

FACT BOOK
2005



SLAY

The word "SLAY" is rendered in a bold, stylized, metallic font with a 3D effect. The letters are set against a background of fine, parallel red diagonal lines. The 'S' is a thick, blocky letter with a rounded bottom. The 'L' is a simple, vertical bar. The 'A' is a wide, blocky letter with a pointed top. The 'Y' is a thick, blocky letter with a pointed bottom. The entire logo has a slight shadow and a metallic sheen.

HOW DOES IT ALL WORK?

HERE'S THE QUICK READ.

1. SATELLITE

Orbiting 22,300 miles in space, the satellite receives signals from our uplink facility at Chilworth, Hampshire.

2. UPGRADING VIEWING PACKAGES

Customers simply call our contact centres in Scotland. A signal is then transmitted via satellite to the customer's Sky box, allowing access to the new programmes.

3. INTERACTIVE LINK

Interactive services and data can be accessed through the telephone line via the modem in the Sky box.

4. SKY MINIDISH

Positioned so it can receive signals from the satellites.

5. SKY BOX

Enables customers to receive digital quality TV pictures and sound.

6. SKY DIGITAL CENTRE, ISLEWORTH

Sky's programming is brought together in Isleworth, then transmitted to the satellites via our uplink facility at Chilworth.

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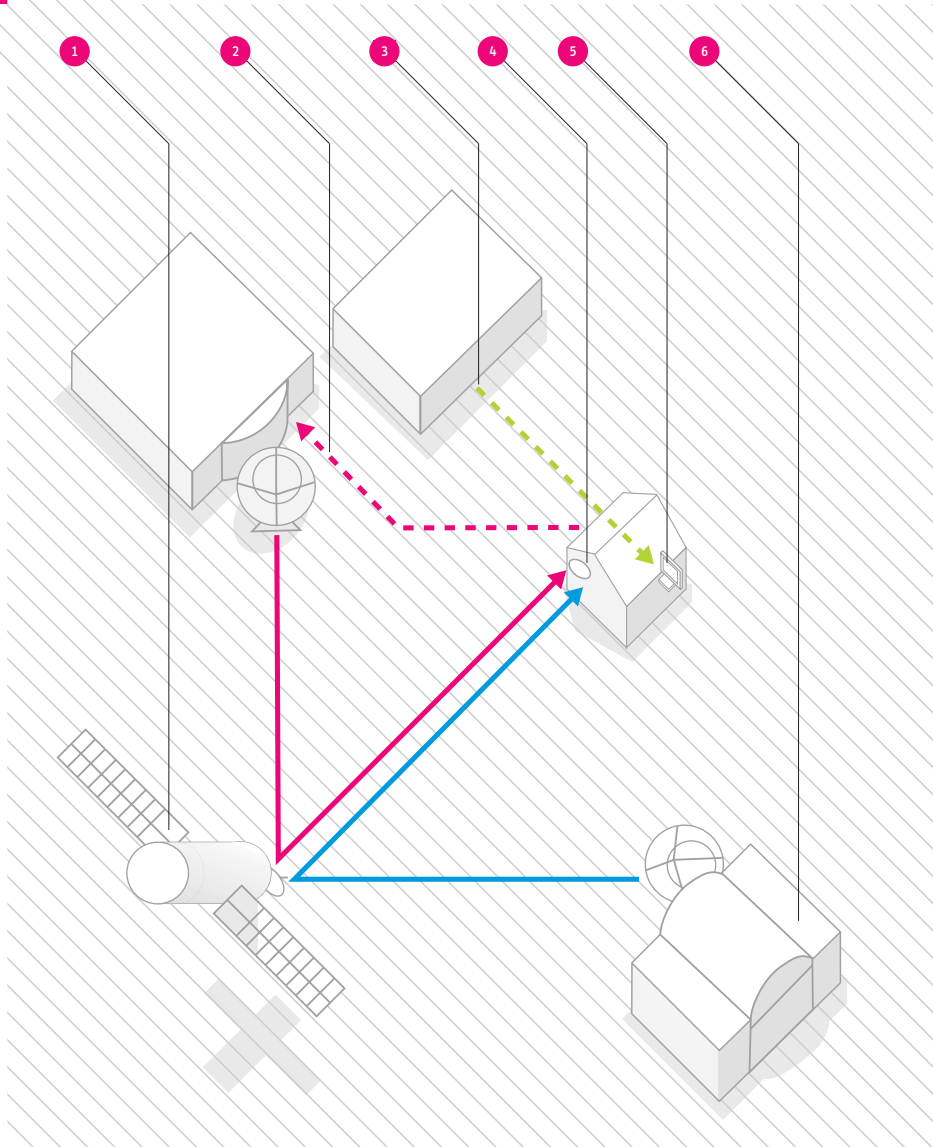
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TIMELINE

INSIDE BACK COVER



THESE ICONS INDICATE SOURCES
OF FURTHER INFORMATION:



FURTHER READING
CONTACT SKY



GO TO THE WEB
FOLLOW THE LINK

THIS BOOK GIVES YOU THE FACTS
BEHIND THE SUCCESS OF ONE OF
THE MOST DYNAMIC COMPANIES
IN THE UK. LAUNCHED JUST 16
YEARS AGO, SKY HAS BECOME A
WORLD LEADER IN INNOVATIVE,
MULTICHANNEL DIGITAL TELEVISION.

**TURN THE PAGE TO DISCOVER
HOW SKY HAS CHANGED THE
FACE OF HOME ENTERTAINMENT
IN THE UK AND IRELAND.**

SKY FACTS. **THE BASIC PACKAGE.**

Sky launched 16 years ago.

Sky is owned by British Sky Broadcasting Group plc, one of the largest companies in the UK, with shares listed on the London and New York Stock Exchanges.

The Company's activities are subject to regulation by Ofcom (you'll find further details on page 38).

**CHANGING THE FACE OF
HOME ENTERTAINMENT.**

**RESCUE ME - STARRING
DENIS LEARY. NEW
TO SKY ONE. FACT.**

**SEE PAGE 16 FOR
MORE INFORMATION.**



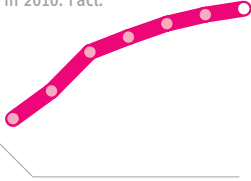
CUSTOMER GROWTH

1998-2004

As at 31 December

7.6m

Sky's target is to reach 10 million customers in 2010. Fact.



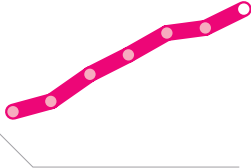
DIGITAL CHANNEL GROWTH

1998-2004

As at 31 December

493

From 140 channels in 1998 to over 480 by the end of 2004. An increase of 353%. Fact.



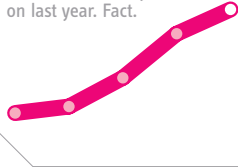
OPERATING PROFIT GROWTH

2000-2004

As at 31 December

£354m

Operating profit before goodwill and exceptional items increased by 25% on last year. Fact.



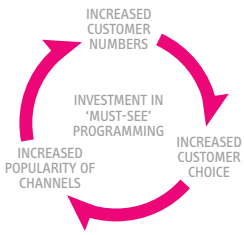
SKY TODAY

SKY'S £2 BILLION INVESTMENT IN DIGITAL TELEVISION MAKES IT A CLEAR LEADER IN MULTICHANNEL BROADCASTING IN THE UK AND IRELAND, AND HAS BROUGHT THE CONCEPT OF HOME ENTERTAINMENT TO LIFE. OUR EFFORTS HAVE BROKEN NEW GROUND, MADE BRITAIN THE WORLD LEADER IN DIGITAL TV AND ALTERED THE LEISURE PATTERNS OF MILLIONS OF PEOPLE, INCLUDING A PROPORTIONALLY LARGER NUMBER IN THE ABC1 DEMOGRAPHIC.

THE CHOICE AVAILABLE TO SKY CUSTOMERS CONTINUES TO GROW. TODAY THERE ARE MORE THAN 7.6 MILLION CUSTOMERS ENJOYING THE BEST IN ENTERTAINMENT, NEWS, SPORT AND MOVIES ON OVER 480 CHANNELS. THIS MEANS WE'RE KEEPING THE NATION BETTER ENTERTAINED AND, IN TURN, BRINGING GREATER BUSINESS AND FINANCIAL REWARDS FOR SKY.



FOR FURTHER INFORMATION
ABOUT SKY'S BUSINESS:
SKY ANNUAL REPORT AND ACCOUNTS



'Must-see' programming is at the heart of the offer to our customers. Fact.

DIGITAL CHURN
2000-2004
 (Quarterly annualised)
 As at 31 December

9.5%
 We have one of the lowest rates of churn in the broadcasting world. Fact.



SKY'S OBJECTIVE

OUR OVERALL OBJECTIVES ARE TO MAXIMISE VALUE FOR SHAREHOLDERS BY GROWING CUSTOMER NUMBERS PROFITABLY AND, ULTIMATELY, TO DISTRIBUTE SKY ENTERTAINMENT TO EVERY HOME IN THE UK AND IRELAND. PAY TV IN THE USA HAS REACHED 80% PENETRATION. WE BELIEVE IT WILL DO THE SAME HERE, WHERE PENETRATION IS JUST 44%.

AS OUR BUSINESS GROWS, WE EARN THE REVENUE TO CONTINUE OUR DISCIPLINED INVESTMENT IN 'MUST-SEE' PROGRAMMING. THIS MEANS THE CHOICE AVAILABLE TO OUR CUSTOMERS GROWS, AS DOES THE POPULARITY OF OUR CHANNELS. IN TURN THIS HELPS TO GROW CUSTOMER NUMBERS AND KEEP CHURN¹ AS LOW AS POSSIBLE.

WE'LL ALSO GROW OUR CUSTOMER NUMBERS BY FOCUSING ON MARKETING. WE THINK THAT WHEN SOMEONE 'GETS' SKY, THEY'LL GET IT.

1. Churn - the percentage of customers who cancel (or let lapse) their subscription each year.



**CHANGING THE FACE OF
HOME ENTERTAINMENT.**

SKY'S LIVE COVERAGE
OF THE 35TH RYDER CUP
IN 2004 ATTRACTED
A RECORD GOLF
AUDIENCE FOR SKY. FACT.

SEE PAGE 24 FOR MORE
INFORMATION.

**CHANGING THE FACE OF
HOME ENTERTAINMENT.**

ON US ELECTION DAY 2004,
MORE VIEWERS IN THE UK
AND IRELAND WATCHED
SKY NEWS THAN ANY
OTHER UK 24HR NEWS
CHANNEL. FACT.

SEE PAGE 20 FOR MORE
INFORMATION.

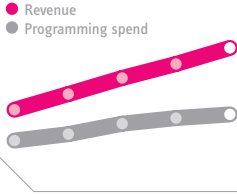


REVENUE vs. PROGRAMMING SPEND

As at 30 June 2004

46.8%

Our investment in programming forms the largest component of our operating cost. Fact.



CONTACT CENTRE ACTIVITY 2000-2004

**34.4m calls
answered annually**

At peak times of the year we receive up to one million calls per week. Fact.



THE INGREDIENTS FOR SKY'S SUCCESS

SKY IS ALL ABOUT PROVIDING WHAT PEOPLE WANT TO WATCH. THAT'S WHY WE SPENT £1,711 MILLION LAST YEAR ON PROGRAMMING ALONE. BUT WITH SKY, PEOPLE CAN ALSO CHOOSE HOW THEY WANT TO WATCH AND WHEN THEY WANT TO WATCH. OUR CUSTOMERS CAN CHOOSE TO CREATE THEIR OWN TV SCHEDULE, PAUSE LIVE TV, WATCH DIFFERENT SHOWS IN DIFFERENT ROOMS, RECORD TWO SIMULTANEOUS INTERACTIVE EVENTS ON THE SAME CHANNEL, CHOOSE A SPORTS CAMERA ANGLE, FOLLOW RECONSTRUCTIONS OF KEY TRIALS, AND CHOOSE THEIR OWN STARTING TIMES FOR MAJOR MOVIES.

WE BACK IT ALL UP WITH OUTSTANDING SERVICE. WHEN ANYONE HAS AN ENQUIRY, ONE OF OUR CONTACT CENTRE STAFF WILL DEAL WITH IT. THEY AIM TO KEEP OUR CUSTOMERS HAPPY AND MAKE SURE AS MANY HOMES AS POSSIBLE ARE ENJOYING SKY.



FOR FURTHER INFORMATION ABOUT
OUR SCOTTISH OPERATIONS:
SKY IN SCOTLAND FACT BOOK

**CHANGING THE FACE OF
HOME ENTERTAINMENT.**

ONE OF THIS YEAR'S
BLOCKBUSTER MOVIES
ON SKY BOX OFFICE
WAS SHREK 2 WHICH
BROADCAST IN
FEBRUARY 2005. FACT.

SEE PAGE 28 FOR MORE
INFORMATION.

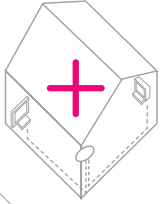


SKY MULTIROOM TAKE-UP

As at 31 December 2004

473,000

Multiroom households increased by 116,000 in the quarter. Fact.



SKY+ TAKE-UP

2002-2004

As at 31 December

642,000 customers

Sky+ continues to prove to be a success. 28% of Sky+ customers are new to Sky. Fact.



NEW SKY+160 - HELPING TO DRIVE SALES

The new Sky+160 box, gives people up to 80 hours' video storage. That's four times more than the standard Sky+ box. Fact.

x4

THE OUTLOOK FOR SKY

THE PROSPECTS COULDN'T BE BETTER. AND SKY COULDN'T BE BETTER PLACED. THE TOTAL NUMBER OF HOUSEHOLDS IN THE UK AND IRELAND TAKING ONE OR MORE SKY CHANNELS IS OVER 15 MILLION. BUT IN TOTAL THERE ARE OVER 26 MILLION TV HOMES IN THE UK AND IRELAND AND OUR DIGITAL SIGNAL CAN REACH APPROXIMATELY 99% OF THEM. SO IT'S A LARGE MARKET AND THERE'S STILL CONSIDERABLE ROOM FOR GROWTH IN THE FUTURE.

NEW TECHNOLOGY SUCH AS THE SKY+ BOX, MULTIROOM AND HIGH DEFINITION TV WILL HELP US ADD INCREMENTAL REVENUES IN THE FUTURE. CRITICALLY, AS WELL AS PROVIDING ADDITIONAL SERVICES TO OUR EXISTING CUSTOMERS, THESE CUSTOMER-FRIENDLY TECHNOLOGIES ALSO HELP BRING IN MANY CUSTOMERS COMPLETELY NEW TO SKY.

BY 2010 WE AIM TO HAVE 10 MILLION DIRECT-TO-HOME² CUSTOMERS, WITH AT LEAST 25% OF THEM ENJOYING THE BENEFITS OF THE SKY+ BOX. SKY IS WELL POSITIONED TO CONTINUE ITS SUCCESS AND IS LOOKING FORWARD TO DELIVERING INCREASING RETURNS ON THE SUBSTANTIAL INVESTMENT IT HAS MADE IN DIGITAL TELEVISION. KEEP WATCHING...

² Direct-to-Home - a customer receiving Sky digital via a minidish and Sky box at home.



FOR FURTHER INFORMATION ABOUT SKY+ AND MULTIROOM, GO TO THE WEB:
WWW.SKY.COM/SKYPLUS
WWW.SKY.COM/MULTIROOM

ENTERTAINMENT FOR EVERYONE

WE'RE SETTING THE PACE IN THE TV ENTERTAINMENT INDUSTRY. A GREAT RANGE OF VIEWING PACKAGES³ MEANS THERE REALLY IS SOMETHING FOR EVERYONE.

OUR BRANDED SMART CARS RAISE AWARENESS AND HELP INTRODUCE SKY TO NEW CUSTOMERS. FACT.

1



Everyone's invited

Customers attracted by our marketing campaigns can call our contact centres, or visit Dixons, Currys, Comet, John Lewis and many independent electrical retailers to join Sky. We also offer a Sky starter pack through other high street retailers such as Argos, Woolworths, Carphone Warehouse, and in Tesco's large Extra stores. All shoppers have to do is choose their preferred viewing package and call us to arrange installation.

We also attract new customers with our fleet of eye-catching, Sky-branded Smart cars.

- 1 Sky-branded Smart car
- 2 Sky starter packs

Music and radio channels cover every genre for our audience. Fact.



**BETTING
INFORMATION
TICKETS
TEXTING
MUSIC**

For all the latest business information, turn to Sky. Fact.



**CULTURE
FASHION
TRAVEL
COMEDY
DRAMA
HORSE RACING
HISTORY
BUSINESS**

The kids have got 21 channels of their own. Fact.



**GARDENING
FOOTBALL
COOKING
TALK
QUIZZES
CHILDREN'S TV**

Comedy, drama, reality TV, food, motors-- whatever suits you. Fact.



**HOROSCOPES
BIOGRAPHIES
RUGBY
MYSTERY
COMPETITIONS
DISCUSSION
DANCE
ARTS
ENTERTAINMENT
SUSPENSE
DATING
INTERACTIVITY**

3. Viewing package - a selection of channels for a set subscription.

These travel the land spreading the word at events, shopping centres and in residential areas using a fully-installed Sky+ box and mini viewing theatre in the boot, fed by the rooftop minidish.

Expanding the audience

The Freeview digital terrestrial service offers Sky News, Sky Sports News and Sky Travel, increasing Sky's potential audience. Sky's freesat offer is another way of expanding this potential. Customers make a one-off payment and receive a minidish, Sky box, viewing card and installation, giving them access to 131 free-to-air TV and over 85 free-to-air radio channels - with potential to upgrade if they wish to add a Pay TV service.

What exactly do you get when you join?

When you join Sky you can choose which viewing package you prefer. We currently offer more than 90 different packages, each with a selection of channels, so it's easy to find one that suits you. The most popular is Sky World with Family Pack, which delivers 115 digital TV, radio and audio channels. At the other end of the spectrum is the Value Pack, with 6 digital TV, radio and audio channels. In addition to their selected package, our customers can choose from

approximately 25 different movies every day on Sky Box Office. They also receive 131 TV channels and over 85 radio channels which are available free-to-air on the Sky platform. Customers can normally change their package by making a simple phone call to our contact centres.



2

Sky's also available on cable

Most people receive Sky through our satellite system, but in areas with a cable network, over three million households choose to get Sky channels by cable.

The widest choice possible

From mainstream programmes such as sport, news and movies, the choice extends to sub-genres including comedy, history, drama, music, arts, nature, children's TV, travel, minority language channels and lifestyle programming.

Putting the customer firmly in control

With options like Favourites and Parental Control, and products like Sky+, customers remain in control of the wide choice available.

Keeping customers in the know

We distribute Sky The Magazine free to most Sky digital customers. The magazine offers an entertaining selection of celebrity interviews, topical features and reviews, as well as showbiz news. In 2004 we launched Sky Kids - a magazine for 6-12 year olds, featuring all their favourite TV characters and programmes.

These magazines help sustain customer loyalty and keep customers up-to-date with new services and features being added. Circulation figures in 2004 averaged 6.6 million.

MOST OF OUR CUSTOMERS CHOOSE OUR TOP TIER SKY WORLD PACKAGES. FACT.

Over 450 different movies screened every week. Fact.



**ADULT
CRICKET
ROMANCE
LIFESTYLE
BLOCKBUSTER MOVIES**

Sky News is seen as the most trusted 24hr news channel in Britain. Fact.



**FANTASY
LAUGHTER
EMAIL
VOTING
BREAKING NEWS**

3,000 pages of health information on NHS Direct interactive TV. Fact.



**RELAXING
SCI-FI
THRILLERS
SHOPPING
HEALTH**

The best documentary channels available anywhere in the UK. Fact.



**SCIENCE
DIY
FOOD
MINORITY INTERESTS
ADVENTURE
TENNIS
DOCUMENTARIES**

Over 20 dedicated sports channels available on the Sky platform. Fact.



**HORROR
DISCOVERY
STYLE
BOXING
COMEDY
SPORT
ADVICE
GOLF
LEARNING**

MAKING THE COMPLEX SIMPLE

INNOVATIVE TECHNOLOGY, COMPLEX LOGISTICAL OPERATIONS, FIRST CLASS CONTACT CENTRES – LEAVE ALL THAT TO SKY. ALL THE CUSTOMER HAS TO DO IS SIT BACK AND ENJOY THE ENTERTAINMENT EXPERIENCE.

Outside sports broadcasts

Bringing our customers a live Premiership football match adds up to a complex, logistical operation – as these outside broadcast (OB) numbers show.

1,000+
SPORTS OB's PER YEAR

30 CAMERA POSITIONS

TRUCKS

8

100+
PEOPLE

2 TEAMS

10 MILES OF CABLING

16 DIRECTIONAL MICROPHONES

When Thierry Henry turns on the gas he can break the 20 mph mark over 100 metres. Fact.

SPEEDLINE
100 METRES



1 MILE

A cheetah hunting prey hits over 70 mph over a one mile distance. Fact.



50,000 MILES

Sky's digital signal travels 50,000 miles to the satellite and back in less than a quarter of a second. That's 720 million mph. Fact.



Keeping it simple

Our digital service couldn't be easier to use and the features on this page prove it.

The Sky remote

Use it to access everything from the channels, to camera angles, to ordering a movie. It's simple.



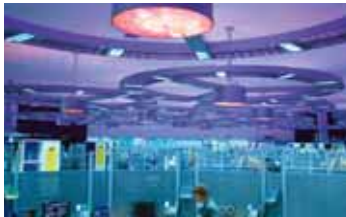
- 1 These four green buttons help you get the most out of Sky's digital features.
- 2 Once you have accessed an interactive service you can use the coloured buttons to do everything from voting to making purchases.
- 3 Ergonomically designed. Fits perfectly into either hand.

1st

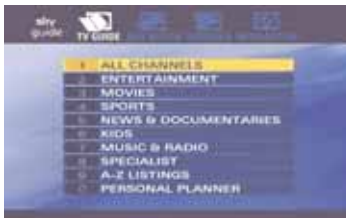
We are on track to be the first to launch High Definition TV (HDTV) in the UK in 2006. This will be the biggest revolution in TV viewing since the launch of digital in 1998.



One button, lots of options
The red button is your key to Sky's interactivity.



Just a phone call away
Our contact centres can advise customers' on viewing packages and answer their questions.



Designed to be the best
The on-screen TV guide provides customers with up-to-date information on channels, and includes our easy to use personal planner.



Control live TV at the press of a button
With Sky+ you can pause, rewind and replay live TV.

INNOVATION AWARD 2004 - GOOD HOUSEKEEPING MAGAZINE. FACT.



Sky+ couldn't be easier
In 2004, we launched the new Sky+160 box with a 160GB hard disk, offering four times the storage space of the original Sky+ box.

We've also got some exciting upgrades to Sky+ coming soon. Like being able to set recordings by mobile phone, and scheduling a recording from an ad or trailer for a particular show.

Increasing demand
To help raise awareness of Sky+, we offered limited edition versions of the Sky+ box. Sold exclusively at Selfridges and featuring designs inspired by leading fashion and interior designers, including Matthew Williamson and Cath Kidston, it has helped to drive sales.

Upgrading - without downtime
We can upgrade at any time, day or night, without interrupting the customer's entertainment.



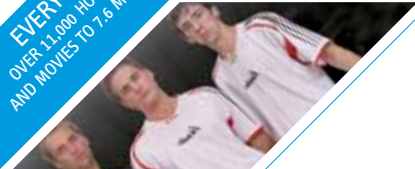
WHAT WE DO,
WHERE WE DO IT

KEEPING 7.6 MILLION CUSTOMERS
INFORMED AND ENTERTAINED TAKES SOME
DOING. SKY'S EMPLOYEES MAINTAIN
AN EXTENSIVE INFRASTRUCTURE ACROSS
THE UK AND IRELAND TO DO JUST THAT.

SKY WON THE MITIAL
BEST SCOTTISH CALL
CENTRE WORKPLACE
AWARD IN 2004. **FACT.**



EVERY DAY
OVER 11,000 HOURS OF ENTERTAINMENT, NEWS, SPORT
AND MOVIES TO 7.6 MILLION CUSTOMERS, EVERY DAY. **FACT.**



Sky One's autumn season launched with a new on-air look and the award winning HBO production, Deadwood.

Critically acclaimed sports reality show The Match showed real innovation in a stagnating genre. Customers responded, with the game watched by an average audience in excess of 1.7 million.

Sky News won both the RTS Innovation Award and the News Channel of the Year in 2004.

In 2004, Sky News was awarded the Five News contract and has been producing the terrestrial channels news since January 2005.

SKY NEWS



Football First offers an interactive choice of highlights from every Barclays Premiership match played that day.

Sky Sports' latest acquisition is live rugby union. The deal runs until 2010.

September 2004 was Sky Sports' busiest month ever, with over 130 live outside broadcasts.

SKY SPORTS



Through an exclusive multi-year UK deal to broadcast the Academy Awards*, Sky Movies will bring viewers closer than ever before to The Oscars.

Sky Box Office dedicates channel 738 to in-vision signed movies and channel 739 to films with narrative, further enhancing Sky's film offering for customers with hearing and sight loss.

SKY MOVIES



ENTERTAINMENT MILESTONES 2004-2005

SKY ONE

Outstanding customer service

Staff at our contact centres are responsible for building long-lasting relationships with customers, dealing with their queries and helping to arrange new services for them.

It's a fact that during busy periods, like the lead up to Christmas, they can receive up to one million calls a week from customers throughout the UK and Ireland.

We have invested almost £200 million to equip our contact centres with state-of-the-art technology and create a stimulating working environment for around 6,000 employees in Scotland. In 2004, Sky was delighted to win the Mital Best Scottish Call Centre award.

Training

Staff at our contact centres receive full and ongoing training covering the entire range of Sky's products and services as well as

voice-coaching, communication skills and team building. Permanent staff enjoy a free Sky+ package, which helps them learn all about the product so they can share their enthusiasm with customers.



Full of news, views and information, Vision magazine is given to every member of staff, 10 times a year.

EVERYONE
ALL OF OUR 13,000+ EMPLOYEES PLAY A VITAL ROLE IN THE SUCCESS OF SKY'S BUSINESS. FACT.

EVERYWHERE
OUR NETWORK OF INSTALLATION ENGINEERS COVER THE WHOLE OF THE UK, AS THAT'S HOW FAR OUR DIGITAL REACH EXTENDS. FACT.



Outstanding performers

The person on the phone at the contact centre, the advertising specialist you talk to, the engineer who's arrived to install your minidish and Sky box, the news presenter or the sports expert – they are all outstanding in their field.

And what about those you might never see or talk to? The administrative functions are vital to keeping a large, successful business like Sky running day-to-day.

Internal communications

A vital link between the Company and over 13,000 staff. Communications include:

- magazines such as Vision and digitalk.
- the Sky Forum, where over 65 elected staff members meet with the executive team.
- events such as management conferences, contact centre roadshows and staff parties.
- flyers, the intranet and emails that arrive simultaneously across all Sky sites.

The satellite footprint

The satellites used by Sky cast a comprehensive footprint over the UK and Ireland. Approximately 99% of households within this footprint can get Sky's digital service. That's more than any other UK digital television service.

Satellite reach over Europe

- Astra 2A satellite footprint
- Astra 2D satellite footprint



Well connected

Installation engineers working across the UK are co-ordinated from Livingston. Their main role is to install the Sky minidish, connect up the Sky box and the phone line, and show the customer how to use the Sky remote to access and operate the service. We use distinctive Sky-liveried fleet vans. Based at home, installation engineers receive their daily work schedules via mobile handsets, therefore improving efficiency and cutting down paperwork.



SKY ONE'S STRATEGY FOR SUCCESS IS BUILT ON TWO KEY FACTORS: SCREENING MANY OF THE BEST U.S. SHOWS BEFORE ANYONE ELSE IN THE UK AND CONSISTENTLY DELIVERING HIGH-QUALITY DISTINCTIVE PROGRAMMING THAT HAS A BROAD APPEAL. THIS COMBINATION HAS MADE SKY ONE THE UK'S LEADING PAY TV CHANNEL.

172,303

INTERACTED WITH THE MATCH

16th

SEASON OF THE SIMPSONS



THE HOTTEST TALENT

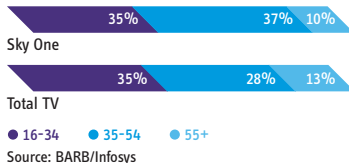
Rescue Me is a gritty comedy-drama that centres on the personal and emotional battles of New York's firefighters in a post 9/11 world.

Rescue Me was created by Denis Leary whose firefighter cousin died in action in 1999. Leary stars as Tommy Gavin, a senior fireman torn by sorrow and anger as he copes with the stresses and fears of his job.

Original productions for Sky One:

Hex
 The Match
 Greatest Sporting Hero
 Conspiracies
 Brainiac: Science Abuse
 So You Think You're Safe
 Secret Lives of...
 Made in LA
 Dream Team
 Mile High

Audience profile Q2 2004-2005



Growing in importance

Sky One regularly beats BBC2, C4 and five in Sky digital homes. Sky One monitors its own performance very carefully through a range of criteria to ensure it delivers the programmes that customers really want to see. Sky's contact centres ask customers for feedback and forward it to the programming team, while information from the Broadcasters Audience Research Board (BARB) completes the picture.

In 2004, Sky One made a significant shift in programming emphasis, with high-end UK programming such as drama series Hex and popular documentary series Conspiracies joining award-winning shows such as 24 and Nip/Tuck on the channel.

Introducing long-running shows

Controversial drama Nip/Tuck and the stylish crime series Cold Case, are starting second seasons; 24 enters its fourth series and 2005 sees Brainiac: Science Abuse's third series and a new spin-off, Brainiac: History Abuse. The Simpsons is going strong, with season 16 showing new episodes four years ahead of any other UK channel.

Identifying top-rating shows

Sky One is known as an innovator, with its ability to identify and deliver top rating shows from across the Atlantic playing a powerful part in maintaining the loyalty of Sky customers. To underline this point, three of the five dramas nominated for this year's Golden Globes debuted on the channel in 2004. And Sky One retains exclusive UK rights to award-winning shows like 24 and Deadwood.

2004 PROGRAMMING ON SKY ONE HAS WON THREE AWARDS. FACT.

Developing new formats

Sky One continues to invest heavily in commissioning new shows and formats from independent programme makers. A new series of authored documentaries includes Julie Burchill discussing Chavs, and Peaches Geldof providing an insight into the teenage mind, whilst a team of soccer-crazy celebs will get the chance for revenge when they square up against ex-professionals in hit sports reality show The Match which returns in the autumn.

In early 2005 Sky One broke new ground by becoming the first broadcaster to produce their own version of the world-famous Entertainment Tonight, whilst Greatest Sporting Hero will provide brand new major event programming for the summer.





HITS FROM THE U.S.
Programmes such as *Deadwood*, for which Ian McShane won a Golden Globe acting award, help reinforce Sky One's position as the home for the hottest shows.

- 1 24
- 2 Mile High, in production
- 3 Peaches Geldof: Inside the Mind of a Teenager
- 4 The Match – interactive screen
- 5 *Deadwood*
- 6 *Rescue Me*
- 7 *Nip/Tuck*
- 8 Sky One Active

New successes

Recent successes include *The 4400*, the highest-rated sci-fi launch; *Stargate Atlantis*, the sci-fi drama, and *Deadwood*, which combines fictional and historical characters living in South Dakota in 1876 and is one of the most controversial and talked-about shows of the year in the U.S.

Commissioned highlights include *Conspiracies*, rising star Danny Wallace's original take on some of the world's little explored but most fascinating mysteries. High-concept UK drama series *Hex* proved to be one of the most successful multichannel drama launches and celebrity football event *The Match* provided one of the TV moments of the year, with series two planned for autumn 2005.

The place for talent

With Denis Leary in *Rescue Me*, Joely Richardson, Famke Janssen and Vanessa Redgrave in *Nip/Tuck*, Kiefer Sutherland in *24* and Ian McShane in *Deadwood*, Sky One is now the channel to see some of the finest acting talent around.



NIP/TUCK – WINNER OF A GOLDEN GLOBE AWARD FOR BEST TELEVISION SERIES – DRAMA. FACT.



Original documentaries for Sky One:

Chavs
Peaches Geldof: Inside the Mind of a Teenager
Camp Jackson
Poisoned

GOING INTERACTIVE

Interactivity brings a new perspective to shows like *The Match*, where customers get to vote for man of the match, plus whoever they want to leave the show.

Sky One has also recently launched some of the most exciting interactive services for any channel. For shows like *Nip/Tuck* and *24*, Sky customers are able to see video recaps or sneak previews of the plot, as well as see additional information about the show, and enjoy quizzes and competitions.



GO TO THE WEB:
WWW.SKYONE.CO.UK

WHOLE NEW PERSPECTIVE ON NEWS

For the 2004 U.S. Presidential election, Sky News took to the air, criss-crossing the nation and gauging its mood for a week of special reports in Sky Across America. In Britain, in what's likely to be an election year, the SkyCopter will travel across the country as Sky News asks the public what issues matter most to them.



SKY NEWS COMBINES SPEED, ACCURACY AND IMMEDIACY WITH INNOVATIONS IN AUDIENCE INTERACTIVITY, MULTI-SCREEN COVERAGE AND ITS OUTSTANDING REPORTING OF BREAKING NEWS. TODAY, THE AWARD-WINNING NEWS CHANNEL IS SEEN AS THE LEADER IN 24HR NEWS.

3

ROYAL TELEVISION SOCIETY (RTS) NEWS CHANNEL OF THE YEAR AWARDS, THREE YEARS IN A ROW

16

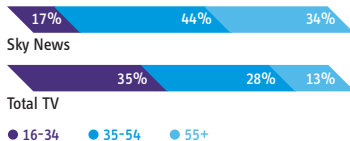
YEARS OF BREAKING NEWS

SKYCOPTER

On the ground, Sky News uses the latest satellite phone technology and digital links, helping to build its reputation for rapid reaction. While in the air, the SkyCopter brings a whole new perspective to news stories.



Audience profile Q2 2004-2005



Source: BARB/Infosys

When it launched in 1989, Sky News became Europe's first 24hr news channel. Since then, it has established itself as a formidable and innovative force in broadcast journalism, earning its status as Britain's most popular news channel and winning its second consecutive BAFTA in 2003 and its third Royal Television Society (RTS) award for News Channel of the Year in 2004. In 2004 Sky News bid for, and was awarded, the Five News contract.



16 years of breaking news

The main reason for Sky News' continuing success is its proven ability to deliver breaking news ahead of its rivals, and its track record includes live coverage of some of the defining news events of the past 16 years. The day after the Indian Ocean tsunami struck, Sky News presenter Jeremy Thompson was anchoring the channel's comprehensive coverage from Thailand. Sky News' seamless crossing from reporters and presenters across Thailand, Sri Lanka and Indonesia won widespread acclaim from within the industry.

Sky News was first to break the news of the September 11 terrorist attacks and was live in Baghdad as the sirens signalled the start of the Iraq War. In 2004, Sky News led the British coverage of the horrific Russian school siege in Beslan, entering the grounds and delivering an eye-witness account of the tragedy. In fact, when the big stories break, customers in multichannel homes turn to Sky News more than any other 24hr news channel.

Sky News Ireland

Since its launch in Spring 2004, Sky News Ireland has gone from strength to strength, with two evening bulletins presented by Gráinne Seoige at 7pm and 10pm. Over two-thirds of all households in Ireland can receive the service. Sky News Ireland continues to break exclusives, its most recent being an exposé of an Irish Government minister.

The authoritative voice

Sky News is not the 'voice of the establishment' but is impartial, authoritative and sometimes irreverent. One of its key aims is to engage the viewer in the news whilst reporting the hard facts. The pace is fast, with headlines every 15 minutes. As pioneers in the use of live reporting from the scene, Sky News helps bring viewers closer to the news: in effect, they become witnesses to the news as it happens.

The acceptance of Sky News as an authoritative provider of global news is spreading. Since January 2005, Sky News has produced news bulletins five from a new purpose-built newsroom at Sky headquarters. Sky News anchor Julie Etchingham has joined Five News regular Kirsty Young and, with the rest of the Five News team, they take a distinctive look at the issues of the day and deliver special in-depth investigations.

Sky News is also one of the channels available as part of the Freeview service on digital terrestrial television. And Sky News Radio is the second biggest supplier of news to commercial radio stations in the UK.

Exclusives

Sky News continues to break regular national and international exclusives, including the first Western broadcast interview for four years with Zimbabwe's President Robert Mugabe, and going undercover to expose serious security flaws at Heathrow International Airport.



GO TO THE WEB:
WWW.SKY.COM/NEWS

SKY NEWS BRINGS NEW AND IMAGINATIVE SOLUTIONS TO COVERING THE BIG TRIALS OF THE AGE. FACT.

INTERACTIVITY

Sky News Active is the world's first interactive television news service, with eight screens for customers to choose from. People also feel closer to the news with the popular Active voting system, where over five million votes have now been cast. Sky remains the leader in adapting new technology to rolling news, and can now go live to customers on 3G phones to get their opinion on the story of the day.



Over the past 16 years, Sky News has covered these defining events:

- Fall of Communism in Eastern Europe
- Release of Nelson Mandela
- Bosnia crisis
- Trial of OJ Simpson
- Trial of Louise Woodward
- Britain's 1997 General Election
- Death of Princess Diana
- Kosovo crisis
- September 11 terrorist attacks
- Iraq War 2003
- Beslan siege
- U.S. 2004 Presidential Election
- Indian Ocean tsunami disaster

Innovation

Sky News' ground-breaking use of reconstructions and transcripts to cover the Hutton Inquiry and the Soham murder trial won much acclaim. In 2005, Sky will be using the same skills and imagination to cover the big cases of the year, including the trial of pop singer Michael Jackson, and the inquest into the deaths of Princess Diana and Dodi Fayed.

The introduction of an on-screen ticker to relay messages from survivors of the tsunami disaster to anxious relatives was another Sky innovation that struck a chord with the public.

Awards

For three years running Sky News has won RTS News Channel of the Year. The 2004 judges were unanimous in their view that "none yet matched the winner, who had continued to innovate in their coverage of the war and elsewhere and, as a news channel, remains - simply the best." And the United Nation's Department of Public Information presented the Sky News report Sudan with its Gold Award at the 2005 New York Television Festival.



Talent

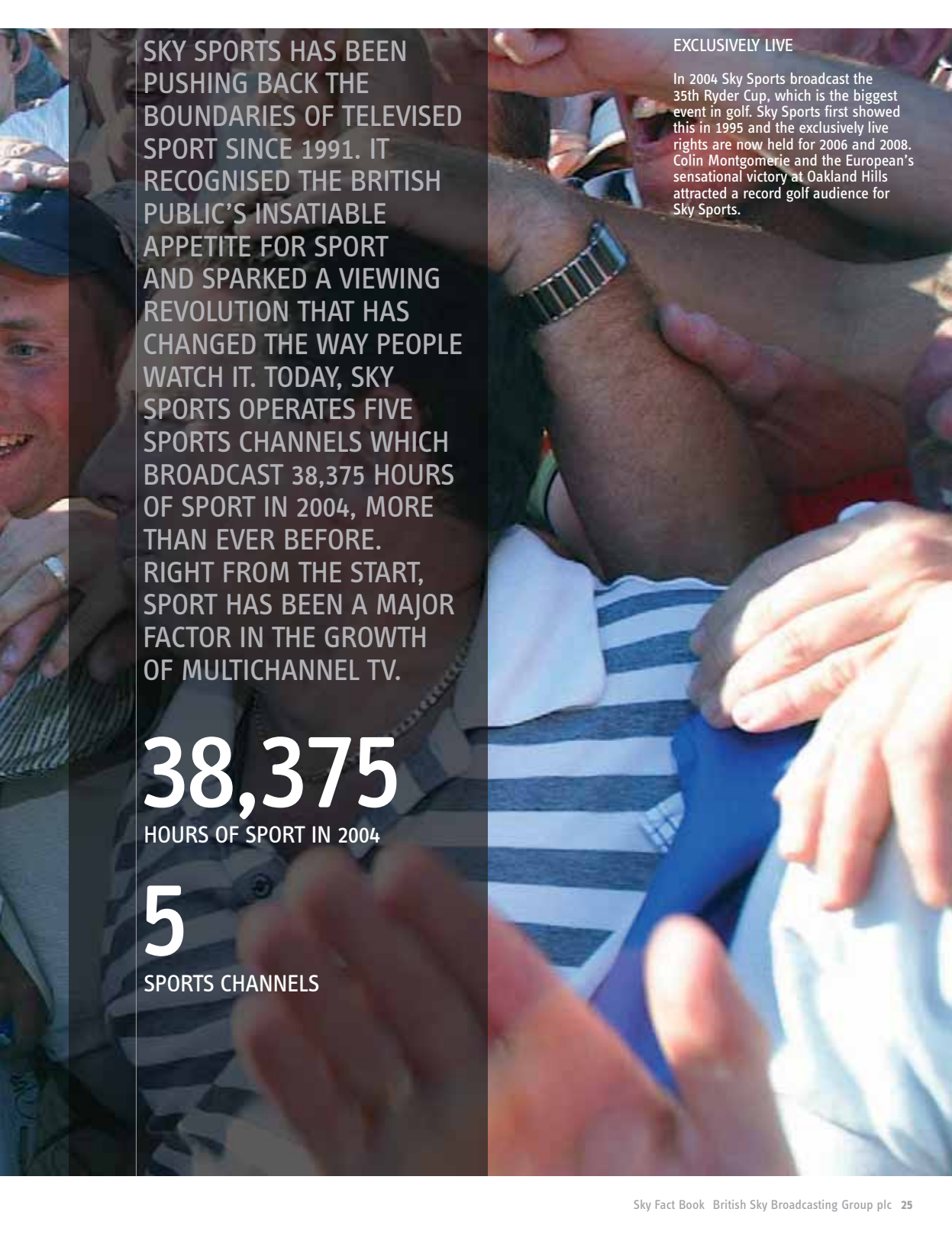
The channel's team of reporters, editors and producers is widely regarded as the best in the business. The ITC, in its report 'Conflict around the clock - audience reactions to media coverage of the Iraq War', comments: "The rolling news services came into their own as the war became a 24hr news event. Sky News outstripped competition from the other dedicated news channels, achieving a 67% share of all news viewing at the expense of the key public service broadcasters BBC1 and ITV1."



TSUNAMI
When disaster struck, Sky News presented from Sri Lanka, Thailand and Indonesia with innovative, informative and helpful coverage.

- 1 Beslan school siege
- 2 Five News - Kirsty Young
- 3 Asia bureau, Delhi
- 4 SkyCopter
- 5 Hutton Inquiry reconstruction
- 6 Sky News Active - eight screen
- 7 Reporting the Indian Ocean tsunami disaster
- 8 Julie Etchingham
- 9 Martin Stanford
- 10 Jeremy Thompson





SKY SPORTS HAS BEEN PUSHING BACK THE BOUNDARIES OF TELEVISED SPORT SINCE 1991. IT RECOGNISED THE BRITISH PUBLIC'S INSATIABLE APPETITE FOR SPORT AND SPARKED A VIEWING REVOLUTION THAT HAS CHANGED THE WAY PEOPLE WATCH IT. TODAY, SKY SPORTS OPERATES FIVE SPORTS CHANNELS WHICH BROADCAST 38,375 HOURS OF SPORT IN 2004, MORE THAN EVER BEFORE. RIGHT FROM THE START, SPORT HAS BEEN A MAJOR FACTOR IN THE GROWTH OF MULTICHANNEL TV.

38,375

HOURS OF SPORT IN 2004

5

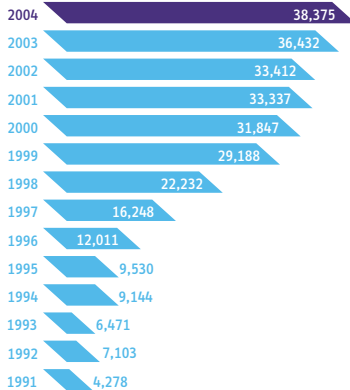
SPORTS CHANNELS

EXCLUSIVELY LIVE

In 2004 Sky Sports broadcast the 35th Ryder Cup, which is the biggest event in golf. Sky Sports first showed this in 1995 and the exclusively live rights are now held for 2006 and 2008. Colin Montgomerie and the European's sensational victory at Oakland Hills attracted a record golf audience for Sky Sports.

IN 2004, SKY SPORTS SHOWED 182 DAYS OF LIVE CRICKET. FACT.

Sky Sports total hours broadcast 1991-2004



It's live

The Sky Sports proposition is built, quite simply, on providing quality live sport throughout the year. About one-third of Sky Sports' total broadcast hours are live and as many as five channels can be offering live sport simultaneously – plus there are additional live events on Sky Box Office. All sports are presented by experts with an intimate knowledge of their sport, and on any given weekend Sky will have 600-700 people working on live broadcasts.

Sport for all

Sky Sports covers a wide range of sports including the nation's favourites: football, cricket, rugby union, rugby league, and golf – all covered live, in-depth and throughout the calendar, at international and domestic level. However, it is not just major events and the leading leagues that Sky covers.

Sky Sports is also proud to show developing sports as well as the grassroots of the leading sports. For instance, Sky has featured every single one of English football's 92 professional clubs, as well as dozens of non-league teams, and youth and women's football. And in the last year we've also shown The Horse of the Year Show, badminton and international netball.



To support live coverage, a range of original magazine programmes sets out to inform and entertain, including Golf Extra, The Rugby Club, Boots 'n' All and a different football show each day of the week.

Choice

Sky has invested a substantial amount in domestic football alone, through TV rights and production. Since its launch, it has broadcast over 3,000 live football matches, and the 2004-2005 season will be the most televised ever. Cricket fans have also benefited. The England team has been seen live on tour every winter since 1990 and an expansion of airtime has allowed Sky Sports to cover every Test nation live during the winter months. Sky also broadcast live rugby union every month of the year and will show all the Lions games in New Zealand exclusively live. In 2004, Sky showed golf every week of the year with coverage of around 100 tournaments; 157 rugby union matches, 117 rugby league matches; over 40 live boxing bills; and 182 days of live cricket as well as 430 live football matches.

The home of great sport

Sky Sports' new deal with the RFU and Premier Rugby ensures that Sky Sports has exclusively live rights to England's autumn internationals and the Zurich Premiership until 2010.

More than just TV

Sky Sports also offers services through your PC or mobile phone. Skysports.com is the UK's most popular commercial sports website offering continually updated news, views, information and video. Sky Sports Broadband is a subscription service offering streamed video highlights of top Barclays Premiership and UEFA Champions League football games just hours after the final whistle. Sky Sports also works with leading mobile networks to provide the latest sports information, and streamed sports highlights to 3G phone users.

Expert analysis

Along with the big name events, Sky Sports delivers the big name experts. Former star players like Andy Gray and Alan Smith (football), David Gower, Ian Botham and Nasser Hussain (cricket), Stuart Barnes and Dewi Morris (rugby) and Barry McGuigan (boxing) know what it is like to compete at the highest level and now use their experience to provide valuable insight.





IN SUMMER 2005, SKY SPORTS WILL SHOW EVERY MATCH OF THE BRITISH AND IRISH LIONS TOUR TO NEW ZEALAND EXCLUSIVELY LIVE. FACT.

Getting to the heart of the action

The Sky Sports outside broadcast capability is second to none and can have 120 staff working at a live Barclays Premiership football match, for example, with a further 30 on duty back at the studios. As a team, their job is to make sure the technology takes the viewer to the heart of the action, through the camera angles, the replays, the sound and match analysis. It is a huge logistical challenge but one the award-winning Sky Sports production team accepts and delivers week in, week out, through over 1,000 different sports outside broadcasts each year. September 2004 was the busiest month yet for live sport, with 130 live outside broadcasts.

Innovative

Sky Sports always strives to innovate, pioneering many broadcast techniques such as super-slow motion replays, multi-camera coverage, virtual graphics, interactivity and detailed statistical analysis.

GOING INTERACTIVE

Sky Sports introduced the world's first live interactive football in August 1999, with the Premiership match between Arsenal and Manchester United, and the service continues to develop.

Sky Sports Active allows customers to choose how they watch selected sporting events, to select alternative viewing angles, hear an alternative commentary, access a wealth of statistics, replay match highlights – even choose between live matches and place bets through their TV. Sky digital customers are able to choose between up to eight different live UEFA Champions League matches on one night.

In total, Sky Sports Active has enhanced 11 different sports since its launch: football, cricket, rugby union, tennis, snooker, rugby league, golf, pool, NFL American football, Formula One and Speedway.



FOOTBALL FIRST
Launched in August 2004, Football First offers a 55-minute super-cut of each Barclays Premiership match played that day. Fans can choose which game they want to watch.



- 1 St Helens vs. Wigan – Super League rugby
- 2 Jason Robinson – England vs. Australia
- 3 Andy Gray
- 4 Four England captains – cricket
- 5 Football First – eight screen options
- 6 Sky Sports Active
- 7 Frank Lampard – Barclays Premiership



GO TO THE WEB:
WWW.SKYSPORTS.COM



FURTHER READING:
SKY SPORTS FACT BOOK

sky movies

sky box office
MOVIES



PREMIERE SPONSORSHIP

In 2004 Sky supported the UK release of Shrek 2 on and off-air, as well as sponsoring the UK-wide Sky charity premieres of the film. Shrek 2 was on Sky Box Office from February 2005.

THE ENDURING APPEAL OF MOVIES PLAYS A CENTRAL ROLE IN SKY'S STRATEGY. AT A TIME WHEN AN INCREASING AMOUNT OF MOVIES ARE BEING SHOWN ON TV BY MORE AND MORE CHANNELS, SKY MOVIES IS STILL ONE OF THE LEADING MOVIE SERVICES WITH OVER FIVE MILLION CUSTOMERS.

450

DIFFERENT FILMS ON SKY MOVIES EVERY WEEK

200

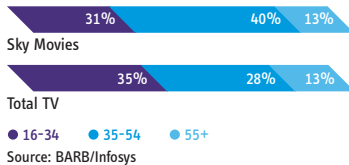
MOVIES SHOWN IN 2004 ON SKY BOX OFFICE

TM & © 2005 DreamWorks LLC.
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SKY MOVIES

SKY MOVIES HAS AN EXCLUSIVE MULTI-YEAR DEAL TO SCREEN THE ACADEMY AWARDS® ON BRITISH TV. FACT.

Audience profile Q2 2004-2005



Sky Movies top ten films of 2004:

- 1 Men in Black II
- 2 Spider-Man
- 3 Minority Report
- 5 Daddy Day Care
- 6 The Bourne Identity
- 7 Murder by Numbers
- 8 Reign of Fire
- 9 Catch Me if You Can
- 10 X-Men 2

CHICAGO

The Academy Award® and Golden Globe winning Chicago is currently showing until October 2005, and is just one of the hundreds of blockbuster movies available to Sky customers every week.

Choice, quality and convenience

Sky Movies is far larger than the UK's entire video rental sector in terms of movies watched a week - and in the financial year to the end of June 2004, £393 million had been invested on acquiring movie rights for our channels. Innovations such as interactivity, true widescreen capability and Dolby Digital 5.1 sound (on our Sky Box Office movies) have further enhanced the viewing experience. Other initiatives are designed to engage and inform the customer, such as star ratings on the on-screen TV guide and information about movies, to help guide viewers around the hundreds of movies on offer.

Sky Movies

Sky Movies shows the whole spectrum of recent movies, including almost all of the Hollywood blockbusters. There are 11 screens to choose from (including two Sky Cinema screens) - with the majority of movies broadcast in widescreen. Recent highlights from Sky Movies' wide range include Love Actually, Hulk, Chicago, Adaptation, Punch-Drunk Love, X-Men 2 and Bruce Almighty.

Sky Cinema

Sky Cinema has two screens that showcase classic movies from across the decades including iconic films, such as The Night of the Hunter, Apocalypse Now, To Kill a Mockingbird, All About Eve and Monty Python's The Meaning of Life.

Sky Cinema features specific movie seasons on acclaimed actors and directors such as Cary Grant, Charlie Chaplin and Alfred Hitchcock. In addition, Sky Cinema is also the home of Sky's World Cinema strand, dedicated to a twice-weekly double bill of the latest big movies from around the world - from The Barbarian Invasions to Spirited Away and Zatoichi, alongside classics such as the La Cage aux Folles and Betty Blue.

SKY MOVIES HAS OVER FIVE MILLION UK CUSTOMERS. FACT.





SHARK TALE

In 2004 Skymovies.com hosted the official UK website for DreamWorks' blockbuster Shark Tale.

Long Weekends

Long Weekends offer movies based on a theme showing on four consecutive days from Friday to Monday – with the emphasis firmly on enjoyment for all the family – these include themes like Valentines and Vampires, or films featuring the same actor, such as Tom Hanks or Denzel Washington.



- 1 Sky Box Office – Chicago
- 2 Shark Tale website
- 3 Sky Box Office – Kill Bill Volume 2
- 4 Sky Movies – Love Actually
- 5 Sky Movies – Bruce Almighty
- 6 Sky Movies – X-Men 2
- 7 Promos with Sir Ben Kingsley
- 8 skymovies.com

Sky Box Office

Sky Box Office shows around 200 films a year, including nearly all of the top 100 movies shown in UK cinemas the previous year. From a film's general release, it normally takes between six and nine months for it to be shown on Sky Box Office. Recent screenings have included Lord of the Rings: The Return of the King, Kill Bill Volume 2, Monster, Cold Mountain, The Day After Tomorrow, Troy and Shrek 2.

The Box Office button on the Sky remote provides a guide to movies and events, from which customers can select at will. The Sky box registers the selection, enables the relevant channel and notifies Sky to add the appropriate charge to the customer's next monthly bill.

Multi-starts

Sky Movies Active offers multi-starts – press the red button on your remote and watch at a time that suits you. For instance in January, customers who wanted to see Bruce Almighty could select a different starting time every 15 minutes, and 1.7 million did just that. The red button also brings you the latest

movie release news, trailers and reviews, and movie facts and figures.

First with the big pictures

Over the years Sky has consistently proved its ability to bring a wide range of titles from Hollywood and elsewhere. Sky Movies now works closely with the major studios promoting theatrical releases. For example, Sky partnered with UIP and DreamWorks to create a UK-wide event for the theatrical release of Shrek 2 including substantial on and off-air support – from an exclusive half hour behind the scenes special programme, to Sky charity premieres in Scotland, Wales and Manchester as well as London. The movie industry as a whole recognises that Sky Movies is now an integral part of their business.

Skymovies.com

Skymovies.com is now a hugely popular movie site, offering a one-stop shop of TV film listings, an encyclopaedic movie database, reviews of over 40,000 films and 1,000 trailers. This year the site, in conjunction with our interactive service, conducted our largest voting campaign

to date to find the 10 Top Tens – the most popular films in ten categories shown on Sky during 2004. The winning films were then screened in January 2005 as part of our special Long Weekends series.



GO TO THE WEB:
WWW.SKYMOVIES.COM

CHANNEL LINE-UP

FROM EPIC MOVIES AND WORLD-CLASS SPORT TO BREAKING NEWS AND THE LATEST IN ENTERTAINMENT. ADD PUBLIC SERVICE STATIONS, FOREIGN LANGUAGE CHANNELS, COMMUNITY CHANNELS AND SHOPPING... AND YOU ARE LOOKING AT THE WIDEST CHOICE AVAILABLE, ANYWHERE IN THE UK AND IRELAND.



BASIC CHANNELS OFFERED
BY SKY DIGITAL

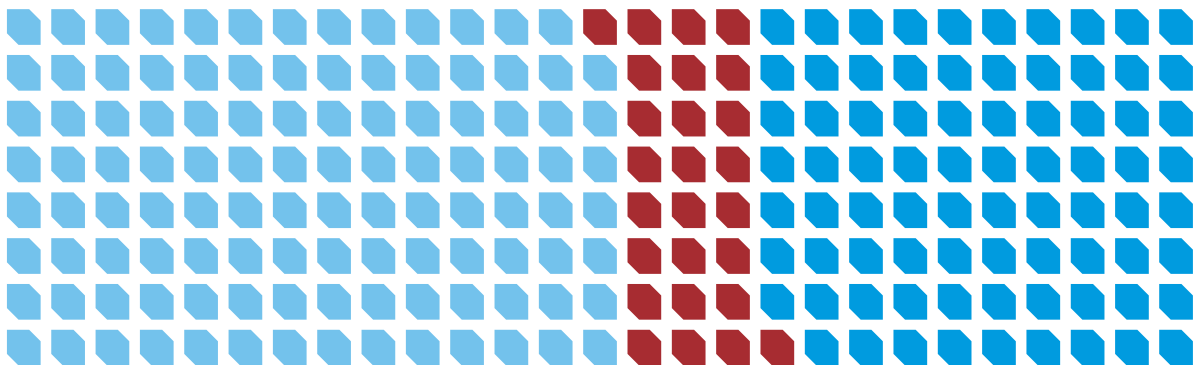
111

PREMIUM, A LA CARTE AND
BONUS CHANNELS OFFERED
BY SKY DIGITAL

26

FREE-TO-AIR RADIO
CHANNELS ON
DIGITAL SATELLITE

85



- 1 National Geographic Channel
- 2 Sky Sports
- 3 E4
- 4 Biography Channel



GO TO THE WEB:
WWW.SKYTRAVEL.CO.UK
WWW.SKY.COM/VENTURES

Information correct at time of
going to press – February 2005.

Sky Travel

Holiday information – and even holiday inspiration – and then a travel agent to book with, all from your living room. That's what Sky Travel, Sky Travel Extra and Sky Travel Shop offer. The most famous faces in travel – Clive James, Judith Chalmers, Loyd Grossman, Bill Bryson and Alan Whicker – are your expert guides. For all the latest special offers subscribers can simply press the red button to access Sky Travel Active or try the website, www.skytravel.co.uk. In 2004, Sky Travel's total share of viewing rose by a remarkable

80% over the previous year. Sky Travel also bucked the trend in the travel industry, seeing increased sales year-on-year.

Sky Ventures

As well as our own primary channels, we have financial interests in a number of other channels that broadcast on our platform. These interests are managed by Sky Ventures, which oversees 10 joint venture partnerships covering 14 television and 40 audio channels. Strategically, Sky Ventures enables us to align ourselves with strong consumer brands such as Nickelodeon,

480+

TELEVISION AND RADIO CHANNELS

TERRESTRIAL TV CHANNELS AND MANY OTHERS USE SKY'S INTERACTIVE CAPACITY TO EXTEND COVERAGE OF THEIR PROGRAMMES. **FACT.**



FREE-TO-AIR TV CHANNELS ON DIGITAL SATELLITE

CUSTOMER CHANNELS

PAY PER VIEW (PPV) CHANNELS ON DIGITAL SATELLITE

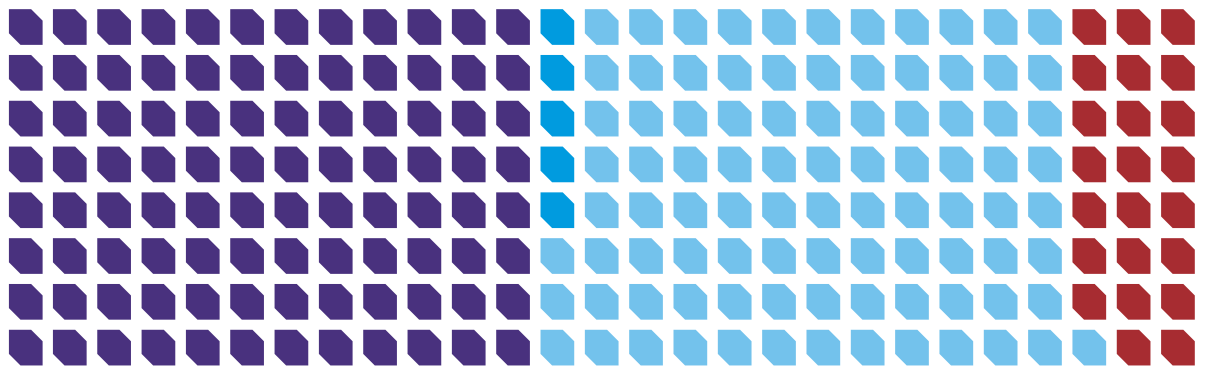
SUBSCRIPTION SERVICES ON DIGITAL SATELLITE

131

5

92

23



Paramount, National Geographic and The History Channel. Sky Ventures' channels are designed to give us a presence in specific content areas. Nickelodeon, for example, has been one of the country's leading children's channels since its launch in 1993 and The History Channel and National Geographic are at the forefront of their own factually-based genres. As a partner, we offer a number of high quality resources including advertising sales, cable distribution management, market research, programming, marketing, creative services and management support at board level. Sky Ventures remains focused on the

UK, although National Geographic and Music Choice Europe both operate across Europe, and Sky News Australia broadcasts in Australia and New Zealand. In February 2004, we also launched an international version of Sky News, funded by both subscriber and advertising revenues, which reaches over 40 million viewers across Europe, enjoying an enviable reputation as a provider of breaking news.

For a full list of the digital channels please see pages 39-40. Based on UK channel line-up.

Note: In figures shown above:

- Music Choice have 10 channels which are counted as one channel.
- Music Choice Extra (30 channels) is counted as one channel.
- Sky News is broadcast free-to-air but included in basic channels.
- Sky Movies 1 (5 screens) and Sky Movies 2 (4 screens) count as 9 separate premium channels.

INTEGRATED ADVERTISING CAMPAIGNS ARE THE FUTURE AND SKY IS LEADING THE WAY.

Sponsorship

Sponsorship offers advertisers an effective way to raise their brand profile through association with quality entertainment. Sky has hosted over 100 sponsors, accounting for over 25% of the UK's broadcast sponsorship sector.

Online

Delivering over 236 million page impressions to 6.3 million unique users each month, Sky's portfolio of websites offers an ideal place for advertisers to reach their target audience. Sky's online range of solutions for advertisers includes banners, rich media, bespoke co-branded editorial, competitions and opportunities for content sponsorship.

Pub Sports

Sky Sports for pubs feed screen ads that are different from those seen at home, allowing advertisers specific targeting opportunities.

Sky Text

Sky's Text brings customers over 1,000 pages of constantly updated information. Many advertisers find banners here a simple and effective means of promotion.

Interactive

Since we launched interactive advertising in March 2000, we've had over 550 interactive campaigns on Sky channels, and now ITV, Channel 4 and five are starting to offer interactive advertising using the Sky platform.

Channel offering

Sky Media act as advertising sales representatives for a host of channels aside from those wholly owned by Sky. These include The History Channel, National Geographic Channel, Biography Channel, Adventure One, Hallmark, Emap and Discovery Networks.

Sky's viewing panel

To help advertisers tap into trends in TV use, our research goes beyond demographics to look at consumer habits and interests.

Effectiveness

For advertisers to feel confident their campaign will be successful, we offer proof of effectiveness, tailored research and full case studies of key campaigns.



Ford, consistently our largest advertiser, makes full use of our integrated offering.



Major advertisers

As at 2004-05

Spot

Ford Motor Company
Procter & Gamble
Unilever
Reckitt Benckiser
Kingfisher
L'Oreal
Volkswagen
Universal Music
Dixons Stores Group
BT

Sponsorship

Ford Motor Company
Royal Bank of Scotland
Domino's
Nivea
Sony
Gillette

Pub Sports

Diageo
Scottish Courage
Ford Motor Company
Nike
Anheuser Busch

Interactive

Ford Motor Company
BMW
HSBC
Landrover
COI Communications
Daimler Chrysler
Vodafone
Sony Ericsson
Warner Bros.
UIP Films

Sky Text

HBOS
Nationwide
Thomas Cook

Online

Ford Motor Company
COI Communications
British Telecom
Coca-Cola GB
Hutchinson 3G
Diageo
O₂

SKY INTERACTIVE

CASE STUDY: PHILIPS SONICARE

Feeling their £100 sonic technology electric toothbrush needed a little more explanation than could be achieved in a 30-second TV ad, Philips Sonicare added an interactive competition to their Christmas campaign activity.

“Almost half a million adults interacted with the Philips Sonicare advertisement on Sky. We achieved record sales figures during the campaign period with a doubling of Sonicare’s value market share. The interactive campaign created a unique opportunity to interrelate with our consumers and was one of the main contributors to these results.”

David Hughes, Business Manager,
Philips Oral Healthcare UK



SKY’S ADVERTISING REVENUES HAVE CONTINUED TO OUTPERFORM THE MARKET. **FACT.**

SKY’S INTERACTIVE BUSINESS IS BSKYB’S FASTEST GROWING REVENUE STREAM. **FACT.**

Sky Interactive can help enhance a brand, a TV programme, a business or a channel, and engage customers more effectively. Every week, millions of customers use Sky Interactive to vote, bet, shop, learn, play, email, chat, date, text and more.

Sky Interactive has delivered some of the best enhanced TV in the UK. We manage all interactive applications for Sky Channels such as Sky News, Sky Sports and Sky Movies – for instance allowing customers to predict the winners of The Oscars® in February 2005.

We deliver services for third party channels such as ITV, Channel 4, five, Cartoon Network and Disney. We have provided the interactive solution for Big Brother since the second series, helping generate over 2 million user sessions throughout Big Brother 5.

Sky Interactive also provides the design, operations and technology for the standalone betting and gaming channel Sky Vegas Live funded entirely through interactive revenues.

We operate three interactive TV channels through the on-screen TV guide: Sky Active, Sky Gamestar and The Betting Zone.



SKY OFFERS THE GREATEST VARIETY OF INTERACTIVE SERVICES.

These portals offer a range of entertaining content and services, including games, betting, dating, horoscopes, retailing, email and texting.

In January 2005 we launched our virtual car showroom where customers can link to car manufacturers’ current interactive advertising and find out more about new cars, order a brochure and request a test drive – all through the TV.

For the duration of January 2005 we were able to demonstrate the fund-raising capabilities of interactive television, building and delivering the iTV donation service for the Disasters Emergency Committee’s Earthquake Tsunami Appeal for the Community Channel. £1.25 million was raised using this site, which was also accessible from Channel 4, Sky channels, UKTV, Discovery and the BBC.

Sky Interactive also build, design and manage dedicated advertiser locations to support interactive ad campaigns. This is an area created to meet the bespoke needs of the advertiser and can include video, animation and graphics to extend the customer experience.



CASE STUDY: CHEMICAL BROTHERS

In January 2005, Sky and EMI linked up to give fans an exclusive preview of The Chemical Brothers’ new album Push the Button. Through Sky Active, viewers could watch live footage, interviews and editorial features, while five full tracks from the album were available on an interactive jukebox so fans could hear highlights from the album ahead of the official UK release date.

CORPORATE RESPONSIBILITY

- 1 Accessibility website
- 2 Corporate Responsibility Review 2003-04
- 3 Sky installers
- 4 Chicken Shed performers

2



WE HAVE DEVELOPED A RANGE OF INITIATIVES DESIGNED TO DELIVER BENEFITS TO EACH OF OUR STAKEHOLDERS. FACT.

Sky is a young company with huge potential for the future. If we are to realise that potential, we have to demonstrate to society at large, by our decisions and actions, that we take our responsibilities seriously.

We have developed a range of initiatives designed to deliver benefits to each of our stakeholders – customers, our people, local communities, suppliers, the environment and our shareholders. Leadership is provided by a Board member and senior executives, which we believe is a clear indication of the importance we attach to it.



visit www.sky.com/accessibility

Sky is also facing the realities of interactive gambling, working with GamCare to promote responsible gambling and develop a voluntary code of practice, the first of its kind. This provides recommended measures to tackle under-age and problem gambling. The Code has helped shape the Government's recent draft Gambling Bill.

Sky people

We know our people will contribute more to the organisation if they are properly trained and recognised and provided with a safe and healthy working environment. In 2004, we introduced the new elected Sky Forum of over 65 individuals to represent the views, ideas and concerns of people from all areas of our business.

We have developed a range of nationally recognised qualifications and have formed partnerships with Scottish Enterprise and local colleges to help us deliver over 400 NVQs for our contact centre people. We also struck 40 new partnerships with well-known businesses, offering discounts to Sky people, and have spent over £200,000 making adjustments to the workplace for disabled colleagues.

Community

We are committed to making a positive difference to the communities in which we operate. Because we are a brand with a strong appeal to the youth market, we focus our most important community initiatives on young people, and their families.

SKY RECEIVED BITC'S REALISING ABILITY AWARD FOR THE UNDERSTANDING OF DISABILITY ISSUES AND DEDICATED SERVICES FOR DISABLED CUSTOMERS. FACT.

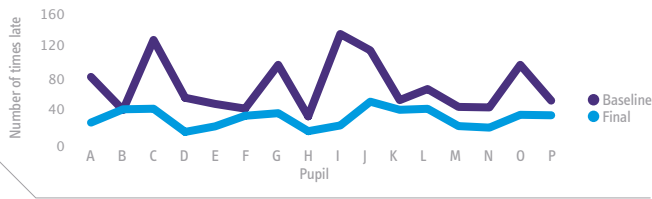


Customers

We want as many people as possible to enjoy Sky. Over the last year, we've extended the opportunities and choice for disabled customers. Our customers can choose audio-description where provided by the broadcaster, and we are committed to expanding subtitling on our own programmes - these significantly increase the value of TV to people with hearing or sight loss. Our Disability Strategy was awarded a Business in the Community Award for Excellence in 2004. For more information

OVER 280 TONNES OF WASTE PAPER WERE RECYCLED LAST YEAR. **FACT.**

Living For Sport
September 2003-04



Reach For The Sky (RFTS) is designed to help people aged 11-19 realise their potential and currently includes our 'Living For Sport' initiative and 'reach' website.

We created Living For Sport to develop confidence and leadership skills in young people who are struggling at school. In 2003-04, 562 pupils across 42 schools took part. Analysis shows that the participants and schools taking part have shown real improvements in attendance, punctuality, behaviour and personal development. This year over 250 schools were signed up.

Sky's website for teenagers, www.sky.com/reach, goes behind the scenes of entertainment, media and sport, and now has over 75,000 users. It provides invaluable advice, support and opportunities to teenagers across the UK.



This year our Reach For The Sky initiative won a Business in the Community award for Excellence in Education and Lifelong learning.



Make it Big was our innovative approach to finding a charity partner. 165 charities were given the opportunity to have a short film made about the difference they make to young people. Ten were shortlisted and made into three-minute films shown on the Community Channel for Sky people and customers to vote on their favourite. The Chicken Shed Theatre Company won and is Sky's charity partner for 2004-07.

Sky staff known as Community Champions have run the 'Sky Youth Action Fund' in Livingston and Dunfermline for three years and these have now launched in Osterley and Harrogate. The Champions are responsible for managing Sky's contribution to local events, initiatives and causes – particularly those focused on young people. More than £130,000 has been donated so far.

Our Make a Difference scheme allows Sky employees up to 16 hours a year for volunteering in the community and is an easy way for staff to make regular payroll donations to their favourite UK charity, which receives the tax that would have been paid, as well as the donation. We also supplement staff fundraising activities, matching them pound for pound up to £600 for our company charity, The Chicken Shed Theatre Company, or up to £300 for any other registered UK charity.

As an integral part of UK broadcasting, we know we can use our influence for good causes. We were the first platform to carry the Community Channel – the first dedicated television and internet channel for charitable causes. It attracted over one million viewers in just over a year. In 2004, we signed up to the Broadcasters' Joint Declaration to continue our support for the Community Channel and to helping raise its profile. We continue to offer work placement opportunities within our wholly-owned channels.

Suppliers

Sky's philosophy for long-term growth is to use the best suppliers to get the best quality, service and value for the business by the most ethical means, and to be transparent and fair in all our transactions. Our suppliers are long-term partners, working with us, not for us. We're also working to improve

our procurement efficiency and were one of the first companies in Europe to adopt an e-procurement buyer and invoicing system, which significantly reduced paper invoices, saving time and money.

Environment

Our business has an inherently low impact on the environment, but we recognise the difference our contribution can make. Last year, we recycled 281.26 tonnes of paper equal to the weight of 140 elephants and saved 1,388 trees. Also, we donated 351 old mobile phones for use as personal alarms to help victims of crime, harassment and domestic violence.

As at October 2004, 100% of Sky's electricity needs in England and 20% in Scotland came from renewable sources.

Shareholders

Sky is committed to creating long-term shareholder value and in 2004 recorded an operating profit of £600 million. We encourage Sky people to become investors and last year 40% of Sky people took up the staff Sharesave scheme to save towards the purchase of discounted shares.

BskyB is a member of the Dow Jones Sustainability Index and the London Stock Exchange's FTSE4Good Index. Membership of these indices is limited to companies that prove they are working towards goals such as environmental sustainability and positive stakeholder relationships.



FURTHER READING:
CORPORATE RESPONSIBILITY REVIEW 2003-04



GO TO THE WEB:
WWW.SKY.COM/RESPONSIBILITIES
WWW.SKY.COM/ACCESSIBILITY
WWW.SKY.COM/REACH

OFCOM IS RESPONSIBLE FOR THE REGULATION OF SKY'S BROADCASTING SERVICES. **FACT.**

1



- 1 Signing on Sky Sports News
- 2 Subtitling on Sky One

The Sky platform has over 480 television and radio channels. Movies, sport, entertainment, news, public service stations, foreign language channels, kids' programmes, community channels, shopping... and it's all just a press of a button away.

Ofcom's licensing and regulatory functions cover the broadcasting and telecommunications sectors, in relation to which it can also exercise competition powers under the Competition Act 1998 concurrently with the Office of Fair Trading (OFT).

The broadcasting services provided by Sky are licensed by Ofcom. In common with all television licences issued by Ofcom, Sky's licences impose obligations to comply with codes and directions issued by Ofcom. Ofcom's codes include requirements as to impartiality and accuracy of news programming, requirements as to taste and decency and the portrayal of sex and violence, restrictions on the quantity and

content of advertisements and sponsorship, and the amount of subtitling, signing and audio-description.

Since its launch, the digital satellite platform has been operated as an 'open' platform. This means that broadcasters have been able to obtain technical services from Sky, such as listings on the on-screen TV guide and Conditional Access (on regulated terms), and provide their channels independently of Sky's Pay TV packages. Third parties have also been able to obtain the necessary technical services (on regulated terms) to provide interactive services independently of Sky. Ofcom is responsible for the regulation of the provision of these services.



GO TO THE WEB:
WWW.OFCOM.ORG.UK

GLOSSARY

EVERY BUSINESS HAS ITS OWN LANGUAGE AND WE ARE NO DIFFERENT. HERE IS A QUICK GUIDE TO HELP YOU UNDERSTAND THE DIGITAL MEDIA SECTOR.



SKY MOVIES
COLD MOUNTAIN
SKY SPORTS
ARSENAL vs. MANCHESTER UNITED



A

Analogue

An analogue signal is the traditional way of broadcasting TV and radio. It may have a lower picture quality than digital and is more susceptible to interference. Analogue TV services typically offer fewer channels and less scope for interactivity than digital TV.

B

Betting Zone

This is the Sky Betting and Gaming interactive channel. It can be reached by pressing the interactive button on the remote.

C

Cable TV

Digital cable is received via an underground cable and a set top box. Digital cable covers around 50% of UK households with two main digital cable providers: NTL and Telewest.

Channels:

Sky Channels

Television channels wholly owned by the Group, i.e. the Sky Basic Channels and the Sky Premium Channels.

Sky Basic Channels

Sky One
Sky One Mix
Sky News
Sky Travel
Sky Travel Shop
Sky Travel Extra
Sky Vegas Live
Sky Sports News
The Amp
Scuzz
Flaunt

Sky Premium and Bonus Channels

The Sky Premium and Bonus Channels and additional services:

Sky Movies 1 (5 screens)
Sky Movies 2 (4 screens)
Sky Cinema 1 & 2
Sky Sports 1 & 2
Sky Sports Xtra

Sky Distributed Channels

Television channels owned and operated by third parties, marketed by Sky to Direct-to-Home customers as part of its Pay TV packages.

Channel line-up

(As at February 2005)

26

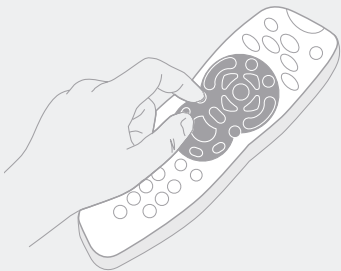
Premium, à la carte, bonus and additional channels offered by Sky digital

Artsworld
Chelsea TV
Disney Channel
Disney Channel +1
Film Four
Film Four +1
FilmFourWeekly
Music Choice Extra (30 channels)
MUTV
Playhouse Disney
Sky Cinema 1
Sky Cinema 2
Sky Movies 1-9
Sky Sports 1-3
Sky Sports Xtra
Toon Disney

111

Basic channels offered by Sky digital

Adventure One
Animal Planet
Animal Planet +1
At The Races (formerly attheraces)
Big Blue
Bloomberg
Boomerang
Bravo
Bravo +1
Cartoon Network
Cartoon Network Plus
Challenge
Challenge +1
CNBC



OVER 480 CHANNELS TO CHOOSE FROM. FACT.

Discovery Channel
 Discovery Channel +1
 Discovery Civilisation
 Discovery Health
 Discovery Home & Leisure
 Discovery Home & Leisure +1
 Discovery Kids
 Discovery Travel and Living
 Discovery Science
 Discovery Wings
 DW-TV
 E4
 E4 +1
 E!
 Eurosport UK
 Eurosport 2UK
 Flaunt
 Fox News
 Ftn
 FX
 Hallmark
 History +1
 Jetix
 Jetix +1
 KISS
 Kerrang!
 LIVINGtv
 LIVINGtv +1
 LIVINGtv2
 Magic
 Men and Motors
 MTV
 MTV Hits
 MTV 2
 MTV Base
 MTV Dance
 Music Choice (10 channels)
 National Geographic Channel
 National Geographic Channel +1
 Nick Jr.
 Nickelodeon
 Nick Replay
 Nick Toons TV
 Paramount
 Paramount Comedy 2
 Q
 Sci-Fi
 Scuzz
 Sky News
 Sky One
 Sky Mix
 Sky Sports News
 Sky Travel Shop
 Sky Vegas Live
 Smash Hits
 STAR News
 STAR Plus
 Sky Travel
 Sky Travel +1
 Sky Travel Extra
 talkSPORT (UK, NI & Channel Isles)
 TCM
 The Amp
 The Biography Channel
 The Box
 The History Channel
 The Hits
 The Saint
 The Villan

TMF
 Toonami
 Trouble
 Trouble Reload
 TV5
 TVEi
 UK Bright Ideas
 UKTV Documentary
 UKTV Documentary +1
 UKTV Drama
 UKTV Food
 UKTV Food +1
 UKTV Gold
 UKTV Gold +1
 UKTVG2
 UKTVG2 +1
 UKTV History
 UKTV History +1
 UK Style
 UK Style+
 UKTV People
 UKTV People +1
 VH1
 VH2
 VH1 Classic

92
Pay Per View (PPV) channels on digital satellite

61 Sky Box Office screens
 7 18+ channels,
 8 Red Hot adult channels
 14 other PPV channels
 3 sport channels

131
Free-to-air TV channels on digital satellite



THE HISTORY CHANNEL
 WWII IN COLOUR
 SKY ONE
 THE SIMPSONS

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 ALL RIGHTS RESERVED.

85
Free-to-air radio channels on digital satellite

5
Customer channels

23
Subscription services on digital satellite

Adult Channel
 Alpha EtcPun
 ARY Digital
 B4U Movies
 Bangla TV
 Celtic TV
 NASN
 Playboy TV
 PTV Prime
 Racing UKTV
 Rangers TV
 Setanta Sports
 Sport XXX Babes
 Sony TV Asia
 Southforyou
 Spice Extreme
 Television X
 TVX2
 TVX3
 XXX Housewives
 Zee Cinema
 Zee Music
 Zee TV
 18 Plus XXX

Churn
 Sky's term to describe the rate at which customers give up (or let lapse) their subscription each year. Sky has one of the lowest rates of churn in Pay TV in the world at 9.5% (from 1 October - 31 December 2004).

Contact centres
 Our contact centres at two sites in Scotland - Livingston and Dunfermline - are staffed 24hrs a day. They are in charge of bringing in customers, answering their questions and solving their problems, as well as co-ordinating over 1,000 engineers across the UK.

D
Digital Audio Broadcasting (DAB)
 DAB is the technical standard for the transmission of terrestrial digital radio signals.

Digital Satellite TV
 Sky is the leading digital satellite TV provider in the UK and Ireland. The digital signal is received via a minidish and Sky box. The digital satellite signal covers approximately 99% of the UK and offers over 480 entertainment, news, sports, movies, factual, kids, music and radio channels.

Digital Subscriber Line (DSL)

This provides a high speed connection over existing telephone networks. It can be used for high speed internet connection and digital television transmission to the home.

Digital Terrestrial Television (DTT)

DTT delivers digital television via a conventional aerial, converted through a digital terrestrial TV adaptor. Freeview and Top Up TV are the brand names for DTT services in the UK.

Digital Versatile Disc (DVD)

A DVD is a digital disc that is superseding the conventional video tape. DVDs can store a lot more information with a far superior picture and sound quality.

Digital Video Recorder (DVR)

DVRs are TV recording devices with in-built hard disk recorders allowing viewers to record TV digitally without the need for video tapes. See also Sky+, page 43.

Direct-to-Home (DTH)

The transmission of Sky digital for reception by a viewer with a Sky satellite minidish and Sky box at home.

Dolby Digital 5.1

Dolby Digital can deliver surround sound with five full range audio channels – left, centre, right, left surround and right surround – plus a sixth channel for low frequency effects that are felt more than heard in a movie. Dolby Digital 5.1 is available across a range of Sky Box Office and Sky Movies channels via Sky+ using a compatible surround sound system.

E

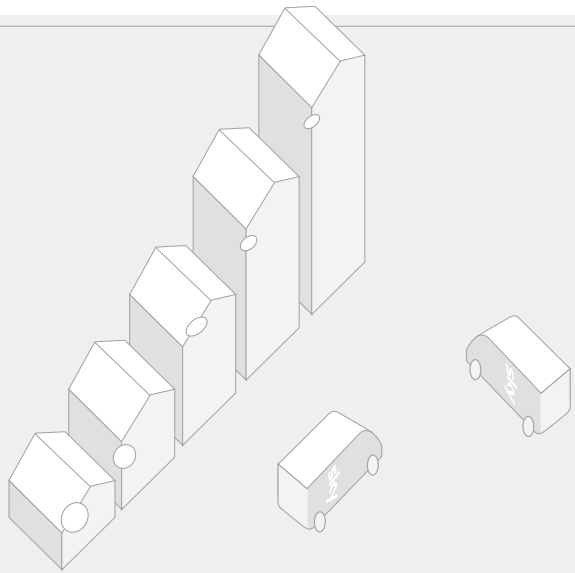
Electronic Programme Guide (EPG)

See on-screen TV guide, page 42.

Enhanced TV (ETV)

ETV describes programmes that have interactive features. Some of the Sky Sports Barclays Premiership and UEFA Champions League coverage is broadcast interactively, allowing viewers to press the red button to access alternative live video feeds broadcasting different matches and to call up match statistics. ETV applications currently available:

- Sky Sports Active – viewers can swap between alternative action, camera angles, match highlights, statistics and much more
- Sky News Active – choose the stories you want to see from eight screen video reports, vote on issues of the day and access text stories
- Sky Movies Active – find out about the big movies on Sky and at the cinema, catch up on all the Hollywood gossip, check out local cinema listings and book tickets.



THE TOTAL NUMBER OF HOUSEHOLDS RECEIVING ONE OR MORE SKY CHANNELS NOW STANDS AT 15.7 MILLION. FACT.

F

Financial calendar

Results announcements

- Feb 2005 – Half year results
- May 2005 – Third quarter results
- Aug 2005 – Year end results
- Nov 2005 – AGM and first quarter results

Fiscal year

The 52-53 week period ending each year on the Sunday nearest to 30 June.

Freesat

Sky's freesat service allows viewers to receive more than 200 channels of digital TV and radio by satellite without a subscription fee. To receive this service, customers require a Sky box and viewing card.

Free-to-air (FTA)

All Freeview channels and over 100 digital satellite channels and services are FTA.

Freeview

Freeview is the name for the free-to-air DTT service from the BBC, Sky and Crown Castle International. Freeview offers over 30 digital television channels, plus interactive services and digital radio, through a terrestrial rooftop aerial without charging a subscription fee. Around 50% of UK households can receive Freeview. A further 25% can receive Freeview with an aerial upgrade. To receive this service, customers require a box.

H

High Definition TV (HDTV)

Sky's HDTV is on track to launch in 2006. It will deliver a picture up to four times better in quality than standard-definition TV and add superior sound quality with full Dolby 5.1 support.



Households receiving Sky

As at 31 December 2004, the total number of households receiving one or more Sky channels was 15.7 million. Of these, 7.6 million were Direct-to-Home Sky digital customers. The rest received one or more Sky channels via cable or digital terrestrial television. Digital terrestrial television homes are estimated by BARB and may include Sky or cable homes that already take multichannel television.

I

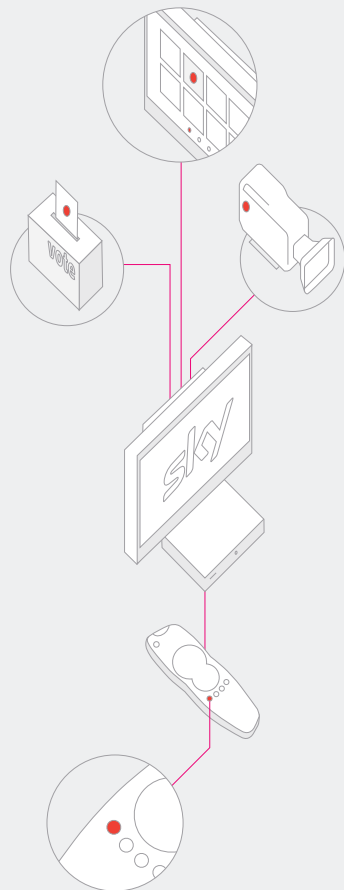
Interactive services

Interactive services on Sky can be accessed by pressing the interactive button on the remote control. Digital satellite viewers can choose from a wide range of entertaining interactive services including Sky Gamestar, Sky Active and The Betting Zone.

Interactive television

Digital satellite allows innovative interactive services from both Sky and other broadcasters, such as the BBC, Disney and Channel 4, five, ITV, MTV, Living, Discovery and UKTV. These can be accessed by pressing the red button while watching the channel and allow the viewer to engage with or control what's on screen.

SKY DIGITAL'S INTERACTIVE FEATURES INCLUDE EIGHT SCREEN, VOTING AND DIFFERENT CAMERA ANGLES. FACT.



M

Minidish

The Sky minidish* is an elliptical shaped satellite dish measuring 530mm x 392mm. It needs to be attached to the outside of a building to have line of sight to the satellites in space and can be discreetly installed.

Multichannel TV

Multichannel TV describes any TV service that offers more than the five terrestrial TV channels.

O

On-screen TV guide

Used to navigate around the digital TV channels. The award winning Sky guide gives TV listings and information for the seven days ahead.



P

Pay Per View (PPV)

PPV describes a system for paying to watch a recently released film or one-off event, for example a music concert or sports event. Sky Box Office offers movies and special events on Sky digital.

Pay TV

Pay TV channels are available to viewers who choose to pay a subscription fee or a PPV charge.

Personal Planner

Available on digital satellite, the Personal Planner gives viewers the option to set an on-screen reminder for up to 50 programme start times.

Platform

A TV distribution infrastructure needed to deliver TV to the home. The digital TV platforms available in the UK are digital satellite (Sky), DTT (Freeview or Top Up TV), digital cable (NTL or Telewest) and DSL.

S

Satellites

The satellites that broadcast Sky's channels are situated 22,300 miles into space at 28.2°E and 28.5°E. We use some of the transponder space for Sky's own channels and services. The remaining capacity is subleased to third parties for the transmission of other channels or services.



Shareholders

Breakdown of BSkyB shareholders by type and location as at June 2004:

Fund Managers by Type:

News UK Nominees Limited	35.33%
Fund Management Groups	34.28%
Other	11.32%
Insurance Companies	11.04%
Miscellaneous Banks	4.06%
Pension Funds	3.97%

Fund Managers by Location:

News UK Nominees Limited	35.33%
London	27.86%
USA and Canada	15.01%
Continental Europe	7.90%
Other	7.79%
Scotland	4.07%
Rest of UK and Eire	2.04%

Sky Active

Sky Active is an interactive channel that gives viewers access to a daily digest of magazine style content and lets them interact using their Sky remote control. Updated daily with celebrity interviews and news, viewers can enjoy a broad range of services that include games and puzzles, friends and dating services, text, chat and email, NHS Direct, The Lotto and cash wins, TV and film news, daily horoscopes, plus much more. Using Sky Active is easy, simply press the interactive button on the Sky remote and select Sky Active.

Sky box

The Sky box enables customers to receive digital quality TV pictures and sound. It has

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**HIGH DEFINITION TV -
THE FUTURE IS COMING**

**SKY'S PREMIUM HIGH DEFINITION
SERVICE IS ON TRACK TO LAUNCH
IN 2006. A MOVE THAT FURTHER
UNDERLINES SKY'S INTENTION TO
REVOLUTIONISE THE VIEWING
EXPERIENCE.**

THE FACTS:

**GREAT SOUND QUALITY -
FULL DOLBY 5.1 SUPPORT.**

**WILL ENABLE CUSTOMERS
TO GET THE BEST FROM THEIR
HOME CINEMA SYSTEMS.**

**THE BEST QUALITY PICTURE
FOR FLATSCREEN TVs.**

**AN AMAZING CONTENT
PACKAGE TO SUIT ALL TASTES.**

THE STORY TO DATE

DIGITAL LAUNCH

1998



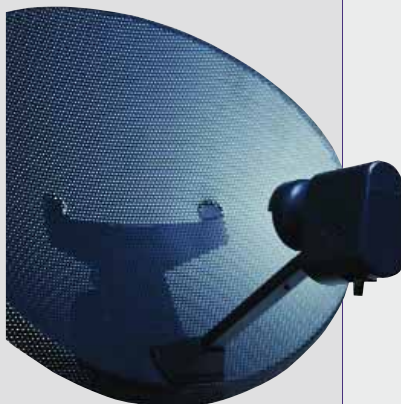
1 OCTOBER 1998
Sky launches the UK's first digital TV service, offering 140 channels. Sky launches its minidish dubbed 'much less obtrusive than older satellite dishes' by Good Housekeeping magazine.

1999



AUGUST 1999
Sky shows the world's first interactive TV football match, Arsenal vs. Manchester United.

DECEMBER 1999
Free Sky boxes and minidishes help Sky digital become the fastest growing digital platform in the world.



2000



MARCH 2000
Sky shows its first interactive advertisement.



JUNE 2000
Sky launches the world's first interactive TV news service.

2001

MAY-NOVEMBER 2001
The BBC, E4 and MTV use the Sky platform's interactive capacity to extend coverage of Wimbledon, Big Brother and MTV Europe Music Awards.

AUGUST 2001
Sky introduces Sky+, a fully integrated digital video recorder.

SEPTEMBER 2001
Sky switches off its analogue signal.

NOVEMBER 2001
Sky unveils upgraded contact centres.



CHANGING THE FACE OF TELEVISION IN THE UK AND IRELAND

At the start of February 1989, the public in the UK and Ireland had a choice of four television channels and popular opinion was that people wouldn't pay more than the licence fee for television. Then Sky arrived on the scene, doubling overnight the number of channels available.

By June 1990 Sky had one million analogue customers and the figure had grown to four million by the end of 1994. However during, the mid to late 1990s Sky invested significant amounts in creating its digital platform. This was a big step, not just for Sky but for the UK broadcasting industry as a whole.

The rest is history.

2002

FEBRUARY-APRIL 2002

Sky News wins Royal Television Society (RTS) News Channel of the Year award for the September 11 terrorist attacks



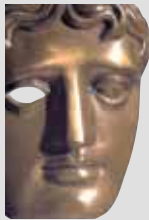
OCTOBER 2002

Sky offers three channels as part of the new Freeriew package.

DECEMBER 2002

Sky returns to positive cash flow.

2003



FEBRUARY-APRIL 2003

Sky News wins RTS News Channel of the Year award for coverage of the Soham murders. Then in April, Sky News wins a BAFTA award for the same coverage.

SEPTEMBER 2003

Sky reaches 7 million customers (three months ahead of schedule). Sky sets a target of 8 million customers by 2005. Sky makes its first year of profit since its investment in digital.

A major promotion launches to boost sales of Sky+ and extra Sky box.



OCTOBER 2003

Achieved record multichannel audience for the Turkey vs. England Euro 2004 qualifier.

2004



JANUARY 2004

Sky screens its 500th live interactive football match, Manchester United vs. Southampton. Sky One attracts one million viewers for the debut of Nip/Tuck (pictured above).

FEBRUARY 2004

Sky News wins RTS News Channel of the Year award for the third year running for the reconstructions of the Hutton Inquiry. It also wins the RTS Innovation Award for its Soham murder trial transcripts.

The third series of 24 premieres on Sky One.

MARCH 2004

Sky News is awarded the contract to supply five with its news service.

MAY 2004

Sky shows eight live football finals, including the UEFA Champions League for the first time.

JUNE 2004

Sky wins Business in the Community Education and Lifelong Learning Award.

OCTOBER 2004

Sky launches its latest advertising campaign - 'What do you want to watch'

Sky launches Freesat.



NOVEMBER 2004

Sky wins an exclusive multi-year deal to screen the Academy Awards®.

2005+

JANUARY 2005

Sky hits its best share of viewing yet, with 9.6% of all UK TV households in the week ending 2 January 2005.



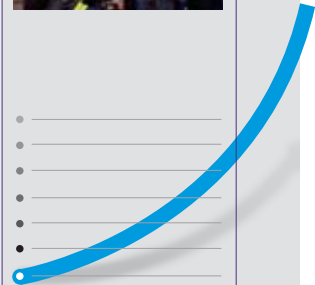
FEBRUARY 2005

7.6 million DTH customers, an increase of 192,000 in the quarter.

Total revenues +10%.

Operating profit before goodwill +25%.

Profit after tax + 18%.



FURTHER INFORMATION

For further information on BSkyB's business head for www.sky.com/corporate

The Investor Centre contains financial information, such as Annual Reports, Interim Results, Management Presentations and the latest share price.

In the Media Centre you'll find the latest press releases, the Media Library and frequently asked questions.

The Corporate Responsibility section contains the current Corporate Responsibility Review as well as online access to all the facts and figures about ongoing corporate responsibility initiatives.

Communicating with our audiences

Sky recognises the importance of communicating with a broad range of audiences, and produces a comprehensive suite of literature covering virtually every aspect of its operations. Copies of these documents can be obtained from Sky by post or, in most cases, downloaded from the Sky website.

SHAREHOLDER SERVICES

Share price information

The Company's share price is broadcast on Sky Text on the Sky News channel on page 145, BBC Ceefax page 222 and on Channel 4 Teletext page 515, all under the prefix BSkyB. It also appears in the financial columns of the national press.

The latest BSkyB share price is available from the Financial Times Cityline Service, on 0906 843 4816.

Share dealing service

The Company has arranged with NatWest stockbrokers to provide shareholders with a single, low cost method of buying and selling its shares. To take advantage of this service, call 0870 600 2050.

Shares online

BSkyB's 24,000 shareholders can also access their shareholdings online and find a range of other services at the Lloyds TSB Registrars' Shareholder website, www.shareview.co.uk

Shareholder enquiries

All administrative enquiries relating to shareholders, such as queries concerning dividend payments, notification of change of address or the loss of a share certificate, should be made to the Company's registrars whose address is given below.

Registrars

Lloyds TSB Registrars
The Causeway, Worthing
West Sussex BN99 6DA
T: 0870 600 3970

British Sky Broadcasting Group plc
Grant Way, Isleworth, Middlesex
TW7 5QD England
T: +44 (0)870 240 3000
F: +44 (0)870 240 3060

www.sky.com

Registered in England No. 2247735

Produced by BSkyB Corporate
Communications, February 2005

