



# PUBLISHING AND BROADCASTING LIMITED

A.B.N. 52 009 071 167

## Half Yearly Report Appendix 4B

Half yearly  
(tick)Preliminary  
Final (tick)Half year ended  
(‘current period’)
**31 December 2002**

### For announcement to the market

				\$A'000
Revenue from ordinary activities ( <i>item 1.1</i> )	up	<b>18.3%</b>	to	<b>1,513,558</b>
Profit (loss) from ordinary activities after tax attributable to members ( <i>item 1.22</i> )	up	<b>17.2%</b>	to	<b>187,835</b>
Profit (loss) from extraordinary items after tax attributable to members ( <i>item 2.5(d)</i> )		gain/(loss) of		<b>0</b>
Net profit (loss) for the period attributable to members ( <i>item 1.11</i> )	up	<b>17.2%</b>	to	<b>187,835</b>
<b>Dividends</b>		Amount per security		Franked amount per security
Interim dividend: Ordinary ( <i>item 15.6</i> )		<b>11 cents</b>		<b>11 cents</b>
Previous corresponding period ( <i>item 15.7</i> )	Ordinary	<b>10 cents</b>		<b>10 cents</b>
Record date for determining entitlements to the dividend ( <i>item 15.2</i> )		<b>31 March 2003</b>		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
<b>N/A</b>				

This half yearly report is to be read in conjunction with the most recent annual financial report

## Condensed consolidated statement of financial performance

	Current period \$A'000	Previous corresponding period \$A'000
1.1 Revenues from ordinary activities <i>(see items 1.23-1.25)</i>	1,513,558	1,279,315
1.2 Expenses from ordinary activities <i>(see items 1.26 &amp; 1.27)</i>	(1,176,749)	(1,010,228)
1.3 Borrowing costs	(76,955)	(66,772)
1.4 Share of net profits (losses) of associates and joint venture entities <i>(see item 16.7)</i>	(17)	(8,534)
<b>1.5 Profit (loss) from ordinary activities before tax</b>	<b>259,837</b>	<b>193,781</b>
1.6 Income tax on ordinary activities	(42,720)	(34,794)
<b>1.7 Profit (loss) from ordinary activities after tax</b>	<b>217,117</b>	<b>158,987</b>
1.8 Profit (loss) from extraordinary items after tax <i>(see item 2.5)</i>	0	0
<b>1.9 Net profit (loss)</b>	<b>217,117</b>	<b>158,987</b>
1.10 Net profit (loss) attributable to outside equity interests	29,282	(1,227)
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>187,835</b>	<b>160,214</b>

## Non-owner transaction changes in equity

1.12 Increase (decrease) in revaluation reserves		
1.13 Net exchange differences recognised in equity	4,802	896
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)		
1.15 Initial adjustments from UIG transitional provisions		
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	4,802	896
<b>1.17 Total changes in equity not resulting from transactions with owners as owners</b>	<b>192,637</b>	<b>161,110</b>

## Earnings per security (EPS)

	Current period	Previous corresponding period
1.18 Basic EPS (cents per share)	28.39 <sup>^</sup>	24.22 <sup>*</sup>
1.19 Diluted EPS (cents per share)	28.39 <sup>^</sup>	24.22 <sup>*</sup>

<sup>^</sup> Basic/diluted EPS in the current period is 28.04 cents per share excluding the effect of specific items (refer item 10.1)

<sup>\*</sup> Basic/diluted EPS in the prior period is 24.03 cents per share excluding the effect of specific items (refer item 10.1)

**Profit (loss) from ordinary activities attributable to members**

	Current period \$A'000	Previous corresponding period \$A'000
1.20 Profit (loss) from ordinary activities after tax <i>(item 1.7)</i>	217,117	158,987
1.21 Less (plus) outside equity interests	(29,282)	1,227
<b>1.22 Profit (loss) from ordinary activities after tax attributable to members</b>	<b>187,835</b>	<b>160,214</b>

**Revenue and expenses from ordinary activities**

	Current period \$A'000	Previous corresponding period \$A'000
1.23 <u>Details of revenue</u>		
Revenue from services	1,113,165	1,037,594
Revenue from sale of goods	242,386	224,526
Proceeds from sale of investments	135,452	2,708
1.24 Interest received	22,555	14,487
<b>Revenue from ordinary activities</b>	<b>1,513,558</b>	<b>1,279,315</b>
Less: revenue from specific items (included below)	(135,452)	(2,708)
1.26 <u>Details of relevant expenses</u>		
Cost of sales	(236,301)	(220,171)
Expenses* from:		
- television activities	(275,987)	(254,241)
- publishing activities	(47,386)	(34,817)
- gaming activities	(396,442)	(407,769)
- online gaming activities	(9,524)	0
- ecorp	(34,571)	(30,468)
- other activities	(15,898)	(11,851)
1.27 Depreciation and amortisation exc. amortisation of intangibles <i>(item 2.3)</i>	(50,785)	(49,411)
<u>Specific Items</u>		
Net profit (loss) on sale of investments	115,042	2,708
Provision for diminution of listed investments	(15,915)	0
Deferred financing costs expensed	(32,629)	0
Deferred online gaming costs expensed	(12,094)	0
Non-recurring restructure costs	(15,346)	(1,500)
Program costs written down	(13,461)	0
<b>Expenses from ordinary activities</b>	<b>(1,176,749)</b>	<b>(1,010,228)</b>
Borrowing costs	(76,955)	(66,772)
Share of net profit (loss) of associates and joint venture entities	(17)	(8,534)
<b>Profit (loss) from ordinary activities before tax</b>	<b>259,837</b>	<b>193,781</b>

\* Expenses include cost of assets sold (excluding specific items)

**Capitalised outlays**

1.28 Interest costs capitalised in asset values		
1.29 Outlays capitalised in intangibles (unless arising from an acquisition of a business)		

Current period \$A'000	Previous corresponding period \$A'000
0	0
0	0

**Consolidated retained profits**

1.30 Retained profits at beginning of the financial period		
1.31 Net profit (loss) attributable to members ( <i>item 1.11</i> )		
1.32 Net transfers from (to) reserves		
1.33 Net effect of changes in accounting policies		
1.34 Dividends and other equity distributions paid or payable		

740,856	612,004
187,835	160,214
0	0
72,745	0
(72,736)	(66,096)
<b>928,700</b>	<b>706,122</b>

**1.35 Retained profits at end of the financial period****Intangible and extraordinary items**

	Consolidated - current period			
	Before tax \$A'000 (a)	Related tax \$A'000 (b)	Related outside equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
2.1 Amortisation of goodwill	(1,464)	0	(316)	(1,148)
2.2 Amortisation of other intangibles	(10,777)	0	(367)	(10,410)
<b>2.3 Total amortisation of intangibles</b>	<b>(12,241)</b>	<b>0</b>	<b>(683)</b>	<b>(11,558)</b>
2.4 Extraordinary items				
<b>2.5 Total extraordinary items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Comparison of half year profits***(Preliminary final report only)*

3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.23 in the half yearly report)		
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year		

Current year \$A'000	Previous year \$A'000
N/A	N/A
N/A	N/A

## Condensed consolidated statement of financial position

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
<b>Current assets</b>			
4.1 Cash	806,222	446,420	475,592
4.2 Receivables	388,055	309,514	349,994
4.3 Investments	0	0	0
4.4 Inventories	160,565	157,130	186,152
4.5 Tax assets	7,135	24,830	11,375
4.6 Other (provide details if material)	43,519	67,430	50,525
<b>4.7 Total current assets</b>	<b>1,405,496</b>	<b>1,005,324</b>	<b>1,073,638</b>
<b>Non current assets</b>			
4.8 Receivables	171,565	186,900	195,858
4.9 Investments (equity accounted)	257,187	255,425	253,219
4.10 Other investments	279,873	361,309	315,193
4.11 Inventories	12,441	11,876	13,007
4.14 Other property, plant and equipment (net)	1,417,531	1,430,813	1,419,607
4.15a Licences and Mastheads	2,931,113	2,801,788	2,807,159
4.15b Intangibles (net)	301,087	301,681	307,012
4.16 Tax assets	95,535	78,807	26,468
4.17a Prepaid Casino Tax	86,147	87,515	88,882
4.17b Other (provide details if material)	1,389	1,437	41,626
<b>4.18 Total non current assets</b>	<b>5,553,868</b>	<b>5,517,551</b>	<b>5,468,031</b>
<b>4.19 Total assets</b>	<b>6,959,364</b>	<b>6,522,875</b>	<b>6,541,669</b>
<b>Current liabilities</b>			
4.20 Payables	547,595	431,686	511,182
4.21 Interest bearing liabilities	8,442	7,472	7,745
4.22 Tax liabilities	0	0	0
4.23 Provisions exc. tax liabilities	64,245	142,169	139,442
4.24 Other (provide details if material)	0	0	0
<b>4.25 Total current liabilities</b>	<b>620,282</b>	<b>581,327</b>	<b>658,369</b>
<b>Non current liabilities</b>			
4.26 Payables	66,079	67,645	63,581
4.27 Interest bearing liabilities	2,374,916	2,195,314	2,243,217
4.28 Tax liabilities	137,291	135,829	66,470
4.29 Provisions exc. tax liabilities	30,957	32,588	31,879
4.30 Other (provide details if material)	0	0	0
<b>4.31 Total non current liabilities</b>	<b>2,609,243</b>	<b>2,431,376</b>	<b>2,405,147</b>
<b>4.32 Total liabilities</b>	<b>3,229,525</b>	<b>3,012,703</b>	<b>3,063,516</b>
<b>4.33 Net assets</b>	<b>3,729,839</b>	<b>3,510,172</b>	<b>3,478,153</b>
<b>Equity</b>			
4.34 Capital/contributed equity	2,274,896	2,274,895	2,273,075
4.35 Reserves	454,635	449,833	449,270
4.36 Retained profits (accumulated losses)	928,700	740,856	706,122
<b>4.37 Equity attributable to members of the parent entity</b>	<b>3,658,231</b>	<b>3,465,584</b>	<b>3,428,467</b>
4.38 Outside equity interests in controlled entities	71,608	44,588	49,686
<b>4.39 Total equity</b>	<b>3,729,839</b>	<b>3,510,172</b>	<b>3,478,153</b>
4.40 Preference capital included as part of 4.37	0	0	0

## Notes to the condensed consolidated statement of financial position

### Exploration and evaluation expenditure capitalised

5.1-5.6 N/A

### Development Properties

6.1-6.7 N/A

## Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period \$A'000
<b>Cash flows related to operating activities</b>		
7.1 Receipts from customers	1,368,253	1,289,341
7.2 Payments to suppliers and employees	(944,396)	(920,879)
7.3 Dividends received from associates	2,200	0
7.4 Other dividends received	124	254
7.5 Interest and other items of similar nature received	13,473	13,825
7.6 Interest and other costs of finance paid	(77,871)	(58,489)
7.7 Income taxes paid	(39,783)	(65,283)
7.8 Gaming tax	(78,070)	(86,039)
<b>7.9 Net operating cash flows</b>	<b>243,930</b>	<b>172,730</b>
<b>Cash flows related to investing activities</b>		
7.10 Payment for purchases of property, plant and equipment	(59,358)	(47,948)
7.11 Proceeds from sale of property, plant and equipment	739	113
7.12 Payment for purchases of equity investments	(16,948)	(27,877)
7.13 Net proceeds from sale of equity investments	135,452	0
7.14 Loans to other entities	0	(200)
7.15 Loans repaid by other entities	7,500	11,340
7.16a Other - payment for mastheads	(60,026)	(36,335)
7.16b Other - payments for closure of India operations	0	(26,978)
7.16c Other (net)	(490)	(717)
<b>7.17 Net investing cash flows</b>	<b>6,869</b>	<b>(128,602)</b>
<b>Cash flows related to financing activities</b>		
7.18a Proceeds from issues of securities (shares, options, etc.)	0	0
7.18b Payments for buyback of securities	0	(23,722)
7.19 Proceeds from borrowings	612,283	119,555
7.20 Repayment of borrowings	(427,705)	(71,877)
7.21 Dividends paid	(73,300)	(65,089)
7.22 Other (provide details if material)	(2,275)	(963)
<b>7.23 Net financing cash flows</b>	<b>109,003</b>	<b>(42,096)</b>
<b>7.24 Net increase (decrease) in cash held</b>	<b>359,802</b>	<b>2,032</b>
7.25 Cash at beginning of period (see Reconciliation of cash)	446,420	473,560
7.26 Exchange rate adjustments to item 7.25	0	0
<b>7.27 Cash at end of period (see Reconciliation of cash)</b>	<b>806,222</b>	<b>475,592</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.

N/A

## 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
8.1 Cash on hand and at bank	118,791	120,840
8.2 Deposits at call	687,431	354,752
8.3 Bank overdraft	0	0
8.4 Other (provide details)	0	0
<b>8.5 Total cash at end of period (item 7.27)</b>	<b>806,222</b>	<b>475,592</b>

## Other notes to the condensed financial statements

### Ratios

	Current period	Previous corresponding period
<b>9.1 Profit before tax / revenue</b> Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	17.2%	15.1%
<b>9.2 Profit after tax / equity interests</b> Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	5.1%	4.6%

**Earnings per security (EPS)**

	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with AASB 1027: Earnings per Share		
(a) Basic and diluted EPS	28.39 <sup>^</sup>	24.22 <sup>*</sup>
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of the basic/diluted EPS ('000)	661,725	661,623
(c) Earnings for basic and diluted EPS (item 1.11)	187,835	160,214

<sup>^</sup> Basic/diluted EPS in the current period is 28.04 cents per share based on earnings excluding the effect of specific items of \$2.3 million.

<sup>\*</sup> Basic/diluted EPS in the prior period is 24.03 cents per share based on earnings excluding the effect of specific items of \$1.2 million.

**NTA backing**

	Current period	Previous corresponding period
11.1 Net tangible asset backing per ordinary security.	\$5.18	\$4.79

**Discontinuing operations**

12.1 Discontinuing operations	N/A
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**Control gained over entities having material effect**

13.1 Name of entity (or group of entities).	N/A
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**Loss of control of entities having material effect**

14.1 Name of entity (or group of entities).	N/A
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## Dividends

15.1	Date the dividend is payable	15 April 2003
15.2	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 CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)	31 March 2003
15.3	If it is a final dividend has it been declared? (Preliminary final report only)	N/A

### Amount per security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>15.4</b>	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	N/A	N/A	-
15.5	Previous year	N/A	N/A	-
<b>15.6</b>	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend</b> Current year	11 cents	11 cents	-
15.7	Previous year	10 cents	10 cents	-

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

*(Preliminary final report only)*

	Current year	Previous year
15.8 Ordinary securities	N/A	N/A
15.9 Preference securities	N/A	N/A

### Interim dividend on all securities

	Current period \$'000	Previous corresponding period \$'000
15.10 Ordinary securities	72,736	66,145
15.11 Preference securities	0	0
15.12 Other equity instruments	0	0
<b>15.13 Total</b>	<b>72,736</b>	<b>66,145</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

Group's share of associates' and joint venture entities':		Current period	Previous corresponding period
		\$'000	\$'000
16.1	Profit (loss) from ordinary activities before income tax	293	(8,534)
16.2	Income tax on ordinary activities	(310)	0
<b>16.3</b>	<b>Profit (loss) from ordinary activities after income tax</b>	(17)	(8,534)
16.4	Extraordinary items net of tax	0	0
<b>16.5</b>	<b>Net profit (loss)</b>	(17)	(8,534)
16.6	Adjustments	0	0
<b>16.7</b>	<b>Net profit (loss) attributable to members</b>	(17)	(8,534)

### 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) (item 1.9)	
	Current period	Previous corresponding period	Current period \$'000	Previous corresponding period \$'000
<b>17.1 Equity accounted associates and joint venture entities</b>			Equity accounted	
Sky Cable Pty Ltd ^	50.0%	50.0%	(8,159)	(12,579)
Fox Sports ^	50.0%	50.0%	8,883	12,893
ninemsn Pty Ltd	38.1%	38.1%	(2,044)	(674)
Charles Schwab Australia (disposed 30/11/01)	0.0%	38.1%	0	(3,455)
<b>17.2 Total</b>			(1,320)	(3,815)
<b>17.3 Other material interests</b>				
Monarchy Enterprises Holdings B.V.	20.7%*	20.7%*	0	0
Television and Media Services	9.5%	9.8%	0	0
<b>17.4 Total</b>			0	0

^ Equity accounted result has been tax effected in the current period and not in the previous corresponding period.

\* 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**

<b>Category of securities</b>	Total Number	Number Quoted	Issue price per security (cents)	Amount paid up per security (cents)
<b>18.1 Preference securities</b>				
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
<b>18.3 Ordinary securities</b>	661,725,000	657,117,067		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
<b>18.5 Convertible debt securities</b>				
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
<b>18.7 Options</b>			Exercise price	Expiry date
18.8 Issued during current period				
18.9 Exercised during current period				
18.10 Expired during current period				
<b>18.11 Debentures</b>				
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
<b>18.13 Unsecured notes *</b>	5,004,000	5,000,000		
18.14 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

\* Comprising PBL PARS and Crown notes

## Comments by directors

If there are no comments in any section, state NIL. If there is insufficient space to comment, attach notes to this report.

### 19.2 Material factors affecting the revenues and expenses of the economic entity for the current period

See accompanying media release

### 19.3 A description of each event since the end of the current period which has had a material effect and is not related to matters already reported in this Appendix or in attachments, with financial effect quantified (if possible).

See accompanying media release

### 19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

PBL had 64.5 million franking credits, on a tax paid basis, available at 31 December 2002. The 2003 interim dividend will be fully franked and it is expected that any 2003 final dividend will be fully franked.

### 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report.

PBL has adopted AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" for the first time. As such, a provision for dividends is now only recognised once it has been publicly declared. The effect of the new policy is to increase retained earnings by \$72.2 million being the 2002 final dividend not declared until after 30 June 2002.

PBL has previously capitalised the costs of establishing financing facilities and amortised these costs over the term of the facility. This accounting policy has changed in the current reporting period with these costs being written off as incurred to provide a more appropriate reflection of the operating performance going forward.

The costs written off as a specific item in the current period as a result of this voluntary change in accounting policy totalled \$32.63 million. The amount that would have been amortised in the six months to 31 December 2002 had the accounting policy not changed is \$4.16 million.

### 19.6 Revisions in estimates of amounts reported in previous interim periods.

Nil

### 19.7 Changes in contingent liabilities or assets

Contingent liabilities have increased \$1.7 million from \$320.7 million at 30 June 2002 to \$322.4 million at 31 December 2002.


## Annual meeting

*(Preliminary final report only)*

## Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
- 2 This report, and the accounts upon which the report is based (if separate) use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on accounts which are in the process of being subject to review.
- 5 Details of any qualification will follow immediately they are available
- 6 The entity has a formally constituted audit committee.

Sign here:

  
\_\_\_\_\_  
Company Secretary

5 March 2003

\_\_\_\_\_  
Date

Print Name:

Stephen John Wright

## Annexure A to Appendix 4B

### Reports for industry and geographical segments

(a) Industry segment			Current period \$A'000	Previous corresponding period \$A'000
<b>Operating revenue</b>	Television	- Total	404,845	388,082
		- Intersegment	2,425	2,735
		- External customers	402,420	385,347
	Publishing	- Total	356,250	294,024
		- Intersegment	734	2,273
		- External customers	355,516	291,751
	Gaming	- Total	568,448	560,407
		- Intersegment	303	216
		- External customers	568,145	560,191
	Online gaming	- Total	3,865	0
		- Intersegment	0	0
		- External customers	3,865	0
	ecorp	- Total	154,167	26,440
		- Intersegment	0	0
		- External customers	154,167	26,440
	Unallocated*	- Total	6,890	1,099
		- Intersegment	0	0
		- External customers	6,890	1,099
	Interest revenue		22,555	14,487
	<b>Total revenue from ordinary activities</b>			<b>1,513,558</b>
<b>Segment result</b>	Television		117,728	123,502
	Publishing		81,374	53,311
	Gaming		111,211	92,981
	Online gaming		(5,729)	0
	ecorp		(387)	(5,300)
	Unallocated*		(15,540)	(11,102)
	Earnings before interest and tax "EBIT"		288,657	253,392
	Specific items			
	Television		(16,980)	0
	Publishing		(3,000)	2,996
	Gaming		(2,706)	0
	Online gaming		(12,094)	0
	ecorp		112,245	(288)
	Unallocated		(51,868)	(1,500)
			25,597	1,208
	Equity accounted share of associated entities			
	net profit (loss)		(17)	(8,534)
	Net interest income/(expense)		(54,400)	(52,285)
	Profit from operating activities before			
	income tax and minority interests		259,837	193,781
less: tax expense		(42,720)	(34,794)	
<b>Profit from operating activities after tax</b>			<b>217,117</b>	<b>158,987</b>
<b>Total assets employed</b>	Television		1,794,604	1,793,380
	Publishing		1,556,944	1,437,725
	Gaming		1,985,735	1,956,078
	Online gaming		5,618	0
	ecorp		318,616	236,388
	Unallocated #		1,297,847	1,118,098
<b>Total</b>			<b>6,959,364</b>	<b>6,541,669</b>

#### (b) Geographical segment

The Company operates principally within Australia

\* Revenue includes proceeds from asset sales, segment result is net of corporate costs

# Includes unallocated cash on deposit of \$528.5 million (2003), \$323.2 million (2002)

**Annexure B to Appendix 4B****31 December 2002**

	Current Period \$'000
<b>Income tax expense variation from prima facie amount</b>	
Operating profit before income tax	259,837
Prima facie income tax expense @ 30%	77,951
Income tax expense disclosed in report	<u>42,720</u>
Variance	<u><u>35,231</u></u>
<i>Variance comprises the following items (at 30%):</i>	
Tax losses not previously brought to account	8,124
Amortisation of intangibles	(3,672)
Capital profit on sale of investments	28,889
Foreign tax credits utilised	5,950
Provision for diminution of investments	(4,774)
Other items	<u>714</u>
	<u><u>35,231</u></u>