

# Group financial record – unaudited

## CONSOLIDATED RESULTS

Below is selected financial information for the Group under IFRS as at and for each of the five years ended 30 June 2012.

	Year ended 30 June 2012 £m	Year ended 30 June 2011 £m	Year ended 30 June 2010 £m	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Consolidated Income Statement					
<b>Continuing operations</b>					
Retail subscription	5,593	5,471	4,778	4,187	3,768
Wholesale subscription	351	323	238	206	181
Advertising	440	458	340	329	351
Installation, hardware and service	98	112	174	235	276
Other	309	233	179	200	198
<b>Revenue<sup>(i)</sup></b>	<b>6,791</b>	<b>6,597</b>	<b>5,709</b>	<b>5,157</b>	<b>4,774</b>
Operating expense <sup>(ii)</sup>	(5,548)	(5,524)	(4,865)	(4,315)	(4,022)
Litigation settlement income	-	-	269	-	-
<b>Operating profit</b>	<b>1,243</b>	<b>1,073</b>	<b>1,113</b>	<b>842</b>	<b>752</b>
Share of results of joint ventures and associates	39	34	32	19	15
Investment income on litigation settlement	-	-	49	-	-
Investment income	18	9	3	35	47
Finance costs	(111)	(111)	(122)	(220)	(177)
Profit on disposal of joint venture	-	-	-	-	67
Impairment of available-for-sale investment	-	-	-	(191)	(616)
Profit on disposal of available-for-sale investment	-	9	115	-	-
<b>Profit before tax</b>	<b>1,189</b>	<b>1,014</b>	<b>1,190</b>	<b>485</b>	<b>88</b>
Taxation	(283)	(256)	(294)	(194)	(184)
<b>Profit (loss) for the year from continuing operations</b>	<b>906</b>	<b>758</b>	<b>896</b>	<b>291</b>	<b>(96)</b>
<b>Discontinued operations</b>					
Profit (loss) for the year from discontinued operations	-	52	(18)	(32)	(31)
<b>Profit (loss) for the year</b>	<b>906</b>	<b>810</b>	<b>878</b>	<b>259</b>	<b>(127)</b>
Net profit (loss) recognised directly in equity	64	(8)	61	134	187
<b>Total comprehensive income for the year</b>	<b>970</b>	<b>802</b>	<b>939</b>	<b>393</b>	<b>60</b>
Earnings (loss) per share from profit (loss) for the year (in pence)					
Basic	52.6p	46.5p	50.4p	14.9p	(7.3)p
Diluted	52.2p	45.9p	50.1p	14.8p	(7.3)p
Dividends per share (in pence)	25.4p	23.3p	19.4p	17.6p	16.8p

	30 June 2012 £m	30 June 2011 £m	30 June 2010 £m	30 June 2009 £m	30 June 2008 £m
Consolidated Balance Sheet					
Non-current assets	3,234	3,025	2,818	2,632	2,384
Current assets	2,275	2,329	1,986	1,937	1,698
Total assets	5,509	5,354	4,804	4,569	4,082
Current liabilities	(2,098)	(1,912)	(1,707)	(2,194)	(1,893)
Non-current liabilities	(2,467)	(2,407)	(2,537)	(2,439)	(2,357)
Net assets (liabilities)	944	1,035	560	(64)	(168)
Number of shares in issue (in millions)	1,674	1,753	1,753	1,753	1,753

# Group financial record – unaudited

continued

	Year ended 30 June 2012	Year ended 30 June 2011	Year ended 30 June 2010 (in thousands)	Year ended 30 June 2009	Year ended 30 June 2008
Statistics					
Distribution of Sky Channels					
TV homes	10,288	10,187	9,860	9,442	8,980
Wholesale homes <sup>(iii)(iv)</sup>	4,340	4,382	4,312	4,271	1,248
<b>Total Sky pay homes</b>	<b>14,628</b>	<b>14,569</b>	<b>14,172</b>	<b>13,713</b>	<b>10,228</b>
Sky Broadband homes	4,001	3,335	2,624	2,203	1,628
Sky Talk homes	3,768	3,101	2,367	1,850	1,241
Average number of full-time equivalent employees	17,937	16,006	16,439	14,922	14,145

## Notes

- (i) To provide a more relevant presentation, management has reclassified Sky Player and Sky Mobile revenue from other revenue to retail subscription revenue. Included within retail subscription revenue for the year ended 30 June 2009 is £36 million of additional revenue representing amounts invoiced in prior years which did not meet revenue recognition criteria under IFRS until March 2009.
- (ii) Included within operating expense for the year ended 30 June 2012 is a credit of £31 million in relation to the News Corporation proposal consisting of costs incurred offset by the receipt of the break fee (see note 30). Also included are restructuring costs of £11 million which comprise severance payments in relation to approximately 35 senior roles as part of a restructuring initiative to improve operating efficiency. Included within operating expense for the year ended 30 June 2011 is £26 million of restructuring costs arising on the acquisition of Living TV, which comprise principally redundancy payments and the early termination of a pre-acquisition contract, £15 million of costs in relation to the News Corporation proposal and a credit of £41 million in relation to the refund of import duty on set-top boxes paid out in prior years. This duty was recovered due to the judgment given by the ECJ on 14 April 2011. Included within operating expense for the year ended 30 June 2010 is £32 million of expense relating to a restructuring exercise of which £22 million related to the impairment of assets associated with Picnic (the potential launch of a subscription television service on DTT) and £10 million related to reorganisation costs and redundancy payments. Also included within operating expense for the year ended 30 June 2010 is £1 million (2009: £3 million; 2008: £21 million) of expense relating to legal costs incurred on the Group's claim against EDS which provided services to the Group as part of the Group's investment in customer management systems software and infrastructure, and a £5 million credit (2009: nil) related to the cancellation of accounts payable on settlement of the claim against EDS. Included within operating expense for the year ended 30 June 2008 is £7 million of expense relating to a restructuring exercise undertaken following a review of operating costs.
- (iii) The number of wholesale homes includes distribution of our 'Freeview' channels by wholesale operators as part of a "Free TV" pack bundled with other products.
- (iv) The number of wholesale homes is as reported to us by the wholesale operators. Between February 2007 and November 2008, the reported number of wholesale homes reflects the impact of Virgin Media ("VM") ceasing to carry Sky's Basic Channels on its platform. A new agreement was reached in November 2008 and VM resumed carriage of the Sky Basic Channels.

## Factors which materially affect the comparability of the selected financial data

### Discontinued operations

During fiscal 2011, the Group sold its business-to-business telecommunications operation, Easynet, to LDC. For further details see note 9 to the consolidated financial statements.

### EDS Litigation settlement

During fiscal 2010, EDS and the Group fully and finally settled the litigation between them and all related claims (including for damages, costs and interest) for a total amount of £318 million.

### Available-for-sale investment

During fiscal 2011 we disposed of our equity investment in Shine and recognised a profit of £9 million. For further details see note 5 to the consolidated financial statements.

During fiscal 2010 we disposed of part of our equity investment in ITV and recognised a profit on disposal of £115 million. For further details see note 16 to the consolidated financial statements.

During fiscal 2009, we recorded an impairment loss of £191 million (fiscal 2008: £616 million) in the carrying value of our equity investment in ITV.

### Business combinations

During fiscal 2011, we completed the acquisitions of Living TV and The Cloud. The results of these acquisitions were consolidated from the date on which control passed to the Group (12 July 2010 and 23 February 2011, respectively).

During fiscal 2008, we completed the acquisition of Amstrad. The results of this acquisition were consolidated from the date on which control passed to the Group (5 September 2007).

**Disposal of joint venture**

On 12 December 2007, the Group sold its 100% stake in BSkyB Nature Limited, the investment holding company for the Group's 50% interest in the NGC-UK Partnership. As consideration for the disposal, the Group received 21% interests in both NGC Network International LLC and NGC Network Latin America LLC (in effect, 21% of National Geographic Channel's television operations outside the US). The Group recognised a profit on disposal of £67 million.

**Exchange rates**

A significant portion of our liabilities and expenses associated with the cost of programming acquired from US film licensors together with set-top box costs are denominated in US dollars. For a discussion of the impact of exchange rate movements on our financial condition and results of operations see note 24 to the consolidated financial statements.