

"Sky launches next week,
but its success is by no
means assured."

The Guardian, 1 February 1989

89/04

Fifteen years of Sky
From 5 February 1989

sky

5/2/89

The beginning...

Sky went on air at 6pm on Sunday 5 February 1989. The Astra satellite that was to broadcast it had launched just weeks before, finally prompting mass production of domestic satellite dishes.

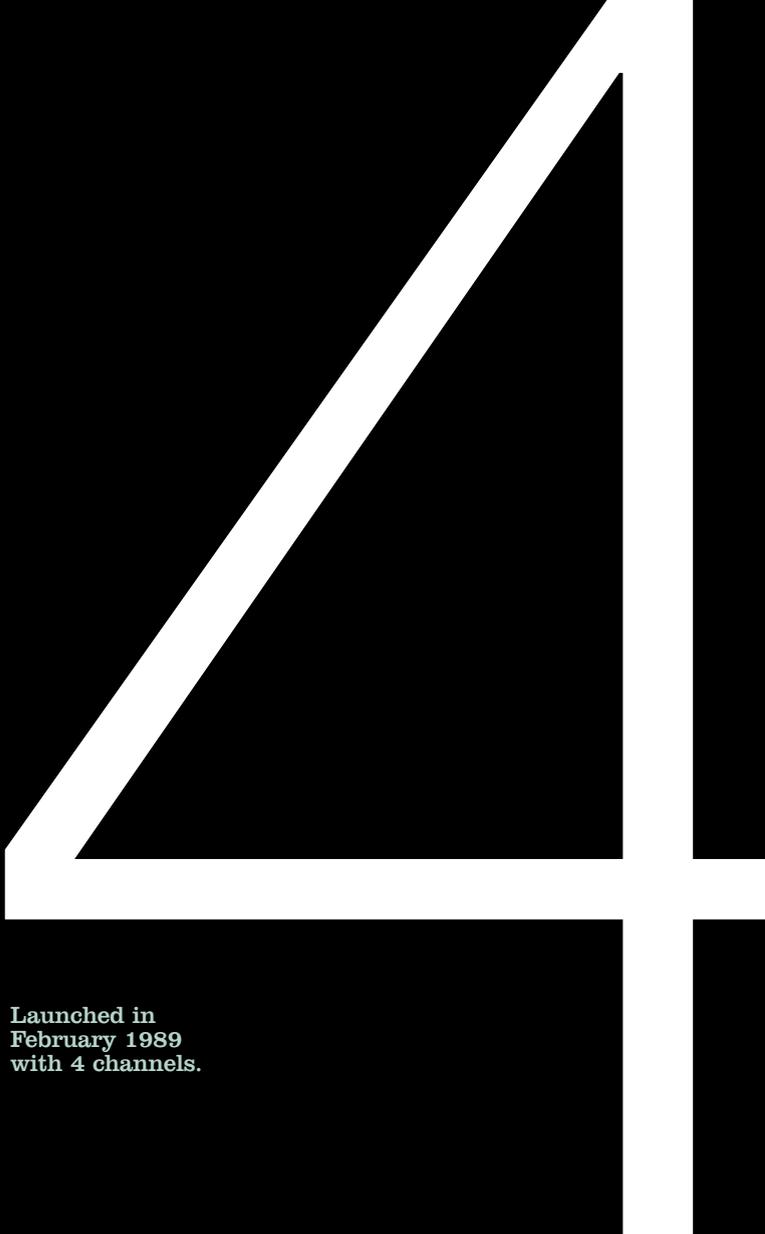
The encryption technology to broadcast movies by subscription was not yet ready. Conventional wisdom and fashionable opinion said British people wouldn't pay more for television. British Satellite Broadcasting (BSB) mounted an advertising campaign recommending viewers to wait for the 'real' satellite service. The twelve staff at Sky's customer management centre sat on the floor with just pens and paper waiting for their furniture to arrive. One senior executive described Sky's Osterley, West London headquarters as "a construction site in a mud field".

Not much to suggest that we might look back on 5 February 1989 as the start of a revolution in British broadcasting. But consider the fact that Sky was launching four channels – just a few by today's standards, yet overnight doubling the number available to the British viewer and providing access to 24-hour breaking news for the first time.

Started with just twelve staff at Sky's customer management centre.

12

Fifteen years of Sky



Launched in
February 1989
with 4 channels.

In November 1989 the
millionth subscriber
signed up.

A hand is holding a black television remote control in the foreground, with a finger resting on the top left. The remote has several buttons, including a red one, a blue one, and a yellow one. In the background, a television screen is visible, showing a blurred image of a person's face. The overall lighting is dim, with a blue and purple hue.

1m

Prior to Sky's launch, if the evening's home viewing failed to appeal, the only alternative was the video rental shop. Sky changed the face of British broadcasting once and for all, offering a range of new and exciting channels. And, just as importantly, it demonstrated that there was a demand for more.

Initially free-to-air, Sky offered four channels: Sky TV, a general entertainment channel; Sky News, Europe's first 24-hour news channel; 18 hours a day of sport from Eurosport; and Sky Movies. Dish sales were slow at first; but a move to renting dishes sped things up. The millionth subscriber signed up in November 1989. By the time the rival satellite broadcaster, BSB, launched in April 1990, Sky had had over a year to build a satellite customer base.

In February 1989 Sky offered 18 hours of sport a day.

18

Building a bigger Sky. In June 1990, Sky Movies became the first subscription channel, offering some much-needed extra revenue. Later that year, as it became apparent that two competing technologies were hampering the finances of the two satellite companies, BSB and Sky merged to form BSkyB, trading as Sky and using Sky's technology. BSB's five channels and Sky's four were streamlined into a five-channel offering, now called Sky Movies, The Movie Channel, Sky One, Sky Sports and Sky News.

In March 1992, BSkyB made an operating profit for the first time. Just two months later, in May 1992, came one of the defining moments in Sky's 15-year journey to date: an exclusive £304 million TV deal with the FA Premier League. This not only changed the way the country viewed sport but also sparked a renaissance in the popularity of football.

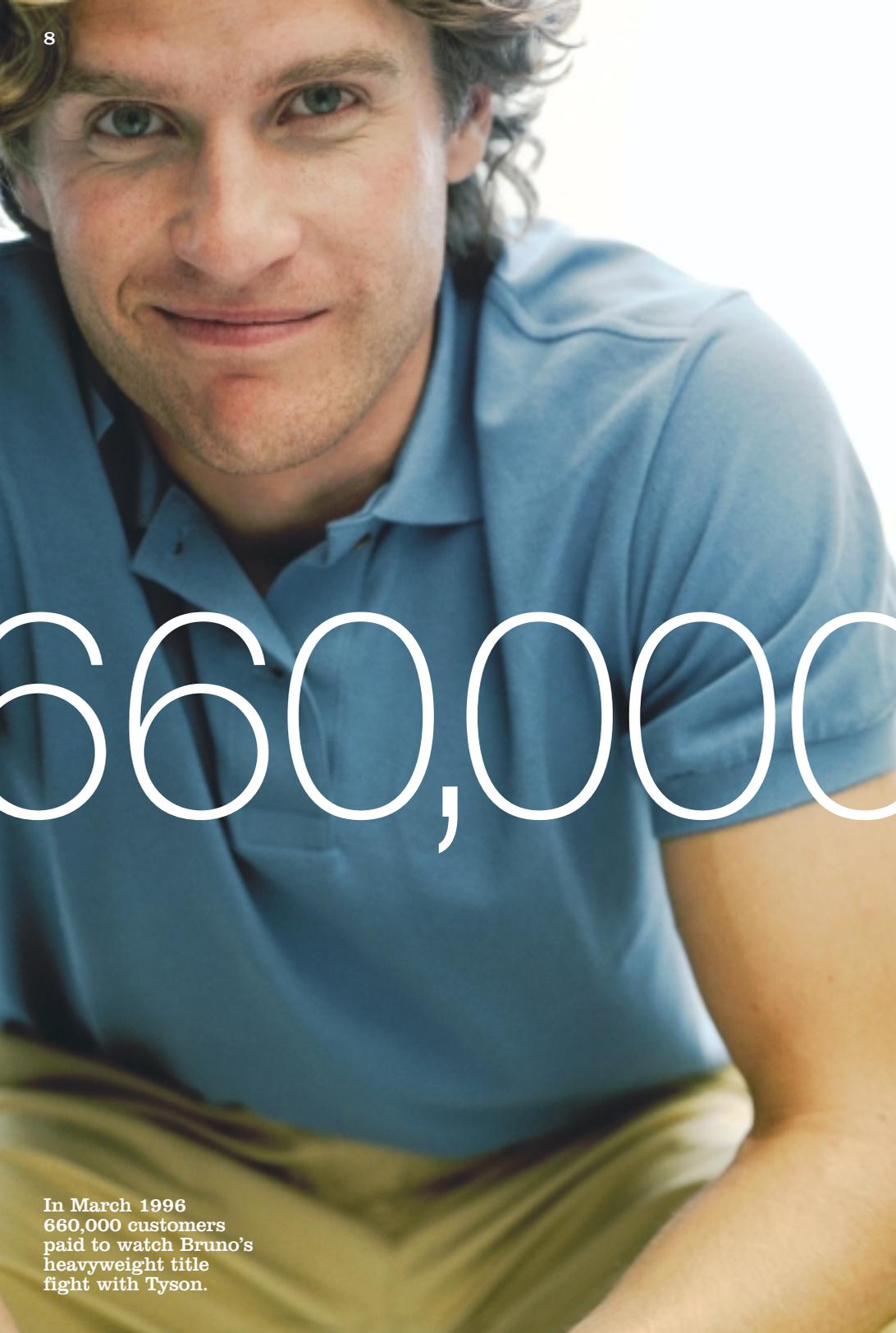
In May 1992 Sky's first exclusive deal with the FA Premier League was signed.

£304m

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5





660,000

In March 1996
660,000 customers
paid to watch Bruno's
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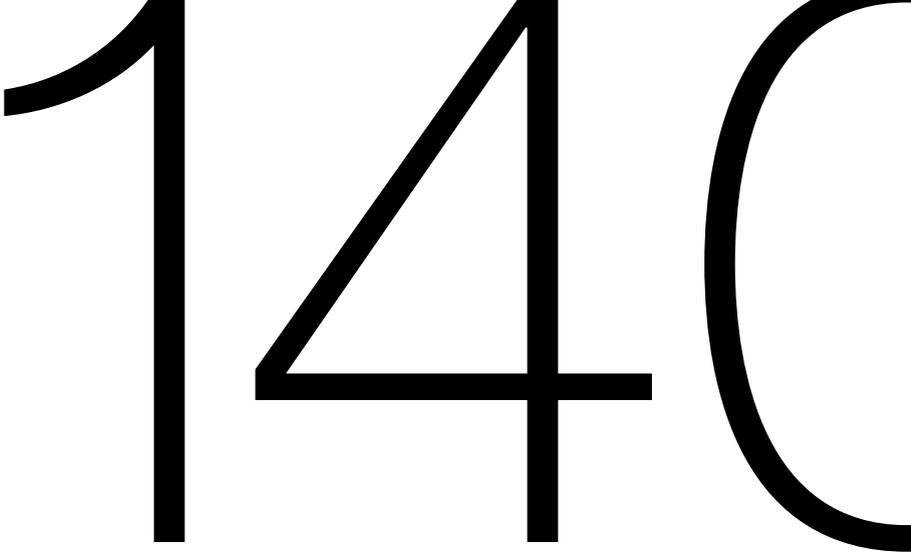
The company's name was becoming less associated with technology and a big dish. Instead, Sky was becoming a byword for real choice in entertainment.

By 1992 Hollywood deals were also largely in place for movies, and far-sighted entertainment programming was developing Sky One into the UK channel that would first show *The Simpsons*, *Friends*, *ER*, *The X Files*, *Buffy* and a stream of other hit shows. As the number of new channels rose steadily – including Sky Travel, The Disney Channel and The History Channel – Sky also pioneered Pay-Per-View in the UK, again flying in the face of industry pundits' predictions of failure. 660,000 customers paid to watch Bruno's heavyweight title fight with Tyson in March 1996. In just a few short years, British broadcasting had been completely transformed. But another broadcasting revolution was around the corner.

The digital age. In October 1998, Sky launched the UK's first digital TV service, with a new minidish and digibox, and 140 channels. It drew 100,000 subscribers in the first 30 days and 350,000 by the end of the year. In 1999, free digiboxes and minidishes helped Sky digital to become the fastest growing digital platform in the world and it soon broke through the one million subscriber mark. By mid-1998 BSkyB was in the top 50 public listed businesses in the UK, and among the top television companies in the world. Today, Sky's digital platform has over seven million subscribers.



Sky's new digital remote made it easy to access the new digital service.

A large, bold, black number '140' is positioned at the top of the page. The '1' is a simple vertical bar, the '4' has a diagonal stroke, and the '0' is a thick, rounded circle.

Launched in October 1998, Sky digital offered an unprecedented 140 channels to choose from.

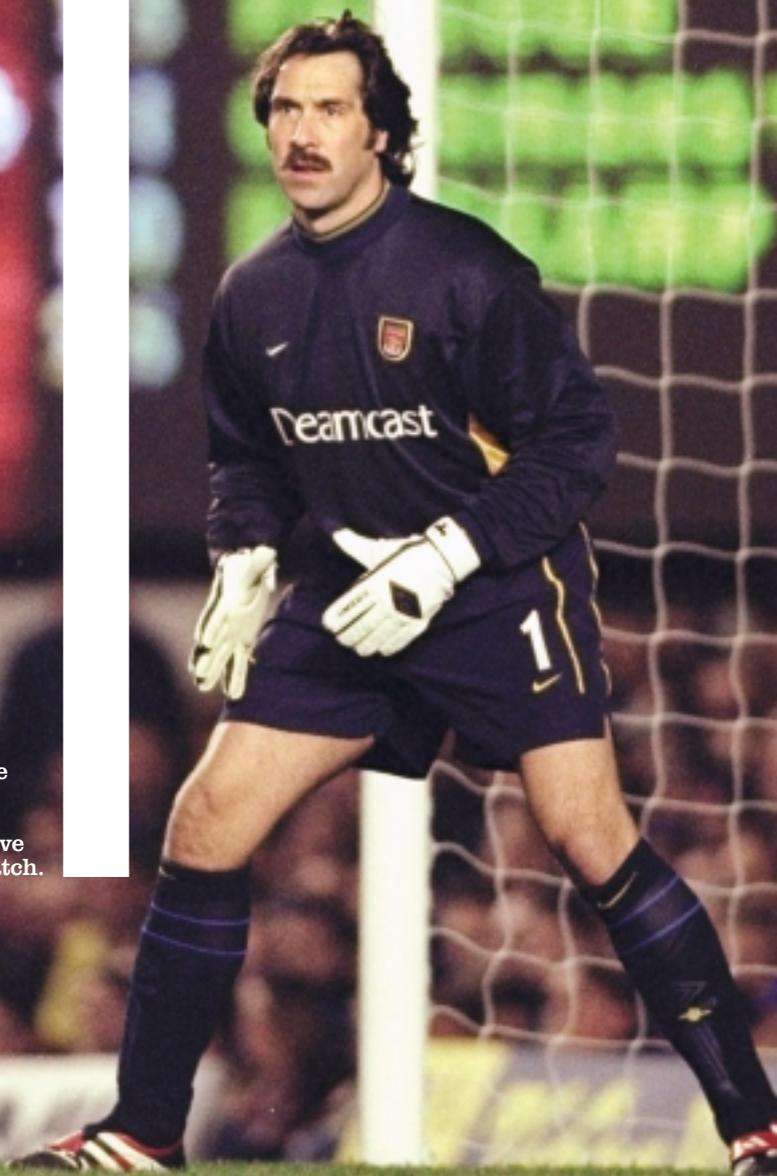
By September 1999 Sky had already broken the one million digital subscriber barrier.

A large, light green number '1,000,000' is positioned in the middle of the page. The digits are thin and spaced out, with a comma separating the millions and thousands.

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In August 1999 the FA Premiership fixture between Arsenal and Manchester United was the world's first live interactive football match.



Sky pioneered interactive services with the launch of Sky Sports Active. The FA Premiership fixture between Arsenal and Manchester United in August 1999 was the world's first live interactive football match and, in 2000, Sky News Active became the world's first interactive news service. Sky customers today can choose their viewing angles, access statistics, replay highlights and choose between different live matches in 11 different sports. In 2001, Sky launched Sky⁺, a fully integrated personal video recorder, just one of many innovations based on listening to customers and providing what they want.

Successful innovations like these helped the company continue to grow. By September 2001, Sky had switched off its analogue signal, an ambition the Government has for the whole of British TV by the year 2010.

**In September 2001,
Sky switched off its
analogue signal.**

on/off

In Autumn 2003, Sky launched a significant advertising campaign for Sky⁺ to help reach its target of 315,000 subscribers by the end of June 2004.

INTERACTIVE CARD

315,000

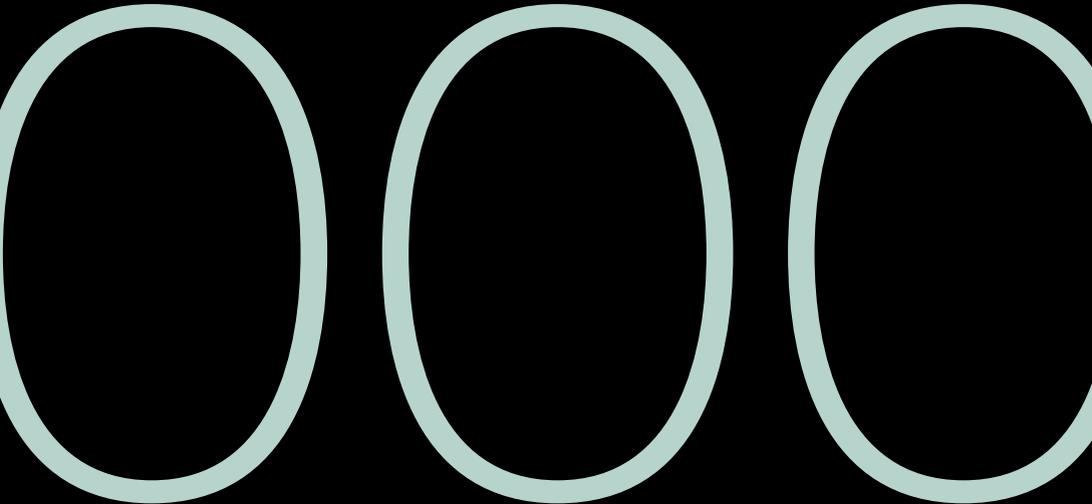
sky⁺

REMOTE



MESSAGE

ONLINE



Sky today... and into the future. Today's Sky programming is active, fast-paced, popular, and never dull. It delivers the best in sport, made personal through interactivity; a wider choice of movies than any other platform; entertainment shows that people really want to see; and it puts viewers on the front line for breaking news from around the world. New channels, new services and new programming, like the UEFA Champions League and Nip/Tuck, are launching every month. Sky⁺ lets people create their own customised TV channel, with full control over what they watch and when they watch it. What is more, Sky customers can send emails, place a bet and book cinema tickets, all without leaving their armchair.

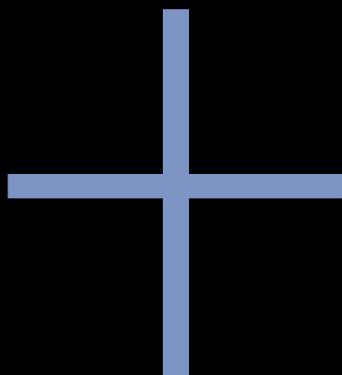
From four channels at launch, Sky now provides subscribers a choice of over 400 channels.

4-400+

Sky's £2 billion investment has given it a lead in digital television. Sky is on target to achieve its business goals, and employs 10,000 people to provide subscribers with over 400 channels. Sky is at the heart of entertainment in a steadily growing number of homes. Yet at present only 40% of UK homes receive pay TV. USA's equivalent figure of 80% shows the opportunity that lies ahead. And in future, with the convergence of information technology, communications and entertainment platforms, Sky is more than well placed to continue its success. Perhaps we're still only at the beginning of the revolution? Keep watching.

Further
information
www.sky.com

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