

29 August 2006

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



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Total Pages: 24 *(including covering letter)*

Annual Results – Presentation to Analysts

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

Yours faithfully
For and on behalf of Seven Network Limited

A handwritten signature in black ink, appearing to read 'Warren Coatsworth', written over a faint, larger version of the same signature.

Warren Coatsworth
Company Secretary

attach.

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RESULTS FOR THE YEAR ENDED 24 JUNE 2006

Presentation on Tuesday 29 August 2006



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FY06 FULL YEAR RESULTS

KEY FINANCIAL NUMBERS (AIFRS)

TOTAL GROUP

	12 Months to June 2006	12 Months to June 2005	Change
Net Profit after tax and before significant items	\$ 108 m	\$ 56 m	+ 93.7 %
Net Profit after tax	\$ 108 m	\$ 84 m	+ 28.6 %
EPS (continuing operations)	33 cents	30 cents	+ 10.0 %
EPS (total before significant items)	36 cents	15 cents	+ 140.0 %
EBIT	\$ 214 m	\$ 141 m	+ 52.5 %
EBITDA	\$ 269 m	\$ 199 m	+ 35.3 %
Final Dividend	15.5 cents	15.5 cents	+ 0.0 %
Full year dividends paid	27.5 cents	23.5 cents	+ 17.0 %

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

Presentation – 29 August 2006

Slide 2.



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FY06 FULL YEAR RESULTS

CONSOLIDATED PROFIT & LOSS (AIFRS)

	12 Months to June 2006	12 Months to June 2005	Change
	\$m	\$m	
Revenue (excluding interest and significant items)	1,289.4	1,184.7	+ 8.8 %
Expenses	(1,020.3)	(985.9)	+ 3.5 %
EBITDA	269.2	198.9	+ 35.3 %
Depreciation & Amortisation	(54.7)	(58.3)	- 6.2 %
EBIT	214.5	140.6	+ 52.5 %
Interest (net)	(40.3)	(51.3)	- 21.4 %
“Pre-Significant” Profit before Tax	174.1	89.3	+ 95.0 %
Tax on “Pre-Significant” Profit	(66.4)	(33.7)	+ 97.2 %
“Pre-Significant” Profit after Tax	107.7	55.6	+ 93.7 %
Significant Item (net of Tax)	-	28.1	
Profit after Tax	107.7	83.7	+ 28.6 %
Profit after Tax and minorities	107.7	83.7	+ 28.6 %

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

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FY06 FULL YEAR RESULTS

SEGMENT RESULT (EXCLUDING SIGNIFICANT ITEMS) (AIFRS)

	EBITDA			EBIT		
	12 Months to June 2006	12 Months to June 2005	Change	12 Months to June 2006	12 Months to June 2005	Change
	\$'m	\$'m		\$'m	\$'m	
Television	256.4	176.9	+ 44.9 %	221.9	143.2	+ 54.9 %
Magazines	34.4	35.3	- 2.5 %	25.9	27.6	- 6.0 %
Stadiums	20.9	11.3	+ 84.8 %	9.6	(5.2)	- 282.2 %
Other	(42.5)	(24.6)	+ 72.8 %	(42.9)	(24.9)	+ 71.9 %
Total	269.2	198.9	+ 35.3 %	214.5	140.6	+ 52.5 %

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

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FY06 FULL YEAR RESULTS

SEGMENT RESULT (EXCLUDING SIGNIFICANT ITEMS) (AIFRS EBIT to AGAAP EBIT)

	AIFRS - 12 Months to June 2006	AIFRS Adjustment Amount	Stadium Property Trust Consolidation	AGAAP - 12 Months to June 2006	AGAAP - 12 Months to June 2005
	\$'m	\$'m	\$'m	\$'m	\$'m
Television	221.9	(1.8)		220.1	145.8
Magazines	25.9	1.0		26.9	28.2
Stadiums	9.6	3.9	(4.4)	9.1	1.8
Other	(42.9)	(0.2)		(43.1)	(26.0)
EBIT	214.5	2.9	(4.4)	213.0	149.8

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

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COMPARISON TO MARKET EXPECTATIONS

Market Consensus				Seven's Actual 12 Months to June 2006	
(The market numbers are the simple average of 10 market analysts forecasts conducted this week, and are not verified or warranted by Seven. Analyst forecasts may have changed after the date of this survey)					
		\$'m	\$'m	\$'m	\$'m
Television	Revenue	986.4		983.0	
	Expense	(771.2)	215.2	(761.1)	221.9
Magazines	Revenue	233.2		240.6	
	Expense	(200.5)	32.7	(214.7)	25.9
Stadiums	Revenue	57.7		59.4	
	Expense	(56.9)	0.8	(49.8)	9.6
Other	Revenue	4.5		6.4	
	Expense	(57.4)	(52.9)	(49.3)	(42.9)
Significant Items			0.0		0.0
Reported EBIT per Financial Statements			195.8		214.5
Interest			(37.0)		(40.3)
Taxation			(60.4)		(66.5)
Minority Interests			0.0		0.0
Net Profit After Taxation			98.4		107.7

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



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FY06 FULL YEAR RESULTS

CONSOLIDATED CASH FLOW (AIFRS)

	12 Months to June 2006	12 Months to June 2005	Change
	\$'m	\$'m	
Operating Cash	259.6	219.6	+ 18.2 %
Net Interest Paid	(44.4)	(44.3)	+ 0.3 %
Tax Paid	(43.4)	(17.1)	+ 154.5 %
Capital Expenditure (net)	(15.8)	(47.5)	- 66.7 %
Investments/Loans (net)	(124.4)	81.2	- 253.2 %
Masthead sales/acquisition (net)	0.0	(77.0)	- 100.0 %
Capital Issues (net)	27.3	170.5	- 84.0 %
Dividend Paid (excl. buybacks)	(89.8)	(82.3)	+ 9.1 %
Contribution to Net Debt Reduction/(Increase)	(31.0)	203.2	- 115.3 %

Operating cash flow equates to 96.4% of group EBITDA

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

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FY06 FULL YEAR RESULTS

CONSOLIDATED BALANCE SHEET (AIFRS)

	June 2006	June 2005	Change
	\$m	\$m	
Receivables (current)	264.0	266.8	- 1.0 %
Program rights (current & non current)	200.8	159.2	+ 26.1 %
Assets held for re-sale	255.1	25.6	+ 897.7 %
Investments/Loans	46.7	28.4	+ 64.1 %
Fixed assets	165.6	200.7	- 17.5 %
Licences / mastheads	738.0	812.6	- 9.2 %
Goodwill	12.7	12.2	+ 3.6 %
Other current & non current assets	5.1	57.2	- 91.0 %
Payables (current & non current)	(283.0)	(262.8)	+ 7.7 %
Provisions (current & non current)	(50.0)	(46.8)	+ 6.9 %
Other current & non current liabilities	(23.4)	(42.7)	- 45.3 %
Net tax liabilities	(114.2)	(84.3)	+ 35.5 %
Net Debt	(499.1)	(451.4)	+ 10.6 %
Total Shareholders Equity	718.4	674.8	+ 6.5 %

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

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CONSOLIDATED DEBT POSITION

Debt Analysis	June 2006
Total Domestic Facilities	\$ 432 m
Drawn Domestic Facilities	\$ 37 m
Cash	\$ (91) m
Net Domestic (Cash) / Borrowings	\$ (54) m
US Note Borrowings (fully drawn)	\$ 543 m
Net Debt	\$ 489 m
(Net debt includes amounts disclosed on the balance sheet as cash and interest bearing liabilities as well as amounts included in non current receivables relating to the fair valuing of cross currency swaps associated with those borrowings.)	
Floating Interest	52 %
Fixed for Twelve Months	43 %
Fixed for more than Twelve Months	5 %

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

BROADCAST TELEVISION

▶ Financial Summary

- ▶ EBITD result of \$256.4m on television revenue of \$983.0m. (AGAAP - \$254.1m EBITD on \$982.5m of revenues).
- ▶ Revenue growth reflects improving ratings performance in a declining advertising market. Market share for the January to June six month period grows from 31.4% in 2005 to 36.4% in 2006. Market share for the full financial year grows from 31.1% in 2005 to 34.5%. In 2006

	Full Year	Metro Market
Advertising Revenues	+ 9.6 %	- 1.5 %
Other Broadcast Revenues	- 8.7 %	
Total Broadcast Revenues	+ 7.9 %	



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BROADCAST TELEVISION

▶ Financial Summary

- ▶ Cost performance at guidance levels (including non-recurring programs such as Headland, Blue Heelers and Last Man Standing)

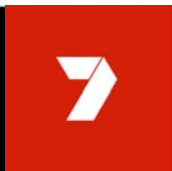
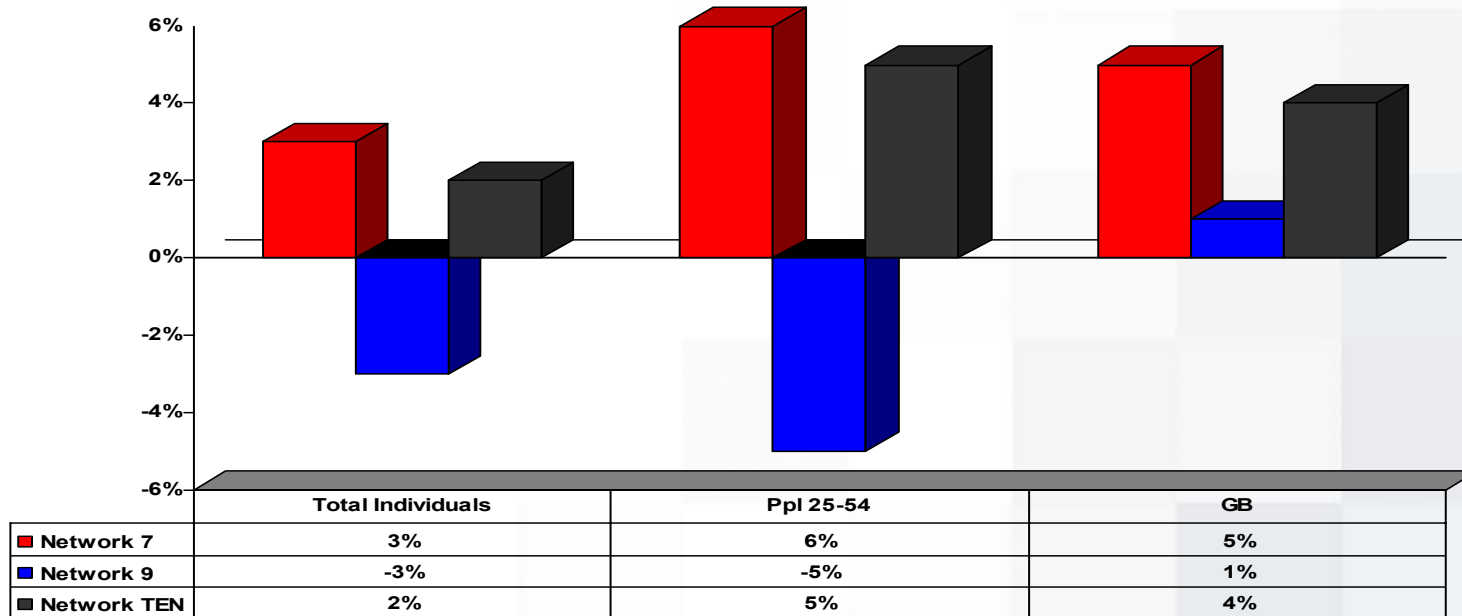
	Full Year Movement
Basic cost growth (excluding selling costs)	+ 6.4 %
Effect of selling costs (includes licence fees and APRA, but excludes commissions)	+ 0.4 %
Effect of AIFRS Adjustments	- 0.8 %
Olympics	- 6.9 %
Nominal cost change	- 0.9 %



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BROADCAST TELEVISION

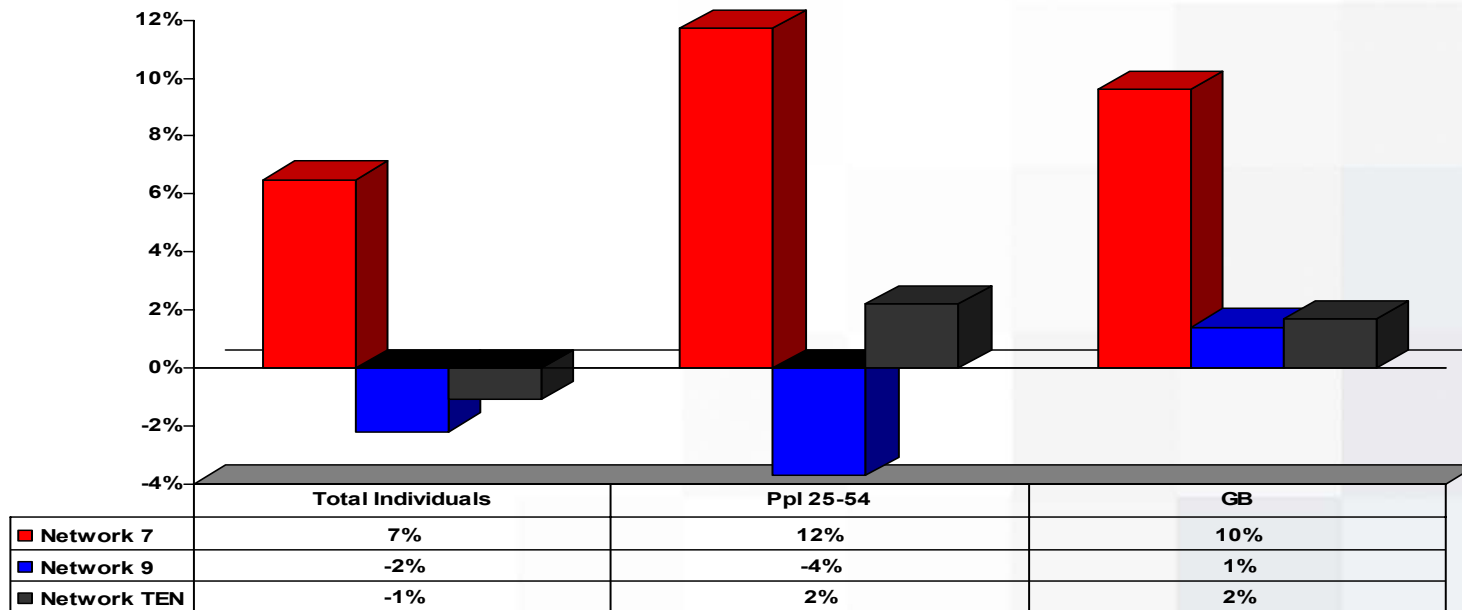
- ▶ Network – 2006 Audience Overview (Sunday to Saturday 1800-2230) – Weeks 7-34 2006 compared to Weeks 7-34, 2005 and excluding Commonwealth Games days



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BROADCAST TELEVISION

- ▶ Network – 2006 Audience Overview (Sunday to Saturday 0600-2400) – Weeks 7-34 2006 compared to Weeks 7-34, 2005 and excluding Commonwealth Games days



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Next Year Now



MAGAZINES

▶ Highlights

- ▶ Strong advertising growth – gains in market share.
- ▶ Circulation performance on key titles including New Idea and Better Homes & Gardens was strong, with improved share performance on key categories in which Pacific Magazines participates.
- ▶ Launch of Famous (Feb 06) and Diabetic Living (Oct 05). Famous - initial circulation of 90,000 and delivers highest profile of 18-29 year old readers of all weekly and monthly titles.
- ▶ New Idea had its 12th consecutive readership increase.



Pacific *magazines* 

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MAGAZINES

▶ Financial Summary

- ▶ EBITDA contribution of \$34.4m including new titles costs compared to last year of \$35.3m.
- ▶ EBIT of \$25.9m compared to last year EBIT of \$27.6m.
- ▶ Excluding Famous and Diabetic Living launches, EBITDA was \$39.7m and EBIT was \$31.2m.
- ▶ Total revenues of \$240.6m compared to last year of \$213.2m, increase of \$27.4m or 13%.
- ▶ Advertising revenue growth of 14% and circulation revenue growth of 13%.
 - ▶ Excluding Famous & Diabetic Living launches, advertising revenue growth of 12% and circulation revenue growth of 9%.
- ▶ Costs (excluding depreciation and amortisation) up 15.9%.
 - ▶ Excluding Famous & Diabetic Living launches, expenses increased by 9%.
 - ▶ Excluding volume costs and Famous & Diabetic Living launches, expenses increased by 4%.



Pacific *magazines*

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STADIUMS

▶ Financial Summary

- ▶ Revenue up 6.6 % due to increased events and improvements in car parking, corporate suites and Access One membership revenues.
- ▶ EBITDA contribution of \$21.0m reduces to EBIT of \$9.6m reflecting the AIFRS changes on the treatment of operating lease payments and the consolidation of Stadium Property Trust (AGAAP EBITDA \$20.5m).
- ▶ Sale process complete and full proceeds received after year end. Profit on sale likely to be in the order of \$75m before tax and \$60m after tax will be booked in the 2007 financial year. No residual interest in any Telstra Dome operating assets, although we retain some hospitality (corporate box etc) and broadcasting assets (cabling etc).
- ▶ No operating earnings going forward from this asset.



Telstra

Dome

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Yahoo!7 – Audience engagement through rich media has been our first priority and the first 6 months has laid a solid foundation

	Jan-06	June-06	% change (vs Jan 06)
Unique Users (Nielsen)	4.6m	5.6m	20%
Sessions user/month (DYC)	11.93	14.99	25.7%
Time spent user/month (DYC)	73	144	97.3%
Page views user/month (DYC)	67	81	20.9%
Retention – month on month (DYC)	53.02%	54.23%	2.3%
Video streams (DYC)	1.86m	2.77m	48.9%

- Integration successfully completed with high calibre management team now in place
- Display revenue growth (Q1 06 – Q2 06) Yahoo!7 grew 52.2% compared to total market growth of 32.2%
- Expect to exit 2006 at 12% of display advertising share
- Since launch Yahoo!7 has added 1 million people to its monthly audience
- Reach at 50%, now only behind Google and ninemsn



YAHOO!7

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Yahoo!7 – and H2 product roadmap will build on that momentum and lead in entertainment

FY06 FULL YEAR RESULTS

Yahoo!7 TV	New entertainment site to deliver best branded (TV and movies) and user generated content to users
New Travel Portal	Integration of Great Outdoors video content with Yahoo!'s global travel services platform
Lifestyle Portal	Integration of Pacific Magazines content with Yahoo!'s global lifestyle platform
Go! Mobile	Taking the online properties (including Seven shows like Home & Away and Sunrise and Yahoo! products like mail, messenger and search) to mobiles
Magazine site migration	Re-launching our magazine sites (like Girlfriend, New Idea and marie claire) on to Yahoo!7 platform
Yahoo!7 Music Revamp	Continued focus on building the leading local music portal
PS Trixi	Online interactive drama series using multiple Yahoo!7 products



YAHOO!7

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FY06 FULL YEAR RESULTS

AIFRS

- ▶ The AIFRS reconciliations represent Seven's best current estimate and should not be relied upon as a complete or final list of all the possible impacts of AIFRS for the current year. The estimates are based on current conditions and current interpretations of the AIFRS Standards, both of which may change during FY07 and beyond. Apart from ASX Continuous Disclosure or other legislative requirements, Seven does not undertake to update any of this information for changes in estimates, conditions or interpretations.

	24 June 2006	25 June 2005
	\$m	\$m
Net Assets per AGAAP Financial Statements	1,233.4	1,183.9
AIFRS Adjustments		
AASB 132/139 : Financial Instruments	(0.8)	-
AASB 138: Intangible Assets	(479.9)	(479.9)
AASB 136: Impairment of Assets	(1.5)	(1.5)
AASB 120: Accounting for Govt Grants	(7.6)	(7.8)
AASB 117: Leases	(23.8)	(20.7)
AASB 116: Property, plant & equipment	(2.5)	(1.8)
AASB 112: Income Taxes	1.1	2.6
Net Assets per AIFRS	718.4	674.8

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

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AIFRS

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	24 June 2006			25 June 2005		
	EBIT	Profit before Tax	Net Profit	EBIT	Profit before Tax	Net Profit
	\$m	\$m	\$m	\$m	\$m	\$m
Profit per AGAAP	217.4	176.3	110.9	149.8	128.0	93.1
AIFRS Adjustments						
AASB 120: Accounting for Govt Grants	0.3	0.3	0.2	0.3	0.3	0.2
AASB 116: Property, plant & equipment	(0.6)	(0.9)	(0.7)	(0.7)	(0.9)	(0.6)
AASB 117: Leases	(5.2)	(5.2)	(3.1)	(8.5)	(8.5)	(6.0)
AASB 2: Share based payment	(2.1)	(2.1)	(2.1)	(1.5)	(1.5)	(1.5)
AASB 112: Taxation	-	-	(1.5)	-	-	(1.5)
AASB 123 : Borrowing Costs	-	-	-	1.2	-	-
AASB 132 & 139: Financial Instruments	4.7	5.8	4.0	n/a	n/a	n/a
Profit per AIFRS	214.5	174.2	107.7	140.6	117.4	83.7

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OUTLOOK

▶ **Broadcast Television**

- ▶ Long term margin improvement remains the focus for management.
- ▶ Promised programming platform established, schedule development continuing.
- ▶ Revenue share expected to be maintained at ratings share.
- ▶ Advertising market is too short term to make a meaningful forecast.
- ▶ FY07 underlying costs growth (excluding selling, Olympics, AFL, etc) is expected to be in line with CPI. FY07 reported cost growth (inclusive of sporting rights but excluding selling costs) expected to be between 9-10%.

▶ **Magazines**

- ▶ Advertising revenue showing solid year on year growth.
- ▶ Slowdown in retail activity evident from last quarter.
- ▶ Non volume related cost growth likely to be held to CPI levels.

▶ **Stadiums**

- ▶ Significant after tax profit on sale of \$60m to be booked in FY07
- ▶ No future earnings expected from this asset.

▶ **Pay TV**

- ▶ FY07 costs expected to be materially lower than the current year.
- ▶ Final court hearings expected in September 2006 and no current indication on timing of judgement.

▶ **Corporate**

- ▶ Net Profit after tax but excluding significant items is expected to grow in FY07.
- ▶ AIFRS likely to increase volatility of earnings.



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Questions.....