



the one to watch

THE MARKET

The Australian Free to Air television market is being redefined.

The advent of new technologies and other media will provide as many challenges as opportunities, to extend and grow the core business.

Seven is focused on a future as a multi-faceted and integrated media and entertainment company, having put in place the platforms for development in a competitive communications landscape. The foundation for growth is a strong broadcast TV business.

ACHIEVEMENTS

Seven was the leading television network in 2000, securing significant growth across all key audience demographics. While the Olympic Games dominated television, they tell only part of the story. Seven achieved growth in performance across all key audience groups, excluding the most-watched event in Australian television history.

Australian programming continues to drive performance – with the successful launch in 2000 of new series, *Popstars*, *The Mole*, *Treasure Island*, *Hot Auctions* and *Ground Force*, building on long-term programs such as *Better Homes and Gardens*, *The Great Outdoors*, *Hot Property*, *Harry's Practice* and the three most-watched Australian drama series on television, *Blue Heelers*, *All Saints* and *Home and Away*.

This year, Seven has further consolidated its leadership in Australian production – with the commissioning of a strong portfolio of new programs including *Popstars II*, *The Mole II*, *The Weakest Link*, *Room for Improvement*, *Temptation Island*, *City Slickers*, *The Monday Dump with Roy and HG*, *Drama School*, *Auction Squad* and *Surprise Chef*.

The Games of the XXVII Olympiad represented a defining moment for the Olympic movement and the country.

Across three television channels – the Seven Network and two subscription TV channels – the Seven Network created 1,200 hours of coverage, which established new performance benchmarks.

Seven's coverage of the Games of the XXVII Olympiad established new records in audience delivery - with a peak audience of 10.4 million viewers for the Opening Ceremony, and 93 per cent of all Australians watching Seven's Games coverage. The Opening and Closing Ceremonies of the Olympic Games were the two highest rating programmes on television in 2000, ranking as the

most-watched programs in the history of television. And, the inspired talents of H.G. Nelson and Roy Slaven reinvented sports television with *The Dream*.

Seven created new benchmarks in subscription television, with 175,000 subscribers for the network's two dedicated C7 Olympics channels. Meanwhile on broadcast television, Seven was achieving record audience shares; C7's pay television coverage was the most watched programming on subscription television, more than doubling the next most-watched channel.

To cap off this multiple platform strategy, the Games also provided the perfect launch for Seven's online presence - with *olympics.com.au* on i7, recording up to one million page impressions a day and ranking only behind the official ticketing site as the most-visited website in Australia.

Seven has come a long way since our country's first Olympic Games, Melbourne in 1956. Those Games were Seven's first sports broadcast. Indeed, the Olympic Games were its first television production. Seven had three cameras – in total. They were ferried between the Olympic Stadium and the swimming pool. But Seven still managed more than six hours a day of live coverage. In Sydney, Seven created 24 hour coverage across three channels, drawing on more than 700 television cameras.

And just as the Olympic Games in Melbourne was the catalyst for the creation of the Seven Network, so the coverage of

the Olympic Games in Sydney represented another beginning for Seven – as a television-based communications company creating and delivering programming across multiple platforms.

HISTORY

The 2001 AFL Grand Final represents the closing chapter in Seven's long partnership with the Australian Football League.

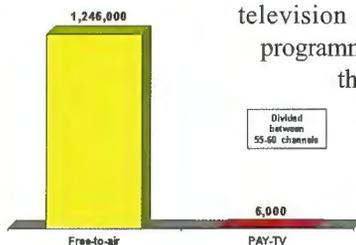
It is a partnership in which the network takes great pride – from those first days of television when it grappled with how to cover the sport.

Seven's first attempt was experimental coverage of the exhibition Australian Rules football match during the Olympic Games in Melbourne 45 years ago. And what began as a telecast of one quarter of one match on a Saturday afternoon in 1957 evolved over the seasons into coverage of all eight matches – most of them live – from Friday night until late Sunday afternoon.

The partnership between football and television has evolved and changed over the years. Just as three wide-angle cameras, four decades ago have given way to today's multiple-camera, slow motion replay, highly visual and produced match coverage, so the partnership has taken on new dimensions as the code evolved into a national competition.

Seven and the League recognised the importance of television and the development of a national code – and Seven committed itself to the Sydney Swans two decades ago in what was then a rugby union and rugby league dominated city.

In recent times, Seven and the Australian Football League joined forces to create a new stadium for the code in



Melbourne's Docklands precinct. Together, they developed the leading internet site on the world wide web. Seven also recognised the importance of subscription television – and the role it would play in the development of the Australian Football League.

The network may not be covering football in 2002, but its passion for the game and commitment to its future – through the investment in Colonial Stadium and plans for continuing coverage of the game on Seven – remain in place.

THE PRODUCT

Australians want to watch Australian television. From those first days of television, the programs have determined Seven's success with landmark moments such as *The Mavis Bramston Show*, *My Name's McGooley – What's Yours?* and *Homicide*, to *A Country Practice*, *A Town Like Alice*, *Against The Wind* and *Fast Forward*, to programs which define the network today: *Blue Heelers*, *All Saints*, *Home and Away*, *The Monday Dump with Roy and HG* and *Popstars*.

Success in the production of Australian programs today is the direct result of a strategy implemented three years ago – this strategy recognises that new viewing options are likely to fragment audiences over the coming decade and that viability in this competitive market will be determined by the creation of Australian programming available only on Seven.

Through Seven Productions, the network is building on its leadership in drama – with two new projects, joining the three most successful Australian drama series on television: *Blue Heelers*, *All Saints* and *Home and Away*.

Always Greener represents a major undertaking for Seven – a quality, weekly drama series, shot on location and featuring John Howard, from *Seachange*, and Anne Tenney, best known for her role in *A Country Practice*. Joining *Always Greener* in 2002 will be *Leather and Silk*, a legal drama starring Lisa McCune in her first ongoing television role since her Logie Award winning performances in *Blue Heelers*.

RECENT DEVELOPMENTS

Digital television is more than just amazing picture quality. Over time, digital television will change the way in which Australians watch television. The first steps have now been taken in a technology that will define Seven's development over the coming decade – a development that will be determined by success in the creation of programming and content that Australians want to watch.

Seven now has in place the architecture which will drive its future development in digital and interactive television – with the commissioning of a state-of-the-art network broadcast centre, adjacent to Colonial Stadium in Melbourne's Docklands precinct.

This new centre is more than just a new



television station. It represents a first for Australia and is recognised as a breakthrough in the international development of television – a “tapeless” video-server based center. This will form the hub for the creation and distribution of digital content across broadcast and subscription television and through new and emerging technologies.

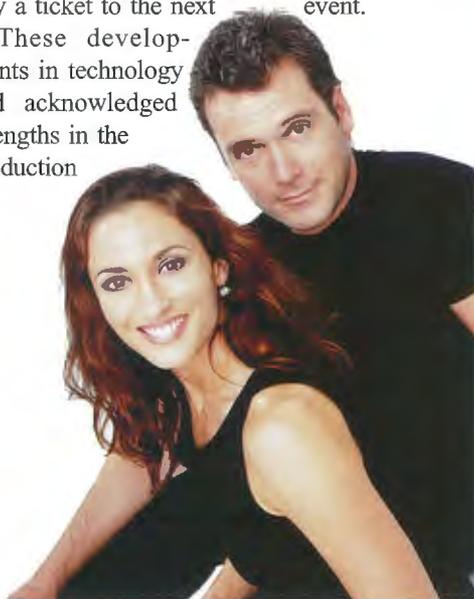
While this technology is impressive, the network remains focused on audiences. Success will be determined by television programs and content – regardless of how audiences experience programming

This year, Seven developed one of the world's first multimedia home platform applications for lifestyle programming. An expanded version of *The Great Outdoors*, developed in partnership with Sun Microsystems and Panasonic, allows viewers to select additional information on tourist destinations and book travel and accommodation packages. And plans are well-advanced for similar applications across all of Seven's lifestyle programs.

The network is also well-advanced in the production of sports for digital and interactive television – building on coverage of major sports events such as the 2001 Australian Open – with alternative camera angles, real-time expanded statistical analysis and player profiles and updates.

Seven is working closely with Ticketmaster Corporation, the world's largest ticketing company, in the introduction of a “ticket-at-home” facility for the joint venture, Ticketmaster7 – allowing consumers to view a venue, select their seat, book it, and then print their ticket at home. This application will be broadened from online applications to interactive television coverage of sport, where viewers can watch the coverage and buy a ticket to the next event.

These developments in technology and acknowledged strengths in the production



of Australian programs, allow Seven to continue to lead the development of television in Australia. Importantly, the technologies allow the network to further expand its ability to connect and interact with audiences.

PROMOTION

In the past two years Seven has embarked on a brand renaissance.

While much of Seven's promotion is program specific, there is increasing significance placed on the ongoing development of the Seven brand.

As the television landscape is redefined and consumer choice expands and becomes more complex it is the trusted brands that consumers will look to for navigation. Seven's focus is to ensure that it remains and evolves further into such a brand.

The enterprise associated with this objective includes community based programs and sponsorships that have relevance and significance to Australians.

Associations and the related promotions that underline this include Seven's principal sponsorship of Opera Australia, Art Exhibitions Australia, an ongoing commitment to the Olympic Games movement and various community service partnerships.

BRAND VALUES

Research says that one of television's primary roles is to facilitate emotional escape – to give viewers permission to launch a cheer, be inspired or just to enjoy.

Seven's principal brand position is about this immutable and universal theme. Seven understands the emotional connection that the experience of watching television brings and is committed to consistently delivering on this for the viewer.

Moreover, Seven's brand values are anchored in an Australian brand personality. Seven's strong commitment to Australian content and production is testament to this.



Australia's Olympic Network

THINGS YOU DIDN'T KNOW ABOUT THE SEVEN NETWORK

- The longest serving contestant on a quiz show, 'Pick-a-Box' from 1960 to 1968, was Barry Jones who was to become Federal Minister for Science in the 1980s. The show finished in 1971 after a 23 year run on radio and television.
- In 1985, Seven developed the best helicopter news coverage in the country with its electronic news gathering microwave links. This was demonstrated with the heart-wrenching night coverage of the rescue of a little boy from a deep well in Gosford, some sixty kilometres north of Sydney.
- In 1989, a Beyond 2000 special 'Climate in Crisis', a dual telecast with England's BBC was seen by 60 million people.