



INTERIM REPORT

DECEMBER 2012

SKY NETWORK TELEVISION LIMITED

**“SKY PROVIDED
EIGHT CHANNELS OF
DEDICATED COVERAGE
FOR THE 2012 LONDON
OLYMPICS”**



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Dear Shareholders,

I am pleased to report a continued improvement in SKY's financial results for the six months to 31 December 2012, despite the ongoing challenging economic climate.

SKY has reported \$67.4 million in after-tax earnings, a 7.4% increase on the previous period. Revenues are up 3.9% to \$443.3 million and earnings before interest, tax and depreciation (EBITDA) increased by 4.2% to \$177.2 million.

This improved financial position is primarily due to the continued success of the MY SKY HDi decoders and an increase in average revenue per subscriber (ARPU). The increase in ARPU is mainly the result of SKY customers upgrading to new services such as MY SKY HD or to premium channels such as SoHo.

Advertising revenue was down 9.5% for the six-month period ending 31 December 2012 compared to the same period ending 31 December 2011. This is due to advertising sales being unusually high in the prior period because of Rugby World Cup advertising, which was not repeated in the current year.

Installation revenue has decreased by \$3.1 million from the previous period primarily due to promotions including free installation to new subscribers.

MY SKY subscribers now represent 51.2% of SKY's satellite subscriber base compared to 40.1% in the previous period. At 31 December 2012, SKY had 423,973 MY SKY subscribers compared to 331,041 in December 2011, a significant increase of 28.1%. Subscribers continue to find great value in the MY SKY product which is demonstrated by strong sales and increasing penetration in spite of the current economic environment.

Gross churn for the period ending 31 December 2012 was 14.6%, up slightly from 14.2% in the previous period. MY SKY HDi continues to deliver churn benefits. For the rolling 12 months to 31 December 2012, the gross churn for MY SKY HDi was 10.9% compared to the churn rate of 18.1% for subscribers on the standard digital decoder during this period. This compares to gross churn for MY SKY of 10.4% and a churn rate for subscribers on the standard digital decoders of 16.3% in the comparative period.

Taking a closer look at SKY's financial results, you will note a 7.0% increase in DBS (satellite) subscription revenues compared to the comparative period. This can be attributed largely to a 5.5% increase in ARPU to \$75.78 from \$71.81.

SKY's operating costs (excluding depreciation) for the six months to 31 December 2012 increased by \$9.4 million, or 3.7%.

Programming costs, which comprise both the costs of purchasing programme rights and also programme operating costs,

increased by \$15.1 million (11.1%). This can be mainly attributed to the cost of the Summer Olympics. This was compensated by a decline in sales and marketing costs of \$7.1 million. Sales and marketing costs were unusually high in the previous comparative period because of the Rugby World Cup and the duration of this marketing campaign. Sales and marketing costs for the six-month period January to June 2012 were \$15.8 million compared with \$16.5 million in the current period.

SKY decreased its capital expenditure during the six months to \$42.8 million from \$69.6 million in the comparative period, a decrease of \$26.8 million. This is mainly due to a combined decrease in decoder costs and installation costs of \$20.6 million.

Some of the highlights for the six-month period include the following:

- The hugely successful production of the Summer Olympic Games.

The Olympics rated exceptionally well for Prime, with 83% of New Zealanders over the age of five tuning into our almost-round-the-clock coverage. That equates to 3,382,000 Kiwis watching throughout the 17-day event. In total, Prime aired 374 hours of Olympics coverage throughout the Games.

During the Olympics, Prime's average audience overall was 4.5 times higher than in the four-week period prior to the Games. *Prime News* increased its audience by 60% and *The Crowd Goes Wild* attracted record viewers during the Games, averaging a 360% increase.

“83% of New Zealanders tuned in to 374 hours of coverage on Prime over the 17 day event”

On our SKY channels, the audience increased by 22% across the Olympics period compared with the four-week average preceding the games. We also saw an additional 24,115 subscribers join our Sports tier and an additional 10,037 subscribers purchased the HD ticket to take advantage of our dedicated eight channels of HD coverage.

We're also thrilled that the athletes we support through our SportConnect initiative did so well in London, particularly Lisa Carrington's gold medal in the K1 200.

- An improved performance from Prime during the period.
- Launch of the Shopping Channel on 1 October 2012.

The Shopping Channel is New Zealand's only dedicated retailing TV channel, bringing a wide variety of brands to New Zealand that wouldn't normally be accessible to New Zealanders.

- December 2012 finally saw the launch of Igloo.

Igloo Limited is owned 51% by SKY and 49% by TVNZ and provides 11 pay TV channels on a prepaid basis and access to live pay-per-view sports events, plus movies and TV episodes on a video-on-demand basis via the Internet. The service is available for \$25 per month and is targeted at individuals who do not need all of the channels available from the regular SKY pay TV offering. Igloo customers purchase and install their own set-top box that will access both the regular Freeview channels and also Igloo's prepaid pay TV service.

- Payment of a special dividend of 32 cents per share in December 2012, giving a total dividend payout of 54 cents per share for the 2012 calendar year. This is the second special dividend SKY has paid in the last 15 months with a 25 cent dividend being paid in September 2011.

DIVIDENDS

The Board of Directors has considered the performance of the business over the last six months and its prospects for the full year and announced on 22 February 2013 that it will pay an increased fully imputed dividend of 12 cents per share (prior interim dividend 11 cents) with the record date being 8 March 2013. A supplementary dividend of 2.1176 cents per share will also be paid to non-resident shareholders.



John Fellet
Chief Executive

FINANCIALS



SUBSCRIBER BASE

THE FOLLOWING OPERATING DATA HAS BEEN TAKEN FROM THE COMPANY RECORDS AND IS NOT AUDITED

	31-DEC-12	30-JUN-12	31-DEC-11
Total number of households in New Zealand ⁽¹⁾	1,678,100	1,659,600	1,659,600
Total DBS and other subscribers			
Subscribers - DBS (Satellite):			
Residential	688,800	690,267	689,787
Residential - wholesale ⁽²⁾	130,166	129,323	127,328
Commercial	8,479	9,140	9,010
Total DBS	827,445	828,730	826,125
Subscribers - Other: ⁽³⁾	19,543	18,201	20,115
Total subscribers	846,988	846,931	846,240
MY SKY Subscribers ⁽⁴⁾	423,973	382,495	331,041
Percentage of households subscribing to the SKY network:			
Total DBS - residential	48.8%	49.4%	49.2%
Gross churn rate ⁽⁵⁾	14.6%	14.2%	14.2%
Average monthly revenue per residential subscriber:			
Wholesale	67.09	64.66	64.43
MY SKY	87.39	84.69	84.71
Total DBS excluding wholesale	64.89	62.65	63.71
Total DBS and MY SKY including wholesale	75.78	71.93	71.81

Notes

- 1 Based on New Zealand Government census data as of March 2006. Prior year comparatives have been adjusted to reflect updated census data.
- 2 Includes subscribers receiving SKY packages via affiliate services, such as arrangements with TelstraClear, Telecom and Vodafone.
- 3 Includes subscribers to programmed music and online DVD rentals via SKY's subsidiary companies, SKY DMX Music Limited and Screen Enterprises Limited. Also includes residential subscribers to Igloo's package launched in December 2012.
- 4 Included in total subscribers.
- 5 Gross churn refers to the percentage of residential subscribers over the 12-month period ended on the date shown who terminated their subscription, net of existing subscribers who transferred their service to new residences during the period.

HISTORY OF DIVIDEND PAYMENTS

BY CALENDAR YEAR IN CENTS PER SHARE

	2012	2011	2010	2009	2008
Interim dividend (paid in March)	11.0	8.0	7.0	7.0	7.0
Final dividend (paid in September)	11.0	10.5	7.0	7.0	7.0
Total ordinary dividend	22.0	18.5	14.0	14.0	14.0
Add special dividend	32.0	25.0	-	-	-
Total dividend for the year	54.0	43.5	14.0	14.0	14.0

CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

IN NZD 000	31-DEC-2012 (6 MONTHS)	31-DEC-2011 (6 MONTHS)	30-JUN-2012 (1 YEAR) (AUDITED)
Revenue			
Residential satellite subscriptions	363,307	339,603	682,348
Other subscriptions	31,022	30,201	60,811
Installation	4,695	7,748	13,800
Advertising	35,320	39,027	67,235
Other income	9,002	10,283	18,880
	443,346	426,862	843,074
Expenses			
Programme rights	117,997	107,420	216,131
Programme operations	33,172	28,622	57,546
Subscriber management	30,915	31,361	64,608
Sales and marketing	16,491	23,550	39,387
Advertising	10,678	11,053	19,858
Broadcasting and infrastructure	43,644	42,481	84,529
Depreciation and amortisation	67,647	66,160	134,119
Corporate	13,272	12,276	24,993
	333,816	322,923	641,171
Operating profit	109,530	103,939	201,903
Financial (expense) income			
Finance income	297	331	2,082
Finance expense	(15,502)	(15,038)	(31,428)
Realised exchange loss	(585)	(971)	(1,172)
Unrealised exchange (loss)/gain	(83)	(179)	249
	(15,873)	(15,857)	(30,269)
Profit before tax	93,657	88,082	171,634
Income tax expense	26,298	25,380	48,847
Profit for the period	67,359	62,702	122,787
Attributable to:			
Equity holders of the Company	68,199	62,555	123,670
Non-controlling interest	(840)	147	(883)
	67,359	62,702	122,787
Earnings per share (from continuing operations)			
Basic and diluted earnings per share (cents)	17.53	16.08	31.78

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

IN NZD 000	31-DEC-2012 (6 MONTHS)	31-DEC-2011 (6 MONTHS)	30-JUN-2012 (1 YEAR) (AUDITED)
Profit for the period	67,359	62,702	122,787
Other comprehensive income			
Cash flow hedges, net of tax	2,326	1,483	2,233
Other comprehensive income for the period net of income tax	2,326	1,483	2,233
Total comprehensive income for the period	69,685	64,185	125,020
Attributable to:			
Equity holders of the Company	70,525	64,038	125,903
Non-controlling interest	(840)	147	(883)
	69,685	64,185	125,020

CONSOLIDATED INTERIM BALANCE SHEET

AS AT 31 DECEMBER 2012 (UNAUDITED)

IN NZD 000	NOTES	31-DEC-2012	31-DEC-2011	30-JUN-2012 (AUDITED)
Current assets				
Cash and cash equivalents		49,519	50,334	27,903
Trade and other receivables		68,601	69,821	73,572
Inventory		2,588	-	3,062
Programme rights inventory		32,994	40,847	42,188
Derivative financial instruments		192	2,509	1,013
		153,894	163,511	147,738
Non-current assets				
Property, plant and equipment		342,725	365,802	364,335
Other intangible assets		21,057	28,079	24,311
Deferred tax asset		1,723	-	1,159
Goodwill		1,424,494	1,424,494	1,424,494
Derivative financial instruments		116	887	430
		1,790,115	1,819,262	1,814,729
Total assets		1,944,009	1,982,773	1,962,467
Current liabilities				
Borrowings	9	3,213	2,966	3,078
Trade and other payables	6	156,959	154,805	153,726
Derivative financial instruments		8,738	9,924	11,386
Income tax payable		2,423	4,059	13,716
		171,333	171,754	181,906
Non-current liabilities				
Borrowings	9	359,186	314,511	270,676
Bonds	5	198,866	198,566	198,715
Derivative financial instruments		20,948	26,123	22,143
Provisions		375	337	352
Deferred tax		37,082	35,648	34,811
		616,457	575,185	526,697
Total liabilities		787,790	746,939	708,603
Equity				
Share capital		577,403	577,403	577,403
Hedging reserve		(17,479)	(20,555)	(19,805)
Retained earnings		584,953	665,774	684,084
Total equity attributable to equity holders of the Company		1,144,877	1,222,622	1,241,682
Non-controlling interest		11,342	13,212	12,182
Total equity		1,156,219	1,235,834	1,253,864
Total equity and liabilities		1,944,009	1,982,773	1,962,467

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

IN NZD 000	NOTES	SHARE CAPITAL
Balance at 1 July 2012		577,403
Profit/(loss) for the period		-
Cash flow hedges, net of tax		-
Total comprehensive income for the period		-
Dividend paid		-
Supplementary dividends		-
Foreign investor tax credits		-
Balance at 31 December 2012		577,403
For the six months ended 31 December 2011 (unaudited)		
Balance at 1 July 2011		577,403
Profit for the period		-
Cash flow hedges, net of tax		-
Total comprehensive income for the period		-
Capital contributed		-
Dividend paid		-
Supplementary dividends		-
Foreign investor tax credits		-
Balance at 31 December 2011		577,403
For the year ended 30 June 2012 (audited)		
Balance at 1 July 2011		577,403
Profit/(loss) for the year		-
Cash flow hedges, net of tax		-
Total comprehensive income for the year		-
Capital contributed		-
Dividend paid		-
Supplementary dividends		-
Foreign investor tax credits		-
Balance at 30 June 2012		577,403

ATTRIBUTABLE TO OWNERS OF THE PARENT				
HEDGING RESERVE	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTEREST	TOTAL EQUITY
(19,805)	684,084	1,241,682	12,182	1,253,864
-	68,199	68,199	(840)	67,359
2,326	-	2,326	-	2,326
2,326	68,199	70,525	(840)	69,685
-	(167,330)	(167,330)	-	(167,330)
-	(6,651)	(6,651)	-	(6,651)
-	6,651	6,651	-	6,651
(17,479)	584,953	1,144,877	11,342	1,156,219
(22,038)	741,364	1,296,729	815	1,297,544
-	62,555	62,555	147	62,702
1,483	-	1,483	-	1,483
1,483	62,555	64,038	147	64,185
-	-	-	12,250	12,250
-	(138,145)	(138,145)	-	(138,145)
-	(3,413)	(3,413)	-	(3,413)
-	3,413	3,413	-	3,413
(20,555)	665,774	1,222,622	13,212	1,235,834
(22,038)	741,364	1,296,729	815	1,297,544
-	123,670	123,670	(883)	122,787
2,233	-	2,233	-	2,233
2,233	123,670	125,903	(883)	125,020
-	-	-	12,250	12,250
-	(180,950)	(180,950)	-	(180,950)
-	(4,499)	(4,499)	-	(4,499)
-	4,499	4,499	-	4,499
(19,805)	684,084	1,241,682	12,182	1,253,864

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

IN NZD 000	NOTES	31-DEC-2012 (6 MONTHS)	31-DEC-2011 (6 MONTHS)	30-JUN-2012 (1 YEAR) (AUDITED)
Cash flows from operating activities				
Net profit		67,359	62,702	122,787
Plus/(less) non-cash items:				
Depreciation and amortisation		67,647	66,160	134,119
Unrealised foreign exchange loss/(gain)		83	179	(249)
Bad debts and movement in provision for doubtful debts		2,925	1,585	5,599
(Reversal)/impairment of inventory		(74)	-	403
Amortisation of bond issue costs		151	164	299
Movement in deferred tax		801	(1,519)	(3,808)
Other non-cash items		(607)	(323)	1,527
Items classified as investing activities:				
Gain on disposal of assets		(18)	(57)	(34)
Movement in working capital items:				
Decrease in receivables		3,085	5,769	673
Increase in payables		4,310	12,395	11,776
(Decrease)/increase in provision for tax		(4,571)	(143)	10,002
Decrease/(Increase) in inventory		548	-	(3,465)
Decrease/(increase) in programme rights		9,194	(6,196)	(7,538)
Net cash from operating activities		150,833	140,716	272,091
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		18	851	859
Acquisition of property, plant, equipment and intangibles	7	(43,059)	(70,848)	(136,883)
Net cash used in investing activities		(43,041)	(69,997)	(136,024)
Cash flows from financing activities				
Advances received - bank loan	9	124,000	325,000	358,000
Repayment of borrowings - bank loan	9	(34,000)	(225,000)	(300,000)
Payment of bank facility fees		(678)	(1,088)	(1,500)
Capital introduced by non-controlling interest		-	12,250	12,250
Payment of finance lease liabilities		(1,517)	(1,423)	(2,899)
Dividends paid	8	(173,981)	(141,558)	(185,449)
Net cash used in financing activities		(86,176)	(31,819)	(119,598)
Net increase in cash and cash equivalents		21,616	38,900	16,469
Cash and cash equivalents at beginning of the period		27,903	11,434	11,434
Cash and cash equivalents at end of the period		49,519	50,334	27,903

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

1. GENERAL INFORMATION

SKY Network Television Limited ("SKY") is a company, incorporated and domiciled in New Zealand. The address of its registered office is 10 Panorama Road, Mt Wellington, Auckland, New Zealand. The consolidated interim financial statements of the Group for the six months ended 31 December 2012 comprise SKY and its subsidiaries.

SKY is a company registered under the Companies Act 1993 and is an issuer in terms of the Financial Reporting Act 1993. These consolidated interim financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993.

SKY operates as a provider of multi-channel, pay-per-view and free-to-air television services in New Zealand.

These consolidated interim financial statements were approved by the Board of Directors on 21 February 2013.

2. BASIS OF PREPARATION

These consolidated interim financial statements of SKY are for the six months ended 31 December 2012. They have been prepared in accordance with New Zealand generally accepted accounting practice, NZ IAS 34 Interim Financial Reporting and International Accounting Standard 34 (IAS 34). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2012.

The preparation of interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments (including derivative instruments).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2012.

4. GROUP STRUCTURE

At 31 December 2012 SKY had the following subsidiaries:

Cricket Max Limited
Igloo Limited (51.0%)
Media Finance Limited
Outside Broadcasting Limited
Screen Enterprises Limited (51.0%)
SKY DMX Music Limited (50.5%)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

5. BONDS

Terms and conditions of outstanding bonds are as follows:

	31-DEC-2012	31-DEC-2011	30-JUN-2012 (AUDITED)
Nominal interest rate	3.19%	3.60%	3.60%
Date of maturity	16-Oct-16	16-Oct-16	16-Oct-16
IN NZD 000			
Carrying amount	198,866	198,566	198,715
Face value	200,000	200,000	200,000
Fair value	189,000	176,000	179,000
Market yield	4.98%	7.49%	6.77%

The bonds are subject to a call option commencing on 16 October 2009 and each subsequent 16 October until 16 October 2015 whereby the Company has the right to redeem or repurchase all or some of the bonds on each anniversary of the issue date. The difference between the carrying amount and fair value has not been recognised in the interim financial statements as the bonds are intended to be held until maturity.

6. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

IN NZD 000	31-DEC-2012	31-DEC-2011	30-JUN-2012 (AUDITED)
Transactions included in the balance sheet:			
Owing to related parties			
Owing to affiliates of The News Corporation Limited and non-controlling shareholders of Screen Enterprises Limited	3,387	3,231	3,343
Transactions included in the income statement:			
Transactions with related parties			
The News Corporation Limited and its affiliates - Programme, smartcard and broadcasting equipment and publishing	10,350	14,337	18,766

There were no loans to directors by the Group or associated parties at any of the reporting dates above.

The gross remuneration of directors and key management personnel during the period was \$6,542,000 (31 December 2011: \$6,059,000; 30 June 2012: \$9,986,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 (UNAUDITED)

7. CAPITAL EXPENDITURE

The Group acquired the following property, plant and equipment and intangibles during the period:

IN NZD 000	31-DEC-2012	31-DEC-2011	30-JUN-2012 (AUDITED)
Capital projects in progress	6,997	7,858	21,700
Land and buildings	135	787	913
Broadcasting and studio equipment	117	2,931	723
Plant and equipment and other	948	1,564	4,794
Decoders	12,813	28,263	52,873
Installation costs	20,843	25,991	48,635
Intangibles	930	2,171	2,684
	42,783	69,565	132,322
Movement in capital expenditure creditors	276	1,283	4,561
Cash outflow in the period	43,059	70,848	136,883

8. DIVIDENDS

In December 2012 the Company paid a fully imputed special dividend of 32 cents per share in addition to the final dividend of 11 cents per share paid in September 2012. A supplementary dividend of 5.6471 cents per share was paid to non-resident shareholders, subject to the foreign investor tax credit regime.

On 22 February 2013 the Board of Directors announced that it will pay a fully imputed dividend of 12 cents per share with the record date being 8 March 2013. A supplementary dividend of 2.1176 cents per share will be paid to non-resident shareholders, subject to the foreign investor tax credit regime.

9. BORROWINGS

Bank loans

During the period, bank borrowings of \$34.0 million were repaid and a new drawdown of \$124.0 million was taken up. The additional borrowings were used to pay out the special dividend of 32 cents per share declared in December 2012.

10. CONTINGENT LIABILITIES

On 16 May 2012, the Company received notification from the Commerce Commission that it was opening an investigation into SKY's agreements for the acquisition of content and its agreements with Internet retail service providers. The Company has provided all information requested by the Commission to date. At the time of preparing these interim financial statements, the Commerce Commission has not initiated any action against the Company and, the Directors have no knowledge which would indicate the need to make any provision in these financial statements for any liabilities which may arise in the event that any action was taken (30 June 2012: nil).

11. SUBSEQUENT EVENTS

Other than as set out in note 8 (Dividends), there have been no subsequent events after balance date.

INDEPENDENT ACCOUNTANTS' REPORT

TO THE SHAREHOLDERS OF SKY NETWORK TELEVISION LIMITED



Report on the Interim Financial Statements

We have reviewed the interim condensed consolidated financial statements ("financial statements") of SKY Network Television Limited on pages 7 to 15, which comprise the balance sheet as at 31 December 2012, the income statement, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the six month period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Interim Financial Statements

The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Group as at 31 December 2012, and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of Company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Group for the period ended 31 December 2012 in accordance with the Review Engagement Standards issued in New Zealand.

We carry out other assignments for the Company and the Group in the area of assurance services. In addition, certain partners and employees of our firm may deal with the Company and Group on normal terms within the ordinary course of trading activities of the Company and Group. We have no other relationships with or interests in the Company or Group. These services have not impaired our independence as accountants of the Company and Group.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 31 December 2012 and its financial performance and cash flows for the six month period ended on that date.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report or for the opinions we have formed.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

Chartered Accountants, Auckland
21 February 2013

DIRECTORY

REGISTRARS

Shareholders should address questions relating to share certificates, changes of address or any administrative questions to SKY's share registrar as follows:

NEW ZEALAND ORDINARY SHARE REGISTRAR

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna, North Shore City 0622

Mailing address:

Private Bag 92119, Auckland Mail Centre
Auckland 1142, New Zealand

Tel: 64 9 488 8777; **Fax:** 64 9 488 8787

Email: enquiry@computershare.co.nz

AUSTRALIAN BRANCH REGISTER

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnston Street
Abbotsford, VIC 3067
GPO Box 2975EE
Melbourne, VIC 3000, Australia

Tel: 61 3 9415 4000

Email: enquiry@computershare.co.nz

Freephone: 1300 850 505 (within Australia)

BONDHOLDER TRUSTEE

The New Zealand Guardian Trust Company Limited

Level 7, Vero Centre, 48 Shortland Street
Auckland, New Zealand

Mailing address:

PO Box 1934, Auckland, New Zealand

Tel: 64 9 377 7300; **Fax:** 64 9 377 7470

Email: web.corporatetrusts@nzgt.co.nz

DIRECTORS

Peter Macourt (Chairman)
Robert Bryden (Deputy Chairman)
John Fellet (Chief Executive Officer)
John Hart, ONZM
Michael Miller
Humphry Rolleston
John Waller

EXECUTIVES

John Fellet	Director and Chief Executive Officer
Jason Hollingworth	Chief Financial Officer and Company Secretary
Gregory Drummond	Director of Broadcast Operations
Travis Dunbar	Director of Entertainment
Martin Enright	Director of Content Acquisitions
Charles Ingle	Director of Technology
Megan King	Director of Content, Strategy, Planning and Delivery
Richard Last	Director of Sport Content and Production
Rawinia Newton	Director of Advertising
Tony O'Brien	Director of Regulatory and Corporate Affairs
Cathryn Oliver	Chief of Staff
Michael Watson	Director of Marketing
Kirsty Way	Head of Corporate Communications
Martin Wrigley	Director of Operations

NEW ZEALAND REGISTERED OFFICE

10 Panorama Road, Mt Wellington, Auckland

Tel: 64 9 579 9999; **Fax:** 64 9 525 8324

Website: www.skytv.co.nz

AUSTRALIAN REGISTERED OFFICE

c/- Allens Arthur Robinson Corporate Pty Limited

Level 28, Deutsche Bank Place
Corner Hunter and Philip Streets
Sydney, NSW 2000

Tel: 61 2 9230 4000; **Fax:** 61 2 9230 5333

AUDITORS TO SKY

PricewaterhouseCoopers

PricewaterhouseCoopers Tower
188 Quay Street, Auckland

Tel: 64 9 355 8000; **Fax:** 64 9 355 8001

SOLICITORS TO SKY

Buddle Findlay

PricewaterhouseCoopers Tower
188 Quay Street, Auckland

Tel: 64 9 358 2555; **Fax:** 64 9 358 2055



NETWORK TELEVISION LIMITED