

> FINANCIAL REPORTS

RURAL PRESS LIMITED
ABN 47 000 010 382

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All amounts are expressed in Australian dollars
unless otherwise stated.

> CORPORATE GOVERNANCE

CODE OF ETHICS

The Directors of Rural Press Limited recognise the need to uphold the highest standards of ethical behaviour and accountability.

Rural Press Limited has published a Code of Ethics, which details the Company's responsibilities to shareholders, customers, suppliers, employees and the wider communities in which the Company operates. A copy of the code is available on the Company's website at www.ruralpress.com.

The adequacy of this code is monitored by the Board on an ongoing basis, to ensure that the Company's practices remain relevant to current developments in corporate governance.

KEY OBJECTIVES

The prime objectives of the Company's corporate governance activities are to ensure that the Board fulfils its core responsibility to shareholders for setting the Company's direction and strategy, monitoring its performance, enhancing the interests of shareholders; and ensuring the Company's reporting procedures and internal controls in areas such as risk management and environment protection are adequate and effective.

BOARD STRUCTURE

The structure and composition of the Board is fundamental to the achievement of the first objective. The names of the Directors are listed in the Directors' Report. The role of Management is to propose strategies and to implement agreed plans. It is therefore important that the Board which has the final responsibility for the Company's strategies and performance, should be composed of Directors able to consider issues with independence and objectivity.

Accordingly, all except the Managing Director are non-executive, including the Chairman, with a majority being independent Directors. All Directors have established business experience and/or professional credentials in order to provide a wide range of skills, knowledge and experience.

All Directors participate in considering new appointments to and resignations from the Board. Subject to the requirements of any relevant law the retirement age for Directors is 72 years.

ACCESS TO INDEPENDENT ADVICE

The Audit Committee is empowered under its Charter to seek independent professional advice at the Company's expense if in its opinion such advice is necessary.

Directors who are not members of the Audit Committee may also seek independent professional advice at the Company's expense providing they obtain the prior approval of the Chairman or the Chairman of the Audit Committee, whichever is the most appropriate in the circumstances.

MONITORING PERFORMANCE

The Board monitors the Company's performance by monthly analysis of financial statements and an

evaluation of progress against budgets and key financial benchmarks. The Board receives regular updates on exposure to financial risks and any emerging threats to operations, and monitors action taken by management. Strategic plans are reviewed annually.

In order to gain a first hand appreciation of the operating environments of the Company's businesses, the Board also holds some of its meetings in appropriate regional centres.

REMUNERATION

The effectiveness, dedication and participation of each non-executive Director is monitored by the Chairman who also reviews fees payable to non-executive Directors with external and Board consultation. Similarly, the performance of the Chairman is monitored by the non-executive Directors on an annual basis when his Director's fees are reviewed.

The performance of the Managing Director is measured against specific objectives and performance targets and the Managing Director conducts performance appraisals with all senior executives. The salary packages of the Managing Director and all senior executives are approved by the Board.

RETIREMENT BENEFITS

Subject to the Corporations Act, Directors with more than five years' service receive a lump sum equal to 20 per cent of fees at the date of retirement times their completed years of service.

AUDIT COMMITTEE

The Company's internal control system is overseen by the Board's Audit Committee which comprises three non-executive Directors, a majority being independent Directors, including the Chairman of the Committee and whose names are listed in the Directors' Report. Meetings of the Audit Committee are also attended by invitation. The Managing Director, General Manager Finance, Group Internal Auditor and senior partner from the external audit firm usually attend meetings. The Audit Committee conducts separate meetings with the external auditor in the absence of management.

The Committee's role is to provide a direct link between the Board and the internal and external audit functions of the Company. Under its Charter, the Committee must ensure that the systems of internal control safeguard the Company's assets and minimise significant risks or exposures. It must also review compliance with statutory financial requirements; ensure that internal and external audit functions are effective and appropriately resourced; and ensure that financial information provided to shareholders is true and fair.

The Audit Committee Charter is reviewed annually, is currently under review, and will be placed on the Company's website once the review is complete.

> CORPORATE GOVERNANCE

EXTERNAL AUDITORS

The Company contracted the services of KPMG and its antecedent firms in November 1988 to conduct the external audit function. The current audit partner was appointed in 1999.

Full disclosure of external auditors' audit and non-audit fees is provided in the Company's financial statements.

The internal auditor and external auditors have access at all times to the Audit Committee and to the Board if required.

CONTINUOUS DISCLOSURE

The Company aims to ensure equal access to material information through the Continuous Disclosure regime by making media releases via the Australian Stock Exchange (ASX) only and posting the same releases on the Company's website; no one other than the Chairman and the Managing Director have access to the media. Analysts' briefings are posted on the Company's website.

DIRECTORS' AND EXECUTIVE OFFICERS' DEALINGS IN SECURITIES

The Company's policy on Directors' and Executive Officers' trading in its securities conforms to the ASX Listing Rules relating to Director Disclosure of Interests and Transactions in Securities. Dealing in the Company's securities by a Director is permitted only within a period of six weeks after announcements by the Company to the ASX of half year and full year financial results and after the Annual General Meeting of the Company, subject to:

Prior approval by the Chairman of the Board, or failing him/her then the Chairman of the Audit Committee, who must subsequently notify approvals to the Board; and

The Director, at the time of dealing, not having any price sensitive information about the Company or its affairs that has not been disclosed to the ASX.

In the case of the Chairman of the Board, any dealing in the Company's securities must be approved by the Chairman of the Audit Committee, who must subsequently notify approval to the Board.

Executive officers in possession of price sensitive information are subject to the policy as described above except that they should seek the approval of the Managing Director who may, if circumstances require, seek the views of the Chairman.

Directors and executive officers in possession of price sensitive information who are participants of the Deferred Employee Share Plan (DESP) are permitted to have the Company's securities purchased on their behalf pursuant to the Rules of the DESP. Despite this, the Board may temporarily suspend such dealings until such time as the Board deems it appropriate for those dealings to resume.

DISCLOSURE

The Company fulfils its statutory obligations of full disclosure. The financial statements comply with ASX Listing Rules, Accounting Standards in Australia, the Corporations Act and ASIC policies and guidelines except for the disclosure of the value of current options granted which is considered immaterial.

AUSTRALIAN STOCK EXCHANGE GUIDELINES AND CORPORATE GOVERNANCE COUNCIL

The Board has reviewed the guidelines of the abovenamed and is of the view that the Company substantially complies with those requirements. The Board is considering and taking further advice on the following:

Whether the Audit Committee should be empowered to submit proposals for the appointment of auditors.

Whether non-executive Directors' terms should be limited to an agreed maximum term.

> DIRECTORS' REPORT

STATUTORY DIRECTORS' REPORT

For the year ended June 30, 2002

Your Directors have pleasure in presenting their report, together with the financial report of Rural Press Limited (the Company) and consolidated financial report of the consolidated entity (being the Company and its controlled entities) for the year ended June 30, 2002 and the Audit Report thereon.

INFORMATION ON DIRECTORS

The Directors of the Company in office during the financial year and at the date of this report are:

JB Fairfax, AM, Chairman	BJ Taplin (retired September 30, 2001)
B Gowrie Smith	SF Higgs
TV Fairfax	CB Livingstone
DJ Asimus, AO	PA Roach (appointed October 18, 2001)
BK McCarthy, Managing Director	

Mr BK McCarthy is the only Executive Director on the Board.

John Brehmer Fairfax, AM (Chairman, Non Executive Director, Age 60)

Qualifications and experience: Board member since 1988 and Chairman since 1990. Chairman of Marinya Media Pty Limited since 1987. Deputy Chairman of John Fairfax Limited 1985-87 and Director 1979-87. Director of David Syme & Co Ltd 1981-87. Chairman of Media Council of Australia 1980-82. Chairman of Newspaper Advertising Bureau 1985-87. Chairman of Australian section of the Commonwealth Press Union 1987-92. Director of St Luke's Hospital 1973-95. Councillor of Royal Agricultural Society of New South Wales since 1990. Chairman of Cambooya Investments Limited since 1991-2001. Director of Australian Rural Leadership Foundation Limited 1993-98. Councillor since 1979, and President since 1993 of Boys Brigade Inc. Director of Crane Group Limited since 1996. Director of Westpac Banking Corporation Limited since 1996.

Special responsibilities: Chairman of Directors. Director of Subsidiary Companies.

Bruce Gowrie Smith (Independent Non Executive Director, Age 62)

Qualifications and experience: Hon. D.Ap.Sc. (Charles Sturt). Farmer. Board member since 1985. Canberra Junior Farmer Award 1965. Served on general council of United Farmers and Woolgrowers Association of NSW. Chairman Oilseed Research Committee NSW 1974-80. Deputy Chairman Australian Coarse Graingrowers Association 1970-76. Deputy Chairman NSW Oilseed Marketing Board 1978-81. Director of Rural Industries Research and Development Corporation 1990-96. Director Australian Rural Leadership Foundation Limited since 1992. Experience in large scale irrigation development and management and the production of grains, oilseeds and vegetables. Director of Riverina Development Board 1993-96. Formation Chairman and currently Executive Member of Riverina Food Network since 1993.

Timothy Vincent Fairfax (Non Executive Director, Age 56)

Qualifications and experience: F.A.I.C.D. Farmer and grazier. Board member since 1988. Director of Marinya Media Pty Limited since 1987. Director of Primac Holdings Limited from 1991 to June 1998. Director of Stanbroke Pastoral Company Limited since 1993. Councillor New England Girls School 1994-99. Councillor University of the Sunshine Coast since 1996. Trustee Queensland Art Gallery since 1996. Director of Brickworks Limited since 1997. Chairman University of the Sunshine Coast Foundation since 1997. Deputy Chairman of Australian Rural Leadership Foundation Limited since 1999.

Special responsibilities: Member of Audit Committee.

David James Asimus, AO (Independent Non Executive Director, Age 70)

Qualifications and experience: B.Ec. (Syd), Hon.D.Sc. (NSW), Hon.D.Ag.Ec. (Syd). Farmer. Board member since 1989. Member of Australian Wool Corporation 1973-89 and Chairman 1979-89. Executive member of CSIRO 1969-70. Chairman of International Wool Secretariat 1979-89. Member of Australian Trade Commission 1986-91. Director of Australian Eagle Insurance Limited 1988-92. Director of The Broken Hill Proprietary Company Limited 1988-99. Director of IBJ Australian Bank Limited since 1988. Chancellor of Charles Sturt University since 1989. Director of Wesfarmers Limited since 1994. Chairman of Australian Rural Leadership Foundation Limited 1994-99. Director of Delta Electricity Limited 1996-00.

Barry John Taplin (Non Executive Director, Age 70)

Qualifications and experience: F.C.A. Board member since 1989. Managing Director of Marinya Media Pty Limited from 1989 to July 1998. Partner in Touche Ross & Co (Chartered Accountants) and predecessor firms 1960-89. Formerly a member of Touche Ross & Co, International Strategic Planning Group, International Banking Group and Deputy Chairman of the Australian firm.

> DIRECTORS' REPORT

Stephen Francis Higgs (Independent Non Executive Director, Age 55)

Qualifications and Experience: BEc (Syd). Board member since June 2000. Corporate financier, including 20 years with investment bank UBS Warburg Limited and its predecessors. Director of Primary Healthcare Limited since 1999. Director of Juvenile Diabetes Foundation Australia since 1992. Director of IPAC Securities Limited since 2001. Chairman of Orlando Wines Limited 1987-90. Director of Leigh Marden and Jasco Limited 1990-92. Interests in rural beef and olive oil enterprises.
Special responsibilities: Member of Audit Committee.

Catherine Brigid Livingstone (Independent Non Executive Director, Age 46)

Qualifications and experience: BA (Hons). CA, IMD International (Switzerland), Programme for Executive Development. Eisenhower Foundation Exchange Fellow 1999. Board member since December 2000. Managing Director of Cochlear Limited 1994-2000. Chairman of CSIRO Australian Business Foundation since 2001. Director of Telstra Corporation Limited and Goodman Fielder Limited since 2000. Director of Export Finance and Insurance Corporation 1995-2001. Macquarie University Department of Accounting and Finance Advisory Board since 1997. Macquarie University Division of Economic and Financial Studies Advisory Board since 1999. Sydney Institute Board since 1998. Member of Australia-China Council 1998-2000. Director of Q-Vis Limited 2000-2001. Australian Business Foundation Board since 2000. Chair of CSIRO since 2001.
Special Responsibilities: Chair of Audit Committee.

Peter Andrew Roach (Non Executive Director, Age 40)

Qualifications and Experience: BComm (UNSW), MBA (SCU), CA, FAICD. Board member since October 18, 2001. Chief Executive Officer of Cambooya Pty Limited since 2000. Director of Marinya Media Pty Limited since 2001. Practising Chartered Accountant 1988-1999. Director of Grand United Health Fund 1994-2000. Councillor of Knox Grammar School (Chairman of Finance and Audit Committee) since 2001.

Brian Keith McCarthy (Managing Director, Age 50)

Qualifications and Experience: BComm. Harvard Business School, Advanced Management Programme, 1994. Managing Director of Rural Press Limited since 1994. Joined Regional Publishers Pty Limited in 1976 as Group Accountant. General Manager of Upper Hunter Publishers Pty Limited 1983. General Manager of Maitland Mercury 1984. Joined Rural Press Limited in 1987 as General Manager Special Projects. Vice President Pacific Area Newspaper Publishers Association and Director 1993-2001.

Special Responsibilities: Managing Director. Director of all Subsidiary Companies.

DIRECTORS' MEETINGS

The number of meetings attended by the Company's Directors for the year ended June 30, 2002 were as follows:

	Board of Directors	Audit Committee
JB Fairfax, AM	11 (12)	
B Gowrie Smith	12 (12)	
TV Fairfax	12 (12)	2 (2)
DJ Asimus, AO	12 (12)	
BJ Taplin (retired September 30, 2001)	4 (4)	1 (1)
SF Higgs	12 (12)	3 (3)
CB Livingstone	12 (12)	2 (2)
PA Roach (appointed October 18, 2001)	8 (8)	
BK McCarthy	12 (12)	

Figures in brackets represent the maximum number of meetings the Director could attend.

DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital of the Company as notified by the Directors to the Australian Stock Exchange in accordance with Section 205 G(1) of the Corporations Act 2001 at the date of this report is:

	Ordinary Shares	Preferred Shares
JB Fairfax, AM ⁽¹⁾	60,690,352	22,326,302
B Gowrie Smith	9,050	4,527
TV Fairfax ⁽¹⁾	60,690,352	22,326,302
DJ Asimus, AO	11,722	2,248
SF Higgs	7,347	-
CB Livingstone	5,000	-
PA Roach	700	-
BK McCarthy	39,842	52,001

⁽¹⁾ The relevant interests disclosed for JB Fairfax and TV Fairfax refer to shareholdings that are common to both Directors.

> DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity in the course of the financial year were newspaper, magazine and electronic publishing, printing, radio broadcasting and events organising. There was no significant change in the nature of those activities during the financial year.

REVIEW OF OPERATIONS

The review of the consolidated entity's operations is outlined on pages 6 to 13 of the annual report.

CONSOLIDATED RESULT

The consolidated profit for the year ended June 30, 2002 attributable to the members of the Company was:

	2002 \$'000	2001 \$'000
Profit from ordinary activities after income tax expense	55,261	27,095
Net profit attributable to outside equity interests	(1,516)	(2,195)
Net profit attributable to members of the parent entity	<u>53,745*</u>	<u>24,900*</u>

* Profit from ordinary activities after income tax expense included losses and write offs arising from divested activities totalling \$4,761,000 (2001 \$25,161,000).

STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the year under review not otherwise disclosed in this report, in the consolidated financial report, or the report to shareholders.

DIVIDENDS

Dividends paid or recommended by the Company since the end of the previous financial year.

In respect of the year ended June 30, 2002:	\$000's
– An interim dividend of 5.50 cents per share, fully franked to 30% on 114,521,785 ordinary shares;	6,299
and an interim dividend of 6.05 cents per share, fully franked to 30% on 76,654,671 Preferred shares, both paid on March 9, 2002;	<u>4,637</u>
	<u>10,936</u>
– As proposed, a final dividend of 9.90 cents per share, fully franked to 30% on 114,521,785 ordinary shares;	
and a final dividend of 10.89 cents per share, fully franked to 30% on 76,654,671 Preferred shares, both payable on November 8, 2002 on shares registered at 5.00pm on October 29, 2002	

SUBSEQUENT EVENTS

Other than as disclosed, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in financial years after the financial year except as mentioned in Note 31 of the financial statements.

FUTURE DEVELOPMENTS AND RESULTS

The consolidated entity intends to continue to develop its operations in the future within the principal activities as disclosed in this report. Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

> DIRECTORS' REPORT

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company's Constitution provides for an indemnity of Directors, Secretaries and Executive Officers (as defined in the Corporations Act 2001) where liability is incurred in the performance of their duties in those roles unless the liability is owed to the Company (or member of the Rural Press Group) or is owed to some other person and arises out of conduct involving a lack of good faith. The Constitution further provides for an indemnity in respect of any costs and expenses incurred in defending proceedings except where judgment is given against them or the Court denies them relief under the Corporations Act 2001.

INSURANCE OF DIRECTORS AND OFFICERS

Since the end of the previous financial year the Company has paid insurance premiums in respect of Directors and Officers' liability and legal expenses' insurance contracts for current and former Directors and Officers, including executive officers of the Company and Directors, executive officers and secretaries of its controlled entities.

The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The Directors have not included details of the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

The Chairman, with external and Board consultation, is responsible for determining remuneration packages for Board members and the Managing Director. The Managing Director and Chairman, with external consultation are responsible for making recommendations to the Board on remuneration packages applicable to senior executives of the Company. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Managing Director and senior executives may receive bonuses based on the achievement of specific goals related to the performance of the consolidated entity (including operational results and cash flow). Non-executive directors do not receive any performance related remuneration.

Details of the nature and amount of each major element of the emoluments of each director of the Company and each of the five named officers of the consolidated entity receiving the highest emoluments are:

	Base emolument	Bonuses	Non-cash benefits	Superannuation contributions	Retirement benefits/Severance	Options
Directors	\$	\$ (C)	\$	\$	\$	\$
JB Fairfax, AM (A)	118,750	-	-	9,500	-	-
B Gowrie Smith (A)	47,500	-	-	3,800	-	-
TV Fairfax (A)	49,165	-	-	3,933	-	-
DJ Asimus, AO (A)	47,500	-	-	3,800	-	-
BJ Taplin (B)	13,125	-	-	-	126,000	-
SF Higgs (B)	49,500	-	-	-	-	-
CB Livingstone (B)	51,662	-	-	-	-	-
PA Roach (B)	33,530	-	-	-	-	-
BK McCarthy	534,612	63,000	35,000	11,888	-	-

Officers of the Company and Consolidated Entity

BC Cassell	249,778	20,400	12,000	34,622	-	-
IF Law	164,743	17,900	9,319	27,480	78,891	-
RA Lockley	175,307	21,800	14,519	62,174	-	-
C Roth	330,455	54,644	-	7,693	-	-
AE Williams	215,113	7,200	17,000	33,087	-	-

(A) Superannuation contributions in respect of these Non-Executive Directors are paid pursuant to the Superannuation Guarantee Act but form part of their retirement lump sum for past services.

(B) Pursuant to the Superannuation Guarantee Act, Ms CB Livingstone and Messrs SF Higgs and PA Roach have elected not to have Superannuation Guarantee contributions paid on their behalf.

(C) Bonuses paid during the year were in respect of the achievement of goals in the previous year.

> DIRECTORS' REPORT

OPTIONS

The Rural Press Executive Option Plan (EOP) was approved by shareholders on October 9, 1998 and again on October 19, 2001. During the financial year the Company, pursuant to the EOP rules, granted 1,355,000 options over unissued Preferred shares to executives. All options were granted during the financial year and none since the end of the financial year. No options were granted to Directors during the financial year. Of the five most highly remunerated officers, options were granted to those outlined below:

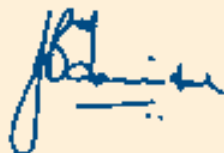
	Number of Options Granted	Exercise Price	First Exercise Date	Last Exercise Date
BC Cassell	100,000	4.70	May 10, 2005	May 10, 2008
RA Lockley	100,000	4.70	May 10, 2005	May 10, 2008
AE Williams	100,000	4.70	May 10, 2005	May 10, 2008

Further information in relation to options is provided in Notes 20 and 34 to the financial statements.

ROUNDING OFF OF AMOUNTS

The Company is of a kind referred to in ASIC Class Order 98/100 dated July 10, 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.



JB Fairfax AM
Director



BK McCarthy
Director

Sydney, NSW
August 29, 2002

> FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended June 30, 2002

	NOTES	CONSOLIDATED		COMPANY	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Revenue from advertising, circulation and printing services		435,920	432,931	-	-
Other revenue from ordinary activities		5,733	5,489	73,161	65,965
	2	441,653	438,420	73,161	65,965
Employee salaries, wages and oncosts		(158,755)	(159,135)	(5,747)	(5,155)
Newsprint, plates, ink and consumables used		(68,054)	(70,021)	-	-
Outside printing		(22,440)	(24,898)	-	-
Communications and postage		(15,135)	(14,172)	(465)	(513)
Freight and distribution		(10,864)	(10,883)	-	-
Promotion and sponsorship		(6,110)	(5,735)	(25)	(43)
Occupancy		(5,424)	(5,132)	(107)	(201)
Motor vehicle		(5,220)	(5,593)	(218)	(228)
News services		(4,931)	(5,437)	-	-
Repairs and maintenance		(4,574)	(4,936)	(413)	(601)
Other expenses		(28,306)	(25,256)	(2,220)	(5,104)
		(329,813)	(331,198)	(9,195)	(11,845)
		111,840	107,222	63,966	54,120
Depreciation and amortisation		(15,656)	(17,092)	(1,544)	(2,083)
		96,184	90,130	62,422	52,037
Borrowing costs		(8,960)	(11,746)	(4,411)	(5,932)
Interest income		492	656	610	453
		87,716	79,040	58,621	46,558
Write off/down of investments and associated divestiture costs		(4,761)	(21,511)	(1,035)	(10,520)
Proceeds on sale of assets		1,573	4,792	9	5,854
Book value of assets sold		(1,467)	(4,622)	(6)	(5,610)
Share of net profits/(losses) of associates accounted for using the equity method	10	(859)	(2,646)	-	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	2, 3, 5	82,202	55,053	57,589	36,282
Income tax (expense)	6	(26,941)	(27,958)	(6,360)	(4,967)
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		55,261	27,095	51,229	31,315
Net profit attributable to outside equity interests	23	(1,516)	(2,195)	-	-
NET PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		53,745	24,900	51,229	31,315
Non-Owner transaction changes in equity					
Increase in asset revaluation reserve	21	161,251	1,974	-	888
Net exchange difference on translation of financial statements of self-sustaining foreign operations	21	(2,607)	5,707	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity recognised directly in equity		158,644	7,681	-	888
Total changes in equity other than those resulting from transactions with owners as owners		212,389	32,581	51,229	32,203
EARNINGS PER SHARE (Cents)					
Basic					
Ordinary shares	4	27.0	12.5		
Preferred shares	4	29.7	13.8		
Diluted (reflecting potential exercise of share options)					
Ordinary shares	4	26.7	12.4		
Preferred shares	4	29.4	13.6		

To be read in conjunction with the annexed notes which form part of these financial statements.

> FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at June 30, 2002

	NOTES	CONSOLIDATED		COMPANY	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
CURRENT ASSETS					
Cash assets	7	9,837	8,917	2,231	803
Receivables	8	61,763	62,362	24,798	55,656
Inventories	9	10,334	13,975	1,421	4,045
Other		4,850	2,047	-	-
TOTAL CURRENT ASSETS		86,784	87,301	28,450	60,504
NON-CURRENT ASSETS					
Receivables owing from related entities		-	-	300,707	282,069
Investments accounted for using the equity method	10	7,753	10,444	-	-
Other financial assets	11	459	2,353	71,840	71,640
Property, plant, equipment and software	12	123,824	131,594	25,914	26,756
Mastheads	13	593,790	433,024	-	-
Radio licences	14	6,487	6,469	-	-
Deferred tax assets	15	6,852	6,428	1,871	2,933
Other	16	2,457	3,956	-	-
TOTAL NON-CURRENT ASSETS		741,622	594,268	400,332	383,398
TOTAL ASSETS		828,406	681,569	428,782	443,902
CURRENT LIABILITIES					
Payables	17	34,243	39,561	6,743	9,113
Interest bearing liabilities	18	9,157	197	-	-
Current tax liabilities		15,776	14,255	5,524	4,461
Provisions	19	10,508	11,200	429	341
TOTAL CURRENT LIABILITIES		69,684	65,213	12,696	13,915
NON-CURRENT LIABILITIES					
Payables	17	1,566	1,822	-	-
Interest bearing liabilities	18	116,193	188,818	38,000	92,000
Deferred tax liabilities		6,038	4,034	-	-
Provisions	19	5,622	5,966	1,375	1,569
TOTAL NON-CURRENT LIABILITIES		129,419	200,640	39,375	93,569
TOTAL LIABILITIES		199,103	265,853	52,071	107,484
NET ASSETS		629,303	415,716	376,711	336,418
EQUITY					
Contributed equity	20	284,333	284,333	284,333	284,333
Reserves	21	187,478	28,834	14,530	14,530
Retained profits	22	130,144	87,335	77,848	37,555
Total parent entity interest		601,955	400,502	376,711	336,418
Outside equity interests in controlled entities	23	27,348	15,214	-	-
TOTAL EQUITY		629,303	415,716	376,711	336,418

To be read in conjunction with the annexed notes which form part of these financial statements.

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STATEMENT OF CASH FLOWS

For the year ended June 30, 2002

	NOTES	CONSOLIDATED		COMPANY	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		479,489	476,976	35,703	32,075
Payments to suppliers and employees		(371,813)	(373,742)	(8,937)	(12,851)
Dividends received		554	93	37,501	33,001
Interest received		502	687	620	484
Interest and other costs of finance paid		(8,823)	(11,539)	(4,578)	(5,954)
Income tax paid		(23,731)	(29,494)	(4,225)	(2,754)
Net cash flow from operating activities	25(a)	76,178	62,981	56,084	44,001
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of businesses and controlled entities (net cash)	25(b)	-	(923)	-	-
Proceeds from sale of business and controlled entities (net cash)	25(b)	(6)	-	-	-
Purchase of investments		(428)	(17,745)	-	(2)
Purchase of mastheads		(2)	-	-	-
Purchase of radio licences		(19)	-	-	-
Purchase of minority interests		(70)	-	-	-
Increase in investment in subsidiary		-	-	(200)	-
Purchase of property, plant, equipment and software		(9,876)	(12,215)	(708)	(3,092)
Proceeds from sale of property, plant, equipment and software		1,573	4,792	9	5,854
Proceeds from sale of investments		-	-	-	-
Net cash flow from operating activities		(8,828)	(26,091)	(899)	2,760
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from share issue		-	-	-	-
Proceeds from borrowings		700	31,878	-	21,000
Repayment of borrowings		(55,630)	(18,830)	(54,000)	(16,000)
Repayment of related borrowings		-	-	11,179	-
Proceeds from share issue to outside equity interests		1,122	-	-	-
Payment of dividends		(10,936)	(45,734)	(10,936)	(45,734)
Payment of dividends to outside equity interests		(1,789)	(1,562)	-	-
Net cash flow from operating activities		(66,533)	(34,248)	(53,757)	(40,734)
NET (DECREASE)/INCREASE IN CASH HELD		817	2,642	1,428	6,027
Cash at beginning of the financial year		8,917	6,227	803	(5,224)
Exchange variance on opening cash balance		19	48	-	-
CASH AT THE END OF THE FINANCIAL YEAR		9,753	8,917	2,231	803
Reconciliation of cash					
Cash		9,837	8,917	2,231	803
Bank overdraft		(84)	-	-	-
Cash at the end of the financial year		9,753	8,917	2,231	803

To be read in conjunction with the annexed notes which form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act, 2001. It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets. The accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

Changes in Accounting Policy

Revaluation of mastheads

The consolidated entity changed its policy for recording mastheads from the cost to the fair value basis on June 30, 2002 so as to more appropriately reflect the value of the entity's major assets. The fair value basis is based on an independent valuation carried out on June 30, 2002. Refer to Note 13 for details on the independent valuation. The change in policy increased the value of mastheads by \$171,869,000 with a corresponding increase in asset revaluation reserve of \$161,251,000 and minority interests of \$10,618,000.

Foreign currency translation

The consolidated entity has applied the revised AASB1012 Foreign Currency Translation for the first time from July 1, 2001. For hedges of specific purchases or sales, the gains or costs on entering the hedge and the exchange differences up to the date of the purchase or sale are now deferred and recognised as assets or liabilities on the statement of financial position from the inception of the hedge contract, not when the specific purchase or sale occurs.

The change in accounting policy has no financial effect in the current or prior periods.

Earnings per share

The consolidated entity has applied AASB1027 Earnings Per Share for the first time from July 1, 2001. Basic EPS earnings are now calculated as net profit or loss, rather than excluding extraordinary items. Diluted EPS earnings are now calculated by only adjusting the basic EPS earnings for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, rather than including the notional earnings on the funds that would have been received by the entity had the potential ordinary shares been converted.

The identification of dilutive potential ordinary shares is now based on net profit or loss from continuing ordinary operations, not net profit or loss before extraordinary items and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

The change in accounting policy has had no effect on the calculation of EPS in the current or prior periods.

Segment reporting

The consolidated entity has applied the revised AASB1005 Segment Reporting for the first time from July 1, 2001. Individual business segments have been identified on the basis of grouping individual products or services, subject to similar risks and returns. Comparative information has been restated for the changes in definitions of segment revenues and results.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company, being the Company, and its controlled entities. Where a controlled entity has been acquired (or sold) during the year, its results are included in consolidated profit from the date of acquisition (up to the date of sale). All inter-entity balances and transactions have been eliminated. Outside equity interests and results of those entities that are controlled by the Company's controlled entities are shown as a separate item in the consolidated financial statements. A list of controlled entities is shown in Note 41.

Associates are those entities over which the consolidated entity exercises significant influence and which are not intended for sale in the near future.

In the consolidated financial statements investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date significant influence commences until the date significant influence ceases. Other movements in reserves are recognised directly in consolidated reserves.

Cash

For the purpose of the cash flow statement, cash includes cash on hand and at bank, short term deposits at call and bank bills receivable, net of outstanding bank overdrafts.

Trade Debtors

Trade debtors are carried at the amounts due. The collectibility of debts is assessed at balance date and specific provision for identified doubtful amounts and a general provision for unidentified losses is made for any doubtful debtors. Collection terms vary between 7 and 45 days.

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Short Term Deposits

Short term deposits are stated at the lower of cost and net realisable value. Interest income is recognised as it accrues.

Other Debtors

Included in other debtors are transactions included in other revenue from operating activities of the consolidated entity. Interest may be charged at market rates where the terms of repayment exceed six months. Collateral is not obtained.

Inventories

Inventories and work-in-progress are valued at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Recoverable Amount of non-current Assets Valued on Cost Basis

The carrying amounts are reviewed to determine whether they are in excess of their recoverable amount at balance date, any excess is written off as an expense in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

Acquisition of Assets

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Investments

Investments in controlled entities, unlisted shares of associates and in other corporations are carried in the Company's financial statements at the lower of cost or recoverable amount.

Dividends in controlled entities are brought to account in the statement of financial performance when they are paid or declared by the controlled entities.

Dividends in unrelated corporations are brought to account as income when received/declared.

Land, Buildings and Leasehold Properties

Land, buildings and leasehold property are carried at fair value, based on independent valuation or cost for subsequent additions. This valuation is carried out every three years and any net difference is accounted for in accordance with AASB 1041 revaluation of non-current assets. Land, buildings and leasehold property are not revalued to an amount above their recoverable amount. In the intervening years an annual review is undertaken to ensure carrying values do not differ materially from fair value at reporting date.

Depreciation

Operating assets such as buildings, plant, equipment and software, excluding freehold land, are depreciated so as to write off their net costs against revenue over their estimated useful life. The straight line method is used.

The major depreciation periods are:

	2002	2001
Freehold buildings	50 years	50 years
Leasehold property	50 years	83 years
Plant, equipment and software	3 to 15 years	3 to 15 years

Leased Assets

Finance leases which effectively transfer to the consolidated entity substantially all of the risks and benefits incidental to ownership of the leased assets have been capitalised and are being amortised over their expected useful life.

Lease payments are allocated between interest expense and lease liability. The interest component is charged against profit when paid.

Operating lease payments where the lessors effectively retain substantially all the risks and benefits of ownership of these lease items, are charged to expense in the period in which they are incurred.

Mastheads & Radio Licences

Mastheads, being the titles of newspapers and magazines produced by the consolidated entity, are accounted for as identifiable assets and are carried at fair value based on independent valuation or cost for subsequent additions. Mastheads include the composite mixture of the publication's title, content, market targeting capabilities and reputation. The independent valuation is carried out periodically and any net difference is accounted for in accordance with AASB 1041 revaluation of non-current assets. Mastheads are not revalued to an amount above their recoverable amount. In the intervening years an annual review is undertaken to ensure carrying values do not differ materially from fair value at reporting date. Cost represents that part of the purchase price for acquired publishing businesses assessed by Directors as the fair value of the masthead acquired.

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Radio licences, being commercial radio licences held by the consolidated entity under the provisions of the Broadcasting Services Act 1992 are recorded at cost. Cost represents that part of the purchase price for acquired commercial broadcasting businesses assessed by Directors as the fair value of the licences acquired.

No amortisation is provided against the carrying value of mastheads and radio licences as the Directors consider the lives of these assets are not limited by any known or anticipated legal, physical, commercial, technological or other factor. Commercial radio licences are renewable every five years under the provisions of the Broadcasting Services Act 1992 and the Directors have no reason to believe that the licences will not be renewed.

Radio Licence Fees

Licence fees, which will be paid to the Australian Broadcasting Authority, based upon current year revenues, have been accrued in the financial statements in accordance with the formulae set by the Australian Broadcasting Authority.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business. Goodwill is amortised by the straight line method over a period between ten and fifteen years during which benefits are expected to be received.

The unamortised balance of goodwill is reviewed at least annually. Where the balance exceeds the value of expected future benefits, the difference is charged to the statement of financial performance.

Insurance Licence Agreements

Insurance licence agreements are being amortised over their assessed life not exceeding twenty years using the straight line method.

Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company or consolidated entity. Amounts payable are normally settled within 30 days.

Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Bank Overdraft and Bank Bills

These are carried at the principal amount subject to set-off arrangements. Interest is recognised as an expense as it accrues.

Borrowing Costs

Borrowing costs, which include interest and line fees on borrowings, interest on bank overdrafts and interest on finance leases, are expensed in the period incurred.

Taxation

The consolidated entity adopts the income statement liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to entities with tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses is not recorded unless realisation is virtually certain.

Employee Entitlements

The long service leave provision represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to balance date. The provision for long service leave which is not expected to be settled within twelve months is discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities. In determining the provision, consideration has been given to future increases in wage and salary rates, and the consolidated entity's experience with staff departures. Related oncosts have also been included in the liability. The provision for long service leave is allocated in the statement of financial position to reflect the current and non-current portion of this liability.

Annual leave accruals including oncosts are calculated on the estimated entitlement due to the employees at balance date. Contributions made to superannuation plans are charged against profits.

Employee Share and Option Plans

Shares issued to employees are recorded in contributed equity at the fair value of consideration received.

Options granted to employees under the Executive Option Plan are subject to an exercise price equivalent to the market price of the shares at the date of grant. Options can only be exercised if either of the share price accumulation index or EPS growth performance hurdles are met.

Due to the amount of the exercise price and performance hurdles, no expense is recognised on the grant of options.

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Foreign Currency

Transactions in foreign currencies are converted to Australian dollars at the rates of exchange ruling on the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated to Australian dollars at the rates of exchange ruling at balance date. Realised and unrealised gains and losses arising from exchange rate fluctuations in foreign currencies are included in the statement of financial performance.

Assets and liabilities of overseas controlled entities are translated to Australian dollars at the rate of exchange ruling at balance date. Income and expenses have been translated at the average of exchange rates ruling during the year. As overseas controlled entities are self-sustaining, exchange differences have been taken directly to the foreign currency translation reserve.

Derivative Financial Instruments

The Company is exposed to fluctuations in exchange rates from its inventory purchase commitments denominated in foreign currencies. It is company policy to only use forward foreign exchange contracts to hedge a proportion of this exposure. Company policy is to not enter, hold or issue derivative financial instruments for trading purposes.

Gains and losses relating to the hedge of the purchase commitments are deferred and are included as adjustments to the carrying amount of inventories when the hedged transaction occurs. The terms of the foreign currency and purchase commitment contracts are not more than twelve months.

The Company has entered into interest rate swaps to hedge its exposure to adverse movements in interest rates on borrowings. Maturities of swap contracts are between 4 months and 40 months. All contracts are with major Australian banks.

Revenue Recognition

Sales revenue comprises revenue earned from the provision of publishing, broadcasting and printing services to entities outside the consolidated entity

Sales revenue from publishing is recognised when an issue is published and from broadcasting when advertising is broadcast.

Printing revenues are recognised when printing services are provided.

The gross proceeds of asset sales are included as revenue of the consolidated entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract is signed or conditional contract is settled.

Other revenue comprises other items not included in the above including distribution income and property rentals and is recognised when earned.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2. REVENUE

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Revenue from publishing, broadcasting and printing services	435,920	432,931	-	-
Other revenue from operating activities:				
Dividends from:				
controlled entities	-	-	37,500	33,000
other persons	503	-	1	1
Inter-entity charges	-	-	35,231	32,859
Other	5,230	5,489	429	105
	5,733	5,489	73,161	65,965
	441,653	438,420	73,161	65,965
Other revenue from outside operating activities:				
Revenue from equity accounted partnership	878	870	-	-
Interest income from:				
controlled entities	-	-	309	90
other persons	492	656	301	363
Dividends from:				
associated entities	51	93	-	-
Other equity accounted revenue	46	7	-	-
Gross proceeds on sale of property, plant and equipment	1,573	4,792	9	5,854
Gross proceeds on sale of Investments	-	-	-	-
	444,693	444,838	73,780	72,272

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	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
3. PROFIT FROM ORDINARY ACTIVITIES				
Included in profit from ordinary activities are the following items of (income)/expense				
Interest and borrowing costs:				
other persons	8,928	11,716	4,411	5,932
finance lease charges	32	30	-	-
Net (profit)/loss from sale of property, plant & equipment	(106)	(171)	(3)	(243)
Net loss/(profit) on sale of investments	(1)	-	-	-
Amortisation of:				
leased assets capitalised	114	105	-	-
leasehold property	270	391	-	-
goodwill	120	368	-	-
licence agreements	185	183	-	-
Depreciation of:				
buildings	652	731	381	429
plant & equipment	14,315	15,314	1,163	1,654
Amounts set aside to provision for:				
doubtful debts	736	1,903	-	-
employee entitlements	10,474	11,083	(41)	320
diminution in investments	3,178	-	-	-
Net foreign exchange loss/(gain)	(324)	(18)	(324)	(18)
Reversal of defamation and legal accrual	(3,538)	-	(3,538)	-
Rental expense under operating leases	7,034	6,948	213	275

4. EARNINGS PER SHARE

Net profit used for Basic and Diluted earnings

- ordinary	30,954	14,341
- Preferred	22,791	10,559

Net profit for the period attributable to the members

53,745	24,900
--------	--------

Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share

- ordinary	114,521,785	114,521,785
- Preferred	76,654,671	76,654,671

Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share

- ordinary	114,521,785	114,521,785
- Preferred	78,975,329	78,760,096

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

Refer to Note 20(b) for any description of ordinary and Preferred shares.

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5. SEGMENT INFORMATION

Primary reporting Business segments

	Newspaper Publishing - Australasia \$'000	Magazine Publishing - US \$'000	Printing - Australasia \$'000	Broad- casting \$'000	Agricultural Internet Investments \$'000	Other/ Unallocated \$'000	Divested Outdoor \$'000	Eliminations \$'000	Consolidated \$'000
2002									
Revenue									
External Segment Revenue	302,123	63,174	69,295	5,869	-	893	299	-	441,653
Inter-segment Revenue	1,645	-	66,905	-	-	11,235	-	(79,785)	-
	<u>303,768</u>	<u>63,174</u>	<u>136,200</u>	<u>5,869</u>	<u>-</u>	<u>12,128</u>	<u>299</u>	<u>(79,785)</u>	<u>441,653</u>
Results									
Segment result	65,950	4,883	19,030	(806)	(3,178)	7,127	(1,583)	-	91,423
Share of net profit/loss of equity accounted Investments	975	-	-	-	(1,834)	-	-	-	(859)
	<u>66,925</u>	<u>4,883</u>	<u>19,030</u>	<u>(806)</u>	<u>(5,012)</u>	<u>7,127</u>	<u>(1,583)</u>	<u>-</u>	<u>90,564</u>
Write down/off of investments and associated assets									-
Net interest expense									(8,468)
Net profit on sale of fixed assets									106
Profit from ordinary activities before income tax expense									82,202
Income tax (expense)									(26,941)
Profit from ordinary activities after income tax expense									<u>55,261</u>
Other Disclosures									
Assets	651,492	76,270	55,056	11,819	(105)	788,521	-	(754,647)	828,406
Liabilities	345,132	90,695	21,694	8,668	6,400	407,148	-	(680,634)	199,103
Equity accounted assets included in Assets	7,753	-	-	-	-	-	-	-	7,753
Acquisition of non-current assets	4,439	1,439	2,156	1,149	-	693	-	-	9,876
Depreciation and amortisation	5,244	1,223	7,086	482	-	1,594	27	-	15,656
Non-cash expenses other than depreciation and amortisation	9,060	(31)	1,972	282	-	(78)	5	-	11,210
2001									
Revenue									
External Segment Revenue	291,681	67,236	71,768	6,326	-	132	1,277	-	438,420
Inter-segment Revenue	6,714	-	67,823	2	-	8,941	-	(83,480)	-
	<u>298,395</u>	<u>67,236</u>	<u>139,591</u>	<u>6,328</u>	<u>-</u>	<u>9,073</u>	<u>1,277</u>	<u>(83,480)</u>	<u>438,420</u>
Results									
Segment result	57,873	9,418	18,910	1,174	-	3,942	(8,195)	-	83,122
Share of net profit/loss of equity accounted Investments	970	-	-	-	(1,153)	-	(2,463)	-	(2,646)
	<u>58,843</u>	<u>9,418</u>	<u>18,910</u>	<u>1,174</u>	<u>(1,153)</u>	<u>3,942</u>	<u>(10,658)</u>	<u>-</u>	<u>80,476</u>
Write down/off of investments and associated assets									(14,503)
Net interest expense									(11,090)
Net profit on sale of fixed assets									170
Profit from ordinary activities before income tax expense									55,053
Income tax (expense)									(27,958)
Profit from ordinary activities after income tax expense									<u>27,095</u>
Other Disclosures									
Assets	441,003	124,438	70,039	11,774	5,057	674,529	12,577	(657,848)	681,569
Liabilities	358,181	99,741	34,439	7,035	5,385	336,012	11,569	(586,509)	265,853
Equity accounted assets included in Assets	7,753	-	-	-	2,691	-	-	-	10,444
Acquisition of non-current assets	4,059	690	3,495	632	-	3,532	-	-	12,408
Depreciation and amortisation	5,048	1,224	6,980	381	-	2,319	1,140	-	17,092
Non-cash expenses other than depreciation and amortisation	10,366	128	1,966	265	-	237	24	-	12,986

In 2001 the losses and write offs/downs in Outdoor (\$10,658,000) and Internet Investments (\$14,503,000) totalling \$25,161,000 comprise investment and asset write offs of \$21,511,000 and trading losses during the year of \$3,650,000.

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Secondary reporting Geographical segments

	Australasia		United States		Consolidated	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
External segment revenue by location of customers	378,479	371,184	63,174	67,236	441,653	438,420
Segment of assets by location of assets	752,136	557,131	76,270	124,438	828,406	681,569
Acquisition of non-current assets	8,437	11,718	1,439	690	9,876	12,408

Inter-segment pricing is determined on an arm's length basis except for internal printing which is at cost plus a margin.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise investment assets and revenue and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The consolidated entity comprises the following main business segments, based on the consolidated entity's management reporting system:

Newspaper Publishing - Australasia	Agricultural and community based publishing.
Magazine Publishing - United States	Agricultural magazine publishing.
Printing - Australasia	Commercial web printing.
Broadcasting	AM and FM radio broadcasting.
Agricultural Internet Investments	Minority investment in an internet portal.
Divested - Outdoor	Outdoor advertising activities.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The consolidated entity's business segments operate geographically as follows:

Australasia	Publishing and printing in all states, ACT and New Zealand and broadcasting facilities in Queensland and South Australia.
United States	Magazine offices in most states of the United States.

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	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
6. TAXATION				
Reconciliation of prima facie tax:				
Prima facie tax expense on the profit from ordinary activities at 30% (2001 34%)	24,661	18,718	17,277	12,336
Effect of different rates on overseas entities	91	(525)	-	-
Increase/(decrease) in a tax expense due to:				
non tax deductible:				
depreciation	258	329	114	32
entertainment and other expenses	412	318	338	183
write off/down of investments and associated divestiture costs	1,929	8,047	311	3,576
equity share of associated entities losses	550	1,229	-	-
rebates on dividends received	(143)	(31)	(11,250)	(11,220)
tax losses of controlled entities not carried forward as future income tax benefits	224	537	-	-
other items	426	(331)	(119)	-
Income tax expense on profit from ordinary activities	28,408	28,291	6,671	4,907
Adjustment due to change in tax rate	-	(30)	-	60
Income tax (over) under provided in prior years	(1,467)	(303)	(311)	-
Income tax expense on ordinary profit	26,941	27,958	6,360	4,967
Total income tax expense comprises:				
Reductions/(additions) to future income tax benefits	4,088	983	1,072	(448)
Additions/(reductions) to deferred income tax liability	(2,435)	174	-	-
Additions to provision for income tax	25,288	26,801	5,288	5,415
	26,941	27,958	6,360	4,967
7. CASH ASSETS				
Cash	8,823	7,371	2,231	803
Short term deposits	1,014	1,546	-	-
	9,837	8,917	2,231	803
Short term deposits mature within 60 days and earn interest rates of 3.25% (2001 4.00%) for Australia and New Zealand.				
8. CURRENT RECEIVABLES				
Trade debtors	60,994	61,865	-	-
Provision for doubtful debts	(3,464)	(4,612)	-	-
	57,530	57,253	-	-
Other debtors	4,233	5,109	869	1,102
Amounts owing from related entities	-	-	23,929	54,554
	61,763	62,362	24,798	55,656
The carrying amounts of trade and other debtors approximates their net fair values.				
9. CURRENT INVENTORIES				
Raw material at cost	9,799	12,999	1,421	4,045
Finished goods at cost	215	271	-	-
Stock in transit at cost	-	46	-	-
Consumable stores at cost	320	659	-	-
	10,334	13,975	1,421	4,045

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10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(a) Investments in Associates (all held by wholly owned controlled entities)

Name	Principal Activity	Book Value of Investment		Consolidated Interest		Share of Associates Profit/(Loss) before Tax	
		2002 \$'000	2001 \$'000	2002 %	2001 %	2002 \$'000	2001 \$'000
The Farmshed Pty Limited	Agricultural internet portal	-	2,691	-	45	(1,834)	(1,747)
Street Vision Pty Limited	Outdoor advertising	-	-	-	-	-	(2,463)
Gippsland Regional Publications Partnership	Newspaper publishing	6,193	6,193	50	50	878	870
Other associated entities	Various	1,560	1,560	40-50	40-50	97	100
		<u>7,753</u>	<u>10,444</u>			<u>(859)</u>	<u>(3,240)</u>
Share of associates income tax						-	594
						<u>(859)</u>	<u>(2,646)</u>

Street Vision Pty Limited: The consolidated entity's interest was increased from 50% to 91.84% in April 2001. The loss of \$2,463,000 is for the period July 1, 2000 to March 31, 2001. Results from April 1, 2001 have been consolidated with the results of the consolidated entity. The investment in Street Vision Pty Limited was written off in May 2001 and the company was sold on August 31, 2001.

A restructure of the Farmshed group of companies resulted in the consolidated entity ceasing to have significant influence over The Farmshed Pty Limited on March 31, 2002. The investment was reclassified to other financial assets on April 1, 2002.

The amount of retained earnings attributable to associates at the beginning of the year was (\$1,153,000) and at the end of the year was nil. There are no reserves at the beginning or end of the year attributable to associates.

(b) Movements in carrying amount of investments in associates:

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Carrying amount at beginning of year	10,444	13,353		
Investments during the year	-	18,347		
Share of associates net profit/(loss)	(859)	(2,646)		
Dividends and distributions received during the year	(975)	(970)		
Amounts written off during the year	-	(14,503)		
Transfer to shares in controlled entity	-	(3,137)		
Transfer to other financial assets	(857)	-		
	<u>7,753</u>	<u>10,444</u>		

11. OTHER FINANCIAL ASSETS

Shares in controlled entities - not listed on stock exchanges				
At cost	-	-	71,835	71,635
Shares in other corporations - listed on stock exchanges				
At cost	447	19	5	5
Shares in other corporations - not listed on stock exchanges				
At cost	3,190	2,334	-	-
Less provision for diminution	(3,178)	-	-	-
	<u>459</u>	<u>2,353</u>	<u>71,840</u>	<u>71,640</u>
Market value of listed shares	530	32	5	5

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	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
12. PROPERTY, PLANT, EQUIPMENT AND SOFTWARE				
Freehold land				
At cost	858	-	-	-
At independent valuation June 30, 2001	12,146	12,896	5,657	5,657
	<u>13,004</u>	<u>12,896</u>	<u>5,657</u>	<u>5,657</u>
Buildings on freehold land				
At cost	135	-	106	-
Accumulated depreciation	(2)	-	(1)	-
	<u>133</u>	<u>-</u>	<u>105</u>	<u>-</u>
At independent valuation June 30, 2001	32,520	32,954	18,988	18,988
Accumulated depreciation	(650)	-	(380)	-
	<u>31,870</u>	<u>32,954</u>	<u>18,608</u>	<u>18,988</u>
	<u>32,003</u>	<u>32,954</u>	<u>18,713</u>	<u>18,988</u>
Leasehold property				
At independent valuation June 30, 2001	13,550	13,550	-	-
Accumulated amortisation	(270)	-	-	-
	<u>13,280</u>	<u>13,550</u>	<u>-</u>	<u>-</u>
Total land and buildings	<u>58,287</u>	<u>59,400</u>	<u>24,370</u>	<u>24,645</u>
Plant, equipment and software				
At cost	118,404	135,153	7,446	6,858
Accumulated depreciation	(53,311)	(63,419)	(5,902)	(4,747)
	<u>65,093</u>	<u>71,734</u>	<u>1,544</u>	<u>2,111</u>
Capitalised finance leases				
Plant and equipment - at cost	630	713	-	-
Accumulated amortisation	(186)	(253)	-	-
	<u>444</u>	<u>460</u>	<u>-</u>	<u>-</u>
Total plant, equipment and software	<u>65,537</u>	<u>72,194</u>	<u>1,544</u>	<u>2,111</u>
	<u>123,824</u>	<u>131,594</u>	<u>25,914</u>	<u>26,756</u>

The independent valuation carried out as at June 30, 2001 is on the basis of market value for existing use of the properties, except where a small number of properties and of immaterial value are for sale the market value has been used. The Directors are of the opinion that this basis provides a reasonable estimate of recoverable amount.

This valuation is in accordance with the Company's policy of obtaining an independent valuation of freehold land, buildings and leasehold property every three years.

In revaluing freehold land, buildings and leasehold property, the Directors have not taken into account the potential impact of capital gains tax on the grounds that properties are an integral part of the consolidated entity's operations and there is no intention to sell these assets. For the small number of properties that are for sale, any capital gains tax on disposal would be insignificant.

> FINANCIAL STATEMENTS

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Reconciliations				
Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:				
Freehold land				
Carrying amount at beginning of year	12,896	12,749	5,657	5,873
Additions	904	-	-	-
Disposals	(750)	(1,782)	-	(1,200)
Net amount of revaluation increments less decrements	-	1,929	-	984
Net foreign currency differences on translation of self-sustaining operation	(46)	-	-	-
	13,004	12,896	5,657	5,657
Buildings				
Carrying amount at beginning of year	32,954	34,383	18,988	20,098
Additions	127	889	106	886
Disposals	(426)	(1,719)	-	(1,470)
Depreciation	(652)	(731)	(381)	(429)
Net amount of revaluation increments less decrements	-	132	-	(97)
	32,003	32,954	18,713	18,988
Leasehold property				
Carrying amount at beginning of year	13,550	18,738	-	-
Amortisation	(270)	(391)	-	-
Restatement of fair value at date of acquisition (1998)	-	(4,797)	-	-
	13,280	13,550	-	-
Plant, equipment and software				
Carrying amount at beginning of year	71,734	79,912	2,111	4,499
Additions	8,673	11,326	602	2,206
Acquisition through entity acquired	-	718	-	-
Disposals	(217)	(5,280)	(6)	(2,940)
Disposal of entity	(598)	-	-	-
Depreciation	(14,315)	(15,314)	(1,163)	(1,654)
Net foreign currency differences on translation of self-sustaining operation	(184)	372	-	-
	65,093	71,734	1,544	2,111
Capitalised finance leases				
Carrying amount at beginning of year	460	416	-	-
Additions	172	192	-	-
Disposals	(74)	(43)	-	-
Amortisation	(114)	(105)	-	-
	444	460	-	-

> FINANCIAL STATEMENTS

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
13. MASTHEADS				
At cost	-	433,024	-	-
At Independent valuation June 30, 2002	593,790	-	-	-
	<u>593,790</u>	<u>433,024</u>	<u>-</u>	<u>-</u>

The independent valuation was carried out at June 30, 2002 by Deloitte Corporate Finance Pty Limited. The methodology adopted values each business and then deducts the net tangible assets and assessed goodwill to derive a value for mastheads. The business value is determined based on capitalisation of future maintainable EBITDA taking into account the strengths, risks, growth opportunities, revenue and circulation trends, margins and size for each masthead. The Directors are of the opinion that this basis provides a reasonable estimate of recoverable amount.

14. RADIO LICENCES

At cost	6,487	6,469	-	-
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15. DEFERRED TAX ASSETS

Future income tax benefits	6,852	6,428	1,871	2,933
Future income tax benefits include amounts attributable to tax losses carried forward	-	-	-	-

Potential future income tax benefits in controlled entities arising from carried forward tax losses which have not been recognised as an asset because recovery is not virtually certain amount to approximately \$2,775,000 (2001 \$2,858,000).

The potential future income tax benefit will only be obtained if the relevant companies:

- (i) derive future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) continue to comply with the conditions for deductibility imposed by the law; and if

no changes in tax legislation adversely affect the relevant companies in realising the benefit.

16. OTHER NON-CURRENT ASSETS

Goodwill				
At cost	1,447	1,447	-	-
Accumulated amortisation	(713)	(593)	-	-
	<u>734</u>	<u>854</u>	<u>-</u>	<u>-</u>
Insurance licence agreements				
At cost	1,593	1,773	-	-
Accumulated amortisation	(755)	(641)	-	-
	<u>838</u>	<u>1,132</u>	<u>-</u>	<u>-</u>
Sundry receivables	885	1,970	-	-
	<u>2,457</u>	<u>3,956</u>	<u>-</u>	<u>-</u>

The carrying amount of sundry receivables approximate their net fair values.

17. PAYABLES

Current				
Trade creditors and accruals	34,243	39,561	6,743	9,113
Non Current				
Trade creditors and accruals	1,566	1,822	-	-

The carrying amounts of trade creditors and accruals approximate their net fair values.

> FINANCIAL STATEMENTS

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
18. INTEREST-BEARING LIABILITIES				
Current				
Bank overdraft - unsecured	84	-	-	-
Bank bills and borrowings - secured*	8,910	-	-	-
Liabilities under finance leases	163	197	-	-
30	<u>9,157</u>	<u>197</u>	<u>-</u>	<u>-</u>
Non-Current				
Bank bills and borrowings - unsecured	115,904	178,682	38,000	92,000
Bank bills and borrowings - secured*	-	9,840	-	-
Liabilities under finance leases	289	296	-	-
30	<u>116,193</u>	<u>188,818</u>	<u>38,000</u>	<u>92,000</u>

* Secured by a floating charge over the assets and undertakings of the relevant controlled entities.
The carrying amounts of bank overdrafts, finance leases and bank bills approximate their net fair values.

19. PROVISIONS

Current				
Dividends	-	745	-	-
Employee entitlements	10,508	10,455	429	341
	<u>10,508</u>	<u>11,200</u>	<u>429</u>	<u>341</u>
Non-Current				
Employee entitlements	5,622	5,966	1,375	1,569
Total employee entitlements	<u>16,130</u>	<u>16,421</u>	<u>1,804</u>	<u>1,910</u>

The carrying amount of the provisions approximate net fair value.

Included in other debtors are amounts owing from employees, under the Rural Press Limited Employee Share Scheme (1990), of \$635,000 (2001 \$1,001,000).

20. CONTRIBUTED EQUITY

Issued and paid up capital				
114,521,785 (2001 114,521,785) ordinary shares fully paid	162,098	162,098	162,098	162,098
76,654,671 (2001 76,654,671) Preferred shares fully paid	122,235	122,235	122,235	122,235
	<u>284,333</u>	<u>284,333</u>	<u>284,333</u>	<u>284,333</u>

(a) Share Options : Rural Press Executive Option Plan ("EOP")

Details of all options issued pursuant to the Rules of the EOP, including options issued to Directors to June 30, 2002, are as follows:

Date of Grant	No of Options	Exercise Price	First Exercise Date	Last Exercise Date	Options Exercised
Total issued:					
December 18, 1998	1,925,000	4.70	December 18, 2001	December 19, 2004	-
December 17, 1999	320,000	4.83	December 17, 2002	December 17, 2005	-
December 22, 2000	95,000	5.00	December 22, 2003	December 22, 2006	-
December 21, 2001	220,000	4.60	December 21, 2004	December 21, 2007	-
May 10, 2002	1,355,000	4.70	May 10, 2005	May 10, 2008	-
Issued to Mr Brian McCarthy, Managing Director:					
December 18, 1998	200,000	4.70	December 18, 2001	December 18, 2004	-

At June 30, 2002 the total number of options outstanding were 3,390,000. The options are exercisable once the performance hurdles are met and if exercised will be between December 18, 2001 and May 10, 2008.

Further information on share and options plans is provided in Note 34 to the financial statements.

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(b) Terms and Condition of Contributed Equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Preferred shares

Preferred shares have the right to receive a non-cumulative preference dividend of 1.5 cents pa. If current year profits are not sufficient to pay this dividend then the Preference dividend shall be the current year profits. A further dividend is payable such that the total dividend payable is the greater of 1.5 cents per Preferred share or 110% of the dividend payable on each ordinary share.

In the event of winding up of the company, the Preference share shall have priority over an ordinary share in the repayment of paid up capital, any surplus shall be divided amongst the holders of the Preferred shares and ordinary shares based on fully paid shares held.

Preferred shares entitle their holder to one vote, in the following limited circumstances, either in person or by proxy, at a meeting of the company. The circumstances are: on a proposal to reduce the capital; that affects the rights attached to the share; wind up the Company; disposal of all of the Company's property, businesses and undertakings; in respect of a dividend in arrears; determine the terms of a buy-back agreement and during the wind up of the Company.

21. RESERVES

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Asset revaluation	178,868	17,617	14,530	14,530
Foreign currency translation	8,610	11,217	-	-
	<u>187,478</u>	<u>28,834</u>	<u>14,530</u>	<u>14,530</u>
Movements in asset revaluation reserve				
Balance at beginning of year	17,617	15,643	14,530	13,642
Revaluation of land and buildings	-	1,974	-	888
Revaluation of mastheads	161,251	-	-	-
	<u>178,868</u>	<u>17,617</u>	<u>14,530</u>	<u>14,530</u>
Movements in foreign currency translation				
Balance at beginning of year	11,217	5,510	-	-
Translation adjustment on financial statements of overseas controlled entities	(2,607)	5,707	-	-
	<u>8,610</u>	<u>11,217</u>	<u>-</u>	<u>-</u>

Nature and purpose of reserves

Asset Revaluation

The asset revaluation reserve is used to record increments and decrements in the relevant class of non-current assets. The reserve can only be used to pay dividends in limited circumstances.

Foreign Currency Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.

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	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
22. RETAINED PROFITS				
Retained profits at beginning of year	87,335	84,861	37,555	31,769
Net profit attributable to members of the parent entity	53,745	24,900	51,229	31,315
Transfer from capital profits reserve	-	3,412	-	309
Transfer from general reserve	-	2,000	-	2,000
Dividend provided for or paid	24	(10,936)	(10,936)	(27,838)
	<u>130,144</u>	<u>87,335</u>	<u>77,848</u>	<u>37,555</u>

23. OUTSIDE EQUITY INTERESTS

Analysis of outside equity interests in

Controlled entities:

Share capital

Reserves

Retained profits

6,056 5,521

16,487 5,870

4,805 3,823

27,348 15,214

Reconciliation of outside equity interests

in controlled entities:

Opening balance

Share of operating profit

Dividends provided for or paid

Revaluation of land and buildings as at June 30, 2001

Revaluation of mastheads as at June 30, 2002

Sale of minority shareholding

Shares allotted

15,214 14,477

1,516 2,195

(1,044) (1,839)

- 88

10,618 -

(78) -

1,122 293

27,348 15,214

24. DIVIDENDS

Dividends provided for or paid

Interim dividend paid of 5.5 cents fully franked to 30%

(2001 5.0 cents fully franked to 34%) per ordinary share

Interim dividend paid of 6.05 cents fully franked to 30%

(2001 5.50 cents fully franked to 34%) per Preferred share

Final dividend paid in 2001 for of 9.00 cents fully franked to 34%

per ordinary share

Final dividend paid in 2001 for of 9.90 cents fully franked to 34%

per Preferred share

6,299 5,726 6,299 5,726

4,637 4,216 4,637 4,216

- 10,307 - 10,307

- 7,589 - 7,589

10,936 27,838 10,936 27,838

Dividend imputation

All dividends paid were fully franked out of existing franking credits or out of franking credits arising from the payment of income tax in the forthcoming period.

Amount of retained profits and reserves that could be distributed as franked dividends (after the proposed dividend) out of existing franking credits and franking credits arising from the payment of income tax in the forthcoming period.

- at 30% (2001 30%)

123,659 102,026 67,098 25,330

Consolidated amounts assumes all controlled entities' retained profits and reserves are distributed to the Company.

From July 1, 2002 the New Business Tax System (Imputation) Act 2002 requires measurement of franking credits based on the amount of income tax paid, rather than on after-tax profits. As a result, the "franking credits available" were converted from \$67,098,000 to \$28,756,000 for the Company and \$123,659,000 to \$52,997,000 Consolidated as at July 1, 2002. This change in the basis of measurement does not change the value of franking credits to shareholders who may be entitled to franking credit benefits.

> FINANCIAL STATEMENTS

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
25. NOTES TO THE STATEMENT OF CASH FLOWS				
(a) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities				
Profit from ordinary activities after income tax	55,261	27,095	51,229	31,315
Add/(less) non-cash items:				
Share of associated entities losses	1,834	3,616	-	-
Services provided for shares	-	(2,915)	-	-
Write off/down of investments and associated divestiture costs	1,583	21,511	1,035	10,520
Depreciation	14,967	16,045	1,544	2,083
Amortisation	689	1,047	-	-
Provision for doubtful debts	736	1,903	-	-
Profit on sale of property, plant, equipment and software	(229)	(443)	(3)	(271)
Loss on sale of property, plant, equipment and software	123	272	-	28
Loss on sale of investments	727	-	-	-
Increase/(decrease) in income taxes payable	1,556	(2,693)	1,063	2,661
Decrease/(increase) in future income tax benefits	(424)	977	1,062	(446)
Increase/(decrease) in deferred taxes payable	2,004	352	-	-
Changes in assets and liabilities:				
(Increase)/decrease in debtors	(1,268)	(219)	-	-
Decrease/(increase) in other debtors	836	1,296	233	1,047
(Increase)/decrease in amounts owing from related entities	-	-	808	(1,023)
Decrease/(increase) in inventories	3,641	(2,051)	2,624	(1,643)
(Increase)/decrease in other	(2,811)	3,146	-	1,540
Decrease in sundry receivables	1,085	1,021	-	-
(Decrease)/increase in trade creditors and accruals	(3,815)	(7,504)	(3,405)	(2,030)
(Decrease) in lease liabilities	(40)	(149)	-	-
(Decrease)/increase in employee leave provisions	(277)	674	(106)	220
Net cash provided by operating activities	76,178	62,981	56,084	44,001

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	CONSOLIDATED ACQUISITIONS		COMPANY DISPOSALS	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(b) Businesses acquired/disposed of				
Consideration				
Cash	-	1,820	-	-
Outside equity interest at date of acquisition/disposal	-	294	(32)	-
Shares in investment at date of acquisition	-	3,137	-	-
	-	5,251	(32)	-
Fair value of net assets of businesses acquired/disposed				
Cash	-	897	6	-
Trade debtors	-	85	254	-
Other debtors	-	44	40	-
Inventories	-	-	-	-
Prepayments	-	8	9	-
Investments	-	-	-	-
Property, plant, equipment and software	-	718	598	-
Mastheads	-	1,300	-	-
Radio licences	-	-	-	-
Goodwill	-	2,905	-	-
Future income tax benefits	-	1	-	-
Trade creditors and accruals	-	(683)	(164)	-
Income tax payable	-	-	(35)	-
Employee leave provisions	-	(24)	(13)	-
Lease liabilities	-	-	-	-
Deferred income tax liability	-	-	-	-
Employee leave provisions- non-current	-	-	-	-
	-	5,251	695	-
(Loss)/Profit on sale	-	-	(727)	-
	-	5,251	(32)	-
Outflow/inflow of cash, net of cash acquired/disposed				
Cash consideration	-	1,820	-	-
Less Cash at bank	-	897	6	-
	-	923	(6)	-

> FINANCIAL STATEMENTS

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
26. FINANCING ARRANGEMENTS				
The consolidated entity has access to the following financing arrangements:				
Bill acceptance and cash advance facilities:				
maturing within 12 months	11,090	30,000	-	30,000
maturing after 12 months	300,000	281,090	300,000	270,000
	<u>311,090</u>	<u>311,090</u>	<u>300,000</u>	<u>300,000</u>
amount unused	186,276	122,568	262,000	208,000
Bank overdraft facilities:				
maturing within 12 months	2,000	2,000	2,000	2,000
maturing after 12 months	-	-	-	-
	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
amount unused	2,000	2,000	2,000	2,000

These arrangements do not include leasing arrangements as disclosed in Note 30.

The Company has an unsecured bank overdraft. Interest on the bank overdraft is charged at prevailing market rates. The effective interest rate is 8.0% (2001 8.50%).

The Company has an unsecured bank loan denominated in Australian dollars covering borrowings by the Company and an overseas subsidiary. The loan bears interest at the Bank Bill Rate or LIBOR rates plus the consolidated entity's credit margin. The effective annual interest rate is 3.35% (2001 4.75%) at June 30, 2002.

	\$	\$	\$	\$
27. REMUNERATION OF AUDITORS				
Amounts received or due and receivable for audit services by:				
Auditors of the Company - KPMG	725,503	737,758	175,779	129,657
Other auditors	23,084	31,187	-	3,850
	<u>748,587</u>	<u>768,945</u>	<u>175,779</u>	<u>133,507</u>
Amounts received or due and receivable for other services by:				
Auditors of the Company - KPMG				
Other assurance services	74,040	87,177	18,830	43,331
Taxation services	296,011	257,298	152,609	85,084
Information risk management services	10,000	41,217	10,000	41,217
KPMG related practices				
Legal services	9,953	-	9,953	-
Other auditors				
Tax services	117,311	29,116	97,385	-
Valuation services	379,500	-	379,500	-
	<u>886,815</u>	<u>414,808</u>	<u>668,277</u>	<u>169,632</u>

KPMG, through its antecedent firms, was appointed auditors to the Company in November 1988.

> FINANCIAL STATEMENTS

	CONSOLIDATED		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$

28. REMUNERATION OF DIRECTORS

Aggregate income paid or payable, or otherwise made available to all Directors in connection with management of the affairs of Rural Press Limited and its controlled entities and includes amounts paid to full time executives who are required to be directors of partly owned entities

3,072,482	2,948,527	1,187,922	1,092,131
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Number of Directors of Rural Press Limited whose income is received from that entity and its controlled entities fell within the following bands:

Band	2002	2001	2002	2001
\$0 - \$10,000			-	-
\$20,001 - \$30,000			-	1
\$30,001 - \$40,000			1	-
\$40,001 - \$50,000			1	1
\$50,001 - \$60,000			4	4
\$120,001 - \$130,000			2	1
\$640,001 - \$650,000			1	-
\$670,001 - \$680,000			-	1

Directors of the Company during the year were:

JB Fairfax, AM
 B Gowrie Smith
 TV Fairfax
 DJ Asimus, AO
 BJ Taplin (retired September 30, 2001)
 SF Higgs
 CB Livingstone
 PA Roach (appointed October 18, 2001)
 BK McCarthy

29. REMUNERATION OF EXECUTIVES

Amounts received, or due and receivable by executives whose remuneration was \$100,000 or greater

5,971,904	5,727,529	2,637,973	2,583,349
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Number of executives whose remuneration was within the following bands:

Band	2002	2001	2002	2001
\$100,001 - \$110,000	-	6	1	-
\$110,001 - \$120,000	6	6	1	-
\$120,001 - \$130,000	3	5	1	2
\$130,001 - \$140,000	4	3	-	1
\$140,001 - \$150,000	3	-	1	-
\$150,001 - \$160,000	1	3	1	-
\$160,001 - \$170,000	1	1	-	-
\$170,001 - \$180,000	1	1	-	-
\$180,001 - \$190,000	-	2	-	-
\$190,001 - \$200,000	-	1	-	1
\$200,001 - \$210,000	2	-	1	-
\$240,001 - \$250,000	-	-	-	-
\$260,001 - \$270,000	-	-	-	-
\$270,001 - \$280,000	2	-	2	-
\$280,001 - \$290,000	1	1	-	1
\$290,001 - \$300,000	1	-	1	-
\$300,001 - \$310,000	-	1	-	1
\$310,001 - \$320,000	1	-	1	-
\$330,001 - \$340,000	-	1	-	1
\$390,001 - \$400,000	1	1	-	1
\$640,001 - \$650,000	1	-	1	-
\$670,001 - \$680,000	-	1	-	1

For the purposes of this disclosure, an executive officer has been defined as the Chief Executive, the Group General Managers and their direct reports.

> FINANCIAL STATEMENTS

	CONSOLIDATED		COMPANY	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
30. LEASE COMMITMENTS				
Operating leases				
Amounts due:				
Not later than 1 year	5,749	6,521	2,773	2,293
Later than 1 year and not later than 5 years	8,781	13,733	2,792	2,775
Later than 5 years	1,210	2,281	-	-
	<u>15,740</u>	<u>22,535</u>	<u>5,565</u>	<u>5,068</u>
Finance leases				
Amounts due:				
Not later than 1 year	189	223	-	-
Later than 1 year and not later than 5 years	310	320	-	-
Total minimum lease payments	499	543	-	-
Future finance charges	(47)	(50)	-	-
Lease liability	<u>452</u>	<u>493</u>	<u>-</u>	<u>-</u>
Current	163	197	-	-
Non-current	289	296	-	-
	<u>452</u>	<u>493</u>	<u>-</u>	<u>-</u>

31. SUBSEQUENT EVENT

On August 7, 2001 the Federal Court handed down its judgement on an action taken by the Australian Competition and Consumer Commission for breach of the Trade Practices Act, 1974 by the Company, Bridge Printing Office Pty Limited and named group executives. Penalties totalling \$670,000 were imposed on the group entities and the executives. Accrual had been made for these penalties in previous years. The initial judgement was appealed by all parties. The appeal judgement was handed down on July 16, 2002 and confirmed the penalties assessed in the original judgement.

32. CAPITAL COMMITMENTS

The Company and its controlled entities are committed to purchase plant and equipment totalling \$154,000 (2001 \$5,812,000). These amounts will be expended during the year ending June 30, 2003.

In the prior year, consolidated entities were committed to further cash calls on shares held in The Farmshed Ventures Pty Limited and The Farmshed Pty Limited of \$3,599,000 and \$689,211 respectively.

33. CONTINGENT LIABILITIES AND GUARANTEES

- (a) The Company and its controlled entities are defendants in a number of legal actions arising from operations. The Directors believe that these actions can be successfully defended and therefore no material losses will be incurred. The costs expected in defending these actions have been accrued for in the financial statements.
- (b) A wholly-owned entity has guaranteed on a several basis with another entity bank loans to a partially-owned entity to the value of \$2,755,500 (2001 \$2,755,500).

> FINANCIAL STATEMENTS

34. SHARE AND OPTION PLANS

The Company has three share and option plans in operation. All three plans were approved by shareholders on October 9, 1998 and again on October 19, 2001.

Rural Press Executive Option Plan (EOP)

The EOP was introduced as a performance incentive to executives and includes a market competitive performance hurdle which the Company is required to achieve before they receive any benefit from participating in the EOP.

The performance hurdle will be based on either of the following requirements:

- earnings per share of the Company, compounded over the life of the relevant option period, is equal to or greater than the change in the consumer price index over the same period plus 4% per annum compound (3% for options issued after December 31, 2001); or
- an average of the accumulation index calculated by ASX in respect of the Company over the 90 days of trading up to and including the day preceding the date of exercise of the options is equal to or greater than an average of the accumulation index calculated by ASX in respect of listed shares in the companies comprising the Mid Cap Industrials Index in the same period. The price at which the options are granted is the weighted average market price of the Company's Preferred shares sold on ASX during the 1 week period up to and including the day the options are granted (or such other date or period as ensures compliance with tax laws), and is paid upon exercise of the options. No further sum is payable on exercise of the options.

Employees must be and remain Eligible Employees to continue participation in the EOP. The options lapse on the earlier of their Last Exercise Date; any act of dishonesty or like conduct against the Company which results in the participant foregoing any entitlements under the EOP rules; and the performance hurdle has not been achieved on or before the Last Exercise Date.

The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Due to the nature of the performance hurdle and the option pricing, the value of the options granted in the current year is considered to be immaterial.

Further information in relation to options issued and exercised to June 30, 2002 is provided in Note 20 to these financial statements.

Rural Press Deferred Employee Share Plan (DESP)

The DESP was primarily introduced to enable staff and directors to obtain ownership of the Company's shares as part of their remuneration. The DESP was approved by shareholders at the annual general meeting on 9 October 1998 and was varied pursuant to the Plan Rules by a directors' resolution on 10 May 2001.

The Company may provide shares to the Plan Company, or may pay contributions to the Plan Company to fund the acquisition of shares for the purposes of the Plan. The Plan Company must use these contributions (if any) to purchase shares for participants.

To June 30, 2002, the following acquisitions of shares in the Company have been made pursuant to the DESP:

1. To a non-executive director during 2001, in lieu of fees (in accordance with shareholder approval obtained at the 2000 AGM).
2. In accordance with the offer programmes known as DESP Offer 2001 and DESP Offer 2002, the programme permits eligible employees to apply to acquire ordinary shares as part of their normal remuneration by way of 'salary sacrifice'; and if entitled to a bonus during the year, to receive this bonus in the form of ordinary shares in the Company, in each case such ordinary shares being bought on-market.

The Managing Director participates in the DESP in accordance with an ASX waiver from Listing Rule 10.14 obtained in 2001.

Full details of such purchases have been notified to the ASX from time to time.

Rural Press Exempt Employee Share Plan (EESP)

The EESP was established to create an ownership ethic and identification with the Company's performance for all eligible employees.

The Company may provide shares to the Plan Company, or may pay contributions to the Plan Company being an amount not exceeding \$1,000 per participant per year to fund the acquisition of shares for the purposes of the Plan. The Plan Company must use these contributions to purchase shares for participants. The Plan Company is not permitted to repay to the Company any amount received as contributions for the acquisitions of shares.

The Company has only made one offer to employees under the EESP, being an offer made on 26 May 1999 which resulted in 360,555 ordinary shares being issued to 1,849 employees without any payment being required by the employees. 195 shares, equivalent to \$1,000 worth, were issued to each employee.

Maximum Participation by Share Option Plans

The number of shares acquired during the previous 5 years from new issues under all employee share schemes established by the Company plus the shares which would be acquired from new issues by the Company under all employee share schemes were all outstanding options to acquire unissued shares (issued pursuant to such employee share schemes) to be exercised, shall not exceed 5% of the total number of issued shares in the Company.

> FINANCIAL STATEMENTS

35. SUPERANNUATION COMMITMENTS

The consolidated entity participates in a number of superannuation plans, all of which provide accumulation benefits. Employer contributions are made to these plans at levels equal to or in excess of the minimum required by the Superannuation Guarantee Legislation.

36. RELATED PARTY TRANSACTIONS

During the year there have been transactions between Rural Press Limited and its wholly owned controlled entities which have been eliminated on consolidation. Rural Press Limited supplies newsprint and accounting and administrative services to members of the consolidated entity on commercial terms and conditions. The value of accounting and administrative services provided to non wholly owned entities is not material. Certain wholly owned controlled entities provide production services to non wholly owned controlled entities, the value of which is not material.

In addition to these transactions, the Company maintains a centralised treasury function for wholly owned controlled entities. The amounts outstanding at balance date are set out in Note 8.

Transactions with Director Related Entities

Companies of the consolidated entity have acquired printing, inventories and distribution services from Hannanprint and Newsagents Direct Distribution, and supplied inventories to Hannanprint, entities over which JB Fairfax and TV Fairfax have a significant influence. These services acquired on normal terms and conditions amounted to Nil (2001 \$566,000) and those services provided on normal terms and conditions amounted to \$1,084 (2001 Nil).

Companies of the consolidated entity have acquired goods and services from, and provided advertising to, Wesfarmers Limited and its subsidiaries, of which DJ Asimus is a Director. Companies of the consolidated entity have paid interest on borrowings and have acquired services from, and have received interest on deposits from and provided printing services to Westpac Banking Corporation, of which JB Fairfax is a Director. Companies of the consolidated entity have provided advertising to Goodman Fielder Limited, of which CB Livingstone is a Director. Companies of the consolidated entity have acquired goods and services from, and provided advertising to, Telstra Corporation Limited, of which CB Livingstone is a Director. Companies of the consolidated entity have acquired goods and services from Pacific Area Newspaper Publishers Association of which BK McCarthy was a Director. All services were on normal terms and conditions.

	CONSOLIDATED		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$

Loans to Executive Directors

Pursuant to the Rural Press Limited Employee Loan Scheme and Rural Press Limited Employee Share Scheme (Established 1990)				
Amounts outstanding	194,980	170,803	-	-
Interest received	-	-	-	-
New loans advanced				
Rural Press Limited Employee Loan Scheme	10,000	-	-	-
Rural Press Limited Employee Share Scheme (Established 1990)	-	-	-	-
Repayments received				
Rural Press Limited Employee Loan Scheme	5,375	-	-	-
Rural Press Limited Employee Share Scheme (Established 1990)	22,879	50,269	-	-

All Executive Directors are full time employees of the Company who act as Directors of controlled entities on behalf of the Company.

Rural Press Limited Employee Loan Scheme approved by shareholders on November 3, 1998: There was one loan (2001 nil) outstanding under this scheme. New loans were advanced to and repayments were received from P Caton.

Rural Press Limited Employee Share Scheme approved by shareholders on June 21, 1990: Loans varying between \$13,888 and \$94,295 (2001 \$17,347 and \$104,202) to 4 (2001 3) Directors of the consolidated entity. Repayments were received from BC Cassell, R Mackie, J Italiano and AE Williams (2001 BC Cassell, R Mackie and AE Williams).

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Directors' Shareholdings

Details of the shareholdings of Directors of the Company are set out below. Dividends were paid in respect of these shares at the declared dividend rates. Details of Directors' names, remuneration and superannuation payments are set out in Note 28.

	Ordinary Shares	Preferred Shares
JB Fairfax, AM ⁽¹⁾	60,690,352	22,326,302
B Gowrie Smith	9,050	4,527
TV Fairfax ⁽¹⁾	60,690,352	22,326,302
DJ Asimus, AO	11,722	2,248
SF Higgs	7,347	-
CB Livingstone	5,000	-
PA Roach	700	-
BK McCarthy	39,842	52,001

(1) The relevant interests disclosed for JB Fairfax and TV Fairfax refer to shareholdings that are common to both Directors.

Details of interests in controlled entities are set out in Note 41.

Details of the interest in associates are set out in Note 10.

Details of the consolidated entity's employee superannuation plans are set out in Note 35.

There were no options to acquire shares in the Company issued to Directors of the Company during the year. BK McCarthy holds options to acquire 200,000 (2001 200,000) Preferred shares under the terms of the Rural Press Limited Executive Options Plan approved by shareholders on October 9, 1998.

37. ULTIMATE PARENT ENTITY

The ultimate parent entity of Rural Press Limited is Marinya Holdings Pty Limited, incorporated in Australia.

38. FOREIGN CURRENCY

The domestic currency equivalent of unhedged foreign currency assets and liabilities of overseas controlled entities are in the financial statements as follows:

	CONSOLIDATED	
	2002 \$'000	2001 \$'000
NEW ZEALAND DOLLARS		
Assets		
Current	869	539
Non-current	3,642	144
Total	4,511	683
Liabilities		
Current	1,036	1,330
Non-current	-	-
Total	1,036	1,330
UNITED STATES DOLLARS		
Assets		
Current	3,835	9,925
Non-current	68,000	114,513
Total	71,835	124,438
Liabilities		
Current	6,082	10,300
Non-current	80,178	89,441
Total	86,260	99,741

The Company has forward exchange contracts to buy foreign currency for newsprint purchases of \$US2,014,000 due and payable within three months with a weighted average rate of \$0.521 (2001 \$US1,541,000 due and payable within three months with a weighted average rate of \$0.520) and sell foreign currency amounting to \$US2,570,000 (2001 \$US200,000) due within two months with a weighted average rate of \$0.524 (2001 \$0.5050) and \$NZ200,000 due within two months with a weighted average rate of \$1.25.

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39. DEED OF CROSS GUARANTEE

Pursuant to an ASIC Class Order 98/1418 (as amended) dated August 13, 1998, relief has been granted to the wholly owned subsidiaries listed in Note 41 from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act. The Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

A consolidated statement of financial performance and statement of financial position comprising the Company and subsidiaries which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, is set out below.

	CONSOLIDATED	
	2002	2001
	\$'000	\$'000
STATEMENT OF FINANCIAL POSITION		
Cash assets	5,081	4,016
Receivables	48,433	47,489
Inventories	10,087	13,689
Prepayments	1,190	452
TOTAL CURRENT ASSETS	64,791	65,646
Investments accounted for using the equity method	7,753	10,122
Other financial assets	39,164	37,687
Property, plant and equipment	106,355	113,862
Mastheads	470,510	291,837
Deferred tax assets	6,281	6,118
Other	82	351
TOTAL NON-CURRENT ASSETS	630,145	459,977
TOTAL ASSETS	694,936	525,623
Payables	23,452	22,676
Interest bearing liabilities	12	13
Current tax liabilities	14,882	12,497
Provisions	9,764	9,638
TOTAL CURRENT LIABILITIES	48,110	44,824
Interest bearing liabilities	38,042	92,055
Deferred tax liabilities	5,330	3,097
Provisions	4,958	5,295
TOTAL NON-CURRENT LIABILITIES	48,330	100,447
TOTAL LIABILITIES	96,440	145,271
NET ASSETS	598,496	380,352
Contributed equity	284,333	284,333
Reserves	188,961	16,374
Retained profits	125,202	79,645
TOTAL SHAREHOLDERS' EQUITY	598,496	380,352

> FINANCIAL STATEMENTS

	CONSOLIDATED	
	2002 \$'000	2001 \$'000
STATEMENT OF FINANCIAL PERFORMANCE		
Profit from ordinary activities before income tax	76,871	60,452
Income tax attributable to profit from ordinary activities	(24,362)	(22,352)
Profit from ordinary activities after income tax	52,509	38,100
Retained profits at the beginning of the financial year	83,920	69,383
Dividend provided for or paid	136,429	107,483
Transfer to reserves	(10,936)	(27,838)
	(291)	-
Retained profits at the end of the financial year	125,202	79,645

40. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

Credit Risk

Credit risk represents the loss that would be recognised if counter-parties failed to perform as contracted. The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated on the balance sheet. The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers and counter-parties, however the majority of customers are in Australia. All derivative contracts are with major financial institutions.

The consolidated entity's maximum credit risk exposure in relation to forward exchange contracts and interest rate swaps is detailed below.

Net Fair Values

Off-balance sheet financial instruments:

The valuation of off-balance sheet financial instruments reflects the estimated amounts which the consolidated entity expects to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates as at reporting date. This is based on independent market quotations and determined using standard valuation techniques.

Interest rate swaps	(3,557)	(2,983)
Forward foreign exchange contracts	44	76
	(3,513)	(2,907)

In securing certainty over future cash flows by hedging certain transactions, the consolidated entity has obtained a net notional loss of \$3,513,000 (2001 loss of \$2,907,000). This notional profit/(loss) will be offset by an equivalent unfavourable/(favourable) movement on the underlying transactions.

Interest Rate Risk

(i) Interest rate swaps:

Interest rate swaps allow the consolidated entity to swap floating rate borrowings into fixed rates. Each contract involves quarterly payment or receipt of the net amount of interest. The fixed rates varied from 5.00% to 6.34% (2001 4.90% to 6.34%) and the floating rates were at the bank bill rates or the LIBOR rate plus the consolidated entity's credit margin.

The weighted average effective floating interest rate at June 30 was 5.61% (2001 5.79%).

(ii) Interest rate risk exposures:

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out on the next page.

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		Fixed interest maturing in					Total
	Note	Floating Interest Rate \$'000	1 Year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	\$'000
2002							
Financial assets							
Cash	7	9,837	-	-	-	-	9,837
Receivables	8	-	-	-	-	61,763	61,763
Other financial assets	11	-	-	-	-	459	459
Sundry receivables	16	-	-	-	-	885	885
		9,837	-	-	-	63,107	72,944
Weighted average interest rate		3.07					
Financial liabilities							
Bank overdrafts and loans	18	121,488	3,410	-	-	-	124,898
Payables	17	-	-	-	-	35,809	35,809
Liabilities under finance leases	18	-	163	289	-	-	452
Dividends payable	19	-	-	-	-	-	-
		121,488	3,573	289	-	35,809	161,159
Interest rate swaps		(74,263)	17,705	56,558	-	-	-
Weighted average interest rate		3.34	6.56	5.87			
2001							
Financial assets							
Cash	7	8,917	-	-	-	-	8,917
Receivables	8	-	-	-	-	62,362	62,362
Other financial assets	11	-	-	-	-	2,353	2,353
Sundry receivables	16	-	-	-	-	1,970	1,970
		8,917	-	-	-	66,685	75,602
Weighted average interest rate		3.91					
Financial liabilities							
Bank overdrafts and loans	18	184,182	-	4,340	-	-	188,522
Payables	17	-	-	-	-	41,383	41,383
Liabilities under finance leases	18	-	197	296	-	-	493
Dividends payable	19	-	-	-	-	745	745
		184,182	197	4,636	-	42,128	231,143
Interest rate swaps		(99,102)	10,000	89,102	-	-	-
Weighted average interest rate		4.40	5.17	5.36			

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41. PARTICULARS RELATING TO CONTROLLED ENTITIES

Entity and Place of Incorporation	Beneficial Interest %		Entity and Place of Incorporation	Beneficial Interest %	
	2002	2001		2002	2001
Company					
Rural Press Limited - NSW			Whyalla News Properties Pty Limited - SA	100	+ 100
Controlled entities operating within Australia					
Rural Publishers Pty Limited - NSW	100	+ 100	The Examiner Newspaper Pty Limited - TAS	60	60
Agricultural Publishers Pty Limited- NSW	100	+ 100	Examiner Properties Pty Limited - TAS	60	60
Rural Press Printing Pty Limited - QLD	100	+100	Regional Publishers (VIC) Pty Limited - VIC	100	+ 100
Hawkesbury River Typesetters Pty Limited - VIC	100	+ 100	Regional Publishers (Western Victoria) Pty Limited - VIC	100	+ 100
Canweb Printing Pty Limited - ACT	100	+ 100	Rural Press Regional Media (WA) Pty Limited - WA	100	+ 100
J & R Graphics Pty Limited - ACT	100	+ 100	Merredin Advertiser Pty Limited - WA	100	+ 100
RP Interactive Pty Limited - NSW	100	+ 100	Esperance Holdings Pty Limited - WA	100	+ 100
F@rming Online Pty Limited - NSW	100	+ 100	The Printing Press Pty Limited - WA	100	+100
Rural Press QLD Pty Limited - QLD	100	+ 100	Golden Mail Pty Limited (formerly Golden Post Pty Limited) - WA	# 65.8	50
Rural Press (North Queensland) Pty Limited - QLD	100	100	The Queanbeyan Age Pty Limited - ACT	100	+100
Stock Journal Publishers Pty Limited - SA	100	+ 100	The Federal Capital Press of Australia Pty Limited - ACT	100	+100
Hunter Distribution Network Pty Limited (formerly Ramsay Ware Stockland Pty Limited) - VIC	100	+ 100	Tofua Holdings Pty Limited - ACT	100	+100
West Australian Rural Media Pty Limited - WA	100	+ 100	Regional Printers Pty Limited - NSW	100	+100
Western Australian Primary Industry Press Pty Limited - WA	100	+ 100	Media Investments Pty Limited - SA	100	+100
Regional Publishers Pty Limited - NSW	100	+ 100	Star Broadcasting Network Pty Limited - QLD	50.1	50.1
Queensland Community Newspapers Pty Limited - QLD	100	+100	Lanson Investments Pty Limited - SA	50.1	50.1
Mountain Press Pty Limited - NSW	88	88	5AU Broadcasters Pty Limited - SA	50.1	50.1
RPL Technology Pty Limited - NSW	100	+100	Outdoor Media Solutions Pty Limited - NSW	-	II+100
Hibiscus Happynings Pty Limited - NSW	‡100	100	Street Vision Pty Limited - NSW	-	91.84
Pro-Ag Pty Limited - NSW	100	+100	Controlled entities operating within New Zealand		
Cudgong Newspapers Pty Limited - NSW	100	+100	Communication Associates Limited - NZ	100	100
Snowy Mountains Publications Pty Limited - NSW	100	+100	N.Z. Rural Press Limited - NZ	100	100
Western Magazine Pty Limited - NSW	75	75	Controlled entities operating within United States		
Western Magazine Settlement Trust - NSW	75	75	Rural Press (USA) Limited - USA	100	100
Macleay Valley Happynings Pty Limited - NSW	100	+100	Rural Press USA Inc. - USA	100	100
Milton Ulladulla Publishing Co. Pty Limited - NSW	60	60	Farm Progress Holding Co., Inc. - USA	100	100
Bridge Printing Office Pty Limited - SA	100	+100	The Miller Publishing Co., Inc. - USA	100	100
Port Lincoln Times Pty Limited - SA	100	+100	Farm Progress Companies, Inc. - USA	100	100
S.A. Regional Media Pty Limited - SA	100	+100	Farm Progress Insurance Services, Inc. - USA	100	100
Northern Newspapers Pty Limited - SA	100	+100	Indiana Prairie Farmer Insurance Services, Inc. - USA	100	100
The Barossa News Pty Limited - SA	100	+100			
Country Publishers Pty Limited - SA	100	+100			

• Investment by controlled entity

+ Controlled Entities included in Class Order 98/1418. Also refer to Note 39

o Controlled Entities added to Class Order 98/1418 on June 16, 1999

II Controlled Entities added to Class Order 98/1418 on June 8, 2000

❖ Controlled Entities added to Class order 98/1418 on June 12, 2002

□ Controlled Entities included in Class Order 98/1418 dated June 23, 2000

‡ Deregistered or in process of deregistration

Name of controlled entity acquired for cash

Golden Mail Pty Limited another 15.8% acquired on December 31, 2001 for \$70,000 with net assets of \$110,394

■ Name of Controlled entity disposed

Outdoor Media Solutions Pty Limited disposed on August 31, 2001 for shares in POS Media Limited with net assets of \$695,000.

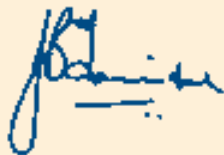
> FINANCIAL STATEMENTS

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Rural Press Limited, we state that:

- (1) In the opinion of the directors of Rural Press Limited:
 - (a) the financial statements and notes, set out on pages 24 to 53 are in accordance with the Corporations Act, 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at June 30, 2002 and of their performance as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations, 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) There are reasonable grounds to believe that the Company and certain subsidiaries identified in Note 41 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to ASIC Class Order 98/1418.

On behalf of the Board



JB Fairfax, AM
Director



BK McCarthy
Director

Sydney, NSW
August 29, 2002

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF RURAL PRESS LIMITED

Scope

We have audited the financial report of Rural Press Limited for the financial year ended June 30, 2002, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes, and the Directors' declaration set out on pages 24 to 54. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the year or from time to time during the financial year.

The Company's Directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Rural Press Limited is in accordance with:

- a) the Corporations Act, 2001 including:
 - i) giving a true and fair view of the Company's and the consolidated entity's financial position as at June 30, 2002 and of their performance for the financial year ended on that date; and
 - ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.



KPMG



BK Phillips
Partner

Sydney, NSW
August 29, 2002

> SHAREHOLDER INFORMATION

Substantial Shareholders

The number of shares held by the substantial shareholders holding ordinary shares as at August 15, 2002 were as follows:

Shareholder	Ordinary Shares
JB Fairfax (held in trust for Marinya Media Pty Limited)	4,881
TV Fairfax (held in trust for Marinya Media Pty Limited)	4,881
Marinya Media Pty Limited	60,195,922
	<hr/>
	60,205,684
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Commonwealth Bank of Australia Limited (held by nominee companies)	9,034,098
Perpetual Trustees Australia Limited (held by nominee companies)	9,529,711
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Distribution of Shareholders and Totals in each class
as at August 15, 2002

(a) Category	Ordinary Shares	Preferred Shares
1-1000	2,098	958
1001-5000	1,717	888
5001-10000	413	284
10,001-100,000	492	276
100,001 and over	42	36
	<hr/>	<hr/>
Total Shareholders	4,762	2,442
	<hr/>	<hr/>
(b) Holding less than a marketable parcel of 100 ordinary shares	69	

Voting Shares

Ordinary Shares

On a show of hands every person present who is a member holding ordinary shares, proxy attorney or representative of such member, shall have one vote and on a poll every such member who is present in person or by proxy, attorney or representative shall have one vote for each share held by him or her.

Preferred Shares

A member holding Preferred Shares has the right to vote in each of the following circumstances only:

- during a period during which a dividend (or part of a dividend) in respect of the shares is in arrears;
- on a proposal to reduce the capital of the company;
- on a resolution to determine the terms of a buy-back agreement;
- on a proposal that affects the rights attached to the share;
- on a proposal to wind up the Company;
- on a proposal to dispose of the whole of the Company's property, businesses and undertaking; and
- during the winding up of the Company.

On market buy-back

There is currently no on market buy-back being undertaken.

> SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS

As at August 15, 2002

Ordinary Shares

Shareholder	No. of Ordinary Shares	% of Total Ordinary Shares
Marinya Media Pty Limited	60,195,922	52.57
RBC Global Services Australia Nominees Pty Limited (PIPOOLED Account)	5,857,183	5.12
Westpac Custodian Nominees Limited	4,971,597	4.34
Citicorp Nominees Pty Limited (CFS WSLE Imputation Fund Account)	3,602,909	3.15
JP Morgan Nominees Australia Limited	2,204,778	1.93
Citicorp Nominees Pty Limited (CFS Imputation Fund Account)	1,921,869	1.68
AMP Life Limited	1,683,074	1.47
Mrs Caroline EO Simpson	1,560,999	1.36
Citicorp Nominees Pty Limited (CFS WSLE Australian Share Fund Account)	1,415,412	1.24
RBC Global Services Australia Nominees Pty Limited (BKCUST Account)	1,030,671	0.90
Citicorp Nominees Pty Limited (CFS WSLE Industrial Share Account)	993,182	0.87
RBC Global Services Australia Nominees Pty Limited (PIIC Account)	823,744	0.72
Commonwealth Custodial Services Limited	803,539	0.70
National Nominees Limited	603,665	0.53
Cogent Nominees Pty Limited	436,849	0.38
Bridgestar Pty Limited	417,005	0.36
Invia Custodian Pty Limited	389,766	0.34
Sandhurst Trustees Limited (SISF Account)	350,000	0.31
RBC Global Services Australia Nominees Pty Limited (PT Account)	341,164	0.30
Amcil Limited (Investment Portfolio Account)	324,994	0.28
TOTAL	89,928,322	78.55

Preferred Shares

Shareholder	No. of Preferred Shares	% of Total Preferred Shares
Marinya Media Pty Limited	22,144,384	28.89
Citicorp Nominees Pty Limited (CFS WSLE Imputation Fund Account)	6,745,823	8.80
RBC Global Services Australia Nominees Pty Limited (PIPOOLED Account)	5,440,177	7.10
RBC Global Services Australia Nominees Pty Limited (RA Account)	5,285,366	6.90
JP Morgan Nominees Australia Limited	4,632,996	6.04
Citicorp Nominees Pty Limited (CFS Imputation Fund Account)	3,549,511	4.63
Citicorp Nominees Pty Limited (CFS WSLE Australian Share Fund Account)	2,022,214	2.64
Westpac Custodian Nominees Limited	1,800,249	2.35
Commonwealth Custodial Services Limited	1,523,805	1.99
Citicorp Nominees Pty Limited (CFS WSLE Industrial Share Account)	1,417,094	1.85
National Nominees Limited	1,101,731	1.44
MLC Limited	1,031,532	1.35
Queensland Investment Corporation	996,036	1.30
RBC Global Services Australia Nominees Pty Limited (PIIC Account)	952,485	1.24
RBC Global Services Australia Nominees Pty Limited (BKCUST Account)	834,355	1.09
Mrs Caroline EO Simpson	778,000	1.01
Citicorp Nominees Pty Limited (CFS Future Leaders Fund Account)	744,394	0.97
AMP Life Limited	655,548	0.86
Cogent Nominees Pty Limited	342,773	0.45
CSS Board	270,296	0.35
TOTAL	62,268,769	81.25

> SHAREHOLDER INFORMATION

COMPANY DIRECTORY

Registered Office

159 Bells Line of Road
North Richmond NSW 2754
Telephone (02) 4570 4444
Facsimile (02) 4570 4663
Email groupadmin@ruralpress.com
www.ruralpress.com

Corporate Operations Office

159 Bells Line of Road
North Richmond NSW 2754
Telephone (02) 4570 4444
Facsimile (02) 4570 4663

Stock Exchange Listing

Australian Stock Exchange, Sydney

Share Registry

Computershare Investor Services Pty Limited
60 Carrington Street
Sydney NSW 2000
Postal Address
GPO Box 7045
NSW 1115
Telephone 1300 855 080
Facsimile (02) 8234 5050
www.computershare.com

Auditors

KPMG
45 Clarence Street
Sydney NSW 2000

Bankers & Financiers

Westpac Banking Corporation
National Australia Bank Limited
Toronto Dominion Australia Limited

Solicitors

Deacons
1 Alfred Street
Circular Quay, Sydney NSW 2000

Company Secretary

BHG Stofberg

COMPANY DIARY

2002

Distribution of 2002 Annual Report	September 18
2002 Annual General Meeting (at 159 Bells Line of Road North Richmond NSW 10:30am)	October 18
2002 Final Dividend Record Date	October 29
2002 Final Dividend Payment	November 8

2003

Announcement of 2003 Half Year Results	February 13
2003 Interim Dividend Record Date	February 21
2003 Interim Dividend Payment	March 7
Announcement of 2003 Full Year Results	August 28

Shareholders' Details

Shareholders who:

- have changed their name or address
- wish to consolidate two or more separate shareholdings
- wish to lodge their tax file numbers
- do not wish to receive the annual report *

should advise Rural Press' share registry by completing the relevant forms available from www.computershare.com, or by telephoning the freecall number to request the forms.

Shareholders can also view the following on www.computershare.com:

- historical price information
- share price performance versus market indices
- individual shareholders' dividend receipt history.

* Shareholders will continue to receive all other shareholder information except the annual report.

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