SGH | Industrial Services, Media, Energy and Investments

Results for the Year Ended 30 June 2017

Enabling Customer Performance

Group Overview | Disclaimer

Basis of preparation of slides

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Non-IFRS Financial Information

- SGH results comply with International Financial Reporting Standards ("IFRS"). The underlying segment performance is presented in Note 2 to the financial statements for the period and excludes Significant Items comprising impairment of equity accounted investees, investments and non-current assets, fair value movement of derivatives, net gains on sale of investments and equity accounted investees, restructuring and redundancy costs, share of results from equity accounted investees attributable to Significant Items, loss on sale of investments and derivative financial instruments, acquisition transaction costs, significant items in other income, remeasurement of tax exposures and unusual tax expense impacts. Significant Items are detailed in Note 3 to the financial statements and Slide 10 of this presentation.
- This presentation includes certain non-IFRS measures including Underlying Net Profit After Tax (excluding Significant Items), total revenue and other income, Segment EBIT margin and Segment EBITDA margin. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review.
- This presentation includes references to continuing and discontinued operations. A reconciliation is provided on Slide 8 of this presentation.

Group Overview | Our Businesses

Industrial Services	SGH Ownership	Business Description	Strategic Position
WesTrac Australia	100%	CAT dealer in WA and NSW/ACT	#1 equipment solution company in WA and NSW/ACT
Coates Hire	47%	Industrial and general equipment hire	Largest equipment hire company in Australia
AllightSykes	100%	Industrial lighting, pumps, generators	Leading OEM and distributor of lighting towers and pump solutions for mining and construction
Media			
Seven West Media	41%	Diversified media	Australia's largest diversified media audience company
- Seven Network		- Broadcast	#1 television network in ratings and revenue in Australia
- The West		- Publishing	#1 media publishing company in WA
- Pacific Magazines		- Digital	#1 Australian owned magazine publisher
- Yahoo7 / Other			One of the largest digital platforms for desktop and mobile
Energy			
SGH Energy	100%	Diversified oil and gas	Leveraged to growing East Coast gas demand
Beach Energy	23%	Diversified oil and gas	Australia's largest onshore oil producer with a major gas business
Investments			
Listed Portfolio	100%	Listed investments	Store of value and additional return for the Group
Property Portfolio	100%	Direct and indirect property	Proven ability to create value through realisation of property assets

Safety

- Continuing to implement a cultural safety program with front line leadership and key roles across the businesses through:
  - Training programs at all levels to ensure compliance and commitment
  - Development of enhanced safety management systems
  - Management KPIs incorporating leadership, visibility and accountability for safety performance improvement and sustainability
- Overall LTIFR and TRIFR down across the Group

Culture

- Recognition that our people are critical to ongoing customer delivery
- WesTrac apprenticeship program expanded; FY18 intake of 55 people across WA and NSW with KPIs on cultural and gender diversity on track
- Building systems focused on leadership, engagement and diversity

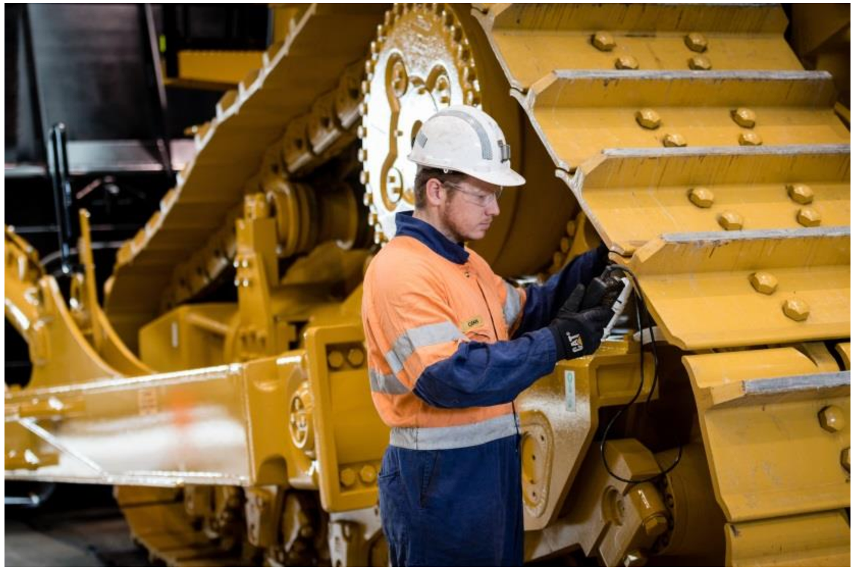
	LTIFR		TRIFR	
	FY17	FY16	FY17	FY16
WesTrac WA	1.2	1.4	9.8	12.2
WesTrac NSW	1.3	0.0	7.6	5.7
Coates Hire*	1.7	2.9	21.3	26.6
AllightSykes	0.0	6.9	2.9	15.3
WesTrac China	0.6	3.1	-	-

- Lost time injury frequency rate (LTIFR) = number of lost time injuries per million hours worked;
- Total recordable injury frequency rate (TRIFR) = number of recordable injuries per million hours worked;
- Coates Hire figure includes contractors

Group Overview | Highlights

Result at the upper end of guidance

- Underlying EBIT of $297m up 9% YoY ($333m incl. discontinued operations, up 10%) – compared to guidance at half-year of 5-10% up
- Statutory NPAT of $16m ($46m incl. discontinued operations) impacted by net SWM significant items of $246m
- Result reflects the core demand of the mining production cycle and East Coast infrastructure together with a solid contribution from the Beach Energy investment
- Operating businesses continue to focus on margins, overheads and cash



Product support sales growth in WesTrac Australia

- 21% growth in parts revenue, driven by increased maintenance as a result of ageing fleets and greater utilisation; overall product support revenue up 15% on pcp

Sustained focus on cash, costs and margins

- Continued strong underlying cash flow from operations of $353m representing EBITDA cash conversion of 96%
- Group EBIT margins improved through continued cost focus

Sale of WesTrac China

- Operations in China to be sold to LSH for ~$540m subject to completion adjustments and regulatory approval
- Sale optimises value at right time of the cycle, further strengthens balance sheet with focus on investment opportunities

Capital management to enhance shareholder

- Ordinary and TELSY4 share price appreciation of 82% and 34% over the year; Top 3 TSR of 94% over one year; Top Quartile TSR of 24% over three years relative to S&P/ASX 100 Index
- Final ordinary dividend increased by 1c to 21cps, fully franked; 61% underlying payout ratio

Post Balance Date Event | Sale of WesTrac China

Value accretive transaction at strong point in the cycle

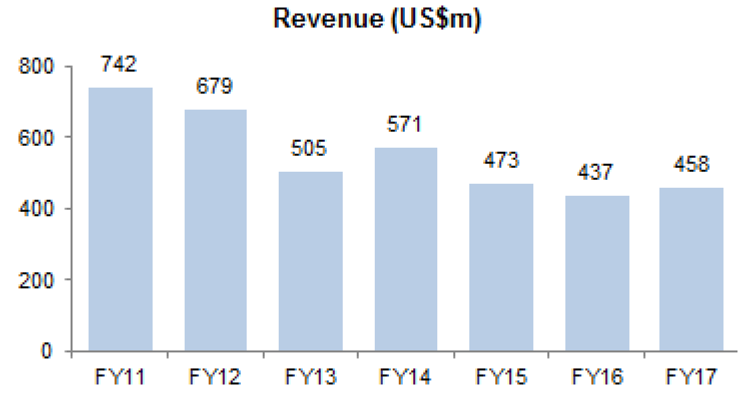
- Sale and Purchase Agreement signed on 1 July 2017 following approach from Lei Shing Hong (LSH), a neighbouring CAT dealer in China
- ~$540m sales proceeds, representing net book value including intangibles
- Deal sanctioned by CAT, demonstrating support for dealership consolidation, and we continue to look for opportunities with CAT
- Eliminates increased credit risks associated with operating in China
- WesTrac Australia will continue to benefit from robust Chinese demand for iron ore and coal
- Completion expected in September / October

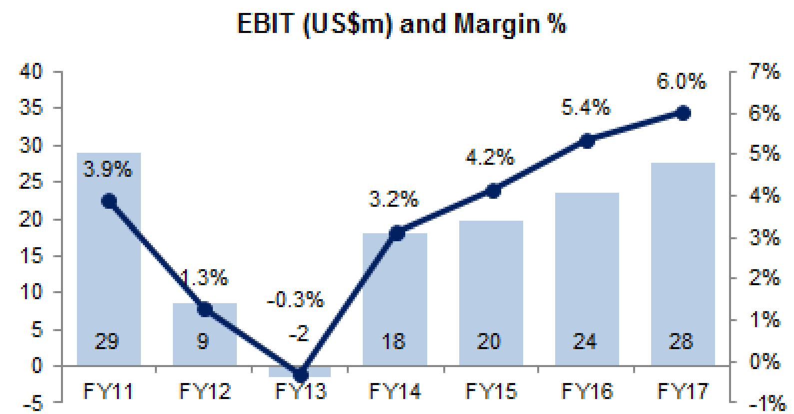
Enhances balance sheet strength and flexibility

- Provides funding capacity to undertake further value accretive acquisitions or liquidity to repay drawn debt
- Deal subject to China regulatory approval from MOFCOM

Demonstrates ability to deliver performance

- We have turned around the business through cost reduction and rationalisation
- In FY17 we delivered the same profitability but on revenues 40% lower than FY11
- US$28m EBIT in FY17 driven by 13% growth in product sales, mainly through a resurgence in HEX sales, market share gains and margin improvement
- Product support down 15% due to completion of major SOE overhauls in pcp
- Operating cash flow of US$49m driven by reduced working capital including the factoring of promissory notes; the lack of liquidity has heightened the level of credit risk





Group Overview | Key Financials

	Continuing Operations			Including Discontinued Operations		
Underlying Results	**FY17**	**FY16**	**% Change**	**FY17**	**FY16**	**% Change**
Trading revenue	$ 2,282.3 m	$ 2,237.2 m	2%	$ 2,884.7 m	$ 2,837.7 m	2%
Earnings before interest and tax[1]	$ 297.2 m	$ 271.5 m	9%	$ 333.3 m	$ 302.8 m	10%
Underlying net profit after tax[1]	$ 187.1 m	$ 169.4 m	10%	$ 215.4 m	$ 184.2 m	17%
Underlying earnings per share[1]	57 cents	51 cents	13%	67 cents	56 cents	20%
Underlying EBITDA cash conversion[1,2]				96%	112%	-16%
Statutory Results	**FY17**	**FY16**	**% Change**	**FY17**	**FY16**	**% Change**
Trading revenue	$ 2,282.3 m	$ 2,237.2 m	2%	$ 2,884.7 m	$ 2,837.7 m	2%
Earnings before interest and tax	$ 119.8 m	$ 276.4 m	-57%	$ 158.0 m	$ 306.2 m	-48%
Reported net profit after tax for the period	$ 16.4 m	$ 184.0 m	-91%	$ 46.2 m	$ 197.8 m	-77%
Statutory earnings per ordinary share	(3) cents	55 cents	-	7 cents	60 cents	-88%
Final fully franked ordinary dividend	21 cents	20 cents	5%	21 cents	20 cents	5%

Notes:

1. Excluding Significant Items. Refer to slide 10 for listing of Significant Items.
2. Refer to slide 12 for detail of EBITDA cash flow conversion.

Financials | P&L Reconciliation

Year ended 30 June 2017 ($m)	Underlying trading performance Cont.	Underlying trading performance Discont.	Underlying trading performance Total	Less: Significant items Cont.	Less: Significant items Discont.	Less: Significant items Total	Statutory results (as reported) Cont.	Statutory results (as reported) Discont.	Statutory results (as reported) Total
Revenue	2,282.3	602.4	2,884.7	-	-	-	2,282.3	602.4	2,884.7
Other income	51.7	4.2	55.9	(4.4)	-	(4.4)	56.1	4.2	60.3
Share of associate NPAT	121.0	-	121.0	303.3	-	303.3	(182.3)	-	(182.3)
Associate (impairment) / reversal	-	-	-	(128.4)	-	(128.4)	128.4	-	128.4
Fair value movement of derivatives	-	-	-	(1.9)	(2.1)	(4.0)	1.9	2.1	4.0
Expenses excluding D&A	(2,127.3)	(567.4)	(2,694.7)	8.8	-	8.8	(2,136.1)	(567.4)	(2,703.5)
EBITDA	**327.7**	**39.2**	**366.9**	**177.4**	**(2.1)**	**175.3**	**150.3**	**41.3**	**191.6**
Depreciation and amortisation	(30.5)	(3.1)	(33.6)	-	-	-	(30.5)	(3.1)	(33.6)
EBIT	**297.2**	**36.1**	**333.3**	**177.4**	**(2.1)**	**175.3**	**119.8**	**38.2**	**158.0**
Net finance expense	(81.3)	(2.2)	(83.5)	(4.8)	-	(4.8)	(76.5)	(2.2)	(78.7)
Income tax benefit/(expense)	(28.8)	(5.6)	(34.4)	(1.9)	0.6	(1.3)	(26.9)	(6.2)	(33.1)
Profit/(loss) for the year	**187.1**	**28.3**	**215.4**	**170.7**	**(1.5)**	**169.2**	**16.4**	**29.8**	**46.2**
Earnings per share (cents)	57.3	10.1	**67.4**	(60.5)	0.5	**(60.0)**	(3.2)	10.6	**7.4**

Year ended 30 June 2016 ($m)	Underlying trading performance Cont.	Underlying trading performance Discont.	Underlying trading performance Total	Less: Significant items Cont.	Less: Significant items Discont.	Less: Significant items Total	Statutory results (as reported) Cont.	Statutory results (as reported) Discont.	Statutory results (as reported) Total
Revenue	2,237.2	600.5	2,837.7	-	-	-	2,237.2	600.5	2,837.7
Other income	69.5	6.7	76.2	(17.2)	-	(17.2)	86.7	6.7	93.4
Share of associate NPAT	90.0	-	90.0	(1.0)	-	(1.0)	91.0	-	91.0
Associate (impairment) / reversal	-	-	-	0.4	-	0.4	(0.4)	-	(0.4)
Fair value movement of derivatives	-	-	-	(4.2)	(1.0)	(5.2)	4.2	1.0	5.2
Expenses excluding D&A	(2,092.1)	(571.0)	(2,663.1)	17.1	2.5	19.6	(2,109.2)	(573.5)	(2,682.7)
EBITDA	**304.6**	**36.2**	**340.8**	**(4.9)**	**1.5**	**(3.4)**	**309.5**	**34.7**	**344.2**
Depreciation and amortisation	(33.1)	(4.9)	(38.0)	-	-	-	(33.1)	(4.9)	(38.0)
EBIT	**271.5**	**31.3**	**302.8**	**(4.9)**	**1.5**	**(3.4)**	**276.4**	**29.8**	**306.2**
Net finance expense	(85.7)	(3.5)	(89.2)	-	-	-	(85.7)	(3.5)	(89.2)
Income tax benefit/(expense)	(16.4)	(13.0)	(29.4)	(9.7)	(0.5)	(10.2)	(6.7)	(12.5)	(19.2)
Profit/(loss) for the year	**169.4**	**14.8**	**184.2**	**(14.6)**	**1.0**	**(13.6)**	**184.0**	**13.8**	**197.8**
Earnings per share (cents)	50.6	5.4	**56.0**	4.4	(0.4)	**4.0**	55.0	5.0	**60.0**

Note: discontinued operations relate to the WesTrac China segment

Financials | Profit and Loss

$m	FY17	FY16	Change %
Revenue	2,282.3	2,237.2	2%
Other income	51.7	69.5	-26%
Share of results from equity accounted investees	121.0	90.0	34%
Total revenue and other income	**2,455.0**	**2,396.7**	**2%**
Expenses (excl. depreciation, amortisation and interest)	(2,127.3)	(2,092.1)	2%
Underlying EBITDA	**327.7**	**304.6**	**8%**
Depreciation and amortisation	(30.5)	(33.1)	-8%
Underlying EBIT	**297.2**	**271.5**	**9%**
Net finance costs	(81.3)	(85.7)	-5%
Underlying net profit before tax	**215.9**	**185.8**	**16%**
Underlying tax expense	(28.8)	(16.4)	76%
Underlying NPAT from continuing operations	**187.1**	**169.4**	**10%**
NPAT from discontinued operations	28.3	14.8	91%
Significant Items (incl. tax impact)	(169.2)	13.6	**-**
Statutory NPAT including discontinued operations	**46.2**	**197.8**	**-77%**
Profit attributable to shareholders of SGH	**44.5**	**196.8**	**-77%**

Notes:

1. Refer to the Appendix 4E for the detailed statutory results
2. Significant items are further summarised on slide 8

Financials | Significant Items

$m	FY17	FY16
Impairment reversal/(impairment) – SWM equity	128.4	(0.4)
Gain /(Loss) on sale of investments and MtM on derivatives	1.9	4.0
Restructuring, redundancy, transaction and other costs	(4.8)	(10.5)
Share of equity accounted investees' Significant Items	(303.3)	1.0
Other items	2.5	9.3
Significant Items – EBIT	**(175.3)**	**3.4**
IOC witholding tax court ruling - interest	4.8	-
Share of SWM impairment and Significant Items	(53.6)	-
Tax benefit relating to Significant Items	54.9	10.2
Significant Items – NPAT	**(169.2)**	**13.6**
Statutory NPAT	**46.2**	**197.8**
NPAT excluding Significant Items	**215.4**	**184.2**

Financials | Earnings Summary

$m	Continuing Operations: Total Group	WesTrac Aus	Allight Sykes	Coates Hire	Media Invest.	Energy	Other Invest.	Other	WesTrac China
Revenue	**2,282.3**	**2,203.7**	**68.7**	**-**	**-**	**4.6**	**5.3**	**-**	**602.4**
Statutory EBIT	**119.8**	**159.1**	**(3.7)**	**18.6**	**(175.9)**	**83.5**	**56.3**	**(18.1)**	**38.2**
Add unfavourable Significant Items									
Share of associate significant items	**380.1**	-	-	6.1	374.0	-	-	-	-
Restructuring, redundancy and other costs	**4.8**	4.0	0.6	-	-	0.2	-	-	-
Loss on sale of investments	**4.0**	-	-	-	-	-	4.0	-	-
Mark-to-market on derivatives	**1.2**	1.2	-	-	-	-	-	-	-
Subtract favourable Significant Items									
Impairment - SWM equity	**(128.4)**	-	-	-	(128.4)	-	-	-	-
Share of associate significant items	**(76.8)**	-	-	-	-	(58.0)	(18.8)	-	-
Mark-to-market on derivatives	**(3.1)**	-	-	-	-	-	(2.7)	(0.4)	(2.1)
Other items	**(2.5)**	-	-	-	-	-	(0.2)	(2.3)	-
Gain on sale of investments	**(1.4)**	-	-	-	-	-	(1.4)	-	-
Gain on sale of assets	**(0.5)**	-	-	-	-	-	(0.5)	-	-
Total Significant items - EBIT	177.4	5.2	0.6	6.1	245.6	(57.8)	(19.6)	(2.7)	(2.1)
Underlying EBIT – FY17	**297.2**	**164.3**	**(3.1)**	**24.7**	**69.7**	**25.7**	**36.7**	**(20.8)**	**36.1**
Underlying EBIT – FY16	**271.5**	**165.3**	**(3.4)**	**5.2**	**88.3**	**(2.3)**	**40.4**	**(22.0)**	**31.3**

Financials | Cash Flow

$m	FY17	FY16
Underlying EBIT	333.3	302.8
Add: depreciation and amortisation	33.6	38.0
Underlying EBITDA	**366.9**	**340.8**
Operating cash flow	**295.8**	**314.4**
Add: interest and other costs of finance paid	71.8	81.8
Net income taxes paid/ (refunded)	13.2	2.9
Add back: restructuring costs	4.8	9.7
(Less) / add: other cash Significant Items	(32.8)	(28.3)
Underlying operating cash flow	**352.8**	**380.5**
Underlying EBITDA cash conversion	**96%**	**112%**
Operating cash flow	295.8	314.4
Investing cash flow	(25.5)	(98.9)
Financing cash flow	(379.9)	(145.7)
Net (decrease) / increase in cash and cash	**(109.6)**	**69.8**
Cash and cash equivalents at end of period	**172.5**	**366.8**
Opening net debt	1,367.5	1,344.6
Movement in net debt	(59.4)	22.9
Closing net debt	**1,308.1**	**1,367.5**

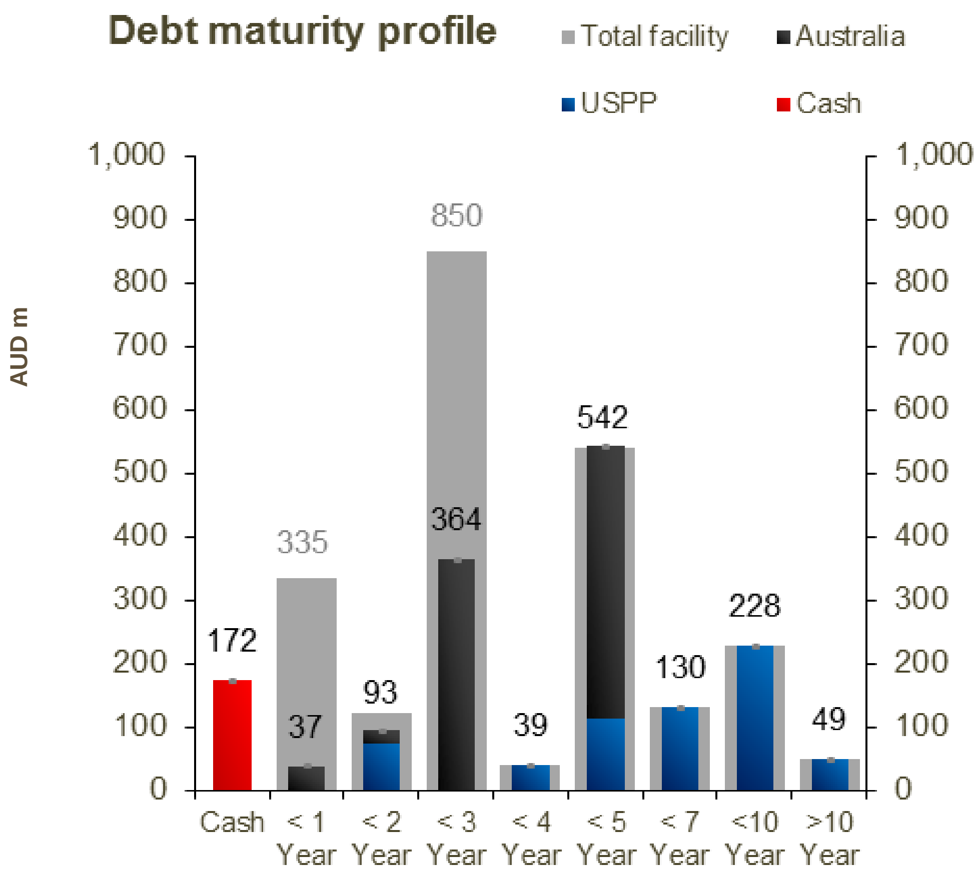
- Free cash flow per share is up 3c from 93c to 96c continuing the consecutive growth over the past three years
- Investment cash flow includes:
  - $46m in listed investment portfolio
  - $3m relating to S3 and MineQ projects
  - $12m relating to energy capex
  - $19m net investment in offshore media
  - $10m relating to other net capex
  - $3m in unlisted investments

  Offset by:
  - $64m in sales from listed portfolio
  - $3m net proceeds from equity derivatives
- Financing cash flow include:
  - $137m in dividends paid
  - $243m in debt repayments

Financials | Balance Sheet

$m	As at 30 Jun 17	As at 30 Jun 16 (adjusted)	As at 30 Jun 16	Change % (adjusted)
Trade and other receivables	341.4	380.1	554.4	-10%
Inventories	654.7	684.2	831.3	-4%
Net assets held for sale	543.4	537.8	-	1%
Investments	1,735.3	1,972.6	1,972.6	-12%
Property, plant and equipment	159.9	156.7	172.0	2%
Oil and natural gas assets	436.1	432.5	432.5	1%
Intangible assets	456.7	456.2	779.9	0%
Other assets	14.0	18.0	28.9	-22%
Trade and other payables	(289.5)	(253.4)	(347.4)	14%
Provisions	(154.7)	(140.8)	(148.6)	10%
Net tax assets/(liabilities)	(123.0)	(125.8)	(129.4)	-2%
Deferred income	(100.3)	(205.7)	(241.4)	-51%
Derivative financial instruments	59.3	163.0	160.9	-64%
Net debt	(1,308.1)	(1,377.2)	(1,367.5)	-5%
Total shareholders equity	**2,425.2**	**2,698.2**	**2,698.2**	**-10%**

- Reduction in trade receivables mainly due to property settlements and High Court judgement
- Inventories reduction due to lower equipment inventory, partially offset by increased parts inventory
- Net assets held for sale relate to China operations
- Decline in investments due to unfavourable mark-to-market movement and realised losses of the listed investment portfolio of $(118)m, net disposals from the portfolio of $(18)m, movement in the carrying value of equity accounted investees of $(117)m and increase in other unlisted investments of $14m
- The increase in trade payables relates to the timing of creditor payments in WesTrac
- Provisions have increased mainly due to property make good provisions of $11m in WesTrac
- Decline in deferred income due to restructure of customer maintenance agreements of $55m and reduction of slot fees of $50m mainly relating to Roy Hill deliveries
- Shareholder equity declined by $273m due to the full year dividends of $137m, MtM of the listed portfolio of $118m and fair value adjustments of derivatives of $48m, more than offsetting the FY17 statutory profit



- At 30 June 2017, the Group had $810m of available undrawn borrowing facilities (excluding China)
- Current “<1 year” debt includes a number short-term OEM facilities that are regularly rolled over for further terms and are categorised as current due to their short dated nature
- Facilities have a weighted average tenor of 3.7 years while drawn debt has an average tenor of 5.0 years at 30 June 2017
- Excludes debt related to assets held for resale
- Excludes the cash impact of the proposed sale of WesTrac China of ~$540m

Financials | Capital Management

5% increase in final dividend to 21cps, fully franked

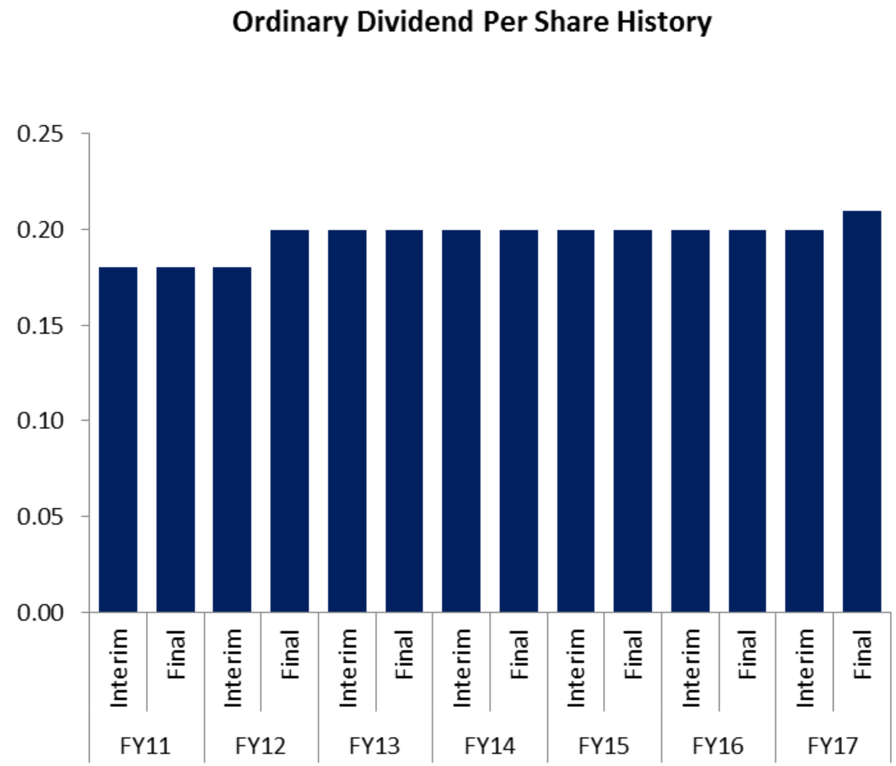
- Policy of maintaining the dividend has provided reliable, fully franked cash returns for shareholders over an extended period of time
- TELYS dividends have been paid consistently since first issued by Seven Network Limited in 2002 prior to the creation of SGH in 2010

Off market TELYS4 buy-back

- No shares bought back under the previous on market buy-back program which ended on 17 August 2017

Total shareholder return

- Ordinary TSR of 94% over one year – amongst top 3 in S&P/ASX 100
- Ordinary TSR of 24% over three years – amongst top quartile
- TELYS4 TSR of 46% over one year



WesTrac Australia

Our highly trained technicians help our customers achieve world-leading machine productivity

Industrial Services | WesTrac Australia

Value proposition

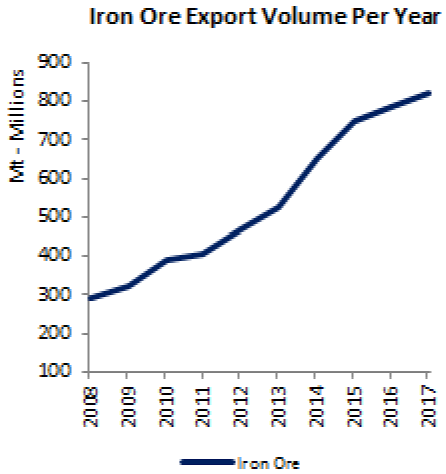
- WesTrac enables customers in the resource and construction industries to reduce lifecycle equipment ownership costs, thereby minimising new capital investment while maximising production
- We are investing in technology and utilising data in new ways to stay ahead of the curve – in areas such as parts logistics, real-time fleet monitoring and autonomous mining technology

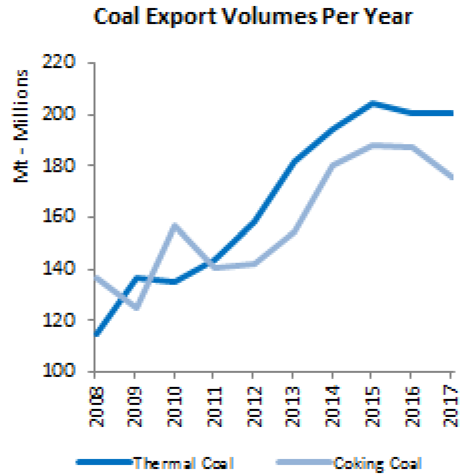
Maintenance opportunities

- Large parts and service opportunity provided by the greater machine activity required to drive iron ore export volume growth of 4% in FY17
- Increase in average mining fleet age is resulting in greater consumption of parts ahead of an impending fleet replacement cycle
- Record volume of parts movement in WA and NSW and increase in average dollar value of parts; market share gains achieved in most of our markets
- Service revenue growth has lagged the increase in parts reflecting both a large opportunity but also the competitive state of the market
- "Run to condition" customer maintenance strategies mean extended component lives and less predictable component flows into workshops

Growth Opportunities

- Work with CAT to improve parts availability and reduce supply chain costs to further boost velocity; however ex-factory times are pushing out globally
- Use of data driven analysis of parts demand and customer behaviour to further increase market share
- Introduce ultra-class CAT trucks into the market to gain acceptance prior to significant fleet upgrades





Source: Australian Bureau of Statistics, Bloomberg

Cat Equipment Utilisation	WA	NSW	Total
Machine population	13,550	15,287	28,837
Mining population	4,121	1,443	5,564
Utilised mining population	3,171	1,223	4,394
% mining utilisation	76.9%	84.8%	79.0%

Equipment Average Age (Years)			
Machine population	14.1	13.3	13.6
Mining population	10	10	10
Utilised mining population	9	9	9
Idle mining population	13	14	13

Source: PTOS ver 3.2 DCAL - June 2017

Case Study | Enabling Customer Performance

"We have analysed BHP Billiton's equipment classes by their maintenance cost and business priority to identify where standardisation could have larger benefits. This led to a focus on our Caterpillar 793F trucks."

"…we anticipate [this] will result in cost savings of A$95m for WA Iron Ore …for the life of these trucks alone. This is due to

- ***20% improvement in engine life;***
- ***50% improvement in life of the front suspension cylinder life;***
- ***20% improvement in final drive life; and***
- ***Servicing focused on tasks to improve reliability."***

Edgar Basto, Asset President Western Australia Iron Ore, BHP

20th Annual Global Iron Ore and Steel Forecast Conference, Perth, Australia, 29 March 2017

Image: The West Australian

Industrial Services | WesTrac Australia

Trading revenue up 3% YoY

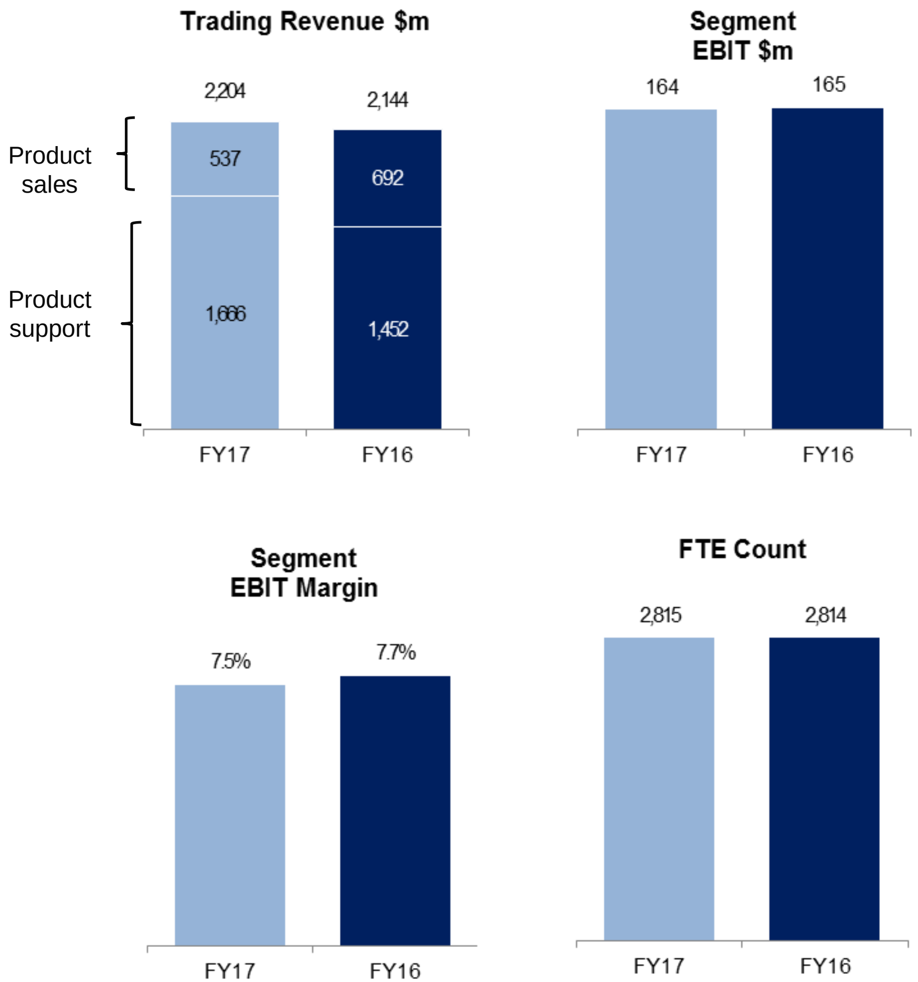
- Product sales down 22%, impacted by a $148m reduction in Roy Hill deliveries from the prior year; however non-mining sales were up 11%, mainly in the construction sector
- Signs of mining capital recovery emerging with improvements in forward orders over the past three months; however global demand growth is resulting in longer lead times from CAT
- Focus on remaining the preferred supplier of equipment through technology and data analytic platforms

Product support revenue up 15% on pcp

- Parts sales increase of 21% with 5% growth in parts lines shipped and ~10% parts market share growth over the year
- Strong parts growth demonstrating ongoing revenue streams as fleet ages
- Successful introduction of upfront pricing for parts exchange allowing earlier cash generation and improved customer satisfaction
- Aggressive competition for service work limiting revenue growth to 4% and impacting margins

Focus on margins and working capital management

- EBIT margin slightly down due to margin compression and FX gains in pcp
- Strong parts demand is pressuring the Cat supply chain, resulting in increased freight and personnel costs
- Significant reduction in aged equipment inventory has offset increased parts investment to meet customer demand



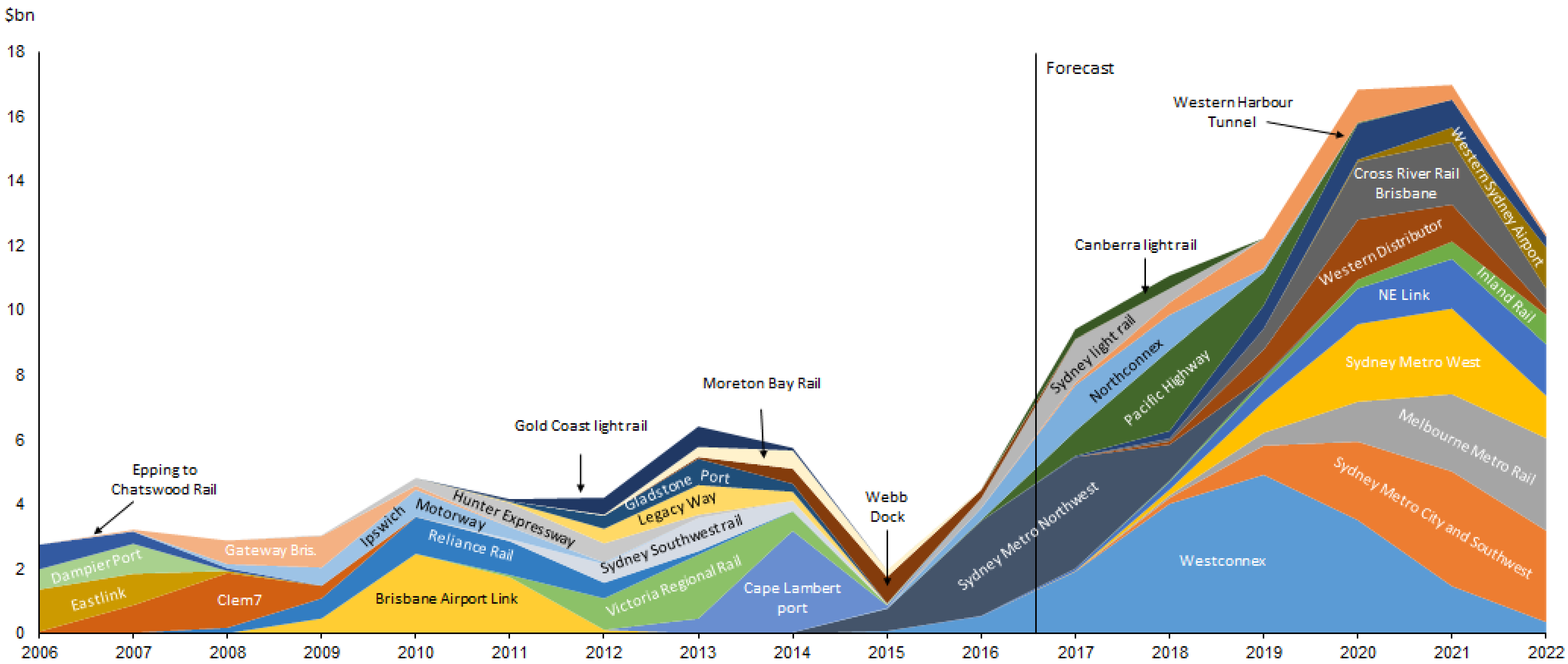
Note: Segment EBIT margin is calculated as Segment EBIT / trading revenue

Coates Hire

Coates Hire is a leading supplier of equipment to the infrastructure sector

Coates Hire and WesTrac set to capture further upside

- Strong growth in infrastructure activity on the East Coast has improved demand for construction equipment and heavy machinery
- Further upside to be captured given that peak investment is expected to occur in 2020 / 2021



Source: Deloitte Access Economics Investment Monitor June 2017

Industrial Services | Coates Hire

coateshire

Strong growth from East Coast infrastructure

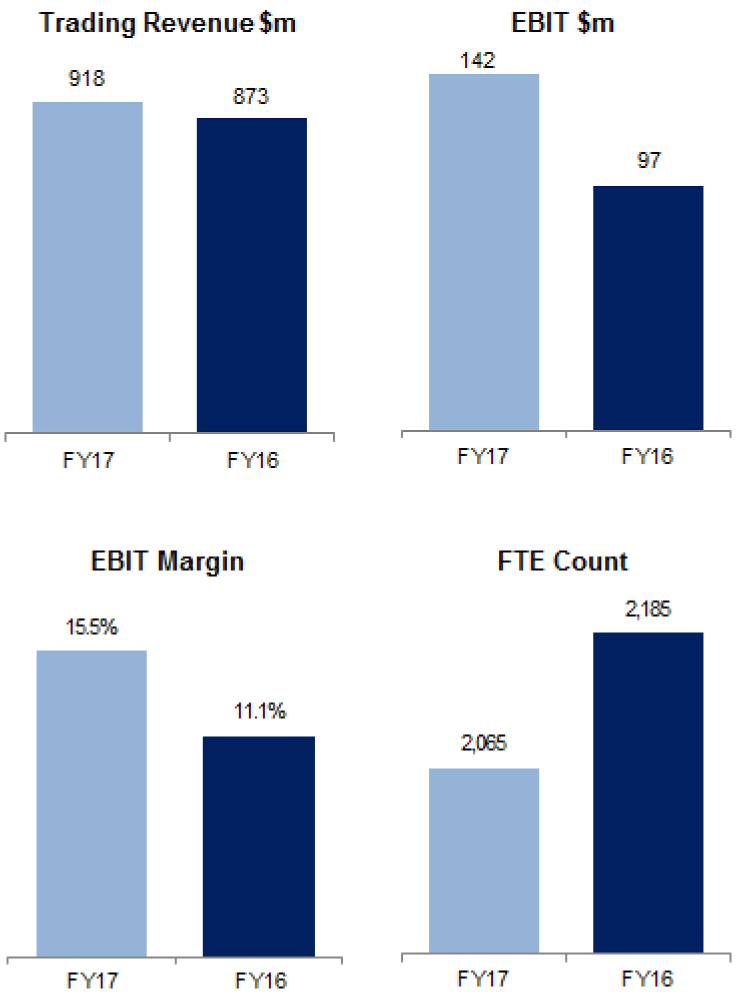
- NSW and VIC businesses continue to perform well through infrastructure and construction activity with revenue up ~15% in both states partially offset by the continued softer trading conditions particularly in WA
- Group revenue up 5% YoY with EBIT margins increasing from 11% to 15%
- Improvement in time utilisation to 59.5%, up from 57% in June 2016

Strategic initiatives making an impact

- Turnaround in the business driven by the change in management; but more work required on continued delivery of the strategy
- Fleet relocation, price realisation and branch rationalisation initiatives have yielded a 46% growth in EBIT over the period
- New initiatives include the renewed focus on equipment turn around time (TAT) to enhance fleet utilisation
- The establishment of a centralised customer contact centre will provide greater operational efficiency and customer experience
- Transport management system to focus on “on time in full” effectiveness
- Introduction of CHIPS technology to improve asset identification and utilisation

Continued focus on balance sheet management

- Net debt has reduced by $133m over the period with $86m in debt repaid
- Capital expenditure totalled $98m in FY17 with a further $35m ordered but yet to be delivered



Notes:
1. Coates Hire is an equity accounted investment and not consolidated by SGH
2. SGH’s economic interest in Coates Hire is 46.5% based on diluted interest after considering vesting conditions for options issued under the Management Equity Plan

Media

Seven West Media - delivering engagement and value through powerful storytelling

SEVEN WEST MEDIA

Strong ratings and revenue share but result impacted by non-cash impairments

- Total impairments of $912m after tax reflecting the impact of declining growth on asset carrying values
- Legacy US output deals and one-off sports rights in softer market conditions
- Strategy evolving to account for current market conditions
- Metro FTA ad revenue market share of 40.2%
- $35m license fee reduction in the financial year
- Underlying EBIT of $261m down 17.8%

$m	FY17	FY16	Change
SWM share of associate NPAT [1]	68.3	85.0	**-20%**
Other investment income	1.4	3.3	**-58%**
Segment EBIT Contribution	**69.7**	**88.3**	**-21%**

Notes:
1. Excludes the Group's share of SWM's impairment write-off in FY17

#1	SPORTS EVENT	Rio2016
#1	WINTER SPORT	AFL
#1	SUMMER SPORT	AO
#1	REALITY	MKR MY KITCHEN RULES
#1	DRAMA	THE SECRET DAUGHTER
#1	DRAMA EVENT	HOGES
#1	NEWS	7NEWS
#1	AT BREAKFAST	sunrise
#1	ON MORNINGS	THE MORNING SHOW

Outlook

- Expect broadcast metro market to outperform FY17 trend and Seven to target increased share
- Publishing trends to continue, partially offset by digital growth
- Cost savings to more than offset AFL uplift in FY18
- Expect FY18 Underlying Group EBIT to be 5% lower than FY17
- Further $50m cost savings from one off events to be delivered in FY19

Energy

Longtom is positioned to deliver 80 PJ of gas into the East Coast market (Photo: Matthew Bewley)

Energy | Asset Overview

Focus on bringing gas to market

- We have gas available and we are working on bringing it to market
- Significant upside opportunity seen in East Coast gas contract prices given the well-publicised shortage of developed gas

Gippsland Basin (Longtom, Gemfish)

- Longtom 3 and Longtom 4 wells are ready for production following electrical rectification in the Longtom system – we have 20 PJ available for re-start subject to availability of third party gas transport and processing
- Longtom 5 is "drill ready" with potential first gas 12-18 months after the re-start of the field
- 80 PJ in total uncontracted gas coming into a tight East Coast gas market

$m	FY17	FY16
Sale of gas and condensate	4.6	5.7
Other income	-	3.2
Share of Beach Energy NPAT	28.3	-
Expenses (excl. interest and corporate)	(5.1)	(8.2)
Segment EBITDA	**27.8**	**0.7**
Depletion, depreciation and amortisation	(2.1)	(3.0)
Segment EBIT	**25.7**	**(2.3)**

Browse Basin (Crux)

- Work plan being led by Shell Australia with focus on further technical studies, commercial activities and concept selection
- LNG project deferral and decline in regional production by the early 2020's has favourably positioned Crux as a backfill option that can enhance returns for existing infrastructure owners

US Onshore (Bivins Ranch)

- Drilling and completion costs have reduced significantly, however cash is being preserved with drilling in line with minimum lease commitments
- Production from existing wells is being optimised through a waterflood project and well recompletions / workovers
- Development upside remains in the Canyon Lime play with potential to target and prove-up additional zones

Strong FY17 operating performance

- Record full year production of 10.6 MMboe, up 9% on previous year
- Underlying NPAT of $162m significantly improved on $36m in prior year
- Cost focused culture evident by 39% reduction in cash flow breakeven to US$16/bbl and Cooper Basin JV field operating costs down 20%
- Capital expenditure of $155m, 16% down on FY16
- 2P reserves increased to 74.7 MMboe with replacement ratio of 179%

Maintaining production and reserves

- Multi-year capital program underway: targeting production >10MMboe per annum to FY20 and 100% replacement of 2P reserves to FY19
- Planned participation in up to 78 wells in FY18, up 35% from FY17 and connection of 20 currently cased and suspended wells
- FY18 production guidance of 10.0 to 10.6 MMBoe, underpinned by existing producers and current well stock – not dependent on exploration success
- FY18 capital expenditure guidance of $220 to 260 million; ~75% allocated to discretionary spend; targeting projects with >60% internal rate of return;

Uniquely positioned to pursue growth opportunities

- Australia's largest onshore oil producer with a major gas business
- Significant liquidity with $348m in cash and ~$700m available undrawn debt facilities at year end
- Assessing multiple opportunities in a disciplined manner

$m	FY17	FY16
Production (Mmboe)	10.6	9.8
Sales revenue	649.3	558.0
Underlying EBITDA	385.0	187.0
Underlying NPAT	161.7	35.7
Statutory NPAT	**387.5**	**(588.8)**
Operating cash flow	321.2	233.4
Capital expenditure	155.0	184.0

Bauer facility expansion (Cooper Basin), commissioned in Q4 FY17
Image: Beach Energy FY17 preliminary results presentation

Investments

The “Kodo“ development in Adelaide will provide 208 apartments over 30 storeys

Investments | Property and Listed Portfolios

Property impacted by slowdown in Perth market

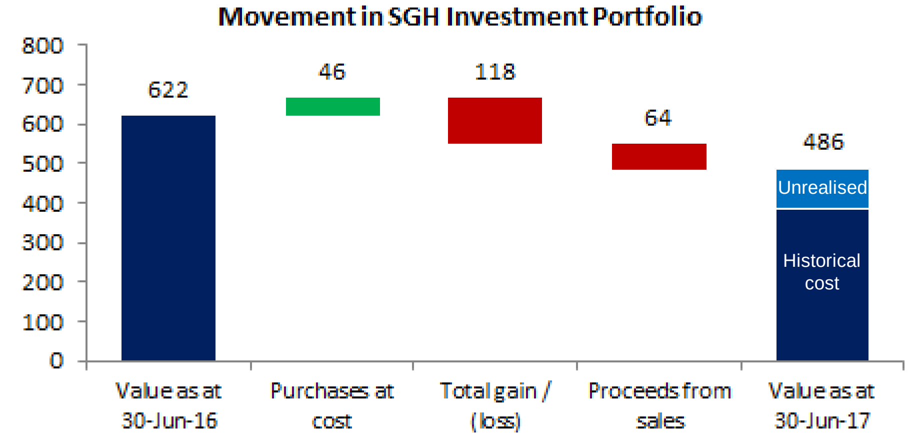
- KS5, KS6 and KS7 development deferred until market improves
- 12 lots sold at the Dianella residential development compared to 25 in pcp - all development costs have been recouped
- Sale of additional REVY buildings in Pyrmont realised $19m share of profit in FY17 - recognised as a significant item

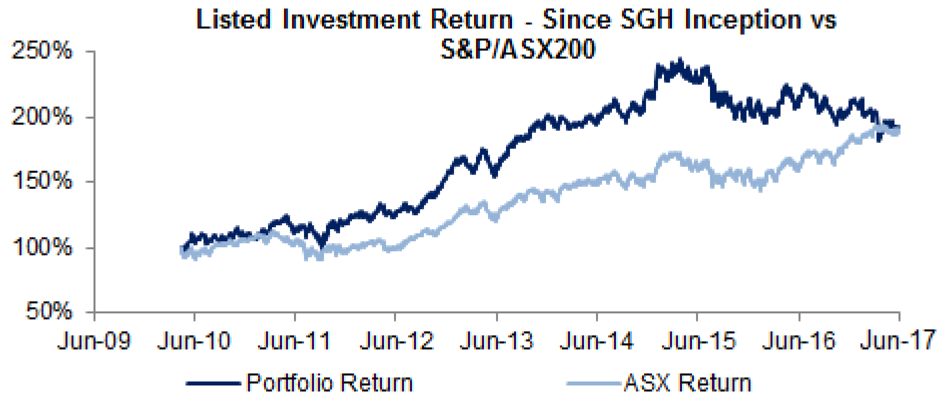
Listed portfolio provides yield and liquidity

- Dividend yield on portfolio of 9.4% (gross annualised basis)
- Cumulative unrealised gain of $103m deferred to reserves
- $118m economic loss during FY17 mainly due to realised losses and unfavourable mark to market movements
- (11.5%) pre-tax FY17 total return versus 15.7% for S&P/ASX 200

$m	FY17	FY16
Revenue	5.4	11.8
Other income	35.7	36.5
Associate NPAT share	0.5	1.5
Total revenue and other income	**41.6**	**49.8**
Segment EBITDA	**36.9**	**40.6**
Segment EBIT	**36.7**	**40.4**

Note: results exclude net gains on sale of investments, subsidiaries and property





Outlook | Key Takeaways and Questions

Focus on continued strategy execution	Capturing parts and service opportunity in a stronger market	Strong operating cash flow through the cycle	Driving shareholder value through capital management
We remain committed and focused on the delivery of our strategy: - market share / revenue - margin expansion; - cost control; and - cash generation	Our parts performance is being matched by delivery of enhanced service solutions in a market benefiting from higher production volumes and commodity prices	Our market-leading industrial services businesses provide quality, recurrent cash flow generation through the cycle	Cash flow management together with our commitment to enhancing shareholder value through capital management initiatives continue to be a core focus for FY18

FY18 underlying EBIT from continuing operations is expected to be 5-10% up on FY17

SGH | Industrial Services, Media, Energy and Investments

WesTrac

SGH | Energy