

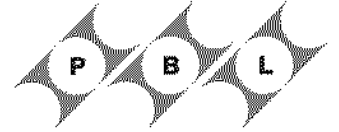


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# Publishing and Broadcasting Ltd

## Full Year Results 2004





- **A strong result, operating businesses performing well and investments contributing to profit**
- **earnings growth momentum**, investing for long-term sustainable growth
- **Increased dividend, and improved dividend yield**
- **a conservative financial structure, and opportunities for growth.**



**31% normalised earnings growth to \$439 m**

- **Assisted by solid growth in both consumer and advertising spend**
- **improved contribution from all core businesses**
- **Increased operating margin to 27.9%**
- **increase in equity accounted earnings**
- **100% increase in dividend to 28cps**

# GROUP RESULTS

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Strong earnings growth, significant improvement in cash flow, reduction in debt

	FY – 03 (\$m)	FY – 04 (\$m)	%
<b>Normalised Profit*</b>			
<input type="checkbox"/> Revenue	2,640	2,806	6.3
<input type="checkbox"/> Cost	1,981	2,022	2.1
<input type="checkbox"/> EBITDA	659	784	19.0
<input type="checkbox"/> NPAT	336	439	30.7
<input type="checkbox"/> EBITDA MARGIN	25.0%	27.9%	
<b>Cash Flow</b>			
<input type="checkbox"/> Operating Cash Flow	495	673	
<input type="checkbox"/> Free cash flow	452	674	
<input type="checkbox"/> Debt reduction	210	479	

\* At theoretical and before non-recurring items



- **Revenue** increased 12.8% to \$863 million
  - Market share 39.9% (comparative 39.4%)
  - Further ratings improvement in calendar 2004
- **Costs** increased 6.5% to \$583 million
  - Increased licence fees (5.2% excluding licence fees)
  - Investment in programming and talent
- **EBITDA** increased 28.7 % to \$280 million
  - Margin 32.5% (comparative 28.5%)





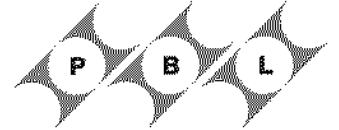
## Revenue increased 7.5% to \$740 million

- **Circulation revenue** increased 6%
  - Increased cover prices + copy sales
  - Retail initiatives underpin copy sales
  
- **Advertising revenue** increased 12%
  - Increased market share



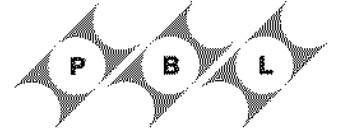
## Magazines (continued)

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- **Costs** up 3.1% to \$530 million
  - In part due to copy sale volume increases
  - Cost control through
    - Technological innovation
    - Internal processes including returns
    - Scale benefits (paper, printing, etc) + FX
  
- **EBITDA** increased 20.4% to \$211 million
  - Margin 28.5% (comparative 25.4%)





➤ **Revenue** increased 4.8% to \$1204 million

- Increase in local gaming business
- Exceptionally high win rate at 1.73% resulted in VIP Program Play turnover declining 12.6% to \$17.9 b

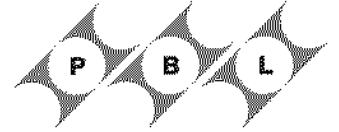
➤ **Costs**

- Strong cost control, flat like for like

• **EBITDA**

- Reported **EBITDA** increased 13.5% to \$376m
- Theoretical **EBITDA** increased 3.2% to \$311 m



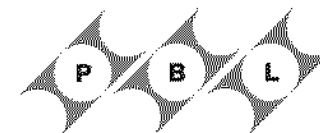


**Improvement of \$18.5 million due to:**

- Increased contribution from Ticketek
- Closure of Online Gaming and ecorp head office

# Equity Accounted

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## Solid improvement in contribution

	FY – 03 (\$m)	FY – 04 (\$m)
• Pay Television	(0.4)	(11.2)
• ninemsn	(2.9)	7.2
• Seek	--	2.6
• AFIG (formerly Wizard)	4.8	7.6
• Other	0.6	1.2
	<hr/> 2.1	<hr/> 7.4

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# Cash Flow

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## Significant improvement in operating cash flow to \$673 million

	FY - 03 (\$m)	FY - 04 (\$m)
<b>Reported EBITDA</b>	<b>687</b>	<b>848</b>
Non recurring cash impact	(19)	(7)
<b>EBITDA (after non recurring cash expense)</b>	<b>668</b>	<b>841</b>
Working Capital Movements		
-ESP loan repayments	-	42
-Other	(7)	11
<b>Cash Flow generated by Businesses</b>	<b>661</b>	<b>894</b>
Interest payments	(114)	(113)
Income tax payments	(52)	(108)
<b>Operating Cash Flow (per ASX "4E")</b>	<b>495</b>	<b>673</b>

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# Cash Flow

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After acquisitions (SEEK, BIR), capex and dividends;  
net debt declined \$480 m

	<b>FY – 03</b>	<b>FY – 04</b>
	<b>(\$m)</b>	<b>(\$m)</b>
<b>Operating Cash Flow (per ASX “4E”)</b>	<b>495</b>	<b>673</b>
Capital Expenditure	(51)	(73)
Capital Expenditure (Promenade Hotel)	(78)	(44)
Investments (net)	86	118
<b>Free Cash Flow</b>	<b>452</b>	<b>674</b>
Share buy back - ecorp	(95)	-
Dividends paid	(146)	(192)
Other	(1)	(3)
<b>Net Group Cash Flow</b>	<b>210</b>	<b>479</b>

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