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# Publishing and Broadcasting Ltd

## Half Year Results 2007



# Overview – A Defining Year

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## ■ Recapitalisation of PBL Media

- \$4.6 billion injected into PBL
- Cash/Shareholder structure for growth and expansion
- Patient/deliberate investor

## ■ Macau

- listed on NASDAQ

## ■ Crown/Burswood - strong earnings growth

## ■ New Media/Internet businesses - all performing well

## ■ Traditional Media - flat

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- **Normalised NPAT – up 1.3 % to \$354 million**
    - gaming solid
    - tougher television and magazine environment
    - underlying investment earnings growth
  - **Reported NPAT down to \$340 million**
    - negative impact of win rate vs. theoretical
    - one-off gain last half
  - **Interim dividend 30 cps**
  - **Group Margins at 29.5% - tight cost controls**
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# Group Results

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## Revenue up 2.3%; costs held at 2%

	H1-06 (\$m)	H1-07 (\$m)	%
<b>Normalised NPAT *</b>			
■ Revenue	1,835	1877	2.3
■ Cost	1,298	1323	2.0
■ EBITDA	537	553	2.9
■ NPAT	349	354	1.3
■ EBITDA MARGIN %	29.3	29.5	
 <b>Cash Flow</b>			
■ Operating Cash Flow	442	275	
■ Free cash flow	379	(268)	
■ Debt (reduction) increase	(210)	468	

\* At theoretical and before non-recurring items



## ■ Normalised revenue up 8.9%, with Burswood particularly strong

- Reported revenue increased 2% to \$913m
- Below theoretical win rate of 1.21% on VIP Program Play turnover which increased 15% to \$13.6bn

## ■ Costs

- Cost growth due to increased VIP volumes and increased patronage at Burswood

## ■ Normalised Margin – up slightly to 31.2%

## ■ EBITDA

- Theoretical **EBITDA** increased 10% to \$291m
- Reported **EBITDA** decreased 7% to \$275m, due to lower VIP program win rate



# Magazines – Margins up to 31%

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## ■ Revenue down 3.9% to \$436 million

- Both circulation and advertising revenue decreased 4%

## ■ Costs down 6% to \$300 million

## ■ EBITDA increased 1.3% to \$136 million

- Margin 31.1% (comparative 29.6%)



# Television – Tight Cost Control

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- **Revenue decreased 2.9% to \$453 million**
  - Market share 34.4% (comparative 37%)
- **Costs down 3.2% to \$307 million**
  - Management focus on costs
  - Repositioning for digitalisation and new content
- **EBITDA decreased to \$146 million**
  - Operating margin 31% (comparative 32%)



# Equity Accounted – up 67%

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## Solid underlying improvement

	H1-06 (\$m)	H1-07 (\$m)
■ Pay Television	12.0	25.8
■ ninemsn	12.7	6.8
■ Seek	3.6	6.2
■ Hoyts	5.0	7.7
■ Melco PBL Ent (MPEL)	-	(11.0)
■ Other	2.4	0.9
<b>TOTAL EQUITY ACCOUNTED</b>	<b>35.7</b>	<b>36.4</b>

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# Cash Flow



## Operating cash flow of \$275 million

	<b>FY-06 (\$m)</b>	<b>FY-07 (\$m)</b>
Normalised EBITDA	537	553
(Less) Plus win rate variance	30	(16)
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<b>Reported EBITDA</b>	<b>567</b>	<b>537</b>
Dividends received	38	19
Working Capital Movements	(22)	(68)
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<b>Cash Flow generated by Businesses</b>	<b>583</b>	<b>488</b>
Interest payments	(59)	(70)
Income tax payments	(82)	(143)
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<b>Operating Cash Flow (per ASX “4D”)</b>	<b>442</b>	<b>275</b>
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# Cash Flow

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**After capex and dividends, net debt increased \$467 million**

	H1-06 (\$m)	H1-07 (\$m)
<b>Operating Cash Flow (per ASX “4D”)</b>	<b>442</b>	<b>275</b>
Capital Expenditure	(70)	(145)
Investments (net)	7	(398)
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<b>Free Cash Flow</b>	<b>379</b>	<b>(268)</b>
Dividends paid	(168)	(196)
Other	(1)	(4)
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<b>Net Group Cash Flow</b>	<b>210</b>	<b>(468)</b>
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