



Publishing and Broadcasting Ltd

Full Year Results 2007





Normalised Earnings \$576 million

- Double digit earnings growth from Australian Casinos
- Gaming operating margin 30.7%
- Equity accounted earnings \$65.9m vs. \$78.3m
 - New Media earnings up \$31m
 - Gaming down \$43m due to start up losses in Macau gaming J.V

Reported Earnings \$1957 million

- Win rate variance: plus \$12.7m
 - Non recurring gain: plus \$1.37bn
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■ Revenue increased 11% to \$1916 million

- Strong growth in VIP gaming at Crown Melbourne and Burswood
- High Win rate of 1.44%, vs. 1.40% last year, on higher VIP Program Play turnover of \$30bn (up 20%)
- Continuation of strong revenue growth at Burswood

■ EBITDA

- Reported **EBITDA** increased 13% to \$604m
- Theoretical **EBITDA** increased 11% to \$581m
- Theoretical **Margin** 30.7% (comparative 30.6%)



EQUITY ACCOUNTED



	FY06 (\$m)	FY07 (\$m)
■ New Media	45.9	77.4
■ Gaming	(4.4)	(47.5)
■ Hoyts	12.8	19.5
■ Other ⁽¹⁾	24.0	16.5
TOTAL EQUITY ACCOUNTED	78.3	65.9

⁽¹⁾ mainly equity investments now owned by PBL Media (FY07 results for eleven months)



Macau J.V

- **Crown Macau fully operational by end July**
 - VIP trading has started strongly and continues to grow solidly
 - Mass market gaming is trading below expectations and will now be repositioned to target the premium segment
 - Hotel and restaurants now fully opened and being well received by VIP patrons





Net “costs” increased \$19 million to \$53 million due to:

- **Increased costs associated with investigation and execution of investment opportunities**
 - Staffing, travel, fees etc.

- **Other Income \$10m in FY06 not in FY07**
 - New Regency dividend, Leapfrog sale etc.



- **The transaction accounting has**
 - delivered \$4.5bn cash to PBL
 - resulted in negative carrying value of \$613m (included in investments)
 - delivered gain on sale of \$1.53bn (net of costs)

- **The sale was effective early June 2007 i.e. the date CVC converted its notes to shares**

- **The consequence of the above is:**
 - EBITDA / EBIT includes eleven months of Television and Magazine earnings
 - Equity results includes ninemsn, Sky News etc. for eleven months and share of PBL Media's results for one month
 - Non recurring items includes \$49m of after tax losses attributable to PBL Media
 - Interest expense includes approx \$110m of expense attributable to PBL Media

NON RECURRING



Non-recurring gain \$1368 million : break down

	\$m
Net Gain on sale 50% PBL Media	1534
Write off of Hoyts	(66)
Restructuring Costs - demerger	<u>(51)</u>
PBL Group	1417
PBL Media adjustments ⁽¹⁾	(49)
NET GAIN	<u>1368</u>

(1) PBL Media now 50% owned. Write downs / provisions occurred during period of consolidation

CASH FLOW



Operating cash flow \$724 million

	<u>FY06</u> <u>(\$m)</u>	<u>FY07</u> <u>(\$m)</u>
Normalised EBITDA	967	983
Plus win rate variance	11	23
Reported EBITDA	978	1006
Dividends received	58	30
Working Capital Movements	7	44
Cash Flow generated by Businesses	1,043	1,080
Interest payments	(120)	(140) ⁽¹⁾
Income tax payments	(177)	(216)
Operating Cash Flow (per ASX “4E”)	746	724

⁽¹⁾ Includes \$90m of PBL Media interest and debt ‘close out’ costs

CASH FLOW



	FY06	FY07
	(\$m)	(\$m)
Operating Cash Flow (per ASX “4E”)	746	724
Capital Expenditure	(141)	(225)
Net Investments Inflow	(220)	3542
Free Cash Flow	385	4041
Dividends paid	(370)	(399)
Other	(8)	(7)
Net Group Cash Flow	7	3635



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