

22 August 2018

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

By electronic lodgment

Total Pages: 15 (including covering letter)

Dear Sir / Madam

YEAR END RESULTS PRESENTERS' NOTES

Please find attached Presenters' Notes for the Presentation of Results for the financial year ended 30 June 2018.

Yours faithfully

For and on behalf of Seven Group Holdings Limited



Warren Coatsworth
Company Secretary

Results Release – Year Ended 30 June 2018

Slide 1 – Ryan Stokes

Opening Slide

Good morning and welcome to the Seven Group Holdings results presentation for the year ended 30 June 2018.

I am Ryan Stokes, CEO and Managing Director.

With me today is Richard Richards, Group CFO, who will present the financial results for the year.

Slide 2 – Ryan Stokes

Disclaimer

This is our standard disclaimer. On to slide 3.

Slide 3 – Ryan Stokes

Group Overview

Our theme for this year is “Focus on Execution”. I am pleased to say that the Group has delivered this across many facets of our business during the year – operational, financial and transactional. I am proud of our people across our businesses and SGH who have contributed to this outcome.

On to slide 4.

Slide 4 – Ryan Stokes

People, Safety and Culture

Starting with safety, it remains a key focus across the Group. While our Lost Time Injury Frequency Rate has slightly deteriorated in the past year, we are continually striving for better. We have started to see improvement and all five-and-a-half thousand employees of the Group and our contractors commit and take ownership of workplace health and safety.

More broadly, we are building on our people and culture initiatives. Our aim is to bring the best out of our people, by leveraging diversity and creating an open, engaged and inclusive workforce.

On to slide 5.

Slide 5 – Ryan Stokes

Strategic Framework

This slide outlines our strategic framework. Our objective is clear: to maximise return to shareholders through long term sustainable value creation.

The way in which we achieve this is through the five core values of the Group and the growth enablers that set the foundation of how we drive operational performance.

This year has seen success in many of our key focus areas and likewise our share price has performed well. We remain resolute on adding value to the businesses that we operate and invest in, and being disciplined with our application of capital.

On to slide 6.

Slide 6 – Ryan Stokes

Group Timeline

In the eight years since SGH was formed, the Group has successfully managed through many changes in our underlying sectors and key investments. FY18 is a year that saw more activity than most. This slide provides an overview of the activity over the last 12 months, as we repositioned the Group through the sale of WesTrac China, acquisition of Coates Hire, and increased investment in Beach Energy.

At the same time, we enhanced an already strong balance sheet through:

- An equity raising that brought new investors onto the register and increased our free float;
- Convertible notes issue that diversified our funding base and lowered our cash interest costs; and
- Refinance of our corporate syndicated facility to provide additional capacity and tenor.

On to slide 7.

Slide 7 – Ryan Stokes

Group Businesses

The successful execution of these initiatives has shaped the Group structure we see on this slide. Industrial services represents the majority of value to the Group. WesTrac and Coates Hire provide leading equipment solutions to major mining, construction and infrastructure customers.

We are invested in the Australian energy sector through Beach Energy and SGH Energy, benefitting from the dynamics of the East Coast gas market, and additional exposure to West Coast domestic gas and LNG exports.

In media, we are the largest shareholder in Seven West Media, which is delivering on its operational cost focus program and debt reduction, while continuing its dominance in free-to-air television and content production.

Our other investments in offshore media, listed securities and property assets provide a store of value and the opportunity for additional yield and return.

On to Slide 8.

Slide 8 – Ryan Stokes

Group Highlights

FY18 was a year of growth and transformation, underpinned by strong operational and financial results across the Group.

We achieved Group EBIT of \$497 million from continuing operations, a growth rate of 67 per cent on FY17. On a pro-forma basis, adjusting the prior year to reflect the current ownership in Coates Hire and Beach Energy, the EBIT growth is 32 per cent, and ahead of the 20 to 25 per cent guidance range.

WesTrac achieved 23 per cent growth in EBIT, contributing an additional \$38 million to the Group result. Mining parts demand continues to be solid.

Coates Hire achieved 21 per cent growth in EBIT as the infrastructure investment pipeline continues to build. Time utilisation was up, average hire values increased, and the business is benefitting from numerous initiatives undertaken by management to drive operational efficiency.

Beach Energy has undergone its own transformation in FY18 through the acquisition of Lattice Energy. The resultant growth in Beach's production and reserves, synergy benefits, along with a sustained increase in oil and gas prices in Australia dollar terms, helped to deliver an increase of \$45 million to Group EBIT.

Today we have announced an offer to convert TELYS4 shares to ordinary shares at \$92.50 per share. The proposal, which is subject to a TELYS4 shareholder vote, benefits both sets of shareholders through EPS accretion, increase in free float and greater index weighting in the ASX and potentially MSCI indices.

On to slide 9.

Slide 9 – Ryan Stokes

Key Financials

On a continuing operations basis, underlying EBIT for the year was up 67 per cent to \$497 million. Underlying net profit after tax was up 72 per cent to \$322 million.

Underlying earnings per share was 97 cents, up 70 per cent on the prior year.

Underlying EBTIDA cash conversion for the year was 54 per cent, lower than FY17, given the increased investment in inventory within WesTrac, together with a higher proportion of earnings from equity accounted investments.

On a statutory basis, EBIT was \$570 million and statutory net profit after tax was \$405 million as a result.

Today we have declared a final fully franked ordinary dividend of 21 cents per share.

I will now hand over to Richard to take you through the Group's financials for the full-year.

Richard.

Slide 11 – Richard Richards

Financials: Profit and Loss

Slide 11 provides both the statutory and underlying net profit after tax for the year. I refer you to the Financial Statements for the detailed statutory presentation.

As Ryan has highlighted, the Group upgraded guidance a number of times during the year, it is therefore particularly pleasing that today's result exceeded this guidance, with underlying EBIT of \$497 million up 32 per cent against FY17 pro-forma. The performance reflects three main factors.

The first being the impact of consolidating Coates earnings from October 2017 together with the step up in earnings in Beach resulting from the Lattice acquisition.

The second factor is the capture of revenue opportunities by WesTrac and Coates provided by the mining production cycle, infrastructure investment in the eastern states, and growing construction activity in WA and NSW.

The third factor is the solid operational performance achieved across the Group, with continuing discipline on costs and focus on operating cash flow conversion.

Consolidated revenue was up \$926 million or 41 per cent. Product sales revenue of \$688 million was up \$110 million or 19 per cent. Equipment sales to the construction sector in WA and NSW were particularly strong, by contrast new equipment sales to mining customers were lower than historical average and down 8 per cent year on year.

Product support revenue of \$1.9 billion was up \$167 million or 10 per cent with growth achieved in all markets including a resurgent NSW mining demand. Also included in consolidated revenue is \$644 million in hire revenue from Coates Hire post acquisition.

Ryan will discuss each segment's specific financial result later in his presentation.

Other income increased by 26 per cent, principally because of \$14 million in distributions from our investment in an unlisted offshore media fund. Partially negating this was a \$3.6 million reduction in dividend income due to portfolio divestments and lower payout ratios from the portfolio.

Results from equity accounted investees improved 19 per cent, primarily due to a \$45 million increase from Beach.

Expenses, excluding depreciation and amortisation, increased by 30 per cent to \$2.8 billion. Within this, the rise in materials cost of inventory and sales of 13 per cent to \$1.7 billion was consistent with pro-forma revenue growth. Employee benefits expense increased from \$433 million to \$637 million. Excluding the consolidation of Coates, this was up by 7 per cent, and consistent with the 8 per cent increase in WesTrac FTEs over the year. The growth in headcount was primarily in recoverable staff necessary to support the growth in operating activity.

The relative difference between revenue and expense growth reflects the operating leverage inherent in the Group and contributed to the 96 per cent increase in EBITDA to \$643 million.

Depreciation and amortisation increased by \$115 million, reflecting the consolidated depreciation on Coates' rental fleet.

Underlying financing costs increased by \$20 million, primarily due to the interest attributable to Coates for the year since acquisition.

The Group's effective tax rate of 18.6 per cent increased 5.3 per cent, reflecting a reduction in franked dividends received, tax profile of earnings from Coates and non-assessable post tax profits from equity accounted investments.

Slide 12 – Richard Richards

Financials: Significant Items

Significant items reflect non-recurrent items that arose during the year. These items totalled \$83 million after tax and increased the underlying net profit after tax of \$322 million to \$405 million on a statutory basis excluding discontinued operations. Including the \$10 million profit contribution of WesTrac China for the year, further increases the statutory profit to \$416 million.

Significant items related to a \$74 million net gain on sale of WesTrac China.

Other items increasing statutory profit include an impairment reversal of \$29 million for our investment in SWM to reflect current market value, a fair value revaluation of \$15 million for the equity in Coates, and \$8 million relating to the gain on sale and mark-to-market of derivatives and investments.

Items reducing statutory profit include an impairment of \$29 million of S3 Program costs in WesTrac, \$17 million in the Group's share of Significant Items mainly referable to Beach's shift its accounting for exploration costs, and \$11 million in other non-current asset impairments including the Echuca Shoals exploration permit.

Slide 13 – Richard Richards

Financials: Earnings Summary

Slide 13 details the underlying EBIT result across each segment, providing a reconciliation to statutory EBIT with an allocation of the significant items from Slide 11 across both continuing and discontinuing operations.

Slide 14 – Richard Richards

Financials: Cash Flow

Slide 14 outlines the cash flow summary and is presented exclusive of discontinued operations for the current year and inclusive of discontinued operations for the comparative given the timing of the sale of WesTrac China.

Underlying operating cash flow was \$253 million. This represents underlying EBITDA cash conversion of 54 per cent, down from 86 per cent in the prior year excluding WesTrac China. The change reflects the continued investment in working capital in WesTrac, given the strength of the mining demand pipeline, and stocking inventory to counteract increased lead times from Cat.

Cash conversion is also impacted by the increased proportion of non-cash profits from equity accounted investments. However, in the case of both Beach and SWM, their FFO has been used to reduce their leverage.

Cash flow from investing activities utilised \$216 million and includes \$488 million relating to the acquisition of Coates, \$118 million additional investment in Beach, \$107 million in consolidated Coates capital expenditure, \$43 million in other capital expenditure in WesTrac and SGH Energy, and \$23 million in net investments in offshore media. These outflows were offset by \$535 million from the sale of WesTrac China and \$31 million from the sale of listed investments.

Cash flow from financing utilised \$102 million, comprising outflows of \$682 million in net debt repayments and \$150 million in ordinary and TELYS dividends, substantially funded by \$385 million in net proceeds from the Company's institutional and retail equity raise, \$344 million in net proceeds from the convertible note issue, plus existing cash reserves.

The net cash outflow for the year was \$65 million, increasing the balance of cash and cash equivalents to \$105 million. Net debt, after considering foreign exchange movements and debt acquired with Coates, increased by \$728 million to \$2 billion.

Slide 15 – Richard Richards

Financials: Balance Sheet

The Group's net assets increased by \$410 million to \$2.8 billion primarily due to the impact of the equity raise and net increase in retained earnings for the year, partially reduced by unfavourable movements in the carrying value of the listed portfolio.

Trade and other receivables increased \$244 million, of which \$184 million was due to Coates. Trade debtors in WesTrac increased given the growth in sales, albeit DSO reduced by 3.1 days to 29 days.

Inventories increased by \$174 million due to higher stock levels held by WesTrac. Although, turnover metrics in the business improved in both WA and NSW during the year. WesTrac has also seen a doubling of committed new equipment sales to the mining sector compared to the same time last year, supporting the Group's decision to invest to enable continued growth.

The value of investments reduced by \$199 million, primarily due to Coates becoming a wholly-owned subsidiary.

Intangible assets increased \$1.2 billion, reflecting the goodwill and Coates brand name recognised on acquisition. Also impacting intangible assets was a \$29 million impairment of capitalised costs of Phase 2 of WesTrac's S3 Program. The write-off follows the Group's decision to terminate its engagement with SAP during the year. The Group could not gain comfort on a successful implementation of their proposed solution and was unwilling to jeopardise its parts and service business.

Derivative financial instruments movement of \$41 million largely reflects the recognition of the embedded derivative within the convertible note of \$61 million due to the Group currently having insufficient placement capacity. The fair value of this embedded derivative will be reclassified once shareholder approval is obtained at the 2018 AGM in November. This movement was partially offset by fair value movements in foreign exchange contracts used to hedge WesTrac's USPP notes.

Net deferred tax liabilities of \$263 million represent an increase of \$140 million on the prior year. The increase is attributable to the net deferred tax liabilities and technical goodwill recognised on acquisition of Coates of \$59 million as well as the derecognition of deferred tax assets on the Group's listed investments and utilisation of carried forward revenue and capital tax losses.

Slide 16 – Richard Richards

Financials: Capital Management

Shareholder support has remained strong and has been rewarded via the delivery of TSR of 81 per cent in FY18, ranking second in the ASX 100. This places us 5th and 7th over three and five years respectively, highlighting this has not been an aberration.

In September last year, the Group raised \$385 million through an institutional share placement and share purchase plan. This has directly improved the institutional acceptability of the Group, with free float increasing by 8 per cent to 34 per cent, and new institutional shareholders who have been introduced onto the register, pleasingly remaining in place.

In February, the Group issued a \$350 million convertible notes, the first hybrid debt to be successfully executed by an Australian ASX 100 issuer within the past two years. This has reduced the Group's cash interest costs by capturing the margin differential of approximately 400 basis points. It also diversified our lending base and increased duration.

Importantly, it repositioned us with the bank market which has this month allowed us to refinance the corporate syndicated facility, increasing the facility size from \$900 million to \$1.3 billion, and extending tenor in 3 and 5-year tranches.

Finally, today we have declared a final, fully franked ordinary dividend of 21 cents per share.

We have also enjoyed increased analyst coverage, the majority of whom have now removed the holdco discount historically attributed to SGH.

Slide 17 – Richard Richards

Financials: TELYS4 Proposal

Not resting on our laurels, we are focused now on targeting foreign investors and achieving MSCI inclusion. In support of this, today we announced a proposal to seek TELYS4 holders consent to convert their TELYS into ordinary shares unifying the capital structure.

The TELYS4 share price has not enjoyed the same re-rating as the ordinary shares. The Group was approach by TELYS4 holders to provide a potential liquidity event. This is particularly relevant in light of proposed amendments to the franking system that if enacted may limit the ability for self-managed superannuation funds and individuals to obtain cash refunds for excess franking credits. This could reduce the effective cash yield for some TELYS investors by up to 30 per cent.

The Group has therefore proposed an amendment to the terms of the TELYS4 shares, supported by an offer to convert to ordinary shares at \$92.50 using a 30 day VWAP or sell on market up to 50 per cent of shares at a guaranteed value of \$88.00 per share.

The conversion price represents a 15 per cent premium to the current TELYS4 price and an 14 per cent premium taking into consideration the 30-day VWAP against closing price. To place this into context, the TELYS4 shares have not traded above the conversion price since 2014. The proposal also benefits both sets of shareholders, through EPS accretion, an increase in free float by up to 5 per cent, and greater index weighting in the ASX and potentially MSCI inclusion.

The proposal is subject to a TELYS4 vote that will take place on 24 September 18.

Slide 18 – Richard Richards

Financials: Debt Maturity Profile

Slide 18 presents our debt maturity profile, demonstrating a strong and diversified funding base available to the Group and increased tenor as a result of the refinance.

At 30 June 18, the Group held \$2.8 billion in total facilities with \$411 million available to be drawn and \$105 million in available cash and equivalents. We fully repaid the \$1 billion in Coates debt that was acquired during the year, utilising corporate facilities and cash along with proceeds from the convertible notes issued. This has optimised the Group's funding cost differential.

The successful self-executed refinancing of the corporate syndicated facility has increased the average facility tenor from 3.4 years to 4.4 years. The increase in facility size, extended tenor, and improved pricing was achieved through the positive credit standing of the Group and the strong support of the banking syndicate. Underlying this is the improved outlook for our businesses, our consistent balance sheet strength and confidence in management's ability to deliver on strategic initiatives.

The undrawn facilities, cash reserves and the value of the listed investment portfolio, totalling \$1.25 billion provide the Group with significant liquidity and balance sheet flexibility to support ongoing delivery of shareholder value.

Slide 19 – Richard Richards

Property and Listed Portfolios

The Group's investments in property and listed shares contributed \$33 million towards Group EBIT in FY18. This was down by 10 per cent due to lower dividend income from the listed portfolio resulting from share sales and lower payouts.

The value of listed portfolio was reduced by \$157 million during the year to \$329 million. The movement comprises \$147 million in market value decline and \$10 million in net sales. The fair value movement is recognised in reserves and does not form part of the P&L.

The portfolio provided a cash yield of 5.9 per cent compared to 6.3 per cent in the prior year, and a gross yield inclusive of franking credits of 8.4 per cent compared to 9.4 per cent in the prior year.

The Group's intention is to divest the listed portfolio over time.

We are seeing early signs of a recovery in the Perth property market. We sold 23 lots in our Dianella residential development, up from 13 lots in the prior year.

Now I'll hand you back to Ryan who will provide a more detailed review of the operating performance of our businesses.

Slide 21 – Ryan Stokes

WesTrac Australia Highlights

Thank you, Richard. On to slide 21.

WesTrac's objective is to be the customer's first choice when it comes to equipment solutions and safety. WesTrac's best in class mining and construction equipment, together with highly trained and dedicated people to provide after sales support, enables our customers to lower the asset lifecycle cost while maximising productivity.

This is where WesTrac is focused, providing support and solutions integrated within operating models, all aimed at helping our customers deliver the incremental productivity needed to be successful and profitable.

Machine utilisation has increased, and with this comes a greater opportunity for parts and maintenance. WesTrac shipped a record 5.7 million parts through its facilities in FY18, up 25 per cent on the prior year.

What is also evident from the chart is the relative under-investment in new equipment in recent years as equipment is worked harder. We believe this will ultimately revert to mean, particularly as fleets continue to age.

Slide 22 – Ryan Stokes

WesTrac Australia Results

WesTrac generated strong revenue growth of 11 per cent in FY18 to \$2.5 billion. Product sales were up 18 per cent, adding an additional \$95 million in revenue for the year, with a pleasing result in the construction sector in both NSW and WA.

Product support sales were up by 9 per cent, adding an additional \$153 million in revenue for the year. Growth was achieved in all major market segments, driven by strong production levels on existing fleets, reduction in the level of idle equipment, and a positive impact from the conversion to autonomous mining equipment.

WesTrac's EBIT for the year of \$203 million was up 23 per cent, with top line growth supplemented by cost discipline that limited the rise in non-labour operating costs to 2 per cent.

We have invested in working capital, with \$167 million in additional inventory held at year end, showing the confidence we have in meeting the demand pipeline created by the mining production cycle.

In construction, WesTrac recently opened its new 24,000 square metre purpose-built facility in Casula, placing it in the heart of major infrastructure developments in western Sydney.

Slide 24 – Ryan Stokes

Coates Hire Highlights

We are pleased with our move to full ownership of Coates Hire, a business in which we have a deep understanding, with a capable management team, and providing exposure to one of the strongest performing sectors in the economy.

Coates has the largest rental fleet in Australia, the widest footprint of branches across the country, and the ability to meet customer needs across a broad range of product types and end markets. All of this is backed by dedicated product specialists and engineers, making Coates the leader in rental solutions.

Coates management is continuing to take a disciplined approach to drive performance and to unlock operating leverage across many facets of the business. Some of the initiatives, such as turnaround times, fleet utilisation, transport logistics, online pricing tool, and customer call centre, are already having a positive impact, with further improvement to continue in FY19.

Slide 25 – Ryan Stokes

Coates Hire Results

Coates Hire generated EBIT growth of 21 per cent to \$172 million in FY18, up \$30 million on the prior year. This was generated on revenue growth of 7 per cent, demonstrating the degree of operating leverage in the business.

All regions outperformed on revenue and margin, with the exception of WA which has now started to see the signs of that recovery with stronger returns and early results trending above target.

Overall EBIT margin for the Group increased by 2 per cent to 17.6 per cent, reflecting an improved rate of return on existing fleet, better price realisation, and an increase in time utilisation from 57.2 per cent to 57.9 per cent.

The strength of the market opportunities seen ahead means that we are reinvesting in fleet, with net capex of \$148 million in FY18, and orders currently in place for a further \$98 million in fleet. Guidance for FY19 capex is \$180 million.

Slide 27 – Ryan Stokes

AllightSykes

AllightSykes, our lighting towers, pumps and generators business is a solid turnaround story, demonstrating once again the Group's focus on execution. The business returned to profitability in FY18, with revenue growth of 33 per cent and EBIT improving by \$6 million year on year.

We improved the domestic sales and marketing capability, changed the parts and service model to deliver better customer value, and took steps to grow the business internationally.

What the result also demonstrates is the growth in civil and infrastructure projects in Australia and the ability of AllightSykes to capture the market opportunity.

Slide 29 – Ryan Stokes

Energy Highlights

The Energy sector has transitioned over the past 12 months into one of the strongest performing sectors in the economy. Stronger global growth and activity has a positive correlation to the demand for energy. We are seeing stronger crude oil, spot LNG and domestic gas prices, and the confidence in the market has prompted an increase in corporate activity, particularly for Australian gas and LNG assets.

The Energy segment contributed EBIT of \$72 million in FY18, up significantly from \$26 million in the prior year, reflecting stronger prices and higher production volumes. The result also includes five months of earnings contributed by Lattice to the Beach result.

The Group's investments in the sector are benefitting from robust east coast gas demand where new supply will remain restricted in the foreseeable future. In particular,

Crux, wholly owned asset, is at an exciting stage with the work plan progressing towards FEED, and we believe it could be one of the first of the current wave of back-fill projects to deliver gas to market.

The value of our investment in Beach Energy is worth over \$1 billion at current market prices against book value of \$493 million. We originated this investment in 2014 with the concept of creating a leading mid-cap exploration and production company. This concept, supported by Beach's strong operational capability as a disciplined and low-cost producer, has materialised through the Drillsearch merger and Lattice acquisitions.

Slide 30 – Ryan Stokes

Beach Energy Investment

FY18 was a significant year for Beach – completion of the Lattice acquisition, additional interests acquired in the Otway Basin, record production volume achieved, and a material increase in 2P reserves for the Beach and Lattice assets.

Production in FY18 was up 79 per cent to 19 million Boe, revenue was up 93 per cent to \$1.25 billion, and realised oil and gas prices were up 36 per cent and 8 per cent, respectively. Underlying net profit after tax increased by 86 per cent to \$302 million.

Net operating cash flow of \$663 million was driven by the record production levels and higher commodity prices, resulting in net debt reductions ahead of target with gearing now at 26 per cent.

SGH's underwrite of the Beach equity raising and increase in the ownership interest to 25.6 per cent captured value for SGH shareholders.

Looking ahead, Beach has the reserves and exploration upside to continue delivering production growth and strong cash flow for many years. This is part of a multi-year capital program to grow production to more than 30 Mmboe by FY21.

Slide 32 – Ryan Stokes

Seven West Media Highlights

The Media segment contributed EBIT of \$73 million in FY18, up 4 per cent on the prior year. This includes \$14 million in distributions from the Group's investment in an unlisted offshore media fund.

Seven West Media's FY18 EBIT of \$236 million was at the upper end of its guidance range of \$220 to \$240 million. It has continued its television ratings dominance while also delivering cost and debt reductions ahead of guidance. The total cost reduction program is on target to deliver \$125 million in savings.

Looking ahead, Seven West Media expects FY19 underlying EBIT to be up 5 to 10 per cent, reduction in net debt below \$530 million and leverage to drop below 2x. Efforts are continuing to deliver and identify new cost savings, targeting a further \$10 to \$20 million in net group savings including cricket.

Slide 34 – Ryan Stokes

Outlook: Key Takeaways and Questions

All of the Group's businesses are performing and are well positioned to execute their respective strategies to deliver results. The success that we see today is made possible by the timely decisions that we have made in prior years to rationalise costs, install the right management teams, and position the Group to capture opportunities in the market.

WesTrac continues to perform, delivering record parts volumes and capturing the maintenance opportunities continually being created by the strong mining production cycle, as activity levels in mining and construction remain buoyant.

Coates Hire is positioned well to capture new revenue opportunities as the level of infrastructure activity strengthens and win market share. Management has an ongoing focus on further improving utilisation and extracting efficiency gains.

In both WesTrac and Coates we are investing in inventory and fleet to capture the market opportunities that we see ahead.

Our investment in Beach is benefitting from strong energy prices and a capable management team that is delivering production and reserves growth along with substantial efficiency across a multi-basin portfolio.

We are also excited by the opportunities that Crux brings as it progresses along its work plan towards FEED.

At Seven West Media, 5 to 10 per cent growth in underlying EBIT is expected through growth in the TV advertising market, digital revenue streams, and the ongoing focus on cost and debt reduction.

On this basis, we expect the Group's FY19 underlying EBIT to be approximately 25 per cent above FY18 on a continuing operations basis.

Thank you. We would be pleased to take your questions at this time.