

**APPENDIX 4D**

**Results for announcement to the market**

				\$A'000
Revenues from ordinary activities	up	17.0 %	to	294,511
Profit/(loss) from ordinary activities after tax attributable to members	up	39.1 %	to	58,446
Net profit/(loss) for the period attributable to members	up	39.1 %	to	58,446
<b>Dividends</b>		<b>Amount per security</b>		<b>Franked amount per security at 30%</b>
First Interim dividend				
- Ordinary		13.00 ¢		13.00 ¢
- Preferred		14.30 ¢		14.30 ¢
Previous corresponding period				
- Ordinary		9.00 ¢		9.00 ¢
- Preferred		9.90 ¢		9.90 ¢
New Second Interim dividend				
- Ordinary		6.00 ¢		6.00 ¢
- Preferred		6.60 ¢		6.60 ¢
Previous corresponding period				
- Ordinary		Nil ¢		Nil ¢
- Preferred		Nil ¢		Nil ¢
Record date for determining entitlements to the dividend,	<b>First Interim: February 18, 2005</b> <b>New Second Interim: May 25, 2005</b>			

**Statement of Financial Performance**  
**For the half-year ended December 31, 2004**

	CONSOLIDATED	
	2004 \$'000	2003 \$'000
Revenue from advertising, circulation and printing services	290,886	249,062
Other revenue from operating activities	3,625	2,656
	294,511	251,718
Employee salaries, wages and oncosts	(98,564)	(86,089)
Newspint, plates, ink and consumables used	(41,683)	(37,739)
Outside printing	(10,442)	(8,704)
Communications and postage	(6,474)	(6,510)
Freight and distribution	(8,174)	(6,485)
Occupancy and utilities	(5,116)	(4,428)
Promotion and sponsorship	(5,100)	(4,566)
Motor vehicle	(2,849)	(2,664)
News services and contributors	(3,151)	(2,926)
Repairs and maintenance	(2,961)	(2,175)
Travel and accommodation	(1,931)	(1,859)
Other expenses	(15,286)	(12,808)
	(201,731)	(176,953)
	92,780	74,765
Depreciation and amortisation	(8,937)	(9,814)
	83,843	64,951
Borrowing costs	(4,551)	(2,763)
Interest income	281	483
	79,573	62,671
Proceeds on sale of assets	946	1,349
Book value of assets sold	(1,036)	(1,426)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	79,483	62,594
Income tax (expense)	(20,210)	(19,021)
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE	59,273	43,573
Net profit attributable to outside equity interests	(827)	(1,545)
NET PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	58,446	42,028
<b>Non-Owner transaction changes in equity</b>		
Increase/(decrease) in asset revaluation reserve	-	3,748
Net exchange difference on translation of financial statements of self-sustaining foreign operations	3,867	3,819
Total revenues, expenses and valuation adjustments attributable to members of the parent entity recognised directly in equity	3,867	7,567
Total changes in equity other than those resulting from transactions with owners as owners	62,313	49,595
EARNINGS PER SHARE (Cents)		
Basic		
Ordinary shares	28.3	20.6
Preferred shares	31.1	22.6
Diluted (reflecting potential exercise of share options)		
Ordinary shares	27.8	20.2
Preferred shares	30.6	22.2

## Statement of Financial Position

	CONSOLIDATED		
	Dec 31	Jun 30	Dec 31
	2004	2004	2003
	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>			
Cash	15,215	12,520	3,865
Receivables	75,087	79,896	81,211
Inventories	19,406	11,379	12,010
Other	3,088	1,770	2,779
<b>TOTAL CURRENT ASSETS</b>	<b>112,796</b>	<b>105,565</b>	<b>99,865</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	9,013	9,007	9,007
Property, plant and equipment	188,917	171,673	156,633
Mastheads	611,999	609,289	605,606
Radio licences	15,328	15,328	11,235
Deferred tax assets	9,373	9,508	9,548
Other	1,276	1,435	1,208
<b>TOTAL NON-CURRENT ASSETS</b>	<b>835,906</b>	<b>816,240</b>	<b>793,237</b>
<b>TOTAL ASSETS</b>	<b>948,702</b>	<b>921,805</b>	<b>893,102</b>
<b>CURRENT LIABILITIES</b>			
Payables	37,438	44,821	33,765
Interest bearing liabilities	745	136	1,613
Current tax liabilities	14,140	20,911	12,126
Provisions	20,029	19,440	20,941
<b>TOTAL CURRENT LIABILITIES</b>	<b>72,352</b>	<b>85,308</b>	<b>68,445</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	1,836	938	1,654
Interest bearing liabilities	201,780	160,166	182,819
Deferred tax liabilities	1,080	5,179	5,258
Provisions	3,977	4,170	4,133
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>208,673</b>	<b>170,453</b>	<b>193,864</b>
<b>TOTAL LIABILITIES</b>	<b>281,025</b>	<b>255,761</b>	<b>262,309</b>
<b>NET ASSETS</b>	<b>667,677</b>	<b>666,044</b>	<b>630,793</b>
<b>EQUITY</b>			
Contributed equity	321,087	320,464	317,735
Reserves	199,279	195,412	190,327
Retained profits	135,678	139,153	112,632
Total parent entity interest	656,044	655,029	620,694
Outside equity interests in controlled entities	11,633	11,015	10,099
<b>TOTAL EQUITY</b>	<b>667,677</b>	<b>666,044</b>	<b>630,793</b>

## Notes to and forming part of the Statement of Financial Position

	CONSOLIDATED	
	2004	2003
	\$'000	\$'000
<b>RETAINED PROFITS</b>		
Retained profits at beginning of the half-year	139,153	123,680
Net profit attributable to members of the parent entity	58,446	42,028
Dividend paid	(61,921)	(53,076)
	<u>135,678</u>	<u>112,632</u>

**Statement of cash flows**

	<b>CONSOLIDATED</b>	
	<b>2004</b>	<b>2003</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	324,372	273,133
Payments to suppliers and employees	(242,920)	(205,587)
Dividends received	199	57
Interest received	351	468
Interest and other costs of finance paid	(4,092)	(2,284)
Income tax paid	(30,924)	(28,030)
<b>Net cash flow from operating activities</b>	<b>46,986</b>	<b>37,757</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of businesses and controlled entities (net cash)	(5,515)	(39,118)
Refund of stamp duty paid on purchase of mastheads	-	216
Purchase of masthead	(76)	-
Purchase of property, plant and equipment	(26,790)	(14,064)
Proceeds from sale of property, plant & equipment	946	1,349
<b>Net cash flow used in investing activities</b>	<b>(31,435)</b>	<b>(51,617)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	623	3,185
Proceeds from borrowings	65,000	71,000
Repayment of borrowings	(17,000)	(22,170)
Payment of dividends	(61,921)	(43,137)
Payment of dividends to outside equity interests	(208)	(1,001)
<b>Net cash flow used in financing activities</b>	<b>(13,506)</b>	<b>7,877</b>
<b>NET INCREASE /(DECREASE) IN CASH HELD</b>	<b>2,045</b>	<b>(5,983)</b>
Cash at beginning of the half-year	12,520	9,924
Effect of exchange rate changes on cash	18	(76)
<b>CASH AT THE END OF THE HALF-YEAR</b>	<b>14,583</b>	<b>3,865</b>
<b>Reconciliation of cash</b>		
Cash	15,215	3,865
Bank overdraft	(632)	-
Cash at the end of the financial year	<u>14,583</u>	<u>3,865</u>

**Earnings per Share**

Net Profit used for Basic and Diluted earnings

Ordinary	33,604	24,259
Preferred	24,842	17,769
Net profit for the period attributable to the members	58,446	42,026
Weighted average number of shares on issue used in the calculation of basic earnings per share		
ordinary	118,647,877	117,832,912
Preferred	79,740,120	78,462,044
Weighted average number of shares on issue used in the calculation of diluted earnings per share		
Ordinary	118,647,877	117,832,912
Preferred	83,433,005	81,874,490

Options to purchase Preferred shares not exercised at balance date have only been included in the determination of diluted earnings per share.

**Ratios**
**Profit before tax / revenue**

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

27.0 %      24.9 %

**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 period

8.9 %      6.9 %

**NTA backing**

Net tangible asset backing per ordinary security	\$5.44	\$5.17
Net tangible asset backing per share	\$3.25	\$3.10

**Dividends**

Date the dividend is payable

First Interim: March 4, 2005 Second Interim June 3, 2005
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Record date to determine entitlements to the dividend (ie, on the basis of proper instruments of transfer received by 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)

First Interim: February 18, 2005 New Second Interim: May 25, 2005
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**Amount per security**

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>First Interim dividend:</b>			
Current year ordinary	13.00 ¢	13.00 ¢	- ¢
Preferred	14.30 ¢	14.30 ¢	- ¢
Previous year ordinary	9.00 ¢	9.00 ¢	- ¢
Preferred	9.90 ¢	9.90 ¢	- ¢
<b>New Second Interim dividend:</b>			
Current year ordinary	6.00 ¢	6.00 ¢	- ¢
Preferred	6.60 ¢	6.60 ¢	- ¢
Previous year ordinary	Nil ¢	Nil ¢	- ¢
Preferred	Nil ¢	Nil ¢	- ¢

**Dividend reinvestment plan**

The Company has a dividend reinvestment plan, however it only applies, at the discretion of the Directors, on any Special Dividends that may be paid from time to time.

**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> At end of period	79,813,101	79,813,101	N/A	N/A
Changes during current period				
(a) Increases through issues	131,668	131,668	N/A	N/A
(b) Decreases through returns of capital, buybacks, redemptions	-	-		
<b>+Ordinary securities</b> At end of period	118,647,877	118,647,877	N/A	N/A
Changes during current period				
(a) Increases through issues	-	-	N/A	N/A
(b) Decreases through returns of capital, buybacks	-	-		

<b>Options</b>			<i>Exercise price</i>	<i>Expiry Date</i>
Options granted under the Executive Option Plan, Approved by Shareholders On October 9, 1998	-	-	\$4.70	18/12/04
As at end of period	124,903	-	\$4.83	17/12/05
	40,001	-	\$5.00	22/12/06
	170,000	-	\$4.60	21/12/07
	1,335,000	-	\$4.70	10/5/08
	460,000	-	\$4.73	20/12/08
	200,000	-	\$5.56	13/6/09
	400,000	-	\$6.98	21/12/09
	890,000	-	\$7.62	11/6/10
Total	3,619,904	-	-	-
Issued during current period	-	-	-	-
Exercised during current period	111,669	-	\$4.70	18/12/04
	13,333	-	\$4.83	17/12/05
	6,666	-	\$5.00	22/12/06
Expired/lapsed during current period	-	-	-	-

**Segment report**

## Business segments

	External segment revenue		Inter-segment revenue		Total revenue	
	2004	2003	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Newspaper publishing – Australasia	215,087	184,270	1,194	1,062	216,281	185,332
Printing - Australasia	54,738	44,405	41,833	36,790	96,571	81,195
Eliminations	-	-	(43,027)	(37,852)	(43,027)	(37,852)
	269,825	228,675	-	-	269,825	228,675
Magazine publishing – United States	19,218	19,575	-	-	19,218	19,575
Broadcasting	5,243	3,425	-	-	5,243	3,425
	294,286	251,675	-	-	294,286	251,675
Other/unallocated	225	43	-	-	225	43
	294,511	251,718	-	-	294,511	251,718

	Total Result	
	2004	2003
	\$'000	\$'000
Newspaper publishing – Australasia	63,688	50,714
Printing - Australasia	17,098	11,191
	80,786	61,905
Magazine publishing – United States	1,601	1,613
Broadcasting	364	(227)
	82,751	63,291
Other/unallocated	1,092	1,660
	83,843	64,951
Net interest	(4,270)	(2,280)
Net profit/(loss) on sale of property, plant and equipment, and software	(90)	(77)
	79,483	62,594

The average exchange rates used in converting US dollars were 0.7397 (2003: 0.7028).

Profit before tax is disclosed separately for the Newspaper publishing - Australasia and Printing - Australasia activities as required by Accounting Standard AASB 1005 Segment Reporting. The individually reported financial results for these two activities are determined after various internal charges, internal allocation of indirect costs and with internal revenues being based on historical pricing formulae for production activities. The individually reported financial results do not therefore represent the financial performance of these activities as separate stand alone business segments.

**International Financial Reporting Standards**

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This financial report has been prepared in accordance with Australian accounting standards and other current financial reporting requirements (Australian GAAP). Commencing July 1, 2005, the financial report must be prepared in accordance with Australian equivalents to International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. The first financial reports under Australian equivalents to IFRS will be the December 31, 2005 half-year report and June 30, 2006 annual report. Comparatives for the prior corresponding periods are to be restated within these reports for consistency.

The company has established a formal project, monitored by the Audit Committee of the Board, to achieve the required transition of the financial report to Australian equivalents to IFRS. In early 2004, the company completed a high level overview of the key implications and potential impacts of the transition to Australian equivalents to IFRS on existing business processes, procedures, systems, accounting and reporting policies, balances and staff.

Work is progressing on implementing the changes required in order to transition to Australian equivalents to IFRS. It is expected to be substantially completed by June 30, 2005.

The differences between Australian GAAP and Australian equivalents to IFRS identified to date as potentially having a significant effect on the consolidated entity's financial performance and/or financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences and it does not identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events will be presented.

The effects of the differences discussed below have not yet been fully quantified. Accordingly, there can be no assurances that the consolidated financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with Australian equivalents to IFRS. Regulatory bodies that promulgate Australian and International accounting standards have significant ongoing projects that could result in additional differences between the financial reports prepared under Australian GAAP and the financial reports prepared under Australian equivalents to IFRS. Further, system upgrades and other implementation costs which may be incurred have not been quantified as this process is continuing. Such costs are not anticipated to be material.

The key potential implications of the conversion to Australian equivalents to IFRS on the consolidated entity are as follows:

- Internally generated intangible assets currently recorded in the financial report at valuation cannot be recognised and purchased intangible assets cannot be revalued as they have no active market. Previous revaluations of the entity's mastheads will therefore be reversed. These adjustments will reverse the revaluation reserves currently recorded in the financial report in respect of masthead revaluations (\$168,876,000 as at December 31, 2004) and an additional residual amount to consolidated retained earnings. The impact of these adjustments on the consolidated statement of financial position may exceed \$200 million but has not been finally determined. However this change is not anticipated to have a significant effect on either cash flows or the company's dividend policy;
- Impairments of assets will be determined on a discounted cash flow basis, with strict tests for determining whether goodwill and cash-generating units have been impaired. Any impairment is recognised in the statement of financial performance and must be allocated against the individual assets affected by the impairment conditions;
- As goodwill and intangible assets held by the consolidated entity have indefinite useful lives, they will be tested for impairment annually, with any impairment recorded directly in the statement of financial performance in the period in which the impairment occurs. Goodwill will no longer be amortised and the current amortisation charge (\$142,000 in 2004) recognised by the consolidated entity will cease; and
- Revaluation increments and decrements relating to revalued property, plant and equipment are required to be recognised on an individual asset basis, not a class of assets basis as specified under existing Australian GAAP. The consolidated entity is considering taking advantage of the deemed cost exemption available for land and buildings currently held at valuation, thereby reverting back to cost and avoiding asset by asset assessments.

Proposed standards dealing with accounting for income tax, equity based compensation, hedge accounting and changes in accounting policy will impact the form and presentation of the financial statements but are not expected to have a material financial impact on reported assets, liabilities or results.

**Other Information****Entry into tax consolidation**

The Company and its resident wholly owned subsidiaries have notified the Australian Taxation Office of their adoption of the tax consolidation regime from July 1, 2003.

Adoption of the tax consolidation has had a significant impact on the tax assets and liabilities of the tax consolidated group. The effect of resetting certain tax values upon formation of the tax consolidated group is a one off net credit to income tax expense during the half year of \$3.77 million.

**Reclassification of financial information**

Certain prior year expense line items on the Statement of Financial Performance have been reclassified from other expenses to specific line items.

**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, use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 The accounts have been reviewed.
- 5 The entity has a formally constituted audit committee.



B. H. G. Stofberg  
Company Secretary

Dated: February 10, 2005