

SGH

Industrial Services, Media and Investments

28 August 2012

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

By Electronic Lodgement

Total pages: 34 (including cover letter)

Dear Sir / Madam

PRELIMINARY FINAL REPORT

In accordance with the Listing Rules, following is the Preliminary Final Report of the Company for the financial year ended 30 June 2012.

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 2012

Results For Announcement To The Market

REPORTED				\$'000
Revenue from ordinary activities	up	40.90%	to	4,456,448
Net profit from ordinary activities after tax attributable to members	up	135.66%	to	165,933
Net profit for period attributable to members	up	135.66%	to	165,933

UNDERLYING				\$'000
Revenue from ordinary activities	up	40.90%	to	4,456,448
Net profit from ordinary activities after tax attributable to members excluding significant items	up	39.22%	to	332,414
Net profit for period attributable to members excluding significant items	up	39.22%	to	332,414

Dividends	<u>Amount</u>	
	per security	Franked amount per security
Ordinary shares		
Interim	18 cents	18 cents
Final	20 cents	20 cents

Record date for determining entitlements to the ordinary dividend 5.00pm on Friday 28 September 2012
Date final dividend is payable 12 October 2012

Transferable Extendable Listed Yield Shares ("TELYS4")

Dividend (paid 30 November 2011)	\$3.4798	\$3.4798
Dividend (paid 31 May 2012)	\$3.2107	\$3.2107

Commentary on results

A detailed commentary on the results for the year is contained in the press release dated 28 August 2012 accompanying this report.

Net tangible asset backing

Net tangible asset backing per ordinary share: \$4.53 (2011: \$5.16). 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 2012.

Appendix 4E - Preliminary Final Report

SEVEN GROUP HOLDINGS AND ITS CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2012

Results For Announcement To The Market

Acquisitions

On 1 July 2011, SGH acquired the non-controlling interests in EMT Group Pty Limited and Mining Equipment Spares Pty Limited for \$500,000 and \$250,000 respectively. Both entities became wholly owned subsidiaries of the Group 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 of \$4,977,000 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.

On 6 December 2011, the Group commenced compulsory acquisition under its takeover offer for the remaining shares in National Hire Group Limited ("NHR") that it did not own. The compulsory acquisition of NHR was completed on 25 January 2012 at a total cost of \$191,953,000.

On 1 June 2012, the Group acquired the core business operations and assets in Western Australia, Australian Capital Territory and New South Wales from the Australian Bucyrus Group of entities owned by Caterpillar Global Mining LLC for \$410,461,000.

Disposals

On 19 June 2012, the Group sold its interest in vividwireless Group Limited to Optus Mobile Pty Ltd ("Optus") for \$230,000,000. Under the terms of the sale, Optus has paid \$170,000,000 in cash to the Group, with the remaining \$60,000,000 to be paid on the re-issue of spectrum licences.

Audit

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

Appendix 4E - Preliminary Final Report

SEVEN GROUP HOLDINGS AND ITS CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2012

Results For Announcement To The Market Underlying Trading Performance

	As reported		Significant items ^(a)		Underlying trading performance ^(b)	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Total revenue	4,456,448	3,162,834	-	-	4,456,448	3,162,834
Total other income	225,286	123,539	(138,697)	(58,679)	86,589	64,860
Share of results from equity accounted investees	163,019	143,588	(8,176)	-	154,843	143,588
Impairment of equity accounted investees	(416,890)	(305,648)	416,890	305,648	-	-
Total expenses excluding depreciation and amortisation	(4,105,312)	(2,969,189)	37,198	18,701	(4,068,114)	(2,950,488)
Profit before depreciation and amortisation, net finance costs and tax	322,551	155,124	307,215	265,670	629,766	420,794
Depreciation and amortisation	(76,696)	(67,770)	-	-	(76,696)	(67,770)
Profit before net finance costs and tax	245,855	87,354	307,215	265,670	553,070	353,024
Net finance costs	(113,030)	(54,963)	-	-	(113,030)	(54,963)
Profit before tax	132,825	32,391	307,215	265,670	440,040	298,061
Income tax benefit/(expense)	43,923	47,522	(140,734)	(97,305)	(96,811)	(49,783)
Profit for the period	176,748	79,913	166,481	168,365	343,229	248,278
Profit for the year attributable to:						
Equity holders of the Company	165,933	70,412	166,481	168,365	332,414	238,777
Non-controlling interest	10,815	9,501	-	-	10,815	9,501
Profit for the period	176,748	79,913	166,481	168,365	343,229	248,278
EARNINGS PER SHARE (EPS)						
Ordinary shares						
Basic earnings per share (\$)	\$ 0.43	\$ 0.12			\$ 0.98	\$ 0.67
Diluted earnings per share (\$)	\$ 0.43	\$ 0.12			\$ 0.98	\$ 0.67

(a) Significant items comprises impairment of equity accounted investees and other financial assets, fair value movement of derivatives, acquisition related costs, net gain on sale of investments, equity accounted investees and subsidiaries, share of significant items attributable to results from equity accounted investees and unusual income tax adjustments.

(b) Underlying trading performance is comprised of reported results less significant items. This is separately disclosed and reconciled to statutory performance to assist users in understanding the financial performance of the Group.

(c) Refer to Consolidated Income Statement for detailed information on individual reported components above.

Consolidated Income Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$'000	2011 \$'000
Revenue			
Revenue from product sales		2,999,577	1,969,202
Revenue from product support		1,400,142	1,141,018
Other		56,729	52,614
Total revenue		4,456,448	3,162,834
Other income			
Dividend income		45,430	35,536
Gain on sale of property, plant & equipment		-	481
Net gain on sale of investments and equity accounted investees		8,911	58,679
Net gain on sale of subsidiary	13	129,786	-
Other investment income		21,545	2,649
Other		19,614	26,194
Total other income		225,286	123,539
Share of results from equity accounted investees	8	163,019	143,588
Impairment of equity accounted investees	8	(416,890)	(305,648)
Expenses excluding depreciation and amortisation			
Materials cost of inventory sold and used		(2,920,004)	(2,091,874)
Raw materials and consumables purchased		(169,552)	(110,003)
Employee benefits expenses		(593,991)	(448,304)
Operating lease rental expense		(52,805)	(46,170)
Impairment of non-current assets		(300)	(18,701)
Fair value movement of derivatives		(18,167)	(5,374)
Other expenses		(350,493)	(248,763)
Total expenses excluding depreciation and amortisation		(4,105,312)	(2,969,189)
Depreciation and amortisation		(76,696)	(67,770)
Profit before net finance costs and tax		245,855	87,354
Finance income	4	4,465	7,422
Finance costs	4	(117,495)	(62,385)
Net finance costs		(113,030)	(54,963)
Profit before tax		132,825	32,391
Income tax benefit	5	43,923	47,522
Profit for the year		176,748	79,913
Profit for the year attributable to:			
Equity holders of the Company		165,933	70,412
Non-controlling interest		10,815	9,501
Profit for the year		176,748	79,913
Statutory earnings per share (EPS)			
Ordinary shares			
Basic earnings per share (\$)	7	\$ 0.43	\$ 0.12
Diluted earnings per share (\$)	7	\$ 0.43	\$ 0.12

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 2012

	Note	2012 \$'000	2011 \$'000
Profit for the year		176,748	79,913
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	11	4,552	27,304
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	11	38,286	(21,114)
Foreign currency differences for foreign operations	11	38,749	(164,741)
Income tax on items of other comprehensive income	11	(15,803)	12,223
Other comprehensive income/(expense) for the year, net of tax		65,784	(143,418)
Total comprehensive income/(expense) for the year		242,532	(63,505)
Total comprehensive income/(expense) for the year attributable to:			
Equity holders of the Company		231,717	(72,347)
Non-controlling interest		10,815	8,842
Total comprehensive income/(expense) for the year		242,532	(63,505)

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 2012

	Note	2012 \$'000	2011 \$'000
CURRENT ASSETS			
Cash and cash equivalents	15a	127,749	71,145
Trade and other receivables		878,795	550,431
Inventories		1,384,590	989,626
Current tax assets		-	13,123
Other current assets		35,214	24,507
Derivative financial instruments		10,383	2,587
Total current assets		2,436,731	1,651,419
NON-CURRENT ASSETS			
Investments accounted for using the equity method	8	1,279,906	1,482,052
Trade and other receivables		41,731	3,840
Derivative financial instruments		62,090	-
Other financial assets		923,843	884,379
Property, plant and equipment		293,258	264,928
Intangible assets		749,125	526,233
Deferred tax assets	5	-	10,616
Total non-current assets		3,349,953	3,172,048
Total assets		5,786,684	4,823,467
CURRENT LIABILITIES			
Trade and other payables		615,551	496,093
Derivative financial instruments		30,796	18,261
Interest bearing loans and borrowings	9	284,632	347,133
Deferred income		108,318	113,370
Current tax liabilities		94,865	-
Provisions		105,213	89,143
Total current liabilities		1,239,375	1,064,000
NON-CURRENT LIABILITIES			
Trade and other payables		170	8,477
Interest bearing loans and borrowings	9	1,561,799	561,124
Derivative financial instruments		118,710	103,796
Deferred tax liabilities	5	267,386	378,768
Provisions		2,044	7,198
Deferred income		17,377	18,182
Total non-current liabilities		1,967,486	1,077,545
Total liabilities		3,206,861	2,141,545
Net assets		2,579,823	2,681,922
EQUITY			
Contributed equity	10	2,624,102	2,615,852
Reserves	11	(710,120)	(714,807)
Retained earnings		654,523	632,287
Total equity attributable to equity holders of the Company		2,568,505	2,533,332
Non-controlling interest		11,318	148,590
Total equity		2,579,823	2,681,922

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

Consolidated Statement of Changes in Equity

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

YEAR ENDED 30 JUNE 2012	Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2011		2,615,852	(714,807)	632,287	2,533,332	148,590	2,681,922
Profit for the year		-	-	165,933	165,933	10,815	176,748
Net change in fair value of available-for-sale financial assets	11	-	4,552	-	4,552	-	4,552
Cash flow hedges: effective portion of changes in fair value	11	-	38,286	-	38,286	-	38,286
Foreign currency differences for foreign operations	11	-	38,749	-	38,749	-	38,749
Income tax on items of other comprehensive income	11	-	(15,803)	-	(15,803)	-	(15,803)
Total comprehensive income for the year		-	65,784	165,933	231,717	10,815	242,532
Transactions with owners recognised directly in equity							
Ordinary dividends paid	6	-	-	(110,488)	(110,488)	-	(110,488)
TELYS4 dividends paid	6	-	-	(33,209)	(33,209)	-	(33,209)
Issue of ordinary shares related to exercise of options	10	8,250	-	-	8,250	-	8,250
Acquisition of non-controlling interests	11	-	(63,455)	-	(63,455)	(148,087)	(211,542)
Share based payments expense	11	-	2,358	-	2,358	-	2,358
Total transactions with owners recognised directly in equity		8,250	(61,097)	(143,697)	(196,544)	(148,087)	(344,631)
Total movement in equity for the year		8,250	4,687	22,236	35,173	(137,272)	(102,099)
Balance at 30 June 2012		2,624,102	(710,120)	654,523	2,568,505	11,318	2,579,823

Consolidated Statement of Changes in Equity

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

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 year		-	-	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
TELYS4 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

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 2012

	Note	2012 \$'000	2011 \$'000
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Receipts from customers		4,726,707	3,443,091
Payments to suppliers and employees		(4,819,946)	(3,447,287)
Dividends received from equity accounted investees		25,626	33,157
Other dividends received		38,798	31,372
Interest and other items of a similar nature received		4,371	7,621
Interest and other costs of finance paid		(109,677)	(58,487)
Income taxes received/(paid)		19,040	(38,341)
Net operating cash flows	15b	(115,081)	(28,874)
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Payments for purchases of property, plant and equipment		(81,854)	(60,997)
Proceeds from sale of property, plant and equipment		9,587	1,689
Payments for purchase of intangible assets		(3,154)	(10,563)
Acquisition of non-controlling interests	12	(197,680)	-
Consideration for business combinations, net of cash acquired	12	(422,461)	(44,093)
Proceeds from sale of subsidiary, net of cash disposed	13	164,028	-
Acquisition of equity accounted investees		(83,767)	(448,360)
Proceeds from sale of shares in equity accounted investees		1,989	300,586
Payments for other investments		(21,119)	(297,433)
Proceeds from sale of other financial assets		29,910	4,522
Other		2,010	(285)
Net investing cash flows		(602,511)	(554,934)
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from issue of shares - Seven Group Holdings Limited	10	8,250	7,000
Proceeds from issue of shares - subsidiaries		2,000	159
Ordinary dividends paid	6	(110,488)	(109,948)
TELYS4 dividends paid	6	(33,209)	(34,222)
Proceeds from borrowings		1,933,575	1,347,215
Repayment of borrowings		(1,018,759)	(1,007,698)
Net financing cash flows		781,369	202,506
Net increase/(decrease) in cash and cash equivalents		63,777	(381,302)
Cash and cash equivalents at beginning of period	15a	65,244	449,671
Effect of exchange rate changes on cash and cash equivalents		(1,272)	(3,125)
Cash and cash equivalents at end of the period	15a	127,749	65,244

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 2012

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 2012 and comprises the Company and its subsidiaries (together referred to as the "Group"), the Group's interest in associates and jointly controlled entities.

(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 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 year ended 30 June 2011.

(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.

During the current year, segment information previously disclosed as National Hire Group has been disaggregated to separate the AllightSykes and Coates Hire businesses. This is consistent with the information that is internally provided to the CEO and Board.

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
- AllightSykes
- Coates Hire
- 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 2012

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: the Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Assumptions are made about the application of income tax legislation. These assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances will alter expectations which may impact the amount of deferred tax assets recorded in the statement of financial position. In these circumstances the carrying amount of deferred tax assets may change impacting the profit or loss of the Group.

- determining fair values of assets acquired in respect of business combinations: in determining the fair value of assets acquired in a business combination, the Group has utilised valuation specialists. As the accounting for the Bucyrus acquisition has not yet been finalised, the disclosure in Note 12 is reported on a provisional basis.

- 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 or fair value less costs to sell, 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 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 2012

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.

- 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.
- AllightSykes - represents the Group's operations in the manufacture, assembly, sales and support of lighting, power generation and dewatering equipment as well as distribution of Perkins engines, via National Hire's investment in Allight Holdings Pty Ltd and The Sykes Group.
- Coates Hire - represents the Group's equity accounted investment in Coates Hire Pty Limited. Coates Hire is Australia's largest equipment hire company and provides a full range of general and specialist equipment to a wide variety of markets including engineering and building construction & maintenance, mining & resources, manufacturing, government, and events.
- Media investments - relates to investments in listed and unlisted media organisations, including but not limited to, Seven West Media Limited and Consolidated Media Holdings Limited.
- 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.

	WesTrac ^(e) Australia \$'000	WesTrac China \$'000	Allight ^(e) Sykes \$'000	Coates Hire \$'000	Media ^(c) investments \$'000	Other investments \$'000	Total \$'000
YEAR ENDED 30 JUNE 2012							
Segment revenue							
Sales to external customers	3,519,078	670,312	210,329	-	-	56,729	4,456,448
Segment result							
Segment earnings before interest, tax, depreciation and amortisation (EBITDA) ^{(a)(d)}	427,214	17,056	14,342	56,268	116,083	29,980	660,943
Depreciation and amortisation	(40,132)	(8,644)	(3,066)	-	-	(24,854)	(76,696)
Segment earnings before interest and tax (EBIT)^{(b)(d)}	387,082	8,412	11,276	56,268	116,083	5,126	584,247
Other segment information							
Capital expenditure	(61,647)	(9,905)	(8,109)	-	-	(5,347)	(85,008)
Share of results of equity accounted investees included in segment EBIT (excluding significant items) ^(d)	5,120	716	-	56,268	92,161	578	154,843
Impairment of assets recognised in profit or loss	-	-	-	-	(416,890)	(300)	(417,190)

(a) Segment EBITDA comprises profit before depreciation and amortisation, net finance costs, tax, net gain on sale of investments, equity accounted investees and subsidiaries, impairment of equity accounted investees and other financial assets, fair value movement of derivatives, share of significant items relating to results from equity accounted investees, corporate operating costs and transaction related costs.

Notes to the Preliminary Final Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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3. OPERATING SEGMENTS (CONTINUED)

- (b) Segment EBIT comprises profit before depreciation and amortisation, net finance costs, tax, net gain on sale of investments, equity accounted investees and subsidiaries, impairment of equity accounted investees and other financial assets, fair value movement of derivatives, share of significant items relating to results from equity accounted investees, corporate operating costs and transaction related costs.
- (c) Media investments comprise investments accounted for using the equity method and available-for-sale financial assets.
- (d) Coates Hire segment EBITDA, EBIT and share of results of equity accounted investees excludes share of results from equity accounted investees attributable to significant items.
- (e) WesTrac Australia and AllightSykes results above have been reduced in relation to the elimination of sales to Coates Hire, due to the Group's 45% interest in Coates Hire.

YEAR ENDED 30 JUNE 2012	WesTrac Australia \$'000	WesTrac China \$'000	Allight Sykes \$'000	Coates Hire \$'000	Media investments \$'000	Other investments \$'000	Total \$'000
Balance sheet							
Investments accounted for using the equity method	21,281	2,041	-	386,347	825,396	44,841	1,279,906
Other segment assets	2,250,132	823,338	208,620	-	280,050	729,787	4,291,927
Segment assets	2,271,413	825,379	208,620	386,347	1,105,446	774,628	5,571,833
Segment liabilities	(553,231)	(170,069)	(56,242)	-	-	(23,962)	(803,504)
YEAR ENDED 30 JUNE 2011 (RESTATED)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue							
Sales to external customers	2,245,209	729,887	135,124	-	-	52,614	3,162,834
Intersegment sales	24	-	(24)	-	-	-	-
	2,245,233	729,887	135,100	-	-	52,614	3,162,834
Segment result							
Segment earnings before interest, tax, depreciation and amortisation (EBITDA) ^{(a)(d)}	244,085	34,533	10,741	22,838	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)(d)}	205,917	27,532	8,734	22,838	126,849	(5,695)	386,175
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 (excluding significant items) ^(d)	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)
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	183,839	331,268	1,349,243	823,757	4,721,376
Segment liabilities	(440,286)	(165,641)	(50,210)	-	(8,543)	(32,227)	(696,907)

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3. OPERATING SEGMENTS (CONTINUED)

	2012	2011
	\$'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)	584,247	386,175
Corporate operating costs & transaction related costs	(49,908)	(33,151)
Net gain on sale of investments and equity accounted investees	8,911	58,679
Net gain on sale of subsidiary	129,786	-
Share of significant items relating to results from equity accounted investees	8,176	-
Fair value movement of derivatives	(18,167)	-
Impairment of equity accounted investees	(416,890)	(305,648)
Impairment of non-current assets	(300)	(18,701)
Net finance costs	(113,030)	(54,963)
Profit before tax per consolidated income statement	132,825	32,391

	2012	2011
	\$'000	\$'000
Reconciliation of segment operating assets to total assets per statement of financial position		
Segment operating assets	5,571,833	4,721,376
Corporate cash holdings	127,749	71,145
Current tax assets	-	13,123
Deferred tax assets	-	10,616
Derivative financial instruments	72,473	2,587
Assets held at corporate level	14,629	4,620
Total assets per statement of financial position	5,786,684	4,823,467

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 \$2,671,674,000 (2011: \$2,805,630,000). The total of non-current assets located in China is \$616,189,000 (2011: \$661,450,000). Segment assets are allocated to countries based on where the assets are located.

	2012	2011
	\$'000	\$'000
Reconciliation of segment operating liabilities to total liabilities per statement of financial position		
Segment operating liabilities	(803,504)	(696,907)
Liabilities held at corporate level	(45,169)	(35,556)
Derivative financial instruments	(149,506)	(122,057)
Current interest bearing loans and borrowings	(284,632)	(347,133)
Non current interest bearing loans and borrowings	(1,561,799)	(561,124)
Current tax liabilities	(94,865)	-
Deferred tax liabilities	(267,386)	(378,768)
Total liabilities per statement of financial position	(3,206,861)	(2,141,545)

4. NET FINANCE EXPENSE

	2012	2011
	\$'000	\$'000
FINANCE INCOME		
Interest income on bank deposits	3,930	6,221
Other	535	1,201
Total finance income	4,465	7,422
FINANCE COSTS		
Interest expense	(107,904)	(51,891)
Borrowing costs	(9,591)	(10,494)
Total finance costs	(117,495)	(62,385)
Net finance expense	(113,030)	(54,963)

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5. INCOME TAX

	Note	2012 \$'000	2011 \$'000
INCOME TAX BENEFIT/(EXPENSE)			
Current tax expense:			
Current period		(85,282)	(55,290)
Adjustment for prior periods		(3,389)	(1,499)
		(88,671)	(56,789)
Deferred tax benefit due to origination and reversal of temporary differences		132,594	104,311
Total income tax benefit in statement of comprehensive income		43,923	47,522
RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFITS:			
Income tax using the domestic corporation tax rate 30%		(39,847)	(9,717)
Recognition of deferred tax asset on capital losses, not previously recognised ⁽¹⁾		25,229	-
Remeasurement of deferred tax assets and deferred tax liabilities		22,825	14,465
Franked dividends		35,732	9,411
Share of associates' net profit		11,644	6,994
Taxable capital gain		-	(17,250)
Non-assessable tax group income		771	18,902
Non-deductible tax group expenses		(9,408)	(3,150)
Other non-taxable/non-deductible items		-	5,957
Income tax benefit under a tax sharing agreement		-	22,344
Under provided in prior periods		(3,389)	(1,499)
Difference in overseas tax rates		367	1,065
Income tax benefit		43,923	47,522
DEFERRED INCOME TAX RECOGNISED DIRECTLY IN EQUITY			
Relating to available-for-sale financial assets	11	(5,841)	8,721
Relating to cash flow hedge reserve	11	(9,962)	3,502
Relating to acquisition of non-controlling interests	11	(16,609)	-
Total deferred income tax recognised directly in equity		(32,412)	12,223

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5. INCOME TAX (CONTINUED)

DEFERRED TAX ASSETS & LIABILITIES	Opening balance	Recognised in profit	Recognised in equity	Other	Closing balance
YEAR ENDED 30 JUNE 2012	\$'000	\$'000	\$'000	\$'000	\$'000
Investments	(394,800)	112,837	(16,054)	-	(298,017)
Derivative financial instruments	(13,234)	11,241	(9,962)	-	(11,955)
Inventories and receivables	(14,403)	15,732	5,963	-	7,292
Intangible assets	(4,808)	35	(13,210)	-	(17,983)
Property, plant & equipment	(12,674)	6,030	198	-	(6,446)
Trade & other payables	7,715	22,602	-	-	30,317
Prepayments	12,498	(12,651)	-	-	(153)
Provisions	37,217	(17,239)	-	-	19,978
Tax losses - capital ⁽¹⁾	-	-	-	-	-
Transaction costs deducted over 5 years	13,509	(6,965)	-	-	6,544
Other	828	972	653	584	3,037
Net tax liability	(368,152)	132,594	(32,412)	584	(267,386)
Deferred tax asset					-
Deferred tax liability					(267,386)
Net deferred tax liability					(267,386)

(1) Prior year capital losses where deferred tax asset not previously recognised, were fully utilised in the current year.

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)

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6. DIVIDENDS

YEAR ENDED 30 JUNE 2012	Date of payment	Franked / unfranked	Amount per share	Total \$'000
DIVIDENDS PAID				
Ordinary shares				
Final dividend in respect of 2011 year	14-Oct-11	Franked	\$ 0.18	55,154
Interim dividend	13-Apr-12	Franked	\$ 0.18	55,334
				110,488
Transferable Extendable Listed Yield Shares ("TELYS4")				
Dividend	30-Nov-11	Franked	\$ 3.48	17,272
Dividend	31-May-12	Franked	\$ 3.21	15,937
				33,209
Subsequent event				
Current period final dividend on ordinary shares proposed but not provided				
Ordinary shares				
Final dividend in respect of 2012 year	12-Oct-12	Franked	\$ 0.20	61,482
Balance of franking account at 30%				50,148
YEAR ENDED 30 JUNE 2011				
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
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

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 \$26,349,000 (2011: \$23,637,000).

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7. EARNINGS PER SHARE

	2012 \$'000	2011 \$'000
EARNINGS RECONCILIATION		
Net profit attributable to equity holders of the Company	165,933	70,412
Allocated earnings to category of share:		
- Ordinary shares	133,287	36,126
- TELYS4	32,646	34,286
	165,933	70,412
Weighted average number of shares		
Number for basic earnings per share:		
- Ordinary shares	306,719,024	305,571,925
- TELYS4	4,963,640	4,963,640
Effect of share options on issue:		
- Ordinary shares	119,148	584,969
Number for diluted earnings per share:		
- Ordinary shares	306,838,172	306,156,894
- TELYS4	4,963,640	4,963,640
Statutory earnings per share		
Ordinary shares - total earnings per share from continuing operations:		
- Basic (\$)	0.43	0.12
- Diluted (\$)	0.43	0.12
TELYS4 - total earnings per TELYS4:		
- Basic (\$)	6.58	6.91
- Diluted (\$)	6.58	6.91

Of the 4,250,000 (2011: 5,775,000) options exercisable at 30 June 2012, 1,500,000 (2011: 3,525,000) are dilutive. The weighted average number of dilutive shares is 119,148 (2011: 584,969). As at 30 June 2012, 2,750,000 (2011: 2,250,000) options were anti-dilutive and have not been included in the above diluted earnings per share calculation.

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7. EARNINGS PER SHARE (CONTINUED)

	2012 \$'000	2011 \$'000
UNDERLYING EARNINGS PER SHARE FROM CONTINUING OPERATIONS		
Ordinary shares - total underlying earnings per share from continuing operations ^{(a)(b)}		
- Basic (\$)	0.98	0.67
- Diluted (\$)	0.98	0.67

(a) Underlying earnings per share from continuing operations is statutory earnings per share less significant items. Significant items is comprised of impairment of equity accounted investees and non-current assets, fair value movement of derivatives, acquisition related costs, net gain on sale of investments, subsidiaries and equity accounted investees, share of significant items attributable to results from equity accounted investees and any income tax benefit of significant items.

(b) The weighted average number of shares used to calculate underlying earnings per share is the same as the weighted average number of shares used to calculate statutory earnings per share.

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

	2012 \$'000	2011 \$'000
Net profit attributable to equity holders of the Company	165,933	70,412
<i>Significant items:</i>		
Add: impairment of equity accounted investees	416,890	305,648
Add: impairment of non-current assets	300	18,701
Add: fair value movement of derivatives	18,167	-
Add: transaction costs related to acquisition of Bucyrus and disposal of subsidiary	18,731	-
Less: net gain on sale of investments and equity accounted investees	(8,911)	(58,679)
Less: net gain on sale of subsidiary	(129,786)	-
Less: share of results from equity accounted investees attributable to significant items	(8,176)	-
Less: income tax benefit	(140,734)	(97,305)
Underlying net profit attributable to equity holders of the Company	332,414	238,777
Allocated underlying earnings to category of share:		
- Ordinary shares	299,768	204,491
- TELYS4	32,646	34,286
	332,414	238,777

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8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2012 \$'000	2011 \$'000
Investments in associates and jointly controlled entities	1,279,906	1,482,052

Investee	Principal activities	Country of incorporation	Balance date	2012 Ownership interest	2011 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	25.3%	24.4%
Energy Power Systems Australia Pty Ltd	Distribution and rental of CAT engine products	Australia	30-Jun	40.0%	40.0%
Flagship Property Holdings Pty Limited	Property management	Australia	31-Dec	46.8%	46.8%
Mo's Mobiles Pty Limited	Mobile phone retailer	Australia	30-Jun	25.0%	25.0%
Premier Capital Developments Pty Limited	Property management	Australia	30-Jun	25.0%	25.0%
Revy Investments Pty Limited	Property ownership	Australia	30-Jun	25.0%	25.0%
Revy Investments Trust	Property ownership	Australia	30-Jun	25.0%	25.0%
Sydney Broadcast Property Pty Limited***	Property management	Australia	30-Jun	0.0%	40.0%
Vuecast Operations Pty Limited*	Programme production	Australia	30-Jun	0.0%	50.0%
Coates Group Holdings Pty Limited**	Rental services	Australia	30-Jun	45.0%	46.1%
Seven West Media Limited	Media	Australia	30-Jun	33.2%	29.6%

* - entity dissolved and deregistered with ASIC on 6 December 2011.

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

*** - entity deregistered with ASIC on 7 December 2011.

	ASSOCIATED AND JOINTLY CONTROLLED ENTITIES	
	2012 \$'000	2011 \$'000
SHARE OF INVESTEE'S NET PROFIT		
Share of operating profit before tax	211,676	167,278
Share of income tax expense	(48,657)	(23,690)
Share of net profit of equity accounted investees	163,019	143,588

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8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

YEAR ENDED 30 JUNE 2012	Book value \$'000	Market value \$'000
MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Consolidated Media Holdings Limited ^(b)	439,949	479,879
Seven West Media Limited ^{(a)(b)}	385,447	385,447

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

(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 \$252,944,000 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 2012:

	2012 \$'000	2011 \$'000
IMPAIRMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Consolidated Media Holdings Limited	66,578	(66,578)
Seven West Media Limited	(483,468)	(239,070)
Total impairment of investments accounted for using the equity method	(416,890)	(305,648)

The Group received dividends of \$112,384,000 from its investments in equity accounted investees during the year ended 30 June 2012 (2011: \$46,521,000). \$25,626,000 (2011: \$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.

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9. INTEREST BEARING LOANS AND LIABILITIES

	2012 \$'000	2011 \$'000
CURRENT		
Interest bearing liabilities	283,985	340,902
Bank overdrafts used for cash management purposes	-	5,901
Finance lease liabilities	647	330
	284,632	347,133
NON-CURRENT		
Interest bearing liabilities	942,004	155,977
Finance lease liabilities	770	1,736
Fixed term US dollar notes	627,770	405,066
Less: capitalised borrowing costs net of accumulated amortisation	(8,745)	(1,655)
	1,561,799	561,124

The current interest bearing liabilities of \$283,985,000 (2011: \$340,902,000) relate to the Group's working capital facilities. These liabilities are drawn from rolling short dated facilities within Australia (\$90,885,000 (2011: \$148,892,000)) and China (\$193,100,000 (2011: \$192,010,000)) and are generally reviewed annually. They have a weighted average interest rate of 7.40% (2011: 7.68%) including margin. Of the amount drawn within Australia, \$19,300,000 (2011: \$35,700,000) 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 2012, the total available borrowing facilities included undrawn loan facilities of \$653,600,000 (2011: \$466,694,000) and lease facilities of \$165,700,000 (2011: \$55,700,000). The Group also had access to unutilised short dated lines of credit totalling \$191,900,000 (2011: \$176,300,000).

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10. CONTRIBUTED EQUITY

	2012 \$'000	2011 \$'000
SHARE CAPITAL		
307,410,281 ordinary shares, fully paid (2011: 306,410,281)	2,196,937	2,188,687
4,963,640 TELYS4 preference shares, fully paid (2011: 4,963,640)	427,165	427,165
Balance at end of the year	2,624,102	2,615,852
MOVEMENTS IN ORDINARY SHARES		
Balance at 30 June 2011 (306,410,281 shares)/30 June 2010 (305,410,281 shares)	2,188,687	2,181,687
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
Shares issued on exercise of options - 2 March 2012 (500,000 shares)	3,750	-
Shares issued on exercise of options - 16 March 2012 (500,000 shares)	4,500	-
Balance at end of the year	2,196,937	2,188,687

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.

	2012 \$'000	2011 \$'000
MOVEMENTS IN PREFERENCE SHARES		
Transferable Extendable Listed Yield Shares – TELYS4		
Balance at 1 July	427,165	427,165
Balance at end of the year	427,165	427,165

TELYS4 were issued on 13 May 2010 under the TELYS4 Offer Prospectus on a one for one exchange for all TELYS3 previously issued by Seven Network Limited.

Holders are entitled to a preferential non-cumulative floating rate dividend, which is based on 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 TELYS4 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	4,000,000	4,000,000
Options to other Executives	250,000	1,775,000
	4,250,000	5,775,000

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11. RESERVES

	Acquisitions reserve	Employee equity benefits reserve	Common control reserve	Cash flow hedge reserve	Fair value reserve	Foreign currency translation reserve	Total
YEAR ENDED 30 JUNE 2012	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2011	-	7,786	(642,586)	(12,088)	55,752	(123,671)	(714,807)
Fair value movement on available-for-sale financial assets	-	-	-	-	4,552	-	4,552
Tax effect of net gain on available-for-sale financial assets	-	-	-	-	(5,841)	-	(5,841)
Net gain on cash flow hedges	-	-	-	38,286	-	-	38,286
Tax effect of net gain on cash flow hedges	-	-	-	(9,962)	-	-	(9,962)
Movement in reserves of associates	-	1,963	-	-	-	-	1,963
Currency translation differences	-	-	-	-	-	38,749	38,749
Acquisition of non-controlling interests	(46,846)	-	-	-	-	-	(46,846)
Tax effect relating to acquisition of non-controlling interests	(16,609)	-	-	-	-	-	(16,609)
Share based payment expense	-	395	-	-	-	-	395
At 30 June 2012	(63,455)	10,144	(642,586)	16,236	54,463	(84,922)	(710,120)

	Acquisitions reserve	Employee equity benefits reserve	Common control reserve	Cash flow hedge reserve	Fair value reserve	Foreign currency translation reserve	Total
YEAR ENDED 30 JUNE 2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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 gain 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)

NATURE AND PURPOSE OF RESERVES

Acquisitions reserve

This reserve is used to record the difference between the fair value of consideration paid for the non-controlling interest of subsidiaries, and the book value of those subsidiaries' share of net assets at date of acquisition.

Employee equity benefits reserves

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration.

Common control reserve

The acquisition of WesTrac Group by the Company during the period ended 30 June 2010 was accounted for as a common control transaction. As a consequence, the difference between the fair value of the consideration paid and the existing book values of assets and liabilities of the WesTrac Group 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.

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11. RESERVES (CONTINUED)

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.

12. ACQUISITIONS OF CONTROLLED ENTITIES

ACQUISITIONS

Acquisition of Bucyrus

On 1 June 2012, the Group acquired the core business operations and assets in Western Australia, Australian Capital Territory and New South Wales from the Australian Bucyrus Group of entities owned by Caterpillar Global Mining LLC for \$410,461,000. No legal entity or share capital was acquired. Bucyrus is a world leader in the design and manufacture of high productivity mining equipment for the surface and underground mining industries. In addition to machine manufacturing, Bucyrus manufactures high quality parts and provides world-class support services for their machines.

The acquisition has significantly increased the Group's market share in the mining equipment industry and complements the Group's existing mining equipment and product support range.

The acquired business contributed revenues of \$11,000,000 and a net loss of \$1,600,000 to the Group for the period from 1 June 2012 to 30 June 2012. Due to the nature of the acquisition, the Group has not been, and will be unable to accurately determine what the Bucyrus business would have contributed to revenue and profit for the full year.

Given the timing of the acquisition, the details of the purchase consideration, the net assets acquired and goodwill have not been finalised and are provisional as follows:

	2012
Consideration	\$'000
Cash paid	410,461
Total consideration	410,461

	2012
Identifiable assets acquired and liabilities assumed	\$'000
Inventories	98,521
Plant and equipment	2,550
Distribution network	289,951
Receivables	21,453
Provision for employee benefits	(2,014)
Provisional fair value of net identifiable assets	410,461

	2012
Goodwill on acquisition	\$'000
Total consideration transferred for accounting purposes at fair value	410,461
Provisional fair value of identifiable net assets	(410,461)
Goodwill on acquisition	-

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12. ACQUISITIONS OF CONTROLLED ENTITIES (CONTINUED)

Acquisition of Bucyrus (continued)

ACQUISITION COSTS

Acquisition related costs of \$15,600,000 are included in other expenses in the Consolidated Income Statement.

Acquisition of non-controlling interests - transactions with owners

The following acquisitions of non-controlling interests were accounted for as a transaction with owners and as such the accounting and disclosure requirements of AASB 3 Business Combinations did not apply to these transactions.

As a transaction with owners, the acquisitions did not reflect the fair value of assets and liabilities acquired or any recording of additional goodwill at the time of the acquisitions. The difference between the fair value of the consideration given and the carrying value of the non-controlling interests acquired was recognised as an acquisitions reserve.

Acquisition of EMT Group and Mining Equipment Spares non-controlling interest

On 1 July 2011, SGH acquired the non-controlling interests in EMT Group Pty Limited and Mining Equipment Spares Pty Limited for \$500,000 and \$250,000 respectively. Both entities became wholly owned subsidiaries of the Group as at this date.

Acquisition of Engin non-controlling interest

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 of \$4,977,000 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.

Acquisition of National Hire Group non-controlling interest

On 6 December 2011, the Group commenced compulsory acquisition under its takeover offer for the remaining shares in National Hire Group Limited ("NHR") that it did not own. The compulsory acquisition of NHR was completed on 25 January 2012 at a total cost of \$191,953,000.

	2012
Acquisitions reserve	\$'000
Book value of non-controlling interests in identifiable acquired net assets	150,834
Book value of non-controlling interests acquired	150,834
Total consideration transferred	(197,680)
Acquisitions reserve	(46,846)

	2012
Cash outflow	\$'000
Consideration paid in cash - EMT Group	(500)
Consideration paid in cash - Mining Equipment Spares	(250)
Consideration paid in cash - Engin	(4,977)
Consideration paid in cash - National Hire Group	(191,953)
Net consolidated cash outflow	(197,680)

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12. ACQUISITIONS OF CONTROLLED ENTITIES (CONTINUED)

PRIOR YEAR 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 year 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 \$'000
Consideration	
Cash paid	43,000
Overdraft acquired	1,093
Contingent consideration	11,159
Total consideration	55,252

	2011 \$'000
Identifiable assets acquired and liabilities assumed	
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

	2011 \$'000
Goodwill on acquisition	
Total consideration transferred for accounting purposes at fair value	55,252
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.

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12. ACQUISITIONS OF CONTROLLED ENTITIES (CONTINUED)

PRIOR YEAR ACQUISITIONS

Acquisition of Sykes Group (continued)

Cash flow	2011 \$'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, the fair value of which on a probability and discounted cash flow basis has been determined to be \$11,159,000 was payable in cash. This \$12,000,000 additional consideration was paid by the Group during the year ended 30 June 2012.

ACQUISITION COSTS

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

13. DISPOSAL OF BUSINESSES

Sale of vividwireless Group Limited

On 19 June 2012, the Group sold its interest in vividwireless Group Limited ("vividwireless") to Optus Mobile Pty Ltd ("Optus") for \$230,000,000. Under the terms of the sale, Optus has paid \$170,000,000 in cash to the Group, with the remaining \$60,000,000 to be paid on the re-issue of spectrum licences. Further information regarding the sale of vividwireless is available in the Company's press release dated 19 June 2012.

The fair value of the \$60,000,000 deferred consideration receivable on a probability and discounted cash flow basis has been determined to be \$39,900,000. The deferred consideration will be received in cash once the Australian Communications and Media Authority (ACMA) re-issues vividwireless' spectrum licences.

The Group has recognised a net gain on disposal of \$129,786,000 and a tax expense of \$38,936,000 in respect of the transaction.

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13. DISPOSAL OF BUSINESSES (CONTINUED)

Sale of vividwireless Group Limited (continued)

	2012
Consideration	\$'000
Cash received	170,000
Fair value of deferred consideration	39,900
Total consideration	209,900

	2012
Effect of disposal on the financial position of the Group	\$'000
Cash and cash equivalents	(5,972)
Trade and other receivables	(2,334)
Inventories	(737)
Property, plant and equipment	(35,016)
Intangible assets	(46,767)
Deferred tax assets	(1,754)
Trade and other payables	9,285
Provisions	3,181
Net assets disposed	(80,114)

	2012
Net gain on sale of subsidiary	\$'000
Total consideration received for accounting purposes at fair value	209,900
Net assets disposed	(80,114)
Net gain on sale of subsidiary	129,786

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14. COMMITMENTS

	2012 \$'000	2011 \$'000
Capital expenditure commitments		
Payable:		
Not later than one year	23,131	23,261
Finance lease commitments		
Payable:		
Not later than one year	647	1,368
Later than one year but not later than five years	810	1,800
Later than five years	-	1,685
Minimum lease payments (a)	1,457	4,853
Less future finance charges	(40)	(2,787)
	1,417	2,066
Operating lease commitments (b)		
Payable:		
Not later than one year	65,655	48,353
Later than one year but not later than five years	208,592	199,673
Later than five years	205,197	237,900
	479,444	485,926
Other operating commitments (c)		
Payable:		
Not later than one year	-	6,710
Later than one year but not later than five years	-	2,465
	-	9,175

(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.

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15a. CASH AND CASH EQUIVALENTS

	Note	2012 \$'000	2011 \$'000
Bank balances		92,795	62,145
Call deposits		34,954	9,000
Cash and cash equivalents		127,749	71,145
Bank overdrafts used for cash management purposes	9	-	(5,901)
Cash and cash equivalents in the cash flow statement		127,749	65,244

15b. NOTES TO THE CASH FLOW STATEMENT

	2012 \$'000	2011 \$'000
Reconciliation of profit for the period to net cash flows related to operating activities:		
Profit after tax	176,748	79,913
Depreciation and amortisation:		
Property, plant and equipment	57,364	52,540
Intangible assets	19,332	15,230
Transaction costs associated with acquisition of Sykes Group	-	1,976
Share option expense	395	1,718
Net gain on sale of investments and equity accounted investees	(8,911)	(58,679)
Net gain on sale of subsidiary	(129,786)	-
Gain on sale of non-current assets	-	(481)
Impairment of non-current assets	300	18,701
Impairment of equity accounted investees	416,890	305,648
Fair value movement of derivatives	18,167	5,374
Share of results from equity accounted investees	(163,019)	(143,588)
Dividends received from associates	25,626	33,157
Foreign exchange loss	(638)	(349)
Other	7,145	5,122
Movement in:		
Trade and other receivables	(307,601)	(130,806)
Inventories	(288,784)	(358,445)
Other assets	(2,144)	(4,366)
Trade and other payables/deferred income	68,614	254,230
Provisions	20,411	8,008
Tax balances	(25,190)	(113,777)
Net operating cash flows	(115,081)	(28,874)

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16. EVENTS SUBSEQUENT TO BALANCE DATE

SEVEN WEST MEDIA LIMITED ENTITLEMENT OFFER

As noted in Seven West Media Limited's ("SWM") ASX release dated 16 July 2012, SGH has committed to take up its full entitlement under SWM's underwritten 1-for-2 accelerated renounceable entitlement offer. The total cost to SGH of \$145,785,000 based on the offer price of \$1.32 was paid on 27 July 2012.

MOVEMENT IN SHARE PRICES OF LISTED INVESTMENTS

Subsequent to 30 June 2012 the market value of SGH's listed investments has declined from what is presented in this preliminary final report. At 24 August 2012 the market value of listed investments, compared to the market value at 30 June 2012, and other related derivatives were as follows:

	Market value at 24 August 2012	Market value at 30 June 2012
Listed investments (available-for-sale)	676,281	670,817
Listed investments accounted for using the equity method (refer to Note 8)	819,287	865,326
Derivative financial instruments linked to share prices (current liability)	(23,893)	(18,167)
	1,471,675	1,517,976

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AUDIT

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



Warren Coatsworth
Company Secretary

Date: 28 August 2012