



PUBLISHING AND BROADCASTING LIMITED ABN 52 009 071 167



Full Financial Report 2001

CORPORATE INFORMATION

Directors

James D Packer

Executive Chairman

Peter W Yates BCom, MSc (Mgt)

Managing Director & Chief Executive Officer

John H Alexander BA

Chief Executive Officer, Australian Consolidated Press

Graham A Cubbin BEc (Hons)

Rowena Danziger BA, DipEd (Qld) MACE

Ashok P Jacob MBA

David J Leckie BA

Chief Executive Officer, Nine Network Australia

Sir Laurence Muir VRD, LLB, FSIA, FAIM

Kerry F B Packer AC

Daniel Petre BSc MBA

Chairman, ecorp

Richard W Turner BEc, FCA

Robert M Whyte BEc

Chief Executive Officer, Crown

Ian J Johnson

Chief Executive Office, PBL Enterprises & Group General Counsel

James L McLachlan BSc, LLB, LLM

Chief Financial Officer

Geoffrey R Kleemann CA

Secretaries

Stephen J Wright BCom, CPA, FCIS

Robert B Davis BBus, FCPA, FCIS

Main Office

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Sydney NSW 1028 Australia

Website

Visit our website www.pbl.com.au

for media releases and financial information

Auditors

Ernst & Young

Banker

Australia and New Zealand Banking

Group Limited

Share Registry

Computershare Investor Services Pty Limited

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Important Information for shareholders

This publication includes PBL's Directors' Report, the full Financial Statements and Independent Audit Report for the year ended 30 June 2001.

It should be read in conjunction with PBL's Concise Annual Report. The Concise Annual Report includes the Year in Review from the Chairman and Chief Executive Officer as well as a review of the Television, Gaming, Magazines and Enterprises Divisions and a review of ecorp's activities during the year.

The Concise Annual Report is available from Computershare Investor Services Pty Limited on request: Tel 1800 269 981 or if calling from outside Australia, (61 2) 8234 5222 or by fax (61 2) 8234 5050. Both the Concise Annual Report and this report can be accessed at PBL's website at www.pbl.com.au.

financial report for the year ended 30 june, 2001



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corporate governance statement

Television/Enterprises Executive Committee

Mr James Packer, Executive Chairman of PBL,
Mr Peter Yates, Managing Director & Chief Executive Officer of PBL, and
Mr David Leckie, Chief Executive Officer of Nine Network Australia.

The main functions of the Executive Committees are to:

- Review the operating results of the Divisions,
- Approve individual capital expenditure in line with the Board approved budget,
- Approve the use of the Common Seal for the purposes of: entering into contracts and leases; facilitating borrowing; appointment of attorneys for document execution; guaranteeing the obligations of subsidiaries; other transactions involving the general business of PBL, and
- Approve transactions involved in the day to day operations of PBL.

DIRECTORS' MEETINGS

The number of Directors' meetings held (including meetings of committees of directors) and the number of meetings attended by each of PBL's directors during their term of office in the financial year are:

	Directors' Meetings		Television/Enterprises Executive Committee Meetings		Magazines Executive Committee Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
J D Packer	4	4	14	9	7	3	–	–	–	–
P W Yates*	1	1	2	2	–	–	–	–	–	–
J H Alexander	4	4	–	–	7	7	–	–	–	–
G A Cubbin	4	4	–	–	–	–	2	1	–	–
R Danziger	4	4	–	–	–	–	–	–	–	–
A P Jacob	4	4	–	–	–	–	–	–	–	–
D J Leckie	4	4	14	14	–	–	–	–	–	–
L M Muir	4	4	–	–	–	–	–	–	2	2
K F B Packer	4	3	–	–	–	–	–	–	2	2
D Petre	4	4	–	–	–	–	–	–	–	–
R W Turner	4	4	–	–	–	–	2	2	–	–
R M Whyte	4	4	–	–	–	–	–	–	–	–
N G Falloon**	3	3	9	9	5	5	2	2	–	–
B Gyngell [†]	1	–	–	–	–	–	–	–	–	–

* Mr Peter Yates joined the Company on 26 April 2001 and was appointed to the Board of Directors and to the Television/Enterprises, Magazines Executive and Audit Committees on 13 June 2001.

** Mr Nicholas Falloon resigned from the Board of Directors on 27 March 2001.

[†] Mr Bruce Gyngell passed away on 8 September 2000.

CROWN LIMITED

Crown Limited has a Board of Directors comprising Mr James Packer (Chairman), Mr Kevan Gosper (Deputy Chairman), Mr Ashok Jacob, Mr Ian Johnson (CEO), Mr Geoffrey Kleemann, Mr Kerry Packer and from 13 July 2001, Mr Peter Yates. (Mr Nicholas Falloon resigned from Crown's Board on 27 March 2001.) In addition to the Crown Board meetings held during the year, certain members of that Board meet monthly with senior management of Crown to review its operations.

CEO'S EXECUTIVE COMMITTEE

In May 2001, an Executive Committee was established comprising the chief executive officers of PBL's business groups – Nine, ACP, Crown, ecorp and PBL Enterprises - and the heads of each of PBL's core functions – Finance, Human Resources, Information Technology and cross promotion (the newly formed PBL One). The committee reports to the PBL CEO and meets monthly.

directors' statutory report

Ashok P Jacob MBA, Non-Executive Director (Age 40)

Mr Jacob was appointed to the Board in November 1998. Mr Jacob is currently the Joint Chief Executive Officer of Consolidated Press Holdings Limited. Mr Jacob is a director of Challenger International Limited, ecorp Limited and Hoyts Cinemas Limited.

David J Leckie BA, Chief Executive Officer, Nine Network Australia (Age 50)

Mr Leckie has been the Chief Executive Officer of the Nine Network since 1990. He has been with the Nine Network for over 24 years and has worked in various senior positions within the Network's operations in Sydney and Melbourne.

Mr Leckie is a member of the Television/Enterprises Executive Committee.

Sir Laurence Muir VRD, LLB, FSIA, FAIM, Non-Executive Director (Age 76)

Sir Laurence was senior partner of Potter Partners before retiring after a 30-year career in the stockbroking industry.

Sir Laurence has also served on the boards of various companies including ANZ Banking Group Ltd, Australian Consolidated Press Ltd, Alcoa Australia Ltd, Templeton Global Growth Fund Ltd, Wormald International, National Commercial Union and The Herald and Weekly Times.

Sir Laurence is a member of PBL's Remuneration Committee.

Kerry F B Packer AC, Non-Executive Director (Age 63)

Mr Kerry Packer is a prominent Australian businessman and Chairman of Consolidated Press Holdings Ltd. He has extensive investments in Australia and overseas. These investments include media, cinema operations, gaming, funds and investment management, petrochemicals, a ski resort, pastoral holdings and meat processing.

Mr Packer is a member of PBL's Remuneration Committee.

Daniel Petre BSc, MBA, Non-Executive Chairman, ecorp Limited (Age 42)

Mr Petre joined PBL as Chairman of ecorp Limited in March 1997 and was appointed to the Board of PBL in May 1998. He is also a director of ninemsn Pty Limited, eBay Australia & New Zealand Pty Limited and ePredix Inc.

From 1988 to 1996, Mr Petre was with Microsoft Corporation. He joined Microsoft Australia as its Managing Director and was subsequently promoted to a Vice President at Microsoft's headquarters in the US. He was most recently Microsoft's Director of Advanced Technology based in its Asia Pacific headquarters in Sydney. Mr Petre has also worked with other major information technology corporations including Burroughs and NEC Information Systems Australia.

Richard W Turner BEc, FCA, Non-Executive Director (Age 63)

Mr Turner was appointed to the Board in November 1998. Before his retirement, Mr Turner had been the Chief Executive Officer of Ernst & Young, having had a successful 36 year career as a professional accountant. Mr Turner is a Fellow of the Institute of Chartered Accountants in Australia. Mr Turner is a director of Smith Family Pty Limited, Chairman of The Centre for Anaesthesia and Pain Management Research Limited, Deputy Chairman of the CGNU Australia group of companies, Chairman of Capital Finance Australia Ltd and a director of James Fielding Holdings Australia Ltd.

Mr Turner is Chairman of PBL's Audit Committee.

Robert M Whyte BEc, Non-Executive Director (Age 57)

Mr Whyte is an investment banker and has held a number of directorships, including Advance Bank Australia Limited, Prudential Corporation Australia Limited and various Government authorities. He is currently Chairman of the Audant Group of companies.

Mr Bruce Gyngell passed away during the financial year.

Mr Nicholas Falloon resigned on 27 March 2001.

directors' statutory report

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

Interests in equity instruments of entities in the consolidated entity held by directors of the reporting entity and their director related entities at the date of this report are:

	PBL		ecorp Limited		Crown Limited
	Ordinary Shares	Ord. Shares Issued Under the ESP*	Ordinary Shares	Options over Ordinary Shares	Unsecured Notes
Kerry FB Packer	247,572,325	—	—	—	—
Peter W Yates	55,929	—	2,000	—	—
John H Alexander	—	562,500	7,000	—	—
Graham A Cubbin	9,859	—	7,000	—	—
Rowena Danziger	18,876	—	28,500	—	—
David J Leckie	—	1,325,000	—	—	—
Sir Laurence Muir	11,126	—	2,000	—	—
Daniel Petre	—	296,254	2,000	17,631,579	—
Richard W Turner	10,000	—	20,000	—	—
Robert M Whyte	10,000	—	2,000	—	30,954

*PBL's Executive Share Plan

PRINCIPAL ACTIVITIES

The principal activities of the entities within the consolidated entity during the year were:

- Television production and broadcasting,
- Magazine publishing and distribution,
- Gaming and entertainment, and
- Investments in the internet, pay television, and other media and entertainment sectors.

TRADING RESULTS

The consolidated net profit (loss) of the consolidated entity for the financial year after income tax and outside equity interest was \$(84,616,000) (2000 – \$323,960,000).

DIVIDENDS

The directors of PBL have declared a final fully franked dividend of 10 cents per ordinary share to holders registered as at 31 October 2001 ("Record Date").

Final dividends declared:

- on ordinary shares \$66,194,000

Dividends paid in the year:

- Interim for the year
- on ordinary shares \$66,335,000

Final dividends for 2000:

- on ordinary shares \$66,120,000

REVIEW OF OPERATIONS

Shareholders are directed to the information contained in the Review of Operations in the PBL Concise Annual Report.

directors' statutory report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year:

- provisions totalling \$431.5 million were raised against non-performing investments including \$375.4 million recognised following the collapse of One.Tel Limited in May 2001, and a provision of \$70 million previously raised against PBL's investment in New Regency has been reversed,
- \$48.9 million was written back in relation to One.Tel deferred advertising income,
- PBL decided to cease its television ventures in India. A provision for losses and closure costs has been made of \$62.1 million, and
- PBL acquired an exclusive corporate membership in Capital Club Pty Ltd, the owner of the Capital Golf Course for \$36 million.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

No matter, item, transaction or event of a material nature has occurred between 30 June 2001 and the date of this report that, in the opinion of the directors of the Company, has or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Other than the developments described in this report and the review of operations in the PBL Concise Annual Report, the directors are of the opinion that no other matter or circumstance will significantly affect the operations and expected results of the Group.

SHARE OPTIONS

Details of the ecorp Employee Option Plan are contained in note 23 to the full financial statements.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors and officers of the parent entity and its controlled entities against costs incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as director or officer of the Company. The insurance contract specifically prohibits disclosure of the nature of the insurance cover, the limit of the aggregate liability and the premiums paid.

DIRECTORS' AND SENIOR EXECUTIVE OFFICERS' EMOLUMENTS

The Remuneration Committee of the Board of Directors, as detailed in the Corporate Governance Statement on page 2, is responsible for determining and reviewing compensation arrangements for the directors, the Chief Executive Officer and divisional Chief Executive Officers. The broad remuneration policy is to ensure the remuneration package properly reflects the relevant person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest calibre.

Senior executives may be offered participation in the Executive Share Plan.

Details of the nature and amount of each element of emoluments for each director of the Company and each of the five senior executive officers of the Company and the consolidated entity receiving the highest emoluments for the financial year are shown below.

DIRECTORS' EMOLUMENTS

The emoluments disclosed below are in respect of directors who held office during the year ended 30 June 2001.

Executive Directors	Annual Emoluments			Long Term Emoluments			Total \$
	Directors' Fees/ Base Salary \$	Bonus ^o \$	Other \$	Termination Payments \$	Deferred Bonus \$	Super- annuation \$	
J D Packer	–	–	–	–	–	–	–
P W Yates	605,769	–	2,374,647*	–	–	59,063	3,039,479
J H Alexander	750,000	–	73,035	–	–	60,000	883,035
B Gyngell	81,239	–	–	–	–	–	81,239
D J Leckie	800,412	–	457,187	–	300,000	144,000	1,701,599
D Petre [#]	500,000	600,000	22,483	–	–	45,000	1,167,483
N G Falloon	1,908,559	–	215,310	3,000,000	–	148,500	5,272,369

directors' statutory report

Non-Executive Directors	Annual Emoluments			Long Term Emoluments			Total \$
	Directors' Fees/ Base Salary	Bonus ^o	Other	Termination Payments	Deferred Bonus	Super -annuation	
	\$	\$	\$	\$	\$	\$	
G A Cubbin	—	—	—	—	—	—	—
R Danziger	45,000	—	—	—	—	3,600	48,600
A P Jacob	—	—	—	—	—	—	—
L M Muir	45,000	—	—	—	—	—	45,000
K F B Packer	—	—	—	—	—	—	—
R W Turner	45,000	—	—	—	—	3,600	48,600
R M Whyte	45,000	—	—	—	—	3,600	48,600

[#]Mr Petre did not receive any emolument in respect of his role as a director of PBL. The emoluments disclosed were paid to Mr Petre for his role as Executive Chairman of ecorp Limited, a controlled entity of PBL. Subsequent to 30 June, 2001 Mr Petre became Non-Executive Chairman of ecorp Limited.

^{*}Includes a sign-on fee of \$2,370,000

^oSome bonuses for the 2001 financial year have not been finalised at the time of preparing this report. However, in anticipation of bonuses being paid, a charge has been made against the 2001 accounts. Any 2001 bonuses subsequently paid and not disclosed in the 2001 financial statements, will be disclosed in the 2002 financial statements.

SENIOR EXECUTIVE OFFICERS' EMOLUMENTS

	Annual Emoluments			Long Term Emoluments			Total \$
	Base Salary	Bonus ^o	Other	Termination Payments	Deferred Bonus	Super -annuation	
	\$	\$	\$	\$	\$	\$	
Jeremy Philips	483,334	600,000	31,492	—	—	43,500	1,158,326
James McLachlan	667,214	—	74,479	—	—	99,000	840,693
Ian Johnson	660,000	—	52,147	—	—	99,000	811,147
Geoff Kleemann	493,377	—	29,854	—	—	75,000	598,231
Rowen Craigie	511,584	—	9,462	—	—	8,416	529,462

The terms 'director' and 'officer' have been treated as mutually exclusive for the purpose of this disclosure.

The elements of emoluments have been determined on the basis of the cost to the Company and the consolidated entity.

DIRECTORS' MEETINGS

Particulars of directors' meetings held during the year are contained in the Corporate Governance Statement on page 3.

ROUNDING

The amounts contained in the financial statements have been rounded off to the nearest thousand dollars under the option available to PBL under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



J.D. Packer
Director



P. W. Yates
Director

Sydney, 20th day of September, 2001

independent audit report

TO THE MEMBERS OF PUBLISHING AND BROADCASTING LIMITED

Scope

We have audited the financial report of Publishing and Broadcasting Limited for the financial year ended 30 June 2001, as set out on pages 10 to 52, including the Directors' Declaration. The financial report includes the financial statements of Publishing and Broadcasting Limited, and the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at year's end 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 the 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, other mandatory professional reporting requirements and statutory requirements in Australia, 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 Publishing and Broadcasting 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 30 June 2001 and of their performance for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements.



Ernst & Young



B. J. Long
Partner
Sydney

20th day of September, 2001

statement of financial performance

FOR THE YEAR ENDED 30 JUNE 2001

	Note	Consolidated		Parent Entity	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Revenues from ordinary activities	2	2,553,125	2,469,876	288,163	259,449
Expenses from ordinary activities	3	(2,425,175)	(1,887,571)	(50,301)	(7,679)
Borrowing costs	3	(147,808)	(141,746)	(156,274)	(137,598)
Share of net profits/(losses) of associate and joint venture entities	9	(27,360)	(23,951)	–	–
Profit/(loss) from ordinary activities before income tax		(47,218)	416,608	81,588	114,172
Income tax (expense)/benefit on ordinary activities	5	(40,240)	(94,876)	4,312	(28)
Net profit/(loss)		(87,458)	321,732	85,900	114,144
Net loss attributable to outside equity interests	19	2,842	2,228	–	–
Net profit/(loss) attributable to members of PBL		(84,616)	323,960	85,900	114,144
Net exchange difference on translation of financial report of foreign controlled entity		3,900	1,913	–	–
Total changes in equity other than those resulting from transactions with owners as owners		(80,716)	325,873	85,900	114,144

EARNINGS PER SHARE

	2001	2000
a) Basic earnings/(loss) per share* (cents per share)	(12.76)	49.18
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS ('000)	662,997	658,738

*Basic EPS in the current period is 47.10 cents excluding the effect of non-recurring items (2000: 49.21).

Diluted earnings per share is not materially different to basic earnings per share.

statement of financial position

AT 30 JUNE 2001

	Note	Consolidated		Parent Entity	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Current Assets					
Cash assets		473,560	447,981	1,220	2,207
Receivables	6	283,966	269,968	4,217	22,753
Inventories	7	176,060	154,763	–	–
Other	8	62,081	58,006	–	767
Total Current Assets		995,667	930,718	5,437	25,727
Non-Current Assets					
Receivables	6	182,910	182,812	1,665,474	959,388
Inventories	7	14,383	40,413	–	–
Investments accounted for using the equity method	9	234,402	226,352	–	–
Other financial assets	10	314,753	573,071	4,586,706	4,600,443
Property, plant and equipment	11	1,421,904	1,401,658	–	–
Licences and mastheads	12	2,774,793	2,782,195	–	–
Intangible assets	13	313,326	323,998	–	–
Deferred tax assets	5	29,210	49,046	6,270	306
Other	8	132,403	136,783	–	8,510
Total Non-Current Assets		5,418,084	5,716,328	6,258,450	5,568,647
Total Assets		6,413,751	6,647,046	6,263,887	5,594,374
Current Liabilities					
Payables	14	450,204	394,100	8,464	2,949
Interest-bearing liabilities	15	9,416	12,150	–	–
Current tax liabilities	5	37,554	75,120	–	(1,280)
Provisions	16	177,895	150,430	102,894	71,168
Total Current Liabilities		675,069	631,800	111,358	72,837
Non-Current Liabilities					
Payables	14	68,535	109,988	–	170
Interest-bearing liabilities	15	2,195,130	2,205,545	2,783,925	2,121,857
Deferred tax liabilities	5	50,949	71,757	2,103	542
Provisions	16	38,059	37,262	10,865	10,865
Total Non-Current Liabilities		2,352,673	2,424,552	2,796,893	2,133,434
Total Liabilities		3,027,742	3,056,352	2,908,251	2,206,271
Net Assets		3,386,009	3,590,694	3,355,636	3,388,103
Equity					
Parent entity interest					
Contributed equity	17	2,283,158	2,268,178	2,179,592	2,165,241
Reserves	18	448,430	444,361	–	–
Retained profits	18	612,004	829,873	1,176,044	1,222,862
Total parent entity interest in equity		3,343,592	3,542,412	3,355,636	3,388,103
Total outside equity interest	19	42,417	48,282	–	–
Total Equity		3,386,009	3,590,694	3,355,636	3,388,103

statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2001

	Note	Consolidated		Parent Entity	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Cash Flows From Operating Activities					
Receipts from customers		2,583,258	2,396,571	–	–
Payments to suppliers and employees		(1,789,490)	(1,618,353)	(47)	(45)
Dividends received		1,327	16,583	1,322	661
Interest received		29,328	27,615	2,424	2,306
Borrowing costs		(139,679)	(136,595)	(23,995)	(27,383)
Income tax paid		(76,866)	(84,079)	1,187	(1,095)
Gaming tax paid		(166,218)	(150,397)	–	–
Net Cash Flows From Operating Activities	21	441,660	451,345	(19,109)	(25,556)
Cash Flows From Investing Activities					
Purchase of property, plant and equipment		(115,394)	(67,748)	–	–
Proceeds from sale of property, plant and equipment		265	1,409	–	–
Purchase of shares		(148,540)	(247,123)	(662)	(10,259)
Purchase of controlled entities		–	(95,570)	–	(4,211)
Net proceeds from sale of equity investments		30,015	3,001	26,661	6,342
Acquisition of film investments		(11,300)	(18,900)	–	–
Recovery from film investments		–	7,396	–	–
Loans to associated entities		(14,044)	(52,034)	–	–
Loans repaid by associated entities		3,175	2,110	–	–
Other (net)		(3,752)	(6,739)	–	–
Net Cash Flows From Investing Activities		(259,575)	(474,198)	25,999	(8,128)
Cash Flows From Financing Activities					
Proceeds from issues of shares		787	228	–	–
Payments for share buy-back		(12,994)	–	(12,994)	–
Proceeds from borrowings		215,687	1,860,555	137,651	300,000
Repayment of borrowings		(224,247)	(1,729,496)	–	(139,809)
Dividends paid		(132,535)	(125,005)	(132,534)	(125,005)
Dividends/distributions paid to outside equity interests		(3,208)	(3,387)	–	–
Other financing activities		–	(447)	–	–
Net Cash Flows From Financing Activities		(156,510)	2,448	(7,877)	35,186
Net Increase/(Decrease) In Cash Held		25,575	(20,405)	(987)	1,502
Add opening cash brought forward		447,981	468,386	2,207	705
Effects of exchange rate changes on cash		4	–	–	–
Closing Cash Carried Forward	21	473,560	447,981	1,220	2,207

notes to the financial statements

AT 30 JUNE 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

e) Income Tax

Tax effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised. In the determination of income tax payable, the provisions of group tax relief have been applied.

The income tax expense for the year is calculated using the 34% tax rate, however the deferred tax balances have been adjusted for the decreased corporate tax rate of 30% for the tax year 2001-02. The adjustment recognises that reversal of timing differences will occur during income tax years, at which time tax will be attributed at a lower rate. The corresponding adjustment has been charged to income tax expense.

Where assets are revalued no provision for potential capital gains has been made.

f) Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at the lower of cost and net realisable value.

Bills of exchange, promissory notes and treasury notes are stated at the lower of cost and net realisable value.

Debentures are carried at cost. Interest is recognised on an effective yield basis.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

g) Trade and Other Receivables

Trade receivables are carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from associates and other related parties are carried at the nominal amount due. Interest, when charged, is taken up as income on an accrual basis.

h) Inventories and Program Rights

Inventories

Inventories are valued at the lower of cost and net realisable value. Finished goods for magazine inventory include the cost of direct editorial and production costs and a portion of overheads. Gaming inventories which include food, beverages and general stores are costed on a weighted average basis. Ticketing stock is amortised at a pre-determined rate per ticket sold.

Program Rights

Television programs which are available for use including those acquired overseas, are recorded at cost less amounts charged to the profit and loss account based on management's assessment of the future period of benefit, which is regularly reviewed with additional write downs made as considered necessary.

i) Investments

Investments in associates and joint venture partnerships are carried at the lower of the equity accounted amount and recoverable amount.

All other non current investments are carried at the lower of cost and recoverable amount. Where, in the opinion of the directors, investments are carried at an amount above their recoverable amount or there has been a permanent decrease in the recoverable amount of investments, a provision for diminution in value has been made.

notes to the financial statements

AT 30 JUNE 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

The directors regularly assess the carrying value of mastheads so as to ensure they are not carried at a value greater than their recoverable amount.

No amortisation is provided against these assets as the directors believe that the life of the licences and mastheads to the consolidated entity is of such duration, and the residual value at the end of that life would be such that the amortisation charge, if any, would not be material.

The casino licence premium is carried at cost of acquisition. It is being amortised on a straight line basis over the remaining life of the licence at the time PBL acquired Crown Ltd, being 34 years.

n) Intangibles

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 or shares in a controlled entity.

Goodwill is amortised by the straight line method over the period during which benefits are expected to be received. This period is currently 20 years.

Management Agreement

The management agreement has been brought to account at the cost of acquisition and is being amortised over the remaining term of the management agreement licence at the time PBL acquired Crown Ltd, being 34 years.

Venue Ticketing Rights

Venue ticketing rights are carried at cost and are amortised over the life of the contracts.

o) Prepayments

Prepayments are brought to account at cost and expensed over the remaining period to which the expense relates.

p) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

q) Loans and Borrowings

The bank facilities, senior guaranteed debt, medium term notes and subordinated debt are carried at the principal amount.

Unsecured notes are recognised at their market value.

Bills of exchange, are carried at the principal amount plus deferred interest.

Other loans are carried at the principal amount.

r) Provisions

Dividends payable are recognised when declared by the Company.

s) Share Capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

t) Recoverable Amount

Non current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount, assets are written down. In determining recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
2. REVENUE FROM ORDINARY ACTIVITIES				
Revenues from operating activities				
• Revenue from services	2,184,598	2,078,268	–	–
• Revenue from sale of goods	309,489	320,868	–	–
Total revenues from operating activities	2,494,087	2,399,136	–	–
Revenues from non-operating activities				
Interest received	37,299	36,248	144,372	117,897
Dividends received	1,327	983	120,951	117,173
Proceeds from sale of non-current assets	10,051	22,722	6,089	–
Other operating revenue	10,361	10,787	16,751	24,379
Total revenues from non-operating activities	59,038	70,740	288,163	259,449
Total revenues from ordinary activities	2,553,125	2,469,876	288,163	259,449
3. EXPENSES AND LOSSES/(GAINS)				
a) Expenses from ordinary activities				
Cost of goods sold	377,700	353,964	–	–
Television activities	524,939	522,520	–	–
Publishing activities	81,101	79,179	–	–
Gaming activities	925,683	842,172	–	–
Ticketing activities	62,644	50,433	–	–
Other ordinary activities	36,632	41,846	1,022	610
	2,008,699	1,890,114	1,022	610
Depreciation of non-current assets				
• Buildings	25,637	29,580	–	–
• Plant and equipment	61,232	55,928	–	–
Total depreciation of non-current assets	86,869	85,508	–	–
Amortisation of non-current assets				
• Goodwill	2,680	5,089	–	–
• Licence fee and management agreement	15,652	15,671	–	–
• Ticketing rights	2,405	2,405	–	–
• Plant and equipment under finance lease	6,376	6,160	–	–
• Leasehold property	836	671	–	–
• Other assets	3,445	–	–	–
Total amortisation of non-current assets	31,394	29,996	–	–
Total depreciation and amortisation expense	118,263	115,504	–	–
Borrowing costs expensed				
• Debt facilities	146,375	140,371	23,996	18,105
• Controlled entities	–	–	132,278	119,493
• Finance leases	1,433	1,375	–	–
Total borrowing costs expensed	147,808	141,746	156,274	137,598
Bad and doubtful debts – trade debtors	15,891	10,724	–	–
Rentals – operating leases	34,110	20,284	–	–

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
3. EXPENSES AND LOSSES/(GAINS) (CONT)				
b) Losses/(Gains)				
Net (profit)/loss on disposal of property, plant and equipment	534	(741)	–	–
Net foreign currency (gains)/losses	1,985	1,782	975	563
c) Significant Items				
(Profit)/loss from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:				
• Provision for diminution of listed investments	399,242	–	14,400	–
• Writeback of deferred advertising income	(48,929)	–	–	–
• Provision for diminution of unlisted investments	32,300	–	–	–
• Reversal of provision for diminution of unlisted investments	(70,000)	–	–	–
• Loss on disposal of unlisted investments	4,045	5,000	(5,000)	7,069
• Provision for loss on Indian operations	62,148	–	39,879	–
• Restructuring costs	25,558	–	–	–
• Provision for non-recoverable loans	1,187	–	–	–
• Program costs written down	10,925	–	–	–
• Gain on sale of Outside Broadcast division (equal to proceeds)	–	(10,543)	–	–
• Provision for Workcover	–	3,000	–	–
Total significant items from ordinary activities	416,476	(2,543)	49,279	7,069
4. DIVIDENDS PROVIDED FOR OR PAID				
<i>Dividends proposed</i> (to be paid 15 November 2001)				
• Fully franked dividends (10c per share) (2000: 10c)	66,194	66,120	66,194	66,120
<i>Dividends paid during the year</i> Current year interim (paid 15 May 2001)				
• Fully franked dividends (10c per share) (2000: 10c)	66,335	66,035	66,335	66,035
Underprovision in prior years	189	608	189	608
Controlled entity dividends paid to external parties	535	634	–	–
	133,253	133,397	132,718	132,763
Previous year final (paid 15 November 2000)				
• Fully franked dividends (10c per share) (1999: 9c)	66,120	58,769	66,120	58,769
The tax rate at which the final dividend will be franked is 30% (2000 – 34%)				
The amount of franking credits available for the subsequent financial year are:				
Franking account balance at the end of the financial year at 34% (2000: 36%)	103,869	90,695	261	22,857
Franking credits that will arise from the payment of income taxes payable at the end of the financial year	72,899	133,547	–	–
Franking debits that will arise from the payment of dividends at the end of the financial year	(66,194)	(66,120)	(66,194)	(66,120)
	110,574	158,122	(65,933)	(43,263)

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
5. INCOME TAX				
The aggregate amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating profit. The differences are reconciled as follows:				
Profit/(loss) from ordinary activities before income tax	(47,218)	416,608	81,588	114,172
Prima facie income tax (expense)/benefit on the operating profit @ 34% (2000 - 36%)	16,054	(149,979)	(27,740)	(41,102)
Tax effect of permanent differences:				
Rebatable dividends	2	342	40,674	41,801
Non deductible depreciation and amortisation	(9,006)	(12,236)	–	–
(Increase) in provision for diminution of investments	(106,288)	(2,656)	(4,896)	–
Net capital gain/(loss)	774	2,717	2,149	1,058
Provision for Indian operations	(12,392)	–	(6,521)	–
Share of associates' net profits (losses)	(9,302)	(8,622)	–	–
Future income tax benefit previously not recognised now brought to account	78,963	70,514	–	–
Other items – net	1,967	2,596	(612)	(1,785)
Income tax over/(under) provided in prior years	(1,012)	2,448	1,258	–
Income tax (expense)/benefit attributable to ordinary activities	(40,240)	(94,876)	4,312	(28)
Deferred Tax Assets and Liabilities				
Current tax payable	37,554	75,120	–	(1,280)
Provision for deferred income tax	50,949	71,757	2,103	542
Future income tax benefit	29,210	49,046	6,270	306

Income Tax Losses

Potential future income tax benefits attributable to tax losses carried forward by controlled entities amounting to \$82.5 million (2000 – \$114.0 million) and capital losses of approximately \$11 million (2000 - approximately \$10 million) have not been brought to account in the consolidated accounts at 30 June 2001 because the directors do not believe realisation of the future income tax benefit is virtually certain.

These benefits will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
6. RECEIVABLES				
Current				
Trade debtors	311,721	271,733	–	–
Provision for doubtful debts	(43,944)	(43,942)	–	–
	267,777	227,791	–	–
Loans to associated entities	2,143	3,349	–	–
Loans to directors	1,872	366	1,872	366
Other debtors	16,272	45,217	5,524	22,387
Provision for doubtful debts	(4,098)	(6,755)	(3,179)	–
	12,174	38,462	2,345	22,387
	283,966	269,968	4,217	22,753
Non Current				
Loans to associated entities	66,955	62,960	–	–
Provision for doubtful debts	(16,557)	(4,550)	–	–
	50,398	58,410	–	–
Loans to directors	12,974	31,174	12,974	31,174
Loans to controlled entities	–	–	1,547,835	855,317
Other debtors	130,151	103,841	104,665	72,897
Provision for doubtful debts	(10,613)	(10,613)	–	–
	119,538	93,228	104,665	72,897
	182,910	182,812	1,665,474	959,388
7. INVENTORIES AND PROGRAM RIGHTS				
Current				
Program rights	114,624	107,830	–	–
Raw materials	24,705	22,302	–	–
Finished goods	16,459	14,393	–	–
Work in progress	20,272	10,238	–	–
	176,060	154,763	–	–
Non Current				
Program rights	14,383	40,413	–	–
Total inventories and program rights	190,443	195,176	–	–
8. OTHER ASSETS				
Current				
Prepayments	50,195	43,890	–	–
Other	11,886	14,116	–	767
	62,081	58,006	–	767
Non Current				
Prepaid casino tax	100,800	100,800	–	–
Accumulated amortisation	(10,551)	(7,816)	–	–
	90,249	92,984	–	–
Deferred expenditure	41,654	43,221	–	8,510
Other	500	578	–	–
	132,403	136,783	–	8,510

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Non Current				
<i>Investments at equity accounted amount:</i>				
Associated entities – unlisted shares	256,813	226,352	–	–
Provision for diminution	(22,411)	–	–	–
Total investments in associates	234,402	226,352	–	–

Investments in associates	Balance Date	Principal Activity	% Interest	
			2001	2000
Sky Cable Pty Ltd	30 June	Investment in Pay TV	50.0	50.0
Wizard Mortgage Corporation Ltd	30 June	Mortgage originator	33.7	45.0
Fox Sports	30 June	Pay TV sport service	50.0	50.0
Acxiom Pty Ltd	30 June	Database management	50.0	50.0
Charles Schwab Australia Ltd	30 June	Non-advisory stockbroking services	40.0	40.0
TX Australia Pty Ltd	30 June	Television transmission	33.3	33.3
ninemsn Pty Ltd	30 June	Provider of online content and services	40.0	40.0
eBay A&NZ Pty Ltd	30 June	Online person to person trading	40.0	40.0
Ticketek Hong Kong Ltd	30 June	Ticketing services	40.0	–
Australian News Channel Pty Ltd	30 June	Pay TV news service	33.3	33.3

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Share of associates' profits (losses)				
Share of associates':				
• Operating (loss) before income tax	(28,031)	(26,411)	–	–
• Income tax benefit	2,121	3,593	–	–
Share of associates' net (losses) after income tax	(25,910)	(22,818)	–	–
Adjusted for amortisation of goodwill on acquisition	(1,450)	(1,133)	–	–
Share of associates' net (losses) after income tax	(27,360)	(23,951)	–	–
Carrying amount of investments in associates				
Balance at the beginning of the financial year	226,352	154,365	–	–
• Carrying amount of investments in associates acquired during the year	57,821	111,538	–	–
• Share of associates' net profit (losses) for the year	(27,360)	(23,951)	–	–
• Provision for diminution of investments	(22,411)	–	–	–
• Dividends received from associates	–	(15,600)	–	–
Carrying amount of investment in associates at the end of the financial year	234,402	226,352	–	–

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT)				
Represented by:				
Investments at equity accounted amount:				
• Sky Cable Pty Ltd	169,685	156,792	–	–
• Fox Sports	27,486	17,349	–	–
• Wizard Mortgage Corporation Ltd	21,099	22,942	–	–
• Acxiom Pty Ltd	6,966	8,340	–	–
• Charles Schwab Australia Ltd	3,771	8,152	–	–
• ninemsn Pty Ltd	3,846	3,871	–	–
• Other non-material entities	1,549	8,906	–	–
	234,402	226,352	–	–
The consolidated entity's share of the assets and liabilities of associates in aggregate				
Current assets	51,733	40,414		
Non-current assets	294,128	260,874		
Current liabilities	(34,022)	(43,001)		
Non-current liabilities	(246,602)	(214,879)		
Net assets	65,237	43,408		
Amount of retained profits (accumulated losses) of the consolidated entity attributable to associates	(53,643)	(26,283)	–	–
Amount of reserves of the consolidated entity attributable to associates	1,074	906	–	–
10. OTHER FINANCIAL ASSETS				
Non current				
<i>Investments at cost comprise:</i>				
Shares:				
Listed	437,382	405,634	28,851	28,189
Provision for diminution on listed shares	(399,242)	–	(14,400)	–
Unlisted	341,450	289,670	–	–
Provision for diminution on unlisted shares	(76,086)	(131,786)	–	–
	303,504	563,518	14,451	28,189
Controlled entities:				
Listed	–	–	40,000	40,000
Unlisted shares	–	–	4,532,255	4,532,254
Other investments	18,627	16,931	–	–
Provision for diminution of investments	(7,378)	(7,378)	–	–
	11,249	9,553	–	–
Total investments	314,753	573,071	4,586,706	4,600,443
Listed securities market value:				
The aggregate market value of investments listed on a prescribed stock exchange at balance date:	34,730	543,739	338,648	1,149,942

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
11. PROPERTY, PLANT AND EQUIPMENT (CONT)				
RECONCILIATIONS				
Freehold land and buildings				
Carrying amount at beginning	244,239		–	
Additions	6,751		–	
Depreciation expense	(2,873)		–	
	248,117		–	
Buildings on leasehold land				
Carrying amount at beginning	760,036		–	
Additions	5,028		–	
Depreciation expense	(22,765)		–	
	742,299		–	
Leasehold improvements				
Carrying amount at beginning	6,324		–	
Additions	2,372		–	
Disposals	(6)		–	
Amortisation expense	(837)		–	
Net transfers	(929)		–	
	6,924		–	
Plant and equipment				
Carrying amount at beginning	372,976		–	
Additions	74,750		–	
Disposals	(291)		–	
Depreciation expense	(61,233)		–	
Transfer from leased assets	6,260		–	
Transfer from construction work in progress	2,898		–	
	395,360		–	
Construction works in progress				
Carrying amount at beginning	3,551		–	
Additions	4,513		–	
Transfer to plant and equipment	(2,898)		–	
	5,166		–	
Leased plant and equipment				
Carrying amount at beginning	14,532		–	
Additions	22,142		–	
Depreciation expense	(6,376)		–	
Transferred to owned plant and equipment	(6,260)		–	
	24,038		–	
12. LICENCES AND MASTHEADS				
Television licences				
• At deemed cost	1,317,955	–	–	–
• At 1997 directors' valuation	–	1,317,955	–	–
Casino licence				
• At cost	304,730	304,730	–	–
• Accumulated amortisation	(17,413)	(8,706)	–	–
	287,317	296,024	–	–
Magazine mastheads				
• At cost	1,169,521	1,168,216	–	–
	2,774,793	2,782,195	–	–

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
13. INTANGIBLES				
Goodwill at cost	79,916	79,169	–	–
Accumulated amortisation	(5,685)	(3,006)	–	–
	74,231	76,163	–	–
Casino management agreement at cost	239,031	239,031	–	–
Accumulated amortisation	(13,911)	(6,965)	–	–
	225,120	232,066	–	–
Venue ticketing rights at cost	19,452	18,840	–	–
Accumulated amortisation	(5,477)	(3,071)	–	–
	13,975	15,769	–	–
	313,326	323,998	–	–
14. PAYABLES				
Current – unsecured				
Trade and other creditors	415,292	364,694	8,464	2,949
Program contract creditors	34,912	29,406	–	–
	450,204	394,100	8,464	2,949
Non Current – unsecured				
Program contract creditors	58,230	40,363	–	–
Other	10,305	69,625	–	170
	68,535	109,988	–	170
15. INTEREST-BEARING LIABILITIES				
Current – secured				
Lease liabilities – note 20	7,024	9,684	–	–
Current – unsecured				
Bank facilities	2,392	2,466	–	–
	9,416	12,150	–	–
Non Current – secured				
Lease liabilities – note 20	17,493	3,548	–	–
Non Current – unsecured				
Bank facilities	230,000	100,000	–	–
Other senior debt	1,647,637	1,801,997	–	–
Subordinated debt	300,000	300,000	300,000	300,000
Loans from controlled entities	–	–	2,483,925	1,821,857
	2,177,637	2,201,997	2,783,925	2,121,857
	2,195,130	2,205,545	2,783,925	2,121,857

The lease liabilities are secured by a charge over the leased assets.

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
16. PROVISIONS				
Current				
Dividends	66,729	66,120	66,194	66,120
Employee entitlements	47,502	43,997	–	–
Other	63,664	40,313	36,700	5,048
	177,895	150,430	102,894	71,168
Non current				
Employee entitlements	25,951	22,275	–	–
Guarantees given to controlled entities	–	–	10,865	10,865
Other	12,108	14,987	–	–
	38,059	37,262	10,865	10,865
Employee entitlements				
The aggregate employee entitlement liability comprises:				
• Provisions – current	47,502	43,997	–	–
• Provisions – non current	25,951	22,275	–	–
	73,453	66,272	–	–

17. CONTRIBUTED EQUITY

Issued share capital

- 661,990,001 ordinary shares fully paid (2000 – 661,198,776)

	2,283,158	2,268,178	2,179,592	2,165,241
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Movements in issued share capital

Balance 1 July

	2,268,178	2,238,555	2,165,241	2,099,711
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- 2,200,000 (2000 – 8,207,000) ordinary shares were issued pursuant to the Executive Share Plan at various prices – refer note 23
- Costs incurred relating to merger with Crown Ltd
- On-market buy-back of 1,408,775 shares (2000 - Nil)
- Parent's share of subsidiary's share capital

	27,517	80,190	27,517	80,190
	(172)	(14,660)	(172)	(14,660)
	(12,994)	–	(12,994)	–
	629	(35,907)*	–	–

Balance 30 June

	2,283,158	2,268,178	2,179,592	2,165,241
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* Adjustment to parent share of subsidiary share capital as a result of the PBL purchase in 1999-2000 of ecorp shares as planned at the time of the ecorp IPO.

Terms and Conditions of Contributed Equity

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of 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.

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
18. RESERVES AND RETAINED PROFITS				
Foreign currency translation reserve	9,508	5,608	–	–
Asset revaluation reserve	437,443	437,443	–	–
Capital reserve	1,074	905	–	–
Capital profits reserve	405	405	–	–
	448,430	444,361	–	–
Retained profits	612,004	829,873	1,176,044	1,222,862
FOREIGN CURRENCY TRANSLATION 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				
Balance 1 July	5,608	3,695	–	–
Net exchange difference on translation of overseas controlled entities	3,900	1,913	–	–
Balance 30 June	9,508	5,608	–	–
ASSET REVALUATION RESERVE				
The asset revaluation reserve is used to record increments and decrements in the value of non-current assets. The reserve can only be used to pay dividends in limited circumstances.				
Balance 1 July	437,443	437,443	–	–
Balance 30 June	437,443	437,443	–	–
CAPITAL RESERVE				
The capital reserve records options issued to employees of associates of ecorp. The reserve will be adjusted accordingly on exercise of the options.				
Balance 1 July	905	905	–	–
Share of associates' reserves	169	–	–	–
Balance 30 June	1,074	905	–	–
CAPITAL PROFITS RESERVE				
The capital profits reserve is able to be used to accumulate realised capital profits. The reserve can be used to pay dividends or issue bonus shares				
Balance 1 July	405	405	–	–
Balance 30 June	405	405	–	–

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
18. RESERVES AND RETAINED PROFITS (CONT)				
RETAINED EARNINGS				
Balance 1 July	829,873	639,310	1,222,862	1,241,481
Net profit/(loss) attributable to members of PBL	(84,616)	323,960	85,900	114,144
Total available for appropriation	745,257	963,270	1,308,762	1,355,625
Dividends provided for or paid	(133,253)	(133,397)	(132,718)	(132,763)
Balance 30 June	612,004	829,873	1,176,044	1,222,862
19. OUTSIDE EQUITY INTERESTS				
Reconciliation of outside equity interests				
• Opening balance	48,282	68,990	–	–
• Share of operating profit/(loss)	(2,842)	(2,228)	–	–
• Share of acquisition/(disposal) in controlled entities	185	(15,728)	–	–
• Less dividends	(3,208)	(2,752)	–	–
	42,417	48,282	–	–
20. EXPENDITURE COMMITMENTS				
a) Capital expenditure commitments				
i) Aggregate capital commitments contracted for at balance date but not provided for in the accounts:				
Payable not later than one year	12,293	7,762	–	–
ii) Commitments for Program Rights				
Program rights contracted for at balance date but not provided for in the accounts:				
Payable not later than one year	56,820	42,283	–	–
Payable later than one year and not later than five years	67,680	63,869	–	–
Payable later than five years	–	460	–	–
	124,500	106,612	–	–
b) Lease expenditure commitments				
<i>Finance lease commitments:</i>				
Payable not later than one year	8,320	10,581	–	–
Payable later than one year and not later than five years	19,590	3,849	–	–
	27,910	14,430	–	–
Future finance charges on finance leases	(3,393)	(1,198)	–	–
Lease liabilities	24,517	13,232	–	–
Representing lease liabilities:				
Current	7,024	9,684	–	–
Non current	17,493	3,548	–	–
	24,517	13,232	–	–

Finance leases have an average lease term of approximately 4.5 years and an average implicit interest rate of 6.45%. Assets which are the subject of finance leases include motor vehicles and items of plant and equipment.

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
20. EXPENDITURE COMMITMENTS (CONT)				
<i>Non cancellable operating lease commitments:</i>				
Payable not later than one year	25,792	21,550	–	–
Payable later than one year and not later than five years	64,500	59,209	–	–
Payable later than five years	25,187	6,148	–	–
	115,479	86,907	–	–

Operating leases have an average lease term of approximately 5 years. Operating leases include telecommunications rental agreements and leases on assets including motor vehicles and items of plant and equipment.

21. STATEMENTS OF CASH FLOWS

a) Cash balance represents:				
• cash on hand and at bank	98,498	56,418	1,220	2,207
• deposits at call	375,062	391,563	–	–
	473,560	447,981	1,220	2,207
b) Reconciliation of the operating profit/(loss) after tax to the net cash flows from operations				
Profit/(loss) from ordinary activities after tax	(87,458)	321,732	85,900	114,144
Depreciation and amortisation				
• property, plant and equipment	94,081	92,339	–	–
• intangibles	24,182	23,166	–	–
Program rights amortisation and usage	128,285	102,081	–	–
Payments to program contract creditors	(128,776)	(121,317)	–	–
(Profit)/loss on sale of property, plant and equipment	534	(1,755)	–	–
(Profit)/loss on sale of controlled entities	–	–	–	2,069
Unrealised foreign exchange (gain)/loss	1,052	4,172	975	563
Provision for diminution in the value of investments	361,542	7,378	14,400	–
Provision for loss on Indian operations	62,148	–	34,879	–
Writeback of deferred advertising income	48,929	–	–	–
Profit on disposal of investments	(2,044)	(1,801)	(6,089)	(5,009)
Profit on disposal of non-current assets	–	(12,557)	–	–
Share of associates' net losses	27,360	23,951	–	–
Film investment written off	9,732	4,174	–	–
Net non-cash interest received from controlled entities	–	–	(9,715)	4,472
Non-cash dividends received from controlled entities	–	–	(119,629)	(116,513)
Other non cash items	(391)	(14)	(16,519)	(19,400)
Changes in assets and liabilities				
Trade and other receivables	(11,370)	(9,018)	(851)	177
Doubtful debts	3,972	(259)	–	–
Inventories	(15,106)	(9,525)	–	–
Prepayments	(2,749)	17,163	–	–
Deferred expenditure	4,244	(12,651)	767	(9,278)
Future income tax benefit	17,017	(13,061)	(5,904)	(306)
Other assets	(564)	(4,682)	–	–
Payables	(35,604)	36,407	(437)	(381)
Provision for income tax	(42,968)	11,433	1,601	(1,475)
Provisions for employee entitlements	7,104	461	–	–
Other provisions	(3,203)	(21,272)	(48)	5,048
Deferred income tax liability	(20,807)	13,389	1,561	333
Exchange rate charge on conversion of assets and liabilities of overseas controlled entities	2,518	1,411	–	–
Net Cash Flows from Operating Activities	441,660	451,345	(19,109)	(25,556)

notes to the financial statements

AT 30 JUNE 2001

21. STATEMENTS OF CASH FLOWS (CONT)

Bank Overdraft Facilities

The consolidated entity has bank overdraft facilities available as follows:

Bank	2001	2000
ANZ Banking Group Limited	A\$10 million	A\$10 million
Westpac Banking Corporation	A\$5 million	A\$5 million
Westpac Banking Corporation	NZ\$1 million	NZ\$1 million

Bank Facility

The consolidated entity has a NZ\$3 million facility (2000 – NZ\$3 million) through Westpac Banking Corporation which is fully drawn.

Credit facilities (Amounts in \$million)	Facility Type	Maturity	Committed Facility Amount	Facility drawn at 30 June 2001
Senior Bank Facilities				
Syndicated Facility	Cash advance	November 2002	630	210
Bilateral Facility	Cash advance	November 2002	20	20
Other Senior Debt				
Crown unsecured notes – series 2		August 2005	200	220*
Eurobond Notes	Senior guaranteed notes	October 2006	507	507
MTN Tranche 1	Medium term notes	February 2005	250	250
MTN Tranche 2/3	Medium term notes	March 2010	150	150
Other		June 2003	520	520
Subordinated Debt				
Perpetual Adjusting Rate Securities			300	300
Total Debt			2,577	2,177

The syndicated facility is provided by a syndicate of banks and financial institutions led by ANZ Banking Group Limited.

The senior bank facility is provided on a bilateral basis by one of the syndicate banks.

The senior bank facilities and other senior debt (other than Crown unsecured notes) are supported by a group guarantee from PBL and certain of its subsidiaries and impose various affirmative covenants on PBL, including compliance with certain ratios and covenants, various negative covenants, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

The Crown Unsecured Notes - series 2 bear interest at 9.5% and mature on 15 August, 2005 with no prepayment or early redemption option. The terms of these notes include customary events of default and covenants, including certain financial covenants. They rank ahead of the share capital of Crown, but are pari passu with all other unsecured liabilities of Crown.

The perpetual adjusting rate securities ("PARS") bear an interest rate of 2% above the 90 day bank bill swap rate, they have no specified maturity date and are subordinated debt securities, which in a winding up of PBL become due and payable and will rank behind all senior financial indebtedness.

* includes preacquisition accounting adjustment

notes to the financial statements

AT 30 JUNE 2001

22. EVENTS SUBSEQUENT TO BALANCE DATE

No matter, item, transaction or event of a material nature has occurred between 30 June 2001 and the date of this report that, in the opinion of the directors of the Company, has or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

23. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

	2001	2000
Total number of employees at 30 June	8,184	7,978

Superannuation Commitments

The consolidated entity operates superannuation plans under which all Australian employees are offered membership which grant entitlement to benefits on resignation, retirement, disability or death. Employees contribute to the plans at various percentages of their wages and salaries. Controlled entities of the consolidated entity also contribute to the plans (eg. at rates related to employee contributions or in accordance with payments recommended by actuaries). Any contributions made by controlled entities for any amount over the Superannuation Guarantee Contribution are not legally enforceable. The Nine Network Superannuation Fund comprises both defined benefits and accumulation funds, Crown Limited contributes to defined contribution funds and the ACP Retirement Fund is an accumulation fund.

As required for a defined benefits fund, an actuarial assessment of the Nine Network Superannuation Fund was made on 1 August 1999 by Mr W Adams BAppSc FIAA. This assessment, which is the most recent review, found that the assets of the fund were sufficient to satisfy all benefits that would have vested under the fund in the event of voluntary or compulsory termination of the employment of the members of the fund.

Details of the Nine Network Superannuation Fund as extracted from their most recent actuarial report of 1 August 1999 are as follows:

	\$'000
Accrued benefits	86,962
Net market value of plan assets	87,568
Surplus of net market value of plan assets over accrued benefits	606
Vested benefits	77,115

Executive Share Plan

PBL operates an Executive Share Plan (ESP) which was approved at the 1994 Annual General Meeting. The Plan permits the acquisition of PBL's shares on the following basis:

- PBL directors will determine the number of PBL shares issued to each eligible executive;
- the total number of shares which can be issued under the Plan will be limited to 2% of the issued share capital of PBL;
- the price payable for each PBL share issued under the Plan will be the weighted average share market price over the 5 business days up to and including the date that the offer of PBL shares is accepted;
- on completion of each year of service after the issue date, 25% of a participating executive's PBL shares will be released from restrictions on transfer;
- subscription monies will be funded by a loan from PBL that will be fully repayable after 5 years, or earlier, upon cessation of employment of the executive;
- if a participating executive sells PBL shares which are no longer subject to transfer restrictions before the expiry of the 5 year period, the executive must apply the issue price for each PBL share towards repayment of the loan;
- loan funds provided by PBL to acquire shares are provided on a limited recourse basis;
- interest payable on the loan funds will be equal to dividends received on the relevant PBL shares from time to time.

As at the date of the report there are 70 executives eligible to participate.

	2001	2000
Number of ESP shares on issue at year end	12,603,000	11,801,000
Number of ESP shares issued during the year	2,200,000	8,207,000
Market value of ESP shares issued during the year	\$27,517,000	\$80,190,000
Loans to executives at year end	\$119,869,000	\$103,393,000

notes to the financial statements

AT 30 JUNE 2001

23. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (CONT)

ecorp Employee Option Plan

ecorp has established an Employee Option Plan ("The Plan"). The Plan is designed to attract, retain and reward certain employees of ecorp, its controlled and associated entities, by granting options for the subscription or purchase of ecorp's shares on the following basis:

- a) The ecorp Board will determine the number of share options granted to each eligible employee.
- b) The total number of share options granted under the Plan will be limited to 5% of the issued ordinary share capital of ecorp.
- c) No monetary consideration will be payable for the granting of share options unless the Board of ecorp otherwise resolves.
- d) The exercise price of each initial option issued under the Plan was the retail offer price for shares at the time of the listing.
- e) The exercise price of each subsequent option issued under the Plan will be set by the Board at a price determined by the weighted average share market price during the five business days immediately prior to and including the date of option grant.
- f) Options are exercisable beginning on the first anniversary of the date of the grant.
- g) Any ecorp group company may provide financial assistance to a participating employee to pay any exercise price of an option.
- h) All initial share options will expire at the end of seven years from the option grant date, or eight years from the option grant date where the company provides a notice to the option holder before the end of the initial seven year period.
- i) 583 employees of ecorp and its controlled and associated entities are eligible for participation in the employee option plan.

At the date of this report, there were 15,230,950 options over unissued ordinary shares granted under the Plan as follows:

Number of Options	Exercise Price	Issue Date	Expiry Date
5,910,750	\$1.20	11/06/99	11/06/06
28,500	\$2.06	31/08/99	31/08/06
96,250	\$2.19	31/10/99	31/10/06
500,000	\$2.65	16/12/99	16/12/06
4,750	\$3.50	31/12/99	31/12/06
287,000	\$1.94	26/05/00	26/05/07
554,700	\$1.62	31/10/00	31/10/07
5,339,000	\$0.70	05/04/01	05/04/08
2,510,000	\$0.51	19/07/01	19/06/08
15,230,950			

During or since the end of the financial year, holders of options have exercised their right to acquire 656,000 fully paid shares in ecorp Limited at an average exercise price of \$1.20.

The market price of an ecorp share at 30 June 2001 was \$0.61.

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000

24. CONTINGENT LIABILITIES AND RELATED MATTERS

Unsecured	209,152	177,283	1,517,968	1,310,704
Contingent liabilities related primarily to the following:				
<i>Controlled Entities</i>				
i) Under the terms of a deed entered into in accordance with the ASIC Class Order 98/1418, the parent entity has undertaken to meet any shortfall which might arise on the liquidation of controlled entities which are party to the deed.			1,137,000	1,007,000
ii) PBL has guaranteed letters of credit issued to the State of Victoria in respect of obligations of Crown Limited			135,000	135,000
iii) The consolidated entity and parent entity have made certain guarantees regarding contractual, performance and other commitments	209,152	177,283	245,968	168,704

Ticketek Purchase Agreement:

Under the Ticketek Purchase Agreement, if Ticketek meets an earnings hurdle of greater than \$15,500,000 for the year ending 30 June 2002, ecorp must pay CPH, a director related entity, \$5,000,000 within 60 business days after the last business day in the 2002 financial year.

The purchase agreement states that the earnings hurdle is to be calculated on the basis of Ticketek's earnings before interest, income tax, depreciation and amortisation (EBITDA) excluding costs incurred in that financial year which are relatively large or unusual in nature or incurred for the purpose of earning new revenues in future financial years

If and when the payment becomes due and payable, ecorp's investment in Ticketek will increase by the amount of the payment.

As a result of the consolidated entity's 25% beneficial interest in Foxtel, PBL in conjunction with Foxtel and its other partners, The News Corporation Limited and Telstra Corporation Limited, has entered into long term channel supply agreements with various parties for exclusive cable rights to their programming. The agreements prescribe that payments of approximately \$1,964 million (2000 – \$1,870 million) for programming are based on subscriber numbers subject to a minimum annual payment. PBL's 25% share of the guaranteed minimum program payment is:

	2001	2000
	\$'000	\$'000
Minimum Program payments		
Payable not later than one year	51,000	45,000
Payable later than one year and not later than five years	200,000	174,000
Payable later than five years	240,000	248,000
	491,000	467,000

notes to the financial statements

AT 30 JUNE 2001

	Consolidated		Parent Entity	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
25. AMOUNTS PAYABLE/RECEIVABLE IN FOREIGN CURRENCIES				
Australian dollar equivalents of amounts payable or receivable in foreign currencies not effectively hedged:				
Amounts Payable				
Current				
United States dollars	11,238	7,413	—	—
United Kingdom pounds	672	287	—	—
Singapore dollars	11,124	9,694	—	—
Malaysian ringgits	2,564	1,663	—	—
Papua New Guinea kina	1,360	892	—	—
New Zealand dollars	552	—	—	—
Non Current				
United States dollars	5,873	10,985	—	—
Amounts Receivable				
Current				
United States dollars	1,018	1,015	—	—
United Kingdom pounds	1,341	834	—	—
Singapore dollars	2,120	2,163	—	—
Malaysian ringgits	1,703	889	—	—
Papua New Guinea kina	1,751	1,962	—	—
New Zealand dollars	10,985	478	—	—
Non Current				
Thailand baht	375	436	—	—
26. AUDITORS' REMUNERATION				
Amounts received, or due and receivable, by the auditor of the parent entity for:				
• Auditing the accounts	761	745	—	—
• Taxation services	1,953	1,421	—	—
• Due diligence	104	202	—	—
• Other services	911	1,160	—	—
Amounts received, or due and receivable, by other member firms of Ernst & Young International for:				
• Auditing the accounts of controlled entities	169	96	—	—
Amounts received, or due and receivable, by auditors other than the auditors of the parent entity for:				
• Auditing the accounts of controlled entities	25	32	—	—
	3,923	3,656	—	—

notes to the financial statements

AT 30 JUNE 2001

	Directors of the Consolidated Entity		Directors of the Parent Entity	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
27. REMUNERATION OF DIRECTORS AND EXECUTIVES				
Directors' remuneration				
Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are directors or any related party:	16,446°	18,471		
Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of the parent entity directly or indirectly from the entity or any related party:			12,336°	7,219
			Directors of the Parent Entity	
			2001	2000
			Number	Number
The number of parent entity directors included in these figures are shown below in their relevant income bands (including superannuation).				
Income between:				
\$ 0 and \$ 9,999			4	4
\$ 40,000 and \$ 49,999			4	4
\$ 80,000 and \$ 89,999			1	–
\$ 400,000 and \$ 409,999			–	1
\$ 880,000 and \$ 889,999			1	–
\$ 1,050,000 and \$ 1,059,999			–	1
\$ 1,100,000 and \$ 1,109,999			–	1
\$ 1,160,000 and \$ 1,169,999			1	–
\$ 1,700,000 and \$ 1,709,999			1	–
\$ 1,860,000 and \$ 1,869,999			–	1
\$ 2,600,000 and \$ 2,609,999			–	1
\$ 3,030,000 and \$ 3,039,999			1	–
\$ 5,270,000 and \$ 5,279,999			1	–
	Executive Officers of the Consolidated Entity		Executive Officers of the Parent Entity	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Executive remuneration				
Remuneration received or due and receivable by executive officers of the consolidated entity whose remuneration is \$100,000 or more, from entities in the consolidated entity or a related party, in connection with the management of the affairs of the entities in the consolidated entity whether as an executive officer or otherwise:	28,361°	39,403*		
Remuneration received or due and receivable by executive officers of PBL whose remuneration is \$100,000 or more, from the parent entity or any related party, in connection with the management of the affairs of PBL or any related party, whether as an executive officer or otherwise:			16,335°	12,190

notes to the financial statements

AT 30 JUNE 2001

	Directors of the Consolidated Entity		Directors of the Parent Entity	
	2001 Number	2000 Number	2001 Number	2000 Number
27. REMUNERATION OF DIRECTORS AND EXECUTIVES (CONT)				
\$ 970,000 and \$ 979,999	–	1	–	1
\$ 1,020,000 and \$ 1,029,999	–	1	–	1
\$ 1,050,000 and \$ 1,059,999	–	1	–	1
\$ 1,100,000 and \$ 1,109,999	–	1	–	1
\$ 1,150,000 and \$ 1,159,999	1	–	1	–
\$ 1,160,000 and \$ 1,169,999	1	–	1	–
\$ 1,180,000 and \$ 1,189,999	–	1	–	1
\$ 1,700,000 and \$ 1,709,999	1	–	1	–
\$ 1,860,000 and \$ 1,869,999	–	1	–	1
\$ 2,600,000 and \$ 2,609,999	–	1	–	1
\$ 2,680,000 and \$ 2,689,999	–	1	–	–
\$ 3,030,000 and \$ 3,039,999	1	–	1	–
\$ 5,270,000 and \$ 5,279,999	1	–	1	–
\$ 7,290,000 and \$ 7,299,999	–	1	–	–

° Some bonuses for the 2001 financial year have not been finalised at the time of preparing this report. However, in anticipation of bonuses being paid, a charge has been made against the 2001 accounts. Any 2001 bonuses subsequently paid and not disclosed in the 2001 financial statements, will be disclosed in the 2002 financial statements.

* The total of executive officers' remuneration includes termination payments made to a number of Crown executives in connection with the cessation of their employment during the 2000 financial year.

28. SEGMENT INFORMATION

PBL operates four distinct segments. These being:

- Television – operation of commercial television stations,
- Publishing – magazine publishing and distribution,
- Gaming – operation of a fully integrated gaming and entertainment facility, and
- ecorp – operation of and investment in internet-related businesses.

Intersegment trading, where appropriate, is eliminated on consolidation. Any such transactions are based on market values.

	Consolidated	
	2001 \$'000	2000 \$'000
a) Industry Segment		
Operating revenue		
Television – total	771,130	803,375
– intersegment	(5,220)	(4,393)
– external customers	765,910	798,982
Publishing – total	545,843	540,043
– intersegment	–	–
– external customers	545,843	540,043
Gaming – total	1,140,020	1,031,026
– intersegment	(2,830)	(737)
– external customers	1,137,190	1,030,289

notes to the financial statements

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	Consolidated	
	2001	2000
	\$'000	\$'000
28. SEGMENT INFORMATION (CONT)		
ecorp – total	59,420	53,323
– intersegment	–	–
– external customers	59,420	53,323
Unallocated – total*	7,463	10,991
– intersegment	–	–
– external customers	7,463	10,991
Interest income	37,299	36,248
Total revenue from ordinary activities	2,553,125	2,469,876
* Revenue includes proceeds from asset sales		
Segment Result		
Television	240,971	276,462
Publishing	87,042	106,900
Gaming	211,507	188,117
ecorp	(14,240)	(20,121)
Unallocated*	(18,153)	(7,844)
Earnings before interest and tax "EBIT"	507,127	543,514
Non-recurring items		
Television	(73,573)	10,543
Publishing	(13,000)	–
Gaming	–	(3,000)
Unallocated [^]	(329,903)	(5,000)
	(416,476)	2,543
Equity accounted share of associated entities net (loss)	(27,360)	(23,951)
Net interest income/(expense)	(110,509)	(105,498)
Profit/(loss) from ordinary activities before income tax and minority interests	(47,218)	416,608
Less: tax expense	(40,240)	(94,876)
Net profit/(loss) from ordinary activities after tax	(87,458)	321,732
Total Assets Employed		
Television	1,794,060	1,804,847
Publishing	1,378,433	1,334,363
Gaming	1,931,573	1,973,891
ecorp	246,466	271,295
Unallocated [#]	1,063,219	1,262,650
Total	6,413,751	6,647,046

* Segment result is net of corporate costs.

[^] Non-recurring items include provisions for loss and diminution of investments (\$308.1m) and corporate restructure costs (\$21.8m)

[#] Unallocated cash on deposits and investments

b) Geographical Segment

The consolidated entity operates principally within Australia.

notes to the financial statements

AT 30 JUNE 2001

29. RELATED PARTY DISCLOSURES

Directors

The following information is relevant to those who served as directors of Publishing and Broadcasting Limited during the year ended 30 June 2001:

Name	Date Appointed
James D Packer	28 April, 1992
Peter W Yates	13 June, 2001
John H Alexander	16 December, 1999
Graham A Cubbin	30 September, 1991
Rowena Danziger	17 September, 1997
Ashok P Jacob	9 November, 1998
David J Leckie	28 August, 1990
Sir Laurence Muir	23 January, 1995
Kerry F B Packer	19 July, 1990
Daniel Petre	18 May, 1998
Richard W Turner	9 November, 1998
Robert M Whyte	17 September, 1997

Mr Nicholas Falloon, appointed 28 August 1990, resigned on 27 March 2001.

Mr Bruce Gyngell, appointed 19 July 1990, passed away on 8 September 2000.

Related Party Transactions

Transactions with related parties in wholly-owned group

All transactions between the parent entity and its controlled entities including intercompany interest charges are conducted under normal commercial terms and conditions.

Transactions with director related entities

Consolidated Press Holdings Limited ("CPH"), an entity related to Mr KFB Packer, provides management services to PBL and its controlled entities. The charges for the year ended 30 June 2001 were \$1,000,000 (2000 – \$1,038,000). In addition, CPH provided leased premises, car parking and other facilities at a charge of \$598,000 (2000 – \$1,566,000).

A controlled entity of CPH provided customs clearance services to PBL and its controlled entities. The charge for these services for the year ended 30 June 2001 was \$1,146,000 (2000 – \$555,000).

PBL and its controlled entities provided television air-time and commercial production services to controlled entities of CPH. The charge for television air-time for the year ended 30 June 2001 was \$390,000 (2000 – \$313,000) and for commercial production was \$376,000 (2000 – \$Nil). PBL and its controlled entities also provided CPH with hotel rooms for \$18,000 (2000 – \$19,000), aircraft services totalling \$192,000 (2000 – \$488,000), accounting and other services of \$120,000 (2000 – \$290,000), and leased premises of \$741,000 (2000 – \$575,000).

Details of the obligations of ecorp under the Ticketek Purchase Agreement are detailed in note 24.

Wilbur Pty Ltd ("Wilbur"), a company which is wholly owned indirectly by interests owned and controlled by two directors of ecorp, Daniel Petre and Jeremy Philips holds, as nominee for Mr Petre and Mr Philips, options over 35,263,157 ordinary shares of ecorp granted for nominal consideration. The options were issued in a previous financial year and no further options were issued during the current financial year. The options are exercisable at an average price of \$0.05 and expire on 14 April 2006.

notes to the financial statements

AT 30 JUNE 2001

29. RELATED PARTY DISCLOSURES (CONT)

Interests in equity instruments of entities in the consolidated entity held by directors of the reporting entity and their director related entities at balance date, being the number of instruments held:

30 June 2001

	PBL		ecorp Limited		Crown Limited
	Ordinary Shares	Ordinary Shares Issued Under the ESP	Ordinary Shares	Options over Ordinary Shares	Unsecured Notes
Kerry F B Packer	247,572,325	–	–	–	–
Peter W Yates	929	–	2,000	–	–
John H Alexander	–	562,500	7,000	–	–
Graham A Cubbin	9,859	–	7,000	–	–
Rowena Danziger	18,876	–	28,500	–	–
David J Leckie	–	1,325,000	–	–	–
Sir Laurence Muir	11,126	–	2,000	–	–
Daniel Petre	–	296,254	2,000	17,631,579	–
Richard W Turner	10,000	–	20,000	–	–
Robert M Whyte	10,000	–	2,000	–	30,954

30 June 2000

	PBL		ecorp Limited		Crown Limited
	Ordinary Shares	Ordinary Shares Issued Under the ESP	Ordinary Shares	Options over Ordinary Shares	Unsecured Notes
Kerry F B Packer	247,572,325	–	–	–	–
John H Alexander	–	687,500	7,000	–	–
Graham A Cubbin	9,859	–	7,000	–	–
Rowena Danziger	18,876	–	22,000	–	–
David J Leckie	–	1,325,000	–	–	–
Sir Laurence Muir	12,126	–	2,000	–	–
Daniel Petre	–	500,000	2,000	17,631,579	–
Richard W Turner	10,000	–	–	–	–
Robert M Whyte	10,000	–	2,000	–	30,954
Nicholas G Falloon	–	1,900,000	150,000	–	–

Loans to directors

Messrs Leckie, Alexander and Petre are participants in the Executive Share Plan of which an amount of \$14,846,000 (2000 – \$31,031,000) has been advanced on their behalf. The 2000 year included Mr Nick Falloon who was no longer a director of the Company at 30 June 2001. No shares were issued during the financial year (2000 – 1,950,000) at a value of \$Nil (2000 – \$19,228,000). Repayments during the period amounted to \$2,879,000 relating to 299,000 shares (2000 – \$3,962,000) including interest paid of \$761,000 (2000 – \$764,000). Shares are issued in accordance with the conditions in note 23.

notes to the financial statements

AT 30 JUNE 2001

30. INVESTMENT IN CONTROLLED ENTITIES

	Footnote	Place of Incorporation	Beneficial Interest Held by the Consolidated Entity	
			2001 %	2000 %
Publishing and Broadcasting Limited		Australia	Parent Entity	
Nine Network Australia Pty Ltd	D	Australia	100	100
General Television Corporation Pty Ltd	D	Australia	100	100
TCN Channel Nine Pty Ltd	D	Australia	100	100
ACPPS Investments Pty Ltd		Australia	100	100
ACPPS Holdings Pty Ltd		Australia	100	100
MLPM Holdings Pty Ltd		Australia	100	100
ACP Partnership Holdings GP Pty Ltd		Australia	100	100
ACP Partnership Services Pty Ltd	B	Australia	–	100
Masthead LP Management			100	100
Magazine Holdings Limited		Cayman Islands	100	100
Magazines Holdings (No 2) Pty Ltd		Australia	100	100
Debentures and Securities Holdings Limited		Cayman Islands	100	100
Mastheads Capital Partnership			100	100
Debentures and Securities (No 2) Pty Ltd		Australia	100	100
A.C.N. 003 075 394 Pty Ltd	G	Australia	–	100
Nine Films & Television Pty Ltd		Australia	100	100
Nine Films & Television Distribution Pty Ltd		Australia	100	100
Southern Whale Pty Ltd	B	Australia	–	100
Moby Dick Productions Pty Ltd	B	Australia	–	100
Pay TV Holdings Pty Ltd	D	Australia	100	100
Pay TV Options Pty Ltd		Australia	100	100
Shertip Pty Ltd		Australia	100	100
Nine Television Pty Ltd		Australia	100	100
Personal TV Pty Ltd (formerly Nine Energy Squared Pty Ltd)		Australia	100	100
Queensland Television Limited	D	Australia	100	100
Recordable TV Pty Ltd (formerly MLPM Investments Pty Ltd)		Australia	100	100
Television Holdings Darwin Pty Ltd	D	Australia	100	100
Territory Television Pty Ltd	D	Australia	100	100
TV Your Way Pty Ltd (formerly Nine Hide & Seek Pty Ltd)		Australia	100	100
Australian Consolidated Press Limited	D	Australia	100	100
ACP Mastheads Pty Ltd	D	Australia	100	100
ACP Publishing Pty Ltd	D	Australia	100	100
Australian Consolidated Press NZ Ltd	E	New Zealand	100	100
Netlink Distribution Co Ltd	E	New Zealand	100	100
New Zealand Trader Magazine Group Limited	E	New Zealand	100	100
Australian Consolidated Press (US), Inc	E	USA	100	100
ACP Custodian Pty Ltd	D	Australia	100	100
ACP Syme Magazines Pty Ltd		Australia	100	100
Football Plus Pty Ltd		Australia	100	100
Bookout Limited	E	Hong Kong	100	100
Computer Publications Pty Ltd	D	Australia	100	100
Burkes Backyard Publishing Pty Ltd	C	Australia	50	50
Hearst/ACP Partnership	C		50	50
IPC ACP Magazines Australia Pty Limited	C	Australia	50	50
Stats on Sports Pty Ltd		Australia	100	100
Vietnam Investment Review Ltd	E	Hong Kong	70	70
Vietnam Investment Review Ltd	E	B.V.I.	70	70

notes to the financial statements

AT 30 JUNE 2001

30. INVESTMENT IN CONTROLLED ENTITIES (CONT)

	Footnote	Place of Incorporation	Beneficial Interest Held by the Consolidated Entity	
			2001 %	2000 %
Equipment Research Group Pty Ltd	A	Australia	100	—
Consolidated Magazines Pty Ltd	D	Australia	100	100
Cubwell Pty Ltd	A,H	Australia	100	—
Staflex Pty Ltd	A	Australia	100	—
ACP Magazines Pty Ltd	D	Australia	100	100
ACP Magazines (CI) Ltd		Cayman Islands	100	100
ACP Colour Graphics Pty Ltd	D	Australia	100	100
ACP New Zealand Mastheads Pty Ltd		Australia	100	100
ACP Masthead Nominees Pty Ltd		Australia	100	100
Crown Limited	H	Australia	100	100
Cityroad Property Investments Pty Ltd		Australia	100	100
Crown Australia Pty Ltd		Australia	100	100
Crown Resort Pte Ltd	E	Singapore	100	100
Crown CPS Holdings Pty Ltd		Australia	100	100
Crown CP Shareholders Trust			100	100
Crown Express Pty Ltd		Australia	100	100
Crown Management Holdings Pty Ltd		Australia	100	100
Crown Management Pty Ltd	H	Australia	100	100
Crown Resort (China) Pty Ltd		Australia	100	100
Inaugural Investments Pty Ltd	G	Australia	—	100
Live Music Concept Pty Ltd		Australia	100	100
Loller Street Investments Pty Ltd		Australia	100	100
Melbourne Live Pty Ltd		Australia	100	100
OASC (Melbourne) Pty Ltd		Australia	100	100
Ombambo Pty Ltd		Australia	50	50
Second Cityroad Pty Ltd	G	Australia	—	100
Southbank Investments Pty Ltd		Australia	100	100
Uchino Pty Ltd		Australia	100	100
Nesray Pty Limited		Australia	100	100
ecorp Limited		Australia	80	80
Beargen Pty Limited		Australia	90	90
Bellfix Pty Limited	A	Australia	80	—
Cessray Pty Limited		Australia	80	80
ecorp Finance Pty Limited (formerly PBL Online Pty Ltd)		Australia	80	80
Pennwin Pty Limited		Australia	80	80
PBL Online Pty Limited	A	Australia	80	—
Ticketek Pty Ltd		Australia	80	80
Softix Pty Ltd		Australia	80	80
Queensland Leisure Ticketing Systems Trust			80	80
Ticketek Limited	A	Hong Kong	80	—
Ticketek Services Limited	E	New Zealand	80	80
Ticketek New Zealand Limited	E	New Zealand	80	80
Zacchaeus Pty Ltd	E	Australia	80	80
Ticketek Queensland Pty Ltd		Australia	80	80
Ticketek Trust			80	80
Ticketek Victoria Pty Ltd		Australia	80	80
White Whale Pty Ltd		Australia	80	80
Prenew Pty Limited		Australia	80	80
ecorp Holdings Ltd		Bahamas	80	80

notes to the financial statements

AT 30 JUNE 2001

30. INVESTMENT IN CONTROLLED ENTITIES (CONT)

- A. Control of this entity was acquired during the year ended 30 June 2001.
- B. This entity was disposed of during the year ended 30 June 2001.
- C. These entities are 50% owned although through an arrangement with other shareholders PBL has control.
- D. These controlled entities have entered into a deed of cross guarantee with the parent entity under ASIC Class Order 98/1418 – the “Closed Group” (refer note below).
- E. Controlled entities which are audited by other member firms of Ernst & Young International.
- F. Controlled entities which are not audited by member firms of Ernst & Young International.
- G. These entities have been liquidated during the year ended 30 June 2001.
- H. Members of the “Extended Closed Group”.

Pursuant to ASIC Class Order 98/1418 and various deeds of cross guarantee entered into with the parent entity, certain controlled entities of PBL have been granted relief from the Corporations Law requirements for preparation, audit and publication of accounts.

The consolidated profit and loss statement and balance sheet of the entities which are members of the “Closed Group” and the “Extended Closed Group” for the year ended 30 June 2001 are:

	Closed Group		Extended Closed Group	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Consolidated profit and loss statement				
Profit/(loss) from ordinary activities before income tax	(7,577)	(37,815)	(27,432)	100,251
Income tax (expense)/benefit on ordinary activities	15,469	(30,718)	23,647	(22,306)
Net profit/(loss) after income tax	7,892	(68,533)	(3,785)	77,945
Net (profit) attributable to outside equity interests	(2,468)	(3,191)	(2,468)	(3,191)
Retained profits at the beginning of the financial year	728,908	935,173	872,308	881,561
Dividends provided for or paid	(132,718)	(132,763)	(152,952)	(132,763)
Retained profits at the end of the financial year	601,614	730,686	713,103	823,552
Consolidated balance sheet				
Current Assets				
Cash and deposits	76,984	–	370,656	336,266
Receivables	224,187	237,141	277,141	242,864
Inventories and program rights	161,076	140,897	170,864	149,145
Other	55,569	49,524	63,413	54,554
Total Current Assets	517,816	427,562	882,074	782,829

notes to the financial statements

AT 30 JUNE 2001

30. INVESTMENT IN CONTROLLED ENTITIES (CONT)

	Closed Group		Extended Closed Group	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Non Current Assets				
Receivables	1,920,025	1,298,913	831,335	529,849
Inventories and program rights	14,383	40,413	14,383	40,413
Investments	4,987,993	4,976,204	3,605,088	3,875,711
Property, plant and equipment	133,121	99,207	1,342,725	1,318,750
Licences and mastheads	1,616,581	1,941,517	2,232,105	2,237,541
Other	22,872	42,433	121,793	144,072
Total Non Current Assets	8,694,975	8,398,687	8,147,429	8,146,336
Total Assets	9,212,791	8,826,249	9,029,503	8,929,165
Current Liabilities				
Payables	255,647	239,524	405,600	344,249
Interest-bearing liabilities	4,145	6,416	7,023	—
Provisions	153,475	162,333	174,459	186,770
Total Current Liabilities	413,267	408,273	587,082	531,019
Non Current Liabilities				
Payables	1,922,274	1,542,966	1,190,278	1,165,510
Interest-bearing liabilities	3,610,350	3,462,857	3,855,490	3,707,997
Provisions	46,163	76,405	64,427	96,025
Total Non Current Liabilities	5,578,787	5,082,228	5,110,195	4,969,532
Total Liabilities	5,992,054	5,490,501	5,697,277	5,500,551
Net Assets	3,220,737	3,335,748	3,332,226	3,428,614
Equity				
Contributed equity	2,179,592	2,165,241	2,179,592	2,165,241
Reserves	438,474	438,474	438,474	438,474
Retained profits	601,614	730,686	713,103	823,552
Total parent entity interest in equity	3,219,680	3,334,401	3,331,169	3,427,267
Outside equity interest				
Issued capital	653	653	653	653
Retained profits	404	694	404	694
Total outside equity interest	1,057	1,347	1,057	1,347
Total Equity	3,220,737	3,335,748	3,332,226	3,428,614

notes to the financial statements

AT 30 JUNE 2001

31. FINANCIAL INSTRUMENTS

a) Terms and conditions

The consolidated entity's terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Note	Terms and Conditions
i) Financial Assets		
Receivables	6	The majority of credit sales are on 45 day terms. Gaming cheques can be held for up to 5 banking days for domestic patrons and 20 days for international patrons. In accordance with VCGA requirements, credit can be extended to international patrons, upon completion of a credit approval process.
Receivables – associates	6	Details of terms and conditions are set out in note 29.
Receivables – related parties/entities	6	Details of terms and conditions are set out in note 29.
Bills of exchange and Promissory notes		Average maturity: 17 days (2000: 17 days)
Treasury notes		Average maturity: 13 days (2000: 13 days)
Debentures		Average maturity: 6 months (2000: 4.5 months)
ii) Financial Liabilities		
Bank overdrafts		Details of facilities are outlined in note 21. Interest is charged at the banks benchmark rate.
Bank facilities	15	Details of security are outlined in note 21. Details of facilities and maturity are outlined in note 21. Interest is at a margin over floating rates.
Unsecured Notes	15	Interest on unsecured notes is paid bi-annually.
Bills of exchange	15	Details of security are outlined in note 21. Details of facilities and maturity are outlined in note 21. Interest is at a margin over floating rates.
Senior Guaranteed Notes	15	Interest on senior guaranteed notes is paid quarterly.
Medium Term Notes	15	Interest on medium term notes is paid quarterly.
Subordinated Notes	15	Interest on subordinated debt is paid quarterly. Interest is at 2% above the 90 day bank bill swap rate.
Trade and other creditors	14	Trade creditors are normally settled on 30 day terms. Program contract creditors are settled according to the contract negotiated with the program supplier.
Dividends payable	16	Dividends payable represent a final dividend of 10 cents per ordinary share for the financial year ended 30 June 2001. The extent to which dividends are franked, details of the franking account balance at balance date and franking credits available for the subsequent financial year are disclosed in note 4.
Finance lease liability	15	Details of security are outlined in note 15. Other details are disclosed in note 20.
Other loans	15	Interest (where charged) is at a margin over floating rates.
iii) Equity		
Ordinary shares	17	Details of shares issued are outlined in notes 17.
iv) Derivatives		
Forward exchange		At balance date the Company had contracts to purchase US\$ and sell A\$ totalling US\$21,695,000 (2000 – US\$8,285,000) at an average rate of US\$ 0.5134 (2000 – US\$ 0.5941). Forward exchange contracts are for no longer than 12 months.

notes to the financial statements

AT 30 JUNE 2001

31. FINANCIAL INSTRUMENTS (CONT)

Recognised Financial Instruments	Note	Terms and Conditions
Interest rate swaps		<p>At balance date the consolidated entity had the following deferred interest rate swaps:</p> <ul style="list-style-type: none"> • notional value of \$50 million at an average fixed rate of 5.62% due to expire in January 2002. • notional value of \$50 million at an average fixed rate of 5.43% due to expire in July 2002. • notional value of \$150 million at an average fixed rate of 4.89% due to expire in April 2003. • notional value of \$200 million at an average fixed rate of 5.20% due to expire in April 2004. • notional value of \$150 million at an average fixed rate of 5.34% due to expire in April 2006. • notional value of \$300 million at an average fixed rate of 5.99% due to expire in July 2008. • notional value of \$50 million at an average fixed rate of 5.75% due to expire in April 2009. • notional value of \$100 million at an average fixed rate of 5.75% due to expire in November 2009. The swap knocks out if 90 day BBSW on rate set dates is 8% or higher.

b) Net fair values

All carrying values approximate fair value for all recognised financial instruments with the exception of the following class of investment in the prior year:

	Investment Carrying Value		Investment Fair Value	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Listed securities	38,140	405,634	38,140	543,739

The fair value of interest rate swap contracts, being unrecognised financial instruments, are determined as the difference in present value of the future interest cash flows, including the effect of prepaying the fixed rate cash flows for twelve months, amounting to a financial asset of \$17,780,065 (2000: \$26,804,700).

The fair value of forward exchange contracts is determined as the recognised gain or loss at balance date calculated by reference to current forward exchange rates for contracts with similar maturity profiles, amounting to a financial asset of \$254,559 (2000: financial liability of \$69,979).

c) Credit risk exposures

The consolidated entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

In relation to derivative financial instruments, whether recognised or unrecognised credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement.

The consolidated entity's maximum credit risk exposure in relation to these is as follows:

- forward exchange contracts – the full amount of the foreign currency PBL will be required to pay or purchase when settling the forward exchange contract, should the counterparty not pay the currency it is committed to deliver to the company. At balance date the net amount was A\$Nil (2000 – \$69,979).
- interest rate swap contracts – which is limited to the net fair value of the swap agreement at balance date, being \$17,780,065 (2000: \$26,804,700).

notes to the financial statements

AT 30 JUNE 2001

31. FINANCIAL INSTRUMENTS (CONT)

Credit risk in trade receivables is managed in the following ways:

- The provision of credit is covered by a risk assessment process for all customers.
- Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.
- The provision of cheque-cashing facilities for gaming patrons is subject to detailed policies and procedures designed to minimise any potential loss, including the taking up of bank opinions and the use of a central credit agency which collates information from major casinos around the world.

d) Interest Rate Risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised, at the balance date are as follows:

Financial Instruments	Floating Interest Rate		Fixed Interest Rate								Total carrying amount as per the balance sheet		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years		Non-Interest Bearing					
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 %	2000 %
Financial Assets														
Cash at bank	27,704	–	–	–	–	–	–	–	70,794	56,418	98,498	56,418	5.31%*	N/A
Cash on deposit	90,815	53,393	196,404	231,637	–	–	–	–	–	–	287,219	285,030	4.91%	6.04%
Bills of exchange and Promissory notes	82,843	101,533	–	–	–	–	–	–	–	–	82,843	101,533	5.38%	6.13%
Treasury notes	3,000	3,000	–	–	–	–	–	–	–	–	3,000	3,000	4.58%	5.75%
Debentures	2,000	2,000	–	–	–	–	–	–	–	–	2,000	2,000	6.01%	5.90%
Receivables – trade	–	–	–	–	–	–	–	–	267,777	227,790	267,777	227,790	N/A	N/A
Receivables – other	–	–	958	22,987	107,065	75,298	1,800	2,400	21,889	32,669	131,712	133,354	2.25%*	2.48%*
Receivables – associates	–	–	–	–	50,000	–	–	–	2,541	60,309	52,541	60,309	6.12%*	N/A
Receivables – directors	–	–	1,872	366	12,974	31,174	–	–	–	–	14,846	31,540	2.10%	2.35%
Listed investments	–	–	–	–	–	–	–	–	38,140	405,634	38,140	405,634	N/A	N/A
Unlisted investments	–	–	–	–	–	–	–	–	511,015	393,789	511,015	393,789	N/A	N/A
Total Financial Assets	206,362	159,926	199,234	254,990	170,039	106,472	1,800	2,400	912,156	1,176,609	1,489,591	1,700,397		

* This rate relates to the interest bearing loans.

notes to the financial statements

AT 30 JUNE 2001

31. FINANCIAL INSTRUMENTS (CONT)

Financial Instruments	Floating Interest Rate		Fixed Interest Rate						Non-Interest Bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2001 \$'000	2000 \$'000	1 year or less		Over 1 to 5 years		More than 5 years		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 %	2000 %
Financial Liabilities														
Bank facilities	210,000	80,000	–	–	–	–	–	–	–	–	210,000	80,000	5.45%	6.63%
Bills of exchange	22,392	20,000	–	–	–	–	–	–	–	–	22,392	20,000	5.80%	6.50%
Unsecured notes	–	–	–	–	220,280	–	–	225,000	–	–	220,280	225,000	9.50%	9.50%
Trade and other creditors	–	–	600	600	2,400	2,400	1,800	2,400	513,939	498,688	518,739	504,088	5.95%*	5.95%*
Dividends payable	–	–	–	–	–	–	–	–	66,729	66,120	66,729	66,120	N/A	N/A
Finance lease liability	–	–	7,023	9,684	17,493	3,548	–	–	–	–	24,516	13,232	6.45%	8.00%
Other loans	520,000	669,500	–	–	–	–	–	–	–	–	520,000	669,500	2.64%	3.69%
Senior guaranteed notes	–	–	–	–	–	–	507,357	507,357	–	–	507,357	507,357	5.92%	7.36%
Medium term notes	–	–	–	–	250,000	250,000	150,000	150,000	–	–	400,000	400,000	5.65%	7.01%
Subordinated debt	300,000	300,000	–	–	–	–	–	–	–	–	300,000	300,000	7.12%	8.17%
Forward exchange contracts	(42,518)	(13,875)	42,263	13,945	–	–	–	–	–	–	(255)	70	N/A	N/A
Interest rate swaps	(1,050,000)	(500,000)	50,000	–	550,000	50,000	450,000	450,000	–	–	–	–	N/A	N/A
Total Financial Liabilities	(40,126)	555,625	99,886	24,229	1,040,173	305,948	1,109,157	1,334,757	580,668	564,808	2,789,758	2,785,367		

* This rate relates to the interest bearing loans.

shareholder information

SUBSTANTIAL SHAREHOLDERS

The following information is extracted from substantial shareholder notices received by PBL.

	Number of Ordinary Shares
1. Consolidated Press Holdings Limited	247,572,325
2. Commonwealth Bank of Australia	126,640,629
3. Permanent Trustee Company Limited	63,987,492

(All the above substantial shareholders have their shares in a number of shareholder accounts.)

DISTRIBUTION OF SHAREHOLDERS AS AT THE DATE OF THIS REPORT:

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	42,465	2.74
1,001 – 5,000	12,709	4.19
5,001 – 10,000	1,026	1.13
10,001 – 100,000	631	2.69
100,000 +	180	89.25
Total	57,011	100.00
Holding less than a marketable parcel	2,672	0.01

THE TWENTY LARGEST SHAREHOLDERS AS AT THE DATE OF THIS REPORT ARE:

NAME	NO. OF SHARES	% OF SHARES IN CLASS
1. Bareage Pty Limited	158,486,104	23.95
2. Consolidated Press Holdings Limited	82,813,136	12.52
3. Citicorp Nominees Pty Limited (CFS WSLE Imputation Fnd A/C)	35,406,222	5.35
4. National Nominees Limited	35,201,076	5.32
5. Chase Manhattan Nominees Limited (Foreign A/C)	22,309,720	3.37
6. Citicorp Nominees Pty Limited (CFS Imputation Fund A/C)	22,059,672	3.33
7. Citicorp Nominees Pty Limited (CFS WSLE Aust Share Fnd A/C)	19,685,819	2.98
8. Chase Manhattan Nominees Limited	19,421,987	2.94
9. Citicorp Nominees Pty Limited (CFS WSLE Industrial Shr A/C)	12,283,679	1.86
10. Westpac Custodian Nominees Limited (Foreign Account)	10,299,483	1.56
11. RBC Global Services Australia Nominees Pty Limited (PIPooled A/C)	10,243,768	1.55
12. WIN Television NSW Pty Ltd	10,238,834	1.55
13. Westpac Custodian Nominees Limited	9,710,392	1.47
14. Queensland Investment Corporation	8,582,316	1.30
15. Citicorp Nominees Pty Limited	7,676,039	1.16
16. Citicorp Nominees Pty Limited (CFS WSLE Geared Shr Fnd A/C)	7,086,267	1.07
17. MLC Limited	6,413,073	0.97
18. Perpetual Trustees Nominees Limited	5,681,769	0.86
19. HSBC Custody Nominees (Australia) Limited	4,816,117	0.73
20. Consolidated Press Investments Pty Ltd	4,404,021	0.67
Top 20 Holders	492,819,494	74.51
Others	168,868,844	25.49
	661,688,338	100.00

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CORPORATE DIRECTORY

Registered Office

2nd Floor, 54 Park Street
Sydney NSW 1028
Tel: (02) 9282 8000
Fax: (02) 9282 8828

Principal Offices

AUSTRALIA

Australian Consolidated Press Limited
54 Park Street
Sydney NSW 1028
Tel: (02) 9282 8000
Fax: (02) 9267 2111

ACP Colour Graphics Pty Limited
1st Floor, 54 Park Street
Sydney NSW 1028
Tel: (02) 9264 7077
Fax: (02) 9264 8374

Trader International Group
1st Floor, 123 Midson Road
Epping NSW 2121
Tel: (02) 9870 0000
Fax: (02) 9868 5039

Trader International Group
73 Atherton Road
Oakleigh VIC 3166
Tel: (03) 9567 4200
Fax: (03) 9563 4554

ACP Publishing Pty Limited
102-108 Toorak Road
South Yarra VIC 3141
Tel: (03) 9823 6333
Fax: (03) 9823 6300

ACP Publishing Pty Limited
Level 3, Lobby 3
Citylink Building
153 Campbell Street
Bowen Hills QLD 4006
Tel: (07) 3000 8500
Fax: (07) 3000 8555

TCN Channel Nine Pty Limited
24 Artarmon Road
Willoughby NSW 2068
Tel: (02) 9906 9999
Fax: (02) 9958 2279

General Television Corporation
Pty Limited
22 Bendigo Street
Richmond VIC 3121
Tel: (03) 9429 0201
Fax: (03) 9429 3670

Queensland Television Limited
Sir Samuel Griffith Drive
Mt Coot-Tha QLD 4066
Tel: (07) 3214 9999
Fax: (07) 3214 9939

Territory Television Pty Limited
Blake Street, Gardens Hill
Darwin NT 0820
Tel: (08) 8981 8888
Fax: (08) 8981 6802

Channel 9 Canberra Bureau
Suite 114, Press Gallery
Parliament House, ACT 2600
Tel: (02) 6273 3300
Fax: (02) 6273 3097

Crown Limited
8 Whiteman Street
Southbank VIC 3006
Tel: (03) 9292 8888
Fax: (03) 9292 6600

PBL Enterprises Limited
3rd Floor, 54 Park Street
Sydney, NSW 1028
Tel: (02) 9282 8000
Fax: (02) 9267 6398

ecorp Limited
2nd Floor, 54 Park Street
Sydney NSW 1028
Tel: (02) 9282 8865
Fax: (02) 9262 9906

HONG KONG

Crown Representative Office
Rooms 1707-8, 17th Floor
Tower 1
New World Tower
16-18 Queen's Road
Central Hong Kong
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Fax: (852) 2918 1033

MALAYSIA

ACP Asia Pte Ltd
Unit 1104, Level 11
Uptown 1, 1 Jalan SS21/58
Damansara Uptown 47400 Petaling Jaya
Selangor Darul Ehsan
Tel: (603) 7725 9998
Fax: (603) 7725 4070

NEW ZEALAND

ACP Media Ltd
ACP Media Centre
Cnr Fanshawe & Beaumont Streets
Westhaven
Auckland NZ 7129
Tel: (64) 9 308 2700
Fax: (64) 9 308 2878

PAPUA NEW GUINEA

Media Niugini Pty Limited
Garden City, Boroko
NCD, Port Moresby
Tel: (675) 325 7322
Fax: (675) 325 6991

REPUBLIC OF IRELAND

Publishing and Broadcasting
International Holdings Limited
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24 Merchant's Quay
Dublin 8.
Tel: (353) 1 677 2840
Fax: (353) 1 677 2865

SINGAPORE

ACP Asia Pte Ltd
11 Collyer Quay
#18-01 The Arcade
Singapore 049317
Tel: (65) 227 7900
Fax: (65) 227 7002

Crown Representative Office
391A Orchard Road
#17-09 Tower A – Ngee Ann City
Singapore 238873
Tel: (65) 738 7300
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21/99 South Sathorn Road, Sathorn
Bangkok 10120
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ACP London Bureau
C/- IPC Magazines Ltd
3rd Floor, The Low Rise Building
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Fax: (44) 207 261 7725

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