



SKY

INTERIM RESULTS

December 2017

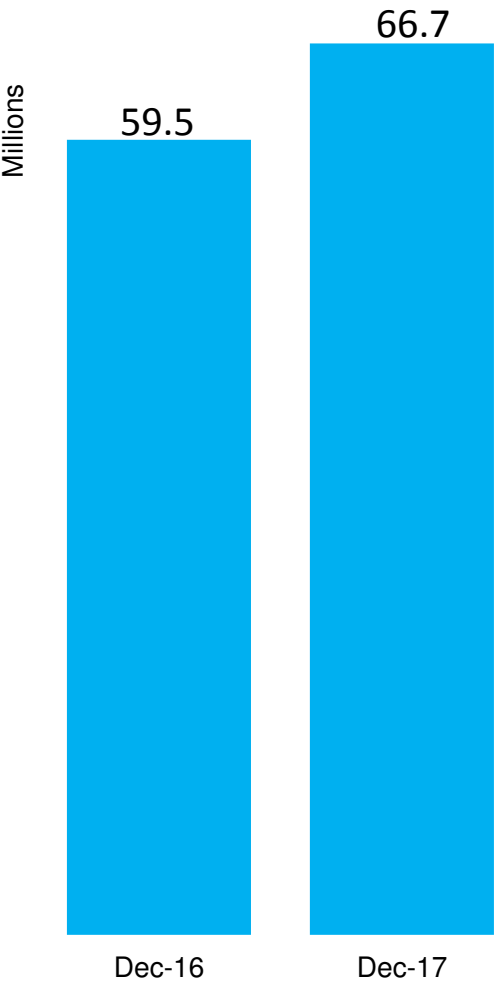


WINTER OLYMPICS

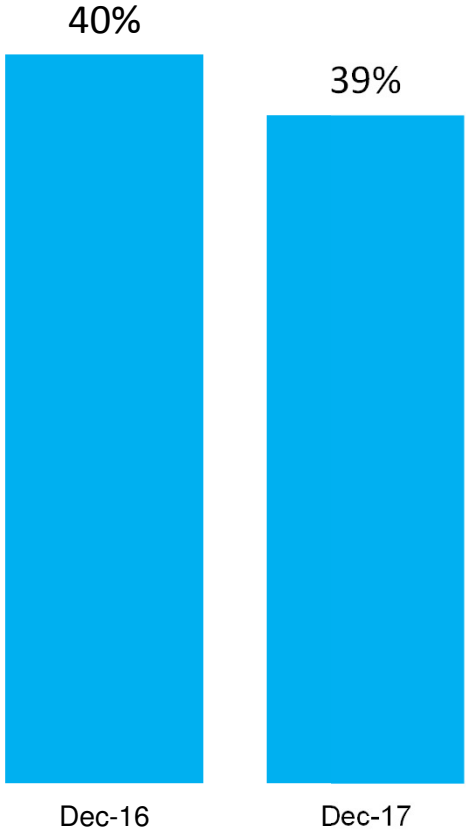
skysport

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NET PROFIT



PROGRAMMING COSTS % REVENUE

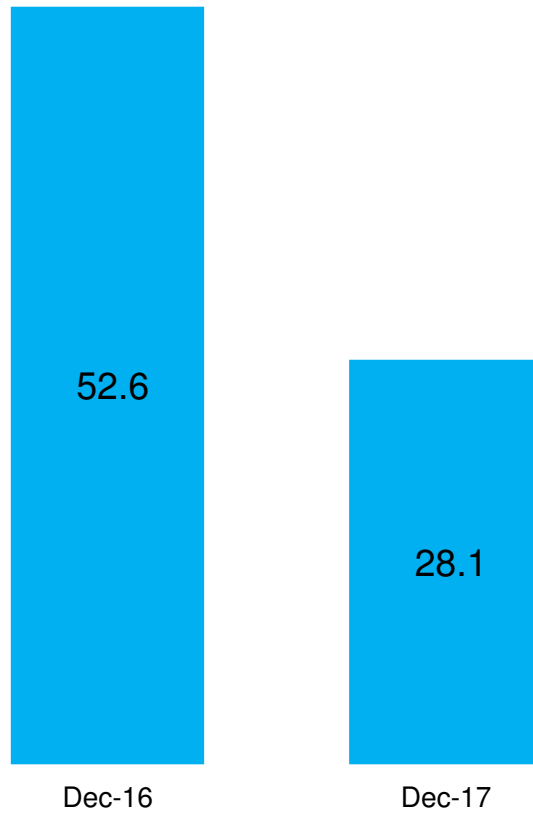


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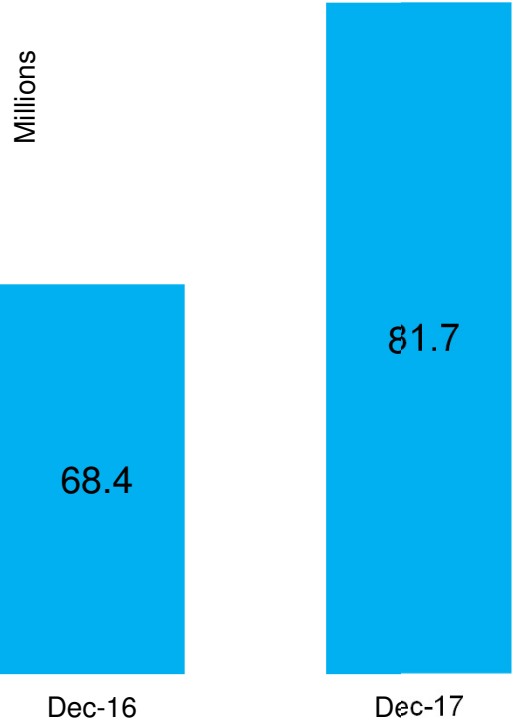
WINTER OLYMPICS

skysport

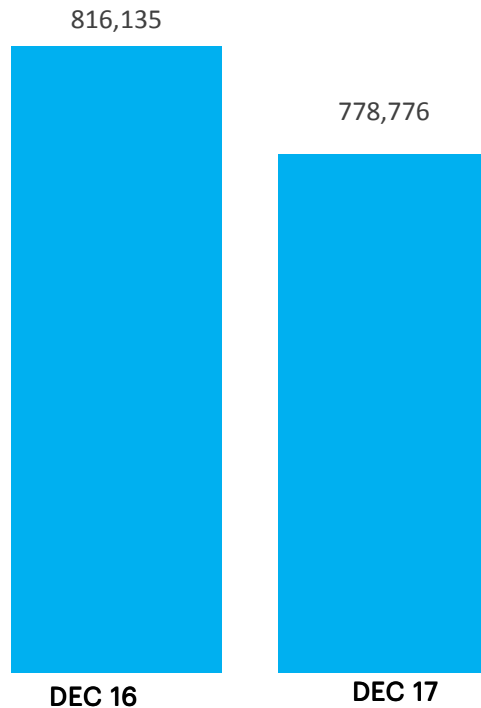
CAPEX



FREE CASHFLOW

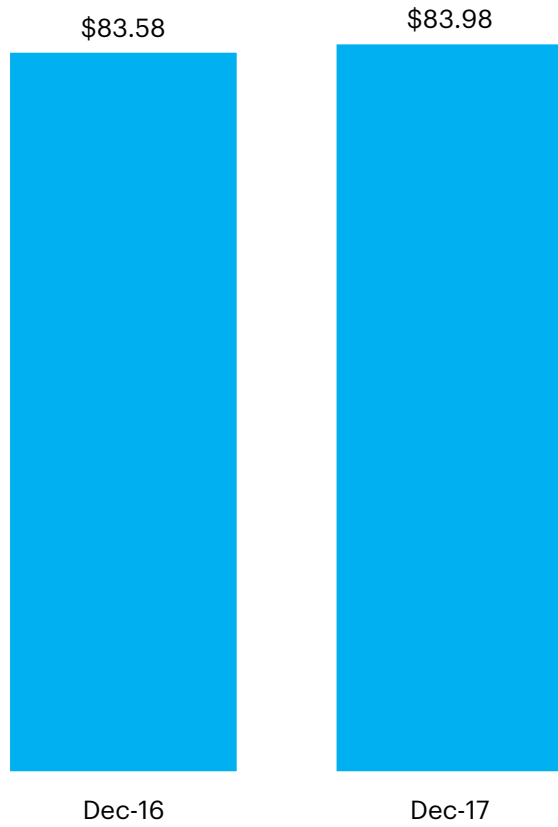


TOTAL CUSTOMERS



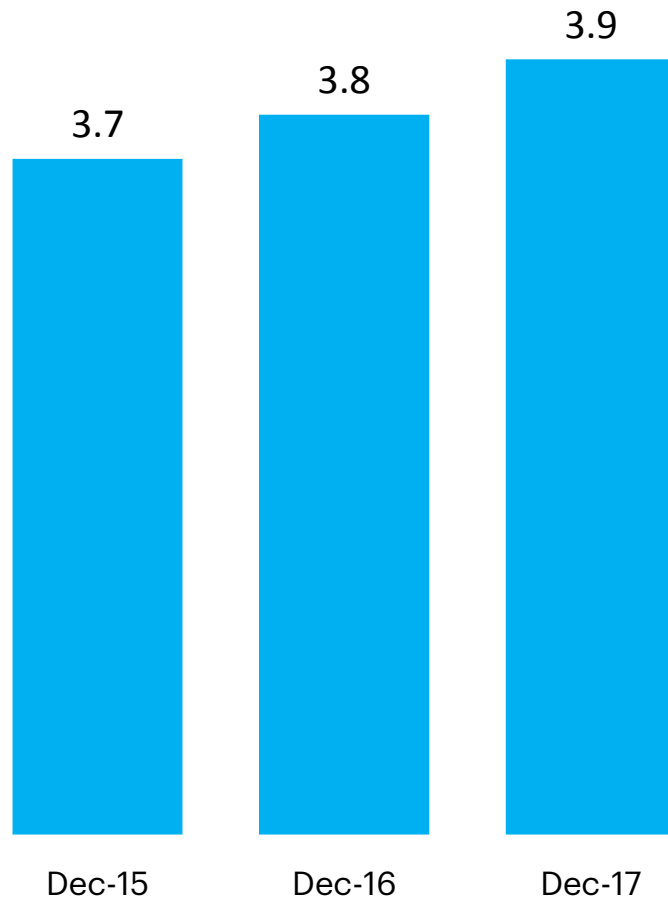
	DEC 2016	DEC 2017	NET MOVEMENT
Satellite & OTT	805,527	778,776	(26,451)
Fatso	10,608	0	(10,608)
Total	816,135	778,776	(37,359)

TRADITIONAL SKY ARPU



SILVER FERNS
skysport

SKY PREMIUM PRODUCTS PER SUBSCRIBER



BLACK CAPS

skysport

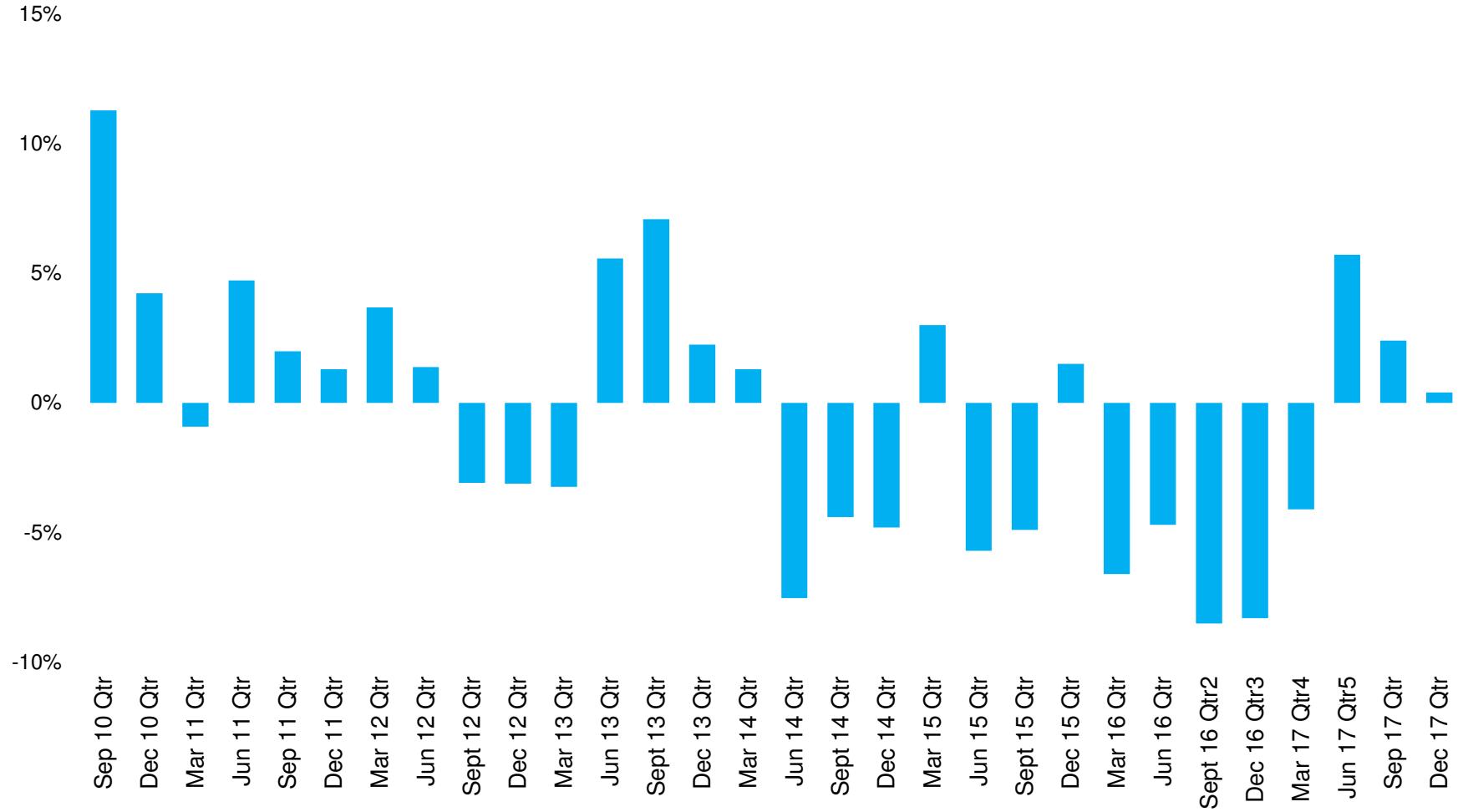
TOTAL ARPU



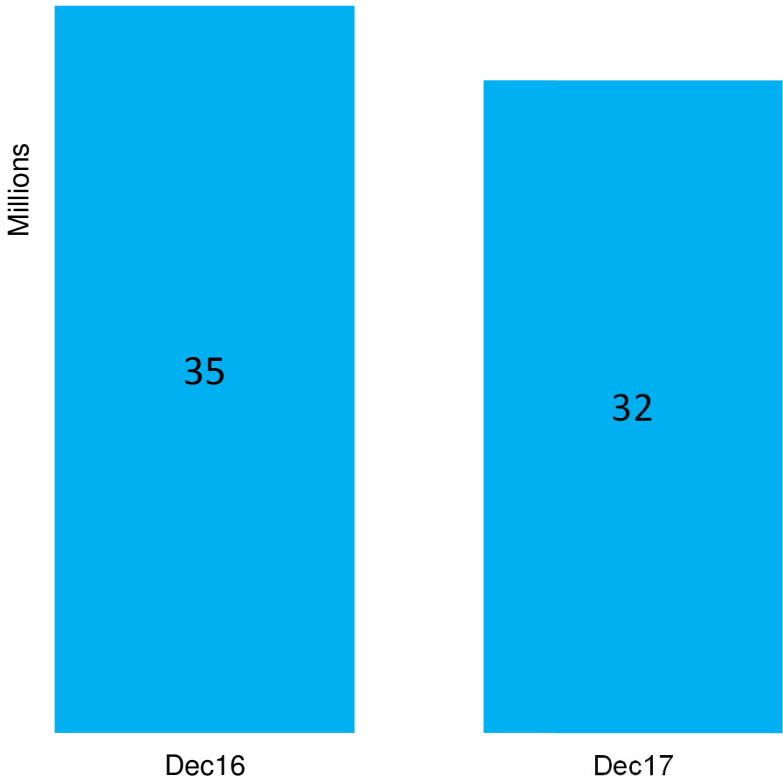
skysport

TOTAL TELEVISION ADVERTISING REVENUE

(YOY QUARTERLY CHANGE)



ADVERTISING REVENUE

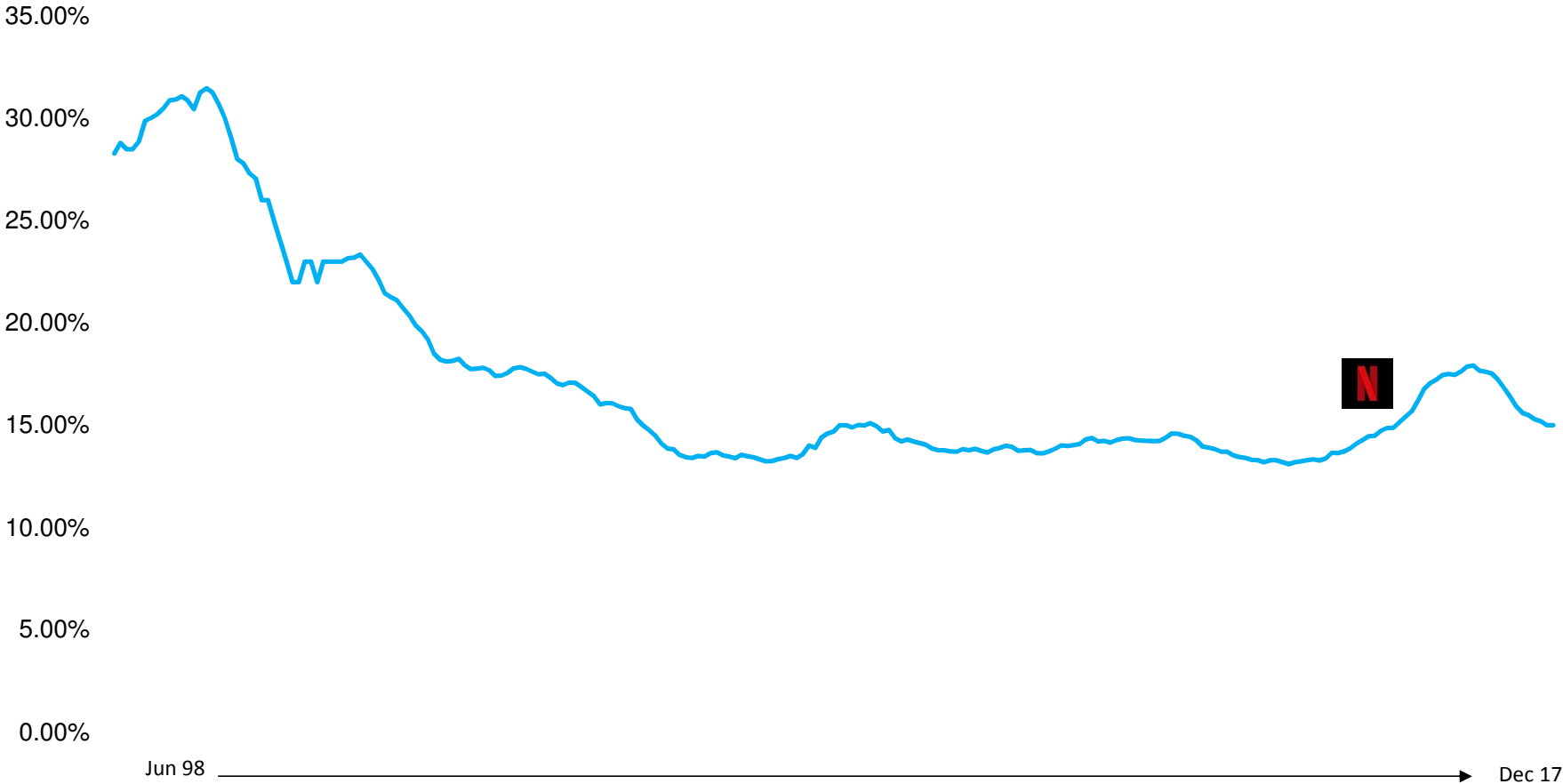


BLACK CAPS

sky sport

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MOVING ANNUAL CHURN

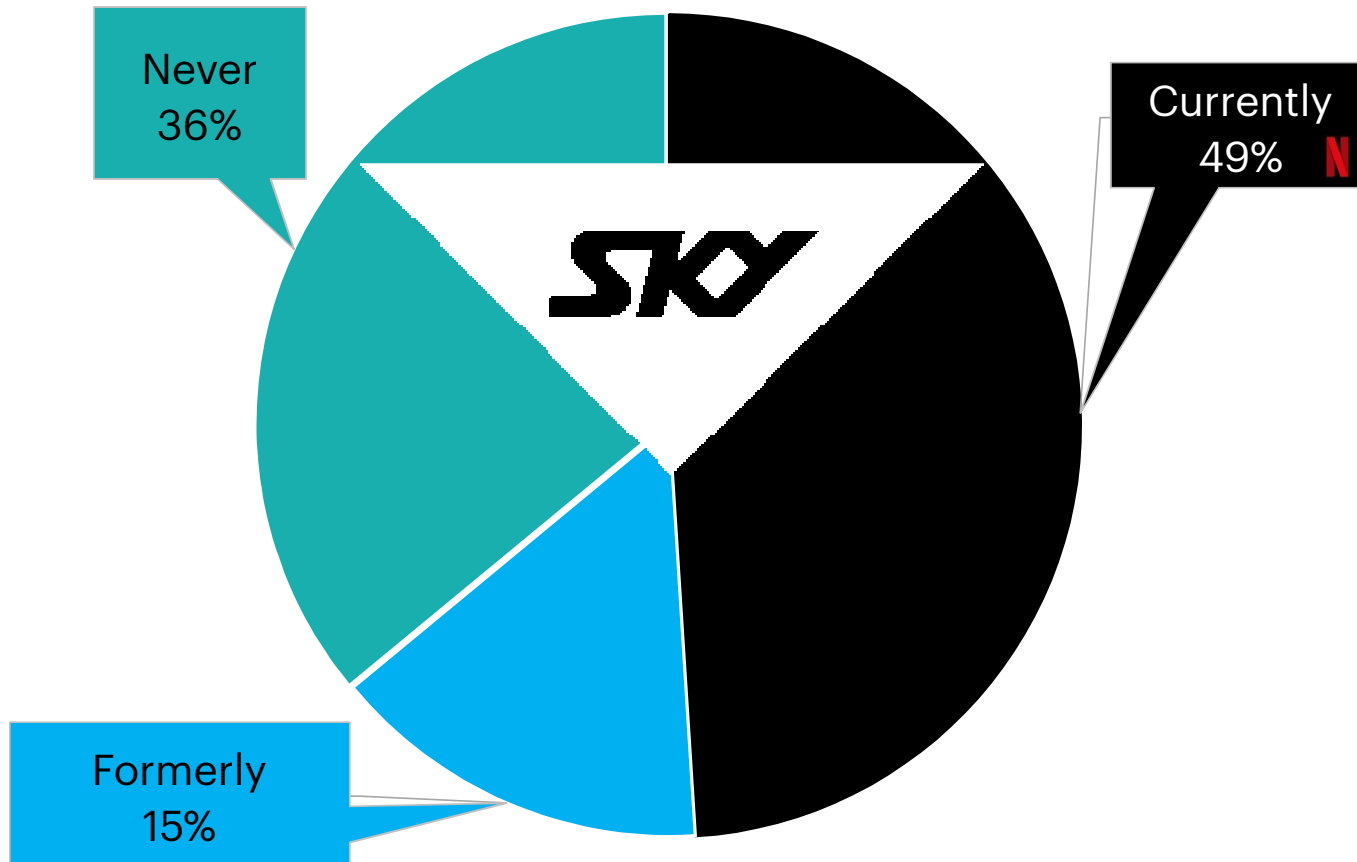


NEW SKY CUSTOMERS

NETFLIX

PROFILE

JULY - DECEMBER 2017



SKY

FINANCIAL DETAIL



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INTERIM RESULTS SUMMARY

	2016	2017	% Change
Revenue	458.2	433.1	(5.5%)
Operating Expenses	308.3	279.6	(9.3%)
EBITDA	149.9	153.5	2.4%
Depn & Amort	52.2	51.2	(1.9%)
EBIT	97.7	102.3	4.7%
Interest	9.3	9.6	3.2%
Tax	28.9	26.0	(10.0%)
NET PROFIT after TAX	59.5	66.7	12.1%

REVENUE ANALYSIS

	2016	2017	% Change
Residential Satellite subscriptions	371.2	350.7	(5.5%)
Other subscriptions	42.2	42.7	1.2%
Advertising	35.1	31.5	(10.3%)
Other Income	9.7	8.2	(15.5%)
TOTAL REVENUE	458.2	433.1	(5.5%)

EXPENSE ANALYSIS

	2016	2017	% Change
Programming rights	181.6	166.9	8.1%
Subscriber related costs	48.9	42.0	(14.1%)
Broadcasting and infrastructure	50.4	46.1	(8.5%)
Depreciation and amortisation	52.2	51.2	(1.9%)
Other costs	27.4	24.6	(10.5%)
TOTAL EXPENSE	360.5	330.8	(8.2%)

CAPITAL EXPENSE ANALYSIS

	2016	2017	% Change
Install	17.2	9.3	(45.9%)
Decoders	17.5	8.0	(54.3%)
Land and Building Improvements	0.1	0	(0%)
Broadcasting and Technology equipment	6.3	1.2	(81.0%)
Other	11.5	9.7	(15.7%)
TOTAL CAPITAL EXPENSE	52.6	28.2	(46.4%)

OPERATING CASHFLOW

	2016	2017	% Change
Operating Cashflow	121.0	109.8	(9.3%)
Capex	(52.6)	(28.2)	(46.4%)
Net debt drawn/(repaid)	5.0	(9.0)	280.0%
Dividends	(65.9)	(55.5)	(15.8%)
Other	(0.3)	(0.2)	0%
NET CASH MOVEMENT	7.2	16.9	134.7%

FUNDING PROFILE

	FACILITY	DRAWN	MARGIN	MATURITY
Bank Debt	\$300m	\$191m	145bp	Jul 2020
Bond - B	\$100m	\$100m	Fixed rate at 6.25%	Mar 2021

FOREIGN CURRENCY HEDGING

For USD exposures

- ▶ 93% hedged for 6 months to 30 June 2018 @ 0.7087
- ▶ 78% hedged for June 2019 year @ 0.7132
- ▶ 38% hedged for June 2020 year @ 0.7052

For AUD exposures

- ▶ 94% hedged for 6 months to 30 June 2018 @ 0.9364
- ▶ 52% hedged for 30 June 2019 @ 0.9318
- ▶ 18% hedged for 30 June 2020 @0.9299

Average \$US payment rate for Opex for the 6 months to December 17 @ 0.7034

DIVIDEND

The Board has declared a fully imputed interim dividend of 7.5 cps (\$29.2m) to be paid and a supplementary dividend of 1.3235 to be paid to non-residents.

Record date is 15 March 2018.

Payment date is 23 March 2018.

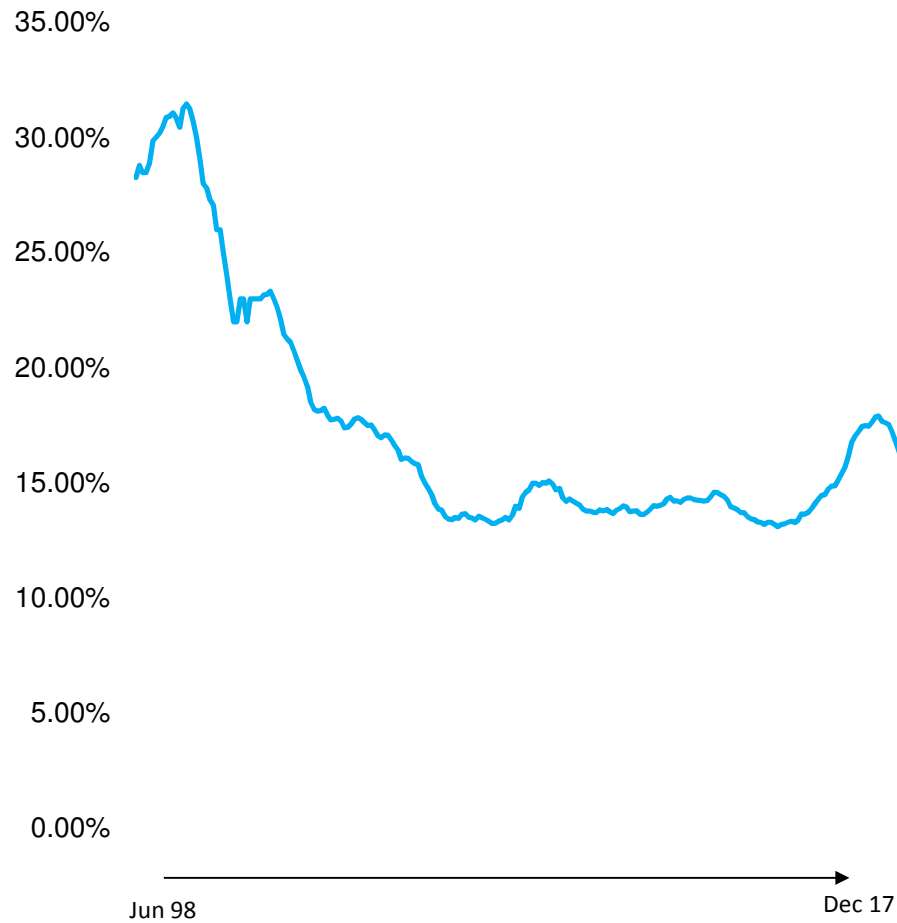
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Interim	7.5	15.0	15.0	15.0	14.0	12.0	11.0	8.0	7.0	7.0	7.0
Final		12.5	15.0	15.0	15.0	12.0	11.0	10.5	7.0	7.0	7.0
Ordinary Total	7.5	27.5	30.0	30.0	29.0	24.0	22.0	18.5	14.0	14.0	14.0
Special		0	0	0	0	0	32.0	25.0	0	0	0
TOTAL	7.5	27.5	30.0	30.0	29.0	24.0	54.0	43.5	14.0	14.0	14.0

STO

STRATEGY AND PLANS



MOVING ANNUAL CHURN



TOTAL CUSTOMERS





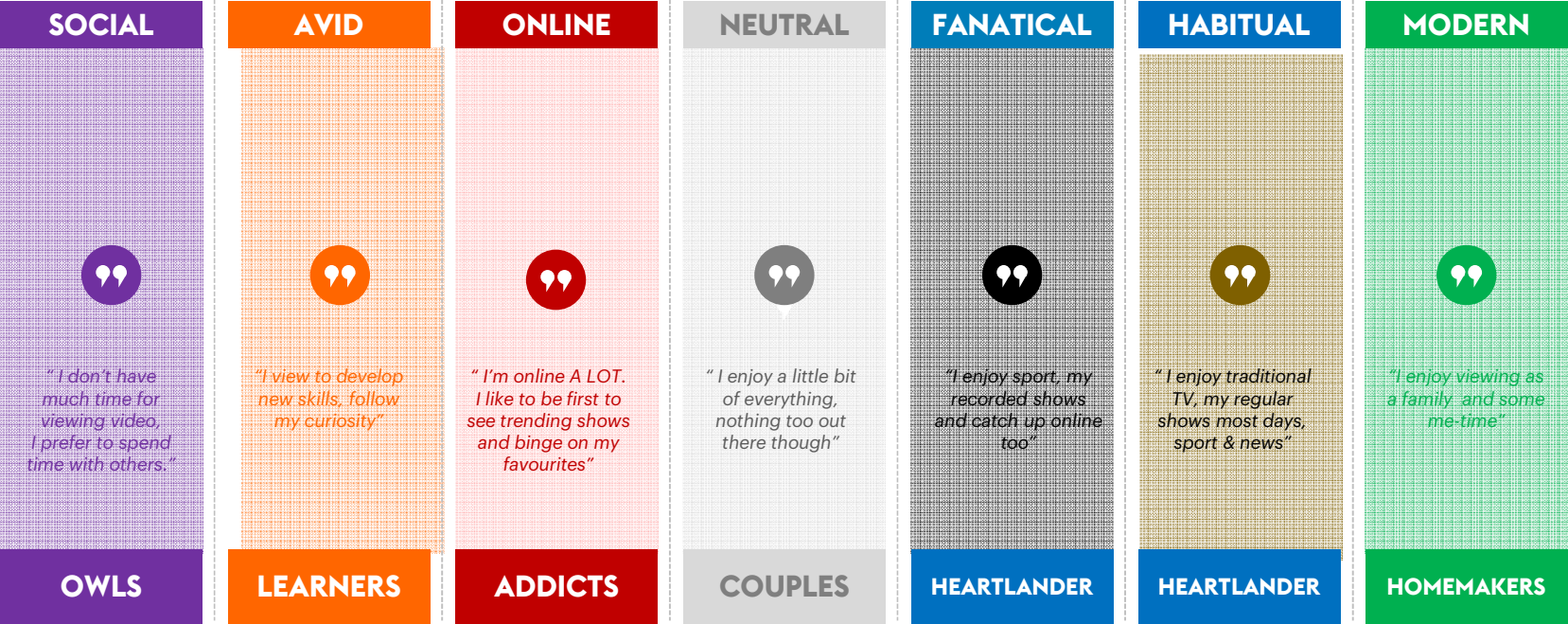
WE ENRICH OUR CUSTOMERS LIVES WITH AN EXCLUSIVE WORLD CLASS SPORTS AND ENTERTAINMENT OFFERING THAT GENERATES SOCIAL CURRENCY.

THROUGH UNDERSTANDING OUR CUSTOMERS WE'LL ALWAYS HELP THEM FIND SOMETHING GREAT TO WATCH.

AND OUR CONTENT AND EXPERIENCES ARE AVAILABLE TO ALL KIWIS THROUGH OUR RANGE OF PRODUCTS AND PRICING

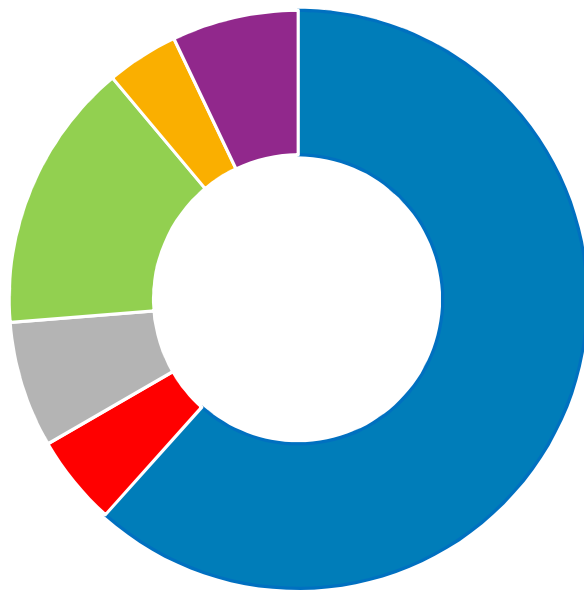


SKY CUSTOMER SEGMENTATION PROFILES

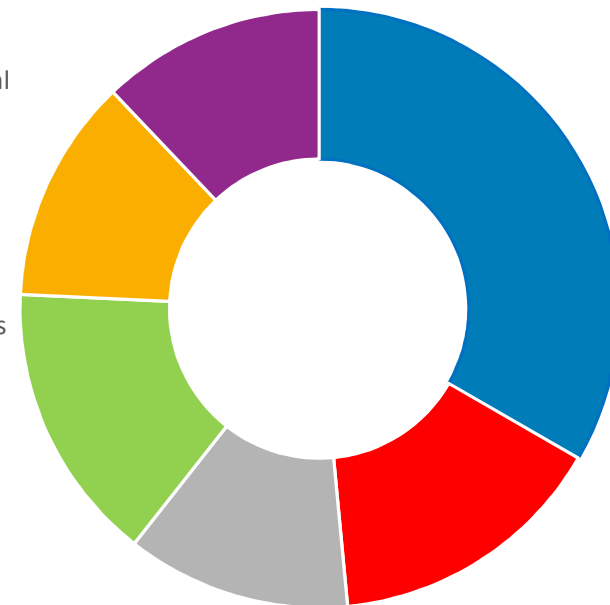


WHICH IS SERVICING THE CHANGING FACE OF THE SKY CUSTOMER

SKY CUSTOMERS

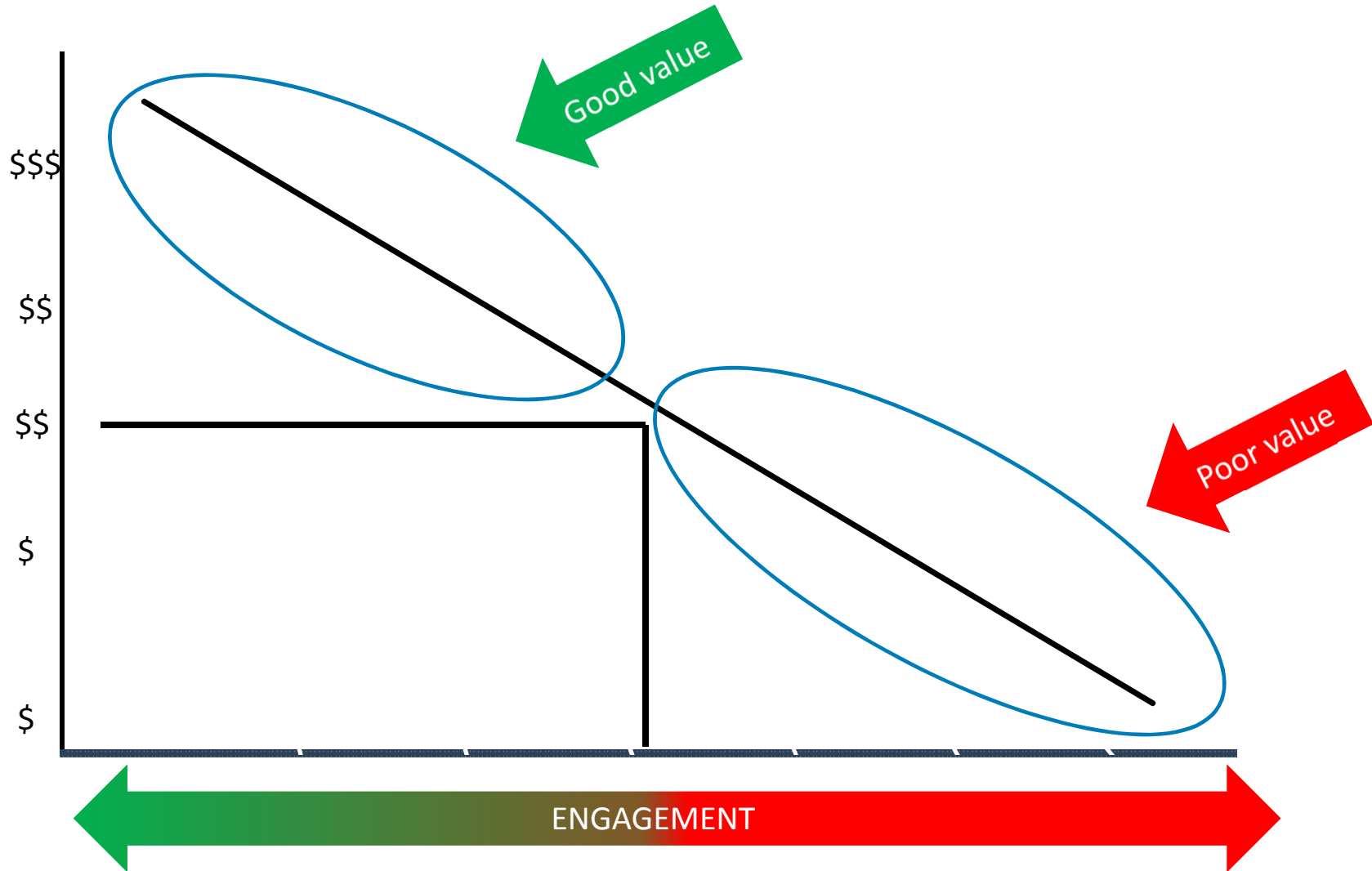


NZ POPULATION*

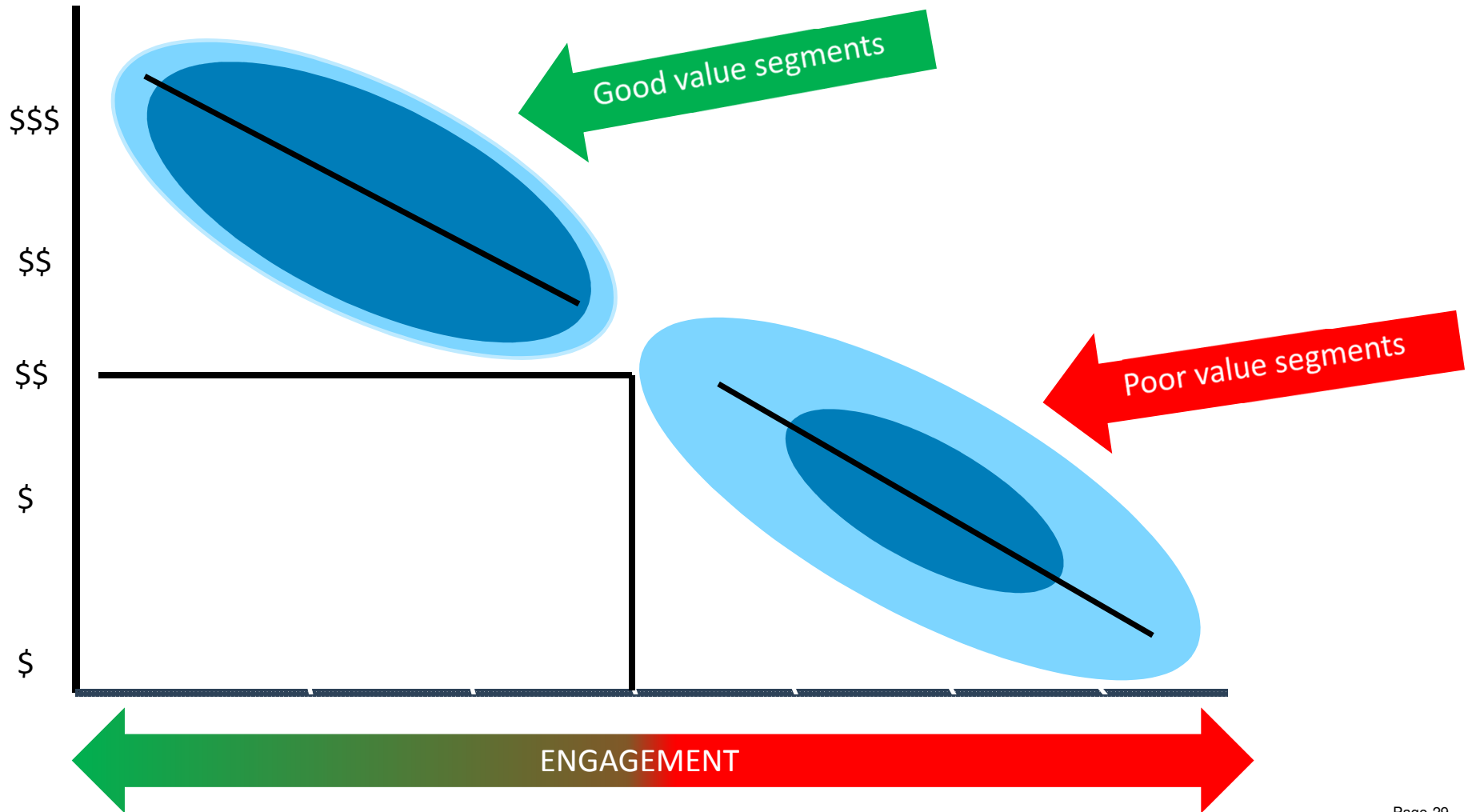


* SKY Internal customer research data

CLASSIC PAY TV SUPPLY AND DEMAND



CLASSIC PAY TV SUPPLY AND DEMAND



CURRENT PRICING

SKY BASIC \$49.91



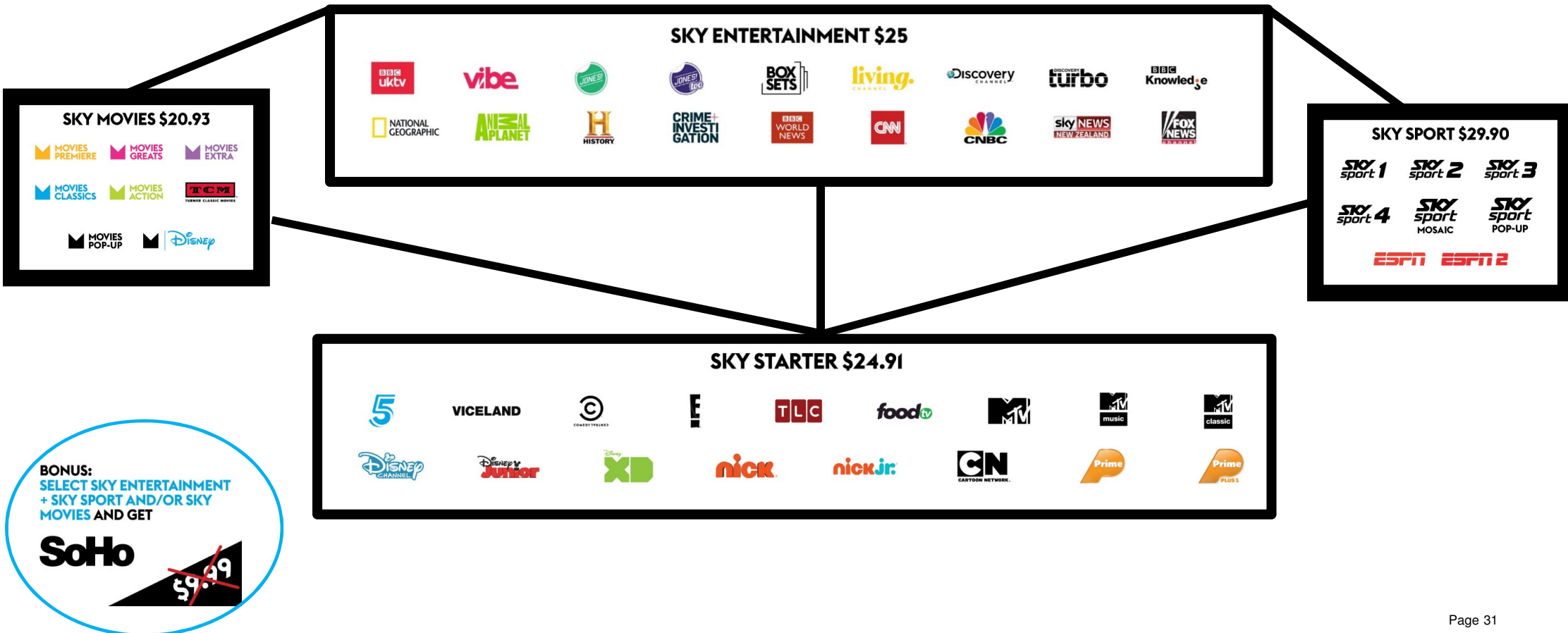
SKY MOVIES \$20.93



SKY SPORT \$29.90

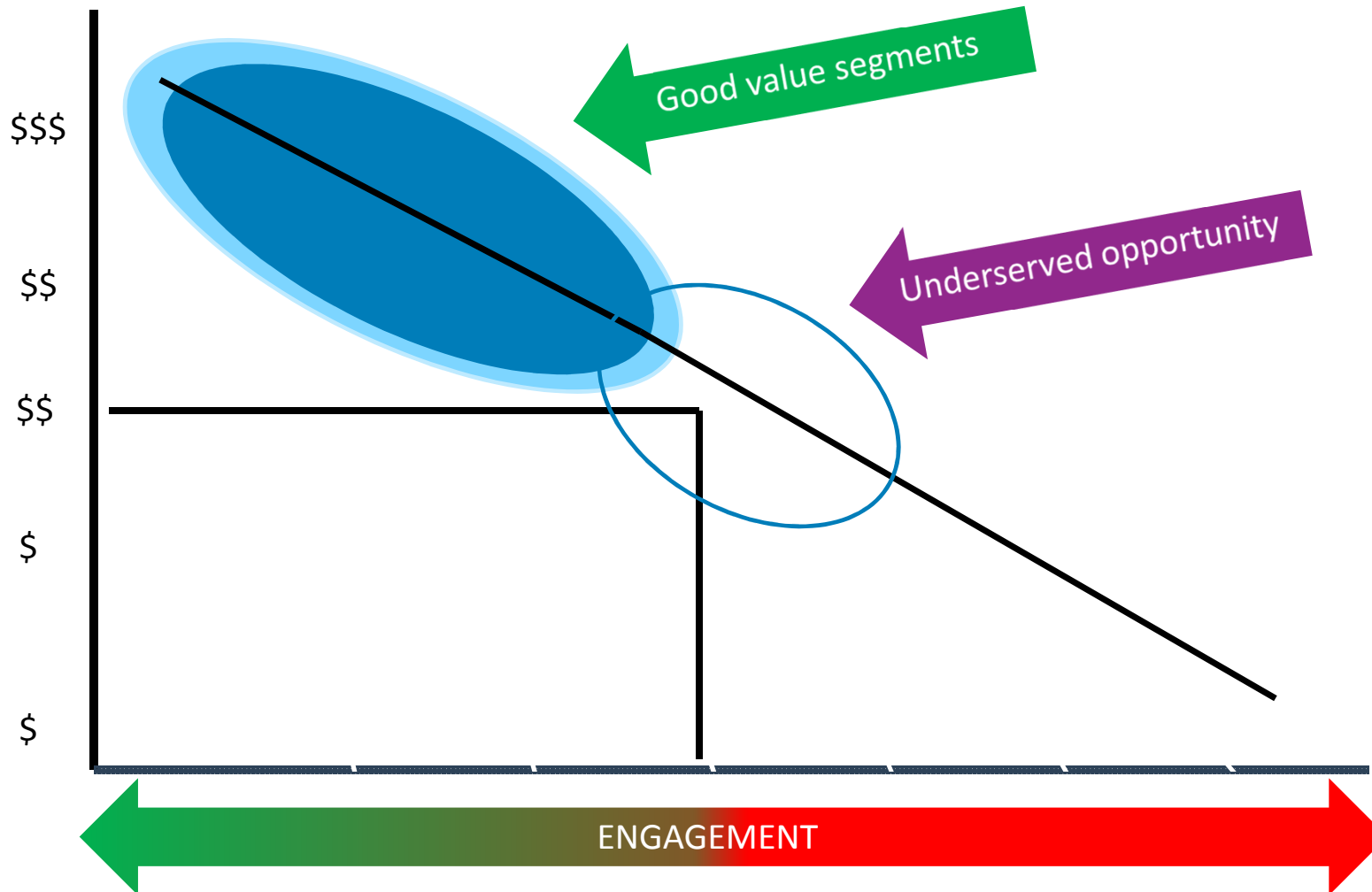


PRICING OPTIONS FOR CUSTOMERS

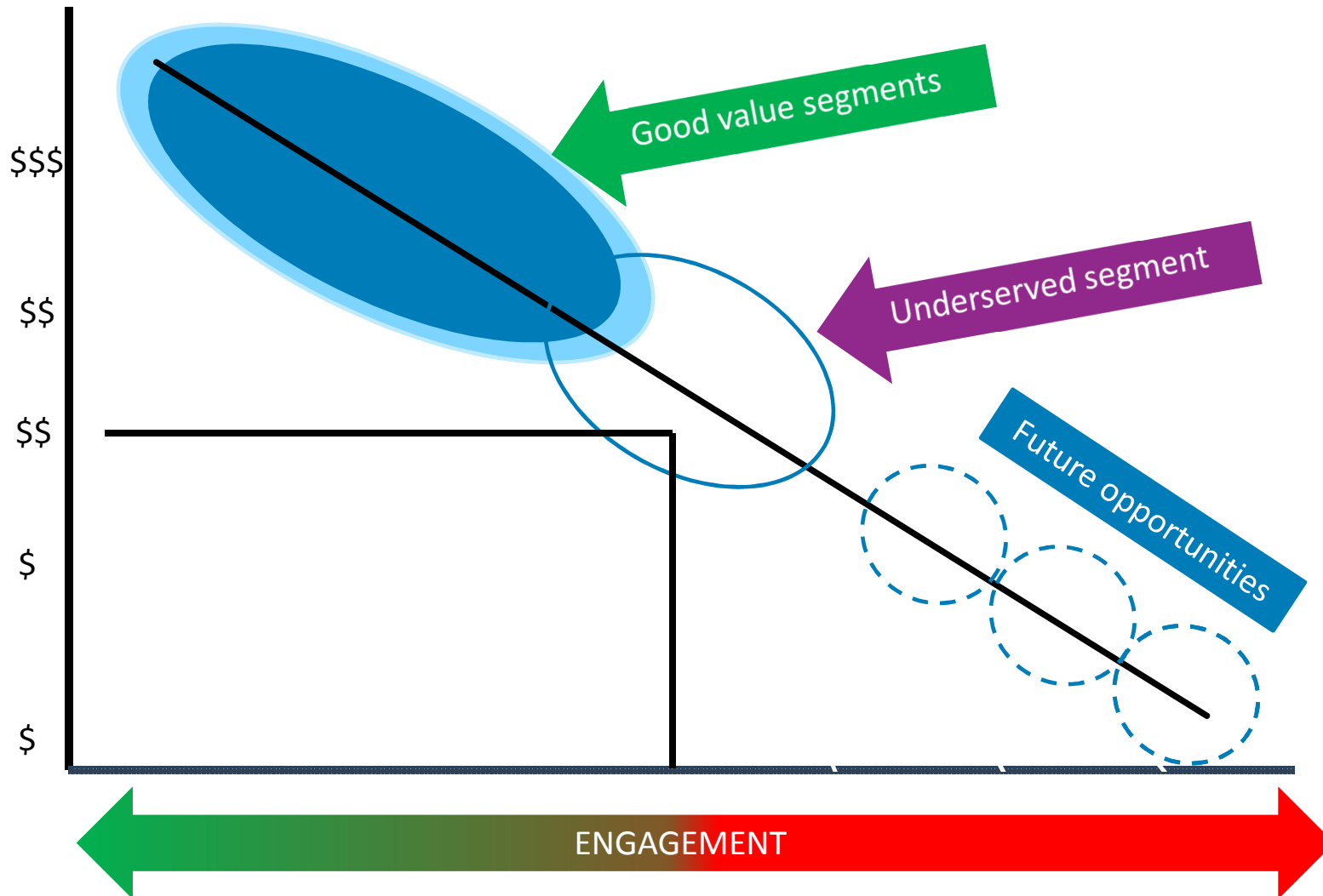


*SKY Starter also includes access to all Free to Air channels - www.sky.co.nz/packages

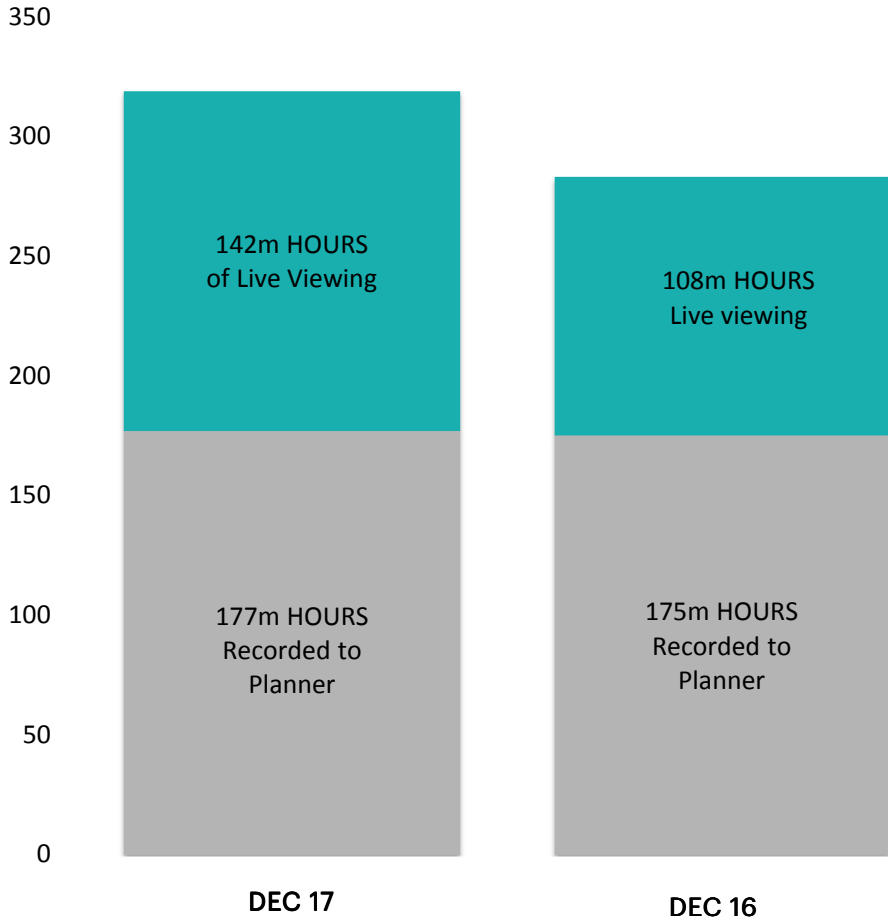
CLASSIC PAY TV SUPPLY AND DEMAND



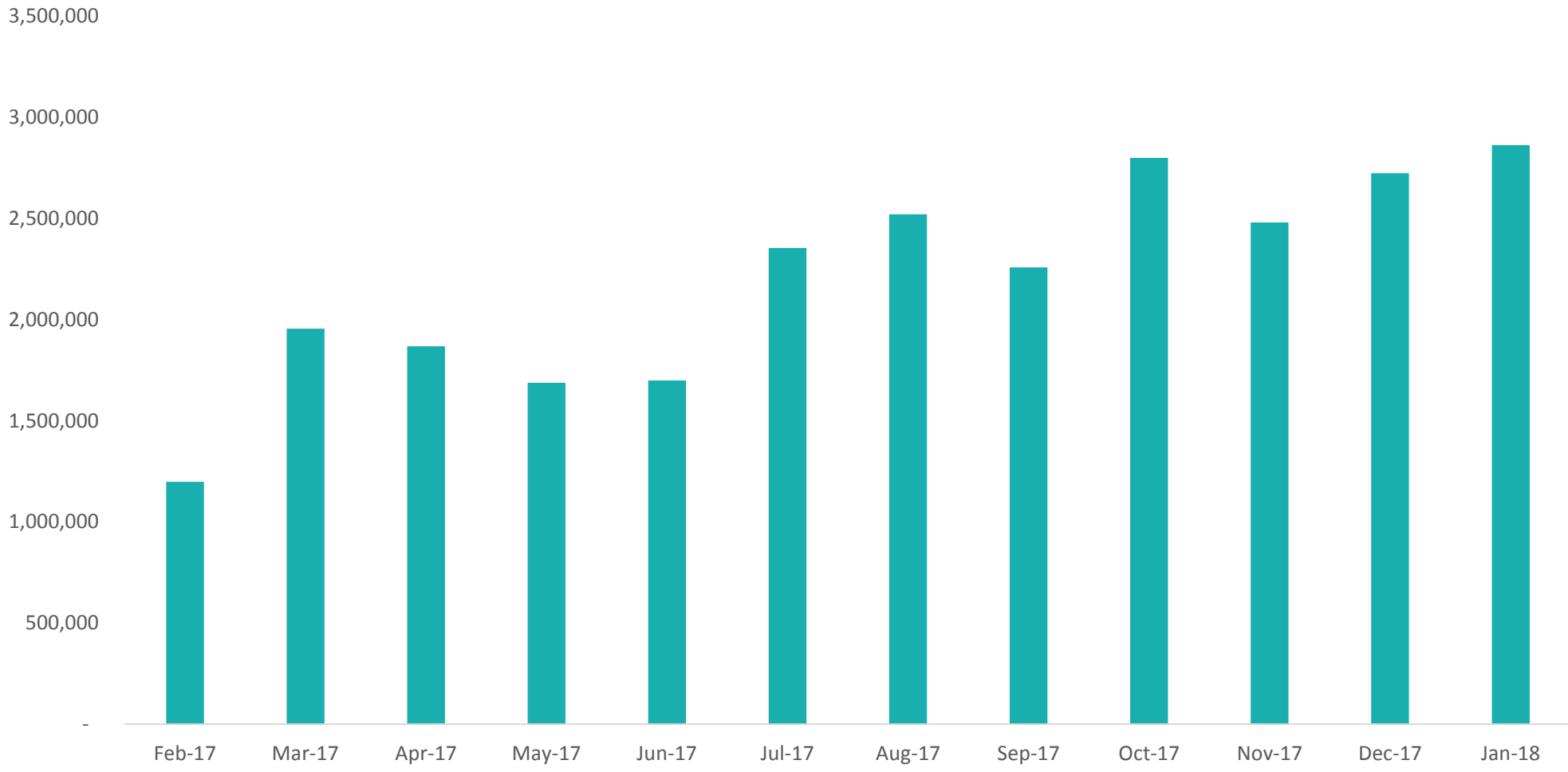
CLASSIC PAY TV SUPPLY AND DEMAND



SKY BOX CUSTOMER AVERAGE MONTHLY CONTENT USAGE



SKY BOX CUSTOMER MONTHLY ON DEMAND VIEWING





GOALS

- 1. CONTINUE TO ADD VALUE TO TRADITIONAL CORE CUSTOMERS**
- 2. LAUNCH PRODUCTS AND SERVICES THAT ATTRACT UNDER SERVED SEGMENTS**
- 3. BUILD THE PLATFORMS FOR NEW ZEALAND THAT AMORTISES CONTENT BETTER THAN ANYONE ELSE**

ENRICHED OFFERING

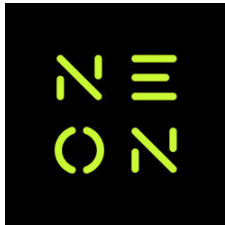


VOD

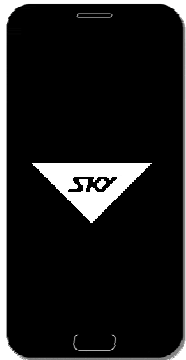


ON DEMAND

CISCO IVP



ENHANCEMENTS



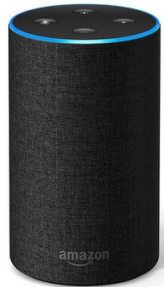
2018



SERIES LINK

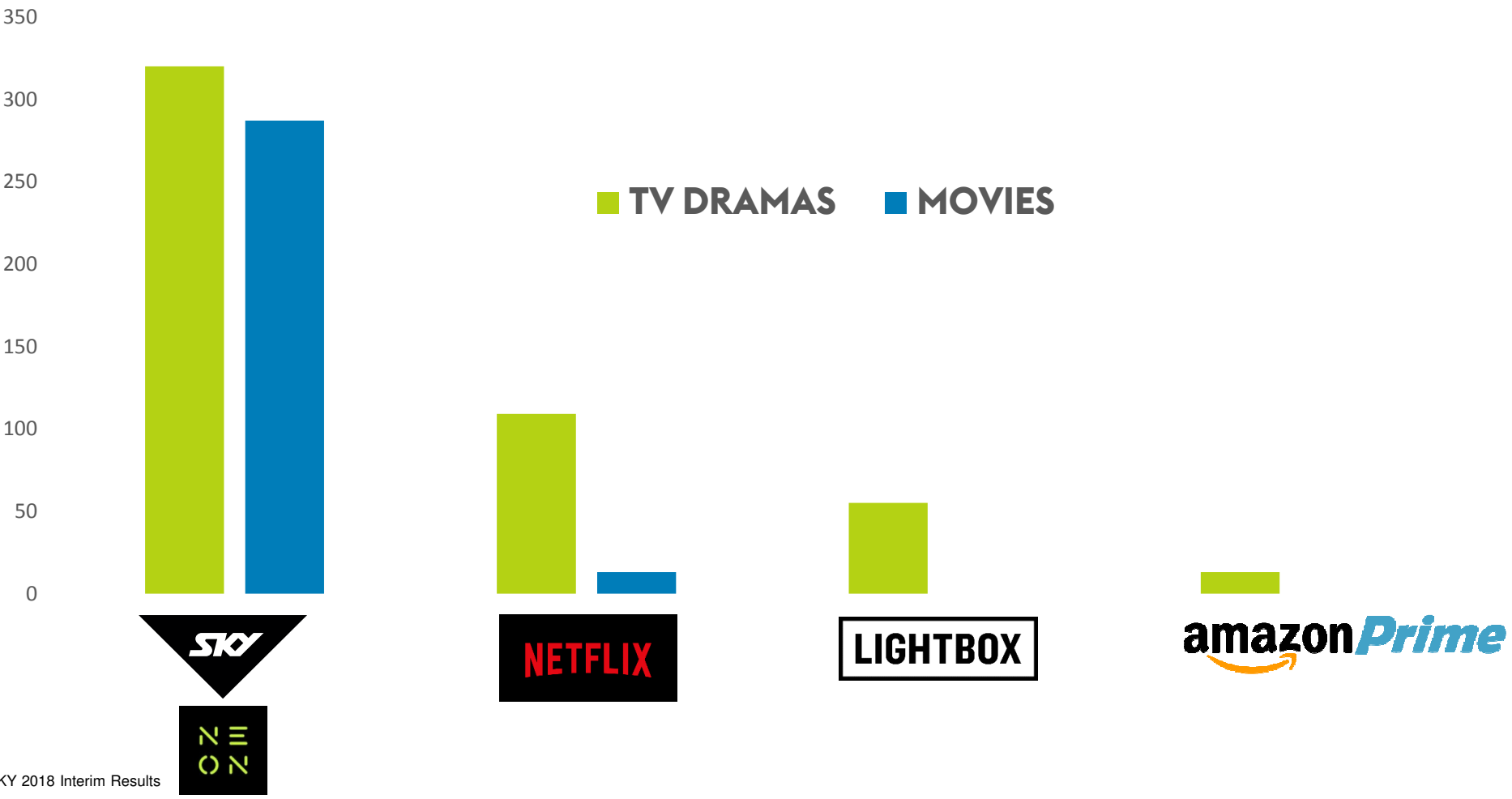


COMPANION APPS

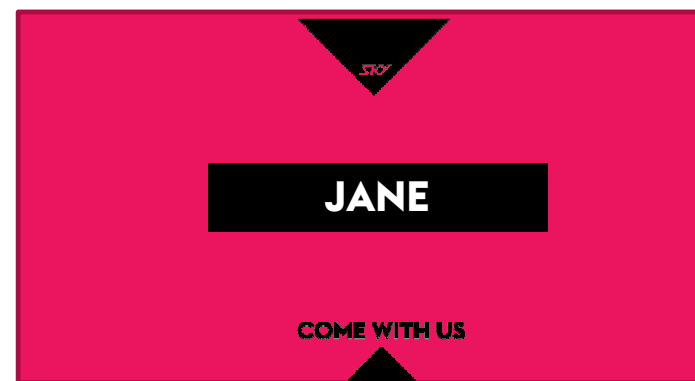
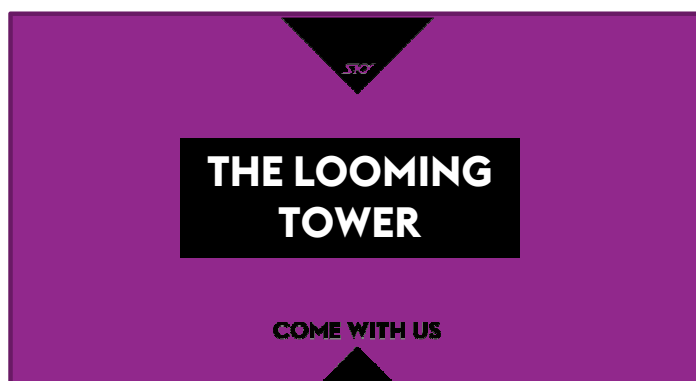
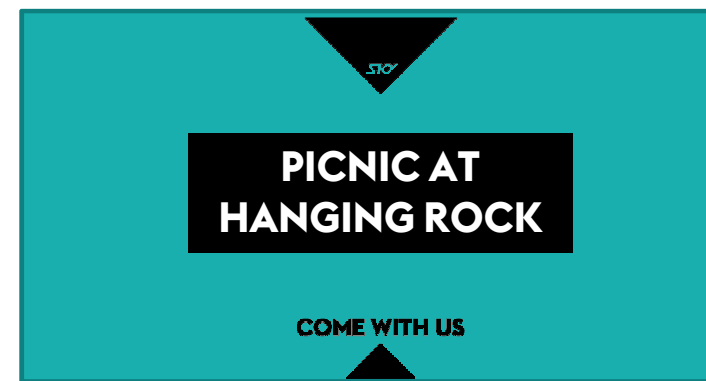
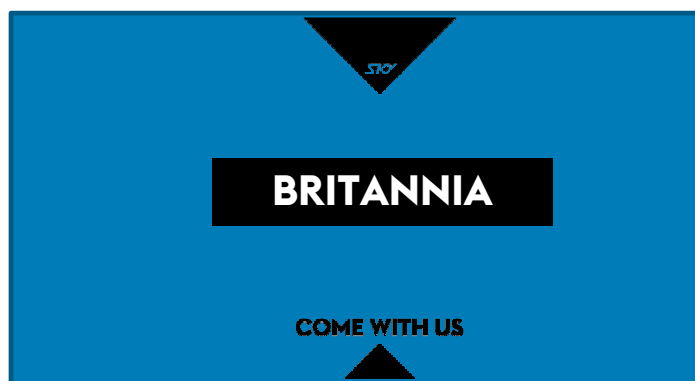
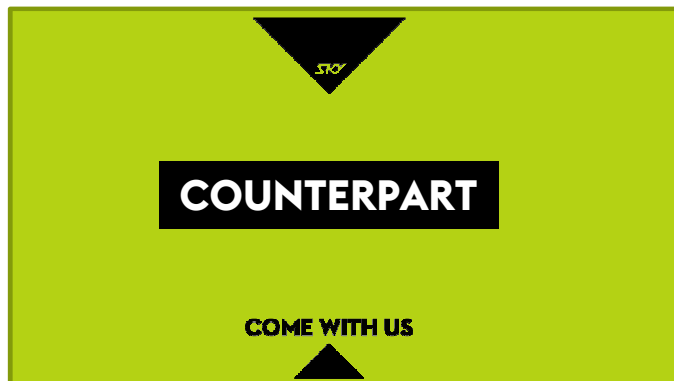


MOST RECENT AWARDS NOMINATIONS BREAKDOWN BY RIGHTS HOLDERS IN NZ

(INCLUDES EMMYS, BAFTA TV AWARDS, SAG AWARDS, GOLDEN GLOBES)



NEW TO SKY



WINTER OLYMPICS FEBRUARY 2018



OFFICIAL BROADCASTER





tvnz

NZME.



media**works**

OnTV ▪ OnRadio ▪ OnLine



CRM CONSULTING CONTACT CENTRE AWARDS

Industry Award Winners - Customer Support Services

2015, 2016 & 2017 CRM Contact Centre Awards

Diamond Award - Live Chat in NZ

Sep 2017 CRM Contact Centre Awards

First Place Customer Retention in NZ

Sep 2017 CRM Contact Centre Awards

First Place Online Web/Email Customer Service in NZ

Sep 2017 CRM Contact Centre Awards





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INTERIM RESULTS

December 2017



WINTER OLYMPICS

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