



5 August 2008

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

**By Electronic Lodgement**

Total Pages: 14 (including covering letter)

**Annual Results - Presentation to Analysts**

Following is a copy of the Annual Results presentation made to analysts today.

Yours faithfully

**For and on behalf of Seven Network Limited**

**Warren Coatsworth**  
Company Secretary

Attach.

SEVEN  
NETWORK  
LIMITED

**RESULTS FOR THE FULL YEAR ENDED  
28 June 2008**

Presentation on Tuesday 5 August 2008

# KEY FINANCIAL NUMBERS

## TOTAL GROUP

- ▶ Financial Statement Preparation
  - ▶ Statutory accounts prepared on the following basis
    - ▶ Seven Media Group “SMG” (joint venture with KKR) established in December 2006
      - ▶ SMG operating fully from January 2007, but due to Australian broadcasting requirements, control retained by Seven Network Limited “SNL” until April 2007 when changed media laws proclaimed. From the commencement of April 2007 control of SMG became joint with KKR and SNL ceased to consolidate SMG operations into its consolidated group.
      - ▶ For the period July 2006 to March 2007, SNL controlled and consolidated the earnings of companies which became SMG. From April 2007 to June 2008 SNL treated SMG as an associate and equity accounted its results into the SNL consolidated group
    - ▶ For the period from November 2007 to June 2008, the operations of Unwired have been fully consolidated into the SNL accounts.
    - ▶ For the period July 2007 to March 2008 SNL treated Engin as an associate and equity accounted its results into the SNL consolidated group. For the period from April 2008 to 28 June 2008, the operations of Engin have been fully consolidated into the SNL accounts.
  - ▶ Indicative Accounts included in additional Information
    - ▶ Included in this presentation is data prepared for the main operating divisions of SMG. This data is included for information purposes only and has not been subject to the same level of review by the company as the statutory accounts and so is merely provided for indicative purposes. The company and employees do not warrant the data and disclaim any liability flowing from the use of this data by any party.

# KEY FINANCIAL NUMBERS

TOTAL GROUP – Statutory Accounts

	12 Months to June 2008	12 Months to June 2007	Change
<b>Net Profit after tax and before significant items</b>	<b>\$ 171 m</b>	<b>\$ 174 m</b>	<b>- 2.2 %</b>
<b>Net Profit after tax</b>	<b>\$ 142 m</b>	<b>\$ 1,622 m</b>	<b>- 91.3 %</b>
<b>EPS before significant items</b>	<b>62 cents</b>	<b>66 cents</b>	<b>- 6.1 %</b>
<b>Final Dividend</b>	<b>17.0 cents</b>	<b>17.0 cents</b>	<b>+ 0.0 %</b>
<b>FY08 Full year dividends (paid or proposed)</b>	<b>34.0 cents</b>	<b>29.0 cents</b>	<b>+ 17.2 %</b>

Note : Amounts, totals and change percentages are calculated on whole underlying numbers and not the rounded amounts presented.

**CONSOLIDATED PROFIT & LOSS**

TOTAL GROUP – Statutory Accounts

	12 Months to June 2008	12 Months to June 2007 (includes partial year SMG operations)	Change
	\$m	\$m	
Dividends Received	57.0	10.2	+ 456.5 %
Net Interest Received / (Paid)	129.3	(14.3)	- %
Share of Associates Profit / (Loss)	50.7	2.6	- %
Other revenue	33.3	1,008.7	- 96.7 %
<b>Total Revenue</b>	<b>270.3</b>	<b>1,007.2</b>	<b>- 73.2 %</b>
Expenses (excluding interest)	(43.1)	(739.1)	- 94.2 %
<b>Profit before D &amp; A</b>	<b>227.2</b>	<b>268.1</b>	<b>- 15.3 %</b>
Depreciation & Amortisation	(18.7)	(34.8)	- 46.3 %
<b>Profit before Significant Items</b>	<b>208.5</b>	<b>233.3</b>	<b>- 10.6 %</b>
Tax on “Pre-Significant” Profit	(37.8)	(58.8)	- 35.7 %
<b>“Pre-Significant” Profit after Tax</b>	<b>170.7</b>	<b>174.5</b>	<b>- 2.2 %</b>
Significant Item (net of Tax)	(29.1)	1,447.5	- 102.0 %
<b>Profit after Tax and minorities</b>	<b>141.6</b>	<b>1,622.0</b>	<b>- 91.3 %</b>

Note : Amounts, totals and change percentages are calculated on whole underlying numbers and not the rounded amounts presented.

**SIGNIFICANT ITEMS**

## TOTAL GROUP – Statutory Accounts

	12 Months to June 2008	12 Months to June 2007
	\$m	\$m
SMG ownership changes	19.2	1,509.9
Engin impairment	(18.3)	0.0
GRD impairment	(41.6)	0.0
Other investments	(0.3)	0.0
Gain on sale of Telstra Dome	0.0	76.3
US Notes close out costs	0.0	(24.1)
C7 Litigation Costs	0.0	(50.0)
Income tax relating to above items	(5.8)	(64.6)
SMG deferred tax remeasurement	17.7	0.0
<b>Total Significant Items</b>	<b>(29.1)</b>	<b>1,447.5</b>

Note : Amounts, totals and change percentages are calculated on whole underlying numbers and not the rounded amounts presented.

**CONSOLIDATED CASH FLOW**

TOTAL GROUP – Statutory Accounts

	<b>12 months to June 2008</b>	<b>12 Months to June 2007</b>	<b>Change</b>
	<b>\$m</b>	<b>\$m</b>	
Net Operating cash flows	134.3	186.9	- 28.1 %
Tax Paid	(53.1)	(61.9)	- 14.3 %
Capital Expenditure (net)	(4.4)	(9.6)	- 53.7 %
Investments/Loans (net)	(1,204.6)	3,030.7	- 139.7 %
Capital (Buyback) / Issues (net)	(194.5)	37.6	- 617.8 %
Dividend Paid (excl. buybacks)	(108.3)	(92.3)	+ 17.3 %
<b>Contribution to Net Cash (Reduction)/Increase</b>	<b>(1,430.6)</b>	<b>3,091.3</b>	<b>- 146.3 %</b>

Note : Amounts, totals and change percentages are calculated on whole underlying numbers and not the rounded amounts presented.

**CONSOLIDATED BALANCE SHEET**

TOTAL GROUP – Statutory Accounts

	<b>June 2008</b>	<b>June 2007</b>	<b>Change</b>
	<b>\$m</b>	<b>\$m</b>	
Receivables	38.4	48.0	- 19.9 %
Licences, Software and Goodwill	157.7	0.0	- %
Assets held for re-sale	25.6	25.6	+ 0.0 %
Investments/Loans	1,246.3	549.8	+ 126.7 %
Fixed assets - Operating	35.7	0.0	- %
Fixed assets - Other	12.1	12.6	- 3.7 %
Other assets	3.1	0.6	+ 430.6 %
Current Payables, Provisions and Tax	(63.4)	(128.8)	- 50.8 %
Non Current Payables, Provisions, Deferred Income and Tax	(649.8)	(778.5)	- 16.5 %
Net Cash / (Debt)	1,171.4	2,602.0	- 55.0 %
<b>Total Shareholders Equity</b>	<b>1,977.1</b>	<b>2,331.2</b>	<b>- 15.2 %</b>

Note : Amounts, totals and change percentages are calculated on whole underlying numbers and not the rounded amounts presented.

## ADDITIONAL INFORMATION

INDICATIVE ACCOUNTS – refer disclaimer

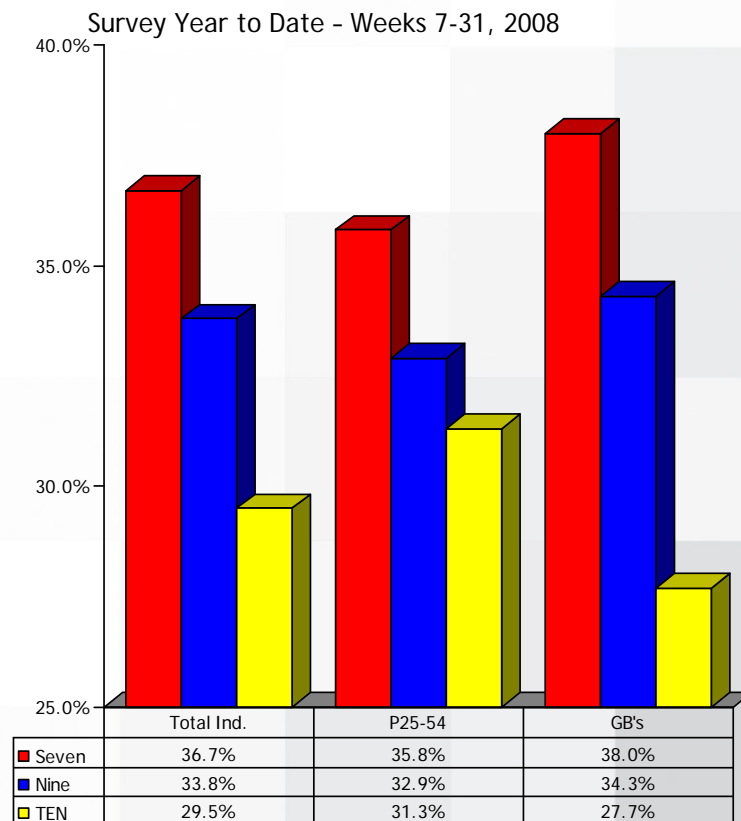
- ▶ Additional Information
  - ▶ Basis of preparation of slides 9 to 12.
    - ▶ Indicative Accounts included in additional Information
      - ▶ Included in this presentation is data prepared for the main operating divisions of SMG and other associated entities and investments. This data is included for information purposes only and has not been subject to the same level of review by the company as the statutory accounts and so is merely provided for indicative purposes. The company and employees do not warrant the data and disclaim any liability flowing from the use of this data by any party.
      - ▶ The buyback information is included as a pro-forma only with the adjustments to the balance sheet and profit & loss reflecting the potential impact of the buyback of 40 million shares at a potential price. The numbers and price of shares bought back have not been determined, so this information is for indicative purposes only.

# ADDITIONAL INFORMATION

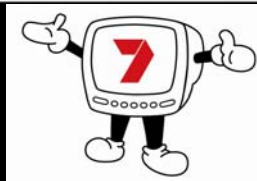
FY08 FULL YEAR RESULTS

INDICATIVE ACCOUNTS – refer disclaimer on slide 8.

- ▶ Seven Media Group
  - ▶ Strong performance
    - ▶ EBITD result of \$398m up from prior period of \$380m.
      - ▶ TV EBITDA \$336m – margin of 28%
      - ▶ Magazines EBITDA \$61m – margin of 19%
    - ▶ SNL's share of SMG profit is \$54m



Source: OzTAM. Sun-Sat 0600-2400. Survey Year to Date: Weeks 7-31.



SEVEN  
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Pacific magazines



YAHOO!7

# OTHER INFORMATION

FY08 FULL YEAR RESULTS

INDICATIVE ACCOUNTS – refer disclaimer on slide 8.

- ▶ Unwired
  - ▶ Review of wimax technical capacity nearly completed, funding options still to be addressed.
  - ▶ Revenues of \$22m generated an EBITDA of \$1m, with licence amortisation affecting the EBIT loss.
- ▶ WAN
  - ▶ We are hoping for a better second half FY08 performance. Seven still seeks Board representation.
- ▶ GRD
  - ▶ Written down to market value.
- ▶ Engin
  - ▶ Recapitalisation completed, rationalisation of operations underway.
- ▶ Other Listed
  - ▶ Significant investment with major focus on liquid securities with fully franked dividends.
- ▶ Other
  - ▶ Capital growth and yield opportunities pursued as available.

# ASSET STATEMENT

INDICATIVE ACCOUNTS – refer disclaimer on slide 8.

Assets	\$m	
Investment in Seven Media Group	712.4	Note 1.
Net investment in Unwired Group	124.7	Note 1.
Net investment in Engin Group	14.5	Note 1.
Property held for resale	25.6	Note 1.
Receivables	36.4	Note 1.
Other Investments	10.1	Note 1.
Listed Investments		
WAN (adjusted cost \$540m)	407.4	Note 2.
Other (adjusted cost \$899m)	910.2	Note 2.
Cash (net of interest bearing debt)	1,114.2	Note 3.
Note 1 : These amounts are the original cost net of depreciation, permanent impairments and other write-downs and does not necessarily reflect the current book, market or fair value.		
Note 2 : These amounts are the estimated market values of listed investments using the number of shares held at 4 August 2008 and the closing prices as at 4 August 2008.		
Note 3 : Cash above is the net balance of cash and debt as at 28 June 2008 adjusted for receipts on sale and purchases of listed investments between the 28 June 2008 and 4 August 2008.		

**BUYBACK PROPOSAL – refer disclaimer on Slide 8.****Buyback Assumptions**

Shares outstanding at 28 June	206,077,571	
Potential Buyback date	July 2008	
Potential Buyback Price	\$8.14	Closing Price Last night
Brokerage %	0%	
Potential no. of Shares buyback	40,000,000	19.4%
Cash interest rate	8.0%	

**Buyback Adjustments**

	Cash	P&L
Buyback consideration	(325,600)	
Interest (annualised)		(26,048)
Tax		7,814
Net	<u>(325,600)</u>	<u>(18,234)</u>

**Results extracted from Appendix 4E for the year ended 28 June 2008****Balance Sheet**

	Jun-08 \$'000	Buyback Adjst	Proforma Post-Buy
<b>Assets</b>			
Current assets	1,286,174	(325,600)	960,574
Non-Current assets	1,468,678		1,468,678
			-
	<b>2,754,852</b>	<b>(325,600)</b>	<b>2,429,252</b>
<b>Liabilities</b>			
Current liabilities	121,857		121,857
Non-Current liabilities	655,937		655,937
			-
	<b>777,794</b>	<b>-</b>	<b>777,794</b>
			-
<b>Net Assets</b>	<b>1,977,058</b>	<b>(325,600)</b>	<b>1,651,458</b>
<b>Shareholders' Equity</b>	1,977,058	(325,600)	1,651,458
	<b>1,977,058</b>	<b>(325,600)</b>	<b>1,651,458</b>
<b>Net Asset Per share</b>	<b><u>\$9.59</u></b>		<b><u>\$9.94</u></b>

**Profit & Loss**

	Jun-08 \$'000	Buyback Adjst	Proforma Post-Buy
Revenue and other income	114,901		114,901
Expenses	(127,410)		(127,410)
Share of net profits of associates	50,699		50,699
Net finance revenue (costs)	129,322	(26,048)	103,274
<b>Profit before tax</b>	<b>167,512</b>	<b>(26,048)</b>	<b>141,464</b>
Income tax expense	(25,918)	7,814	(18,104)
<b>Profit after tax</b>	<b>141,594</b>	<b>(18,234)</b>	<b>123,360</b>
Earnings attributable to Telys3	(33,019)		(33,019)
<b>Earnings Ordinary Shares</b>	<b>108,575</b>	<b>(18,234)</b>	<b>90,341</b>
<b>Basic EPS</b>	<b><u>\$0.49</u></b>		<b><u>\$0.50</u></b>

## ▶ KEY MESSAGES

Strong performance in media operations

Technical assessment of wimax network nearly completed

Final dividend 17c, full year total dividends up 17%

On market buyback program for up to 40m shares subject to shareholder meeting approval in September 2008

Exceptionally strong balance sheet

..... **Questions**