



Industrial Services, Media and Investments

27 February 2014

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

By Electronic Lodgment

Total pages: 35 (including cover letter)

Dear Sir / Madam

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 2013 and the Media Release.

Yours faithfully

A handwritten signature in black ink, appearing to read 'W. Coatsworth'.

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 2013

Results For Announcement To The Market

REPORTED			\$'000
Revenue from ordinary activities	down	41.68% to	1,577,124
Net profit from ordinary activities after tax attributable to members	up	2.77% to	263,893
Net profit for period attributable to members	up	2.77% to	263,893

UNDERLYING			\$'000
Revenue from ordinary activities	down	41.68% to	1,577,124
Net profit from ordinary activities after tax attributable to members excluding significant items	down	44.00% to	131,012
Net profit for period attributable to members excluding significant items	down	44.00% to	131,012

Dividends	Amount	Franked
	per security	amount per security
Ordinary shares		
Interim	20 cents	20 cents

Record date for determining entitlements to the dividend 5.00pm on 28 March 2014

Date the interim dividend is payable 11 April 2014

Transferable Extendable Listed Yield Shares ("TELYS4")

Interim (paid 2 December 2013) \$ 2.6427 \$ 2.6427

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 27 February 2014 accompanying this report.

Net tangible asset backing

Net tangible asset backing per ordinary share: \$6.87 (31 December 2012: \$5.42). 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 2013.

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 2013

Results For Announcement To The Market

Underlying Trading Performance

	As reported		Significant items ^(a)		Underlying trading performance ^(b)	
	6 months to 31-Dec-2013	6 months to 31-Dec-2012	6 months to 31-Dec-2013	6 months to 31-Dec-2012	6 months to 31-Dec-2013	6 months to 31-Dec-2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	1,577,124	2,704,239	-	-	1,577,124	2,704,239
Total other income	96,261	115,710	(34,616)	(66,980)	61,645	48,730
Share of results from equity accounted investees	82,191	79,435	(14,822)	5,085	67,369	84,520
Impairment reversal of equity accounted investees	127,902	-	(127,902)	-	-	-
Total expenses excluding depreciation and amortisation	(1,504,081)	(2,460,346)	11,681	29,336	(1,492,400)	(2,431,010)
Profit before depreciation and amortisation, net finance costs and tax	379,397	439,038	(165,659)	(32,559)	213,738	406,479
Depreciation and amortisation	(24,473)	(26,790)	-	-	(24,473)	(26,790)
Profit before net finance costs and tax	354,924	412,248	(165,659)	(32,559)	189,265	379,689
Net finance costs	(22,727)	(60,163)	(12,600)	(4,100)	(35,327)	(64,263)
Profit before tax	332,197	352,085	(178,259)	(36,659)	153,938	315,426
Income tax expense	(67,524)	(94,127)	45,378	13,837	(22,146)	(80,290)
Profit for the period	264,673	257,958	(132,881)	(22,822)	131,792	235,136
Profit for the period attributable to:						
Equity holders of the Company	263,893	256,784	(132,881)	(22,822)	131,012	233,962
Non-controlling interest	780	1,174	-	-	780	1,174
Profit for the period	264,673	257,958	(132,881)	(22,822)	131,792	235,136
EARNINGS PER SHARE (EPS)						
Ordinary shares						
Basic earnings per share (\$)	\$ 0.81	\$ 0.79			\$ 0.38	\$ 0.72
Diluted earnings per share (\$)	\$ 0.81	\$ 0.79			\$ 0.38	\$ 0.71

(a) Significant items is comprised of net gain on sale of investments, equity accounted investees and subsidiary, impairment reversal of equity accounted investees, impairment of non-current assets, fair value movement of derivatives, restructuring and redundancy costs, transaction costs related to acquisitions, share of results from equity accounted investees attributable to significant items, fair value unwind of deferred consideration in finance income, financial guarantee fee income from associate and any income tax expense/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. Underlying trading performance measures are non-International Financial Reporting Standards (IFRS) measures and have not been subject to audit or review.

(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 2013

		6 months to 31-Dec-2013	6 months to 31-Dec-2012
	Note	\$'000	\$'000
REVENUE			
Revenue from product sales		853,035	1,935,614
Revenue from product support		724,089	762,864
Other		-	5,761
Total revenue		1,577,124	2,704,239
OTHER INCOME			
Dividend income		16,085	15,165
Net gain on sale of investments, equity accounted investees and subsidiary		21,152	66,980
Fair value movement of derivatives		10,964	-
Other investment income		12,653	11,576
Other		35,407	21,989
Total other income		96,261	115,710
Share of results from equity accounted investees	8	82,191	79,435
Impairment reversal of equity accounted investees	8	127,902	-
EXPENSES EXCLUDING DEPRECIATION AND AMORTISATION			
Materials cost of inventory sold and used		(1,097,610)	(1,845,107)
Raw materials and consumables purchased		(47,063)	(76,161)
Employee benefits expense		(222,877)	(353,385)
Operating lease rental expense		(32,106)	(29,843)
Impairment of non-current assets		-	(9,464)
Fair value movement of derivatives		-	(8,620)
Other expenses		(104,425)	(137,766)
Total expenses excluding depreciation and amortisation		(1,504,081)	(2,460,346)
Profit before depreciation and amortisation, net finance costs and tax		379,397	439,038
Depreciation and amortisation		(24,473)	(26,790)
Profit before net finance costs and tax		354,924	412,248
Finance income	4	26,541	7,685
Finance costs	4	(49,268)	(67,848)
Net finance costs		(22,727)	(60,163)
Profit before tax		332,197	352,085
Income tax expense	5	(67,524)	(94,127)
Profit for the period		264,673	257,958
Profit for the period attributable to:			
Equity holders of the Company		263,893	256,784
Non-controlling interest		780	1,174
Profit for the period		264,673	257,958
EARNINGS PER SHARE (EPS)			
Ordinary shares			
Basic earnings per share (\$)	7	\$ 0.81	\$ 0.79
Diluted earnings per share (\$)	7	\$ 0.81	\$ 0.79

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 2013

		6 months to 31-Dec-2013	6 months to 31-Dec-2012
	Note	\$'000	\$'000
Profit for the period		264,673	257,958
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale financial assets	11	119,620	119,001
Cash flow hedges: effective portion of changes in fair value	11	12,250	(14,173)
Foreign currency differences for foreign operations		21,728	(329)
Income tax on items of other comprehensive income	5	(43,879)	(30,485)
Total Items that may be reclassified subsequently to profit or loss		109,719	74,014
Other comprehensive income for the period, net of tax		109,719	74,014
Total comprehensive income for the period		374,392	331,972
Total comprehensive income for the period attributable to:			
Equity holders of the Company		373,504	330,826
Non-controlling interest		888	1,146
Total comprehensive income for the period		374,392	331,972

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 2013

	Note	31-Dec-2013 \$'000	30-Jun-2013 \$'000
CURRENT ASSETS			
Cash and cash equivalents	12a	524,925	542,108
Trade and other receivables		552,085	719,809
Inventories		888,961	1,050,490
Other current assets		20,238	16,736
Derivative financial instruments		11,075	4,286
Total current assets		1,997,284	2,333,429
NON-CURRENT ASSETS			
Investments accounted for using the equity method	8	1,346,752	1,173,872
Trade and other receivables		-	1,770
Derivative financial instruments		59,284	67,575
Other financial assets		1,146,651	1,035,275
Property, plant and equipment		265,338	267,034
Intangible assets		777,907	765,205
Deferred tax assets		11,437	10,176
Total non-current assets		3,607,369	3,320,907
Total assets		5,604,653	5,654,336
CURRENT LIABILITIES			
Trade and other payables		398,516	516,775
Derivative financial instruments		12,669	51,313
Interest bearing loans and borrowings	9	59,443	180,750
Deferred income		94,717	128,700
Current tax liabilities		7,218	129,883
Provisions		144,261	138,306
Total current liabilities		716,824	1,145,727
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	9	1,073,166	1,074,720
Derivative financial instruments		57,286	72,324
Deferred tax liabilities		403,845	307,988
Provisions		1,447	1,446
Deferred income		15,482	16,797
Other payables		3,225	-
Total non-current liabilities		1,554,451	1,473,275
Total liabilities		2,271,275	2,619,002
Net assets		3,333,378	3,035,334
EQUITY			
Contributed equity	10	2,630,352	2,630,352
Reserves	11	(488,073)	(597,434)
Retained earnings		1,179,196	990,053
Total equity attributable to equity holders of the Company		3,321,475	3,022,971
Non-controlling interest		11,903	12,363
Total equity		3,333,378	3,035,334

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 2013

	Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2013		2,630,352	(597,434)	990,053	3,022,971	12,363	3,035,334
Profit for the period		-	-	263,893	263,893	780	264,673
Net change in fair value of available-for-sale financial assets		-	119,620	-	119,620	-	119,620
Cash flow hedges: effective portion of changes in fair value		-	12,250	-	12,250	-	12,250
Foreign currency differences for foreign operations		-	21,620	-	21,620	108	21,728
Income tax on items of other comprehensive income	5	-	(43,879)	-	(43,879)	-	(43,879)
Total comprehensive income for the period		-	109,611	263,893	373,504	888	374,392
Transactions with owners recognised directly in equity							
Ordinary dividends paid	6	-	-	(61,633)	(61,633)	(1,348)	(62,981)
TELYS4 dividends paid	6	-	-	(13,117)	(13,117)	-	(13,117)
Share based payments		-	(250)	-	(250)	-	(250)
Total contributions by and distributions to owners		-	(250)	(74,750)	(75,000)	(1,348)	(76,348)
Total movement in equity for the period		-	109,361	189,143	298,504	(460)	298,044
Balance at 31 December 2013		2,630,352	(488,073)	1,179,196	3,321,475	11,903	3,333,378

	Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2012		2,624,102	(710,120)	654,523	2,568,505	11,318	2,579,823
Profit for the period		-	-	256,784	256,784	1,174	257,958
Net change in fair value of available-for-sale financial assets		-	119,001	-	119,001	-	119,001
Cash flow hedges: effective portion of changes in fair value		-	(14,173)	-	(14,173)	-	(14,173)
Foreign currency differences for foreign operations		-	(301)	-	(301)	(28)	(329)
Income tax on items of other comprehensive income	5	-	(30,485)	-	(30,485)	-	(30,485)
Total comprehensive income for the period		-	74,042	256,784	330,826	1,146	331,972
Transactions with owners recognised directly in equity							
Ordinary dividends paid	6	-	-	(61,482)	(61,482)	(1,150)	(62,632)
TELYS4 dividends paid	6	-	-	(13,948)	(13,948)	-	(13,948)
Share based payments		-	1,862	-	1,862	-	1,862
Total contributions by and distributions to owners		-	1,862	(75,430)	(73,568)	(1,150)	(74,718)
Total movement in equity for the period		-	75,904	181,354	257,258	(4)	257,254
Balance at 31 December 2012		2,624,102	(634,216)	835,877	2,825,763	11,314	2,837,077

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 2013

		6 months to 31-Dec-2013	6 months to 31-Dec-2012
	Note	\$'000	\$'000
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Receipts from customers		1,936,043	3,281,120
Payments to suppliers and employees		(1,598,954)	(2,560,096)
Dividends received from equity accounted investees	8	21,178	28,424
Other dividends received		27,522	26,432
Interest and other items of a similar nature received		11,915	3,788
Interest and other costs of finance paid		(45,472)	(63,339)
Income taxes paid		(137,537)	(93,496)
Income tax funding received from associate		10,615	-
Net operating cash flows	12b	225,310	622,833
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Payments for purchases of property, plant and equipment		(12,412)	(34,362)
Proceeds from sale of property, plant and equipment		5,948	1,356
Payments for purchase of intangible assets		(535)	(1,156)
Payments for other investments		(165,937)	(80,737)
Proceeds from sale of other financial assets		82,330	97,471
Proceeds from sale of shares in equity accounted investees		1,755	491,270
Return of capital from investment in equity accounted investee		21,050	-
Proceeds from sale of subsidiary, net of cash disposed		-	9,100
Deferred consideration from sale of subsidiary		60,000	-
Acquisition of equity accounted investees		-	(180,669)
Loans and deposits repaid		4,125	65
Net investing cash flows		(3,676)	302,338
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Ordinary dividends paid	6	(61,633)	(61,482)
TELYS4 dividends paid	6	(13,117)	(13,948)
Dividends paid to non-controlling interests		(848)	(1,150)
Proceeds from borrowings		162,631	679,593
Repayment of borrowings		(327,759)	(1,224,373)
Net financing cash flows		(240,726)	(621,360)
Net (decrease)/increase in cash and cash equivalents		(19,092)	303,811
Cash and cash equivalents at beginning of period		542,108	127,749
Effect of exchange rate changes on cash and cash equivalents		1,909	114
Cash and cash equivalents at end of the period	12a	524,925	431,674

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 2013

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 2013 to 31 December 2013. The condensed Consolidated Financial Statements of the Company as at and for the half-year ended 31 December 2013, comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and joint ventures. The Financial Report was authorised for issue in accordance with a resolution of the Directors on 27 February 2014.

(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 2013 Annual Financial Report and considered with any public announcements made by the company during the half-year ended 31 December 2013 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 and investments in available-for-sale financial 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.

Changes in accounting policies

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

- AASB 10 *Consolidated Financial Statements* (refer (i))
- AASB 11 *Joint Arrangements* (refer (ii))
- AASB 13 *Fair Value Measurement* (refer (iii))
- AASB 2013-3 Amendments to AASB 136 - *Recoverable Amount Disclosures for Non-Financial Assets* (refer (iv))

(i) Subsidiaries

AASB 10 introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, AASB 10 requires the Group to consolidate investees that it controls on the basis of de facto circumstances.

There has been no change in the Group's accounting treatment from adopting this standard.

(ii) Joint arrangements

Under AASB 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

There has been no change in the Group's accounting treatment from adopting this standard.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Fair value measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group has included additional disclosures in this regard (refer Note 13).

In accordance with the transitional provisions of AASB 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

(iv) AASB 2013-3 Amendments to AASB 136 - *Recoverable Amount Disclosures for Non-Financial Assets*

The Group has early adopted AASB 2013-3. As a result, the Group is only required to disclose the recoverable amount of impaired assets, rather than the recoverable amount for each cash generating unit (CGU) which held significant goodwill or intangible assets with indefinite useful lives.

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 2013.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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 maker) 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 the authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory, providing heavy equipment sales and support to customers.
- WesTrac China - WesTrac China is the authorised Caterpillar dealer in the North Eastern China provinces of Hebei, Liaoning, Heilongjiang, Jilin, Shanxi, Inner Mongolia and the municipalities of Beijing and Tianjin, providing heavy equipment sales and support to customers.
- AllightSykes - represents the Group's operations in the manufacture, assembly, sales and support of lighting, FG Wilson power generation and dewatering equipment as well as distribution of Perkins engines.
- Coates Hire - represents the Group's equity accounted investment in Coates Group Holdings Pty Limited. Coates Hire is Australia's largest equipment hire company and provides a full range of general and specialist equipment to a wide variety of markets including engineering, building construction & maintenance, mining & resources, manufacturing, government and events.
- 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 (up to disposal on 21 November 2012).
- Other investments - incorporates listed investments, property and telephony (up until the sale of Engin in September 2012).

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 mainland China and Hong Kong.

Accounting policies

The accounting policies used by the Group in reporting segments internally are the same as those described in Note 1 of the 2013 Annual Financial Report.

HALF YEAR ENDED 31 DECEMBER 2013	WesTrac ^(e) Australia \$'000	WesTrac China \$'000	Allight ^(e) Sykes \$'000	Coates Hire \$'000	Media ^(c) investments \$'000	Other investments \$'000	Total \$'000
Segment revenue							
Sales to external customers	1,261,024	265,847	50,253	-	-	-	1,577,124
Segment result							
Segment earnings before interest, tax, depreciation and amortisation (EBITDA) ^{(a)(d)}	115,281	12,673	536	15,982	62,609	17,633	224,714
Depreciation and amortisation	(18,308)	(3,530)	(2,325)	-	-	(310)	(24,473)
Segment earnings before interest and tax (EBIT) ^(b)	96,973	9,143	(1,789)	15,982	62,609	17,323	200,241
Other segment information							
Capital expenditure	(7,436)	(908)	(716)	-	-	(3,887)	(12,947)
Share of results of equity accounted investees included in segment EBIT (excluding significant items) ^(d)	970	(327)	-	14,732	48,578	3,416	67,369
Impairment reversal of assets recognised in profit or loss	-	-	-	-	127,902	-	127,902

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

3. OPERATING SEGMENTS (CONTINUED)

	WesTrac ^(e) Australia \$'000	WesTrac China \$'000	Allight ^(e) Sykes \$'000	Coates Hire \$'000	Media ^(c) investments \$'000	Other investments \$'000	Total \$'000
AS AT 31 DECEMBER 2013							
Balance sheet							
Investments accounted for using the equity method	25,199	3,778	-	461,756	825,931	30,088	1,346,752
Other segment assets	1,543,576	665,311	134,479	-	331,751	975,097	3,650,214
Segment assets	1,568,775	669,089	134,479	461,756	1,157,682	1,005,185	4,996,966
Segment liabilities	(398,126)	(175,501)	(16,712)	-	-	(26,342)	(616,681)
HALF YEAR ENDED 31 DECEMBER 2012							
Segment revenue							
Sales to external customers	2,382,975	223,986	91,517	-	-	5,761	2,704,239
Segment result							
Segment earnings before interest, tax, depreciation and amortisation (EBITDA) ^{(a)(d)}	295,812	3,736	3,991	31,540	65,870	13,707	414,656
Depreciation and amortisation	(20,435)	(4,182)	(1,882)	-	-	(291)	(26,790)
Segment earnings before interest and tax (EBIT) ^{(b)(d)}	275,377	(446)	2,109	31,540	65,870	13,416	387,866
Other segment information							
Capital expenditure	(31,051)	(913)	(2,710)	-	-	(844)	(35,518)
Share of results of equity accounted investees included in segment EBIT (excluding significant items) ^(d)	1,381	(69)	-	30,290	52,918	-	84,520
Impairment of assets recognised in profit or loss	(9,464)	-	-	-	-	-	(9,464)
AS AT 30 JUNE 2013							
Balance sheet							
Investments accounted for using the equity method	24,229	3,969	-	430,221	670,628	44,825	1,173,872
Other segment assets	1,870,729	702,078	151,233	-	318,607	807,145	3,849,792
Segment assets	1,894,958	706,047	151,233	430,221	989,235	851,970	5,023,664
Segment liabilities	(581,480)	(140,104)	(23,669)	-	-	(20,358)	(765,611)

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

3. OPERATING SEGMENTS (CONTINUED)

	6 months to 31-Dec-2013	6 months to 31-Dec-2012
Reconciliation of segment EBIT to net profit before tax per consolidated income statement	\$'000	\$'000
Segment earnings before interest and tax (EBIT)	200,241	387,866
Corporate operating costs and transaction related costs	(8,476)	(8,177)
Net gain on sale of investments, equity accounted investees and subsidiary	21,152	66,980
Share of results from equity accounted investees attributable to significant items	14,822	(5,085)
Impairment reversal of equity accounted investees	127,902	-
Fair value movement of derivatives	10,964	(8,620)
Impairment of non-current assets	-	(9,464)
Restructuring costs	(11,681)	(11,252)
Net finance costs	(22,727)	(60,163)
Profit before tax per consolidated income statement	332,197	352,085

	31-Dec-2013	30-Jun-2013
Reconciliation of segment operating assets to total assets per statement of financial position	\$'000	\$'000
Segment operating assets	4,996,966	5,023,664
Corporate cash holdings	524,925	542,108
Deferred tax assets	11,437	10,176
Derivative financial instruments	70,359	71,861
Assets held at corporate level	966	6,527
Total assets per statement of financial position	5,604,653	5,654,336

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 \$2,949,802,000 (30 June 2013: \$2,631,895,000). The total of non-current assets located in China is \$586,846,000 (30 June 2013: \$611,261,000). Segment assets are allocated to countries based on where the assets are located.

	31-Dec-2013	30-Jun-2013
Reconciliation of segment operating liabilities to total liabilities per statement of financial position	\$'000	\$'000
Segment operating liabilities	(616,681)	(765,611)
Liabilities held at corporate level	(40,967)	(36,413)
Derivative financial instruments	(69,955)	(123,637)
Current interest bearing loans and borrowings	(59,443)	(180,750)
Non current interest bearing loans and borrowings	(1,073,166)	(1,074,720)
Current tax liabilities	(7,218)	(129,883)
Deferred tax liabilities	(403,845)	(307,988)
Total liabilities per statement of financial position	(2,271,275)	(2,619,002)

- Segment EBITDA comprises profit before depreciation and amortisation, net finance costs, tax, net gain on sale of investments, equity accounted investees and subsidiary, impairment reversal of equity accounted investees, impairment of non-current assets, fair value movement of derivatives, restructuring and redundancy costs, transaction costs related to acquisitions, share of results from equity accounted investees attributable to significant items, fair value unwind of deferred consideration in finance income and financial guarantee fee income from associate.
- Segment EBIT comprises profit before net finance costs, tax, net gain on sale of investments, equity accounted investees and subsidiary, impairment reversal of equity accounted investees, impairment of non-current assets, fair value movement of derivatives, restructuring and redundancy costs, transaction costs related to acquisitions, share of results from equity accounted investees attributable to significant items, fair value unwind of deferred consideration in finance income and financial guarantee fee income from associate.
- Media investments comprise investments accounted for using the equity method and available-for-sale financial assets.
- Coates Hire segment EBITDA, EBIT and share of results of equity accounted investees excludes share of results from equity accounted investees attributable to significant items.
- WesTrac Australia and AllightSykes results above have been reduced in relation to the elimination of sales to Coates Hire, due to the Group's 45% interest in Coates Hire.

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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4. NET FINANCE EXPENSE

	6 months to 31-Dec-2013 \$'000	6 months to 31-Dec-2012 \$'000
FINANCE INCOME		
Interest income on bank deposits	13,920	3,430
Fair value unwind of deferred consideration	8,600	4,100
Financial guarantee fee income from associate	4,000	-
Other	21	155
Total finance income	26,541	7,685
FINANCE COSTS		
Interest expense	(44,894)	(62,300)
Borrowing costs	(4,374)	(5,548)
Total finance costs	(49,268)	(67,848)
Net finance expense	(22,727)	(60,163)

5. INCOME TAX

	6 months to 31-Dec-2013 \$'000	6 months to 31-Dec-2012 \$'000
INCOME TAX EXPENSE		
Current tax expense:		
Current period	(31,252)	(80,571)
Over provided in prior periods	6,699	3,569
	(24,553)	(77,002)
Deferred tax expense due to origination and reversal of temporary differences	(42,971)	(17,125)
Total income tax expense in statement of comprehensive income	(67,524)	(94,127)
RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFITS:		
Income tax using the domestic corporation tax rate 30%	(99,659)	(105,626)
Remeasurement of deferred tax relating to investments	-	4,760
Franked dividends	11,443	10,465
Share of associates net profit	8,144	414
Non-assessable income	6,059	-
Non-deductible expenses	(292)	(7,898)
Other non-taxable/non-deductible items	-	256
Current period tax losses not recognised as deferred tax assets	(711)	-
Tax benefit on previously unrecognised tax losses	51	-
Difference in overseas tax rates	742	(67)
Over provided in prior periods	6,699	3,569
Income tax expense	(67,524)	(94,127)
DEFERRED INCOME TAX RECOGNISED DIRECTLY IN EQUITY		
Relating to available-for-sale financial assets	(40,408)	(35,700)
Relating to cash flow hedge reserve	(3,471)	5,215
Total deferred income tax recognised directly in equity	(43,879)	(30,485)

The Company has a number of outstanding tax positions that are currently under review and objection with the relevant taxation authorities. Successful resolution of these matters could potentially result in the realisation of significant tax benefits for the Group. These outstanding tax positions are yet to meet the recognition requirements of actual or contingent assets.

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6. DIVIDENDS

	Date of payment	Franked / unfranked	Amount per share	6 months to 31-Dec-2013 \$'000
DIVIDENDS PAID				
Ordinary shares				
Final dividend in respect of 2013 year	11-Oct-13	Franked	\$ 0.20	61,633
Transferable Extendable Listed Yield Shares ("TELYS4")				
Dividend	02-Dec-13	Franked	\$ 2.6427	13,117
Dividends paid				74,750
Subsequent event				
Current period interim dividend on ordinary shares proposed but not provided				
Ordinary shares				
Interim dividend in respect of 2014 year	11-Apr-14	Franked	\$ 0.20	61,633

	Date of payment	Franked / unfranked	Amount per share	6 months to 31-Dec-2012 \$'000
DIVIDENDS PAID				
Ordinary shares				
Final dividend in respect of 2012 year	12-Oct-12	Franked	\$ 0.20	61,482
Transferable Extendable Listed Yield Shares ("TELYS4")				
Dividend	30-Nov-12	Franked	\$ 2.8100	13,948
Dividends paid				75,430

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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	6 months to 31-Dec-2013	6 months to 31-Dec-2012
	\$'000	\$'000
EARNINGS RECONCILIATION		
Net profit attributable to equity holders of the Company	263,893	256,784
Allocated earnings to category of share:		
- Ordinary shares	250,763	242,768
- TELYS4	13,130	14,016
	263,893	256,784
Weighted average number of shares		
Number for basic earnings per share:		
- Ordinary shares	308,160,281	307,410,281
- TELYS4	4,963,640	4,963,640
Effect of share options on issue:		
- Ordinary shares	172,566	321,429
Number for diluted earnings per share:		
- Ordinary shares	308,332,847	307,731,710
- TELYS4	4,963,640	4,963,640
Statutory earnings per share		
Ordinary shares - total earnings per share from continuing operations:		
- Basic (\$)	0.81	0.79
- Diluted (\$)	0.81	0.79
TELYS4 - total earnings per TELYS4:		
- Basic (\$)	2.65	2.82
- Diluted (\$)	2.65	2.82

(a) Underlying earnings per share from continuing operations is statutory earnings per share less significant items. Significant items is comprised of net gain on sale of investments, equity accounted investees and subsidiary, impairment reversal of equity accounted investees, impairment of non-current assets, fair value movement of derivatives, restructuring and redundancy costs, transaction costs related to acquisitions, share of results from equity accounted investees attributable to significant items, fair value unwind of deferred consideration in finance income, financial guarantee fee income from associate, significant items in other income and any income tax expense/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 2013

7. EARNINGS PER SHARE (CONTINUED)

Underlying earnings per share from continuing operations is a non-IFRS measure and is calculated as follows:

	6 months to 31-Dec-2013	6 months to 31-Dec-2012
	\$'000	\$'000
Net profit attributable to equity holders of the Company	263,893	256,784
<i>Significant items:</i>		
Add: impairment of non-current assets	-	9,464
Add: restructuring costs	11,681	11,252
Add/(less): share of results from equity accounted investees attributable to significant items	(14,822)	5,085
Add/(less): fair value movement of derivatives	(10,964)	8,620
Less: impairment reversal of equity accounted investees	(127,902)	-
Less: net gain on sale of investments, equity accounted investees and subsidiary	(21,152)	(66,980)
Less: significant items in other income	(2,500)	-
Less: significant items in finance income	(12,600)	(4,100)
Add: income tax expense	45,378	13,837
Underlying net profit attributable to equity holders of the Company	131,012	233,962
Allocated underlying earnings to category of share:		
- Ordinary shares	117,882	219,946
- TELYS4	13,130	14,016
	131,012	233,962

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8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31-Dec-2013	30-Jun-2013
	\$'000	\$'000
Investments in associates and joint ventures	1,346,752	1,173,872

Investee	Principal activities	Country of incorporation	Balance date	Ownership interest	Ownership interest
EQUITY ACCOUNTED INVESTMENTS AND JOINT VENTURES					
Apac Energy Rental Pte Limited	Rental services	Singapore	31-Dec	20.0%	20.0%
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%
Lot 102 Developments Pty Ltd*	Property ownership	Australia	30-Jun	-	40.0%
Lot 102 Developments Unit Trust*	Property ownership	Australia	30-Jun	-	40.0%
Kings Square Pty Ltd	Property development	Australia	30-Jun	50.0%	-
Kings Square No. 4 Unit Trust	Property development	Australia	30-Jun	50.0%	-
Mo's Mobiles Pty Limited	Mobile phone retailer	Australia	30-Jun	25.0%	25.0%
Premier Capital Developments Pty Limited	Property management	Australia	30-Jun	25.0%	25.0%
Revy Investments Pty Limited	Property management	Australia	30-Jun	25.0%	25.0%
Revy Investments Trust	Property management	Australia	30-Jun	25.0%	25.0%
Coates Group Holdings Pty Limited**	Rental services	Australia	30-Jun	45.0%	45.0%
Seven West Media Limited	Media	Australia	30-Jun	35.3%	35.3%

* - holding sold on 6 November 2013, realising a gain on sale of \$1,329,000.

** - the Group has determined its economic interest in Coates Group Holdings Pty Limited to be 45% after considering vesting conditions for options issued under Coates Group's Management Equity Plan.

	ASSOCIATED AND JOINTLY CONTROLLED ENTITIES	
	6 months to 31-Dec-2013	6 months to 31-Dec-2012
	\$'000	\$'000
SHARE OF INVESTEE'S NET PROFIT		
Share of operating profit before tax	109,111	111,985
Share of income tax expense	(26,920)	(32,550)
Share of results from equity accounted investees	82,191	79,435

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

	Book value \$'000	Market value \$'000
AS AT 31 DECEMBER 2013		
MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Seven West Media Limited ^{(a)(b)}	825,931	825,931

	Book value \$'000	Market value \$'000
AS AT 30 JUNE 2013		
MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Seven West Media Limited ^{(a)(b)}	670,628	670,628

(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 \$289,142,000 (30 June 2013: \$276,489,000) included in other financial assets.

(b) impairment reversal for the following listed investment accounted for using the equity method was recognised in profit or loss during the half year ended 31 December 2013:

	6 months to 31-Dec-2013 \$'000	6 months to 31-Dec-2012 \$'000
IMPAIRMENT REVERSAL OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Seven West Media Limited	127,902	-
Total impairment reversal of investments accounted for using the equity method	127,902	-

The Group received cash dividends of \$21,178,000 from its investments in equity accounted investees during the half year ended 31 December 2013 (2012: \$28,424,000).

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9. INTEREST BEARING LOANS AND LIABILITIES

	31-Dec-2013 \$'000	30-Jun-2013 \$'000
CURRENT		
Interest bearing liabilities	38,762	101,305
Fixed term US dollar notes	16,764	75,472
Finance lease liabilities	3,917	3,973
	59,443	180,750
NON-CURRENT		
Interest bearing liabilities	446,628	469,297
Finance lease liabilities	2,479	2,807
Fixed term US dollar notes	629,964	609,475
Less: capitalised borrowing costs net of accumulated amortisation	(5,905)	(6,859)
	1,073,166	1,074,720

The current interest bearing liabilities of \$38,762,000 (30 June 2013: \$101,305,000) relate to the Group's working capital facilities. These liabilities are drawn from rolling short dated facilities within Australia (\$16,591,000 (30 June 2013: \$11,034,000)) and China (\$22,171,000 (30 June 2013: \$90,271,000)) and are generally reviewed annually. Of the amount drawn within Australia, \$15,999,000 (30 June 2013: \$10,766,000) is secured against inventory and receivables with the remaining balance being unsecured. The balance drawn from facilities located in China is unsecured.

At 31 December 2013, the Group had available borrowing facilities of \$1,078,221,000 (30 June 2013: \$1,247,719,000) and also had access to unutilised short dated lines of credit totalling \$217,141,000 (30 June 2013: \$535,868,000).

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10. CONTRIBUTED EQUITY

	31-Dec-2013 \$'000	30-Jun-2013 \$'000
SHARE CAPITAL		
308,160,281 ordinary shares, fully paid (30 June 2013: 308,160,281)	2,203,187	2,203,187
4,963,640 TELYS4 preference shares, fully paid (30 June 2013: 4,963,640)	427,165	427,165
Balance at end of the period	2,630,352	2,630,352
MOVEMENTS IN ORDINARY SHARES		
Balance at beginning of period	2,203,187	2,196,937
Shares issued on exercise of options - 15 March 2013 (750,000 shares)	-	6,250
Balance at end of the period	2,203,187	2,203,187

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-2013 \$'000	30-Jun-2013 \$'000
MOVEMENTS IN PREFERENCE SHARES		
Transferable Extendable Listed Yield Shares – TELYS4		
Balance at beginning of period	427,165	427,165
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 the Bank Bill Swap Rate (BBSW) for 180 days plus Margin. The Margin is set at 4.75% subject to the Company's right of Conversion and Exchange. The cash dividend paid is reduced to the extent of any franking credits attached.

The current TELYS4 Dividend Rate for the period 30 November 2013 to 30 May 2014 is 5.1357% per annum, fully franked.

There are no voting rights attached except in limited circumstances, in which case holders will have one vote per TELYS4 held.

	31-Dec-2013 Number	30-Jun-2013 Number
OPTIONS ON ORDINARY SHARES		
As at reporting date the number of options exercisable into ordinary shares was as follows:		
Options to Directors	3,500,000	3,500,000

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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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	Total \$'000
At 30 June 2013	(63,455)	11,224	(642,586)	(16,548)	122,556	(8,625)	(597,434)
Fair value movement on available-for-sale financial assets	-	-	-	-	119,620	-	119,620
Tax effect of net gain on available-for-sale financial assets	-	-	-	-	(40,408)	-	(40,408)
Net gain on cash flow hedges	-	-	-	11,571	-	-	11,571
Tax effect of net gain on cash flow hedges	-	-	-	(3,471)	-	-	(3,471)
Movement in reserves of associates	-	(250)	-	679	-	5,475	5,904
Currency translation differences	-	-	-	-	-	16,145	16,145
At 31 December 2013	(63,455)	10,974	(642,586)	(7,769)	201,768	12,995	(488,073)

	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	Total \$'000
At 30 June 2012	(63,455)	10,144	(642,586)	16,236	54,463	(84,922)	(710,120)
Fair value movement on available-for-sale financial assets	-	-	-	-	119,001	-	119,001
Tax effect of net gain on available-for-sale financial assets	-	-	-	-	(35,700)	-	(35,700)
Net gain on cash flow hedges	-	-	-	(17,385)	-	-	(17,385)
Tax effect of net gain on cash flow hedges	-	-	-	5,215	-	-	5,215
Movement in reserves of associates	-	1,862	-	3,212	-	333	5,407
Currency translation differences	-	-	-	-	-	(634)	(634)
At 31 December 2012	(63,455)	12,006	(642,586)	7,278	137,764	(85,223)	(634,216)

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

The acquisition of WesTrac Group by the Company during the period ended 30 June 2010 was 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 and liabilities of the WesTrac Group was 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.

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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

	31-Dec-2013 \$'000	31-Dec-2012 \$'000
Bank balances	266,059	281,108
Call deposits	258,866	150,566
Cash and cash equivalents	524,925	431,674
Cash and cash equivalents in the cash flow statement	524,925	431,674

12b. NOTES TO THE CASH FLOW STATEMENT

	6 months to 31-Dec-2013 \$'000	6 months to 31-Dec-2012 \$'000
Reconciliation of profit for the period to net cash flows related to operating activities:		
Profit after tax	264,673	257,958
Depreciation and amortisation:		
Property, plant and equipment	24,039	26,259
Intangible assets	434	531
Capitalised borrowing costs	948	219
Share of results from equity accounted investees	(82,191)	(79,435)
Share based payment expense	283	-
Dividends received from associates	21,178	28,424
Other investment income	(12,653)	(11,576)
Net gain on sale of investments, equity accounted investees and subsidiary	(21,152)	(66,980)
Fair value movement of derivatives	(10,964)	8,620
Impairment of non-current assets	-	9,464
Impairment reversal of equity accounted investees	(127,902)	-
Other	1,280	(3,781)
Movement in:		
Trade and other receivables	230,730	182,070
Inventories	164,508	91,813
Other assets	-	3,219
Trade and other payables	(158,245)	67,530
Provisions	2,166	19,895
Tax balances	(71,822)	88,603
Net operating cash flows	225,310	622,833

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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13. FINANCIAL INSTRUMENTS

CARRYING AMOUNTS VERSUS FAIR VALUES

The fair values of financial assets and liabilities, together with carrying amounts shown in the statement of financial position, are as follows:

	31-Dec-2013 Carrying amount \$'000	31-Dec-2013 Fair value \$'000
Financial assets		
Cash and cash equivalents	524,925	524,925
Trade and other receivables	552,085	552,085
Available-for-sale financial assets	857,228	857,228
Unlisted equity investment	289,423	289,423
Derivative financial instruments	70,359	70,359
Total financial assets	2,294,020	2,294,020
Financial liabilities		
Trade and other payables	401,741	401,741
Fixed term US dollar notes	646,728	675,191
Other borrowings	485,881	490,049
Derivative financial instruments	69,955	69,955
Total financial liabilities	1,604,305	1,636,936

Financial instruments carried at fair value

The table below analyses fair value measurements for financial assets and financial liabilities. The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – fair value is calculated using quoted prices in active markets.

Level 2 – fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3 – fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Financial instruments, carried at fair value, as well as the methods used to estimate the fair value are summarised in the table below.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
AT 31 DECEMBER 2013				
Assets				
Available-for-sale financial assets				
Listed equity investments	857,228	-	-	857,228
Derivative financial assets	-	70,359	-	70,359
	857,228	70,359	-	927,587
Liabilities				
Derivative financial liabilities	-	69,955	-	69,955
	-	69,955	-	69,955

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs. Financial instruments that use valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation include interest rate swaps and foreign exchange contracts not traded on a recognised exchange.

There have been no transfers between different levels in the fair value hierarchy in the period.

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FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

14. COMMITMENTS

WesTrac China Limited, a wholly owned Group subsidiary reached an agreement with Caterpillar Global Mining LLC (formerly known as Bucyrus International, Inc.) to acquire Caterpillar Global Mining's distribution and support business in provinces where WesTrac currently operates in north-eastern China. The transaction is valued at approximately USD \$130,000,000 and will be funded via a new five year debt facility.

Completion of the acquisition is subject to customary closing conditions and Chinese regulatory approval and is expected to occur by 30 June 2014.

Further information on the transaction is contained in the Company's ASX Announcement dated 10 December 2013.

15. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements please refer to Notes 30 and 31 of the 2013 Annual Report.

During the period the Company issued 1,221,374 Share Appreciation Rights (SARs) to Mr Donald Voelte AO (Managing Director and Chief Executive Officer) under the terms of the Company's Long-Term Incentive Plan. Further information regarding the terms of the SARs are contained in section 5c of the Remuneration Report within the 2013 Annual Report.

During the period a wholly owned Group subsidiary entered into a two year electricity supply contract valued at \$1,908,142 with an entity which the Directors of the Company, KM Stokes AC and RK Stokes are Directors or Officers. The contract was awarded after a market tender process using an independent tendering contractor.

16. EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances which have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs on the Group in financial periods subsequent to 31 December 2013.

Directors' Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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 2013 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
Donald Rudolph Voelte AO (Managing Director & Chief Executive Officer)	Director since July 2013
David John Leckie (Executive Director, Media)	Director since April 2010
Bruce Ian McWilliam (Commercial Director)	Director since April 2010
Ryan Kerry Stokes (Chief Operating Officer)	Director since February 2010
James Allan Walker (former Chief Executive Officer, WesTrac Group)	Director from February 2010 to August 2013
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

NET CONSOLIDATED PROFIT

The consolidated profit of the Group for the half year ended 31 December 2013 after provision for income tax was \$264,673,000 (half year ended 31 December 2012: \$257,958,000).

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 26 and forms part of the directors' report for the half year ended 31 December 2013.

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 financial statements 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



KM Stokes AC
Executive Chairman

27 February 2014



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 2013 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

Kevin Leighton
Partner

Sydney

27 February 2014

Directors' Declaration

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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

1. the consolidated financial statements and notes set out on pages 3 to 24 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 2013 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

A handwritten signature in blue ink, appearing to read 'KM Stokes', is written over a faint, light blue rectangular background.

KM Stokes AC
Executive Chairman

27 February 2014



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

We have reviewed the accompanying half-year financial report of Seven Group Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2013, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Seven Group Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Kevin Leighton
Partner

Sydney

27 February 2014

Seven Group Holdings Limited announces financial results for 1H FY2014

- **SGH delivers statutory NPAT of \$264.7 million up 3 per cent**
- **SGH underlying NPAT down 44 per cent, reflecting reduced capital equipment sales to the mining sector**

Financial Results (\$m)			
	6 Months to December 2013	6 Months to December 2012	% Change
Trading revenue	\$1,577.1	\$2,704.2	(42)%
Underlying EBITDA	\$213.7	\$406.5	(47)%
Underlying EBIT	\$189.3	\$379.7	(50)%
Underlying profit before tax	\$153.9	\$315.4	(51)%
Underlying profit after tax	\$131.8	\$235.1	(44)%
Underlying EPS	\$0.38	\$0.72	(47)%
Reported profit before tax	\$332.2	\$352.1	(6)%
Reported profit after tax	\$264.7	\$258.0	3%
Statutory EPS	\$0.81	\$0.79	3%
Interim fully franked dividend per ordinary share	20 cents	20 cents	-

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

Commenting on the results, Don Voelte AO, Managing Director & CEO of Seven Group Holdings, said: "The Group has undertaken significant cost reduction initiatives and put in place the foundations for future growth across its industrial services businesses in what has been a difficult and challenging market over the past twelve months.

"The Company has great products and market leadership in its sectors, we have a strong balance sheet and continue to re-engineer our industrial services businesses to take full advantage of current and future developments in the mining and construction sectors.

"We are pleased with the strong performance of our media investments with Seven West Media delivering a positive result in a challenging market, and our broader portfolio of property and other strategic investments also delivered during the year with realised gains of \$19.8 million and an overall unrealised gain in the market value of the listed portfolio of \$137.1 million. Our strong balance sheet, liquidity and listed portfolio provide a strong base to consider opportunities to broaden and diversify our portfolio."



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Key Highlights:

- Businesses now set to take advantage of any improvement in market conditions in Australia and China.
- Continuing focus on meeting customer expectation by having a competitive cost structure.
- Strong balance sheet with Group net debt of \$607.7 million down by \$105.7 million from \$713.4 million at 30 June 2013.
- Seeking further investment opportunities across existing and new sectors with a structured approach to selecting potential targets with significant available funding capacity.
- Maintained the interim fully-franked dividend of 20 cents per share coupled with an announced share buyback in December.

27 February 2014 --- Seven Group Holdings Limited (SGH) reports a statutory net profit after taxation (NPAT) of \$264.7 million for the six months to 31 December 2013. This is up 3 per cent on the previous comparative period. After adjustment for significant items, SGH reports underlying NPAT of \$131.8 million, a decrease of 44 per cent off the record first half of FY2013.

SGH delivered underlying earnings before interest and tax (EBIT) of \$189.3 million, a decrease of 50 per cent on the comparative six months, on reduced revenue of \$1,577.1 million, down 42 per cent principally due to declining product sales into the mining industry.

Underlying earnings per share (excluding significant items) is down 47 per cent to \$0.38 per ordinary share. Statutory earnings per share is up 3 per cent to \$0.81 per share.

This result reflects the challenging conditions faced by the Company's industrial services businesses in Australia, as the mining services market contracted in response to significant cost cutting across the mining industry and is in line with guidance provided by the Company at the AGM.

Significant Items

Significant items during the period include SGH's sale of part of its listed portfolio, the proportionate share of profit realised by Coates Hire on the sale of its UK operation and the reversal of a prior impairment of the carrying value of SGH's investment in Seven West Media. Significant items also include costs associated with the Group's restructuring activities during the period which resulted in 658 full time equivalent employees leaving the Group.

On an after-tax basis, significant items accounted for a net gain after tax of \$132.9 million.

Balance Sheet

Seven Group Holdings has net assets of \$3,333.4 million, including the listed securities portfolio of \$857.2 million, excluding the Company's shareholding in Seven West Media, and approximately \$1.1 billion in available undrawn facilities at 31 December 2013.

The market value of the listed portfolio grew over the past six months – with the portfolio increasing in market value by \$137.1 million in the period, after realising gains of \$19.8 million on share sales.

The Group has continued to pay down debt with net debt reducing from \$713.4 million at 30 June 2013 to \$607.7 million at the end of the period, reflecting the positive operating cash flows of the Group. A similar position was adopted by Coates Hire that saw them reduce debt by \$226.8 million during the period.

At 31 December 2013, the Group's net debt to equity ratio is 18 per cent and approximately 86 per cent of the Group debt is fixed. The weighted average tenor of the Group's debt facilities is 4.4 years.

Dividend

An interim dividend of 20 cents per share fully-franked has been declared, unchanged from the prior comparative period reflecting an annualised cash yield of 5.8 per cent¹ per annum and grossed up yield, after adjusting for franking credits, of 8.3¹ per cent per annum.

Outlook

Seven Group Holdings is focused on strengthening and enhancing WesTrac's business in Australia and China. Plans are underway to ensure a smooth transition from Caterpillar Inc. of the Bucyrus business in our territories in North Eastern China. While we will maintain a disciplined focus on capital expenditure and costs, the businesses are well placed to take advantage of any improvement in the mining and infrastructure markets. The high level of equipment deliveries from FY2011 to FY2013 means our focus will be on providing our customers with superior levels of product support as this equipment begins to require ongoing maintenance. We continue to remain cautious on trading conditions over the coming six months.

Our core media investment, Seven West Media, continues to perform well in a challenging market, securing a dominant share of advertising spend. It is expected that advertising markets will remain subdued with low to mid-single digit growth in television, and a continuation of the current trend experienced in newspapers, but the rate of decline in magazines is expected to lessen.

We continue to actively pursue and evaluate a range of potential investment opportunities to extend and diversify our existing operations. We are focused on sectors expected to exhibit higher growth, in which Australia is perceived to hold a comparative advantage, but are also evaluating offshore opportunities. These sectors include, but are not limited to, Oil and Gas, Agribusiness, Health and Education. This investment review process is ongoing and we are well-positioned to act on opportunities in a disciplined and expedient manner given our low leverage, liquidity and the listed portfolio.

Taking into account all of our businesses, we maintain our guidance at the AGM which means that FY2014 underlying results will be below that achieved in FY2013 and FY2012, and will be closer to FY2011 levels. This means we reiterate our previous guidance that FY2014 underlying EBIT to be at the low end of a 30 to 40 per cent decline on FY2013.

Review of Businesses

WesTrac Australia

The New South Wales coal sector continued to experience soft trading conditions that started in the second half of FY2013. In Western Australia, we have seen the deferment of a number of large mining projects. Miners are showing a strong focus on cost control across the sector which is impacting both the sales of new equipment and the deferment of equipment maintenance, resulting in a 47 per cent decline in revenue against the prior comparative period, which was a record half for the business. Cost reduction initiatives were undertaken, however revenue declines resulted in segment EBIT falling 65 per cent to \$97 million in the half.

WesTrac China

WesTrac China's improved performance was largely due to the restructuring initiatives taken in the previous financial year. While revenue and other income increased by 2 per cent to US\$243.9 million, there was a turnaround in segment EBIT from a US\$0.4 million loss to US\$8.4 million profit due to the streamlined cost structure after staff reductions of 619 in the prior year which will also enable the business to take advantage of any improvement in market conditions.

Coates Hire

SGH owns 45 per cent of the Coates Hire Group, Australia's largest integrated hire company. SGH recognises Coates Hire as an equity accounted investment.

The Coates Hire result was impacted by the continuation of soft overall market conditions despite the implementation of restructuring initiatives. Coates Hire has delivered revenues of \$586.0 million, down 10 per cent on prior comparative period. Underlying EBIT of \$113.2 million is down 29 per cent. During the six month period, Coates Hire sold UK operations realising \$119.0 million with a NPAT benefit in excess of \$26.0 million, the proceeds of which were used to pay down debt. During the period under review, the company also extended its \$1.5 billion senior facility out to September 2017 at reduced margins.

Coates Hire continues to focus on operating and capital efficiency and debt reduction through strong free cash flows which reduced its net debt by \$226.8 million during the period to \$1.41 billion at 31 December 2013.

Investments

SGH's listed portfolio is an important pool of liquidity available to the Group, primarily invested in high yielding listed securities providing income and franking credits. The objective is to realise value creation through selective investment opportunities where strategic rationale exists to enhance shareholder return. The market value of this portfolio as at 31 December 2013 was \$857.2 million.

Property

SGH has a small number of high quality property investment assets within the Group including the Perth Entertainment Centre / Kings Square site, Seven's Tuart Hill studio in Perth and indirect property investments through the Flagship unlisted property trust and other property holdings. The development of the Kings Square site continued during the period via a joint venture with Leighton for the fourth site. Ongoing planning continues regarding the remaining three additional sites.

Seven West Media

Seven West Media Limited reported profit before significant items, net finance costs and tax (EBIT) of \$250.3 million for the six month period – down 3.5 per cent on the prior comparative period. The company reported a profit after income tax, excluding significant items net of tax of \$150.1 million, up 5.5 per cent on total revenues of \$975.8 million and recording a 40.1 per cent advertising revenue share for the 2013 calendar year.

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.

1 – based on SGH share price of \$6.90 at 28 June 2013.