

SGH

Media, Industrial Services and Investments

25 August 2011

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

By Electronic Lodgement

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In accordance with the Listing Rules, following is the Preliminary Final Report of the Company for the financial year ended 30 June 2011, and the Media Release.

Yours faithfully
For and on behalf of Seven Group Holdings Limited



Warren Coatsworth
Company Secretary



WesTrac

Appendix 4E - Preliminary Final Report

SEVEN GROUP HOLDINGS AND ITS CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2011

Results For Announcement To The Market

| | | | | \$'000 |
|--|------|----------------|----|------------------|
| Revenue from ordinary activities | up | 488.34% | to | 3,162,834 |
| Net profit from ordinary activities after tax attributable to members | down | 90.19% | to | 70,412 |
| Net profit for period attributable to members | down | 90.19% | to | 70,412 |

| Dividends | Amount | | Franked | |
|------------------------|--------------|--|--------------|--|
| | per security | | per security | |
| Ordinary shares | | | | |
| Interim | 18 cents | | 18 cents | |
| Final | 18 cents | | 18 cents | |

Record date for determining entitlements to the ordinary dividend 5.00pm on Friday 30 September 2011
Date final dividend is payable 14 October 2011

Transferable Extendable Listed Yield Shares ("TELYS4")

| | | |
|---------------------------------|----------|----------|
| Interim (paid 30 November 2010) | \$3.4043 | \$3.4043 |
| Final (paid 31 May 2011) | \$3.4904 | \$3.4904 |

Commentary on results

A detailed commentary on the results for the year is contained in the press release dated 25 August 2011 accompanying this report.

Net tangible asset backing

Net tangible asset backing per ordinary share: \$5.16 (2010: \$5.68). This has been calculated by dividing the net assets attributable to equity holders of the Company (adjusted for the value of TELYS4 preference shares) less intangible assets, by the number of ordinary shares as at 30 June 2011.

Acquisitions

On 23 November 2010 a Group subsidiary acquired the issued share capital of Pump Rentals Pty Ltd, the owner of the Sykes Group. Further details of this transaction are included within this report. There were no other material changes to controlled entities.

Audit

This report is based on accounts that are currently being audited.

Prior corresponding period

In relation to the prior corresponding period:

- Seven Group Holdings Limited company results are from the date of its incorporation of 12 February 2010 to 30 June 2010. There was no operating activity in the company until 28 April 2010.
- WesTrac Holdings Pty Limited was acquired on 28 April 2010, and its results for the period from acquisition to 30 June 2010 were included.
- Seven Network Limited was acquired on 13 May 2010, and its results for the period from acquisition to 30 June 2010 were included. This acquisition resulted in a significant accounting gain of \$726,343,000 which was included in the prior period results.

Consolidated Income Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

| | Note | 2011 \$'000 | From incorporation to 30 June 2010 \$'000 |
|--|------|--------------------|--|
| Revenue | | | |
| Revenue from product sales | | 1,969,202 | 336,909 |
| Revenue from product support | | 1,141,018 | 194,871 |
| Other | | 52,614 | 5,804 |
| Total revenue | | 3,162,834 | 537,584 |
| Other income | | | |
| Dividend income | | 35,536 | - |
| Gain on sale of property, plant & equipment | | 481 | 523 |
| Fair value movement of derivatives | | - | 2,038 |
| Net gain on sale of investments and equity accounted investees | | 58,679 | 203 |
| Other | | 28,843 | - |
| Total other income | | 123,539 | 2,764 |
| Share of results from equity accounted investees | 8 | 143,588 | 14,266 |
| Impairment of equity accounted investees | 8 | (305,648) | - |
| Accounting gain on acquisition of Seven Network Limited | 12 | - | 726,343 |
| Expenses excluding depreciation and amortisation | | | |
| Materials cost of inventory sold and used | | (2,091,874) | (363,548) |
| Raw materials and consumables purchased | | (110,003) | (20,927) |
| Employee benefits expenses | | (448,304) | (72,917) |
| Operating lease rental expense | | (46,170) | (5,271) |
| Impairment of non-current assets | | (18,701) | - |
| Fair value movement of derivatives | | (5,374) | - |
| Other expenses | | (248,763) | (68,954) |
| Total expenses excluding depreciation and amortisation | | (2,969,189) | (531,617) |
| Depreciation and amortisation | | (67,770) | (11,737) |
| Profit before net finance costs and tax | | 87,354 | 737,603 |
| Finance income | 4 | 7,422 | 3,718 |
| Finance costs | 4 | (62,385) | (16,852) |
| Net finance costs | | (54,963) | (13,134) |
| Profit before tax | | 32,391 | 724,469 |
| Income tax benefit/(expense) | 5 | 47,522 | (5,727) |
| Profit for the period | | 79,913 | 718,742 |
| Profit for the period attributable to: | | | |
| Equity holders of the Company | | 70,412 | 718,034 |
| Non-controlling interest | | 9,501 | 708 |
| Profit for the period | | 79,913 | 718,742 |
| Statutory earnings per share (EPS) | | | |
| Ordinary shares | | | |
| Basic earnings per share (\$) | 7 | \$ 0.12 | \$ 5.87 |
| Diluted earnings per share (\$) | 7 | \$ 0.12 | \$ 5.87 |

The consolidated income statement is to be read in conjunction with the notes to the preliminary final report.

Consolidated Statement of Comprehensive Income

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

| | Note | 2011 \$'000 | From incorporation to 30 June 2010 \$'000 |
|---|------|------------------|--|
| Profit for the period | | 79,913 | 718,742 |
| Other comprehensive income | | | |
| Net change in fair value of available-for-sale financial assets | 11 | 27,304 | 24,024 |
| Impairment of available-for-sale financial asset reclassified to profit or loss | 11 | 2,910 | - |
| Cash flow hedges: effective portion of changes in fair value | | (21,114) | 9,693 |
| Foreign currency differences for foreign operations | | (164,741) | 40,037 |
| Income tax on items of other comprehensive income | 11 | 12,223 | (9,560) |
| Other comprehensive (expense)/income for the period, net of tax | | (143,418) | 64,194 |
| Total comprehensive (expense)/income for the period | | (63,505) | 782,936 |
| Total comprehensive (expense)/income for the period attributable to: | | | |
| Equity holders of the Company | | (72,347) | 780,786 |
| Non-controlling interest | | 8,842 | 2,150 |
| Total comprehensive (expense)/income for the period | | (63,505) | 782,936 |

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the preliminary final report.

Consolidated Statement of Financial Position

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
AS AT 30 JUNE 2011

| | Note | 2011 \$'000 | 2010 \$'000 |
|---|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 14a | 71,145 | 455,205 |
| Trade and other receivables | | 550,431 | 405,468 |
| Inventories | | 989,626 | 682,673 |
| Current tax assets | | 13,123 | - |
| Other current assets | | 24,507 | 36,068 |
| Derivative financial instruments | | 2,587 | 124 |
| Total current assets | | 1,651,419 | 1,579,538 |
| NON-CURRENT ASSETS | | | |
| Investments accounted for using the equity method | 8 | 1,482,052 | 1,724,687 |
| Trade and other receivables | | 3,840 | 11,224 |
| Derivative financial instruments | | - | 4,666 |
| Other financial assets | | 884,379 | 395,926 |
| Property, plant and equipment | | 264,928 | 241,094 |
| Intangible assets | | 526,233 | 577,351 |
| Deferred tax assets | 5 | 10,616 | 16,603 |
| Total non-current assets | | 3,172,048 | 2,971,551 |
| Total assets | | 4,823,467 | 4,551,089 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 496,093 | 365,341 |
| Derivative financial instruments | | 18,261 | 5,305 |
| Interest bearing loans and borrowings | 9 | 347,133 | 302,234 |
| Deferred income | | 113,370 | 42,331 |
| Current tax liabilities | | - | 1,953 |
| Provisions | | 89,143 | 58,547 |
| Total current liabilities | | 1,064,000 | 775,711 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | | 8,477 | 5,625 |
| Interest bearing loans and borrowings | 9 | 561,124 | 383,989 |
| Derivative financial instruments | | 103,796 | 12,104 |
| Deferred tax liabilities | 5 | 378,768 | 473,832 |
| Provisions | | 7,198 | 2,613 |
| Deferred income | | 18,182 | 17,070 |
| Total non-current liabilities | | 1,077,545 | 895,233 |
| Total liabilities | | 2,141,545 | 1,670,944 |
| Net assets | | 2,681,922 | 2,880,145 |
| EQUITY | | | |
| Contributed equity | 10 | 2,615,852 | 2,608,852 |
| Reserves | 11 | (714,807) | (574,500) |
| Retained earnings | | 632,287 | 706,045 |
| Total equity attributable to equity holders of the Company | | 2,533,332 | 2,740,397 |
| Non-controlling interest | | 148,590 | 139,748 |
| Total equity | | 2,681,922 | 2,880,145 |

The consolidated statement of financial position is to be read in conjunction with the notes to the preliminary final report.

Consolidated Statement of Changes in Equity

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

| YEAR ENDED 30 JUNE 2011 | Note | Contributed equity \$'000 | Reserves \$'000 | Retained earnings \$'000 | Total \$'000 | Non- controlling interest \$'000 | Total equity \$'000 |
|--|------|---------------------------------|--------------------|--------------------------------|------------------|---|------------------------|
| Balance at 1 July 2010 | | 2,608,852 | (574,500) | 706,045 | 2,740,397 | 139,748 | 2,880,145 |
| Profit for the period | | - | - | 70,412 | 70,412 | 9,501 | 79,913 |
| Net change in fair value of available-for-sale financial assets | 11 | - | 27,304 | - | 27,304 | - | 27,304 |
| Impairment of available-for-sale financial asset reclassified to profit or loss | 11 | - | 2,910 | - | 2,910 | - | 2,910 |
| Cash flow hedges: effective portion of changes in fair value | 11 | - | (22,160) | - | (22,160) | 1,046 | (21,114) |
| Foreign currency differences for foreign operations | 11 | - | (163,036) | - | (163,036) | (1,705) | (164,741) |
| Income tax on items of other comprehensive income | 11 | - | 12,223 | - | 12,223 | - | 12,223 |
| Total comprehensive income/(expense) for the year | | - | (142,759) | 70,412 | (72,347) | 8,842 | (63,505) |
| Transactions with owners recognised directly in equity | | | | | | | |
| Issue of ordinary shares related to exercise of options | 10 | 7,000 | - | - | 7,000 | - | 7,000 |
| TELYS dividends paid | 6 | - | - | (34,222) | (34,222) | - | (34,222) |
| Ordinary dividends paid | 6 | - | - | (109,948) | (109,948) | - | (109,948) |
| Share based payments expense | 11 | - | 2,452 | - | 2,452 | - | 2,452 |
| Total transactions with owners recognised directly in equity | | 7,000 | 2,452 | (144,170) | (134,718) | - | (134,718) |
| Total movement in equity for the year | | 7,000 | (140,307) | (73,758) | (207,065) | 8,842 | (198,223) |
| Balance at 30 June 2011 | | 2,615,852 | (714,807) | 632,287 | 2,533,332 | 148,590 | 2,681,922 |

Consolidated Statement of Changes in Equity

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

| PERIOD ENDED 30 JUNE 2010 | Note | Contributed equity \$'000 | Reserves \$'000 | Retained earnings \$'000 | Total \$'000 | Non-controlling interest \$'000 | Total equity \$'000 |
|---|------|------------------------------|--------------------|-----------------------------|------------------|------------------------------------|------------------------|
| Balance at incorporation | | - | - | - | - | - | - |
| Profit for the period | | - | - | 718,034 | 718,034 | 708 | 718,742 |
| Net change in fair value of available-for-sale financial assets | 11 | - | 24,024 | - | 24,024 | - | 24,024 |
| Cash flow hedges: effective portion of changes in fair value | 11 | - | 8,923 | - | 8,923 | 770 | 9,693 |
| Foreign currency differences for foreign operations | 11 | - | 39,365 | - | 39,365 | 672 | 40,037 |
| Income tax on items of other comprehensive income | 11 | - | (9,560) | - | (9,560) | - | (9,560) |
| Total comprehensive income for the period | | - | 62,752 | 718,034 | 780,786 | 2,150 | 782,936 |
| Transactions with owners recognised directly in equity | | | | | | | |
| Issue of ordinary shares for cash | 10 | 10,000 | - | - | 10,000 | - | 10,000 |
| Issue of ordinary shares related to acquisition | 10 | 2,171,687 | - | - | 2,171,687 | - | 2,171,687 |
| Issue of TELYS4 related to acquisitions | 10 | 427,165 | - | - | 427,165 | - | 427,165 |
| TELYS dividends paid | 6 | - | - | (11,989) | (11,989) | - | (11,989) |
| Share based payments expense | 11 | - | 1,836 | - | 1,836 | - | 1,836 |
| Replacement of share options related to business combination | 11 | - | 3,498 | - | 3,498 | - | 3,498 |
| Non-controlling interest on acquisition of subsidiaries | | - | - | - | - | 137,229 | 137,229 |
| Other changes in non-controlling interest | | - | - | - | - | 369 | 369 |
| Acquisition of subsidiary under common control | 11 | - | (642,586) | - | (642,586) | - | (642,586) |
| Total transactions with owners recognised directly in equity | | 2,608,852 | (637,252) | (11,989) | 1,959,611 | 137,598 | 2,097,209 |
| Total movement in equity for the period | | 2,608,852 | (574,500) | 706,045 | 2,740,397 | 139,748 | 2,880,145 |
| Balance at end of the period | | 2,608,852 | (574,500) | 706,045 | 2,740,397 | 139,748 | 2,880,145 |

The consolidated statement of changes in equity is to be read in conjunction with the notes to the preliminary final report.

Consolidated Cash Flow Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

| | Note | 2011 \$'000 | From incorporation to 30 June 2010 \$'000 |
|--|------|------------------|--|
| CASH FLOWS RELATED TO OPERATING ACTIVITIES | | | |
| Receipts from customers | | 3,443,091 | 572,516 |
| Payments to suppliers and employees | | (3,447,287) | (613,299) |
| Dividends received from equity accounted investees | | 33,157 | - |
| Other dividends received | | 31,372 | - |
| Interest and other items of a similar nature received | | 7,621 | 9,292 |
| Interest and other costs of finance paid | | (58,487) | (10,641) |
| Income taxes paid | | (38,341) | (30) |
| Net operating cash flows | 14b | (28,874) | (42,162) |
| CASH FLOWS RELATED TO INVESTING ACTIVITIES | | | |
| Payments for purchases of property, plant and equipment | | (60,997) | (11,356) |
| Proceeds from sale of property, plant and equipment | | 1,689 | 1,890 |
| Payments for purchase of intangible assets | | (10,563) | (1,582) |
| Cash acquired on acquisition of subsidiaries | 12 | - | 1,126,123 |
| Acquisition of subsidiary, net of cash acquired | 12 | (44,093) | - |
| Acquisition of equity accounted investees | | (448,360) | - |
| Proceeds from sale of shares in equity accounted investees | | 300,586 | - |
| Payments for other investments | | (297,433) | (4,266) |
| Proceeds from sale of other financial assets | | 4,522 | 15,738 |
| Transaction costs relating to acquisition of subsidiaries | | (1,976) | (35,249) |
| Loans and deposits repaid | | 1,691 | 594 |
| Other | | - | 89 |
| Net investing cash flows | | (554,934) | 1,091,981 |
| CASH FLOWS RELATED TO FINANCING ACTIVITIES | | | |
| Proceeds from issue of shares | | 7,159 | 10,000 |
| Ordinary dividends paid | 6 | (109,948) | - |
| TELYS dividends paid | 6 | (34,222) | (11,989) |
| Proceeds from borrowings | | 1,347,215 | 220,053 |
| Repayment of borrowings | | (1,007,698) | (819,279) |
| Net financing cash flows | | 202,506 | (601,215) |
| Net (decrease)/increase in cash and cash equivalents | | (381,302) | 448,604 |
| Cash and cash equivalents at beginning of period | 14a | 449,671 | - |
| Effect of exchange rate changes on cash and cash equivalents | | (3,125) | 1,067 |
| Cash and cash equivalents at end of the period | 14a | 65,244 | 449,671 |

The consolidated cash flow statement is to be read in conjunction with the notes to the preliminary final report.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Seven Group Holdings Limited (the "Company") is a company domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ('ASX'). The company was incorporated on 12 February 2010. The preliminary final report covers the year ended 30 June 2011 and comprises the Company and its subsidiaries (together referred to as the "Group"), the Group's interest in associates and jointly controlled entities.

In relation to the prior corresponding period:

- a) Seven Group Holdings Limited company results are from the date of its incorporation of 12 February 2010 to 30 June 2010. There was no operating activity in the company until 28 April 2010.
- b) WesTrac Holdings Pty Limited was acquired on 28 April 2010, and its results for the period from acquisition to 30 June 2010 were included.
- c) Seven Network Limited was acquired on 13 May 2010, and its results for the period from acquisition to 30 June 2010 were included.

(A) BASIS OF PREPARATION

The preliminary final report has been prepared in accordance with the Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The preliminary final report does not include all notes of the type normally included within the annual financial report and therefore can not 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.

The preliminary final 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 preliminary final report is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss and investments in available for sale assets.

The accounting policies used by the Group in this preliminary final report are consistent with those applied by the Group in its consolidated financial statements for the period ended 30 June 2010.

(B) OPERATING SEGMENTS

The Group has determined and presented operating segments based on the information that internally is provided to the CEO and the Board.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's CEO and Board to make decisions about resources to be allocated to the segment and to assess its performance for which discrete financial information is available.

Segment results that are reported to the CEO and Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

The segments identified are;

- WesTrac Australia
- WesTrac China
- National Hire Group
- Media investments
- Other investments

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires that management make estimates, judgements and assumptions that affect 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 incorporated and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are;

- income tax

- determining fair values of assets acquired in respect of business combinations

- impairment of intangible assets: the Group tests annually whether goodwill and distribution networks have suffered any impairment, in accordance with the Group's accounting policy. The recoverable amounts of cash-generating units have been determined based on their value-in-use and using discounted cash-flow model calculations. These calculations require the use of assumptions.

- impairment of available-for-sale assets and listed equity accounted investees: in determining the amount of impairment for financial assets and equity accounted investees that are listed, the Group has made judgements in identifying financial assets that are impaired due to industry factors or whose decline in fair value below original cost is considered "significant" or "prolonged". A significant decline is assessed based on the decline from acquisition cost of the share price. The higher the percentage decline, the more likely it is likely to be regarded as significant. A prolonged decline is based on the length of the time over which the share price has been depressed below cost. A sudden decline followed by immediate recovery is less likely to be considered prolonged compared to a sustained fall of the same magnitude over a longer period.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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 makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which products are sold, the nature of services provided and country of origin. In the prior period, the 2010 segment results are included from the date of acquisition being 28 April 2010 for the WesTrac Group, and 13 May 2010 for Seven Network Limited ("SNL").

- WesTrac Australia - WesTrac Australia is an authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory, providing heavy equipment sales and support to customers.
- WesTrac China - operates as one of the four authorised Caterpillar dealers in China, providing heavy equipment sales and support to customers.
- National Hire Group - represents the Group's operations in the manufacture, assembly, sales and support of lighting, power generation and dewatering equipment rental equipment as well as distribution of Perkins engines, via National Hires' investment in Coates Hire Pty Limited, Allight Holdings Pty Ltd and The Sykes Group.
- 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.
- Other investments - incorporates operations in broadband, telephony, other listed investments and property.

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 China.

Accounting policies

The accounting policies used by the Group in reporting segments internally are the same as those described in Note 1.

| YEAR ENDED 30 JUNE 2011 | WesTrac Australia \$'000 | WesTrac China \$'000 | National Hire \$'000 | Media ^(c) investments \$'000 | Other investments \$'000 | Total \$'000 |
|---|--------------------------------|----------------------------|----------------------------|---|--------------------------------|-----------------|
| Segment revenue | | | | | | |
| Sales to external customers | 2,245,209 | 729,887 | 135,124 | - | 52,614 | 3,162,834 |
| Intersegment sales | 24 | - | (24) | - | - | - |
| Segment result | | | | | | |
| Segment earnings before interest, tax, depreciation and amortisation (EBITDA) ^(a) | 244,085 | 34,533 | 33,579 | 126,849 | 14,899 | 453,945 |
| Depreciation and amortisation | (38,168) | (7,001) | (2,007) | - | (20,594) | (67,770) |
| Segment earnings before interest and tax (EBIT)^(b) | 205,917 | 27,532 | 31,572 | 126,849 | (5,695) | 386,175 |

(a) Segment EBITDA comprises profit before depreciation and amortisation, net finance costs, tax, net gain on sale of investments, impairment of assets, corporate operating costs and transaction related costs

(b) Segment EBIT comprises segment net operating profit before net finance costs, tax, net gain on sale of investments, impairment of assets, corporate operating costs and transaction related costs

(c) Media investments comprise investments accounted for using the equity method and available-for-sale financial assets

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

3. OPERATING SEGMENTS (CONTINUED)

| YEAR ENDED 30 JUNE 2011 | WesTrac Australia \$'000 | WesTrac China \$'000 | National Hire \$'000 | Media investments \$'000 | Other investments \$'000 | Total \$'000 |
|---|--------------------------------|----------------------------|----------------------------|--------------------------------|--------------------------------|------------------|
| Balance sheet | | | | | | |
| Investments accounted for using the equity method | 14,119 | 1,256 | 331,268 | 1,089,278 | 46,131 | 1,482,052 |
| Other segment assets | 1,257,689 | 760,205 | 183,839 | 259,965 | 777,626 | 3,239,324 |
| Segment assets | 1,271,808 | 761,461 | 515,107 | 1,349,243 | 823,757 | 4,721,376 |
| Segment liabilities | (440,286) | (165,641) | (50,210) | (8,543) | (32,227) | (696,907) |
| Other segment information | | | | | | |
| Capital expenditure | (40,865) | (12,272) | (1,280) | - | (17,143) | (71,560) |
| Share of results of equity accounted investees included in segment EBIT | 930 | 149 | 22,838 | 118,401 | 1,270 | 143,588 |
| Impairment of assets recognised in profit or loss | (4,131) | - | - | (315,598) | (4,620) | (324,349) |
| PERIOD ENDED 30 JUNE 2010 | | | | | | |
| Segment revenue | | | | | | |
| Sales to external customers | 358,607 | 155,720 | 15,834 | - | 7,423 | 537,584 |
| Intersegment sales | 411 | - | (411) | - | - | - |
| Segment result | | | | | | |
| Segment earnings before interest, tax, depreciation and amortisation (EBITDA) ^(a) | 40,365 | 8,049 | 2,557 | 10,761 | (1,580) | 60,152 |
| Depreciation and amortisation | (5,840) | (1,187) | (193) | - | (4,517) | (11,737) |
| Segment earnings before interest and tax (EBIT) ^(b) | 34,525 | 6,862 | 2,364 | 10,761 | (6,097) | 48,415 |
| Balance sheet | | | | | | |
| Investments accounted for using the equity method | 13,187 | - | 312,960 | 1,344,164 | 54,376 | 1,724,687 |
| Other segment assets | 965,751 | 755,058 | 81,900 | 29,608 | 533,495 | 2,365,812 |
| Segment assets | 978,938 | 755,058 | 394,860 | 1,373,772 | 587,871 | 4,090,499 |
| Segment liabilities | (293,368) | (125,576) | (18,456) | - | (54,678) | (492,078) |
| Other segment information | | | | | | |
| Capital expenditure | (4,173) | (1,481) | (977) | - | (6,611) | (13,242) |
| Share of results of equity accounted investees included in segment EBIT | 803 | - | 2,702 | 10,761 | - | 14,266 |

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

3. OPERATING SEGMENTS (CONTINUED)

| | 2011 | 2010 |
|--|-----------|----------|
| | \$'000 | \$'000 |
| Reconciliation of segment EBIT to net profit before tax per consolidated income statement | | |
| Segment net operating profit before net finance costs and tax (EBIT) | 386,175 | 48,415 |
| Accounting gain on acquisition of Seven Network Limited | - | 726,343 |
| Corporate operating costs & transaction related costs | (33,151) | (37,155) |
| Net gain on sale of investments and equity accounted investees | 58,679 | - |
| Impairment of equity accounted investees | (305,648) | - |
| Impairment of non-current assets | (18,701) | - |
| Net finance costs | (54,963) | (13,134) |
| Profit before tax per consolidated income statement | 32,391 | 724,469 |

| | 2011 | 2010 |
|---|-----------|-----------|
| | \$'000 | \$'000 |
| Reconciliation of segment operating assets to total assets per statement of financial position | | |
| Segment operating assets | 4,721,376 | 4,090,499 |
| Corporate cash holdings | 71,145 | 455,205 |
| Current tax assets | 13,123 | - |
| Deferred tax assets | 10,616 | - |
| Derivative financial instruments | 2,587 | - |
| Assets held at corporate level | 4,620 | 5,385 |
| Total assets per statement of financial position | 4,823,467 | 4,551,089 |

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 \$2,805,630,000 (2010: \$2,499,641,000). The total of non-current assets located in China is \$661,450,000 (2010: \$450,641,000). Segment assets are allocated to countries based on where the assets are located.

| | 2011 | 2010 |
|---|-------------|-------------|
| | \$'000 | \$'000 |
| Reconciliation of segment operating liabilities to total liabilities per statement of financial position | | |
| Segment operating liabilities | (696,907) | (492,078) |
| Liabilities held at corporate level | (35,556) | (1,402) |
| Derivative financial instruments | (122,057) | (17,409) |
| Current borrowings | (347,133) | (302,234) |
| Non current borrowings | (561,124) | (383,989) |
| Deferred tax liabilities | (378,768) | (473,832) |
| Total liabilities per statement of financial position | (2,141,545) | (1,670,944) |

4. NET FINANCE EXPENSE

| | 2011 | From incorporation to 30 June 2010 |
|----------------------------------|-----------------|--|
| | \$'000 | \$'000 |
| FINANCE INCOME | | |
| Interest income on bank deposits | 4,028 | 3,003 |
| Other | 3,394 | 715 |
| Total finance income | 7,422 | 3,718 |
| FINANCE COSTS | | |
| Interest expense | (51,891) | (11,036) |
| Borrowing costs | (10,494) | (5,816) |
| Total finance costs | (62,385) | (16,852) |
| Net finance expense | (54,963) | (13,134) |

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

5. INCOME TAX

| | 2011 \$'000 | From incorporation to 30 June 2010 \$'000 |
|--|-----------------|--|
| INCOME TAX BENEFIT/(EXPENSE) | | |
| Current tax expense: | | |
| Current period | (55,290) | (11,013) |
| Adjustment for prior periods | (1,499) | - |
| | (56,789) | (11,013) |
| Deferred tax benefit due to origination and reversal of temporary differences | 104,311 | 5,286 |
| Total income tax benefit/(expense) in statement of comprehensive income | 47,522 | (5,727) |
| RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFITS: | | |
| Income tax using the domestic corporation tax rate 30% | (9,717) | (217,341) |
| Accounting gain on acquisition of Seven Network Limited, not taxable | - | 217,903 |
| Change in recognition of deferred tax assets | - | (468) |
| Remeasurement of deferred tax assets & deferred tax liabilities | 14,465 | (6,695) |
| Franked dividends | 9,411 | - |
| Share of associates' net profit | 6,994 | (1,733) |
| Taxable capital gain | (17,250) | - |
| Non-assessable tax group income | 18,902 | (272) |
| Non-deductible tax group expenses | (3,150) | - |
| Other non-taxable/non-deductible items | 5,957 | 3,381 |
| Income tax benefit/(expense) under a tax sharing agreement | 22,344 | (1,268) |
| Under provided in prior periods | (1,499) | - |
| Difference in overseas tax rates | 1,065 | 766 |
| Income tax benefit/(expense) | 47,522 | (5,727) |
| DEFERRED INCOME TAX RECOGNISED DIRECTLY IN EQUITY | | |
| Relating to available-for-sale financial assets | 8,721 | (7,207) |
| Relating to cash flow hedge reserve | 3,502 | (2,353) |
| Total deferred income tax recognised directly in equity | 12,223 | (9,560) |

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

5. INCOME TAX (CONTINUED)

| DEFERRED TAX ASSETS & LIABILITIES | Opening balance | Recognised in profit | Recognised in equity | Other | Closing balance |
|---|--------------------|-------------------------|-------------------------|-----------------|--------------------|
| YEAR ENDED 30 JUNE 2011 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Investments | (500,492) | 96,971 | 8,721 | - | (394,800) |
| Derivative financial instruments | (13,719) | (3,017) | 3,502 | - | (13,234) |
| Inventories and receivables | (8,885) | (5,518) | - | - | (14,403) |
| Intangible assets | (4,201) | (607) | - | - | (4,808) |
| Property, plant & equipment | (13,865) | 1,191 | - | - | (12,674) |
| Trade & other payables | 10,608 | (2,893) | - | - | 7,715 |
| Prepayments | - | 12,498 | - | - | 12,498 |
| Provisions | 34,460 | 2,757 | - | - | 37,217 |
| Tax losses - revenue - SGH tax consolidated group | 27,493 | (11,356) | - | (16,137) | - |
| Tax losses - capital | 15,976 | (1,205) | - | (14,771) | - |
| Transaction costs deducted over 5 years | 10,063 | 3,446 | - | - | 13,509 |
| Other | (14,667) | 12,044 | - | 3,451 | 828 |
| Net tax liability | (457,229) | 104,311 | 12,223 | (27,457) | (368,152) |
| Deferred tax asset | | | | | 10,616 |
| Deferred tax liability | | | | | (378,768) |
| Net deferred tax liability | | | | | (368,152) |

| | Recognised on acquisition of controlled entities/ in profit | Recognised in equity | Closing balance |
|---|--|-------------------------|--------------------|
| PERIOD ENDED 30 JUNE 2010 | \$'000 | \$'000 | \$'000 |
| Investments | (493,285) | (7,207) | (500,492) |
| Derivative financial instruments | (11,366) | (2,353) | (13,719) |
| Inventories and receivables | (8,885) | - | (8,885) |
| Intangible assets | (4,201) | - | (4,201) |
| Property, plant & equipment | (13,865) | - | (13,865) |
| Trade & other payables | 10,608 | - | 10,608 |
| Provisions | 34,460 | - | 34,460 |
| Tax losses - revenue - SGH tax consolidated group | 27,493 | - | 27,493 |
| Tax losses - capital | 15,976 | - | 15,976 |
| Transaction costs deducted over 5 years | 10,063 | - | 10,063 |
| Other | (14,667) | - | (14,667) |
| Net tax liability | (447,669) | (9,560) | (457,229) |
| Deferred tax asset | | | 16,603 |
| Deferred tax liability | | | (473,832) |
| Net deferred tax liability | | | (457,229) |

As at 30 June 2011, the Group had not recognised deferred tax assets of \$121,608,000 (2010: \$96,569,000) in respect of deductible temporary differences relating to unrealised capital losses as it was not probable that future capital gains will be against which it could utilise the benefits therefrom.

As at 30 June 2011, the Group has not recognised deferred tax liabilities of \$82,376,000 (2010: \$2,819,000) in respect of assessable temporary differences in relation to investments in subsidiaries where management controls the timing of reversal of the temporary difference and the temporary difference is not expected to reverse in the foreseeable future.

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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6. DIVIDENDS

| YEAR ENDED 30 JUNE 2011 | Date of payment | Franked / unfranked | Amount per share | Total \$'000 |
|---|-----------------|---------------------|------------------|----------------|
| DIVIDENDS PAID | | | | |
| Ordinary shares | | | | |
| Final dividend in respect of 2010 year | 22-Oct-10 | Franked | \$ 0.18 | 54,974 |
| Interim dividend | 15-Apr-11 | Franked | \$ 0.18 | 54,974 |
| | | | | 109,948 |
| Transferable Extendable Listed Yield Shares ("TELYS4") | | | | |
| Dividend | 30-Nov-10 | Franked | \$ 3.40 | 16,898 |
| Dividend | 31-May-11 | Franked | \$ 3.49 | 17,324 |
| | | | | 34,222 |
| Subsequent event | | | | |
| Current period final dividend on ordinary shares proposed but not provided | | | | |
| Ordinary shares | | | | |
| Final dividend in respect of 2011 year | 14-Oct-11 | Franked | \$ 0.18 | 55,154 |
| Balance of franking account at 30% | | | | 37,906 |
| PERIOD ENDED 30 JUNE 2010 | | | | |
| DIVIDENDS PAID | | | | |
| Ordinary shares | | | | |
| Final dividend | | | \$ - | - |
| Interim dividend | | | \$ - | - |
| Transferable Extendable Listed Yield Shares ("TELYS4") | | | | |
| Dividend | 31-May-10 | Franked | \$ 2.42 | 11,989 |
| Ordinary shares | | | | |
| Final dividend in respect of 2010 year | 22-Oct-10 | Franked | \$ 0.18 | 54,974 |
| Balance of franking account at 30% | | | | 33,431 |

The above amount represents the balance of the dividend franking account as at the reporting date, adjusted for:

- franking credits that will arise from the payment of current tax liabilities;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the reporting date; and
- franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by \$23,637,000 (2010: \$23,560,000).

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

7. EARNINGS PER SHARE

| | 2011 \$'000 | From incorporation to 30 June 2010 \$'000 |
|--|----------------|--|
| EARNINGS RECONCILIATION | | |
| Net profit attributable to equity holders of the Company | 70,412 | 718,034 |
| Allocated earnings to category of share: | | |
| - Ordinary shares | 36,126 | 714,907 |
| - TELYS4 | 34,286 | 3,127 |
| | 70,412 | 718,034 |
| Weighted average number of shares | | |
| Number for basic earnings per share: | | |
| - Ordinary shares | 305,571,925 | 122,015,245 |
| - TELYS4 | 4,963,640 | 3,860,609 |
| Effect of share options on issue: | | |
| - Ordinary shares | 584,969 | - |
| Number for diluted earnings per share: | | |
| - Ordinary shares | 306,156,894 | 122,015,245 |
| - TELYS4 | 4,963,640 | 3,860,609 |
| Statutory earnings per share | | |
| Ordinary shares - total earnings per share from continuing operations: ^(a) | | |
| - Basic (\$) | 0.12 | 5.87 |
| - Diluted (\$) | 0.12 | 5.87 |
| TELYS4 - total earnings per TELYS4: | | |
| - Basic (\$) | 6.91 | 0.81 |
| - Diluted (\$) | 6.91 | 0.81 |

(a) In relation to the prior period, the Company's incorporation date of 12 February 2010 was used to determine the weighted average number of shares on issue for statutory EPS. If the weighted average number of shares was calculated from the Company's first day of operations, being 28 April 2010, the weighted average number of shares on issue would have been 263,096,885, resulting in a basic and diluted adjusted EPS of \$2.72.

Of the 5,775,000 (2010: 6,875,000) options exercisable at 30 June 2011, 3,525,000 are dilutive. The weighted average number of dilutive shares is 584,969 (2010: nil). As at 30 June 2011, 2,250,000 (2010: 6,875,000) options were anti-dilutive and have not been included in the above diluted earnings per share calculation.

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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7. EARNINGS PER SHARE (CONTINUED)

| EARNINGS PER SHARE FROM CONTINUING OPERATIONS EXCLUDING SIGNIFICANT ITEMS | From incorporation to | |
|---|-----------------------|------------------------|
| | 2011 \$'000 | 30 June 2010 \$'000 |
| Ordinary shares - total earnings per share from continuing operations excluding significant items: ^{(b)(c)} | | |
| - Basic (\$) | 0.67 | 0.09 |
| - Diluted (\$) | 0.67 | 0.09 |

(b) Significant items is comprised of impairment of equity accounted investees and non-current assets, transaction costs related to acquisition of Seven Network Limited, write-off of capitalised borrowing costs, net gain on sale of investments and equity accounted investees, accounting gain on acquisition of Seven Network Limited and any income tax benefit of significant items.

(c) The weighted average number of shares used to calculate total earnings per share from continuing operations excluding significant items for the prior period is 263,096,885 as described above in (a).

Earnings per share from continuing operations excluding significant items is calculated as follows:

| | From incorporation to | |
|--|-----------------------|------------------------|
| | 2011 \$'000 | 30 June 2010 \$'000 |
| Net profit attributable to equity holders of the Company | 70,412 | 718,034 |
| <i>Significant items:</i> | | |
| Add: impairment of equity accounted investees | 305,648 | - |
| Add: impairment of non-current assets | 18,701 | - |
| Add: transaction costs related to acquisition of Seven Network Limited | - | 35,828 |
| Add: write-off of capitalised borrowing costs included in net finance costs | - | 5,488 |
| Less: net gain on sale of investments | (58,679) | - |
| Less: accounting gain on acquisition of Seven Network Limited | - | (726,343) |
| Less: income tax benefit relating to significant items | (97,305) | (5,571) |
| Net profit attributable to equity holders of the Company excluding significant items | 238,777 | 27,436 |
| Allocated earnings excluding significant items to category of share: | | |
| - Ordinary shares | 204,491 | 24,309 |
| - TELYS4 | 34,286 | 3,127 |
| | 238,777 | 27,436 |

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | | | | 2011 | 2010 |
|---|--|--|--|-----------|-----------|
| | | | | \$'000 | \$'000 |
| Investments in associates and jointly controlled entities | | | | 1,482,052 | 1,724,687 |

| Investee | Principal activities | Country of incorporation | Balance date | 2011 | 2010 |
|---|--|--------------------------|--------------|--------------------|--------------------|
| | | | | Ownership interest | Ownership interest |
| EQUITY ACCOUNTED INVESTMENTS AND JOINTLY CONTROLLED ENTITIES | | | | | |
| Adelaide Broadcast Property Pty Limited | Property management | Australia | 30-Jun | 40.0% | 40.0% |
| Adelaide Broadcast Property Trust | Property management | Australia | 30-Jun | 40.0% | 40.0% |
| Apac Energy Rental Pte Limited | Rental services | Singapore | 31-Dec | 20.0% | 20.0% |
| Consolidated Media Holdings Limited | Media | Australia | 30-Jun | 24.4% | 22.4% |
| Energy Power Systems Australia Pty Limited | 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% |
| Mo's Mobiles Pty Limited | Mobile phone retailer | Australia | 30-Jun | 25.0% | 25.0% |
| P2 Pty Limited | Dormant | Australia | 30-Jun | 50.0% | 50.0% |
| P4 Pty Limited | Dormant | Australia | 30-Jun | 50.0% | 50.0% |
| Premier Capital Developments Pty Ltd | 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% |
| Sydney Broadcast Property Pty Ltd | Property management | Australia | 30-Jun | 40.0% | 40.0% |
| Sydney Broadcast Property Trust | Property management | Australia | 30-Jun | 40.0% | 40.0% |
| Vuecast Operations Pty Limited ** | Programme production | Australia | 30-Jun | 50.0% | 50.0% |
| West Australian Newspapers Holdings Limited | Media | Australia | 30-Jun | - | 23.8% |
| Seven West Media Limited | Media | Australia | 30-Jun | 29.6% | - |
| Coates Group Holdings Pty Limited*** | Rental services | Australia | 30-Jun | 46.1% | 46.1% |
| Seven Media Group Pty Limited* | Media | Australia | 30-Jun | - | 45.0% |

* - in the prior period the company determined its interest in Seven Media Group Pty Limited (SMG) was 45% after considering vesting conditions for options issued under SMG's Management Equity Plan including options issued during the period ended 30 June 2010. On 12 April 2011 the remaining 55% of SMG was acquired. Concurrently, the operational subsidiaries of SMG were sold to West Australian Newspapers Holdings Limited. Refer to 'Creation of Seven West Media Limited' below for further information.

** - entity was placed into Member's Voluntary Liquidation on 17 June 2011.

*** - interest held by National Hire Group Limited, which is 66.2% owned by WesTrac Pty Ltd. Effective interest is 30.52%.

| | | | | ASSOCIATED AND JOINTLY CONTROLLED ENTITIES | |
|--|--|--|--|--|---------------|
| | | | | From incorporation to | |
| | | | | 2011 | 30 June 2010 |
| | | | | \$'000 | \$'000 |
| SHARE OF INVESTEES' NET PROFIT | | | | | |
| Share of operating profit before tax | | | | 157,814 | 16,081 |
| Share of income tax expense | | | | (14,226) | (1,815) |
| Share of net profit of equity accounted investees | | | | 143,588 | 14,266 |

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

| YEAR ENDED 30 JUNE 2011 | Book value \$'000 | Market value \$'000 |
|--|----------------------|------------------------|
| MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD | | |
| Consolidated Media Holdings Limited ^(b) | 358,385 | 358,385 |
| Seven West Media Limited ^{(a)(b)} | 730,893 | 730,893 |

| PERIOD ENDED 30 JUNE 2010 | Book value \$'000 | Market value \$'000 |
|--|----------------------|------------------------|
| MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD | | |
| Consolidated Media Holdings Limited | 424,511 | 436,653 |
| West Australian Newspapers Holdings Limited | 393,552 | 336,151 |

(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 \$231,399,000 included in other financial assets.

(b) impairment charges for the following listed investments accounted for using the equity method were recognised in profit or loss during the year ended 30 June 2011:

| | 2011 \$'000 | From incorporation to 30 June 2010 \$'000 |
|--|------------------|--|
| IMPAIRMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD | | |
| Consolidated Media Holdings Limited | (66,578) | - |
| Seven West Media Limited | (239,070) | - |
| Total impairment of investments accounted for using the equity method | (305,648) | - |

The Group received dividends of \$46,521,000 from its investments in equity accounted investees during the year ended 30 June 2011 (2010: nil). \$33,157,000 was received in cash, with the balance received in the form of additional shares as a result of participation in a dividend reinvestment plan.

CREATION OF SEVEN WEST MEDIA LIMITED

As announced on 21 February 2011, Seven Group Holdings Limited (SGH) reached an agreement with West Australian Newspapers Holdings Limited (WAN) to create Seven West Media Limited (SWM). The transaction involved WAN acquiring 100% of SGH's interest in the Seven Media Group business in return for 29.6% equity and \$250,000,000 convertible preference shares in SWM. Separately SGH sold its existing stake in WAN. A net realised gain of \$54,243,000 in relation to this transaction was recognised in net gain on sale of investments and equity accounted investees in the Consolidated Income Statement for the year ended 30 June 2011, representing a gain on disposal of Seven Media Group of \$158,061,000 and a loss on disposal of West Australian Newspapers Holdings Limited of \$103,818,000.

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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9. INTEREST BEARING LOANS AND LIABILITIES

| | 2011 \$'000 | 2010 \$'000 |
|---|----------------|----------------|
| CURRENT | | |
| Interest bearing liabilities | 340,902 | 276,226 |
| Fixed term US dollar notes | - | 19,946 |
| Bank overdrafts used for cash management purposes | 5,901 | 5,534 |
| Finance lease liabilities | 330 | 528 |
| | 347,133 | 302,234 |
| NON-CURRENT | | |
| Interest bearing liabilities | 155,977 | 13,721 |
| Finance lease liabilities | 1,736 | 1,767 |
| Fixed term US dollar notes | 405,066 | 369,588 |
| Less: capitalised borrowing costs net of accumulated amortisation | (1,655) | (1,087) |
| | 561,124 | 383,989 |

The current interest bearing liabilities of \$340,902,000 (2010: \$276,226,000) relate to the Group's working capital facilities. These liabilities are drawn from rolling short dated facilities within Australia (\$148,892,000 (2010: \$140,026,000)) and China (\$192,010,000 (2010: \$136,200,000)) and are generally reviewed annually. They have a weighted average interest rate of 7.43% (2010: 7.00%) including margin. Of the amount drawn within Australia, \$35,700,000 (2010: \$119,300,000) is secured against inventory and receivables with the remaining balance being unsecured. The balance drawn from facilities located in China is unsecured.

At 30 June 2011, the total available borrowing facilities included undrawn loan facilities of \$466,694,000 (2010: \$297,900,000) and lease facilities of \$55,700,000 (2010: \$66,500,000). The Group also had access to unutilised short dated lines of credit totalling \$230,536,000 (2010: \$111,500,000).

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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10. CONTRIBUTED EQUITY

| | 2011 \$'000 | 2010 \$'000 |
|---|------------------|------------------|
| SHARE CAPITAL | | |
| 306,410,281 ordinary shares, fully paid (2010: 305,410,281) | 2,188,687 | 2,181,687 |
| 4,963,640 TELY54 preference shares, fully paid (2010: 4,963,640) | 427,165 | 427,165 |
| Balance at end of the period | 2,615,852 | 2,608,852 |
| MOVEMENTS IN ORDINARY SHARES | | |
| Balance at 30 June 2010 (305,410,281 shares)/28 April 2010 (2,000,000 shares) | 2,181,687 | 10,000 |
| Shares issued for acquisition of WesTrac Group (113,000,000 shares) | - | 843,951 |
| Shares issued for acquisition of SNL (190,410,281 shares) | - | 1,327,736 |
| Shares issued on exercise of options - 21 April 2011 (500,000 shares) | 3,500 | - |
| Shares issued on exercise of options - 13 May 2011 (500,000 shares) | 3,500 | - |
| Balance at end of the period | 2,188,687 | 2,181,687 |

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.

| | 2011 \$'000 | 2010 \$'000 |
|---|----------------|----------------|
| MOVEMENTS IN PREFERENCE SHARES | | |
| Transferable Extendable Listed Yield Shares – TELY54 | | |
| Balance at 1 July 2010/28 April 2010 | 427,165 | - |
| TELY54 issued to acquire TELY53 (4,963,640 TELY5) | - | 427,165 |
| Balance at end of the period | 427,165 | 427,165 |

TELY54 were issued on 13 May 2010 under the TELY54 Offer Prospectus on a one for one exchange for all TELY53 previously issued by Seven Network Limited.

Holders are entitled to a preferential non-cumulative floating rate dividend, which is based on Bank Bill Swap Rate for 180 days plus Margin. The Margin is set at 4.75% subject to the Company's right of Conversion and Exchange. There are no voting rights attached except in limited circumstances, in which case holders will have one vote per TELY54 held.

| | Number | Number |
|---|------------------|------------------|
| OPTIONS ON ORDINARY SHARES | | |
| As at reporting date the number of options exercisable into ordinary shares was as follows: | | |
| Options to Directors | 1,000,000 | 5,000,000 |
| Options to other Executives | 4,775,000 | 1,875,000 |
| | 5,775,000 | 6,875,000 |

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11. RESERVES

| YEAR ENDED 30 JUNE 2011 | 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 |
|---|---|--|---|------------------------------------|---|------------------|
| As at 1 July 2010 | 5,334 | (642,586) | 6,570 | 16,817 | 39,365 | (574,500) |
| Fair value movement on available-for-sale financial assets | - | - | - | 27,304 | - | 27,304 |
| Tax effect of net loss on available-for-sale financial assets | - | - | - | 8,721 | - | 8,721 |
| Impairment of available-for-sale financial asset reclassified to profit or loss | - | - | - | 2,910 | - | 2,910 |
| Net loss on cash flow hedges | - | - | (20,997) | - | - | (20,997) |
| Tax effect of net loss on cash flow hedges | - | - | 3,502 | - | - | 3,502 |
| Movement in reserves of associates | 734 | - | (1,163) | - | - | (429) |
| Currency translation differences | - | - | - | - | (163,036) | (163,036) |
| Share based payment expense | 1,718 | - | - | - | - | 1,718 |
| At 30 June 2011 | 7,786 | (642,586) | (12,088) | 55,752 | (123,671) | (714,807) |

| PERIOD ENDED 30 JUNE 2010 | 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 |
|---|---|--|---|------------------------------------|---|------------------|
| On incorporation | - | - | - | - | - | - |
| Acquisition of subsidiary | - | (642,586) | - | - | - | (642,586) |
| Fair value movement on available-for-sale financial assets | - | - | - | 24,024 | - | 24,024 |
| Tax effect of net gain on available-for-sale financial assets | - | - | - | (7,207) | - | (7,207) |
| Net gain on cash flow hedges | - | - | 8,923 | - | - | 8,923 |
| Tax effect of net gain on cash flow hedges | - | - | (2,353) | - | - | (2,353) |
| Currency translation differences | - | - | - | - | 39,365 | 39,365 |
| Share based payment expense | 1,836 | - | - | - | - | 1,836 |
| Replacement of share options related to business combination | 3,498 | - | - | - | - | 3,498 |
| At 30 June 2010 | 5,334 | (642,586) | 6,570 | 16,817 | 39,365 | (574,500) |

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

In the prior period the acquisition of WesTrac Group by the Company 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 were 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.

Cash flow hedge reserve

This reserve records the effective portion of the cumulative net change in fair value of hedging instruments related to cash flow 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.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

12. ACQUISITIONS OF CONTROLLED ENTITIES

ACQUISITIONS

Acquisition of Sykes Group

On 23 November 2010, Allight Holdings Pty Ltd, a wholly owned subsidiary of National Hire Group Limited, acquired 100% of the issued share capital of Pump Rentals Pty Ltd ("Sykes Group"). The Sykes Group is a major player in Australia's pump market and has extended its reach into major manufacturing and construction markets around the world. The Sykes Group specialise in design, manufacture and application of standard and custom built pumping equipment for some of the most challenging mining and construction environments in the world. The acquisition brings together a portfolio of world class light, power, air and water brands, which will underlie Allight's bid to capture an even bigger share of the world mining and construction markets.

The acquired business contributed revenues of \$34,658,000 and net profit of \$3,603,000 to the Group for the period from 25 November 2010 to 30 June 2011. If the acquisition had occurred on 1 July 2010, consolidated revenue of \$55,994,000 and consolidated profit of \$4,337,000 for the period ended 30 June 2011 would have been recognised. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2010, together with the consequential tax effects.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

| | 2011 |
|----------------------------|---------------|
| Consideration | \$'000 |
| Cash paid | 43,000 |
| Overdraft acquired | 1,093 |
| Contingent consideration | 11,159 |
| Total consideration | 55,252 |

| Identifiable assets acquired and liabilities assumed | \$'000 |
|---|---------------|
| Trade receivables | 7,163 |
| Inventories | 9,669 |
| Deferred tax assets | 628 |
| Intangible assets | 5,435 |
| Plant and equipment | 3,970 |
| Trade payables | (2,577) |
| Provision for employee benefits | (1,668) |
| Unfavourable contracts | (727) |
| Other current assets | 165 |
| Other current liabilities | (251) |
| Fair value of net identifiable assets | 21,807 |

| Goodwill on acquisition | \$'000 |
|---|---------------|
| Total consideration transferred for accounting purposes at fair value | 55,252 |
| Provisional fair value of identifiable net assets | (21,807) |
| Goodwill on acquisition | 33,445 |

The goodwill is attributable to Pump Rental Pty Ltd's strong position and profitability in trading in the pumps market and synergies expected to arise after the acquisition.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

12. ACQUISITIONS OF CONTROLLED ENTITIES (CONTINUED)

| Cash flow | \$'000 |
|-----------------------------------|---------------|
| Bank overdraft acquired | 1,093 |
| Consideration paid in cash | 43,000 |
| Net consolidated cash flow | 44,093 |

In the event that certain pre determined sales volumes were achieved by the business and legal releases occurring, an additional consideration of up to \$12,000,000, which on a probability and discounted cash flow basis has been determined to be \$11,159,000 will be payable in cash. At the date of this financial report the additional payments are anticipated and have been included in the current and non current liabilities. The additional payment is included as a component of the purchase price.

ACQUISITION COSTS

Acquisition related costs of \$1,976,000 are included in other expenses in the Consolidated Income Statement.

CONTINGENT CONSIDERATION

A total of \$7,000,000 is payable as deferred consideration, payment of which is conditional upon the vendors finalising the transfer out of the Sykes Group of certain assets that did not form part of the Sykes Group business and obtaining full and final releases of the Sykes Group for any liabilities relating to those assets (Asset Transfer and Release). This amount had not been paid as at 30 June 2011, however payment is expected to occur within the next 6 months.

A maximum of \$5,000,000 may become payable as further consideration for the acquisition of the Sykes Group business if the combined Allight/Sykes Group business satisfies certain EBIT hurdles before 31 December 2012. The potential undiscounted amount of all future payments that the group could be required to make under this arrangement is between \$0 and \$5,000,000. The fair value of the contingent consideration arrangement of \$4,159,000 was estimated by applying the income approach.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

12. ACQUISITIONS OF CONTROLLED ENTITIES (CONTINUED)

ACQUISITIONS IN PERIOD ENDED 30 JUNE 2010

Acquisition of WesTrac Holdings Pty Limited

On 28 April 2010 the Group purchased 100% of the share capital of WesTrac Holdings Pty Limited, an unlisted company based in Australia.

The consideration transferred for accounting purposes was \$843,951,000 and was fully comprised of ordinary shares in Seven Group Holdings Limited ("SGH"). The Group issued 113,000,000 ordinary shares with a value for accounting purposes of \$7.4686 each, based on the weighted average quoted price of the shares of Seven Network Limited ("SNL"), at the date of exchange.

As described in Note 1(G) of the Seven Group Holdings Limited 2010 Annual Report, the acquisition of WesTrac Group was accounted for as a common control transaction and as such the accounting and disclosure requirements of AASB 3 Business Combinations did not apply to this transaction.

As a common control transaction, the acquisition did not reflect the fair value of assets and liabilities acquired or any recording of additional goodwill at the time of the acquisition of WesTrac Group. The assets and liabilities were acquired at the book values of WesTrac Group at 28 April 2010. The difference between the fair value of the consideration given and the carrying value of the assets and liabilities acquired were recognised as a common control reserve.

| Identifiable assets acquired and liabilities assumed | 2010 \$'000 |
|---|------------------------|
| Property, plant and equipment | 135,819 |
| Distribution network and other intangibles | 470,650 |
| Investments accounted for using the equity method | 319,028 |
| Inventories | 588,554 |
| Trade and other receivables | 416,212 |
| Deferred tax asset | 69,818 |
| Cash and cash equivalents | 80,411 |
| Interest bearing loans and borrowings | (1,229,984) |
| Deferred tax liabilities | (81,456) |
| Provisions | (54,274) |
| Current tax liability | (1,677) |
| Trade and other payables | (280,826) |
| Deferred income | (45,190) |
| Derivative financial instruments | (49,663) |
| Total net identifiable assets | 337,422 |
| Common control reserve | \$'000 |
| Book value of identifiable net assets | 337,422 |
| Non-controlling interest in identifiable acquired net assets | (136,057) |
| Book value of net assets acquired | 201,365 |
| Total consideration transferred for accounting purposes at fair value | (843,951) |
| Common control reserve | (642,586) |
| Cash inflow | \$'000 |
| Net cash acquired within subsidiary | 80,411 |
| Consideration paid in cash | - |
| Net consolidated cash inflow | 80,411 |

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

12. ACQUISITIONS OF CONTROLLED ENTITIES (CONTINUED)

Acquisition of Seven Network Limited

On 13 May 2010 the Group acquired 100% of the issued capital of SNL, a listed company based in Australia.

During the period 13 May to 30 June 2010, SNL contributed revenue of \$7,423,000 and a net loss before tax of \$267,336.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

| Consideration | 2010 \$'000 |
|--|------------------------|
| Ordinary shares (190,410,281 shares) | 1,327,736 |
| TELYS4 issued at fair value (4,963,640 shares) | 427,165 |
| Replacement share based payment awards - value of past service | 3,498 |
| Total consideration | 1,758,399 |

The fair value of the ordinary shares and TELYS4 for accounting purposes was based on the volume weighted average listed share price of SGH at \$6.973 per share and \$86.058 per TELY5 at the date of exchange.

The Group recognised the fair values of the identifiable assets and liabilities of SNL based upon the best information available as of the reporting date. The accounting for the business combination was as follows:

| Identifiable assets acquired and liabilities assumed | 2010 \$'000 |
|---|------------------------|
| Property, plant and equipment | 70,656 |
| Licences and software | 75,785 |
| Investments accounted for using the equity method | 1,387,060 |
| Other investments | 382,799 |
| Inventories | 1,279 |
| Trade and other receivables | 2,491 |
| Other assets | 24,456 |
| Cash and cash equivalents | 1,045,712 |
| Interest bearing loans and borrowings | (5,780) |
| Deferred tax liabilities | (432,188) |
| Provisions | (2,995) |
| Trade and other payables | (56,039) |
| Deferred income | (7,322) |
| Fair value of net identifiable assets | 2,485,914 |

| Accounting gain on acquisition | 2010 \$'000 |
|---|------------------------|
| Total consideration transferred for accounting purposes at fair value | (1,758,399) |
| Fair value of identifiable net assets | 2,485,914 |
| Non-controlling interest in identifiable acquired net assets | (1,172) |
| Gain on acquisition | 726,343 |

The gain on acquisition of SNL was calculated as the difference between the cost of the acquisition, being the fair value of the equity instruments issued by SGH and the fair value of the identifiable assets acquired and liabilities assumed.

The fair values of the assets acquired were determined by independent experts in accordance with the relevant valuation practices appropriate for each asset. Liabilities assumed were recognised at SNL's book value, which approximated their fair values on the acquisition date.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

12. ACQUISITIONS OF CONTROLLED ENTITIES (CONTINUED)

Acquisition of Seven Network Limited (continued)

| | 2010 |
|-------------------------------------|------------------|
| Cash inflow | \$'000 |
| Net cash acquired within subsidiary | 1,045,712 |
| Consideration paid in cash | - |
| Net consolidated cash inflow | 1,045,712 |

| Cash acquired from acquisition of subsidiaries | \$'000 |
|---|------------------|
| WesTrac Group | 80,411 |
| SNL | 1,045,712 |
| Total cash acquired from acquisition of subsidiaries | 1,126,123 |

ACQUISITION COSTS

During the prior period, the Group incurred acquisition related costs of \$35,828,000 relating to external legal fees and due diligence costs. These legal fees and due diligence costs have been included in other expenses in the Group's Consolidated Income Statement.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

13. COMMITMENTS

| | 2011 \$'000 | 2010 \$'000 |
|---|----------------|----------------|
| Capital expenditure commitments | | |
| Payable: | | |
| Not later than one year | 23,261 | 26,543 |
| Finance lease commitments | | |
| Payable: | | |
| Not later than one year | 1,368 | 889 |
| Later than one year but not later than five years | 1,800 | 1,686 |
| Later than five years | 1,685 | 2,081 |
| Minimum lease payments (a) | 4,853 | 4,656 |
| Less future finance charges | (2,787) | (2,361) |
| | 2,066 | 2,295 |
| Operating lease commitments (b) | | |
| Payable: | | |
| Not later than one year | 48,353 | 37,563 |
| Later than one year but not later than five years | 199,673 | 102,237 |
| Later than five years | 237,900 | 95,517 |
| | 485,926 | 235,317 |
| Other operating commitments (c) | | |
| Payable: | | |
| Not later than one year | 6,710 | 7,089 |
| Later than one year but not later than five years | 2,465 | 7,468 |
| | 9,175 | 14,557 |
| Other commitments (d) | | |
| Payable: | | |
| Not later than one year | - | 292,860 |
| | - | 292,860 |

(a) Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual value.

(b) The Group leases various offices and sites under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(c) Other operating commitments includes commitments for operating expenses and acquisitions of inventory contracted for at the reporting date but not recognised as liabilities.

(d) Other commitments in the prior period related to the Group's contractual obligation to invest in Agricultural Bank of China. This commitment was settled in July 2010.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

14a. CASH AND CASH EQUIVALENTS

| | Note | 2011 \$'000 | 2010 \$'000 |
|---|------|----------------|----------------|
| Bank balances | | 62,145 | 126,404 |
| Call deposits | | 9,000 | 328,801 |
| Cash and cash equivalents | | 71,145 | 455,205 |
| Bank overdrafts used for cash management purposes | 9 | (5,901) | (5,534) |
| Cash and cash equivalents in the cash flow statement | | 65,244 | 449,671 |

14b. NOTES TO THE CASH FLOW STATEMENT

| | 2011 \$'000 | 2010 \$'000 |
|---|-----------------|------------------|
| Reconciliation of profit for the period to net cash flows related to operating activities: | | |
| Profit after tax | 79,913 | 718,742 |
| Depreciation and amortisation: | | |
| Property, plant and equipment | 52,540 | 8,733 |
| Intangible assets | 15,230 | 3,004 |
| Other | 156 | 26 |
| Accounting gain on acquisition of Seven Network Limited | - | (726,343) |
| Transaction costs associated with acquisition of WesTrac Group & Seven Network Limited | - | 35,249 |
| Transaction costs associated with acquisition of Sykes Group | 1,976 | - |
| Share option expense | 1,718 | - |
| Gain on sale of investments and equity accounted investees | (58,679) | - |
| Gain on sale of non-current assets | (481) | - |
| Impairment of non-current assets | 18,701 | - |
| Impairment of equity accounted investees | 305,648 | - |
| Fair value movement of derivatives | 5,374 | - |
| Share of results from equity accounted investees | (143,588) | (14,266) |
| Dividends received from associates | 33,157 | - |
| Foreign exchange loss | (349) | 1,568 |
| Other | 4,966 | 7,606 |
| Movement in: | | |
| Trade and other receivables | (130,806) | (2,742) |
| Inventories | (358,445) | (112,267) |
| Other assets | (4,366) | (23,879) |
| Trade and other payables | 254,230 | 33,484 |
| Provisions | 8,008 | 1,517 |
| Tax balances | (113,777) | 27,406 |
| Net operating cash flows | (28,874) | (42,162) |
| NON CASH INVESTING AND FINANCING ACTIVITIES | | |
| Acquisition of WesTrac Group via issue of equity instruments | - | 843,951 |
| Acquisition of SNL via issue of equity instruments | - | 1,754,901 |
| Acquisition of equity accounted investees - dividend reinvestment plan | 13,364 | - |
| Total non cash investing and financing activities | 13,364 | 2,598,852 |

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

15. EVENTS SUBSEQUENT TO BALANCE DATE

On 1 July 2011, SGH acquired the minority interests in EMT Group Pty Limited and Mining Equipment Spares Pty Limited. Both entities became wholly owned subsidiaries as at this date.

On 8 August 2011, the securities of a Group subsidiary, Engin Limited, were removed from the official list of ASX Limited. This followed completion of Engin Limited's return of capital and cancellation of all shares other than shares held by another Group subsidiary. Engin became a wholly owned subsidiary of the Group as at this date.

In July 2011, the Group issued notes denominated in US currency of USD\$155,000,000 and AUD of \$48,828,000. The proceeds of these notes were partly used to pay down current debt. The US denominated notes are hedged by cross currency swaps. USD\$100,000,000 of US denominated notes have been further hedged by interest rate swaps at a weighted average interest rate of 6.68%. Maturity of the notes is between 12 to 30 years.

DECLINE IN SHARE PRICES OF LISTED INVESTMENTS

Subsequent to 30 June 2011 there has been increased volatility in global share markets, and as a result the market value of SGH's listed investments has declined from what is presented in this preliminary final report. At 24 August 2011 the market value of listed investments, compared to the market value at 30 June 2011, and other related derivatives were as follows:

| | Market value at 24 August 2011 | Market value at 30 June 2011 |
|--|-----------------------------------|---------------------------------|
| Listed investments (available-for-sale) | 651,620 | 652,286 |
| Listed investments accounted for using the equity method (refer to Note 8) | 884,369 | 1,089,278 |
| Derivative financial instruments linked to share prices (current liability) | (25,828) | (10,509) |
| | 1,510,161 | 1,731,055 |

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

AUDIT

This report is based on accounts which are in the process of being audited.



Warren Coatsworth
Company Secretary

Date: 25 August 2011

Seven Group Holdings Limited (SGH) announces financial results.

Key Highlights:

- **Successful merger of Seven Media Group with West Australian Newspapers Holdings to form Seven West Media**
- **SGH now holds 29.6 per cent of Seven West Media with an additional \$250 million Convertible Preference Shares**
- **WesTrac records strong growth in Australia and China**
- **WesTrac EBIT exceeds FY2011 pro forma forecasts by 20 per cent**
- **WesTrac Revenue: \$2.99 billion up 31 per cent year-on-year**
- **WesTrac EBITDA: \$278 million up 48 per cent year-on-year**
- **WesTrac EBIT: \$233 million up 52 per cent year-on-year**
- **Significant items of \$168 million after tax loss include 30 June impairment of listed investments to 30 June market value**
- **18 cents fully-franked dividend payable in October taking to 36 cents per share the full year dividend**

25 August 2011 --- Seven Group Holdings Limited (SGH) today reported earnings before interest, tax and depreciation and amortisation (EBITDA) of \$420.8 million on total revenue of \$3,371.2 million. Earnings before interest and taxation (EBIT) are \$353.0 million for the financial year.

Profit before taxation (excluding significant items) is \$298.0 million and net profit after taxation (excluding significant items) is \$248.3 million.



WesTrac

The result was underpinned by total trading revenue of \$3,162.8 million, being 31 per cent higher than the pro forma 2010 result. The result was driven by SGH's strongly performing core businesses: WesTrac and National Hire.

Seven West Media was formed following West Australian Newspapers Holdings shareholder approval for that company to acquire Seven Media Group from SGH and KKR and create Seven West Media. SGH has a 29.6 per cent shareholding in Seven West Media, now one of the largest media companies listed on the Australian Securities Exchange.

Today's result reflects SGH's sale of its shareholding in Seven Media Group to West Australian Newspapers earlier this year, and the writing down of investments, including Seven West Media and Consolidated Media Holdings, to reflect share prices of both companies at 30 June 2011. Significant items total a \$168.4 million loss net of tax.

EBITDA represents profit before net finance costs and taxation, excluding depreciation, amortisation, impairment and gains on sale of investments.

| Financial Results | Results for year ended 30 June 2011 |
|---|--|
| Reported profit before tax | \$32.4m |
| Reported profit after tax | \$79.9m |
| Statutory EPS | 12 cents |
| Final Dividend per Ordinary Share | 18 cents |
| Profit before tax (excluding significant items) | \$298.0m |
| Profit after tax (excluding significant items) | \$248.3m |
| EPS (excluding significant items) | 67 cents |

| Twelve month pro forma results | Results for year ended 30 June 2011 | Pro forma year ended 30 June 2010 |
|--|--|--|
| Total revenue & other income | \$3,371.2m | \$2,498.3m |
| EBITDA (excluding significant items) | \$420.8m | \$246.2m |
| EBIT (excluding significant items) | \$353.0m | \$181.2m |
| Profit before tax (excluding significant items) | \$298.0m | \$147.7m |
| Net Profit after tax (excluding significant items) | \$248.3m | N/A |

The company reports a profit before taxation of \$32.4 million and a net profit after taxation of \$79.9 million with profit attributable to shareholders of SGH of \$70.4 million.

Meaningful corresponding comparisons on earnings are difficult due to changes in the company's structure resulting from the one-off effects of both the SGH merger and the recent Seven West Media transaction.

Excluding National Hire, SGH delivered annual revenue and other income of \$3,212.7 million, up 10 per cent on the pro forma 2011 number contained in the merger scheme documentation for the formation of SGH. SGH recorded EBITDA of \$387.2 million, up 24 per cent, EBIT of \$321.4 million, up 35 per cent, and net profit after taxation excluding significant items of \$221.7 million, up 18 per cent on the forecast 2011 merger scheme documentation respectively.

Net profit after taxation and significant items is \$79.9 million.

SGH has net assets of \$2,681.9 million, including a listed securities portfolio of \$652.3 million, excluding Seven West Media and Consolidated Media Holdings, and \$522.4 million in available undrawn facilities at 30 June 2011.

In addition to its 29.6 per cent shareholding in Seven West Media, Seven Group Holdings retains its current 24.4 per cent shareholding in Consolidated Media Holdings (which owns 25 per cent of Foxtel and 50 per cent of Premier Media Group), 100 per cent of industrial equipment business, WesTrac, and 66.2 per cent of National Hire Limited (which owns 46.2 per cent of Coates Hire).

Dividend

A final dividend of 18 cents per share (fully franked) has been declared – taking the total dividend for the 2010-2011 financial year to 36 cents fully franked on ordinary shares.

Review of Operations

WesTrac

WesTrac has out-performed on all key measurements outlined in the merger scheme documents for the formation of SGH.

WesTrac (excluding National Hire) delivered an EBITDA of \$278.6 million and EBIT of \$233.4 million on revenue and other income of \$2,989.5 million across the financial year. The strong performance saw revenues up 31 per cent, EBITDA up 48 per cent and EBIT up 52 per cent on the pro forma 2010 result.

In Australia, the company delivered revenue and other income of \$2,256 million – up \$620.5 million on the 2010 pro-forma result. EBITDA was \$244.1 million – up 50 per cent on the pro forma 2010 result.

The company's growth in Australia is being driven by expansion in coal and iron ore mining – with a 48 per cent growth in product sales to \$1,232.3 million. The company has also delivered \$1,012.9 million in product support revenues – 26 per cent up the pro forma 2010 result.

The strong performance sees a strengthening in WesTrac Australia's EBITDA and EBIT margins over the past twelve months.

While WesTrac China continues to see significant growth driven by high margin sales, the reported performance is impacted by changes in the Australian and US Dollar exchange rate. The company has delivered on revenue, EBITDA and EBIT targets outlined in the merger scheme documentation.

In China, the company delivered an EBITDA of \$34.5 million on revenue and other income of \$733.5 million. The 2011 result for China has been impacted by the strong Australian Dollar, however revenue and other income increased by 13 per cent and EBITDA increased by 36 per cent on the pro forma 2010 result.

National Hire Group

SGH has a 66.2 per cent shareholding in National Hire Group. National Hire Group has reported NPAT of \$26.5 million for the twelve months to June 2011. This includes a \$22.8 million share of profit from equity accounted investments (Coates Group). Coates Group delivered revenues of \$1,064 million, up 20 per cent on the prior corresponding period. National Hire delivered revenues of \$133.5 million – up 57 per cent on the previous financial year.

Media Investments

Seven West Media

SGH's share of Seven Media Group and West Australian Newspapers results are included up to 11 April 2011 with results incorporated into Seven West Media after that date at the new ownership level. SGH has a 29.6 per cent shareholding in Seven West Media.

Seven West Media has reported a group profit after taxation of \$115.1 million and a pro forma EBITDA of \$617.5 million – delivering at the upper end of market guidance for EBITDA issued in May 2011. EBITDA is up 12 per cent and EBIT is up 14 per cent on a 4 per cent increase in revenues on the pro forma pcp provided in the documentation for West Australian Newspapers Holdings acquisition of Seven Media Group.

Seven West Media's television business, the Seven Network, delivered 23 per cent growth in EBITDA, magazine publishing business, Pacific Magazines, delivered 0.9 per cent growth in EBITDA in a challenging market and the company's online business, Yahoo!7, delivered 14.4 per cent growth in EBITDA. West Australian Newspapers' EBITDA was slightly down on the 2009-2010 financial year.

More Australians watch Seven than any other television network. Seven is the most-watched network for total viewers, 16-39s, 18-49s and 25-54s in primetime on primary channels across the current television year. 7TWO is the most-watched digital channel for total viewers and its people 25+ target audience and 7mate is the most-watched digital channel in its men 16-54 target audience. Seven continues to lead the market in television advertising revenue. Recent industry figures put Seven's share of the advertising revenue market at 37.6 per cent.

West Australian Newspapers delivered a strong performance despite a challenging market. The West Australian has increased its total readership by 1.3 per cent over the past twelve months consolidating its circulation in a challenging market. Consolidated advertising revenues are up 0.5 per cent on the previous financial year – with strong growth recorded for the company's radio and regional newspaper businesses.

Over the past twelve months, Seven West Media's magazine publishing business, Pacific Magazines, has secured the largest circulation share increase of any Australian magazine publishing company. It is the only major publishing company to increase advertising share – up from 26.2 per cent in 2009-2010 to 28.0 per cent in 2010-2011.

Seven West Media's online and new media presence through Yahoo!7, a joint venture with Yahoo! Inc continues its strong momentum, delivering an EBITDA margin of 39.2 per cent over the past twelve months. EBITDA is up 14.0 per cent on the 2009-2010 financial year.

Consolidated Media Holdings

SGH's current shareholding in Consolidated Media Holdings is 24 per cent. Consolidated Media owns 50 per cent of subscription television programming company, The Premier Media Group, which owns and operates Fox Sports, Fox Sports News, Speed, Fuel TV and the How To Channel as well as 25 per cent of pay television company Foxtel. Consolidated Media Holdings has reported NPAT of \$101.7 million.

Investments

Agricultural Bank of China

The company's future development in China is underlined by a memorandum of understanding and an investment agreement with the Agricultural Bank of China, one of the four biggest national banks in China – with SGH one of a number of cornerstone investors in the bank's successful initial public offering in Hong Kong and Shanghai. As part of the investment agreement, WesTrac invested \$293 million as a cornerstone investor in the Agricultural Bank of China initial public offering in July 2010. The investment has a carrying value at 30 June 2011 of \$297.8 million.

Vividwireless

vividwireless' first phase of development in Perth was successfully launched as the first 4G network in Australia, providing high-speed and affordable wireless broadband, and the company has now completed the next stage in its development with a phased rollout of its business with metropolitan networks in Sydney, Melbourne, Canberra, Adelaide and Brisbane. Vividwireless's trials of new TD-LTE technology are achieving download speeds in excess of 100Mbps.

Listed Investment Portfolio

SGH's listed portfolio is an important pool of liquidity available to the group, invested in high yielding listed securities providing income and franking credits.

*Note:

Included in this presentation is data prepared for 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.