BRITISH SKY BROADCASTING GROUP PLC
Interim Management Statement for the nine months ended 31 March 2008

Customer growth up 10%; revenue growth up 10%; on track for full year

Operational Performance: Customer growth in line with targets

- Net customer growth in the quarter of 56,000 to 8.888 million
    - New customer additions of 289,000
    - Lowest third quarter churn for four years at 10.5%
    - ARPU increases to £424
- Total gross product sales of 1.2 million in the third quarter included:
    - Growth in Sky+ households of 262,000 to 3.393 million
    - Multiroom growth of 40,000 to 1.571 million
    - HD growth of 43,000 to 465,000
    - Broadband growth of 229,000 to 1.428 million
    - Sky Talk growth of 180,000 to 1.095 million

Financial Performance: Strong top-line growth

- Revenue increased by 10% on the comparable period[1] to £3,706 million
- Gross margin increased by one percentage point on the comparable period to 65%[2] (excluding exceptional item)
- Operating profit of £504 million included £127 million of investment in residential broadband and telephony, £20 million of investment in Easynet Enterprise and an exceptional charge of £17 million
- Adjusted operating profit of £521 million[3] reflected strong product volumes
- Adjusted earnings per share of 17.0 pence (2007: 19.5 pence); basic loss per share of 6.8 pence includes net exceptional items of £415 million[4]

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[1] Nine months ended 31 March 2007

[2] Gross margin in the comparable period excludes a one-off receipt of £65 million from a third party channel provider, accounted for within programming costs

[3] Adjusted operating profit for the nine months to 31 March 2008, excludes an exceptional item of £17 million relating to EDS legal costs

[4] Net exceptional items include £17 million relating to EDS legal costs, an impairment of £474 million relating to the Group's investment in ITV, a £67 million gain relating to an exchange transaction for National Geographic, £5 million gain relating to mark-to-market in derivative financial instruments that do not qualify for hedge accounting and related tax adjustments of £4 million

Jeremy Darroch, Chief Executive said:

"We are reporting a strong set of results today. We are delivering for customers through a combination of great quality, value and service. As a result, more customers are choosing Sky, they are more satisfied and they are taking more products than ever before. In the third quarter, despite a difficult consumer environment, customer growth increased by 10% on last year and third-quarter churn was at a four-year low.

“The success of our strategy is reflected in our financial performance. Revenue growth of 10%, increased quarterly profitability and reducing broadband losses put us on track to achieve our targets.”

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A conference call for UK and European analysts and investors will be held at 08.30 a.m. (BST) today. To register for this, please contact Kirsty Flockhart at Finsbury on +44 20 7251 3801. A live webcast of this call and replay facility will be available on Sky's corporate website, http://www.sky.com/corporate.

There will be a separate conference call for US analysts and investors at 10.00 a.m. (EST) today. Details of this call have been sent to US institutions and can be obtained from Dana Johnston at Taylor Rafferty on +1 212 889 4350. A live webcast of this call and replay facility will be available on Sky's corporate website, http://www.sky.com/corporate.

Results highlights

All financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including comparatives.

Customer Metrics

'000s	31-Mar-08	31-Dec-07	Net additions
Total customers(1)(2)(3)	**8,888**	**8,832**	**56**
Additional products:			
Sky+(4)	3,393	3,131	262
Multiroom(5)	1,571	1,531	40
HD	465	422	43
Broadband	1,428	1,199	229
Telephony	1,095	915	180
Other KPI's:			
Churn	10.5%	10.0%	
ARPU	£424	£421	

1 Includes DTH subscribers in Republic of Ireland. (548,000 as at 31 March 2008, 535,000 as at 31 December 2007.)
2 DTH subscribers include only primary subscriptions to Sky (no additional Sky+ or Multiroom subscriptions are counted). This does not include customers taking Sky's freesat offering or churned customers viewing free-to-air channels.
3 DTH subscribers include subscribers taking Sky packages via DSL through Tiscali TV.
4 Sky+ includes HD households
5 Multiroom includes households subscribing to more than one digibox. (No additional units are counted for the second or any subsequent Multiroom subscriptions within one household.)

Financial Summary (unaudited)

£'millions	9 months to Mar-08	9 months to Mar-07	% change
Income statement:			
Revenue	3,706	3,376	10%
Gross Profit(6)	2,411	2,223	8%
% Margin	*65.1%*	*65.8%*	
Operating Profit	504	613	-18%
% Margin	*13.6%*	*18.2%*	
Exceptional operating items(7)	(17)	56	-
Adjusted operating profit	521	557	-6%
Impairment of available-for-sale investment(8)	(474)	-	-
(Loss) profit for the period	(118)	388	-
Cash flow information:			
EBITDA	684	750	-9%
Cash generated from operations(9)	614	732	-16%
Net debt(10)	1,912	1,810	6%

Per share information (pence):	9 months to Mar-08	9 months to Mar-07	% change
EPS – adjusted(11)	17.0	19.5	-13%
(Loss) earnings per share - basic	(6.8)	22.1	-

6 Gross profit in the nine months to 31 March 2007 includes a one-off receipt of £65 million from a third party channel provider, accounted for within programming costs. Excluding this, gross margin was 63.9% in the comparable period.
7 Exceptional operating items include amounts relating to EDS legal costs in both 2008 (£17m) and 2007 (£9m), and a one-off receipt of £65 million from a third party channel provider in 2007
8 Impairment of available-for-sale investment relates to an impairment of £474 million relating to the Group's investment in ITV
9 Cash from operations for the nine months to 31 March 2007 includes net exceptional receipt of £56 million
10 Cash, cash-equivalents, short-term deposits, net of borrowings and borrowings related financial instruments
11 Adjusted EPS for the nine months excludes £17 million litigation fees relating to EDS, an impairment of £474 million relating to the Group's investment in ITV, a £67 million gain relating to an exchange transaction for National Geographic, £5 million gain relating to mark-to-market of derivative financial instruments that do not qualify for hedge accounting and related tax adjustments of £4 million

OVERVIEW

Customer growth continues to be strong despite a difficult consumer environment and we are on track for our target of 10 million customers in 2010. We continue to focus on quality growth. Increasing new product penetration means that over half of our customers now take at least one additional product. A reduction in short-term viewing package discounts and the implementation of an installation charge across all products are contributing to the long-term health of the business. While these actions impact gross additions, the benefits can be seen in customer loyalty, with third quarter churn of 10.5% at its lowest level for four years, and good growth in ARPU, which reached £424.

Key operational highlights for the three months to 31 March 2008 ("the quarter") were:

- Net customer additions of 56,000 up 10% year on year
- The lowest third quarter churn for four years at 10.5%
- ARPU of £424 in the third quarter, up 4% year on year
- More than half of customers now take an additional product
- Sky+ additions of 262,000 increasing penetration of Sky+ to 38% of customers
- Sky Broadband additions of 229,000 customers to 1.4 million and Sky Talk additions of 180,000 to 1.1 million customers, maintaining our position as the fastest growing broadband and home telephony provider in the UK

The financial performance for the nine months to 31 March 2008 ("the period") was in line with our expectations. Revenue increased by 10% to £3.7 billion, driven by growth in both TV customers and sales of additional products. Adjusted operating profit of £521 million, a decline of £36 million, reflects our continued investment in residential broadband and telephony, the loss of related fees and advertising revenue from the non-carriage of our basic channels on cable, and the additional cost this year of the new Barclays Premier League contract. Statutory operating profit of £504 million includes £127 million investment in our broadband and telephony services, £20 million of investment in Easynet Enterprise and £17 million of exceptional legal costs.

In accordance with IAS 39 "Financial Instruments Recognition and Measurement ("IAS 39"), the results for the quarter reflect a further impairment charge of £131 million relating to the Group's investment in ITV plc, taking the total for the period to £474 million. The impairment charge has been treated as an exceptional item and was determined with reference to ITV's equity share price at 28 March 2008.

OPERATIONAL REVIEW

Total product sales exceeded four million in the period, a record level of demand, and up by around 40% on the comparable period. Demand for Sky products remained strong among both existing Sky TV customers and new customers joining Sky. During the quarter, 42% of additions to Sky+, 24% of additions to Sky HD and 41% of additions to Sky Broadband were new customers to Sky.

Third quarter net customer additions increased by 10% to 56,000 with improved churn more than offsetting lower gross additions, which in the third quarter of the prior year benefited from the launch of “See, Speak, Surf”. Customer loyalty is benefiting from specific actions we have taken, with third quarter churn of 10.5% at its lowest level for four years. We continue to manage and target our business towards 10 million customers in 2010.

Loyalty and customer satisfaction is also benefiting from strong take-up of additional products such as Sky+, Sky Broadband and Sky Talk, with over half of customers now taking an additional product.

Sky+ continued to show strong growth, increasing by 262,000 in the quarter, to 3.4 million customers or 38% penetration of our customer base. Multiroom households grew by 40,000 in the quarter, now 18% of the base. Sky HD grew by 43,000 to 465,000, 5% of the base. During the quarter, we added a further three channels to our high definition (“HD”) service: Sky Movies Premiere HD, Sky Sports HD3 and Rush HD. FX HD launched in April, bringing the total number of HD channels available on Sky to 18, providing customers with a far greater choice of HD viewing than any other TV platform.

Sky Broadband added a further 229,000 customers to take the total to 1.4 million[1] maintaining its position as the fastest growing broadband provider in the UK. As at 31 March 2008, 88% of Sky Broadband customers were on our network and around two-thirds of these on-net customers are taking a paid-for product. For the second year running, the uSwitch “Broadband satisfaction awards” recognised the quality and value offered by Sky Broadband, honouring Sky with the “Best Deal for You” and “Joint Best value for Money” awards.

Sky Talk surpassed one million customers during the quarter with net additions of 180,000 to reach 1.1 million. At 31 March 2008, 57% of Sky Broadband customers also took Sky Talk. Sky Talk also received recognition of its service in the recent uSwitch “Home Phone Customer Satisfaction Awards 2008”. Consumers ranked Sky Talk, the newest entrant in the home phone sector, as the best telephony provider and winner of seven out of eleven categories including “Best overall customer satisfaction” and “Most likely to be recommended”.

As the rapid progress of Sky Broadband and Sky Talk continues, there remains a substantial opportunity for further growth, with less than one in ten Sky customers taking the combination of TV, broadband and telephony at the end of the third quarter.

[1] An additional 28,000 business and professional services were registered to the UK Online service which are not included in this figure

Our content offering performed strongly throughout the quarter and was supported by investment in content-focused above-the-line marketing to communicate the breadth and quality of our programming. The Easter weekend was particularly strong; Sky Sports achieved its highest ever viewing for the Barclays Premier League in its Grand Slam football weekend on 23 March 2008 and Sky One achieved outstanding audience figures with both original programming and US acquisitions. "Ross Kemp in Afghanistan" and US drama "Lost" both consistently achieved audiences of over one million, while the adaptation of Terry Pratchett's "The Colour of Magic" reached over two million viewers with its first episode, making Sky One the third most watched channel in Sky homes over Easter.

During the quarter, Sky Sports secured a new three-year agreement for live coverage of the UEFA Champions League from the 2009/10 season. Under the new contract, Sky Sports will show more live matches than ever before, with an increase in both the number of games and match nights. In addition to the live rights, we have also secured cross-platform rights for mobile and broadband and highlights packages.

During the quarter, Sky made significant contribution in the areas of enriching programming, education, the environment and accessibility of the arts. In April, Sky News was awarded a BAFTA for the quality of its news coverage of the Glasgow airport attack and continues to set the pace of innovation in 24 hour breaking news. Sky News remains the only British television news service that does not receive any public subsidy.

At the first anniversary of the launch of auto standby, the UK-pioneered software has been downloaded to more than four million Sky+ and HD set-top boxes. To date, it has saved our customers more than £16 million on their electricity bills and 52,000 tonnes of CO2, more than Sky's entire direct operational footprint of 45,555 tonnes CO2.

Sky Learning launched 'Sky Learning Explorer' in the quarter, which directs customers to programming linked to eight GCSEs, seven A-levels and eight adult interests and passions. Sky has also signed an innovative agreement with Open University to offer customers free introductory courses.

At a time of concern over funding for arts organisations and the price of attending performances, Sky has provided unique opportunities to attend a number of cultural events. Through our partnership with the English National Opera, thousands of Sky customers were able to attend a performance for just £5, and hundreds of local school children were offered educational workshops.

FINANCIAL SUMMARY

Our financial performance for the period demonstrates strong top-line growth and positions us well as we exit our 2008 financial year. The underlying strength of our Pay TV business is helping to offset the expected impact of the new Barclays Premier League contract and the non-carriage of our basic channels on cable. In addition, the peak level of broadband investment is now behind us. EBITDA, excluding exceptional items, remained strong at £701 million, an increase of £7 million on the comparable period. Adjusted operating profit was £521 million (2007: £557 million) and statutory operating profit of £504 million included £127 million of investment in residential broadband and telephony, £20 million of investment in Easynet Enterprise, and exceptional legal costs of £17 million.

Revenue

Revenue growth remained strong, increasing by 10% year on year to £3,706 million (2007: £3,376 million), driven by continued product and customer growth. Group revenue included £176 million from residential broadband and telephony (2007: £41 million), and £130 million from Easynet Enterprise (2007: £117 million).

Retail subscription revenue increased by 12% on the comparable period to £2,808 million (2007: £2,514 million). Underlying growth was primarily driven by a 5% increase in the average number of DTH customers and ARPU growth of 6% over the nine month period. ARPU increased by £3 from the prior quarter, with the increased penetration of paid-for products offsetting the £4 decline of non-recurring revenue related to the Hatton pay per view event in the second quarter.

Wholesale and advertising revenue reflected the non-carriage of our basic channels on Virgin Media's cable network. Wholesale subscription revenue fell by £26 million to £136 million (2007: £162 million) and advertising revenue decreased by £10 million to £248 million (2007: £258 million).

Sky Bet revenue of £35 million (2007: £34 million), increased by 3% on the comparable period, benefiting from the consolidation of 365 Media Group plc (acquired in January 2007) and growth in internet sports betting and TV games. In particular, Sky Poker has performed strongly since its launch in February 2007.

Installation, hardware and service revenue was £212 million (2007: £167 million), up 27% on the comparable period. This increase reflects the strong growth in product sales and broadband additions, as well as the addition of a standard installation fee across all products.

Other revenue of £267 million (2007: £241 million) increased by 11% on the comparable period. The majority of this increase was driven by growth in Easynet Enterprise revenues and the first time consolidation of Amstrad (acquired in September 2007).

Gross margin

Gross profit was £2,411 million for the period, generating a gross margin of 65% (2007: 66%). Excluding the one-off receipt of £65 million from a third party channel provider in the comparable period, gross margin increased by one percentage point on the comparable period.

Programming costs of £1,295 million (2007: £1,153 million), increased by £142 million. Excluding the one-off receipt of £65 million in the comparable period, programming costs increased by £77 million. This increase was primarily due to higher Barclays Premier League costs and investment in entertainment channels, partially offset by foreign exchange benefits.

Other operating costs

Operating costs excluding programming, increased by £297 million on the comparable period to £1,907 million (2007: £1,610 million) and include broadband and telephony operating costs of £297 million, £150 million of Easynet Enterprise costs and £17 million of exceptional legal fees. Excluding these costs, other operating costs increased by £137 million on the comparable period, reflecting continued strong demand for products.

Marketing costs for the period increased by £23 million to £569 million (2007: £546 million). This reflected the upfront cost of meeting strong Sky+ demand, higher above the line marketing spend and the costs of servicing an overall larger subscriber base, partially offset by lower subscriber additions. Third quarter marketing costs fell by £7 million with a lower rate of above the line spend in both broadband and pay TV, partially offset by the higher cost of strong growth in Sky+ volumes.

Subscriber management costs of £548 million increased by £81 million on the comparable period. This increase was primarily driven by a full nine months investment in residential broadband and telephony, and the first time consolidation of Amstrad. The remaining increase was due to the cost of higher year on year product sales, which has a corresponding benefit to installation, hardware and service revenue.

The remaining other operating expenses increased by £193 million to £790 million (2007: £597 million) primarily due to the inclusion of residential broadband and telephony and Easynet Enterprise. Administration costs of £395 million included a £17 million exceptional charge relating to the legal costs of the Group's claim against EDS, a full nine-month's of consolidation of Amstrad and 365 Media costs and higher depreciation following our investments in infrastructure and systems.

Exceptional items

In accordance with IAS 39, following a review of the carrying value of the Group's investment in ITV plc at 28 March 2008, we have recognised a further impairment loss of £131 million for the quarter, totalling £474 million for the period. This was determined with reference to ITV's equity share price at 28 March 2008 (the last trading day of the Group's reporting period).

As previously reported, in December 2007, Sky effectively exchanged its 50% share in the National Geographic Partnership UK for 21% interests in National Geographic Channel (NGC) Network International, LLC, and NGC Network Latin America, which resulted in a gain on disposal of joint ventures of £67 million.

The Group reported an exceptional charge of £17 million within administration expenses (2007: £9 million) relating to legal costs from the Group's claim against EDS, which provided services to the Group as part of the Group's investment in CRM systems software and infrastructure. We currently expect to incur exceptional costs of around £21 million in total for the 2008 financial year in respect of this claim.

Earnings

Adjusted earnings per share of 17.0 pence (2007: 19.5 pence) reflected our investment in residential broadband and telephony, higher costs of the new Barclays Premier League contract and the impact of the non-carriage of our basic channels on cable.

Statutory loss per share of 6.8 pence (2007: earnings per share of 22.1 pence) included an impairment charge of £474 million relating to the Group's investment in ITV, £17 million of legal costs, £5 million gain on mark-to-market of derivative financial instruments and related tax adjustments of £4 million, and a gain on disposal of a joint venture of £67 million.

The issued share capital at the end of the period was 1,753 million (2007: 1,753 million).

Cash flow

The financial position of the Group remains strong, with £614 million of operating cash flow generated year to date, which, when combined with existing cash balances is sufficient to meet all of our operating and repayment requirements falling due within the current and next financial years. At 31 March 2008 the Group had net debt of £1,912 million, including cash and cash equivalents on the balance sheet of £751 million.

A working capital outflow of £70 million (2007: £18 million) was higher than the comparative period due to the new Barclays Premier League contract and other programming prepayments. Capital expenditure was £247 million and included £79 million investment in residential broadband and Easynet Enterprise. Acquisition spend was £71 million, and mainly related to the Group's acquisition of Amstrad plc, acquired in September 2007.

Use of measures not defined under IFRS

This press release contains certain information on the Group's financial position, results and cash flows that have been derived from measures calculated in accordance with IFRS. This information should not be read in isolation of the related IFRS measures.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and business, and management's strategy, plans and objectives for the Group. These statements include, without limitation, those that express forecasts, expectations and projections with respect to the potential for growth of free-to-air and pay-TV, fixed line telephony, broadband and bandwidth requirements, advertising growth, DTH subscriber growth, Multiroom, Sky+ and other services penetration, churn, DTH and other revenue, profitability and margin growth, cash flow generation, programming and other costs, 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 laws and government regulation upon the Group's activities, its reliance on technology, which is subject to risk, change and development, failure of key suppliers, its ability to continue to obtain exclusive rights to movies, sports events and other programming content, risks inherent in the implementation of large-scale capital expenditure projects, the Group's ability to continue to communicate and market its services effectively, and the risks associated with the Group's operation of digital television transmission in the U.K. and Ireland.

Information on some risks and uncertainties are described in the "Risk Factors" section of Sky's Interim Report on form 6-K for the period ended 31 December 2007. Copies of the Interim Report on form 6-K are available on request from British Sky Broadcasting Group plc, Grant Way, Isleworth TW7 5QD or from the British Sky Broadcasting web page at www.sky.com/corporate. 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.

Appendix 1 – Customer and Market Data

	Third quarter as at 31 March 2008	Second quarter as at 31 December 2007	Third quarter as at 31 March 2007
DTH homes[1,2 3]	**8,888,000**	**8,832,000**	**8,492,000**
Total TV homes in the U.K. and Ireland[4]	27,156,000	27,093,000	26,837,000
DTH homes as a percentage of total U.K. and Ireland TV homes	33%	33%	32%
Cable – U.K.[5]	3,532,000	3,478,000	3,386,000
Cable – Ireland	556,000	565,000	566,000
Sky+ homes[6]	3,393,000	3,131,000	2,167,000
Multiroom homes[7]	1,571,000	1,531,000	1,297,000
HD homes	465,000	422,000	244,000
Sky Broadband	1,428,000	1,199,000	457,000
Sky Talk	1,095,000	915,000	355,000
DTT (freeview only) – U.K.[8]	-	9,575,000	8,370,000

[1] Includes DTH customers in Republic of Ireland of 548,000 as at 31 March 2008

[2] DTH customers includes only primary subscriptions to Sky (no additional Sky+ or Multiroom subscriptions are counted). This does not include customers taking Sky's Freesat offering who do not subscribe to an additional Sky service or churned customers viewing free-to-air channels

[3] DTH homes include subscribers taking Sky packages via DSL through Tiscali TV

[4] Total U.K. homes estimated by BARB and taken from the beginning of the month following the period end (latest figures as at 31 March 2008). Total Ireland homes estimated by Ireland's Central Statistics Office

[5] Cable subscriber numbers exclude Tiscali TV and the historic comparatives have been restated to reflect this

[6] Sky+ homes include HD households

[7] Multiroom includes households subscribing to more than one digibox. (No additional units are counted for the second or any subsequent Multiroom subscriptions within one household)

[8] DTT homes (Freeview only) estimated by OFCOM. Latest data available is at 31 December 2007. Prior year figures have been restated (previously sourced from BARB) and relate to unique TV households

Appendix 2 – Glossary

Useful definitions	Description
Adjusted earnings per share	Adjusted profit divided by the weighted average number of ordinary shares during the year.
Adjusted operating profit	Operating profit before taking account of exceptional items.
Adjusted profit for the period	Profit for the period adjusted to remove mark-to-market movements in derivative financial instruments that do not qualify for hedge accounting and exceptional items.
ARPU	Average Revenue Per User: the amount spent by the Group's residential subscribers in the quarter, divided by the average number of residential subscribers in the quarter, annualised.
Churn	The number of DTH subscribers over a given period that terminate their subscription in its entirety, net of former subscribers who reinstate their subscription in that period (where such reinstatement is within a twelve month period of the termination of their original subscription), expressed as a percentage of total subscribers.
Customer	A subscriber to a DTH service.
DTH	Direct-to-home: the transmission of satellite services with a reception through a mini-dish.
EBITDA	Earnings before interest, taxation, depreciation and amortisation is calculated as operating profit before depreciation and amortisation or impairment of goodwill and intangible assets.
Free cash flow	The amount of cash generated by Sky after meeting obligations for interest and tax, and after all capital investment and net cash flows relating to our joint ventures and associates.
Gross margin	Revenue less programming expenses as a proportion of revenue.
Gross profit	Revenue less programming expense.
HD	High Definition.
Multiroom	Installation of one or more additional set-top-boxes in the household of an existing DTH customer.
Net debt	Cash, cash-equivalents, short-term deposits, net of borrowings and borrowings related derivative financial instruments.
On-net	Customers subscribing to our unbundled broadband product.
Product	Any service chosen by a Sky customer. These include DTH, Sky+, Multiroom, Sky HD, Sky Broadband and Sky Talk.
Sale	A sale is a gross addition of any product.
Sky+	Sky's fully-integrated Personal Video Recorder (PVR) and satellite decoder.
Underlying	Excluding contribution from Sky Broadband and Talk, Easynet Enterprise and exceptional items.
Viewing share	Number of people viewing a channel as a percentage of total viewing audience.

Appendix 3 – Consolidated Financial Information

Consolidated Income Statement for the nine months ended 31 March 2008

	Notes	**2007/08 Nine months ended 31 March £m (unaudited)**	2006/07 Nine months ended 31 March £m (unaudited)
Revenue	1	**3,706**	3,376
Operating expense	2	**(3,202)**	(2,763)
EBITDA		**684**	750
Depreciation and amortisation		**(180)**	(137)
Operating profit		**504**	613
Share of results from joint ventures and associates		**12**	9
Investment income		**38**	42
Finance costs		**(127)**	(108)
Profit on disposal of joint venture		**67**	-
Impairment of available-for-sale investment		**(474)**	-
Profit before tax		**20**	556
Taxation		**(138)**	(168)
(Loss) profit for the period		**(118)**	388
(Loss) earnings per share from (loss) profit for the period (in pence)			
Basic		**(6.8)**	22.1
Diluted		**(6.8)**	22.1
Adjusted basic		**17.0**	19.5
Adjusted diluted		**16.9**	19.5

Consolidated Income Statement for the three months ended 31 March 2008

	2007/08 Three months ended 31 March £m (unaudited)	2006/07 Three months ended 31 March £m (unaudited)
Revenue	**1,248**	1,156
Operating expense	**(1,039)**	(938)
EBITDA	**269**	264
Depreciation and amortisation	**(60)**	(46)
Operating profit	**209**	218
Share of results from joint ventures and associates	**4**	3
Investment income	**19**	18
Finance costs	**(45)**	(39)
Impairment of available-for-sale investment	**(131)**	-
Profit before tax	**56**	200
Taxation	**(62)**	(58)
(Loss) profit for the quarter	**(6)**	142
(Loss) earnings per share from (loss) profit for the period (in pence)		
Basic	**(0.3)**	8.1
Diluted	**(0.3)**	8.1
Adjusted basic	**7.3**	8.2
Adjusted diluted	**7.2**	8.2

Notes:

1. Revenue

	2007/08 Nine months ended 31 March £m (unaudited)	2006/07 Nine months ended 31 March £m (unaudited)
Retail Subscription	**2,808**	2,514
Wholesale Subscription	**136**	162
Advertising	**248**	258
Sky Bet	**35**	34
Installation, Hardware and Service	**212**	167
Other	**267**	241
	3,706	3,376

2. Operating expense

	2007/08 Nine months ended 31 March £m (unaudited)	2006/07 Nine months ended 31 March £m (unaudited)
Programming	**1,295**	1,153
Transmission and related functions	**395**	278
Marketing	**569**	546
Subscriber management	**548**	467
Administration	**395**	319
	3,202	2,763