sky

Q3 Results

April 2010

Forward-looking Statements

This document contains certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and business, and management's strategy, plans and objectives for the Group. These statements include, without limitation, those that express forecasts, expectations and projections with respect to the potential for growth of free-to-air and pay-TV, fixed line telephony, broadband and bandwidth requirements, advertising growth, DTH subscriber growth, Multiroom, Sky+, Sky+HD and other services penetration, churn, DTH and other revenue, profitability and margin growth, cash flow generation, programming costs, subscriber management and supply chain costs, administration and other costs , marketing expenditure, capital expenditure programmes, liquidity and proposals for returning capital to shareholders.

These statements (and all other forward-looking statements contained in this document) are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Group's control, are difficult to predict and could cause actual results to differ materially from those expressed or implied or forecast in the forward-looking statements. These factors include, but are not limited to, the fact that the Group operates in a highly competitive environment, the effects of laws and government regulation upon the Group's activities, its reliance on technology, which is subject to risk, change and development, failure of key suppliers, its ability to continue to obtain exclusive rights to movies, sports events and other programming content, risks inherent in the implementation of large-scale capital expenditure projects, the Group's ability to continue to communicate and market its services effectively, and the risks associated with the Group's operation of digital television transmission in the U.K. and Ireland.

Information on the significant risks and uncertainties are described in the "Principal risks and uncertainties" section of Sky's Interim Management Report for the half year ended 31 December 2009. Copies of the Interim Management Report are available from the British Sky Broadcasting Group plc web page at www.sky.com/corporate. All forward-looking statements in this presentation are based on information known to the Group on the date hereof. The Group undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Summary

Continued strong response from customers

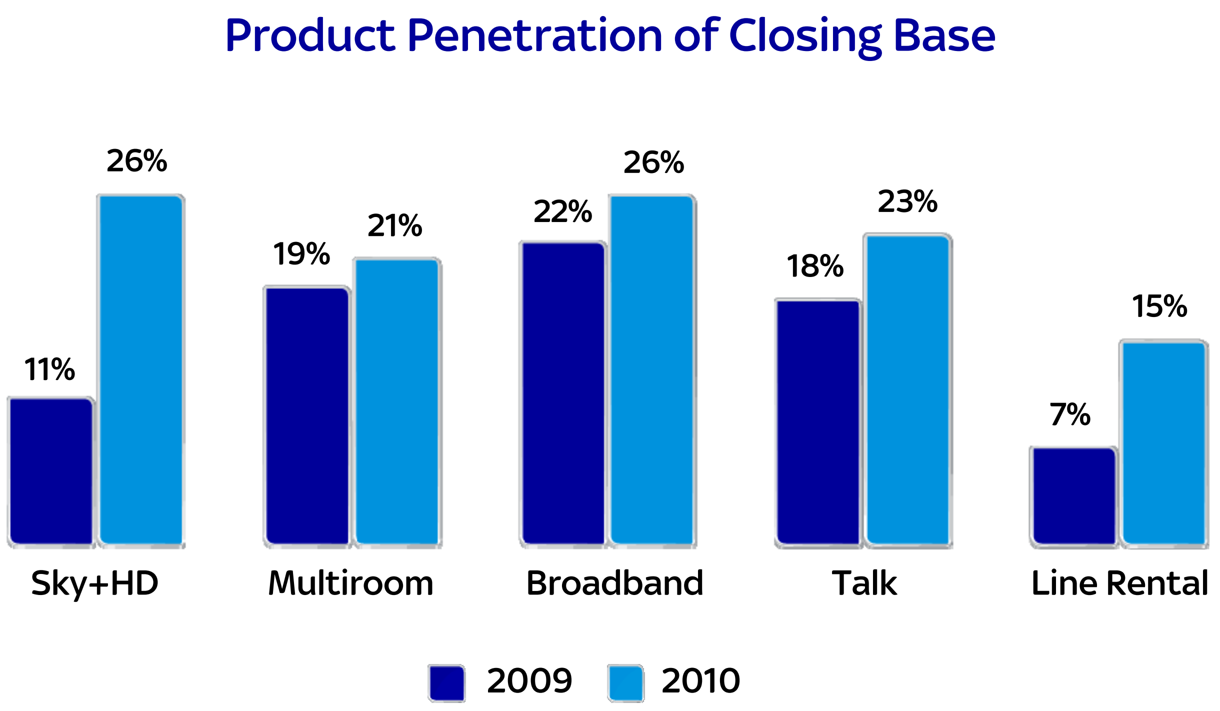
- Demand across the board; more customers taking more products
- 1 in 4 customers subscribe to HD
- 19% take all three of TV, broadband and talk

Delivering strong financial performance

- Double-digit growth in ARPU and revenue
- Moving through investment in HD
- 16% EPS growth and 17% free cash flow growth

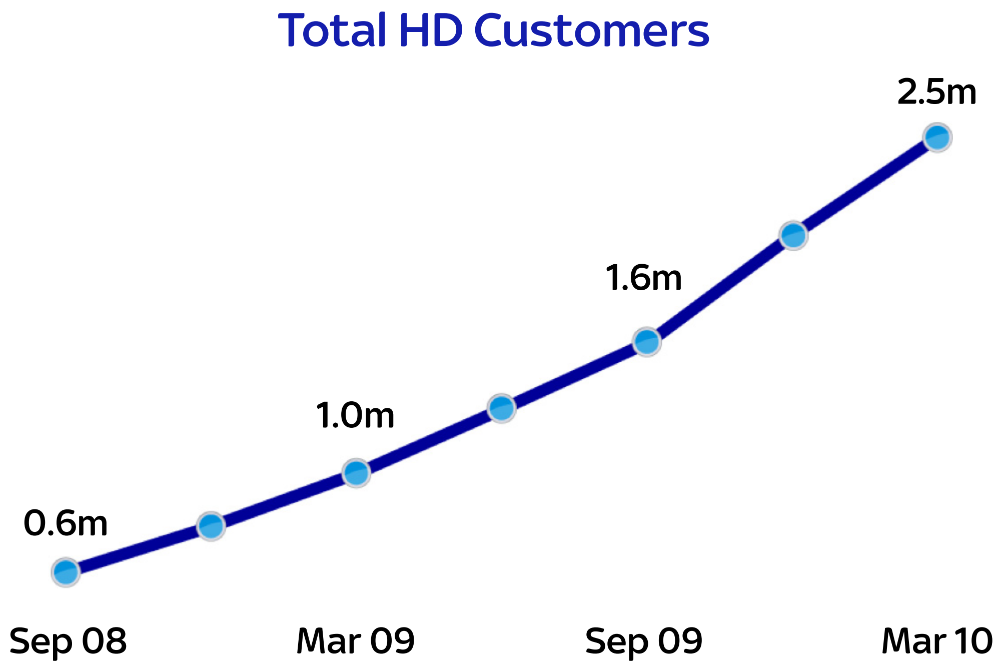
More Customers Taking More Products

- 9.77 million customers, up 5%
  - Net additions of 62,000
  - Churn of 9.9%
- 900,000 net subscription product sales
  - Number of customers taking TV, broadband and talk up 39%



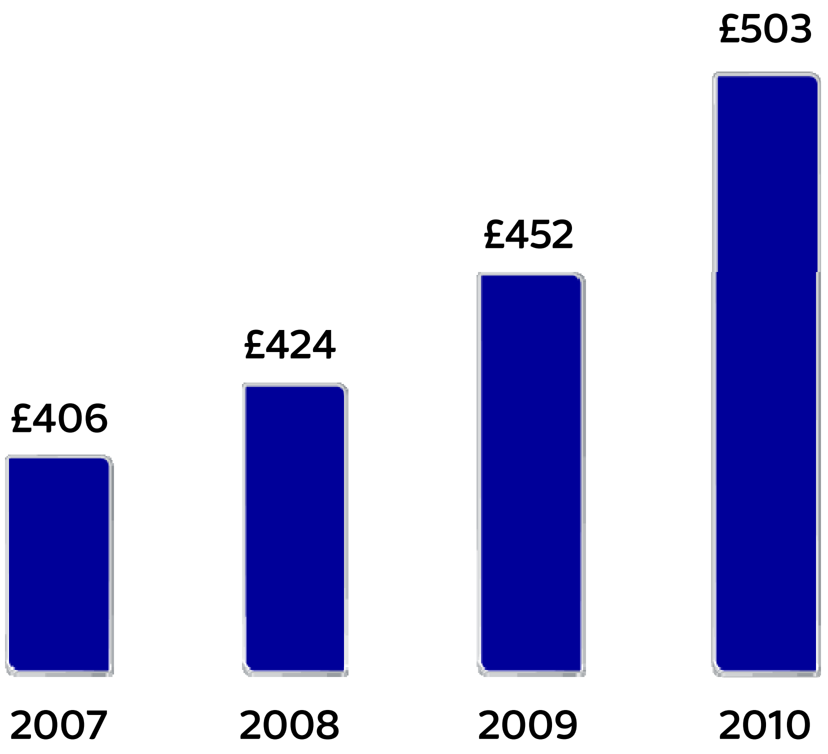
As at 31 March

Strong Demand for HD



- Strong response to lower price
- 428,000 net additions
- Up 76% year on year
- Standardised around HD box
  - Accelerated pace of innovation
  - More efficient growth

ARPU



- 11% higher year on year
- Reflects success in multi-product strategy
- HD contributed £15 to growth

Quarterly ARPU annualised for 3 months ended 31 March

Strong Financial Performance

Group Revenue	+11%
Operating Profit	+5%
EPS	+16%
Free cash flow	+17%

- 15% growth in subscription revenue
- Focused on cost efficiency
- Absorbed cost of strong demand for HD
- 80 bps margin improvement on Q2
- Strong free cash flow

For the nine months to 31 March. All figures stated exclude exceptional items

Content

- Widening the gap between pay and free
- More original commissions
- Premiered 'The Pacific' on Sky Movies
- More in HD – four new channels
- Developing our pipeline of

  3D content for customers

Innovation

- Launched Europe's first 3D channel
- Sky Anytime+ launch later this year
- HD box is VOD and 3D ready
- Extended distribution of Sky Player to new platforms

Pay TV Review

- Bad decision with negative consequences
- Existing pricing is fair
- Awaiting outcome on stay
- Priority to challenge Ofcom's decisions with appeal to the CAT

Summary

- Focus on customers is generating strong results
- Broad-based customer demand
- Double-digit revenue and ARPU growth
- Accelerating earnings growth

Q & A

Appendix

Reconciliation of Transmission Costs

As reported in operating costs (£m)	2009	2010
Transmission, technology and fixed network costs	526	656

Reclassified (£m)	2009	2010
Variable network costs[2]	258	379
Fixed transmission costs[3]	268	277
Transmission, technology and fixed network costs	526	656

1. For the nine months to 31 March
2. Variable network costs include fees paid to BT for access to the "last mile", line rental and call charges
3. Fixed transmission costs include transponder costs, technical operations, cost of play-out, and 'fixed' elements of broadband and Enterprise network