

**SGH**

Media, Industrial Services and Investments

21 February 2011

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

***By electronic lodgement***

Total pages: 68 (including cover letter)

**Half Year Financial Report and Presentation to Analysts**

In accordance with the Listing Rules, following are the Half-Year Report Appendix 4D, the Half-Year Financial Report at 31 December 2010 and the Media Release.

Also attached is a copy of the Half-Year results Investor Information presentation.

Yours faithfully

**For and on behalf of Seven Group Holdings Limited**



**Warren Coatsworth**  
Company Secretary



**WesTrac**

**Seven Group Holdings Limited** | ABN 46 142 003 469

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# Appendix 4D - Half Year Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
ABN 46 142 003 469  
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	<b>6 months to 31-Dec-10 \$'000</b>
<b>Results For Announcement To The Market</b>	
<b>Revenue from ordinary activities</b>	<b>1,512,439</b>
<b>Net profit from ordinary activities after tax attributable to members</b>	<b>123,592</b>
<b>Net profit for period attributable to members</b>	<b>123,592</b>

<b>Dividends</b>	Amount	Franked
<b>Ordinary shares</b>	<u>per security</u>	<u>per security</u>
Interim	18 cents	18 cents

**Record date for determining entitlements to the dividend** 5.00pm on Friday 1 April 2011

**Date the interim dividend is payable** 15 April 2011

#### **Transferable Extendable Listed Yield Shares ("TELYS4")**

Interim (paid 30 November 2010) \$ 3.4043 \$ 3.4043

Payments of TELYS4 dividends are in accordance with the prospectus.

#### **Commentary on results**

A detailed commentary on the results for the period is contained in the press release dated 21 February 2011 accompanying this report.

#### **Net tangible asset backing**

Net tangible asset backing per ordinary share: \$5.58 (30 June 2010: \$5.68). This has been calculated by dividing the net assets attributable to equity holders of the Company (reduced for the value of TELYS4 preference shares) less intangible assets by the number of ordinary shares at 31 December 2010.

#### **Acquisitions**

On 23 November 2010 a Group subsidiary acquired the issued capital of Pump Rentals Pty Ltd, owner of the Sykes Group. Further details of this transaction are included within this report. There were no other material changes to controlled entities.

#### **Previous corresponding period**

There is no previous corresponding period for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement as Seven Group Holdings Limited was incorporated on 12 February 2010 and commenced operations on 28 April 2010. The previous corresponding period for the consolidated statement of financial position is 30 June 2010.

# Consolidated Income Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Note	6 months to 31-Dec-2010 \$'000
<b>REVENUE</b>		
Revenue from product support		938,045
Revenue from capital sales		548,417
Other		25,977
<b>Total revenue</b>		<b>1,512,439</b>
<b>OTHER INCOME</b>		
Dividend income		15,479
Gain on sale of investments		3,479
Other		10,178
<b>Total other income</b>		<b>29,136</b>
Share of results from equity accounted investees	8	103,834
<b>EXPENSES EXCLUDING DEPRECIATION AND AMORTISATION</b>		
Materials cost of inventory sold		(1,005,105)
Raw materials and consumables purchased		(52,361)
Employee benefits expenses		(220,189)
Operating lease rental expense		(20,994)
Other expenses		(126,770)
<b>Total expenses excluding depreciation and amortisation</b>		<b>(1,425,419)</b>
<b>Profit before depreciation and amortisation, net finance costs and tax</b>		<b>219,990</b>
Depreciation and amortisation		(32,163)
<b>Profit before net finance costs and tax</b>		<b>187,827</b>
Finance income	4	4,789
Finance costs	4	(27,677)
<b>Net finance costs</b>		<b>(22,888)</b>
<b>Profit before tax</b>		<b>164,939</b>
Income tax expense	5	(37,325)
<b>Profit for the period</b>		<b>127,614</b>
<b>Profit for the period attributable to:</b>		
Equity holders of the Company		123,592
Non-controlling interest		4,022
<b>Profit for the period</b>		<b>127,614</b>
<b>EARNINGS PER SHARE (EPS)</b>		
<b>Ordinary shares</b>		
Basic earnings per share (\$)	7	\$ 0.35
Diluted earnings per share (\$)	7	\$ 0.35

The consolidated income statement is to be read in conjunction with the notes to the consolidated financial statements.

# Consolidated Statement of Comprehensive Income

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Note	6 months to 31-Dec-2010 \$'000
<b>Profit for the period</b>		<b>127,614</b>
<b>Other comprehensive income</b>		
Net change in fair value of available-for-sale financial assets	11	631
Cash flow hedges: effective portion of changes in fair value		(6,987)
Foreign currency differences for foreign operations		(127,970)
Income tax on items of other comprehensive income	5	15,827
<b>Other comprehensive income for the period, net of tax</b>		<b>(118,499)</b>
<b>Total comprehensive income for the period</b>		<b>9,115</b>
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the Company		5,832
Non-controlling interest		3,283
<b>Total comprehensive income for the period</b>		<b>9,115</b>

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

# Consolidated Statement of Financial Position

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
AS AT 31 DECEMBER 2010

	Note	31-Dec 2010 \$'000	30-Jun 2010 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12a	107,871	455,205
Trade and other receivables		347,268	405,468
Inventories		742,094	682,673
Current tax assets		11,307	-
Other current assets		19,041	36,068
Derivative financial instruments		509	124
<b>Total current assets</b>		<b>1,228,090</b>	<b>1,579,538</b>
<b>NON-CURRENT ASSETS</b>			
Investments accounted for using the equity method	8	1,818,262	1,724,687
Trade and other receivables		-	11,224
Derivative financial instruments		-	4,666
Other investments		652,438	395,926
Property, plant and equipment		265,342	241,094
Intangible assets		544,990	577,351
Deferred tax assets	5	4,109	16,603
<b>Total non-current assets</b>		<b>3,285,141</b>	<b>2,971,551</b>
<b>Total assets</b>		<b>4,513,231</b>	<b>4,551,089</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		460,032	365,341
Derivative financial instruments		8,176	5,305
Interest bearing loans and borrowings	9	224,903	302,234
Deferred income		50,250	42,331
Current tax liabilities		2,950	1,953
Provisions		63,322	58,547
<b>Total current liabilities</b>		<b>809,633</b>	<b>775,711</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		-	5,625
Interest bearing loans and borrowings	9	321,151	383,989
Derivative financial instruments		78,728	12,104
Deferred tax liabilities	5	461,138	473,832
Provisions		6,725	2,613
Deferred income		17,260	17,070
<b>Total non-current liabilities</b>		<b>885,002</b>	<b>895,233</b>
<b>Total liabilities</b>		<b>1,694,635</b>	<b>1,670,944</b>
<b>Net assets</b>		<b>2,818,596</b>	<b>2,880,145</b>
<b>EQUITY</b>			
Contributed equity	10	2,608,852	2,608,852
Reserves	11	(691,223)	(574,500)
Retained earnings		757,765	706,045
<b>Total equity attributable to equity holders of the Company</b>		<b>2,675,394</b>	<b>2,740,397</b>
Non-controlling interest		143,202	139,748
<b>Total equity</b>		<b>2,818,596</b>	<b>2,880,145</b>

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

# Consolidated Statement of Changes in Equity

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total equity \$'000
<b>Balance at 1 July 2010</b>		<b>2,608,852</b>	<b>(574,500)</b>	<b>706,045</b>	<b>2,740,397</b>	<b>139,748</b>	<b>2,880,145</b>
Profit for the period		-	-	123,592	123,592	4,022	127,614
Net change in fair value of available-for-sale financial assets		-	631	-	631	-	631
Cash flow hedges: effective portion of changes in fair value		-	(7,722)	-	(7,722)	735	(6,987)
Foreign currency differences for foreign operations		-	(126,496)	-	(126,496)	(1,474)	(127,970)
Income tax on items of other comprehensive income	5	-	15,827	-	15,827	-	15,827
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(117,760)</b>	<b>123,592</b>	<b>5,832</b>	<b>3,283</b>	<b>9,115</b>
<b>Transactions with owners recognised</b>							
<b>directly in equity</b>							
Ordinary dividends paid	6	-	-	(54,974)	(54,974)	-	(54,974)
TELYS dividends paid	6	-	-	(16,898)	(16,898)	-	(16,898)
Share based payments		-	1,037	-	1,037	171	1,208
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>1,037</b>	<b>(71,872)</b>	<b>(70,835)</b>	<b>171</b>	<b>(70,664)</b>
<b>Total movement in equity for the period</b>		<b>-</b>	<b>(116,723)</b>	<b>51,720</b>	<b>(65,003)</b>	<b>3,454</b>	<b>(61,549)</b>
<b>Balance at end of the period</b>		<b>2,608,852</b>	<b>(691,223)</b>	<b>757,765</b>	<b>2,675,394</b>	<b>143,202</b>	<b>2,818,596</b>

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

# Consolidated Cash Flow Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Note	6 months to 31-Dec-10 \$'000
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>		
Receipts from customers		1,718,650
Payments to suppliers and employees		(1,562,348)
Dividends received from equity accounted investees		8,589
Other dividends received		15,479
Interest and other items of a similar nature received		6,352
Interest and other costs of finance paid		(26,323)
Income taxes paid		(17,334)
<b>Net operating cash flows</b>	12b	<b>143,065</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>		
Payments for purchases of property, plant and equipment		(33,971)
Proceeds from sale of property, plant and equipment		999
Payments for purchase of intangibles		(3,024)
Payments for other investments		(292,862)
Proceeds from sale of other investments		3,665
Acquisition of subsidiary, net of cash acquired	13	(44,093)
Loans and deposits repaid		1,691
<b>Net investing cash flows</b>		<b>(367,595)</b>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>		
Ordinary dividends paid	6	(54,974)
TELYS dividends paid	6	(16,898)
Proceeds from borrowings		376,926
Repayment of borrowings		(425,693)
Proceeds from issue of shares		159
<b>Net financing cash flows</b>		<b>(120,480)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(345,010)</b>
Cash and cash equivalents at beginning of period	12a	449,671
Effect of exchange rate changes on cash and cash equivalents		(984)
<b>Cash and cash equivalents at end of the period</b>	12a	<b>103,677</b>

The consolidated cash flow statement is to be read in conjunction with the notes to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Seven Group Holdings Limited (the "Company") is a company limited by shares, domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The Company was incorporated on 12 February 2010 and this financial report covers the half year from 1 July 2010 to 31 December 2010. The condensed consolidated financial statements of the Company as at and for the half year ended 31 December 2010, comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The financial report was authorised for issue in accordance with a resolution of the Directors on 21 February 2011.

### (A) BASIS OF PREPARATION

The financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore can not be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

This half year financial report should be read in conjunction with the 30 June 2010 Annual Financial Report and considered with any public announcements made by the company during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX Listing rules.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/100 dated 10 July 1998.

The half year financial report is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss and investments in available-for-sale assets.

### (B) SIGNIFICANT ACCOUNTING POLICIES

The half year financial report has been prepared using accounting policies that are consistent to what were applied by the Group and disclosed in the most recent annual financial report.

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements requires that management make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statement as at and for the period ended 30 June 2010.



# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 3. OPERATING SEGMENTS

### REPORTABLE SEGMENTS

#### Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which product is sold, the nature of services provided and country of origin.

- WesTrac Australia - WesTrac Australia is an authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory, providing heavy equipment sales and support to customers.
- WesTrac China - operates as one of the four authorised Caterpillar dealers in China, providing heavy equipment sales and support to customers.
- National Hire Group - represents the Group's investment in rental equipment via National Hires' investment in Coates Hire Pty Limited.
- Media investments - relates to investments in listed and unlisted media organisations, including but not limited to, Seven Media Group Pty Limited, West Australian Newspapers Holdings Limited and Consolidated Media Holdings Limited.
- Other investments - incorporates broadband, telephony, listed investments and property.

The Group is domiciled in Australia and operates in two countries, Australia and China. Segment revenues are allocated based on the country in which the customer is located. The WesTrac China segment represents all revenue derived from China.

	WesTrac Australia \$'000	WesTrac China \$'000	National Hire \$'000	Media <sup>(c)</sup> investments \$'000	Other investments \$'000	Total \$'000
<b>HALF YEAR ENDED 31 DECEMBER 2010</b>						
<b>Segment revenue</b>						
Sales to external customers	1,163,358	268,112	54,992	-	25,977	1,512,439
Intersegment sales	3,029	-	(3,029)	-	-	-
	<b>1,166,387</b>	<b>268,112</b>	<b>51,963</b>	<b>-</b>	<b>25,977</b>	<b>1,512,439</b>
<b>Segment result</b>						
Earnings before interest, tax, depreciation and amortisation (EBITDA) <sup>(a)</sup>	116,187	14,475	11,989	93,700	7,042	243,393
Depreciation and amortisation	(18,628)	(3,506)	(665)	-	(9,364)	(32,163)
<b>Earnings before interest and tax (EBIT) <sup>(b)</sup></b>	<b>97,559</b>	<b>10,969</b>	<b>11,324</b>	<b>93,700</b>	<b>(2,322)</b>	<b>211,230</b>

(a) EBITDA comprises profit before depreciation and amortisation, net finance costs and tax

(b) EBIT comprises profit before net finance costs and tax

(c) Media investments comprise investments accounted for using the equity method and available-for-sale financial assets

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 3. OPERATING SEGMENTS (CONTINUED)

	WesTrac Australia \$'000	WesTrac China \$'000	National Hire \$'000	Media investments \$'000	Other investments \$'000	Total \$'000
<b>AS AT 31 DECEMBER 2010</b>						
<b>Balance sheet</b>						
Investments accounted for using the equity method	12,773	1,219	322,257	1,429,043	52,970	1,818,262
Other segment assets	892,366	715,101	156,905	27,106	780,204	2,571,682
<b>Segment assets</b>	<b>905,139</b>	<b>716,320</b>	<b>479,162</b>	<b>1,456,149</b>	<b>833,174</b>	<b>4,389,944</b>
<b>Segment liabilities</b>	<b>(330,657)</b>	<b>(134,767)</b>	<b>(52,520)</b>	<b>-</b>	<b>(57,506)</b>	<b>(575,450)</b>
<b>Other segment information</b>						
Capital expenditure	(17,148)	(7,460)	(290)	-	(12,097)	(36,995)
Share of results of equity accounted investees included in EBIT	(415)	40	11,381	93,117	(289)	103,834
<b>Reconciliation of segment EBIT to net profit before tax per consolidated income statement</b>						
Segment net operating profit before net finance costs and tax						211,230
Corporate operating costs						(23,403)
Net finance costs						(22,888)
Profit before tax per consolidated income statement						164,939
<b>Reconciliation of segment operating assets to total assets per consolidated statement of financial position</b>						
Segment operating assets						4,389,944
Corporate cash holdings						107,871
Current tax assets						11,307
Deferred tax assets						4,109
Total assets per consolidated statement of financial position						4,513,231
The total of non-current assets other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising under insurance contracts) located in Australia is \$2,520,656,000. The total of non-current assets located in China is \$760,376,000. Segment assets are allocated to countries based on where the assets are located.						
<b>Reconciliation of segment operating liabilities to total liabilities per consolidated statement of financial position</b>						
Segment operating liabilities						(575,450)
Liabilities held at corporate level						(25,089)
Derivative financial instruments						(86,904)
Current borrowings						(224,903)
Non current borrowings						(321,151)
Deferred tax liabilities						(461,138)
Total liabilities per consolidated statement of financial position						(1,694,635)

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 4. NET FINANCE EXPENSE

	6 months to 31-Dec-2010 \$'000
<b>FINANCE INCOME</b>	
Interest income on bank deposits	4,137
Other	652
<b>Total finance income</b>	<b>4,789</b>
<b>FINANCE COSTS</b>	
Interest expense	(26,901)
Borrowing costs	(776)
<b>Total finance costs</b>	<b>(27,677)</b>
<b>Net finance expense</b>	<b>(22,888)</b>

## 5. INCOME TAX

	6 months to 31-Dec-10 \$'000
<b>INCOME TAX EXPENSE</b>	
Current tax expense:	
Current period	11,409
Adjustment for prior periods	1,395
	<b>12,804</b>
Deferred tax expense due to origination and reversal of temporary differences	24,521
<b>Total income tax expense in statement of comprehensive income</b>	<b>37,325</b>
<b>RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFITS:</b>	
Income tax using the domestic corporation tax rate 30%	49,482
Remeasurement of deferred tax assets & deferred tax liabilities	(27,965)
Franked dividends	(10,371)
Deferred taxes not recognised on share of associates' net profit	(3,576)
Non-assessable tax group revenue	807
Other non-taxable/non-deductible items	773
Income tax expense arising under a tax sharing agreement	27,637
Difference in overseas tax rates	(857)
Under provided in prior periods	1,395
<b>Income tax expense on operating profit</b>	<b>37,325</b>
<b>DEFERRED INCOME TAX RECOGNISED DIRECTLY IN EQUITY</b>	
Relating to available-for-sale financial assets	(12,913)
Relating to cash flow hedge reserve	(2,914)
<b>Total deferred income tax recognised directly in equity</b>	<b>(15,827)</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 5. INCOME TAX (CONTINUED)

	Opening balance 01-Jul-10 \$'000	Recognised in profit \$'000	Recognised in equity \$'000	Other <sup>(a)</sup> \$'000	Closing balance 31-Dec-10 \$'000
<b>DEFERRED TAX BALANCE</b>					
Investments	(500,492)	14,641	12,913	-	(472,938)
Derivative financial instruments	(13,719)	(1,295)	2,914	-	(12,100)
Inventories and receivables	(8,885)	(4,206)	-	-	(13,091)
Property, plant & equipment	(13,865)	(2,148)	-	-	(16,013)
Other deferred tax liabilities	(32,822)	-	-	-	(32,822)
Intangible assets	(4,201)	479	-	-	(3,722)
Trade & other payables	10,608	6,376	-	-	16,984
Provisions	34,460	1,586	-	-	36,046
Tax losses - revenue - SGH tax consolidated group	27,493	(27,493)	-	-	-
Tax losses - other subsidiaries	-	-	-	8,894	8,894
Tax losses - capital	15,976	1,603	-	-	17,579
Transaction costs deducted over 5 years	10,063	(2,443)	-	-	7,620
Other	18,155	(11,621)	-	-	6,534
<b>Net tax deferred liability</b>	<b>(457,229)</b>	<b>(24,521)</b>	<b>15,827</b>	<b>8,894</b>	<b>(457,029)</b>
Deferred tax asset	16,603	(12,494)	-	-	4,109
Deferred tax liability	(473,832)	(12,027)	15,827	8,894	(461,138)
<b>Net deferred tax liability</b>	<b>(457,229)</b>	<b>(24,521)</b>	<b>15,827</b>	<b>8,894</b>	<b>(457,029)</b>

(a) relates to the assumption of tax losses of an associate under a tax funding agreement and a deferred tax asset acquired in a business combination.

As at 31 December 2010, the Group has not recognised deferred tax assets of \$93,151,533 in respect of deductible temporary differences relating to future capital losses because it is not probable that future capital gains will be available against which it can utilise the benefits therefrom.

As at 31 December 2010, the Group has not recognised deferred tax liabilities of \$3,073,278 in respect of assessable temporary differences in relation to investments in subsidiaries where management controls the timing of reversal of the temporary difference and the temporary difference is not expected to reverse in the foreseeable future.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 6. DIVIDENDS

	Amount per share	6 months to 31-Dec-2010 \$'000
<b>DIVIDENDS PAID</b>		
<b>Ordinary shares</b>		
Final dividend in respect of 2010 year (paid 22 October 2010)	\$ 0.18	54,974
<b>Transferable Extendable Listed Yield Shares ("TELYS4")</b>		
Dividend fully franked (paid 30 November 2010)	\$ 3.40	16,898
<b>Dividends paid or payable</b>		<b>71,872</b>
<b>Subsequent event</b>		
<b>Current period interim dividend on ordinary shares proposed but not provided</b>		
<b>Ordinary shares</b>		
Interim dividend in respect of 2011 fully franked to be paid 15 April 2011	\$ 0.18	54,974

## 7. EARNINGS PER SHARE

	6 months to 31-Dec-2010 \$'000
<b>EARNINGS RECONCILIATION</b>	
Net profit attributable to equity holders of the Company	123,592
<b>Allocated earnings to category of share:</b>	
- Ordinary shares	106,511
- TELYS4	17,081
<b>123,592</b>	
<b>Weighted average number of shares</b>	
<b>Number for basic earnings per share:</b>	
- Ordinary shares	305,410,281
- TELYS4	4,963,640
<b>Effect of share options on issue:</b>	
- Ordinary shares	383,372
<b>Number for diluted earnings per share:</b>	
- Ordinary shares	305,793,653
- TELYS4	4,963,640
<b>Earnings per share</b>	
<b>Ordinary shares - total earnings per share from continuing operations:</b>	
- Basic (\$)	0.35
- Diluted (\$)	0.35
<b>TELYS4 earnings per share:</b>	
- Basic (\$)	3.44
- Diluted (\$)	3.44

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31-Dec-10 \$'000	30-Jun-10 \$'000
Investments in associates and jointly controlled entities	1,818,262	1,724,687

Investee	Principal activities	Country of incorporation	Balance date	Ownership interest	Ownership interest
<b>EQUITY ACCOUNTED INVESTMENTS AND JOINTLY CONTROLLED ENTITIES</b>					
Adelaide Broadcast Property Pty Limited	Property management	Australia	30-Jun	40.0%	40.0%
Adelaide Broadcast Property Trust	Property management	Australia	30-Jun	40.0%	40.0%
Apac Energy Rental Pte Limited	Rental services	Singapore	31-Dec	20.0%	20.0%
Consolidated Media Holdings Limited	Media	Australia	30-Jun	24.4%	22.4%
Energy Power Systems Australia Pty Ltd	Distribution and rental of CAT engine products	Australia	30-Jun	40.0%	40.0%
Flagship Property Holdings Pty Limited	Property management	Australia	31-Dec	46.8%	46.8%
P2 Pty Limited <sup>(a)</sup>	Dormant	Australia	30-Jun	0.0%	50.0%
P4 Pty Limited <sup>(a)</sup>	Dormant	Australia	30-Jun	0.0%	50.0%
Mo's Mobiles Pty Limited	Mobile phone retailer	Australia	30-Jun	25.0%	25.0%
Premier Capital Developments Pty Limited	Property management	Australia	30-Jun	25.0%	25.0%
Revy Investments Pty Limited	Property management	Australia	30-Jun	25.0%	25.0%
Revy Investments Trust	Property management	Australia	30-Jun	25.0%	25.0%
Sydney Broadcast Property Pty Limited	Property management	Australia	30-Jun	40.0%	40.0%
Sydney Broadcast Property Trust	Property management	Australia	30-Jun	40.0%	40.0%
Vuecast Operations Pty Limited	Programme production	Australia	30-Jun	50.0%	50.0%
West Australian Newspapers Holdings Limited	Media	Australia	30-Jun	24.3%	23.8%
Coates Group Holdings Pty Limited <sup>(b)</sup>	Rental services	Australia	30-Jun	46.1%	46.1%
Seven Media Group Pty Limited <sup>(c)</sup>	Media	Australia	30-Jun	45.0%	45.0%

(a) these companies were deregistered on 6 October 2010.

(b) interest held by National Hire Group Limited, which is 66.20% owned by Seven Group Holdings Limited. Effective interest is 30.52%.

(c) the company has determined its interest in Seven Media Group Pty Limited (SMG) to be 45% after considering vesting conditions for options issued under SMG's Management Equity Plan including options issued during the period ended 30 June 2010.

	ASSOCIATED AND JOINTLY CONTROLLED ENTITIES
	6 months to 31-Dec-10 \$'000
<b>SHARE OF INVESTEE'S NET PROFIT</b>	
Share of operating profit before tax	109,030
Share of income tax expense	(5,196)
<b>Share of results from equity accounted investees</b>	<b>103,834</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

	31-Dec-10	30-Jun-10
	\$'000	\$'000
<b>SUMMARISED FINANCIAL INFORMATION OF INVESTEES (100%)</b>		
Revenues <sup>(d)</sup>	1,677,013	3,023,381
Expenses <sup>(d)</sup>	(1,493,946)	(2,902,194)
<b>Profit before tax</b>	<b>183,067</b>	<b>121,187</b>
Current assets	1,213,198	1,449,688
Non-current assets	5,920,738	5,792,170
<b>Total assets</b>	<b>7,133,936</b>	<b>7,241,858</b>
Current liabilities	986,118	905,406
Non-current liabilities	6,253,328	6,468,079
<b>Total liabilities</b>	<b>7,239,446</b>	<b>7,373,485</b>

(d) the above revenue and expenses relates to 100% of the investees half year results for the period ended 31 December 2010 and full year results for the year ended 30 June 2010. These investments were only held by the Group from the date of acquisition of WesTrac Group and Seven Network Limited. Refer to Notes 12 and 27 of the 30 June 2010 Annual Report.

Appropriate adjustments have been made to the reported information in calculating the investor's share of profit.

	31-Dec-10	30-Jun-10
	\$'000	\$'000
<b>FAIR VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Consolidated Media Holdings Limited	428,415	436,653
West Australian Newspapers Holdings Limited	343,518	336,151

The Group received dividends of \$21,952,557 from its investments in equity accounted investees during the half year ended 31 December 2010. \$8,588,744 was received in cash, with the balance received in the form of additional shares as a result of participation in a dividend reinvestment plan.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 9. INTEREST BEARING LOANS AND LIABILITIES

	31-Dec-10 \$'000	30-Jun-10 \$'000
<b>CURRENT</b>		
Interest bearing liabilities	203,624	276,226
Fixed term US dollar notes	16,727	19,946
Bank overdrafts used for cash management purposes	4,194	5,534
Finance lease liabilities	358	528
	<b>224,903</b>	<b>302,234</b>
<b>NON-CURRENT</b>		
Interest bearing liabilities	11,702	13,721
Finance lease liabilities	1,762	1,767
Fixed term US dollar notes	309,948	369,588
Less: capitalised borrowing costs net of accumulated amortisation	(2,261)	(1,087)
	<b>321,151</b>	<b>383,989</b>

During the period the Group negotiated a syndicated loan facility of \$498m. The facility is non-amortising and matures in December 2012. The facility is unsecured with guarantees from various subsidiaries within the Group. It was undrawn at period end.

At 31 December 2010, the total available borrowing facilities included undrawn loan facilities of \$796.3m (30 June 2010: \$297.9m), lease facilities of \$66.2m (30 June 2010: \$66.5m) and access to unutilised short dated lines of credit totalling \$113.5m (30 June 2010: \$111.5m).



# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 10. CONTRIBUTED EQUITY

	31-Dec-10 \$'000	30-Jun-10 \$'000
<b>SHARE CAPITAL</b>		
305,410,281 ordinary shares, fully paid	2,181,687	2,181,687
4,963,640 TELYS4 preference shares, fully paid	427,165	427,165
<b>Balance at end of the period</b>	<b>2,608,852</b>	<b>2,608,852</b>
<b>MOVEMENTS IN ORDINARY SHARES</b>		
Balance at beginning of period	2,181,687	10,000
Shares issued for acquisition of WesTrac Group (113,000,000 shares)	-	843,951
Shares issued for acquisition of SNL (190,410,281 shares)	-	1,327,736
<b>Balance at end of the period</b>	<b>2,181,687</b>	<b>2,181,687</b>

The company does not have authorised share capital or par value in respect of its issued shares. All issued shares are fully paid.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and preference shareholders and are fully entitled to any proceeds on liquidation.

	31-Dec-10 \$'000	30-Jun-10 \$'000
<b>MOVEMENTS IN PREFERENCE SHARES</b>		
Transferable Extendable Listed Yield Shares – TELYS4		
Balance at beginning of period	427,165	-
TELYS4 issued to acquire TELYS3 (4,963,640 TELYS)	-	427,165
<b>Balance at end of the period</b>	<b>427,165</b>	<b>427,165</b>

TELYS4 were issued on 13 May 2010 under the TELYS4 Offer Prospectus on a one for one exchange for all TELYS3 previously issued by Seven Network Limited.

Holders are entitled to a preferential non-cumulative floating rate dividend, which is based on Bank Bill Swap Rate for 180 days plus Margin. The Margin is set at 4.75% subject to the Company's right of Conversion and Exchange. There are no voting rights attached except in limited circumstances, in which case holders will have one vote per TELYS4 held.

	Number	Number
<b>OPTIONS ON ORDINARY SHARES</b>		
As at reporting date the number of options exercisable into ordinary shares was as follows:		
Options to Directors	5,000,000	5,000,000
Options to other Executives	1,875,000	1,875,000
	<b>6,875,000</b>	<b>6,875,000</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 11. RESERVES

	Employee equity benefits reserve \$'000	Common control reserve \$'000	Cash flow hedge reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000
<b>At 30 June 2010</b>	<b>5,334</b>	<b>(642,586)</b>	<b>6,570</b>	<b>16,817</b>	<b>39,365</b>	<b>(574,500)</b>
Fair value movement on available-for-sale financial assets	-	-	-	631	-	631
Tax effect of net gain on available-for-sale financial assets	-	-	-	12,913	-	12,913
Net gain on cash flow hedges	-	-	(7,722)	-	-	(7,722)
Tax effect of net gain on cash flow hedges	-	-	2,914	-	-	2,914
Currency translation differences	-	-	-	-	(126,496)	(126,496)
Share based payment expense	1,037	-	-	-	-	1,037
<b>At 31 December 2010</b>	<b>6,371</b>	<b>(642,586)</b>	<b>1,762</b>	<b>30,361</b>	<b>(87,131)</b>	<b>(691,223)</b>

### NATURE AND PURPOSE OF RESERVES

#### Employee equity benefits reserves

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration.

#### Common control reserve

As described in Note 1(G) of the 30 June 2010 Annual Report, the acquisition of WesTrac Group by the Company is accounted for as a common control transaction. As a consequence, the difference between the fair value of the consideration paid and the existing book values of assets & liabilities of the WesTrac Group will be debited to a common control reserve. Upon disposal of all interests in WesTrac Group by the Group this reserve would be transferred to retained earnings.

#### Cash flow hedge reserve

This reserve records the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

#### Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

#### Foreign currency translation reserve

This reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 12a. CASH AND CASH EQUIVALENTS

	Note	31-Dec-10 \$'000	30-Jun-10 \$'000
Bank balances		80,871	126,404
Call deposits		27,000	328,801
<b>Cash and cash equivalents</b>		<b>107,871</b>	<b>455,205</b>
Bank overdrafts used for cash management purposes	9	(4,194)	(5,534)
<b>Cash and cash equivalents in the cash flow statement</b>		<b>103,677</b>	<b>449,671</b>

## 12b. NOTES TO THE CASH FLOW STATEMENT

	6 months to 31-Dec-10 \$'000
<b>Reconciliation of profit for the period to net cash flows related to operating activities:</b>	
<b>Profit after tax</b>	<b>127,614</b>
Depreciation and amortisation:	
Property, plant and equipment	24,791
Intangible assets	7,295
Other	77
Share of results from equity accounted investees	(103,834)
Dividends received from associates	8,589
Foreign exchange gain	(3,219)
Other	2,053
Movement in:	
Trade and other receivables	63,802
Inventories	(97,057)
Other assets	6,744
Trade and other payables	71,082
Provisions	20,568
Tax balances	14,560
<b>Net operating cash flows</b>	<b>143,065</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 13. ACQUISITIONS OF CONTROLLED ENTITIES

### ACQUISITIONS

#### *Acquisition of Sykes Group*

On 23 November 2010, Allight Holdings Pty Ltd, a wholly owned subsidiary of National Hire Group Limited, acquired 100% of the issued share capital of Pump Rentals Pty Ltd, owner of the Sykes Group, a company based in Australia.

The acquired business contributed revenues of \$5.2 million and net profit of \$500,000 to the Group for period 23 November 2010 to 31 December 2010. If the acquisition had occurred on 1 July 2010, consolidated revenue of \$21.3 million and consolidated profit of \$1.7 million for the period ended 31 December 2010 would have been recognised.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	<b>6 months to 31-Dec-10 \$'000</b>
Cash paid	43,000
Overdraft acquired	1,093
Deferred consideration	7,000
Contingent consideration	4,159
<b>Total consideration</b>	<b>55,252</b>

<b>Identifiable assets acquired and liabilities assumed</b>	<b>\$'000</b>
Trade receivables	7,163
Inventories	9,669
Deferred tax assets	751
Intangible assets	1,344
Plant and equipment	3,745
Trade payables	(2,577)
Provision for employee benefits	(1,668)
Other current assets	164
Other current liabilities	(252)
<b>Fair value of net identifiable assets</b>	<b>18,339</b>

<b>Goodwill on acquisition</b>	<b>\$'000</b>
Total consideration transferred for accounting purposes at fair value	55,252
Provisional fair value of identifiable net assets	(18,339)
<b>Goodwill on acquisition</b>	<b>36,913</b>

The goodwill on acquisition of the Sykes Group has been calculated as the difference between the cost of the acquisition, and the fair value of the identifiable assets acquired and liabilities assumed.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 13. ACQUISITIONS OF CONTROLLED ENTITIES (CONTINUED)

<b>Cash flow</b>	<b>\$'000</b>
Bank overdraft acquired	1,093
Consideration paid in cash	43,000
<b>Net consolidated cash flow</b>	<b>44,093</b>

As the acquisition occurred on 23 November 2010, the purchase price allocation process and assignment of fair values to assets, liabilities and intangible assets acquired is still ongoing and is only expected to be finalised by 30 June 2011. The values disclosed here as assets, liabilities and intangible assets acquired is therefore of a provisional nature.

### ACQUISITION COSTS

Acquisition related costs of \$1,541,072 are included in other expenses in the consolidated income statement.

### DEFERRED AND CONTINGENT CONSIDERATION

A total of \$7 million is payable as deferred consideration, payment of which is conditional upon the vendors finalising the transfer out of the Sykes Group of certain assets that did not form part of the Sykes Group business and obtaining full and final releases of the Sykes Group for any liabilities relating to those assets (Asset Transfer and Release). Of the \$7 million, a maximum of \$3 million may fall due for payment in the 2011 financial year, with the earliest date for payment of the remaining \$4 million being 1 July 2011.

A maximum of \$5 million may become payable as further consideration for the acquisition of the Sykes Group business if the combined Allight/Sykes Group business satisfies certain EBIT hurdles before 31 December 2012.

The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between \$0 and \$5 million. The fair value of the contingent consideration arrangement of \$4,159,025 was estimated by applying the income approach. The fair value estimates are based on discount rate of 11.1% and assumes the Group satisfies certain EBIT hurdles before 31 December 2012.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

## 14. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements please refer to Notes 30 and 31 of the 30 June 2010 Annual Report.

As disclosed in Part B of the merger scheme documentation for shareholders, during the period a group subsidiary entered a Deed of Agreement for lease on property being developed by an entity where the Directors of the Company, KM Stokes, P Gammell, RK Stokes and RF Waters are or were Directors or Officers or otherwise had an interest. The property is located at 197 Tomago Road, Tomago (Newcastle) NSW, and relates to a site being developed for the WesTrac business. The transaction was on arms length terms and was approved by the Group's Related Party Committee. No expense has been recorded in the Group's consolidated income statement in relation to this agreement for the period, and the property lease will only be executed once the construction works are fully complete. Once exercised the terms of the lease will be an initial rent of \$12.6m per annum, initial term 12 years, 2 x 5 year options and an annual escalation rate of 3.5%.

## 15. EVENTS SUBSEQUENT TO BALANCE DATE

Refer to the separate Seven Group Holdings Limited press release issued 21 February 2011 relating to the proposed sale of Seven Media Group to West Australian Newspapers Holdings Limited.

Refer to Note 6 regarding an interim fully franked dividend proposed to be paid on 15 April 2011.

Other than the above, there has not arisen in the interval between 31 December 2010 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, in future financial periods.

# Directors' Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

The Directors are pleased to present their Report together with the consolidated financial report of Seven Group Holdings Limited and its controlled entities for the half year ended 31 December 2010 and the review report thereon.

## DIRECTORS

The Directors of Seven Group Holdings Limited at any time during or since the end of the half year are:

NAME	PERIOD OF DIRECTORSHIP
Kerry Matthew Stokes AC (Executive Chairman)	Director and Executive Chairman since April 2010
Peter David Ritchie AO (Deputy Chairman)	Director and Deputy Chairman since April 2010
Peter Joshua Thomas Gammell (Managing Director and Group Chief Executive Officer, Seven Group Holdings Limited)	Director since February 2010
David John Leckie (Chief Executive Officer, Seven Media Group)	Director since April 2010
James Allan Walker (Chief Executive Officer, WesTrac Group)	Director since February 2010
Elizabeth Dulcie Boling	Director since April 2010
Terry James Davis	Director since June 2010
Christopher John Mackay	Director since June 2010
Bruce Ian McWilliam	Director since April 2010
Ryan Kerry Stokes	Director since February 2010
Richard Anders Uechtritz	Director since June 2010
Murray Charles Wells	Director since April 2010
Robin Frederick Waters	Alternate director for PJT Gammell since April 2010

## NET CONSOLIDATED PROFIT

The consolidated profit of the Group for the half year ended 31 December 2010 after provision for income tax was \$127,614,000.

## REVIEW OF RESULTS AND OPERATIONS

A review of operations and of the results of those operations in the form of the media release is attached and forms part of this Report.

## LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 23 and forms part of this Report for the half year ended 31 December 2010.

## ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in this Report and the accompanying financial report have been rounded off to the nearest one thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors



**PJT Gammell**  
Director

Sydney  
21 February 2011



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of Seven Group Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2010 there have been:

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

*KPMG*

KPMG

A handwritten signature in blue ink, appearing to be 'KR', written over a horizontal line.

Kenneth Reid  
*Partner*

Sydney

21 February 2011



# Directors' Declaration

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

In the opinion of the Directors of Seven Group Holdings Limited (the "Company");

1. the financial statements and notes set out on pages 7 to 21 are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



**PJT Gammell**  
Director

Sydney  
21 February 2011



## **Independent auditor's review report to the members of Seven Group Holdings Limited**

### **Report on the financial report**

We have reviewed the accompanying half-year financial report of Seven Group Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2010, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Seven Group Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Seven Group Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Kenneth Reid  
*Partner*

Sydney

21 February 2011

**Seven Group Holdings Limited announces interim financial results.**

	<b>Six month period to 31 December 2010</b>
Profit before tax	\$165m
Profit after tax	\$128m
Profit attributable to shareholders	\$124m
EPS	35 cents
Interim Dividend per Ordinary Share	18 cents

<b>6 month pro forma results (excluding National Hire)</b>	<b>31 December 2010</b>	<b>Variance to 31 December 2009 Scheme Booklet pro forma</b>
Total Revenue	\$1,578m	42%
EBITDA	\$208m	68%
EBIT	\$177m	88%
Profit before tax	\$154m	104%

21 February 2011 --- Seven Group Holdings Limited (SGH) today reported a profit before taxation of \$164.9 million and a net profit after taxation of \$127.6 million for the first half of the financial year.

The result was underpinned by total revenue (including share of results from equity accounted investees and other income) of \$1,645.3 million, with earnings before interest, taxation, depreciation and amortisation (EBITDA) of \$220.0 million and earnings before interest and taxation (EBIT) of \$187.8 million across the first six months of the current financial year.

The result has been driven by Seven Group's two strongly performing core businesses – with WesTrac and Seven Media Group both delivering results ahead of forecasts. Excluding National Hire, SGH delivered six month revenues of \$1,577.7 million, up 42 per cent on the pro forma prior corresponding period (pcp) contained in the merger scheme documentation for the formation of Seven Group Holdings. SGH recorded EBITDA of \$208 million, up 68 per cent on merger scheme documentation pcp, EBIT of \$176.5 million, up 88 per cent on pcp in the merger scheme documentation, and profit before taxation of \$153.8 million, up 104 per cent on merger scheme documentation pcp.





Media, Industrial Services and Investments

SGH was formed in April 2010 following shareholder approval for the merger of Seven Network Limited and WesTrac Holdings Pty Limited to create a new diversified operating and investment group listed on the Australian Securities Exchange. The new company focuses on media, industrial equipment and investments and is an operating group with diversity, scale and strong prospects for growth with market-leading businesses.

SGH has net assets of \$2,818.6 million, a listed securities portfolio of \$643.1 million, significant stakes in Consolidated Media Holdings and West Australian Newspaper Holdings, and \$796.3 million in available undrawn facilities at 31 December 2010.

### **Dividend**

An interim dividend of 18 cents per share (fully franked) has been declared – up from the 17 cents per share (fully franked) forecast in the merger scheme documentation.

### **Seven Group Holdings Outlook**

Today, Seven Group Holdings and Kohlberg Kravis Roberts & Co announced that both had reached an agreement with West Australian Newspaper Holdings to acquire Seven Media Group. Seven Media Group includes Australia's most-watched broadcast television platform, the Seven Network, one of the two biggest magazine publishing companies in Australia, Pacific Magazines, and Seven Media Group's 50 per cent shareholding in Yahoo!7, a joint venture with Yahoo! Inc.

Following the transaction which is subject to approval by shareholders in West Australian Newspapers, Seven Group Holdings will have a 29.6 per cent shareholding in West Australian Newspapers which will be known as Seven West Media and will be one of the largest media companies listed on the Australian Securities Exchange.

In addition to its 29.6 per cent shareholding in Seven West Media, Seven Group Holdings will retain its current 24 per cent shareholding in Consolidated Media Holdings (which owns 25 per cent of Foxtel and 50 per cent of Premier Media Group), 100 per cent of industrial equipment business, WesTrac, 66 per cent of National Hire Limited (which owns 46 per cent of Coates Hire), and other existing Seven Group investments.

Today's agreement sees Seven Group crystallise the value of the company's holding in Seven Media Group, at an attractive premium to book value and allows Seven Group to become the largest shareholder in what will be Australia's leading diversified media business.

## Review of Operations

### Seven Media Group

SGH's investment in Seven Media Group, a joint venture with Kohlberg Kravis Roberts & Co encompassing broadcast television, magazines and online, has delivered a strong performance over the past six months.

Seven Media Group delivered revenue of \$833.3 million and EBITDA of \$268.6 million. EBITDA is up 26 per cent on 10 per cent growth in revenues vs the corresponding half. EBITDA margin is 32.2 per cent.

Seven Media Group's broadcast television business, the Seven Network, delivered market leadership in breakfast television, morning television, news and public affairs, primetime and overall across the 6:00am-midnight broadcast day in the 2010 television year.

The Seven Network delivered EBITDA of \$237.2 million – a 33 per cent increase on the corresponding half on a 14 per cent climb in revenues to \$664.8 million. The Seven Network continues to lead the market in advertising revenue share. Recent industry figures put Seven's share of the advertising revenue market at 38 per cent.

Seven's broadcast platform has expanded over the past twelve months following the successful launches of two digital channels complementing Seven's primary channel. Seven + 7TWO + 7mate (successfully launched last September) combined to deliver Seven's broadcast platform market leadership in primetime and overall across the 6:00am-midnight broadcast day in the 2010 television year.

The opening weeks of the 2011 television year see the Seven Network building on its leadership in breakfast television, morning television, news and public affairs, primetime and overall across the 6:00am-midnight broadcast day.

Seven Media Group's magazine publishing business, Pacific Magazines has delivered a positive performance in a competitive and challenging market.

The company dominates in circulations in the key categories in which it publishes, including a 49 per cent share of the home and garden category, a 45 per cent share of the fashion category, a 22 per cent share of the women's lifestyle category, a 46 per cent share of the men's lifestyle category, a 46 per cent share of the health category, a 48 per cent share of the women's weeklies category and a 49 per cent share of the youth category.

According to recent industry audit figures, Pacific Magazines' has delivered the largest year-on-year share increase of all major publishers to deliver a 30.0 per cent overall share of gross copies of magazines in Australia - up from 29.1 per cent twelve months ago.

Pacific Magazines delivered EBITDA of \$27.2 million on revenues of \$159.8 million. EBITDA margin is 17 per cent. The 3 per cent decline in revenues vs the corresponding half reflect a change in the company's New Zealand business and the current market impacting the overall magazine publishing sector.

The company's New Zealand business is now outsourced as a licensing arrangement to APN News and Media. This change sees Pacific Magazines receiving a licensing fee rather than consolidating all revenues and expenses in New Zealand as in the corresponding half.

Seven Media Group's online and new media presence through Yahoo!7, a joint venture with Yahoo! Inc continues its positive momentum – with one in two Australians online visiting Yahoo!7 every month. Yahoo!7 now has more than seven million unique users and delivers the number one television, entertainment, finance and lifestyle online sites in Australia.

The joint venture has expanded into local and marketplace through its Yellow Pages New Zealand partnership and Yahoo!7's recent acquisition of Spreets. The joint venture is also continuing to invest in new products and verticals, such as Banzai.

Yahoo!7 has delivered an EBITDA margin of more than 40 per cent over the past six months and EBITDA is forecast to grow by 31 per cent year-on-year in the current financial year.

**WesTrac**

WesTrac has out-performed on all key measurements outlined in the merger scheme documents for the formation of Seven Group Holdings. WesTrac (excluding National Hire) delivered an EBITDA of \$131 million and EBIT of \$109 million on revenues of \$1,440 million across the first six months of the current financial year. The strong performance saw revenues up 37 per cent, EBITDA up 44 per cent and EBIT up 45 per cent on the pro forma pcp in the merger scheme documentation for the formation of Seven Group Holdings.

In Australia, the company delivered revenues of \$1,171 million – up \$369 million on the merger scheme documents pcp. EBITDA was \$116 million. The company's growth in Australia is being driven by expansion in coal and iron ore mining – with an 81 per cent growth in capital sales and a 41 per cent climb in EBITDA on the corresponding 2009-10 half year.

In China, the company delivered an EBITDA of \$15 million on revenues of \$269 million. This result was impacted by changes in the Australian and US dollar exchange rate. The company is on track to achieve earnings guidance for the financial year outlined in the merger scheme documentation with sales in China heavily weighted to the 'peak selling season' across February – June.

**National Hire Group**

Seven Group Holdings – through WesTrac Group – has a 66.2 per cent shareholding in National Hire Group. National Hire Group has reported NPAT of \$10.3 million for the six months to December 2010. This includes an \$11.4 million share of profit from equity accounted investments (Coates Group). Coates Group delivered revenues of \$497.3 million, up 15 per cent on the prior corresponding period

**Agricultural Bank of China**

The company's future development in China is underlined by a memorandum of understanding and an investment agreement with the Agricultural Bank of China, one of the four biggest national banks in China – with SGH one of a number of cornerstone investors in the bank's successful initial public offering in Hong Kong and Shanghai. As part of the investment agreement, WesTrac invested \$293 million as a cornerstone investor in the Agricultural Bank of China initial public offering in July 2010. The investment has a carrying value at 31 December 2010 of \$300 million.



**Consolidated Media Holdings**

SGH's current shareholding in Consolidated Media Holdings is 24 per cent. Consolidated Media owns 50 per cent of subscription television programming company, The Premier Media Group, which owns and operates Fox Sports, Fox Sports News, Speed, Fuel TV and the How To Channel as well as 25 per cent of pay television company Foxtel. Consolidated Media Holdings has reported NPAT of \$45.3 million.

**West Australian Newspapers**

SGH currently has a 24 per cent shareholding in West Australian Newspapers Holdings Limited. West Australian Newspapers has announced a trading profit of \$50.1 million for the six months to 31 December – up 1.2 per cent on the same period last year. The result reflects a 3.8 per cent increase in consolidated advertising revenue.

**vividwireless**

vividwireless' first phase of development in Perth was successfully launched as the first 4G network in Australia, providing high-speed and affordable wireless broadband, and the company has now completed the next stage in its development with a phased rollout of its business with metropolitan networks in Sydney and Melbourne. Similar developments are planned for Canberra, Adelaide and Brisbane. In December, vividwireless commenced trials of new TD-LTE technology achieving download speeds in excess of 100Mbps.

**Note:**

Included in this presentation is data prepared for the management of Seven Group Holdings Limited and 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.

**Disclaimer:**

The numbers relating to the proposed transaction are a best estimate only, and final numbers are subject to completion of the transaction and associated issues arising under the definitive document and the prospectus to be issue by WAN in connection with the transaction.

# SGH

Media, Industrial Services and Investments

RESULTS FOR THE  
HALF YEAR ENDED  
31 DECEMBER 2010

Presentation on Monday 21 February 2011



**WesTrac**

# Disclaimer

## ▶ Basis of preparation of slides

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# Today's Agenda

## ▶ Overview

- ▶ Media
- ▶ Industrial Services
- ▶ Financials
- ▶ Outlook and Subsequent Events
- ▶ Closing and Questions

## Peter Gammell

David Leckie

Jim Walker

Peter Lewis

Peter Gammell

Peter Gammell

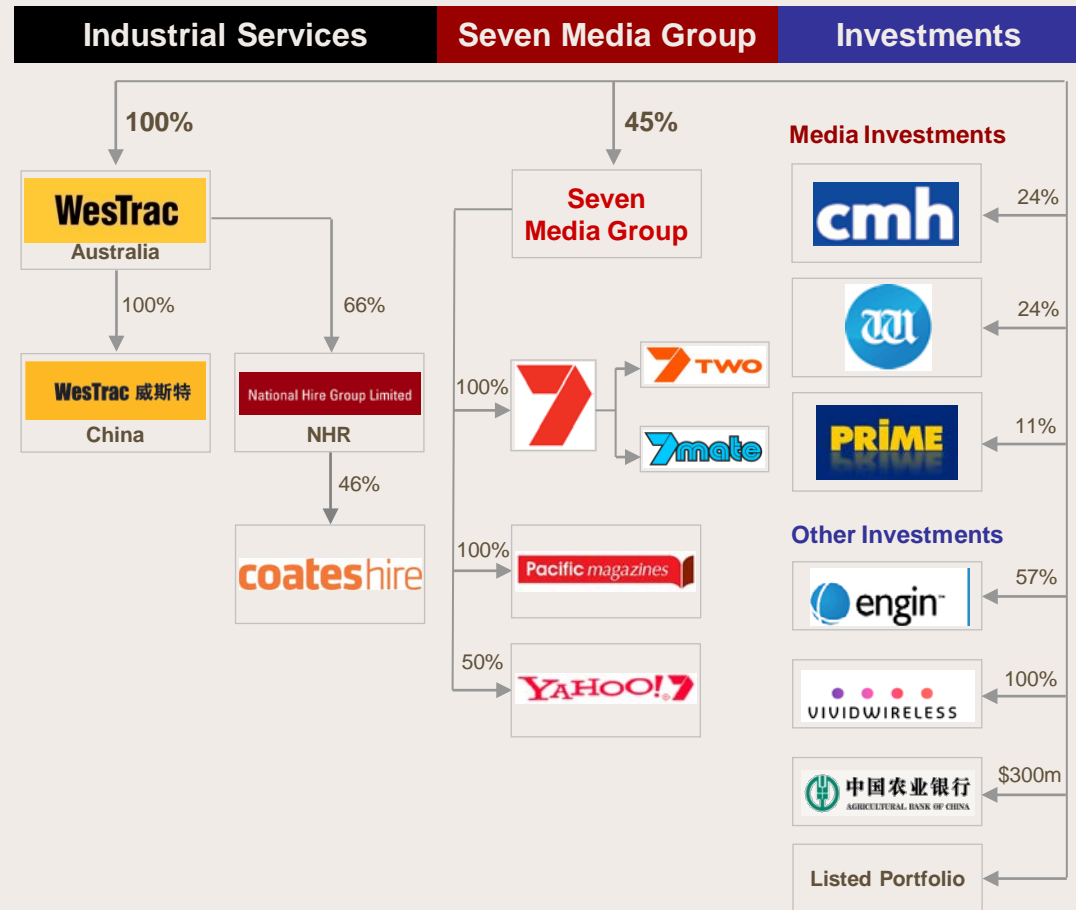


# Overview

## Group Performance Highlights for the six months to 31 Dec 2010

- ▶ Group profit before tax \$164.9m
- ▶ Group profit after tax \$127.6m
- ▶ Earnings per share 35 cents
- ▶ Interim dividend per share 18 cents  
Fully franked, payable April

## Seven Group Holdings Limited



# Key Financial Numbers

## Total Group – Statutory Numbers (refer disclaimer)

	<b>6 Months to 31 Dec 2010</b>	<b>Scheme Booklet Proforma 6 Mths to 31 Dec 2009</b>
Net profit before tax	\$ 164.9 m	N/A
Net profit before tax (excl. National Hire)	\$ 153.8 m	\$ 75.5 m
Net profit after tax	\$ 127.6 m	N/A
EPS after tax (ordinary shares)	35 cents	N/A
Interim dividend - fully franked	18 cents	17 cents

	<b>As at 31 Dec 10</b>	<b>As at 30 Jun 10</b>
Net assets	\$ 2,819 m	\$ 2,880 m
Net (debt) / cash	\$ (525) m	\$ (244) m



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Peter Gammell

**David Leckie**

Jim Walker

Peter Lewis

Peter Gammell

Peter Gammell



# 2010

Total People 25-54 18-49 and 16-39

**NUMBER 1**

2006 2007 2008 2009 2010

**NUMBER 1**

News & Current Affairs 2005 2006 2007 2008 2009 2010

**NUMBER 1**

In Breakfast 2004 2005 2006 2007 2008 2009 2010

**More Australians under 55  
watch Seven than any other Network**



**SGH**

Media, Industrial Services and Investments

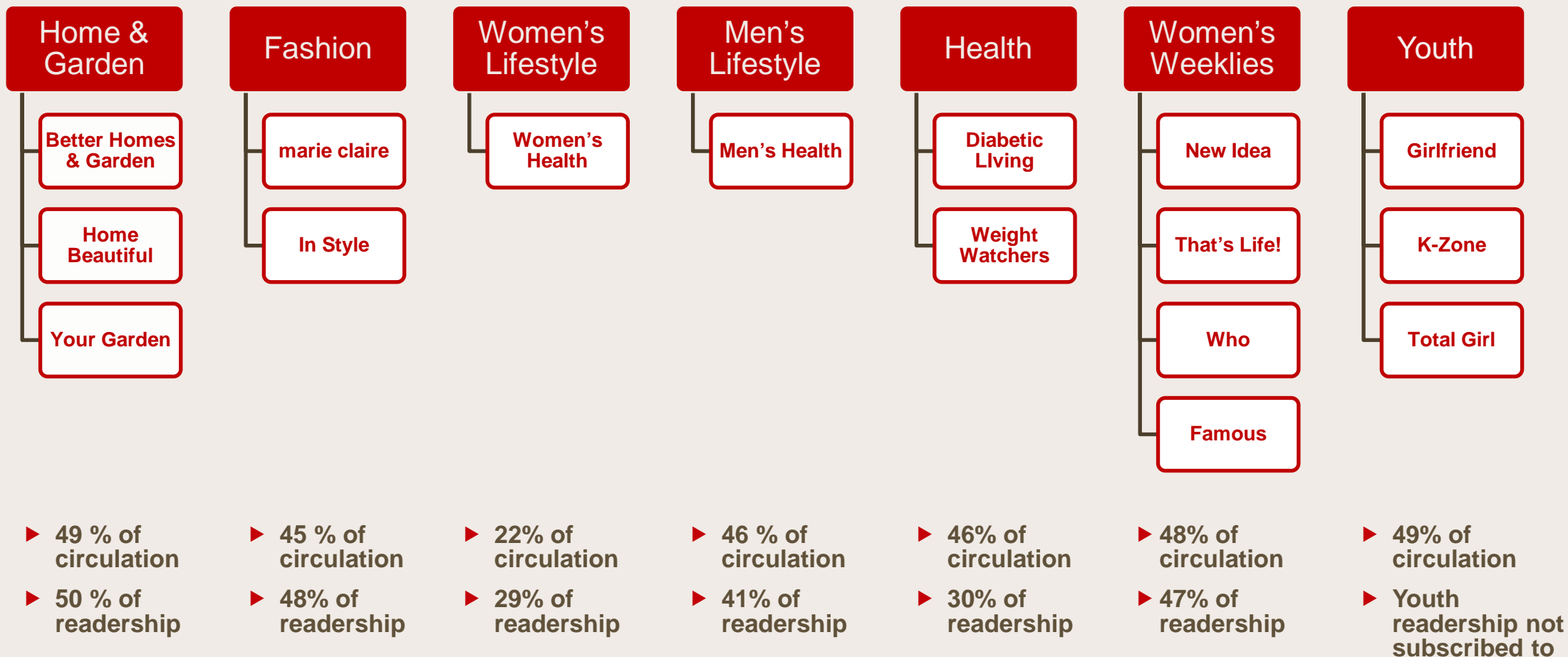
31 DEC 2010 HALF YEAR RESULTS  
Presentation 21 February 2011  
Slide 7.



**WesTrac**



# Publishing Categories



Roy Morgan Single Source, December 2010  
ABC Audit December 2010





- ▶ 1 in 2 online Australians visit Yahoo!7 every month
- ▶ Over 7m Unique Users access Yahoo!7
- ▶ Number One in TV, Entertainment, Finance and Lifestyle
- ▶ Investment in News across all major metros
- ▶ Acquisition of Total Travel (October 09), Oz Tips (July 10) and Spreets (January 11)
- ▶ Expand into Local and Marketplace through Spreets acquisition and Yellow Pages New Zealand partnership
- ▶ Integration of Yahoo! Search Marketing into Yahoo!7
- ▶ Continual investment in new products and verticals (Banzai, News)
- ▶ EBITDA forecast to grow by 31% YOY in FY11
- ▶ Continued strong EBITDA margin of +40%



# Pro-Forma Media & Investments P&L

Indicative Accounts – refer disclaimer

\$m	6 Months to 31 Dec 2010	Scheme Booklet Proforma 6 Mths to 31 Dec 2009	Change %
Revenue	26.0	23.3	12%
Other Income	18.7	20.5	(9)%
Share of results from equity accounted investees	92.8	18.1	- %
<b>Total revenue</b>	<b>137.5</b>	<b>61.9</b>	<b>- %</b>
Expenses (excluding interest and corporate)	(36.7)	(29.3)	25%
<b>EBITDA</b>	<b>100.8</b>	<b>32.6</b>	<b>- %</b>
Depreciation & amortisation	(9.4)	(14.1)	(33)%
<b>EBIT</b>	<b>91.4</b>	<b>18.5</b>	<b>- %</b>



# Pro-Forma Media & Investments P&L

Indicative Accounts – refer disclaimer

\$m	6 Months to 31 Dec 2010	Scheme Booklet Proforma 6 Mths to 31 Dec 2009	Change %
<b><u>Share of Associates</u></b>			
- Seven Media Group*	71.0	0.0	- %
- Consolidated Media Holdings**	10.2	6.2	65%
- West Australian Newspapers	12.0	11.5	4%
- Other	(0.4)	0.4	- %
<b>EBIT Contribution</b>	<b>92.8</b>	<b>18.1</b>	<b>- %</b>

## Notes:

\* Share of associate profit from Seven Media Group includes \$6.3m relating to 2010 year result booked subsequent to close of the 2010 SGH books.

\* For 6 month period to 31 Dec 2009 SMG was not equity accounted in SGH proforma result.

\*\* 2009 share of associate profit from CMH relates to partial period designation as an associate only.



# Seven Media Group – Full Year Results

FY10 Actuals (refer disclaimer)

\$m	6 Months to 31 Dec 2010	6 Months to 31 Dec 2009	Change %
-----	----------------------------	----------------------------	-------------

## Seven Media Group

- Revenue	833.3	755.0	10%
- EBITDA	268.6	213.3	26%

## Television

- Revenue	664.8	583.4	14%
- EBITDA	237.2	178.3	33%

## Magazines

- Revenue	159.8	164.8	-3%
- EBITDA	27.2	30.8	-12%

- H1 FY11 EBITDA Margin of 35.7%.
- 38% ongoing share target for SMG's share of market ad revenue.
- TV costs including license fees 5.6% higher YOY due to increased investment in local programming schedule.
- H1 FY11 EBITDA Margin of 17%.
- Difficult circulation market.
- Continued strong performance of market leading titles including Better Homes & Gardens, FAMOUS and Who.



# Seven Media Group – The Next 12 Months

## ▶ Operational Focus

- ▶ Continued strong local program slate while maintaining focus on cost control
- ▶ Retain existing and engage new key talent

## ▶ Priorities for 2011

### ▶ Television

- ▶ Programming strategy to invest in local content to remain Number One with continued growth arising from Multi-Channel strategy

### ▶ Pacific Magazines

- ▶ Improve competitive position on key titles

### ▶ Yahoo!7

- ▶ Integrate Spreets and continue to grow online group buying across Australia and NZ
- ▶ Continue to grow share in media display, diversify revenue streams beyond display and grow in social and local



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# WesTrac Group P&L

## (Excluding National Hire)

\$m	6 Months to 31 Dec 2010	Scheme Booklet Proforma 6 Months to 31 Dec 2009	Change %
- Australia revenue	1,171	802	
- China revenue	269	249	
<b>Total revenue</b>	<b>1,440</b>	<b>1,051</b>	<b>37%</b>
- Australia expenses	1,055	720	
- China expenses	254	240	
<b>Total expenses (excluding D&amp;A)</b>	<b>1,309</b>	<b>960</b>	<b>36%</b>
- Australia EBITDA	116	82	
- China EBITDA	15	9	
<b>EBITDA</b>	<b>131</b>	<b>91</b>	<b>44%</b>
Depreciation & amortisation	22	16	38%
<b>EBIT</b>	<b>109</b>	<b>75</b>	<b>45%</b>
EBIT/Revenue Margin	7.6%	7.1%	

China AUD results impacted by change in AUD v USD exchange rate

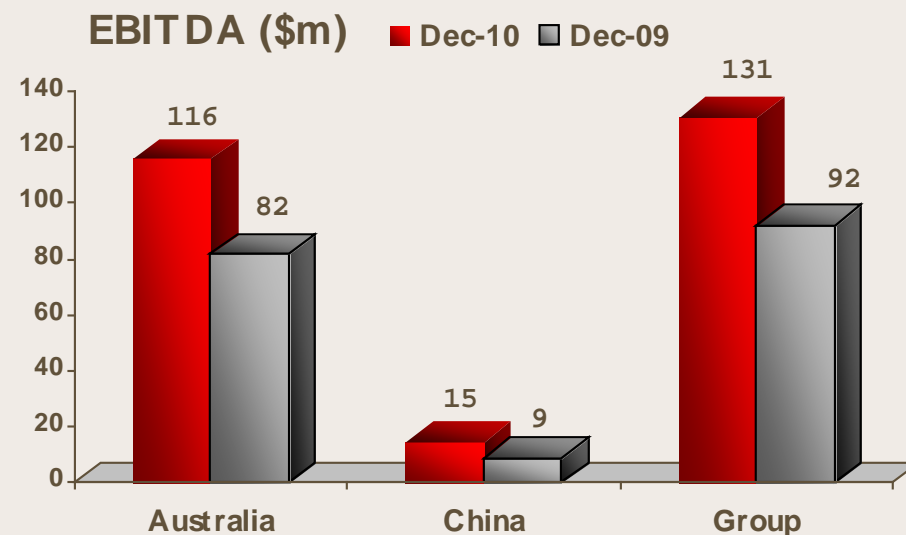
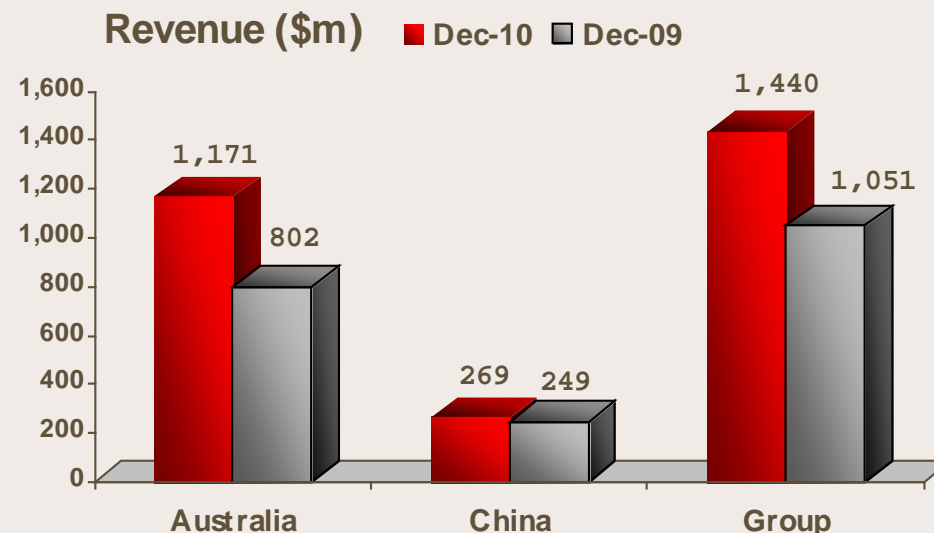




# WesTrac Group – FY11 Half Year Result

## (Excluding National Hire)

- ▶ Over 4,600 employees in group
- ▶ No major safety incidences
- ▶ Group performed strongly in key measures
- ▶ Australia and China growing profitably
- ▶ Momentum to continue into second half – China sales skewed to peak selling season of February to June



# WesTrac Australia – FY11 Overview

## (Excluding National Hire)

- ▶ 2,834 employees
- ▶ 80.6% Capital sales growth
  - ▶ Driven by coal and iron ore mining
- ▶ 15% Product support sales growth
  - ▶ Large installed equipment base
  - ▶ High mining equipment utilisation
- ▶ 41% EBITDA growth
  - ▶ CAT parts price reduction (0.4% impact)
  - ▶ Underlying sales margins stable

\$m	6 Months to 31 Dec 2010	6 Months to 31 Dec 2009	Change %
<b>WesTrac Australia</b>			
- Capital sales	690	382	81%
- Product support	478	415	15%
- Other	4	5	
<b>Total revenue</b>	<b>1,171</b>	<b>802</b>	<b>46%</b>
<b>EBITDA</b>	<b>116.0</b>	<b>82.0</b>	<b>41%</b>
EBITDA margin	9.9%	10.3%	-0.3%
<b>EBIT</b>	<b>98.0</b>	<b>71.0</b>	<b>38%</b>
EBIT margin	8.3%	8.8%	-0.5%



# WesTrac China – FY11 Overview

- ▶ 1,726 employees
- ▶ USD Capital sales up c.5%
- ▶ USD Product support revenue up c.57%
  - ▶ High margin sales contribute to improved operating margins
- ▶ Equipment supply improving
  - ▶ On track to achieve earning guidance

\$m	6 Months to 31 Dec 2010	6 Months to 31 Dec 2009	Change %
<b>WesTrac China</b>			
- Capital sales	206	205	0.5%
- Product support	62	41	50%
- Other	1	3	
<b>Total revenue (AUD)</b>	<b>269</b>	<b>249</b>	<b>8%</b>
Average FX rate (AUD/USD)	0.936	0.900	
<b>Total Revenue (USD)</b>	<b>252</b>	<b>224</b>	<b>12%</b>
<b>EBITDA (AUD)</b>	15	9	59%
EBITDA margin	5.4%	3.7%	1.7%
<b>EBIT (AUD)</b>	11	5	137%
EBIT margin	4.1%	1.9%	2.2%



# WesTrac Group – The Next 12 Months

- ▶ **Safety is our priority**
- ▶ **Skilled labour and productivity improvements**
  - ▶ Apprentice program
  - ▶ Up-skilling / Training programs
  - ▶ Invest in training facilities (c.\$20M)
- ▶ **Major facility expansion plans**
  - ▶ Positioning for growth and long term profitability
  - ▶ South Guildford, WA redevelopment
  - ▶ Newcastle, NSW green field development
  - ▶ China branch expansion



# WesTrac Group – The Next 12 Months

- ▶ **Lawson ERP deployment**
  - ▶ China first then Australia
- ▶ **Strong market fundamentals to drive revenue and profit growth**
  - ▶ Maintain focus on customer value
  - ▶ Capital sales pipeline is building
  - ▶ High margin product support revenue growing
  - ▶ Role of emerging economies is critical
- ▶ **No inclusion of Bucyrus until details known and impact quantified**



# National Hire Group Limited

## Half Year Results for 6 months ended 31 Dec 2010

- ▶ NPAT \$10.3m, including \$11.4m share of profit from equity accounted investments (Coates Group)
- ▶ Allight Equipment Sales and Support revenue \$49.8m – up 20% against pcp
- ▶ Coates Group revenue \$497.3m – up 15% against pcp
- ▶ NHR cash of \$12.8m – up from \$9.9m against pcp
- ▶ Coates cash of \$188m at balance date, resulting in net senior debt of \$1.57bn
- ▶ Net assets per NHR share of \$2.64 up from \$2.52 in pcp
- ▶ Sykes acquisition on 23 Nov 2010 contributed \$5.2m revenue and NPAT of \$0.5m to 31 Dec 2010.

\$m	6 Months to 31 Dec 2010	6 Months to 31 Dec 2009	Change %
<b>National Hire</b>			
Revenue	56.1	42.4	32%
Share of associates profits	11.4	1.9	- %
Operating costs	(55.7)	(40.7)	37%
<b>EBITDA</b>	<b>11.8</b>	<b>3.6</b>	<b>- %</b>
D&A	(0.7)	(0.3)	- %
<b>EBIT</b>	<b>11.1</b>	<b>3.3</b>	<b>- %</b>
Finance costs	(0.5)	(0.1)	- %
<b>Profit before Tax</b>	<b>10.6</b>	<b>3.2</b>	<b>- %</b>
Tax expense	(0.3)	(0.4)	-25%
<b>NPAT</b>	<b>10.3</b>	<b>2.8</b>	<b>- %</b>

\*NHR owns 46.1% of Coates Group. It is an equity accounted investment and therefore not consolidated into NHR's results.

\*\*2010 operating costs include \$1.5m of Sykes acquisition related costs.



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# Consolidated Profit and Loss

## Total Group – Statutory Accounts

<b>\$m</b>	<b>6 Months to 31 Dec 2010</b>
Revenue	1,512.4
Other income	29.1
Share of results from equity accounted investees	103.8
<b>Revenue</b>	<b>1,645.3</b>
Expenses (excluding interest)	(1,425.3)
<b>EBITDA</b>	<b>220.0</b>
Depreciation and amortisation	(32.2)
<b>EBIT</b>	<b>187.8</b>
Finance costs	(22.9)
<b>Profit before tax</b>	<b>164.9</b>
Tax expense	(37.3)
<b>NPAT</b>	<b>127.6</b>
<b>Profit attributable to shareholders of SGH</b>	<b>123.6</b>





# Consolidated Profit & Loss

## Total Group (Excluding National Hire) – Statutory Accounts

\$m	6 Months to 31 Dec 2010 SGH (ex. NHR)	Scheme Booklet Proforma 6 Months to 31 Dec 2009	Change %
Revenue *	1,457.4	1,070.0	36%
Other income *	28.4	27.4	4%
Share of results from equity accounted investees	91.9	17.4	- %
<b>Revenue</b>	<b>1,577.7</b>	<b>1,114.7</b>	<b>42%</b>
Expenses (excluding interest)	(1,369.7)	(990.6)	38%
<b>EBITDA</b>	<b>208.0</b>	<b>124.1</b>	<b>68%</b>
Depreciation and amortisation	(31.5)	(30.2)	4%
<b>EBIT</b>	<b>176.5</b>	<b>93.9</b>	<b>88%</b>
Finance costs	(22.7)	(18.4)	23%
<b>Profit before tax</b>	<b>153.8</b>	<b>75.5</b>	<b>- %</b>

Note: 2009 Scheme Proforma included investment income of \$20.5m within "Revenue", this has been adjusted to present as "Other Income" per above to be consistent with 2010 disclosures



# Consolidated Cash Flow

## Total Group – Statutory Accounts

\$m	6 Months to 31 Dec 2010
<b>EBITDA</b>	<b>220.0</b>
Working capital movements	54.8
Share of associates (profit)/loss	(103.8)
Other non-cash items	1.0
Dividends received from equity accounted investees	8.6
<b>Net cash flow from operating activities pre-interest and income tax</b>	<b>180.6</b>
Tax refund/(paid)	(17.3)
Finance cost received/(paid)	(19.9)
Capital expenditure (net)	(33.0)
Investments/loans (net)	(334.7)
Dividends paid	(71.9)
<b>Net cash flows from other activities</b>	<b>(476.8)</b>
<b>Contribution to Net Debt (Increase)</b>	<b>(296.2)</b>
FX movement in foreign currency denominated debt	89.0
<b>Net debt movement on balance sheet (excl. Derivative Fair value movements)</b>	<b>(207.2)</b>



# Consolidated Balance Sheet

## Total Group – Statutory Accounts

\$m	As at 31 Dec 2010	As at 30 June 2010	Change %
Trade and other receivables	366.3	452.8	(19)%
Inventories	742.1	682.7	9%
Intangible assets	545.0	577.3	(6)%
Investments/Loans	2,470.7	2,120.6	17%
Fixed assets	265.3	241.1	10%
Trade and other payables	(460.0)	(371.0)	24%
Provisions	(70.0)	(61.2)	14%
Net Tax Assets / (Liabilities)	(448.7)	(459.2)	(2)%
Deferred revenue	(67.5)	(59.4)	14%
Derivative financial instruments	(86.4)	(12.6)	586%
Net Cash / (Debt)	(438.2)	(231.0)	90%
<b>Total Shareholders Equity</b>	<b>2,818.6</b>	<b>2,880.1</b>	<b>(2)%</b>



# Consolidated Debt Profile

## Total Group – Statutory Accounts

\$m	As at 31 Dec 2010	As at 30 Jun 2010
Interest bearing loans and borrowings	546.1	686.2
Cash and cash equivalents	(107.9)	(455.2)
<b>Net debt (excluding derivatives)</b>	<b>438.2</b>	<b>231.0</b>
Derivative financial instruments	86.4	12.6
<b>Net debt</b>	<b>524.6</b>	<b>243.6</b>
<b>Undrawn facilities at end of period</b>	<b>796.3</b>	<b>297.9</b>

# Consolidated Investment Listing

## Total Group – Statutory Accounts

\$m	18 Feb 2011			
	Market Value	31 Dec 2010	30 Jun 2010	Change %
Listed Portfolio <sup>1, 4</sup>	365.3	342.8	393.3	-13%
Agricultural Bank of China <sup>2, 4</sup>	301.1	300.3	0.0	-
Consolidated Media Holdings <sup>3</sup>	407.8	426.5	424.5	0%
West Australian Newspapers <sup>3</sup>	338.8	405.5	393.6	3%
Coates Hire (through National Hire Group Limited) <sup>3</sup>	Unlisted	322.3	312.9	3%
Seven Media Group <sup>3</sup>	Unlisted	597.1	526.0	14%
Other	Unlisted	76.2	70.3	8%
<b>Total Investments</b>		<b>2,470.7</b>	<b>2,120.6</b>	<b>17%</b>

1. Available for sale security - fair value movements are carried in reserves until the asset is disposed of or impaired.

2. Available for sale security - fair value movements are carried in reserves (share price movement in Available for Sale Reserves, and Foreign Currency movement in Foreign Currency Translation Reserve).

3. Associates - cared at historical cost, plus share of associate income, less dividends received, less impairment.

4. Estimated market values of listed investments using number of shares held at 31 December 2010 and share prices at 5pm on 18 February 2011 .



# Other Investments



## Agricultural Bank of China

- ▶ ABC is one of the big 4 banks in China. It's the largest by retail reach and the third largest commercial bank in China.
- ▶ Three levels of relationship with ABC
  - ▶ as a shareholder,
  - ▶ as a customer,
  - ▶ as a strategic partner mutually developing each others business
- ▶ Solid progress on strategic relationship including domestic customer financing
- ▶ Current share price of HKD\$3.90 compared to IPO issue price of HKD\$3.20 per share.



## vividwireless

- ▶ vividwireless' first phase of development in Perth was successfully launched as the first 4G network in Australia, providing high-speed and affordable wireless broadband
- ▶ In July we switched on our metro networks in Sydney and Melbourne and began signing up subscribers in these markets. Launching in Brisbane, Adelaide and Canberra this quarter.
- ▶ In December we commenced trials of the TD-LTE technology achieving download speeds in excess of 100Mbps
- ▶ The recent Austar sale of its regional version of our spectrum (2.3Ghz and 3.5Ghz) to the NBNco for \$120m, represents a value higher than our carrying value



# Today's Agenda

- ▶ Overview
- ▶ Media
- ▶ Industrial Services
- ▶ Financials
- ▶ **Outlook and Subsequent Events**
- ▶ Closing and Questions

Peter Gammell

David Leckie

Jim Walker

Peter Lewis

**Peter Gammell**

Peter Gammell



# Outlook & Subsequent Events

- ▶ **Outlook – refer disclaimer**

- ▶ SGH is performing ahead of previous expectations however no amendments to previous guidance given we are still only part way through the full financial year.

- ▶ **From a business unit perspective:**

- ▶ WesTrac first half results were stronger than previously expected.
- ▶ SGH's currently expected share of full year SMG profit will be circa 15% higher than the \$80m previously advised.

- ▶ **Subsequent events**

- ▶ Proposed transaction with WAN announced today covered by separate press release.





# Outlook & Subsequent Events

## ▶ WAN Transaction – refer disclaimer

- ▶ Seven Group Holdings to become Seven West Media's largest shareholder with 29.6% of Seven West Media shares and \$250m Seven West Media Convertible Preference Shares (CPS).
- ▶ Largest shareholder in Australia's leading diversified media business, with interests spanning print, radio, FTA TV and new media
- ▶ Simplification of SGH corporate structure, providing shareholders with improved visibility to SGH's media interests
- ▶ Enhanced liquidity and scale of the merged entity, which should position the merged group well within the S&P/ASX100
- ▶ CPS securities create an opportunity for SGH to move towards a stronger strategic holding in the merged group, and are structured on favourable terms
- ▶ Recognition of the market value of Seven Media Group at an attractive premium to Seven Group Holdings' current book value for Seven Media Group of approximately \$600 million



# Pro-Forma Consolidated Balance Sheet

(Based on proposed transaction announced 21 February 2011)

\$m	As at 31 Dec 2010	Estimated Pro-Forma Adjustments	Pro-Forma Balance Sheet
Trade and other receivables	366.3		366.3
Inventories	742.1		742.1
Intangible assets	545.0		545.0
Investments/Loans <sup>1</sup>	2,470.7	220.0	2,690.7
Fixed assets	265.3		265.3
Trade and other payables	(460.0)		(460.0)
Provisions	(70.0)		(70.0)
Net Tax Assets / (Liabilities) <sup>2</sup>	(448.7)	(30.0)	(478.7)
Deferred revenue	(67.5)		(67.5)
Derivative financial instruments	(86.4)		(86.4)
Net Cash / (Debt) <sup>3</sup>	(438.2)	(132.0)	(570.2)
<b>Total Shareholders Equity</b>	<b>2,818.6</b>	<b>58.0</b>	<b>2,876.6</b>

1. Net increase in investments. Pro-forma adjustment represents net increase in WAN investment and disposal of SMG investment only (including impact of related accounting deferrals).

2. Estimated deferred tax impact of transaction.

3. Acquisition funding.

Note - final numbers may be impacted by underlying changes in WAN share price.



# Consolidated Investment Listing (not audited, refer disclaimer)

## Total Group – Pro-Forma

\$m	Pro-Forma	31 Dec 2010
Listed Portfolio	342.8	342.8
Agricultural Bank of China	300.3	300.3
Consolidated Media Holdings	426.5	426.5
West Australian Newspapers	0.0	405.5
Seven Media Group	0.0	597.1
Seven West Media	1,222.6	0.0
Coates Hire (through National Hire Group Limited)	322.3	322.3
Other	76.2	76.2
<b>Total investments</b>	<b>2,690.7</b>	<b>2,470.7</b>

Note 1: WAN investment made up of investment in ordinary equity and convertible preference shares. Accounting value reduced by deferral required on gain on sale of SMG. Final WAN investment value subject to changes in market value.

Note 2: With the exception of WAN and SMG, pro-forma investment values represent 31 Dec 2010 values.



**SEVEN GROUP HOLDINGS** Limited  
Media, Industrial Services and Investments

