



# RURAL PRESS LIMITED

ABN 47 000 010 382

August 25, 2005

## ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

### Annual Result for Year Ended June 30, 2005

#### STRENGTH IN PUBLISHING LIFTS RURAL PRESS TO FURTHER RECORD PROFIT

<b>GROUP RESULT</b>	<b>FULL YEAR 2005</b>		<b>FULL YEAR 2004</b>	<b>Change</b>	
	<b>Underlying</b>	<b>Reported</b>	<b>Reported</b>	<b>Underlying</b>	<b>Reported</b>
Revenue (\$m)	571.5	571.5	515.1	10.9%	10.9%
EBIT	162.1	162.1	137.6	17.8%	17.8%
NPATM (\$m)	105.7	112.8	87.1	21.4%	29.6%
EPS (ordinary shares) (cents)	51.2	54.7	42.5	20.5%	28.7%
EPS (Preferred shares) (cents)	56.4	60.1	46.7		
Dividends Per Share (cents)					
First Interim - ordinary		13.00	9.00		
- Preferred		14.30	9.90		
Second Interim (new)					
- ordinary		6.00	Nil		
- Preferred		6.60	Nil		
Third Interim - ordinary		10.00	10.00		
- Preferred		11.00	11.00		
Final (proposed) - ordinary		22.50	20.00		
- Preferred		24.75	22.00		
Total Dividends – ordinary		51.50	39.00		+32.0%
- Preferred		56.65	42.90		+32.0%

The Board of Rural Press Limited today announced a record net profit after tax and outside equity interests of \$112.8 million, an increase of 29.6% over last year's record profit of \$87.1 million. Excluding a one-off tax gain of \$7.1 million arising on the adoption of tax consolidation, the company's net profit increased by 21.4% to \$105.7 million. The 2005 result included an additional week's trading over the prior period.

Highlights of the full year result of the diversified regional and rural media company were:

- Revenue increased by 10.9 per cent to \$571.5 million.
- Underlying profit increased by 21.4 per cent to \$105.7 after tax and minorities
- Total dividends increased by 32 per cent to 51.50 cents and 56.65 cents respectively for the ordinary and Preferred shares.
- EBIT margin increased from 26.7 per cent to 28.4 per cent.

Rural Press Chairman, Mr John B. Fairfax AM, said the Board was particularly pleased with the result. The seven per cent advertising volume growth in Australia, added to the nine per cent increase in the previous year, was a positive reflection on all management and staff.

## OPERATING HIGHLIGHTS

### Australasian Publishing and Printing

The Australian publishing and printing operations grew revenue by 12.1 per cent to \$525 million and EBIT by 19.5 per cent to \$156.2 million.

The Australian Agricultural publications continued the previous year's recovery, and posted a record year in trading amid intense competition and drought conditions in some markets. Increases in both advertising and circulation volumes in the weekly agricultural publications were particularly pleasing.

The key factors in the Australian Metropolitan and Regional publications were also increases in advertising centimetres and paid circulation. Despite the slowdown in the property sector, overall advertising volumes reached all-time high levels.

The strategy of growth through acquisitions continued, with the purchase of the *Moree Champion*, *Goondiwindi Argus*, *Mudgee Weekly*, *Devonport Times*, *Hepburn Shire Advocate* and the *Senior Post*.

The programme of upgrading production and press technology throughout the group continued. Additional press capacity and colour capabilities were added to a number of sites, including Canberra, North Richmond, Port Macquarie, Ballarat, Launceston, Esperance and Whyalla. A greenfield site was also successfully commissioned at Mandurah, Western Australia, to replace the nearby press at Collie.

The New Zealand Agricultural publications performed well in a competitive market.

### US Agricultural Publishing

The group's US operations implemented a major new publishing strategy which received favourable market reaction. Advertising revenues did not reach expected levels during the conversion period and management is focussed on taking advantage of all opportunities.

### Broadcasting

The company's radio broadcasting operations had an improved year, driven primarily by a better performance by Ipswich's River 94.9FM station.

### Outlook

Trading in the first seven weeks is marginally ahead of the strong first half 2004 comparisons. At this early stage, the company is reluctant to give guidance for the period ahead, but is still targeting further growth for the 2006 year.

## DIVIDEND

The following dates have been set for payment of the remaining dividends for 2005.

	<b>Third Interim</b>	<b>Final</b>
Record Date (5 p.m. Sydney time)	September 8, 2005	November 18, 2005
Payment Date	September 16, 2005	November 30, 2005

### Dates:

- Annual Report available from September 20, 2005
- Annual General Meeting: 10.45 a.m., Friday, October 21, 2005 at 159 Bells Line of Road, North Richmond, NSW 2754
- General Meeting of Holders of Preferred shares: 10.30 a.m., Friday, October 21, 2005 at 159 Bells Line of Road, North Richmond, NSW 2754

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