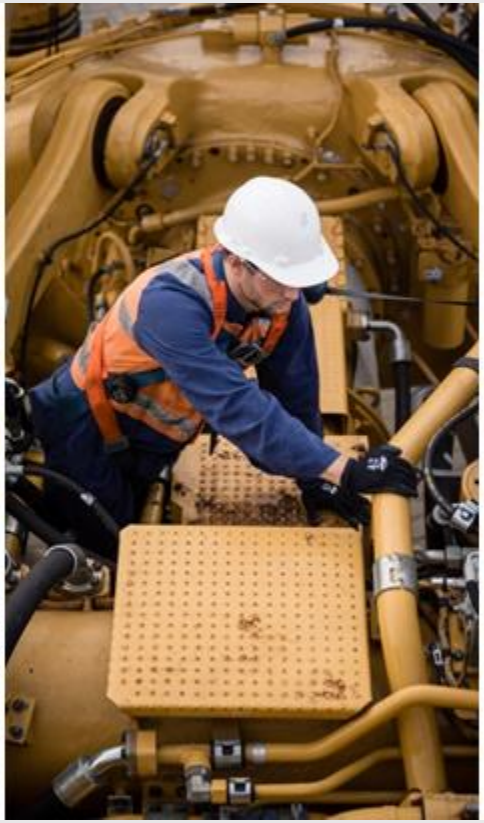
SGH | Industrial Services, Media, Energy and Investments

Results for the six months ended 31 December 2017

Enabling Customer Performance

Basis of preparation of slides

- Included in this presentation is data prepared by the management of Seven Group Holdings Limited ("SGH") 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 financial statements, 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.
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- Period-on-period changes that are greater than 100%, less than (100)% or change between positive and negative are omitted for presentation purposes.

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 8 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 9 of this presentation.

Group Overview | People, Safety and Culture

Safety

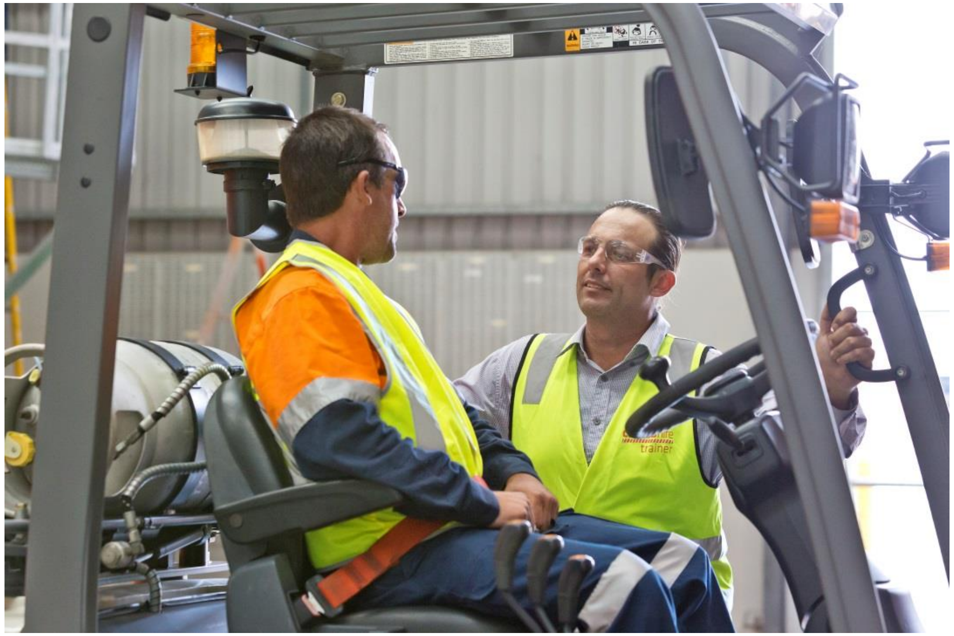
- Key priority for our business - core part of our culture and vital for enabling customer performance
- Continuing to implement a cultural safety program with front line leadership and key roles across the businesses through:
  - Training programs at all levels to communicate what good safety behaviour looks like and to ensure compliance and commitment
  - Management KPIs incorporating leadership, visibility and accountability for safety improvement and sustainability

People and Culture

- Recognition that our people are critical to our ongoing success and customer delivery
- WesTrac apprenticeship program expanded with KPIs on cultural and gender diversity on track
- Continued focus on leadership capability, talent management, employee engagement and diversity through various initiatives across the Group

	LTIFR		TRIFR	
	1H FY18	1H FY17	1H FY18	1H FY17
WesTrac WA	2.0	1.6	9.8	12.8
WesTrac NSW	2.1	0.0	11.5	4.8
Coates Hire*	3.5	2.1	21.9	21.5
AllightSykes	0.0	7.9	8.3	15.8
Group Total	**2.6**	**1.9**	**15.1**	**15.2**

- 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



Coates Hire | RTO Manager | Sydney

Group Overview | Our Businesses

Industrial Services

WesTrac CAT

#1 equipment solution company in WA and NSW / ACT

coateshire

Largest equipment hire company in Australia

$3.8bn pro-forma segment assets

Energy

BEACH ENERGY

Australia's leading mid-cap oil and gas producer

$468m investment value

SGH | Energy

Leveraged to East Coast gas demand

$432m segment assets

Listed Portfolio

Store of value / additional return

$436m investment value

SEVEN WEST MEDIA

Australia's largest diversified media company

$381m investment value

Other Media Investments

Property Portfolio

Note: segment asset values and investment values as at 31 December 2017

Simplified group structure

- Acquisition of Coates Hire completed on 25 October 2017
- Sale of WesTrac China completed on 31 October 2017
- Funding base strengthened through $392m equity placement, well supported by new and existing institutional investors

Two major Industrial Service operating businesses

- WesTrac leveraged to growth in mining production
- Coates Hire leveraged to growth in infrastructure investment

Energy, Media and other investments

- Exposure to East Coast gas demand through Beach Energy and SGH Energy
- $118m invested in Beach Energy share placement to support Lattice acquisition, increasing the SGH stake to 25.6%
- Media sector opportunities from recent legislation changes

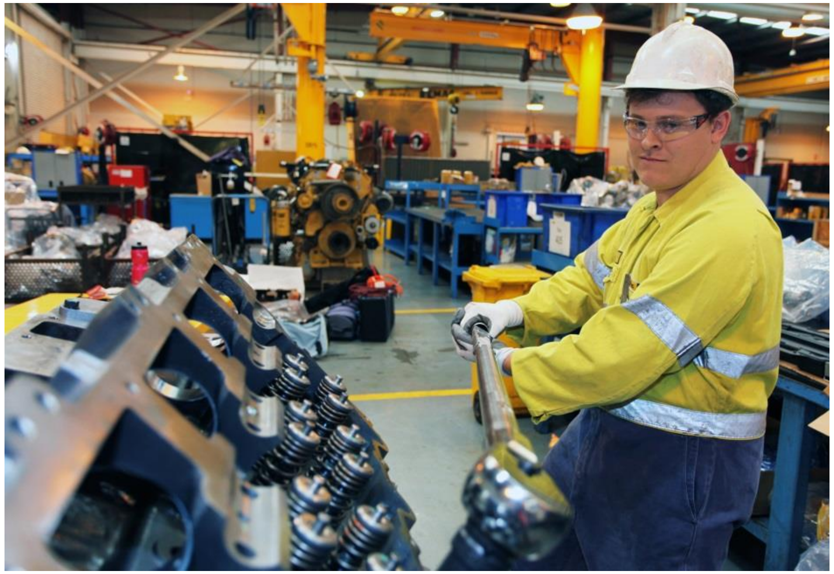
Group Overview | Highlights

Result ahead of guidance

- Underlying EBIT of $224m for the half, up 42% on pcp including earnings uplift in Coates Hire and Beach Energy (up 23% on a pro-forma basis – refer Appendix)
- Underlying NPAT of $160m for the half, up 81% on pcp (66% on a pro-forma basis)
- Result reflects our operating businesses capitalising on the solid foundation in their respective markets, driven by mining production levels and infrastructure investment

Growth in earnings base in WesTrac and Coates Hire

- WesTrac revenue of $1.2bn, up 16% on pcp, including 36% growth in product sales and 10% growth in product support; WesTrac EBIT of $101m up 35% on pcp
- Coates Hire revenue of $477m up 4% and EBIT of $85m up 15% on pcp (100% basis)
- 2.8m parts moved in WesTrac in the half; component rebuild volume up 30% on pcp



WesTrac | Diesel Mechanic | South Guildford

Major transactions completed

- WesTrac China sale completed; optimising value at right time of the cycle and further strengthening the balance sheet
- Coates Hire remaining 53.3% economic stake acquired, delivering increased exposure to growth in East Coast infrastructure
- Beach Energy acquisition of Lattice completed; SGH additional investment of $118m including underwrite – creating value for SGH shareholders

Capital management to enhance shareholder value

- Strong capital markets support for the Group demonstrated through oversubscribed equity raising of $385m
- Delivered increased free float leading to improved quality and diversity of institutional share register
- Share price performance of ordinary and TELYS shares reflects not only the improved market conditions but also the ability to execute on strategic transactions, optimise the Group structure, and maintain a strong balance sheet
- Interim ordinary dividend increased by 1c to 21cps, fully franked

Group Overview | Key Financials

	Continuing Operations			Including Discontinued Operations		
Underlying Results	**1H FY18**	**1H FY17**	**% Change**	**1H FY18**	**1H FY17**	**% Change**
Trading revenue	$ 1,397.2 m	$ 1,063.4 m	31%	$ 1,587.1 m	$ 1,302.7 m	22%
Earnings before interest and tax[1]	$ 223.5 m	$ 157.9 m	42%	$ 240.7 m	$ 175.8 m	37%
Underlying net profit after tax[1]	$ 159.8 m	$ 88.3 m	81%	$ 170.2 m	$ 104.0 m	64%
Underlying earnings per share[1]	49 cents	27 cents	81%	52 cents	32 cents	63%
Underlying EBITDA cash conversion[1,2]	58%	n/a	n/a	58%	48%	10%
Statutory Results	**1H FY18**	**1H FY17**	**% Change**	**1H FY18**	**1H FY17**	**% Change**
Trading revenue	$ 1,397.2 m	$ 1,063.4 m	31%	$ 1,587.1 m	$ 1,302.7 m	22%
Earnings before interest and tax	$ 221.3 m	$ 3.9 m	-	$ 238.5 m	$ 22.7 m	-
Reported net profit after tax for the period	$ 158.2 m	$ (57.3) m	-	$ 168.6 m	$ (41.0) m	-
Statutory earnings per ordinary share	49 cents	(25) cents	-	52 cents	(19) cents	-
Interim fully franked ordinary dividend	21 cents	20 cents	5%	21 cents	20 cents	5%

Notes:

1. Excluding Significant Items. Refer to slide 8 for listing of Significant Items.
2. Refer to slide 10 for detail of EBITDA cash flow conversion.

Financials | Profit and Loss

$m	1H FY18	1H FY17	Change %
Revenue	1,397.2	1,063.4	31%
Other income	35.6	29.8	19%
Share of results from equity accounted investees	73.2	69.2	6%
Total revenue and other income	**1,506.0**	**1,162.4**	**30%**
Expenses (excl. depreciation, amortisation and interest)	(1,238.2)	(990.3)	25%
Underlying EBITDA	**267.8**	**172.1**	**56%**
Depreciation and amortisation	(44.3)	(14.2)	-
Underlying EBIT	**223.5**	**157.9**	**42%**
Net finance costs	(47.3)	(41.1)	15%
Underlying net profit before tax	**176.2**	**116.8**	**51%**
Underlying tax expense	(16.4)	(28.5)	-42%
Underlying NPAT from continuing operations	**159.8**	**88.3**	**81%**
NPAT from discontinued operations	10.4	15.7	-34%
Significant Items (incl. tax impact)	(1.6)	(145.0)	-
Statutory NPAT including discontinued operations	**168.6**	**(41.0)**	**-**
Profit attributable to shareholders of SGH	**167.9**	**(41.8)**	**-**

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	1H FY18	1H FY17
Impairment – SWM equity	(91.3)	(139.6)
Impairment – other	(5.6)	-
Loss on sale of WesTrac China	(5.3)	-
Restructuring, redundancy, transaction and other costs	(1.4)	(4.7)
Share of equity accounted investees' Significant Items	3.0	(9.9)
Gain / (loss) on sale of investments and MtM on derivatives	4.0	(1.2)
Recycling of foreign currency translation reserve	79.9	-
Other items	14.5	2.3
Significant Items – EBIT	**(2.2)**	**(153.1)**
Net finance income	**-**	**4.7**
Tax benefit relating to Significant Items	0.6	3.4
Significant Items – NPAT	**(1.6)**	**(145.0)**
Statutory NPAT	**168.6**	**(41.0)**
NPAT excluding Significant Items	**170.2**	**104.0**

Financials | Earnings Summary

$m	Total Group	WesTrac Aus	Allight Sykes	Coates Hire	Media Invest.	Energy	Other Invest.	Other	WesTrac China
	Continuing Operations								
Revenue	**1,397.1**	**1,193.9**	**40.2**	**156.6**	**-**	**2.4**	**4.0**	**-**	**189.9**
Statutory EBIT	**147.0**	**101.1**	**1.3**	**56.6**	**(39.4)**	**16.4**	**22.2**	**(11.2)**	**91.5**
Add unfavourable Significant Items									
Restructuring, redundancy and other costs	**1.1**		0.1	1.0					0.3
Impairment - Echuca Shoals	**5.6**	-	-	-	-	5.6	-	-	-
Impairment - SWM Equity	**91.3**	-	-	-	91.3	-	-	-	-
Mark-to-market on derivatives	**0.1**	-	-	-	-	-	-	0.1	-
Subtract favourable Significant Items									
Gain on sale of business	**-**	-	-	-	-	-	-	-	(74.6)
Share of equity accounted investees' S.I.	**(3.0)**	-	-	(2.6)	-	(0.4)	-	-	-
Mark-to-market on derivatives	**(4.1)**	-	-	-	-	-	(4.1)	-	-
Other items	**(14.5)**	-	-	(14.5)	-	-	-	-	-
Total Significant items - EBIT	76.5	-	0.1	(16.1)	91.3	5.2	(4.1)	0.1	(74.3)
Underlying EBIT – 1H FY18	**223.5**	**101.1**	**1.4**	**40.5**	**51.9**	**21.6**	**18.1**	**(11.1)**	**17.2**
Underlying EBIT – 1H FY17	**157.9**	**75.1**	**(1.5)**	**12.6**	**39.2**	**17.2**	**19.0**	**(3.7)**	**17.9**
1H FY18 vs 1H FY17 change	42%	35%	-	221%	32%	26%	-5%	-	-4%

Note: Coates Hire earnings are consolidated from 1 November 2017

Financials | Cash Flow

$m	1H FY18	1H FY17
Underlying EBIT	223.5	175.8
Add: depreciation and amortisation	44.3	16.0
Underlying EBITDA	**267.8**	**191.8**
Operating cash flow	**112.8**	**57.7**
Add: interest and other costs of finance paid	38.8	42.2
Net income taxes paid/ (refunded)	1.3	10.7
Add back: restructuring costs	1.4	4.7
(Less) / add: other cash Significant Items	-	(22.6)
Underlying operating cash flow	**154.3**	**92.7**
Underlying EBITDA cash conversion	**58%**	**48%**
Operating cash flow	112.8	57.7
Investing cash flow	(105.0)	9.4
Financing cash flow	176.7	(143.6)
Net (decrease) / increase in cash and cash	**184.5**	**(76.5)**
Cash and cash equivalents at end of period	**350.7**	**294.9**
Opening net debt	1,308.1	1,367.5
Movement in net debt	711.9	21.0
Closing net debt	**2,020.0**	**1,388.5**

- EBITDA cash conversion improved by 10% to 58%
- Businesses are continuing to invest through net working capital and capital expenditure to support the current and projected level of sales
- Investing cash flow includes:
  - $487m acquisition of Coates Hire net of cash acquired
  - $118m investment in Beach Energy via equity placement and underwrite
  - $20m capital expenditure in WesTrac
  - $19m capital expenditure in Coates Hire (in 2 months post acquisition)
  - $12m investment in offshore media

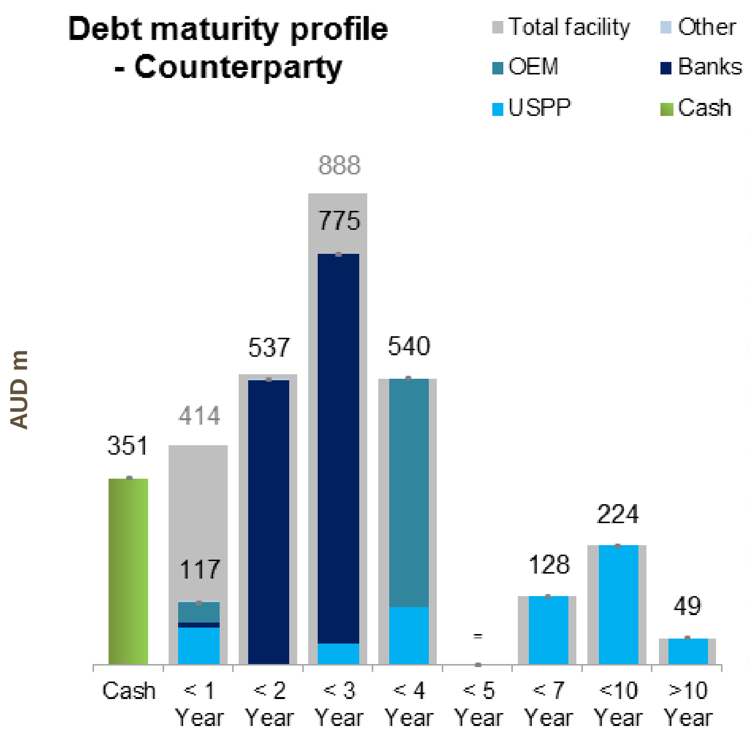
  Offset by:
  - $535m proceeds from sale of WesTrac China net of cash disposed
  - $17m in sales of listed investments
- Financing cash flow include:
  - $385m equity raising proceeds (net)
  - $71m in dividends paid
  - $137m in debt repayments (net)

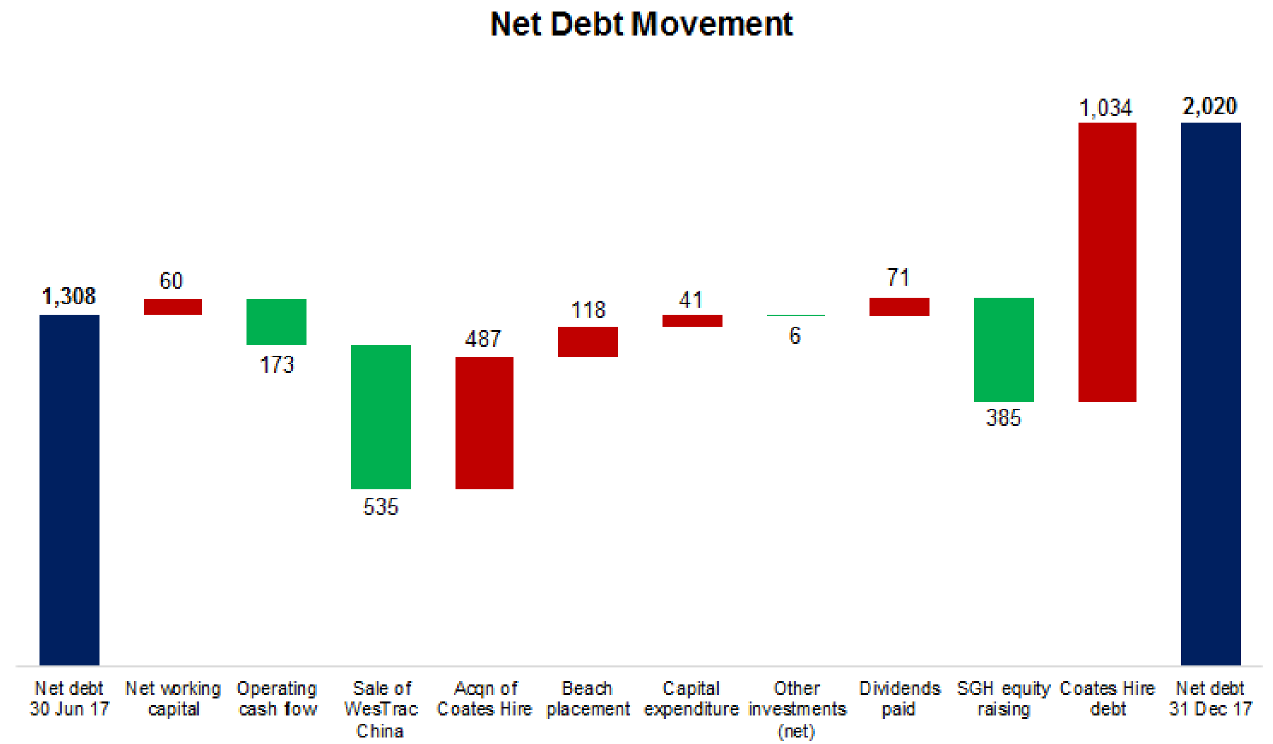
Financials | Balance Sheet

$m	As at 31 Dec 17	As at 30 Jun 17	Change %
Trade and other receivables	531.7	341.4	56%
Inventories	693.2	654.7	6%
Net assets held for sale	2.8	543.4	-99%
Investments	1,451.2	1,735.3	-16%
Property, plant and equipment	826.4	159.9	-
Oil and natural gas assets	431.3	436.1	-1%
Intangible assets	1,684.8	456.7	-
Other assets	44.7	14.0	-
Trade and other payables	(402.7)	(289.5)	39%
Provisions	(208.4)	(154.7)	35%
Net tax assets / (liabilities)	(243.8)	(123.0)	98%
Deferred income	(86.6)	(100.3)	-14%
Derivative financial instruments	51.4	59.3	-13%
Net debt	(2,020.0)	(1,308.1)	54%
Total shareholders equity	**2,756.0**	**2,425.2**	**14%**

- Balance sheet movements include impact of Coates Hire consolidation from October 2017
- Net assets held for sale reduced by sale of WesTrac China
- Investments reduced mainly by carrying value of Coates Hire equity accounted investment, partially offset by additional investment in Beach Energy
- Increase in intangible assets includes $1,050m in goodwill on acquisition of Coates Hire and step up in existing goodwill
- Increase in shareholder equity includes SGH equity raising of $385m

Financials | Debt Maturity Profile





- At 31 December 2017, the Group had $419m of available undrawn borrowing facilities
- $1,034m of Coates Hire debt acquired at financial close, paid down by $531m since then, debt effectively refinanced upon bank consent to change of control and rollover
- Facilities have a weighted average tenor of 3.0 years while drawn debt has an average tenor of 3.6 years
- Favourable refinancing opportunities are available to the Group given the positive market and borrowing group sentiment

Financials | Capital Management

Capital raising completed

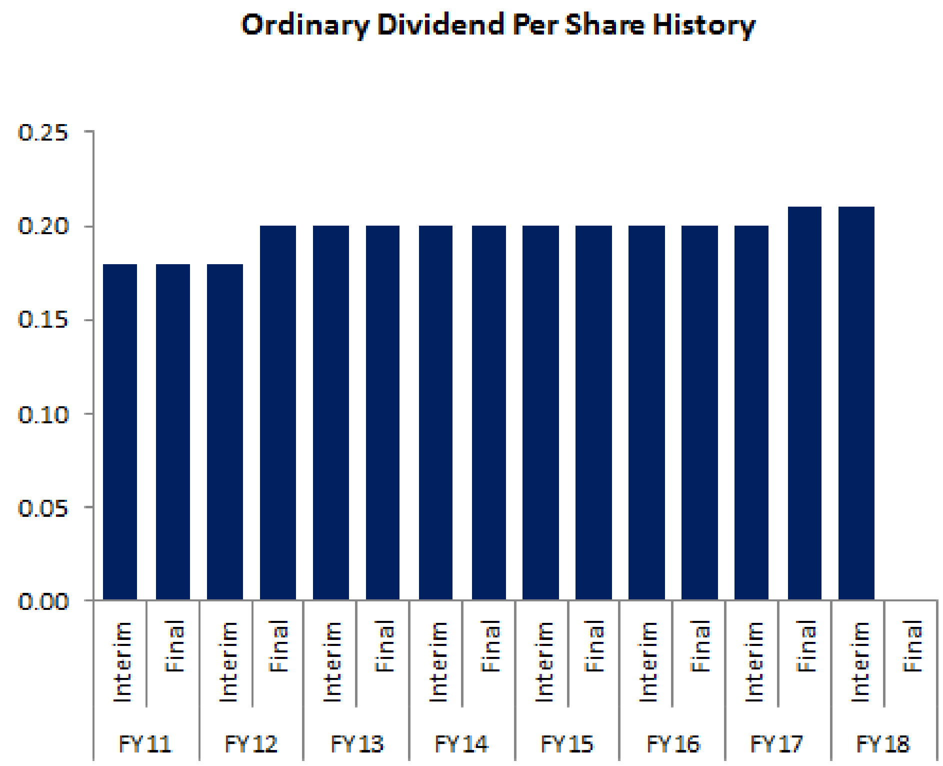
- $375m institutional placement; oversubscribed by 2.7x without major shareholder underwriting
- Resulted in free float increasing from 26% to 34%
- Provides additional balance sheet flexibility
- Domestic and foreign institutional investors on register
- Retail share purchase place equally benefited participating shareholders

Investor relations

- Increase in analyst coverage as a result of free float and index weighting which is attracting institutional investor interest
- Confidence in capacity to execute has removed the holding company discount in analyst valuations

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

- Policy of maintaining and growing the dividend over time has provided reliable, fully franked cash returns for shareholders over an extended period of time



WesTrac Australia

WesTrac's underground longwall systems are helping NSW's coal miners remain globally competitive

Industrial Services | WesTrac Australia

Value proposition

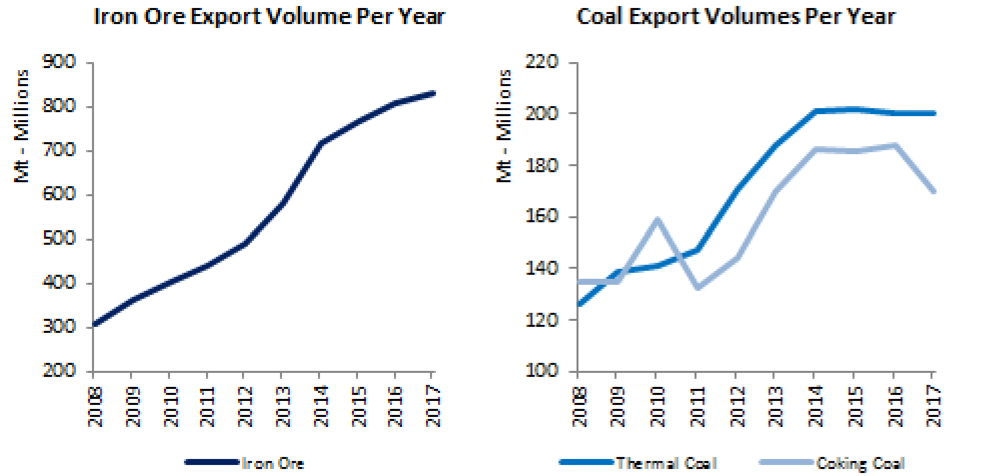
- WesTrac enables customers in the resource and construction industries to reduce lifecycle equipment ownership costs and help maximise profitability
- Investing in technology and utilising data in new ways to stay ahead of the curve – in areas such as parts logistics, real-time fleet monitoring and autonomous mining technology
- Valued partner of our customers to provide market leading support integrated into their operating model

Maintenance opportunities

- Large parts and service opportunity provided by the greater machine activity required to drive incremental iron ore export volume growth – reflected by increase in mining utilisation from 79% to 91% in the half
- Increase in average mining fleet age is resulting in greater consumption of parts ahead of an impending fleet replacement cycle
- 2.8m parts moved in WA and NSW in the half, up 12% on pcp
- Scarcity of skilled labour in the market favourably positions WesTrac given leadership in people / processes / facilities
- “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 market ahead of fleet upgrade cycle



Source: Australian Bureau of Statistics, Bloomberg

Cat Equipment Utilisation	WA	NSW	Total
Machine population	18,727	19,645	38,372
Mining population	4,693	1,562	6,255
Utilised mining population	4,196	1,481	5,677
% mining utilisation	89.4%	94.8%	90.8%

Equipment Average Age (Years)			
Machine population	13.1	12.7	12.9
Mining population	10.4	11.6	10.7
Utilised mining population	9.7	11.3	10.1
Idle mining population	16.4	16.7	16.5

Source: PTOS ver 3.2 DCAL - Dec 2017

Industrial Services | WesTrac Australia

Improving market conditions

- Signs of mining capital recovery emerging with improvements in forward orders and reductions in the level of parked up fleet
- CAT lead times have extended for certain equipment (e.g. excavators) reflecting strength of global demand in the sector
- Focus on remaining the preferred supplier through technology and data analytics to further enhance what is already the lowest “total cost of ownership” equipment in the market

Product sales up 36% on pcp

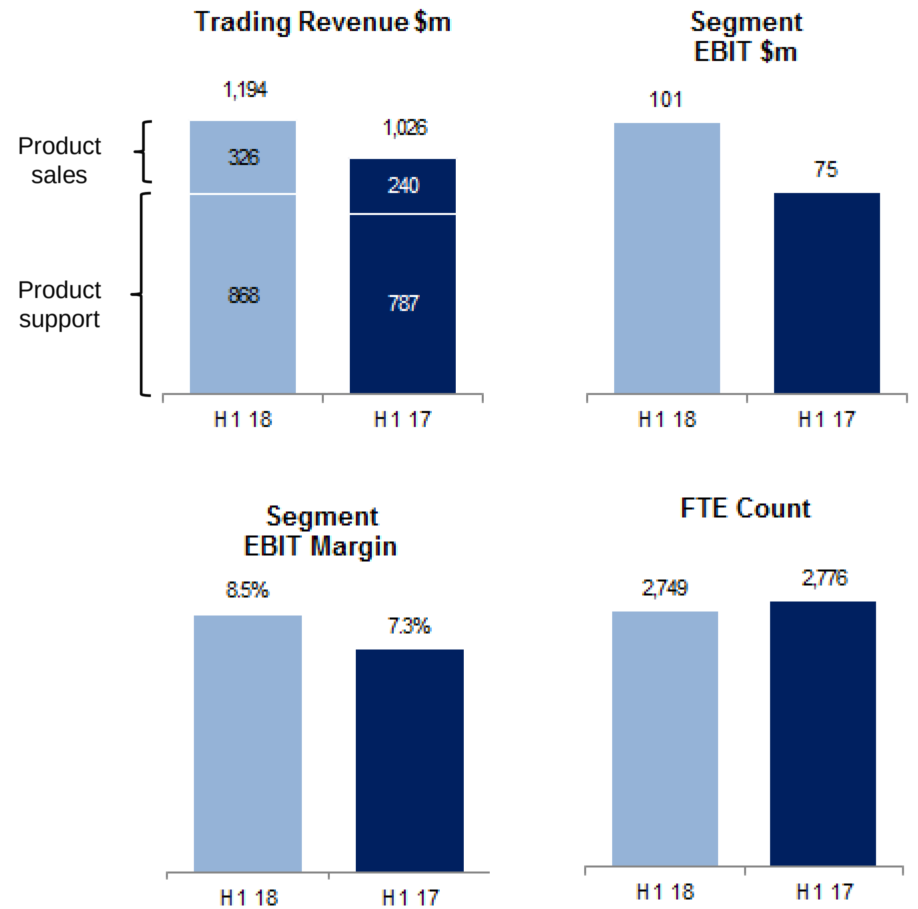
- Product sales up 36%, driven by construction equipment sales in WA along with improved mining equipment sales in both WA and NSW reflecting fleet expansions by miners
- Sales in the period include several large hydraulic mining shovels (new and used) and slow moving inventory, reflecting resurgent demand levels

Product support revenue up 10% on pcp

- Product support sales up 10%, particularly strong result seen in NSW due to greater maintenance activity as coal pricing / production remains strong
- Record volume of parts lines shipped with 11% growth over the period, continuing to build the ongoing revenue stream

Focus on margins and working capital management

- EBIT up 35% to $101m, margin improved due to favourable product mix, however competitor pricing is aggressive in some categories
- Significant reduction in aged equipment inventory has offset increased parts investment to meet customer demand



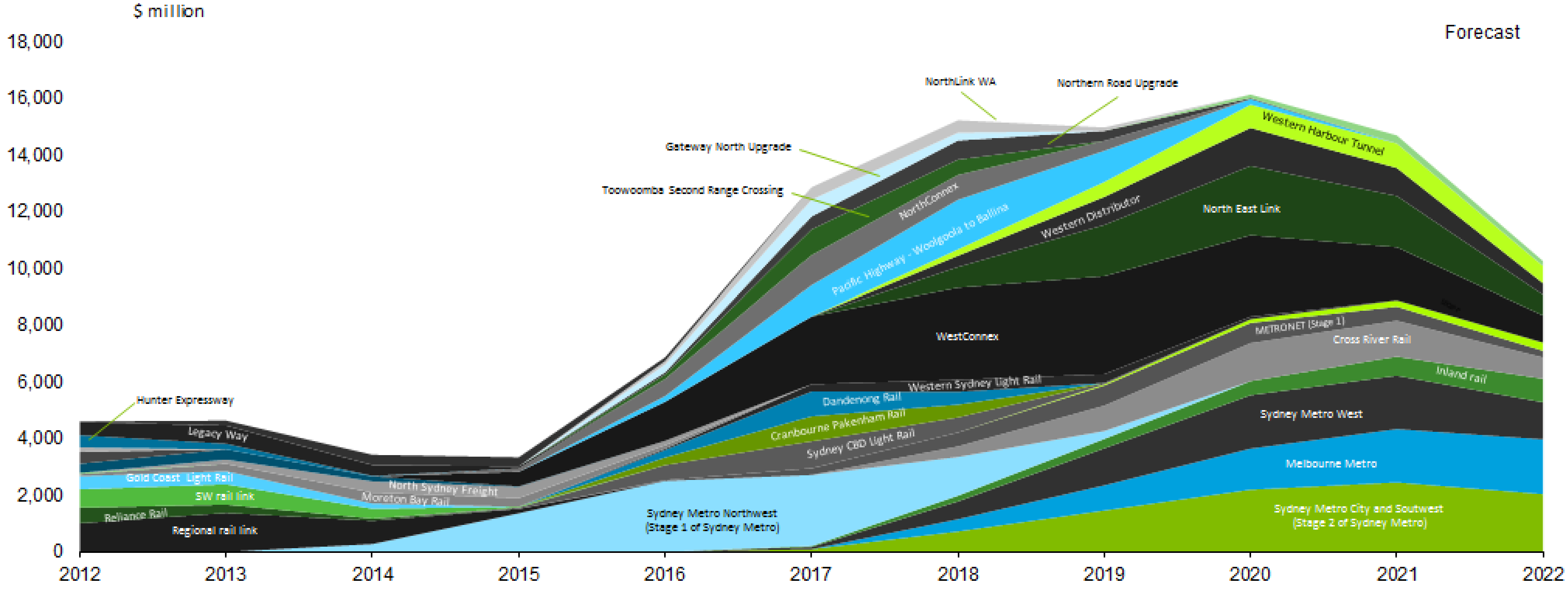
Note: Segment EBIT margin is calculated as Segment EBIT / trading revenue

Coates Hire

Coates Hire is meeting the demand for equipment on a wide range of transport infrastructure projects

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
- Rental is an increasingly important factor to support activity and requirements of contractors delivering these projects
- Pipeline of infrastructure projects has strengthened – approximately $15bn added in the chart below since the last update in June 2017



Source: Deloitte Access Economics Investment Monitor September 2017

Industrial Services | Coates Hire

coateshire

Strong growth from East Coast infrastructure

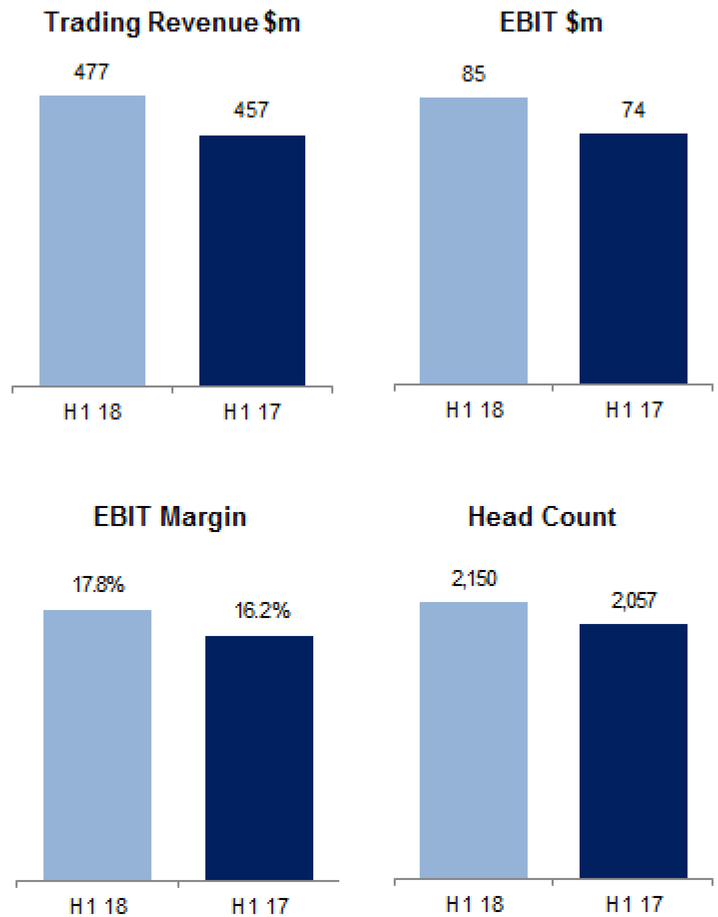
- NSW and VIC/SA businesses continue to perform well through infrastructure and construction activity with revenue up 8% and 5%, respectively
- Strong uplift in QLD with 13% revenue growth on pcp, while WA continues to be impacted by softer trading conditions
- Group revenue up 4% on pcp, EBIT up 15% on pcp, EBIT margin increased from 16% to 18%
- Improvement in rolling 12 month average time utilisation to 57.3%, up from 54.9% in Dec 2016, and striving towards world's best practice

Strategic initiatives making an impact

- Growth in EBIT over the period reflects the market along with initiatives such as fleet utilisation and relocation
- Improved price realisation in all regions, driven by culture / customer / data
- Ongoing initiatives include equipment turn around time (TAT), centralised customer contact centre, transport management system and inbound / outbound fleet technology to improve asset identification and utilisation

Continued focus on balance sheet management

- $585m in senior debt repaid during the half
- Capex of $58m (net of disposals), further orders placed for $90m in key categories including traffic management, access, compaction and power



coateshire

Increases exposure to growing infrastructure activity

- Direct exposure to East Coast infrastructure, a sector which is underpinned by government spending and committed projects
- Coates Hire is a major beneficiary of current activity levels given its position as the largest equipment hire business
  - Diversified across products, customers and end markets
  - National footprint across >200 branches

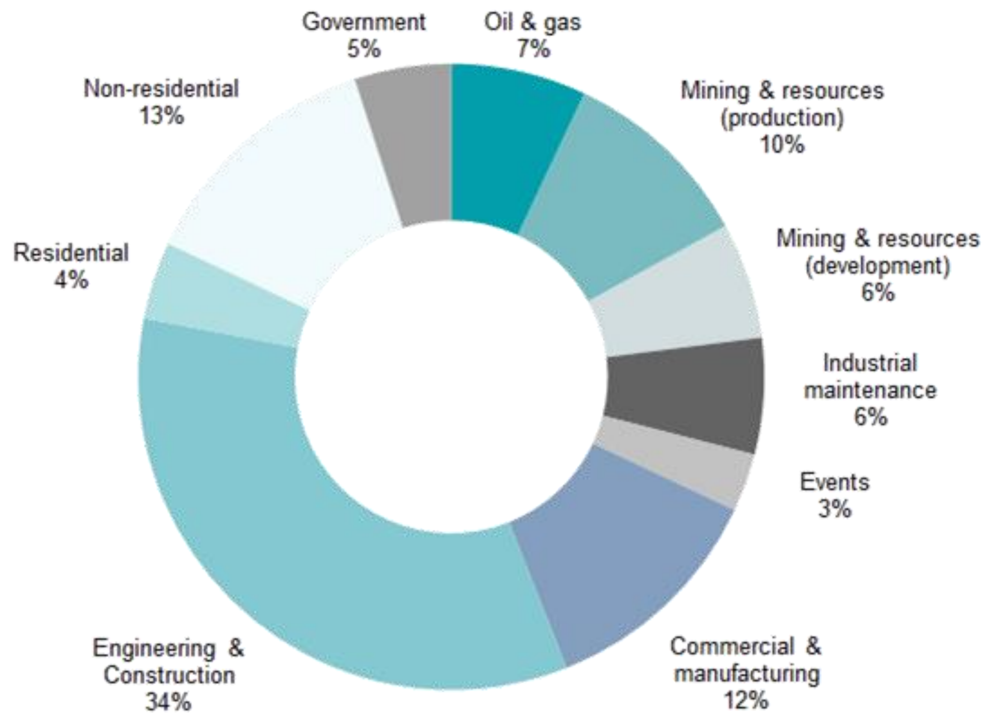
Longstanding and deep understanding of the business

- SGH first invested alongside Carlyle in 2008
- Low risk transaction given long involvement
- Opportunity to obtain control of an attractive asset

Growth opportunities and efficient capital allocation

- Continues SGH's focus on driving growth opportunities and efficient capital allocation in the business
- Financially compelling value accretion on a full year FY17 pro-forma basis
- Industrial Services will contribute approximately 70% of Group EBIT
- Significant funding synergy and savings across the Group
- Alignment of WesTrac and Coates Hire improves customer solution offerings and operational efficiencies

FY17 sector revenue split



Media

Seven is Australia’s number one free-to-air commercial television network offering the most innovative and comprehensive content

SEVEN WEST MEDIA

Improved performance during the half

- Underlying EBIT of $159m, up 7% on pcp
- Operating expenses down 14% in FY18
- Net debt reduced to $711m, leverage ratio of 2.3x (covenant 4.0x)
- Dividend temporarily suspended with focus on prudent capital management and balance sheet flexibility in post media reform environment

Focus on cost reductions

- Challenging and rapidly changing market forcing all media companies to change how they work and how they deliver content to audiences
- Management focused on reducing costs and debt levels through a leaner and more agile business:
  - Headcount reduction of 100 FTEs actioned in the period, 112 remaining
  - $40m in identified savings benefits in FY18
  - Incremental $70m in net savings benefits in FY19

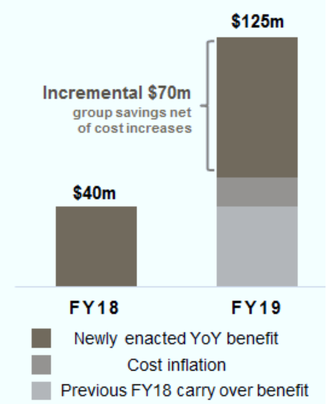
Outlook

- FY17 AGM guidance maintained at Group underlying EBIT of $220-240m
- FY18 group operating costs to be marginally lower included AFL uplift
- On target to reduce net debt to approximately $650m in FY18
- Transformation accelerating with incremental FY19 cost reductions
- TV ad market to grow in FY18, publishing ad market trends to continue
- Seven Studios to deliver double digit earnings growth and gross digital revenue on target to grow to approximately $80m

$m	1H FY18	1H FY17	Change
SWM share of associate NPAT	41.1	38.5	7%
Other media investments	10.8	0.7	- %
Segment EBIT Contribution	**51.9**	**39.2**	**32%**

Initiative	Initial period	Annual $m
Television:		
Headcount reductions	FY18	($25)
Outsourced services	FY19	($4-6)
Building consolidation	FY19	($3-5)
One-time sports rights[1]	FY19	($50)
Expiring int'l output deals	FY19	($5) p.a.[2]
WAN operating efficiencies	FY19	($10)
Pacific operating efficiencies	FY18	($25)

Identified savings benefit



Notes:
1. All costs are annualised except one-time sports rights
2. Cost saving on international content deals to grow by $5m per annum (e.g. $5m in FY18, $10m in FY20)

Energy

Longtom is positioned to deliver 80 PJ of gas into the East Coast market

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
- Strong recent investor demand for West Coast gas seen in market

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	1H FY18	1H FY17
Sale of gas and condensate	2.4	2.3
Other income	0.4	0.0
Share of Beach Energy NPAT	22.6	18.5
Expenses (excl. interest and corporate)	(2.9)	(2.8)
Segment EBITDA	**22.5**	**18.0**
Depletion, depreciation and amortisation	(0.9)	(0.8)
Segment EBIT	**21.6**	**17.2**

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)

- Four wells drilled in Dec / Jan including three horizontal test wells utilising new well design with longer lateral length and increased spacing
- Drilling and completion costs have reduced significantly, however cash continuing to be preserved with in line with minimum lease commitments
- Development upside remains in the Canyon Lime play with potential to target and prove-up additional zones

BEACH ENERGY

Transformational acquisition of Lattice Energy

- Financial close on 31 January 2018, integration process is well progressed
- 2P reserves increase by 200% to 232 MMboe and further exploration upside
- FY18 pro-forma production increase by 150%, underpinned by long-term contracts delivering strong and stable cash flow with market pricing re-sets
- $50m (pre-tax) of readily identifiable synergy in first year
- SGH underwrite of equity raising captured value for SGH shareholders and ownership stake increased to 25.6%

Unique value proposition in mid-cap space

- Enhanced scale and diversity of operations and significant expansion of footprint across multiple basins, production hubs and jurisdictions
- Increased exposure to the strong market fundamentals of the East Coast gas market through assets in Cooper / Otway / Bass basins
- Future upside on WA gas market re-pricing through 50% interest in the Waitsia Gas Project in Perth Basin

Strong operating performance

- Production guidance upgraded to 10.6-11.0 Mmboe (Beach only) and 25.5-27.6 Mmboe (Beach + Lattice)
- Well count and success rate is offsetting natural field decline (83% success rate from 48 wells in the half, total of 98 wells expected in FY18)
- Underlying NPAT of $93m (Beach only) up 6% on pcp, further economic benefit of $87m (net of cash) included in Lattice purchase price adjustment
- Capital expenditure of $81m, up from $50m in pcp (Beach only), full year guidance of $405-455m (Beach + Lattice) reduced from $425-535m

$m	1H FY18	1H FY17
Production (Mmboe)	5.5	5.2
Sales revenue	386	344
EBITDA	236	224
Underlying NPAT	93	89
Statutory NPAT	96	103
Operating cash flow	174	154
Capital expenditure	124	72


Cooper Basin


Otway Basin


Bass Basin


Taranaki Basin (NZ)

Investments

The “Kodo“ development by Flagship Property Holdings (SGH stake: 47%) will provide 208 apartments over 30 storeys in Adelaide

Investments | Property and Listed Portfolios

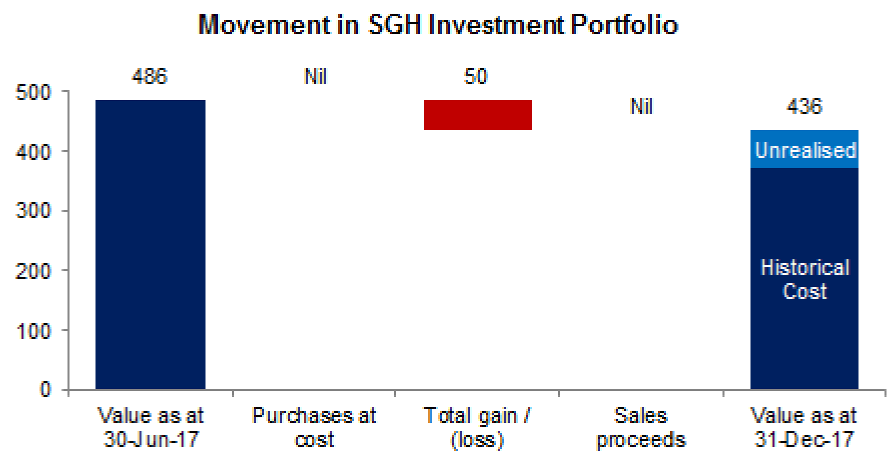
Property impacted by slowdown in Perth market

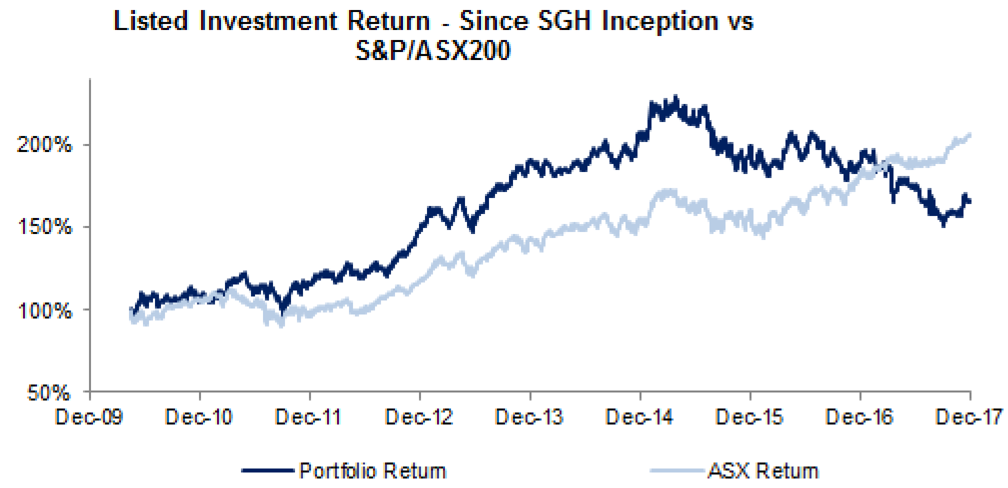
- KS5, KS6 and KS7 development deferred until market improves
- 11 lots sold at the Dianella residential development in the half compared to 3 in pcp - all development costs have been recouped

Listed portfolio provides yield and liquidity

- Dividend yield on portfolio of 9.1% (gross annualised basis)
- Cumulative unrealised gain of $64m deferred to reserves
- $50m YTD economic loss due to unfavourable mark to market movements
- (5.3%) pre-tax YTD FY18 total return versus 9.2% for S&P / ASX 200

$m	1H FY18	1H FY17
Revenue	4.0	1.5
Other income	17.8	19.1
Share of associate NPAT	(0.2)	0.3
Total revenue and other income	**21.6**	**20.9**
Segment EBITDA	**18.2**	**19.1**
Segment EBIT	**18.1**	**19.0**





Outlook | Key Takeaways and Questions

Industrial Services	
WesTrac continuing to benefit from growth in mining production	▶ Strong parts performance has continued and is further underlined by an increase in fleet utilisation and major component rebuilds as customers seek to extract incremental production gains ▶ Signs of a resurgence in new and used equipment demand as part of the fleet renewal cycle as reflected by an increase in forward orders and extended lead times from Cat
Coates Hire benefitting from infrastructure activity	▶ Strategic initiatives such as branch rationalisation, fleet redeployment and price realisation strategies are having a positive impact on margins and profitability ▶ Strong demand from major infrastructure projects in New South Wales and Victoria is continuing while activity levels in Queensland have recently improved
Group	
Focus on bringing gas to East Coast market	▶ Pipeline and processing discussions ongoing for Longtom production restart ▶ Beach production guidance upgraded to 25.5-27.7 MMboe, taking advantage of current oil and gas pricing levels
Media cost reductions and action to address operating model	▶ Recurring cost savings of $25m (annualised) from headcount reductions to be delivered from 2018 onwards, in addition to $30m in FY18 cost savings previously announced to partially offset the step-up in AFL costs ▶ Further $50m of cost savings to be delivered in FY19 from roll off of major sports rights
Group EBIT guidance upgraded	▶ FY18 EBIT upgraded to be 15% above pro-forma FY17 EBIT (refer Appendix)

Appendix | Pro-Forma P&L

Underlying EBIT $m	FY17 Actual	Adjust-ments	FY17 Pro-Forma	1H FY17 Pro-Forma	2H FY17 Pro-Forma	1H FY18 Actual	1H 18 vs 1H 17
WesTrac	164.3	-	164.3	75.1	89.2	101.1	35%
AllightSykes	(3.1)	-	(3.1)	(1.5)	(1.6)	1.4	-
Coates Hire[1]	24.7	75.0	99.7	33.0	66.7	40.5	23%
Energy[2,3]	25.7	4.7	30.4	20.7	9.7	21.6	4%
Media Investments[4]	69.7	-	69.7	39.3	30.5	51.9	32%
Other Investments	36.7	-	36.7	19.0	17.7	18.1	-5%
Other	(20.8)	-	(20.8)	(3.7)	(17.1)	(11.1)	-
Group EBIT - continuing operations	**297.2**	**79.7**	**376.9**	**181.9**	**195.1**	**223.5**	**23%**

Notes:
1. Pro-forma adjustment for Coates Hire reflects equity accounting from July 2016 to October 2016 and consolidation from November 2016 to June 2017 inclusive
2. Pro-forma adjustment for Beach Energy reflects increase in ownership interest to 25.6%, no adjustment is made for the impact of earnings from the Lattice Energy acquisition
3. Lattice Energy earnings accrued by Beach Energy since 1 July 2017 are reflected in adjustments to the final purchase price (total of $87m in adjustments, net of cash)
4. 1H FY18 EBIT from Media Investments includes $10.8m from other Media investments

SGH | Industrial Services, Media, Energy and Investments

WesTrac coateshire SGH | Energy