

# SGH

Industrial Services, Media and Investments

26 February 2013

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

***By Electronic Lodgment***

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**Half Year Financial Report and Media Release**

In accordance with the Listing Rules, following are the Half-Year Report Appendix 4D, the Half-Year Financial Report at 31 December 2012 and the Media Release.

Yours faithfully

**For and on behalf of Seven Group Holdings Limited**



**Warren Coatsworth**  
Company Secretary



**WesTrac**

**Seven Group Holdings Limited** | ABN 46 142 003 469

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# Appendix 4D - Half Year Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

ABN 46 142 003 469

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## Results For Announcement To The Market

REPORTED				\$'000
<b>Revenue from ordinary activities</b>	up	<b>38.28%</b>	to	<b>2,704,239</b>
<b>Net profit from ordinary activities after tax attributable to members</b>	up	<b>392.45%</b>	to	<b>256,784</b>
<b>Net profit for period attributable to members</b>	up	<b>392.45%</b>	to	<b>256,784</b>

UNDERLYING				\$'000
<b>Revenue from ordinary activities</b>	up	<b>38.28%</b>	to	<b>2,704,239</b>
<b>Net profit from ordinary activities after tax attributable to members excluding significant items</b>	up	<b>46.58%</b>	to	<b>233,962</b>
<b>Net profit for period attributable to members excluding significant items</b>	up	<b>46.58%</b>	to	<b>233,962</b>

	Amount per security	Franked amount per security
<b>Dividends</b>		
<b>Ordinary shares</b>		
Interim	20 cents	20 cents

**Record date for determining entitlements to the dividend** 5.00pm on 29 March 2013

**Date the interim dividend is payable** 12 April 2013

### Transferable Extendable Listed Yield Shares ("TELYS4")

Interim (paid 30 November 2012) \$ 2.8100 \$ 2.8100

Payments of TELYS4 dividends are in accordance with the prospectus.

### Commentary on results

A detailed commentary on the results for the period is contained in the press release dated 26 February 2013 accompanying this report.

### Net tangible asset backing

Net tangible asset backing per ordinary share: \$5.42 (31 December 2011: \$5.05). This has been calculated by dividing the net assets attributable to equity holders of the Company (reduced for the value of TELYS4 preference shares) less intangible assets by the number of ordinary shares at 31 December 2012.

### Disposals

#### *Sale of investment in Consolidated Media Holdings*

On 21 November 2012, the Group sold its interest in Consolidated Media Holdings Limited ("CMH") as part of a scheme of arrangement by News Pay TV Financing Pty Ltd, a 100% owned subsidiary of News Corporation ("News") to acquire all of the ordinary shares in CMH. Total proceeds of \$491,270,000 were received.

#### *Sale of Engin*

On 24 September 2012, the Group sold its interest in Engin to Eftel Limited for \$9,100,000.

# Appendix 4D - Half Year Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

ABN 46 142 003 469

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## Results For Announcement To The Market

### Underlying Trading Performance

	As reported		Significant items <sup>(a)</sup>		Underlying trading performance <sup>(b)</sup>	
	6 months to	6 months to	6 months to	6 months to	6 months to	6 months to
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	2,704,239	1,955,647	-	-	2,704,239	1,955,647
Total other income	115,710	48,042	(66,980)	(8,911)	48,730	39,131
Share of results from equity accounted investees	79,435	96,857	5,085	(8,176)	84,520	88,681
Impairment of equity accounted investees	-	(165,183)	-	165,183	-	-
Total expenses excluding depreciation and amortisation	(2,460,346)	(1,800,354)	29,336	5,436	(2,431,010)	(1,794,918)
<b>Profit before depreciation and amortisation, net finance costs and tax</b>	<b>439,038</b>	<b>135,009</b>	<b>(32,559)</b>	<b>153,532</b>	<b>406,479</b>	<b>288,541</b>
Depreciation and amortisation	(26,790)	(34,559)	-	-	(26,790)	(34,559)
<b>Profit before net finance costs and tax</b>	<b>412,248</b>	<b>100,450</b>	<b>(32,559)</b>	<b>153,532</b>	<b>379,689</b>	<b>253,982</b>
Net finance costs	(60,163)	(49,451)	(4,100)	-	(64,263)	(49,451)
<b>Profit before tax</b>	<b>352,085</b>	<b>50,999</b>	<b>(36,659)</b>	<b>153,532</b>	<b>315,426</b>	<b>204,531</b>
Income tax (expense)/benefit	(94,127)	10,807	13,837	(46,060)	(80,290)	(35,253)
<b>Profit for the period</b>	<b>257,958</b>	<b>61,806</b>	<b>(22,822)</b>	<b>107,472</b>	<b>235,136</b>	<b>169,278</b>
<b>Profit for the period attributable to:</b>						
Equity holders of the Company	256,784	52,144	(22,822)	107,472	233,962	159,616
Non-controlling interest	1,174	9,662	-	-	1,174	9,662
<b>Profit for the period</b>	<b>257,958</b>	<b>61,806</b>	<b>(22,822)</b>	<b>107,472</b>	<b>235,136</b>	<b>169,278</b>
<b>EARNINGS PER SHARE (EPS)</b>						
<b>Ordinary shares</b>						
Basic earnings per share (\$)	\$ 0.79	\$ 0.11			\$ 0.72	\$ 0.46
Diluted earnings per share (\$)	\$ 0.79	\$ 0.11			\$ 0.71	\$ 0.46

(a) Significant items is comprised of net gain on sale of investments, equity accounted investees and subsidiary, impairment of equity accounted investees and non-current assets, fair value movement of derivatives, share of significant items relating to results from equity accounted investees, restructuring costs, significant items in finance income and any income tax expense/benefit of significant items.

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

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

# Consolidated Income Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	6 months to 31-Dec-2012 \$'000	6 months to 31-Dec-2011 \$'000
<b>REVENUE</b>			
Revenue from product sales		1,935,614	1,253,996
Revenue from product support		762,864	672,754
Other		5,761	28,897
<b>Total revenue</b>		<b>2,704,239</b>	<b>1,955,647</b>
<b>OTHER INCOME</b>			
Dividend income		15,165	18,066
Net gain on sale of investments, equity accounted investees and subsidiary		66,980	8,911
Other investment income		11,576	10,591
Other		21,989	10,474
<b>Total other income</b>		<b>115,710</b>	<b>48,042</b>
Share of results from equity accounted investees	8	79,435	96,857
Impairment of equity accounted investees	8	-	(165,183)
<b>EXPENSES EXCLUDING DEPRECIATION AND AMORTISATION</b>			
Materials cost of inventory sold and used		(1,845,107)	(1,265,569)
Raw materials and consumables purchased		(76,161)	(80,932)
Employee benefits expense		(353,385)	(274,132)
Operating lease rental expense		(29,843)	(24,635)
Impairment of non-current assets		(9,464)	(2,370)
Fair value movement of derivatives		(8,620)	(3,066)
Other expenses		(137,766)	(149,650)
<b>Total expenses excluding depreciation and amortisation</b>		<b>(2,460,346)</b>	<b>(1,800,354)</b>
<b>Profit before depreciation and amortisation, net finance costs and tax</b>		<b>439,038</b>	<b>135,009</b>
Depreciation and amortisation		(26,790)	(34,559)
<b>Profit before net finance costs and tax</b>		<b>412,248</b>	<b>100,450</b>
Finance income	4	7,685	2,536
Finance costs	4	(67,848)	(51,987)
<b>Net finance costs</b>		<b>(60,163)</b>	<b>(49,451)</b>
<b>Profit before tax</b>		<b>352,085</b>	<b>50,999</b>
Income tax (expense)/benefit	5	(94,127)	10,807
<b>Profit for the period</b>		<b>257,958</b>	<b>61,806</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the Company		256,784	52,144
Non-controlling interest		1,174	9,662
<b>Profit for the period</b>		<b>257,958</b>	<b>61,806</b>
<b>EARNINGS PER SHARE (EPS)</b>			
<b>Ordinary shares</b>			
Basic earnings per share (\$)	7	\$ 0.79	\$ 0.11
Diluted earnings per share (\$)	7	\$ 0.79	\$ 0.11

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

# Consolidated Statement of Comprehensive Income

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

		6 months to 31-Dec-2012	6 months to 31-Dec-2011
	Note	\$'000	\$'000
<b>Profit for the period</b>		<b>257,958</b>	<b>61,806</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Net change in fair value of available-for-sale financial assets	11	119,001	(13,088)
Cash flow hedges: effective portion of changes in fair value	11	(14,173)	27,338
Foreign currency differences for foreign operations		(329)	36,283
Income tax on items of other comprehensive income	5	(30,485)	(9,629)
<b>Total Items that may be reclassified subsequently to profit or loss</b>		<b>74,014</b>	<b>40,904</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>74,014</b>	<b>40,904</b>
<b>Total comprehensive income for the period</b>		<b>331,972</b>	<b>102,710</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		330,826	94,359
Non-controlling interest		1,146	8,351
<b>Total comprehensive income for the period</b>		<b>331,972</b>	<b>102,710</b>

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

# Consolidated Statement of Financial Position

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
AS AT 31 DECEMBER 2012

	Note	31-Dec-2012 \$'000	30-Jun-2012 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12a	431,674	127,749
Trade and other receivables		614,182	878,795
Inventories		1,294,521	1,384,590
Other current assets		23,959	35,214
Derivative financial instruments		4,217	10,383
<b>Total current assets</b>		<b>2,368,553</b>	<b>2,436,731</b>
<b>NON-CURRENT ASSETS</b>			
Investments accounted for using the equity method	8	1,076,187	1,279,906
Trade and other receivables		45,766	41,731
Derivative financial instruments		54,785	62,090
Other financial assets		1,019,249	923,843
Property, plant and equipment		296,999	293,258
Intangible assets		733,546	749,125
Deferred tax assets		10,837	-
<b>Total non-current assets</b>		<b>3,237,369</b>	<b>3,349,953</b>
<b>Total assets</b>		<b>5,605,922</b>	<b>5,786,684</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		702,391	615,551
Derivative financial instruments		33,098	30,796
Interest bearing loans and borrowings	9	212,152	284,632
Deferred income		104,185	108,318
Current tax liabilities		67,368	94,865
Provisions		126,058	105,213
<b>Total current liabilities</b>		<b>1,245,252</b>	<b>1,239,375</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing loans and borrowings	9	1,056,369	1,561,799
Derivative financial instruments		110,096	118,710
Deferred tax liabilities		338,104	267,386
Provisions		1,450	2,044
Deferred income		17,574	17,377
Other payables		-	170
<b>Total non-current liabilities</b>		<b>1,523,593</b>	<b>1,967,486</b>
<b>Total liabilities</b>		<b>2,768,845</b>	<b>3,206,861</b>
<b>Net assets</b>		<b>2,837,077</b>	<b>2,579,823</b>
<b>EQUITY</b>			
Contributed equity	10	2,624,102	2,624,102
Reserves	11	(634,216)	(710,120)
Retained earnings		835,877	654,523
<b>Total equity attributable to equity holders of the Company</b>		<b>2,825,763</b>	<b>2,568,505</b>
Non-controlling interest		11,314	11,318
<b>Total equity</b>		<b>2,837,077</b>	<b>2,579,823</b>

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

# Consolidated Statement of Changes in Equity

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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

	Note	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total equity \$'000
<b>Balance at 1 July 2011</b>		<b>2,615,852</b>	<b>(714,807)</b>	<b>632,287</b>	<b>2,533,332</b>	<b>148,590</b>	<b>2,880,145</b>
Profit for the period		-	-	52,144	52,144	9,662	61,806
Net change in fair value of available-for-sale financial assets		-	(13,088)	-	(13,088)	-	(13,088)
Cash flow hedges: effective portion of changes in fair value		-	28,476	-	28,476	(1,138)	27,338
Foreign currency differences for foreign operations		-	36,456	-	36,456	(173)	36,283
Income tax on items of other comprehensive income	5	-	(9,629)	-	(9,629)	-	(9,629)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>42,215</b>	<b>52,144</b>	<b>94,359</b>	<b>8,351</b>	<b>102,710</b>
<b>Transactions with owners recognised directly in equity</b>							
Ordinary dividends paid	6	-	-	(55,154)	(55,154)	-	(55,154)
TELYS dividends paid	6	-	-	(17,272)	(17,272)	-	(17,272)
Acquisition of non-controlling interests		-	(43,475)	-	(43,475)	(148,319)	(191,794)
Share based payments		-	5,871	-	5,871	2,991	8,862
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>(37,604)</b>	<b>(72,426)</b>	<b>(110,030)</b>	<b>(145,328)</b>	<b>(255,358)</b>
<b>Total movement in equity for the period</b>		<b>-</b>	<b>4,611</b>	<b>(20,282)</b>	<b>(15,671)</b>	<b>(136,977)</b>	<b>(152,648)</b>
<b>Balance at 31 December 2011</b>		<b>2,615,852</b>	<b>(710,196)</b>	<b>612,005</b>	<b>2,517,661</b>	<b>11,613</b>	<b>2,529,274</b>

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

# Consolidated Cash Flow Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	6 months to 31-Dec-2012 \$'000	6 months to 31-Dec-2011 \$'000
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>			
Receipts from customers		3,281,120	2,149,302
Payments to suppliers and employees		(2,560,096)	(2,343,846)
Dividends received from equity accounted investees	8	28,424	11,261
Other dividends received		26,432	18,066
Interest and other items of a similar nature received		3,788	1,681
Interest and other costs of finance paid		(63,339)	(43,399)
Income taxes (paid)/refunded		(93,496)	942
<b>Net operating cash flows</b>	12b	<b>622,833</b>	<b>(205,993)</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>			
Payments for purchases of property, plant and equipment		(34,362)	(38,866)
Proceeds from sale of property, plant and equipment		1,356	2,351
Payments for purchase of intangible assets		(1,156)	(8,905)
Payments for other investments		(80,737)	(37,368)
Proceeds from sale of other financial assets		97,471	30,030
Proceeds from sale of shares in equity accounted investees	8	491,270	-
Proceeds from sale of subsidiary, net of cash disposed	13	9,100	-
Acquisition of subsidiaries, net of cash acquired		-	(204,680)
Acquisition of equity accounted investees		(180,669)	(47,450)
Loans and deposits repaid		65	1,446
<b>Net investing cash flows</b>		<b>302,338</b>	<b>(303,442)</b>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
Ordinary dividends paid	6	(61,482)	(55,154)
TELYS dividends paid	6	(13,948)	(17,272)
Dividends paid to non-controlling interests		(1,150)	-
Proceeds from borrowings		679,593	1,211,614
Repayment of borrowings		(1,224,373)	(540,004)
Proceeds from issue of shares by subsidiary		-	2,000
<b>Net financing cash flows</b>		<b>(621,360)</b>	<b>601,184</b>
<b>Net increase in cash and cash equivalents</b>		<b>303,811</b>	<b>91,749</b>
Cash and cash equivalents at beginning of period	12a	127,749	65,244
Effect of exchange rate changes on cash and cash equivalents		114	195
<b>Cash and cash equivalents at end of the period</b>	12a	<b>431,674</b>	<b>157,188</b>

The consolidated cash flow statement is to be read in conjunction with the notes to the financial statements.



# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Seven Group Holdings Limited (the "Company") is a company limited by shares, domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The Company was incorporated on 12 February 2010 and this financial report covers the half year from 1 July 2012 to 31 December 2012. The condensed consolidated financial statements of the Company as at and for the half year ended 31 December 2012, comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The financial report was authorised for issue in accordance with a resolution of the Directors on 26 February 2013.

### (A) BASIS OF PREPARATION

The financial report has been prepared in accordance with AASB 134 Interim Financial Reporting, the Corporations Act 2001 and with IAS 34 Interim Financial Reporting.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

This half year financial report should be read in conjunction with the 2012 Annual Financial Report and considered with any public announcements made by the company during the half year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX Listing rules.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/100 dated 10 July 1998.

The half year financial report is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and investments in available-for-sale assets.

### (B) SIGNIFICANT ACCOUNTING POLICIES

The half year financial report has been prepared using accounting policies that are consistent to those that were applied by the Group and disclosed in the most recent annual financial report.

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements requires that management make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2012.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 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 product is 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 rental equipment as well as distribution of Perkins engines, via National Hires' investment in Allight Holdings Pty Ltd and The Sykes Group.
- Coates Hire - represents the Group's equity accounted investment in Coates Group Holdings Pty Limited. Coates Hire is Australia's largest equipment hire company and provides a full range of general and specialist equipment to a wide variety of markets including engineering, building construction & maintenance, mining & resources, manufacturing, government and events.
- Media investments - relates to investments in listed and unlisted media organisations, including but not limited to, Seven West Media Limited and Consolidated Media Holdings Limited (up to disposal on 21 November 2012).
- Other investments - incorporates listed investments, property, operations in broadband (up until the sale of vividwireless in June 2012) and telephony (up until the sale of Engin in September 2012).

The Group is domiciled in Australia and operates predominantly in two countries, Australia and China. Segment revenues are allocated based on the country in which the customer is located. The WesTrac China segment represents all revenue derived from China.

#### Accounting policies

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

HALF YEAR ENDED 31 DECEMBER 2012	WesTrac <sup>(e)</sup> Australia \$'000	WesTrac China \$'000	Allight <sup>(e)</sup> Sykes \$'000	Coates Hire \$'000	Media <sup>(c)</sup> investments \$'000	Other investments \$'000	Total \$'000
<b>Segment revenue</b>							
Sales to external customers	2,382,975	223,986	91,517	-	-	5,761	2,704,239
<b>Segment result</b>							
Segment earnings before interest, tax, depreciation and amortisation (EBITDA) <sup>(a)</sup>	295,812	3,736	5,241	30,290	65,870	13,707	414,656
Depreciation and amortisation	(20,435)	(4,182)	(1,882)	-	-	(291)	(26,790)
<b>Segment earnings before interest and tax (EBIT) <sup>(b)</sup></b>	<b>275,377</b>	<b>(446)</b>	<b>3,359</b>	<b>30,290</b>	<b>65,870</b>	<b>13,416</b>	<b>387,866</b>
<b>Other segment information</b>							
Capital expenditure	(31,051)	(913)	(2,710)	-	-	(844)	(35,518)
Share of results of equity accounted investees included in segment EBIT (excluding significant items)	1,381	(69)	-	30,290	52,918	-	84,520
Impairment of assets recognised in profit or loss	(9,464)	-	-	-	-	-	(9,464)

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 3. OPERATING SEGMENTS (CONTINUED)

AS AT 31 DECEMBER 2012	WesTrac Australia \$'000	WesTrac China \$'000	Allight Sykes \$'000	Coates Hire \$'000	Media <sup>(c)</sup> investments \$'000	Other investments \$'000	Total \$'000
<b>Balance sheet</b>							
Investments accounted for using the equity method	22,662	3,680	-	412,530	592,474	44,841	1,076,187
Other segment assets	2,043,749	679,953	186,732	-	318,492	788,779	4,017,705
<b>Segment assets</b>	<b>2,066,411</b>	<b>683,633</b>	<b>186,732</b>	<b>412,530</b>	<b>910,966</b>	<b>833,620</b>	<b>5,093,892</b>
<b>Segment liabilities</b>	<b>(740,083)</b>	<b>(114,533)</b>	<b>(32,134)</b>	<b>-</b>	<b>-</b>	<b>(19,119)</b>	<b>(905,869)</b>
<b>HALF YEAR ENDED 31 DECEMBER 2011 (RESTATED)</b>	<b>WesTrac <sup>(e)</sup> Australia \$'000</b>	<b>WesTrac China \$'000</b>	<b>Allight <sup>(e)</sup> Sykes \$'000</b>	<b>Coates Hire \$'000</b>	<b>Media <sup>(c)</sup> investments \$'000</b>	<b>Other investments \$'000</b>	<b>Total \$'000</b>
<b>Segment revenue</b>							
Sales to external customers	1,507,278	317,807	101,665	-	-	28,897	1,955,647
Intersegment sales	33	-	(33)	-	-	-	-
	<b>1,507,311</b>	<b>317,807</b>	<b>101,632</b>	<b>-</b>	<b>-</b>	<b>28,897</b>	<b>1,955,647</b>
<b>Segment result</b>							
Segment earnings before interest, tax, depreciation and amortisation (EBITDA) <sup>(a)(d)</sup>	186,440	16,237	6,114	25,624	72,630	(3,515)	303,530
Depreciation and amortisation	(17,545)	(3,922)	(1,251)	-	-	(11,841)	(34,559)
<b>Segment earnings before interest and tax (EBIT) <sup>(b)(d)</sup></b>	<b>168,895</b>	<b>12,315</b>	<b>4,863</b>	<b>25,624</b>	<b>72,630</b>	<b>(15,356)</b>	<b>268,971</b>
<b>Other segment information</b>							
Capital expenditure	(38,035)	(5,471)	(1,651)	-	-	(2,614)	(47,771)
Share of results of equity accounted investees included in segment EBIT (excluding significant items) <sup>(d)</sup>	1,748	395	-	25,624	60,336	578	88,681
Impairment of assets recognised in profit or loss	-	-	-	-	(165,183)	(2,370)	(167,553)
<b>AS AT 30 JUNE 2012</b>	<b>WesTrac <sup>(e)</sup> Australia \$'000</b>	<b>WesTrac China \$'000</b>	<b>Allight <sup>(e)</sup> Sykes \$'000</b>	<b>Coates Hire \$'000</b>	<b>Media <sup>(c)</sup> investments \$'000</b>	<b>Other investments \$'000</b>	<b>Total \$'000</b>
<b>Balance sheet</b>							
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
<b>Segment assets</b>	<b>2,271,413</b>	<b>825,379</b>	<b>208,620</b>	<b>386,347</b>	<b>1,105,446</b>	<b>774,628</b>	<b>5,571,833</b>
<b>Segment liabilities</b>	<b>(553,231)</b>	<b>(170,069)</b>	<b>(56,242)</b>	<b>-</b>	<b>-</b>	<b>(23,962)</b>	<b>(803,504)</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 3. OPERATING SEGMENTS (CONTINUED)

	6 months to 31-Dec-2012	6 months to 31-Dec-2011
<b>Reconciliation of segment EBIT to net profit before tax per consolidated income statement</b>	<b>\$'000</b>	<b>\$'000</b>
Segment earnings before interest and tax (EBIT)	387,866	268,971
Corporate operating costs and transaction related costs	(8,177)	(14,989)
Net gain on sale of investments, equity accounted investees and subsidiary	66,980	8,911
Share of results from equity accounted investees attributable to significant items	(5,085)	8,176
Impairment of equity accounted investees	-	(165,183)
Fair value movement of derivatives	(8,620)	(3,066)
Impairment of non-current assets	(9,464)	(2,370)
Restructuring costs	(11,252)	-
Net finance costs	(60,163)	(49,451)
Profit before tax per consolidated income statement	352,085	50,999

	31-Dec-2012	30-Jun-2012
<b>Reconciliation of segment operating assets to total assets per statement of financial position</b>	<b>\$'000</b>	<b>\$'000</b>
Segment operating assets	5,093,892	5,571,833
Corporate cash holdings	431,674	127,749
Deferred tax assets	10,837	-
Derivative financial instruments	59,002	72,473
Assets held at corporate level	10,517	14,629
Total assets per statement of financial position	5,605,922	5,786,684

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 \$2,582,983,000 (30 June 2012: \$2,671,674,000). The total of non-current assets located in China is \$587,209,000 (30 June 2012: \$616,189,000). Segment assets are allocated to countries based on where the assets are located.

	31-Dec-2012	30-Jun-2012
<b>Reconciliation of segment operating liabilities to total liabilities per statement of financial position</b>	<b>\$'000</b>	<b>\$'000</b>
Segment operating liabilities	(905,869)	(803,504)
Liabilities held at corporate level	(45,789)	(45,169)
Derivative financial instruments	(143,194)	(149,506)
Current interest bearing loans and borrowings	(212,152)	(284,632)
Non current interest bearing loans and borrowings	(1,056,369)	(1,561,799)
Current tax liabilities	(67,368)	(94,865)
Deferred tax liabilities	(338,104)	(267,386)
Total liabilities per statement of financial position	(2,768,845)	(3,206,861)

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

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 4. NET FINANCE EXPENSE

	6 months to 31-Dec-2012	6 months to 31-Dec-2011
	\$'000	\$'000
<b>FINANCE INCOME</b>		
Interest income on bank deposits	3,430	1,992
Other	4,255	544
<b>Total finance income</b>	<b>7,685</b>	<b>2,536</b>
<b>FINANCE COSTS</b>		
Interest expense	(62,300)	(47,163)
Borrowing costs	(5,548)	(4,824)
<b>Total finance costs</b>	<b>(67,848)</b>	<b>(51,987)</b>
<b>Net finance expense</b>	<b>(60,163)</b>	<b>(49,451)</b>

## 5. INCOME TAX

	6 months to 31-Dec-2012	6 months to 31-Dec-2011
	\$'000	\$'000
<b>INCOME TAX EXPENSE</b>		
Current tax expense:		
Current period	(80,571)	(3,261)
Over provided in prior periods	3,569	1,752
	<b>(77,002)</b>	<b>(1,509)</b>
Deferred tax expense due to origination and reversal of temporary differences	(17,125)	12,316
<b>Total income tax (expense)/benefit in statement of comprehensive income</b>	<b>(94,127)</b>	<b>10,807</b>
<b>RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFITS:</b>		
Income tax using the domestic corporation tax rate 30%	(105,626)	(15,300)
Remeasurement of deferred tax relating to investments	4,760	(6,230)
Franked dividends	10,465	19,603
Share of associates' net profit	414	10,140
Non-assessable tax group revenue	-	983
Non-deductible tax group expenses	(7,898)	(6,270)
Other non-taxable/non-deductible items	256	1,036
Tax benefit on previously unrecognised tax losses	-	5,300
Difference in overseas tax rates	(67)	(207)
Over provided in prior periods	3,569	1,752
<b>Income tax (expense)/benefit</b>	<b>(94,127)</b>	<b>10,807</b>
<b>DEFERRED INCOME TAX RECOGNISED DIRECTLY IN EQUITY</b>		
Relating to available-for-sale financial assets	(35,700)	(587)
Relating to cash flow hedge reserve	5,215	(9,042)
<b>Total deferred income tax recognised directly in equity</b>	<b>(30,485)</b>	<b>(9,629)</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 6. DIVIDENDS

	Date of payment	Franked / unfranked	Amount per share	6 months to 31-Dec-2012 \$'000
<b>DIVIDENDS PAID</b>				
<b>Ordinary shares</b>				
Final dividend in respect of 2012 year	12-Oct-12	Franked	\$ 0.20	61,482
<b>Transferable Extendable Listed Yield Shares ("TELYS4")</b>				
Dividend	30-Nov-12	Franked	\$ 2.8100	13,948
<b>Dividends paid or payable</b>				<b>75,430</b>
<b>Subsequent event</b>				
<b>Current period interim dividend on ordinary shares proposed but not provided</b>				
<b>Ordinary shares</b>				
Interim dividend in respect of 2013 year	12-Apr-13	Franked	\$ 0.20	61,482

	Date of payment	Franked / unfranked	Amount per share	6 months to 31-Dec-2011 \$'000
<b>DIVIDENDS PAID</b>				
<b>Ordinary shares</b>				
Final dividend in respect of 2011 year	14-Oct-11	Franked	\$ 0.18	55,154
<b>Transferable Extendable Listed Yield Shares ("TELYS4")</b>				
Dividend	30-Nov-11	Franked	\$ 3.4798	17,272
<b>Dividends paid or payable</b>				<b>72,426</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 7. EARNINGS PER SHARE

	6 months to 31-Dec-2012	6 months to 31-Dec-2011
	\$'000	\$'000
<b>EARNINGS RECONCILIATION</b>		
Net profit attributable to equity holders of the Company	256,784	52,144
<b>Allocated earnings to category of share:</b>		
- Ordinary shares	242,768	35,005
- TELYS4	14,016	17,139
	<b>256,784</b>	<b>52,144</b>
<b>Weighted average number of shares</b>		
<b>Number for basic earnings per share:</b>		
- Ordinary shares	307,410,281	306,410,281
- TELYS4	4,963,640	4,963,640
<b>Effect of share options on issue:</b>		
- Ordinary shares	321,429	10,085
<b>Number for diluted earnings per share:</b>		
- Ordinary shares	307,731,710	306,420,366
- TELYS4	4,963,640	4,963,640
<b>Statutory earnings per share</b>		
<b>Ordinary shares - total earnings per share from continuing operations:</b>		
- Basic (\$)	0.79	0.11
- Diluted (\$)	0.79	0.11
<b>TELYS4 - total earnings per TELYS4:</b>		
- Basic (\$)	2.82	3.45
- Diluted (\$)	2.82	3.45
	<b>6 months to 31-Dec-2012</b>	<b>6 months to 31-Dec-2011</b>
<b>UNDERLYING EARNINGS PER SHARE FROM CONTINUING OPERATIONS</b>		
	<b>\$</b>	<b>\$</b>
<b>Ordinary shares - total underlying earnings per share from continuing operations<sup>(a)(b)</sup></b>		
- Basic (\$)	0.72	0.46
- Diluted (\$)	0.71	0.46

(a) Underlying earnings per share from continuing operations is statutory earnings per share less significant items per share. Significant items is comprised of net gain on sale of investments, equity accounted investees and subsidiary, impairment of equity accounted investees and non-current assets, fair value movement of derivatives, share of significant items relating to results from equity accounted investees, restructuring expenses, significant items in finance income 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.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 7. EARNINGS PER SHARE (CONTINUED)

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

	6 months to 31-Dec-2012	6 months to 31-Dec-2011
	\$'000	\$'000
Net profit attributable to equity holders of the Company	256,784	52,144
<i>Significant items:</i>		
Add: impairment of equity accounted investees	-	165,183
Add: impairment of non-current assets	9,464	2,370
Add: fair value movement of derivatives	8,620	3,066
Add: restructuring costs	11,252	-
Add/(less): share of results from equity accounted investees attributable to significant items	5,085	(8,176)
Less: net gain on sale of investments, equity accounted investees and subsidiary	(66,980)	(8,911)
Less: significant items in finance income	(4,100)	-
Less: income tax expense/(benefit)	13,837	(46,060)
Underlying net profit attributable to equity holders of the Company	233,962	159,616
<b>Allocated underlying earnings to category of share:</b>		
- Ordinary shares	219,946	142,477
- TELYS4	14,016	17,139
	<b>233,962</b>	<b>159,616</b>



# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31-Dec-2012	30-Jun-2012
	\$'000	\$'000
Investments in associates and jointly controlled entities	1,076,187	1,279,906

Investee	Principal activities	Country of incorporation	Balance date	Ownership interest	Ownership interest
<b>EQUITY ACCOUNTED INVESTMENTS AND JOINTLY CONTROLLED ENTITIES</b>					
Apac Energy Rental Pte Limited	Rental services	Singapore	31-Dec	20.0%	20.0%
Consolidated Media Holdings Limited*	Media	Australia	30-Jun	-	25.3%
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 management	Australia	30-Jun	25.0%	25.0%
Revy Investments Trust	Property management	Australia	30-Jun	25.0%	25.0%
Coates Group Holdings Pty Limited**	Rental services	Australia	30-Jun	45.0%	46.1%
Seven West Media Limited	Media	Australia	30-Jun	35.3%	33.2%

\* - holding sold on 21 November 2012 as part of Consolidated Media Holdings Limited Scheme of Arrangement.

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

	ASSOCIATED AND JOINTLY CONTROLLED ENTITIES	
	6 months to 31-Dec-2012	6 months to 31-Dec-2011
	\$'000	\$'000
<b>SHARE OF INVESTEE'S NET PROFIT</b>		
Share of operating profit before tax	111,985	119,695
Share of income tax expense	(32,550)	(22,838)
<b>Share of results from equity accounted investees</b>	<b>79,435</b>	<b>96,857</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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

AS AT 31 DECEMBER 2012	Book value \$'000	Market value \$'000
<b>MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Seven West Media Limited <sup>(a)(b)</sup>	592,474	578,858

AS AT 30 JUNE 2012	Book value \$'000	Market value \$'000
<b>MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Consolidated Media Holdings Limited <sup>(b)</sup>	439,949	479,879
Seven West Media Limited <sup>(a)(b)</sup>	385,447	385,447

(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 \$264,520,000 (30 June 2012: 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 half year ended 31 December 2012:

	6 months to 31-Dec-2012 \$'000	6 months to 31-Dec-2011 \$'000
<b>IMPAIRMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Consolidated Media Holdings Limited	-	(3,402)
Seven West Media Limited	-	(161,781)
<b>Total impairment of investments accounted for using the equity method</b>	<b>-</b>	<b>(165,183)</b>

The Group received dividends of \$28,424,000 from its investments in equity accounted investees during the half year ended 31 December 2012 (2011: \$58,183,000). The \$28,424,000 (2011: \$11,261,000) was received in cash. In 2011, the balance received was in the form of additional shares as a result of participation in a dividend reinvestment plan.

### *Sale of investment in Consolidated Media Holdings*

On 21 November 2012, the Group sold its interest in Consolidated Media Holdings Limited ("CMH") as part of a scheme of arrangement by News Pay TV Financing Pty Ltd, a 100% owned subsidiary of News Corporation ("News") to acquire all of the ordinary shares in CMH.

The Group received total proceeds of \$491,270,000 and recognised a net gain on sale of \$50,055,000 in respect of the transaction.

# Notes to the Consolidated Financial Statements

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

	31-Dec-2012	30-Jun-2012
	\$'000	\$'000
<b>CURRENT</b>		
Interest bearing liabilities	158,850	283,985
Fixed term US dollar notes	52,966	-
Finance lease liabilities	336	647
	<b>212,152</b>	<b>284,632</b>
<b>NON-CURRENT</b>		
Interest bearing liabilities	499,314	942,004
Finance lease liabilities	806	770
Fixed term US dollar notes	564,044	627,770
Less: capitalised borrowing costs net of accumulated amortisation	(7,795)	(8,745)
	<b>1,056,369</b>	<b>1,561,799</b>

At 31 December 2012, the total available borrowing facilities included undrawn loan facilities of \$1,290,800,000 (30 June 2012: \$734,336,000) and lease and multi-purpose facilities of \$14,500,000 (30 June 2012: \$85,000,000). The Group also had access to unutilised short dated lines of credit totalling \$258,800,000 (30 June 2012: \$191,900,000).

# Notes to the Consolidated Financial Statements

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

	31-Dec-2012	30-Jun-2012
	\$'000	\$'000
<b>SHARE CAPITAL</b>		
307,410,281 ordinary shares, fully paid (30 June 2012: 307,410,281)	2,196,937	2,196,937
4,963,640 TELY54 preference shares, fully paid (30 June 2011: 4,963,640)	427,165	427,165
<b>Balance at end of the period</b>	<b>2,624,102</b>	<b>2,624,102</b>
<b>MOVEMENTS IN ORDINARY SHARES</b>		
Balance at beginning of period	2,196,937	2,188,687
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
<b>Balance at end of the period</b>	<b>2,196,937</b>	<b>2,196,937</b>

The company does not have authorised share capital or par value in respect of its issued shares. All issued shares are fully paid.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and preference shareholders and are fully entitled to any proceeds on liquidation.

	31-Dec-2012	30-Jun-2012
	\$'000	\$'000
<b>MOVEMENTS IN PREFERENCE SHARES</b>		
Transferable Extendable Listed Yield Shares – TELY54		
Balance at beginning of period	427,165	427,165
<b>Balance at end of the period</b>	<b>427,165</b>	<b>427,165</b>

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 the Bank Bill Swap Rate (BBSW) for 180 days plus Margin. The Margin is set at 4.75% subject to the Company's right of Conversion and Exchange. The cash dividend paid is reduced to the extent of any franking credits attached.

The current TELY54 Dividend Rate for the period 30 November 2012 to 30 May 2013 is 5.5860% per annum, fully franked.

There are no voting rights attached except in limited circumstances, in which case holders will have one vote per TELY54 held.

	31-Dec-2012	30-Jun-2012
	Number	Number
<b>OPTIONS ON ORDINARY SHARES</b>		
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	250,000
	<b>4,250,000</b>	<b>4,250,000</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
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## 11. RESERVES

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

	Acquisitions reserve \$'000	Employee equity benefits reserve \$'000	Common control reserve \$'000	Cash flow hedge reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Total \$'000
<b>At 30 June 2011</b>	<b>-</b>	<b>7,786</b>	<b>(642,586)</b>	<b>(12,088)</b>	<b>55,752</b>	<b>(123,671)</b>	<b>(714,807)</b>
Fair value movement on available-for-sale financial assets	-	-	-	-	(13,088)	-	(13,088)
Tax effect of net gain on available-for-sale financial assets	-	-	-	-	(587)	-	(587)
Net gain on cash flow hedges	-	-	-	28,476	-	-	28,476
Tax effect of net gain on cash flow hedges	-	-	-	(9,042)	-	-	(9,042)
Movement in reserves of associates	-	5,672	-	-	-	-	5,672
Currency translation differences	-	-	-	-	-	36,456	36,456
Acquisition of non-controlling interests	(43,475)	-	-	-	-	-	(43,475)
Share based payment expense	-	199	-	-	-	-	199
<b>At 31 December 2011</b>	<b>(43,475)</b>	<b>13,657</b>	<b>(642,586)</b>	<b>7,346</b>	<b>42,077</b>	<b>(87,215)</b>	<b>(710,196)</b>

### NATURE AND PURPOSE OF RESERVES

#### Acquisitions reserve

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

#### Employee equity benefits reserves

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

#### Common control reserve

The acquisition of WesTrac Group by the Company during the period ended 30 June 2010 was accounted for as a common control transaction. As a consequence, the difference between the fair value of the consideration paid and the existing book values of assets and liabilities of the WesTrac Group was debited to a common control reserve. Upon disposal of all interests in WesTrac Group by the Group this reserve would be transferred to retained earnings.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 11. RESERVES (CONTINUED)

### Cash flow hedge reserve

This reserve records the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

### Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

### Foreign currency translation reserve

This reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations.

## 12a. CASH AND CASH EQUIVALENTS

	31-Dec-2012	30-Jun-2012
	\$'000	\$'000
Bank balances	281,108	92,795
Call deposits	150,566	34,954
<b>Cash and cash equivalents</b>	<b>431,674</b>	<b>127,749</b>
<b>Cash and cash equivalents in the cash flow statement</b>	<b>431,674</b>	<b>127,749</b>

## 12b. NOTES TO THE CASH FLOW STATEMENT

	6 months to	6 months to
	31-Dec-2012	31-Dec-2011
	\$'000	\$'000
<b>Reconciliation of profit for the period to net cash flows related to operating activities:</b>		
<b>Profit after tax</b>	<b>257,958</b>	<b>61,806</b>
Depreciation and amortisation:		
Property, plant and equipment	26,259	26,061
Intangible assets	531	8,498
Capitalised borrowing costs	219	2,496
Share of results from equity accounted investees	(79,435)	(96,857)
Share option expense	-	199
Dividends received from associates	28,424	11,261
Other investment income	(11,576)	(10,590)
Net gain on sale of investments, equity accounted investees and subsidiary	(66,980)	(8,911)
Foreign exchange gain	-	(638)
Fair value movement of derivatives	8,620	3,066
Impairment of non-current assets	9,464	2,370
Impairment of equity accounted investees	-	165,183
Other	(3,781)	4,450
Movement in:		
Trade and other receivables	182,070	(76,843)
Inventories	91,813	(369,132)
Other assets	3,219	4,429
Trade and other payables	67,530	51,678
Provisions	19,895	27,179
Tax balances	88,603	(11,698)
<b>Net operating cash flows</b>	<b>622,833</b>	<b>(205,993)</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 13. DISPOSAL OF BUSINESS

### *Sale of Engin*

On 24 September 2012, the Group sold its interest in Engin to Eftel Limited ("Eftel") for \$9,100,000. Further information regarding the sale of Engin is available in the Company's ASX release dated 24 September 2012.

The Group has recognised a net gain on disposal of \$8,364,000 in respect of the transaction.

	<b>2012</b>
<b>Consideration</b>	<b>\$'000</b>
Cash received	9,100
<b>Total consideration</b>	<b>9,100</b>

	<b>2012</b>
<b>Effect of disposal on the financial position of the Group</b>	<b>\$'000</b>
Cash and cash equivalents	(968)
Trade and other receivables	(1,613)
Inventories	(192)
Property, plant and equipment	(956)
Deferred tax assets	(491)
Trade and other payables	2,512
Interest bearing loans and borrowings	356
Provisions	616
<b>Net assets disposed</b>	<b>(736)</b>

	<b>2012</b>
<b>Net gain on sale of subsidiary</b>	<b>\$'000</b>
Total consideration received for accounting purposes at fair value	9,100
Net assets disposed	(736)
<b>Net gain on sale of subsidiary</b>	<b>8,364</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

## 14. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements please refer to Notes 30 and 31 of the 2012 Annual Report.

## 15. EVENTS SUBSEQUENT TO BALANCE DATE

### MOVEMENT IN SHARE PRICES OF LISTED INVESTMENTS

Subsequent to 31 December 2012 there has been an increase in share prices and as a result, the market value of SGH's listed investments has increased from what is presented in this financial report. The market values of listed investments at 22 February 2013 compared to the market value at 31 December 2012, and other related derivatives were as follows:

	<b>Market value at 22 February 2013 \$'000</b>	<b>Market value at 31 December 2012 \$'000</b>
Listed investments (available-for-sale)	803,434	754,729
Listed investments accounted for using the equity method (refer to Note 8)	804,754	578,858
Derivative financial instruments linked to share prices (current liability)	663	121
	<b>1,608,851</b>	<b>1,333,708</b>



# Directors' Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

The Directors of Seven Group Holdings Limited (the "Company") are pleased to present their report together with the consolidated financial report for the half year ended 31 December 2012 and the review report thereon.

## DIRECTORS

The Directors of Seven Group Holdings Limited at any time during or since the end of the half year are:

NAME	PERIOD OF DIRECTORSHIP
<b>EXECUTIVE</b>	
Kerry Matthew Stokes AC (Executive Chairman)	Director and Executive Chairman since April 2010
Peter Joshua Thomas Gammell (Group Chief Executive Officer)	Director since February 2010
David John Leckie (Executive Director, Media)	Director since April 2010
James Allan Walker (Chief Executive Officer, WesTrac Group)	Director since February 2010
Bruce Ian McWilliam (Commercial Director)	Director since April 2010
Ryan Kerry Stokes (Chief Operating Officer)	Director since February 2010
<b>NON-EXECUTIVE</b>	
Peter David Ritchie AO (Deputy Chairman)	Director and Deputy Chairman since April 2010
Elizabeth Dulcie Boling	Director since April 2010
Terry James Davis	Director since June 2010
Christopher John Mackay	Director since June 2010
Richard Anders Uechtritz	Director since June 2010
Murray Charles Wells	Director since April 2010
<b>ALTERNATE</b>	
Robin Frederick Waters	Alternate director for PJT Gammell since April 2010

## NET CONSOLIDATED PROFIT

The consolidated profit of the Group for the half year ended 31 December 2012 after provision for income tax was \$257,958,000 (half year ended 31 December 2011: \$61,806,000).

## REVIEW OF RESULTS AND OPERATIONS

A review of operations and of the results of those operations in the form of the media release is attached and forms part of this Report.

## LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 25 and forms part of the directors' report for the half year ended 31 December 2012.

## ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated interim financial report and directors' report have been rounded off to the nearest one thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors



**PJT Gammell**  
Director

Sydney  
26 February 2013



*Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001*

To: the directors of Seven Group Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Kevin Leighton  
*Partner*

Sydney

26 February 2013

# Directors' Declaration

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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

1. the financial statements and notes set out on pages 3 to 23 are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



**PJT Gammell**

Director

Sydney  
26 February 2013



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

### **Report on the financial report**

We have reviewed the accompanying half-year financial report of Seven Group Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2012, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

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

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Seven Group Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



*Independence*

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

*Conclusion*

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Kevin Leighton  
*Partner*

Sydney

26 February 2013

26 February 2013

**Seven Group Holdings Limited announces record first half financial results.**

**SGH underlying EBITDA up 41 per cent on 38 per cent increase in revenue.**

**SGH underlying NPAT up 39 per cent.**

**Key Highlights:**

- Strong demand from the mining and resources sector saw WesTrac trading revenue grow 42.8 per cent to \$2,607 million.
- WesTrac Australia segment EBIT up 63 per cent to \$275.4 million.
- Strengthened balance sheet with Group net debt of \$836.8 million down from \$1,718.7 million at 30 June, driven by strong operating cashflow before interest and tax payments of \$776 million and \$336 million net sale of investments.
- Interim dividend increases 11 per cent to 20 cents per share.

Commenting on the results, Seven Group Holdings CEO Peter Gammell said: "This has been an exceptional half with WesTrac Australia benefitting from a high level of fleet deliveries and the Group's underlying earnings growth at 39 per cent is a great result.

"Strong operational cashflow and the sale of our investment in Consolidated Media Holdings brought down debt to low levels. This combined with the performance of the listed portfolio and the recovery in Seven West Media's share price means that SGH has a very strong balance sheet for the future," Mr Gammell said.

<b>Financial Results</b>	<b>Results for six</b>	<b>Results for six</b>	<b>% Change</b>
	<b>months ended</b>	<b>months ended</b>	
	<b>31 December 2012</b>	<b>31 December 2011</b>	
Trading revenue	\$2,704.2m	\$1,955.6m	38%
Underlying EBITDA	\$406.5m	\$288.6m	41%
Underlying EBIT	\$379.7m	\$254.0m	49%
Underlying profit before tax	\$315.4m	\$204.5m	54%
Underlying profit after tax	\$235.1m	\$169.3m	39%
Underlying EPS	\$0.72	\$0.46	54%
Reported profit before tax	\$352.1m	\$51.0m	590%
Reported profit after tax	\$258.0m	\$61.8m	317%
Statutory EPS	\$0.79	\$0.11	592%
Interim fully franked dividend per ordinary share	\$0.20	\$0.18	11%

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

26 February 2013 --- Seven Group Holdings Limited (SGH) today reported underlying net profit after taxation (NPAT) of \$235.1 million for the half year to 31 December 2012, an increase of 39 per cent over the prior corresponding period.

The Group reported a statutory NPAT of \$258.0 million. The result reflects the continuing strong performance of SGH's core business, WesTrac, which has benefited from the growth in Australia's coal and iron ore mining sectors. Whilst there has been a recovery in the iron ore price, which has increased activity from WesTrac's iron ore customers, the coal sector is now very subdued, which will affect WesTrac in New South Wales in the second half of this financial year.

The significant items during the period of \$22.9 million (after tax) predominantly relate to the \$50.1 million gain on the \$491 million sale of SGH's interest in Consolidated Media Holdings.

### **Dividend**

An interim dividend of 20 cents per share (fully franked) has been declared – up 2 cents per share on the prior corresponding period dividend.

## **Review of Businesses**

### **WesTrac Australia**

In Australia, WesTrac posted a record result for the half year as a result of some significant mining fleet deliveries with revenue and other income up 59 per cent to \$2,402 million and segment EBIT up 63 per cent to \$275.4 million. The strong levels of activity, particularly in the iron ore sector in Western Australia, experienced in the last quarter of the previous financial year continued into the new half year. The business launched its “Fit for the Future” programme which focuses on improving the service offering to customers and cost efficiency.

Also included in these results for the first time is the Bucyrus distribution and support business which was acquired by WesTrac in June 2012. This acquisition is trading in line with expectations and is earnings accretive in this financial year.

### **WesTrac China**

At WesTrac China revenue fell 28 per cent as a result of the sharp reduction in the excavator and construction markets, with segment EBITDA of US \$3.9 million on revenue and other income of US \$238.6 million. As a result of this downturn, WesTrac China has undertaken a significant restructure at a cost of \$9.5 million to resize the business to meet current market conditions. The business is well-placed for future growth. WesTrac China is focusing on reducing and managing inventory to reflect the changing equipment demands in that market and this has resulted in a positive operating cashflow of \$49 million for the period in review.

### **AllightSykes**

AllightSykes experienced a slowdown in activity, particularly in the domestic market as a result of mining sector customers scaling back on their capital expenditure programmes. With turnover falling 10 per cent to \$91.5 million and segment EBITDA down 13 per cent to \$5.3million, AllightSykes has undertaken a cost reduction restructure in the first half of the financial year, giving rise to a \$1.8 million cost which has been taken as a significant item.

### **Coates Hire**

SGH owns 45 per cent of Coates Hire Group. SGH recognises Coates Hire as an equity accounted investment and its results are not consolidated into SGH's financial results. Coates Hire delivered a 3 per cent increase in revenue to \$654.4 million and a 2 per cent increase in EBIT on the prior corresponding period to \$159.9 million. SGH's share of Coates Hire underlying NPAT is up 18 per cent on the prior corresponding period to \$30.3 million. A strategic review of ownership alternatives for Coates Hire is progressing.



## **Media Investments**

SGH's media investments include a 35.3 per cent shareholding in Seven West Media, and an 11.4 per cent shareholding in Prime Media Group. In November, SGH sold its 25.3 per cent shareholding in Consolidated Media Holdings for \$491.3 million, recording a \$50.1 million gain on its investment, which has been recorded as a significant item.

These businesses delivered a \$65.8 million segment EBIT contribution to SGH in the half year to 31 December 2012, a 9 per cent decline on the prior corresponding period reflecting a difficult overall advertising market and operating conditions and the sale of Consolidated Media Holdings during the period.

Seven West Media has reported revenues of \$977.9 million, EBIT of \$259.3 million and underlying NPAT of \$142.3 million. This result was down on the prior year but broadly in line with market expectations.

On 16 July 2012, Seven West Media announced an underwritten pro rata accelerated entitlement offer to raise \$432 million. The offer received strong support from institutional investors contributing approximately \$320 million including a \$146 million investment by SGH.

## **Other Investments**

The market value of SGH's listed portfolio as at 31 December 2012 was \$754.7 million, an increase of \$83.9 million during the period, comprising a fair value increase of \$127.6 million and net sales of \$43.7 million.

## **Outlook**

We continue to remain cautious regarding trading conditions in the second half of the year.

The first half Group result was exceptional and was driven by some significant large fleet deliveries by WesTrac. The second half will not see this level of product sales and we are therefore anticipating a more tempered second half with underlying Group NPAT returning to a level similar to the second half of 2012.

Our current expectation is that underlying Group NPAT for the 2013 full year will be up approximately 10 – 20 per cent on the prior year but would note that this is also subject to the timing of deliveries for large mining projects. The 2013 full year statutory results may also be impacted by the share price movement of Seven West Media.

Note:

Included in this release is data prepared by the management of Seven Group Holdings and other associated entities and investments. This data is included for information purposes only and has not been subject to the same level of review by the company as the statutory accounts and so is merely provided for indicative purposes. The company and its employees do not warrant the data and disclaim any liability flowing from the use of this data by any party.