



the one to watch



There is no doubt that broadcast television will face some challenges in the years ahead. Subscription television is increasing its push into Australian homes. But while it is increasing its market penetration, the impact has yet to be seen in audience figures. This success in meeting new competition is a tangible indication of the strength of the networks and their brands.

Today, Seven is watched by more than nine in ten Australians, week in, week out. The network's programming strategy will ensure that it continues to reach large unsplintered audiences in the years to come - despite the proliferation of viewing options. The network also acknowledges that its future will be driven by an active involvement in these new technologies. In the coming years, as has been the case since those early days of television, Seven's success will be determined by the delivery of the right programming to the right audiences.

ACHIEVEMENTS

Forward thinking has characterised the development of the Seven Network. Those first days of television saw Seven actively involved in the international development of videotape technology. The network also established the first microwave link between two cities and the first live broadcast link between Sydney and Melbourne. Today, with the design of Emmy Award-winning camera systems, Seven continues to be at the forefront of television.

In the opening days of television, Seven's three cameras provided live daily coverage of the Olympic Games in Melbourne. At the dawn of the new millennium, Seven will draw on more than 400 cameras to bring Australians the Olympic Games in Sydney.

This quantum leap in technology will continue with the forthcoming introduction of digital television. Again Seven is taking the lead, with the design and construction of Australia's first specially-designed digital production and broadcast centre linked to a new sports and entertainment stadium at Docklands in Melbourne.

HISTORY

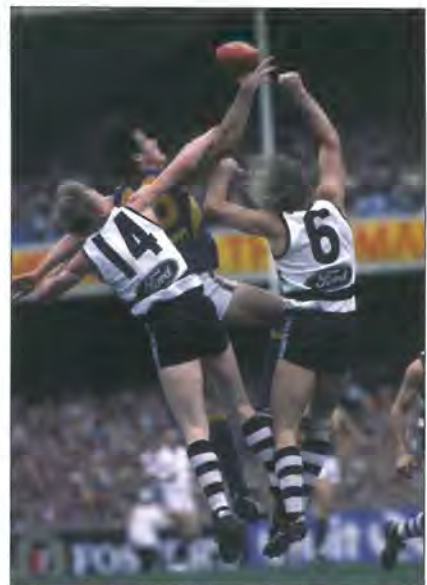
Relevance. It is a word which underlines Seven's approach to television. In those early days of television, Seven made a commitment to be Australian, to reflect our unique identity. Interestingly, this commitment was made at a time when Channel Seven Sydney and Channel Seven Melbourne

were owned by different newspaper groups, John Fairfax in Sydney and the Herald & Weekly Times in Melbourne, and, in fact, were not affiliated - that was to come later.

Despite this independence, both Sevens came to the same conclusion - Australian television must be relevant to Australians. This approach to television saw Seven produce a number of firsts in live variety, nightly current affairs, quiz programmes, soap operas and drama series.

In many respects, Seven's landmark television programmes define not only the history of the network, they also mark significant chapters in the development of television in Australia: Homicide, My Name's McGooley - What's Yours?, Revue '61, The Mavis Bramston Show, Sunnyside Up, BP Pick-A-Box, The Johnny O'Keefe Show, Beauty and the Beast, Paul Hogan, Willesee At Seven, A Country Practice, Fast Forward, Against The Wind, A Town Like Alice, The Shiralee and Beyond 2000. Today, with programmes such as Blue Heelers, Home and Away, Better Homes and Gardens and All Saints, that commitment to relevance continues.

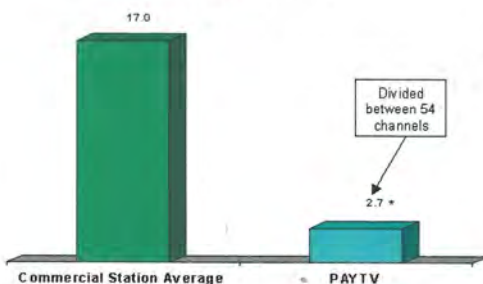
Seven's first days also established its approach to sports television. After all, when your first sports broadcast is an Olympic Games and you develop a way of covering a sport which had never before been broadcast, Australian Rules Football, it was to be expected that sports would play a fundamental role in the development of the network.



THE MARKET

Life was simple and choices were easy when television arrived in Australia a little more than four decades ago. Little did we know that those flickering images in the corner of the living room would today become the focus of a communications landscape which will change the way all of us watch television. And in such a landscape, only those brands relevant to Australians will prosper. Seven is one such brand.

Prime Time Average Homes Rating (%)
5 Capital Cities



Source: A.C. Nielsen weeks 9-36 & 39-44, 1998 Sun to Sat 1800-2230
*AIS Media Estimate

THE PRODUCT

Today, much of Seven's programming is Australian and, in the years to come, this commitment to relevance will allow the network to meet the challenge of competition - with the delivery of product that can only be seen on Seven.

As part of this strategy, Seven has formed long-term partnerships with the International Olympic Committee and the Australian Football League. Both agreements underline the importance of sports on broadcast television and provide an indication of the future partnerships between sports and media companies.

Seven has brought Australians nine of the past eleven Olympic Games and in a landmark agreement with the IOC will broadcast the Olympic Games in 2000, 2004 and 2008 and the Olympic Winter Games in 2002 and 2006.

For more than four decades, Seven has broadcast the Australian Football League. Every year, Seven criss-crosses the country to bring Australians coverage of more than 200 matches in the AFL - the biggest undertaking in the coverage of a sport by any network in the world.

In addition to the AFL and the Olympic Games, Seven's sports portfolio includes coverage of the Australian Rugby Union, Australia's major international soccer matches, the leading tennis championships and golf tournaments in Australia, the Bathurst 1000, and all world championships in Olympic sports.



RECENT DEVELOPMENTS

While broadcast television will lead the development of the company, the cornerstones for Seven's involvement in programming for new technologies are taking shape, with two business units, Seven Cable and Seven Online, developing a series of strategic investments in programming and channel supply ventures for subscription television and multimedia.

The first stage is a portfolio of sports channels, which will drive the network's leadership in sports on subscription television. In addition to these channels, Seven also plans to produce and



supply a range of new subscription television channels focusing on drama and entertainment programming, and is a joint venture partner in the 24 hour news channel, Sky News Australia, and Odyssey, a documentary channel for Optus Vision.

In multimedia and online, Seven is developing a series of business partnerships complementing the company's broadcast television business and broadening opportunities for the distribution of the network's programming and information software. Seven Online is carefully building a presence in multimedia, working with joint venture partners and focusing on a strategy of "PC on TV" and "TV on PC" delivery of broadcast television, information, entertainment and multi-media programming.

A strengthening partnership with the Australian Football League underpins Seven's involvement in the development of Melbourne's Docklands Stadium - a project destined to become the new landmark for sports and entertainment in Australia. From the opening bounce of the 2000 season, Australia's first closing-roof, natural turf, multi-purpose stadium will be the new home of the AFL.

Australia is acknowledged as one of the most competitive television markets in the world. And it is a market which will become increasingly demanding and challenging as new media forms compete for people's attention. Relevance will be the discriminator.

PROMOTION

While much of Seven's marketing is programme-specific, an increasing emphasis is being placed



Sydney 2000



on the development of the Seven brand - what it means to Australians. As the television landscape moves from the traditional five free-to-air television networks to dozens of channels, distinctive, high quality programming and a unique connection with the community will define Seven as a brand.

Seven's commitment to the community is to take the lead in bringing major events to all Australians. A number of recent major projects for Seven underline this approach: the network's Millennium Partnership with the Sydney Olympic Games, its principal sponsorship of Opera Australia and involvement in major projects of national significance, such as the National Gallery of Australia.

BRAND VALUES

As it was in those first days of television, knowledge and understanding of broadcasting, audience demands and programming will allow Seven to continue to play a major role in determining the future of communications. And driving its involvement will be an ongoing commitment to relevance: the production of programming that Australians want to watch. By further building what is already an extraordinary connection with Australians and delivering the right programming, Seven will continue to be one of Australia's best known and highly regarded brands.

THINGS YOU DIDN'T KNOW ABOUT THE SEVEN NETWORK

- Seven needed to convince both the New South Wales Rugby League and the Victorian Football League that television was an important part of both codes. Seven covered VFL-AFL matches from 1957 while rugby league waited until 1963.
- The creative team behind *Revue '61*, Digby Wolfe and Chris Beard, went on to develop Rowan and Martin's *Laugh In* for American television. Chris was the first children's show host on Seven with *Smalltime*, a programme that featured readings of Dr Seuss to the music of a live bebop jazz quartet!
- The Seven "Revolution" in 1969 - with the "Seven in a circle" logo, music from Burt Bacharach and Hal David, innovative programming and ground-breaking promotion - created the marketing of a television network as a brand in Australia.