

SGH

Media, Industrial Services and Investments

29 February 2012

Company Announcements Office
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Half Year Financial Report and Media Release

In accordance with the Listing Rules, following are the Half-Year Report Appendix 4D, the Half-Year Financial Report at 31 December 2011 and the Media Release.

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 2011

Results For Announcement To The Market

REPORTED				\$'000
Revenue from ordinary activities	up	29.30%	to	1,955,647
Net profit from ordinary activities after tax attributable to members	down	57.81%	to	52,144
Net profit for period attributable to members	down	57.81%	to	52,144

UNDERLYING				\$'000
Revenue from ordinary activities	up	29.30%	to	1,955,647
Net profit from ordinary activities after tax attributable to members excluding significant items	up	29.15%	to	159,616
Net profit for period attributable to members excluding significant items	up	29.15%	to	159,616

Dividends	Amount per security	Franked amount per security
Ordinary shares		
Interim	18 cents	18 cents

Record date for determining entitlements to the dividend 5.00pm on 30 March 2012

Date the interim dividend is payable 13 April 2012

Transferable Extendable Listed Yield Shares ("TELYS4")

Interim (paid 30 November 2011) \$ 3.4798 \$ 3.4798

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 29 February 2012 accompanying this report.

Net tangible asset backing

Net tangible asset backing per ordinary share: \$5.05 (2010: \$5.58). 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 2011.

Acquisitions

On 1 July 2011, SGH acquired the minority interests in EMT Group Pty Limited and Mining Equipment Spares Pty Limited at a total cost of \$750,000. Both entities became wholly owned subsidiaries as at this date.

On 8 August 2011, the securities of a Group subsidiary, Engin Limited, were removed from the official list of ASX Limited. This followed completion of Engin Limited's return of capital of \$4,977,000 and cancellation of all shares other than shares held by another Group subsidiary. Engin became a wholly owned subsidiary of the Group as at this date.

On 6 December 2011, the Group commenced compulsory acquisition under its takeover offer for the remaining shares in National Hire Group Limited ("NHR") that it did not own. During the half year ended 31 December 2011, the Group acquired a further 33.9% in NHR at a total cost of \$190,147,000. The compulsory acquisition of NHR was completed on 25 January 2012.

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 2011

Results For Announcement To The Market Underlying Trading Performance

	As reported		Significant items ^(a)		Underlying trading performance ^(b)	
	6 months to 31-Dec-2011	6 months to 31-Dec-2010	6 months to 31-Dec-2011	6 months to 31-Dec-2010	6 months to 31-Dec-2011	6 months to 31-Dec-2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	1,955,647	1,512,439	-	-	1,955,647	1,512,439
Total other income	48,042	29,136	(8,911)	-	39,131	29,136
Share of results from equity accounted investees	96,857	103,834	(8,176)	-	88,681	103,834
Impairment of equity accounted investees	(165,183)	-	165,183	-	-	-
Total expenses excluding depreciation and amortisation	(1,800,354)	(1,425,419)	5,436	-	(1,794,918)	(1,425,419)
Profit before depreciation and amortisation, net finance costs and tax	135,009	219,990	153,532	-	288,541	219,990
Depreciation and amortisation	(34,559)	(32,163)	-	-	(34,559)	(32,163)
Profit before net finance costs and tax	100,450	187,827	153,532	-	253,982	187,827
Net finance costs	(49,451)	(22,888)	-	-	(49,451)	(22,888)
Profit before tax	50,999	164,939	153,532	-	204,531	164,939
Income tax benefit/(expense)	10,807	(37,325)	(46,060)	-	(35,253)	(37,325)
Profit for the period	61,806	127,614	107,472	-	169,278	127,614
Profit for the period attributable to:						
Equity holders of the Company	52,144	123,592	107,472	-	159,616	123,592
Non-controlling interest	9,662	4,022	-	-	9,662	4,022
Profit for the period	61,806	127,614	107,472	-	169,278	127,614
EARNINGS PER SHARE (EPS)						
Ordinary shares						
Basic earnings per share (\$)	\$ 0.11	\$ 0.35			\$ 0.46	\$ 0.35
Diluted earnings per share (\$)	\$ 0.11	\$ 0.35			\$ 0.46	\$ 0.35

(a) Significant items is comprised of impairment of equity accounted investees and non-current assets, net gain on sale of investments, fair value movement of derivatives, share of significant items relating to results from equity accounted investees and any income tax benefit of significant items.

(b) Underlying trading performance is comprised of reported results less significant items. This is separately disclosed and reconciled to statutory performance to assist users in understanding the financial performance of the Group.

(c) Refer to Consolidated Income Statement for detailed information on individual reported components above.

Consolidated Income Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Note	6 months to 31-Dec-2011 \$'000	6 months to 31-Dec-2010 \$'000
REVENUE			
Revenue from product sales		1,253,996	938,045
Revenue from product support		672,754	548,417
Other		28,897	25,977
Total revenue		1,955,647	1,512,439
OTHER INCOME			
Dividend income		18,066	15,479
Net gain on sale of investments		8,911	3,479
Other investment income		10,591	-
Other		10,474	10,178
Total other income		48,042	29,136
Share of results from equity accounted investees	8	96,857	103,834
Impairment of equity accounted investees	8	(165,183)	-
EXPENSES EXCLUDING DEPRECIATION AND AMORTISATION			
Materials cost of inventory sold and used		(1,265,569)	(1,005,105)
Raw materials and consumables purchased		(80,932)	(52,361)
Employee benefits expense		(274,132)	(220,189)
Operating lease rental expense		(24,635)	(20,994)
Impairment of non-current assets		(2,370)	-
Fair value movement of derivatives		(3,066)	-
Other expenses		(149,650)	(126,770)
Total expenses excluding depreciation and amortisation		(1,800,354)	(1,425,419)
Profit before depreciation and amortisation, net finance costs and tax		135,009	219,990
Depreciation and amortisation		(34,559)	(32,163)
Profit before net finance costs and tax		100,450	187,827
Finance income	4	2,536	4,789
Finance costs	4	(51,987)	(27,677)
Net finance costs		(49,451)	(22,888)
Profit before tax		50,999	164,939
Income tax benefit/(expense)	5	10,807	(37,325)
Profit for the period		61,806	127,614
Profit for the period attributable to:			
Equity holders of the Company		52,144	123,592
Non-controlling interest		9,662	4,022
Profit for the period		61,806	127,614
EARNINGS PER SHARE (EPS)			
Ordinary shares			
Basic earnings per share (\$)	7	\$ 0.11	\$ 0.35
Diluted earnings per share (\$)	7	\$ 0.11	\$ 0.35

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

Consolidated Statement of Comprehensive Income

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Note	6 months to 31-Dec-2011 \$'000	6 months to 31-Dec-2010 \$'000
Profit for the period		61,806	127,614
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	11	(13,088)	631
Cash flow hedges: effective portion of changes in fair value		27,338	(6,987)
Foreign currency differences for foreign operations		36,283	(127,970)
Income tax on items of other comprehensive income	5	(9,629)	15,827
Other comprehensive income for the period, net of tax		40,904	(118,499)
Total comprehensive income for the period		102,710	9,115
Total comprehensive income for the period attributable to:			
Equity holders of the Company		94,359	5,832
Non-controlling interest		8,351	3,283
Total comprehensive income for the period		102,710	9,115

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

Consolidated Statement of Financial Position

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
AS AT 31 DECEMBER 2011

	Note	31-Dec 2011 \$'000	30-Jun 2011 \$'000
CURRENT ASSETS			
Cash and cash equivalents	12a	166,585	71,145
Trade and other receivables		624,109	550,431
Inventories		1,376,723	989,626
Current tax assets		13,129	13,123
Other current assets		24,228	24,507
Derivative financial instruments		4,317	2,587
Total current assets		2,209,091	1,651,419
NON-CURRENT ASSETS			
Investments accounted for using the equity method	8	1,466,659	1,482,052
Trade and other receivables		2,365	3,840
Derivative financial instruments		46,959	-
Other financial assets		894,427	884,379
Property, plant and equipment		297,288	264,928
Intangible assets		542,896	526,233
Deferred tax assets		11,858	10,616
Total non-current assets		3,262,452	3,172,048
Total assets		5,471,543	4,823,467
CURRENT LIABILITIES			
Trade and other payables		651,618	496,093
Derivative financial instruments		20,548	18,261
Interest bearing loans and borrowings	9	493,862	347,133
Deferred income		59,658	113,370
Provisions		92,714	89,143
Total current liabilities		1,318,400	1,064,000
NON-CURRENT LIABILITIES			
Trade and other payables		-	8,477
Interest bearing loans and borrowings	9	1,120,820	561,124
Derivative financial instruments		100,773	103,796
Deferred tax liabilities		378,313	378,768
Provisions		5,245	7,198
Deferred income		18,718	18,182
Total non-current liabilities		1,623,869	1,077,545
Total liabilities		2,942,269	2,141,545
Net assets		2,529,274	2,681,922
EQUITY			
Contributed equity	10	2,615,852	2,615,852
Reserves	11	(710,196)	(714,807)
Retained earnings		612,005	632,287
Total equity attributable to equity holders of the Company		2,517,661	2,533,332
Non-controlling interest		11,613	148,590
Total equity		2,529,274	2,681,922

The consolidated statement of financial position is to be read in conjunction with the notes to the 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 2011

	Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2011		2,615,852	(714,807)	632,287	2,533,332	148,590	2,681,922
Profit for the period		-	-	52,144	52,144	9,662	61,806
Net change in fair value of available-for-sale financial assets		-	(13,088)	-	(13,088)	-	(13,088)
Cash flow hedges: effective portion of changes in fair value		-	28,476	-	28,476	(1,138)	27,338
Foreign currency differences for foreign operations		-	36,456	-	36,456	(173)	36,283
Income tax on items of other comprehensive income	5	-	(9,629)	-	(9,629)	-	(9,629)
Total comprehensive income for the period		-	42,215	52,144	94,359	8,351	102,710
Transactions with owners recognised directly in equity							
Ordinary dividends paid	6	-	-	(55,154)	(55,154)	-	(55,154)
TELYS dividends paid	6	-	-	(17,272)	(17,272)	-	(17,272)
Acquisition of non-controlling interests		-	(43,475)	-	(43,475)	(148,319)	(191,794)
Share based payments		-	5,871	-	5,871	2,991	8,862
Total contributions by and distributions to owners		-	(37,604)	(72,426)	(110,030)	(145,328)	(255,358)
Total movement in equity for the period		-	4,611	(20,282)	(15,671)	(136,977)	(152,648)
Balance at 31 December 2011		2,615,852	(710,196)	612,005	2,517,661	11,613	2,529,274

	Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2010		2,608,852	(574,500)	706,045	2,740,397	139,748	2,880,145
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
Total comprehensive income for the period		-	(117,760)	123,592	5,832	3,283	9,115
Transactions with owners recognised directly in equity							
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
Total contributions by and distributions to owners		-	1,037	(71,872)	(70,835)	171	(70,664)
Total movement in equity for the period		-	(116,723)	51,720	(65,003)	3,454	(61,549)
Balance at 31 December 2010		2,608,852	(691,223)	757,765	2,675,394	143,202	2,818,596

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

Consolidated Cash Flow Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Note	6 months to 31-Dec-2011 \$'000	6 months to 31-Dec-2010 \$'000
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Receipts from customers		2,149,302	1,718,650
Payments to suppliers and employees		(2,343,846)	(1,562,348)
Dividends received from equity accounted investees	8	11,261	8,589
Other dividends received		18,066	15,479
Interest and other items of a similar nature received		1,681	6,352
Interest and other costs of finance paid		(43,399)	(26,323)
Income taxes refunded/(paid)		942	(17,334)
Net operating cash flows	12b	(205,993)	143,065
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Payments for purchases of property, plant and equipment		(38,866)	(33,971)
Proceeds from sale of property, plant and equipment		2,351	999
Payments for purchase of intangible assets		(8,905)	(3,024)
Payments for other investments		(37,368)	(292,862)
Proceeds from sale of other financial assets		30,030	3,665
Acquisition of subsidiaries, net of cash acquired	13	(204,680)	(44,093)
Acquisition of equity accounted investees		(47,450)	-
Loans and deposits repaid		1,446	1,691
Net investing cash flows		(303,442)	(367,595)
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Ordinary dividends paid	6	(55,154)	(54,974)
TELYS dividends paid	6	(17,272)	(16,898)
Proceeds from borrowings		1,211,614	376,926
Repayment of borrowings		(540,004)	(425,693)
Proceeds from issue of shares by subsidiary		2,000	159
Net financing cash flows		601,184	(120,480)
Net increase/(decrease) in cash and cash equivalents		91,749	(345,010)
Cash and cash equivalents at beginning of period	12a	65,244	449,671
Effect of exchange rate changes on cash and cash equivalents		195	(984)
Cash and cash equivalents at end of the period	12a	157,188	103,677

The consolidated cash flow statement is to be read in conjunction with the notes to the 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 2011

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 2011 to 31 December 2011. The condensed consolidated financial statements of the Company as at and for the half year ended 31 December 2011, 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 29 February 2012.

(A) BASIS OF PREPARATION

The financial report has been prepared in accordance with AASB 134 Interim Financial Reporting, the Corporations Act 2001 and with IAS 34 Interim Financial Reporting.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot 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 2011 Annual Financial Report and considered with any public announcements made by the company during the half year ended 31 December 2011 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 those that 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 statements as at and for the year ended 30 June 2011.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

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 operations in the manufacture, assembly, sales and support of lighting, power generation and dewatering rental equipment as well as distribution of Perkins engines, via National Hires' investment in Coates Hire Pty Limited, Allight Holdings Pty Ltd and The Sykes Group.
- Media investments - relates to investments in listed and unlisted media organisations, including but not limited to, Seven West Media Limited and Consolidated Media Holdings Limited.
- Other investments - incorporates operations in broadband, telephony, other listed investments and property.

The Group is domiciled in Australia and operates predominantly 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 ^(c) investments \$'000	Other investments \$'000	Total \$'000
HALF YEAR ENDED 31 DECEMBER 2011						
Segment revenue						
Sales to external customers	1,507,278	317,807	101,665	-	28,897	1,955,647
Intersegment sales	33	-	(33)	-	-	-
	1,507,311	317,807	101,632	-	28,897	1,955,647
Segment result						
Segment earnings before interest, tax, depreciation and amortisation (EBITDA) ^{(a)(d)}	186,440	16,237	31,738	72,630	(3,515)	303,530
Depreciation and amortisation	(17,545)	(3,922)	(1,251)	-	(11,841)	(34,559)
Segment earnings before interest and tax (EBIT)^{(b)(d)}	168,895	12,315	30,487	72,630	(15,356)	268,971
Other segment information						
Capital expenditure	(38,035)	(5,471)	(1,651)	-	(2,614)	(47,771)
Share of results of equity accounted investees included in segment EBIT (excluding significant items) ^(d)	1,748	395	25,624	60,336	578	88,681
Impairment of assets recognised in profit or loss	-	-	-	(165,183)	(2,370)	(167,553)

(a) Segment EBITDA comprises profit before depreciation and amortisation, net finance costs, tax, net gain on sale of investments, impairment of assets, fair value movement of derivatives, share of significant items relating to results from equity accounted investees, corporate operating costs and transaction related costs

(b) Segment EBIT comprises segment net operating profit before net finance costs, tax, net gain on sale of investments, impairment of assets, fair value movement of derivatives, share of significant items relating to results from equity accounted investees, corporate operating costs and transaction related costs

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

(d) National Hire segment EBITDA, EBIT and share of results of equity accounted investees excludes share of results from equity accounted investees attributable to significant items

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

3. OPERATING SEGMENTS (CONTINUED)

AS AT 31 DECEMBER 2011	WesTrac Australia \$'000	WesTrac China \$'000	National Hire \$'000	Media ^(c) investments \$'000	Other investments \$'000	Total \$'000
Balance sheet						
Investments accounted for using the equity method	17,909	1,739	362,932	1,037,369	46,710	1,466,659
Other segment assets	1,623,927	899,974	197,113	269,095	769,819	3,759,928
Segment assets	1,641,836	901,713	560,045	1,306,464	816,529	5,226,587
Segment liabilities	(446,421)	(257,195)	(45,069)	-	(36,596)	(785,281)
HALF YEAR ENDED 31 DECEMBER 2010	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue						
Sales to external customers	1,163,358	268,112	54,992	-	25,977	1,512,439
Intersegment sales	3,029	-	(3,029)	-	-	-
	1,166,387	268,112	51,963	-	25,977	1,512,439
Segment result						
Segment earnings before interest, tax, depreciation and amortisation (EBITDA) ^(a)	116,187	14,475	11,989	93,700	7,042	243,393
Depreciation and amortisation	(18,628)	(3,506)	(665)	-	(9,364)	(32,163)
Segment earnings before interest and tax (EBIT)^(b)	97,559	10,969	11,324	93,700	(2,322)	211,230
Other segment information						
Capital expenditure	(17,148)	(7,460)	(290)	-	(12,097)	(36,995)
Share of results of equity accounted investees included in segment EBIT	(415)	40	11,381	93,117	(289)	103,834
AS AT 30 JUNE 2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance sheet						
Investments accounted for using the equity method	14,119	1,256	331,268	1,089,278	46,131	1,482,052
Other segment assets	1,257,689	760,205	183,839	259,965	777,626	3,239,324
Segment assets	1,271,808	761,461	515,107	1,349,243	823,757	4,721,376
Segment liabilities	(440,286)	(165,641)	(50,210)	(8,543)	(32,227)	(696,907)

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

3. OPERATING SEGMENTS (CONTINUED)

	6 months to 31-Dec-2011	6 months to 31-Dec-2010
Reconciliation of segment EBIT to net profit before tax per consolidated income statement	\$'000	\$'000
Segment earnings before interest and tax (EBIT)	268,971	211,230
Corporate operating costs & transaction related costs	(14,989)	(23,403)
Net gain on sale of investments	8,911	-
Share of results from equity accounted investees attributable to significant items	8,176	-
Impairment of equity accounted investees	(165,183)	-
Impairment of non-current assets	(2,370)	-
Fair value movement of derivatives	(3,066)	-
Net finance costs	(49,451)	(22,888)
Profit before tax per consolidated income statement	50,999	164,939

	31-Dec-2011	30-Jun-2011
Reconciliation of segment operating assets to total assets per statement of financial position	\$'000	\$'000
Segment operating assets	5,226,587	4,721,376
Corporate cash holdings	166,585	71,145
Current tax assets	13,129	13,123
Deferred tax assets	11,858	10,616
Derivative financial instruments	51,276	2,587
Assets held at corporate level	2,108	4,620
Total assets per statement of financial position	5,471,543	4,823,467

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 \$2,560,700,000 (30 June 2011: \$2,499,982,000). The total of non-current assets located in China is \$642,936,000 (30 June 2011: \$661,450,000). Segment assets are allocated to countries based on where the assets are located.

	31-Dec-2011	30-Jun-2011
Reconciliation of segment operating liabilities to total liabilities per statement of financial position	\$'000	\$'000
Segment operating liabilities	(785,281)	(696,907)
Liabilities held at corporate level	(42,672)	(35,556)
Derivative financial instruments	(121,321)	(122,057)
Current interest bearing loans and borrowings	(493,862)	(347,133)
Non current interest bearing loans and borrowings	(1,120,820)	(561,124)
Deferred tax liabilities	(378,313)	(378,768)
Total liabilities per statement of financial position	(2,942,269)	(2,141,545)

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

4. NET FINANCE EXPENSE

	6 months to 31-Dec-2011	6 months to 31-Dec-2010
	\$'000	\$'000
FINANCE INCOME		
Interest income on bank deposits	1,992	4,137
Other	544	652
Total finance income	2,536	4,789
FINANCE COSTS		
Interest expense	(47,163)	(26,901)
Borrowing costs	(4,824)	(776)
Total finance costs	(51,987)	(27,677)
Net finance expense	(49,451)	(22,888)

5. INCOME TAX

	6 months to 31-Dec-2011	6 months to 31-Dec-2010
	\$'000	\$'000
INCOME TAX EXPENSE		
Current tax expense:		
Current period	(3,261)	(11,409)
Adjustment for prior periods	1,752	(1,395)
	(1,509)	(12,804)
Deferred tax expense due to origination and reversal of temporary differences	12,316	(24,521)
Total income tax benefit/(expense) in statement of comprehensive income	10,807	(37,325)
RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFITS:		
Income tax using the domestic corporation tax rate 30%	(15,300)	(49,482)
Remeasurement of deferred tax relating to investments	(6,230)	27,965
Franked dividends	19,603	10,371
Share of associates' net profit	10,140	3,576
Non-assessable tax group revenue	983	(807)
Non-deductible tax group expenses	(6,270)	-
Other non-taxable/non-deductible items	1,036	(773)
Income tax expense arising under a tax sharing agreement	-	(27,637)
Tax benefit on previously unrecognised tax losses	5,300	-
Difference in overseas tax rates	(207)	857
Under provided in prior periods	1,752	(1,395)
Income tax benefit/(expense)	10,807	(37,325)
DEFERRED INCOME TAX RECOGNISED DIRECTLY IN EQUITY		
Relating to available-for-sale financial assets	(587)	12,913
Relating to cash flow hedge reserve	(9,042)	2,914
Total deferred income tax recognised directly in equity	(9,629)	15,827

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

6. DIVIDENDS

	Amount per share	6 months to 31-Dec-2011 \$'000
DIVIDENDS PAID		
Ordinary shares		
Final dividend in respect of 2011 year (paid 14 October 2011)	\$ 0.18	55,154
Transferable Extendable Listed Yield Shares ("TELYS4")		
Dividend fully franked (paid 30 November 2011)	\$ 3.4798	17,272
Dividends paid or payable		72,426
Subsequent event		
Current period interim dividend on ordinary shares proposed but not provided		
Ordinary shares		
Interim dividend in respect of 2012 fully franked to be paid 13 April 2012	\$ 0.18	55,154

	Amount per share	6 months to 31-Dec-2010 \$'000
DIVIDENDS PAID		
Ordinary shares		
Final dividend in respect of 2010 year (paid 22 October 2010)	\$ 0.18	54,974
Transferable Extendable Listed Yield Shares ("TELYS4")		
Dividend fully franked (paid 30 November 2010)	\$ 3.4043	16,898
Dividends paid or payable		71,872

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

7. EARNINGS PER SHARE

	6 months to 31-Dec-2011	6 months to 31-Dec-2010
	\$'000	\$'000
EARNINGS RECONCILIATION		
Net profit attributable to equity holders of the Company	52,144	123,592
Allocated earnings to category of share:		
- Ordinary shares	35,005	106,511
- TELYS4	17,139	17,081
	52,144	123,592
Weighted average number of shares		
Number for basic earnings per share:		
- Ordinary shares	306,410,281	305,410,281
- TELYS4	4,963,640	4,963,640
Effect of share options on issue:		
- Ordinary shares	10,085	383,372
Number for diluted earnings per share:		
- Ordinary shares	306,420,366	305,793,653
- TELYS4	4,963,640	4,963,640
Statutory earnings per share		
Ordinary shares - total earnings per share from continuing operations:		
- Basic (\$)	0.11	0.35
- Diluted (\$)	0.11	0.35
TELYS4 - total earnings per TELYS4:		
- Basic (\$)	3.45	3.44
- Diluted (\$)	3.45	3.44
	6 months to 31-Dec-2011	6 months to 31-Dec-2010
UNDERLYING EARNINGS PER SHARE FROM CONTINUING OPERATIONS		
	\$	\$
Ordinary shares - total underlying earnings per share from continuing operations^{(a)(b)}		
- Basic (\$)	0.46	0.35
- Diluted (\$)	0.46	0.35

(a) Underlying earnings per share from continuing operations is statutory earnings per share less significant items. Significant items is comprised of impairment of equity accounted investees and non-current assets, net gain on sale of investments, fair value movement of derivatives, share of significant items attributable to results from equity accounted investees and any income tax benefit of significant items.

(b) The weighted average number of shares used to calculate underlying earnings per share is the same as the weighted average number of shares used to calculate statutory earnings per share.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

7. EARNINGS PER SHARE (CONTINUED)

Underlying earnings per share from continuing operations is calculated as follows:

	6 months to 31-Dec-2011	6 months to 31-Dec-2010
	\$'000	\$'000
Net profit attributable to equity holders of the Company	52,144	123,592
<i>Significant items:</i> ^(c)		
Add: impairment of equity accounted investees	165,183	-
Add: impairment of non-current assets	2,370	-
Add: fair value movement of derivatives	3,066	-
Less: net gain on sale of investments	(8,911)	-
Less: share of results from equity accounted investees attributable to significant items	(8,176)	-
Less: income tax benefit relating to significant items	(46,060)	-
Underlying net profit attributable to equity holders of the Company	159,616	123,592
Allocated underlying earnings to category of share:		
- Ordinary shares	142,477	106,511
- TELYS4	17,139	17,081
	159,616	123,592

(c) In relation to the prior period, no items were considered significant due to their size.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31-Dec-2011 \$'000	30-Jun-2011 \$'000
Investments in associates and jointly controlled entities	1,466,659	1,482,052

Investee	Principal activities	Country of incorporation	Balance date	Ownership interest	Ownership interest
EQUITY ACCOUNTED INVESTMENTS AND JOINTLY CONTROLLED ENTITIES					
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	24.5%	24.4%
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%
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	0.0%	40.0%
Vuecast Operations Pty Limited*	Programme production	Australia	30-Jun	0.0%	50.0%
Coates Group Holdings Pty Limited**	Rental services	Australia	30-Jun	46.1%	46.1%
Seven West Media Limited	Media	Australia	30-Jun	32.5%	29.6%

* - entity dissolved and deregistered with ASIC on 6 December 2011.

** - interest held by National Hire Group Limited, which is 99.7% owned by the Group. Effective interest is 45.96%.

*** - entity deregistered with ASIC on 7 December 2011.

	ASSOCIATED AND JOINTLY CONTROLLED ENTITIES	
	6 months to 31-Dec-2011 \$'000	6 months to 31-Dec-2010 \$'000
SHARE OF INVESTEES' NET PROFIT		
Share of operating profit before tax	119,695	109,030
Share of income tax expense	(22,838)	(5,196)
Share of results from equity accounted investees	96,857	103,834

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

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

AS AT 31 DECEMBER 2011	Book value \$'000	Market value \$'000
MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Consolidated Media Holdings Limited ^(b)	358,054	358,054
Seven West Media Limited ^{(a)(b)}	679,315	679,315

AS AT 30 JUNE 2011	Book value \$'000	Market value \$'000
MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Consolidated Media Holdings Limited ^(b)	358,385	358,385
Seven West Media Limited ^{(a)(b)}	730,893	730,893

(a) in addition to the equity accounted investment shown above, the company holds 2,500 convertible preference shares in Seven West Media Limited with a carrying value of \$241,989,000 included in other financial assets.

(b) impairment charges for the following listed investments accounted for using the equity method were recognised in profit or loss during the half year ended 31 December 2011:

	6 months to 31-Dec-2011 \$'000	6 months to 31-Dec-2010 \$'000
IMPAIRMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Consolidated Media Holdings Limited	(3,402)	-
Seven West Media Limited	(161,781)	-
Total impairment of investments accounted for using the equity method	(165,183)	-

The Group received dividends of \$58,183,000 from its investments in equity accounted investees during the half year ended 31 December 2011 (2010: \$46,251,000). \$11,261,000 (2010: \$8,589,000) 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 2011

9. INTEREST BEARING LOANS AND LIABILITIES

	31-Dec-2011	30-Jun-2011
	\$'000	\$'000
CURRENT		
Interest bearing liabilities	483,997	340,902
Bank overdrafts used for cash management purposes	9,397	5,901
Finance lease liabilities	468	330
	493,862	347,133
NON-CURRENT		
Interest bearing liabilities	496,780	155,977
Finance lease liabilities	1,616	1,736
Fixed term US dollar notes	629,766	405,066
Less: capitalised borrowing costs net of accumulated amortisation	(7,342)	(1,655)
	1,120,820	561,124

During the current period, the Group repaid its \$498,000,000 syndicated loan facility maturing in December 2012 and negotiated a new syndicated loan facility of \$750,000,000 with a syndicate of banking entities. The facility is non-amortising and matures in March 2016. The facility is unsecured with guarantees from various subsidiaries within the Group.

At 31 December 2011, the total available borrowing facilities included undrawn loan facilities of \$409,100,000 (30 June 2011: \$466,694,000) and lease facilities of \$59,600,000 (30 June 2011: \$55,700,000). The Group also had access to unutilised short dated lines of credit totalling \$239,500,000 (30 June 2011: \$230,536,000).

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

10. CONTRIBUTED EQUITY

	31-Dec-2011 \$'000	30-Jun-2011 \$'000
SHARE CAPITAL		
306,410,281 ordinary shares, fully paid (30 June 2011: 306,410,281)	2,188,687	2,188,687
4,963,640 TELYS4 preference shares, fully paid (30 June 2011: 4,963,640)	427,165	427,165
Balance at end of the period	2,615,852	2,615,852
MOVEMENTS IN ORDINARY SHARES		
Balance at beginning of period	2,188,687	2,181,687
Shares issued on exercise of options - 21 April 2011 (500,000 shares)	-	3,500
Shares issued on exercise of options - 13 May 2011 (500,000 shares)	-	3,500
Balance at end of the period	2,188,687	2,188,687

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-2011 \$'000	30-Jun-2011 \$'000
MOVEMENTS IN PREFERENCE SHARES		
Transferable Extendable Listed Yield Shares – TELYS4		
Balance at beginning of period	427,165	427,165
Movement for the period	-	-
Balance at end of the period	427,165	427,165

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.

	31-Dec-2011 Number	30-Jun-2011 Number
OPTIONS ON ORDINARY SHARES		
As at reporting date the number of options exercisable into ordinary shares was as follows:		
Options to Directors	4,000,000	4,000,000
Options to other Executives	1,775,000	1,775,000
	5,775,000	5,775,000

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

11. RESERVES

	Acquisitions reserve \$'000	Employee equity benefits reserve \$'000	Common control reserve \$'000	Cash flow hedge reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	31-Dec-2011 Total \$'000
At 30 June 2011	-	7,786	(642,586)	(12,088)	55,752	(123,671)	(714,807)
Fair value movement on available-for-sale financial assets	-	-	-	-	(13,088)	-	(13,088)
Tax effect of net gain on available-for-sale financial assets	-	-	-	-	(587)	-	(587)
Net gain on cash flow hedges	-	-	-	28,476	-	-	28,476
Tax effect of net gain on cash flow hedges	-	-	-	(9,042)	-	-	(9,042)
Movement in reserves of associates	-	5,672	-	-	-	-	5,672
Currency translation differences	-	-	-	-	-	36,456	36,456
Acquisition of non-controlling interests	(43,475)	-	-	-	-	-	(43,475)
Share based payment expense	-	199	-	-	-	-	199
At 31 December 2011	(43,475)	13,657	(642,586)	7,346	42,077	(87,215)	(710,196)

	Acquisitions reserve \$'000	Employee equity benefits reserve \$'000	Common control reserve \$'000	Cash flow hedge reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	31-Dec-2010 Total \$'000
At 30 June 2010	-	5,334	(642,586)	6,570	16,817	39,365	(574,500)
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 loss on cash flow hedges	-	-	-	(7,722)	-	-	(7,722)
Tax effect of net loss on cash flow hedges	-	-	-	2,914	-	-	2,914
Currency translation differences	-	-	-	-	-	(126,496)	(126,496)
Share based payment expense	-	1,037	-	-	-	-	1,037
At 31 December 2010	-	6,371	(642,586)	1,762	30,361	(87,131)	(691,223)

NATURE AND PURPOSE OF RESERVES

Acquisitions reserve

This reserve is used to record the difference between the fair value of consideration paid for the non-controlling interest of subsidiaries, and the book value of those subsidiaries' share of net assets at date of acquisition.

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 2011 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.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

11. RESERVES (CONTINUED)

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.

12a. CASH AND CASH EQUIVALENTS

	Note	31-Dec-2011 \$'000	30-Jun-2011 \$'000
Bank balances		166,585	62,145
Call deposits		-	9,000
Cash and cash equivalents		166,585	71,145
Bank overdrafts used for cash management purposes	9	(9,397)	(5,901)
Cash and cash equivalents in the cash flow statement		157,188	65,244

12b. NOTES TO THE CASH FLOW STATEMENT

	6 months to 31-Dec-2011 \$'000	6 months to 31-Dec-2010 \$'000
Reconciliation of profit for the period to net cash flows related to operating activities:		
Profit after tax	61,806	127,614
Depreciation and amortisation:		
Property, plant and equipment	26,061	24,791
Intangible assets	8,498	7,295
Capitalised borrowing costs	2,496	77
Share of results from equity accounted investees	(96,857)	(103,834)
Share option expense	199	-
Dividends received from associates	11,261	8,589
Other investment income	(10,590)	-
Net gain on sale of investments	(8,911)	-
Foreign exchange gain	(638)	(3,219)
Fair value movement of derivatives	3,066	-
Impairment of non-current assets	2,370	-
Impairment of equity accounted investees	165,183	-
Other	4,450	2,053
Movement in:		
Trade and other receivables	(76,843)	63,802
Inventories	(369,132)	(97,057)
Other assets	4,429	6,744
Trade and other payables	51,678	71,082
Provisions	27,179	20,568
Tax balances	(11,698)	14,560
Net operating cash flows	(205,993)	143,065

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

13. ACQUISITIONS OF CONTROLLED ENTITIES

ACQUISITIONS

On 1 July 2011, SGH acquired the minority interests in EMT Group Pty Limited and Mining Equipment Spares Pty Limited at a total cost of \$750,000. Both entities became wholly owned subsidiaries as at this date.

On 8 August 2011, the securities of a Group subsidiary, Engin Limited, were removed from the official list of ASX Limited. This followed completion of Engin Limited's return of capital of \$4,977,000 and cancellation of all shares other than shares held by another Group subsidiary. Engin became a wholly owned subsidiary of the Group as at this date.

On 6 December 2011, the Group commenced compulsory acquisition under its takeover offer for the shares in National Hire Group Limited ("NHR") that it currently doesn't own. During the half year ended 31 December 2011, the Group acquired a further 33.9% in NHR at a total cost of \$190,147,000.

PRIOR PERIOD 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 ("Sykes Group"). Full details of the acquisition are contained in the 2011 Annual Report.

During the current period, \$7,000,000 deferred consideration was paid as a result of 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).

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

14. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements please refer to Notes 29 and 30 of the 2011 Annual Report.

As disclosed in Part B of the merger scheme documentation, during the period a Group subsidiary issued a Works Notice under the existing lease at South Guilford WA as part of the WesTrac Group's redevelopment and expansion of its Parts Distribution Centre (PDC). The lease provides that after receiving the Works Notice, 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 have an interest must construct the works at its own cost as soon as reasonably practicable. Maximum construction costs agreed are \$40,289,223 (it is noted the actual works have been let pursuant to a tender to third parties which comprises the bulk of the capital works although some direct expense reimbursement is entailed) and the additional maximum rent agreed will be \$3,605,885 per year payable upon practical completion of the works.

15. EVENTS SUBSEQUENT TO BALANCE DATE

On 25 January 2012, the Group compulsorily acquired the remaining 0.3% total National Hire Group Limited shares on issue it did not own at 31 December 2011 for a total cost of \$1,806,000.

On 20 February 2012, the Group agreed to sell vividwireless Group Limited to Optus Mobile Pty Limited for \$230,000,000. Completion of the transaction is subject to a number of conditions, including renewal of the 2.3Ghz spectrum licence and approval from the ACCC and the FIRB. Refer to the separate ASX announcement dated 20 February 2012 relating to the transaction.

MOVEMENT IN SHARE PRICES OF LISTED INVESTMENTS

Subsequent to 31 December 2011 there has been a recovery in share prices and as a result, the market value of SGH's listed investments has increased from what is presented in this financial report. The market values of listed investments at 28 February 2012 compared to the market value at 31 December 2011, and other related derivatives were as follows:

	Market value at 28 February 2012	Market value at 31 December 2011
Listed investments (available-for-sale)	665,006	651,874
Listed investments accounted for using the equity method (refer to Note 8)	1,202,571	1,037,369
Derivative financial instruments linked to share prices (current liability)	(9,667)	(13,072)
	1,857,910	1,676,171

Directors' Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

The Directors of Seven Group Holdings Limited (the "Company") are pleased to present their report together with the consolidated financial report for the half year ended 31 December 2011 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
EXECUTIVE	
Kerry Matthew Stokes AC (Executive Chairman)	Director and Executive Chairman since April 2010
Peter Joshua Thomas Gammell (Group Chief Executive Officer)	Director since February 2010
David John Leckie (Chief Executive Officer, Seven West Media Limited)	Director since April 2010
James Allan Walker (Chief Executive Officer, WesTrac Group)	Director since February 2010
Bruce Ian McWilliam	Director since April 2010
Ryan Kerry Stokes	Director since February 2010
NON-EXECUTIVE	
Peter David Ritchie AO (Deputy Chairman)	Director and Deputy Chairman since April 2010
Elizabeth Dulcie Boling	Director since April 2010
Terry James Davis	Director since June 2010
Christopher John Mackay	Director since June 2010
Richard Anders Uechtritz	Director since June 2010
Murray Charles Wells	Director since April 2010
ALTERNATE	
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 2011 after provision for income tax was \$61,806,000 (2010: \$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 25 and forms part of the directors' report for the half year ended 31 December 2011.

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 the consolidated interim financial report and directors' 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
29 February 2012



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 2011 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

Kevin Leighton
Partner

Sydney

29 February 2012

Directors' Declaration

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

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

1. the financial statements and notes set out on pages 3 to 23 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 2011 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
29 February 2012



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

We have reviewed the accompanying interim financial report of Seven Group Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2011, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the interim period 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 interim period.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim 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 interim 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 interim 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 2011 and its performance for the interim period 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 interim 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 interim 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 2011 and of its performance for the interim period ended on that date; and

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

KPMG

KPMG

Kevin Leighton
Partner

Sydney

29 February 2012

Seven Group Holdings Limited (SGH) announces first half financial results.

Key Highlights:

- Strong demand from the mining and resources sector sees WesTrac revenue and other income grow 27 per cent to \$1,835.9 million. WesTrac EBIT grows 67 per cent to \$181.1 million.
- Performance particularly strong in Australia. WesTrac Australia EBIT up 73 per cent to \$168.9 million.
- Despite appreciation in AUD, WesTrac China revenue and other income up 20 per cent to \$321.9 million. EBIT up 12 per cent to \$12.3 million.
- National Hire Group (including share of Coates Hire) EBIT up 169 per cent from \$11.3 million in prior period to \$30.5 million in the 31 December 2011 half year.

Commenting on the results, Seven Group Holdings CEO Peter Gammell said: "We are delighted with the strong performance at WesTrac during the first half and assuming current market conditions and growth continue, the company anticipates Group underlying full year net profit after tax (excluding significant items) will be up 20-30 per cent compared to the 2011 full year result."

Financial Results	Results for six	Results for six	% change
	months ended 31	months ended 31	
	December 2011	December 2010	
Trading revenue	\$1,955.6m	\$1,512.4m	+29.3%
Underlying EBITDA	\$288.6m	\$220.0m	+31.2%
Underlying EBIT	\$254.0m	\$187.8m	+35.3%
Underlying Profit before tax	\$204.5m	\$164.9m	
Underlying Profit after tax	\$169.3m	\$127.6m	+32.7%
Underlying EPS	46 cents	35 cents	
Reported profit before tax	\$51.0m	\$164.9m	
Reported profit after tax	\$61.8m	\$127.6m	
Statutory EPS	11 cents	35 cents	
Final fully franked, dividend per ordinary share	18 cents	18 cents	

Note: Underlying results exclude significant items, and are used internally by management to assess the performance of the business. Underlying results have not been subject to audit or review. Refer to page 2 of the Appendix 4D for a reconciliation between reported and underlying results.



WesTrac

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29 February 2012 --- Seven Group Holdings Limited (SGH) today reported underlying net profit after taxation of \$169.3 million for the half year to 31 December 2011, an increase of 33 per cent over the prior corresponding period. The Group reported a statutory net profit after tax of \$61.8 million.

The result reflects the continuing strong performance of SGH's core business, WesTrac, which has benefited from its leading position supplying and servicing Caterpillar equipment to the resources and infrastructure sectors.

Total trading revenue for the half year is \$1,955.6 million, up by 29 per cent on the prior corresponding half. Underlying earnings before interest, tax and depreciation and amortisation (EBITDA), for the half year of \$288.6 million increased by 31 per cent and underlying earnings before interest and taxation (EBIT), of \$254.0 million increased by 35 per cent. Underlying profit before taxation is \$204.5 million.

The significant items during the period include the impairment of the carrying value of investments to reflect prevailing share prices at 31 December for Seven West Media (\$161.8 million) and other investments (\$5.8 million). The share price of Seven West Media has recovered significantly since 31 December, and should it remain at these levels, the majority of the impairment is likely to reverse in the second half. Significant items also included \$5.8 million in net gains and fair value movements in relation to investments and \$8.2 million in relation to the company's share of a significant tax adjustment in Coates Hire. The tax effect of all significant items is \$46.1 million which gives rise to the \$107.5 million reduction in net profit after tax. Reported net profit after taxation including significant items for the half year is \$61.8 million.

Dividend

An interim dividend of 18 cents per share (fully franked) has been declared.

Review of Businesses

WesTrac

WesTrac posted a record result for the half year, benefiting from the company's strong position in the buoyant mining and resource sector in Western Australia, New South Wales and north-eastern China.

WesTrac (excluding National Hire) delivered a segment EBITDA of \$202.6 million and segment EBIT of \$181.1 million on revenue and other income of \$1,835.9 million across the first half of the current financial year. The strong performance saw revenue and other income up 27 per cent.

Segment EBITDA is up 55 per cent and segment EBIT up 67 per cent on the prior comparative period.

In Australia, WesTrac delivered revenue and other income of \$1,514.0 million – up 29 per cent on the prior corresponding period. Segment EBIT was \$168.9 million – up 73 per cent on the prior corresponding period. The company's growth in Australia is being driven primarily by expansion in coal and iron ore mining – with a 30 per cent growth in product sales to \$898.7 million. The company has also delivered \$608.6 million in product support revenues – 27 per cent up on the prior corresponding period. The strong performance also saw a strengthening in WesTrac Australia's EBITDA and EBIT margins compared to the corresponding prior period.

While WesTrac China experienced some fluctuations in market conditions and was impacted by exchange rate movements, the business recorded solid growth in new equipment sales during the half year. In China, WesTrac delivered segment EBIT of \$12.3 million, up 12 per cent on the prior corresponding half, on revenue and other income of \$321.9 million which, despite exchange rate fluctuations with the strong Australian Dollar, were up 20 per cent. In USD, WesTrac China delivered 37 per cent growth in product sales, 10 per cent growth in product support sales and 24 per cent growth in segment EBIT.

National Hire Group

SGH – through WesTrac Group – had a 99.7 per cent shareholding in National Hire Group at 31 December 2011 and proceeded to full ownership through compulsory acquisition of the remaining minority shareholdings in January 2012. National Hire Group has reported trading revenue of \$101.7 million for the six months to 31 December 2011, an increase of 85 per cent over the prior corresponding period. Segment EBIT for the half year was \$30.5 million, up from \$11.3 million in the prior corresponding period. This includes a \$25.6 million share of profit, excluding significant items, from equity accounted investments (Coates Group). Coates Group delivered revenues of \$637.1 million, up 28 per cent on the prior corresponding period.

Media Investments

Seven West Media

SGH has a 32.5 per cent shareholding in Seven West Media. Seven West Media has reported a group profit after taxation of \$163.0 million. Reported EBIT was \$309.7 million, marginally up on prior market guidance of \$300 million, although down from the prior corresponding period of \$329.6 million on a pro forma basis.

The Seven Network won every official ratings week in the 2011 calendar year and retained its number one position in revenue share. Continuing soft advertising markets saw television revenue of \$655.8 million decrease 1 per cent whilst EBIT of \$205.7 million declined 7 per cent from the prior corresponding period on a pro forma basis. Newspaper earnings reflected challenging economic conditions with a 1.6 per cent revenue decline to \$185.6 million and a 7.6 per cent decline in EBIT to \$66.5 million. Other businesses recorded a small decline in revenue and EBIT.

As noted, SGH has recorded an impairment charge to the carrying value of Seven West Media during the half year of \$161.8 million. The share price of SWM has significantly recovered since 31 December, and should it remain at these levels the majority of this impairment is likely to reverse in the second half.

Consolidated Media Holdings

SGH's current shareholding in Consolidated Media Holdings is 24.5 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 and Fuel TV, as well as 25 per cent of pay television company Foxtel. Consolidated Media Holdings has reported half year NPAT of \$42.1 million.

vividwireless

SGH announced the sale of vividwireless to Optus Mobile Pty Ltd for a total consideration of \$230 million on 20 February 2012. The successful completion of the transaction is subject to a number of conditions, including the 2.3Ghz spectrum licence renewal and approval from the ACCC and the FIRB.

SGH Overview

SGH comprises WesTrac Group, National Hire Group and significant shareholdings in major media companies in Australia – encompassing broadcast and subscription television, magazine and newspaper publishing and online and new media technologies.

WesTrac Group is the sole authorised Caterpillar dealer in Western Australia and New South Wales/ACT and in North Eastern China territories. WesTrac Group is one of Caterpillar's top five dealers globally (by sales value). SGH also owns National Hire Group (which itself has a 46 per cent shareholding in Coates Hire, Australia's largest equipment hire business).

In media, SGH has a 32.5 per cent shareholding in Seven West Media (as well as holding convertible preference shares in the company with a face value of \$250 million) Australia's largest multiple platform media company, including Seven Network, West Australian Newspapers, Pacific Magazines and Yahoo!7. SGH also has a 24.5 per cent investment in Consolidated Media Holdings, which has a 25 per cent shareholding in Foxtel and a 50 per cent shareholding in Premier Media Group.

Note:

Included in this presentation is data prepared by the management of Seven Group Holdings and other associated entities and investments. This data is included for information purposes only and has not been subject to the same level of review by the company as the statutory accounts and so is merely provided for indicative purposes. The company and its employees do not warrant the data and disclaim any liability flowing from the use of this data by any party.