethon Kids Institute were proud to announce the prestigious Kerry M Stokes Chair of Child Health, named in recognition of the extraordinary, long-standing support provided by our Chairman to changing the lives of children through Telethon.

The Chair's mission is to drive a world-class research program for the benefit of kids and the adults they will become. An international search will identify a candidate with exemplary academic skills to lead ground breaking work at Curtin University. The program expects to deliver paradigm shifting outcomes in broad areas including chronic and severe disease, infectious diseases, mental health, neurodevelopmental health, rare diseases, disabilities and preventative healthcare.

Mr Stokes is a trustee and former Chair of the Telethon Trust, which supports more than fifty hospitals, medical facilities and community groups and organisations throughout the state.



Pacific

For over a decade, Pacific has partnered with Ronald McDonald House, a charity attached to major women's and children's hospitals providing a home away from home for seriously ill children and their families.

For a second year, marie claire partnered with The Gidget Foundation to raise funds and awareness of perinatal anxiety and depression. The Gidget Foundation provides support services for new families struggling with parenthood.

In September 2018, Pacific partnered with youth mentoring organisation Raise Foundation for their annual event, The Sparkle Ball. The event was sponsored by marie claire and following the evening, a number of Pacific managers volunteered to provide their services as mentors to young people in local high schools, giving them the opportunity to experience a confiding and supportive relationship.

February marked Ovarian Cancer Awareness month and this year the Pacific community gathered together to support the cause and raise funds through a morning tea. Guest speakers and colleagues shared personal experience in their battle against Ovarian cancer.

Regional Australia was affected by catastrophic drought this year and as a signal of our support, we hosted a series of fundraising efforts internally as well as through our brands to raise much-needed funds for our regional farmers and their communities.

Christmas is a difficult time for many Australians who are underprivileged or homeless. This year Pacific hosted an internal Salvation Army Drive Appeal with staff donating toys and gifts to those less fortunate.

As part of Pacific and SWM's ongoing focus to improving mental health awareness in the workplace, we hosted various events and fundraising efforts throughout the year for foundations including Beyond Blue and R U OK. The events included guest speakers, morning teas and fitness events to support positive mental health in the workplace.

InStyle marked 11 years of innovation and style in May with the annual Women of Style Awards. The Awards honoured Australia's most inspirational and innovative women who are the future shapers in their respective fields – from science and community, to philanthropy and environment.

We have also been members of the Environmental Advisory Group of the Newspaper Works since 2004. The Group endeavours to make a significant contribution to waste publication paper recovery, recycling and environment.

Board of Directors

Kerry Stokes AC

Chairman – Non-executive Director

Mr Stokes is the Executive Chairman of Seven Group Holdings Limited, a company with a market-leading presence in the resources services sector in Australia and formerly in north east China and a significant investment in energy and also in media in Australia through Seven West Media. Mr Stokes has held this position since April 2010. He is also Chairman of Australian Capital Equity Pty Limited, which has substantial interests in media and entertainment, resources, energy, property, pastoral and industrial activities.

Mr Stokes' board memberships include Council Member for the Paley Group (formerly the International Council for Museum & Television); Chairman and Fellow (since November 2015) for the Australian War Memorial (previously a Council Member); and a former Chairman of the National Gallery of Australia. Mr Stokes holds professional recognitions which include an Honorary Doctorate in Commerce at Edith Cowan University and an Honorary Fellow of Murdoch University.

Mr Stokes has, throughout his career, been the recipient of awards, including Life Membership of the Returned Services League of Australia; 1994 Paul Harris Rotary Fellow Award; 1994 Citizen of Western Australia for Industry & Commerce; 2002 Gold Medal award from the AIDC for Western Australian Director of the Year; 2007 Fiona Stanley Award for outstanding contribution to Child Health Research; 2009 Richard Pratt Business Arts Leadership Award from the Australian Business Arts Foundation; and 2011 Charles Court Inspiring Leadership Award; 2013 West Australian of the Year; 2014 Awarded Keys to the City of Perth and 2014 Awarded Keys to the City of Melbourne.

Mr Stokes was awarded Australia's highest honour, the Companion in the General Division in the Order of Australia (AC) in 2008. In 1995, he was recognised as Officer in the General Division of the Order of Australia (AO).

Mr Stokes was appointed to the Board on 25 September 2008, and became Chairman of Seven West Media Limited (formerly West Australian Newspaper Holdings Ltd) on 11 December 2008.

James Warburton

Managing Director & Chief Executive Officer

Mr Warburton is Managing Director & Chief Executive Officer of Seven West Media Limited.

Prior to his appointment as MD & CEO of Seven West Media, Mr Warburton was Managing Director and Chief Executive Officer of APN Outdoor where he led a significant transformation and turnaround at the company before departing in late 2018 when APN Outdoor was acquired by JCDecaux for a record valuation. Before his appointment to APN Outdoor, Mr Warburton was the Chief Executive Officer of Supercars for five years.

In this position, Mr Warburton drove significant growth in the sport and delivered unprecedented broadcast, sponsorship and funding deals. Mr Warburton has also held senior leadership roles at media buying company Universal McCann, he was Chief Digital and Sales Officer of the Seven Media Group, and he was the Managing Director and Chief Executive Officer of Network 10.

Mr Warburton was appointed to the Board on 16 August 2019.

Board of Directors

Governance

John Alexander

Non-executive Director

Mr Alexander was the Executive Chairman of Consolidated Media Holdings Limited (CMH) from 2007 to November 2012, when CMH was acquired by News Corporation. Prior to 2007, Mr Alexander was the Chief Executive Officer and Managing Director of Publishing and Broadcasting Limited (PBL) from 2004, the Chief Executive of ACP Magazines Limited from 1999 and PBL's group media division comprising ACP Magazines Limited and the Nine Network from 2002. Before joining the PBL Group, Mr Alexander was the Editor-in-Chief, Publisher & Editor of The Sydney Morning Herald and Editor-in-Chief of The Australian Financial Review.

Mr Alexander has previously acted as a director of a number of companies including Foxtel Management Pty Limited, Fox Sports Australia Pty Limited, SEEK Limited, Carsales.com Limited, Ninemsn Pty Limited & CrownBet. Mr Alexander is the Executive Chairman of listed company Crown Resorts Limited. He is also the Chairman of Crown Melbourne Limited and Burswood Limited Boards.

Mr Alexander is Chairman of the Remuneration & Nomination Committee.

Mr Alexander was appointed to the Board on 2 May 2013.

Teresa Dyson

Non-executive Director

Ms Dyson is an experienced company director, with a broad range of experience across public and private sectors. Ms Dyson has been closely involved in strategic decision making in business and organisational structuring, covering the financial services, transport, energy and resources sectors, as well as infrastructure projects.

Ms Dyson is currently a director of Power & Water Corporation (NT), Energy Queensland, Genex Power Limited, Gold Coast Hospital and Health Board, Consolidated Tin Mines Limited, Energy Super, Fare Limited, and is a member of the Foreign Investment Review Board and the Takeovers Panel. She is a former director of UN Women National Committee Australia Ltd and Opera Queensland.

Ms Dyson holds a Masters of Applied Finance from Macquarie University. She graduated with a Bachelor of Laws (Honours), a Bachelor of Arts and Masters of Taxation from the University of Queensland and is a graduate of the Australian Institute of Company Directors.

Ms Dyson is Chairman of the Audit and Risk Committee.

Ms Dyson was appointed to the Board on 2 November 2017.

David Evans

Non-executive Director

Mr Evans is the Executive Chairman of Evans Dixon Pty Ltd. Mr Evans established Evans and Partners Pty Ltd, the investment advisory company in June 2007.

Since 1990, he has worked in a variety of roles within JB Were & Son, and then the merged entity Goldman Sachs JBWere Pty Ltd (GSJBW). Prior to establishing Evans and Partners Mr Evans ran Goldman Sachs JBWere's Private Wealth business and the Institutional Equities business. His most recent role at GSJBW was as Managing Director and Chief of Staff. Mr Evans is a member of the Victorian Police Corporate Advisory Group and Chairman of Cricket Australia's Investment Committee.

Mr Evans is a member of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee.

Mr Evans was appointed to the Board on 21 August 2012.

Peter Gammell

Non-executive Director

Mr Gammell was the Deputy Chairman of Australian Capital Equity Pty Limited, the investment holding company associated with Mr Kerry Stokes AC, and was on the Board of Seven Group Holdings Limited from February 2010 until 28 June 2013 and was Managing Director and Group Chief Executive Officer from April 2010 until 28 June 2013.

Prior to the formation of Seven West Media Limited, Mr Gammell served as a Director of Seven Network Limited for 14 years. He was Chairman of the Seven Network Limited Finance Committee and was a member of the Audit Committee. He was the Chairman of Coates Hire, Australia's largest equipment hire company.

Mr Gammell is a former Director of Federal Capital Press Pty Ltd, the publisher of the Canberra Times (1989 to 1998) and is a former Director of the Community Newspaper Group (1996 to 1998). Between 10 September 2009 and 19 November 2012, Mr Gammell was a Director of Consolidated Media Holdings Limited.

Mr Gammell is a member of the Institute of Chartered Accountants of Scotland and holds a Bachelor of Science degree from the University of Edinburgh.

Mr Gammell is a member of the Audit & Risk Committee.

Mr Gammell was appointed to the Board on 25 September 2008.

Colette Garnsey OAM

Non-executive Director

Ms Garnsey is currently a non-executive Director of Flight Centre Travel Group, and non-executive Director and Chair of Australian Wool Innovation Limited.

She has over 30 years' executive experience, having held senior management positions at David Jones, Pacific Brands, and Premier Investments, encompassing strategy, operations, marketing, business planning and business transformation. She spent over 20 years with David Jones Limited rising to become Group General Manager.

Ms Garnsey has served on the board of the Melbourne Fashion Festival. She has also advised the CSIRO, The Federal Innovation Council, and the business advisory boards of various Federal Trade and Investment Ministers and Australian Fashion Week.

Ms Garnsey was appointed to the Board on 12 December 2018.

The Hon. Jeffrey Kennett AC

Non-executive Director

Mr Kennett AC is the founding Chairman of Beyond Blue: the national depression initiative and was Chairman from 2000 until 30 June 2017. He is Chairman of The Torch, a program assisting incarcerated indigenous men and women.

Mr Kennett was an Officer in the Royal Australian Regiment, serving at home and overseas. He was a Member of the Victorian Parliament for 23 years, and was Premier of the State from 1992 to 1999. Prior to that, he was Leader of the Opposition 1982-1989; 1991-1992.

Mr Kennett is currently the Chairman of EQT Holdings Limited, Chairman of Open Windows Australia Proprietary Limited, Chairman of CT Management Group Pty Ltd and a director of Amtek Corporation Pty Ltd.

In 2005 Mr Kennett was awarded the Companion of the Order of Australia.

Mr Kennett is a member of the Remuneration & Nomination Committee.

Mr Kennett was appointed to the Board on 24 June 2015.

Michael Malone

Non-executive Director

Mr Malone founded iiNet Limited in 1993 and continued as CEO until retiring in 2014. During his tenure, iiNet grew to service one million households and businesses, with revenues of one billion dollars and a market cap of over one billion dollars.

Mr Malone has been recognised with a raft of industry accolades, including 2012 Australian Entrepreneur of the Year, CEO of the Year in the Australian Telecom Awards and National Customer Service CEO of the Year in the CSIA's Australian Service Excellence Awards.

He presently sits on the board as a non-executive Director of NBN Co and ASX listed SpeedCast Limited and is the Chairman on Superloop Limited. Mr Malone is a founder of Diamond Cyber, an IT security firm in Perth. He is also a Director of Axicom Pty Limited and a member of the Advisory Committee of the Regional and Small Publishers Innovation Fund.

Mr Malone is a member of the Audit & Risk Committee.

Mr Malone was appointed to the Board on 24 June 2015.

Board of Directors

Governance

Ryan Stokes

Non-executive Director

Mr Stokes is Managing Director & Chief Executive Officer of Seven Group Holdings Limited (SGH). SGH owns approximately 41 per cent of SWM.

Mr Stokes has been a Director of Seven West Media Limited (SWM) since 2012 and was an Executive Director and then Chairman of Pacific Magazines from 2004 to 2008 and a Director of Yahoo7 from 2005 to 2013. Mr Stokes is a Director of WesTrac, Chairman of Coates Hire, and a Director of Beach Energy.

Mr Stokes is Chief Executive Officer of Australian Capital Equity Pty Limited (ACE). ACE is a private company with its primary investment being an interest in SGH. Mr Stokes was appointed Chairman of the National Gallery of Australia on 9 July 2018.

Mr Stokes is the former Chairman of the National Library of Australia. He is also a member of the Prime Ministerial Advisory Council on Veterans Mental Health established in 2014.

In 2015, he became a Committee member of innovationXchange (within the Department of Foreign Affairs and Trade), which provides strategic guidance on innovation in aid programs. He is also a member of the IOC Olympic Education Commission.

Mr Stokes holds a BComm from Curtin University and is a Fellow of the Australian Institute of Management (FAIM).

Mr Stokes is a member of the Remuneration & Nomination Committee.

Mr Stokes was appointed to the Board on 21 August 2012.

Michael Ziegelaar

Non-executive Director

Mr Ziegelaar is a senior partner of global law firm Herbert Smith Freehills, where he is the Co-Head of Australian Equity Capital Markets. He specialises in corporate, equity capital markets and M&A transactions and has acted for a wide range of clients across various industries.

Mr Ziegelaar is also a non-executive director of the Burnet Institute.

He holds a Bachelor of Laws (Hons), a Bachelor of Economics (majoring in Accounting and Corporate Finance) and a Master of Laws (majoring in Commercial Law) from Monash University.

Mr Ziegelaar is a member of the Audit & Risk Committee

Mr Ziegelaar was appointed to the Board on 2 November 2017.

Corporate Governance Statement

For the year ended 29 June 2019

This statement outlines the Company's main corporate governance practices that were in place throughout the financial year and, unless otherwise stated, its compliance with the 3rd edition of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations ("ASX Recommendations").

As part of the periodic review of its Board and Committee Charters during the financial year, the Company proactively took account of emerging developments in corporate governance, as raised in the 4th edition ASX Corporate Governance Council Corporate Governance Principles and Recommendations released on 27 February 2019 ("4th Edition ASX Recommendations"). The resulting amendments to the Board and Committee Charters are aligned with emerging market expectations, reflect many of the responsibilities and processes that the Board and its Committees were already undertaking and prepares the Company for its transition to reporting against the 4th Edition ASX Recommendations in the Company's next Corporate Governance Statement.

Accordingly, reporting of compliance within this Corporate Governance Statement remains against the 3rd edition of the ASX Recommendations, however reference is also made herein to corporate governance enhancements which relate to the 4th Edition ASX Recommendations. The Board will continue to review developments in corporate governance as part of its periodic review of governance at the Company.

The documents marked with an * below have been posted in the 'Corporate Governance' section on the Company's website at www.sevenwestmedia.com.au/about-us/corporate-governance.

Principle 1 – Lay Solid Foundations for Management and Oversight

Role and responsibilities of the Board

The Board is empowered to manage the business of the Company subject to the Corporations Act and the Company's Constitution*. The Board is responsible for the overall corporate governance of the Company and has adopted a Board Charter* setting out the role and responsibilities of the Board.

The Board Charter provides that the Board's role includes:

- representing and serving the interests of shareholders by overseeing, reviewing and appraising the Company's strategies, policies and performance in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution;
- demonstrating leadership by approving the Company's purpose, statement of values, strategic objectives and code of conduct for directors, senior executives and employees and monitoring corporate culture;
- contributing to and approving management's development of corporate strategy including approving strategic objectives;
- monitoring corporate performance and management's performance and implementation of Company strategy and promotion of the Company's values;
- reviewing and monitoring systems of risk management and internal control and ethical and legal compliance, including reviewing procedures to identify the main financial and non-financial risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;

Corporate Governance Statement

For the year ended 29 June 2019

- monitoring and reviewing management processes aimed at ensuring the integrity of financial reporting, financial controls and other reporting;
- developing a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership;
- developing and reviewing corporate governance principles and policies and monitoring compliance with those principles and policies to underpin and instil the desired culture within the Company and reinforce a culture across the Company of acting lawfully, ethically and responsibly;
- monitoring that management has formal and rigorous processes in place to validate the quality and integrity of the Company's corporate reporting;
- satisfying itself that the Company's remuneration framework is aligned with the Company's purpose, its strategic objectives, values and risk appetite; and
- in accordance with the Company's Diversity Policy, reviewing, on an annual basis, the report prepared by the Remuneration & Nomination Committee outlining the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Group.

The Board Charter provides that matters which are specifically reserved for the Board or its Committees include:

- appointment and removal of the Group Chief Executive Officer;
- approval of dividends;
- approval of annual budget;
- monitoring capital management and approval of capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- the establishment of Board Committees, their membership and delegated authorities; and
- calling of meetings of shareholders.

Board Committees

The Board is assisted in carrying out its responsibilities by the Audit & Risk Committee and the Remuneration & Nomination Committee.

Each Committee has its own written Charter*, which is reviewed on an annual basis and is available on the Company's website. Further details regarding the Audit & Risk Committee and the Remuneration & Nomination Committee are set out under "Principle 4 – Safeguard the Integrity of Corporate Reports" and "Principle 2 – Structure the Board to be Effective and Add Value", respectively, in this Corporate Governance Statement.

The Directors' Report at page 54 sets out the number of Board and Committee meetings held during the 2019 financial year under the heading "Directors' Meetings", as well as the attendance of Directors at those meetings.

Delegation to Management

Subject to oversight by the Board and the exercise by the Board of functions which it is required to carry out under the Company's Constitution, Board Charter and the law, it is the role of management to carry out functions that are expressly delegated to management by the Board, as well as those functions not specifically reserved to the Board, as it considers appropriate, including those functions and affairs which pertain to the day-to-day management of the operations and administration of the Company.

Management is charged with promulgating the Company's values across the organisation and is responsible for implementing the policies, business model and strategic objectives approved by the Board. Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively, including concerning the Company's compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the Company. The Company has adopted a Delegated Authority Policy, which delegates to management the authority to carry out expenditure in relation to specified areas of the Company's operations, subject to the Company's policies and procedures in respect of the authorisation and signing of Company contracts, which includes a system of legal review.

The functions exercised by the Board and those delegated to management are subject to ongoing review to ensure that the division of functions remains appropriate.

Employment of Executives

Company executives are each employed under written employment agreements, which set out the terms of their employment.

Prior to the commencement of employment, the Company undertakes appropriate background checks on new senior executives.

Appointment of Directors

The Board has established a Remuneration & Nomination Committee to assist in the appointment of new Directors.

Further information concerning this Committee is set out under “Principle 2 – Structure the Board to be Effective and Add Value” in this statement. The Remuneration & Nomination Committee periodically review the composition of the Board to ensure that the Board has an appropriate mix of expertise and experience. This review includes considering the appointment of new Directors and the re-election of incumbent Directors to the Board. An output of this process is the Board skills matrix set out under “Principle 2 – Structure the Board to be Effective and Add Value”.

The policy and procedure for the selection and appointment of new Directors is set out in an Annexure to the Board Charter. The factors that will be considered when reviewing a potential candidate for Board appointment include:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness having regard to the Board skills matrix, including a deep understanding of the media industry, corporate management and operational, safety and financial matters;
- the existing composition of the Board, having regard to the factors outlined in the Company’s Diversity Policy and the objective of achieving a Board comprising Directors from a diverse range of backgrounds;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other board or executive appointments); and
- potential conflicts of interest and independence.

The Board believes the management of the Company benefits from, and it is in the interests of shareholders for Directors on the Board to have, a mix of tenures such that some Directors have served on the Board for a longer period and have a deeper understanding of the Company and its operations, and new Directors bring fresh ideas and perspectives.

As part of the selection and appointment process:

- the Board, and if so requested the Remuneration & Nomination Committee, identify potential Director candidates, with the assistance of external search organisations as appropriate;
- background information in relation to each potential candidate is provided to all Directors;
- appropriate background checks are undertaken before appointing a Director, or putting forward to shareholders a Director candidate for election; and
- an invitation to be appointed as a Director is made by the Chairman after having consulted all Directors, with recommendations from the Remuneration & Nomination Committee (if any) having been circulated to all Directors.

Appointed Directors receive a formal letter of appointment which set out terms of their appointment and the Company’s Corporate Governance Policies. The date at which each Director was appointed to the Board is announced to ASX and is provided in this Annual Report on pages 35 to 38.

New Director appointments

During the year, the Board undertook a review of the Board’s structure and composition, and on 12 December 2018 appointed an additional Independent Director, Ms Colette Garnsey OAM, to the Board.

The Board considers that Ms Garnsey’s appointment adds further depth and strength to the Board, and that Ms Garnsey’s skills and experience, particularly in relation to consumer facing companies and organisations, are valuable to the Board.

Mr James Warburton was appointed Managing Director & Chief Executive Officer of the Company on 16 August 2019, following Mr Tim Worner’s resignation from that role and the Board as of the same date.

The Board approved Mr Warburton’s appointment and considers he is the appropriate person to lead the Company’s Management, having regard for Mr Warburton’s experience within the media industry, including his previous tenure as Chief Digital and Sales Officer of Seven Media Group and since that time, successfully fulfilling the role of Chief Executive Officer at APN Outdoor and prior to that, Supercars.

Election and re-election of Directors

Directors appointed to fill casual vacancies hold office until the next Annual General Meeting and are then eligible for election by shareholders. In addition, each Director must stand for re-election at the third Annual General Meeting since they were last elected. Under the Company’s Constitution, one-third of the Board (excluding the Managing Director and any Directors standing for election for the first time) must retire by rotation at each Annual General Meeting.

The Notice of Meeting for the Annual General Meeting discloses material information about Directors seeking election or re-election, including appropriate biographical details and qualifications, and other key current directorships.

Corporate Governance Statement

For the year ended 29 June 2019

Company Secretary

The Company Secretary's role is to support the Board's effectiveness by:

- helping to organise and facilitate the induction and professional development of directors;
- ensuring that the business at Board and Committee meetings is accurately captured in the minutes;
- advising the Board and Committees on governance matters; and
- coordinating the timely distribution of Board and Committee agendas and briefing materials.

The decision to appoint or remove a Company Secretary is made or approved by the Board. The Company Secretary is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. Each of the Directors has access to the Company Secretary.

Board, Committee and Director performance evaluation

The Chairman closely monitors the performance and actions of the Board and its Committees. During the financial year, Directors completed a Board Evaluation questionnaire concerning Board, Committee and Director, including Chairman, performance from which aggregated data and responses were provided to the Chairman and then presented to the Board for discussion and feedback. The Board Evaluation questionnaire provides an opportunity for the Board to benchmark results year-on-year and to identify Board performance priorities, governance framework enhancements and improve the effectiveness of meetings and Company processes.

The aggregated questionnaire results also provide the basis of individual discussions between Directors and the Chairman. The Chairman and each Board member consider the performance of that Board member in relation to the expectations for that Board member and consider any opportunities for enhancing future performance. Matters which may be taken into account include the expertise and responsibilities of the Board member and their contribution to the Board and any relevant Committees and their functions.

Additionally, during the financial year, a report on the program of work undertaken by the Board and each of its Committees, assessed against their respective Charter responsibilities and duties, is provided to the Board for discussion and for the purposes of reviewing performance of the Board and the Committees, as well as their Charters, to ensure that the Board and its Committees operate effectively and efficiently.

During the reporting period, performance evaluations of the Board, its Committees and individual Directors were carried out in accordance with this process.

Assessment of management performance

The performance of the Managing Director & Chief Executive Officer is formally reviewed by the Board against the achievement of strategic and budgetary objectives in respect of the Group's operations and investments whilst also having regard for his personal performance in the leadership of the Group. The Board's review is carried out annually in regard to certain goals against which he is assessed, and throughout the year in regard to others, and forms the basis of the determination of the Managing Director & Chief Executive Officer's performance-linked remuneration. The Remuneration Report sets out further details of the performance criteria against which the Managing Director's & Chief Executive Officer's performance-linked remuneration in respect of the financial year ended 29 June 2019 is assessed on pages 63 to 68.

The performance of senior executives of the Company is reviewed on an annual basis in a formal and documented interview process with either the Managing Director & Chief Executive Officer or the particular executive's immediate superior. Performance is evaluated against agreed performance goals and assessment criteria in relation to the senior executive's duties and material areas of responsibility, including management of relevant business units within budget, motivation and development of staff, and achievement of and contribution to the Company's objectives.

A performance evaluation of the Managing Director & Chief Executive Officer and other senior executives took place during the year in accordance with this process. For further information about the performance-related remuneration of senior executives and staff, please see the discussion set out under "Principle 8 – Remunerate Fairly and Responsibly".

Diversity policy

The Board recognises the benefits of a workplace culture that is inclusive and respectful of diversity. The Board values diversity, including in relation to age, gender, cultural background and ethnicity and recognises the benefits it can bring to the organisation. The Board has adopted a Diversity Policy* that sets out the Board's commitment to working towards achieving an inclusive and respectful environment. Please refer to pages 28 to 30 of this Annual Report for reporting on the Diversity Policy and the measurable objectives and initiatives relating thereto.

Principle 2 – Structure the Board to be Effective and Add Value

Board composition

The Company's Constitution provides for a minimum of three Directors and a maximum of twelve Directors on the Board. As at the date of this statement, the Board comprises eleven Directors, including nine Non-Executive Directors and the Managing Director & Chief Executive Officer.

The Non-Independent Directors in office are:

- Mr Kerry Stokes AC, Chairman
- Mr James Warburton, Managing Director & Chief Executive Officer
- Mr Peter Gammell, Director
- Mr Ryan Stokes, Director

The Independent Directors in office are:

- Mr John Alexander, Director
- Ms Colette Garnsey OAM, Director
- Ms Teresa Dyson, Director
- Mr David Evans, Director
- Mr Jeffrey Kennett AC, Director
- Mr Michael Malone, Director
- Mr Michael Ziegelaar, Director

The qualifications, experience, expertise and period in office of each Director of the Company at the date of this Annual Report are disclosed in the Board of Directors section of this Annual Report on pages 35 to 38.

Board independence

The Board comprises a majority of Independent Directors, with four Non-Independent Directors and seven Independent Directors since Ms Colette Garnsey's appointment. During the period of the financial year prior to Ms Garnsey's appointment, the Board comprised four Non-Independent Directors and six Independent Directors.

In determining whether a Director is independent, the Board conducts regular assessments and has regard to whether a Director is considered to be one who:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, or represents or has been within the last three years an officer or employee of a substantial shareholder of the Company;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;

- is, or has previously been, employed in an executive capacity by the Company or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor of, or a material consultant to, the Company or another Group member, or an employee materially associated with the service provider;
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another group member other than as a Director.
- has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

The Board determines the materiality of a relationship on the basis of fees paid or monies received or paid to either a Director or an entity which falls within the independence criteria above. If an amount received or paid may impact the Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of the Group in the previous financial year by more than 5 per cent, then a relationship will be considered material.

In the Board's view, the Independent Directors referred to above are free from any interest, position or other relationship that might, or reasonably be perceived to, influence, in material respect the capability to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

Mr Michael Ziegelaar is a partner at Herbert Smith Freehills, a law firm which provides certain legal services to the Company. The legal services provided by Herbert Smith Freehills are not considered material having regard to the principles above and Mr Ziegelaar is not involved in providing the services. The Board is satisfied that Mr Ziegelaar's role with Herbert Smith Freehills does not interfere with the independent exercise of his judgment as a Non-Executive Director of the Company.

The Board has assessed that the consultancy agreement under which Mr Jeff Kennett AC provides on-air services to the Company is not a material contractual relationship according to the principles and threshold for materiality above. The Board is satisfied that Mr Kennett's provision of on-air services does not interfere with the independent exercise of his judgment as a Non-Executive Director of the Company.

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Mr Kerry Stokes AC, Mr Peter Gammell and Mr Ryan Stokes are not regarded as independent within the framework of the independence guidelines set out above because of their positions, or in the case of Mr Gammell, former position, within Seven Group Holdings Limited, which is a major shareholder of Seven West Media Limited. Due to his position as Managing Director & Chief Executive Officer, Mr James Warburton is not considered to be independent.

Chairman

The roles of the Chairman and Chief Executive Officer are separate. Mr Kerry Stokes AC is the Chairman of the Company. The Chairman is responsible for leading the Board, facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and Management.

The Board acknowledges the ASX Recommendation that the Chairman should be an Independent Director, however the Board has formed the view that Mr Stokes is the most appropriate person to lead the Board as its Chairman given his experience and skills, particularly with regard to his long term association with various media businesses of the Group. In addition, the Company has a clear conflict of interest protocol to manage the relationships between the Company and Seven Group Holdings Limited.

Board skills, experience and expertise

Each Director brings a range of personal and professional experiences and expertise to the Board. The Board seeks to achieve an appropriate mix of skills, tenures and diversity, including a deep understanding of the media industry across multiple channels, as well as corporate management and operational, financial and safety matters. Directors devote significant time and resources to the discharge of their duties.

Company's Purpose and Strategic Objectives

The Board reviewed the Company's purpose and strategic objectives during the year and the Company's execution against the strategy disclosed in the 2018 Annual Report in consultation with Management. The Board determined to continue the velocity of the Company's rapid transformation and its pursuit and resourcing of growth opportunities in production and digital media by maintaining a consistent approach to the Company's strategy. The Board has approved the Company's purpose as driving shareholder value by *"delivering engagement and value through powerful storytelling"*. The Board also approved the following areas as strategic objectives for the Company to achieve this purpose and underpin the Company's economic sustainability:

1. Focus on the Core

- Improve ratings and revenue performance.
- Grow returns on content investment.
- Create, secure and curate the best local and international content.
- Maximise the return on our content investment through every window and overseas sale.

2. Transform the Operating Model

- Deliver on operating cost saving targets.
- Drive efficiencies in existing assets.
- Partner with competitors in non-competitive areas to improve profitability.
- Evolve to a leaner and more agile operating model while protecting content quality.

3. Grow New Revenue Streams

- Drive greater digital adoption and yield.
- Introduce new content monetisation formats.
- Invest in data, automation and targeted advertising to maximise inventory yield.
- Invest in adjacent verticals where we can leverage the power of our assets.

4. Capital Management

- Prudent capital and balance sheet management to sustain future development of the Company.

5. Culture

- Enhancing alignment of the Company's culture to drive innovation and change through technology and to continue to reduce the Company's cost base.

Board Skills Matrix

The Board has developed a Board Skills Matrix reflecting the desired skills and experience required to be able to deliver on the strategic objectives of the Company. The Board believes that these skills and experiences are well-represented by its current composition.

The Board Skills Matrix is set out in two parts. The first table outlines the desired industry specific skills and experience, which continues to evolve given the rapid changes in the media industry, and the second table outlines the depth of general corporate, executive and Director experience which are appropriate for the Company. The tables also outline the percentage of current directors possessing those skills and experience.

Skills and Experience	Percentage
Media industry leadership Senior executive or Board level experience in the media industry, including in-depth knowledge of the legislative and regulatory framework governing this industry.	73%
Banking, finance, asset and capital management Senior executive or Board level experience and understanding of banking markets and commercial financing arrangements as well as strategic planning and oversight of asset allocation and capital management.	82%
Marketing, sales and product distribution and servicing Senior executive or Board level experience in delivering product offerings to market, including marketing, branding and optimising sales processes and product distribution systems.	82%
Investment, mergers and acquisitions, venture capital and entrepreneurship Senior executive or Board level experience in analysis and identification of business and market opportunities as well as execution in relation to investment, mergers and entrepreneurial activities.	91%
Technology, digital media and transformation Senior executive or Board level experience in relation to digital media and transformation, information management, information technology and the oversight of implementation of major technology projects.	55%
CEO and Board level experience Significant business experience and success at a senior executive level.	100%

Skills and Experience	Percentage
Accounting and treasury Senior executive or equivalent experience in financial accounting and reporting, corporate finance, internal financial controls and an ability to probe the adequacies of financial risk controls.	82%
Corporate governance and organisation management Commitment to the highest standards of corporate governance, including experience within an organisation that is subject to rigorous governance and regulatory standards.	100%
Legal, regulation and compliance Senior executive or Board level experience in compliance and knowledge of legal and regulatory requirements.	91%
Risk management and audit Senior executive or Board level experience in identification, management and oversight of material corporate risks and audit, including ability to monitor risk and compliance.	100%
WHS, human resource management and remuneration Board remuneration committee membership or Senior executive experience relating to workplace health and safety, diversity and inclusion, managing people and remuneration, including incentive arrangements and the legislative framework governing employees and remuneration.	100%

Corporate Governance Statement

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Remuneration & Nomination Committee

The Board has established a Remuneration & Nomination Committee comprised of the following members, all of whom are Independent Directors except for Mr Ryan Stokes:

- Mr John Alexander (Chairman)
- Mr David Evans
- Mr Jeffrey Kennett AC
- Mr Ryan Stokes

The Remuneration & Nomination Charter* provides that the Committee must consist of a minimum of three members and must have a majority of Independent Directors, all of whom must be Non-Executive Directors.

Attendance at Committee meetings by management is at the invitation of the Committee. Directors who are non-Committee members may also attend any meeting of the Committee by invitation.

The Chairman of the Committee reports to the Board on the Committee's considerations and recommendations. Further details concerning the Remuneration & Nomination Committee's role in relation to Board appointments are set out in this Corporate Governance Statement under the heading "Principle 1 – Lay Solid Foundations for Management and Oversight", and under "Principle 8 – Remunerate Fairly and Responsibly" in relation to its role regarding the Company's remuneration arrangements.

Director induction and ongoing training

As part of the induction process, Board appointees attend a briefing with the Chairman, meet with the Company Secretary about the Company's corporate governance framework, visit key business sites and meet with Company Executives. In addition to an induction process for new Director appointments, from time to time, Directors attend external education seminars and peer group meetings regarding regulatory and compliance developments. The Company arranges presentations to the Board by Executives to update the Directors on the Group's business activities, as well as industry and regulatory developments.

The Director induction and ongoing training programs are reviewed to consider appropriate opportunities for Director development having regard to the desired skills and competencies for Board members as well as emerging governance issues such as digital disruption, IT project governance and cyber security. During the year Directors were briefed on regulatory and reporting developments, including changes to the ASX Corporate Governance Principles and accounting standards, as well as the implementation of risk management programs and culture and behaviour reviews and initiatives across the Group.

Effective functioning of the Board

The Board, under the terms of appointment of Directors and by virtue of their position, is entitled to access, and is provided with, information concerning the Group needed to discharge its duties efficiently. Directors are entitled, and encouraged, to request additional information if they believe that is necessary to support informed decision making. Directors are able to obtain independent professional advice to assist them in carrying out their duties, at the Company's expense.

Principle 3 – Instil a Culture of Acting Lawfully, Ethically and Responsibly

Core Values

In accordance with its Charter, the Board has approved the core values of the Company below which function as guiding principles and expectations for behaviour and the culture the Board and Management are seeking to embed across all businesses within the Group to assist in the achievement of the Company's purpose and strategic objectives set out under Principle 2.

The Company's core values have been determined following Management workshops, feedback from employees and presentation to the Board. The Company's core values are represented as motivational "catch-cries" which are displayed graphically at the Company's workplaces and promulgated to staff by Management, including across the Company's internal communications platforms and forums, and serve as reference points for engagement between staff. The Company's values and the behaviours required to embody these values have been included in the Company's performance development and assessments framework for employees for this financial year. The Board and Management consider that meaningful adoption of these values remains a key factor in the establishment of a high-performance culture across the Company.

Connection – "One connected team"

Internal connection means a focus on achieving the best outcome for the Group as a whole. For our people to work with trust, integrity, positivity and without self-interest. The external connection that we are seeking to embed is a focus on the changes that are rapidly occurring in the media environment. This means questioning what we do and how we do it to ensure that it is reflective of our audience's and customers' changing needs.

Accountability – “Just own it”

Holding ourselves, and each other, accountable for delivering results and meeting our commitments. As we work towards the transformation of our business, our Management team must hold themselves and their staff accountable for achieving our key goals along the way.

Creativity/Passion – “Here to inspire”

This value reflects the creativity and passion that is key to our long-term success but is also about ensuring that creative effort is focused on our audience and customers. This is also recognition that we are striving for excellence and the retention of leadership positions by each of our core businesses.

Code of Conduct and other Company policies

The Board has adopted a Code of Conduct for Directors* which establishes guidelines for their conduct in matters such as ethical standards and the disclosure and management of conflicts of interests. The Company has adopted a Code of Conduct for Employees* which provides a framework of ethical principles for conducting business and dealing with customers, employees and other stakeholders. The Code sets out the responsibilities of employees in regard to the Company’s commitment to workplace safety and employees’ fulfilment of their work duties and compliance with Company policies. The Code requires employees to maintain confidentiality of confidential Company information, avoid conflicts of interest, not misuse Company property or accept or offer inappropriate gifts.

Material breaches of the Codes of Conduct for Directors and Employees are reported to the Board.

The Board has implemented a number of other policies and procedures to maintain confidence in the Company’s integrity and promote ethical behaviour and responsible decision making, including the following:

- Continuous Disclosure policy*
- Share Trading policy*
- Group Editorial policy*
- Diversity policy*
- Whistleblower policy*
- Fraud, Anti-Bribery and Corruption Policy*

The Company’s Share Trading policy establishes the governing principles for trading in Company shares by Directors, Executives and staff. The Company’s Whistleblower policy, which includes an external reporting ‘hotline’, encourages the reporting and investigation of unethical and unlawful practices and matters of concern. The Company’s Fraud, Anti-Bribery and Corruption policy prohibits all Company Directors, employees, contractors and business partners giving bribes or other improper payments or benefits to public officials and material breaches of the policy must be reported to the Board and the Audit & Risk Committee.

The Company requires compliance with Company policies by staff under the terms of their employment and carries out training of employees in relation to its policies and procedures.

Principle 4 – Safeguard the Integrity of Corporate Reports

Audit & Risk Committee

As at the date of this statement, the Committee comprised the following members, all of whom are Independent Directors except for Mr Peter Gammell and all of whom are non-executives:

- Ms Teresa Dyson (Chairman of the Committee)
- Mr David Evans
- Mr Peter Gammell
- Mr Michael Malone
- Mr Michael Ziegelaar

Mr Michael Ziegelaar was appointed to the Audit & Risk Committee effective from 12 December 2018 and brings further business, legal, regulatory, compliance and risk management expertise to that Committee.

The Audit & Risk Committee has adopted a formal Charter* which is available on the Company’s website.

The Committee’s key responsibilities in respect of its audit function are to assist the Board in fulfilling its responsibilities in relation to:

- the accounting and financial reporting practices of the Company and its subsidiaries;
- the consideration of matters relating to the internal controls and systems of the Company and its subsidiaries;
- reviewing the process to verify the integrity of any periodic corporate report the Company releases to the market that is not audited or reviewed by the External Auditor;
- the identification and management of financial and non-financial risk; and
- the examination of any other matters referred to it by the Board.

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For the year ended 29 June 2019

The Audit & Risk Committee is also responsible for:

- making recommendations to the Board on the appointment (including procedures for selection), and where necessary, the replacement of the External Auditor;
- evaluating the overall effectiveness of the external audit function through the assessment of external audit reports and meetings with the External Auditors;
- reviewing the External Auditor's fees in relation to the quality and scope of the audit with a view to ensuring that an effective, comprehensive and complete audit can be conducted for the fee; and
- reviewing the External Auditor's fees for non-audit work and assessing whether non-audit services provided by the External Auditor are consistent with maintaining the External Auditor's independence.

Attendance at Committee meetings by management is at the invitation of the Committee. Directors who are non-Committee members may also attend any meeting of the Committee by invitation. The Chairman of the Committee reports to the Board on the Committee's considerations and recommendations.

The Audit & Risk Committee's key responsibilities in respect of its risk function are set out below under "Principle 7 – Recognise and Manage Risk".

External Audit function

It is the policy of The Audit & Risk Committee meets periodically with the External Auditors without management being present.

Each reporting period, the External Auditor provides an independence declaration in relation to the audit. Additionally, the Audit & Risk Committee provides advice to the Board in respect of whether the provision of non-audit services by the External Auditor are compatible with the general standard of independence of auditors imposed by the Corporations Act.

The Company's External Auditor attends all Annual General Meetings and is available to answer shareholders' questions about the conduct of the audit and the preparation and content of the Auditor's report.

Declarations by the Managing Director & Chief Executive Officer and Chief Financial Officer

Before the Board approves the financial statements for each of the half year and full year, it receives from the Managing Director & Chief Executive Officer and the Chief Financial Officer a written declaration that, in their opinion, the financial records of the Company have been properly maintained and the financial statements are prepared in accordance with the relevant accounting standards and present a true and fair view of the financial position and performance of the consolidated group. These declarations also confirm that these opinions have been formed on the basis of a sound system of risk management and internal compliance and control which is operating effectively.

To assist the Managing Director & Chief Executive Officer and the Chief Financial Officer in making their declarations to the Board in relation to the for each of the half-year and full year, and to ensure integrity in corporate reporting and good governance, a detailed questionnaire is distributed to senior management across the Group, including business unit Chief Executives and business unit Chief Financial Officers as well as other selected key senior managers, requiring confirmation from each of them that financial and accounting controls have been in place and adhered to, Company codes or policies have not been breached, risks have been appropriately managed, and that any matters requiring further consideration by senior group management are disclosed.

The required declarations from the Managing Director & Chief Executive Officer and Chief Financial Officer have been given for the half year ended 29 December 2018 and the financial year ended 29 June 2019.

Verification of Integrity of Periodic Corporate Reports

Corporate reports which are not audited or reviewed by the external auditor are prepared by Senior Executive Management by reference to company records and systems, with external professional assistance where appropriate. Such reports, as are included in the non-audited sections of this Annual Report, are submitted to a Committee or the Board for consideration. The detailed questionnaire distributed to senior management across the Group as part of the Company's periodic reporting procedures, referred to above, is a feature of the verification process in relation to corporate reporting on the Company's policies and compliance.

Principle 5 – Make Timely and Balanced Disclosure

The Company is committed to complying with the disclosure obligations of the Corporations Act and the Listing Rules of the ASX and has adopted a Continuous Disclosure Policy*.

Media releases, half yearly and yearly financial reports and results presentations are lodged with ASX and upon confirmation of receipt by ASX, they are posted to the Company's website.

In order to protect against inadvertent disclosure of price sensitive information, the Company imposes communication 'blackout' periods for financial information between the end of financial reporting periods and the announcement of results to the market.

The Board receives copies of all announcements under Listing Rule 3.1 promptly after they have been made.

Principle 6 – Respect the Rights of Security Holders

Communications with security holders

As disclosed in the Shareholder Communication Policy*, the Board aims to ensure that security holders are informed of all major developments affecting the Company's state of affairs and that there is an effective two-way communication with its security holders facilitated via the Company's Investor Relations function. The Company adopted a communications strategy that promotes effective communication with security holders principally through ASX announcements, the Company website, the provision of the Annual Report, including the financial statements, and the Annual General Meeting (and any extraordinary meetings held by the Company) and notices of general meetings. Shareholders are encouraged to participate in general meetings and are invited to put questions to the Chairman of the Board in that forum.

Security holders are given the option to receive communications from, and to send communications to, the Company electronically, to the extent possible. The Board continues to review its channels of communications with security holders for cost effectiveness and efficiencies, including using electronic delivery systems for security holder communications where appropriate. The Company continues to implement campaigns to encourage security holders to elect to receive all security holder communications electronically to help reduce the impact on the environment and costs associated with printing and sending materials by post.

It is the Company's policy that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company's website

The Company's website www.sevenwestmedia.com.au provides various information about the Company, including:

- Overviews of the Company's operating businesses, divisions and structure;
- Biographical information for each Director;
- Copies of the following:
 - Board and Committee Charters;
 - Corporate Governance Policies;
 - Annual Reports and Financial Statements; and
 - Announcements to ASX;
 - Security price information;
 - Contact details for the Company's Share Registry; and
 - Details concerning the date of the Annual General Meeting, including the Notice of Meeting, when available.

Principle 7 – Recognise and Manage Risk

Risk oversight and management

The Board recognises that the management of financial and non-financial risk is an integral part of its operations and has established policies and procedures for the oversight and management of material business risks, including the establishment of the Audit & Risk Committee. Details regarding the Committee are set out under "Principle 4 – Safeguard the Integrity of Corporate Reports".

The Board also believes a sound risk management framework should be aimed at identifying and delivering improved business processes and procedures across the Group which are consistent with the Group's commercial objectives.

Under the Audit & Risk Committee's Charter*, the Committee's key responsibilities in respect of its risk function are to:

- Oversee, evaluate and make recommendations to the Board in relation to the adequacy and effectiveness of the risk management framework and the risk management systems and processes in place, and be assured and in a position to report to the Board that all material risks have been identified and appropriate policies and processes are in place to manage them;
- Review and approve management's annual report on the effectiveness of the risk management systems and internal control framework;
- Review reports from management on new and emerging sources of financial and non-financial risk and the risk controls and mitigation measures that management has put in place to deal with those risks;

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- Review, at least annually, the Company's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk, and reports to the Board regarding any recommended changes to the Company's risk management framework;
- Review, and make recommendations to the Board in relation to, the Company's insurance program and other risk transfer arrangements having regard to the Company's business and the insurable risks associated with it, and be assured that appropriate coverage is in place;
- Monitor compliance with applicable laws and regulations, review the procedures the Company has in place to ensure compliance and be assured that material compliance risks have been identified;
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding fraud or non-compliance with applicable laws and regulations and the confidential, anonymous submission by employees of the Company of any concerns regarding business practices; and
- Review and make recommendations to the Board in relation to any incidents involving fraud or other breakdown of the Company's internal controls.

The Board requires management to design and implement a risk management and internal control system to manage the Company's material business risks and report to it on the management of those risks. During the reporting period, management reported to the Board as to the effectiveness of the Company's management of its material business risks.

During the 2019 financial year, the Committee conducted periodic as well as the annual review of the Company's risk management framework and satisfied itself that the framework continues to be sound and effectively identifies potential risks.

Risk Management Policy

The Board has adopted a Risk Management Policy consistent with Australian Standard ISO 31000:2009 and Principle 7 of the ASX Recommendations.

The group-wide risk profile covers the key revenue, content, product/technology and people risks of the Company and is prepared by the Head of Risk Assurance & Internal Audit in consultation with key executives across the business. Throughout the year, the Audit & Risk Committee reviews with management the group-wide risk profile and the success of the risk mitigation strategies in order to satisfy itself that management is operating within the risk appetite set by the Board. External advice is obtained as appropriate. The key risks identified by Management and mitigation actions in place are regularly updated and reported to the Audit & Risk Committee and periodically to the Board.

Internal Control Framework – Risk Assurance & Internal Audit

The Company has established a Risk Assurance & Internal Audit function to evaluate and improve the effectiveness of the Company's governance, risk management and internal control processes. Functional responsibility for Risk Assurance & Internal Audit resides with the Head of Risk Assurance & Internal Audit who reports to the Chairman of the Audit & Risk Committee and has access to the Company's records, information systems, properties and personnel in order to conduct its activities. The Audit & Risk Committee reviews and approves Risk Assurance & Internal Audit's plans and resourcing as well as monitors its independence, performance and management's responsiveness to its findings and recommendations.

During the year, the Head of Risk Assurance & Internal Audit presented detailed Internal Audits and Risk reviews to the Committee regarding the effectiveness of the Company's management of its material business risks, in accordance with the approved Risk Assurance & Internal Audit plan. Focus areas of the 2019 Risk Assurance & Internal Audit plan included the review of deployment of major IT projects, business case and rights management reviews, and enhancing the Company's employee and contractor management procedures.

Workplace Safety

The Company is committed to providing a safe workplace for all and maintains comprehensive workplace safety policies and systems which are overseen by the Group Safety & Wellness Manager. These policies are promulgated to staff through induction, training, the Company's intranet as well as through Workplace Health & Safety Committees at each business premises. Consultative workplace safety arrangements, ranging from formal quarterly health and safety committee meetings to other agreed arrangements, have been put in place at each key business premises.

Management provide leadership by promoting a culture of safety and wellness, risk awareness, mitigation and injury prevention. Regular workplace safety and wellness updates are provided to department executives and the Board. Additionally, to support health and well-being, the Company provides a calendar of free wellness activities including yoga, pilates, meditation, bootcamp, flu vaccinations and confidential external counselling service for employees and their immediate families.

Environment

Environmental risks are considered as part of the Company's risk assessment processes. Environmental risks relating to the use and storage of any hazardous materials are identified and managed through regular inspections of business premises, reviews of compliance and emergency procedures, and advice from external consultants on environmental matters.

The Company is mindful of climate change and managing the environmental impact of its operations. For more information on the Company's environmental practices and the Company's efforts to minimise the environmental footprint of its businesses, please refer to page 26 of this Annual Report.

Material risks

Under the risk framework described above the Company has identified revenue, content, and product/technology risks which it manages and mitigates. Each of the foregoing material business risks is monitored and managed by appropriate Senior Management within the Company. Where appropriate, external advisers are engaged to assist in managing the risk. More detail concerning these risks, the Company's economic sustainability risks and how it manages those risks is set out under the headings "Risk Management" and "Risk Management Framework" on page 25 of this Annual Report. The Company does not believe it has any material exposure to environmental or social sustainability risks. Commentary on the Company's environmental and human capital related initiatives as well as its community engagement is provided on pages 25 to 34 of this Annual Report.

Strategy

The Company has continued its strategic focus on responding rapidly to the challenges and opportunities in its marketplace. For more information on the Company's strategic framework which underpins the Company's economic sustainability please refer to pages 4 to 5 of this Annual Report.

Principle 8 – Remunerate Fairly and Responsibly

Remuneration policy

The objective of the remuneration policy for employees is to ensure that remuneration packages properly reflect the duties and responsibilities of the employees and that remuneration is at an appropriate but competitive market rate which enables the Company to attract, retain and motivate people of the highest quality and with the best skills from the industries in which the Company operates.

Remuneration & Nomination Committee

To assist in the adoption of appropriate remuneration practices, the Board has delegated specific responsibilities to the Remuneration & Nomination Committee. Details regarding the Committee are set out under "Principle 2 – Structure the Board to be Effective and Add Value".

The primary responsibilities of the Committee which relate to remuneration are:

- To review and advise the Board on Directors' fees and the remuneration packages, including equity incentive grants, of the Managing Director & Chief Executive Officer, Chief Executives and senior executives of the Group;
- To ensure the company has a rigorous and transparent process for developing its remuneration policy and for fixing the remuneration packages of directors and senior executives, in light of the objective that the company's remuneration framework is aligned with the company's strategic objectives, values, purpose and risk appetite;
- To provide advice and support and serve as a sounding-board for the Managing Director & Chief Executive Officer and Board in human resource and remuneration-related matters;
- To advise on succession planning and employee development policies; and
- To review and monitor the implementation of, the Company's remuneration framework to confirm it:
 - encourages and sustains a culture aligned with the Company's values;
 - supports the Company's strategic objectives and long-term financial soundness; and
 - is aligned with the Company risk management framework and risk appetite.

Corporate Governance Statement

For the year ended 29 June 2019

It is the practice for the Managing Director & Chief Executive Officer to attend meetings of the Remuneration & Nomination Committee to report on, or seek approval of, senior Group Management's remuneration, but he is not present during meetings of the Committee (or the Board) when his own performance or remuneration are being discussed or reviewed.

Remuneration of Directors and Senior Executives

The aggregate remuneration for Non-Executive Directors is approved by shareholders. Fees for Directors are set out in the Remuneration Report on page 78.

The Committee reviews remuneration packages and policies applicable to the Managing Director & Chief Executive Officer and senior executives. This includes share schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits and insurance policies. External advice is sought directly by the Committee, as appropriate. The Committee also directly obtains independent market information on the appropriateness of the level of fees payable to Non-Executive Directors and makes recommendations to the Board.

The Remuneration & Nomination Committee met after the end of the financial year to review and recommend to the Board performance-related remuneration for Key Management Personnel ("KMP"). This process is summarised in the Remuneration Report on pages 64 to 67. The Remuneration Report also sets out details of Directors' and executives' remuneration, as well as the Board's policy for Non-Executive Directors and senior executives' remuneration throughout sections 6 to 7.

Hedging

It is the Company's policy that employees (including KMP) are prohibited from dealing in Seven West Media securities if the dealing is prohibited under the Corporations Act. Therefore, in accordance with this policy, all KMP are prohibited from entering into arrangements which operate to limit the executives' economic risk in connection with Seven West Media securities which are unvested or remain subject to a holding lock.

This statement has been approved by the Board and is current as at 20 August 2019.

Directors' Report

For the year ended 29 June 2019

The Directors present their report together with the consolidated financial statements of the Group consisting of Seven West Media Limited and the entities it controlled at the end of, or during, the year ended 29 June 2019 and the auditor's report thereon.

Board

The following persons were directors of Seven West Media Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

KM Stokes AC - Chairman

TG Worner - Managing Director & Chief Executive Officer (resigned 16 August 2019)

JR Warburton - Managing Director & Chief Executive Officer (appointed 16 August 2019)

JH Alexander

T Dyson

D Evans

PJT Gammell

C Garnsey OAM (appointed 12 December 2018)

JG Kennett AC

M Malone

RK Stokes

M Ziegelaar

Particulars of their qualifications, experience, special responsibilities and any directorships of other listed companies held at any time in the last three years are set out in this Annual Report under the headings "Board of Directors" and "Corporate Governance Statement" on pages 35 and 39 and form part of this report.

Warren Coatsworth is the Company Secretary. He was appointed to the role on 24 April 2013.

Mr Coatsworth is a solicitor holding a current practising certificate with degrees in Arts and Law (Hons) from the University of Sydney. He holds a Masters of Law in Media and Technology Law from the University of New South Wales as well as a Graduate Diploma in Applied Corporate Governance. He is a qualified Chartered Company Secretary and a Fellow and member of the Governance Institute of Australia.

Mr Coatsworth has been Company Secretary of Seven Group Holdings Limited since April 2010 and Company Secretary of Seven Network Limited since July 2005. He has extensive experience as Legal Counsel at the Seven Network advising broadly across the company, and was formerly a solicitor at Clayton Utz. Included on Doyles Guide's list of Leading In-House Technology, Media & Telecommunications Lawyers in Australia for 2016 and 2017.

Principal activities

The principal activities of the Group during the financial year were free to air television broadcasting, newspaper and magazine publishing and online and radio broadcasting.

There were no significant changes in the nature of the Group's principal activities during the financial year.

Business strategies, prospects and likely developments

Information on the Group's operations and the results of those operations, financial position, business strategies and prospects for future financial years has been included in the "Review of Operations" section on pages 10 to 24. This section also refers to likely developments in the Group's operations in future financial years and the expected results of those operations.

Information in the Review of Operations section is provided to enable shareholders to make an informed assessment about the operations, financial position, business strategies and prospects for future financial years of the Group.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

- On 21 August 2018, the Company announced that it had reached an agreement with Prime Media Group to extend its long-standing program supply agreement for a further five years from 1 July 2018. The agreement recognises current market terms and reflects Seven's ongoing investment in content and sporting rights.
- On 10 April 2019, the Company announced that it had finalised the sale of its 50% interest in Yahoo7 to Verizon Media. The Company received \$20.75 million in cash for its shares this financial year and the Company now fully owns and operates all of its 'direct to consumer' digital products.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Group that occurred during the financial year.

Directors' Report

For the year ended 29 June 2019

Matters subsequent to the end of the financial year

Mr James Warburton was appointed Managing Director & Chief Executive Officer of the Company on 16 August 2019, following Mr Tim Worner's resignation from that role and the Board as of the same date. For further information, please refer to the announcement lodged by the Company with ASX on 16 August 2019.

Meetings of directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 29 June 2019, and the numbers of meetings attended by each Director were:

Directors	Meetings of Directors		Audit and Risk		Remuneration and Nomination	
	(a)	(b)	(a)	(b)	(a)	(b)
KM Stokes AC	8	8	-	-	1	1
TG Worner #	8	8	8	8	4	4
JR Warburton ^	-	-	-	-	-	-
JH Alexander	8	8	2	2	13	13
T Dyson	8	8	8	8	2	2
D Evans	8	6	8	7	13	12
PJT Gammell	8	8	8	8	-	-
C Garnsey OAM *	5	4	1	1	-	-
JG Kennett AC	8	8	8	8	13	13
M Malone	8	7	8	8	-	-
RK Stokes	8	8	8	8	13	13
M Ziegelaar	8	8	8	8	4	4

(a) Number of meetings held during the year while the person was a Director.

(b) Number of meetings attended. Please note Directors may attend meetings of Committees of which they are not a formal member, and in these instances, their attendance is also included above.

Resigned as MD & CEO on 16 August 2019.

^ Appointed MD & CEO on 16 August 2019.

* Appointed a Director on 12 December 2018.

Performance rights and options

During the financial year, there were not any rights issued over an equivalent number of unissued fully paid ordinary shares in the Company.

At the date of this report, the following rights to acquire an equivalent number of ordinary shares in the Company under the various employee equity schemes are outstanding:

Share Plan		Rights on Issue	Expiry Date
Seven West Media Equity Incentive Plan	(2018 LTI)	3,634,401	1 September 2020
Seven West Media Equity Incentive Plan	(2019 LTI)	1,974,298	1 September 2021

Rights were granted for nil consideration. None of the rights currently on issue entitle the holder to participate in any share issue.

During the financial year, 814,615 of the 2016 LTI plan rights vested and 2,443,836 rights lapsed.

There are no other unissued shares or interests under options as at the date of this report.

For names of the Directors and Key Management Personnel who currently hold rights through these schemes, refer to the Remuneration Report.

	2019 \$	2018 \$
Final ordinary dividend for the year ended 30 June 2018 nil cents (2017 - 2 cents)	-	30,161
Interim ordinary dividend for the year ended 29 June 2019 was nil cents (2018 - nil cents)	-	-
	-	30,161

In addition to the above dividends, since the end of the 2019 financial year the Directors have declared the payment of a final ordinary dividend of nil cents per share.

Environmental regulation

The Group's major production facilities do not require discharge licences under the Environmental Protection Act 1986 and no formal reporting is required to either the Environmental Protection Authority or the National Pollutant Inventory.

Directors' interests in securities

The relevant interests of each Director in shares and rights issued by the Company, as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report are as follows:

	Performance Rights	Number of ordinary shares
<i>Directors</i>		
KM Stokes AC	-	619,753,734
JR Warburton	-	-
JH Alexander	-	55,768
T Dyson	-	38,218
D Evans	-	927,803
PJT Gammell	-	329,216
C Garnsey OAM	-	250,000
JG Kennett AC	-	75,000
M Malone	-	133,000
RK Stokes	-	240,466
M Ziegelaar	-	10,000

Remuneration report

A remuneration report is set out on the pages that follow (pages 57 to 82) and forms part of this Directors' Report.

Indemnity and insurance of directors and officers

The Constitution of the Company provides an indemnity to any current and former Director, Alternate Director and Secretary of the Company against any liabilities incurred by that person arising out of the discharge of duties as an officer of the Company or the conduct of the business of the Company, including associated legal costs defending any proceedings relating to that person's position with the Company, except where the liability arises out of conduct involving a lack of good faith.

As permitted by the Constitution of the Company, the Company has entered into deeds of access, insurance and indemnity with each Director as at the end of the financial year.

No amounts were paid and no actions were taken pursuant to these indemnities during the year.

During the financial year, the Company paid a premium in respect of a contract insuring all Directors and officers (including employees) of the Company and of related bodies corporate against certain liabilities specified in the contract. The contract prohibits disclosure of the nature of the liabilities insured and the amount of the premium.

Directors' Report

For the year ended 29 June 2019

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

There were no amounts paid or payable by the Group to the auditor, KPMG, for non-audit services provided during the year. The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the group and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor;
- the non-audit services provided do not undermine the general principles relating to auditor's independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management decision making capacity for the group, acting as an advocate of the group or jointly sharing the risks and rewards.

The Lead auditor's independence declaration is set out on page 83 and forms part of the Directors' Report for the financial year ended 29 June 2019.

Rounding of amounts

The Group is of a kind referred to in ASIC 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.

This report is made in accordance with a resolution of the Directors.



KM Stokes AC
Chairman

Sydney
20 August 2019

Remuneration Report

For the year ended 29 June 2019

Message from the Remuneration & Nomination Committee

Dear Shareholder

Seven West Media is pleased to present its Remuneration Report for the 2019 financial year (FY19) which sets out remuneration information for Key Management Personnel (KMP) and Non-Executive Directors.

Significant changes to the Company's Executive Remuneration Framework occurred during the previous financial year to ensure that our incentive plans appropriately respond to out-performance and under-performance in the execution of our business strategy, align with our share performance and are structured responsibly. We sought and incorporated feedback on our approach to remuneration from our shareholders, proxy advisory firms, remuneration consultants and our management team and we believe that our Framework considers the long and short-term returns of our shareholders. This is achieved by offering contingent reward, most of which is delivered in equity, by setting challenging Short-Term Incentive (STI) targets and by ensuring Long-Term Incentive (LTI) performance measures encourage the delivery of value to our shareholders.

Overview of FY19 Remuneration and Performance Outcomes

STI Outcomes

In determining the STI outcomes for FY19, the Board considers a range of factors which reflect the challenges and opportunities of leading the Company sustainably for today and into the future. In what continues to be a challenging and competitive business environment, the Company's financial results returned a 10.0 per cent decrease in Underlying Group Earnings Before Interest and Tax (EBIT) earnings to \$212.1 million. Group revenue of \$1,557.6 million was 4.0 per cent lower than the prior year, and Group costs of \$1,314.0 million were 2.8 per cent lower than the prior year.

During the year, we have made solid progress across key areas of our business, including:

- Most watched Network, Channel and Multi-Channel in the financial year;
- Operating efficiency improvements including Group cost reductions by \$38 million;
- 35 per cent Broadcast Video On-Demand (BVOD) market viewing share;
- 7th consecutive year of EBIT growth in Seven Studios;
- Over 300 per cent increase in Digital EBIT to \$15 million;
- Unprecedented industrial relations reforms;
- Most watched news, breakfast, morning show, lifestyle show and drama;
- Created more than 1,000 hours of scripted, factual, children's and reality programming, growing the catalogue to nearly 9,000 hours;
- An increase of 42 per cent in Pacific's digital audience, now contributing 30 per cent of its total advertising revenue;
- 10 per cent year-on-year increase in the 2019 AFL audience;
- Successful first season production of Australian Cricket;
- New content commissions from Netflix and Facebook;
- The launch of 7NEWS.com.au, producing an audience already greater than the Yahoo7 joint venture;
- The launch of West Australian Newspapers digital subscriptions platform; and
- Delivered a comprehensive mental health framework and initiatives.

Despite solid performance against a majority of metrics in the FY19 Company Scorecard, the STI gateway did not open. Hence, the Managing Director and Chief Executive Officer (MD & CEO), Timothy Worner will not receive an STI award. However, the Board resolved that, on balance, one Executive KMP member would receive an STI award delivered 100 per cent in deferred equity.

Remuneration Report

For the year ended 29 June 2019

LTI Outcomes

In FY19, the 2016 LTI Plan reached its test date which resulted in a partial vesting of 25 per cent of the total award. More specifically:

- The LTI Plan's Total Shareholder Return (TSR) hurdle over the last three years was -28.1 per cent, which was below the 50th percentile vesting threshold, so none of these 2016 performance rights vested; and
- The LTI Plan's Diluted Earnings per Share (DEPS) growth over the last three years vested at the minimum threshold of 50 per cent (34.52 cents), so 50 per cent the 2016 DEPS performance rights vested.

This outcome resulted in a slight increase in actual pay for the MD & CEO, notwithstanding that Fixed Remuneration is unchanged and no STI was awarded in FY19.

Mr Worner's 2018 and 2019 remuneration is tabled at Sections 5 and 7 of the Report.

Appointment of New Managing Director and Chief Executive Officer

Subsequent to the 2019 financial year, Mr Worner resigned on 16 August 2019 pursuant to his employment contract providing 12 months' notice. Termination payments in respect of notice and any unvested equity are yet to be determined and will be subject to future Remuneration Committee and Board meetings. Final remuneration payments will be fully disclosed in the Company's 2020 Remuneration Report.

The incoming MD & CEO, James Warburton commenced on 16 August 2019. His remuneration arrangements include total fixed remuneration of \$1.35 million per annum, target STI of 100 percent of total fixed remuneration with a maximum STI opportunity of 150 per cent of target STI for FY20, and an upfront LTI grant up to a maximum of \$4.05 million (equivalent to three years' annual LTI grant of 100 per cent of total fixed remuneration) of performance rights to acquire shares subject to a relative TSR hurdle plus an individual measure that vests over a total four year time horizon. Further details of Mr Warburton's remuneration arrangements will be reported in 2020.

Changes to Non-Executive Director Fees

From 1 July 2018, Non-Executive Director fees were reinstated to the fees in place prior to the reduction announced at the 2017 AGM. No other changes were made to Non-Executive Director fees for 2019.

Other Changes to Key Management Personnel and Non-Executive Directors

- Ms Colette Garnsey OAM, Non-Executive Director, joined the Company on 12 December 2018; and
- Mr Clive Dickens, Chief Digital Officer, resigned from the Company effective 1 May 2019.

Outlook

Looking ahead to 2020, the Board will continue to test the remuneration arrangements for executives to ensure that these remain aligned to the remuneration principles that underpin our Executive Remuneration Framework with the aim of remaining fit for purpose, is clear and appropriately connected with our strategic intent and the expectations of our stakeholders.

On behalf of the Board, I invite you to consider our Remuneration Report which will be presented to shareholders for adoption at the 2019 Annual General Meeting.

Thank you for your ongoing support of Seven West Media.

Yours faithfully



John Alexander

Remuneration & Nomination Committee Chairman

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Remuneration Report

For the year ended 29 June 2019

1. Introduction

This Report describes the remuneration arrangements for the Key Management Personnel (KMP) of Seven West Media Limited as defined in AASB 124 Related Party Disclosures, including Non-Executive Directors, the Managing Director and Chief Executive Officer (MD & CEO), and other Executives (including Executive Directors) (hereafter referred to in this Report as Executive KMP) who have authority for planning, directing and controlling the activities of the Group. The KMP for the financial year are set out below.

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act 2001. It forms part of the Directors' Report.

2. FY19 Key Management Personnel Covered by this Report

The KMP whose remuneration is disclosed in this year's Report are:

KMP	Position	Term as KMP
Non-Executive Directors (NEDs)		
KM Stokes AC	Chairman	Full Year
JH Alexander	Director	Full Year
T Dyson	Director	Full Year
D Evans	Director	Full Year
PJT Gammell	Director	Full Year
C Garnsey OAM	Director	Part Year – Appointed 12 December 2018
JG Kennett AC	Director	Full Year
M Malone	Director	Full Year
RK Stokes	Director	Full Year
M Ziegelaar	Director	Full Year
Managing Director & Chief Executive Officer (MD & CEO) and Executive KMP		
TG Worner	Managing Director & Chief Executive Officer	Full Year
KJ Burnette	Chief Revenue Officer	Full Year
WO Lynch	Chief Financial Officer	Full Year
KA McGrath	Group Executive, People and Culture	Full Year
BI McWilliam	Commercial Director	Full Year
Former Executive KMP		
CR Dickens	Chief Digital Officer	Part Year – Resigned effective 1 May 2019

3. Executive Remuneration – The Fast Read

Key Features	Details of Seven West Media's Approach	Further Information
Executive Remuneration in FY19		
1. How is Seven West Media's performance reflected in this year's remuneration outcomes?	<p>Seven's remuneration outcomes are strongly linked to the delivery of sustainable shareholder value over the short and long-term.</p> <p>Short Term Incentive (STI): The Company's underlying Earnings Before Interest and Tax (EBIT) result of \$212.1 million fell below the 90 per cent range of budget, and the STI gateway did not open.</p> <p>However, the Board determined that one Executive KMP will receive an STI award delivered 100 per cent in Restricted Shares and deferred for 12 months.</p> <p>Long Term Incentive (LTI): The three-year performance period for the FY16 LTI grant completed on 29 June 2019. The 2016 LTI was divided into two components, with 50 per cent is tested against relative TSR performance and the other 50 per cent is tested against DEPS targets, both over a three-year period. The Company's DEPS performance met target at the threshold of 50 per cent. However, the Company's relative TSR performance fell below the median of the comparator group. An overall 25 per cent of the 2016 LTI award vested for the MD & CEO and four Executive KMP.</p>	<p>Section 5 Pages 64-68</p> <p>Section 6 Page 68-74</p>
2. What changes have been made to the remuneration framework in FY19?	<p>There were no changes made to the Company's remuneration framework in FY19.</p> <p>Fixed remuneration levels for the MD & CEO and Executive KMP remain unchanged.</p>	<p>Section 6 Pages 68-69</p>
3. Are any changes planned for FY20?	<p>There are no significant remuneration framework changes planned for FY20. However, in line with previous years, the Board will review and adjust (if necessary) the threshold and stretch performance levels for the performance objectives applicable to the STI and LTI awards.</p> <p>Following the appointment of the new MD & CEO on 16 August 2019, full remuneration disclosure will be reported in 2020.</p>	<p>Section 6 Page 68</p>
Executive Remuneration Framework		
4. What is Seven West Media's remuneration strategy relative to the market?	<p>Fixed and variable remuneration strategy is aimed at the median of the market, with remuneration opportunities for outstanding performance extending up to the upper quartile of the market.</p>	<p>Section 6 Page 69</p>
5. What proportion of remuneration is "at risk"?	<p>Executive KMP remuneration is broadly evenly distributed between fixed remuneration and on performance which is therefore at risk. The remuneration package for the MD & CEO is 50 per cent performance-related pay, and for Executive KMP the remuneration package is 43 per cent performance-related pay.</p>	<p>Section 6 Page 69</p>
6. Are there any claw-back provisions for incentives?	<p>Yes. If there is a material financial misstatement, any unvested LTI or deferred STI awards can be clawed back.</p>	<p>Section 6 Page 70</p>
Short Term Incentives (STI)		
7. Are any STI payments deferred?	<p>Yes. Typically, 50 per cent of the STI award for the MD & CEO and Executive KMP is deferred into Restricted Shares which vest after 12 months. However, for FY19, 100 per cent of any awards granted will be delivered in deferred equity. If the Executive resigns or their employment is terminated for cause before the vesting period ends, the shares do not vest and are forfeited.</p>	<p>Section 6 Page 70</p>
8. Are STI payments capped?	<p>Yes. An Executive's STI is capped at the STI target, achievable only in circumstances of both exceptional individual and Company performance.</p>	<p>Section 6 Page 70</p>

Remuneration Report

For the year ended 29 June 2019

Key Features	Details of Seven West Media's Approach	Further Information
Long Term Incentives (LTI)		
9. What are the performance measures for the LTI?	100 per cent subject to relative TSR with an individual performance condition, with the Board having discretion to ensure vesting outcomes are appropriately aligned to performance.	Section 6 Pages 71-73
10. Are there any restrictions imposed on disposal of LTI awards?	Yes. There is a restriction imposed on the sale and use of shares after vesting until the earliest of the following: <ul style="list-style-type: none"> ▪ The date the holder ceases employment with Seven West Media (subject to Board discretion); ▪ The one-year anniversary of the vesting date (or subsequent anniversaries if elected by the award holder); or ▪ The Board determines that the holding lock should be released. 	Section 6 Page 72
11. Does the LTI have re-testing?	No. There is no re-testing.	Section 6 Page 72
12. Are dividends paid on unvested LTI awards?	No. Dividends are not paid on unvested LTI awards. This ensures that Executives are only rewarded when performance hurdles have been achieved at the end of the performance period.	Section 6 Page 73
13. Is the size of LTI grants increased in light of performance conditions?	No. There is no adjustment to reflect the performance conditions. The grant price for allocation purposes is not reduced based on performance conditions. Seven uses a 'face value methodology' for allocating Performance Rights to each Executive KMP, being the average share price for the month leading up to grant, discounted for the assumed value of dividends not paid during the three-year performance period.	Section 6 Pages 71-73 & 79-80
14. Can LTI participants hedge their unvested LTI?	No. This is prohibited.	Section 4 Page 64 Section 6 Page 73
15. Does Seven West Media buy shares or issue new shares for share-based awards?	For deferred STI awards, shares are purchased on-market. For LTI awards, the Board has discretion to issue new shares or buy shares on-market.	Section 6 Pages 70 & 73
16. Does Seven West Media issue share options?	No. Seven uses Restricted Shares for the deferred STI awards and Performance Rights for LTI awards.	Section 6 Pages 70 & 72
Executive Service Agreements		
17. What is the maximum an Executive can receive on termination?	Executive KMP termination entitlements are limited to 12 months' fixed remuneration	Section 6 Page 75

4. Remuneration Governance

4.1 Role of the Remuneration and Nomination Committee

The primary objective of the Remuneration and Nomination Committee (the Committee) is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to the Group's people strategy including remuneration components, performance measurements and accountability frameworks, recruitment, engagement, retention, talent management and succession planning.

The Committee's duties and responsibilities are:

- Undertake an annual review of the Company's remuneration strategy and Remuneration Policy to facilitate understanding of the overall approach to remuneration, and to confirm alignment with the Company's business strategy, high standards of governance and compliance with regulatory standards;
- Review and recommend to the Board for approval, remuneration arrangements and conditions of service for the MD & CEO and Executive KMP. The Committee reviews the arrangements on an annual basis against the Remuneration Policy, obtaining independent external remuneration advice where appropriate;
- Establish the policy for the remuneration arrangements for Non-Executive Directors, reviewing remuneration arrangements annually and obtaining independent external remuneration advice where appropriate. The Committee recommends to the Board the Non-Executive Director remuneration, within the aggregate approved by shareholders;
- Undertake an annual review of the Company's performance management practices to confirm the integrity of its processes from designing executive incentive plans, approval of awards to making incentive-based payments under such plans. The Committee establishes the performance hurdles associated with the incentive plans, and verifies compliance with vesting or exercise requirements for equity-based rewards; and
- Review and recommend to the Board for approval the Remuneration Report and any other report required to be produced for shareholders to meet regulatory requirements.

The Committee has a strong focus on the relationship between business performance, risk management and remuneration. During the year, the Committee met on five occasions and reviewed and approved or made recommendations to the Board on matters including:

- Remuneration review for the MD & CEO and other senior Executives (broader than those disclosed in the Remuneration Report) covered by the Company's Remuneration Policy;
- The review of the Seven West Media Employee Share Plan;
- The Company's performance framework (objectives setting and assessment) and annual variable remuneration spend;
- Performance and remuneration outcomes for key senior Executives;
- Approval of Executive KMP and other senior Executive appointments and terminations;
- The effectiveness of the Company's Remuneration Policy;
- Succession plans for senior Executives; and
- Diversity, employee engagement, and health, safety and wellbeing.

The Committee reviews its Charter at least once in each financial year. The Corporate Governance Statement on page 39 to 52 provides further information on the role of the Committee.

4.2 Members of the Remuneration and Nomination Committee During FY19

During FY19, the members of the Remuneration and Nomination Committee were:

- Mr JH Alexander, Chairman
- Mr D Evans
- Mr JG Kennett, AC
- Mr RK Stokes

Remuneration Report

For the year ended 29 June 2019

4.3 Services from External Remuneration Consultants

External consultants and advisors are engaged as needed to provide independent advice. The requirements for external consultants' services are assessed annually in the context of remuneration matters that the Committee requires to address. Recommendations provided by external consultants are used as a guide.

In early FY19, the Committee retained Ernst & Young ("EY"), an independent remuneration consultant, to assess TSR performance for the Company's FY16 Long Term Incentive Plan. In the course of providing this information, the Board is satisfied that EY did not make any remuneration recommendations relating to KMP as defined by the Corporations Act.

The Company employs in-house remuneration professionals who provide recommendations to the Committee and the Board. The Board made its decisions independently, using the information provided and with careful regard to the Company's strategic objectives, risk appetite and the Seven West Media Remuneration Policy and principles.

The Company also participates in and uses both the Mercer Total Remuneration Survey, administered by Mercer (Australia) Limited, and Aon Hewitt's Media & Publishing Industries (Australia) Remuneration Survey for the purposes of benchmarking executive and employee remuneration.

4.4 Security Trading Policy

Hedging Prohibition

All deferred equity must remain 'at risk' until it has fully vested. Accordingly, Executives and their associated persons must not enter into any schemes that specifically protect the unvested value of equity allocated. If they do so, then they forfeit the relevant equity.

5. Executive Remuneration Outcomes During the FY19 Performance Year

5.1 Executive Remuneration Earned and Vested

The purpose of this table is to provide a summary of the actual remuneration outcomes received by the MD & CEO and Executive KMP in relation to the FY19 performance year as cash, or in the case of prior equity awards, the value which vested in FY19. The final column shows the value of prior equity awards which lapsed in 2019 (these awards reflect the 2016 Performance Rights which partially met the performance hurdles when tested in September 2018).

Only the cash component of the FY19 STI award appears in this table, as the other component is deferred. Due to this, the values in this table will not reconcile with those provided in the statutory disclosures in Section 7. For example, the statutory disclosures table has been prepared in accordance with Australian Accounting Standards (AAS) and discloses the value of LTI grants which may or may not vest in future years, whereas this table discloses the value of LTI grants from previous years which vested in FY19.

	Financial Year	Fixed Remuneration ¹ \$	Other Remuneration ² \$	2019 STI Cash Payment \$	2019 Total Cash Payments ³ \$	Prior Year Equity Awards Vested during 2019 ⁴ \$	Prior Year Equity Awards Lapsed/ Forfeited during 2019 ⁴ \$
Managing Director & Chief Executive Officer							
TG Worner	2019	2,497,048	64,396	-	2,561,444	302,148	(906,446)
	2018	2,441,028	89,282	179,400	2,709,710	-	(412,500)
Executive KMP							
KJ Burnette	2019	1,176,045	42,906	-	1,218,951	72,632	(217,896)
	2018	1,192,106	49,273	56,688	1,298,067	-	(95,192)
WO Lynch	2019	666,541	35,050	-	701,591	14,042	(42,127)
	2018	694,106	40,344	71,594	806,044	-	-
KA McGrath	2019	429,388	27,682	-	457,070	-	-
	2018	446,488	27,159	44,888	518,535	-	-
BI McWilliam ⁵	2019	753,547	29,961	-	783,508	63,916	(191,748)
	2018	753,888	35,106	38,878	827,872	-	(87,260)
Former Executive KMP							
CR Dickens ⁶	2019	430,198	27,018	-	457,216	31,958	(95,874)
	2018	516,652	35,128	36,850	588,630	-	(19,197)
Total	2019	5,952,767	227,013	-	6,179,780	484,696	(1,454,091)
	2018	6,044,268	276,292	428,298	6,748,858	-	(614,149)

- Fixed remuneration is the total cost of salary, salary-sacrificed benefits (including associated fringe benefits tax (FBT)) and an accrual for annual leave entitlements. The accounting value may be negative where an Executive's annual leave balance decreases as a result of taking more than the leave accrued during the year.
- Other remuneration includes the cash value of non-monetary benefits, superannuation, long service leave entitlements and any fringe benefits tax payable on non-monetary benefits. The elements of other remuneration are valued consistently with the equivalent benefits included in the statutory disclosure table in Section 7 of the Report.
- Refers to the total value of remuneration earned during FY19, being the sum of the prior columns.
- Refers to equity-based plans from prior years that have vested or been lapsed/ forfeited in the current year. The value is calculated using the five-day Volume Weighted Average Price (VWAP) of Company shares on the vesting lapse/ forfeiture date.
- Excludes cash salaries and fees charged by Seven West Media Limited to Seven Group Holdings Limited for the provision of services to Seven Group Holdings by BI McWilliam in a Company to Company agreement.
- No other termination benefits were paid to CR Dickens other than annual leave and long service leave entitlements.

5.2 Summary of STI Outcomes

How the Group's Performance was Assessed for the 2019 Financial Year

The FY19 STI pool reflects the overall assessment of Group performance. The framework provides a set of Key Performance Indicators (KPIs) which are used to assess the quality of the outcomes delivered against the Group's strategic goals.

The individual KPIs and FY19 achievements as determined by the Remuneration and Nomination Committee for the MD & CEO are provided in the following table.

Remuneration Report

For the year ended 29 June 2019

Strategic Objective	Description of Measure	Weight	Actual Performance Range			Commentary on Performance
			Below Threshold	Threshold to Target	Target to Stretch	
Financial	<ul style="list-style-type: none"> Group Revenue Target Underlying EBIT Target Target Net Debt 	40%	✓			<p>The key financial outcomes for the 2019 performance year were all below target:</p> <ul style="list-style-type: none"> Group Revenue was \$1,557.6 million; Underlying EBIT was \$212.1 million; June 2019 net debt was \$564.4 million resulting in a leverage ratio of 2.3 times EBITDA.
Audience & Customer	<ul style="list-style-type: none"> Television Ratings Leadership Revenue Share Target West Australian Newspapers (WAN) and Pacific Magazines Growth in Audience Digital Products Commercial Share 	20%		✓		<ul style="list-style-type: none"> Seven retained position as the Number 1 rating Network for the 2019 performance year and secured a 39.3 per cent commercial Free-To-Air (FTA) share in All People in FY19. Metro FTA Revenue share increased from the prior year to 38.8 per cent in FY19. WAN and Pacific both grew total masthead audiences YoY. The 7plus VPM commercial share was consistently over target during the year.
Content & Product	<ul style="list-style-type: none"> Target Growth in Content Produced by Seven Seven Studios EBIT Contribution Launch of New Main Channel Original Internally Developed Titles 7plus Unique Audience Targets 	10%			✓	<ul style="list-style-type: none"> Seven content produced by Seven Studios grew by greater than target YoY; Three new main channel original internally generated productions were launched during the year. International earnings growth delivered record Seven Studios EBIT of \$61.6 million over target and up 12 per cent during the year. 7plus grew audiences during the year driving over 200 per cent increase in Seven's digital EBIT to \$15 million.
Operational Risk & Compliance	<ul style="list-style-type: none"> Target Cost Reductions Delivery of Efficiency Projects Improvement in Risk & Compliance Reporting 	20%		✓		<ul style="list-style-type: none"> Cost-out target exceeded in FY19 leading to Group cost reductions of \$38 million. Key efficiency projects completed during the year. The Company's risk and compliance profile continued to improve in the financial year.
People & Leadership	<ul style="list-style-type: none"> Staff Development and Performance Improvement in Key Safety Metrics Company-wide Industrial Relations Strategy Implementation 	10%		✓		<ul style="list-style-type: none"> The Group's Performance and Development Framework improved the alignment to the Group's strategy Improvement in key safety metrics year on year including reduction in LTIFR and Workers' Compensation costs. The Company's Industrial Relations reforms met key milestones in the performance year.

The STI measures are designed to align individual performance to the achievement of the Company's strategy and the increase of shareholder value.

The financial measures reward Executives on the Company's financial performance. Revenue and EBIT targets were determined to be the most effective measures of the current year's operating performance. Given the Company's focus on increasing balance

sheet strength and flexibility, it was also appropriate to include a target net debt outcome.

Other strategic objectives reflected in the performance measures for the year included audience targets, continued growth in content production and monetisation, reduction in operating expenditure and staff development and performance.

5.3 Equity Granted to the MD & CEO and Executive KMP

For the FY19 STI awards, 100 per cent will be granted as Restricted Shares to Executives under the STI Plan on or about 1 September 2019. The estimated number and fair value of the Restricted Shares at 29 June 2019 is based on 100 per cent of the STI awards.

The table below presents the equity granted to the MD & CEO and Executive KMP for FY19.

Name	FY19 Deferred STI ¹ \$	FY19 LTI ² \$	Total \$	Estimated Number of Restricted Shares	Estimated Fair Value Per Restricted Share at Grant Date	Number of Shares Vested During FY19	Financial Year in which Grant Vests
TG Worner	-	1,300,000	1,300,000	-	\$0.47	-	2021
KJ Burnette	-	312,500	312,500	-	\$0.47	-	2021
WO Lynch	-	181,250	181,250	-	\$0.47	-	2021
KA McGrath	80,000	112,500	192,500	170,212	\$0.47	-	2021
BI McWilliam	-	275,000	275,000	-	\$0.47	-	2021

1 The column reflects the number of Restricted Shares that will be granted with respect to the FY19 deferred STI in September 2020. 50 per cent of the FY19 deferred award is recognised in FY19 and 50 per cent will be recognised in FY20. Restricted Shares are not subject to any further performance conditions except continued employment. Note that during FY19, Restricted Shares in respect of FY18 STI awards were allocated.

2 Subject to performance conditions and due to vest 1 July 2021.

5.4 MD & CEO and Executive KMP STI Outcomes

The Board approved the MD & CEO and the Executive KMP's FY19 STI outcomes. In doing so, it considered the performance of the individual, the business and overall Company performance.

At the start of each year, stretching, yet achievable performance objectives are set for the MD & CEO and Executive KMP. When Executives deliver on-target performance at a Company and individual level (taking into consideration the Company's values and compliance standards), then STI awards are likely to be around the target.

At year end, each Executive's performance is assessed against their objectives for the year, and also taking into consideration compliance standards and their demonstration of the Company's values. The MD & CEO assesses the performance of the Executive KMP and makes recommendations to the Remuneration and Nomination Committee. The Committee assesses the performance of the MD & CEO and makes recommendations to the Board on both the MD & CEO and the Executive KMPs' performance and remuneration outcomes.

Remuneration Report

For the year ended 29 June 2019

5.5 Summary of LTI Outcomes

The vesting outcomes for the FY16 LTI grant to the MD & CEO and other Executive KMP that reached the completion of the performance period during FY19 are shown below.

Performance Measure	Performance Start Date	Test Date	Performance Range		Outcome	% Vested	% Lapsed
			Threshold	Maximum			
TSR (50% of Award)	1 July 2015	30 June 2018	51st Percentile	75th Percentile	TSR of -28.1% (ranked at 13.8th percentile)	0%	100%
DEPS (50% of Award)	1 July 2015	30 June 2018	50th Percentile	75th Percentile	DEPS (excluding significant items) of 34.52 cents	50%	50%

6. Executive Remuneration – The Details

Composition of Executive Remuneration and Application of Remuneration Principles

Executive remuneration is determined by the Remuneration and Nomination Committee and, for the MD & CEO, is recommended to the Board for its approval. Executive remuneration comprises both a fixed component and a variable (or “at risk”) component which contains separate STI and LTI elements. These components are explained in detail below.

The remuneration level for the MD & CEO, Mr Tim Worner, has not changed since Mr Worner’s commencement as Chief Executive Officer on 1 July 2013.

The Company’s remuneration is linked to the drivers of our business strategy, helping to create sustainable value for shareholders. The Company’s remuneration approach is designed to support and reinforce its business strategy. The ‘at-risk’ components of remuneration are tied to measures that reflect the successful execution of our business strategy in both the short and long-term. Our strategic drivers are reflected in both STI and LTI performance measures which demonstrates that actual performance directly influences what Executives are paid.

6.1 Executive Remuneration Framework

The approach taken to remuneration is to ensure remuneration packages appropriately reflect executives’ duties, responsibilities and performance against objectives, as well as ensuring that remuneration appropriately attracts and motivates people of the highest quality, having particular regard to the relative scarcity of suitably qualified executive talent in the Australian media and entertainment industry, and the complexity of the Seven West Media business relative to its direct media peers.

In structuring remuneration, the Board aims to find a balance between fixed remuneration and ‘at risk’ variable remuneration; cash and deferred equity; and short, medium, and long-term rewards in line with the Company’s performance cycle.

The Remuneration Framework is outlined in the table below and explained in detail in Section 6 of the Report.

Remuneration Policy and Objectives					
Seven West Media's remuneration framework is designed to:					
Provide market competitive and responsible remuneration	Align remuneration with shareholder interests	Enable recruitment and retention of talented employees	Support appropriate culture and employee conduct	Differentiate pay for performance and behaviour in line with our strategy and vision	Be clear, flexible and transparent
Executive Remuneration Structure					
Fixed			At Risk		
Component	Total Employment Remuneration (TER)	Short Term Incentive (STI)	Long Term Incentive (LTI)		
<i>Determination</i>	<p>Fixed remuneration is set based on relevant market data relativities, reflecting:</p> <ul style="list-style-type: none"> Size and complexity of the role; Individual responsibilities and performance; and Experience and qualifications. 	<p>STI rewards financial and non-financial performance consistent with the Company's strategy over the short to medium term.</p> <p>STI performance criteria are set by reference to:</p> <ul style="list-style-type: none"> Group EBIT and revenue; Strategic programs, content and product; Audience and customers; People and leadership; and Individual performance targets relevant to the specific position. 	<p>LTI ensures alignment of Executive accountability and remuneration outcomes for sustainable long-term growth and shareholder return.</p> <p>LTI targets are linked to the relative Total Shareholder Return (TSR) performance measure and an individual performance condition over a three-year vesting period.</p>		
<i>Delivery</i>	<p>Fixed remuneration comprises:</p> <ul style="list-style-type: none"> Cash Salary; Superannuation; and any Prescribed non-financial benefits at the Executives' discretion on a salary sacrifice basis. 	<p>STI is delivered as:</p> <ul style="list-style-type: none"> 50% cash; and 50% in Restricted Shares, subject to service conditions. <p>For FY19, any STI awards will be 100% deferred in Restricted Shares.</p>	<p>Equity in Performance Rights. All equity is held subject to service and performance over a three-year performance period. The equity is at risk until vesting. Performance is tested once at the vesting date.</p>		
<i>Strategic Intent & Market Positioning</i>	<p>Fixed remuneration is positioned around the market median with reference to relevant market-based data in the Australian media and entertainment industry.</p>	<p>Performance incentive is directed to achieving Board approved targets, reflective of market circumstances. Combined, fixed remuneration and STI is intended to be positioned in the 3rd quartile of the relevant benchmark comparisons.</p>	<p>LTI is intended to reward Executive KMP for sustainable long-term growth aligned to shareholders' interests. LTI allocation values are intended to be positioned at the top of the 3rd quartile of the relevant benchmark comparisons.</p>		
<i>Target Remuneration Mix</i>	MD & CEO: 50%	25%	25%		
	Executive KMP: 57%	29%	14%		
Total Target Remuneration (TTR)					
TTR is positioned to achieve the remuneration objectives outlined above. Out-performance generates higher reward. The remuneration structure is designed to ensure top quartile Executive KMP remuneration is only achieved if the Company outperforms against stated targets.					

6.1.1 Fixed Remuneration

Fixed remuneration is expressed as a total dollar amount which is delivered as cash salary and employer contributions to superannuation funds as well as any ongoing employee benefits on a salary-sacrificed basis. It provides a fixed level of income commensurate with the Executive's role, responsibilities, qualifications, and experience, and is set by considering peer market data.

Remuneration Report

For the year ended 29 June 2019

6.1.2 Short-Term Incentive (STI)

STI rewards the achievement of pre-determined, individual and Company KPIs over the 12-month performance period which are aligned to and supportive of the Company's annual strategic objectives. STI awards are delivered in cash and deferred shares. However, for the FY19 performance year, any STI awards will be delivered 100 per cent in deferred shares.

Short-Term Incentive Plan

The STI Plan is an award used to provide clear motivation to focus on strategically-aligned metrics and goals that can be measured annually. The award reflects the achievement of specific objectives that are based on a rigorous bottom-up budgeting process. The Company's STI Plan covers employees in executive and senior management positions, including the MD & CEO and Executive KMP. It provides participants with the opportunity to earn an annual incentive, based on the achievement of Company and individual KPIs. Further details on the STI Plan are set out below.

Seven West Media STI Plan

STI Opportunity	Each Executive's STI opportunity for on-target performance is 50 per cent of fixed remuneration. 'On-target' refers to the STI award opportunity for an Executive who achieves successful performance against all KPIs and where 100 per cent of the Group's underlying EBIT target is achieved. EBIT is defined as the Group's profit before significant items, net finance costs and tax.
Delivery of Awards	<p>50 per cent is paid in cash at the end of the annual Performance and Remuneration Review (usually in the September pay cycle). To support an ownership culture and drive retention outcomes, 50 per cent of the STI award is deferred in the form of Restricted Shares over 12 months.</p> <p>The number of Restricted Shares allocated to each Executive will be determined by dividing the dollar amount of the STI award deferred into Restricted Shares by the average cost per share purchased on market (rounded down to the nearest whole number of shares).</p> <p>The Restricted Shares are usually allocated in September following the end of the relevant financial year and are held on trust on behalf of each Executive, and Executives have entitlements to dividends and voting rights in relation to their Restricted Shares during the vesting period. For disclosure and expensing purposes, we use the one-day Volume-Weighted Average Price (VWAP) to determine the fair value.</p>
Target Opportunity	STI targets for the MD & CEO and Executive KMP are set by the Remuneration and Nomination Committee and approved by the Board at the start of each performance year, based on a range of factors including market competitiveness and the responsibilities of each role. The STI targets for the FY19 performance year did not increase.
Performance Conditions	Performance is measured against risk-adjusted financial targets and non-financial targets which support the Company's strategy. Performance measures are based on performance at Group, divisional and individual level. The deferred STI awards recognise past performance and are not subject to further performance hurdles (other than continued service). Refer Section 5 on the MD & CEO's balanced scorecard.
Assessment of Performance Outcomes	STI outcomes are subject to both a quantitative and qualitative assessment. The Board has the capacity to adjust STI outcomes (and reduce STI outcomes to zero if appropriate) in the assessment process.

Determination of the STI Pool at Group Level

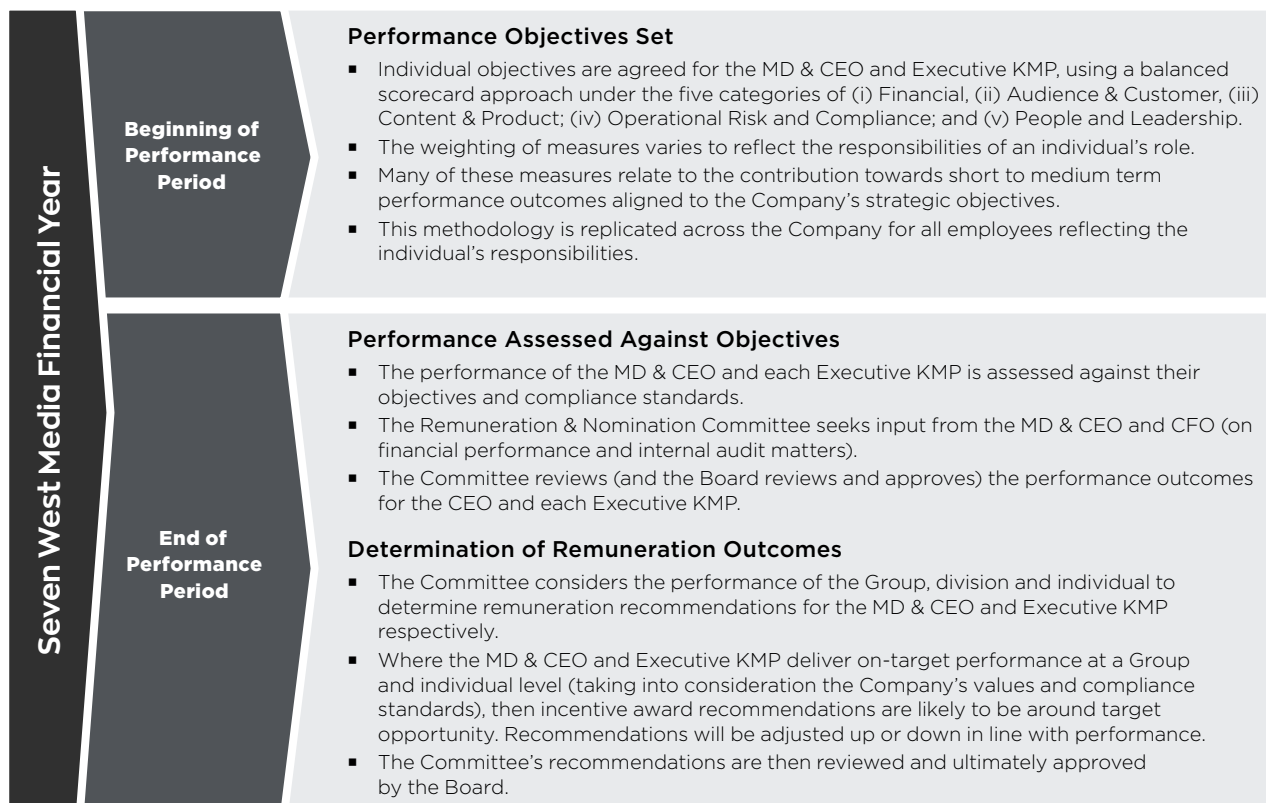
The Company's STI pool is based on performance. The size of the pool available for distribution as STI awards is based on the achievement of the Group's underlying EBIT target set by the Board at the beginning of the financial year and is based on the following table.

Percentage of Group Underlying EBIT Achieved (%)	STI Award Pool Available (% of On-Target)
<90%	0%
90-94%	25%
95-99%	50%
100%	100%

The Board retains discretion to not make an STI award available to Executives where such payment is regarded to be inconsistent with the shareholders' interests over the financial year, even if the gateway requirement is achieved.

Determination of STI at an Individual Level

At an individual level, STI is designed to focus Executive KMP on key performance measures supporting the Company's business strategy and encourage the delivery of value for shareholders.



Minimum Individual Performance Measure

In addition to the financial targets that must be achieved for an STI award to be available, achievement of a minimum individual performance rating is required for an Executive to be eligible for an award under the STI Plan.

Performance Measurement

The MD & CEO assesses each Executive's performance at the end of the financial year relative to agreed business and individual targets. Based on this assessment, the MD & CEO makes a recommendation to the Committee for approval.

Based on each Executive's individual performance rating, the MD & CEO may apply a discretionary adjustment or modifier during the performance assessment process. Discretionary adjustments are applicable to individual STI awards and are limited to a 25 per cent increase to the overall award for each Executive, provided the total awarded remains within the incentive pool available based on the achievement of group underlying EBIT. The level of discretionary adjustment applied is based on the Executive's individual performance rating and represents the maximum individual award opportunity for significant out-performance.

The Committee assesses the MD & CEO's performance and makes a recommendation to the Board for approval. The Committee may apply an additional discretionary adjustment based on the MD & CEO's individual performance rating that is limited to the same parameters as for other Executives.

6.1.3 Long-Term Incentive (LTI)

LTI rewards performance over the longer term and is designed to encourage sustained performance, drive long-term shareholder value creation and ensure alignment of executive remuneration outcomes to shareholder interests. LTI awards are delivered in the form of Performance Rights subject to Company performance hurdles and individual service conditions being met.

Long-Term Incentive Plan

The LTI Plan is a means to align incentive pay with specific corporate results measured over three years. LTI Plan metrics and peers are approved by the Board for the beginning of the three-year performance period and are performance-granted with vesting following the end of the performance period.

Remuneration Report

For the year ended 29 June 2019

Key Terms of FY19 LTI Awards

The key features of the FY19 LTI Plan are provided in the following table.

Seven West Media Long-Term Incentive Plan									
What is granted?	The grant is made in the form of Performance Rights. The Performance Rights are granted at no cost and each right entitles the participant to one ordinary share in the Company, subject to the achievement of the performance hurdles and service conditions outlined below. As Performance Rights are automatically exercised at vesting, no expiry date applies.								
How many Performance Rights are granted?	The value of LTI granted is allocated annually and, for the MD & CEO is 50 per cent of the MD & CEO's fixed remuneration and for other Executives is 25 per cent of the participant's fixed remuneration. The number of Performance Rights granted to each Executive is equivalent to the face value of the LTI grant divided by an amount calculated based on the share price in accordance with the terms and conditions of the Plan.								
What is the performance hurdle?	Performance Rights are subject to continued employment with Seven West Media, a single relative Total Shareholder Return (RTSR) and an individual performance condition. The FY19 TSR hurdle will be measured from 1 July 2018 to 30 June 2021.								
Why was the TSR performance hurdle chosen, and how is performance measured?	<p>Relative TSR provides an indicator of shareholder value creation by comparing the Company's return to shareholders relative to other companies of similar size. TSR provides an external, market-based hurdle and creates the alignment of executive remuneration outcomes to shareholder returns. Participants will not derive any benefit from this portion of the grant unless the Company's performance is recorded above the median of the Comparator Index.</p> <p>The relative TSR of Seven West Media is compared to the performance of the S&P/ASX 200 Consumer Discretionary Accumulation Index (Accumulation Index) over the performance period. The level of out-performance of Seven West Media, compared with the Accumulation Index, is used to determine the proportion of awards that are available to vest as per the schedule below. The TSR of Seven West Media is calculated based on the 60-day trading average share price up to, but not including, the start and end of the performance period, adjusted for dividends and capital movements.</p> <p>The performance of the Accumulation Index is calculated based on the index levels at the start and end of the performance period.</p> <p>TSR performance is monitored and assessed by an independent advisor. The percentage of TSR Performance Rights that vest (if any) at the end of the three-year performance period will be based on the following schedule:</p> <table border="1"> <thead> <tr> <th>Company's TSR Performance Relative to the Index over the Performance Period</th> <th>Proportion of Performance Rights Vesting</th> </tr> </thead> <tbody> <tr> <td>Outperform Index by at least 10%</td> <td>100%</td> </tr> <tr> <td>Outperform the Index by up to 10%</td> <td>Pro-rata from 50% to 100%</td> </tr> <tr> <td>Equal to or less than the Index</td> <td>Nil</td> </tr> </tbody> </table>	Company's TSR Performance Relative to the Index over the Performance Period	Proportion of Performance Rights Vesting	Outperform Index by at least 10%	100%	Outperform the Index by up to 10%	Pro-rata from 50% to 100%	Equal to or less than the Index	Nil
Company's TSR Performance Relative to the Index over the Performance Period	Proportion of Performance Rights Vesting								
Outperform Index by at least 10%	100%								
Outperform the Index by up to 10%	Pro-rata from 50% to 100%								
Equal to or less than the Index	Nil								
How is the Individual performance condition determined?	<p>Incorporating an individual performance hurdle, in addition to the relative TSR performance measure, will further align executive remuneration outcomes and performance. To the extent that any Performance Rights become available to vest based on the relative TSR hurdle, the percentage of awards that vest will be determined based on the balanced scorecard of Key Performance Indicator (KPI) outcomes over the performance period. The minimum percentage of Performance Rights that can possibly vest, subject to the KPI hurdle, is 0 per cent</p> <p>The number of Performance Rights that vest will be calculated based on the following formula:</p> <div style="background-color: #f0f0f0; padding: 10px; margin: 10px 0;"> <p style="text-align: center;">Number of Performance Rights available to vest, based on TSR performance</p> <p style="text-align: center;"><i>multiplied by</i></p> <p style="text-align: center;">The average of the Executive's individual KPI outcomes (expressed as a percentage) for the relevant three financial years of the performance period</p> </div>								
When will performance be tested?	Awards are subject to a three-year performance period. Shortly after the completion of the performance period, the performance hurdles are tested to determine whether, and to what extent, awards vest. The LTI Plan does not permit re-testing. Any Performance Rights that do not vest following testing of performance hurdles (i.e., at the end of the three-year performance period) will lapse.								

Seven West Media Long-Term Incentive Plan	
Disposal restrictions on vested shares	<p>There is a restriction imposed of the sale of shares acquired after vesting (to the extent the performance hurdles are achieved) until the earliest of the following:</p> <ul style="list-style-type: none"> ▪ The date the Executive ceases employment with Seven West Media (subject to approval by the Board); ▪ The one-year anniversary of the vesting date (or subsequent anniversaries (if elected by the Executive); or ▪ The Board determines that the restriction should be released.
Do the Performance Rights carry dividend or voting rights?	Performance Rights do not carry any dividend or voting rights prior to vesting.
What happens in the event of a change in control?	In the event of a change of control of the Company, unvested Performance Rights may vest to the extent the performance hurdles are considered to have been achieved to the date of the transaction. The Board will have discretion to determine whether any additional vesting should occur.
What happens if the participant ceases employment?	If the participant ceases employment before the end of the performance period by reason of death, disablement, retirement, redundancy or for any other reason approved by the Board, unvested awards remain on-foot, subject to original performance hurdles, although the Board may determine that some or all of the awards should be forfeited. If the participant ceases employment before the end of the performance period by reasons other than outlined above, unvested awards will automatically lapse.
Are participants allowed to hedge their LTI award?	Under the Seven West Media Equity Plan Rules, Executives who are granted share-based payments, such as Performance Rights under the LTI Plan as part of their remuneration, are prohibited from entering into other arrangements that limit their exposure to losses that would result from share price decreases.

Grants Under the Previous LTI Plan

The FY16 LTI grant partially vested in September 2018. For further details on the features of the previous Plan, refer to the Company's 2017 Remuneration Report.

6.2 Link Between Remuneration Policy and Company Performance

MD & CEO Performance Objectives and Key Highlights

The Remuneration and Nomination Committee reviews and makes recommendations to the Board on individual performance objectives for the MD & CEO. These objectives are intended to provide a robust link between remuneration outcomes and the key drivers of long-term shareholder value. The STI objectives are set in the form of a balanced scorecard with targets and measures aligned to the Company's strategic priorities cascaded from the MD & CEO scorecard to the relevant Executive KMP scorecard. The key financial and non-financial objectives for the MD & CEO in the 2019 financial year, with commentary on key highlights are provided in Section 5 of the Report.

Remuneration Report

For the year ended 29 June 2019

Group Financial Performance – Five Year Perspective

In FY19, the Remuneration Policy was linked to profit before significant items, net finance costs and tax (EBIT), DEPS (excluding significant items) and TSR performance of the Group.

The following table sets out the Group's performance over the last 5 financial years:

	2019	2018 ⁴	2017 ⁴	2016	2015
Profit before significant items ¹ , net finance costs and tax (EBIT) (\$'000's)	212,079	235,636	261,385	318,126	356,333
Statutory NPAT (\$'000's)	(444,448)	132,788	(738,135)	184,289	(1,887,377)
NPAT (excluding significant items) ^{1,2} (\$'000's)	129,296	140,358	166,809	207,343	209,145
Diluted earnings per share (as reported) (cents)	(29.5)	8.8	(49.0)	12.2	(181.1)
Diluted earnings per share (excluding significant items) ¹ (cents)	8.6	9.3	11.1	13.7	16
Dividend per share (cents)	-	-	6	8	12
Share price as at reporting date ³ (\$)	0.47	0.84	0.70	1.08	1.05
Return on capital employed (%)	22.87	15.91	18.58	14.44	16.2

1 Significant items is a non-IFRS measure. For details of significant items refer note 1.4 to the financial statements.

2 NPAT (excluding significant items) is a non-IFRS measure. This measure is applied consistently year on year and used internally by management to assess the performance of the business and hence is provided to enable an assessment of remuneration compared to Group performance. Refer to the Operating and Financial Review for reconciliation to statutory net profit after tax.

3 The opening share price on the first day of trading in FY15 was \$1.03.

4 Prior year figures have been restated for AASB 9 Financial Instruments standard.

Company performance is linked to the STI Plan through the underlying EBIT hurdle, and for the LTI Plan, Company performance is linked through the relative TSR target.

The Company continues to operate in intensively competitive markets. Executive 'at-risk' remuneration outcomes are dependent on the Company and Group's financial performance reflecting the Board's commitment to maintaining the link between executive remuneration and Company performance.

6.3 FY19 Executive Remuneration Outcomes

Under the design of the STI Plan, a pool may be available for distribution where the Group's underlying EBIT threshold target is met as set out in Section 6.1.2 of the Report.

For FY19, the Company's underlying EBIT result of \$212.1 million did not open the financial gateway. This table shows the STI outcomes for the MD & CEO and Executive KMP for the year ending 29 June 2019, and what this represents as a percentage of their target opportunity.

Name	Target STI \$	FY19 STI Outcome \$	STI Outcome as a % of Target ¹ \$	Actual Cash STI (0%) \$	Actual Deferred STI (100%) \$	STI Outcome Forfeited as a % of Target \$
Managing Director & Chief Executive Officer						
TG Worner	1,300,000	-	-	-	-	100%
Executive KMP						
KJ Burnette	625,000	-	-	-	-	100%
WO Lynch	362,500	-	-	-	-	100%
KA McGrath	225,000	80,000	36%	-	80,000	64%
BI McWilliam	412,500	-	-	-	-	100%
Former Executive KMP						
CR Dickens ²	275,000	-	-	-	-	100%
Total Executives	3,200,000	80,000		-	80,000	

1. Target represents an Executive's maximum STI opportunity for the year.
2. Refer Section 2 of the Report for details on relevant dates.

6.4 Executive Service Agreements

The terms of employment for the MD & CEO and other Executive KMP of the Seven West Media Group, are formalised in their employment agreements, the major provisions of which are set out below.

Name	Duration of Contract	Period of Notice Required to Terminate the Contract	Contractual
TG Worner	Open-ended	Twelve months' notice	Nil
KJ Burnette	Open-ended	Six months' notice	Nil
WO Lynch	Open-ended	Six months' notice	Nil
KA McGrath	Open-ended	Three months' notice	Nil
BI McWilliam	Open-ended	Three months' notice	Nil

6.5 Non-Executive Director Remuneration Framework

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Non-Executive Directors. Seven West Media's Non-Executive Director remuneration framework is designed to attract and retain experienced, qualified Board members and remunerate them appropriately for their time and expertise.

Fees and payments are reviewed by the Committee and, where appropriate, changes are recommended to the Board. The Committee has the discretion to directly seek the advice of independent remuneration consultants to ensure Non-Executive Director fees are appropriate and in line with the market.

In setting Board and Committee fees, consideration is given to general industry practice; best principles of corporate governance; the responsibilities and risks attached to the Non-Executive Director role; the time commitment expected of Non-Executive Directors on Company matters; and fees paid to Non-Executive Directors of comparable companies.

The Board compares Non-Executive Director fees to a comparator group of Australian listed companies with a similar market capitalisation, with particular focus on the major media organisations. This is considered an appropriate group, given similarity in size, nature of work and time commitment by Non-Executive Directors.

Remuneration Report

For the year ended 29 June 2019

The Chairman's fees are determined in the same way. Non-Executive Director remuneration consists of the following components:

- **Base Fee** – This fee is paid as cash and is for service as a Non-Executive Director of the Seven West Media Board. The base fee for the Chairman of the Board covers all responsibilities, including all Board Committees.
- **Committee Fees** – These additional fees are also paid as cash to other Non-Executive Directors for chairing or participating in Board Committees.
- **Employer Superannuation Contributions** – This component reflects statutory superannuation contributions which are capped at the superannuation maximum contributions base as prescribed under the Superannuation Guarantee legislation.

To maintain independence and impartiality, Non-Executive Director fees are not linked to the Company's performance or short-term results. Likewise, Non-Executive Directors are not eligible to participate in any of the Company's performance-based remuneration arrangements.

6.5.1 Fee Pool

The aggregate of payments each year to Non-Executive Directors must be no more than the amount approved by shareholders in the Annual General Meeting (AGM). The current aggregate fee pool is \$1.9 million which is inclusive of employer superannuation contributions, was approved at the 2013 AGM held on 13 November 2013. The aggregate of payments to Non-Executive Directors in FY19 did not exceed the approved amount. For the year ended 29 June 2019, \$1.63 million (86 per cent) of this fee pool was used.

6.5.2 Non-Executive Director Remuneration in FY19

The fees for the year to 29 June 2019 are provided in the table below:

	Annual Rate
Base Fee	Effective 1 July 2018
Chairman	335,000
Non-Executive Directors	135,000
Committee Chairman Fees	
Audit & Risk Committee	40,000
Remuneration & Nomination Committee	20,000
Committee Membership Fees	
Audit & Risk Committee	20,000
Remuneration & Nomination Committee	10,000

6.5.3 Changes to Board and Committee Composition

The following changes were made to Board and Committee composition:

- Colette Garnsey OAM was appointed as a Non-Executive Director to the Seven West Media Board effective 12 December 2018; and
- Michael Ziegelaar was appointed as Member of the Audit and Risk Committee effective 12 December 2018.

7. Statutory Remuneration Disclosures for Key Management Personnel

7.1 Executive Remuneration in Detail (Statutory Disclosures)

Details of the audited remuneration of the Company's MD & CEO and Executive KMP for the year ended 29 June 2019 are set out in the following table, calculated in accordance with statutory accounting requirements.

Financial Year	Short-Term Benefits			Post-Employment Benefits			Share-Based Payments			Remuneration Performance Related %
	Fixed Remuneration ¹ \$	Cash STI & Incentives ² \$	Non-Monetary Benefits ³ \$	Super-annuation Benefits ⁴ \$	Long Service Leave ⁵ \$	Restricted Shares ⁶ \$	Performance Rights ⁷ \$	Total \$		
Managing Director & Chief Executive Officer										
2019	2,497,048	-	-	20,531	43,864	89,700	498,153	3,149,296	19%	
2018	2,441,028	179,400	26,569	20,049	42,664	89,700	92,121	2,891,531	12%	
Executive KMP										
KJ Burnette, Chief Revenue Officer	2019	1,176,045	-	1,763	20,612	28,343	119,748	1,367,042	11%	
2018	1,192,106	56,688	8,882	20,049	20,342	47,094	22,145	1,367,306	9%	
WO Lynch, Chief Financial Officer	2019	666,541	-	2,202	20,531	35,797	41,369	778,756	10%	
2018	694,106	71,594	8,636	20,049	11,658	57,320	13,915	877,278	16%	
KA McGrath, Group Executive, People and Culture	2019	429,388	-	-	20,531	62,443	16,962	536,474	15%	
2018	446,488	44,888	-	20,049	7,111	22,444	8,969	549,949	14%	
BI McWilliam, Commercial Director⁸	2019	753,547	-	1,079	15,399	19,439	100,494	903,441	10%	
2018	753,888	38,878	1,664	20,049	13,393	42,642	19,487	890,001	11%	
Former Executive KMP										
CR Dickens, Chief Digital Officer⁹	2019	430,198	-	206	19,590	18,425	20,996	496,636	8%	
2018	516,652	36,850	6,317	20,049	8,762	34,323	9,744	632,697	13%	
Total Executive Remuneration	2019	5,952,767	-	5,250	117,113	254,147	797,722	7,231,645		
2018	6,044,268	428,298	52,068	120,294	103,930	293,523	166,381	7,208,762		

- Fixed remuneration is the total cost of salary, salary-sacrificed benefits (including associated fringe benefits tax (FBT)) and an accrual for annual leave entitlements. The accounting value may be negative where an Executive's annual leave balance decreases as a result of taking more than the leave accrued during the year.
- The 2019 STI figures reflect annual cash performance awards accrued, but not yet paid in respect of the year ended 29 June 2019. STI awards are paid in the September pay cycle.
- Non-monetary benefits are determined on the basis of the cost to the Company (including FBT, where applicable).
- Superannuation benefits have been calculated consistent with AASB 119 Employee Benefits.
- The accounting value of long service leave may be negative where an Executive's long service leave balance decreases as a result of taking more than the leave accrued during the year.
- The value of Restricted Shares and Performance Rights is amortised over the applicable vesting period and the amount shown is the amortisation relating to the FY19 reporting year (and FY18 as a comparison). The accounting value of share-based payments may be negative, for example where an Executive's share-based payment expense includes cumulative adjustments for changes in non-market vesting conditions.
- Represents the fair value of Performance Rights expensed by the Company in relation to the LTI grants.
- Excludes cash salaries and fees charged by Seven West Media Limited to Seven Group Holdings Limited for the provision of services to Seven Group Holdings by BI McWilliam in a company to company agreement.
- No other termination benefits were paid to CR Dickens other than annual leave and long service leave entitlements. The Board exercised its discretion for unvested STI allocations to remain on-foot subject to the Plan Rules and existing vesting date and LTI allocations to remain on-foot subject to the Plan Rules and existing vesting criteria.

Remuneration Report

For the year ended 29 June 2019

7.2. Non-Executive Remuneration in Detail

Details of the remuneration of the Company's Non-Executive Directors for the year ended 29 June 2019 are set out the following table.

Name	Financial Year	Short-Term Benefits		Post-Employment Benefits	Total
		Seven West Media Board Fees ¹	Non-Monetary Benefits	Superannuation	
		\$	\$	\$	\$
Non-Executive Directors					
KM Stokes, AC, Chairman	2019	314,468	5,808	20,531	340,807
	2018	270,787	21,341	20,049	312,177
JH Alexander	2019	141,553	-	13,447	155,000
	2018	125,301	-	11,904	137,205
T Dyson	2019	159,817	472	15,183	175,472
	2018	78,768	943	7,483	87,194
D Evans	2019	145,205	-	13,795	159,000
	2018	143,743	-	13,656	157,399
PJT Gammell	2019	136,073	-	12,927	149,000
	2018	119,822	-	11,383	131,205
C Garnsey OAM ²	2019	68,493	-	6,507	75,000
	2018	-	-	-	-
JG Kennett AC	2019	132,420	-	12,580	145,000
	2018	116,169	-	11,036	127,205
M Malone	2019	136,073	-	12,927	149,000
	2018	119,822	-	11,383	131,205
RK Stokes	2019	132,420	-	12,580	145,000
	2018	116,169	-	11,036	127,205
M Ziegelaar	2019	130,391	361	12,387	143,139
	2018	65,374	1,451	6,211	73,036
Total Non-Executive Director Fees³	2019	1,496,913	6,641	132,864	1,636,418
	2018	1,155,955	23,735	104,141	1,283,831

1. Includes fees paid to the Chairman and members of Board Committees.

2. The information relates to the period Non-Executive Directors held office during the year. Refer Section 2 of the Report for details of appointment dates.

3. The total fees for 2018 reflect the current year's remuneration for the 2019 reported Non-Executive Directors.

7.3 Key Management Personnel Equity Transactions and Holdings

7.3.1 Equity Incentive Plan Holdings

Equity grants under the LTI Plan and the STI Plan are made in accordance with the Seven West Media Equity Incentive Plan Rules.

FY19 LTI Grant and Prior Year LTI Grants

Details of vesting profiles of the Performance Rights granted as remuneration in FY19 to the MD & CEO and each Executive KMP of the Company under its LTI Plan, including prior years' Performance Rights that remain unvested and on-foot, are provided below.

Name	Number of Performance Rights	Grant Date ¹	Fair Value Per Right at Grant Date: TSR Component	Fair Value Per Right at Grant Date: DEPS Component	Number of Rights Vested During FY19	Percentage of Rights Forfeited in FY19	Financial Year in which Grant may Vest
TG Worner	1,214,953	01-Feb-19	\$0.24	NA	-	-	2022
KJ Burnette	292,056	01-Feb-19	\$0.24	NA	-	-	2022
WO Lynch	169,392	01-Feb-19	\$0.24	NA	-	-	2022
K McGrath	105,140	01-Feb-19	\$0.24	NA	-	-	2022
BI McWilliam	192,757	01-Feb-19	\$0.24	NA	-	-	2022
TG Worner	2,037,617	01-Feb-18	\$0.16	NA	-	-	2021
KJ Burnette	489,811	01-Feb-18	\$0.16	NA	-	-	2021
CR Dickens	215,517	01-Feb-18	\$0.16	NA	-	-	2021
WO Lynch	284,090	01-Feb-18	\$0.16	NA	-	-	2021
K McGrath	176,332	01-Feb-18	\$0.16	NA	-	-	2021
BI McWilliam	431,034	01-Feb-18	\$0.16	NA	-	-	2021
TG Worner	2,031,250	04-Apr-16	\$0.47	\$0.86	507,813	75%	2019
KJ Burnette	488,281	04-Apr-16	\$0.47	\$0.86	122,070	75%	2019
CR Dickens	214,843	04-Apr-16	\$0.47	\$0.86	53,710	75%	2019
WO Lynch	94,401	04-Apr-16	\$0.47	\$0.86	23,600	75%	2019
BI McWilliam	429,687	04-Apr-16	\$0.47	\$0.86	107,422	75%	2019

1. LTI awards granted prior to FY18 were subject to performance conditions: 50 per cent DEPS and 50 per cent TSR measured against a comparator group of 15 S&P/ASX 200 companies above and 15 companies below Seven West Media's 12-month average market capitalisation ranking (excluding trusts and companies classified under the Metals and Mining Global Industry Classification System (GICS)). These awards are subject to a three-year performance period.

With respect to the FY19 LTI grant, the maximum possible total value of each grant assuming all vesting conditions are met is calculated as the number of Performance Rights times the fair value. This maximum value, measured under applicable accounting standards, will be recognised as a statutory remuneration on a straight-line basis equally over the three financial years 2019, 2020 and 2021. If all vesting conditions are met, this will be received by each Executive in the year of vesting. The minimum possible total value is nil where the vesting conditions are not met.

Remuneration Report

For the year ended 29 June 2019

Prior Year's Short-Term Incentive Award

The following table shows the number of Restricted Shares that were allocated during FY19 to Executives under the STI Plan as the deferred component of their FY18 STI award.

Name	Number of Shares Granted	Grant Date	Fair Value Per Share at Grant Date	Number of Shares Vested During FY19	Percentage Vested in FY19	Percentage Forfeited in FY19	Financial Year in which Grant Vests
TG Worner	179,615	24 September 2018	\$0.99	-	-	-	2020
KJ Burnette	56,755	24 September 2018	\$0.99	-	-	-	2020
CR Dickens ¹	36,894	24 September 2018	\$0.99	-	-	-	2020
WO Lynch	71,680	24 September 2018	\$0.99	-	-	-	2020
KA McGrath	44,940	24 September 2018	\$0.99	-	-	-	2020
BI McWilliam	38,924	24 September 2018	\$0.99	-	-	-	2020

1. The Board exercised its discretion for unvested STI allocations to remain on foot subject to the Plan Rules and existing vesting date, and LTI allocations will remain on foot subject to the Plan Rules and existing vesting criteria.

The maximum possible total value of the grant assuming all vesting conditions are met is the number of shares times the fair value based on the share price at 24 September 2018. If all vesting conditions are met, this will be received by each Executive in the year of vesting. The minimum possible total value is nil where the vesting conditions are not met.

7.3.2 Total Performance Rights Holdings

The total number of Performance Rights in the Company held during the financial year by the MD & CEO and each Executive KMP of the Group are set out in the table below.

Name	Financial Year	Opening Balance	Performance Rights Granted as Remuneration		Performance Rights Vested		Number of Performance Rights Lapsed	Closing Balance
			Number Granted ¹	Value Granted ¹	Number Vested ²	Value Vested ²		
Managing Director & Chief Executive Officer								
TG Worner	2019	4,068,867	1,214,953	291,589	(507,813)	302,148	(1,523,437)	3,252,570
	2018	2,864,583	2,037,617	326,019	-	-	(833,333)	4,068,867
Executive KMP								
KJ Burnette	2019	978,092	292,056	70,093	(122,070)	72,632	(366,211)	781,867
	2018	680,588	489,811	78,370	-	-	(192,307)	978,092
WO Lynch	2019	378,491	169,392	40,654	(23,600)	14,042	(70,801)	453,482
	2018	94,401	284,090	45,454	-	-	-	378,491
KA McGrath	2019	176,332	105,140	25,234	-	-	-	281,472
	2018	-	176,332	28,213	-	-	-	176,332
BI McWilliam	2019	860,721	192,757	46,262	(107,422)	63,916	(322,265)	623,791
	2018	605,969	431,034	68,965	-	-	(176,282)	860,721
Former Executive KMP								
CR Dickens ³	2019	430,360	-	-	(53,710)	31,958	(161,132)	215,518
	2018	253,625	215,517	34,483	-	-	(38,782)	430,360
Total	2019	6,892,863	1,974,298	473,832	(814,615)	484,696	(2,443,846)	5,608,700
	2018	4,499,166	3,634,401	581,504	-	-	(1,240,704)	6,892,863

1. Based on fair value at grant date of \$0.24.

2. 25 per cent of hurdle Performance Rights granted in 2016 vested in September 2018 as assessed against the TSR and DEPS hurdles.

3. The information relates to the period CR Dickens held office during the year. Refer Section 2 of the Report for details on relevant dates.

7.3.3 Equity Holdings and Transactions of Executive Key Management Personnel

The table below provides details of equity granted as remuneration and the number of ordinary shares in the Company held during the financial year by the MD & CEO and each Executive KMP of the Company held directly, indirectly, beneficially and including their personally-related entities.

MD & CEO and Executive KMP Equity Granted, Vested, Exercised and Lapsed

Name	Type of Equity-Based Instrument	Number Held at Start of the Year	Number Granted During the Year as Remuneration ¹	Number Received on Exercise and/or Exercised During the Year ²	Number Lapsed During the Year ²	Other Changes During the Year	Number Held at End of the Year	Number Vested and Exercisable at End of the Year ²
Managing Director & Chief Executive Officer								
TG Worner	Deferred Shares	-	179,615	-	-	-	179,615	-
	Ordinary Shares	293,810	-	507,813	-	-	801,623	-
	Performance Rights	4,068,867	1,214,953	(507,813)	(1,523,437)	-	3,252,570	-
Executive KMP								
KJ Burnette	Deferred Shares	51,539	56,755	-	-	-	108,294	-
	Ordinary Shares	6,656	-	122,070	-	(6,656)	122,070	-
	Performance Rights	978,092	292,056	(122,070)	(366,211)	-	781,867	-
WO Lynch	Deferred Shares	59,163	71,680	-	-	(59,163)	71,680	-
	Ordinary Shares	-	-	23,600	-	59,163	82,763	-
	Performance Rights	378,491	169,392	(23,600)	(70,801)	-	453,482	-
KA McGrath	Deferred Shares	-	44,940	-	-	-	44,940	-
	Ordinary Shares	-	-	-	-	-	-	-
	Performance Rights	176,332	105,140	-	-	-	281,472	-
BI McWilliam	Deferred Shares	63,780	38,924	-	-	-	102,704	-
	Ordinary Shares	611,044	-	107,422	-	(429,783)	288,683	-
	Performance Rights	860,721	192,757	(107,422)	(322,265)	-	623,791	-
Former Executive KMP								
CR Dickens ³	Deferred Shares	43,701	36,894	-	-	-	80,595	-
	Ordinary Shares	4,000	-	-	53,710	(4,000)	53,710	-
	Performance Rights	430,360	-	(53,710)	(161,132)	-	215,518	-

1. FY18 deferred STI Restricted Shares were allocated in September 2018. The balance of Performance Rights at the end of the year are unvested rights.
2. 25 per cent of hurdle Performance Rights granted in 2016 vested in September 2018 as assessed against the TSR and DEPS hurdles. Ordinary shares include vested Performance Rights that are subject to the 12-month holding lock.
3. The information relates to the period CR Dickens held office during the year. Refer Section 2 of the Report for details on relevant dates.

Remuneration Report

For the year ended 29 June 2019

Non-Executive Directors

The number of ordinary shares in the Company held during the financial year by each Non-Executive Director of Seven West Media Limited held directly, indirectly, beneficially and including their personally-related entities are set out in the tables below.

Name	Type of Equity-Based Instrument	Number Held at Start of the Year	Number Granted During the Year as Remuneration	Number Lapsed During the Year	Other Changes During the Year	Number Held at End of the Year
Chairman of the Seven West Media Board						
KM Stokes AC	Ordinary Shares	619,753,734	-	-	-	619,753,734
Non-Executive Directors						
JH Alexander	Ordinary Shares	55,768	-	-	-	55,768
T Dyson	Ordinary Shares	-	-	-	38,218	38,218
D Evans	Ordinary Shares	927,803	-	-	-	927,803
PJT Gammell	Ordinary Shares	329,216	-	-	-	329,216
C Garnsey OAM ¹	Ordinary Shares	-	-	-	250,000	250,000
JG Kennett AC	Ordinary Shares	75,000	-	-	-	75,000
M Malone	Ordinary Shares	133,000	-	-	-	133,000
RK Stokes	Ordinary Shares	240,466	-	-	-	240,466
M Ziegelaar	Ordinary Shares	-	-	-	10,000	10,000

The information relates to the period Non-Executive Directors held office during the year. Refer Section 2 of the Report for details on appointment dates.

8. Loans and Other Transactions with Key Management Personnel

During FY19, a company associated with a Director, Mr Jeffrey Kennett AC, was party to a consulting agreement with the Group. The consulting agreement provides for the services of Mr Jeffrey Kennett AC to be supplied to Seven West Media to perform the role of political commentator, independent of his duties as a Non-Executive Director with Seven West Media. Total fees paid during the year in relation to this consulting agreement were \$220,000 (2018: \$220,000). There were no other transactions with KMP during FY19.

All other transactions involving the Non-Executive Directors, the MD & CEO and Executive KMP and their related parties are conducted on normal commercial terms and conditions that are no more favourable than those given to other employees or customers. Any that are on-foot, are trivial or domestic in nature.

There were no loans provided to KMP during FY19.

End of Remuneration Report.

Auditor's Independence Declaration



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 audit of Seven West Media Limited for the financial year ended 29 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Tracey Driver
Partner

Sydney

20 August 2019

Financial Statements

For the year ended 29 June 2019

Introduction and basis of preparation

Seven West Media (SWM) is a for-profit company limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial statements are for the Group consisting of Seven West Media Limited (the "Company" or "Parent Entity") and its subsidiaries, all of which are for-profit entities.

The consolidated general purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and the Australian Accounting Standards and other authoritative pronouncements of The Australian Accounting Standards Board and International Financial Reporting Standards (IFRS).

All new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period have been adopted. Refer to Note 7.5 for further details.

The consolidated financial statements were authorised for issue by the Board of Directors on 20 August 2019. The financial statements have been prepared using the historical cost basis except for assets described in Note 5.5B.

The financial statements are presented in Australian dollars (AUD) and all values are rounded to the nearest \$1,000 unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191.

The Group presents reclassified comparative information where required for consistency with the current year's presentation.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 29 June 2019

	Notes	2019 \$'000	Restated* 2018 \$'000
Revenue	1.2	1,552,810	1,620,618
Other income	1.2	3,624	474
Revenue and other income		1,556,434	1,621,092
Expenses	1.3	(1,345,496)	(1,387,160)
Impairment of intangible assets	1.4	(477,972)	-
Impairment of investments and other assets	1.4	(64,507)	(1,253)
Write down of asset held for sale	1.4	-	(11,868)
Net loss on sale of asset held for sale	1.4	(16,750)	-
Redundancy and restructure costs	1.4	(22,237)	(11,311)
Onerous contracts	1.4	(20,963)	-
Net gain on sale of other assets	1.4	-	8,224
Net gain on disposal of investments and controlled entities	1.4	-	7,713
Share of net profit of equity accounted investees	6.1	1,141	1,704
Profit (loss) before net finance costs and tax		(390,350)	227,141
Finance costs		(36,111)	(39,813)
Write off of unamortised refinancing cost	1.4	(8,587)	-
Finance income		1,419	1,449
Profit (loss) before tax		(433,629)	188,777
Tax expense	4.1	(10,819)	(55,989)
Profit (loss) for the year		(444,448)	132,788
Other comprehensive income (expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Effective portion of changes in fair value of cash flow hedges		(3,536)	3,490
Exchange differences on translation of foreign operations		158	434
Tax relating to items that may be reclassified subsequently to profit or loss		1,061	(1,047)
Other comprehensive income (expense) for the year, net of tax		(2,317)	2,877
Total comprehensive income (expense) for the year		(446,765)	135,665
Total comprehensive income (expense) attributable to:			
Owners of the Company		(446,798)	136,552
Non-controlling interests		33	(887)
Total comprehensive income (expense) for the year		(446,765)	135,665
Earnings per share for profit (loss) attributable to the ordinary equity holders of the Company			
Basic earnings per share	1.5	(29.5 cents)	8.8 cents
Diluted earnings per share	1.5	(29.5 cents)	8.8 cents

*The Group has adopted AASB 9 and AASB 15. Refer Note 7.5 for more detail.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 29 June 2019

	Notes	2019 \$'000	Restated* 2018 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	2.1	90,455	142,163
Trade and other receivables	2.2	262,798	276,986
Current tax receivable		-	9,119
Program rights and inventories	2.3	193,269	205,068
Contract assets	2.6	3,566	-
Asset held for sale		-	35,500
Other assets		12,454	7,070
Total current assets		562,542	675,906
Non-current assets			
Program rights	2.3	15,857	2,169
Equity accounted investees	6.1	12,850	3,445
Other financial assets	3.4	60,552	28,384
Property, plant and equipment	3.2	126,554	141,572
Intangible assets	3.1	565,478	1,033,962
Deferred tax assets	4.2	1,759	-
Other assets		7,178	6,968
Total non-current assets		790,228	1,216,500
Total assets		1,352,770	1,892,406
LIABILITIES			
Current liabilities			
Trade and other payables	2.4	288,704	280,247
Provisions	3.3	105,425	104,477
Deferred income		7,192	5,395
Contract liabilities	2.6	21,368	21,463
Borrowings	5.1	1,045	-
Current tax liabilities		1,575	-
Total current liabilities		425,309	411,582
Non-current liabilities			
Trade and other payables	2.4	10,011	29,785
Provisions	3.3	147,681	137,186
Contract liabilities	2.6	12,792	-
Deferred tax liabilities	4.2	-	10,959
Borrowings	5.1	653,839	769,851
Total non-current liabilities		824,323	947,781
Total liabilities		1,249,632	1,359,363
Net assets		103,138	533,043
EQUITY			
Share capital	5.2	3,393,546	3,393,546
Reserves		14,640	545
Non-controlling interests		398	(1,071)
Accumulated deficit		(3,305,446)	(2,859,977)
Total equity		103,138	533,043

* The Group has adopted AASB 9 and AASB 15. Refer Note 7.5 for more detail.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 29 June 2019

	Share capital	Cash flow hedge reserve	Equity compensation reserve	Reserve for own shares	Foreign currency translation reserve	Fair value reserve	Accumulated deficit	Total	Non-controlling Interests	Total Equity
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 24 June 2017	3,393,546	(3,523)	2,350	(597)	(756)	-	(2,970,353)	420,667	(1,758)	418,909
Effect of adoption of new AASB 9 accounting standard*	-	-	-	-	-	-	6,862	6,862	-	6,862
Balance at 24 June 2017 (restated)	3,393,546	(3,523)	2,350	(597)	(756)	-	(2,963,491)	427,529	(1,758)	425,771
Profit (loss) for the year (restated)	-	-	-	-	-	-	133,675	133,675	(887)	132,788
Cash flow hedge gains taken to equity	-	3,490	-	-	-	-	-	3,490	-	3,490
Foreign currency translation differences	-	-	-	-	434	-	-	434	-	434
Tax on other comprehensive income	-	(1,047)	-	-	-	-	-	(1,047)	-	(1,047)
Other comprehensive income (expense) for the year, net of tax	-	2,443	-	-	434	-	-	2,877	-	2,877
Total comprehensive income (expense) for the year	-	2,443	-	-	434	-	133,675	136,552	(887)	135,665
Transactions with owners in their capacity as owners										
Dividends paid	5.3	-	-	-	-	-	(30,161)	(30,161)	-	(30,161)
Share based payment expense	-	-	194	-	-	-	-	194	-	194
Acquisition of NCI	-	-	-	-	-	-	-	-	1,574	1,574
Total transactions with owners	-	-	194	-	-	-	(30,161)	(29,967)	1,574	(28,393)
Balance at 30 June 2018	3,393,546	(1,080)	2,544	(597)	(322)	-	(2,859,977)	534,114	(1,071)	533,043
Effect of adoption of new AASB 15 accounting standard*	-	-	-	-	-	-	(988)	(988)	-	(988)
Effect of adoption of new AASB 9 accounting standard*	-	-	-	-	-	16,079	-	16,079	-	16,079
Balance at 1 July 2018 (restated)	3,393,546	(1,080)	2,544	(597)	(322)	16,079	(2,860,965)	549,205	(1,071)	548,134
Profit (loss) for the year	-	-	-	-	-	-	(444,481)	(444,481)	33	(444,448)
Cash flow hedge (losses) gains taken to equity	-	(3,536)	-	-	-	-	-	(3,536)	-	(3,536)
Foreign currency translation differences	-	-	-	-	158	-	-	158	-	158
Tax on other comprehensive income	-	1,061	-	-	-	-	-	1,061	-	1,061
Other comprehensive income (expense) for the year, net of tax	-	(2,475)	-	-	158	-	-	(2,317)	-	(2,317)
Total comprehensive income (expense) for the year	-	(2,475)	-	-	158	-	(444,481)	(446,798)	33	(446,765)
Transactions with owners in their capacity as owners										
Share based payment expense	-	-	333	-	-	-	-	333	-	333
Acquisition and disposal of NCI	-	-	-	-	-	-	-	-	1,436	1,436
Total transactions with owners	-	-	333	-	-	-	-	333	1,436	1,769
Balance at 29 June 2019	3,393,546	(3,555)	2,877	(597)	(164)	16,079	(3,305,446)	102,740	398	103,138

*The Group has adopted AASB 9 and AASB 15. Refer Note 7.5 for more detail.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 29 June 2019

	Notes	2019 \$'000	2018 \$'000
Cash flows related to operating activities			
Receipts from customers		1,738,354	1,737,591
Payments to suppliers and employees		(1,585,206)	(1,510,690)
Dividends received from equity accounted investees	6.1	880	1,000
Interest and other items of similar nature received		1,367	1,226
Interest and other costs of finance paid		(30,082)	(33,593)
Income taxes paid, net of refunds		(15,207)	(43,428)
Net operating cash flows	2.1	110,106	152,106
Cash flows related to investing activities			
Payments for purchases of property, plant and equipment		(26,158)	(10,182)
Proceeds from sale of property, plant and equipment		255	253
Payments for intangibles		(14,689)	(18,889)
Payments for equity accounted investees		(11,564)	-
Proceeds from sale of equity accounted investees		20,750	300
Payments for other investments		(1,068)	(1,063)
Proceeds on sale of subsidiaries		-	4,945
Payment for purchase of controlled entities, net of cash acquired	6.4	1,446	(2,444)
Loans issued to investees		(4,359)	(2,192)
Net investing cash flows		(35,387)	(29,272)
Cash flows related to financing activities			
Proceeds from borrowings		100,000	115,000
Repayment of borrowings		(226,427)	(135,000)
Dividends paid	5.3	-	(30,161)
Net financing cash flows		(126,427)	(50,161)
Net increase (decrease) in cash and cash equivalents		(51,708)	72,673
Cash and cash equivalents at the beginning of the year		142,163	69,490
Cash and cash equivalents at the end of the year	2.1	90,455	142,163

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Section 1:

Group performance

1.1. Segment Information

1.1A. Description of Segments

Accounting Policy

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

Reportable segment	Description of Activities
Television	Production and operation of commercial television programming and stations 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 News.
Pacific	Publisher of content in magazines (Print and Digital versions) as well as digital (websites and social media sites).
Other Business and New Ventures	Made up of equity accounted investees including TX Australia, Oztam, Starts at 60, Radio (radio stations broadcasting in regional areas of Western Australia) and RED Live.

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

Segment performance is evaluated based on a measure of profit / (loss) before significant items, net finance costs and tax.

Revenue from external sales is predominantly to customers in Australia and total segment assets are predominantly held in Australia.

Total assets and liabilities by segment are not provided regularly to the chief operating decision makers and as such, are not required to be disclosed.

1.1B. Segment information

	REF	Television \$'000	The West \$'000	Pacific \$'000	Other Business and New Ventures \$'000	Corporate [B] \$'000	Total \$'000
Year ended 29 June 2019							
Advertising revenue		1,006,248	103,195	34,283	12,011	-	1,155,737
Circulation revenue		-	57,040	90,994	-	-	148,034
Program production and distribution		92,219	-	-	-	-	92,219
Affiliate fees		107,091	-	-	-	-	107,091
Rendering of services		-	20,971	-	102	-	21,073
Other revenue		18,459	4,395	4,145	1,657	-	28,656
Revenue from continuing operations		1,224,017	185,601	129,422	13,770	-	1,552,810
Other income		3,146	211	9	258	-	3,624
Share of net profit of equity accounted investees		667	-	-	474	-	1,141
Revenue, other income and share of net profit of equity accounted investees		1,227,830	185,812	129,431	14,502	-	1,557,575
Expenses		(1,006,502)	(158,887)	(121,185)	(13,004)	(14,400)	(1,313,978)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		221,328	26,925	8,246	1,498	(14,400)	243,597
Depreciation and amortisation	[A]	(18,884)	(11,198)	(1,070)	(315)	(51)	(31,518)
Profit (loss) before significant items, net finance costs and tax		202,444	15,727	7,176	1,183	(14,451)	212,079
Year ended 30 June 2018							
Advertising revenue		1,058,011	114,564	37,328	9,225	-	1,219,128
Circulation revenue		-	60,886	98,101	-	-	158,987
Program production and distribution		89,588	-	-	-	-	89,588
Affiliate fees		99,961	-	-	-	-	99,961
Rendering of services		-	23,226	-	96	-	23,322
Other revenue		17,301	5,390	4,045	2,896	-	29,632
Revenue from continuing operations		1,264,861	204,066	139,474	12,217	-	1,620,618
Other income		109	29	-	336	-	474
Share of net profit of equity accounted investees		-	-	-	1,704	-	1,704
Revenue, other income and share of net profit of equity accounted investees		1,264,970	204,095	139,474	14,257	-	1,622,796
Expenses		(1,024,642)	(172,753)	(129,619)	(9,571)	(15,325)	(1,351,910)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		240,328	31,342	9,855	4,686	(15,325)	270,886
Depreciation and amortisation	[A]	(24,344)	(10,290)	(304)	(312)	-	(35,250)
Profit (loss) before significant items, net finance costs and tax		215,984	21,052	9,551	4,374	(15,325)	235,636

[A] Excludes program rights amortisation which is included in media content expenses (refer note 1.3).

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

Notes to the Financial Statements

For the year ended 29 June 2019

1.1C. Other segment information

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

	2019 \$'000	Restated 2018 \$'000
Reconciliation of profit (loss) before significant items, net finance costs and tax		
Profit (loss) before significant items, net finance costs and tax	212,079	235,636
Finance costs	(36,111)	(39,813)
Finance income	1,419	1,449
Profit (loss) before tax excluding significant items	177,387	197,272
Significant items before tax (refer note 1.4)	(611,016)	(8,495)
Profit (loss) before tax	(433,629)	188,777

1.2. 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 rights 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 their 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.

1.2. 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	<ul style="list-style-type: none"> ▪ Television Advertising is generated from selling spot airtime and is recognised at the point of transmission. ▪ The West and Pacific Advertising is generated from selling space in the newspaper or magazine 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 and magazines to third party consumers. Recognised on delivery of the newspaper or magazine to the customer and the right to be compensated has been obtained.	At the time the newspapers and magazines are distributed
[C] Program sales 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 royalty	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:		
Government grants	Recognised initially as deferred income when it is highly probable that the grant will be received. This may include the following:	
(i) cash grants or funding	Recognised when all attaching conditions will be complied with.	Recognised at the point in time the conditions have been complied with
(ii) reimbursement of expense	Recognised over the periods necessary to match the costs that it is intended to compensate.	Recognised over the period
(iii) reimbursement for cost of asset	Recognised over the lifetime of the asset on a systematic basis.	Recognised over the period
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

Notes to the Financial Statements

For the year ended 29 June 2019

1.2. Revenue and Other Income (continued)

	REF	2019 \$'000	2018 \$'000
Sales revenue			
Advertising revenue	[A]	1,155,737	1,219,128
Circulation revenue	[B]	148,034	158,987
Program production and distribution	[C]	92,219	89,588
Affiliate fees	[D]	107,091	99,961
Rendering of services	[E]	21,073	23,322
Other revenue	[F]	28,656	29,632
Total sales revenue		1,552,810	1,620,618
Other income			
Sundry income		1,501	23
Net gain on fair value of investments		1,905	-
Net gain on disposal of property, plant and equipment and investments		218	451
Total other income		3,624	474

Timing of Revenue Recognition

The following table includes revenue from contracts per above that have been disaggregated by the timing of recognition:

	2019 \$'000
Products or services transferred at a point in time	1,445,719
Products or services transferred over time	107,091
Total External Revenue	1,552,810

1.3. Expenses

Profit (loss) before tax includes the following specific expenses:

	REF	2019 \$'000	2018 \$'000
Depreciation and amortisation (excluding program rights amortisation)	[A]	(31,518)	(35,250)
Advertising and marketing expenses		(36,638)	(39,392)
Printing, selling and distribution (including newsprint and paper)		(76,770)	(81,727)
Media content (including program rights amortisation)	[A]	(644,185)	(654,306)
Employee benefits expense (excluding significant items)	[B]	(381,255)	(397,056)
Raw materials and consumables used (excluding newsprint and paper)		(6,462)	(8,102)
Repairs and maintenance		(18,457)	(17,828)
Licence fees		(31,981)	(32,710)
Rental expense relating to operating leases		(19,551)	(21,832)
Other expenses from ordinary activities		(98,679)	(98,957)
Total expenses		(1,345,496)	(1,387,160)
<i>Included in the expenses above are the specific items [A] to [B] from continuing operations:</i>			
[A] Depreciation of property, plant and equipment		(20,618)	(25,029)
Amortisation of intangible assets		(10,900)	(10,221)
Television program rights amortisation		(111,623)	(111,184)
Total depreciation and amortisation		(143,141)	(146,434)
[B] Employee benefits expense		(345,547)	(359,372)
Defined contribution superannuation expense		(35,708)	(37,685)
Total employee benefits expense		(381,255)	(397,057)

1.4. Significant Items

Profit (loss) before tax expense includes the following specific expenses (benefits) for which disclosure is relevant in explaining the financial performance of the Group:

	REF	2019 \$'000	2018 \$'000
Impairment of Television goodwill	[A]	(9,749)	-
Impairment of Television licences	[A]	(415,000)	-
Impairment of The West goodwill	[A]	(2,513)	-
Impairment of The West mastheads	[A]	(37,913)	-
Impairment of other intangible assets	[A]	(12,797)	-
Total impairment of intangible assets		(477,972)	-
Impairment of equity accounted investees	[B]	(2,252)	(1,253)
Impairment of fixed assets	[A]	(24,367)	-
Impairment of other assets	[C]	(37,888)	-
Total impairment of investments and other assets		(64,507)	(1,253)
Write down of asset held for sale	[D]	-	(11,868)
Net loss on sale of asset held for sale	[E]	(16,750)	-
Write off of unamortised refinancing cost	[F]	(8,587)	-
Redundancy and restructure costs	[G]	(22,237)	(11,311)
Onerous contracts	[H]	(20,963)	-
Net gain on sale of other assets	[I]	-	8,224
Net gain on disposal of investments and controlled entities	[J]	-	7,713
Total significant items before tax		(611,016)	(8,495)
Tax benefit		37,271	926
Net significant items after tax		(573,745)	(7,569)

[A] The impairments were recognised as a result of changes to key assumptions in the Group's cash flow forecasts, these include:

Television

- Short term market conditions for the traditional Free to Air television metro advertising market.

The West

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

Refer note 3.1 for details.

[B] An impairment review of the Group's equity accounted investees was performed, resulting in an impairment of \$2.3m (2018: \$1.3m).

[C] The recoverable amount of program rights, inventories and other assets were lower than the carrying value, resulting in an impairment of \$37.9m.

[D] In June 2018, write down of asset held for sale relates to Yahoo!7 Pty Ltd.

[E] The sales process for the disposal of the Group's shareholding of Yahoo!7 Pty Ltd was completed on 10 April 2019. The final consideration received from Verizon Inc was \$20.7m cash resulting in a net loss on disposal of \$16.8m.

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

[G] The redundancy and restructure costs relate to transformation programs across the Group.

[H] The Group has recognised an increase in onerous contract provision in relation to its television legacy output deals, US content, one-off sporting events right and other service contracts. Refer to note 3.3 for disclosure of the assumptions included in the calculation of the provision.

[I] In June 2018, the net gain relates to the sale of sporting rights.

[J] In June 2018, the net gain on disposal relates to the sale of 7Wonder Productions Limited.

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For the year ended 29 June 2019

1.5. 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.

	2019	Restated 2018
Basic earnings per share		
Profit (loss) attributable to the ordinary equity holders of the Company	(29.5 cents)	8.8 cents
Diluted earnings per share		
Profit (loss) attributable to the ordinary equity holders of the Company	(29.5 cents)	8.8 cents
	2019 \$'000	Restated 2018 \$'000
Earnings used in calculating earnings per share		
Profit (loss) attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share.	(444,481)	133,675
	2019 Number	2018 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	1,508,034,368	1,507,840,662

Section 2: Working Capital

2.1. Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents in the statement of financial position and statement of cash flows includes cash on hand and deposits held at call or with maturities of three months or less with financial institutions.

	2019 \$'000	2018 \$'000
Cash at bank and on hand	90,455	142,163
Cash at banks earns interest at floating rates based on daily bank deposit rates.		
The maximum exposure to credit risk at the reporting date is the carrying amount. The exposure to interest rate risk is discussed in note 5.5.		
Reconciliation of operating profit (loss) after tax to net cash provided by operating activities		
Profit (loss) for the year:	(444,448)	134,894
Non-cash items:		
Depreciation and amortisation of property, plant and equipment and intangible assets	31,518	35,250
Amortisation of television program rights	111,623	111,184
Impairment of intangible assets and equity accounted investees	480,224	1,253
Write down of asset held for sale	-	11,868
Impairment of tangible assets	24,367	-
Net (gain) loss on disposal of property, plant and equipment, computer software and equity accounted investees	16,531	(8,448)
Share based payment expense	333	194
Dividend received from equity accounted investees less share of profit of equity accounted investees	(261)	(704)
Movement in unamortised finance costs	8,987	1,488
Other non-cash items	(28,884)	(12,108)
Changes in operating assets and liabilities, net of effect from acquisitions:		
(Increase) decrease in:		
Trade and other receivables	21,204	(3,094)
Inventories	7,176	1,955
Program rights	(123,425)	(131,563)
Other assets	(3,475)	(556)
Increase (decrease) in:		
Trade and other payables	4,314	(14,571)
Program liabilities	(1,184)	24,824
Provisions	6,613	(7,665)
Other liabilities	4,709	(5,559)
Tax balances	(5,816)	13,464
Net cash inflow from operating activities	110,106	152,106

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For the year ended 29 June 2019

2.2. Trade and Other Receivables

Accounting Policy

Trade receivables

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised costs), less provision for impairment. Trade receivables are generally settled within 30-90 days and are non-interest bearing. The Group provides goods and services to substantially all of its customers on credit terms.

The collectability of trade receivables is reviewed on an ongoing basis. The Group has applied the expected credit loss model to determine the provision for doubtful debts. A provision for impairment of trade receivables is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Debts which are known to be uncollectable are written off by reducing the carrying amounts directly.

The amount of the impairment loss of receivables is recognised in profit or loss in other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Group provides money, goods or services directly to a third party. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are carried at estimated future cash flow and are reviewed for impairment on an annual basis.

	2019 \$'000	2018 \$'000
Current		
Trade receivables	276,380	289,964
Provision for doubtful debts	(3,442)	(4,133)
Provision for sales credits and returns	(43,823)	(35,852)
	229,115	249,979
Loans and other receivables	33,683	27,007
Total trade and other receivables	262,798	276,986
Movements in the provision for doubtful debts are as follows:		
Balance at the beginning of the financial year	4,133	3,961
Net movement in provision recognised during the year	(437)	291
Amount utilised	(254)	(119)
Balance at the end of the financial year	3,442	4,133

Refer to note 5.5 regarding information on the Group's exposure to credit and market risks, and impairment losses for trade and other receivables. Refer to note 6.5 regarding receivables from related parties.

Key Estimates, Judgements and Assumptions

Impairment 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.

Estimates are used in determining the level of receivables that will not be collected. These estimates include factors such as historical experience, the current state of the Australian economy and industry factors.

2.3. Program Rights and Inventories

Accounting Policy

Program rights

Program rights includes both purchased rights and produced programs.

Program rights are recognised at the earlier of when cash payments are made or from the commencement of the rights period of the contract.

Television program rights are carried at the lower of cost less amortisation or net recoverable amount. Cost comprises acquisition of program rights and, for programs produced using the Group's facilities, direct labour and materials and directly attributable fixed and variable overheads. Revenue is derived from the broadcast of advertisement on Seven channels and digital assets, net of agency commissions, discounts and rebates.

The Group's amortisation policy requires the amortisation of purchased programs on a straight line basis over the expected useful life.

The useful life of purchased programs is assessed at least annually. Produced programs are expensed when broadcast.

Inventories

Inventories, which includes newsprint, paper, finished goods, raw material and work in progress, are measured at acquisition cost, cost of manufacturing or net realisable value. The net realisable value is the estimated achievable selling price in the ordinary course of business less the estimated costs through to completion and the estimated necessary selling costs.

	2019 \$'000	2018 \$'000
Current		
Television program rights - cost less accumulated amortisation and impairment	182,020	186,643
Newsprint and paper - at cost	9,021	11,632
Work in progress - at cost	2,197	3,414
Other raw materials - at net realisable value	-	3,379
Finished goods - at cost	31	-
	193,269	205,068
Non-current		
Prepaid Television program rights	15,857	2,169
	15,857	2,169

Program rights and inventory expense

Program rights and inventories recognised as an expense during the year ended 29 June 2019 amounted to \$111,623,000 (2018: \$111,184,000) and \$34,847,000 (2018: \$39,270,000) respectively.

Key Estimates, Judgements and Assumptions

The Group recognises program rights which are available for use. 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.

Notes to the Financial Statements

For the year ended 29 June 2019

2.4. Trade and Other Payables

Accounting Policy

Trade payables and accruals

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30-60 days from the end of the month in which they are incurred and may be interest bearing.

Derivative financial liabilities

Derivative financial instruments on recognised liabilities are used in the normal course of business in order to hedge exposure to fluctuations in interest rates and foreign currency exchange rates. These derivatives are designated as cash flow hedges.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items. The fair values of derivative financial instruments designated as cash flow hedges are disclosed below. Movements in the hedging reserve in shareholders' equity are shown in the statement

of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item (i.e. cash flows) is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The gain or loss from re-measuring the hedging instruments to fair value is recognised in other comprehensive income and accumulated in a hedging reserve, to the extent that the hedge is effective, and is recognised in profit or loss within finance costs when the hedged interest expense is recognised. The gain or loss relating to any ineffective portion is recognised immediately in profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Television program liabilities

Television program liabilities are recognised from the commencement of the rights period of the contract. Contract payments made prior to commencement of the rights period are included in television program rights and inventories as prepaid program rights.

	2019 \$'000	2018 \$'000
Current		
Trade payables and accruals	147,362	158,444
Derivative financial liabilities	475	30
Television program liabilities	140,867	121,773
	288,704	280,247
Non-current		
Trade payables and accruals	-	3,822
Derivative financial liabilities	7,607	3,281
Television program liabilities	2,404	22,682
	10,011	29,785

2.5. Commitments

	< 1 year \$'000	1-5 years \$'000	> 5 Years \$'000	Total \$'000
Year ended 29 June 2019				
Capital expenditure commitments	1,813	-	-	1,813
Operating lease commitments	19,218	72,627	64,067	155,912
Contracts for purchase of television programs and sporting broadcast rights	391,664	859,230	-	1,250,894
Contracts for employee services	62,720	29,785	-	92,505
Contracts for other services	26,857	15,036	21,559	63,452
	502,272	976,678	85,626	1,564,576
Year ended 30 June 2018				
Capital expenditure commitments	4,632	-	-	4,632
Operating lease commitments	18,221	68,718	77,028	163,967
Contracts for purchase of television programs and sporting broadcast rights	385,737	1,085,735	93,496	1,564,968
Contracts for employee services	39,603	13,407	-	53,010
Contracts for other services	22,939	21,627	22,838	67,404
	471,132	1,189,487	193,362	1,853,981

Types of Commitments

Capital expenditure commitments

Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities.

Operating lease commitments

Operating lease commitments relate to minimum lease payments on non-cancellable leases contracted for at the reporting date but not recognised as liabilities. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss on a straight line basis over the period of the lease. The Group leases various offices, equipment, sites and residential premises under non-cancellable operating leases expiring within 1 to 11 years (2018: 1 to 12 years). The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Contracts for purchase of television programs and sporting broadcast rights

Commitments for minimum payments in relation to non-cancellable purchase contracts of television programs and sporting broadcast rights at the reporting date but not recognised as liabilities.

Contracts for employee services

Commitments for minimum payments in relation to non-cancellable contracts for employee services at the reporting date but not recognised as liabilities.

Contracts for other services

Commitments for minimum payments in relation to non-cancellable contracts for other services at the reporting date but not recognised as liabilities.

Notes to the Financial Statements

For the year ended 29 June 2019

2.6. Contract Assets and Liabilities

Accounting Policy

Contract assets and liabilities

Contract assets primarily relate to the Groups rights to consideration for work completed but not billed on programs commissioned for third party customers. The contract assets are transferred to receivables at the point of delivery of an episode and acceptance by the customer. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for sponsorships, for which revenue is recognised over time.

The following table provides information about the contract assets and contract liabilities from contracts with customers.

	2019 \$'000	2018 \$'000
Current		
Television Program Sales	3,566	-
Contract assets	3,566	-
Television Program Sales	13,838	12,354
Pacific Subscription	7,114	8,848
Other	416	261
Contract liabilities	21,368	21,463
Non-current		
Revenue received in advance - affiliation fees	12,792	-
Contract liabilities	12,792	-

Forward Bookings

The following table includes revenue from contracts signed before the reporting date that is to be recognised post the reporting period (i.e. the performance obligations remain unsatisfied at the reporting date):

	2020 \$'000	2021 \$'000	Beyond 2021 \$'000
Television Program Sales	4,422	-	-
Total	4,422	-	-

Section 3: Other Key Balance Sheet Items

3.1. 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.

Refer to Note 3.1.1 for further details on impairment.

Intangible Assets

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

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

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

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

Notes to the Financial Statements

For the year ended 29 June 2019

3.1. Intangible Assets (continued)

	REF	Licences \$'000	Mastheads \$'000	Computer software \$'000	Goodwill \$'000	Trademark \$'000	Total \$'000
Year ended 29 June 2019							
Opening net book amount		955,660	37,913	34,317	4,494	1,578	1,033,962
Additions		-	-	13,593	-	13	13,606
Disposals		-	-	(93)	-	-	(93)
Amortisation charge		-	-	(10,891)	-	(9)	(10,900)
Acquisition (disposal) of controlled entity	[A]	-	-	(319)	8,694	(1,500)	6,875
Impairment	[B]	(415,000)	(37,913)	(12,797)	(12,262)	-	(477,972)
Closing net book amount		540,660	-	23,810	926	82	565,478
Comprised of:							
Cost		1,508,008	264,887	55,735	1,237,009	122	3,065,761
Accumulated amortisation and impairment		(967,348)	(264,887)	(31,925)	(1,236,083)	(40)	(2,500,283)
Year ended 30 June 2018							
Opening net book amount		955,660	37,913	25,354	926	49	1,019,902
Additions		-	-	19,923	-	36	19,959
Amortisation charge		-	-	(10,214)	-	(7)	(10,221)
Acquisition (disposal) of controlled entity	[C]	-	-	30	3,568	1,500	5,098
Impairment		-	-	(776)	-	-	(776)
Closing net book amount		955,660	37,913	34,317	4,494	1,578	1,033,962
Comprised of:							
Cost		1,923,008	251,123	108,336	1,228,581	1,598	3,512,646
Accumulated amortisation and impairment		(967,348)	(213,210)	(74,019)	(1,224,087)	(20)	(2,478,684)

[A] The Group acquired Goodwill relating to 7Beyond Media Limited and Community Newspaper Group Limited. Trademark movement relates to the disposal of The Mentor Platform Pty Limited on 31 July 2018.

[B] The Group assessed the recoverable amount for each of the Cash Generating Units ('CGUs') and groups of CGUs being Television, The West (Metro and Regional) and Pacific businesses. Refer to 3.1.1A for further details.

The impairments were recognised as a result of the following changes to key assumptions in the Group's cash flow forecasts:

Television

- Short term market conditions for traditional Free to Air television metro advertising market

The West

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

[C] In 2018, goodwill additions for the year relate to the acquisition of Great Southern Television Limited on 10 December 2017. Trademark acquired relates to the acquisition of The Mentor Platform Pty Limited on 19 January 2018.

3.1.1 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.

Key Estimates, Judgements and Assumptions

Goodwill and intangible assets with indefinite useful lives are tested annually to determine if they 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 approach. These calculations require the use of estimates and assumptions. Refer to 3.1.1B for details on assumptions used.

3.1.1A 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 segments which represent the lowest level within the Group at which the assets are monitored for internal management purposes.

The table below outlines the allocation of goodwill and indefinite life assets:

Allocation of CGU Groups	Goodwill \$'000	Licences, mastheads \$'000	Total \$'000
Year ended 29 June 2019			
Television	-	523,344	523,344
The West (Metro and Regional)	-	-	-
Pacific	-	-	-
Other Business and New Ventures	926	17,316	18,242
Total goodwill and indefinite life assets	926	540,660	541,586
Year ended 30 June 2018			
Television	3,568	938,344	941,912
The West (Metro and Regional)	-	37,913	37,913
Pacific	-	-	-
Other Business and New Ventures	926	17,316	18,242
Total goodwill and indefinite life assets	4,494	993,573	998,067

Notes to the Financial Statements

For the year ended 29 June 2019

3.1.1 Impairment of non-financial assets (continued)

3.1.1B Impairment review of cash generating units ('CGUs') including goodwill and indefinite life assets

In accordance with the Group's accounting policies, the Group has evaluated whether the carrying amount of a CGU or group of CGUs exceeds its recoverable amount as at 29 June 2019. The Group has determined the CGUs to be Television, The West (Metro and Regional) and Pacific businesses.

Valuation Methods

Television and The West

The recoverable amount was determined using a value-in-use model by discounting the future cash flows expected to be generated from the continuing use of these CGUs.

Pacific

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

Key components of the recoverable value calculations and the basis for each CGU are detailed below:

(i) Cash flows

Year 1 cash flows are based upon budgets for the next 12 months. Future cash flows are based on the following assumptions:

Television

- The advertising market growth rates are assumed to be consistent with industry market participant expectations and long-term industry growth rates.
- The Company's share of Metro Free to Air advertising takes into account historical share performance and management's expectation of share in forward periods, taking into consideration the impact of the Cricket agreement and programming across the schedule.
- Expenses are assumed to increase by CPI and known fixed increases for specific program rights.

The West (Metro and Regional) and Pacific

- Publishing revenue forecasts are management's best estimates using: current market data, industry forecasts and historical actual rates.
- Digital revenue assumptions are in line with industry forecasts and management's expectations of market development.
- Expenses are expected to decrease based on committed cost reduction initiatives and volume assumptions.

(ii) Terminal growth factor

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

(iii) Discount rate

The discount rate is an estimate of the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the CGU.

The pre-tax and post-tax discount rates applied to the CGU's cash flow projections are detailed below.

	Terminal growth factor		Discount rate (pre-tax)		Discount rate (post-tax)	
	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18
Television	0.5%	0.5%	15.9%	14.5%	9.5%	9.3%
The West - Metro	-0.5%	0.0%	12.2%	13.4%	10.5%	10.5%
The West - Regional	-0.5%	0.0%	14.1%	16.0%	10.5%	10.5%

(iv) Allocation of impairment for The West

In allocating the impairment to individual non-current assets within the CGUs, their recoverable amount was not reduced below their fair value less cost of disposal; notably for property related assets.

3.1.1C Impact of possible changes in key assumptions

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

Following the impairment analysis performed on the Television CGU, the recoverable amounts are equal to the carrying amounts. Therefore, any adverse movements in key assumptions would lead to changes in the carrying amount.

3.2. Property, Plant and Equipment

Accounting Policy

Measurement of cost

All property, plant and equipment is stated at historical cost less accumulated depreciation and provision of impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate,

only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Asset class	Useful life	Depreciation method used
Land	Indefinite	Not depreciated
Buildings	40 years	Straight line basis
Leasehold improvements	Finite	Shorter of the life of the lease of each property or the life of the asset
Plant and equipment		
Printing presses and publishing equipment	15 years	Straight line basis to allocate their cost, net of their residual values, over their estimated useful lives
Other plant and equipment	3-10 years	Straight line basis to allocate their cost, net of their residual values, over their estimated useful lives

Impairment of assets

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 proceeds with carrying amount and these are included in profit or loss.

Notes to the Financial Statements

For the year ended 29 June 2019

3.2. Property, Plant and Equipment (continued)

	Freehold land and buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Year ended 29 June 2019				
Opening net book value	79,237	2,489	59,846	141,572
Additions	5,172	9,972	14,945	30,089
Disposals	-	-	(83)	(83)
Depreciation charge	(2,649)	(561)	(17,408)	(20,618)
Impairment	-	-	(24,367)	(24,367)
Change due to movement in FX rates	-	-	(39)	(39)
Closing net book amount	81,760	11,900	32,894	126,554
Comprised of:				
Cost	129,960	46,026	378,840	554,826
Accumulated depreciation and impairment	(48,200)	(34,126)	(345,946)	(428,272)
Year ended 30 June 2018				
Opening net book value	81,684	2,814	75,061	159,559
Additions	245	229	10,139	10,613
Disposals	-	-	(117)	(117)
Depreciation charge	(2,692)	(554)	(21,783)	(25,029)
Impairment	-	-	(3,465)	(3,465)
Change due to movement in FX rates	-	-	11	11
Closing net book amount	79,237	2,489	59,846	141,572
Comprised of:				
Cost	125,152	49,112	642,452	816,716
Accumulated depreciation and impairment	(45,915)	(46,623)	(582,606)	(675,144)

Depreciating property, plant and equipment are removed from cost in the rollforward in the year after they are fully depreciated.

Key Estimates, Judgements and Assumptions

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.

3.3. Provisions

Accounting Policy

Provisions are:

- Recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resource will be required to settle the obligation and the amount can be estimated reliably.
- Measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Provision	Description and measurement of provision
[A] Employee benefits	Provision for employee benefits includes annual leave, long service leave and short term incentives.
<i>Short-term employee benefits</i>	Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the reporting period in which the employee renders the service. It is measured at the amounts expected to be paid when the liabilities are settled.
<i>Long-term employee benefits</i>	Liability for long service leave which is not expected to be settled within 12 months after the end of the period. It is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bond rates with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.
<i>Short term incentives and bonus plans</i>	A liability is recognised when there is an obligation to settle the liability and at least one of the following conditions is met: <ul style="list-style-type: none"> ▪ there are formal terms in the plan for determining the amount of the benefit; or ▪ past practice gives clear evidence of the amount of the obligation.
[B] Redundancy and restructuring	Redundancy and restructuring provision is recognised 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. It is payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.
[C] Onerous Contracts	Provision for onerous contracts represents contracts where, due to changes in market conditions, the expected benefit is lower than the cost for which the Group is currently committed under the terms of the contract. The minimum net obligation under the contract is provided for. The provision is calculated as the net of the estimated economic benefit and the estimate of the committed cost discounted to present values.
[D] Other	
<i>Make Good Provision</i>	Make good provision to restore the leased premises of its offices, studios and other premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements.

	Employee Benefits [A] \$'000	Redundancy & Restructuring [B] \$'000	Onerous Contracts [C] \$'000	Other [D] \$'000	Total \$'000
Carrying amount at 30 June 2018	61,216	19,031	153,888	7,528	241,663
Amounts provided	30,091	22,232	20,963	2,634	75,920
Amounts utilised	(31,420)	(15,272)	(25,558)	(638)	(72,888)
Unwind of discount	-	-	3,444	138	3,582
Acquisition of controlled entity	1,477	2,478	874	-	4,829
Balance as at 29 June 2019	61,364	28,469	153,611	9,662	253,106
Represented by:					
Current	55,717	28,469	21,227	12	105,425
Non-current	5,647	-	132,384	9,650	147,681
	61,364	28,469	153,611	9,662	253,106

Notes to the Financial Statements

For the year ended 29 June 2019

3.3. Provisions (continued)

Key Estimates, Judgements and Assumptions

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.

For onerous provision, 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/decline rates for the advertising market;

- The costs of fulfilling the contract are estimated with reference to contractual rates and historical incremental costs of similar programming assumed to increase by CPI; and
- The expected term of the legacy output deals is estimated based on current US market ratings performance and historical series life of similar programming.

3.4. Other Financial Assets

Accounting Policy

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

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

	2019 \$'000	2018 \$'000
Movements in carrying amounts of other financial assets		
Carrying amount at the beginning of the year	28,384	21,384
Effect of adoption of new AASB 9 accounting standard (1 July 2018)	22,971	-
Acquisitions and other movements	9,197	7,000
Carrying amount at the end of the year	60,552	28,384

Other financial assets represent equity investments in unlisted entities comprising of Airtasker Pty Limited, SocietyOne Australia Pty Limited and Open Money Group Pty Ltd. The Group has initially applied AASB 9 at 1 July 2018 for other financial assets. Under the transition methods chosen, comparative information is not restated.

Key Estimates, Judgements and Assumptions

The fair value of other financial assets is measured through a Level 3 (significant unobservable inputs) approach under the accounting standard AASB 13 Fair Value Measurement. The valuation technique used was based on the equity price established in the most recent round of equity financing and consideration of any other key changes in the investment which requires a level of judgement.

Section 4:

Taxation

4.1. Taxes

Accounting Policy

Current taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities at the tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred taxes

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax losses, to the extent it is probable that taxable profit will be available to utilise them.

The carrying amount of deferred income tax assets is reviewed at balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise them.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. In making this assessment, the Group considers the tax consequences of recovering assets and liabilities through sale, use and subsequent sale or through use and then abandonment or scrapping of the asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences at balance sheet date between accounting carrying amounts and the tax bases of assets and liabilities, other than for the following:

- Where they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- Where taxable temporary differences relate to investments in subsidiaries, associates and interests in joint ventures:
 - i. Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
 - ii. Deferred tax assets are not recognised if it is not probable that the temporary differences will reverse in the foreseeable future and taxable profit will not be available to utilise the temporary differences.

Deferred tax liabilities are also not recognised on recognition of goodwill.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Offsetting deferred tax balances

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation

The Company and its wholly owned Australian resident entities are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Seven West Media Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the group allocation approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the Company or its subsidiaries are ultimately assumed by the head entity in the tax consolidated group and are recognised as amounts payable/(receivable) to/(from) other entities in the tax consolidated group in conjunction with any tax funding arrangement amounts (refer below).

Nature of tax funding arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to the head entity equal to the current tax liability assumed by the head entity resulting in a related party payable to the head entity equal in amount to the current tax liability assumed. This related party balance is at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Notes to the Financial Statements

For the year ended 29 June 2019

4.1. Taxes (continued)

Accounting Policy (continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised exclusive of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

	2019 \$'000	Restated 2018 \$'000
Tax expense recognised in profit or loss		
Current year tax expense	(30,222)	(32,358)
Adjustments for current tax of prior periods	2,989	(7,106)
Current tax expense	(27,233)	(39,464)
Deferred tax benefit (expense)	19,065	(22,520)
Adjustment for deferred tax of prior periods	(2,651)	5,995
Total tax expense	(10,819)	(55,989)
Reconciliation of tax expense to prima facie tax expense		
Profit (loss) before tax	(433,629)	188,777
Tax at the Australian tax rate of 30% (2018: 30%)	130,089	(56,633)
Tax effect of amounts which are not (deductible)/taxable in calculating taxable income:		
Share of net profit of equity accounted investees, net of dividends received	275	8
Deferred tax assets not recognised in relation to impairment of equity accounted investees	(676)	-
Deferred tax assets not recognised in relation to impairment of intangible assets	(139,553)	-
Deferred tax assets not recognised in relation to impairment of asset held for sale	-	(3,555)
Deferred tax assets not recognised in relation to impairment of assets	(905)	-
Deferred tax assets not recognised in relation to sale of asset held for sale	(5,025)	-
Non-assessable income	4,897	5,066
Other non-assessable items	(386)	236
Adjustments for tax of prior periods	465	(1,111)
Tax expense	(10,819)	(55,989)
Tax recognised in other comprehensive income		
Cash flow hedges	1,061	(1,047)
Deferred tax asset not recognised		
Deductible temporary differences	1,179,724	1,044,209

Key Estimates, Judgements and Assumptions

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.

4.2. Deferred Tax Assets and Liabilities

Deferred tax assets (liabilities)

Year ended 29 June 2019	Restated 30 June 2018 \$'000	Effect of adoption of new AASB 9 accounting standard \$'000	Recognised in profit or loss \$'000	Recognised in other compre- hensive income \$'000	Increase due to acquisition of controlled entity \$'000	29 June 2019 \$'000
The balance comprises temporary differences attributable to:						
Trade and other receivables	7,278	-	(165)	-	63	7,176
Program rights and inventories	(127,761)	-	10,040	-	-	(117,721)
Investments	(541)	(6,891)	201	-	-	(7,231)
Intangible assets	3,210	-	(2,550)	-	-	660
Property, plant and equipment	17,747	-	5,634	-	-	23,381
Deferred expenditure and prepayments	(234)	-	(17)	-	-	(251)
Trade and other payables	15,839	-	839	-	91	16,769
Provisions	70,757	-	3,373	-	1,467	75,597
Deferred income	1,880	-	472	-	-	2,352
Borrowings	(325)	-	(2,522)	-	-	(2,847)
Cash flow hedges	462	-	867	1,061	-	2,390
Transaction costs	566	-	(369)	-	-	197
Other	163	-	611	-	513	1,287
Net deferred tax (liabilities) assets	(10,959)	(6,891)	16,414	1,061	2,134	1,759

Restated Year ended 30 June 2018	Restated 24 June 2017 \$'000	Effect of adoption of new AASB 9 accounting standard \$'000	Recognised in profit or loss \$'000	Recognised in other compre- hensive income \$'000	Increase due to acquisition of controlled entity \$'000	Restated 30 June 2018 \$'000
The balance comprises temporary differences attributable to:						
Trade and other receivables	7,393	-	(115)	-	-	7,278
Program rights and inventories	(126,303)	-	(1,458)	-	-	(127,761)
Investments	(440)	-	(101)	-	-	(541)
Intangible assets	3,945	-	(735)	-	-	3,210
Property, plant and equipment	19,370	-	(1,623)	-	-	17,747
Deferred expenditure and prepayments	(1,066)	-	832	-	-	(234)
Trade and other payables	19,143	-	(3,304)	-	-	15,839
Provisions	78,194	-	(7,437)	-	-	70,757
Deferred income	4,168	-	(2,288)	-	-	1,880
Borrowings	(369)	-	44	-	-	(325)
Cash flow hedges	1,509	-	-	(1,047)	-	462
Transaction costs	690	-	(124)	-	-	566
Other	(450)	-	613	-	-	163
Net deferred tax (liabilities) assets	5,784	-	(15,696)	(1,047)	-	(10,959)

Notes to the Financial Statements

For the year ended 29 June 2019

Section 5: Capital Management

5.1. 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.

	2019 \$'000	Restated 2018 \$'000
Current		
Third party loan	1,045	-
Non-current		
Bank Loans - unsecured, net of unamortised refinancing costs	653,839	769,851

5.1A Financial arrangement

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

As at 29 June 2019, the Group had access to unsecured bilateral revolving credit facilities to a maximum of \$750,000,000 (2018: \$900,000,000). The amount of these facilities undrawn at reporting date was \$95,000,000 (2018: \$120,000,000).

In addition, the Group continues to have access to a \$20,000,000 (2018: \$20,000,000) multi-option facility with Australia and New Zealand Banking Group Limited. As at reporting date, \$10,500,000 of this facility (2018: \$8,000,000) was utilised for the provision of bank guarantees.

The unsecured bank loans are net of \$1,160,000 refinancing costs (2018: \$10,148,000).

The facilities are subject to a weighted average interest rate of 3.32% at 29 June 2019 (2018: 3.86%).

As part of the bilateral facilities, the Group is subject to certain financial covenants measured on a six monthly basis. The Group has been in compliance with its financial covenant requirements to date including the period ending 29 June 2019.

Fair value

The carrying amount and fair value of Group borrowings at the end of the financial year was \$654,884,000 (2018: \$769,851,000).

Risk exposures

Information about the Group's exposure to interest rate changes is provided in note 5.5.

5.2. 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.

	2019 \$'000	2018 \$'000
1,508,034,368 (2018: 1,508,034,368) Ordinary shares fully paid	3,393,546	3,393,546

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

5.3. 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.

5.3A Dividends paid during the financial year

	2019 \$'000	2018 \$'000
No final dividend was declared for the 2018 financial year. Final ordinary dividend for the year ended 24 June 2017 of 2 cents per share was fully franked based on tax paid at 30%, paid on 18 October 2017.	-	30,161
No interim dividend was declared in the current or prior year.	-	-
	-	30,161

5.3B Dividends not recognised at year end

No final dividend has been declared in the current or prior year.	-	-
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5.3C Franked dividends

Future franked dividends declared will be franked out of existing franking credits or out of franking credits arising from the receipt of franked dividends and the payment of tax in the year ending 29 June 2019.

Franking credits available for subsequent financial years based on a tax rate of 30% (2018: 30%)	38,725	19,271
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The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the current tax liability or receivable;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

5.4. Share-Based Payments

Accounting Policy

Employees of the Group receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments.

Share-based compensation benefits are provided to executives and employees in accordance with the Company's share purchase and loan plans and employment agreements.

Equity-settled transactions

The fair value of the rights granted is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions but excludes

the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimate of the number of rights that are expected to vest based on the non-market vesting conditions.

It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Notes to the Financial Statements

For the year ended 29 June 2019

5.4. Share-Based Payments (continued)

5.4A Performance and share rights granted as compensation

The total expense recognised for share-based payments for all plans during the financial year for the Group was \$332,652 (2018: \$193,832).

The accounting value of share-based payments may be negative where an executive's share-based expense includes cumulative adjustments for changes in non-market vesting conditions.

Long Term Incentive Plans

At 29 June 2019, performance rights that remain outstanding are from 2018 and 2019 Long Term Incentive Plans.

The 2016 Long Term Incentive Plan was completed on 29 June 2019. The 2016 LTI was divided into two components, with 50 per cent tested against relative TSR performance and the other 50 per cent tested against DEPS targets, both over a three-year period. The Company's DEPS performance met target at the 50 per cent threshold. However, the Company's relative TSR performance fell below the median of the comparator group. As a result, 25 per cent of the 2016 LTI award was vested.

The Group established an additional 2019 long term incentive plan that entitles key management personnel to performance rights. Holders of vested rights are entitled to fully paid ordinary shares in the Company.

A total of 2,114,484 (2018: 4,045,842) performance rights were granted on 1 February 2019 (2018: 1 February 2018) and will be awarded when the performance conditions are met. The performance period commenced on 1 July 2018 and ends on 30 June 2021 (2018: 1 July 2017 to 30 June 2020). The performance rights are subject to a total shareholder return (TSR) hurdle as well as an individual performance condition.

Performance rights do not carry any dividend or voting rights prior to vesting and are all equity settled. Vesting of the rights are subject to the condition that the executive remains employed by the Company at the vesting date. 814,615 performance rights were vested (2018: nil) and 2,443,846 (2018: 1,328,845) were forfeited during the year.

5.4B Valuation models and key assumptions used

	2019 Long Term Incentive Plan
Grant date	1 February 2019
Award type	Performance Rights
Vesting Conditions	Relative TSR and KPI outcomes
Performance period	1 July 2018 to 30 June 2021
Vesting Date	20 August 2021
Share price at grant date	\$0.535
Number of rights granted	2,114,484
Fair value at grant date	\$0.24
Volatility - Seven West Media	42%
Volatility - ASX 200 Consumer Discretionary Accumulation Index	14%
Correlation between Seven West Media and ASX 200 Consumer Discretionary Accumulation Index	43%
Risk free interest rate	1.75%
Dividend yield	2.3%
Valuation methodology	Monte-Carlo simulation

Short Term Incentive Plans

The Group granted a 2019 short term incentive plan that entitles key management personnel to shares based on 100 per cent of the Financial Year's STI awards.

The restricted shares are subject to the condition that the executive remains employed by the Company at the vesting date (as detailed below).

An estimated 170,212 (2018: 509,877) restricted shares will be granted on or about 1 September 2019 (2018: 1 September 2018). The estimated number and fair value of the restricted shares as at 29 June 2019 is based on 100 per cent of the STI pool awarded (2018: 50 per cent). The performance period commenced on 1 July 2018 and ends on 30 June 2020 (2018: 24 June 2017 and ends on 29 June 2019).

Key Estimates, Judgements and Assumptions

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

5.5. Capital and Financial Risk Management

5.5A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	2019 \$'000	2018 \$'000
Financial assets (liabilities) measured at fair value			
Other financial assets	3.4	60,552	28,384
Interest rate swaps		(5,455)	(1,687)
Interest rate collars		818	(49)
Forward exchange contracts		(78)	130
		55,837	26,778
Financial assets (liabilities) measured at amortised cost			
Trade and other receivables	2.2	262,798	276,986
Cash and cash equivalents	2.1	90,455	142,163
Borrowings	5.1	654,884	769,851
Trade payables and accruals	2.4	147,362	162,266
		1,155,499	1,351,266

5.5B Measurement of fair values

Valuation techniques and significant unobservable inputs

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:

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

The following table shows the valuation techniques and measurement level inputs used to assess the fair value of financial assets and financial liabilities at 29 June 2019.

Type	Valuation Technique	Measurement Level	Amount
Interest Rate Swaps and Collars	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, future prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bonds prices.	Level 2	The interest rate cash flow hedges and foreign exchange cash flow hedges in aggregate amount to \$8,082,000 (June 2018: \$3,311,000).
Forward Exchange Contracts	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies	Level 2	
Other Financial Assets	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	\$60,552,000
Business Combinations	The fair value of 7Beyond Media Rights Limited and Community Newspaper Group Limited was determined using a value in use model by discounting the future cash flows expected to be generated by each company.	Level 3	\$5,144,000

Notes to the Financial Statements

For the year ended 29 June 2019

5.5. Capital and Financial Risk Management (continued)

5.5C Risk management framework

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk, capital risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses derivative financial instruments (interest rate swaps and collars) to hedge certain interest rate risk exposures and forward foreign exchange contracts to hedge certain foreign exchange risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange and aging analysis for credit risk.

5.5C(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from credit exposures to customers, cash and cash equivalents and derivative financial instruments.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information and industry information. Sale limits are established for each customer and reviewed on a regular basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their industry, trading history with the Group and existence of previous financial difficulties.

An impairment analysis is performed at each reporting date using a provision range matrix to measure expected credit losses. The percentage used will depend on the risk profile of the debtors at the time and may vary year on year. The provision rates are based on days past due for groupings of various customer segments. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contracts assets using a provision range matrix.

	Past due but not impaired				Total
	Not past due	< 30 days	31-90 days	> 90 days	\$'000
Year ended 29 June 2019					
Expected credit loss rate	0.1%	6.1%	26.5%	92.8%	
Estimated total gross carrying amount	249,192	22,641	3,655	892	276,380
Expected credit loss	(271)	(1,373)	(970)	(828)	(3,442)
Year ended 30 June 2018					
Expected credit loss rate	0.1%	1.6%	14.9%	55.3%	
Estimated total gross carrying amount	169,283	113,275	4,564	2,842	289,964
Expected credit loss	(107)	(1,773)	(681)	(1,572)	(4,133)

5.5C(ii) Liquidity risk

Liquidity risk refers to the risk that the Group is unable to meet its financial commitments as and when they fall due

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flow and monitoring the Group's liquidity reserve on the basis of these cash flow forecasts. In addition, the Group had access to total debt funding under its bilateral

facilities equal to \$750,000,000 of which only \$655,000,000 is drawn at reporting date.

Maturities of financial liabilities

The table analyses the Group's financial liabilities including interest to maturity into relevant groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted principal and interest cash flows and therefore may not agree with the carrying amounts in the statement of financial position. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

5.5. Capital and Financial Risk Management (continued)

	Less than one year \$'000	Between 1 and 5 years \$'000	Total contractual cash flows \$'000	Carrying amount - liabilities \$'000
At 29 June 2019				
Non-derivative financial liabilities				
Trade and other payables	283,935	4,279	288,214	290,633
Unsecured loans	21,753	717,298	739,051	654,884
Total non-derivatives	305,688	721,577	1,027,265	945,517
Derivative financial liabilities				
Net settled interest rate swaps and collars	643	318	961	8,004
Gross settled forward foreign exchange contracts - cash flow hedges:				
- (inflow)	(3,422)	-	(3,422)	-
- outflow	3,477	-	3,477	78
Total derivatives	698	318	1,016	8,082
Total financial liabilities	306,386	721,895	1,028,281	953,599

	Less than one year \$'000	Between 1 and 5 years \$'000	Total contractual cash flows \$'000	Restated Carrying amount - liabilities \$'000
At 30 June 2018				
Non-derivative financial liabilities				
Trade and other payables	280,217	26,504	306,721	306,721
Unsecured loans	30,123	819,118	849,241	769,851
Total non-derivatives	310,340	845,622	1,155,962	1,076,572
Derivative financial liabilities				
Net settled interest rate swaps and collars	1,340	2,632	3,972	3,441
Gross settled forward foreign exchange contracts - cash flow hedges:				
- (inflow)	(4,875)	-	(4,875)	(130)
- outflow	4,754	-	4,754	-
Total derivatives	1,219	2,632	3,851	3,311
Total financial liabilities	311,559	848,254	1,159,813	1,079,883

5.5C(iii) Market risk

Market risk is defined as possible changes in market prices, such as foreign exchange rates and interest rates that will affect the fair value or future cash flows of the Group's financial instruments. The key components of market risks are:

(a) Price risk

Price risk refers to the risk of a decline in the value of a security or a portfolio. The Group is not exposed to significant price risk.

(b) Interest rate risk

Interest rate risk refers to the risks that the value of a financial instrument or its associated cash flows will fluctuate in response to changes in market interest rates. The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates.

The Group's main interest rate risk arises from long-term borrowings. Borrowings sourced at variable rates expose the Group to cash flow interest rate risk. The Group has mitigated this interest rate risk by entering into derivative transactions, including interest rate swaps and collars.

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For the year ended 29 June 2019

5.5. Capital and Financial Risk Management (continued)

As at the end of the reporting period the Group had the following instruments:

	2019 \$'000	2018 \$'000
Variable rate instruments		
Cash at bank, on hand and at call	90,455	142,163
Weighted average interest rate	1.50%	2.14%
External borrowing facilities	655,000	780,000
Weighted average interest rate	3.32%	3.86%
Net debt (excluding unamortised refinancing costs)	564,545	637,837
Interest Rate Swaps		
Total Hedged	200,000	200,000
% of net debt hedged	35%	31%
Weighted average interest rate	2.78%	2.78%
Expiry date	June 2021	June 2021
Interest Rate Collars		
Total Hedged	100,000	150,000
% of net debt hedged	18%	24%
Interest rate cap	2.54%	2.39%
Interest rate floor	1.85%	1.85%
Expiry date	June 20 – June 21	June 19 – June 21
Total percentage of net debt hedged	53%	55%
Net exposure to cash flow interest rate risk	264,545	287,837

The changes in fair value of cash flow hedges during the year amounts to a pre-tax decrease in equity of \$3,536,000 (2018: increase of \$3,490,000).

There are no receivables on derivatives at balance date and the Group's current receivables generally do not bear interest.

Group sensitivity

Based on the Group's outstanding floating rate borrowings and interest rate swaps at 29 June 2019, a change in interest rates of +/-1% per annum with all other variables remaining constant would impact equity and after tax profit by the amounts shown below.

This analysis assumes that all other variables remain constant.

	Net Profit/(Loss)		Reserves		Net Equity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
If interest rates were 1% higher with all other variables held constant:						
(Decrease)/increase	(2,485)	(3,010)	3,106	4,879	621	1,869
If interest rates were 1% lower with all other variables held constant:						
Increase/(decrease)	2,485	3,010	(3,344)	(5,068)	(859)	(2,058)

5.5. Capital and Financial Risk Management (continued)

(c) Foreign exchange risk

Foreign exchange risk refers to the risk that the value of a financial instrument or its associated cash flows will fluctuate due to changes in foreign currency rates.

The Group has transactional currency risk; such exposure arises from sales or purchases by an operating unit in currencies other than the unit's measurement currency. It is

the Group's policy not to enter into forward contracts until a firm commitment is in place. The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The foreign currency contracts are being used to reduce the exposure to the foreign exchange risk.

As at the end of the reporting period, the Group had the following exposure to foreign exchange risk:

	2019 \$'000	2018 \$'000
Receivables:		
Foreign exchange receivables and forward contracts	3,422	4,875
Payables:		
Foreign exchange payables and forward contracts	(3,477)	(4,754)
Net exposure	(55)	121

Based on the Group's financial instruments held at 29 June 2019, had the Australian dollar weakened/strengthened by 10% against the US dollar, Euro, UK pound and New Zealand dollar, with all other variables held constant, the Group's equity and after tax profit for the year would not have changed significantly. The analysis was performed on the same basis as 2018 and ignores any impact of forecasted sales and purchases.

Section 6: Group Structure

6.1. Equity Accounted Investees

	2019 \$'000	2018 \$'000
Non-current		
Investments in associates and jointly controlled entities	12,850	3,445

Accounting Policy

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

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

Measurement

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

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

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

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

Impairment

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

6.1. Equity Accounted Investees (continued)

Information relating to associates and jointly controlled entities is set out in the tables below:

Name of entity	REF	Principal activities	Reporting date	Ownership Interest	
				2019 %	2018 %
7Beyond Media Rights Limited	[A]	Television production	30 June	51.0	50.0
Community Newspaper Group Limited	[B]	Newspaper publishing	30 June	100.0	49.9
Crowdspark Limited (formerly Newzulu Limited)		Citizen journalism	30 June	21.9	21.9
Nabo Community Limited (formerly Epicfrog Pty Limited)	[C]	Online social network	30 June	-	23.5
Health Engine Pty Limited		Online health directory	30 June	16.3	16.3
New You Group Pty Limited (trading as Kochie Money Makeover)		Provider of general financial advice	30 June	50.0	50.0
NPC Media Pty Limited	[D]	Playout and content managements services	30 June	50.0	-
Oscar Winter Pty Limited		Online retail jewellery business	30 June	33.3	33.3
Oztam Pty Limited		Ratings service provider	31 December	33.3	33.3
Starts at 60 Pty Limited		Online social network for seniors	30 June	35.3	35.3
TX Australia Pty Limited	[E]	Transmitter facilities provider	30 June	50.0	33.3
Yahoo Australia & New Zealand (Holdings) Pty Limited	[F]	Internet content provider	31 December	-	50.0

[A] Additional shares in 7Beyond Media Rights Limited was purchased on 28 March 2019 increasing the shareholding from 50% to 51%. This resulted in control of the investment and has been consolidated since that date.

[B] The remaining 50.1% of shares of Community Newspaper Group was acquired by the Group on 24 May 2019 and the company has been consolidated since that date.

[C] Nabo Community Limited (formerly Epicfrog Pty Limited) has been deregistered on 7 June 2019.

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

[E] Seven West Media acquired additional shares in TX Australia on 27 May 2019.

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

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

	REF	2019 \$'000	2018 \$'000
Net profit (loss) for the year		(16,453)	(12,652)
Group's share of profit for the year	[A]	1,141	716

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

	2019 \$'000	2018 \$'000
Movements in carrying amount of equity accounted investees		
Carrying amount at the beginning of the financial year	3,445	51,362
Impairment of equity accounted investees (refer note 1.4)	(2,252)	(1,254)
Share of profit of investees after tax	1,141	1,704
Dividends received	(880)	(1,000)
Acquisitions and other movements	11,396	(47,367)
Carrying amount at the end of the financial year	12,850	3,445

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

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

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6.2. Investments in Controlled Entities

Accounting Policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Seven West Media Limited as at 29 June 2019 and the results of all subsidiaries for the year then ended. Seven West Media Limited and its subsidiaries together are referred to in this financial report as the "Group."

The consolidated entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described above.

	Notes	Country of incorporation	Ownership interest	
			2019 %	2018 %
7Beyond Media Rights Limited		Ireland	51	50
Albany Advertiser Pty Ltd	[A]	Australia	100	100
Australian National Television Pty Limited	[C]	Australia	100	100
Australian Regional Broadcasters Pty Ltd	[A]	Australia	100	100
Australian Television International Pty Limited	[C]	Australia	100	100
Australian Television Network Limited	[C]	Australia	100	100
Bluegem Holdings Pty Ltd (Trading as TriEvents)		Australia	-	80
BTW Productions Pty Limited	[K]	Australia	100	-
Channel Seven Adelaide Pty Limited	[C]	Australia	100	100
Channel Seven Brisbane Pty Limited	[C]	Australia	100	100
Channel Seven Melbourne Pty Limited	[C]	Australia	100	100
Channel Seven Perth Pty Limited	[C]	Australia	100	100
Channel Seven Queensland Pty Limited	[C]	Australia	100	100
Channel Seven Sydney Pty Limited	[C]	Australia	100	100
Coast Australia Production Pty Limited		Australia	70	70
Cobbittee Publications Pty Limited	[C]	Australia	100	100
Colorpress Australia Pty Ltd	[A]	Australia	100	100
ColourPress Pty Ltd	[A]	Australia	100	100
Community Newspaper Group Limited	[L]	Australia	100	49
ComsNet Pty Ltd	[A]	Australia	100	100
Dansted and McCabe Holdings Pty Ltd	[A]	Australia	100	100
Dodds Street Properties Pty Limited	[C]	Australia	100	100
Edinburgh Military Tattoo Sydney Production Pty Ltd		Australia	100	-
Endurance Media Limited		New Zealand	70	70
Fam Time Productions Pty Limited	[M]	Australia	100	-
Faxcast Australia Pty Limited	[C]	Australia	100	100
Geraldton FM Pty Ltd	[A]	Australia	100	100
Geraldton Newspapers Pty Ltd	[A]	Australia	100	100
Great Northern Broadcasters Pty Ltd	[A]	Australia	100	100

6.2. Investments in Controlled Entities (continued)

	Notes	Country of incorporation	Ownership interest	
			2019 %	2018 %
Great Southern Film and Television Pty Limited		Australia	70	70
Great Southern Television Limited		New Zealand	70	70
Harlesden Investments Pty Ltd	[A]	Australia	100	100
Herdsmen Print Centre Pty Ltd	[A]	Australia	100	100
Herdspres Leasing Pty Ltd	[A]	Australia	100	100
Hocking & Co. Pty Ltd	[A]	Australia	100	100
Hybrid Television Services (ANZ) Pty Limited	[I]	Australia	100	100
Impact Merchandising Pty Limited	[E]	Australia	100	100
Jupelly Pty Limited	[C]	Australia	100	100
Kenjins Pty Limited	[C]	Australia	100	100
Media Beach Pte. Limited		Singapore	50	50
North West Radio Pty Ltd	[A]	Australia	100	100
Pacific MM Pty Limited	[C]	Australia	100	100
Pacific Magazines Pty Limited	[C]	Australia	100	100
Pacific Magazines Trust		Australia	100	100
Pacific Magazines (No. 2) Pty Limited	[C]	Australia	100	100
Pacific Magazines NZ Limited		New Zealand	100	100
Pacific Magazines NZ Merchant Company Limited		New Zealand	100	100
Pacific Magazines (PP) Pty Ltd	[C]	Australia	100	100
Pacific Magazines (PP) Holdings Pty Ltd	[C]	Australia	100	100
Pacific Magazines (WHO) Pty Ltd		Australia	100	100
Quokka Press Pty Ltd	[A]	Australia	100	100
Quokka West Pty Ltd	[A]	Australia	100	100
Red Music Publishing Pty Limited	[D]	Australia	100	100
Red Publishing Pty Limited	[C]	Australia	100	100
Redwave Media Pty Ltd	[A]	Australia	100	100
Riverlaw Holdings Pty Limited	[A]	Australia	100	100
SBB Productions Pty Limited	[K]	Australia	100	-
Seven DS Holdings Pty Ltd	[I]	Australia	100	100
Seven Facilities Pty Ltd	[H]	Australia	100	100
Seven Magazines Pty Limited	[C]	Australia	100	100
Seven Network (Operations) Limited	[C]	Australia	100	100
Seven Network Programming Pty Limited	[C]	Australia	100	100
Seven Productions NZ Limited		New Zealand	100	100
Seven Regional Operations Pty Limited	[C]	Australia	100	100
Seven Rights Pty Ltd	[J]	Australia	100	100
Seven Satellite Operations Pty Limited	[G]	Australia	100	100
Seven Satellite Pty Limited	[C]	Australia	100	100
Seven Studios Distribution Pty Ltd	[J]	Australia	100	100
Seven Studios Holdings Pty Ltd	[I]	Australia	100	100
Seven Studios Pty Limited	[F]	Australia	100	100
Seven Television Australia Limited	[C]	Australia	100	100
Seven West Studios Limited		United Kingdom	100	-

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For the year ended 29 June 2019

6.2. Investments in Controlled Entities (continued)

	Notes	Country of incorporation	Ownership interest	
			2019 %	2018 %
Seven West Media Investments Pty Limited	[C]	Australia	100	100
Slim Film & TV Limited		United Kingdom	25	25
SMG H1 Pty Limited	[B]	Australia	100	100
SMG H2 Pty Limited	[B]	Australia	100	100
SWM Finance Pty Limited	[B]	Australia	100	100
SWM Media Holdings Pty Ltd	[I]	Australia	100	100
SMG H4 Pty Limited	[C]	Australia	100	100
SMG H5 Pty Limited	[C]	Australia	100	100
South West Printing and Publishing Company Ltd	[A]	Australia	100	100
Southdown Publications Pty Limited	[C]	Australia	100	100
Spirit Radio Network Pty Ltd	[A]	Australia	100	100
Sunshine Broadcasting Network Limited	[C]	Australia	100	100
The Mentor Platform Pty Limited		Australia	-	50
The Pacific Plus Company Pty Limited	[C]	Australia	100	100
W.A. Broadcasters Pty Ltd	[A]	Australia	100	100
WAN Cinemas Pty Limited	[A]	Australia	100	100
West Australian Entertainment Pty Ltd	[A]	Australia	100	100
West Australian Newspapers Limited	[A]	Australia	100	100
West Central Seven Limited	[C]	Australia	100	100
Western Mail Pty Ltd	[A]	Australia	100	100
Western Mail Operations Pty Ltd	[A]	Australia	100	100
Westroyal Pty Ltd	[A]	Australia	100	100
Wide Bay - Burnett Television Limited	[C]	Australia	100	100
Zangerside Pty Limited	[C]	Australia	100	100
Zed Holdings Pty Limited	[C]	Australia	100	100

The class of all shares is ordinary and the entities entered into the Deed of Cross Guarantee with Seven West Media Limited under ASIC Corporations (wholly-owned companies) instrument 2016/785 by Assumption Deed on 8 April 2004. The dates below show when the deed was amended:

[A] Prior to 30 June 2009.

[B] 20 June 2011.

[C] 26 June 2012.

[D] 18 April 2013.

[E] 30 September 2013.

[F] 1 May 2015.

[G] 16 June 2015.

[H] 31 March 2016.

[I] 1 December 2016.

[J] 12 May 2017.

[K] 5 February 2019.

[L] 24 June 2019.

[M] 24 April 2019.

Pursuant to ASIC Corporations (wholly-owned companies) instrument 2016/785, certain wholly-owned subsidiaries, as noted above, are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' reports.

It is a condition of the Class Order that the 'Holding Entity' and each of the wholly-owned subsidiaries enter into a Deed of Cross Guarantee under which each company guarantees the debts of the others.

Seven West Media Limited and its subsidiaries represent a 'Closed Group' for the purposes of the Seven West Media Limited Class Order, and as there are no other parties to its Deed of Cross Guarantee that are controlled by Seven West Media Limited, they also represent the 'Extended Closed Group.'

6.2. Investments in Controlled Entities (continued)

The consolidated statement of profit or loss and other comprehensive income for the year ended 29 June 2019 of the Seven West Media Limited Closed Group is presented below according to the Class Order:

	2019 \$'000	Restated 2018 \$'000
Statement of profit or loss and other comprehensive income		
Revenue	1,532,792	1,599,165
Other income	3,624	474
Revenue and other income	1,536,416	1,599,639
Expenses	(1,323,363)	(1,383,191)
Impairment of intangible assets	(477,972)	-
Impairment of investments and other assets	(64,507)	(1,253)
Write down of asset held for sale	-	(11,868)
Net loss on sale of asset held for sale	(16,750)	-
Redundancy and restructure costs	(22,237)	(11,311)
Onerous contracts	(20,963)	-
Net gain on sale of other assets	-	8,224
Net gain (loss) on disposal of investments and controlled entities	(1,000)	13,520
Share of net profit of equity accounted investees	1,141	1,704
Profit (loss) before net finance costs and tax	(389,235)	215,464
Finance costs	(36,255)	(39,919)
Write off of unamortised refinancing cost	(8,587)	-
Finance income	1,419	1,444
Profit (loss) before tax	(432,658)	176,989
Tax (expense) benefit	(11,346)	(55,723)
Profit (loss) for the year	(444,004)	121,266
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Effective portion of changes in fair value of cash flow hedges	(3,536)	3,490
Exchange differences on translation of foreign operations	158	434
Tax relating to items that may be reclassified subsequently to profit or loss	1,061	(1,047)
Other comprehensive income (expense) for the year, net of tax	(2,317)	2,877
Total comprehensive income (expense) for the year	(446,321)	124,143

Notes to the Financial Statements

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6.2. Investments in Controlled Entities (continued)

The consolidated statement of financial position for the year ended 29 June 2019 of the Seven West Media Limited Closed Group is presented below according to the Seven West Media Limited Class Order:

	2019 \$'000	Restated 2018 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	88,446	139,393
Trade and other receivables	260,988	274,372
Current tax receivable	-	9,754
Program rights and inventories	193,238	204,939
Asset held for sale	-	35,500
Other assets	12,316	6,946
Total current assets	554,988	670,904
Non-current assets		
Program rights	15,858	2,169
Equity accounted investees	12,851	3,446
Other financial assets	59,604	27,436
Property, plant and equipment	126,487	141,396
Intangible assets	565,395	1,031,972
Deferred tax assets	1,328	-
Other assets	8,047	6,968
Total non-current assets	789,570	1,213,387
Total assets	1,344,558	1,884,291
LIABILITIES		
Current liabilities		
Trade and other payables	293,253	284,729
Provisions	105,425	104,372
Deferred Income	6,463	22,804
Borrowings	16,878	2,001
Current tax liabilities	2,160	-
Total current liabilities	424,179	413,906
Non-current liabilities		
Trade and other payables	10,011	29,785
Provisions	147,681	137,186
Contract liabilities	12,792	-
Deferred tax liabilities	-	11,128
Borrowings	653,839	769,851
Total non-current liabilities	824,323	947,950
Total liabilities	1,248,502	1,361,856
Net assets	96,056	522,435
EQUITY		
Share capital	3,337,069	3,335,576
Reserves	(35,108)	(49,359)
Non-controlling interest	365	(1,071)
Accumulated deficit	(3,206,270)	(2,762,711)
Total equity	96,056	522,435

6.3. Parent Entity Financial Information

Accounting Policy

The financial information for the Parent Entity, Seven West Media Limited, has been prepared on the same basis as the consolidated financial statements, except for:

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment losses in the financial statements.

(ii) Dividends received

Dividends received from subsidiaries are recognised in profit and loss.

(iii) Financial guarantees

Where the Parent Entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

6.3A. Summary of financial information

The individual financial statements for the Parent Entity show the following aggregate amounts:

	Parent entity	
	2019 \$'000	2018 \$'000
Financial position of parent entity at year end		
Current assets	-	9,119
Total assets	105,840	490,415
Current liabilities	2,702	1,169
Total liabilities	2,702	1,169
Total equity of the parent entity comprising of:		
Share capital	3,393,546	3,393,546
Reserves		
Asset revaluation reserve	8,352	8,352
Equity compensation reserve	3,797	3,465
Accumulated deficit	(3,840,868)	(3,454,428)
Profits reserve	538,311	538,311
	103,138	489,246
Result of parent entity		
Profit (loss) for the year	(386,441)	99,172
Total comprehensive income (expense) for the year	(386,441)	99,172

6.3B. Guarantees entered into by the parent entity

The Parent Entity has provided financial guarantees in respect of borrowings of a subsidiary amounting to \$nil (2018: \$nil).

There are cross guarantees given by Seven West Media Limited and its subsidiaries described in note 6.2.

6.3C. Contingent liabilities of the parent entity

The Parent Entity did not have any contingent liabilities as at 29 June 2019 or 30 June 2018.

6.3D. Contractual commitments for the acquisition of property, plant or equipment

The Parent Entity had no contractual commitments for the acquisition of property, plant or equipment as at 29 June 2019 or 30 June 2018.

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6.4. Business Combinations

Accounting Policy

Accounting for acquisitions and business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Acquisitions in 2019

7Beyond Media Rights Limited and Community Newspaper Group Limited

The Group acquired an additional 1% of the voting shares in 7Beyond Media Rights Limited (7Beyond) on 26 March 2019. The company is non-listed company domiciled in Ireland. In addition the Group acquired the remaining 50.1% of the voting shares in Community Newspaper Group Pty Ltd (CNG) on 24 May 2019, a non-listed company in Australia. This resulted in control of these investments and have been consolidated since those dates.

The Group has elected to measure non-controlling interest in 7Beyond at the proportionate share of the acquiree's fair value.

The goodwill of \$8,694,000 comprises the value of expected synergies arising from the acquisitions and intellectual property, which is not separately recognised in 7Beyond. Goodwill is allocated between Television (\$6,181,000) and The West segments (\$2,513,000). None of the goodwill recognised is expected to be deductible for income tax purposes.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities as at the date of acquisition were:

	Fair value recognised on acquisition \$'000
Assets	
Cash and cash equivalents	1,446
Trade and other receivables	6,529
Program rights and inventories	828
Other assets	228
Property, plant and equipment	9
Deferred tax assets	2,133
Total assets	11,173
Liabilities	
Trade and other payables	(3,254)
Provisions	(4,891)
Deferred Income	(3,258)
Borrowings	(1,785)
Total liabilities	(13,188)
Total identifiable net liabilities at fair value	(2,015)
Non-controlling interest	(2,521)
Fair value of previously held interest	(2,572)
Goodwill arising on acquisition	8,694
Fair value of consideration (non-cash)	1,586

6.5. Related Party Transactions

6.5A Transactions with related parties

The following transactions occurred with related parties during the financial year:

	2019 \$'000	2018 \$'000
<i>Sale of goods, advertising and other services</i>		
Equity accounted investees	4,349	10,432
Other related entities	7,998	3,170
<i>Purchase of goods, advertising and other services</i>		
Equity accounted investees	7,333	7,455
Other related entities	2,274	4,694
<i>Shareholder contribution</i>		
Equity accounted investees	2,000	966
Other related entities	-	397

6.5B Outstanding balances arising from sales/purchases of goods, advertising and other services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2019 \$'000	2018 \$'000
<i>Current receivables (sale of goods, advertising and other services)</i>		
Equity accounted investees	33	658
Other related entities	460	-
<i>Current payables (purchase of goods, advertising and other services)</i>		
Equity accounted investees	-	518
Other related entities	-	180

- i. There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

6.5C Parent entity

Seven West Media Limited is the ultimate Australian parent entity within the Group. There are no financial guarantees in respect of borrowings of a subsidiary, no contingent liabilities and no contractual commitments.

6.5D Subsidiaries

Interests in subsidiaries are set out in note 6.2.

6.5E Key management personnel

Transactions were entered into during the financial year with the Directors of Seven West Media Limited and its controlled entities or with Director-related entities, which:

- i. occurred within a normal customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Director or Director-related entity at arm's length in the same circumstances;
- ii. do not have the potential to adversely affect decisions about the allocation of scarce resources or discharge the responsibility of the Directors; or
- iii. are minor or domestic in nature.

Notes to the Financial Statements

For the year ended 29 June 2019

6.5. Related Party Transactions (continued)

The following transactions occurred with Key Management Personnel (KMP) related parties:

	2019 \$'000	2018 \$'000
Revenues	-	-
Expenses	194	103

There were no receivable or payable balances at 29 June 2019 relating to transactions with KMP related parties that have not already been disclosed in the prior tables.

Terms and conditions

Transactions were made on normal commercial terms and conditions.

Key management personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to Directors and executive officers, and contributes to a post-employment superannuation fund on their behalf (refer to the remuneration report on pages 77 to 78).

Executive officers also participate in the Group's Equity Incentive Plan for 2018 and 2019 (refer note 5.4).

	2019 \$'000	2018 \$'000
Key management personnel compensation		
Short-term employee benefits	7,462	7,704
Post-employment benefits		
Superannuation	250	225
Termination benefits	-	-
Share-based payments	1,052	460
Other long term benefits	105	104
	8,869	8,493

Detailed remuneration disclosures in respect of Directors and each member of key management personnel are provided in the remuneration report on pages 57 to 82.

Other transactions with key management personnel

A number of Directors of Seven West Media Limited also hold directorships with other corporations which provide and receive goods or services to and from the Group in the ordinary course of business on normal terms and conditions. None of these Directors derive any direct personal benefit from the transactions between the Group and these corporations.

Apart from the details disclosed in this note, no Director or KMP has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' or KMP interests existing at year end.

Section 7: Other

7.1. Remuneration of Auditor

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices.

	2019 \$	2018 \$
Auditors of the Company – KPMG		
<i>(i) Audit and other assurance services</i>		
Audit or review of the financial statements	510,035	511,083
Other audit and assurance services	61,610	59,384
Total remuneration for audit and other assurance services	571,645	570,467
<i>(ii) Other services</i>		
Other advisory services	-	219,756
Total remuneration of KPMG Australia	571,645	790,223

7.2. 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.

7.3. Events Occurring After The Reporting Date

Mr James Warburton was appointed Managing Director & Chief Executive Officer of the Company on 16 August 2019, following Mr Tim Worner's resignation from that role and the Board as of the same date. For further information, please refer to the announcement lodged by the Company with ASX on 16 August 2019.

Notes to the Financial Statements

For the year ended 29 June 2019

7.4. Summary of Other Significant Accounting Policies

Accounting Policy

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (AUD), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges.

Finance income and costs

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset. It comprises income on funds invested and fair value gains on financial assets at fair value through profit or loss.

Finance costs comprise interest expense on borrowings, the ineffective portion of cash flow hedges and fair value losses on financial assets at fair value through profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

New accounting standards and interpretations

The following accounting standard have been issued or amended but is not yet effective during the year ended 29 June 2019. The Group has elected not to early adopt any of these new standards or amendments in these financial statements.

AASB 16 Leases

AASB 16 Leases will be effective in the Group financial statements for the year ended 27 June 2020. The Group intends to adopt the standard fully retrospectively, with comparatives restated from a transition date of 30 June 2019.

AASB 16 provides a single lessee accounting model, requiring lessees to recognise right-of-use assets and lease liabilities for all applicable leases. Under AASB 16, lessees will be required to remeasure the lease liability upon the occurrence of certain events, such as a change in future lease payments resulting from a change in an index or rate used to determine those payments. The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

AASB 16 is expected to have a significant impact on reported assets, liabilities and income statement of the Group, as well as the classification of cash flows relating to lease contracts. The standard will impact a number of key measures such as operating profit and cash generated from operations, as well as a number of alternative performance measures used by the Group.

During the year ended 29 June 2019, the Group has performed a detailed impact assessment of AASB 16. The estimated impact of AASB 16 adoption (before tax) is summarised below.

- As at 1 July 2018, non-current assets will increase by \$111.0 million to \$136.0 million and gross liabilities will increase by \$139.0 million to \$170.0 million. This will result in a decrease in opening retained earnings of between \$28.0 million to \$35.0 million.
- As at 29 June 2019, closing non-current assets will increase by \$104.0 million to \$128.0 million and gross liabilities will increase by \$138.0 million to \$169.0 million. This will result in a decrease in closing net assets of between \$34.0 million to \$41.0 million.
- For the year ended 29 June 2019, operating costs will reduce by \$17.9 million to \$21.9 million, and profit before after tax will reduce by \$5.6 million to \$6.9 million.

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases or low-value assets. The Group will continue to expense the lease payments associated with these leases on a straight-line basis over the lease term.

7.5. Changes in Accounting Policies and Disclosures

7.5.1 AASB 15 Revenue from Contracts with Customers

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

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

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

Without the adoption of AASB 15, the Group's reported revenue and cost in its financial report for the year ended 29 June 2019 would have been \$12.3m and \$11.6m lower respectively. The net impact after tax to the Group's retained earnings as at 29 June 2019 would have been \$0.4m lower.

7.5.2 AASB 9 Financial Instruments

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

The Group has adopted AASB 9 from 1 July 2018 on a fully retrospective basis, adjusting the comparative information for the period beginning 25 June 2017 except as described in section 7.5.2B below. Accordingly, the information presented in December 2017 and June 2018 has been restated to include the effect of transition. Refer to section 7.5.2A below.

7.5.2A. Fully retrospective basis

		30-Jun-18 \$'000 Reported	30-Jun-18 \$'000 Adjusted	30-Jun-18 \$'000 Restated
Impact on statement of profit or loss	REF			
Finance costs	(a)	(36,804)	(3,009)	(39,813)
Profit before tax		191,786	(3,009)	188,777
Tax benefit (expense)		(56,892)	903	(55,989)
Profit for the year		134,894	(2,106)	132,788
Basic earnings per share	(b)	8.9 cents	(0.1 cents)	8.8 cents
Diluted earnings per share	(b)	8.9 cents	(0.1 cents)	8.8 cents

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

		24-Jun-17 \$'000 Reported	24-Jun-17 \$'000 Adjusted	24-Jun-17 \$'000 Restated
Impact on consolidated statement of financial position	REF			
Equity				
Accumulated deficit	(a)	(2,970,353)	6,862	(2,963,491)

Notes to the Financial Statements

For the year ended 29 June 2019

7.5. Changes in Accounting Policies and Disclosures (continued)

The nature of these adjustments are described below:

(a) Borrowing costs

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

As a result of the 2016 refinance being assessed as non-substantial, a benefit of \$6.9m has been recognised as an FY18 opening retained earnings adjustment on transition and interest expense for the 12 months to June 2018 increased by \$3.0m.

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

(b) Other adjustments

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

7.5.2B. Exception to the retrospective transition basis

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

7.5.2C. Other Items

(i) Trade receivables

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

(ii) Other

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

Directors' Declaration

For the year ended 29 June 2019

1. In the opinion of the Directors of Seven West Media Limited (the Company):
 - a. the consolidated financial statements and notes that are set out on pages 84 to 136 and the Remuneration Report on pages 57 to 82 in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 29 June 2019 and of its performance for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. As at the date of this declaration, there are reasonable grounds to believe that the Company and the members of the Extended Closed Group identified in Note 6.2 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee, described in Note 6.2, between the Company and those group entities pursuant to the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
3. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 29 June 2019.
4. The Directors draw attention to page 84 of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.



KM Stokes AC
Chairman

Sydney
20 August 2019

Independent Auditor's Report

To the shareholders of Seven West Media Limited



Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Seven West Media Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 29 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 29 June 2019
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of Seven West Media Limited (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Valuation of Television Licences
- Valuation of The West Goodwill, Mastheads and Property, Plant and Equipment (PPE)

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of Television Licences

Refer to Note 3.1 Intangible Assets to the Financial Report

The key audit matter

Valuation of the Television Licences is a Key Audit Matter due to:

- The size of the asset, being the largest asset of the Group;
- The level of judgement required by us in evaluating the estimates determined by the Group and their external valuation expert for forecast television advertising revenues and associated costs; and
- The \$415.0 million current year period impairment charge resulting from the recent advertising market declines as well as the Group's reassessment of longer term market growth.

The level of growth in advertising revenue for commercial television networks continues to be challenged by changes in consumer viewing habits. This is driven by the increased use of alternative viewing platforms.

This ongoing disruption creates uncertainty in the key estimates used in the Television Licence value in use model, specifically:

- Free To Air (FTA) television advertising market growth rates - short, medium and long term (terminal growth factor);
- The Group's share of the Metro FTA advertising market; and
- The discount rate.

How the matter was addressed in our audit

Our procedures included:

- Challenging the short, medium and long term forecast for FTA television advertising market growth rates and the Group's share of the metro FTA advertising market by evaluating the assumptions against historical actuals, published forecast growth rates and industry reports. This procedure was performed with assistance from our valuation specialist;
- Evaluating the key inputs to the discount rate, including the risk free rate, cost of debt, market participant gearing levels and industry beta, against publicly available data of a group of comparable entities. This procedure was performed with assistance from our valuation specialist;
- Recalculating the impairment charge against the recorded amount disclosed; and
- Assessing quantitative and qualitative disclosures in relation to the valuation by comparing these disclosures to our understanding of the valuation, the business and accounting standards requirements.



Valuation of The West Goodwill, Mastheads and Property, Plant and Equipment (PPE)

Refer to Note 3.1 Intangible Assets to the Financial Report

The key audit matter

Valuation of The West Goodwill, Mastheads and PPE is a Key Audit Matter due to the level of judgement required by us in evaluating the estimates determined by the Group and their external valuation expert for forecast advertising and circulation revenues and associated costs. The property related assets of the West were valued during the period with assistance from an external property valuation expert engaged by the Group which increased the judgement involved.

The Newspaper sector faces uncertainty as the demand for print media continues to be downwardly impacted by real time digitalisation of content. This creates significant uncertainty in the following key estimates underpinning the value in use impairment models:

- Future print advertising and circulation revenue growth rates in the short, medium and long term;
- Future revenue growth of associated and recently launched digital businesses;
- Costs and the impact of committed cost reduction initiatives; and
- The discount rate.

The Group's reassessment of these estimates during the current year resulted in impairments of Goodwill (\$2.5 million), Mastheads (\$37.9 million), PPE (\$23.3 million) and other intangibles of (\$8.4 million), increasing our audit effort.

How the matter was addressed in our audit

Our procedures included:

- Challenging management's short, medium and long term forecast's for print and digital revenue by comparing those assumptions with published industry growth rates and industry reports. This procedure was performed with assistance from our valuation specialist;
 - Evaluating the key inputs to the discount rate, including the risk free rate, cost of debt, market participant gearing levels and industry beta, against publicly available data of a group of comparable entities. This procedure was performed with assistance from our valuation specialist;
 - Evaluating the status of print related committed cost reduction initiatives included in the forecast cash flows against business plans and communications to employees;
 - Assessing the fair value less cost of disposal of the Newspapers property related assets determined by the Group and their external valuation expert by evaluating the key assumptions against published market data. This procedure was performed with assistance from our valuation specialist;
 - Recalculating the allocation of impairment charge against the recorded amounts disclosed; and
 - Assessing quantitative and qualitative disclosures in relation to the valuation by comparing these disclosures to our understanding of the valuation, the business and accounting standards requirements.
-



Other Information

Other Information is financial and non-financial information in Seven West Media Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Seven West Media Limited for the year ended 29 June 2019, complies with Section 300A of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 57 to 82 of the Directors' report for the year ended 29 June 2019.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Sydney
20 August 2019

Tracey Driver
Partner

Company Information

Directors

KM Stokes AC - Chairman
JR Warburton - Managing Director & Chief Executive Officer
JH Alexander
T Dyson
D Evans
PJT Gammell
C Garnsey OAM
JG Kennett AC
M Malone
RK Stokes
M Ziegelaar

Company Secretary

WW Coatsworth

Registered Office

Newspaper House
50 Hasler Road
Osborne Park WA 6017

Share Registry

Boardroom Pty Limited
Level 12
Grosvenor Place
225 George Street
Sydney NSW 2000

Auditor

KPMG

Tower Three
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

Stock Exchange Listing

Australian Stock Exchange

ASX code: SWM

Legal Advisors

Herbert Smith Freehills

ANZ Tower
161 Castlereagh Street
Sydney NSW 2000

Clayton Utz

Level 15
1 Bligh Street
Sydney NSW 2000

Addisons

60 Carrington Street
Sydney NSW 2000

Investor Information

Shareholder Inquiries

Investors seeking information regarding their shareholding or dividends or wishing to advise of a change of address should contact the Share Registry at:

Boardroom Pty Limited
Level 12
Grosvenor Place
225 George Street
Sydney NSW 2000

Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664 or

Visit the online service at boardroomlimited.com.au

Boardroom Pty Limited has an online service for investors called InvestorServe. This enables investors to make online changes, view balances and transaction history, as well as obtain information about recent dividend payments and download various forms to assist in the management of their holding. To use this service visit the Boardroom Pty Limited website.

Other general inquiries may be directed to Mr W. Coatsworth, Company Secretary on (02) 8777 7777 or visit the website at www.sevenwestmedia.com.au.

Tax File Number Information

The company is obliged to record Tax File Numbers or exemption details provided by shareholders. While it is not compulsory for shareholders to provide a Tax File Number or exemption details, Seven West Media Limited is obliged to deduct tax from unfranked dividends paid to investors resident in Australia who have not supplied such information. Forms are available upon request from the Share Registry or shareholders can submit their Tax File Number via the Registry's website.

The Chess System

Seven West Media Limited operates under CHES - Clearing House Electronic Subregister System - an Australian Securities Exchange system which permits the electronic transfer and registration of shares. Under CHES, the company issues a Statement of Holdings to investors, instead of share certificates, and the statement will quote the Holder Identification Number (HIN). The HIN should be quoted on any correspondence investors have with the Share Registry.

The company will maintain investors' holdings in an Issuer Sponsored facility, which enables investors to maintain their holding without the need to be tied to any particular stockbroker.

Shareholder Information

The shareholder information set out below was applicable at 4 August 2019.

a. Distribution of equity securities

a. Analysis of numbers of equity security holders by size of holding:

Size of holding	Number of shareholders
1 - 1,000	4,157
1,001 - 5,000	6,833
5,001 - 10,000	2,302
10,001 - 100,000	2,962
100,001 and over	316
	16,570

b. There were 4,778 holders of less than a marketable parcel of ordinary shares.

b. Equity security holders

The names of the twenty largest holders of equity securities are listed below:

Name	Number of ordinary shares held	Percentage of issued shares
Network Investment Holdings Pty Limited	611,600,387	40.55
HSBC Custody Nominees (Australia) Limited	209,908,984	13.91
JP Morgan Nominees Australia Limited	166,178,100	11.02
Citicorp Nominees Pty Limited	164,807,175	10.92
National Nominees Limited	53,362,606	3.53
3RD Wave Investors Limited	20,750,000	1.37
BNP Paribas Nominees Pty Limited	20,645,605	1.36
BNP Paribas Nominees Pty Limited	18,165,278	1.20
UBS Nominees Pty Limited	7,111,267	0.47
Mr Gavin Martin Hancock and Mrs Judith Ann Hancock	3,998,897	0.26
Brispot Nominees Pty Limited	3,453,644	0.22
Woodross Nominees Limited	3,064,187	0.20
Sargon Ct Limited	2,819,371	0.18
Sojourn Services Pty Limited	2,662,079	0.17
CS Third Nominees Pty Limited	2,661,255	0.17
Mr John Rumble and Mrs Sonja Rumble	2,400,000	0.15
Waratah Capital Partners Pty Limited	2,100,000	0.13
Sojourn Services Pty Limited	1,974,921	0.13
UBS Nominees Pty Limited	1,772,911	0.11
Ms Sarah Jane Botten	1,740,000	0.11
	1,301,176,667	86.28

c. Substantial shareholders

Substantial shareholders in the Company are set out below:

Name	Substantial holding*	Number of ordinary shares in substantial holding
Mr Kerry Matthew Stokes AC	40.94%	619,753,734
Australian Capital Equity Pty Limited	40.88%	618,711,654
Seven Group Holdings Limited	40.88%	618,711,654

* Based on issued capital at date of notification.

The above percentages include the relevant interests held pursuant to the *Corporations Act 2001* and accordingly may differ from that disclosed in note b.

d. Voting rights

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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