



**ASX / MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
25 August 2005**

**PBL ANNOUNCES FULL YEAR  
NORMALISED NET PROFIT + 21.2%**

- **Normalised NPAT +21.2%**
- **Cash flow generated by businesses increased to \$779 million**
- **Full Year Dividend of 52 cents per share; +21%**

**SYDNEY: Publishing and Broadcasting Limited (ASX: PBL)** today announced a Normalised Net Profit after Tax (i.e. 'NPAT' at theoretical and before non-recurring items) for the year to 30 June 2005 of \$540.9 million (last year \$446.4 million); an increase of 21.2%. Reported NPAT of \$480.1 million (last year \$668.1 million) has been negatively impacted by \$60.8 million from a below theoretical win rate and non-recurring losses in Fiscal 2006, whereas the prior year benefited by \$221.7 million from an above theoretical win rate and non recurring gains. Normalised operating revenue increased 20.6% to \$3397.6 million, and reported operating revenue increased to \$3355.5 million.

Cash flow generated by PBL's businesses increased to \$779 million for the year (prior year \$673 million) an increase of \$106 million. PBL increased net debt during the year by \$677 million to \$1744 million at June 2005.

Executive Chairman of PBL, Mr James Packer said:

"PBL continues to benefit from the unique strengths of its diverse business model along with the past investment in growth initiatives. Our gaming and magazine businesses continue to perform very well whilst the television business is working its way through a difficult period."

"ACP's impressive earnings growth continues, and the normalised contribution from gaming has increased significantly with strong growth at Crown and the inclusion of ten months of Burswood earnings for the first time. Nine Network however, saw a \$10 million decline in EBITDA earnings, with a reduced share of the revenue market and unacceptably high cost growth both contributing to the disappointing result. New management at Nine has launched a concerted attack on its cost base in order to restore margins through eliminating waste, improving efficiency and lowering programming costs, and in particular, the cost of movie product".

"Our internet businesses, SEEK and ninemsn, together with Fox Sports, improved their contribution to the group result and Hoyts was included for the first time. Foxtel losses whilst similar to the prior year, lessened significantly in the second half. During the year PBL sold its interest in AFIG, recording an after tax gain of \$63.4 million."

"PBL continues to invest for earnings growth and this fiscal year completed the acquisition of Burswood Casino (in August), entered a joint venture with Melco International to develop gaming opportunities in Asia (initially in Macau), acquired 50% of Hoyts Cinemas in a joint venture with West Australian Newspapers, entered a joint venture with Hearst Corporation to develop opportunities in the UK magazine market, and acquired the management rights to the SuperDome in Sydney."

"I am pleased to announce the final dividend for the year is 25 cents per share, which brings the dividend distribution for fiscal 2005 to 52 cents per share, and maintains a payout ratio of approximately 65% of 2005 normalised earnings. This compares with a dividend distribution for fiscal 2004 of 43 cents per share.

Chief Executive Officer of PBL, Mr John Alexander, said:

"Total normalised revenue grew 20.6% (including ten months of Burswood), and with cost increases of 21.1% (including ten months of Burswood), normalised margins for the group are 27.9%."

"The Nine Network experienced a difficult year with revenue growing by 4.8% but East Coast market share falling to 38.7%. Costs grew by 8.8%, driven largely by a highly competitive market place for programming. However, this level of cost growth is not sustainable and the newly installed management team at Nine have embarked on a rigorous review aimed at improving operating efficiency and reducing the cost of movie product. Nine's EBITDA fell by \$10 million to \$270 million for the year".

"Our magazine business increased EBITDA by 16.2%. Operational improvements, and strict cost management combined with the continuation of strong advertising and circulation revenue growth have driven this result. The ACP EBITDA margin is now 29.7%".

"Both Crown and Burswood (ten months earnings) performed strongly with solid revenue and earnings growth, in an increasingly competitive local and international marketplace. Normalised EBITDA for the gaming division increased by 41.9% to \$456.6 million. The result was underscored by growth in all operating business units and normalised margin improvement. The Gaming division win rate was below theoretical by \$37.5 million versus above theoretical win of \$53.9 million last year; a \$91.4 million adverse turnaround.

The Group's equity accounted earnings have increased by \$10.4 million over the prior year, driven by improved contributions from our internet and pay TV businesses, and the inclusion of Hoyts for the first time. The contribution from investment earnings improved significantly in the second half of the fiscal year and should become a significant contributor to earnings growth over the medium term.

"The Group recorded a non recurring loss after tax of \$34.5 million, reflecting an after tax profit of \$67.1 million from the sale of AFIG and Media Niugini (Television business), offset by \$22.0 million of restructure costs (after tax), primarily at Nine Network, and \$76.9 million, after tax, of program related write downs".

## **OPERATIONS**

### **TELEVISION**

The television division reported an EBITDA of \$270.1 million, a decrease of \$10.0 million on the prior year, reflecting a 4.8% increase in revenue offset by an 8.8% cost increase.

The increase in costs of 8.8% is unacceptable and the new management team at the Nine Network has initiated a review of the division's cost base and in particular, its movie inventory. An outcome of the review is a non-recurring restructure charge of \$27.9 million (\$3.5 million of non-recurring restructure costs relate to Head Office), and after reviewing the balance sheet and onerous movie contracts \$113.7 million of program related write downs/provisions including a provision against losses anticipated on coverage of the Commonwealth Games. The write-down against movie contracts reflects changing viewer preferences which has seriously diminished the value of movies.

Total revenue increased by 4.8% to \$903.9 million, while gross advertising revenue for the 3 major television stations increased 5.2%. The Network's East Coast market share decreased to 38.7% for the fiscal year, compared with 39.9% in the prior year.

## **MAGAZINES**

ACP magazines increased EBITDA by 16.2% to \$244.8 million for the year. Good economic conditions in both the Australian and New Zealand markets supported both strong advertising growth and solid copy sales. Revenue increased 11.3% while costs grew 9.3% and the operating margin increased to 29.7%.

Advertising Revenue increased 17%, while circulation revenue increased by 6%. Circulation and readership growth has been recorded on many titles.

## **GAMING**

### **Crown/Burswood**

PBL's normalised gaming EBITDA of \$456.6 million was \$134.8 million higher than last year, reflecting strong growth at Crown and the inclusion of ten months trading from Burswood for the first time. Reported gaming EBITDA for the period was \$419.1 million, reflecting the inclusion of Burswood for the first time, and strong trading conditions at both casinos that were offset by a below theoretical VIP Program win rate of 1.17% for the year.

The below theoretical win rate had a \$37.5 million negative impact on reported EBITDA this year. Last year reflected an above theoretical win rate of 1.73% which had a positive impact on reported EBITDA of \$53.9 million.

Following the acquisition of Burswood and given the "life to date" VIP Program win rate at Burswood and Crown is approximately 1.35%, PBL has adopted a theoretical win rate of 1.35% across both properties for the purpose of calculating normalised earnings. Prior year normalised earnings have been adjusted to reflect the 1.35% theoretical win rate. The impact of this adjustment is to increase normalised Gaming EBITDA by \$11.2 million this year and \$10.7 million in the prior year, with equivalent movement in the theoretical win rate variance.

Normalised gaming revenue increased by 38.5% over the prior year to \$1573.1 million and incorporates Burswood for ten months. Reported revenue increased to \$1531.0 million. VIP Program turnover of \$22.5 billion increased by \$4.6 billion compared with the prior year, reflecting the inclusion of Burswood VIP Program turnover for the first time. Turnover at Burswood for the ten months increased strongly compared to pre acquisition levels.

Costs at Crown and Burswood (excluding gaming taxes, VIP Program Play commissions, other directly variable costs and the impact of new operations), were flat compared to last year.

The normalised EBITDA gaming margin increased from 28.3% to 29.0%.

## **INVESTMENTS**

### **Foxtel**

Foxtel's revenues for the year grew 22% to \$1064 million. PBL has included an equity accounted loss of \$28.2 million (tax effected) for the year, compared to \$27.2 million in the last financial year. Foxtel currently has around 1.18 million subscribers (including wholesale) and its losses narrowed sharply in the second half of fiscal 2005 with PBL share \$8.2 million, down from \$20.0 million in the first half.

### **Premier Media Group (Fox Sports)**

Premier Media Group has approximately 1.68 million subscribers and grew earnings by 33% for the year. PBL has included an equity accounted profit of \$21.3 million (tax effected) for the year compared to \$16.0 million in the prior year.

## Ninemsn

PBL has recorded an equity accounted profit of \$11.2 million for ninemsn compared with \$7.2 million in the prior year, a 56% increase.

## SEEK

PBL has included an equity accounted profit for SEEK of \$4.8 million compared with \$2.6 million for the eight months to 30 June 2004.

## AFIG

AFIG contributed an equity accounted profit after tax of \$4.5 million for five months. PBL sold its interest in AFIG effective 30 November 2004.

## NON-RECURRING ITEMS

During the year the Group recorded a non-recurring after tax loss of \$34.5 million comprising:

	<b>Gross \$m</b>	<b>Tax \$m</b>	<b>After Tax \$m</b>
Gain on sale of Investments	68.6	(1.5)	67.1
Program Related Write Downs	(113.7)	34.1	(79.6)
Redundancy/ Restructure Costs	(31.4)	9.4	(22.0)
	<u>(76.5)</u>	<u>42.0</u>	<u>(34.5)</u>

Refer to the television division commentary for discussion concerning program related write offs and restructure costs. Gain on sale of investments reflects sale of AFIG and Media Niugini.

## FINANCIAL

Net operating cash flow for this year was \$779 million, an improvement of \$106 million over the previous year. Normalised earnings growth, collection of ESP loans and effective working capital management all contributed positively to the improvement, partly offset by the negative turnaround in VIP win rate.

After capital expenditure of \$120 million (including \$26 million for the acquisition of Superdome assets), dividend payments of \$368 million net investment activity of \$756 million, and the inclusion of acquired Burswood debt, group net debt increased by \$677 million to \$1744 million at June 30 2005.

## IFRS

The key outcomes for the Group upon adopting the Australian equivalent of International Financial Reporting Standards (AIFRS), effective financial year ending 30 June 2006, will be:

No material impact on net profit.

No adverse impact on the Company's cash flows, tax liability, borrowing ability or ability to pay dividends.

Significant reduction of approximately \$825 million in Total Equity, being:

Write Down of certain magazine mastheads	\$171	million
Provide deferred taxes on variance between book and tax cost bases for certain assets	\$227	million
Reverse previous uplift in valuation of television licences	\$423	million
Other	\$ 4	million
	<u>\$825</u>	<u>million</u>

These adjustments impact the balance sheet only and are non cash.

## **DIVIDEND**

The Directors have announced today a fully franked dividend on ordinary shares of 25 cents per share payable on 14 October, 2005 to shareholders registered on the books close date, at 5.00pm on 30 September, 2005.

## **CONCLUSION**

Executive Chairman of PBL, Mr James Packer, said:

“PBL has delivered a strong performance throughout financial year 2005 and is committed to driving further improvements in profitability from our core businesses and from our investment portfolio, therefore delivering greater value for our shareholders.”

## **ENDS**

## **COPIES OF RELEASES**

Copies of previous media releases and ASX announcements issued by PBL are available on PBL's website at [www.pbl.com.au](http://www.pbl.com.au).



**PBL GROUP RESULT**  
**Twelve Months ended 30 June 2005**

<b>Normalised Results<sup>(1)</sup></b>				<b>Actual Results</b>		
Year ended June 2004	Year ended June 2005	% movement on Normalised		Year ended June 2004	Year ended June 2005	% movement on Actual
\$ M	\$ M			\$ M	\$ M	
<u>2,818.3</u>	<u>3,397.6</u>	20.6%	OPERATING REVENUE	<u>2,886.5</u>	<u>3,355.5</u>	16.2%
			EARNINGS BEFORE INTEREST, TAX & DEPRECIATION			
794.9	948.1	19.3%	Depreciation & Amortisation	848.7	910.6	7.3%
<u>(130.1)</u>	<u>(155.8)</u>			<u>(130.1)</u>	<u>(155.8)</u>	
			EARNINGS BEFORE INTEREST & TAX			
664.8	792.3	19.2%	Net Interest	718.6	754.8	5.0%
<u>(105.6)</u>	<u>(123.4)</u>			<u>(105.6)</u>	<u>(123.4)</u>	
			PROFIT BEFORE TAX			
559.2	668.9	19.6%	Taxation	613.0	631.4	3.0%
<u>(110.9)</u>	<u>(136.4)</u>			<u>(127.1)</u>	<u>(125.2)</u>	
			PROFIT AFTER TAX			
448.3	532.5	18.8%	Equity Accounted Profit <sup>(2)</sup>	485.9	506.2	4.2%
7.4	17.8		Minority Interests	7.4	17.8	
<u>(9.3)</u>	<u>(9.4)</u>			<u>(9.3)</u>	<u>(9.4)</u>	
			NET PROFIT BEFORE NON RECURRING ITEMS			
<u>446.4</u>	<u>540.9</u>	21.2%	Non-Recurring Profit after tax	484.0	514.6	6.3%
				<u>184.1</u>	<u>(34.5)</u>	
			NET PROFIT AFTER NON RECURRING ITEMS			
				<u>668.1</u>	<u>480.1</u>	(28.1)%

(1) Adjusted to show underlying NPAT, ie. excluding the impact of the below theoretical win rate on VIP Program Play of \$26.3 million ( \$37.5 million pre tax less income tax of \$11.2 million ) in FY 2005 and the above theoretical win rate of \$37.7 million ( \$53.9 million pre tax less income tax of \$16.2 million ) in FY 2004. With theoretical win rate calculated at 1.35% in both years.

(2) Includes:  
 25% of Foxtel  
 50% of Premier Media Group  
 50% of ninemsn  
 25% of AFIG (for five months in 2005)  
 25% of SEEK (for 8 months in 2004)  
 24% of TMS  
 50% of Hoyts (for six months in 2005)  
 40% of Melco (for four months in 2005)

(3) 2005 results include Burswood for ten months



**PBL DIVISIONAL RESULTS**  
 Twelve Months ended 30 June 2005

<b>Normalised Results<sup>(1)</sup></b>			<b>Actual Results</b>		
Year ended June 2004	Year ended June 2005	% movement on Normalised	Year ended June 2004	Year ended June 2005	% movement on Actual
\$ M	\$ M		\$ M	\$ M	
<b>REVENUE</b>					
862.8	903.9	4.8%	862.8	903.9	4.8%
740.2	823.5	11.3%	740.2	823.5	11.3%
1,135.6	1,573.1	38.5%	1,203.8	1,531.0	27.2%
79.7	97.1	21.8%	79.7	97.1	21.8%
<u>2,818.3</u>	<u>3,397.6</u>	20.6%	<u>2,886.5</u>	<u>3,355.5</u>	16.2%
<b>EXPENDITURE</b>					
582.7	633.8	8.8%	582.7	633.8	8.8%
529.5	578.7	9.3%	529.5	578.7	9.3%
813.8	1,116.5	37.2%	828.2	1,111.9	34.3%
97.4	120.5	23.7%	97.4	120.5	23.7%
<u>2,023.4</u>	<u>2,449.5</u>	21.1%	<u>2,037.8</u>	<u>2,444.9</u>	20.0%
<b>EBITDA</b>					
280.1	270.1	(3.6)%	280.1	270.1	(3.6)%
210.7	244.8	16.2%	210.7	244.8	16.2%
321.8	456.6	41.9%	375.6	419.1	11.6%
(17.7)	(23.4)	-	(17.7)	(23.4)	-
<u>794.9</u>	<u>948.1</u>	19.3%	<u>848.7</u>	<u>910.6</u>	7.3%
28.2%	27.9%		29.4%	27.1%	
<b>EBITDA / REVENUE</b>					

(1) Adjusted to show underlying EBITDA; ie. excluding any variance from the theoretical win rate on VIP Program Play at Crown and Burswood, with theoretical win rate calculated at 1.35% for both years (2004 normalised results adjusted to reflect the revision in theoretical win rate from 1.28% to 1.35%)

(2) 2005 results include Burswood Casino for 10 months



**PBL GROUP RESULT**  
Twelve Months ended 30 June 2005

**NON - RECURRING ITEMS**

	<b>Gross</b>	<b>Tax</b>	<b>Net</b>
	<b>\$ M</b>	<b>\$ M</b>	<b>\$ M</b>
Profit on Sale of Investments <sup>(1)</sup>	68.6	(1.5)	67.1
Redundancy/Restructure Costs <sup>(2)</sup>	(31.4)	9.4	(22.0)
Program Related Write Downs <sup>(3)</sup>	(113.7)	34.1	(79.6)
<b>Net Non-Recurring Loss</b>	<b><u>(76.50)</u></b>	<b><u>42.0</u></b>	<b><u>(34.5)</u></b>

(1) Profit on sale of AFIG (Wizard) and Media Nuiguini

(2) Principally redundancy costs incurred in Nine Network restructure

(3) Balance sheet write down of movie inventory and provision for onerous contracts  
(Movies and the Commonwealth Games coverage)

**APPENDIX 4E**

**PRELIMINARY FINAL REPORT**



**PUBLISHING AND BROADCASTING LIMITED**

A.B.N. 52 009 071 167

**YEAR ENDED: 30 JUNE 2005**

**PREVIOUS CORRESPONDING PERIOD: 30 JUNE 2004**

## Appendix 4E

Financial year ended 30 June 2005

### Results for announcement to the market

				\$A'000
Revenue from ordinary activities	up	<b>10.9%</b>	to	<b>3,515,604</b>
Profit (loss) from ordinary activities after tax attributable to members	down	<b>(28.1)%</b>	to	<b>480,128</b>
Net profit (loss) for the period attributable to members	down	<b>(28.1)%</b>	to	<b>480,128</b>
<b>Dividends</b>		Amount per security		Franked amount per security
Final dividend:		<b>25 cents</b>		<b>25 cents</b>
Previous corresponding period		<b>28 cents</b>		<b>28 cents</b>
Record date for determining entitlements to the dividend		<b>30 September 2005</b>		
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Refer attached Media Release				

## Condensed consolidated statement of financial performance

	Current period \$A'000	Previous corresponding period \$A'000
Revenues from ordinary activities	3,515,604	3,169,549
Expenses from ordinary activities	(2,763,875)	(2,208,333)
Borrowing costs	(196,952)	(162,222)
Share of net profits (losses) of associates and joint venture	17,835	7,404
<b>Profit (loss) from ordinary activities before tax</b>	<b>572,612</b>	806,398
Income tax on ordinary activities	(83,103)	(128,981)
<b>Profit (loss) from ordinary activities after tax</b>	<b>489,509</b>	677,417
Profit (loss) from extraordinary items after tax	-	-
<b>Net profit (loss)</b>	<b>489,509</b>	677,417
Net profit (loss) attributable to outside equity interests	9,381	9,261
<b>Net profit (loss) for the period attributable to members</b>	<b>480,128</b>	668,156

## Non-owner transaction changes in equity

Increase (decrease) in revaluation reserves	-	-
Net exchange differences recognised in equity	(11,993)	3,214
Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
Initial adjustments from UIG transitional provisions	-	-
Total transactions and adjustments recognised directly in equity	(11,993)	3,214
<b>Total changes in equity not resulting from transactions with owners as owners</b>	<b>468,135</b>	671,370

## Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS (cents per share) <sup>(1)</sup>	72.17	100.94
Diluted EPS (cents per share) <sup>(1)</sup>	72.17	100.94
Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS ('000)	665,312	661,925

<sup>(1)</sup> Basic/diluted EPS excluding the effect of specific items

Basic/diluted EPS normalised EPS

77.34	73.12
81.29	67.42

## Revenue from ordinary activities

	Current period \$A'000	Previous corresponding period \$A'000
Revenue from services	2,724,331	2,348,506
Revenue from sale of goods	596,312	525,573
Proceeds from sale of non-current assets	104,679	29,511
Interest received	73,583	56,592
Dividends received	9,471	189,165
Other operating revenue	7,228	20,202
<b>Total revenue from ordinary activities</b>	<b>3,515,604</b>	<b>3,169,549</b>

## Expenses and losses/(gains)

### (a) Expenses from ordinary activities

(excluding specific items)

Cost of sales	535,855	485,566
Television activities	652,783	608,047
Publishing activities	119,928	103,269
Gaming activities	1,145,296	867,502
Other ordinary activities	132,412	135,956
	<b>2,586,274</b>	<b>2,200,340</b>

### *Depreciation of non-current assets*

(included in Expenses from ordinary activities)

Buildings	37,599	25,831
Plant and equipment	85,483	74,739
	<b>123,082</b>	<b>100,570</b>

### *Amortisation of non-current assets*

(included in Expenses from ordinary activities)

Goodwill	2,893	2,893
Casino licence fee and management agreement	15,652	15,671
Ticketing rights	2,220	2,240
Plant and equipment under finance lease	3,164	3,046
Leasehold property	1,737	1,834
Other assets	7,011	3,805
	<b>32,677</b>	<b>29,489</b>

Total depreciation and amortisation expense

**155,759**      130,059

### *Borrowing costs expensed*

Debt facilities	196,545	161,538
Finance leases	407	684
	<b>196,952</b>	<b>162,222</b>

**Expenses and losses/(gains) - continued**(b) Specific Items

(Profit)/loss from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

Investment distributions

Net (profit)/loss on disposal of investments

Non-recurring restructure costs

Program costs written down

Current period \$A'000	Previous corresponding period \$A'000
-	(185,959)
<b>(68,600)</b>	(7,022)
<b>31,384</b>	6,967
<b>113,727</b>	-
<b>76,511</b>	(186,014)
<b>42</b>	(1,490)
<b>(5,590)</b>	(592)

(c) Losses/(Gains)

Net (profit)/loss on disposal of property, plant and equipment

Net foreign currency (gains)/losses

**Consolidated retained profits**

Retained profits at beginning of the financial period	<b>1,593,446</b>	1,117,055
Net profit (loss) attributable to members	<b>480,128</b>	668,156
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	<b>(367,066)</b>	(191,765)
<b>Retained profits at end of the financial period</b>	<b>1,706,508</b>	1,593,446

**Comparison of half year profits**

Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	<b>339,659</b>	273,797
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	<b>140,469</b>	394,359

## Condensed consolidated statement of financial position

	Current period \$A'000	Previous corresponding period \$A'000
<b>Current Assets</b>		
Cash	1,232,638	1,276,705
Receivables	436,773	455,736
Inventories	122,002	158,026
Other	45,025	37,327
<b>Total Current Assets</b>	<b>1,836,438</b>	<b>1,927,794</b>
<b>Non-Current Assets</b>		
Receivables	31,897	62,527
Inventories	41,527	41,134
Investments accounted for using the equity method	729,506	316,245
Other financial assets	276,410	363,748
Property, plant and equipment	1,909,958	1,419,420
Licences and mastheads	3,315,084	2,916,956
Intangible assets	294,092	283,108
Deferred tax assets	179,453	121,381
Prepaid casino tax	79,310	82,045
Other	5,377	7,184
<b>Total Non-Current Assets</b>	<b>6,862,614</b>	<b>5,613,748</b>
<b>Total Assets</b>	<b>8,699,052</b>	<b>7,541,542</b>
<b>Current Liabilities</b>		
Payables	677,119	581,497
Interest-bearing liabilities	224,040	614,741
Tax liabilities	38,290	49,782
Provisions	134,596	76,947
<b>Total Current Liabilities</b>	<b>1,074,045</b>	<b>1,322,967</b>
<b>Non-Current Liabilities</b>		
Payables	91,133	87,198
Interest-bearing liabilities	2,752,635	1,728,708
Deferred tax liabilities	207,227	151,725
Provisions	76,952	29,552
<b>Total Non-Current Liabilities</b>	<b>3,127,947</b>	<b>1,997,183</b>
<b>Total Liabilities</b>	<b>4,201,992</b>	<b>3,320,150</b>
<b>Net Assets</b>	<b>4,497,060</b>	<b>4,221,392</b>
<b>Equity</b>		
Contributed equity	2,356,351	2,182,838
Reserves	430,333	442,326
Retained profits	1,706,508	1,593,446
<b>Equity attributable to members of the parent entity</b>	<b>4,493,192</b>	<b>4,218,610</b>
Outside equity interests in controlled entities	3,868	2,782
<b>Total Equity</b>	<b>4,497,060</b>	<b>4,221,392</b>

## Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period \$A'000
<b>Cash flows from operating activities</b>		
Receipts from customers	3,498,261	2,955,785
Payments to suppliers and employees	(2,288,957)	(1,905,143)
Dividends received	25,232	5,706
Interest received	69,562	50,141
Borrowing costs	(186,302)	(163,492)
Income tax paid	(109,899)	(108,000)
Gaming tax paid	(228,902)	(162,086)
<b>Net operating cash flows</b>	<b>778,995</b>	<b>672,911</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(119,454)	(117,326)
Proceeds from sale of property, plant and equipment	817	21,463
Payment for purchases of equity investments	(281,101)	(111,419)
Payment for the acquisition of controlled entities	(543,082)	-
Net proceeds from sale of equity investments	103,507	7,689
Proceeds from equity investment distributions	-	185,959
Acquisition of film and television investments	(25,052)	(17,684)
Recovery from film and television investments	9,491	15,263
Loans repaid by associated entities	-	18,000
Payment for mastheads	(12,985)	(648)
Other (net)	(7,394)	(11)
<b>Net investing cash flows</b>	<b>(875,253)</b>	<b>1,286</b>
<b>Cash flows related to financing activities</b>		
Proceeds from borrowings	1,233,142	5,000
Repayment of borrowings	(804,959)	(44,648)
Dividends paid	(367,490)	(191,703)
Dividends/distributions paid to outside equity interests	(8,502)	(3,441)
<b>Net financing cash flows</b>	<b>52,191</b>	<b>(234,792)</b>
<b>Net increase (decrease) in cash held</b>	<b>(44,067)</b>	<b>439,405</b>
Cash at beginning of period	1,276,705	837,300
Effects of exchange rate changes on cash	-	-
<b>Cash at end of period (see Reconciliation of cash)</b>	<b>1,232,638</b>	<b>1,276,705</b>

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

PBL acquired 50% of Hoyts from Consolidated Press Holdings Limited (CPH), a company controlled by Mr KFB Packer and a substantial shareholder of PBL. The purchase price of \$173.5 million was satisfied by PBL issuing 11,136,925 PBL shares to CPH.

## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	<b>Current period \$A'000</b>	Previous corresponding period \$A'000
Cash on hand and at bank	<b>177,243</b>	100,615
Deposits at call	<b>1,055,395</b>	1,176,090
<b>Total cash at end of period</b>	<b>1,232,638</b>	1,276,705

## Ratios

	<b>Current period</b>	Previous corresponding period
<b>Profit before tax / revenue</b> Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue from ordinary activities	<b>16.3%</b>	25.4%
<b>Profit after tax / equity interests</b> Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the financial year	<b>10.7%</b>	15.8%
<b>Net tangible asset backing per ordinary security</b>	<b>\$6.24</b>	\$5.95

## Reports for industry and geographical segments

	Television		Magazines		Gaming		Unallocated		PBL Group	
	30 June 2005 \$A'000	30 June 2004 \$A'000	30 June 2005 \$A'000	30 June 2004 \$A'000	30 June 2005 \$A'000	30 June 2004 \$A'000	30 June 2005 \$A'000	30 June 2004 \$A'000	30 June 2005 \$A'000	30 June 2004 \$A'000
<b>(a) Industry segment</b>										
<b>Operating revenue *</b>										
Total	909,848	874,863	825,268	742,104	1,521,180	1,201,340	202,306	306,647	3,458,602	3,124,954
Intersegment	(6,592)	(5,327)	(1,802)	(1,836)	(4,205)	(1,449)	(3,982)	(3,385)	(16,581)	(11,997)
External customers	903,256	869,536	823,466	740,268	1,516,975	1,199,891	198,324	303,262	3,442,021	3,112,957
Interest revenue									73,583	56,592
<b>Total revenue from ordinary activities</b>	<b>903,256</b>	<b>869,536</b>	<b>823,466</b>	<b>740,268</b>	<b>1,516,975</b>	<b>1,199,891</b>	<b>198,324</b>	<b>303,262</b>	<b>3,515,604</b>	<b>3,169,549</b>
<b>Segment result</b>										
Earnings before interest, tax, depreciation and amortisation "EBITDA"	270,125	280,114	244,791	210,621	419,023	375,646	(23,523)	(17,712)	910,416	848,669
Depreciation and amortisation	(19,652)	(18,625)	(8,643)	(8,288)	(115,809)	(94,157)	(11,655)	(8,989)	(155,759)	(130,059)
Earnings before interest and tax "EBIT"	250,473	261,489	236,148	202,333	303,214	281,489	(35,178)	(26,701)	754,657	718,610
Specific items	(137,768)						61,257	186,014	(76,511)	186,014
Equity accounted share of associates' net profit									17,835	7,404
Net interest (expense)									(123,369)	(105,630)
Profit from operating activities before income tax and minority interests									572,612	806,398
less: tax expense									(83,103)	(128,981)
<b>Profit from operating activities after tax</b>									<b>489,509</b>	<b>677,417</b>
<b>Total assets employed ^</b>	<b>1,919,148</b>	<b>1,936,963</b>	<b>1,706,742</b>	<b>1,578,849</b>	<b>3,134,114</b>	<b>2,009,441</b>	<b>1,939,048</b>	<b>2,016,289</b>	<b>8,699,052</b>	<b>7,541,542</b>
<b>Total liabilities</b>	<b>507,106</b>	<b>393,373</b>	<b>230,384</b>	<b>225,546</b>	<b>637,747</b>	<b>457,940</b>	<b>2,826,755</b>	<b>2,243,291</b>	<b>4,201,992</b>	<b>3,320,150</b>
<b>Acquisition of non-current assets</b>	<b>53,287</b>	<b>39,250</b>	<b>83,219</b>	<b>12,871</b>	<b>803,258</b>	<b>78,515</b>	<b>226,350</b>	<b>116,442</b>	<b>1,166,114</b>	<b>247,078</b>
<b>Investments in associates</b>	<b>4,764</b>	<b>4,764</b>	<b>54,974</b>	<b>658</b>	<b>208,963</b>	<b>-</b>	<b>460,805</b>	<b>310,823</b>	<b>729,506</b>	<b>316,245</b>
<b>Non-cash expenses (other than depn &amp; amort)</b>	<b>4,210</b>	<b>5,031</b>	<b>(2,002)</b>	<b>1,568</b>	<b>656</b>	<b>14,212</b>	<b>18,333</b>	<b>793</b>	<b>21,197</b>	<b>21,604</b>

**(b) Geographical segment**

The Company operates principally within Australia

\* Revenue includes proceeds from asset sales

^ Unallocated assets include investments of \$674.2 million (2004: \$620.4 million) and unallocated cash on deposit of \$1,038.0 million (2004:\$1,124.4 million)

## Dividends

Date the dividend is payable

14 October 2005

Record date to determine entitlements to the dividend (ie, on the basis of proper instruments of transfer received up to 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)

30 September 2005

### Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Final dividend:</b>			
<b>Current year</b>	<b>25 cents</b>	<b>25 cents</b>	-
Previous year	28 cents	28 cents	-
<b>Interim dividend:</b>			
<b>Current year</b>	<b>27 cents</b>	<b>27 cents</b>	-
Previous year	15 cents	15 cents	-

### Total dividend per security (interim plus final)

*(Preliminary final report only)*

	Current year	Previous year
Ordinary securities	<b>52 cents</b>	43 cents

### Final dividend on all securities

	Current period \$'000	Previous corresponding period \$'000
Ordinary securities	<b>168,265</b>	185,339
Preference securities	-	-
Other equity instruments	-	-
<b>Total</b>	<b>168,265</b>	185,339

No shareholders' dividend plans are in operation.

There are no other disclosures with respect to the dividends.

## Details of aggregate share of profits (losses) of associates and joint venture entities

	Current period \$'000	Previous corresponding period \$'000
<b>Group's share of associates' and joint venture entities':</b>		
Profit (loss) from ordinary activities before income tax	19,889	6,445
Income tax on ordinary activities	(2,054)	959
<b>Profit (loss) from ordinary activities after income tax</b>	<b>17,835</b>	<b>7,404</b>
Amortisation of goodwill on acquisition	-	-
<b>Share of associated entities' net profit (loss) after income tax</b>	<b>17,835</b>	<b>7,404</b>

### Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities:

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$'000	Previous corresponding period \$'000
<b>Equity accounted associates and joint venture entities</b>			Equity accounted	
Sky Cable Pty Ltd	50.0%	50.0%	(28,222)	(27,222)
Premier Media Group	50.0%	50.0%	21,272	15,951
ninemsn Pty Ltd	50.0%	50.0%	11,253	7,204
SEEK Ltd <sup>(1)</sup>	25.0%	25.0%	4,813	2,599
Australian Financial Investment Group <sup>(2)</sup>	0.0%	25.0%	4,450	7,625
Other non-material interests			4,269	1,247
<b>Total</b>			<b>17,835</b>	<b>7,404</b>
<b>Other material interests</b>				
Monarchy Enterprises Holdings B.V. <sup>(3)</sup>	25.4%	25.4%	-	<sup>(4)</sup> 182,000
Burswood Limited	<sup>(5)</sup>	17.6%	<sup>(6)</sup> 9,461	3,127
<b>Total</b>			<b>9,461</b>	<b>185,127</b>

(1) Previous corresponding period includes 8 months results from date of acquisition.

(2) Investment disposed of in November 2004. Current year result for five months.

(3) While the interest in this entity is in excess of 20%, the economic entity does not have the capacity to exert significant influence over the investee

(4) Previous corresponding period includes a non-recurring after tax distribution

(5) 100% of this entity was acquired during the current period.

(6) Dividend received before PBL gained control of Burswood Ltd

## Control gained over entities having material effect

Name of entity (or group of entities)	Burswood Limited and controlled entities
Consolidated profit from ordinary activities after tax of the group of entities since the date in the current period on which control was acquired	\$38,595,000
Date from which such profit has been calculated	2 September 2004
Profit from ordinary activities after tax of the group of entities for the whole of the previous corresponding period	\$24,092,000

## Loss of control of entities having material effect

Name of entity (or group of entities)	Beargen Pty Ltd
Consolidated profit from ordinary activities after tax of the entity for the current period to the date of loss of control	\$4,241,000
Date to which such profit has been calculated	30 November 2004
Consolidated profit from ordinary activities after tax of the entity while controlled during the whole of the previous corresponding period	\$6,875,000
Contribution to consolidated profit from ordinary activities after tax from sale of interest leading to loss of control	\$63,313,000

## Issued and quoted securities at end of current period

Category of securities	Total Number	Number Quoted	Issue price per security (cents)	Amount paid up per security (cents)
<b>Ordinary securities</b>	673,061,925	672,821,300		
Changes during current period				
(a) Increases through issues	11,136,925	11,136,925		
(b) Decreases through returns of capital, buybacks, redemptions				
<b>Unsecured notes</b>	5,004,000	5,000,000*		
Changes during current period				
(a) Increases through issues				
(b) Decreases through securities matured, converted				

\* Comprising PBL PARS and Crown notes

## Subsequent Events

No matter or circumstance has arisen since 30 June 2005 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## Impact of adopting AASB equivalent to IASB standards

Refer Annexure B.

## Commentary on results

The commentary on the results is contained in the Media Release attached.

## Audit

This report is based on accounts which are in the process of being audited. It is not considered likely any audit qualification will arise.



Sign here:

\_\_\_\_\_  
Company Secretary

25 August 2005

Date

Print Name:

Guy Jalland

**Annexure A to Appendix 4E**

	Current Period \$A'000
<b>Income tax expense variation from prima facie amount</b>	
Profit from ordinary activities before tax	572,612
Prima facie income tax expense @ 30%	171,784
Income tax expense disclosed in report	<u>83,103</u>
Variance	<u><u>88,681</u></u>
<i>Variance comprises the following items (at 30%):</i>	
Capital losses utilised - not previously brought to account	10,267
Revenue losses utilised - not previously brought to account	14,271
Difference arising on repayment of group loans	26,672
Over provision in prior years	34,511
Other items	<u>2,960</u>
	<u><u>88,681</u></u>

## Annexure B to Appendix 4E

### Impact of adopting Australian equivalents to IFRS

PBL is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS) which will be applicable for the financial year ending 30 June 2006. In 2004, the company allocated internal resources and engaged expert consultants to conduct impact assessments to identify key areas that would be impacted by the transition to AIFRS. As a result, PBL established project teams to address each of the areas in order of priority. Priority has been given to the preparation of an opening balance sheet in accordance with AIFRS as at 1 July 2004, PBL's transition date to AIFRS. This will form the basis of accounting for AIFRS in the future, and is required when PBL prepares its first fully AIFRS compliant financial report for the year ending 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and management's best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net profit for the year ended 30 June 2005.

The figures disclosed are management's best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to (a) ongoing work being undertaken by the AIFRS project teams; (b) potential amendments to AIFRS and Interpretations thereof being issued by the standard-setters and IFRC; (c) emerging accepted practice in the interpretation and application of AIFRS and UIG Interpretations.

#### Reconciliation of equity as presented under AGAAP to that under AIFRS

	Notes	CONSOLIDATED		PARENT ENTITY	
		30 June 2005 <sup>(2)</sup> \$'000	1 July 2004 <sup>(1)</sup> \$'000	30 June 2005 <sup>(2)</sup> \$'000	1 July 2004 <sup>(1)</sup> \$'000
<b>Total Equity under AGAAP</b>		4,497,060	4,221,392	5,707,307	5,800,615
<b><i>Adjustments to retained earnings (net of tax)</i></b>					
Impairment of assets	(i)	(177,633)	(177,633)	-	-
Write-back of goodwill amortisation	(ii)	2,893	-	-	-
Deferred taxes on adoption of balance sheet method	(iii)	(226,502)	(223,996)	-	-
		<b>(401,242)</b>	<b>(401,629)</b>	-	-
<b><i>Adjustments to other reserves (net of tax)</i></b>					
Recognition of defined benefit pension asset	(iv)	3,704	(36)	-	-
Re-state previously revalued assets at cost	(v)	(423,400)	(423,400)	-	-
Deferred taxes on adoption of balance sheet method	(iii)	(3,705)	(3,705)	-	-
		<b>(423,401)</b>	<b>(427,141)</b>	-	-
<b>Total equity under AIFRS</b>		<b>3,672,417</b>	<b>3,392,622</b>	<b>5,707,307</b>	<b>5,800,615</b>

<sup>(1)</sup> This column represents the adjustments as at the date of transition to AIFRS

<sup>(2)</sup> This column represents the cumulative adjustments as at the date of transition to AIFRS and those for the year ended 30 June 2005

**Impact of adopting Australian equivalents to IFRS (continued)**

- (i) Under AASB 136 *Impairment of Assets*, the recoverable amount of an asset is determined as the higher of its fair value less costs to sell and value in use. The group's current accounting policy is to determine the recoverable amount of an asset on the basis of discounted cash flows. The Group's assets including goodwill were tested for impairment on transition and each subsequent reporting date as part of the cash generating unit to which they belong. This would result in impairment losses being recognised under AIFRS. The most significant component of the adjustment to retained earnings relates to Magazine mastheads. Mastheads were aggregated and tested for impairment under AGAAP as a group of assets because they work together to generate net cash inflows. However under the requirements of AIFRS, the recoverable amount is assessed for impairment for each cash generating unit. Following the determination of each cash generating unit, certain specific mastheads have been written down by a total of \$169 million on transition to AIFRS.
- (ii) Under AASB 3 *Business Combinations* goodwill would not be permitted to be amortised but instead is subject to impairment testing on an annual basis or upon the occurrence of triggers which may indicate a potential impairment. Currently, the group amortises goodwill over its useful life but not exceeding 20 years. PBL has elected not to apply AASB 3 retrospectively and hence, prior year amortisation would not be written-back as at the date of transition.
- (iii) AASB 112 *Income Taxes* requires the Group to use a balance sheet liability method, rather the current income statement method which recognises deferred tax balances where there is a difference between the carrying value of an asset or liability and its tax base. For PBL, this results in the recognition of a deferred tax liability in relation to certain investments and certain identifiable intangible assets where a deferred tax liability has not previously been recorded. The deferred tax impact for the difference between the carrying value and tax base of PBL assets not previously tax-effected is \$227.7 million at 1 July 2004. The major components of this adjustment are Licences, Mastheads and other Intangible assets comprising \$160 million, Other Financial Assets \$45 million and Investments in Associates \$19 million.
- (iv) Under AASB 119 *Employee Benefits*, PBL would recognise the net surplus/(deficit) in its employer sponsored defined benefit funds as an asset/(liability). This would result in a change in PBL's current accounting policy which is a cash basis of accounting. Actuarial calculations were completed as at 30 June 2004 and 30 June 2005. PBL has elected to recognise actuarial gains and losses in equity. A reserve will be established for this purpose.
- (v) Under AASB 138 *Intangible Assets*, no revaluation of intangible assets is permitted unless there exists an active market for the asset. With no active market for television licences, the increase that PBL recorded in carrying value above cost in a previous financial year will be reversed against the asset revaluation reserve.
- (vi) Management has decided to apply the exemption provided in AASB 1 *First-time adoption of Australian Equivalents to International Financial Reporting Standards* which permits entities not to apply the requirements of AASB 132 *Financial Instruments: Presentation and Disclosures* and AASB 139 *Financial Instruments: Recognition and Measurement* for the financial year ended 30 June 2005. The standards will be applied from 1 July 2005. The Financial Instruments project team is in the process of determining the impact that adopting the standards will have on the financial statements of the Group. The areas where AASB 132 and AASB 139 are expected to impact the Group are in relation to hedge accounting and also the measurement of financial assets, especially investments.

**Reconciliation of net profit under AGAAP to that under AIFRS**

YEAR ENDED 30 JUNE 2005	Notes	CONSOLIDATED \$'000	PARENT ENTITY \$'000
Net profit as reported under AGAAP		489,509	99,839
Amortisation of goodwill	(i)	2,893	-
Adjustment to income tax expense	(ii)	(2,506)	-
<b>Net profit under AIFRS</b>		<b>489,896</b>	<b>99,839</b>

- (i) Under AASB 3 *Business Combinations* goodwill is not permitted to be amortised but instead is subject to annual impairment testing. Currently, PBL amortise goodwill over its useful life but not exceeding 20 years. Under the new policy, amortisation would no longer be charged, but goodwill would be written down to the extent it is impaired.
- (ii) The adjustment to income tax expense relates to the above AIFRS adjustments.

**Restated AIFRS Statement of Cash Flows for the year ended 30 June 2005**

No material impacts are expected to the cash flows presented under AGAAP on adoption of AIFRS.

**Impact of adopting Australian equivalents to IFRS (continued)****Reclassification within the Balance Sheet**

PBL has elected not to retrospectively apply AASB 3 *Business Combinations*. In this situation, AASB 1 *First-time adoption of Australian Equivalents to International Financial Reporting Standards* requires a company to determine whether there were any identifiable intangibles recognised in a business combination that would not qualify for recognition under AIFRS. Where such assets are identified they should be adjusted against goodwill at the AGAAP carrying amount. PBL has identified \$310.1 million previously included in magazine mastheads that does not relate to specific titles and so would not be recognised as a masthead under AIFRS. This amount will be transferred to goodwill at 1 July 2004.

**Impact of AIFRS on the business**

PBL does not believe that the adoption of AIFRS will adversely affect the Company's cash flows, tax liability or the ability to pay dividends. Nor should it affect PBL's debt ratings or the group's ability to meet debt facility covenants. PBL believes the only potential earnings volatility is if there is ineffectiveness of derivative financial instruments when AASB 139 is adopted from 1 July 2005.