

17 November 2016

Company Announcements Office  
ASX Limited  
Level 6  
20 Bridge Street  
Sydney NSW 2000

***By electronic lodgement***

Total pages: 22 (including cover letter)

Dear Sir / Madam

**Annual General Meeting Addresses & Presentation**

Attached is a copy of the Chairman's Address and Managing Director & Chief Executive Officer's Address to be made at the Annual General Meeting commencing at 10:30am today, along with Presentation slides.

Yours faithfully



**Warren Coatsworth**  
Company Secretary

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## **Seven Group Holdings**

### **Annual General Meeting**

#### **Executive Chairman's Address**

During the year, the Board continued its process of succession and renewal.

Ms Annabelle Chaplain was appointed to the Board on 24 November 2015, fulfilling the commitment made at last year's AGM to appoint a female Director to our Board.

The Board considers that Ms Chaplain's experience in investment banking, financial services, mining, engineering and major infrastructure services adds further depth and strength to the Board and its Committees and that Ms Chaplain will make a valuable contribution to the Company.

I also acknowledge that Professor Murray Wells has elected to retire as a Director of the Company effective at the end of today's Annual General Meeting.

Murray's career has been full of achievements.

Murray completed his Bachelor of Commerce and Masters of Commerce degrees at the University of Canterbury in New Zealand before joining the University of Sydney where he completed his PhD.

In 1973 Murray was appointed to a Chair in Accounting at the University of Sydney and held that position until his retirement in 1997. He also served as Dean of the Faculty of Economics and was the Foundation Director of the Graduate School of Business at the University of Sydney.

On his retirement from the University of Sydney, Murray was recognised with the title of "Emeritus Professor".

Murray's doctoral thesis earned the "Hourglass Award" from the Academy of Accounting Historians for the best book on accounting history published that year.

Murray was a founding Committee member of the 'International Association for Accounting Education and Research' which was formed in 1984.

He also served as a State President and National Councillor of CPA Australia.

On reviewing Murray's extensive list of professional achievements, the full list was too long to recount here but included being inducted into the Australian Accounting Hall of Fame in 2012 in recognition of his outstanding contribution to the accounting discipline.

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On behalf of the Board, I thank Murray for his long and distinguished service as a Director of our Company and its predecessor entities, particularly for his contribution as Chairman of the Audit & Risk Committee.

On reflecting on Murray's involvement with the Group, I recall that he was one of the few professional directors who questioned some of the underlying tenets of IFRS and highlighted that proposed hedge accounting anomalies were potentially inconsistent with both good financial governance and commercial best practice. It is interesting to note that many of the subsequent amendments to IFRS have attempted to address some of the unintended consequences that Murray predicted.

Finally I would note that whilst some observers have questioned Murray's independence purely as a result of his years of professional service to the Group, I would note that his ethics and integrity always ensured his independence and his counsel to me and the Board was invaluable.

Thank you, Murray.

Annabelle Chaplain has been appointed Chair of the Audit and Risk Committee following Murray's retirement. The Board welcomes the expertise and diligence that Annabelle will bring to this role.

#### **Chairman's Address**

For the past twelve months your Company has continued to respond to challenging market conditions.

Our objectives have been clear:

- Ensure that we have the best teams in place to manage our diversified portfolio of market leading businesses;
- Compete hard for market share in each of the industries in which we operate;
- Work collaboratively with our customers to provide innovative solutions to the problems and challenges that our customers face;
- Increase our investment in our own technology infrastructure, upgrading our systems and processes to make us more agile and prepared for future opportunities;
- A disciplined approach to enhancing the option value inherent in our energy assets; and
- We have done this while taking a disciplined approach to our costs and our capital management and driving efficiencies across all of our businesses.

By following this strategic approach, it was satisfying that we outperformed our 2016 earnings guidance and maintained our fully-franked dividend.

Our industrial services business, WesTrac, exemplifies how we have implemented the objectives I have just mentioned.

Australia is producing and exporting record volumes of iron ore in Western Australia and coal in New South Wales.

WesTrac is well positioned to service and support our customers in this strong production cycle. WesTrac is working collaboratively with its customers to optimise their cost structure, focusing on productivity and working capital improvements. This is an important initiative, and whilst the Board acknowledges the results to date, there is much more we plan to do in order to fully capitalise on the current production cycle.

We are particularly excited by the success of the CAT Autonomous Haulage Solution, which is allowing customers such as FMG to achieve world leading productivity performance.

WesTrac's refined cost structure and recurrent revenue will support its profitability until the resource industry transitions into the next capital replacement cycle. Given the current average age of the installed fleet operating in our territories, reinvestment in fleet is anticipated over the next few years. WesTrac's customer solutions, the quality of its fleet, and its service advantage will ensure that it is well placed to capture a positive share of this future investment.

In media, Seven West Media has maintained leadership in television ratings for the 10th consecutive year, and also maintained leadership in revenue share, while continuing the transformation of the company and extending its market-leading presence across online and new forms of content delivery.

Seven West engages with all Australians and connects its audiences with advertising and marketing partners across all screens.

The success of Seven West's Olympic Games coverage – which set new benchmarks in content delivery and consumption – underlines this approach and provides a clear indication of Seven West's future.

Driving this future is our belief in the power of free-to-air television, which allows our customers to build their brands like no other medium. We believe television advertising in broadcast quality environments remains profoundly effective in terms of advertising impact and return on investment for clients.

Seven's free to air television, working together with Seven West's assets in online, magazines and newspapers, provides its customers with measureable outcomes and measurable reach.

There has been a growing awareness that the credible measurement systems and certainty of audience reach in Television is something that is not shared by many digital-only outlets. We believe this issue will continue to come into greater focus for our advertisers.

Seven West is also focussed on leveraging its strengths in content production.

My Kitchen Rules – a Seven creation – has secured significant international agreements with Seven producing local versions in many markets, including the United Kingdom and the United States.

Over the financial year Seven West grew its program sales and third party commissions revenue by 92 per cent.

We are also pleased that following Seven West's acquisition of The Sunday Times and PerthNow, The West Australian will now provide a seven day per week offering to its readers. Seven West will benefit from the synergies and opportunities that this acquisition provides.

The West Australian will ensure the continuation of The Sunday Times' proud history.

The Board has maintained your dividend through this challenging cycle whilst making efficient use of available capital via the share buy-back to enhance shareholder returns.

As of yesterday, the effect of the buy-back has been to generate an 82 per cent post tax return for shareholders. To this end, the Board elected to extend the ordinary share buy-back to the TELYS4 shares allowing the value to be captured should its price again fall below intrinsic value.

Shortly, Ryan will take you through the strategy for each of our businesses.

Our businesses are market leaders, our management teams are strong, and our capital position remains robust and prepared for potential opportunities to deliver shareholder value.

We are market leaders in the fields in which we work, because we invest in our businesses with leading infrastructure, delivery processes and experience, and we provide our customers with the best products coupled with the best service.

Finally, I would like to thank our management teams across our operating businesses and the SGH team. Together with the approximately 4,300 employees, they continue to adapt to the ever changing environment and ensure our businesses remain strong and competitive.

Without their tireless effort and commitment this financial result could not be achieved.

The Board and I appreciate their efforts, commitment and contribution to deliver such a strong 2016 result whilst repositioning the Group for the next phase of growth. Your Board is focused on driving greater returns for all shareholders, and, on behalf of the Board, I thank you, our shareholders, for your continuing support and commitment to the Company.

## **Seven Group Holdings**

### **Annual General Meeting**

#### **CEO and Managing Director Address**

It has been another year of change at Seven Group Holdings and I appreciate the opportunity to address you, our shareholders, on our plans for your company.

Our focus remains on how we continue to shape and position our businesses for success in the current environment. We aim to better service and support our customers, increase our use of data to drive our business decisions, and strengthen the culture of performance across the Group.

Over the last 12 months I have been pleased with the progress made and while there is still work to be undertaken the environment appears slightly improved for our industrial service businesses.

Safety remains at the core of everything we do. Running an efficient and successful business requires us to run a safe business where safety matters. This is important for our employees and our customers and we believe safety is paramount to our success.

Pleasingly lost time and injury frequency rates are improving across all our operating businesses but there is still a long way to go. Pleasingly for WesTrac NSW we have recently passed 900 days LTI-free.

The trend continues in a positive direction and we are focused on how we can ensure the cultural values and behaviours support our safety objectives.

The overall result is a positive one for the company and reflects the demand for equipment and maintenance as the resource production cycle remains strong. The momentum of change from the cost structure refinements that we started three years ago can also be seen today across our businesses.

Our Group revenue of \$2.8 billion was up 2 per cent on the prior year. We achieved underlying EBIT of \$303 million, whilst down 4 per cent on the prior year, was 6 per cent ahead of guidance. Statutory NPAT of \$198 million represents a \$557 million turnaround on the prior year.

A key focus is to drive strong cashflow through the disciplined management of working capital – note the underlying EBITDA cash conversion of 112 per cent up from the 99 per cent recorded in FY15 and FY14. We maintain a strong balance sheet with ample liquidity.

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Disciplined capital management is essential to delivering sustainable shareholder returns through the cycle. Shareholder value was enhanced through the unchanged dividend of 40 cents fully-franked for the year continuing the Group's dividend commitment to shareholders.

In addition, the Group continued the value accretive share buy-back reflecting our confidence in the free cash flow generation of the Group. This value is reflected in the current share price we see today.

The Company broadened the buy-back program to include TELYS4 shares which resulted in a re-rating its share price. While no further shares have been acquired since the release of the full year results in August, the Company is well positioned to take advantage of any market dislocations.

Our balance sheet strength and funding capacity provides valuable support to our operating businesses to grow through the cycle.

Our strategy focuses on the delivery of solutions to our customers who are core to our efforts. Through the use of technology and data analytics we remain agile – anticipating and responding to the various needs of our customers. We continue to find ways to enhance how we service and support our customers and capture available opportunities.

Data and technology remains a key focus area to ensure that we can continue to improve performance across our businesses and better support our customers' requirements. We continue to look at how we can better use and create value from data and information across the Group.

To achieve these objectives our culture is evolving within the framework of our core values. We continue to invest in people, processes and systems to ensure ongoing success.

We remain focused on the opportunities provided by the commodity production cycle and the infrastructure opportunities particularly in NSW. Record iron ore and coal production together with an increase in the average mining fleet age presents ongoing product support opportunities for our business, and we are starting to realise these opportunities.

The recent strength of commodity prices is helping build confidence in our customers' plans to maximise production and productivity. Our investment in capacity of parts and service facilities will help enable us to meet this demand profile.

Customers have been rationalising inventory levels, relying on WesTrac's ability to turnaround parts using predictive algorithms and automated stock picking capabilities increasing our ability to Deliver In Full and On Time.

The Autonomous Haulage Solution that CAT has developed is leading the market and enabling our customers to achieve record machine productivity in the Pilbara. We are exploring ways to deploy this technology with other customers.

In China, we have been pleased with the growth of our market share in excavators. While the market has contracted over the last few years we are seeing signs of positive momentum in the infrastructure sector.

At the same time, we are building a broader business with power generation opportunities and mining, along with evolving service and parts sales activity.

We have seen some initial encouraging responses to stronger coal prices.

It has been a challenging market for the last few years and we have been pleased with the performance of the team. Our focus remains on improving our profit performance in the current market environment through effective cost management and margin improvement.

Coates has delivered on their commitment to recover market share through deeper customer relationships. The focus has been on fleet efficiency and availability by improving redline and run up times while at the same time streamlining fleet size and the branch network.

The business is very well positioned for the stronger infrastructure activity on the east coast and we have benefited from the ability to move equipment from west to east and leverage our market-leading position. We are pleased with the team's response to these opportunities and their focus on improving revenue and profit performance.

Deleveraging will remain a central focus area with disciplined fleet investment and divestment and working capital management. The company has paid down debt through the year and continues to perform well.

Seven West Media has delivered on its clear focus on content creation and leadership in ratings and circulation. At the same time it has grown its audience through multiple delivery platforms while maintaining cost discipline. This will reposition the company, ensuring its future success.

Free to air television remains the best way to build brands and influence outcomes – it is the largest aggregation of audiences of any medium, and initiatives such as Think TV promote this strength. There is no better way to achieve reach. The team are working hard to reshape the business model for the future operating environment.

The company has completed the acquisition of the Sunday Times in Perth. This will provide opportunities to enhance the print operations in the West and integration with Seven Perth.

The disciplined investment in new production and digital ventures provides opportunities that broaden the Seven West Media business and can benefit from the significant audience reach.

Beach Energy has benefitted from the Drillsearch merger, allowing the consolidation of shared permits, streamlining of costs and optimisation of the capex budget. The new management team is working to extract maximum value from existing assets while taking a disciplined approach to finding the right growth opportunities in new basins. Beach is well positioned in the East Coast gas market and has great capacity for future growth.



Within our SGH Energy portfolio, we continue to conserve capital while pursuing various opportunities to unlock value from our assets.

Longtom is “drill ready” and its position in the Gippsland Basin provides exposure to rising demand for gas in the East Coast market. In the LNG market, there is growing focus on backfill opportunities rather than costly new LNG projects and this is where our Crux asset is strongly positioned. At Bivins Ranch, we are drilling within cash flow and the resource potential remains vast.

### **Outlook**

We believe we are well positioned in both the resource production and infrastructure cycles within WesTrac and Coates, also with the East Coast gas market through our energy interests.

Our efforts over the past two years to stabilise the business have gained traction. We continue to focus on our cost base and how we can enhance customer driven solutions across our businesses.

Today we reaffirm the guidance provided at our full year results announcement that FY17 underlying EBIT is expected to be in line with FY16.

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Industrial Services, Media,  
Energy and Investments

Annual General Meeting  
17 November 2016

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

## Basis of preparation of slides

- ▶ Included in this presentation is data prepared by the management of Seven Group Holdings Limited (“SGH”) and other associated entities and investments. This data is included for information purposes only and has not been subject to the same level of review by the company as the financial statements, so is merely provided for indicative purposes. The company and its employees do not warrant the data and disclaim any liability flowing from the use of this data by any party.
- ▶ SGH does not accept any liability to any person, organisation or entity for any loss or damage suffered as a result of reliance on this document. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, and are subject to variation. All forward-looking statements in this document reflect the current expectations concerning future results and events. Any forward-looking statements contained or implied, either within this document or verbally, involve known and unknown risks, uncertainties and other factors (including economic and market conditions, changes in operating conditions, currency fluctuations, political events, labour relations, availability and cost of labour, materials and equipment) that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by any forward-looking statements.
- ▶ Unless otherwise indicated, all references to estimates, targets and forecasts and derivations of the same in this material are references to estimates, targets and forecasts by SGH. Management estimates, targets and forecasts are based on views held only at the date of this material, and actual events and results may be materially different from them. SGH does not undertake to revise the material to reflect any future events or circumstances.
- ▶ Period-on-period changes that are greater than 100%, less than (100)% or change between positive and negative are omitted for presentation purposes.

## Non-IFRS Financial Information

- ▶ SGH results comply with International Financial Reporting Standards (“IFRS”). The underlying segment performance is presented in Note 2 to the financial statements for the period and excludes Significant Items comprising impairment of equity accounted investees, investments and non-current assets, fair value movement of derivatives, net gains on sale of investments and equity accounted investees, restructuring and redundancy costs, share of results from equity accounted investees attributable to Significant Items, loss on sale of investments and derivative financial instruments, acquisition transaction costs, significant items in other income, remeasurement of tax exposures and unusual tax expense impacts. Significant Items are detailed in Note 3 to the financial statements.
- ▶ 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.

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## Safety

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

## WesTrac Australia Life Saving Rules

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



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



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



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



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



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



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



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



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



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



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

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

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

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

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

## Result ahead of guidance

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

## Product sales growth in WesTrac Australia

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

## Sustained focus on cash conversion

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

## Strong balance sheet

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

## Capital management to enhance shareholder return

- ▶ 40cps total ordinary dividend declared, fully franked
- ▶ Buy-back program extended to TELYS4 shares of up to 10% of shares on issue
- ▶ Confidence in free cash flow generation and management's view of underlying value supports a broader capital management program



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## Dividend unchanged

- ▶ Policy of maintaining the dividend has provided reliable cash returns for shareholders over an extended period of time
- ▶ TELYS4 dividends have been paid consistently since first issued by Seven Network Limited in 2002 prior to the creation of SGH in 2010
- ▶ Optimisation of non-core assets such as the property has enhanced cash flow generation and EPS accretion
- ▶ Focus on using growth and investment opportunities to create long-term value for shareholders

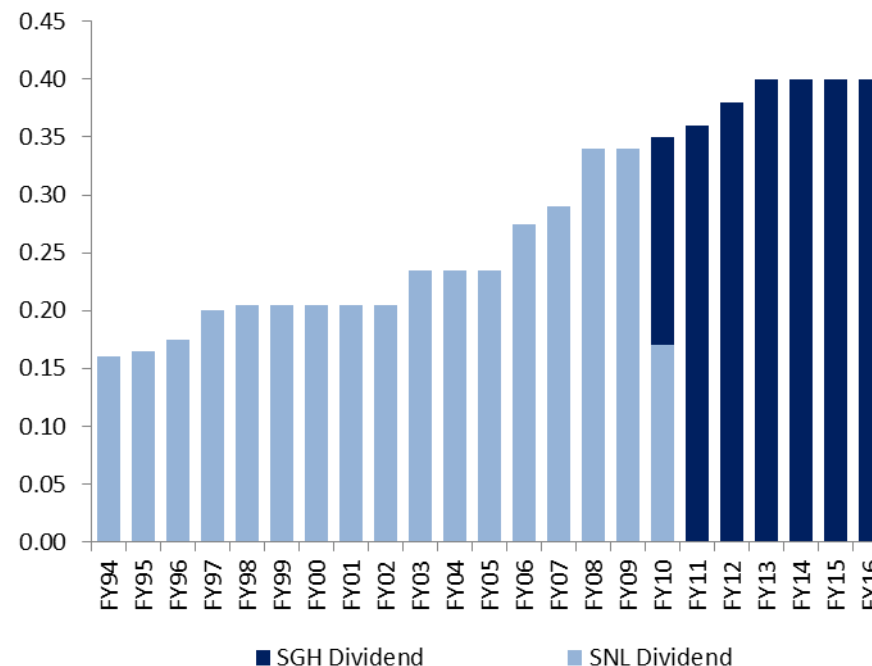
## Share buy-back extended to TELYS4 shares

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

## Strong balance sheet and liquidity

- ▶ At 30 June 2016, the Group had \$955m of available undrawn borrowing facilities in addition to the listed investment portfolio of \$622m.
- ▶ Facilities had a weighted average tenor of 4.0 years while drawn debt had an average tenor of 5.3 years at 30 June 2016

Ordinary Dividend Per Share History



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

## Customer focussed solutions

- ▶ Autonomous Haulage Solutions (“AHS”) have yielded substantial efficiency improvements at WesTrac
- ▶ In China , stand-by power solutions providing almost 100 megawatts of back up power for the largest bank owned data centre in the world
- ▶ Coates Hire increased market share through its focus on deeper customer relationships while streamlining its branch network
- ▶ SWM again delivered the most audience share and commenced live streaming of its broadcast channels

## Data Driven

- ▶ WesTrac ERP (operations, sales, marketing, CRM) will deliver efficiency benefits through better integration with major customers
- ▶ Interrogating customer data and using predictive algorithms to improve parts velocity at WesTrac
- ▶ Improved customer service through enhanced digital channels, mobility based CRM systems and e-commerce platforms
- ▶ SWM investing in disruptive business models such as Airtasker, HealthEngine and SocietyOne

## Emphasis on SGH culture

- ▶ Our performance as a company depends on the attitudes of the entire team
- ▶ Our culture is one of performance which requires us to challenge the status quo while working collaboratively, encouraging innovation and accepting accountability.

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## Continued focus on the production cycle

### Parts and service opportunities

- ▶ Iron ore export volume growth of 5% in FY16 coupled with an increase in average mining fleet age provides a large parts and service opportunity
- ▶ Focus on leveraging our capacity for volume and velocity; reflected in 2% growth in lines of parts shipped to >5m and improved DIFOT from parts distribution centres
- ▶ Service and parts offering enhancements through customer data analytics and predictive algorithms

### Defend market share in mining

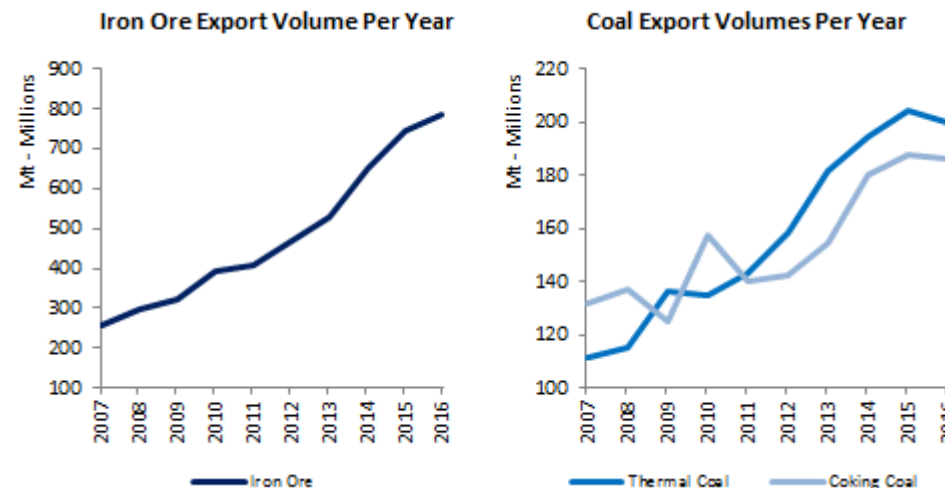
- ▶ Focus on leveraging CAT technological enhancements e.g. AHS
- ▶ Provide value added solutions

### Increase market share in construction and infrastructure

- ▶ Significant pick up in NSW heavy and general construction markets in both new and used equipment unit sales – consistent with rising infrastructure spend in the state

### Lower cost to serve

- ▶ Facility rationalisation and consolidation to deliver cost efficiencies and future growth opportunities
- ▶ Develop e-commerce and B2B solutions



Source: Australian Bureau of Statistics, Bloomberg

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

### Equipment Average Age (Years)

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

Source: PTOS ver 3.2 DCAL - June 2016



# Key Initiatives | WesTrac China

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## Grow machine sales

- ▶ Take advantage of projects such as the One Belt, One Road program and the new Beijing airport
- ▶ Partner with SOEs to deliver equipment into Chinese sponsored offshore projects

## Extend non hydraulic excavator (HEX) business

- ▶ Leverage CAT's global recognition for power systems to provide stand-by power solutions. Enhancements in low methane content, gas engines provide environmentally favourable solutions
- ▶ Developing ancillary businesses such as OEM amphibious excavators, frontless excavators and crawler undercarriages to diversify sales base

## Low cost operating model

- ▶ eBiz and other mobile apps will improve customer accessibility while reducing costs
- ▶ Focus on overhead management

## Optimise working capital

- ▶ Contract management, inventory optimisation and debtor management



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## Safety leadership & culture

- ▶ LTIFR at 2.6 down from 3.0 last year continued

## Increase share of wallet

- ▶ Increased market share through improved equipment availability and account management
- ▶ Data driven analytics to improve pricing strategies

## Unlock the benefits of scale

- ▶ Focus on labour productivity and utilisation and procurement strategies
- ▶ Deliver Customer Contact Centre improving accessibility for customers
- ▶ Relocate fleet to optimise returns

## Disciplined debt management

- ▶ Focus on debt reduction through sustained cash management and disciplined capex oversight

## Organisation & culture

- ▶ Continued investment in upskilling people to enhance customer experience



## Continued focus on content creation

- ▶ Largest Australian producer of premium video content
- ▶ Increasing presence in content production and program sales in Asia, Europe and the USA
- ▶ 7Productions, 7Wonder and 7Beyond now producing over 750 hours of scripted, factual, kids and reality programming every year

## Develop new ventures

- ▶ Core focus on Social, Mobile, Video and e-commerce across Seven Network, Pacific and The West digital properties
- ▶ Building and investing in new disruptive models e.g. Airtasker, SocietyOne, Nabo, HealthEngine

## Grow audiences: lead in video, social, mobile and data

- ▶ Maintain industry leadership in ratings and circulation
- ▶ Accelerate mobile products
- ▶ Ongoing refinement of print cost base coupled with leveraging of print content across digital and new products
- ▶ Acquisition of Sunday Times and PerthNow completed, yielding improvements in scale benefits and print cost synergies for the business in WA while delivering complementary audiences to The West.



## Strategic stake in Beach Energy

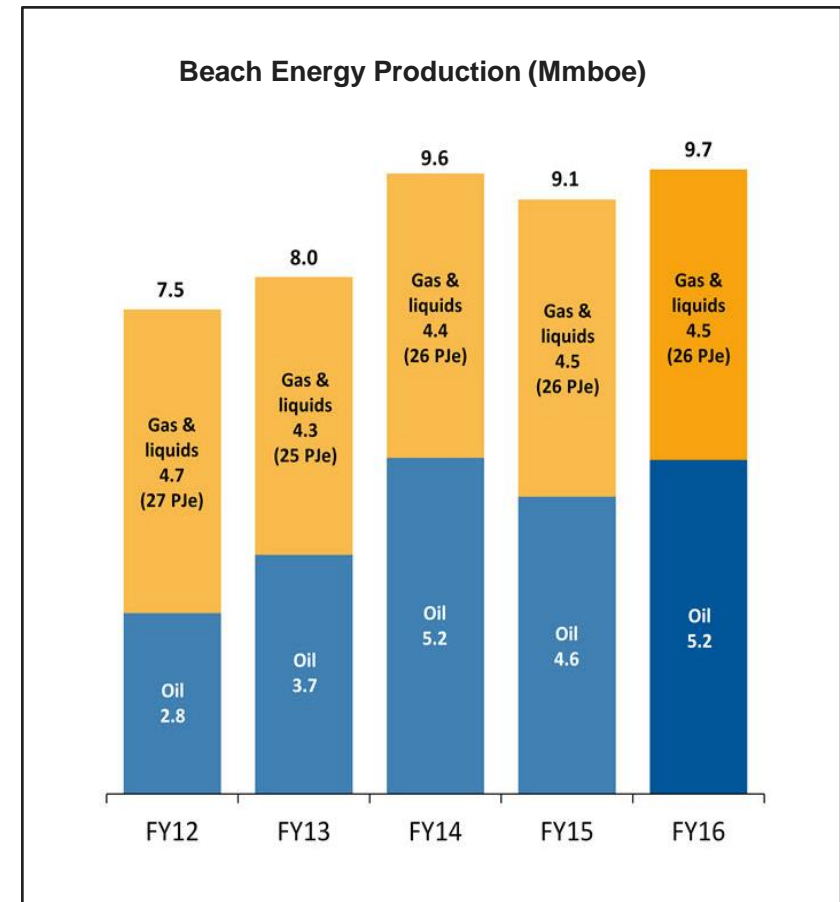
- ▶ 22.9% ownership of Beach with Board representation
- ▶ Uniquely positioned to rising East Coast Gas market and the leading mid cap energy company in Australia
- ▶ Australia's largest onshore oil producer with a major gas business
- ▶ Record production of 9.7MMboe – 53% oil, 47% gas and gas liquids with record quarterly production of 2.9MMboe in Q1 FY17
- ▶ Cashflow breakeven of US\$26 per barrel
- ▶ Pre-tax synergies confirmed totaling \$40m in FY17

## Focus on extracting value from SGH portfolio

- ▶ Longtom is “drill ready” with long-lead items delivered; currently working through a range of commercialisation options
- ▶ Crux (Browse Basin) is a longer term investment which provides multiple backfill development options
- ▶ Bivins (US onshore) potential to ramp up on a sustained oil price rise

## Disciplined approach to capital deployment

- ▶ Maintain lean operating overhead to reflect market activity
- ▶ Focus is on cost of capital return on assets held



Reaffirm existing market guidance for FY17

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

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

Continued Group-wide cost management programs have positioned the Group to take advantage of potential increased activity given the rebound in bulk commodity prices



## Agility Meeting Change

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

*"We are actually getting a little better than that 20% [improvement in productivity] out of them at the moment." From an operating cost point of view, we're still doing a bit of work on this, the numbers are actually looking far better than we expected them to."*

Nev Power, CEO FMG  
S&P Global Market, 28 October 2016

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