



# SKY TELEVISION

## INTERIM RESULTS

DECEMBER 2016

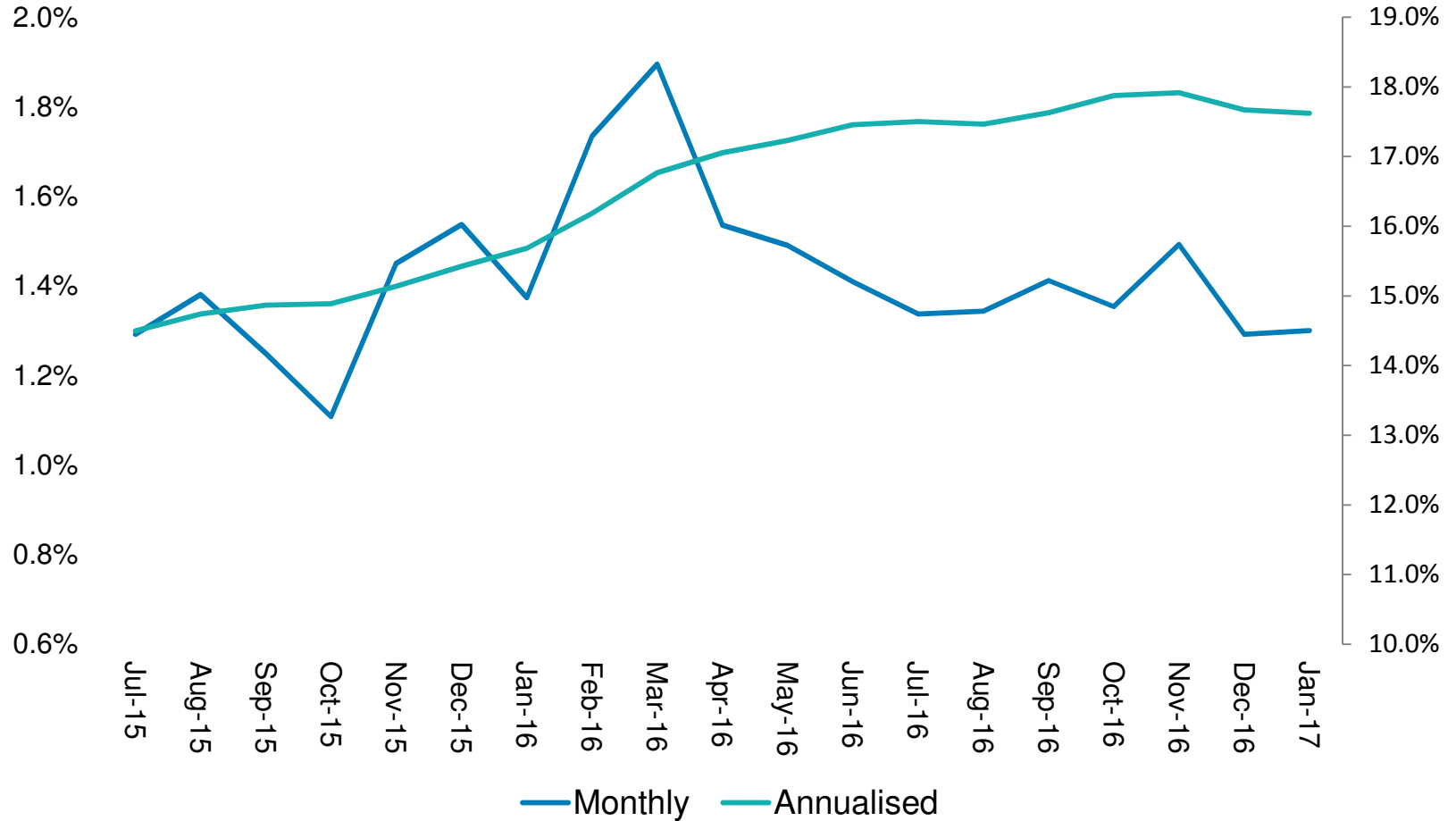
# TOTAL SUBSCRIBERS



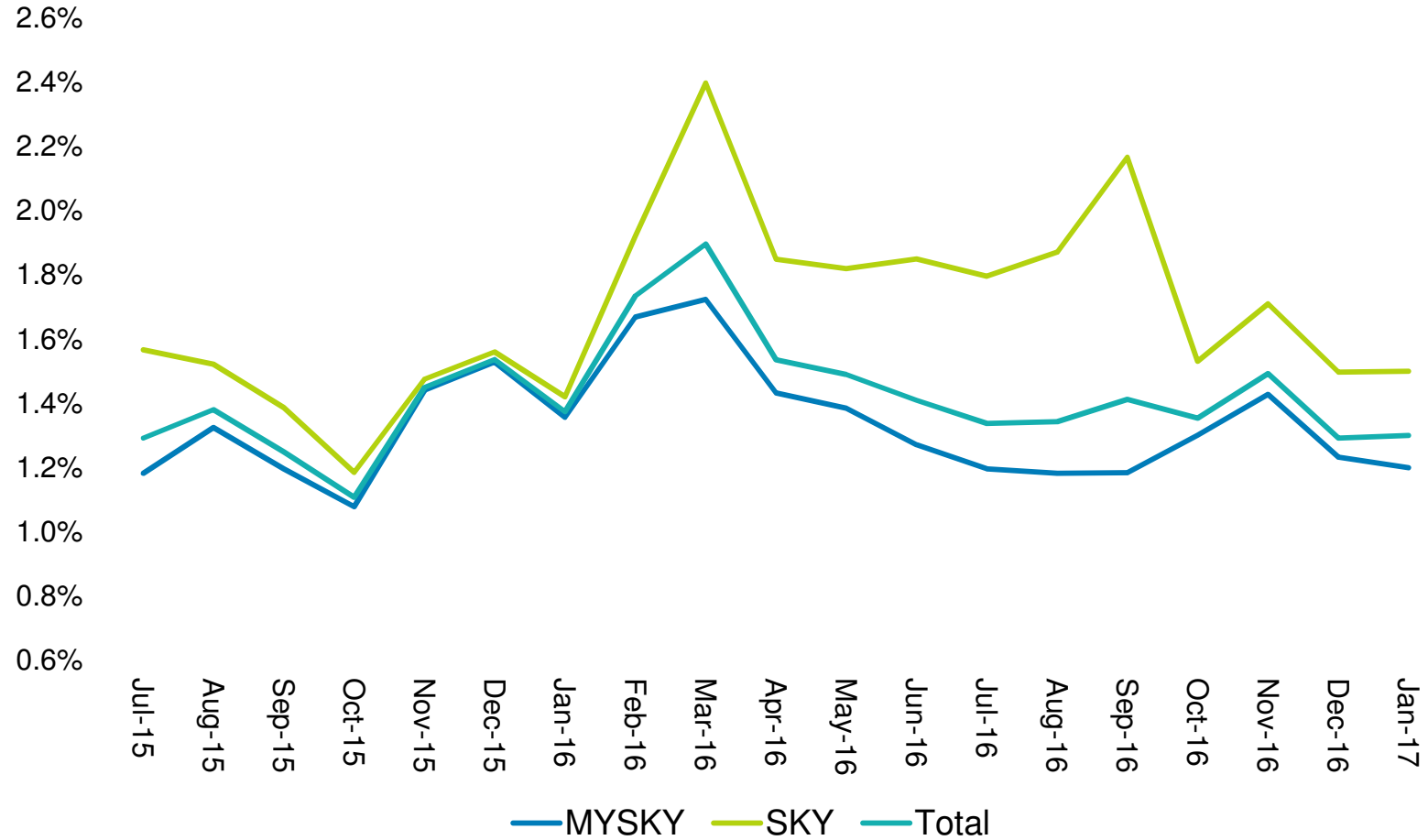
Last Week Tonight with John Oliver ©2017 Home Box Office, Inc. All rights reserved. HBO® and all related programs are the property of Home Box Office, Inc.

**SoHo**

# TRADITIONAL CHURN



# MYSKY CHURN

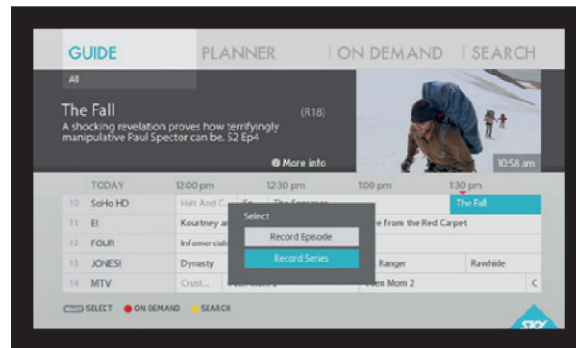




# New SKY BOX rollout

# 87%

# Completed



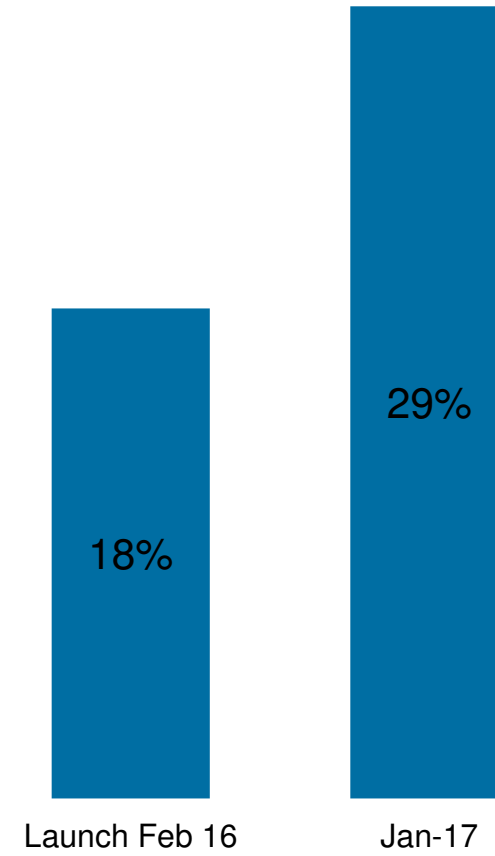
**ON DEMAND**  
**Catch Up**  
**now available**

# CONNECTIVITY ON SKY BOXES



©Disney Enterprises, Inc.

**MOVIES**



# SKY BASIC AND SPORTS PACKAGE



304,242



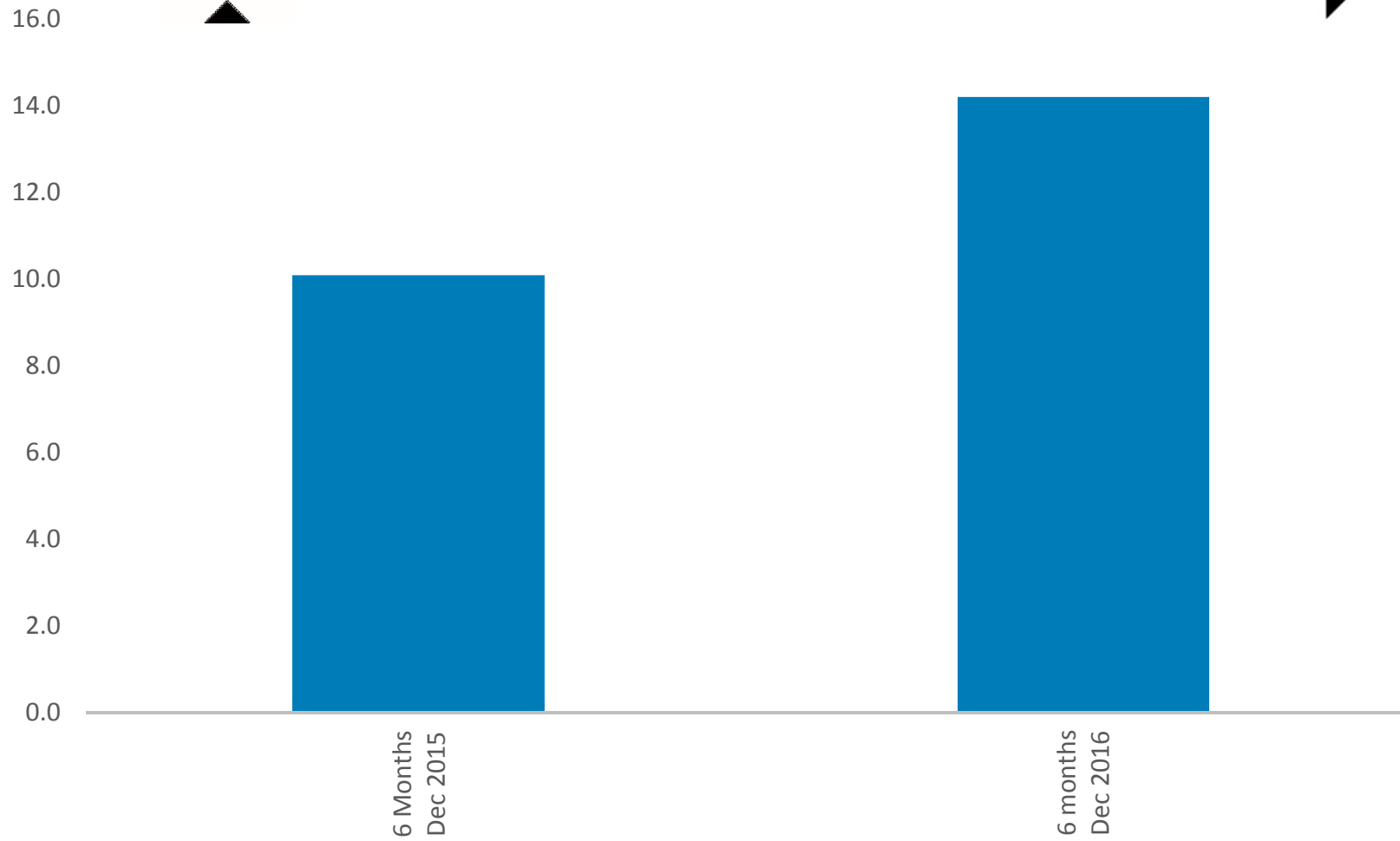
Dec-15

304,168



Dec-16

# SKY'S NEW WORLD OF DOWNLOADS







# SKY PREMIUM PRODUCTS PER SUBSCRIBER



3.72



Dec-15

3.8



Dec-16



# TRADITIONAL SKY ARPU



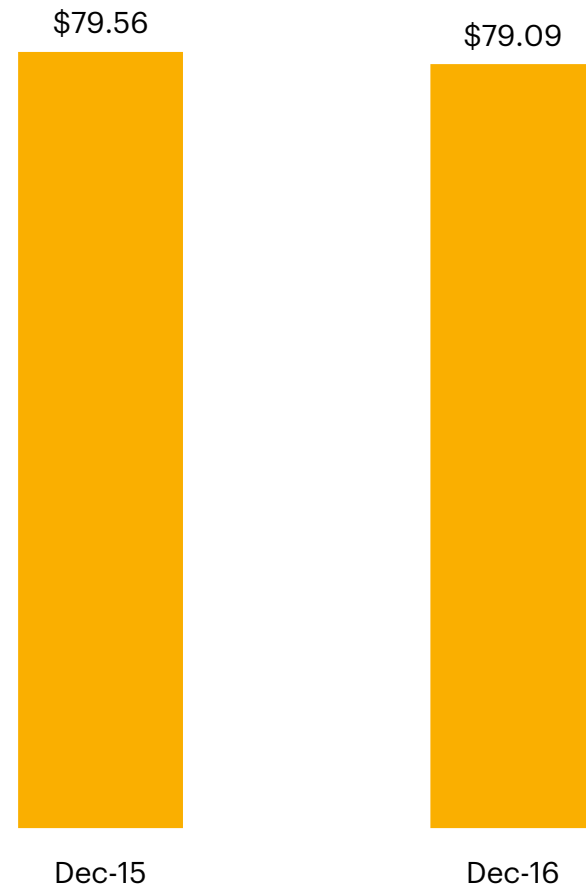
www.photosport.nz



# TOTAL ARPU



www.photosport.nz



# ADVERTISING REVENUE

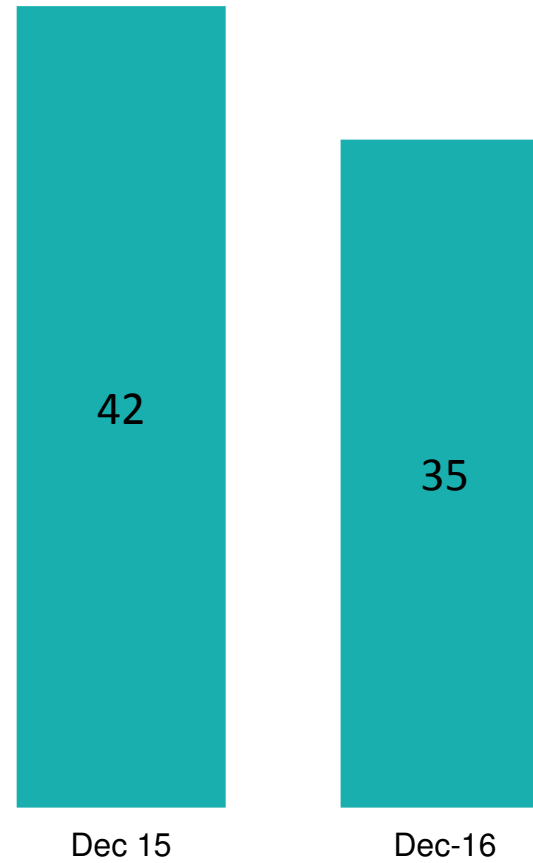


Taboo



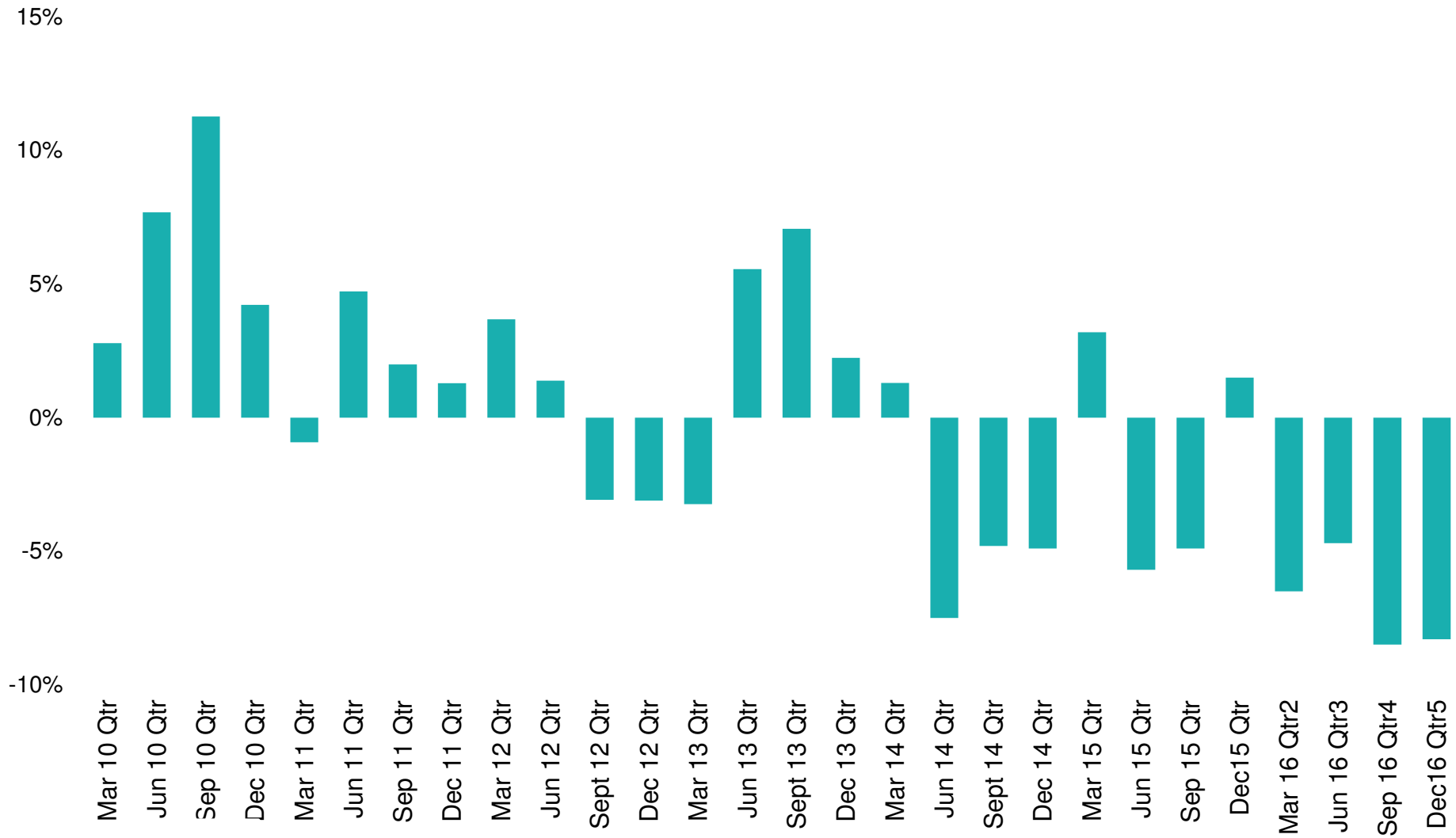
Running With Bear Grylls ©2016 NBCUniversal Media, LLC

Millions

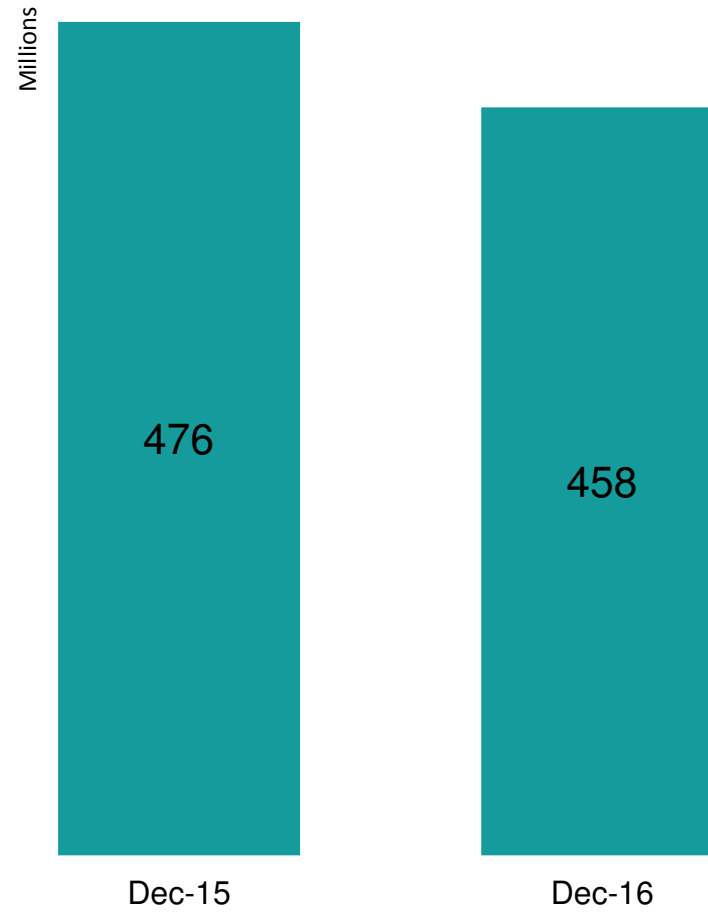


# TOTAL TELEVISION ADVERTISING REVENUE

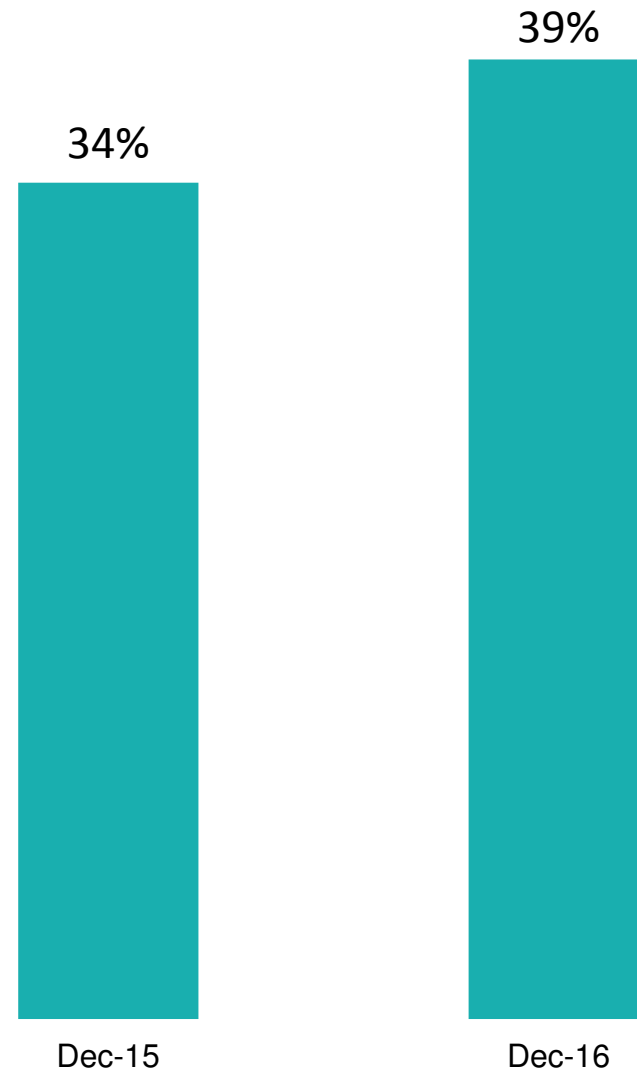
(YOY QUARTERLY CHANGE)



# REVENUE



# PROGRAMMING COSTS % REVENUE



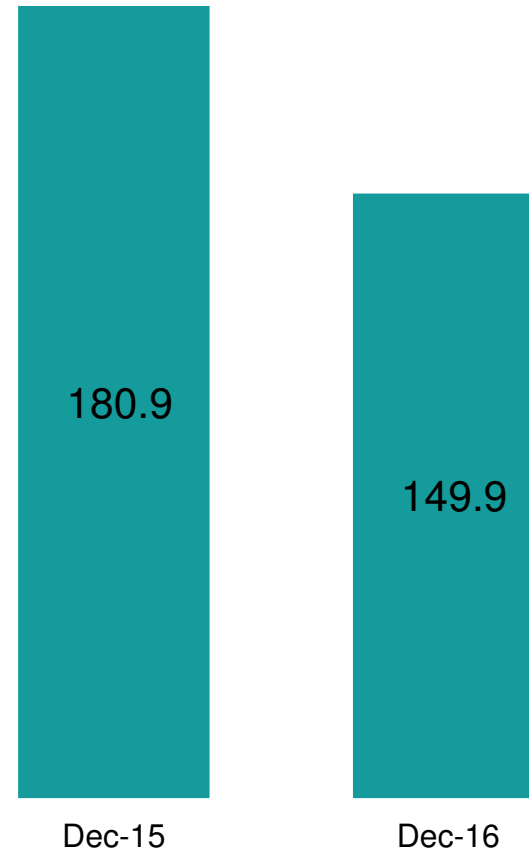
# EBITDA



www.photosport.nz



Millions





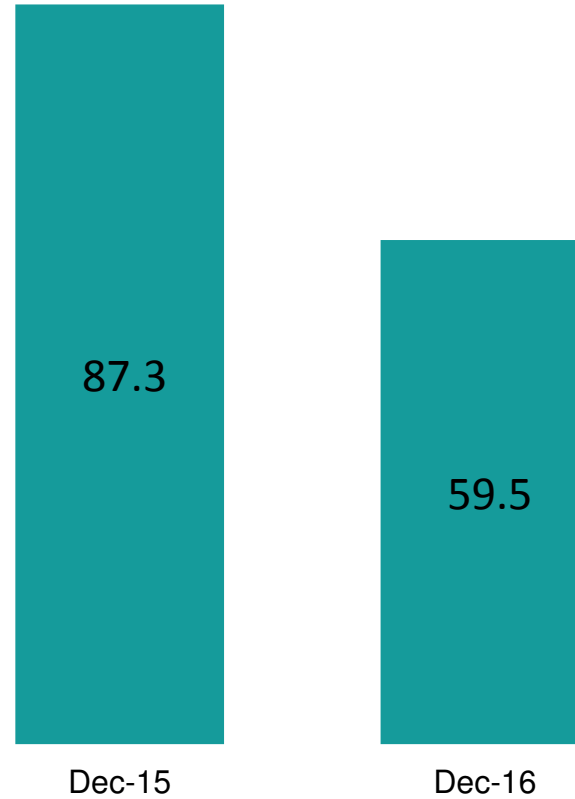
# NET PROFIT



© 2016 Marvel.



Millions



*SKY*

# FINANCIAL DETAIL



# INTERIM RESULTS SUMMARY

	2015	2016	% Change
Revenue	475.6	458.2	(3.7%)
Operating Expenses	294.7	308.3	4.6%
EBITDA	180.9	149.9	(17.2%)
Depn & Amort	49.2	52.2	6.1%
EBIT	131.7	97.7	(25.8%)
Interest	10.3	9.3	(9.7%)
Tax	34.0	28.9	(15.0%)
<b>NET PROFIT after TAX</b>	<b>87.3</b>	<b>59.5</b>	<b>(32.0%)</b>



# REVENUE ANALYSIS

	2015	2016	% Change
Residential Satellite subscriptions	383.5	371.2	(3.2%)
Other subscriptions	38.8	42.2	8.7%
Advertising	42.3	35.1	(17.1%)
Other Income	10.9	9.7	(11.0%)
<b>TOTAL REVENUE</b>	<b>475.5</b>	<b>458.2</b>	<b>(3.6%)</b>



# EXPENSE ANALYSIS

	2015	2016	% Change
Programming rights	162.9	181.6	11.5%
Subscriber related costs	53.4	48.9	(8.4%)
Broadcasting and infrastructure	47.8	50.4	5.4%
Depreciation and amortisation	49.2	52.2	6.1%
Other costs	30.6	27.5	(10.3%)
<b>TOTAL EXPENSE</b>	<b>343.9</b>	<b>360.5</b>	<b>4.8%</b>



# CAPITAL EXPENSE ANALYSIS


	2015	2016	% Change
Install	14.5	17.2	18.9%
Decoders	28.3	17.5	(43.2%)
Land and Building Improvements	0.3	0.1	(66.7%)
Broadcasting and Technology equipment	3.2	6.3	96.9%
Other	13.2	11.5	(7.5%)
<b>TOTAL CAPITAL EXPENSE</b>	<b>59.5</b>	<b>52.6</b>	<b>(11.5%)</b>



# OPERATING CASHFLOW

	2015	2016	% Change
Operating Cashflow	157.7	121.0	(23.3%)
Capex	(59.5)	(52.6)	(11.5%)
Net debt drawn/(repaid)	(10.0)	5.0	(150.0%)
Dividends	(65.7)	(65.9)	0.3%
Other	(3.9)	(0.3)	(92.3%)
<b>NET CASH MOVEMENT</b>	<b>18.5</b>	<b>7.2</b>	<b>(61.6%)</b>

# FUNDING PROFILE



	FACILITY	DRAWN	MARGIN	MATURITY
Bank Debt	\$300m	\$255m	145bp	Jul 2020
Bond - B	\$100m	\$100m	Fixed rate at 6.25%	Mar 2021



# FOREIGN CURRENCY HEDGING



## For USD exposures

- ▶ 90% hedged for 6 months to 30 June 2017 @ 0.6823
- ▶ 86% hedged for June 2018 year @ 0.7025
- ▶ 39% hedged for June 2019 year @ 0.7044

## For AUD exposures

- ▶ 93% hedged for 6 months to 30 June 2017 @ 0.9208
- ▶ 77% hedged for 30 June 2018 @ 0.9363
- ▶ 17% hedged for 30 June 2019 @0.9137

Average \$US payment rate for Opex for the 6 months to December 16 @ 0.6824



# DIVIDEND

The Board has declared a fully imputed interim dividend of 15.0 cps (\$58.4m) to be paid and a supplementary dividend of 2.6471 to be paid to non-residents.  
Record date is 15 February 2017.

Payment date is 22 February 2017.

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Interim	15.0	15.0	15.0	14.0	12.0	11.0	8.0	7.0	7.0	7.0
Final			15.0	15.0	12.0	11.0	10.5	7.0	7.0	7.0
Ordinary Total	15.0	30.0	30.0	29.0	24.0	22.0	18.5	14.0	14.0	14.0
Special	0	0	0	0	0	32.0	25.0	0	0	0
<b>TOTAL</b>	<b>15.0</b>	<b>30.0</b>	<b>30.0</b>	<b>29.0</b>	<b>24.0</b>	<b>54.0</b>	<b>43.5</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>

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# SKY HIGHLIGHTS



**SKY**

**Average Audience YOY growth of**

**11%**

**all overseas NEWS CHANNELS**



**124%**

**US NEWS CHANNELS**









**PERKS**



**IGLOO**  
**TV YOUR WAY™**







**SKY**



**Launched  
Dec 2016**

Gaycation ©VICELAND

**VICELAND**



**SKY**



**THE BRITISH  
& IRISH LIONS**

TOUR TO NEW ZEALAND

**2017**



# GUIDANCE

SKY confirms the Guidance provided on 14 December 2016 that EBITDA will be 5% to 7% below the \$296 million forecast for the year ended 30 June 2017 provided in the EM dated 13 June 2016.



# SKY TELEVISION

## INTERIM RESULTS

DECEMBER 2016