

Our performance

Strong demand across our growing product range translated into growth in each of revenue, operating profit, earnings per share and free cash flow, on an adjusted basis. We have identified a number of key performance indicators, both operational and financial that we use to assess the Group's performance against its core strategic priorities. We also have 25 independently assured KPIs we use to measure our sustainability performance, which can be found at www.sky.com/thebiggerpicture

OPERATIONAL KEY PERFORMANCE INDICATORS

PRODUCTS & CUSTOMERS (million)

■ Total products ■ Total customers



Description A customer is defined as a subscriber to one of our TV packages or standalone home communications service. Total products is defined as the total of all subscription products taken by our customers and includes TV, HD, Multiroom, Broadband, Telephony and Line Rental.

Analysis Total customers and products are both key determinants of the Group's value. Our strategy is to continue adding customers and selling more products to our existing base. In 2012, we added 312,000 new customers and grew the total products taken by 12% to 28.4 million.

CHURN (%)

2012: **10.2%**

2011: 10.4% 2010: 10.3%

Description Churn represents the number of customers over a given period who terminated their subscriptions, net of former customers who reinstated their subscription (within 12 months of terminating their original subscription), expressed as a percentage of total average customers.

Analysis Churn is a good measure of customer satisfaction, which is a key driver of value for our business. Churn for the year 2012 was stable at 10.2%.

CUSTOMERS TAKING EACH OF TV, BROADBAND AND TELEPHONY (million)

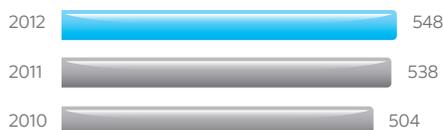


Description The number of customers taking one of our TV products and both a Sky Broadband and a Sky Talk product. Customers may also opt for our line rental product.

Analysis This is an important measure for our business, with higher penetration positively impacting ARPU and customer loyalty. At 30 June 2012, 3.4 million customers chose each of TV, broadband and telephony, up 21% from the prior year.

FINANCIAL KEY PERFORMANCE INDICATORS

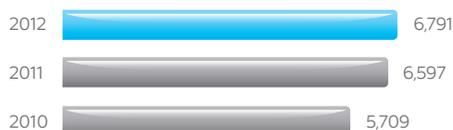
ARPU (£)³



Description Average revenue per user (ARPU) is calculated by taking the amount spent by the Group's residential customers (ex-VAT), divided by the average number of residential customers.

Analysis ARPU is impacted by the type of subscription package taken by a customer, as well as the number of additional paid-for products. ARPU increased by £10 as customers rewarded us with more of their business.

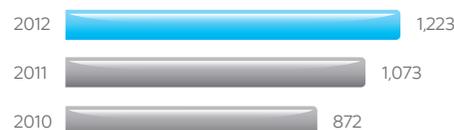
REVENUE (£m)¹



Description Revenue includes revenue from retail subscriptions, wholesale revenue, advertising, and installation, hardware and service revenue.

Analysis Revenue is a key measure of how the Group is delivering on its strategy to grow the business. In 2012 revenue grew by 3% on last year notwithstanding prices were frozen for existing customers.

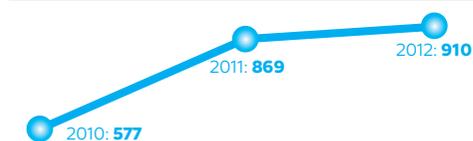
ADJUSTED OPERATING PROFIT (£m)^{1,3}



Description Adjusted operating profit for the Group excludes any exceptional or one-off items.

Analysis Adjusted operating profit is a key measure of the underlying business performance. It increased by 14% in 2012.

ADJUSTED FREE CASH FLOW (£m)^{1,3}



Description Adjusted free cash flow is defined as cash generated from operations after the impact of capital expenditure, net interest and tax paid, cash flows to and from joint ventures, excluding exceptional items.

Analysis Free cash flow is an important measure of the Group's success in converting profits to cash flow and of the underlying health of the business. Adjusted free cash flow increased by 5% as a result of higher profitability and strong working capital.

ADJUSTED BASIC EARNINGS PER SHARE (p)^{1,2}

2012: **50.8p**

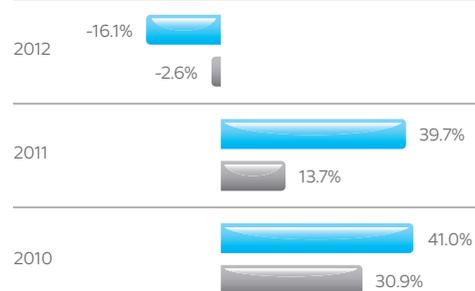
2011: 41.6p (+30%) 2010: 32.1p (+15%)

Description Adjusted basic EPS is the profit after tax for the year, excluding exceptional items and related tax effects, divided by the weighted average number of ordinary shares.

Analysis Adjusted basic EPS provides a measure of shareholder return that is comparable over time. Adjusted basic EPS increased by 22% to reach a record level of 50.8p.

TOTAL SHAREHOLDER RETURN (%)

■ SKY ■ FTSE



Description Total shareholder return (TSR) represents the change in value of a share held for the 12 months to 30 June, assuming that dividends are reinvested to purchase additional shares at the closing price applicable on the ex-dividend date. The value of the share is based on the average share price over the three months prior to 30 June.

Analysis TSR represents a comparable measure of shareholder return over time. BSKyB shares underperformed the FTSE 100 index by 13.5 percentage points in the year to 30 June 2012; however, our share price was heavily influenced by the withdrawal of the proposed offer by News Corporation on 13 July 2011. In the period since the withdrawal, we outperformed the FTSE by 4.1% on a TSR basis.

¹ From continuing operations.

² For further details see note 10 of the consolidated financial statements.

³ For a reconciliation of non-GAAP measures including a reconciliation of ARPU which has been restated for 2011 and 2010, see page 52.