

Appendix 4B

Half yearly report

Introduced 30/6/2002.

Name of entity

JOHN FAIRFAX HOLDINGS LIMITED

ABN or equivalent company reference

ABN 15 008 663 161

Half yearly (tick)



Preliminary final (tick)



Half year ('current period')

31 DECEMBER 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

SA'000

Revenues from ordinary activities (item 1.1)	up	2.6 %	to	619,122
Profit (loss) from ordinary activities after tax attributable to members (item 1.22)	up	94.2 %	to	70,001
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))	gain (loss) of	N/A		N/A
Net profit (loss) for the period attributable to members (item 1.11)	up	94.2 %	to	70,001
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend (Preliminary final report only - item 15.4) Interim dividend (Half yearly report only - item 15.6)		5.0¢		5.0¢
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)		4.5¢		4.5¢
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)	5 March 2003			
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

		Current period - \$A'000	Previous corresponding period - \$A'000
1.1	Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	619,122	603,312
1.2	Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(504,846)	(525,203)
1.3	Borrowing costs	(13,861)	(19,549)
1.4	Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	1,168	174
1.5	Profit (loss) from ordinary activities before tax	101,583	58,734
1.6	Income tax on ordinary activities (<i>see note 4</i>)	(31,582)	(22,681)
1.7	Profit (loss) from ordinary activities after tax	70,001	36,053
1.8	Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9	Net profit (loss)	70,001	36,053
1.10	Net profit (loss) attributable to outside ⁺ equity interests	-	-
1.11	Net profit (loss) for the period attributable to members	70,001	36,053
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	416	(5)
1.14	Increase in retained profits on adoption of revised accounting standard AASB 1044	51,457	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	51,873	(5)
1.17	Total changes in equity not resulting from transactions with owners as owners	121,874	36,048

Earnings per security (EPS)		Current period	Previous corresponding period
1.18	Basic EPS	8.39¢	4.91¢
1.19	Diluted EPS	8.39¢	4.86¢

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	70,001	36,053
1.21 Less (plus) outside +equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	70,001	36,053

Revenue and expenses from ordinary activities

(*see note 15*)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales or services		
Sales revenue	601,371	596,815
Proceeds from the sale of investments	1,001	-
Proceeds from the sale of property, plant & equipment	7,322	16
Revenue from rendering services	5,779	5,019
Dividend income	200	-
Distributions from unit trusts	235	180
Total	615,908	602,030
1.24 Interest revenue	3,214	1,282
1.25 Other relevant revenue	-	-
1.26 Details of expenses (including relevant expenses):		
Staff costs	200,044	208,106
Newsprint and paper	101,873	107,399
Distribution and other production costs	65,493	66,393
Promotion and advertising costs	20,625	26,036
Amortisation of intangibles (<i>item 2.3</i>)	-	671
Rent and outgoings	11,469	11,144
Repairs and maintenance	7,307	4,900
Cost of disposals	6,503	32
News services	5,112	5,047
Communication costs	5,000	6,009
Computer costs	3,810	3,695
Fringe benefits tax	2,606	2,996
Write down of investments	1,520	-
Other expenses	43,701	50,074
Total	475,063	492,502
Included in the above totals are the following relevant items:		
Write down of goodwill	-	11,000
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	29,783	32,701

+ See chapter 19 for defined terms.

Capitalised outlays		
1.28 Interest costs capitalised in asset values	8,086	7,848
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	468,707	507,873
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	70,001	36,053
1.32 Net transfers from (to) reserves (<i>details if material</i>)	-	-
1.33 Net effect of changes in accounting policy upon initial adoption of AASB 1044	51,457	-
1.34 Dividends and other equity distributions paid or payable	(59,792)	(33,072)
1.35 Retained profits (accumulated losses) at end of financial period	530,373	510,854

Intangible and extraordinary items

		<i>Consolidated – current period</i>			
		Before tax \$A'000	Related tax \$A'000	Related outside ⁺ equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
		(a)	(b)		
2.1	Amortisation of goodwill	-	-	-	-
2.2	Amortisation of other intangibles	-	-	-	-
2.3	Total amortisation of intangibles	-	-	-	-
2.4	Extraordinary items (details)	-	-	-	-
2.5	Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

	Current year - \$A'000	Previous year - \$A'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	N/A	N/A
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	N/A	N/A

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	55,227	7,299	153,987
4.2	Investments	-	-	-
4.3	Receivables	167,649	196,048	186,994
4.4	Inventories	22,900	26,617	27,994
4.5	Tax assets	-	50,789	29,983
4.6	Other (Hedge receivable, refer Note 1 below)	3,500	-	-
4.7	Total current assets	249,276	280,753	398,958
Non-current assets				
4.8	Receivables	2,582	2,994	4,511
4.9	Investments (equity accounted)	4,471	3,303	4,358
4.10	Other financial assets	5,606	8,978	13,428
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	-	-	-
4.13	Development properties	-	-	-
4.14	Other property, plant and equipment (net)	703,365	704,502	672,878
4.15	Intangibles (net)	1,259,452	1,259,399	1,272,125
4.16	Tax assets	48,257	54,743	38,469
4.17	Other (Refer Note 2)	61,000	-	-
4.18	Total non-current assets	2,084,733	2,033,919	2,005,769
4.19	Total assets	2,334,009	2,314,672	2,404,727
Current liabilities				
4.20	Payables (Note 1)	157,646	178,749	148,490
4.21	Interest bearing liabilities	3,882	5,405	153,673
4.22	Tax liabilities	13,842	-	793
4.23	Provisions exc. tax liabilities	36,881	86,759	71,750
4.24	Other (provide details if material)	-	-	-
4.25	Total current liabilities	212,251	270,913	374,706

Note 1: Payables includes the revaluation (A\$3.5 million) of a foreign currency payable in accordance with the revised AASB 1012 'Foreign Currency Translation', which has also created a hedge receivable of A\$3.5 million. There is no impact to the Statement of Financial Performance as a result of the adoption of the revised AASB 1012.

Condensed consolidated statement of financial position continued

	Non-current liabilities			
4.26	Payables	5,761	19,066	432
4.27	Interest bearing liabilities (Note 2)	613,170	587,965	555,936
4.28	Tax liabilities	57,268	56,611	47,308
4.29	Provisions exc. tax liabilities	39,026	35,667	40,086
4.30	Other (provide details if material)	-	-	-
4.31	Total non-current liabilities	715,225	699,309	643,762
4.32	Total liabilities	927,476	970,222	1,018,468
4.33	Net assets	1,406,533	1,344,450	1,386,259
	Equity			
4.34	Capital/contributed equity	870,804	870,804	870,495
4.35	Reserves	5,356	4,939	4,910
4.36	Retained profits (accumulated losses)	530,373	468,707	510,854
4.37	Equity attributable to members of the parent entity	1,406,533	1,344,450	1,386,259
4.38	Outside ⁺ equity interests in controlled entities	-	-	-
4.39	Total equity	1,406,533	1,344,450	1,386,259
4.40	Preference capital included as part of 4.37	250,000	250,000	250,000

Note 2: Interest-bearing liabilities include the revaluation (A\$61 million) of USD Senior Notes in accordance with the revised AASB 1012 'Foreign Currency Translation'. This non-current liability offsets the cross currency swap receivable of A\$61 million resulting in a net debt of A\$500.8 million. There is no impact to the Statement of Financial Performance as a result of the adoption of the revised AASB 1012.

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	-
5.2	Expenditure incurred during current period	-
5.3	Expenditure written off during current period	-
5.4	Acquisitions, disposals, revaluation increments, etc.	-
5.5	Expenditure transferred to Development Properties	-
5.6	Closing balance as shown in the consolidated balance sheet (item 4.12)	-

+ See chapter 19 for defined terms.

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period - \$A'000
6.1 Opening balance	-	-
6.2 Expenditure incurred during current period	-	-
6.3 Expenditure transferred from exploration and evaluation	-	-
6.4 Expenditure written off during current period	-	-
6.5 Acquisitions, disposals, revaluation increments, etc.	-	-
6.6 Expenditure transferred to mine properties	-	-
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	-	-

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
7.1 Receipts from customers	695,623	705,937
7.2 Payments to suppliers and employees	(557,351)	(556,877)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	435	180
7.5 Interest and other items of similar nature received	3,214	1,282
7.6 Interest and other costs of finance paid	(13,510)	(19,234)
7.7 Income taxes paid	40,192	(49,654)
7.8 Other (provide details if material)	-	(7,109)
7.9 Net operating cash flows	168,603	74,525
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	(32,686)	(50,172)
7.11 Proceeds from sale of property, plant and equipment	7,322	16
7.12 Payment for purchases of equity investments	-	-
7.13 Proceeds from sale of equity investments	1,852	763
7.14 Loans to other entities	-	(453)
7.15 Loans repaid by other entities	-	-
7.16 Other (provide details if material)	-	-
Payment for intangibles	(53)	(5,365)
7.17 Net investing cash flows	(23,565)	(55,211)

+ See chapter 19 for defined terms.

Cash flows related to financing activities			
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	-	242,299
7.19	Proceeds from borrowings	-	95,000
7.20	Repayment of borrowings	(37,318)	(159,725)
7.21	Dividends paid	(59,792)	(51,443)
7.22	Other (provide details if material)	-	-
7.23	Net financing cash flows	(97,110)	126,131
7.24	Net increase (decrease) in cash held	47,928	145,445
7.25	Cash at beginning of period (see <i>Reconciliation of cash</i>)	7,299	8,542
7.26	Exchange rate adjustments to item 7.25.	-	-
7.27	Cash at end of period (see <i>Reconciliation of cash</i>)	55,227	153,987

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount.)

N/A

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	8,227	63,987
8.2 Deposits at call	-	20,000
8.3 Bank overdraft	-	-
8.4 Other (provide details) Bank Bills	47,000	70,000
8.5 Total cash at end of period (item 7.27)	55,227	153,987

Other notes to the condensed financial statements

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	16.4%	9.7%

+ See chapter 19 for defined terms.

9.2	Profit after tax / +equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>)	5.0%	2.6%
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Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

	Dec 2002	Dec 2001
	\$A'000	\$A'000
Net Profit after tax	70,001	36,053
Less dividends paid on PRESSES	(8,335)	-
Basic Earnings	61,666	36,053
Weighted average number of ordinary shares	735,099,876	734,889,054
Potential ordinary shares	250,679	422,090
PRESSES conversion	-	7,202,876
Diluted weighted average number of ordinary shares	735,350,555	742,514,020
Basic EPS	8.39¢	4.91¢
Diluted EPS	8.39¢	4.86¢

As at 31 December 2002, the company has 87,070,696 potential ordinary shares which are not dilutive and are not included in the Diluted EPS calculation. These potential ordinary shares relate to the PRESSES. Refer to 18.1. At 31 December 2001, all potential ordinary shares were dilutive and included in the Diluted EPS calculation.

NTA backing

(see note 7)

	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	(14.00)¢	(18.49)¢

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they have disclosed in their accounts in accordance with *AASB 1042: Discontinuing Operations* (see note 17).)

12.1 Discontinuing Operations

N/A	
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+ See chapter 19 for defined terms.

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	N/A
13.3 Date from which such profit has been calculated	
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	N/A
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
14.3 Date to which the profit (loss) in item 14.2 has been calculated	
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable	12 March 2003
15.2 ⁺ Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺ securities are not ⁺ CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺ securities are ⁺ CHESS approved)	5 March 2003
15.3 If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	N/A

⁺ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at 30 % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	N/A	N/A	N/A
15.5	Previous year	N/A	N/A	N/A
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	5.0¢	5.0¢	Nil
15.7	Previous year	4.5¢	4.5¢	Nil

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	N/A	N/A
15.9 Preference +securities	N/A	N/A

Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities <i>(each class separately)</i>	51,457	33,072
15.11 Preference +securities <i>(each class separately)</i>	8,335	-
15.12 Other equity instruments <i>(each class separately)</i>	-	-
15.13 Total	59,792	33,072

The +dividend or distribution plans shown below are in operation.

The company does not have a shareholder dividend plan in operation.

The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

N/A

+ See chapter 19 for defined terms.

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax	1,669	248
16.2 Income tax on ordinary activities	(501)	(74)
16.3 Profit (loss) from ordinary activities after tax	1,168	174
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	1,168	174
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	1,168	174

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities				
AAP Information Services Pty Limited	44.74%	44.74%	1,168	174
17.2 Total			1,168	174
17.3 Other material interests	-	-	-	-
17.4 Total			1,168	174

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities During the year ended 30 June 2002 the company issued 2,500,000 of Preferred Reset Securities Exchangeable for Shares (PRESSES).	2,500,000	2,500,000	\$100	\$100
18.2 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 +Ordinary securities	735,099,595	735,099,595	N/A	N/A
18.4 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 +Convertible debt securities (description and conversion factor)	281	Nil	\$1	\$1
18.6 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
18.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date (if any)</i>
	660,000	-	\$2.93	27 Feb 2003
	148,000	-	\$2.77	25 Jun 2003
	30,000	-	\$2.76	11 Sep 2003
	400,000	-	\$3.08	19 Nov 2003
	3,500,000	-	\$2.85	16 Dec 2003
	250,000	-	\$3.97	1 Mar 2004
	500,000	-	\$3.97	11 May 2004
	200,000	-	\$4.25	25 Jun 2004
	4,405,000	-	\$4.01	28 Sep 2004
	250,000	-	\$5.66	5 Apr 2005
	20,000	-	\$4.30	29 May 2005
	90,000	-	\$4.41	28 Jun 2005
	300,000	-	\$4.36	19 Sep 2005
	130,000	-	\$3.69	12 Mar 2006
	130,000	-	\$3.58	30 Mar 2006

+ See chapter 19 for defined terms.

18.8	Issued during current period	-	-	-	-
18.9	Exercised during current period	-	-	-	-
18.10	Expired during current period	80,000 130,000 80,000	- - -	\$3.12 \$3.37 \$3.15	3 Sep 2002 3 Oct 2002 19 Nov 2002
18.11	Debentures (description)	281	-		
18.12	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13	Unsecured notes (description)	-	-		
18.14	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: *Segment Reporting* and for half year reports, AASB 1029: *Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's +accounts should be reported separately and attached to this report.)

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: *Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last + annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Refer to the attached press release.

+ See chapter 19 for defined terms.

- 19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

None

- 19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Franking credits available are approximately \$187.5 million. The Company is likely to pay fully franked dividends for at least the next year.

Fully franked dividends to the value of \$437.6 million can be paid from this franking account balance.

- 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

Provisions, contingent liabilities and contingent assets

The consolidated entity has applied AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets (issued in October 2001) for the first time from 1 July 2002.

Dividends are now recognised at the time that they are declared, determined or publicly recommended. Previously, final dividends were recognised in the financial year to which they related, even though the dividends were announced after the end of that financial year.

The adjustments to the consolidated financial report as at 1 July 2002 as a result of this change are:

- \$51,457,000 increase to opening retained profits
- \$51,457,000 decrease in provision for dividends

There was no impact on the Statement of Financial Performance for the reporting period to 31 December 2002.

Comparatives have not been adjusted to reflect this change in accounting policy.

Foreign currency translation

The consolidated entity has applied the revised AASB 1012 "Foreign Currency Translation" (issued in November 2000) for the first time from 1 July 2002.

The consolidated entity uses forward foreign exchange contracts and cross currency swaps to hedge specific foreign currency commitments and foreign currency denominated loans. Previously, these hedges for future commitments were not recorded in the Statement of Financial Position. For the current year the unrealised gain or loss on the hedges for future commitments are recorded in the Statement of Financial Position.

There is no impact to the Statement of Financial Performance as a result of this change in accounting policy. The impact of this change in accounting policy in the Statement of Financial Position as at 31 December 2002 is an increase in assets and liabilities of \$64.5 million (30 June 2002: \$67 million).

Comparatives have not been adjusted to reflect this change in accounting policy.

+ See chapter 19 for defined terms.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

N/A

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

N/A

Date

N/A

Time

N/A

Approximate date the +annual report will be available

N/A

+ See chapter 19 for defined terms.

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

- 2 This report, and the ⁺accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed (see note 2).
- 4 This report is based on ⁺accounts to which one of the following applies.
(Tick one)
- | | | | |
|--------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> | The ⁺ accounts have been audited. | <input checked="" type="checkbox"/> | The ⁺ accounts have been subject to review. |
| <input type="checkbox"/> | The ⁺ accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The ⁺ accounts have <i>not</i> yet been audited or reviewed. |
- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)
- 6 The entity has/does not have a formally constituted audit committee.

Sign here: Date:
(Director/Company Secretary)

Print name:

+ See chapter 19 for defined terms.

Business Segments	Publishing		Interactive network		Consolidated	
	Dec 2002	Dec 2001	Dec 2002	Dec 2001	Dec 2002	Dec 2001
	6 mths \$A'000	6 mths \$A'000	6 mths \$A'000	6 mths \$A'000	6 mths \$A'000	6 mths \$A'000
Operating revenue						
Sales to customers outside the economic entity	590,841	574,331	10,530	22,484	601,371	596,815
Other revenue from customers						
Outside the economic entity	9,137	4,787	5,400	428	14,537	5,215
Share of equity accounted profits	1,168	174	-	-	1,168	174
Total segment revenue	601,146	579,292	15,930	22,912	617,076	602,204
Interest revenue					3,214	1,282
Total consolidated revenue					620,290	603,486
Segment result	105,052	85,016	(3,469)	(26,282)	101,583	58,734
Unallocated expenses					-	-
Consolidated profit (loss) from ordinary activities before tax (equal to item 1.5)					101,583	58,734
Income tax expense					(31,582)	(22,681)
Consolidated entity profit from ordinary activities after income tax expense					70,001	36,053

+ See chapter 19 for defined terms.

Business Segments	Publishing		Interactive network		Consolidated	
	Dec 2002	Dec 2001	Dec 2002	Dec 2001	Dec 2002	Dec 2001
	6 mths \$A'000	6 mths \$A'000	6 mths \$A'000	6 mths \$A'000	6 mths \$A'000	6 mths \$A'000
Assets						
Segment assets	2,293,568	2,315,664	40,441	89,063	2,334,009	2,404,727
Unallocated assets					-	-
Total assets (<i>equal to item 4.19</i>)					2,334,009	2,404,727
Liabilities						
Segment liabilities	916,706	1,004,348	10,770	14,120	927,476	1,018,468
Unallocated liabilities					-	-
Total liabilities (<i>equal to item 4.32</i>)					927,476	1,018,468
Other segment information:						
Equity method investments included in segment assets	4,471	4,358	-	-	4,471	4,358
Acquisition of property, plant and equipment, intangible assets and other non-current assets	31,524	52,060	1,215	3,477	32,739	55,537
Depreciation	27,052	30,256	1,949	1,695	29,001	31,951
Amortisation	686	659	96	762	782	1,421
Non-cash expenses other than depreciation and amortisation	22,590	13,407	458	11,096	23,048	24,503

+ See chapter 19 for defined terms.

Attachment to 4B	As reported			Adjustments			Underlying Trading Performance	
	Dec 2002 6 mths \$A'000	Dec 2001 6 mths \$A'000	Note	Dec 2002 6 mths \$A'000	Dec 2001 6 mths \$A'000	Note	Dec 2002 6 mths \$A'000	Dec 2001 6 mths \$A'000
Revenue	615,908	602,030	1	(8,323)	(16)	6	607,585	602,014
Associate profits	1,168	174	2	-	-	2	1,168	174
Expenses	475,063	491,832	3	(8,323)	(11,016)	7	466,740	480,816
EBITDA	142,013	110,372		-	11,000		142,013	121,372
Depreciation	29,783	33,372	4	-	-		29,783	33,372
EBIT	112,230	77,000		-	11,000		112,230	88,000
Net interest expense	10,647	18,266	5	-	-		10,647	18,266
Profit before tax (item 1.5)	101,583	58,734		-	11,000		101,583	69,734
Tax expense	31,582	22,681		-	-		31,582	22,681
Outside equity interest	-	-		-	-		-	-
Net profit (item 1.11)	70,001	36,053		-	11,000		70,001	47,053

Notes

1. Item 1.1 [2002: 619,122] less item 1.24 [2002: 3,214]
2. Item 1.4
3. Item 1.2 [2002: 504,846] less item 1.27 [2002: 29,783]
4. Item 1.27
5. Item 1.3 less item 1.24
6. Item 1.23 proceeds from property, plant & equipment and investment disposals [2002: 7,322 & 1,001]
7. Item 1.23 proceeds from property, plant & equipment and investment disposals [2002: 7,322 & 1,001]

+ See chapter 19 for defined terms.