

23 February 2016

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

#### By electronic lodgment

Total Pages: 30 (including covering letter)

Dear Sir / Madam

#### PRESENTATION OF RESULTS

Following is a copy of the Presentation of Results for the financial half-year ended 31 December 2015.

Yours faithfully

Warren Coatsworth Company Secretary







# SGH Industrial Services, Media, Energy and Investments

RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Presentation on 23 February 2016







## **Group Overview | Disclaimer**

#### **Basis of preparation of slides**

- Included in this presentation is data prepared by the management of Seven Group Holdings Limited ("SGH") and other associated entities and investments. This data is included for information purposes only and has not been subject to the same level of review by the company as the financial statements, so is merely provided for indicative purposes. The company and its employees do not warrant the data and disclaim any liability flowing from the use of this data by any party.
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- Period-on-period changes that are greater than 100%, less than (100)% or change between positive and negative are omitted for presentation purposes.

#### **Non-IFRS Financial Information**

- SGH results comply with International Financial Reporting Standards ("IFRS"). The underlying segment performance is presented in Note 2 to the financial statements for the period and excludes Significant Items comprising impairment of equity accounted investees, investments and non-current assets, fair value movement of derivatives, net gains on sale of investments and equity accounted investees, restructuring and redundancy costs, share of results from equity accounted investees attributable to Significant Items, fair value unwind of deferred consideration and one-off fees in finance income, acquisition transaction costs, legal settlements and unusual tax expense impacts. Significant Items are detailed in Note 3 to the financial statements and Slide 7 of this presentation.
- This presentation also includes certain non-IFRS measures including Underlying Net Profit After Tax (excluding Significant Items), total revenue and other income, Segment EBIT margin and Segment EBITDA margin. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review.

# **Group Overview | Our Businesses**



		Oar		
Industrial Services		SGH Ownership	Business Description	Strategic Position
WesTrac Australia	WesTrac CAT	100%	Cat dealer in WA and NSW/ACT	#1 equipment solution company in WA and NSW/ACT
WesTrac China	WesTrac 威斯特	100%	Cat dealer in five provinces in China	One of the leading equipment solutions companies in NE China
Coates Hire	coateshire	46%	Industrial and general equipment hire	Largest equipment hire company in Australia
AllightSykes	ALLIGHTSYKES	100%	Industrial lighting, pumps, generators	Leading OEM and distributor of lighting towers and pump solutions for mining and construction
Media				
Seven West Media	7 221	41%	Diversified media	Australia's largest diversified media audience company
- Seven Network	7 Two 7 male		- Broadcast	#1 television network in ratings and revenue in Australia
- The West	The West Australian		- Publishing	#1 media publishing company in WA
- Pacific Magazines	Pacific magazines		- Digital	#1 Australian owned magazine publisher
- Yahoo!7 / Other	YAHOO!			One of the largest digital platforms for desktop and mobile
Energy				
SCH Engrav	<b>SGH</b>   Energy	100%	Diversified oil and gas	Leveraged to growing East Coast gas demand
SGH Energy	BEACH Drijsearch	20%	Beach Energy / Drillsearch Energy	Merger to create Australia's leading mid-cap oil and gas company
Investments				
Listed Portfolio		100%	Listed investments	Store of value and additional return for the Group
Property Portfolio		100%	Direct and indirect property	Proven ability to create value through realisation of property assets

# **Group Overview | Highlights**

#### Result within quidance range

- Underlying EBIT of \$167.2m down 4% on pcp and Statutory EBIT of \$12.1m after Significant Items of \$155.1m including \$182.2m impairment of SWM investment
- Robust result reflects the strength of the mining production cycle and operating businesses are demonstrating resilience
- Successfully reducing cost base for current trading conditions

## Driving cash flow through the cycle

- Continued strong underlying EBITDA cash conversion of 114%
- Targeting working capital velocity to generate incremental free cash flow

#### Product sales revenue growth in WesTrac Australia

- Product sales up 9% on pcp with growth in market share
- Product support revenue down 5% on pcp driven by price compression, in-housing of maintenance and reduced critical inventory held by miners

## Strong balance sheet

- Balance sheet flexibility sets SGH apart with significant undrawn facilities and the listed investment portfolio which provides added liquidity
- Extension of syndicated facility demonstrates continued bank support

## Capital management to enhance shareholder return

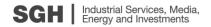
- 20cps ordinary dividend declared, fully franked 59% underlying payout ratio and 12.4% gross yield (S&P/ASX 200 Industrials: 5.2% gross)
- Refreshed buy-back capacity of 16.6 million shares demonstrates the value seen in the Group
- Confidence in ongoing free cash flow generation supports broad capital management



# **Group Overview | Key Financials**

Underlying Results	1H FY16	1H FY15	% Change
Trading revenue	\$ 1,368.6 m	\$1,397.8 m	-2%
Earnings before interest and tax (excluding Significant Items) 1	\$ 167.2 m	\$ 175.0 m	-4%
Underlying net profit after tax (excluding Significant Items) 1	\$ 111.6 m	\$ 118.7 m	-6%
Underlying earnings per share (excluding Significant Items) 1	34 cents	35 cents	-3%
Underlying EBITDA cash conversion (excluding Significant Items) 1,2	114%	141%	-27%
Statutory Results	1H FY16	1H FY15	% Change
Statutory Results  Trading revenue	<b>1H FY16</b> \$ 1,368.6 m	<b>1H FY15</b> \$ 1,397.8 m	% Change
Trading revenue	\$ 1,368.6 m	\$ 1,397.8 m	-2%
Trading revenue  Earnings before interest and tax	\$ 1,368.6 m \$ 12.1 m	\$ 1,397.8 m \$ (96.1) m	-2% -
Trading revenue  Earnings before interest and tax  Reported net profit after tax for the period	\$ 1,368.6 m \$ 12.1 m \$ 7.1 m	\$ 1,397.8 m \$ (96.1) m \$ 69.2 m	-2% -

<sup>2.</sup> Refer to slide 9 for detail of EBITDA cash flow conversion



<sup>1.</sup> Refer to slide 7 for listing of Significant Items

# **Financials | Profit and Loss**

			•
\$m	1H FY16	1H FY15	Change %
Revenue	1,368.6	1,397.8	-2%
Other income	48.3	59.4	-19%
Share of results from equity accounted investees	59.3	53.1	12%
Total revenue and other income	1,476.2	1,510.3	-2%
Expenses (excl. depreciation, amortisation and interest)	(1,289.3)	(1,311.6)	-2%
Underlying EBITDA	186.9	198.7	-6%
Depreciation and amortisation	(19.7)	(23.7)	-17%
Underlying EBIT	167.2	175.0	-4%
Net finance costs	(43.6)	(33.5)	30%
Underlying net profit before tax	123.6	141.5	-13%
Underlying tax expense	(12.0)	(22.8)	-47%
Underlying NPAT	111.6	118.7	-6%
Significant Items (incl. tax impact)	(104.5)	(49.5)	-
Statutory NPAT	7.1	69.2	-90%
Profit attributable to shareholders of SGH	6.5	68.5	-91%

- ▶ Please refer to the Appendix 4D for the detailed statutory results
- ▶ Significant Items are further summarised on slide 7

# **Financials | Significant Items**

\$m	1H FY16	1H FY15
Impairment – SWM equity	(182.2)	(195.5)
Impairment – WesTrac China distribution network	-	(71.4)
Gain on sale of investments and MtM on derivatives	2.3	8.5
Restructuring, redundancy, transaction and other costs	(2.6)	(6.1)
Share of equity accounted investees' Significant Items	18.1	(17.3)
Other items	9.3	10.9
Significant Items – EBIT	(155.1)	(271.1)
Finance income	-	16.3
ATO formation valuation settlement	-	142.3
Tax expense on Significant Items	50.6	63.0
Significant Items – NPAT	(104.5)	(49.5)
Statutory NPAT	7.1	69.2
NPAT excluding Significant Items	111.6	118.7

# **Financials** | **Earnings Summary**

\$m	Total	WesTrac	WesTrac	Allight	Coates	Media	Energy	Other	Other
Ψ…	Group	Aus	China	Sykes	Hire	Invest.	Lifeigy	Invest.	Other
Revenue	1,368.6	1,067.2	258.2	39.4	-	-	3.8	-	-
Statutory EBIT	12.1	85.1	7.8	(0.5)	2.5	(123.9)	(4.8)	56.1	(10.2)
Add unfavourable Significant Items									
Impairment – SWM	182.2	-	-	-	-	182.2	-	-	-
Mark-to-market on derivatives	5.4	-	(0.6)	-	-	-	6.6	(0.6)	-
Restructuring, redundancy, other costs	4.7	-	2.6	-	-	2.1	-	-	-
Subtract favourable Significant Items									
Gain on sale of assets	(27.9)	-	-	-	-	-	-	(27.9)	-
Other items	(9.3)	-	-	-	-	-	-	(9.3)	-
Underlying EBIT – 1H FY16	167.2	85.1	9.8	(0.5)	2.5	60.4	1.8	18.3	(10.2)
Underlying EBIT – 1H FY15	175.0	87.2	12.8	(3.2)	8.4	58.6	2.7	19.8	(11.3)

## Financials | Cash Flow

\$m	1H FY16	1H FY15
Underlying EBIT	167.2	175.0
Add: depreciation and amortisation	19.6	23.7
Underlying EBITDA	186.9	198.7
Operating cash flow	201.9	238.4
Add: interest and other costs of finance paid	38.7	43.3
Net income taxes refunded	(1.0)	(7.4)
Add back: restructuring costs	2.5	1.4
(Less) / add: other cash Significant Items	(28.3)	4.7
Underlying operating cash flow	213.8	280.4
EBITDA cash conversion	114%	141%
Operating cash flow	201.9	238.4
Investing cash flow	(100.3)	(26.9)
Financing cash flow	(102.9)	(1.5)
Net (decrease) / increase in cash and cash equivalents	(1.3)	210.0
Cash and cash equivalents at end of period	305.0	341.8
Opening net debt	1,344.6	1,069.3
Movement in net debt	64.5	(14.2)
Closing net debt	1,409.1	1,055.1

- ► EBITDA cash conversion reflects improved inventory and contract management in China
- ► Investing activities includes:
  - \$20m relating to WesTrac Australia, primarily the S3 implementation
  - \$26m relating to energy capex
  - \$27m relating to other energy investments
  - \$20m relating to media investments
  - \$4m in listed portfolio investments

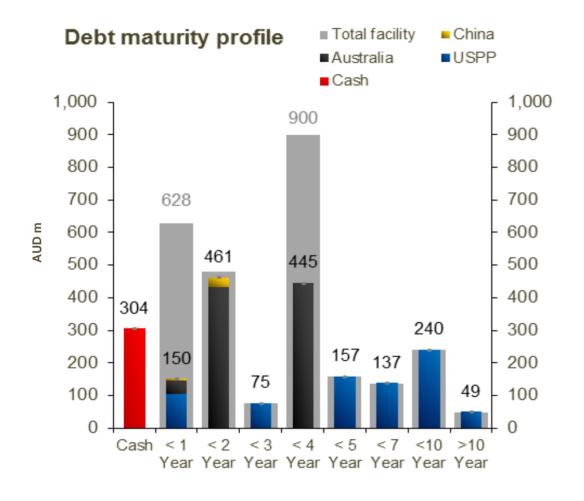
## Financials | Balance Sheet

\$m	As at 31 Dec 15	As at 30 Jun 15	Change %
Trade and other receivables	514.9	489.2	5%
Inventories	933.7	929.2	0%
Investments	1,750.0	2,124.8	-18%
Property, plant and equipment	180.6	216.3	-17%
Oil and natural gas assets	429.8	447.0	-4%
Intangible assets	695.9	665.5	5%
Other assets	53.8	41.7	29%
Trade and other payables	(384.8)	(381.9)	1%
Provisions	(149.0)	(177.9)	-16%
Net tax assets/(liabilities)	28.4	(80.8)	-
Deferred income	(253.7)	(222.5)	14%
Derivative financial instruments	142.2	103.4	38%
Net debt	(1,409.1)	(1,344.6)	5%
Total shareholders equity	2,532.7	2,809.4	-10%

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

- Decline in investments largely due to SWM impairment of \$182m and mark-to-market of listed investments within the Group's energy segment of \$182m
- ▶ Movement in net tax liabilities mainly reflect above changes in SWM and listed energy investments
- ▶ Movement in provisions primarily due to completion of Plug and Abandon activities at Crux of \$28m
- Movement in deferred income includes \$22m relating to advanced payments on Tier 1 energy systems customers in China
- Movement in derivatives is mainly due to effective hedging on US\$ notes

# **Financials** | Debt Maturity Profile



- At 31 December 2015, the Group had \$951m of available undrawn borrowing facilities
- Current "<1 year" debt includes a \$109m USPP tranche that matures in August 2016 as well as a number of offshore facilities and short term OEM facilities that are regularly rolled over for further terms and are categorised as current due to their short dated nature
- Facilities have a weighted average tenor of 3.6 years at 31 December 2015
- \$850m of the Corporate Syndicated Facility extended for a further year at current pricing in February 2016
- Additional \$40m OEM facility signed
- Demonstrates continued credit support for the Group with key financiers looking through the cycle

# **Financials** | Capital Management

#### Our aim is to

- Ensure an efficient capital structure by maintaining prudent levels of gearing and retaining access to multiple capital markets
- Retain sufficient balance sheet flexibility to fund the working capital needs of operating businesses

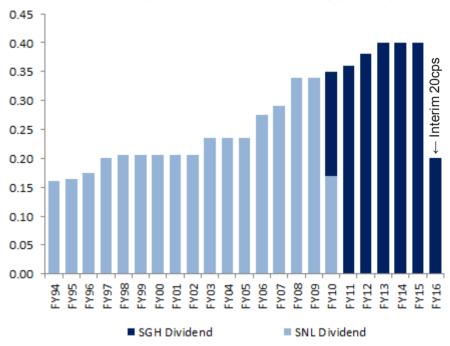
## **Enhancing shareholder value**

- Maintaining the dividend over time
- Optimising non-core assets such as property and listed portfolios to enhance cash flow generation and EPS accretion
- Focus on using growth and investment opportunities to create long-term value for shareholders

## **Share buy-back**

- Share buy-back volume of 14.7m shares as of 31 December 2015 out of 17.7m total shares in current buy-back program
- Buy-back capacity to be refreshed to 16.6m shares
- Demonstrates the belief that SGH's intrinsic value exceeds current trading levels and confidence in strong recurrent free cash flow

#### Ordinary Dividend Per Share History (Annual)



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

# **WesTrac Australia**



WesTrac's market-leading equipment and service delivers reliability to the mining production phase

## Industrial Services | WesTrac Australia

#### **Maintenance opportunities**

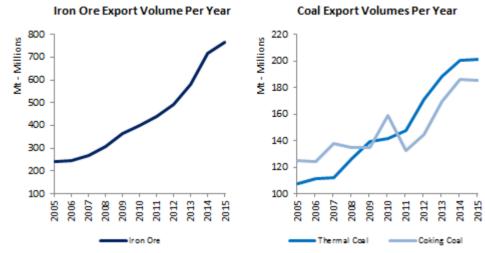
- Average mining fleet age of approximately 8 years
- Restricted mining capital expenditure and short term maintenance deferment programs will result in increased future maintenance

#### **Production volumes**

- Commodity price volatility has not dented export volumes
- Large ageing installed base of mining equipment will continue to generate maintenance work as customers seek to maximise production

#### Unit sales trend positive in NSW

- Significant pick up in NSW heavy construction and general construction markets, reflected in both new and used equipment unit sales, and consistent with the rising infrastructure spend in the state
- Used machine sales in both WA and NSW shows the demand for high quality, low hour used equipment with WesTrac after sales support
- WA mining and heavy construction unit sales remain depressed although sales have been of higher value equipment
- Strengthening of WA used market, particularly in mining, which supports the Cat whole-of-life value proposition as miners seek to optimise fleet operating costs



Source: Australian Bureau of Statistics, Bloomberg

Cat Equipment Utilisation	WA	NSW	Total
Machine population	14,121	13,830	27,951
Mining population	4,082	1,402	5,484
Utilised mining population	3,111	1,241	4,352
% mining utilisation	76.2%	88.5%	79.4%

#### **Equipment Average Age (Years)**

Machine population Mining population	12.1	14.3	13.2
	7.8	8.6	8.0
Utilised mining population Idle mining population	6.7	7.8	7.0
	11.2	14.1	11.6

Source: Cat PTOS ver 3.2 DCAL - December 2015

## Industrial Services | WesTrac Australia

#### Trading revenue and margins in line with pcp

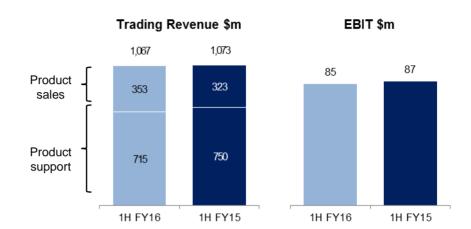
- Product sales up 9% on the prior comparative period
  - New equipment sales up 5% on pcp
  - Used equipment sales up 54% on pcp
- Growth in maintenance opportunity as equipment progresses along the maintenance lifecycle
- Focus on remaining the preferred supplier of equipment and related solutions in the mining and construction industries

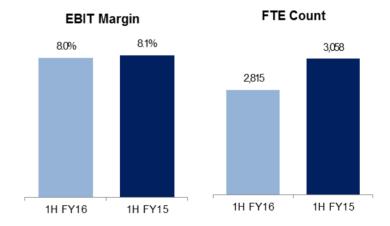
## Product support revenue decline of 5% on pcp

- Aggressive competition for service work with mining services firms looking to offset project losses with maintenance revenue
- Customers continue to focus on cost reduction strategies
- Increase in number of parts lines of 2% on pcp, however, margin is under continued pressure notwithstanding market share gain
- Miners reducing critical inventory and relying more on WesTrac's size. scale and overall service offering

## Focus on cost control to preserve margins

- Headcount reduction of 243 FTE or 8% of the workforce on pcp
- Restructuring activities of prior periods is preserving overall profitability
- EBIT margin maintained through improved productivity
- Continued focus on optimising workforce to match market demand
- Targeting reduction in working capital to sales ratio to generate future cash flow improvement





# **WesTrac China**



China has a growing need for engines and generators to supply power and backup systems to a range of industries

## Industrial Services | WesTrac China

#### Profitability and positive cash flow

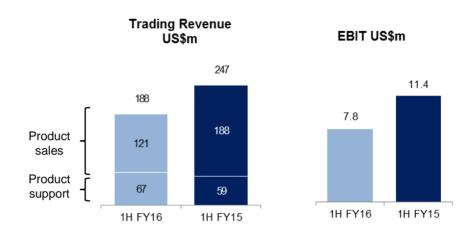
- Delivered EBIT of US\$7.8m and an EBIT margin of 4.1%
- The decline reflects a challenging market where the property sector is in a protracted downturn with hydraulic excavator sales down 36% YoY
- Rebuild centre disrupted as a result of proximity to the Tianjin chemical explosion, however operations are now successfully restored
- Growth in product support revenue reflects a maturing services business

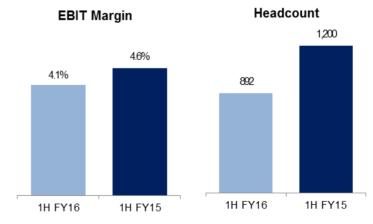
## Strong focus on working capital management

- Operating cash flow of US\$42.2m on EBITDA of US\$9.2m with further improvement in working capital targeted
- Cash flow driven by inventory reduction and earlier cash flow realisation through enhanced contract management in the power systems business
- FTE headcount reduced by 26% on pcp coupled with branch closures in remote provinces

#### **Growth in new markets and products**

- Growing ancillary businesses such as OEM undercarriages to diversify exposure to hydraulic excavator market
- Used machine unit sales up 75% on pcp and 25% on preceding half, demonstrating an emerging market for second hand equipment in China





Note: EBIT margin is calculated on trading revenue plus other income

# **Coates Hire**



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

## Industrial Services | Coates Hire



#### Trading conditions are competitive

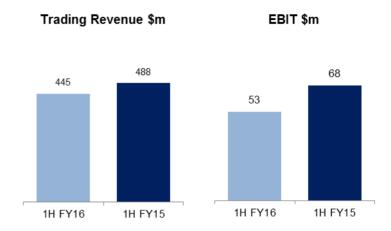
- Competing aggressively to win back market share
- Revenue down 9% on pcp. particularly in WA and Queensland
- Construction and infrastructure opportunities seen in NSW
- Negatively impacted by slowdown of major mining projects and CSG-LNG projects nearing completion
- Financial strain on competitors as evidenced by the number entering administration and liquidation

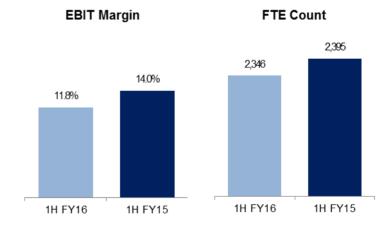
## **Delivering on strategic initiatives**

- East coast construction and infrastructure growth is supporting the transition of equipment from the west coast
- Top line growth supported by deep customer relationships as evidenced by 3% sales increase on the preceding six months
- Continued refinement of cost structure
- Increased asset availability through 15% reduction in redline equipment

## Disciplined balance sheet management

- Net debt maintained with comfortable covenant headroom despite \$81m net fleet investment including \$50m in equipment acquired from distressed competitors during the period
- Senior debt facility matures in September 2019 and provides certainty and stability to undertake future business initiatives and growth strategies
- Improved debtors ageing trends





#### Notes:

- 1. Coates Hire is an equity accounted investment and not consolidated by SGH.
- 2. SGH's economic interest in Coates Hire is 46.4% based on diluted interest after considering vesting conditions for options issued under the Coates Hire Management Equity Plan

# Media



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

## Media | Seven West Media



## Content strategy progressing – creation & delivery

- Maintained leadership in television revenue and ratings share.
- Launched live 24/7 streaming of 7, 7mate, 7TWO and Racing.com
- Content production and program sales continuing strong growth

#### Solid result in a difficult market

- Profit after tax up 2.1% on pcp
- EBIT down 9.4% despite 4% cost reduction

## Disciplined cost & capital management

- Strong balance sheet with net debt of \$655m and 1.7x leverage
- Disciplined on-market share buy-back of up to \$75m

#### **Outlook for FY16**

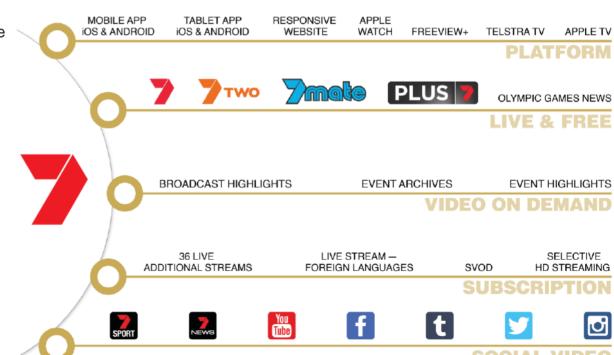
- TV advertising market to remain flat, while publishing advertising market trends to continue
- Program sales and third party production to deliver double digit growth
- FY16 operating cost to be lower year on year
- Maintain guidance for underlying EBIT for FY16 expected to be 10% lower than FY15

\$m	1H FY16	1H FY15	Change
SWM share of associate NPAT <sup>1</sup>	57.5	43.6	32%
Other investment income <sup>2</sup>	2.9	15.0	-81%
Segment EBIT Contribution	60.4	58.6	3%

#### Notes:

- 1. Excludes the Group's share of SWM's \$1.1bn impairment write-off in H1 FY15 as this amount was lower than the cumulative impairment recognised by SGH
- 2. Other income includes \$13.8m RCPS accretion in the prior comparative period and dividend income from other media investments

#### Seven's multimedia audience strategy in action for the Rio Olympics



# **Energy**



SGH Energy is positioned for future growth in East Coast and Asian demand for energy

## **Energy | Asset Overview**

## Energy demand set to grow in medium to long-term

- Recent developments in the East Coast market strengthen the case for a gas shortage in the medium term
- Exposure to thematic provided by Gippsland assets (Longtom and Gemfish) and 20% investment in merged Beach / Drillsearch
- Disciplined capital allocation, dependent on oil price outlook
- No impairment required as a result of judicious acquisitions

Ginns	land	Rasin I	(Longtom,	Gemfish)	
Cippo	MIIM	Daoiii	(Longronn,		,

- Longtom long-lead items delivered to Victoria and Tasmania for storage
- Current environment expected to yield reductions in future drilling and subsea costs
- Longtom start-up targeted for January 2018 and currently working through a range of commercialisation options

## **Browse Basin (Crux)**

- Auriga discovery is currently under evaluation
- Crux P&A was completed significantly below budget during the half
- Further assessment of Crux development concepts taking place in 2016

#### **US Onshore (Bivins Ranch)**

- Drilling activity scaled back with focus on preserving capital while meeting minimum lease commitments
- Significant development upside remains in the Canyon Lime play with potential to target and prove-up additional zones

Energy Total \$m	1H FY16	1H FY15
Revenue	3.8	5.2
Other income	3.8	0.3
Expenses (excl. interest and corporate)	(4.1)	(1.2)
Segment EBITDA	3.5	4.3
Depreciation and amortisation	(1.7)	(1.6)
Segment EBIT	1.8	2.7

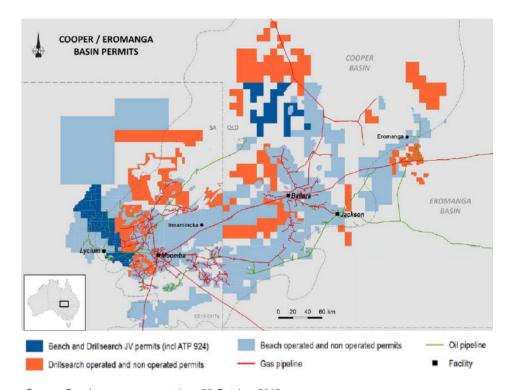
#### **Beach and Drillsearch Investment Energy**

#### Investment rationale

- East Coast gas thematic was a key driver of the investment in Beach and Drillsearch, along with:
  - Processing and pipeline infrastructure already in place in the Cooper Basin
  - Quality asset positions in Western Flank oil and SACB / SWQ joint venture
  - Strong balance sheet of both companies positioning them for future growth
  - Potential for consolidation in the Cooper Basin

#### **Merger benefits**

- Synergy and operating efficiency target of ~\$20m per annum within two years announced by Beach and Drillsearch
- SGH believes that greater value can be extracted in a shorter time frame, particularly given that Beach operates >90% of Drillsearch production
- Range of measures in the current environment need to include:
  - Additional unit production cost reductions on par with others in the sector
  - Additional corporate cost savings in occupancy and workforce
  - Optimisation of capital allocation decisions and high-grading of exploration targets in the Cooper Basin
  - Tax and PRRT benefits
- Merged company will be positioned for growth with a strong balance sheet
  - Focus needs to be on expanding the position of strength on the East Coast



Source: Beach merger presentation, 23 October 2015

# **Investments**



SGH continues to realise value from its property portfolio

# **Investments | Profit and Loss**

\$m	1H FY16	1H FY15	Change %
Revenue	-	-	-
Other income	19.2	20.9	-8%
Share of results from equity accounted investees	0.2	0.3	-33%
Total revenue and other income	19.4	21.2	-8%
Expenses (excluding interest and corporate)	(1.0)	(1.2)	-17%
Segment EBITDA	18.4	20.0	-8%
Depreciation and amortisation	(0.1)	(0.2)	-50%
Segment EBIT	18.3	19.8	-8%

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

# **Investments** | Property and Listed Portfolios

#### Realising value from our existing property assets

- Delivered \$37m in pre-tax profit from realisation of property assets
- Practical completion of Kings Square KS3 on 3 July 2015
- KS4 settled on 22 September 2015
- Development approval received for Kings Square KS6 and KS7 as residential developments with 563 apartments
- Stage 1 marketing of Seven Hills (Dianella) underway with early committed sales of display lots to project builders awaiting contract execution

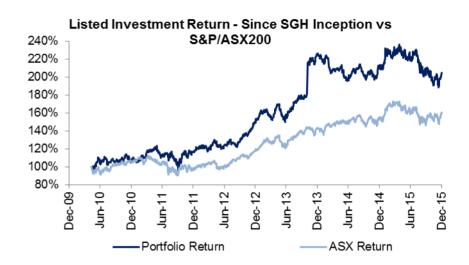
## Listed portfolio provides a store of value

- Portfolio characterised by high liquidity and high yielding holdings
- Cumulative unrealised gain of \$193m deferred to reserves
- \$68m unrealised economic loss during the year
- (6.3)% pre-tax YTD total return versus 0.3% total return for S&P / ASX 200
- Dividend yield on portfolio of 7.4% (gross annualised basis)

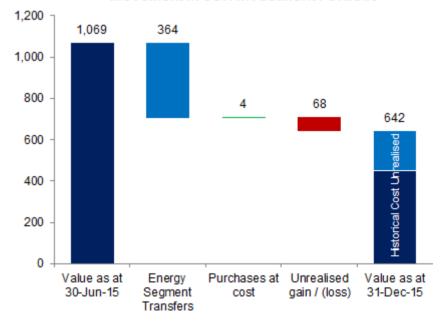
#### Major movements in portfolio

Investments in Beach Energy and Drillsearch Energy recognised within Energy segment from 1 July 2015

Note: The listed investment portfolio as at 31 December 2015 excludes the interests in SWM, Prime, Beach and Drillsearch



#### Movement in SGH Investment Portfolio



# **Outlook** | Key Takeaways and Questions

Sustained focus on cost control and efficiency to ensure our businesses are well positioned and resilient to market circumstances

Committed to enhancing shareholder value through capital management initiatives supported by improvement in net working capital and a sustainable dividend policy

At this early stage of the second half, the Group has not revised its full year guidance and maintains its previous guidance that the FY16 underlying EBIT result will be 10% below FY15, subject to there being no further deterioration in market conditions

