



Publishing and Broadcasting Ltd

Half Year Results 2006





- **Solid double digit earnings growth**
 - gaming and magazines solid
 - tough television environment
 - significant growth in investment earnings

 - **Increased interim dividend to 30 cps**

 - **A conservative financial structure**

 - **Continued focus on costs**
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12% normalised earnings growth to \$349m

- Improved contribution from core businesses except television
- Normalised operating margin of 29.3%
- Substantial increase in equity accounted earnings, to \$36m

Reported earnings increase to \$387m

- Positive impact from win rate variance and from non recurring items between the two years was +\$9m
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GROUP RESULTS



Solid earnings growth, and cash flow

	H1-05 (\$m)	H1-06 (\$m)	%
Normalised Profit *			
■ Revenue	1,678	1,835	9.3
■ Cost	1,159	1,298	11.9
■ EBITDA	519	537	3.6
■ NPAT	312	349	12.0
■ EBITDA MARGIN %	30.9	29.3	
Cash Flow			
■ Operating Cash Flow	440	442	
■ Free cash flow	(148)	379	
■ Debt (reduction) increase	545	(210)	

* At theoretical and before non-recurring items



- **Revenue decreased 4.6% to \$466 million**
 - Market share 37% (comparative 38.5%)
- **Costs flat at \$317 million**
 - Management focus on costs
- **EBITDA decreased to \$149 million**
 - Margin 32.0% (comparative 35.1%)





■ Revenue increased 9.6% to \$453 million

- Circulation revenue increased 8%
- Advertising revenue increased 12%

■ Costs up 11.0% to \$320 million

- In part due to copy sale volume increases and new launches (like for like 5%)

■ EBITDA increased 6.5% to \$134 million

- Margin 29.6% (comparative 30.4%)





■ Revenue increased 32% to \$891 million

- Increase in local gaming business, hotels, food and beverage and inclusion of 6 months of Burswood
- High win rate of 1.64% with VIP Program Play turnover increasing slightly to \$11.8 bn

■ Costs

- Higher cost growth due to impact of increased patronage levels on labour costs

■ EBITDA

- Reported **EBITDA** increased 60% to \$296m
- Theoretical **EBITDA** increased 16% to \$265m





Increased net “costs” of \$4 million due to:

- Increased legal costs (mainly C7)
- Increased costs associated with implementation and investigation of investment opportunities

Equity Accounted



Solid improvement in first half of FY 06

	H1-05 (\$m)	H1-06 (\$m)
■ Pay Television	(9.3)	12.0
■ ninemsn	4.6	12.7
■ Seek	2.1	3.6
■ Hoyts	-	5.0
■ Other	1.5	2.4
CONTINUING INVESTMENTS	(1.1)	35.7
■ AFIG (sold Nov '04)	4.5	-
TOTAL EQUITY ACCOUNTED	3.4	35.7

Cash Flow



Improvement in operating cash flow to \$442 million

	FY-05 (\$m)	FY-06 (\$m)
Normalised EBITDA	519	537
(Less) Plus win rate variance	(44)	30
Reported EBITDA	475	567
Dividends received	12	38
Working Capital Movements		
- ESP loan repayments	85	-
- Other	7	(22)
Cash Flow generated by Businesses	579	583
Interest payments	(61)	(59)
Income tax payments	(78)	(82)
Operating Cash Flow (per ASX "4E")	440	442

Cash Flow



After capex and dividends, net debt decreased \$210 m

	H1-05 (\$m)	H1-06 (\$m)
Operating Cash Flow (per ASX “4E”)	440	442
Capital Expenditure	(42)	(70)
Capital Expenditure (Superdome)	(26)	-
Investments (net)	(520)	7
Free Cash Flow	(148)	379
Dividends paid	(186)	(168)
Other	(4)	(1)
Net Group Cash Flow	(338)	210
Acquired debt (Burswood)	(207)	-
Net Debt Decrease (Increase)	(545)	210



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