

# **APPENDIX 4E**

## **PRELIMINARY FINAL REPORT**



### **PUBLISHING AND BROADCASTING LIMITED**

A.B.N. 52 009 071 167

**YEAR ENDED: 30 JUNE 2003**

**PREVIOUS CORRESPONDING PERIOD: 30 JUNE 2002**

**Appendix 4E**

**Financial year ended 30 June 2003**

**For announcement to the market**

\$A'000			
Revenue from ordinary activities	up	<b>15.3%</b>	to <b>2,922,098</b>
Profit (loss) from ordinary activities after tax attributable to members	up	<b>42.0%</b>	to <b>380,828</b>
Net profit (loss) for the period attributable to members	up	<b>42.0%</b>	to <b>380,828</b>
<b>Dividends</b>		Amount per security	Franked amount per security
Final dividend:		<b>14 cents</b>	<b>14 cents</b>
Previous corresponding period		<b>11 cents</b>	<b>11 cents</b>
Record date for determining entitlements to the dividend		<b>30 September 2003</b>	
<p>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:</p> <p>Refer attached Media Release</p>			

## Condensed consolidated statement of financial performance

	Current period \$A'000	Previous corresponding period \$A'000
Revenues from ordinary activities	2,922,098	2,534,020
Expenses from ordinary activities	(2,265,007)	(2,073,127)
Borrowing costs	(158,979)	(129,897)
Share of net profits (losses) of associates and joint venture	2,091	(14,913)
<b>Profit (loss) from ordinary activities before tax</b>	<b>500,203</b>	<b>316,083</b>
Income tax on ordinary activities	(85,802)	(47,469)
<b>Profit (loss) from ordinary activities after tax</b>	<b>414,401</b>	<b>268,614</b>
Profit (loss) from extraordinary items after tax	0	0
<b>Net profit (loss)</b>	<b>414,401</b>	<b>268,614</b>
Net profit (loss) attributable to outside equity interests	33,573	403
<b>Net profit (loss) for the period attributable to members</b>	<b>380,828</b>	<b>268,211</b>

## Non-owner transaction changes in equity

Increase (decrease) in revaluation reserves	0	0
Net exchange differences recognised in equity	(9,702)	1,459
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	(9,702)	1,459
<b>Total changes in equity not resulting from transactions with owners as owners</b>	<b>371,126</b>	<b>269,670</b>

## Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS	57.55*	40.55^
Diluted EPS	57.55*	40.55^

\* Basic/diluted EPS in the current period is 50.15 excluding the effect of specific items

^ Basic/diluted EPS in the prior period is 40.10 excluding the effect of specific items

## Revenue from ordinary activities

	Current period \$A'000	Previous corresponding period \$A'000
Revenue from services	2,184,532	2,027,278
Revenue from sale of goods	492,239	445,454
Proceeds from sale of non-current assets	192,405	30,110
Interest received	46,647	27,664
Dividends received	578	714
Other operating revenue	5,697	2,800
<b>Total revenue from ordinary activities</b>	<b>2,922,098</b>	<b>2,534,020</b>

## Expenses and losses/(gains)

### (a) Expenses from ordinary activities

(excluding specific items)

Cost of sales	448,511	428,991
Television activities	576,552	555,201
Publishing activities	118,614	98,313
Gaming activities	857,391	874,151
Online gaming activities	15,774	11,421
ecorp activities	67,600	51,766
Other ordinary activities	37,134	53,216
	<b>2,121,576</b>	<b>2,073,059</b>

### *Depreciation of non-current assets*

(included in Expenses from ordinary activities)

Buildings	24,938	25,874
Plant and equipment	71,281	70,062
	96,219	95,936

### *Amortisation of non-current assets*

(included in Expenses from ordinary activities)

Goodwill	2,893	3,133
Casino licence fee and management agreement	15,652	15,652
Ticketing rights	3,061	2,361
Plant and equipment under finance lease	3,271	3,928
Leasehold property	1,405	1,174
Other assets	3,538	2,769
	29,820	29,017

Total depreciation and amortisation expense

**126,039**      **124,953**

### *Borrowing costs expensed*

Debt facilities	158,026	128,584
Finance leases	953	1,313
	<b>158,979</b>	<b>129,897</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:

	Current period \$A'000	Previous corresponding period \$A'000
Net (profit)/loss on disposal of investments	(146,721)	(10,317)
Provision for diminution of investments	20,865	0
Deferred online gaming costs expensed	12,094	0
Legal settlements	0	8,504
Deferred financing costs expensed	32,629	34,281
Non-recurring restructure costs	18,700	1,600
Program costs written down	13,461	0
Reversal of provision for diminution of unlisted investments	0	(34,000)
	<b>(48,972)</b>	<b>68</b>
(c) <u>Losses/(Gains)</u>		
Net (profit)/loss on disposal of property, plant and equipment	88	58
Net foreign currency (gains)/losses	647	(1,013)

**Consolidated retained profits**

Retained profits at beginning of the financial period	740,856	612,004
Net transfers from (to) share capital on selective capital reduction of controlled entity	66,386	0
Adjusted retained profits at beginning of the financial period	807,242	612,004
Net profit (loss) attributable to members	380,828	268,211
Net effect of changes in accounting policies	74,400	0
Dividends and other equity distributions paid or payable	(145,415)	(139,359)
<b>Retained profits at end of the financial period</b>	<b>1,117,055</b>	<b>740,856</b>

**Comparison of half year profits**

Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	187,835	160,214
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	192,993	107,997

## Condensed consolidated statement of financial position

	Current period \$A'000	Previous corresponding period \$A'000
<b>Current Assets</b>		
Cash	837,300	446,420
Receivables	386,870	309,514
Inventories	148,770	157,130
Tax assets	0	24,830
Other	49,942	67,430
<b>Total Current Assets</b>	<b>1,422,882</b>	<b>1,005,324</b>
<b>Non-Current Assets</b>		
Receivables	158,797	186,900
Inventories	25,249	11,876
Investments accounted for using the equity method	280,519	255,425
Other financial assets	264,868	361,309
Property, plant and equipment	1,442,352	1,430,813
Licences and mastheads	2,926,150	2,801,788
Intangible assets	294,695	301,681
Deferred tax assets	137,596	78,807
Prepaid casino tax	84,780	87,515
Other	546	1,437
<b>Total Non-Current Assets</b>	<b>5,615,552</b>	<b>5,517,551</b>
<b>Total Assets</b>	<b>7,038,434</b>	<b>6,522,875</b>
<b>Current Liabilities</b>		
Payables	538,586	431,686
Interest-bearing liabilities	7,478	7,472
Tax liabilities	19,637	0
Provisions	69,350	142,169
<b>Total Current Liabilities</b>	<b>635,051</b>	<b>581,327</b>
<b>Non-Current Liabilities</b>		
Payables	76,753	67,645
Interest-bearing liabilities	2,375,619	2,195,314
Deferred tax liabilities	179,158	135,829
Provisions	30,004	32,588
<b>Total Non-Current Liabilities</b>	<b>2,661,534</b>	<b>2,431,376</b>
<b>Total Liabilities</b>	<b>3,296,585</b>	<b>3,012,703</b>
<b>Net Assets</b>	<b>3,741,849</b>	<b>3,510,172</b>
<b>Equity</b>		
Contributed equity	2,182,838	2,274,895
Reserves	439,112	449,833
Retained profits	1,117,055	740,856
<b>Equity attributable to members of the parent entity</b>	<b>3,739,005</b>	<b>3,465,584</b>
Outside equity interests in controlled entities	2,844	44,588
<b>Total Equity</b>	<b>3,741,849</b>	<b>3,510,172</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	2,871,589	2,523,060
Payments to suppliers and employees	(2,051,084)	(1,835,528)
Dividends received	2,482	714
Interest received	40,034	22,311
Borrowing costs	(153,601)	(126,462)
Income tax paid	(52,142)	(71,418)
Gaming tax paid	(162,728)	(173,164)
<b>Net operating cash flows</b>	<b>494,550</b>	<b>339,513</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(129,037)	(104,126)
Proceeds from sale of property, plant and equipment	1,322	965
Payment for purchases of equity investments	(52,904)	(68,095)
Net proceeds from sale of equity investments	192,405	19,525
Acquisition of film and television investments	(16,976)	(11,597)
Recovery from film and television investments	9,604	977
Loans to associated entities	0	0
Loans repaid by associated entities	16,000	19,840
Payment for mastheads	(64,362)	(34,805)
Payments for closure of Indian operations	0	(34,997)
Other (net)	970	0
<b>Net investing cash flows</b>	<b>(42,978)</b>	<b>(212,313)</b>
<b>Cash flows related to financing activities</b>		
Proceeds from issues of shares	0	0
Payments for share buyback - PBL	0	(23,721)
Payments for share buyback - ecorp	(94,698)	0
Proceeds from borrowings	766,122	1,158,271
Repayment of borrowings	(584,137)	(1,147,204)
Dividends paid	(146,119)	(132,842)
Dividends/distributions paid to outside equity interests	(1,860)	(8,408)
<b>Net financing cash flows</b>	<b>(60,692)</b>	<b>(153,904)</b>
<b>Net increase (decrease) in cash held</b>	<b>390,880</b>	<b>(26,704)</b>
Cash at beginning of period (see Reconciliation of cash)	446,420	473,560
Effects of exchange rate changes on cash	0	(436)
<b>Cash at end of period (see Reconciliation of cash)</b>	<b>837,300</b>	<b>446,420</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. 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.

Cash on hand and at bank  
Deposits at call  
Bank overdraft  
Other (provide details)

**Total cash at end of period**

Current period \$A'000	Previous corresponding period \$A'000
112,682	95,006
724,618	351,414
0	0
0	0
<b>837,300</b>	<b>446,420</b>

## Ratios

### Profit before tax / revenue

Consolidated profit (loss) from ordinary activities  
before tax as a percentage of revenue from ordinary activities

Current period	Previous corresponding period
17.1%	12.5%

### 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

10.2%	7.7%
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**Net tangible asset backing per ordinary security.**

\$5.21	\$4.86
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## Earnings per security (EPS)

Calculation of the following in accordance with  
AASB 1027: Earnings per Share

- (a) Basic EPS  
(b) Diluted EPS  
(c) Weighted average number of ordinary shares outstanding during  
the period used in the calculation of the Basic EPS ('000)

Current period	Previous corresponding period
57.55*	40.55^
661,738	661,476

\* Basic/diluted EPS in the current period is 50.15 excluding the effect of specific items

^ Basic/diluted EPS in the prior period is 40.10 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 October 2003

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 2003

### Amount per security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Final dividend:</b>	Current year	14 cents	14 cents	-
	Previous year	11 cents	11 cents	-
<b>Interim dividend:</b>	Current year	11 cents	11 cents	-
	Previous year	10 cents	10 cents	-

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

	Current year	Previous year
Ordinary securities	25 cents	21 cents

### Final dividend on all securities

	Current period \$'000	Previous corresponding period \$'000
Ordinary securities	92,670	72,736
Preference securities	0	0
Other equity instruments	0	0
<b>Total</b>	<b>92,670</b>	<b>72,736</b>

**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	3,589	(14,913)
Income tax on ordinary activities	(1,498)	0
<b>Profit (loss) from ordinary activities after income tax</b>	2,091	(14,913)
Amortisation of goodwill on acquisition	0	0
<b>Share of associated entities' net profit (loss) after income tax</b>	2,091	(14,913)

### 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%	(16,459)	(22,717)
Fox Sports	50.0%	50.0%	16,047	20,619
ninemsn Pty Ltd	50.0%	38.1%	(2,887)	(2,156)
AFIC (formerly Wizard Mortgage Corporation)	25.0%	33.3%	4,750	422
Acxiom Pty Ltd (disposed 03/06/02)	0.0%	50.0%	0	(7,294)
Charles Schwab Australia (disposed 30/11/01)	0.0%	38.1%	0	(3,455)
<b>Total</b>			1,451	(14,581)
<b>Other material interests</b>				
Monarchy Enterprises Holdings B.V.	25.4%*	20.7%*	0	0
<b>Total</b>			0	0

\* While the interest in this entity is in excess of 20% the economic entity does not exert significant influence over the investee.

**Issued and quoted securities at end of current period**

<b>Category of securities</b>	Total Number	Number Quoted	Issue price per security (cents)	Amount paid up per security (cents)
<b>Preference securities</b>	0	0		
Changes during current period				
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions				
<b>Ordinary securities</b>	661,925,000	658,266,586		
Changes during current period				
(a) Increases through issues	200,000			
(b) Decreases through returns of capital, buybacks, redemptions				
<b>Convertible debt securities</b>	0	0		
Changes during current period				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
<b>Options</b>	0	0	Exercise price	Expiry date
Issued during current period				
Exercised during current period				
Expired during current period				
<b>Debentures</b>	0	0		
Changes during current period				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
<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

## Segment Reporting

Segment reporting details are disclosed in Annexure A

## Subsequent Events

Subsequent to the end of the reporting period, PBL has agreed to acquire 25% of SEEK, an unlisted online employment business for approximately \$33 million.

## Commentary on results

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

## Annual meeting

The annual meeting will be held as follows:

<b>Place</b>	<b>Sheraton on The Park Hotel 161 Elizabeth Street, Sydney Grand Ballroom</b>
<b>Date</b>	<b>30 October 2003</b>
<b>Time</b>	<b>11.00 am</b>
<b>Approximate date annual report will be available</b>	<b>30 September 2003</b>

## 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

28 August 2003

Date

Print Name:

Stephen John Wright

## Annexure A to Appendix 4E Reports for industry and geographical segments

			Current period \$A'000	Previous corresponding period \$A'000	
<b>(a) Industry segment</b>					
<b>Operating revenue</b>	Television	- Total	782,084	735,450	
		- Intersegment	(4,471)	(4,286)	
		- External customers	777,613	731,164	
	Publishing	- Total	699,898	589,744	
		- Intersegment	(1,615)	(3,235)	
		- External customers	698,283	586,509	
	Gaming	- Total	1,143,471	1,114,567	
		- Intersegment	(1,056)	(531)	
		- External customers	1,142,415	1,114,036	
	Online gaming	- Total	6,765	468	
		- Intersegment	0	0	
		- External customers	6,765	468	
	ecorp*	- Total	185,817	60,907	
		- Intersegment	0	0	
		- External customers	185,817	60,907	
	Unallocated*	- Total	68,526	13,272	
		- Intersegment	(3,968)	0	
- External customers		64,558	13,272		
Interest revenue			46,647	27,664	
<b>Total revenue from ordinary activities</b>			<b>2,922,098</b>	<b>2,534,020</b>	
<b>Segment result</b>	Television		200,937	175,973	
	Publishing		166,875	103,545	
	Gaming		238,800	195,545	
	Online gaming		(9,009)	(10,953)	
	ecorp		(486)	(7,539)	
	Unallocated*		(35,645)	(23,274)	
	Earnings before interest and tax "EBIT"			561,472	433,297
	Specific items				
	Television		(16,227)	0	
	Publishing		(3,000)	41,518	
	Gaming		(2,706)	0	
	Online gaming		(14,212)	0	
	ecorp		105,307	2,566	
	Unallocated		(20,190)	(44,152)	
				48,972	(68)
	Equity accounted share of associated entities net profit (loss)			2,091	(14,913)
	Net interest income/(expense)			(112,332)	(102,233)
Profit from operating activities before income tax and minority interests			500,203	316,083	
less: tax expense			(85,802)	(47,469)	
<b>Profit from operating activities after tax</b>			<b>414,401</b>	<b>268,614</b>	
<b>Total assets employed</b>	Television		1,828,539	1,806,522	
	Publishing		1,537,133	1,433,638	
	Gaming		2,064,647	1,960,952	
	Online gaming		1,883	18,452	
	ecorp		104,404	198,375	
	Unallocated #		1,501,828	1,104,936	
<b>Total</b>			<b>7,038,434</b>	<b>6,522,875</b>	
<b>(b) Geographical segment</b>					
The Company operates principally within Australia					
* Revenue includes proceeds from asset sales, segment result is net of corporate costs					
# Includes PBL Enterprises investments of \$530.5 million (2002: \$545.8 million) and unallocated cash on deposit of \$710.6 million (2002: \$293.3 million)					

**Annexure B to Appendix 4E**

	Current Period \$A'000
<b>Income tax expense variation from prima facie amount</b>	
Profit from ordinary activities before tax	500,203
Prima facie income tax expense @ 30%	150,061
Income tax expense disclosed in report	<u>85,802</u>
Variance	<u><u>64,259</u></u>
<i>Variance comprises the following items (at 30%):</i>	
Tax losses not previously brought to account	8,314
Amortisation of intangibles	(6,481)
Capital profit on sale of investments	38,393
Provision for diminution of investments	(6,259)
Difference in tax and accounting asset base	36,300
Other items	<u>(6,008)</u>
	<u><u>64,259</u></u>