

APPENDIX 4D

HALF YEAR REPORT



PUBLISHING AND BROADCASTING LIMITED

A.B.N. 52 009 071 167

HALF YEAR ENDED: 31 DECEMBER 2003

PREVIOUS CORRESPONDING PERIOD: 31 DECEMBER 2002

Appendix 4D

Half year ended 31 December 2003

Results for announcement to the market

				\$A'000
Revenue from ordinary activities	up	0.7%	to	1,524,495
Profit (loss) from ordinary activities after tax attributable to members	up	45.8%	to	273,797
Net profit (loss) for the period attributable to members	up	45.8%	to	273,797
Dividends		Amount per security		Franked amount per security
Interim dividend:		15 cents		15 cents
Previous corresponding period		11 cents		11 cents
Record date for determining entitlements to the dividend		31 March 2004		
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				

Appendix 4D should be read in conjunction with the Annual Financial Report of Publishing and Broadcasting Limited as at 30 June, 2003.

Condensed consolidated statement of financial performance

	Current period \$A'000	Previous corresponding period \$A'000
Revenues from ordinary activities	1,524,495	1,513,558
Expenses from ordinary activities	(1,104,957)	(1,176,749)
Borrowing costs	(79,555)	(76,955)
Share of net profits (losses) of associates and joint venture	6,696	(17)
Profit (loss) from ordinary activities before tax	346,679	259,837
Income tax on ordinary activities	(68,202)	(42,720)
Profit (loss) from ordinary activities after tax	278,477	217,117
Profit (loss) from extraordinary items after tax	0	0
Net profit (loss)	278,477	217,117
Net profit (loss) attributable to outside equity interests	4,680	29,282
Net profit (loss) for the period attributable to members	273,797	187,835

Non-owner transaction changes in equity

Increase (decrease) in revaluation reserves	0	0
Net exchange differences recognised in equity	(2,330)	4,802
Other revenue, expense and initial adjustments recognised directly in equity (attach details)	0	0
Initial adjustments from UIG transitional provisions	0	0
Total transactions and adjustments recognised directly in equity	(2,330)	4,802
Total changes in equity not resulting from transactions with owners as owners	271,467	192,637

Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS	41.36*	28.39^
Diluted EPS	41.36*	28.39^

* Basic/diluted EPS in the current period is 40.30 excluding the effect of specific items

^ Basic/diluted EPS in the prior period is 28.04 excluding the effect of specific items

Revenue from ordinary activities

	Current period \$A'000	Previous corresponding period \$A'000
Revenue from services	1,210,336	1,101,828
Revenue from sale of goods	261,730	242,386
Proceeds from sale of non-current assets	8,048	135,968
Interest received	24,931	22,555
Dividends received	153	124
Other operating revenue	19,297	10,697
Total revenue from ordinary activities	1,524,495	1,513,558

Expenses and losses/(gains)

(a) Expenses from ordinary activities

(excluding specific items)

Cost of sales	249,623	236,301
Television activities	307,369	283,220
Publishing activities	50,314	51,346
Gaming activities	429,621	432,922
Other ordinary activities	67,005	63,105
	1,103,932	1,066,894

Depreciation of non-current assets

(included in Expenses from ordinary activities)

Buildings	12,516	12,143
Plant and equipment	34,968	36,322
	47,484	48,465

Amortisation of non-current assets

(included in Expenses from ordinary activities)

Goodwill	1,446	1,464
Casino licence fee and management agreement	7,854	7,854
Ticketing rights	1,125	1,538
Plant and equipment under finance lease	1,617	1,645
Leasehold property	909	675
Other assets	1,925	1,384
	14,876	14,560

Total depreciation and amortisation expense

62,360 **63,025**

Borrowing costs expensed

Debt facilities	79,178	76,448
Finance leases	377	507
	79,555	76,955

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:

- Net (profit)/loss on disposal of investments
- Deferred financing costs expensed
- Provision for diminution of investments
- Non-recurring restructure costs
- Program costs written down
- Deferred online gaming costs expensed

Current period \$A'000	Previous corresponding period \$A'000
(7,022)	(115,042)
-	32,629
-	15,915
-	15,346
-	13,461
-	12,094
(7,022)	(25,597)
(38)	(48)
1,476	(594)

(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	1,117,055	740,856
Net profit (loss) attributable to members	273,797	187,835
Net effect of changes in accounting policies	-	72,745
Dividends and other equity distributions paid or payable	(92,491)	(72,736)
Retained profits at end of the financial period	1,298,361	928,700

Condensed consolidated statement of financial position

	Current period \$A'000	As shown in last Annual Report \$A'000	Previous corresponding period \$A'000
Current Assets			
Cash	921,050	837,300	806,222
Receivables	453,665	386,870	388,055
Inventories	160,043	148,770	160,565
Tax assets	-	-	7,135
Other	51,455	49,942	43,519
Total Current Assets	1,586,213	1,422,882	1,405,496
Non-Current Assets			
Receivables	105,359	158,797	171,565
Inventories	22,564	25,249	12,441
Investments accounted for using the equity method	317,740	280,519	257,187
Other financial assets	345,663	264,868	279,873
Property, plant and equipment	1,457,477	1,442,352	1,417,531
Licences and mastheads	2,921,787	2,926,150	2,931,113
Intangible assets	288,656	294,695	301,087
Deferred tax assets	109,674	137,596	95,535
Prepaid casino tax	83,412	84,780	86,147
Other	544	546	1,389
Total Non-Current Assets	5,652,876	5,615,552	5,553,868
Total Assets	7,239,089	7,038,434	6,959,364
Current Liabilities			
Payables	585,566	538,586	547,595
Interest-bearing liabilities	4,815	7,478	8,442
Tax liabilities	78,182	19,637	-
Provisions	69,056	69,350	64,245
Total Current Liabilities	737,619	635,051	620,282
Non-Current Liabilities			
Payables	67,161	76,753	66,079
Interest-bearing liabilities	2,370,266	2,375,619	2,374,916
Deferred tax liabilities	112,662	179,158	137,291
Provisions	30,237	30,004	30,957
Total Non-Current Liabilities	2,580,326	2,661,534	2,609,243
Total Liabilities	3,317,945	3,296,585	3,229,525
Net Assets	3,921,144	3,741,849	3,729,839
Equity			
Contributed equity	2,182,838	2,182,838	2,274,896
Reserves	436,782	439,112	454,635
Retained profits	1,298,361	1,117,055	928,700
Equity attributable to members of the parent entity	3,917,981	3,739,005	3,658,231
Outside equity interests in controlled entities	3,163	2,844	71,608
Total Equity	3,921,144	3,741,849	3,729,839

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period \$A'000
Cash flows from operating activities		
Receipts from customers	1,516,524	1,368,253
Payments to suppliers and employees	(950,175)	(944,396)
Dividends received	153	2,324
Interest received	21,236	13,473
Borrowing costs	(78,844)	(77,871)
Income tax paid	(47,629)	(39,783)
Gaming tax paid	(90,285)	(78,070)
Net operating cash flows	370,980	243,930
Cash flows from investing activities		
Purchase of property, plant and equipment	(71,021)	(59,358)
Proceeds from sale of property, plant and equipment	299	739
Payment for purchases of equity investments	(109,304)	(16,948)
Net proceeds from sale of equity investments	7,689	135,452
Acquisition of film and television investments	(5,995)	(3,917)
Recovery from film and television investments	3,274	3,427
Loans to associated entities	(17,500)	-
Loans repaid by associated entities	10,000	7,500
Payment for mastheads	(84)	(60,026)
Net investing cash flows	(182,642)	6,869
Cash flows related to financing activities		
Proceeds from borrowings	5,000	612,283
Repayment of borrowings	(13,013)	(427,705)
Dividends paid	(93,134)	(73,300)
Dividends/distributions paid to outside equity interests	(3,441)	(2,275)
Net financing cash flows	(104,588)	109,003
Net increase (decrease) in cash held	83,750	359,802
Cash at beginning of period	837,300	446,420
Effects of exchange rate changes on cash	-	-
Cash at end of period (see Reconciliation of cash)	921,050	806,222

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. If an amount is quantified, show comparative amount.

Nil

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.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	155,074	118,791
Deposits at call	765,976	687,431
Bank overdraft	0	0
Other (provide details)	0	0
Total cash at end of period	921,050	806,222

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue from ordinary activities	22.7%	17.2%
Profit after tax / equity interests 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	7.0%	5.1%
Net tangible asset backing per ordinary security.	\$5.49	\$5.18

Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of the following in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	41.36*	28.39^
(b) Diluted EPS	41.36*	28.39^
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS ('000)	661,925	661,725

* Basic/diluted EPS in the current period is 40.30 excluding the effect of specific items

^ Basic/diluted EPS in the prior period is 28.04 excluding the effect of specific items

Control gained over entities having material effect

Nil

Loss of control of entities having material effect

Nil

Dividends

Date the dividend is payable

15 April 2004

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)

31 March 2004

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend: Current year	15 cents	15 cents	-
Previous year	11 cents	11 cents	-

Total dividend per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
Ordinary securities	N/A	N/A

Interim dividend on all securities

	Current period \$'000	Previous corresponding period \$'000
Ordinary securities	99,289	72,736
Preference securities	0	0
Other equity instruments	0	0
Total	99,289	72,736

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
Group's share of associates' and joint venture entities':		
Profit (loss) from ordinary activities before income tax	7,727	293
Income tax on ordinary activities	(1,031)	(310)
Profit (loss) from ordinary activities after income tax	6,696	(17)
Amortisation of goodwill on acquisition	0	0
Share of associated entities' net profit (loss) after income tax	6,696	(17)

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
Equity accounted associates and joint venture entities			Equity accounted	
Sky Cable Pty Ltd	50.0%	50.0%	(10,141)	(8,159)
Fox Sports	50.0%	50.0%	8,057	8,883
ninemsn Pty Ltd	50.0%	38.1%	3,114	(2,044)
Australian Financial Investment Group	25.0%	25.0%	4,000	964
Seek Ltd (interest acquired 31 October 2003)	25.0%	0.0%	472	0
Total			5,502	(356)
Other material interests				
Monarchy Enterprises Holdings B.V.	25.4%*	20.7%*	0	0
Burswood Limited	15.7%	1.6%	73	124
Total			73	124

* 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.

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)
Preference securities	0	0		
Changes during current period				
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions				
Ordinary securities	661,925,000	659,850,961		
Changes during current period				
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions				
Convertible debt securities	0	0		
Changes during current period				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
Options	0	0	Exercise price	Expiry date
Issued during current period				
Exercised during current period				
Expired during current period				
Debentures	0	0		
Changes during current period				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
Unsecured notes	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

Segment Reporting

Segment reporting details are disclosed in Annexure A

Subsequent Events

No matter, item, transaction or event of a material nature has occurred between 31 December 2003 and the date of this report.

Commentary on results

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

Audit

This report is based on accounts that have been reviewed.

Sign here:



Company Secretary

26 February 2004

Date

Print Name:

Stephen John Wright

Annexure A to Appendix 4D Reports for industry and geographical segments

	Television		Magazines		Gaming		Unallocated		PBL Group	
	31 Dec 2003 \$A'000	31 Dec 2002 \$A'000	31 Dec 2003 \$A'000	31 Dec 2002 \$A'000	31 Dec 2003 \$A'000	31 Dec 2002 \$A'000	31 Dec 2003 \$A'000	31 Dec 2002 \$A'000	31 Dec 2003 \$A'000	31 Dec 2002 \$A'000
(a) Industry segment										
Operating revenue *										
Total	458,700	404,845	377,046	356,250	604,510	568,448	65,606	166,451	1,505,862	1,495,994
Intersegment	(2,820)	(2,425)	(808)	(734)	(741)	(303)	(1,929)	(1,529)	(6,298)	(4,991)
External customers	455,880	402,420	376,238	355,516	603,769	568,145	63,677	164,922	1,499,564	1,491,003
Interest revenue									24,931	22,555
Total revenue from ordinary activities	455,880	402,420	376,238	355,516	603,769	568,145	63,677	164,922	1,524,495	1,513,558
Segment result										
Earnings before interest, tax, depreciation and amortisation "EBITDA"	157,069	127,559	105,855	85,457	194,600	156,930	(7,580)	(18,264)	449,944	351,682
Depreciation and amortisation	(8,558)	(8,483)	(4,154)	(4,083)	(45,852)	(45,719)	(3,796)	(4,740)	(62,360)	(63,025)
Earnings before interest and tax "EBIT"	148,511	119,076	101,701	81,374	148,748	111,211	(11,376)	(23,004)	387,584	288,657
Specific items	-	(16,980)	-	(3,000)	-	(2,706)	7,022	48,283	7,022	25,597
Equity accounted share of associates' net profit/(loss)									6,696	(17)
Net interest income/(expense)									(54,623)	(54,400)
Profit/(loss) from operating activities before income tax and minority interests	148,511	102,096	101,701	78,374	148,748	108,505	(4,354)	25,279	346,679	259,837
less: tax expense									(68,202)	(42,720)
Profit from operating activities after tax	148,511	102,096	101,701	78,374	148,748	108,505	(4,354)	25,279	278,477	217,117
Total assets employed ^	1,882,348	1,794,604	1,604,099	1,556,944	2,020,286	1,985,735	1,732,356	1,622,081	7,239,089	6,959,364
Total liabilities	367,978	339,035	209,765	159,616	464,204	521,194	2,275,998	2,209,680	3,317,945	3,229,525
Acquisition of Non-current assets	15,720	8,906	2,657	69,118	56,227	47,739	150,081	14,486	224,685	140,249
Investments in associates	4,764	4,764	741	150	-	-	312,235	252,273	317,740	257,187
Non-cash expenses (other than depre & amort)	(2,042)	180	728	1,911	16,029	19,274	192	95	14,907	21,460

(b) Geographical segment

The Company operates principally within Australia

* Revenue includes proceeds from asset sales

^ Unallocated assets include PBL Enterprises investments of \$669.3 million (2002: \$527.4 million) and unallocated cash on deposit of \$751.1 million (2002: \$528.5 million)

Annexure B to Appendix 4D

	Current Period \$A'000
Income tax expense variation from prima facie amount	
Profit from ordinary activities before tax	346,679
Prima facie income tax expense @ 30%	104,004
Income tax expense disclosed in report	<u>68,202</u>
Variance	<u><u>35,802</u></u>
<i>Variance comprises the following items (at 30%):</i>	
Amortisation of intangibles	(3,175)
Capital profit on sale of investments	2,107
Difference in tax and accounting asset base	64,056
Deferred tax adjustment	(19,800)
Other items	<u>(7,386)</u>
	<u><u>35,802</u></u>