**ASX / MEDIA RELEASE**
**FOR IMMEDIATE RELEASE**
**20 February 2008**

# CMH ANNOUNCES FIRST HALF PRO FORMA NET PROFIT OF $57 MILLION

**SYDNEY: Consolidated Media Holdings Limited (CMH) (ASX: CMJ)** today announced pro forma Net Profit after Tax (**NPAT**) (excluding all discontinuing operations, adjusted for six months equity accounted earnings at a 25 per cent holding in PBL Media, and removing head office costs in relation to the demerger and discontinued operations) was $57 million for the half year to 31 December 2007 (**half**).

Under Australian accounting standards, CMH is required to record the gains or losses associated with the disposal of businesses completed within this reporting period. This includes the recent demerger of the Gaming businesses following implementation of the Recommended Proposal in December 2007.

As a consequence, reported NPAT of $6,040.9 million has been artificially inflated by non-recurring profit of $5,088.1 million (as detailed further in this announcement) relating to discontinued operations – being the recent demerger of Crown Limited, profit on the disposal of Ticketek and Acer Arena (to PBL Media) in July 2007, and loss on disposal of Hoyts (to Pacific Equity Partners) in November 2007, as well as the results of those operations from 1 July 2007 until their respective disposal dates.

NPAT from continuing operations was $952.8 million for the half. This result includes a non-recurring gain of $873.7 million from the sell-down of 25 per cent of PBL Media to funds advised by CVC Asia Pacific and CVC Capital Partners (**CVC Asia Pacific**) on 10 September 2007.

Pro forma (continuing business) operating cash flow primarily generated through distributions from investments was $73 million for the half and CMH has cash of $93.6 million as at 31 December 2007.

The Executive Chairman of CMH, Mr John Alexander said of CMH's results:

"The past six months has been a very significant period for CMH. Highlights of the half include:

- The approval by shareholders of the resolutions giving effect to the Recommended Proposal in November 2007, creating Crown, a listed company holding the existing PBL Gaming business (including Crown, Burswood and international gaming investments), listed company CMH;
- The completion of the sale of 25 per cent of CMH's investment in PBL Media to CVC Asia Pacific in September 2007 for cash proceeds of $526 million leaving CMH with a residual 25 per cent interest in PBL Media; and
- The sale of Ticketek and Acer Arena to PBL Media for $210 million, completed in July 2007."

"The equity accounted results from CMH's ongoing new media investments in FOXTEL, Premier Media Group, SEEK and PBL Media have grown substantially to $63.8 million."

"FOXTEL and Premier Media group continue to enjoy solid revenue and profit growth from increased subscribers as the penetration of subscription television continues to grow."

"Publicly listed SEEK (**ASX: SEK**) continues to deliver impressive growth as the structural migration from print to online continues in the employment classifieds market. SEEK continues to build market share further demonstrating their sector leadership."

"As a minority shareholder in the PBL Media group of businesses, we support our partners in continuing to drive the PBL Media businesses forward as traditional media markets transform."

"The interim unfranked dividend for the fiscal 2008 year is 10.5 cents."

"CMH remains well positioned to capitalise on the current strength of subscription television and employment classifieds growth in particular."

**FOXTEL (25 per cent interest)**

CMH has recorded a $15.2 million post-tax equity accounted profit on its FOXTEL investment for the half, up 224 per cent on the previous corresponding period.

FOXTEL's earnings before interest, tax, depreciation, and amortisation (**EBITDA**) rose by 62 per cent to $165 million for the half. Profit before tax (**PBT**) (before refinancing charges, after depreciation and interest and including joint ventures) was $73 million representing a $51 million improvement on the previous corresponding period.

FOXTEL's revenue for the half was $805 million, up 17 per cent on the previous corresponding period. Subscription revenue increased by 17 per cent to $689 million. The increase was driven by growth in subscriber numbers as well as an increase in monthly Average Revenue per User to $84.

As at 31 December 2007, FOXTEL's total subscriber base, including wholesale customers, grew by 12.7 per cent to 1.492 million subscribers. In January 2008, FOXTEL passed the milestone of 1.5 million total subscribers – representing a penetration of 29 per cent of homes within FOXTEL's operational areas.

There was a slight increase in annualised churn over the half to 13.5 per cent.

The FOXTEL iQ personal digital recorder penetration is now over 20 per cent, and the Platinum level tier continues to be at over 40 per cent of the direct subscriber base.

FOXTEL continued to increase its share of television viewing in calendar 2007 with a 60.2 per cent share of all TV viewing in subscription television households, compared to 56.6 per cent across calendar 2007.

CMH received a distribution of $50 million from FOXTEL in September 2007.

CMH will receive a further interim distribution from FOXTEL of $15 million in March 2008.

**Premier Media Group (50 per cent interest)**

CMH has recorded a $26.2 million post-tax equity accounted profit on its investment in Premier Media Group (**PMG**) for the half, up 37 per cent on the previous corresponding period.

PMG's revenue for the half was $182 million, up 23 per cent on the previous corresponding period. Subscription revenues of $131 million reflect the continued subscriber growth from PMG's major distributors. Net advertising revenues of $25 million grew 23 per cent.

EBITDA grew to $59 million, up 43 per cent on the previous corresponding period. This was driven by strong revenue growth supported by operating expenses growth of 15 per cent to $123m.

CMH received $20 million in distributions from PMG during the half.

**SEEK (26.9 per cent interest)**

CMH has included a post-tax tax equity accounted profit on its investment in SEEK of $9.7 million for the half, compared with $6.2 million in the previous corresponding period.

SEEK's revenue for the half of $99.9 million (excluding interest income) is $29.9 million or 43 per cent up on previous corresponding period. This reflects the ongoing structural migration from print to online, and continued market share growth.

EBITDA for the half was $51.5 million up $18.6 million or 56 per cent.

CMH received a fully-franked dividend of $5.9 million in September 2007.

**PBL Media (25 per cent interest)**

CMH has recorded a $12.6 million pre-tax equity accounted profit on its investment in PBL Media for the half, the first full reporting period where PBL Media is equity accounted.

PBL Media's revenue for the half was $1,073 million. Earnings before interest and tax ('EBIT') (including the contribution from associates and less minorities) were $266 million.

No dividends were paid in the half.

**NON-RECURRING ITEMS**

CMH recorded a non-recurring after tax gain from continuing operations of $873.7 million related to the sale of 25 per cent of PBL Media to CVC Asia Pacific on 10 September 2007. The gain relates to the aggregate of the sale proceeds of $526.4 million plus the negative carrying value of $347.3 million of the asset disposed.

CMH also recorded a non-recurring after tax gain of $5,088.1 million from discontinued operations comprising of:

1. A gain on disposal of its ticketing and events business (to PBL Media) of $79.7 million;
2. A loss on disposal of Hoyts (to Pacific Equity Partners) of $5.1 million;
3. A gain on disposal of the Gaming business (to Crown Limited) of $4,847.4 million related to the demerger; and
4. An operating profit of $166.1 million related to discontinued operations from 1 July 2007 to the date to disposal.

Further details on items 1-3 are contained in the Appendix 4D.

**FINANCIAL**

Net operating cash flow for the half year was $314.3 million.

On a proforma (continuing business) basis, net operating cash flow for the half year was $73 million.

CMH has cash of $93.6 million as at 31 December 2007.

## PROFORMA NPAT RESULT

| *CMH PRO FORMA NET PROFIT (1H06 TO 1H08)* | $'millions | | | | | | |
|---|---|---|---|---|---|---|---|
| | **1H06** | **2H06** | **FY06** | **1H07** | **2H07** | **FY07** | **1H08** |
| Revenue | 2 | 3 | 5 | 3 | 3 | 6 | 3 |
| Expenses | (2) | (2) | (4) | (2) | (3) | (5) | (2) |
| Corporate Costs | (4) | (4) | (8) | (4) | (4) | (8) | (4) |
| **EBITDA** | **(4)** | **(3)** | **(7)** | **(3)** | **(4)** | **(7)** | **(3)** |
| Depreciation and Amortisation | (1) | (1) | (2) | (1) | (1) | (2) | (1) |
| **EBIT** | **(5)** | **(4)** | **(9)** | **(4)** | **(5)** | **(9)** | **(4)** |
| Share of net profit/(loss) of associates | | | | | | | |
| FOXTEL (25%) | (5) | 6 | 1 | 7 | 10 | 17 | 15 |
| Premier Media Group (50%) | 17 | 19 | 36 | 19 | 27 | 46 | 26 |
| SEEK (26.9%) | 4 | 5 | 9 | 6 | 8 | 14 | 10 |
| PBL Media (25%) | - | - | - | - | 5 | 5 | 13 |
| **Total share of net profit from associates** | **16** | **30** | **46** | **32** | **50** | **82** | **64** |
| Net profit before finance costs and tax from continuing operations | 11 | 26 | 37 | 28 | 45 | 73 | 60 |
| Income Tax expense | (5) | (5) | (10) | (2) | (13) | (15) | (3) |
| Net profit before finance costs from continuing operations | 6 | 21 | 27 | 26 | 32 | 58 | 57 |
| **Pro forma net profit** | **6** | **21** | **27** | **26** | **32** | **58** | **57** |

## DIVIDEND

The Directors have declared today an unfranked interim dividend on ordinary shares of 10.5 cents per share payable on Friday 18 April 2008 to shareholders registered on the record date, being 5.00pm on Friday 11 April 2008.

## OTHER

The Board of CMH continues to review the Proposal from the Consortium of Ilyria Pty Limited and CMH's major shareholder Consolidated Press Holdings Limited. Shareholders will continue to be informed of further material developments as they arise in line with all legal requirements and the protocols that the Board of CMH has established.

## ENDS

**COPIES OF RELEASES**
Copies of previous media releases and ASX announcements issued by CMH are available on CMH's website at www.cmh.com.au.

# Consolidated Media Holdings Limited

A.B.N. 52 009 071 167

# Appendix 4D

## Half year ended 31 December 2007

(Previous corresponding period: half year ended 31 December 2006)

## Results for announcement to the market

| | | | | |
|---|---|---|---|---|
| | | | | $A'000 |
| Revenue from continuing operations | up | **28.6%** | to | **3,462** |
| Profit from continuing operations after tax attributable to members | up | **31335.0%** | to | **952,796** |
| Net profit for the period attributable to members | up | **1646.1%** | to | **6,040,944** |

| **Dividends** | Amount per security | Franked amount per security |
|---|---|---|
| Interim dividend: | **10.5 cents** | **nil** |
| Previous corresponding period | **30 cents** | **30 cents** |
| Record date for determining entitlements to the dividend | **11 April 2008** | |
| Interim dividend payment date | **18 April 2008** | |

For an explanation of any of the figures reported above, refer to the commentary on the Group's results contained in the accompanying half-year report.

The half-year financial report should be read in conjunction with the annual financial report of Publishing and Broadcasting Limited ('PBL') as at 30 June 2007.

## Directors' Report

Your directors submit their report for the half-year ended 31 December 2007.

**Directors**

The directors of Consolidated Media Holdings Limited (the "Company") in office during the half-year, and until the date of this Report are as below. Directors were in office for this entire period unless otherwise stated.

John Henry Alexander
Richard Wallace Turner
Christopher John Anderson
Christopher Darcy Corrigan
Rowen Bruce Craigie
Rowena Danziger
Geoffrey James Dixon
Ashok Peter Jacob
Michael Roy Johnston
David Hillel Lowy
Christopher John Mackay
James Douglas Packer

**Review and Results of Operations**

The consolidated net profit of the economic entity for the half-year after tax and outside equity interests was $6,040,944,000 (2006: $340,228,000)

A review of operations of the Company is provided on page 3.

**Auditor’s Independence Declaration**

A statement of independence has been provided by our auditors, Ernst & Young, and follows this Directors' Report on page 4.

**Rounding of Amounts to Nearest Thousand Dollars**

The amounts contained in this report and in the half-year financial reports have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which this Class Order applies.

Signed in accordance with a resolution of the directors.

| | |
|---|---|
| **J.H. Alexander** | **R.W. Turner** |
| Executive Chairman | Deputy Chairman |

Sydney, 20th day of February, 2008.

## REVIEW OF OPERATIONS

Reported NPAT of $6,040.9 million (previous corresponding period $340.2 million) is up 1,776 per cent, includes a profit from discontinued operations of $5,088.1 million, comprising:
• a gain on disposal of Ticketek and Acer Arena to PBL Media of $79.7 million; • a loss on the disposal of the Hoyts Group to Pacific Equity Partners of $5.1 million; • a gain on disposal of the Gaming business of $4,847.4 million to Crown Limited related to the demerger; and • an operating result of $166.1 million on the discontinued assets prior to disposal.
Removing the non-recurring item of the gain of $873.7 million from the sell-down of 25 per cent of PBL Media, and the Income tax benefit less corporate costs up to and associated with demerger, the pro forma NPAT was $57 million for the half.

### GAMING

Following implementation of the PBL Scheme of Arrangement, on 10 December 2007 Crown Limited became the ultimate parent entity of the Gaming businesses. Following the Demerger Scheme Implementation Date this resulted in a gain on disposal of the Gaming business for CMH of $4,847.4 million. This amount is reflected in the non-recurring after tax gain of $5,088.1 from discontinued operations.

### INVESTMENTS

#### (A) FOXTEL

CMH has recorded a $15.2 million equity accounted profit on its FOXTEL investment for 1H08, up 224 per cent on the previous corresponding period. EBITDA rose by 62 per cent to $165million for the half. PBT was $73 million representing a $51 million improvement on the previous corresponding period. Further information on this investment is provided in our ASX Release accompanying this Appendix 4D.

#### (B) PREMIER MEDIA GROUP

CMH has recorded a $26.2 million post-tax equity accounted profit on its investment in PMG for the half, up 37.7 per cent [on the previous corresponding period ($19.1 million). Further information on CMH's investment in the Premier Media Group is provided in our ASX Release accompanying this Appendix 4D.

#### (C) SEEK LIMITED

CMH has included a post-tax equity accounted profit on its investment in SEEK of $9.7 million for the half, compared with $6.2 million in the previous corresponding period. SEEK's revenue for the half of $99.9 million (excluding interest income) is $29.9 million or 43 per cent up on previous corresponding period. This reflects the ongoing structural migration from print to online, and continued market share growth. EBITDA for the half was $51.5 million, up $18.6 million or 56 per cent. CNH received a fully-franked dividend of $5.9 million in September 2007.

#### (D) PBL MEDIA

During the half, Publishing and Broadcasting Limited (CMH before the name change resolution) sold half of its 50 per cent shareholding in PBL Media to CVC Asia Pacific for $526.4 million, leaving it with a 25 per cent residual holding at 31 December 2007. As a result of this sell down, CMH recorded a gain of $873.7 million, comprising the $526.4 million less the cost base disposed by CMH (relating to the disposal of shares in PBL Media Holdings Pty Limited) of negative $347.3 million. CMH has recorded a $12.6 million pre-tax equity accounted profit on its investment in PBL Media for the half, the first full reporting period where PBL Media is equity accounted. PBL Media's revenue for the half was $1,073 million. Earnings before interest and tax (EBIT) (including the contribution from associates and less minorities) were $266 million. No dividends were paid to CMH during the half.

### CASH FLOW

Net operating cash flow for the period of $377.092 million was up on the previous corresponding period. At 31 December 2007, CMH has cash (cash at bank) of $93.674 million, down from $2,227.657 million at 30 June 2007.

### DIVIDEND

The Directors have declared an unfranked dividend on ordinary shares of 10.5 cents per share payable on Friday 18 April 2008 to shareholders registered on the books at the Record Date, being 5pm on Friday 11 April 2008.

ERNST & YOUNG

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**Auditor's Independence Declaration to the Directors of Consolidated Media Holdings Limited**

In relation to our review of the financial report of Consolidated Media Holdings Limited for the half-year ended 31 December 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Douglas Bain
Partner

Sydney, 20th day of February, 2008

## Condensed Income Statement
for the half-year ended 31 December 2007

| | Note | Consolidated 31 December 2007 $'000 | Consolidated 31 December 2006 $'000 |
|---|---|---|---|
| **Continuing Operations** | | | |
| Revenues | 3 | **3,462** | 2,692 |
| Other income | 3 | **873,721** | 0 |
| Expenses | 3 | **(25,433)** | (33,789) |
| Share of net profits of associates and joint venture | 14 | **63,805** | 32,065 |
| **Profit from continuing operations before tax and finance costs** | | **915,555** | 968 |
| Finance costs | 3 | **(14)** | (14) |
| **Profit from continuing operations before income tax** | | **915,541** | 954 |
| Income tax benefit/(expense) | | **37,255** | 2,077 |
| **Profit from continuing operations after income tax** | | **952,796** | 3,031 |
| **Discontinued Operations** | | | |
| **Profit from discontinued operations after income tax** | 4 | **5,088,148** | 342,929 |
| **Net profit for the period** | | **6,040,944** | 345,960 |
| Profit attributable to minority interests | | **-** | 5,732 |
| **Net profit attributable to members of the parent** | | **6,040,944** | 340,228 |

## Earnings per security (EPS)

| | | | |
|---|---|---|---|
| Basic EPS (cents per share) | | **877.30** | **49.93** |
| Diluted EPS (cents per share) | | **877.30** | **49.93** |
| Basic EPS from continuing operations (cents per share) | | **138.36** | **0.40** |
| Diluted EPS from continuing operations (cents per share) | | **138.36** | **0.40** |

## Dividends per share

| | | | |
|---|---|---|---|
| Current year interim dividend proposed (cents per share) | 6 | **10.5 cents** | **30 cents** |
| Prior year final dividend paid (cents per share) | 6 | **25 cents** | **29 cents** |

## Condensed Balance Sheet

as at 31 December 2007

| | Note | Consolidated 31 December 2007 $'000 | 30 June 2007 $'000 |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 5 | **93,674** | 2,227,657 |
| Trade and other receivables | | **32,945** | 104,956 |
| Inventories | | **-** | 9,722 |
| Prepayments | | **-** | 12,729 |
| Other assets | | **-** | 108 |
| | | **126,619** | 2,355,172 |
| Assets classified as held for sale | | **-** | 447,435 |
| **Total Current Assets** | | **126,619** | 2,802,607 |
| **Non-Current Assets** | | | |
| Receivables | | **-** | 90,101 |
| Available-for-sale financial assets | | **55** | 398,013 |
| Investments in associates accounted for using the equity method | | **(14,427)** | 915,211 |
| Property, plant and equipment | | **60,719** | 1,831,060 |
| Licences and mastheads | | **-** | 674,339 |
| Other intangible assets | | **-** | 210,469 |
| Deferred income tax asset | | **1,314** | 184,052 |
| Prepaid casino tax | | **-** | 73,840 |
| **Total Non-Current Assets** | | **47,661** | 4,377,085 |
| **Total Assets** | | **174,280** | 7,179,692 |
| **Current Liabilities** | | | |
| Trade and other payables | | **6,121** | 234,821 |
| Interest-bearing loans and borrowings | 7 | **51** | 20,046 |
| Current income tax liabilities | | **21,477** | 22,670 |
| Provisions | | **2,106** | 137,836 |
| Liabilities directly associated with the assets classified as held for sale | | **-** | 78,619 |
| **Total Current Liabilities** | | **29,755** | 493,992 |
| **Non-Current Liabilities** | | | |
| Payables | | **-** | 114 |
| Interest-bearing loans and borrowings | 7 | **5,817** | 309,144 |
| Deferred income tax liabilities | | **-** | 477,331 |
| Provisions | | **75** | 33,827 |
| **Total Non-Current Liabilities** | | **5,892** | 820,416 |
| **Total Liabilities** | | **35,647** | 1,314,408 |
| **Net Assets** | | **138,633** | 5,865,284 |
| **Equity** | | | |
| Issued capital | 10 | **18,236** | 2,454,986 |
| Reserves | | **8,507** | 350,256 |
| Retained earnings | | **111,890** | 3,060,042 |
| **Parent interests** | | **138,633** | 5,865,284 |
| Minority interests | | **-** | - |
| **Total Equity** | | **138,633** | 5,865,284 |

# Condensed Cash Flow Statement

for the half-year ended 31 December 2007

| | Note | Consolidated 31 December 2007 $'000 | Consolidated 31 December 2006 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | **838,356** | 1,913,288 |
| Payments to suppliers and employees | | **(579,634)** | (1,444,186) |
| Distributions received | | **75,927** | 19,051 |
| Interest received | | **76,205** | 37,526 |
| Borrowing costs | | **(12,443)** | (107,641) |
| Income tax paid | | **(21,319)** | (142,775) |
| **Net operating cash flows** | | **377,092** | 275,263 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(77,601)** | (145,053) |
| Proceeds from sale of property, plant and equipment | | **148** | 99 |
| Payment for purchases or equity contibutions to equity investments | | **(477,340)** | (225,350) |
| Payment for the acquisition of controlled entities and businesses | | **-** | (58,857) |
| Net proceeds from sale of equity investments | 13 | **886,562** | 14,211 |
| Cash disposed from sale of group entities | | **(2,672,239)** | - |
| Loans to associated entities | | **(4,203)** | (126,806) |
| Other (net) | | **-** | (1,111) |
| **Net investing cash flows** | | **(2,344,673)** | (542,867) |
| **Cash flows related to financing activities** | | | |
| Issue of shares | | **3,106** | 824 |
| Proceeds from borrowings | | **-** | 555,091 |
| Repayment of borrowings | | **(22)** | (807,381) |
| Dividends paid | | **(169,709)** | (196,171) |
| Dividends/distributions paid to outside equity interests | | **-** | (5,203) |
| **Net financing cash flows** | | **(166,625)** | (452,840) |
| **Net (decrease) in cash and cash equivalents held** | | **(2,134,206)** | (720,444) |
| Cash and cash equivalents at beginning of period | | **2,227,657** | 1,185,135 |
| Effects of exchange rate changes on cash | | **223** | 280 |
| **Cash and cash equivalents at end of period** | 5 | **93,674** | 464,971 |

## Condensed Statement of Recognised Income and Expense

for the half-year ended 31 December 2007

| | Consolidated | |
|---|---|---|
| | **31 December 2007 $'000** | 31 December 2006 $'000 |
| Foreign currency translation | **-** | 7,115 |
| Movement in asset revaluation reserve | **-** | (2,193) |
| Unrealised gain on investment in associates | **-** | 341,701 |
| Fair value movement on cash flow hedges | **-** | (10,800) |
| **Net income recognised directly in equity** | **-** | 335,823 |
| Profit for the period | **6,040,944** | 345,960 |
| **Total recognised income and expense for the period** | **6,040,944** | 681,783 |
| **Attributable to:** | | |
| Equity holders of the parent | **6,040,944** | 676,051 |
| Minority interest | **-** | 5,732 |
| | **6,040,944** | 681,783 |

# Notes to the Half-Year Financial Statements

for the half-year ended 31 December 2007

## 1. CORPORATE INFORMATION

The financial report of Consolidated Media Holdings Limited (formerly Publishing and Broadcasting Limited) for the half-year ended 31 December 2007 was authorised for issue in accordance with a resolution of the directors on 19 February 2008. Consolidated Media Holdings Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full report.

The half-year financial report should be read in conjunction with the annual financial report of Publishing and Broadcasting Limited ('PBL') as at 30 June 2007. It is also recommended that the half-year financial report be considered together with any public announcements made by Consolidated Media Holdings Limited and its controlled entities during the half-year ended 31 December 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### (a) Basis of preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value and investments in associates accounted for using the equity method. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The half-year financial report is presented in Australian dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

### (b) Changes in accounting policies

Except for the adoption of AASB 7 "Financial Instruments; Disclosures":

a) the accounting policies adopted in the preparation of the half-year report are consistent with those applied and disclosed in the 2007 annual financial report; and
b) The Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the half-year reporting period ending 31 December 2007.

*Adoption of new accounting standard*

The Group has adopted AASB 7 "Financial Instruments: Disclosures" and all consequential amendments which became applicable to the Group from 1 July 2007. The application of this standard did not affect any of the amounts recognised in the financial statements, but will affect the type of information disclosed in the Group's financial report for the year ending 30 June 2008 and subsequent years.

### (c) Use of estimates

In conforming with generally accepted accounting principles, the preparation of financial statements for the Group requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Although these estimates are based on managements knowledge of current events and actions that may be undertaken in the future, actual results may ultimately differ from estimates.

## Notes to the Half-Year Financial Statements

for the half-year ended 31 December 2007

### 3. REVENUE AND EXPENSES

Profit before income tax expense from continuing operations includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

| | Consolidated 31 December 2007 $'000 | Consolidated 31 December 2006 $'000 |
|---|---|---|
| **(i) Revenue** | | |
| Revenue from services | **3,451** | 2,614 |
| Interest received | **11** | 78 |
| | **3,462** | 2,692 |
| **(ii) Other Income** | | |
| Profit on disposal of non-current assets | **873,721** | - |
| **(iii) Expenses** | | |
| Property expenses | **3,070** | 2,596 |
| Corporate and administration | **22,363** | 31,193 |
| | **25,433** | 33,789 |
| *Depreciation of non-current assets* | | |
| (included in Expenses above) | | |
| Buildings | **598** | 683 |
| Plant and equipment | **344** | 205 |
| | **942** | 888 |
| *Amortisation of non-current assets* | | |
| (included in Expenses above) | | |
| Plant and equipment under finance lease | **51** | 56 |
| Leasehold property | **101** | 20 |
| Other assets | **-** | 500 |
| | **152** | 576 |
| Total depreciation and amortisation expense | **1,094** | 1,464 |
| **(iv) Specific Items** | | |
| Continuing Operations | | |
| Net profit on disposal of interest in PBL Media (see note 13) | **873,721** | - |
| Discontinued Operations | | |
| Net profit on disposal of investments (see note 13) | **4,921,677** | 14,038 |
| Write down of investments | **(13,616)** | - |
| | **4,908,061** | 14,038 |
| **Total Specific Items** | **5,781,782** | 14,038 |
| **(v) Other Income and Expense Disclosures** | | |
| Finance costs expensed: | | |
| Debt facilities | **-** | 3 |
| Finance leases | **14** | 11 |
| | **14** | 14 |

## Notes to the Half-Year Financial Statements

for the half year ended 31 December 2007

### 4. SEGMENT REPORTING

**31 December 2007**

| Business segments | Gaming* (Discontinued) | Television[1] (Discontinued) | Magazines[1] (Discontinued) | Ticketing & Events[2] (Discontinued) | Media Investments | Property | Unallocated[3] | CMH Group | Less: Discontinued Operations | Continuing Operations |
|---|---|---|---|---|---|---|---|---|---|---|
| | $'000 | | | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Operating revenue** | | | | | | | | | | |
| Total | 824,858 | - | - | 6,019 | - | 2,839 | 612 | 834,328 | 830,877 | 3,451 |
| Intersegment | (700) | - | - | - | - | (201) | - | (901) | (901) | - |
| External customers | 824,158 | - | - | 6,019 | - | 2,638 | 612 | 833,427 | 829,976 | 3,451 |
| Other income | 4,847,184 | - | - | - | 873,721 | - | 74,596 | 5,795,501 | 4,921,780 | 873,721 |
| Interest revenue | | | | | | | | 75,972 | 75,961 | 11 |
| **Total revenue** | 5,671,342 | - | - | 6,019 | 873,721 | 2,638 | 75,208 | 6,704,900 | 5,827,717 | 877,183 |
| **Segment result** | | | | | | | | | | |
| Earnings before interest, tax, depreciation and amortisation "EBITDA" | 276,221 | - | - | 1,912 | - | 491 | (21,957) | 256,667 | 277,555 | (20,888) |
| Depreciation and amortisation | (51,475) | - | - | (427) | - | (722) | (1,401) | (54,025) | (52,931) | (1,094) |
| Earnings before interest and tax "EBIT" | 224,746 | - | - | 1,485 | - | (231) | (23,358) | 202,642 | 224,624 | (21,982) |
| Specific items | 4,847,081 | - | - | - | 873,721 | - | 60,980 | 5,781,782 | 4,908,061 | 873,721 |
| Equity accounted share of associates' net profit/(loss) | (22,555) | - | - | | 63,805 | - | 4,299 | 45,549 | (18,256) | 63,805 |
| Net interest revenue/(expense) | | | | | | | | 65,011 | 65,014 | (3) |
| Profit from operating activities before income tax and minority interests | 5,049,272 | - | - | 1,485 | 937,526 | (231) | 41,921 | 6,094,984 | 5,179,443 | 915,541 |
| Income tax expense | | | | | | | | (54,040) | (91,295) | 37,255 |
| **Profit after tax** | 5,049,272 | - | - | 1,485 | 937,526 | (231) | 41,921 | 6,040,944 | 5,088,148 | 952,796 |

* Results included to the date of loss of control of Gaming divisions being 10 December 2007 (2006 includes full half year results).

1 Loss of control of the Television and Magazine divisions occurred on 5 June 2007.

2 Results included to the date of loss of control of Ticketing and Events divisions being 17 July 2007 (2006 includes full half year results).

3 Specific items relate to discontinued operations

# Notes to the Half-Year Financial Statements

for the half year ended 31 December 2007

## 4. SEGMENT REPORTING

**31 December 2006**

| Business segments | Gaming* (Discontinued) | Television[1] (Discontinued) | Magazines[1] (Discontinued) | Ticketing & Events[2] (Discontinued) | Media Investments | Property | Unallocated | CMH Group | Less: Discontinued Operations | Continuing Operations |
|---|---|---|---|---|---|---|---|---|---|---|
| | $'000 | | | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Operating revenue** | | | | | | | | | | |
| Total | 912,005 | 455,358 | 437,709 | 55,200 | - | 2,782 | (1,807) | 1,861,247 | 1,858,633 | 2,614 |
| Intersegment | (1,247) | (2,910) | (1,708) | - | - | (2,413) | 190 | (8,088) | (8,088) | - |
| External customers | 910,758 | 452,448 | 436,001 | 55,200 | - | 369 | (1,617) | 1,853,159 | 1,850,545 | 2,614 |
| Other income | 90 | 8,008 | 5,940 | - | - | - | - | 14,038 | 14,038 | - |
| Interest revenue | | | | | | | | 37,599 | 37,521 | 78 |
| **Total revenue** | 910,848 | 460,456 | 441,941 | 55,200 | - | 369 | (1,617) | 1,904,796 | 1,902,104 | 2,692 |
| **Segment result** | | | | | | | | | | |
| Earnings before interest, tax, depreciation and amortisation "EBITDA" | 274,453 | 145,855 | 135,722 | 10,730 | - | 737 | (30,997) | 536,500 | 566,211 | (29,711) |
| Depreciation and amortisation | (58,213) | (11,171) | (5,019) | (3,823) | - | (731) | (1,970) | (80,927) | (79,463) | (1,464) |
| Earnings before interest and tax "EBIT" | 216,240 | 134,684 | 130,703 | 6,907 | - | 6 | (32,967) | 455,573 | 486,748 | (31,175) |
| Equity accounted share of associates' net profit | (10,060) | - | - | - | 32,065 | - | 14,441 | 36,446 | 4,381.00 | 32,065 |
| Net interest (expense)/revenue | | | | | | | | (67,511) | (67,575.00) | 64 |
| Profit from operating activities before income tax and minority interests | 206,180 | 134,684 | 130,703 | 6,907 | 32,065 | 6 | (18,256) | 424,508 | 423,554 | 954 |
| Income tax expense | | | | | | | | (78,548) | (80,625.00) | 2,077 |
| **Profit after tax** | 206,180 | 134,684 | 130,703 | 6,907 | 32,065 | 6 | (18,256) | 345,960 | 342,929 | 3,031 |

# Notes to the Half-Year Financial Statements

for the half-year ended 31 December 2007

| | Consolidated 31 December 2007 $'000 | Consolidated 31 December 2006 $'000 |
|---|---|---|

## 5. CASH AND CASH EQUIVALENTS

For the purpose of the half-year condensed cash flow statement, cash and cash equivalents are comprised of the following:

| | | |
|---|---|---|
| Cash on hand and at bank | **93,674** | 281,260 |
| Deposits at call | **-** | 183,711 |
| | **93,674** | 464,971 |

Net cash inflows from operating activities from continuing operations during the period were $57,000,000 (discontinued operations - $320,092,000).

Net cash inflows from investing activities from continuing operations during the period were $519,432,000 (discontinued operations - outflow of $2,864,105,000).

## 6. DIVIDENDS PAID AND PROPOSED

Equity dividends on ordinary shares:

| | | |
|---|---|---|
| (a) Dividends paid during the half-year<br>Final franked dividend for the financial year 30 June 2007:<br>25 cents per share paid on 15 October 2007 fully franked<br>(2006: 29 cents per share fully franked) | **169,739** | 196,474 |
| Franked dividend for the demerger 10 December 2007:<br>$3.70 per share paid on 10 December 2007 fully franked | **8,819,357** | - |
| (b) Dividends proposed and not recognised as a liability<br>Interim unfranked dividend for the half-year 31 December 2007:<br>10.5 cents per share fully unfranked (expected to be paid on 18 April 2008)<br>(2006: 30 cents per share fully franked) | **72,416** | 202,669 |

No shareholders' dividend plans are in operation.

| | Consolidated 31 December 2007 $'000 | Consolidated 30 June 2007 $'000 |
|---|---|---|

## 7. INTEREST BEARING LOANS AND BORROWINGS

| | | |
|---|---|---|
| **Current** | | |
| Bank facilities | **-** | 20,000 |
| Lease liabilities | **51** | 139 |
| | **51** | 20,139 |
| **Non-Current** | | |
| Other senior debt | **-** | 2,349,395 |
| Subordinated debt | **-** | 300,000 |
| Loans from associated entities | **5,578** | - |
| Lease liabilities | **239** | 292 |
| | **5,817** | 2,649,687 |

# Notes to the Half-Year Financial Statements
for the half-year ended 31 December 2007

## 8. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities at 31 December 2007.

## 9. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 31 December 2007, the directors of CMH declared an interim dividend on ordinary shares in respect of the half-year ending 31 December 2007. The total amount of the dividend is $72.4 million, which represents an unfranked dividend of 10.5 cents per share. The dividend has not been provided for in the 31 December 2007 financial statements.

On 21 January 2008, CMH announced that it had received a non-binding indicative proposal from Illyria Pty Limited (Illyria) and CMH's major shareholder Consolidated Press Holdings Limited (Conspress) to acquire 100% of CMH. The Proposal, initiated by Illyria, involves Illyria and its equity partners forming a 50/50 joint venture with Conspress (Consortium) to acquire all of the shares in CMH. The Consortium has requested that the proposal be implemented through a scheme of arrangement in CMH. CMH is not in any position to give any assurance that the Proposal's pre-conditions will be satisfied, that the CMH Board Sub-Committee's evaluation will lead to a Recommended Proposal, or that the Proposal will proceed.

| | Consolidated | |
|---|---|---|
| | **31 December 2007 $'000** | 30 June 2007 $'000 |
| **10. CONTRIBUTED EQUITY AND RESERVES** | | |
| **ISSUED SHARE CAPITAL** | | |
| Ordinary share fully paid | **18,236** | 2,454,986 |

| **MOVEMENTS IN ISSUED SHARE CAPITAL** | **No.** | **$'000** |
|---|---|---|
| **At 1 January 2007** | 687,236,925 | 2,452,235 |
| Issue of shares through Executive Share | 1,250,000 | 2,751 |
| **At 30 June 2007** | 688,486,925 | 2,454,986 |
| Share buyback | - | (2,440,000) |
| Issue of shares through Executive Share | 1,190,000 | 3,250 |
| **At 31 December 2007** | 689,676,925 | 18,236 |

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held.

### RESERVES

The reduction in reserves primarily relates to the realisation of the Unrealised Gains Reserve as part of the disposal of the Gaming business.

## Notes to the Half-Year Financial Statements

for the half-year ended 31 December 2007

| | Consolidated | |
|---|---|---|
| | **31 Dec 2007** | 30 June 2007 |
| **11. NET TANGIBLE ASSETS BACKING** | | |
| Net tangible asset backing per ordinary security | **$0.18** | **$7.13** |

**12. CONTROL GAINED OVER ENTITIES HAVING A MATERIAL EFFECT**

N/A

**13. LOSS OF CONTROL OF ENTITIES HAVING A MATERIAL EFFECT**

**Continuing operations**

PBL Media

On 10 September 2007 CMH disposed half of its 50% investment (25%) in PBL Media for proceeds of $526,432,000. The profit on disposal of this asset was $873,721,000. The gain represents the aggregate of the sale proceeds and negative carrying value of $347,300,000 of the asset disposed.

**Discontinuing operations**

Ticketing and Events

On 17 July 2007, CMH sold its Ticketing and Events business to PBL Media for $210,000,000, in cash. CMH's cost base in the Ticketing and Events business at the time of sale was $50,514,000. At the time of the transaction CMH owned 50% of PBL Media, therefore 50% of these net assets and 50% of the debt funding that PBL Media used for the acquisition were transferred to CMH's investment in PBL Media ($79,743,000). The residual 50% was disposed, resulting in a gain on disposal of $79,743,000.

The material entities disposed as part of this transaction were:

- Ticketek Pty Limited,
- Sydney Superdome Pty Limited; and
- Events Management Catering Pty Limited

Hoyts

On 5 December 2007, CMH sold its investment in Hoyts for $145,430,000. Costs of $3,277,000 were incurred in relation to the sale. At the time the carrying value of Hoyts was $147,299,000 resulting in a loss on disposal of Hoyts of $5,146,000.

Gaming Business

On 10 December 2007, CMH disposed of its investment in its Gaming business and certain Corporate entities for $11,275,717,000 as part of a court approved Scheme of Arrangement. The carrying value of the net assets disposed was $6,428,636,000 resulting in a gain on disposal of $4,847,481,000. The majority of the proceeds receivable for this transaction were extinguished in a dividend of $8,835,717,000 and a return on Share Capital of $2,440,000,000 paid to Crown Limited when it was the sole shareholder as outlined in the PBL Scheme Booklet and approved by PBL shareholders at the 2007 PBL Annual General Meeting.

### 13. LOSS OF CONTROL OF ENTITIES HAVING A MATERIAL EFFECT (continued)

The material entities disposed as part of this transaction included:

Burswood Limited
Burswood Nominees Ltd
Burswood Resort (Management) Ltd
Crown Melbourne Limited
Flienn Pty Ltd
Jade West Entertainment Pty Ltd
Jemtex Pty Ltd
PBL Asia Investments Limited
PBL Cinema Holdings Pty Ltd
PBL International Partnership
PBL Overseas Investments Pty Ltd
PBL Securities Limited
PBL (WA) Pty Ltd
Publishing and Broadcasting (Finance) Ltd
Publishing and Broadcasting International Holdings Ltd
Renga Pty Ltd

### 14. EQUITY ACCOUNTED ASSOCIATES AND JOINT VENTURE ENTITIES

| | Ownership interest | | | Contribution to net profit | | Carrying value | |
|---|---|---|---|---|---|---|---|
| **Name of entity** | **31 Dec 2007 %** | 30 Jun 2007 % | 31 Dec 2006 % | **31 Dec 2007 $'000** | 31 Dec 2006 $'000 | **31 Dec 2007 $'000** | 30 Jun 2007 $'000 |
| **Continuing operations** | | | | | | | |
| PBL Media Holdings Pty Ltd | **25.0%** | 50.0% | - | **12,615** | - | **(333,096)** | (613,256) |
| Premier Media Group | **50.0%** | 50.0% | 50.0% | **26,260** | 19,070 | **120,123** | 117,930 |
| Sky Cable Pty Ltd | **50.0%** | 50.0% | 50.0% | **15,232** | 6,776 | **103,989** | 138,757 |
| SEEK Ltd | **26.9%** | 27.2% | 27.2% | **9,698** | 6,219 | **94,557** | 90,785 |
| | | | | **63,805** | 32,065 | **(14,427)** | (265,784) |
| **Discontinued operations** | | | | | | | |
| Hoyts Cinemas Group* | **0.0%** | 50.0% | 50.0% | **4,299** | 7,679 | **-** | 143,000 |
| ninemsn Pty Ltd | **0.0%** | 50.0% | 50.0% | **-** | 6,762 | **-** | - |
| Melco PBL Entertainment (Macau) Ltc | **0.0%** | 41.4% | 41.4% | **(20,000)** | (11,000) | **-** | 1,052,642 |
| Other non-material interests | | | | **(2,555)** | 940 | **-** | 128,353 |
| | | | | **(18,256)** | 4,381 | **-** | 1,323,995 |
| **Total** | | | | **45,549** | 36,446 | **(14,427)** | 1,058,211 |

| | | |
|---|---|---|
| **Carrying value of investments represented by:** | | |
| Equity accounted associates | **(14,427)** | 915,211 |
| Classified as held for sale | **-** | 143,000 |
| **Total** | **(14,427)** | 1,058,211 |

* The Hoyts investment was classified as held for sale at June 2007

## Directors' Declaration

In accordance with a resolution of the directors of Consolidated Media Holdings Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and the performance for the half-year ended 31 December 2007; and

(ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

| | |
|---|---|
| **J.H. Alexander** | **R.W. Turner** |
| Executive Chairman | Deputy Chairman |

Sydney, 20th day of February, 2008.

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**Report on the Condensed Interim Financial Report to members of Consolidated Media Holdings Limited**

**Scope**

We have reviewed the accompanying half year financial report of Consolidated Media Holdings Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of recognised income and expense and condensed cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

**Directors' Responsibility for the Half Year Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements *ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of Consolidated Media Holdings and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included after the Directors' Report.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Consolidated Media Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Douglas Bain

Douglas Bain

Partner

Sydney, 20th day of February, 2008