

BEAR STEARNS MEDIA CONFERENCE – 28 FEBRUARY 2006

JAMES MURDOCH

CHIEF EXECUTIVE OFFICER

FORWARD-LOOKING STATEMENTS

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

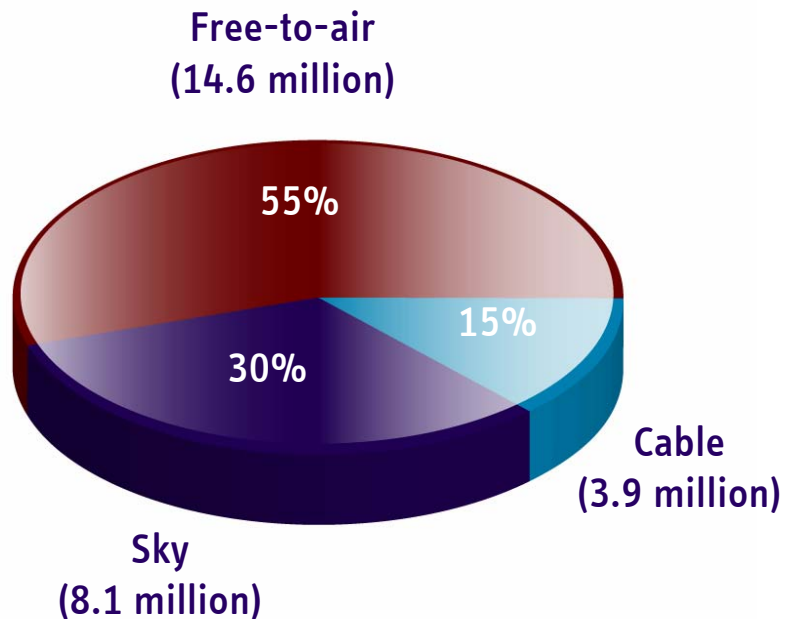
These statements (and all other forward-looking statements contained in this document) are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Group's control, are difficult to predict and could cause actual results to differ materially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

Information on some risks and uncertainties are described in the "Risk Factors" section of Sky's Annual Report on Form 20-F for the period ended 30 June 2005. Copies of the Annual Report on Form 20-F are available on request from British Sky Broadcasting Group plc, Grant Way, Isleworth TW7 5QD. All forward-looking statements in this document are based on information known to the Group on the date hereof. The Group undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

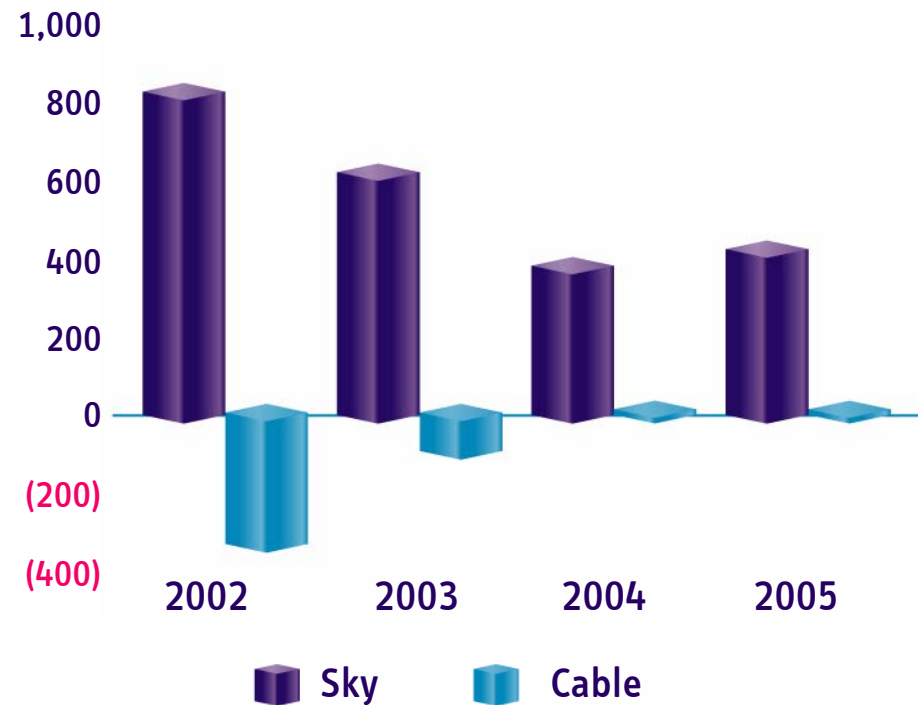


A STRONG POSITION AND UNDER PENETRATED MARKET

SIGNIFICANT GROWTH OPPORTUNITY¹



PAY-TV SUBSCRIBER GROWTH²



- (1) UK and Ireland homes as at 31 December 2005
- (2) Annual growth for the year ended 31 December



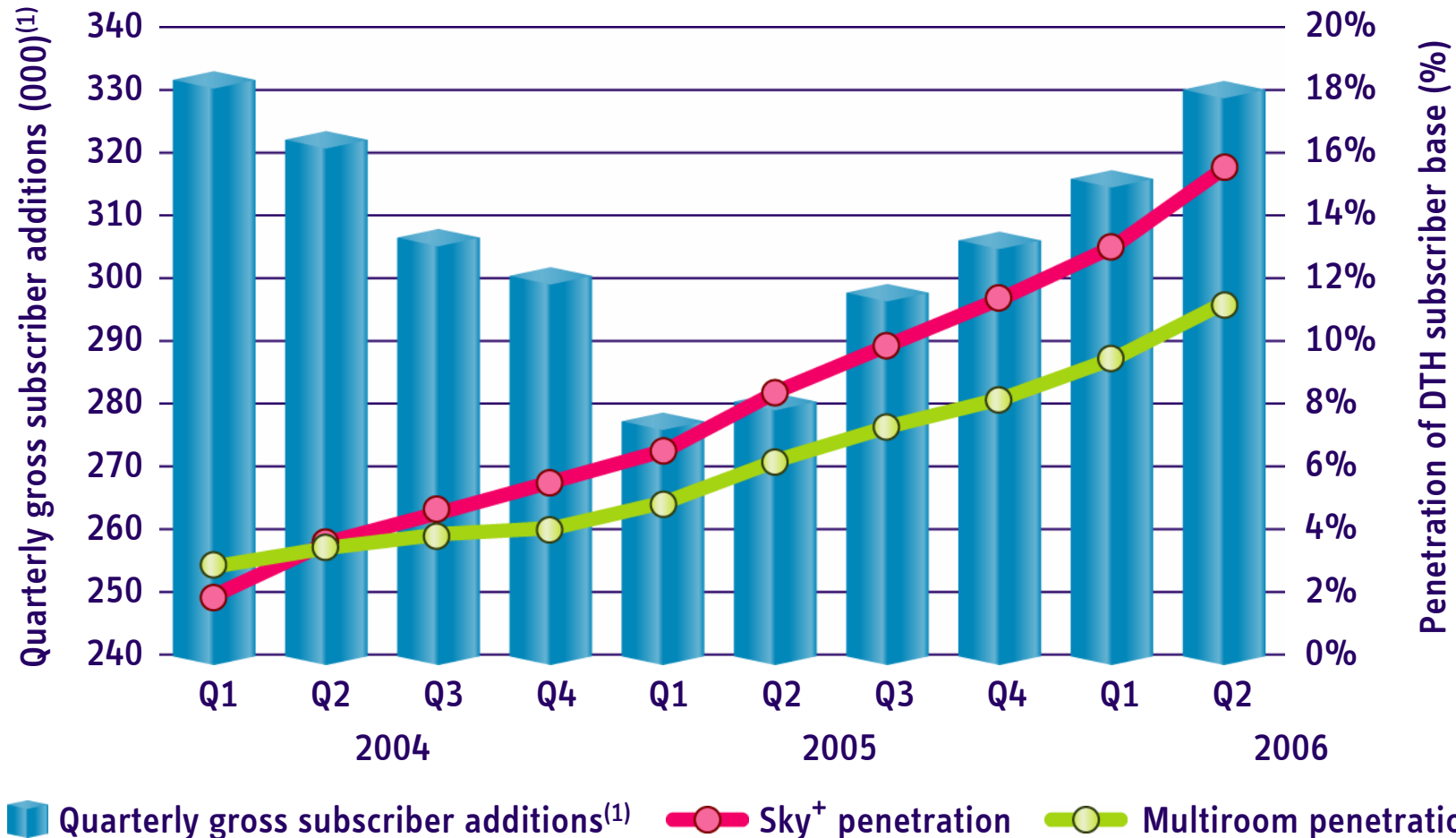
H1 RESULTS HIGHLIGHTS

- Accelerated growth / achieved subscriber target
 - 5th consecutive quarter of year on year growth in gross additions
- Record Sky⁺ and Multiroom growth
 - Trebled the number of Sky⁺ and Multiroom households since 30 June 2004
- Strong growth in profit and cashflow
 - Operating profit margin up from 16% at June 2004⁽¹⁾ to 19% at December 2005
 - 16th consecutive quarter of year on year EPS growth
- Easynet offer made (since closed)
- Broadband and mobile content services launched

(1)The financial results for the year ended 30 June 2004 were prepared under UK GAAP



ACCELERATED THE RATE OF SUBSCRIBER GROWTH



(1) Four quarter rolling average



THE LANDSCAPE

- **Competitive set changing**
- **New technology** is allowing Sky to **challenge incumbents**
- **Broadband** allows us to grow into new segments **adding value** to our offering
- **Adaptation** is widening the gap

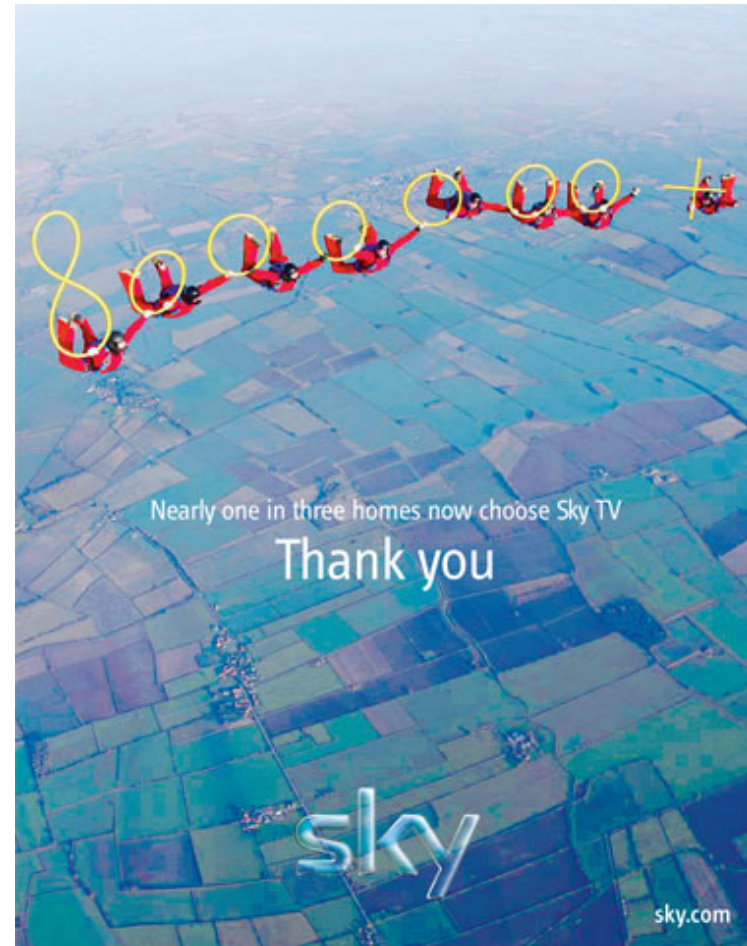


CUSTOMERS

- Almost **one in every three** households⁽¹⁾ takes Sky
- **One in every six** Sky households takes Sky⁺
- **One in every nine** Sky households takes more than one Sky subscription

.....and **all** of these are growing

(1)In the UK and Ireland



CUSTOMERS

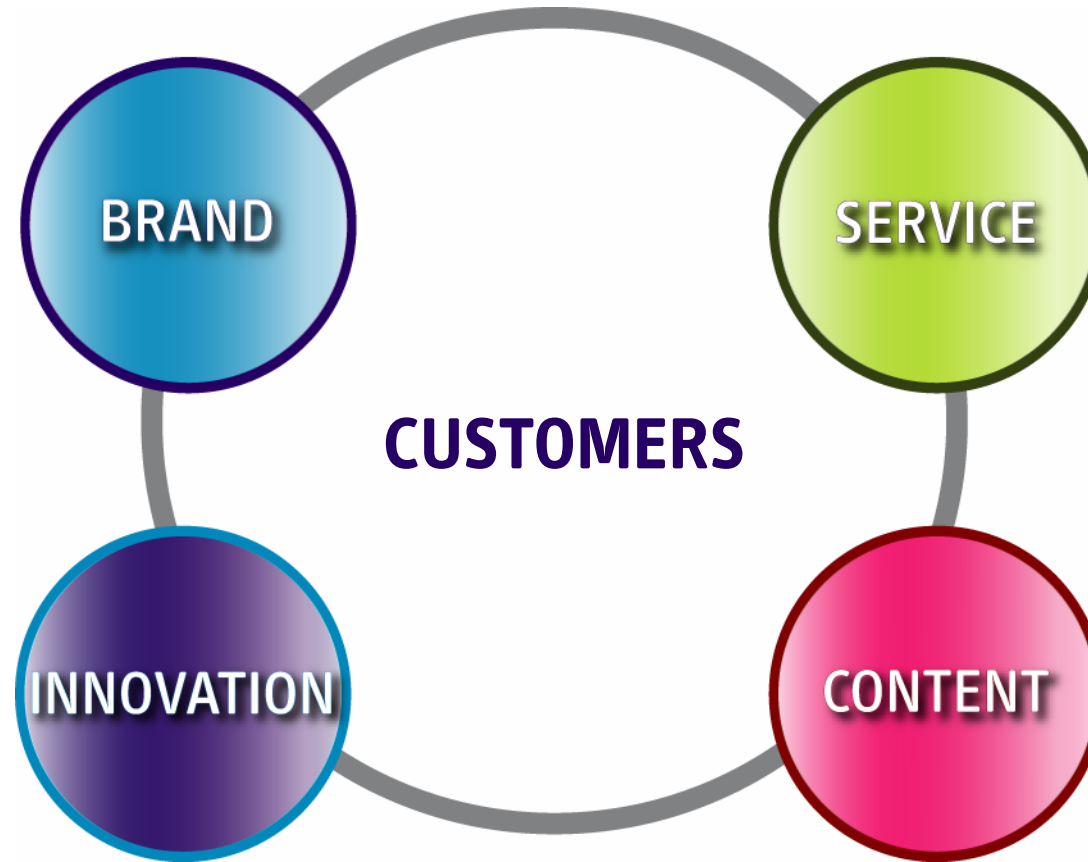
APPETITE FOR PRODUCTS AND SERVICES

- A new **Sky⁺** household was added every 30 seconds in Q2
- 1.4 million **HD ready TV's** will be bought in 2006⁽¹⁾⁽²⁾
 - 2.1 million will be in use by the end of December 2006⁽¹⁾⁽²⁾
- Around 5 million households will subscribe to **broadband** for the first time within two years⁽¹⁾⁽³⁾
- Over 70,000 Sky **mobile TV** streams each day since launch
- Household **spending on television** is set to soar by 50%⁽¹⁾⁽⁴⁾

(1)In the UK and Ireland, (2)GFK/third party forecasts,
(3)IDC/Sky estimates, (4)Informa Media and Telecoms



SUCCESS FACTORS



sky

THE LEADING BRAND



1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

“Choose **one brand** that in the future would be **the best** at **bringing together** your (in-home) **entertainment and broadband requirements**”

Source: ICM January 2006, all individuals aged 18-54



SERVICE

MARKET LEADING



- **43 million calls** expected to be handled by Sky contact centres in FY 2006
 - 7,000 customer service staff
 - Complex call mix
- **3.3 million home visits** expected to be made by Sky engineers in FY 2006
 - 3,500 field engineers
 - Every visit is unique
- **93% rate** overall customer **service** experience “**very good**” or “**good**”⁽¹⁾
- Continue to **raise the bar** through CRM
 - More convenience
 - More personalisation
- **Maximise** the lifetime **value** of a customer

(1) Sky customer satisfaction survey



CONTENT



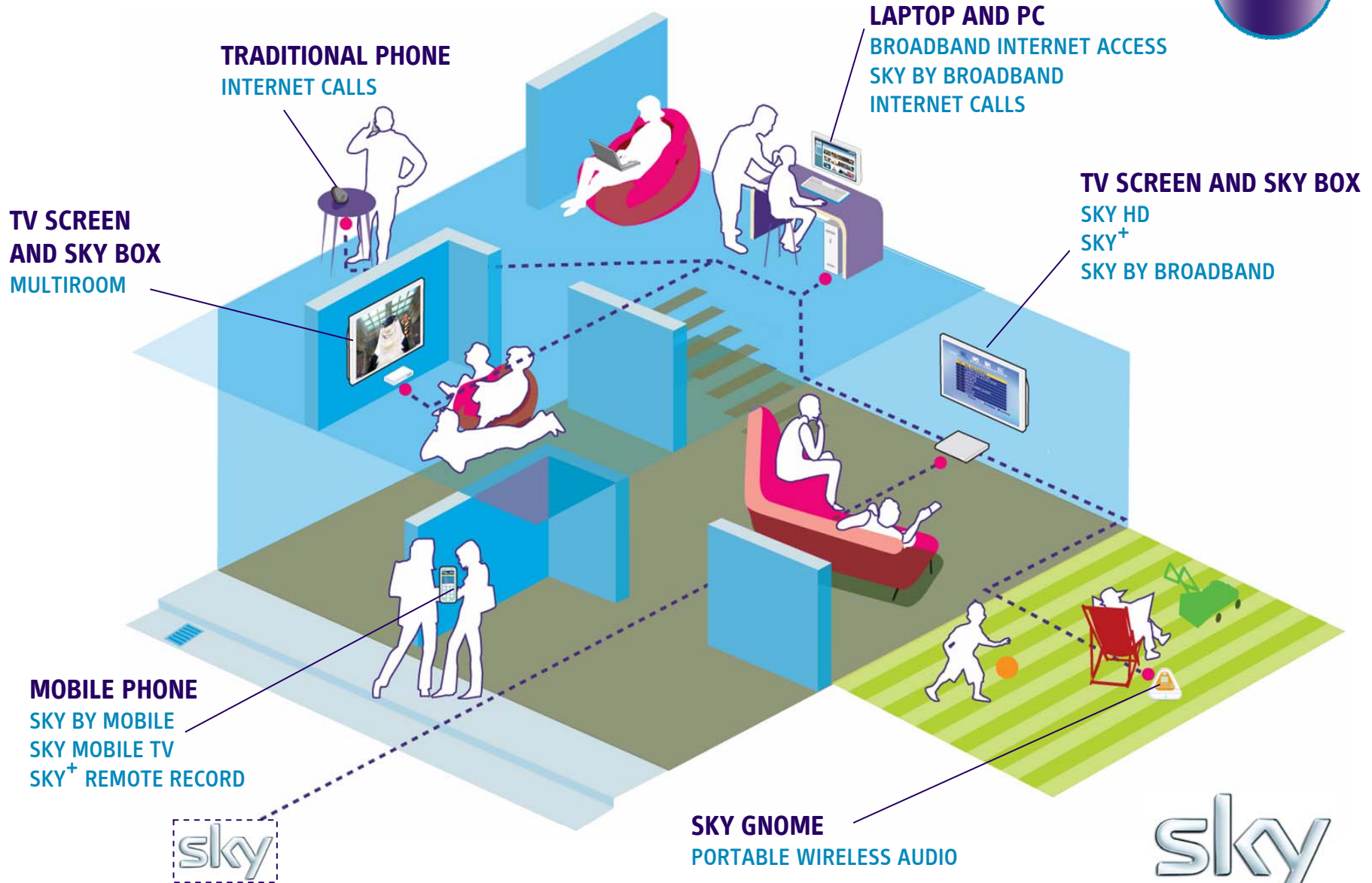
- **Leading position** in content
 - Established over a long period
- **Choice**, both quality and range
 - Super-serve niches
- **Control and flexibility**
 - TV, PC, Mobile
- Continued **investment on screen**
 - Driving new subscribers to Sky
 - Customer satisfaction and loyalty



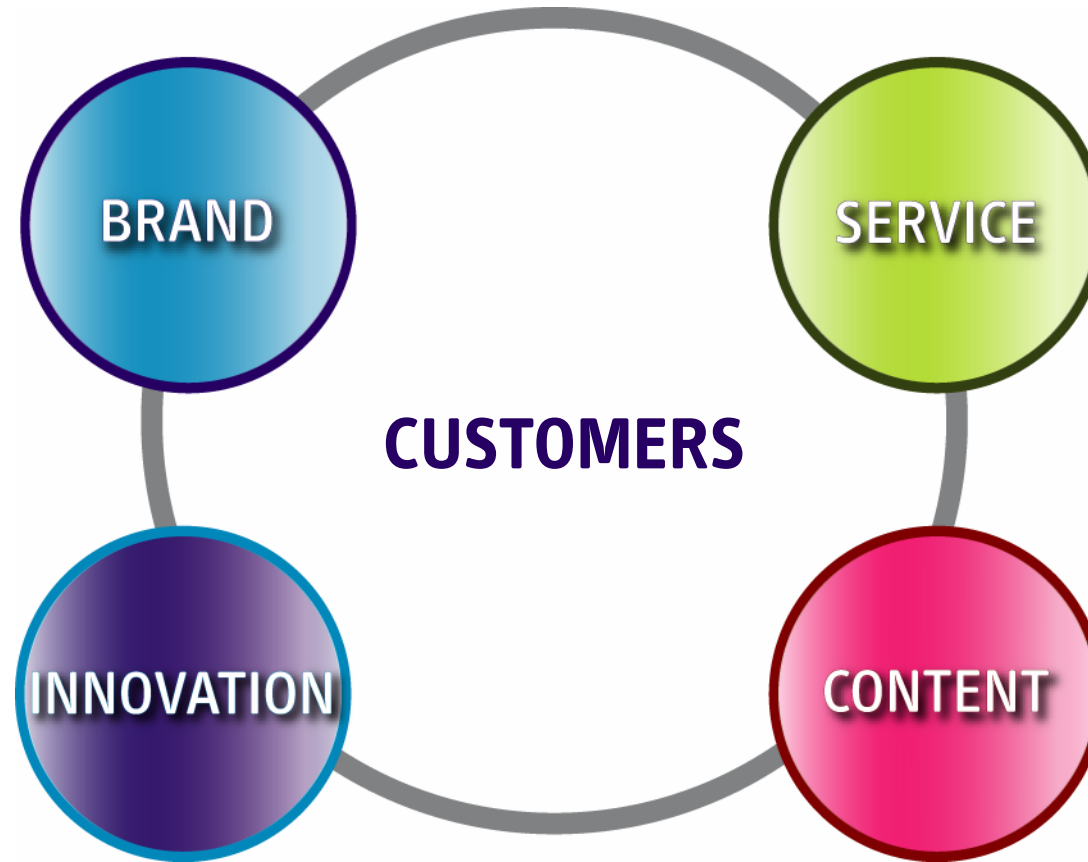
Recent contracts completed



INNOVATION



SUCCESS FACTORS



SIGNIFICANT OPPORTUNITIES IN 2006

- **Broadband:** major preparation work for roll-out in FY 2007
 - LLU expansion underway: first additional exchanges delivered in February 2006
 - Expecting around 750 exchanges to be live by end December 2006
- **HDTV:** re-defining the mid to high end of the marketplace
- **CRM:** service differentiation and customer migration





JEREMY DARROCH
CHIEF FINANCIAL OFFICER

SKY AND EASYNET

- Acquisition provides Sky with
 - World-class network infrastructure
 - Technical expertise with pioneering and innovative capabilities
 - Strong and experienced management team
- Platform for growth
 - Customers
 - Revenue
 - Loyalty



EASYNET

- 4,450 km of fibre
- Metro rings in London, Birmingham, Edinburgh & Glasgow
- 50 UK towns and cities passed
- 36 nationwide Points of Presence (POPs)
- 4.5 million unbundled homes passed (18% of UK homes) today
- c13 million unbundled homes passed (c50% of UK homes) by December 2006
- Platform for unbundling 70% of UK homes



sky

EASYNET COMPLEMENTS SKY

SKY

- Focused management team
- Existing business in satellite distribution and channels
- Expertise in high volume customer relationship management and support
- Consumer brand marketing expertise
- Broadband portal

EASYNET

- Focused management team
- Existing business in high speed data
- Pioneer in local loop unbundling
- Nationwide network infrastructure
- Expertise in broadband service provision and managing high speed data flows
- Relationship with BT Wholesale



H1 RESULTS HIGHLIGHTS

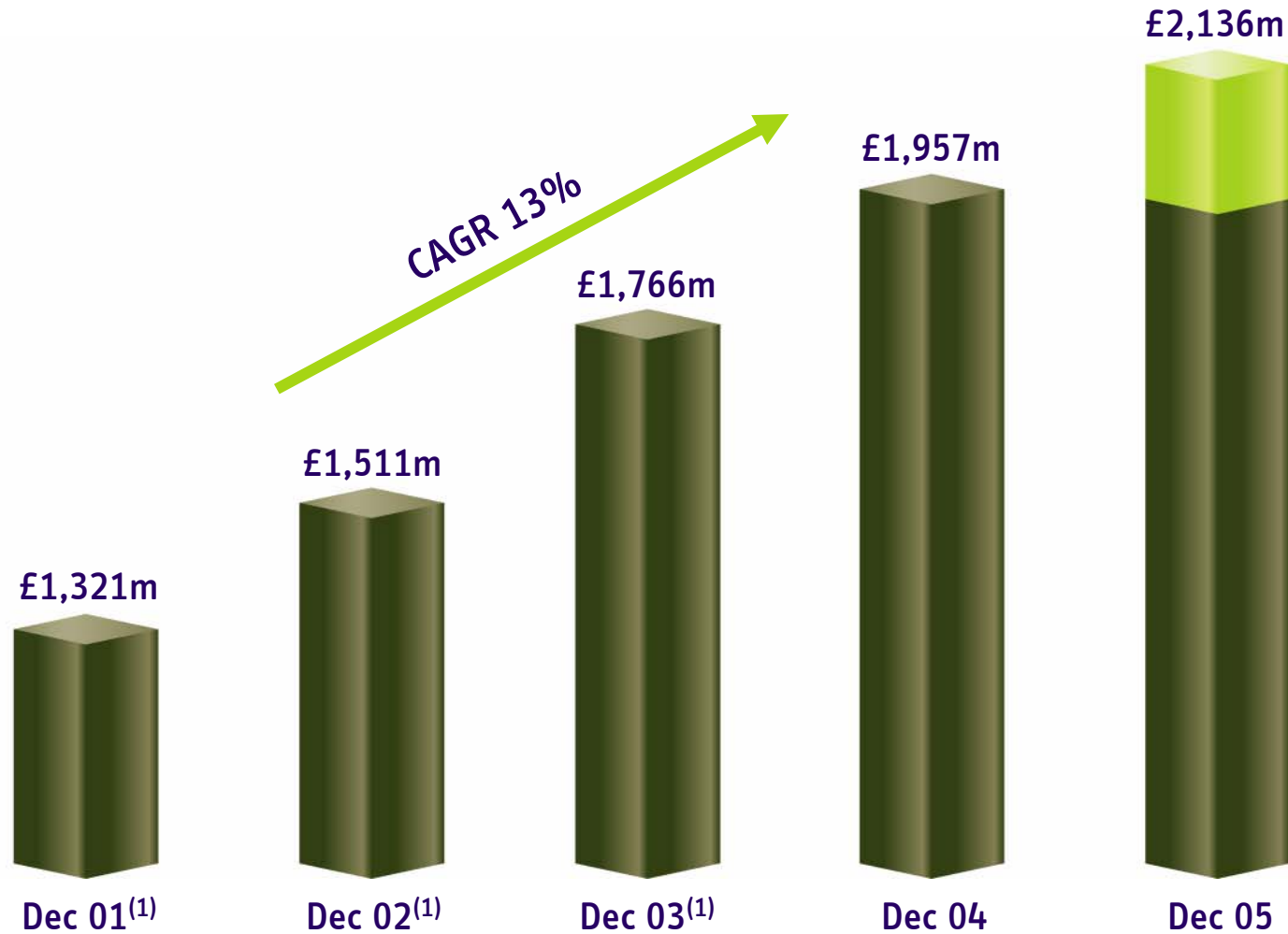
STRONG FINANCIAL PERFORMANCE

- 9% revenue growth to £2.1 billion
- Further gross margin progression, up three percentage points to 62%
- Operating profit up by 16% to £414 million, a margin of 19%
- 17% growth in EPS to 14.9p
- 26% growth in operating cashflow to £514m
- Interim dividend of 5.5 pence per share, an increase of 38%
- £330 million returned to shareholders⁽¹⁾

(1)Excluding £2 million of stamp duty and commissions



STRONG REVENUE GROWTH



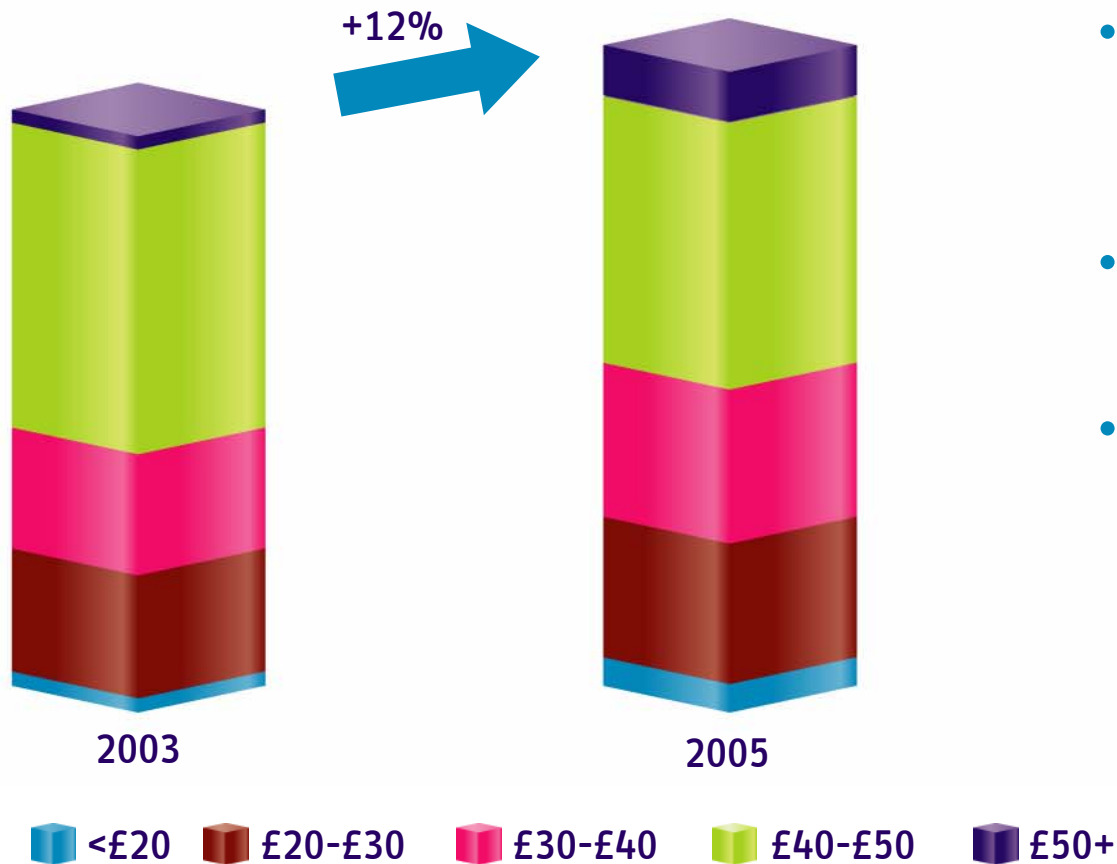
(1)The financial results for the six months ended 31 December were prepared under UK GAAP



STRONG GROWTH IN CORE REVENUE

BROADENING THE RANGE

TOTAL SUBSCRIBERS BY MONTHLY RETAIL REVENUE



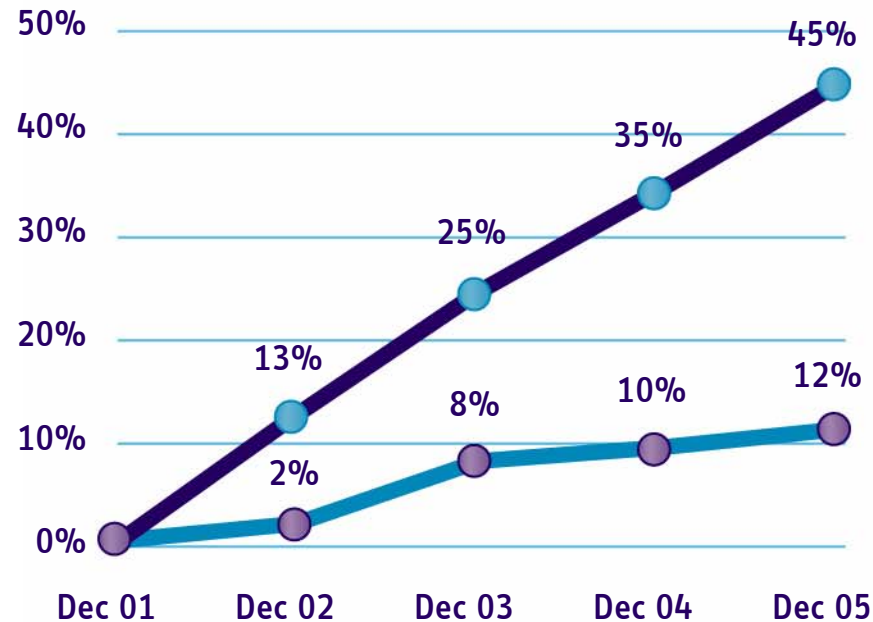
- DTH subscription revenue up 9% to £1.6 billion
- +6% average subscribers
- +3% DTH ARPU

As at 31 December



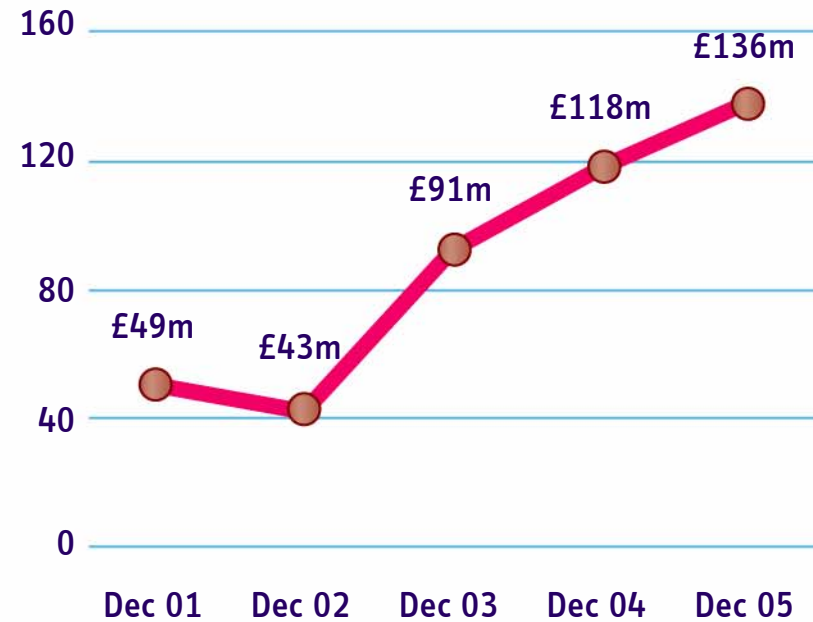
STRONG GROWTH IN ADDITIONAL REVENUE

CUMULATIVE GROWTH IN ADVERTISING REVENUE



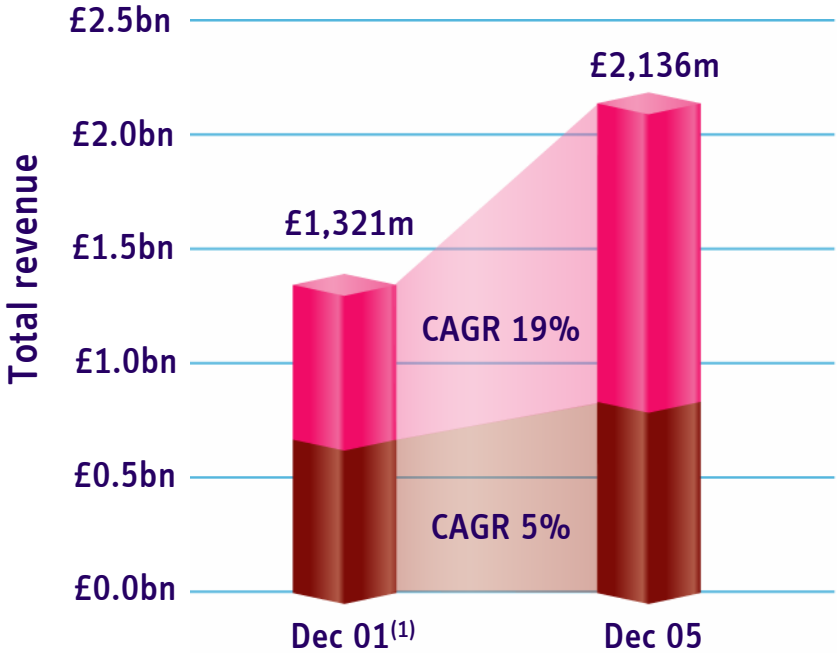
UK advertising sector Sky

GROSS SKYBET REVENUE (£m)

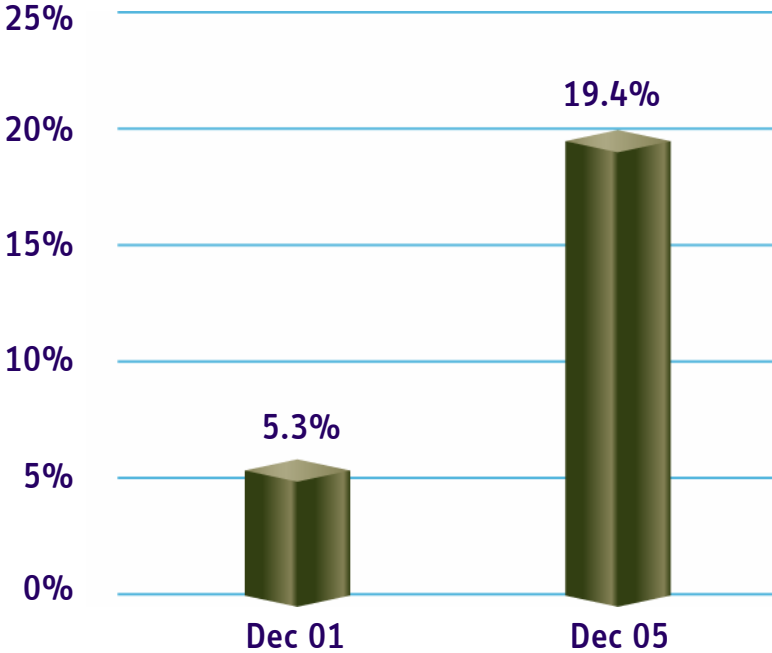


MARGIN PROGRESSION

GROSS MARGIN



OPERATING PROFIT MARGIN



 Programming costs

 Gross margin

 Operating profit margin

(1)The financial results for the six months ended 31 December were prepared under UK GAAP
For the six months ended 31 December



DELIVERING ACCELERATED FINANCIAL RESULTS

- EPS CAGR of 43% to 14.9p⁽¹⁾
- Operating cashflow CAGR of 26% to over £500 million⁽¹⁾
- Re-investment in the business
 - Invest in growth of the business
 - Acquisitions to drive UK strategy
 - Maintain flexibility in a changing environment
- Returns to shareholders
 - Over £1 billion returned to shareholders since restoration of the dividend in 2004

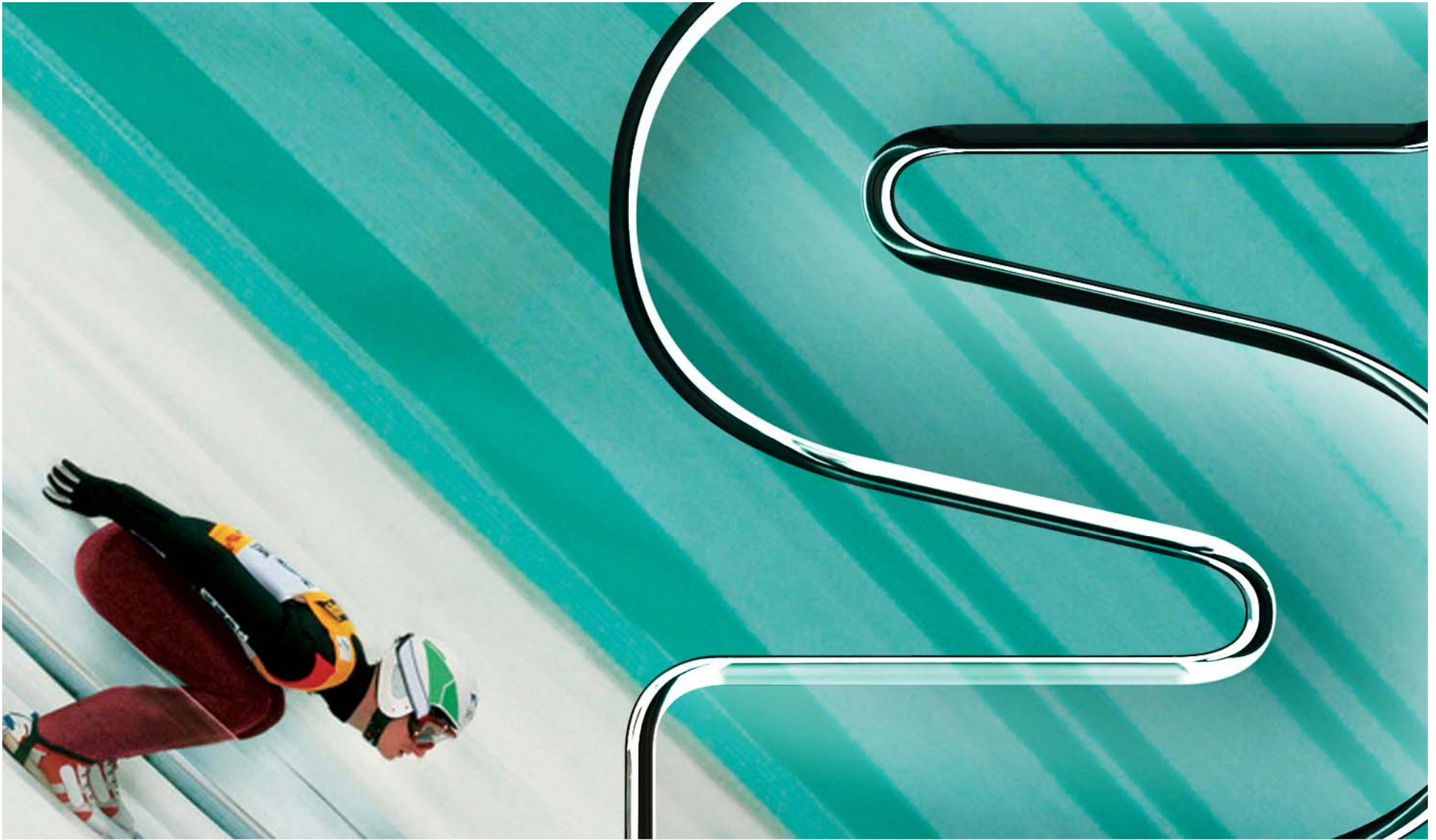
(1) For six months ended 31 December 2005, since the six months ended 31 December 2002



CONCLUSION

- Focus on **growth**
 - Driving customer growth, mix and revenue
 - Continue to develop products and services
 - Margin progression
- Delivering **growing profits and cashflow**
 - Operating profit up 16%
 - EPS up 17%
 - Free cashflow up 29%
- **Re-investment in the business**
- **Returns to shareholders**





QUESTIONS AND ANSWERS