



SKY



**SKY ANNUAL
RESULTS
2017**

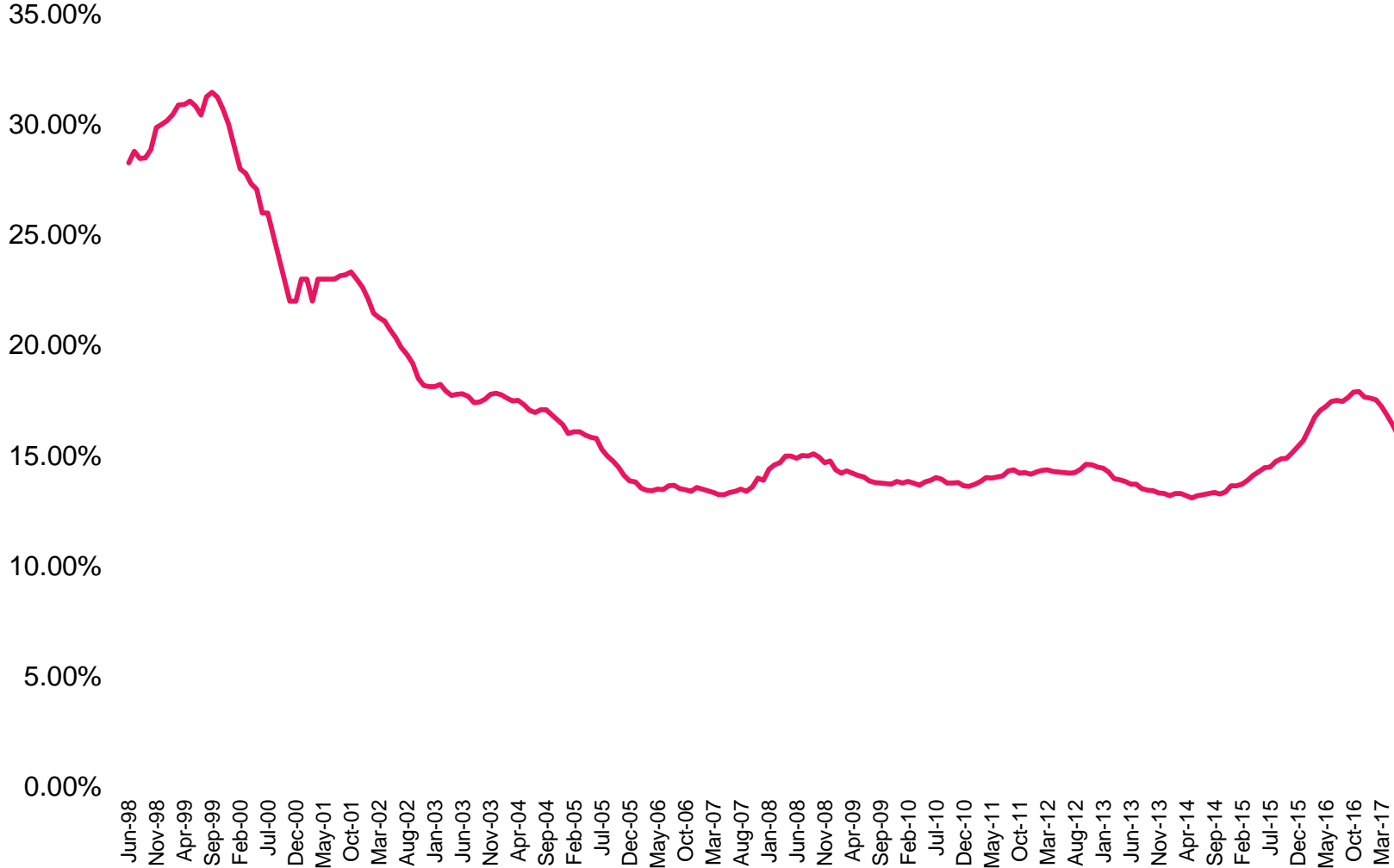


THE EVOLVING SKY CUSTOMER BASE

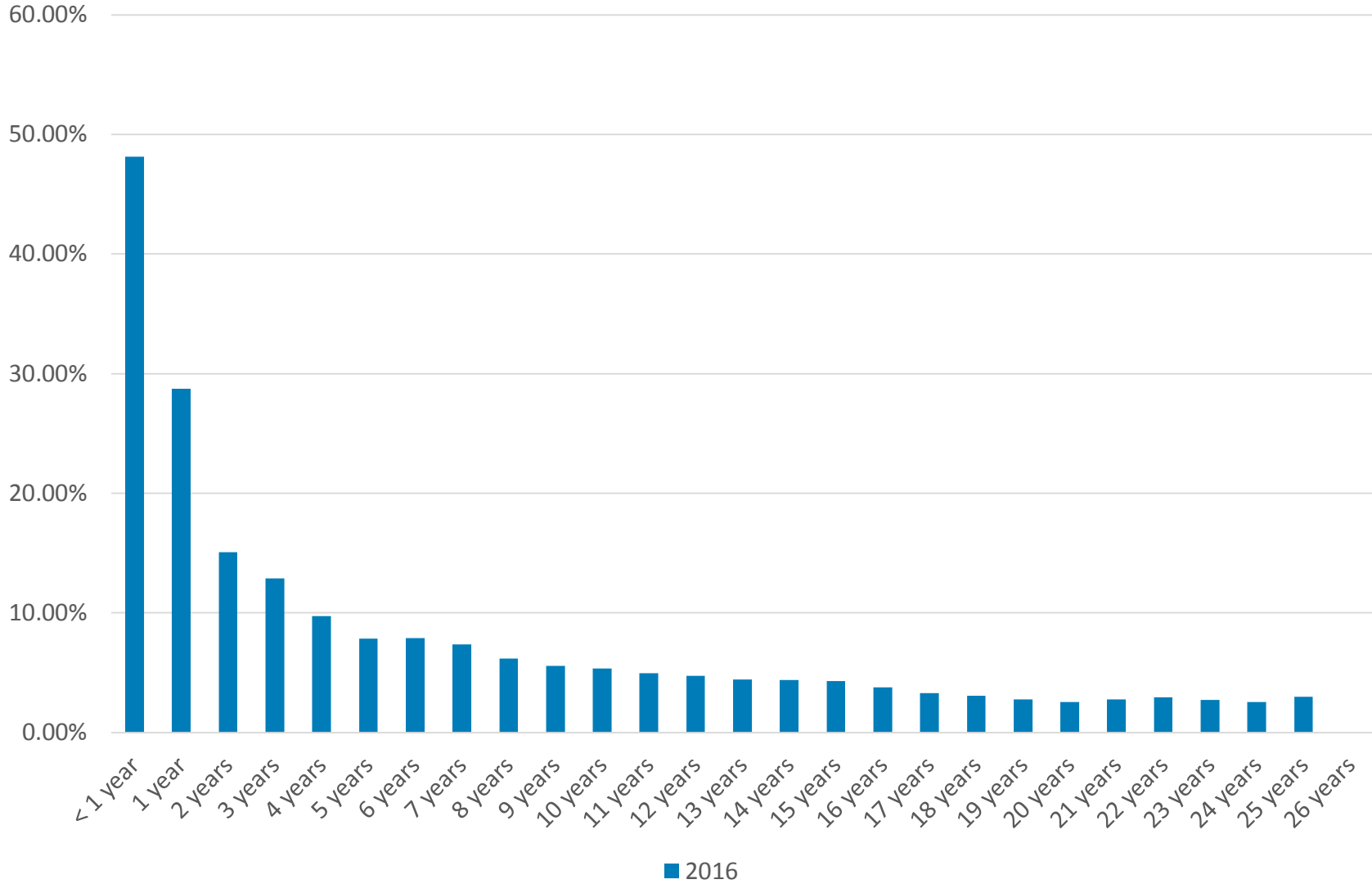
	JUNE 2016	JUNE 2017	NET GAIN
SKY satellite	739,532	705,652	(33,880)
Third party	37,674	30,925	(6,749)
Igloo*	8,628	0	(8,628)
Fatso	13,275	8,269	(5,006)
OTT (Neon and Fan Pass)	53,570	79,936	26,366
	852,679	824,782	(27,897)

* Igloo service was closed on 31 March 2017

MOVING ANNUAL CHURN



CHURN BY TENURE

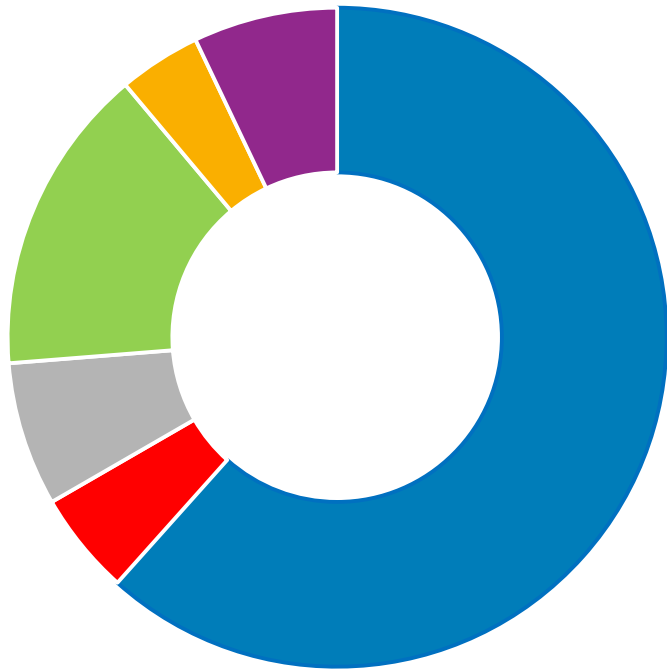


SKY CUSTOMER SEGMENTATION PROFILES

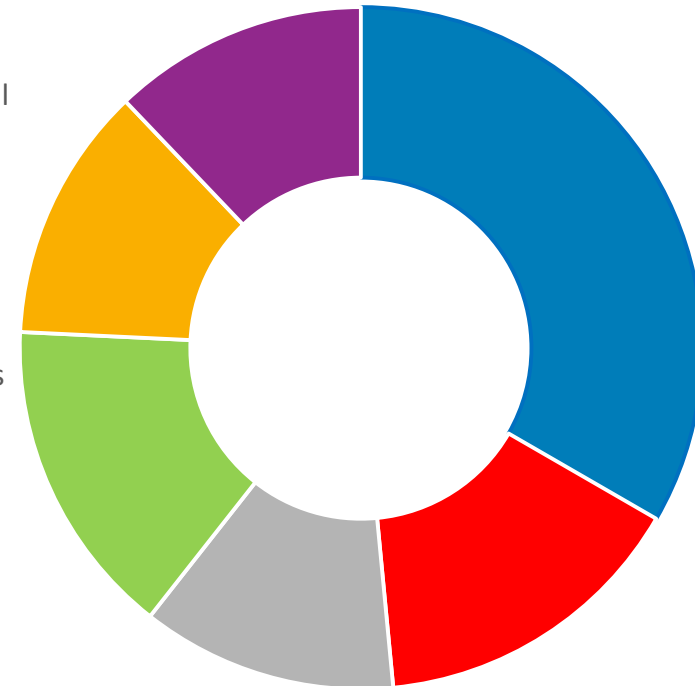


WHICH IS SERVICING THE CHANGING FACE OF THE SKY CUSTOMER

SKY CUSTOMERS

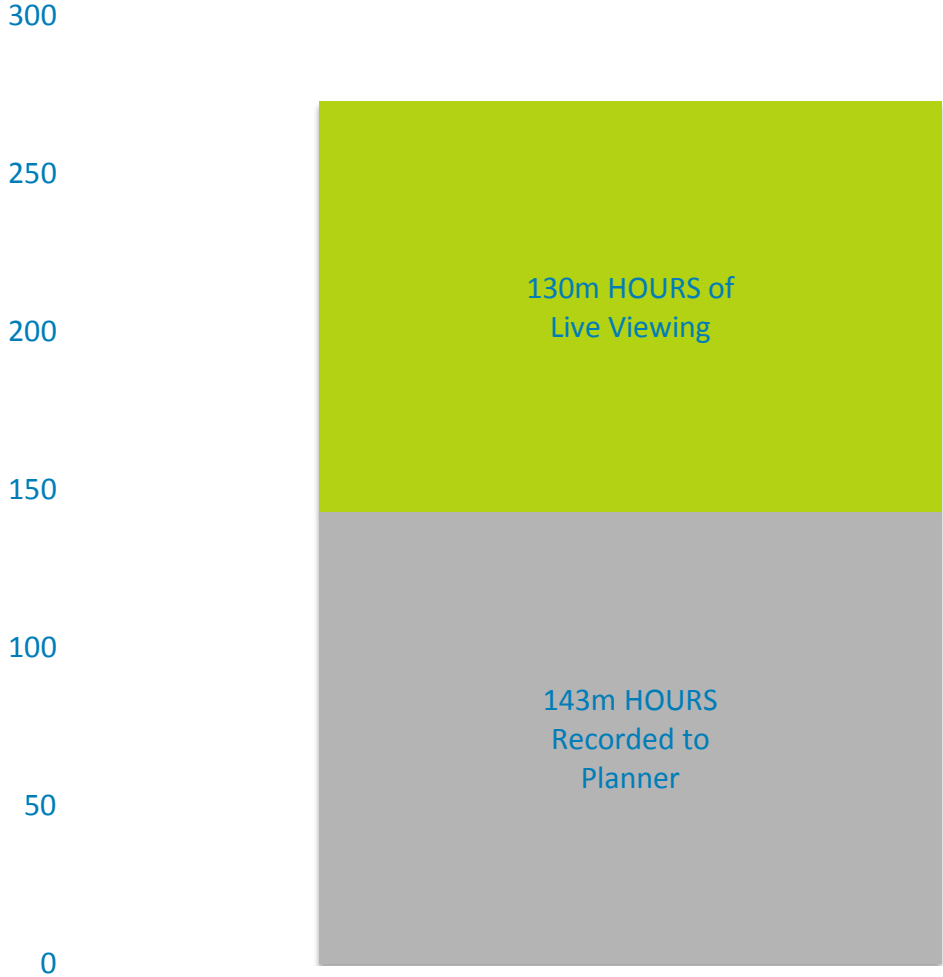


NZ POPULATION



- Fanatical and Habitual Heartlanders
- Online Addicts
- Neutral Couples
- Modern Homemakers
- Avid Learners
- Social Owls

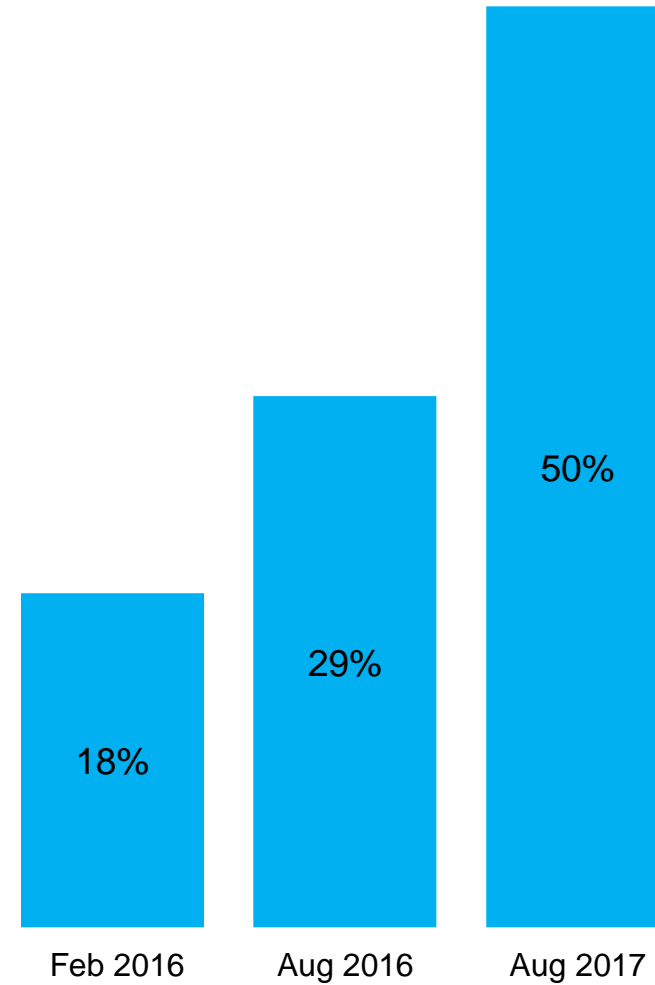
SKY BOX CUSTOMER MONTHLY CONTENT USAGE



CONNECTIVITY ON SKY BOXES

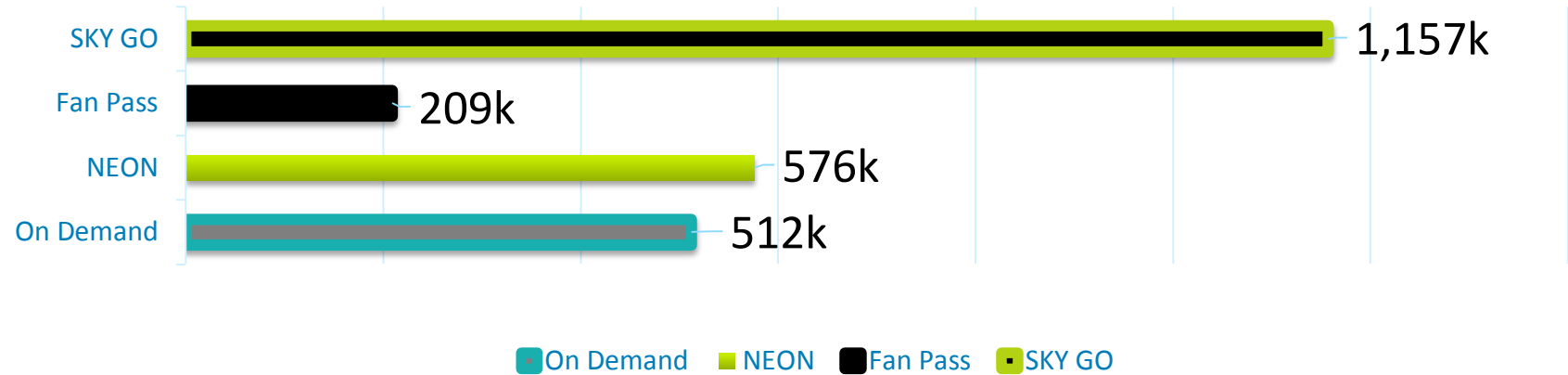


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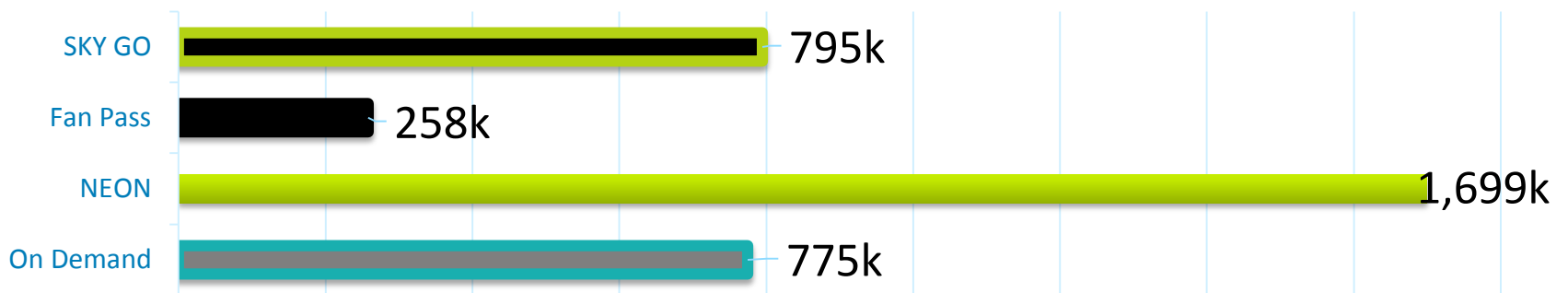


SKY IP CUSTOMER MONTHLY CONTENT USAGE

Average requests per month 2016/17



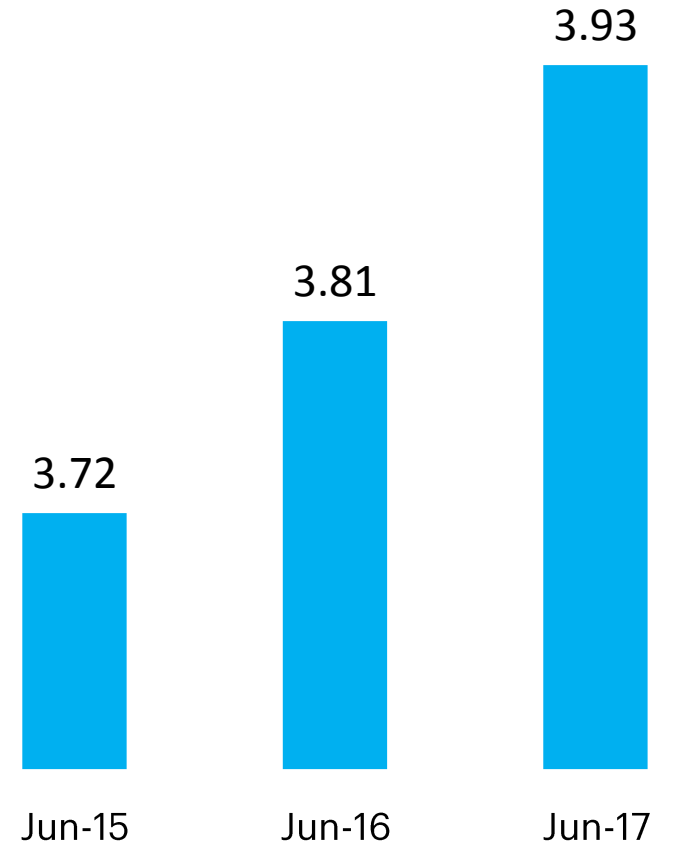
July 2017 month requests



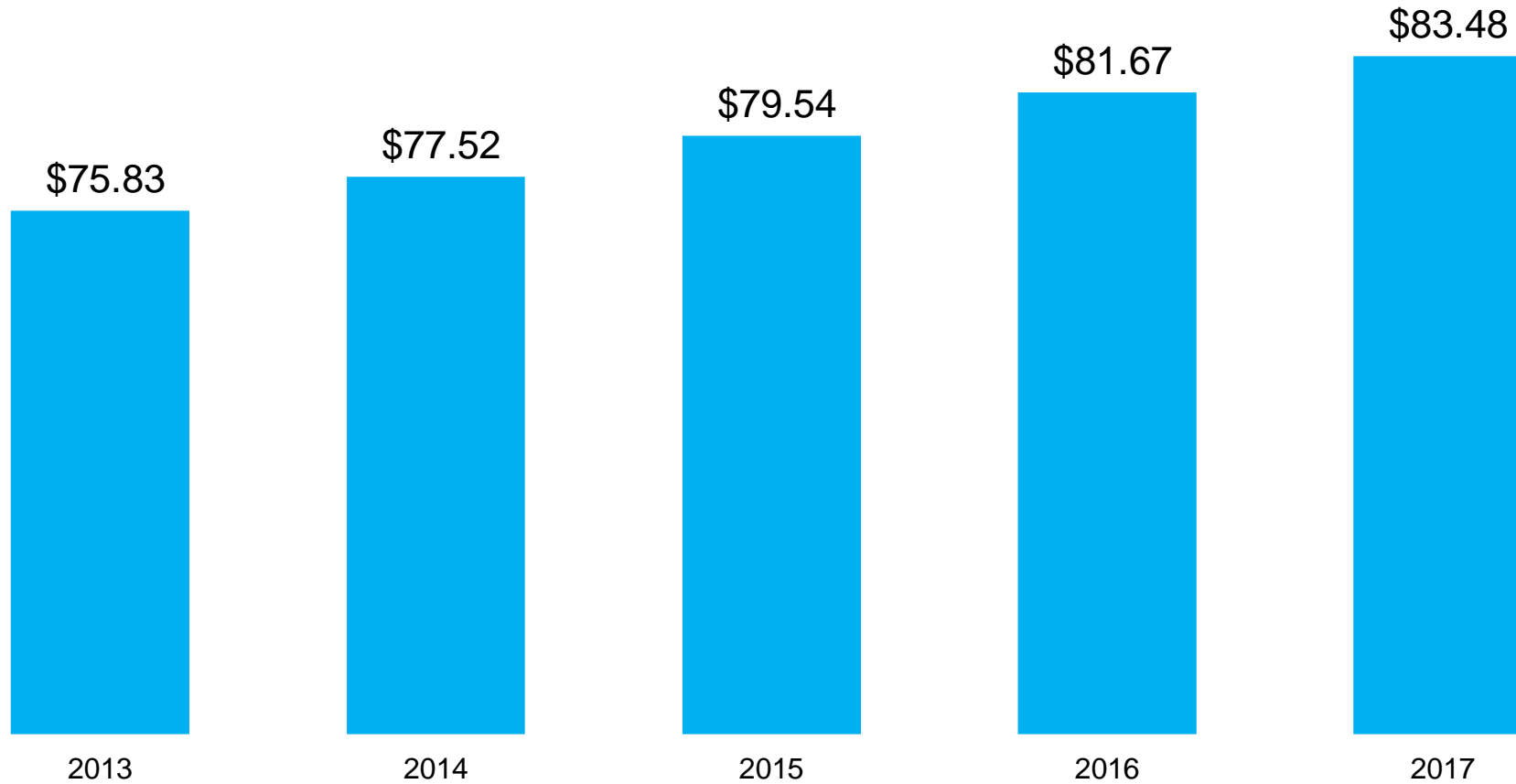
SKY PREMIUM PRODUCTS PER SUBSCRIBER



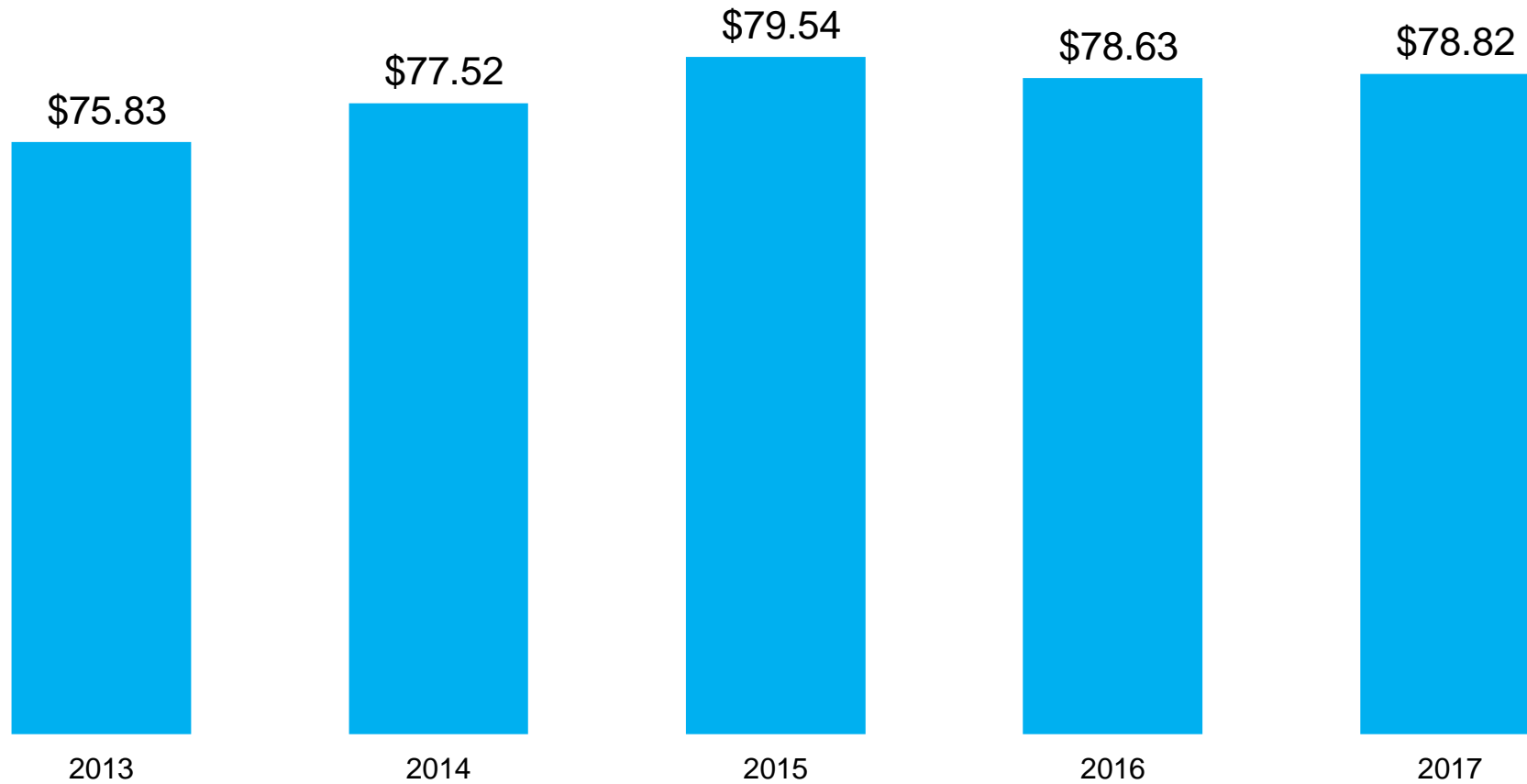
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ARPU FROM SKY TRADITIONAL SUBSCRIBERS

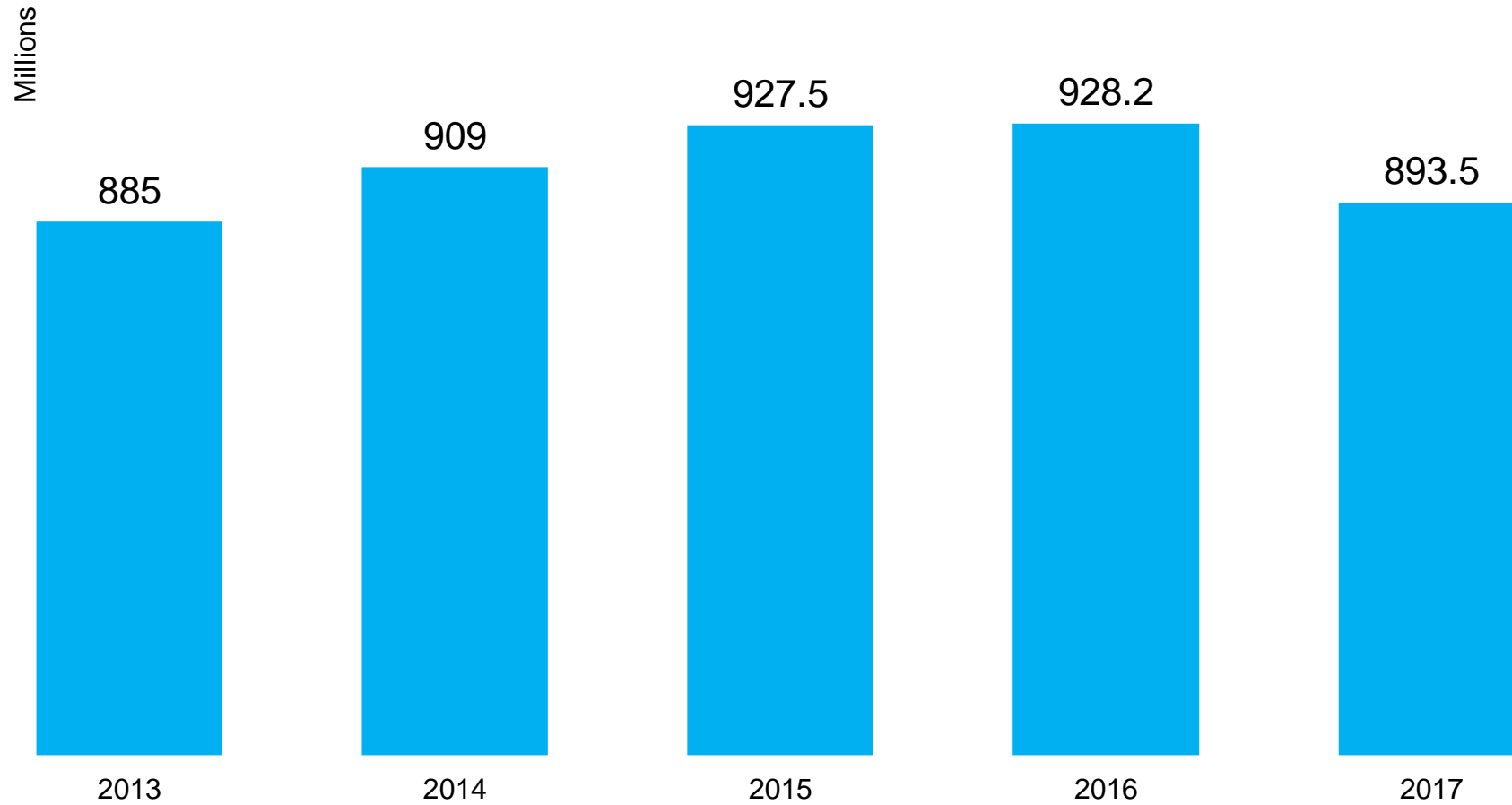


TOTAL ARPU

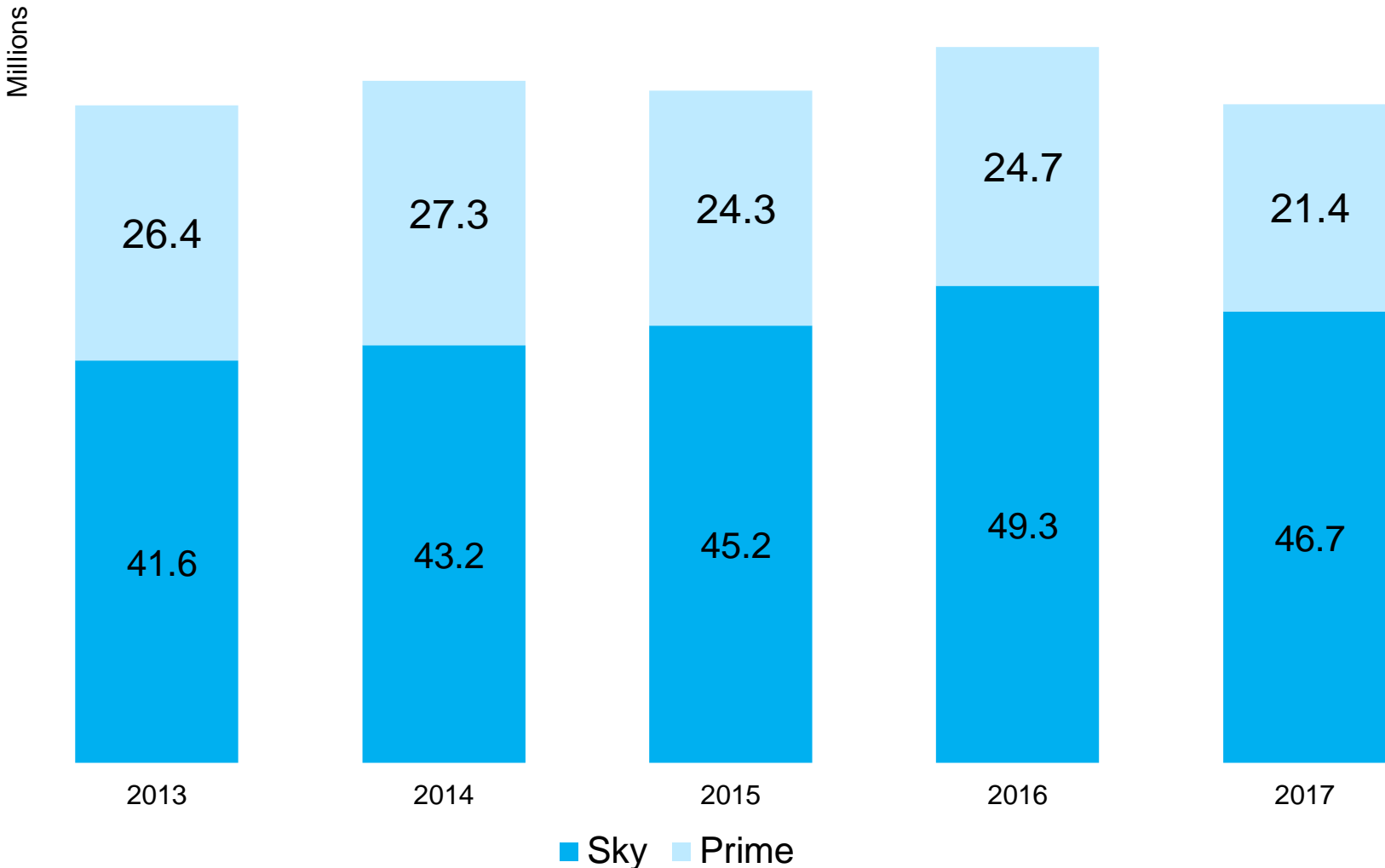


From 2016 ARPU now Includes IGLOO, NEON and FAN PASS not included in previous periods

REVENUE

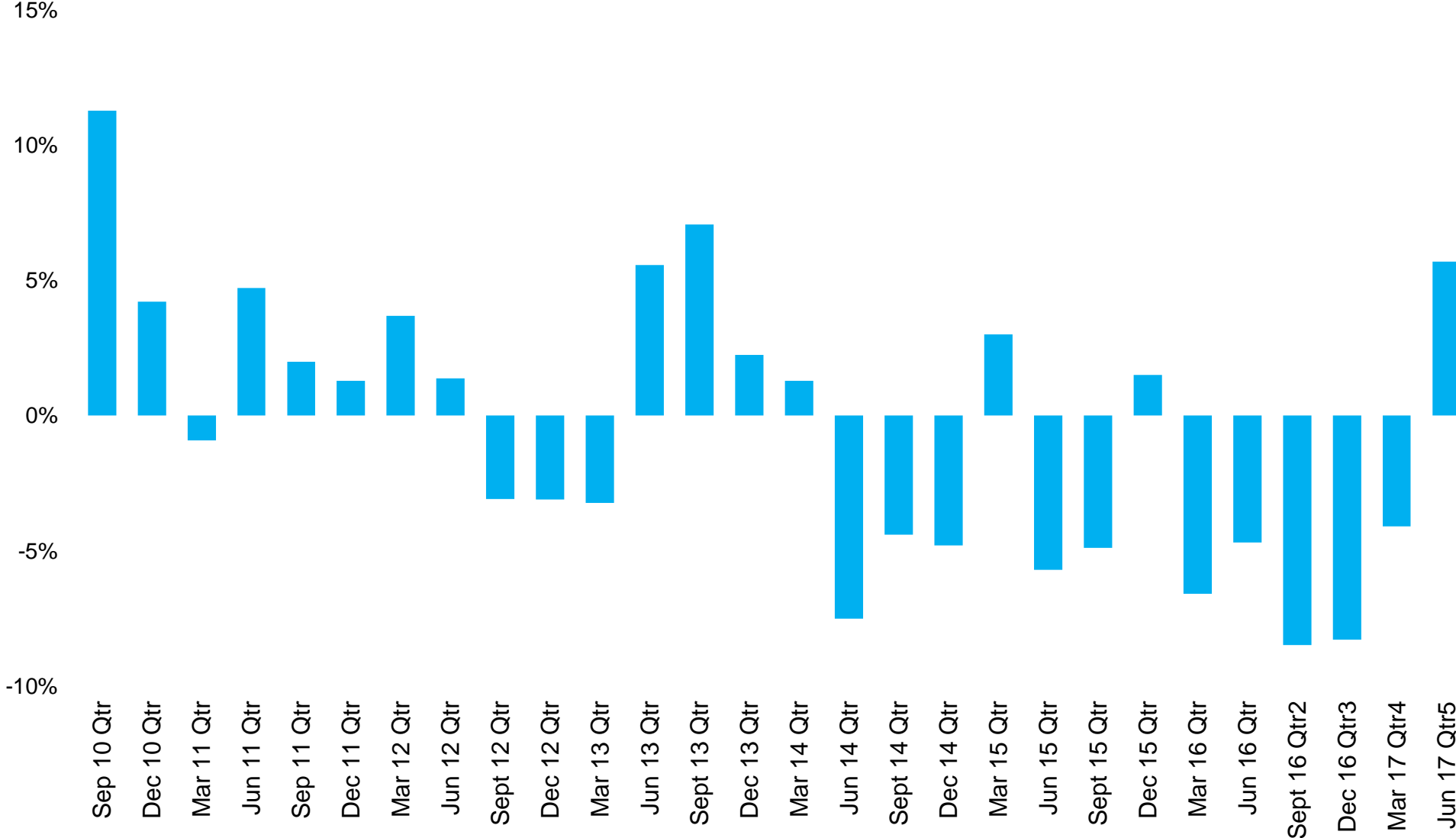


ADVERTISING REVENUE

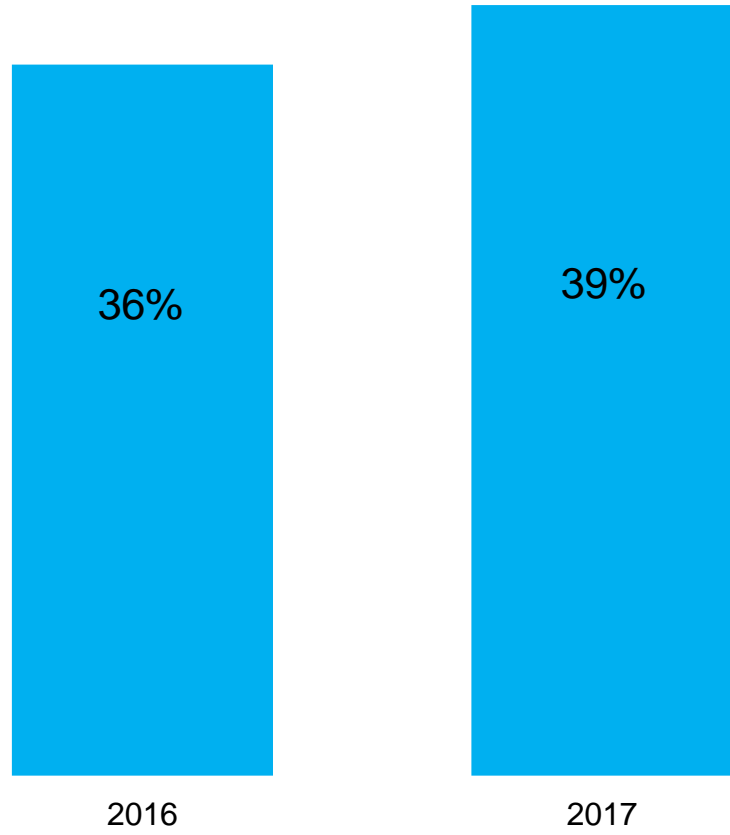


TOTAL TELEVISION ADVERTISING REVENUE

(YOY QUARTERLY CHANGE)



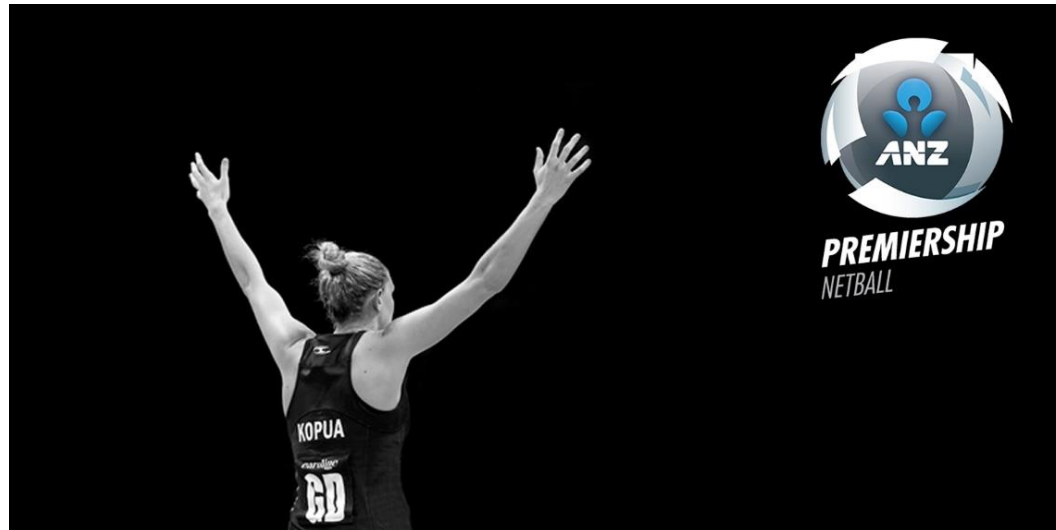
PROGRAMMING COSTS % REVENUE



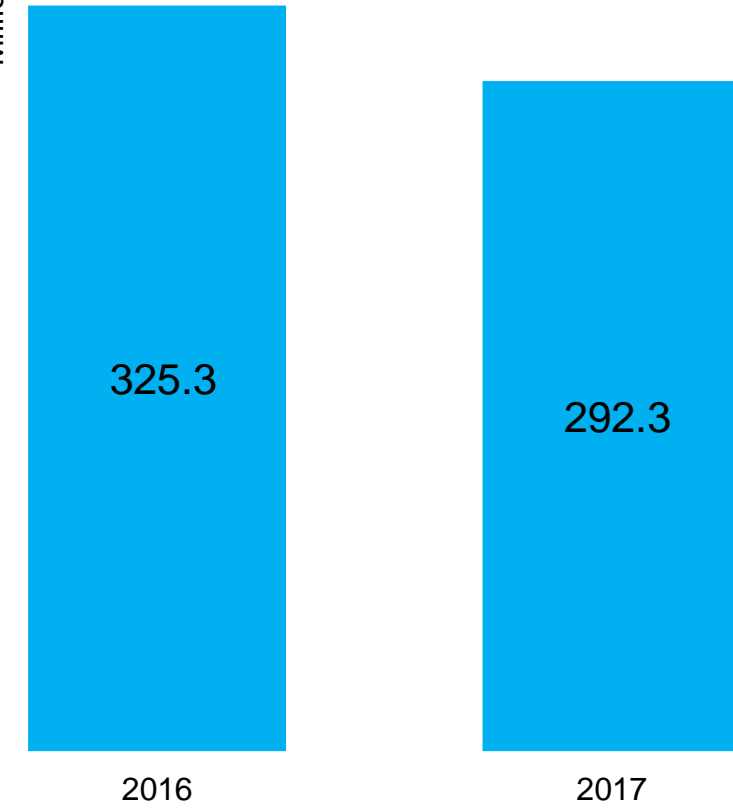
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EBITDA



Millions

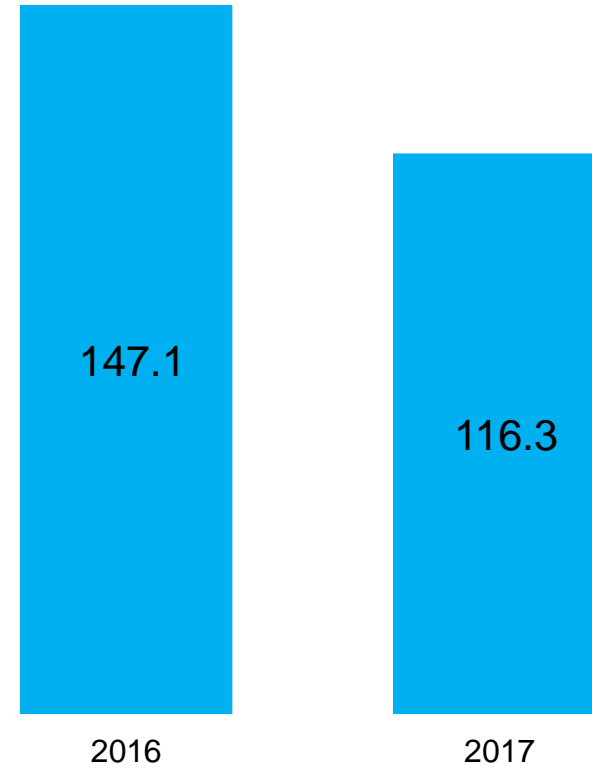


NET PROFIT



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Millions



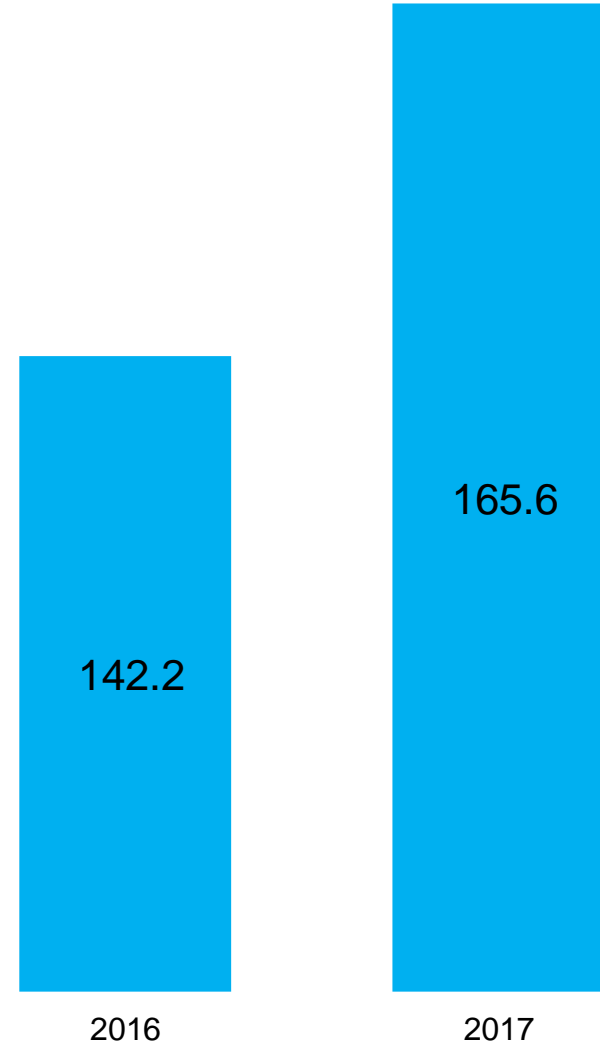
CASHFLOW



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Millions





FINANCIAL DETAIL



RESULTS SUMMARY

	2016	2017	% Change
Revenue	928.2	893.5	(3.7%)
Operating expenses	602.9	601.2	(0.3%)
EBITDA	325.3	292.3	(10.1%)
Depn & Amort	100.2	105.1	4.9%
EBIT	225.1	187.2	(16.8%)
Interest	20.1	19.6	(2.5%)
Tax	57.9	51.3	(11.4%)
NET PROFIT after TAX	147.1	116.3	(20.9%)

REVENUE ANALYSIS

	2016	2017	% Change
Core satellite revenue	753.1	725.1	(3.7%)
Other subscriptions	79.3	82.2	3.7%
Advertising	74.0	68.1	(8.0%)
Installation and other revenue	21.8	18.1	(17.0%)
TOTAL REVENUE	928.2	893.5	(3.7%)

EXPENSE ANALYSIS

	2016	2017	% Change
Programming	331.1	349.4	5.5%
Subscriber related costs	106.3	100.2	(5.7%)
Broadcasting and infrastructure	96.0	97.6	1.7%
Depreciation and amortisation	100.2	105.1	4.9%
Other costs	69.5	54.0	(22.3%)
TOTAL EXPENSE	703.1	706.3	0.5%

CAPITAL EXPENDITURE

	2016	2017	% Change
Install	32.6	29.3	(10.1%)
Decoders	63.8	19.7	(69.1%)
Other	32.4	30.7	(5.2%)
TOTAL CAPITAL EXPENSE	128.8	79.7	(38.1%)

OPERATING CASH FLOW

	2016	2017	% Change
Net Cash from operating activities	275.8	245.2	(11.1%)
Net Cash used in investing activities	(133.6)	(79.6)	(40.4%)
FREE CASH FLOW available to Shareholders	142.2	165.6	16.5%

FUNDING PROFILE

	FACILITY	DRAWN	MARGIN	MATURITY
Bank Debt	\$300m	\$200m	145bp	Jul 2020
Bond	\$100m	\$100m	Fixed rate at 6.25%	Mar 2021

FOREIGN CURRENCY HEDGING

For USD exposures

- ▶ 93% hedged for 30 June 2018 @ 0.7057
- ▶ 57% hedged for June 2019 year @ 0.7081
- ▶ 37% hedged for June 2020 year @ 0.7051

For AUD exposures

- ▶ 91% hedged for 30 June 2018 @ 0.9393
- ▶ 39% hedged for 30 June 2019 @ 0.9264

Average \$US payment rate for Opex for the year to June 17 @ 0.6844

DIVIDEND

The Board has declared a fully imputed final dividend of 12.5 cps (\$48.6m) to be paid and a supplementary dividend of 2.2059 to be paid to non-residents.

Record date is 5 September 2017.

Payment date is 14 September 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	12.5	15.0	15.0	15.0	12.0	11.0	10.5	7.0	7.0	7.0
Ordinary Total	27.5	30.0	30.0	29.0	24.0	22.0	18.5	14.0	14.0	14.0
Special			0	0	0	32.0	25.0	0	0	0
TOTAL	27.5	30.0	30.0	29.0	24.0	54.0	43.5	14.0	14.0	14.0

The SKY logo is positioned on the left side of the slide, within a white triangular shape that points to the right. The logo itself is in a bold, italicized, sans-serif font.

STRATEGY AND TRENDS

A white triangle on the right side of the slide points to the left, mirroring the shape on the left side.



vodafone

amazon

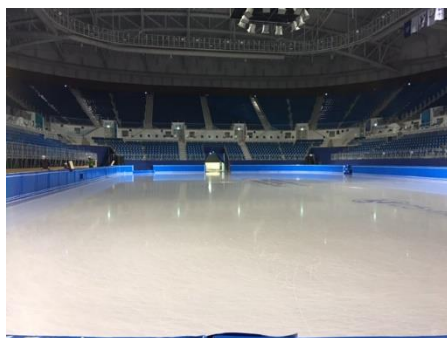
The Amazon logo consists of the word "amazon" in a bold, lowercase, sans-serif font. Below the word is a curved orange arrow that starts under the letter 'a' and ends under the letter 'n', pointing to the right.

SKY



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WINTER OLYMPICS FEBRUARY 2018





☆
MAYWEATHER
McGREGOR

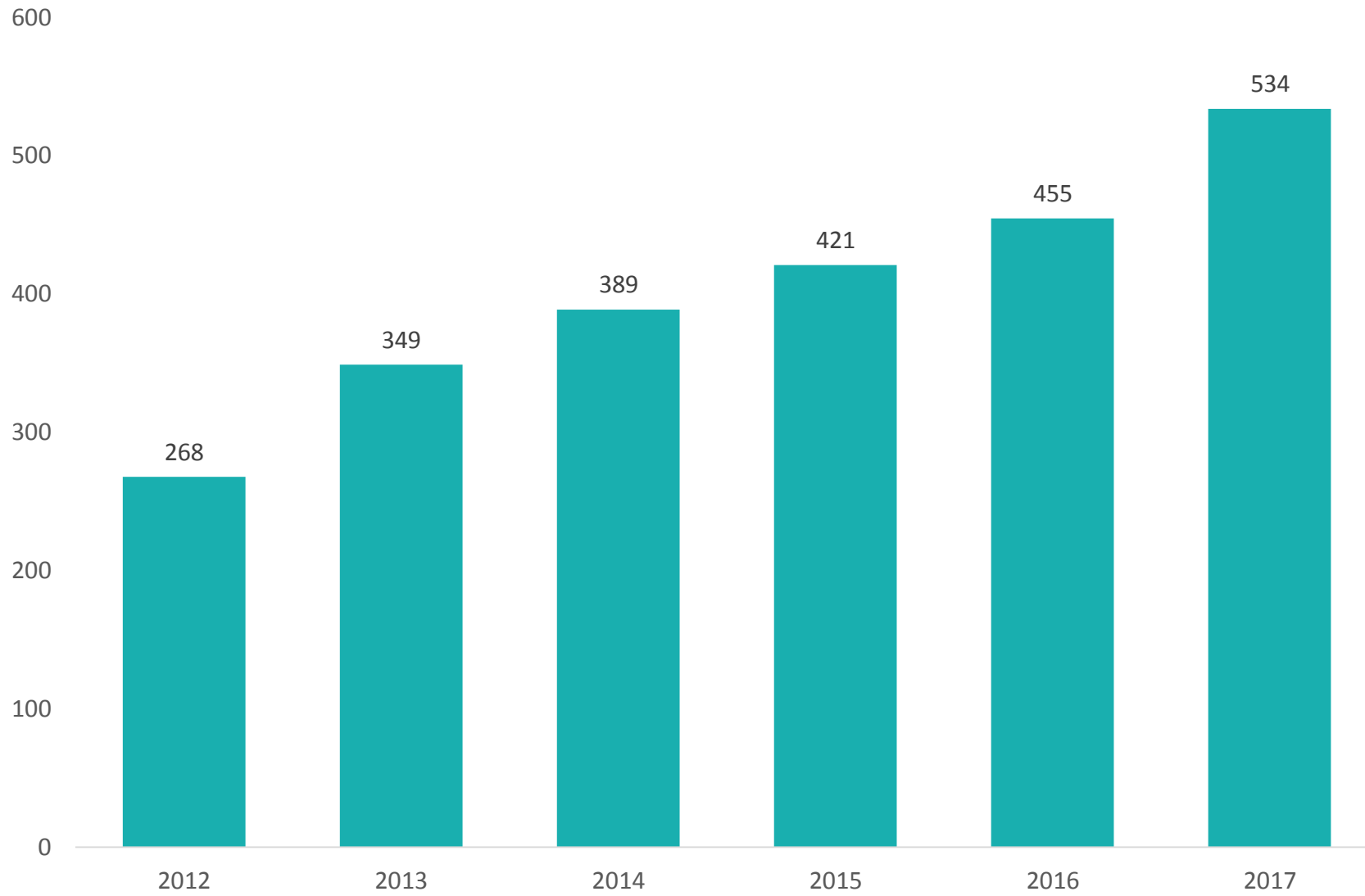
SKY



**BOX
SETS**



PEAK TV



THE BEST OF PREMIUM DRAMA

**GAME OF
THRONES®**

**BIG LITTLE
LIES**

WESTWORLD

TABOO

FARGO

LEGION

**THE
AMERICANS**

FEUD

BILLIONS

GENIUS

**THE NIGHT
OF®**

HOMELAND

**DOCTOR
WHO**

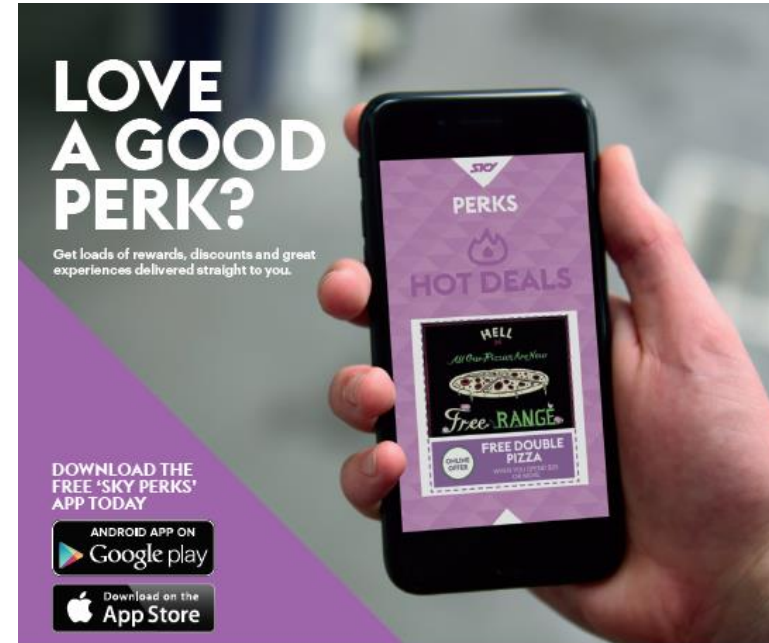
**RAY
DONOVAN**

TWIN PEAKS

**THE
LEFTOVERS**



SKY CUSTOMER APPS LAUNCHED THIS YEAR



SOME OF OUR GREAT SKY PERKS APP DEALS...

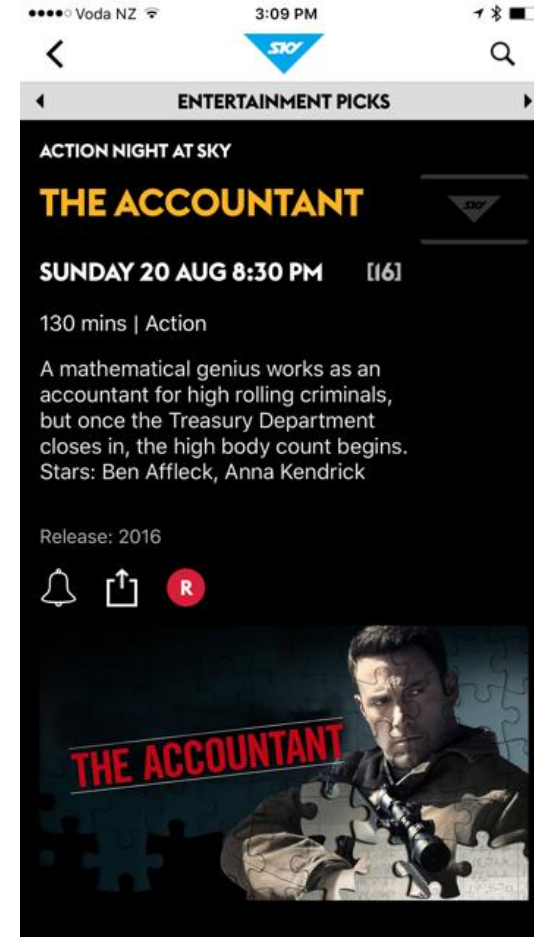
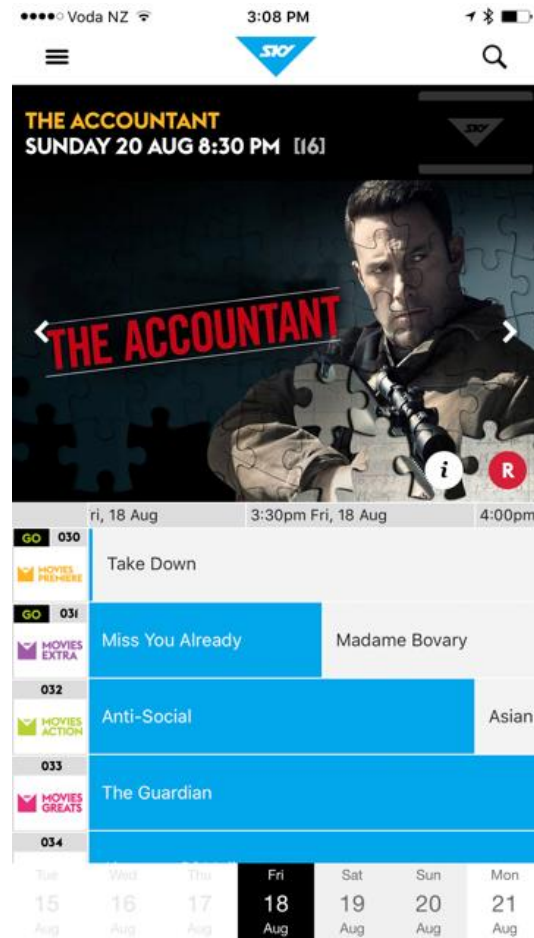


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NEW LOOK SKY CUSTOMER EPG APP COMING SEPTEMBER 2017



SKY

PIRACY





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