



Industrial Services, Media and Investments

16 October 2013

Company Announcements Office
ASX Limited
Level 6
20 Bridge Street
SYDNEY NSW 2000

By electronic lodgement

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MD & CEO Presentation

Please find attached a slide presentation to be made by Mr Don Voelte AO, MD & CEO, Seven Group Holdings Limited, at the Macquarie WA Forum being held in the Ballroom of the Royal Freshwater Bay Yacht Club, Perth commencing at 9:15am WST.

Yours faithfully

For and on behalf of Seven Group Holdings Limited

A handwritten signature in black ink, appearing to read 'J. Kinninmont', with a stylized flourish at the end.

John Kinninmont
Assistant Company Secretary



WesTrac

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SGH

Industrial Services, Media and Investments

Group Overview
October 2013



WesTrac

Disclaimer

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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- ▶ Unless otherwise indicated, all references to estimates, targets and forecasts and derivations of the same in this material are references to estimates, targets and forecasts by SGH. Management estimates, targets and forecasts are based on views held only at the date of this material, and actual events and results may be materially different from them. SGH does not undertake to revise the material to reflect any future events or circumstances.

Non-IFRS Financial Information

- ▶ SGH results are reported under International Financial Reporting Standards (IFRS). The underlying segment performance is presented in Note 3 to the financial statements and excludes significant items; comprising impairment of investments, fair value movement of derivatives, net gains on sale of investments, equity accounted investees and subsidiaries, restructuring and redundancy costs, and share of results from equity accounted investees attributable to significant items, fair value unwind of deferred consideration in finance income and unusual tax expense impacts as detailed in slide 12.
- ▶ This presentation also 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 our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review.



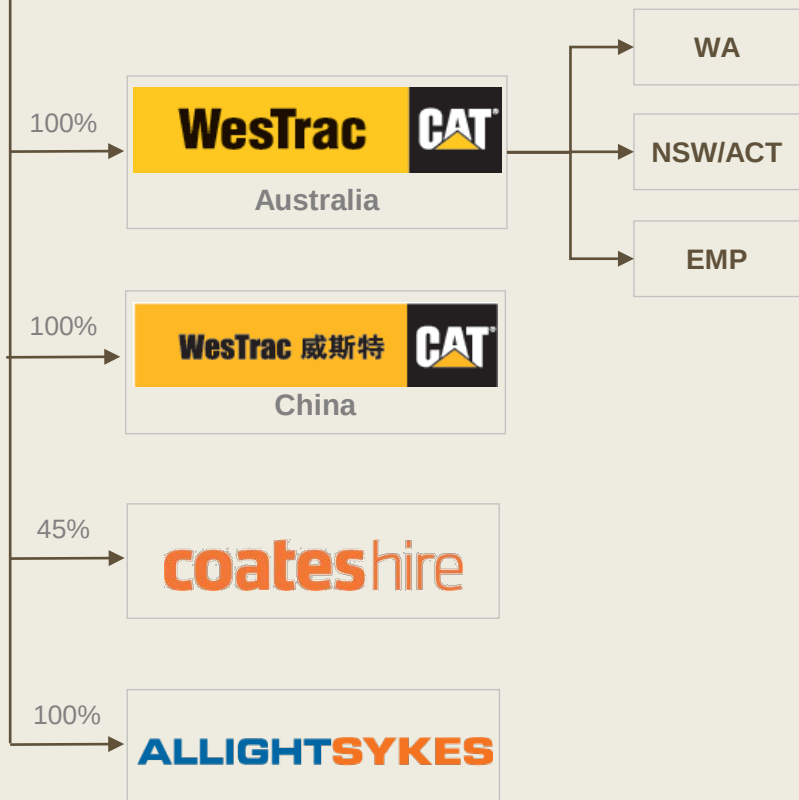
Today's Agenda

▶ Overview

- ▶ Industrial Services
- ▶ Media
- ▶ Investments
- ▶ Financials



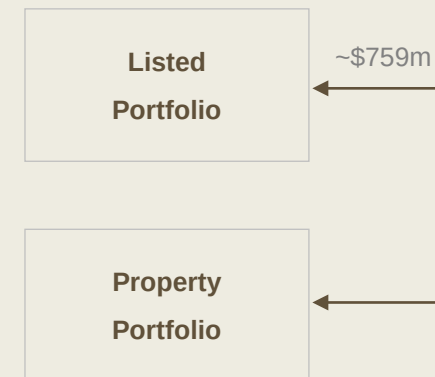
Industrial Services



Media



Investments



Notes:

1. Group structure as at 30 June 2013
2. Investment values as at 30 June 2013
3. Seven West Media investment includes 35% of SWM ordinary shares on issue and \$276m book value of Redeemable Convertible Preference Shares (RCPS)
4. Interest in Coates Hire based on diluted interest after considering vesting conditions for options issued under the Coates Management Equity Plan

Group Highlights

Record underlying results

- ▶ Strong first half performance by WesTrac Australia delivered record results
- ▶ Second half was challenging

Results positively impacted by significant items

- ▶ Net gain after tax of \$89.7m from significant items, predominantly relating to the reversal of prior SWM impairment and gain on sale of CMH

Significant restructuring across all businesses

- ▶ Given the challenging market in H2, significant cost reduction programs were initiated across all SGH businesses

Strengthened balance sheet

- ▶ Group net debt of \$713m down from \$1,719m at 30 June 2012 reflecting strong operating cash flow across the Group and sale of investments

Investment portfolio growth

- ▶ Significant increase in the market value of listed portfolio (value at 23 August 2013 - \$810m)

Annual dividend increase

- ▶ Final ordinary dividend of 20 cents per share
- ▶ Total full year ordinary dividend of 40 cents per share (2 cent increase)

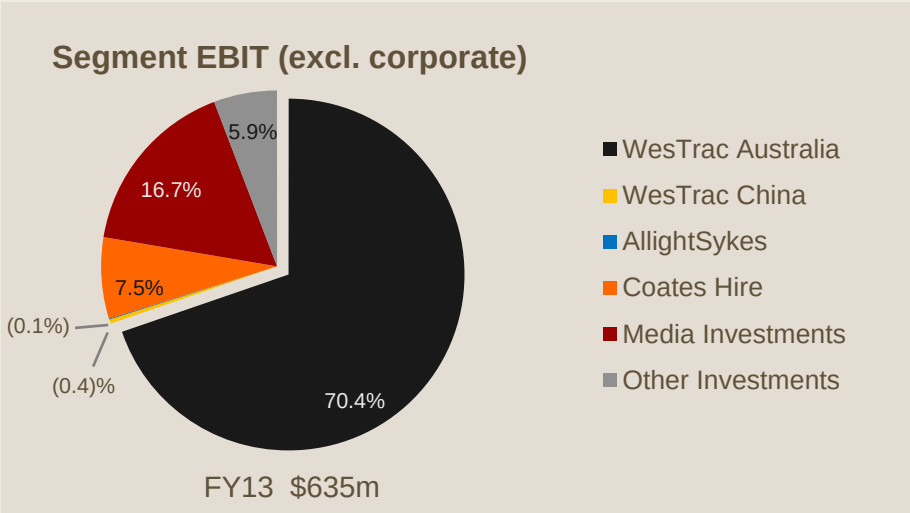
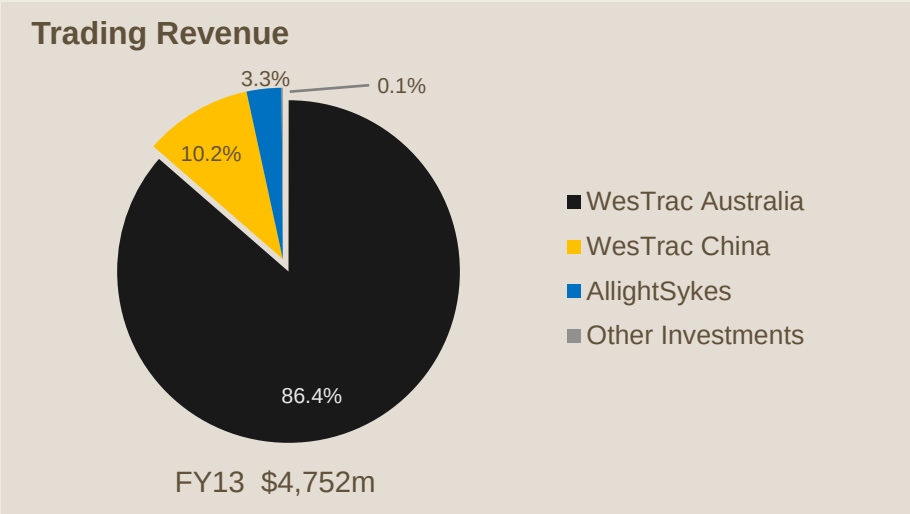


Segment Analysis

- ▶ SGH is predominantly an Industrial Services business with approximately 80% of Group EBIT contributed by WesTrac, AllightSykes and Coates Hire
- ▶ SGH has made significant investments in both Industrial Services and Media segments in the past 12-18 months (Bucyrus/EMP, National Hire, Seven West Media)

FY13 P&L Summary (AUD m)	Trading Revenue	Other Income	Associate Profits	Total Revenue	EBIT
WesTrac Australia	4,105.6	5.1	2.9	4,113.6	446.7
WesTrac China	484.5	2.0	(0.2)	486.3	(2.5)
AllightSykes	155.8	0.3	-	156.1	(0.6)
Coates Hire ¹	-	4.7	43.1	47.8	47.8
Seven West Media ¹	-	23.4	72.8	96.2	96.2
Consolidated Media ¹	-	-	6.6	6.6	6.6
Other media income	-	3.0	-	3.0	3.0
Other investments	5.8	39.3	-	45.1	37.3
Corporate	-	1.0	-	1.0	(11.7)
Total	4,751.6	78.8	125.1	4,955.5	622.8

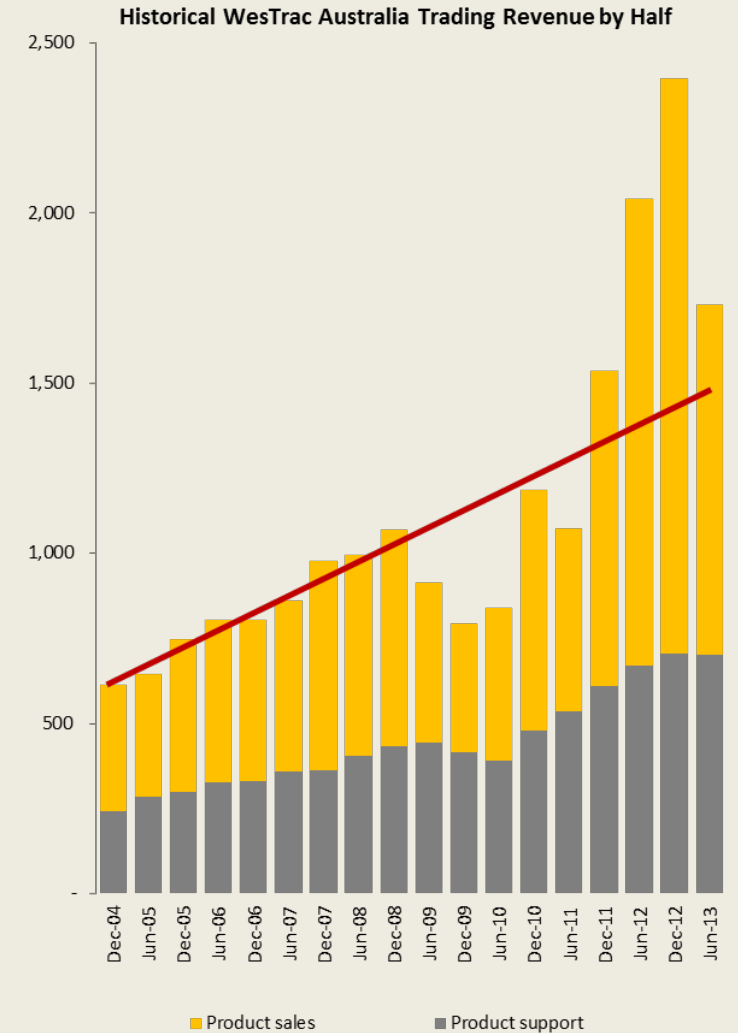
¹ Equity share of NPAT



WesTrac Australia

Highlights

- ▶ High demand for Australian resources drove WesTrac's H1 revenue growth
 - ▶ Calendar 2012 saw unprecedented levels of new equipment sales
 - ▶ H2 revenue was impacted by the softening in the coal sector in NSW and the deferral of a number of large mining projects in WA
- ▶ Our business model emphasises long-term growth through a focus on parts and service
 - ▶ Large and rapidly expanding installed base of mining machines and engines
 - ▶ Growing external product support revenue stream. New machine assembly labour will reduce
- ▶ Focus on refining our cost base and competitiveness of our service model and support model
 - ▶ New parts facilities and technology improve our ability to efficiently serve our customers



WesTrac Australia

Full Year Result

- ▶ 20% product market growth
 - ▶ Driven by acquisition of EMP (Bucyrus) and record H1 deliveries
 - ▶ H2 sales softened
- ▶ 10% product support sales growth
 - ▶ Large and growing installed equipment base
 - ▶ High mining equipment utilisation in H1 with softening in H2
- ▶ 15% EBIT growth
- ▶ Operating margins maintained
- ▶ Slowdown in H2 in NSW led to the need to restructure the business
- ▶ Other revenue positively affected by order cancellation fees
- ▶ Improved safety result of 5.2 LTIFR from 10.8 in 2012

\$m	Year ended 30 June 2013	Year ended 30 June 2012	Change %
WesTrac Australia			
- Product sales	2,678.7	2,240.0	20%
- Product support	1,405.6	1,279.1	10%
- Other revenue ¹	21.3	11.0	94%
- Other income ²	8.0	6.0	32%
Revenue and other income	4,113.6	3,536.1	16%
Segment EBITDA	497.3	427.2	16%
Segment EBITDA margin	12.1%	12.1%	
Segment EBIT	446.7	387.1	15%
Segment EBIT margin	10.9%	10.9%	
Employees	4,238	4,207	1%

Note:

1. Other revenue includes fees in relation to cancelled orders, apprentice rebates and training fees

2. Other income includes share of results from equity accounted investees and FX gains



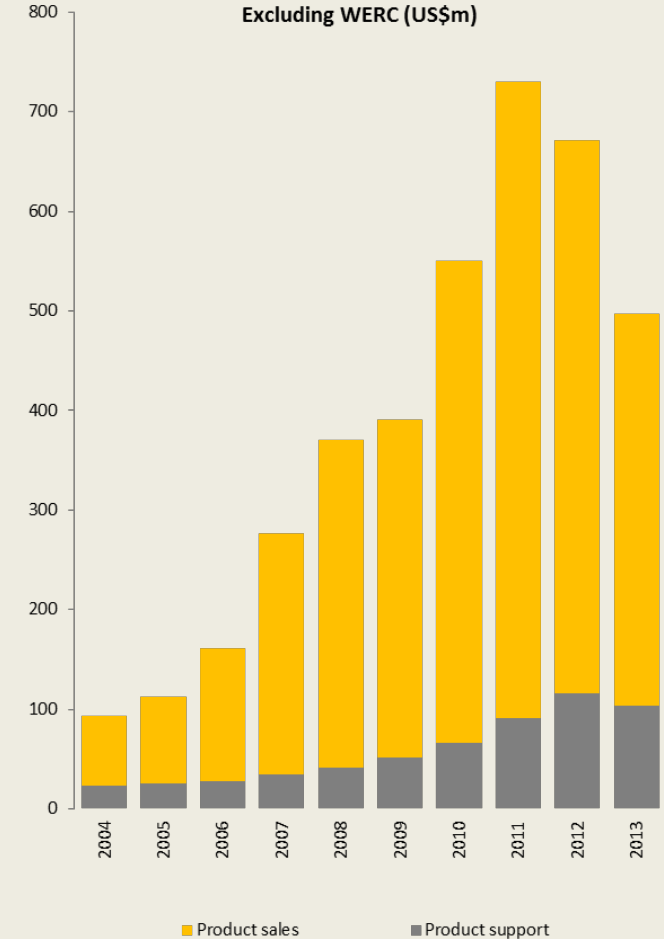
WesTrac China

- ▶ Product sales lower vs prior year
 - ▶ Downturn in mining market and soft construction market
 - ▶ Achieved market share growth in the hydraulic excavator business in a competitive second half
- ▶ WesTrac China business has been through significant restructuring, repositioning the business for
 - ▶ Current market conditions
 - ▶ Future growth opportunities

WesTrac Dealership Territory in China



Historical WesTrac China Trading Revenue by Year
Excluding WERC (US\$m)



WesTrac China – (USD)

Full Year Result

- ▶ \$122.2m in operating cash flow delivered during the year
- ▶ Inventory levels were managed down for current market conditions
- ▶ Cost base has reduced significantly as a result of the business restructure in December 2012
- ▶ Safety result of 3.5 LTIFR from 6.0 in 2012



USD \$m	Year ended 30 June 2013	Year ended 30 June 2012	Change %
WesTrac China			
- Product sales	394.2	555.1	(29)%
- Product support	109.0	120.1	(9)%
- Other income	1.9	3.8	(50)%
Total revenue and other income (USD)	505.1	679.0	(26)%
Segment EBITDA (USD)	5.9	17.4	(66)%
Segment EBITDA margin	1.2%	2.6%	
Segment EBIT (USD)	(1.5)	8.7	-
Segment EBIT margin	-0.3%	1.3%	
Employees	1,262	1,927	(35)%

Notes:

1. Other income includes share of results from equity accounted investees
2. Result excludes one-off redundancy and restructuring costs treated as significant
3. Presented in USD as functional currency of WesTrac China

Coates Hire Group

Full Year Result

coateshire

- ▶ Revenue of \$1,241m down (4%) against prior year, driven by soft H2
- ▶ EBITDA decreased (5%) on prior corresponding period
- ▶ Strong safety result with LTIFR reduced to 3.8 from 5.3 in FY12, with further improvement initiatives underway
- ▶ Focus on operating and capital efficiency and debt reduction through strong free cash flows
- ▶ Coates Hire expected to continue to benefit from its position as Australia's largest integrated hire company

Coates Hire \$m	Year ended 30 June 2013	Year ended 30 June 2012	Change %
Revenue and other income	1,241.0	1,293.0	(4)%
Gross profit	824.2	868.3	(5)%
Underlying EBITDA	533.7	563.8	(5)%
Underlying EBIT	279.2	326.9	(15)%
Segment result \$m			
Share of Coates underlying NPAT	43.1	56.3	(23)%
Other income	4.7	2.0	135%
Segment result	47.8	58.3	(18)%



Notes:

1. Coates Hire is an equity accounted investment and therefore not consolidated into SGH's results.
2. SGH economic interest in Coates Hire of 45% based on diluted interest after considering vesting conditions for options issued under the Coates Hire Management Equity Plan

SGH

Industrial Services, Media and Investments

SGH Presentation
October 2013

Slide 11



WesTrac

Seven West Media

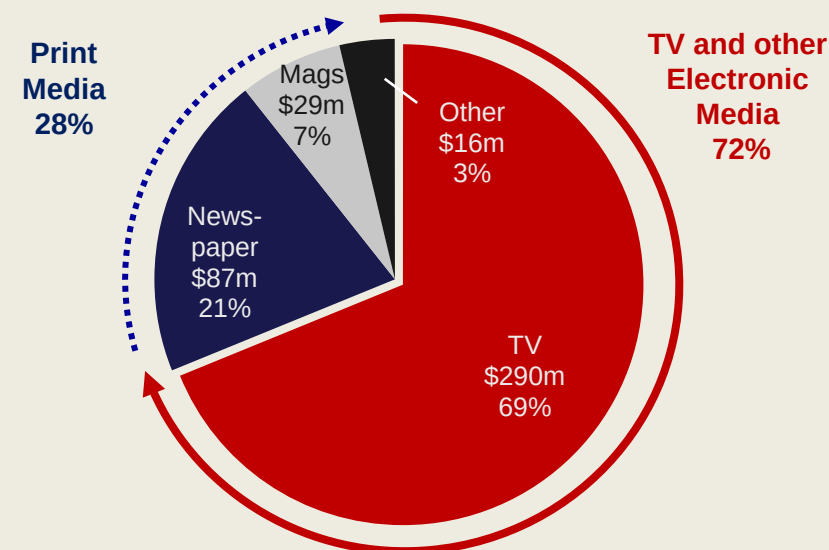
30 June 2013 Highlights

- ▶ Outstanding television ratings achieved – 40.4% share
- ▶ Ongoing management focus on cost, quality and revenue initiatives
 - ▶ Cost & revenue initiatives in all divisions, phase 1 impact \$71m in FY13 and phase 1 & 2 target of \$121m in FY14
 - ▶ Continued investment in market-leading products and ideas
- ▶ Net debt of \$1.24bn at 30 June 2013
 - ▶ \$614m reduction from June 2012 position, including \$432m in proceeds from the capital raising completed in Aug 2012
- ▶ EBIT of \$422m, 10.9% down on prior year
 - ▶ Newspapers and Magazines impacted by soft retail market
 - ▶ Overall advertising market trending below prior years
- ▶ Underlying NPAT of \$225m, in line with FY12
 - ▶ \$69.8m statutory loss includes \$295m of significant items (loss) mostly relating to Mags and Yahoo!7 impairment
- ▶ Advertising market outlook: TV low single digit growth, Magazines decline to lessen and Newspapers on trend

Revenue	Jun 13	Jun 12	Change
Television	1,267.8	1,262.4	0.4%
Newspapers	303.1	348.4	(13.0)%
Magazines	256.2	287.2	(10.8)%
Other	54.9	59.4	(7.8)%
Total	1,882.0	1,957.4	(3.9)%

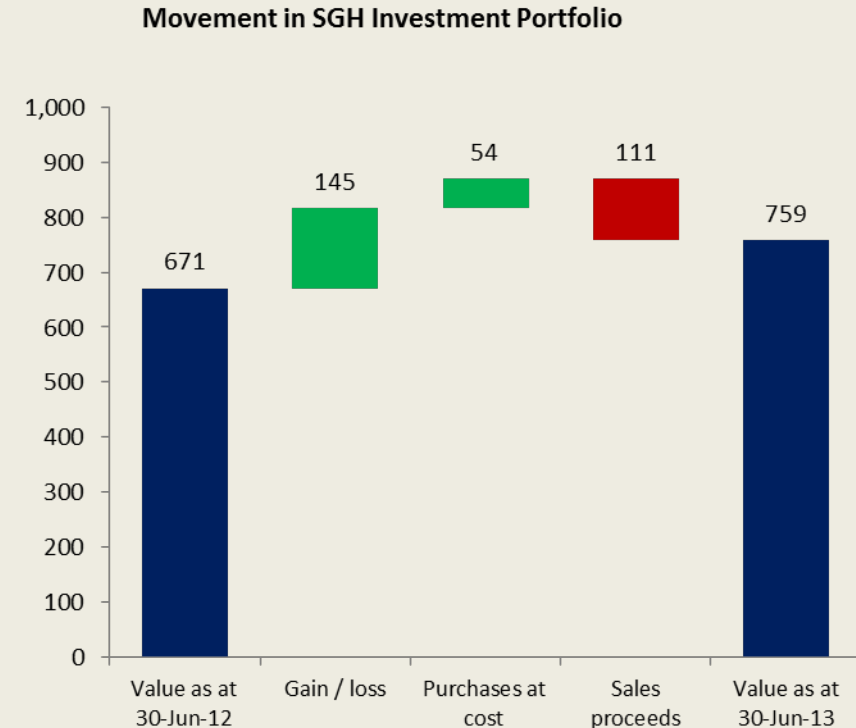
1. Total revenue includes other income and share of net profit from equity accounted investees

EBIT Breakdown By Division



SGH Investment Portfolio

- ▶ Investment portfolio delivered growth in value while also releasing capital.
- ▶ Objective to realise value creation through selective investment opportunities where strategic rationale exists to enhance shareholder return.
- ▶ Focus on investments that are complementary to the Group's core focus and which leverage SGH's industry experience and expertise.



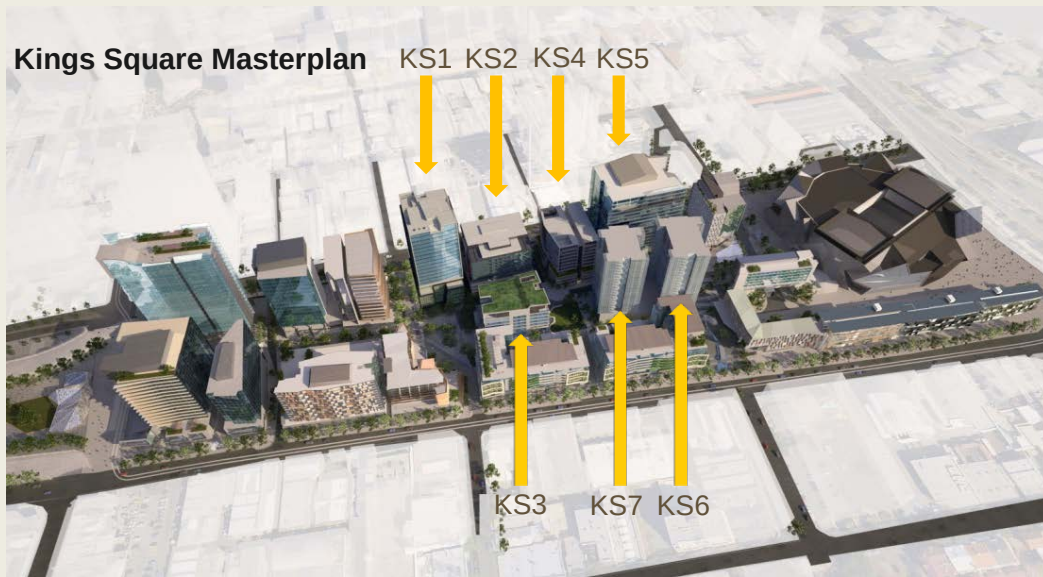
SGH Property Holdings

Our aim is to maximise the value and return for our existing property assets:

- ▶ Perth Entertainment Centre / Kings Square
- ▶ Seven's Tuart Hill studio in Perth
- ▶ Indirect property investments through the Flagship unlisted property trust and other property holdings

Kings Square project:

- ▶ In conjunction with Leighton for first 4 sites
- ▶ Successful sale of first 3 sites to Dexu
- ▶ Sale of 4th site agreed post 30 June 2013
- ▶ Additional three sites to develop / sell



Today's Agenda

- ▶ Overview
- ▶ Industrial Services
- ▶ Media
- ▶ Investments
- ▶ **Financials**



Consolidated Profit and Loss

Underlying Performance

\$m	Year ended 30 June 2013	Year ended 30 June 2012	Change %
Revenue	4,751.6	4,467.4	6%
Other income	78.8	75.6	4%
Share of results from equity accounted investees	125.1	154.8	(19)%
Total revenue and other income	4,955.5	4,697.8	5%
Expenses (excl. depreciation, amortisation and interest)	(4,269.5)	(4,068.0)	5%
Underlying EBITDA	686.0	629.8	9%
Depreciation and amortisation	(63.2)	(76.7)	(18)%
Underlying EBIT	622.8	553.1	13%
Net finance costs	(108.8)	(113.0)	(4)%
Underlying net profit before tax	514.0	440.1	17%
Underlying tax expense	(115.1)	(96.9)	19%
Underlying NPAT	398.9	343.2	16%
Significant items (incl. tax impact)	89.7	(166.5)	-
Statutory NPAT	488.6	176.7	177%
Profit attributable to shareholders of SGH	486.4	165.9	193%

- ▶ Please refer to the Annual Report for detailed statutory presentation
- ▶ Significant items are further summarised on slide 25
- ▶ Depreciation and amortisation reduction is driven by the sale of Vividwireless in June 2012, offset by an increase relating to customer contracts related to the acquisition of EMP

Summary of Significant Items

\$m	Year ended 30 June 2013	Year ended 30 June 2012
Gain on sale - Consolidated Media	50.1	-
Gain on sale / FV of deferred consideration - Vividwireless	11.5	129.8
Gain on sale - Property (KS1, KS2, KS3)	29.4	-
Gain on sale of other investments & fair value of derivatives	13.8	(9.3)
Impairment reversal / (impairment) - SWM equity	77.9	(483.5)
Impairment reversal - Consolidated Media	-	66.6
Impairment - other	(9.6)	(0.3)
Transaction costs and stamp duties ¹	(0.3)	(15.6)
Restructuring and redundancy costs ²	(54.3)	(3.2)
Unusual share of result from equity accounted investee	(9.6)	8.2
Unusual tax (expense) / benefit	(19.2)	140.8
Total Significant Items	89.7	(166.5)
Statutory NPAT	488.6	176.7
NPAT excluding Significant Items	398.9	343.2

Notes:

1. Transaction costs and stamp duties relate to the EMP (Bucyrus) acquisition

2. Restructuring and redundancy costs include consulting costs, staff redundancy and stock provisions on discontinued lines and products

Consolidated Balance Sheet

Total Group

\$m	As at 30 June 2013	As at 30 June 2012	Change %
Trade and other receivables	721.6	920.5	(22)%
Inventories	1,050.5	1,384.6	(24)%
Intangible assets	765.2	749.1	2%
Investments	2,209.1	2,203.7	0%
Fixed assets	267.0	293.3	(9)%
Other assets	16.7	35.2	(53)%
Trade and other payables	(516.8)	(615.7)	(16)%
Provisions	(139.7)	(107.2)	30%
Net tax liabilities	(427.7)	(362.3)	18%
Deferred revenue	(145.5)	(125.7)	16%
Derivative financial instruments	(51.8)	(77.0)	(33)%
Net (debt)	(713.4)	(1,718.7)	(58)%
Total Shareholders Equity	3,035.3	2,579.8	18%

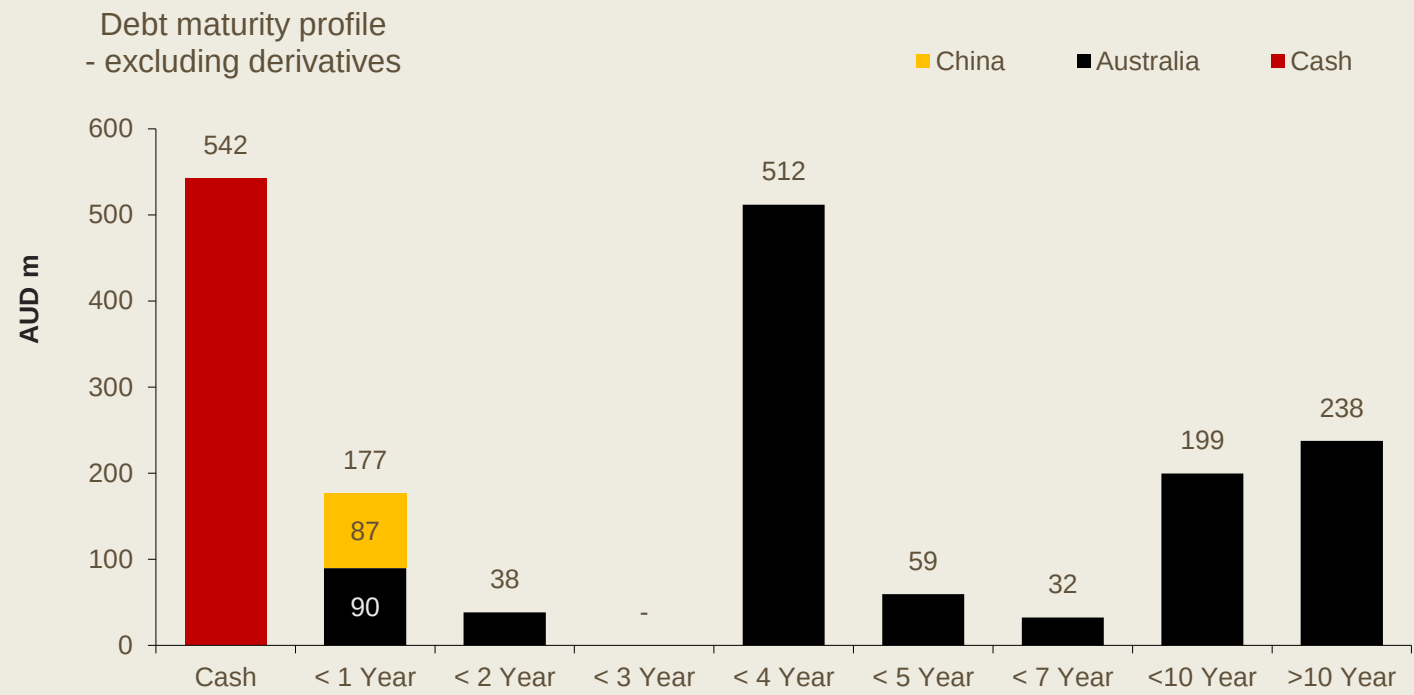
Notes:

1. The trade and other receivables balance includes the deferred consideration on the vividwireless sale
2. Refer to slide 15 for summary of key items impacting the net debt movement



Consolidated Debt Maturity Profile

Total Group as at 30 June 2013 (refer disclaimer)



- ▶ At 30 June 2013 the Group had \$1.25bn of available undrawn borrowing facilities and \$542m in cash.
- ▶ Current “<1 year” debt includes facilities provided to WesTrac in China, where the lending practice is generally to provide short-dated facilities that roll forward annually.



SGH

Industrial Services, Media and Investments



WesTrac