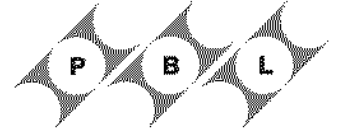




Publishing and Broadcasting Ltd

Half Year Results : December 2004





- **A strong result, again demonstrating benefits of PBL's business mix**
- **Earnings growth momentum sustained**
- **Investing for long term growth**
- **Conservative financial structure**
- **Increased interim dividend to 27 cps**



26% normalised earnings growth to \$309 m

- **Assisted by solid growth in both consumer and advertising spend**
- **Improved contribution from all core businesses**
- **Increased normalised EBITDA margin to 30.5%**

GROUP RESULTS



Strong earnings growth

	HY – 04	HY – 05	
	(\$m)	(\$m)	%
Normalised Profit*			
<input type="checkbox"/> Revenue	1,437	1,704	18.6
<input type="checkbox"/> Costs	1,018	1,185	16.4
<input type="checkbox"/> EBITDA	419	519	23.8
<input type="checkbox"/> NPAT	245	309	26.2
<input type="checkbox"/> EBITDA MARGIN	29.2%	30.5%	
Cash Flow			
<input type="checkbox"/> Operating Cash Flow	371	442	
<input type="checkbox"/> Free cash flow	189	(148)	
<input type="checkbox"/> Debt (increase) reduction	92	(545)	

* At theoretical and before non-recurring items

Television



- **Revenue increased 8% to \$488 million**
 - Market share 38.5% (comparative 39.1%)
- reflects Olympics in August

- **Costs increased 7.4% to \$317 million**
 - Overseas product, blockbuster movies and News/Current Affairs

- **EBITDA increased 9.0 % to \$171 million**
 - Margin 35.1% (comparative 34.8%)





- **Revenue increased 9.9% to \$414 million**
 - **Circulation revenue** increased 5%
 - **Advertising revenue** increased 16%
 - Strong ad market, increased market share
- **Costs up 6.4% to \$288 million**
 - In part due to copy sale volume increases
- **EBITDA increased 18.8% to \$126 million**
 - Margin 30.4% (comparative 28.1%)





- **Reported revenue** increased 16.1% to \$702 million
 - Strong grind gaming growth – both Crown and Burswood
 - VIP Program Play turnover up 8.0% to \$10.2bn
 - Win rate fell from 1.74% to 0.86% (\$75m turnaround)
 - Theoretical win rate 1.35% over both properties (prior period adjusted)
 - equal to lifetime win rate at both properties

- **Costs**
 - Controllable costs flat, like for like

- **EBITDA**
 - Reported **EBITDA** fell 5.1% to \$185m due to lower win rate
 - Theoretical **EBITDA** increased 39.6% to \$228 m
 - double digit growth at both properties
 - margin 30.4% (comparative 28.8%)



Equity Accounted



	H1 – 04	H1 – 05
	(\$m)	(\$m)
• Foxtel	(10.1)	(20.0)
• Foxsports	8.1	10.7
• ninemsn	3.1	4.6
• Seek	0.5	2.1
• AFIG (formerly Wizard)	4.0	4.5
• Other	1.1	1.5
	<hr/>	<hr/>
	6.7	3.4

Cash Flow



Operating cash flow \$442 m

	H1 04 (\$m)	H1 05 (\$m)
Normalised EBITDA	419	519
plus (less) win rate variance	31	(44)
Reported EBITDA	450	475
Working Capital Movements		
-ESP Loan repayments	27	85
-Other (mainly Burswood)	(1)	21
Cash Flow generated by Businesses	476	581
Interest payments	(58)	(61)
Income tax payments	(47)	(78)
Operating Cash Flow (per ASX "4D")	371	442

Cash Flow



After acquisitions, including acquired debt capex and dividends; net debt increased \$545m

	H1 – 04 (\$m)	H1– 05 (\$m)
Operating Cash Flow (per ASX “4D”)	371	442
Capital Expenditure	(31)	(43)
Capital Expenditure (Promenade Hotel)	(40)	-
Capital Expenditure (Superdome acquisition)	-	(26)
Investments (net)	(111)	(521)
Free Cash Flow	189	(148)
Dividends paid	(93)	(186)
Other	(4)	(4)
Net Group Cash Flow	92	(338)
Acquired net debt (mainly Burswood)	-	(207)
Net Group Debt movement (since June)	92	(545)



Publishing and Broadcasting Ltd

