



RESULTS FOR THE YEAR ENDED 30 JUNE 2016

Presentation on 3 August 2016

A g i l i t y M e e t i n g C h a n g e

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.
- ▶ 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 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 the business, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review.

Group Overview | Our Businesses



Industrial Services		SGH Ownership	Business Description	Strategic Position
WesTrac Australia		100%	CAT dealer in WA and NSW/ACT	#1 equipment solution company in WA and NSW/ACT
WesTrac China		100%	CAT dealer in five provinces in China	One of the leading equipment solutions companies in NE China
Coates Hire		47%	Industrial and general equipment hire	Largest equipment hire company in Australia
AllightSykes		100%	Industrial lighting, pumps, generators	Leading OEM and distributor of lighting towers and pump solutions for mining and construction

Media				
Seven West Media		41%	Diversified media	Australia's largest diversified media audience company
- Seven Network			- Broadcast	#1 television network in ratings and revenue in Australia
- The West			- Publishing	#1 media publishing company in WA
- Pacific Magazines			- Digital	#1 Australian owned magazine publisher
- Yahoo7 / Other				One of the largest digital platforms for desktop and mobile

Energy				
SGH Energy		100%	Diversified oil and gas	Leveraged to growing East Coast gas demand
Beach Energy		23%	Diversified oil and gas	Australia's largest onshore oil producer with a major gas business

Investments				
Listed Portfolio		100%	Listed investments	Store of value and additional return for the Group
Property Portfolio		100%	Direct and indirect property	Proven ability to create value through realisation of property assets

Result ahead of guidance

- ▶ Underlying EBIT of \$302.8m down 4% YoY compared to guidance of 10% down
- ▶ Statutory NPAT of \$197.8m representing a \$556.9m turnaround from FY15
- ▶ Result reflects the core demand of the mining production cycle
- ▶ Operating businesses continue to streamline cost structures for the changing market

Product sales growth in WesTrac Australia

- ▶ Product sales up 22% on pcp with market share growth in both mining and construction and increase in unit sales of excavators, graders, track-type tractors and loaders
- ▶ 2% rise in parts shipped to >5m; but product support revenue down 5% on pcp driven by price compression, in-sourcing of maintenance and reduced critical inventory held by miners

Sustained focus on cash conversion

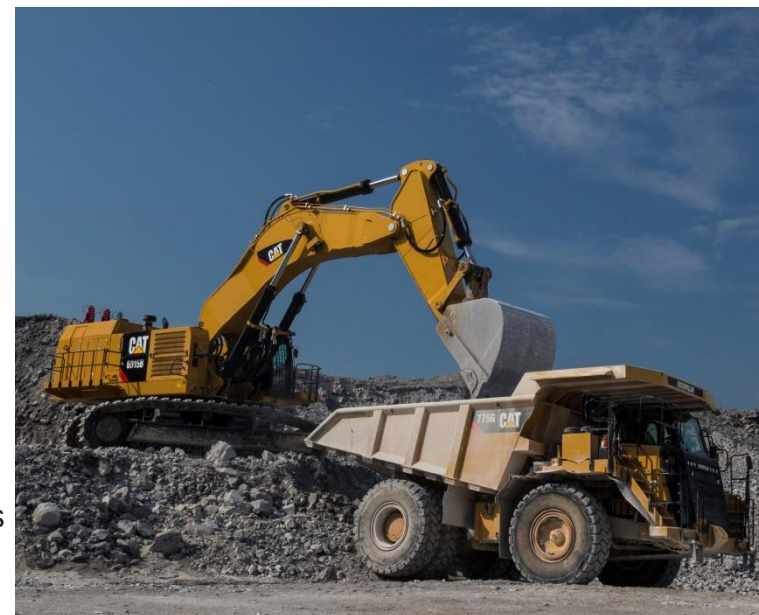
- ▶ Continued strong underlying EBITDA cash conversion of 112%
- ▶ Targeting further improvement in working capital management

Strong balance sheet

- ▶ Balance sheet flexibility preserved through the cycle – with added liquidity provided by undrawn facilities and the listed investment portfolio
- ▶ Extension of key facilities with tenor now 4.0 years – demonstrates continued credit support for the Group

Capital management to enhance shareholder return

- ▶ 20cps final ordinary dividend declared, fully franked – 71% underlying payout ratio and 8.7% gross yield for the year
- ▶ Buy-back program extended to TELYS4 shares with announcement of on-market buy-back of up to 10% of shares
- ▶ Confidence in free cash flow generation and management's view of underlying value supports a broader capital management program



Safety

- ▶ Our drive to improve operational performance has not just focused on systems and technology – safety is paramount and we have made significant improvements
- ▶ LTIFR and TRIFR are down across WesTrac and Coates Hire
 - Embedding a positive safety behaviour culture and providing safety leadership training at all levels
 - Developing safety management systems to further enhance and standardise hazard incident capture and risk assessment processes
 - Improving contractor engagement and management processes
- ▶ Safety performance improvement is a key focus for all our leadership team and part of our KPIs

WesTrac Australia Life Saving Rules

- ▶ Ten non-negotiable safety controls which can prevent serious injuries and fatalities and set the benchmark expected of all WesTrac employees and contractors



Vehicles: I will always ensure my vehicle is safe to drive, seatbelts are worn and I drive responsibly.



Working at Height: I will never work at height without appropriate fall protection or fall prevention in place.



Isolations: I will always discharge, isolate and lockout all energy sources before working on any plant and equipment.



Plant and Mobile Equipment: I will never operate plant or mobile equipment unless trained, competent and authorised to do so.



Lifting Operations: I will always check the load is secure and never walk or work under a suspended load.



Hazardous Substances: I will always ensure that I read and follow the instructions on the Safety Data Sheets (SDS) for any hazardous substance I will be working with.



Fitness for Work: I will never work, drive a vehicle or operate plant and equipment under the influence of alcohol or drugs.



Confined spaces: I will never enter a confined space unless trained and authorised to do so.



Electricity: I will always ensure electrical hazards are understood and controlled before starting work.



Safety Protection Devices: I will never remove, bypass or modify a safety protection device (e.g. guard, interlock or barricade) without authorisation.

LTIFR	FY16	FY15
WesTrac WA	1.4	1.6
WesTrac NSW	0.0	0.0
WesTrac China	3.1	3.3
AllightSykes	6.9	6.9
Coates Hire*	2.9	4.0

Lost time injury frequency rate (LTIFR) = number of lost time injuries per million hours worked; *Coates figure includes contractors

TRIFR	FY16	FY15
WesTrac WA	12.2	14.6
WesTrac NSW	5.7	13.1
Coates Hire*	26.6	32.2

Total recordable injury frequency rate (TRIFR) = number of recordable injuries per million hours worked; *Coates figure includes contractors

Group Overview | Key Financials

Underlying Results	FY16	FY15	% Change
Trading revenue	\$ 2,837.7 m	\$ 2,779.6 m	2%
Earnings before interest and tax (excluding Significant Items) ¹	\$ 302.8 m	\$ 314.5 m	-4%
Underlying net profit after tax (excluding Significant Items) ¹	\$ 184.2 m	\$ 204.3 m	-10%
Underlying earnings per share (excluding Significant Items) ¹	56 cents	59 cents	-5%
Underlying EBITDA cash conversion (excluding Significant Items) ^{1,2}	112%	99%	13%
Statutory Results	FY16	FY15	% Change
Trading revenue	\$ 2,837.7 m	\$ 2,779.6 m	2%
Earnings before interest and tax	\$ 306.2 m	\$ (582.8) m	-
Reported net profit after tax for the period	\$ 197.8 m	\$ (359.1) m	-
Statutory earnings per share (ordinary shares)	60 cents	(129) cents	-
Final fully franked ordinary dividend (payable October 2016)	20 cents	20 cents	-

Notes:

1. Refer to slide 8 for listing of Significant Items

2. Refer to slide 10 for detail of EBITDA cash flow conversion

\$m	FY16	FY15	Change %
Revenue	2,837.7	2,779.6	2%
Other income	76.2	126.6	-40%
Share of results from equity accounted investees	90.0	80.1	12%
Total revenue and other income	3,003.9	2,986.3	1%
Expenses (excl. depreciation, amortisation and interest)	(2,663.1)	(2,609.7)	2%
Underlying EBITDA	340.8	376.6	-10%
Depreciation and amortisation	(38.0)	(62.1)	-39%
Underlying EBIT	302.8	314.5	-4%
Net finance costs	(89.2)	(83.6)	7%
Underlying net profit before tax	213.6	230.9	-7%
Underlying tax expense	(29.4)	(26.6)	11%
Underlying NPAT	184.2	204.3	-10%
Significant Items (incl. tax impact)	13.6	(563.4)	-
Statutory NPAT	197.8	(359.1)	-
Profit attributable to shareholders of SGH	196.8	(360.3)	-

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	FY16	FY15
Impairment – SWM equity	(0.4)	14.7
Impairment – WesTrac China distribution network	-	(237.6)
Impairment – Coates Hire	-	(114.0)
Impairment – Other	-	(99.8)
Gain /(Loss) on sale of investments and MtM on derivatives	4.0	(5.5)
Restructuring, redundancy, transaction and other costs	(10.5)	(20.1)
Share of equity accounted investees' Significant Items	1.0	(457.5)
Other items	9.3	22.5
Significant Items – EBIT	3.4	(897.3)
Finance income	-	16.3
ATO formation valuation settlement	-	142.3
Tax benefit – historical tax matters and Significant Items	10.2	175.3
Significant Items – NPAT	13.6	(563.4)
Statutory NPAT	197.8	(359.1)
NPAT excluding Significant Items	184.2	204.3

Financials | Earnings Summary

\$m	Total Group	WesTrac Aus	WesTrac China	Allight Sykes	Coates Hire	Media Invest.	Energy	Other Invest.	Other
Revenue	2,837.7	2,150.0	600.5	69.7	-	-	5.7	11.8	-
Statutory EBIT	306.2	159.9	29.8	(3.8)	(4.5)	78.4	(6.6)	75.7	(22.7)
Add unfavourable Significant Items									
Restructuring, redundancy and other costs	10.5	5.4	2.5	0.4	-	-	1.5	-	0.7
Loss on sale of investments	9.1	-	-	-	-	-	4.5	4.6	-
Impairment - SWM equity	0.4	-	-	-	-	0.4	-	-	-
Share of associate significant items	19.2	-	-	-	9.7	9.5	-	-	-
Mark-to-market on derivatives	0.7	-	-	-	-	-	-	0.7	-
Subtract favourable Significant Items									
Gain on sale of assets	(7.7)	-	-	-	-	-	-	(7.7)	-
Gain on sale of investments	(0.2)	-	-	-	-	-	-	(0.2)	-
Share of associate significant items	(20.2)	-	-	-	-	-	-	(20.2)	-
Mark-to-market on derivatives	(5.9)	-	(1.0)	-	-	-	(1.7)	(3.2)	-
Other items	(9.3)	-	-	-	-	-	-	(9.3)	-
Underlying EBIT – FY16	302.8	165.3	31.3	(3.4)	5.2	88.3	(2.3)	40.4	(22.0)
Underlying EBIT – FY15	314.5	168.3	23.5	(6.4)	7.9	103.5	1.1	37.1	(20.5)

\$m	FY16	FY15
Underlying EBIT	302.8	314.5
Add: depreciation and amortisation	38.0	62.1
Underlying EBITDA	340.8	376.6
Operating cash flow	314.4	287.1
Add: interest and other costs of finance paid	81.8	87.9
Net income taxes paid/ (refunded)	2.9	(26.1)
Add back: restructuring costs	9.7	20.1
(Less) / add: other cash Significant Items	(28.3)	5.5
Underlying operating cash flow	380.5	374.5
Underlying EBITDA cash conversion	112%	99%
Operating cash flow	314.4	287.1
Investing cash flow	(98.9)	(261.1)
Financing cash flow	(145.7)	114.7
Net (decrease) / increase in cash and cash equivalents	69.8	140.7
Cash and cash equivalents at end of period	366.8	290.7
Opening net debt	1,344.6	1,069.3
Movement in net debt	22.9	275.3
Closing net debt	1,367.5	1,344.6

► Investment cash flow includes:

- \$37.6m in listed investment portfolio
- \$36.6m relating to Beach Energy
- \$21.1m relating to S3 project
- \$18.0m relating to energy capex
- \$11.3m net investment in offshore media
- \$10.1m relating to other capex
- \$8.6m relating to equity derivatives
- \$4.2m in unlisted investments and sale of PP&E

Offset by:

- \$26.3m in sales from listed portfolio
- \$12.2m from US\$ bonds investments
- \$9.9m Kings Square 4 proceeds

► Financing cash flow include:

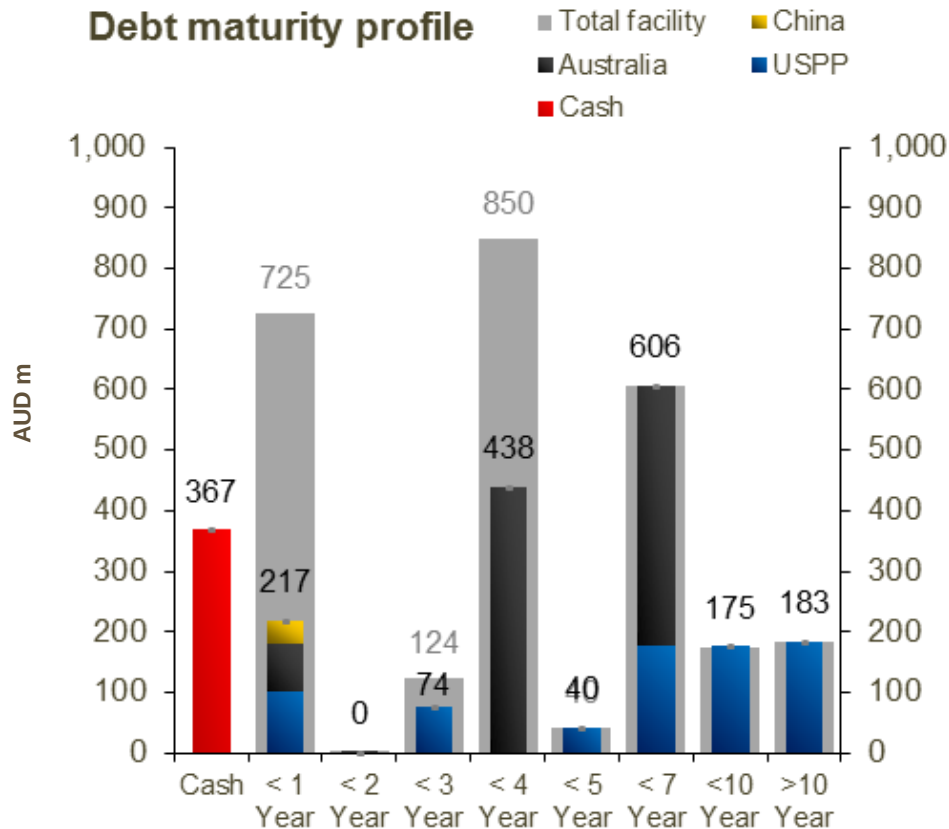
- \$141.4m in dividends paid
- \$72.1m share buy-back
- \$67.8m in borrowings

Financials | Balance Sheet

\$m	As at 30 Jun 16	As at 30 Jun 15	Change %
Trade and other receivables	542.7	489.2	11%
Inventories	824.8	929.2	-11%
Investments	1,972.6	2,124.8	-7%
Property, plant and equipment	172.0	216.3	-20%
Oil and natural gas assets	432.5	447.0	-3%
Intangible assets	694.9	665.5	4%
Other assets	28.9	41.7	-31%
Trade and other payables	(373.4)	(381.9)	-2%
Provisions	(149.9)	(177.9)	-16%
Net tax assets/(liabilities)	(29.9)	(80.8)	-63%
Deferred income	(241.4)	(222.5)	8%
Derivative financial instruments	160.9	103.4	56%
Net debt	(1,367.5)	(1,344.6)	2%
Total shareholders equity	2,667.2	2,809.4	-5%

- Increase in trade receivables and decrease in inventories mainly due to completion of a large standby generator contract for a Chinese bank at year-end
- Decline in investments mainly due to unfavourable mark-to-market movement of the listed investment portfolio
- Increase in intangible assets mainly due to exchange rate impact on carrying value of China distribution network and continued S3 investment
- Decline in net tax liabilities mainly due to tax impact of the negative mark-to-market movement of the listed portfolio

Note: 30 Jun 15 balances have been restated as required by AASB 3 due to the finalisation of the Nexus Energy acquisition accounting



- ▶ At 30 June 2016, the Group had \$955m of available undrawn borrowing facilities
- ▶ Current “<1 year” debt includes a \$109m equivalent USPP tranche that matures in August 2016 and a number of offshore and short-term OEM facilities that are regularly rolled over for further terms and are categorised as current due to their short dated nature
- ▶ Facilities have a weighted average tenor of 4.0 years while drawn debt has an average tenor of 5.3 years at 30 June 2016
- ▶ \$850m of the Corporate Syndicated Facility extended for a further year at current pricing in February 2016
- ▶ \$431m OEM facility extended to July 2021
- ▶ Demonstrates continued credit support for the Group with key financiers looking through the cycle

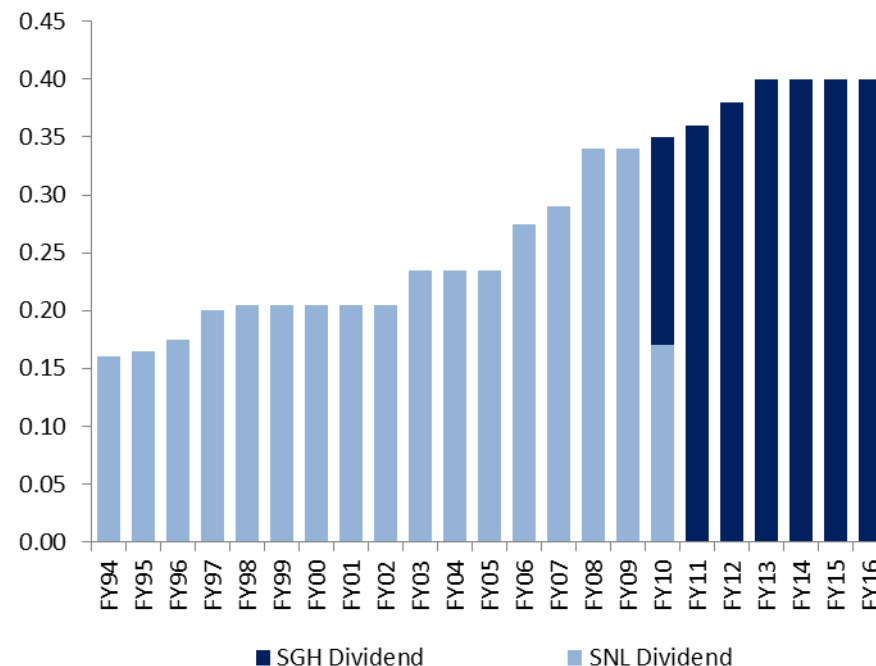
Dividend unchanged

- ▶ Policy of maintaining the dividend has provided reliable cash returns for shareholders over an extended period of time
- ▶ TELYS dividends have been paid consistently since first issued by Seven Network Limited in 2002 prior to the creation of SGH in 2010
- ▶ Optimisation of non-core assets such as the property and listed portfolios has enhanced cash flow generation and EPS accretion over time
- ▶ Focus on using growth and investment opportunities to create long-term value for shareholders

Share buy-back extended to TELYS4 shares

- ▶ 14.9m ordinary shares bought back in the year ended 30 June 2016 at an average price of \$4.83, representing a 24% post-tax return for shareholders
- ▶ Current buy-back program up to 308k out of 16.6m total shares
- ▶ TELYS4 buy-back of up to 496k shares or 10% of shares on issue announced today
- ▶ Broadening of the capital management program reflects the Group's confidence in strong recurrent underlying free cash and management's view of underlying value

Ordinary Dividend Per Share History



Note: dividend history includes ordinary dividends per share paid by Seven Network Limited ("SNL") prior to the May 2010 merger between SNL and WesTrac which created SGH

WesTrac Australia



WesTrac is a major supplier to the Roy Hill iron ore project in WA

Value proposition

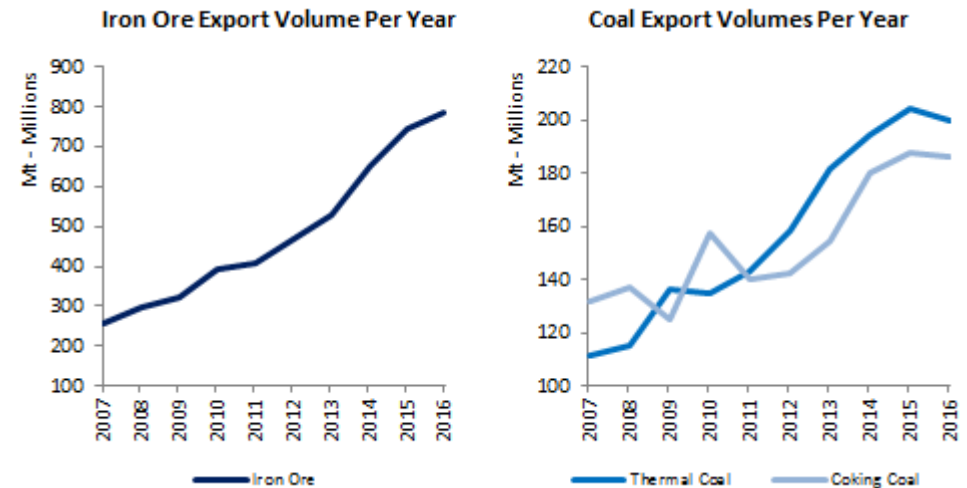
- ▶ WesTrac enables customers to reduce lifecycle equipment ownership costs, thereby minimising new capital investment while maximising production
- ▶ Advancements we have made in parts logistics and product technology such as autonomous trucks are delivering efficiency gains to our customers

Maintenance opportunities

- ▶ Iron ore export volume growth of 5% in FY16 coupled with an increase in average mining fleet age provides a large parts and service opportunity
- ▶ Competition for support work is strong; our focus has been on leveraging our capacity for volume and velocity; reflected in 2% growth in number of parts shipped to >5m and improved DIFOT from parts distribution centres
- ▶ This has allowed some large customers to de-stock their critical inventory on hand, resulting in overall parts sales decline of 4% YoY

Strong infrastructure demand

- ▶ Significant pick up in NSW heavy and general construction markets in both new and used equipment unit sales – consistent with rising infrastructure spend in the state
- ▶ Non-mining unit sales growth in WA and NSW in excavators (+76%), wheel loaders (+48%), motor graders (+43%), track-type tractors (+100%) and skid steer loaders (+54%)
- ▶ Used machine sales in both WA and NSW shows the demand for high quality, low hour used equipment with WesTrac after sales support
- ▶ WA mining and heavy construction unit sales remain depressed although sales have been of higher value equipment



Source: Australian Bureau of Statistics, Bloomberg

Cat Equipment Utilisation	WA	NSW	Total
Machine population	13,730	13,623	27,353
Mining population	4,133	1,464	5,597
Utilised mining population	3,116	1,289	4,405
% mining utilisation	75.4%	88.0%	78.7%

Equipment Average Age (Years)

Machine population	12.5	12.3	12.4
Mining population	8.6	9.1	8.8
Utilised mining population	7.7	8.6	8.0
Idle mining population	11.2	13.2	11.5

Source: PTOS ver 3.2 DCAL - June 2016

Trading revenue up 2% YoY

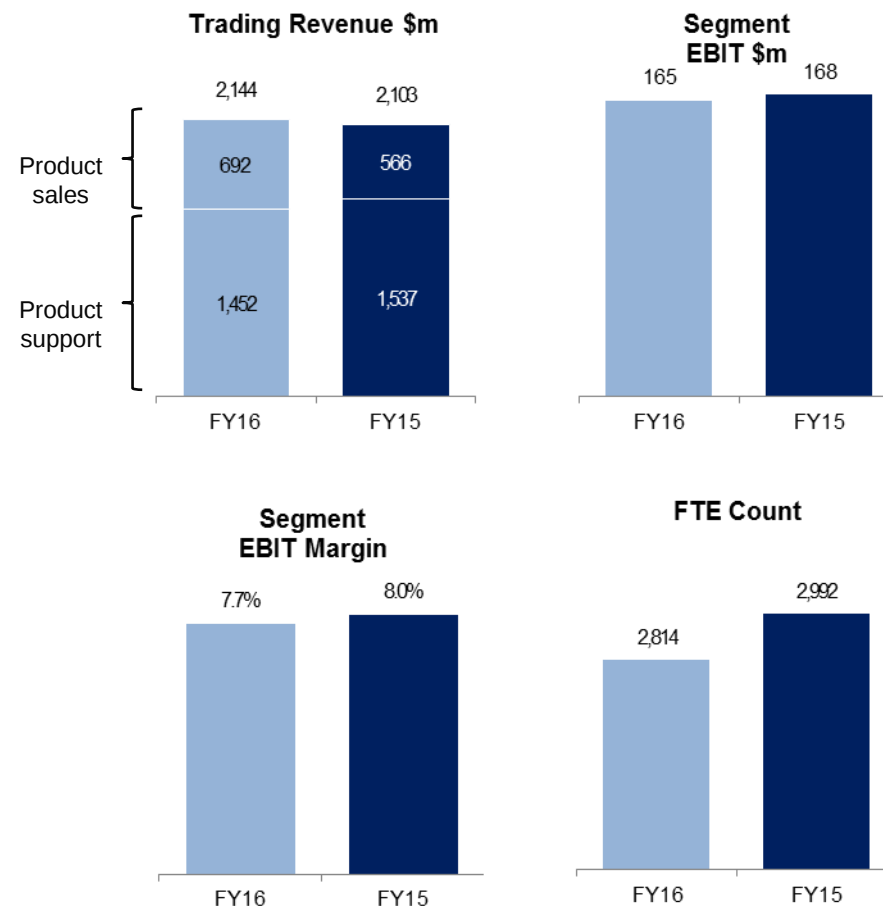
- ▶ Product sales up 22% on the prior comparative period
 - New equipment sales up 21% YoY driven by Roy Hill project
 - Used equipment sales up 51% YoY
- ▶ Change in product mix with an increase in lower margin construction sales offsetting a decline in mining equipment sales
- ▶ Focus on remaining the preferred supplier of equipment and related solutions in the mining and construction industries

Product support revenue decline of 5% on pcpc

- ▶ Aggressive competition for service work with mining services firms looking to offset project losses with maintenance revenue
- ▶ Customers continue to focus on cost reduction strategies and in-sourcing some maintenance activities, particularly in WA
- ▶ NSW product support revenue up 6% YoY and driven by exposure to the strong activity in the infrastructure and construction sectors
- ▶ Parts revenue reduced by 4% YoY as key customers reduced critical inventory and relied more on WesTrac's size, scale and service offering

Focus on cost control to preserve margins

- ▶ Headcount reduction of 178 FTE or 6% of the workforce on pcpc
- ▶ EBIT margin slightly down given the change in sales mix
- ▶ Continued focus on optimising workforce to match market demand



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

WesTrac China



China Construction Bank's data centre relies on CAT standby generators supplied by WesTrac China

Gains delivered in market share and return on sales

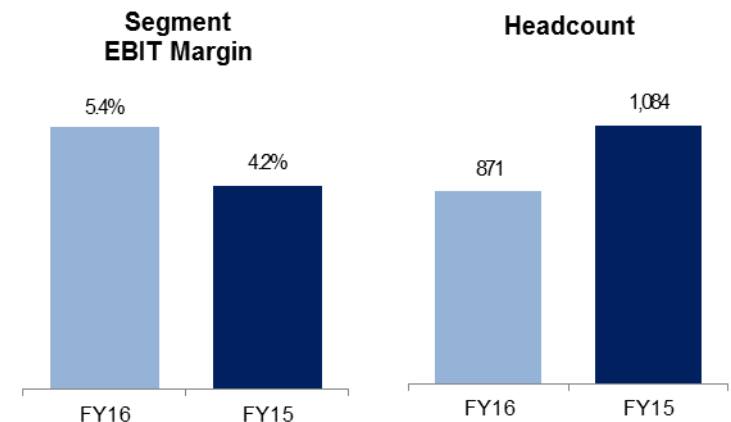
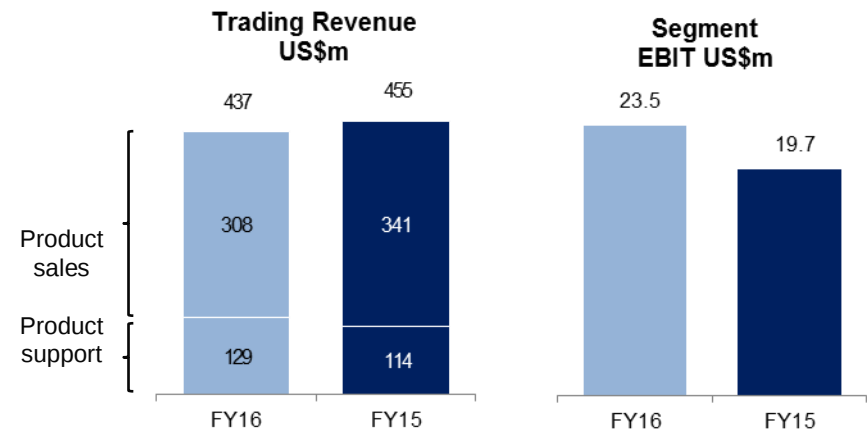
- ▶ Focus on organisational efficiency has seen improved ROS% and team performance; FTE headcount reduced by 20% YoY coupled with branch closures in remote provinces
- ▶ CAT lifecycle value proposition gaining traction in China resulting in market share increase and growth in used machines and parts
- ▶ Delivered EBIT of US\$23.5m – up 21% on the prior year
- ▶ Product sales were down 10% YoY, however market share growth was achieved despite the declining hydraulic excavator market
- ▶ Product support sales up 13% YoY reflecting a maturing service business

Strong focus on working capital management

- ▶ Operating cash flow of US\$42m driven by inventory reduction and enhanced contract management; further improvement in working capital targeted

Market improving and creating growth opportunities

- ▶ Underlying activity is showing signs of stabilisation and success in supporting overseas projects
- ▶ Opportunity created by China's fast developing mobile and online economy as the demand for cloud computing and large scale data centres increases the need for high performing, reliable back-up power generation solutions
- ▶ Developing ancillary businesses such as OEM amphibious excavators, frontless excavators and crawler undercarriages to diversify sales base
- ▶ Market showing early signs of stabilisation supported by initiatives such as the One Belt One Road program and the new Beijing airport



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

Coates Hire



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

Mixed trading conditions in East vs West coast

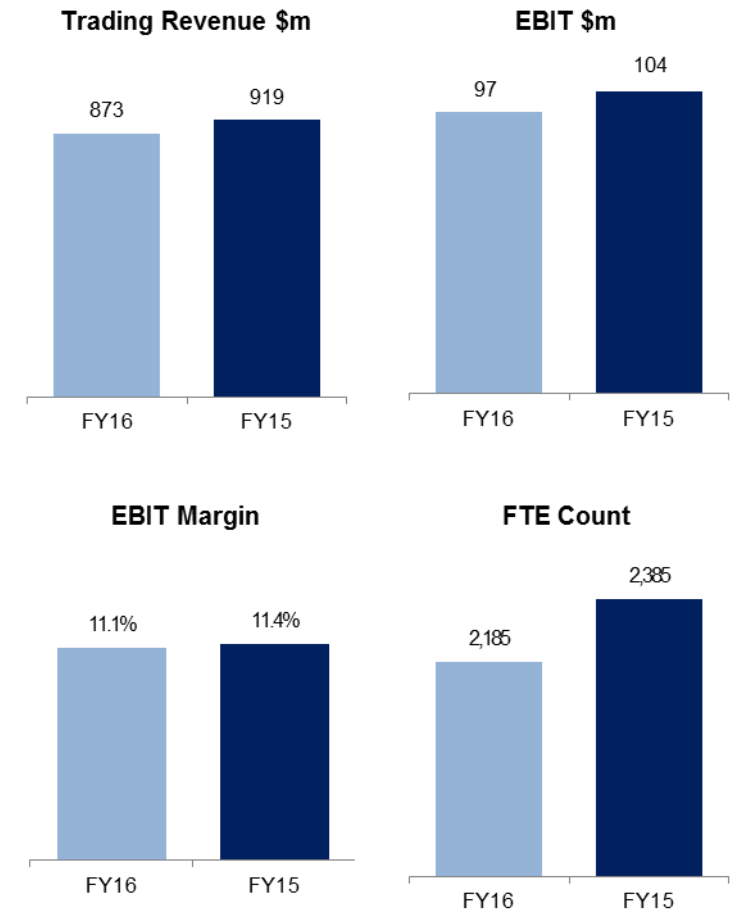
- ▶ NSW and VIC businesses are performing well through infrastructure and construction activity; challenge is the speed of the downturn in WA
- ▶ Revenue down 5% YoY but competing aggressively to win market share with H2 revenue only down 0.7% on pcp
- ▶ Improvement in time utilisation to 57% up from 53% in June 2015
- ▶ Financial strain on competitors as evidenced by the number entering administration and liquidation

Delivering on strategic initiatives

- ▶ Focus on price and leading price recovery activities
- ▶ Movement of \$50m in fleet from WA into the east coast construction and infrastructure market; productivity further improved by equipment disposals totalling \$268m at original cost
- ▶ Continued refinement of cost structure through the rationalisation of branches and headcount reductions of 200 FTE
- ▶ Increased asset availability with redline equipment reduced to 24%
- ▶ Announced CEO transition with Jeff Fraser taking up role in July

Disciplined balance sheet management

- ▶ Senior debt repayment of \$75m in the period despite \$122m net fleet investment including \$46m in equipment acquired from distressed competitors during the year
- ▶ Senior debt facility matures in September 2019 and provides certainty and stability to undertake future business initiatives and growth strategies



Notes:

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

Media



Seven West Media creates and owns the best content and delivers it to the widest multi-platform audience in Australia

Ongoing TV leadership and focus on new revenue

- ▶ Ten years of dominance in TV revenue and ratings share with 2016 being one of the most successful years to date
- ▶ Largest ever lead in ratings in total people and every key demographic achieved in the six months to June 2016
- ▶ Focus is on revenue opportunities and initiatives such as Think TV to promote the strength of FTA TV – it is still the best way for advertisers to build their brands and influence outcomes

Full year guidance delivered

- ▶ Underlying profit after tax of \$207.3m down 0.9% YoY
- ▶ EBIT of \$318.1m down 10.7%
- ▶ Total costs reduced by 1.6% YoY; license fee reduction secured
- ▶ Operating cash flow of \$274.7m (before interest and tax) and overall positive net cash flow of \$18m achieved

Outlook for FY17

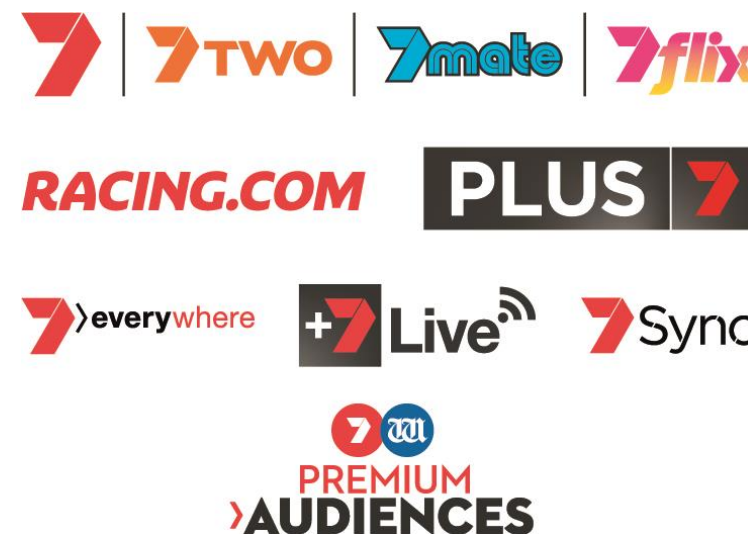
- ▶ TV advertising market to remain flat to down low single digits while publishing advertising market trends to continue
- ▶ Program sales and third party production to deliver over 25% growth
- ▶ Operating cost growth in line with CPI including AFL (excluding Olympics and third party commissions)
- ▶ FY17 EBIT to be down approximately 15-20% YoY

\$m	FY16	FY15	Change
SWM share of associate NPAT ¹	85.0	66.0	29%
Other investment income ²	3.3	37.5	-91%
Segment EBIT Contribution	88.3	103.5	-15%

Notes:

1. Excludes the Group's share of SWM's \$1.1bn impairment write-off in H1 FY15 as this amount was lower than the cumulative impairment recognised by SGH
2. Other income includes \$37.9m RCPS accretion in the prior comparative period and dividend income from other media investments

**Powerful video driving
unprecedented audiences**



Delivering world class media content

- ▶ Increasing presence in content production and program sales in Asia, Europe and US
- ▶ Program sales and third party productions up 92%
- ▶ Largest Australian producer of premium video content
- ▶ 7Productions, 7Wonder and 7Beyond now producing over 750 hours of scripted, factual, kids and reality programming every year
- ▶ 23 new commissions secured this year; advanced stages of three international production company opportunities

▶ Building a digital future

- ▶ #1 live streaming broadcaster and #1 commercial catch-up service
- ▶ Core focus on Social, Mobile, Video and eCommerce across Seven Network, Pacific and The West digital properties
- ▶ Delivering extensive coverage of live events for consumers and advertising partners
- ▶ Building and investing in new disruptive models e.g. Airtasker

Operating model continues to evolve

- ▶ Identifying and leveraging the power / reach of SWM assets
- ▶ Enhancing the distribution model for content and driving monetisation
- ▶ Ongoing refinement of print cost base coupled with leveraging of print content across digital and new products



Energy



SGH Energy is positioned in an East Coast gas market that has attractive demand / supply dynamics

Assets are well-positioned in respective markets

- ▶ Disciplined capital allocation has limited cash outflow in a low price market
- ▶ No impairment required as a result of judicious acquisitions
- ▶ Expectation of a rising East Coast gas price underpins the strategic value of the Gippsland Basin assets (Longtom and Gemfish) and 23% investment in Beach Energy
- ▶ Current environment is providing opportunities to reduce development costs
- ▶ Work plans are ongoing for each asset in conjunction with other options to unlock value from the assets

Gippsland Basin (Longtom, Gemfish)

- ▶ Longtom is “drill ready” with long-lead items delivered; currently working through a range of commercialisation options
- ▶ First gas targeted for early 2018 with 80 PJ of uncontracted gas coming into a short market; limited uncontracted gas currently available

Browse Basin (Crux)

- ▶ Further assessment of Crux development concepts taking place in 2016 including multiple backfill options
- ▶ Offshore WA projects are being deferred which may create a window to deliver gas in the mid 2020's as existing production starts to decline

US Onshore (Bivins Ranch)

- ▶ Law suit resolved with mutual release of all claims
- ▶ Waterflood project initiated to improve secondary recovery from the conventional Paint Ridge field
- ▶ Drilling currently in line with minimum lease commitments; capital being preserved but with potential to ramp up on a sustained oil price rise
- ▶ Significant development upside remains in the Canyon Lime play with potential to target and prove-up additional zones

\$m	FY16	FY15
Revenue	5.7	21.4
Other income	3.2	1.9
Expenses (excl. interest and corporate)	(8.2)	(11.7)
Segment EBITDA	0.7	11.6
Depreciation and amortisation	(3.0)	(10.5)
Segment EBIT	(2.3)	1.1

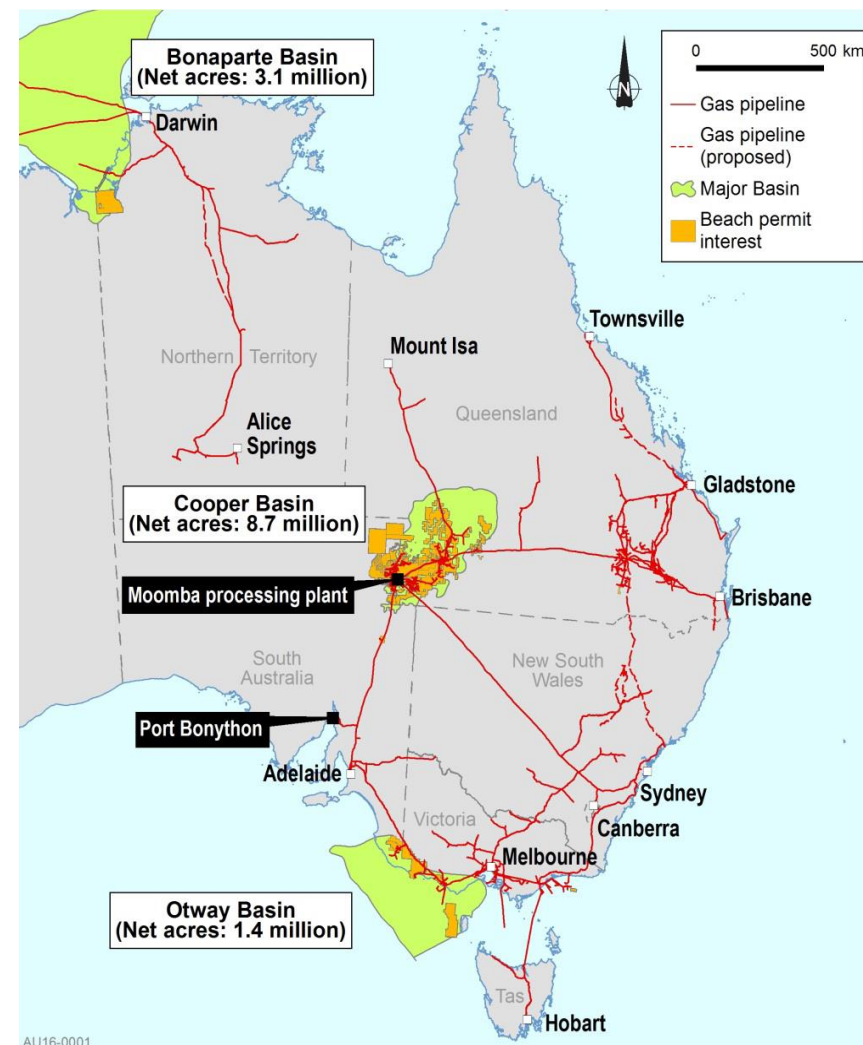
Merger benefits

- ▶ Synergy of \$40m pre-tax per annum, driven by:
 - Elimination of duplicated costs
 - Reduction in headcount by 29%
 - Optimisation of drilling program and capital allocation
 - Strengthened free cash generation
- ▶ Full ownership of core Western Flank assets and complementary exploration acreage
- ▶ Now Australia's largest onshore oil producer with a major gas business
- ▶ Owner of strategic infrastructure linking key energy markets

Opportunities in a volatile market

- ▶ Financial capacity preserved during the downturn with undrawn debt facilities and cash reserves of \$550m at June 2016
- ▶ Proven low cost operator with cash costs <\$4/boe across operated permits
- ▶ Lower for longer commodity outlook creates growth opportunities
- ▶ New appointments to Board and executive management
 - Ongoing discipline on production costs and capital allocation decisions
 - Drive future growth through new opportunities

Infrastructure ideally located to service southern, eastern and LNG markets



AU16-0001

Source: Beach Energy presentation dated 6 June 2016

Investments



The development of the Seven Hills/ Dianella township in WA

Property Portfolio continues to perform

- ▶ KS4 settled on 22 September 2015; assessing options with regard to the KS5, KS6 and KS7 towers
- ▶ Stage 1 of Seven Hills (Dianella) underway with 25 lots sold at a net profit of \$4.7m
- ▶ Sale of additional REVY buildings in Pymont subject to FIRB approval with approximately \$28m share of profit expected to be recognised in FY17

Listed portfolio provides a store of value

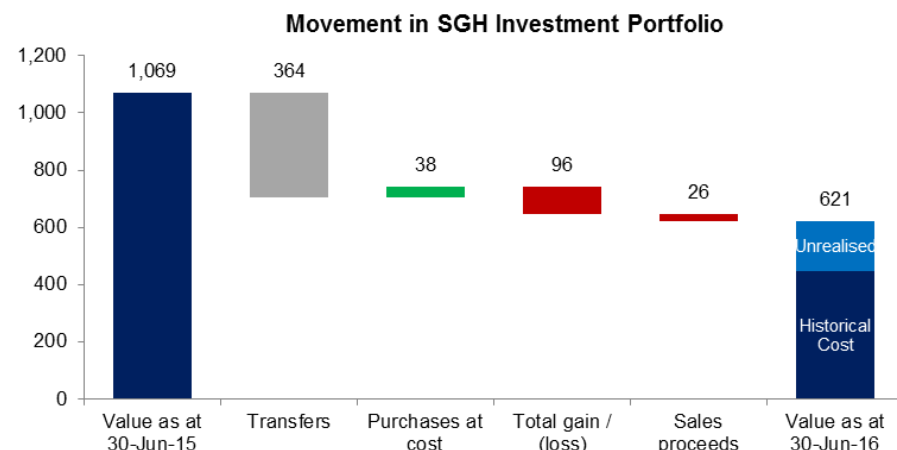
- ▶ Portfolio characterised by high liquidity and high yielding holdings
- ▶ Cumulative unrealised gain of \$173m deferred to reserves
- ▶ \$96m economic loss during FY16; portfolio gain of \$22m so far in FY17
- ▶ (8.2%) pre-tax FY16 total return versus 2.2% for S&P/ASX 200
- ▶ Dividend yield on portfolio of 7.0% (gross annualised basis)

Major movements in portfolio

- ▶ Investment in Beach Energy recognised within Energy segment from 1 July 2015

\$m	FY16	FY15
Revenue	11.8	-
Other income	36.5	41.5
Associate NPAT share	1.5	5.0
Total revenue and other income	49.8	46.5
Segment EBITDA	40.6	40.0
Segment EBIT	40.4	37.1

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



We are a diversified conglomerate with market leading businesses and a strong balance sheet to take advantage of opportunities through the cycle

Continued Group-wide cost management programs are strengthening the resilience of our businesses to prevailing market conditions

Cash flow management together with our commitment to enhancing shareholder value through capital management initiatives continue to be a core focus for FY17

FY17 underlying EBIT for the Group is expected to be in line with FY16



Agility Meeting Change

WesTrac has delivered 47 autonomous 240-tonne 793F mining trucks to FMG

“We are very pleased with the productivity improvements we are getting. We are getting around 20 per cent over and above what we would get from a regular fleet of trucks of the same type.”

“A key part of this has been developing that relationship with Caterpillar and WesTrac because it does take a lot of work from the vendor and the dealer to do this.”

Nev Power, CEO FMG
The West Australian, 27 July 2016

SGH | Industrial Services, Media,
Energy and Investments

WesTrac



SGH | Energy