

PBS & Subsidiary Consolidated Financial Highlights

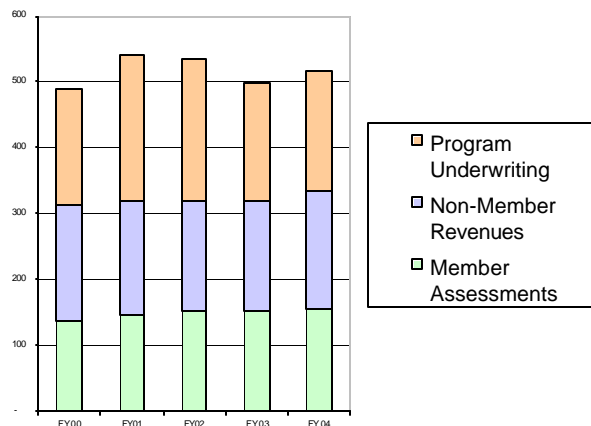
(In thousands)

	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Total Assets	\$ 272,423	\$ 286,279	\$ 293,735	\$ 285,280	\$ 302,262
Total Liabilities and Minority Interest	109,417	101,811	94,929	99,818	90,244
Net Assets	163,006	184,468	198,806	185,462	212,018
Operating Revenues:					
Member Program and Service Assessments	155,511	153,138	153,226	146,072	137,213
Non-Member Revenues:					
Educational Product Sales	41,192	46,496	42,864	55,216	50,450
CPB and U.S. Federal Government Grants	80,214	62,780	77,913	56,022	43,730
Royalties, License Fees, Investment Income and Other	56,113	56,647	43,747	62,408	81,690
Total Operating Revenues	333,030	319,061	317,750	319,718	313,083
Program Underwriting	184,297	179,374	216,071	221,904	175,876
Total Revenues	517,327	498,435	533,821	541,622	488,959
Total Expenses	538,789	521,295	520,477	568,178	511,242
Changes in Designated Net Assets (1)	(31,080)	(19,252)	(3,930)	(42,734)	(29,896)
Changes in Temporarily Restricted Net Assets	(418)	(13,450)	13,116	2,976	(5,247)
Total Expenses and Changes in Net Assets	507,291	488,593	529,663	528,420	476,099
Operating Earnings	\$ 10,036	\$ 9,842	\$ 4,158	\$ 13,202	\$ 12,860

(1) Designated net assets are comprised mostly of investments in programming. Declines in net assets reflect the broadcast and related expense recognition of programming acquired and capitalized in prior years, as well as the depreciation of PBS's prepaid satellite lease.

Revenues (In Millions)

In addition to operating revenues, total revenues include program underwriting. These revenues represent funds that do not flow directly to PBS, but are provided to producers by corporations, foundations and other sources. These funds allow PBS to finance only a portion of the total value of programming. Underwriting revenue and an equal amount of expense is recognized in the fiscal year a program is broadcast. This total fluctuates from year to year in large measure due to the timing and scheduling of programs. Non-member revenue sources include educational product sales, grants from the Corporation for Public Broadcasting (CPB) and the U.S. Department of Education, royalties, license fees and investment income.



Expenses FY 2004

PBS consistently devotes almost three-fourths of its total revenues to noncommercial programming and promotion. PBS has aligned its resources to ensure that three strategic priorities are met effectively and efficiently: providing quality noncommercial programming and education services to its member stations, leveraging that content to engage citizens in communities nationwide, and offering universal access to public television's programs and services. Support for PBS's satellite interconnection and technical services represents 9 percent of total expenses, while management and general expenses are 4 percent of the total. The remaining expenses support other member and educational services.

