



SKY

SKY 2016 AGM



SPEAKING NOTES
20 October 2016

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1. WELCOME (CHAIRMAN)

Holding screen via powerpoint on projector screen.

1.1. SPEAKING NOTES PETER MACCOURT

Good afternoon and welcome ladies and gentlemen to SKY Network Television's Annual General Meeting for 2016.

My name is Peter Maccourt; I am Chairman of the SKY Board and I warmly welcome you all here today.

Shareholders holding 80% of the voting shares in the Company are here in person today or are represented by proxy.

Directors hold proxies in respect of 79.5% of the Company's shares.

As the quorum is present, I declare the meeting to be properly constituted and open for business.

I would like to now introduce you to those sharing stage with me today.

Firstly from SKY we have:

- John Fellet, Chief Executive Officer
- Jason Hollingworth, Chief Financial Officer & Company Secretary

And SKY's Board of Directors;

- Derek Handley
- Susan Paterson
- Geraldine McBride

The agenda for today's meeting is as follows:

- I'll first outline the procedures for speaking and voting;
- Followed by apologies for the meeting;
- I will then make some introductory comments on SKY's 2016 performance;
- Next, John Fellet will review the 2016 financial year in detail;
- Lastly, there will be an opportunity for general discussion before we vote on the resolutions as set out in the notice of meeting.

2. SPEAKING & VOTING PROCEDURES

I will now explain some procedural guidelines to help the meeting to run smoothly.

SPEAKING PROCEDURES

If you wish to speak to a motion or speak during general discussion please raise your hand so that we can clearly see it.

Before you speak we will bring a microphone to you.

VOTING PROCEDURES

Voting on resolutions today will be done by a show of hands.

I will put each of the resolutions to the meeting separately and have each voted on one after the other. I will declare whether or not the resolution is carried.

I have asked Company Secretary Jason Hollingworth to prepare a summary of the Proxy votes that have been received for each of these resolutions. These will be shown on screen before we vote.

The meeting will conclude when the voting on these resolutions is complete. SKY will notify the Stock Exchange of the outcome of the resolutions as soon as results are available.

APOLOGIES

I will now ask, Mr Hollingworth, to read the apologies.

[Apologies to be read by Jason Hollingworth]

[There are no apologies.]

3. CHAIRMANS ADDRESS

Before we review operating results, I want to acknowledge Mr John Waller who retired from the SKY board in September.

Sadly John passed away in September after serving on SKY's board for 7 ½ years.

John was a consummate professional whose leadership and deep experience were showcased most recently in his role as chair of the due diligence committee as SKY contemplated and executed a proposed merger with Vodafone. His tireless contribution despite his illness was extraordinary. John's counsel and guidance will be greatly missed.

The 2016 financial year was challenging and this was evident in our results.

For the year ended 30 June 2016 we reported record revenue of \$928million.

However Net Profit after tax fell 14% to \$147m. This is a reflection of higher programming costs that we previously signalled were coming, along with churn following the 2015 Rugby World Cup and \$13.4 million of costs to progress the acquisition of Vodafone NZ.

We announced a final dividend of 15 cents per share, and a total dividend of 30 cents per share for the year.

Traditional SKY subscribers are declining – but we have seen good growth for our new online products and have seen a pleasing overall growth in subscriber numbers to 852,679.

John Fellet, will look at these results in more detail next.

For SKY's board and management team there has been an intense focus this last financial year on the future options for SKY to develop and grow its business, eventuating in the proposed merger with Vodafone.

This is one of the largest transactions in NZ's history and it has required dedication from the team to secure an excellent future for SKY's shareholders, customers and staff.

We are awaiting Commerce Commission and Overseas Investment Office approvals and a decision time of mid November has been indicated.

I, along with SKY's board members and staff are looking forward to working with Vodafone to deliver New Zealanders the very best in entertainment into the future. I thank our shareholders for considering the proposal and voting overwhelmingly in favour of our recommendation to merge with Vodafone NZ.

SKY is in strong position to face the future. We have extensive content deals in place with entertainment and sports rights that continue to strengthen.

Our digital products; NEON, Fan Pass, SKY Go are fuelled with the very best content and are off to a strong start. They can only

be enhanced further with Vodafone's global telecommunications expertise.

The roll out of our new software is complete and I am pleased to report nearly 30% of boxes are internet connected and content can be downloaded online. 4 million titles have been downloaded through On Demand since launch.

This financial year we have plenty to look forward to. The Rio Olympics dominated our screens during August, the America's Cup and 2017 Lions Tour, exclusively on SKY will grab the attention of many New Zealanders.

I am particularly pleased to see football and golf back on SKY screens.

Before I hand over to John, I would like to let you know that SKY continues to support the Starship foundation as a Five Star sponsor, we focus our fundraising on supporting their lifesaving national Air Ambulance service.

We also support young up and coming athletes through SKY NEXT, we are the key sponsor of Special Children' Christmas parties and continue to make an annual donation to Christchurch as part of our \$1 million pledge. This year we created 11 portable turfs for children to use at schools with damage to their playing fields, ensuring kids can still have fun outside.

This year more than any other I want to thank John Fellet and all of SKY's staff and contractors for their dedication and hard work.

I also thank you, SKY shareholders for your continued support.

4. CHIEF EXECUTIVES ADDRESS

POWERPOINT SLIDES

CONTENT REEL

5. BUSINESS OF THE MEETING

Peter Macourt

Now to the business of the meeting

Receipt of Accounts

I would like to formally record the receipt of the annual financial statements, together with reports of the directors and auditors for the year ended 30 June 2016 by the meeting.

General Discussion

We have some time now for general discussion before we consider the resolutions to be put at today's meeting.

So, I now invite you to ask any questions regarding the 2016 financial statements, the directors' report or any general discussion from the floor in accordance with our speaking procedures.

Please raise your hand if you have a question and we will bring a microphone to you.

<Question and answer session>

6. RESOLUTIONS

We will now put resolutions to the meeting.

Appointment of Auditors

The first resolution to be considered by this meeting is:

To record the reappointment of PriceWaterhouseCoopers as auditors of the Company and to authorise the directors to fix the auditors' remuneration.

Can someone please move the resolution?

<moved>

Can someone please second the resolution?

<seconded>

I now invite discussion on the resolution.

<discussion>

I now ask shareholders to vote on this resolution by a show of hands; those in favour please raise your hands.

<pause>

Thank you. We will move to the next resolution.

Election of Directors

The second resolution to be considered by this meeting is:

To re-elect Derek Handley as a director.

Mr Handley, retires in accordance with NZX listing rule 3.3.6 and ASX listing rule 14.4 and, being eligible, offers himself for re-election. Details of Derek's experience and qualifications are detailed in the Notice of Meeting

Can someone please move the resolution?

<moved>

Can someone please second the resolution?

<seconded>

I now invite discussion on the resolution.

<discussion>

I now ask shareholders to vote on this resolution by a show of hands; those in favour please raise your hands.

<pause>

Thank you. We will move to the next resolution.

The third resolution to be considered by this meeting is:

To re-elect Geraldine McBride as a director.

Ms McBride, retires in accordance with NZX listing rule 3.3.6 and ASX listing rule 14.4 and, being eligible, offers herself for re-election. Details of Geraldine's experience and qualifications are detailed in the Notice of Meeting

Can someone please move the resolution?

<moved>

Can someone please second the resolution?

<seconded>

I now invite discussion on the resolution.

<discussion>

I now ask shareholders to vote on this resolution by a show of hands; those in favour please raise your hands.

<pause>

7. CONCLUSION OF THE MEETING

Ladies and gentlemen, all resolutions to be considered by this meeting have been put and voted on.

As there is no other business before this meeting, I declare the meeting closed. Thank you for attending SKY's 2016 Annual General Meeting today.

Refreshments will be available in Regatta Room BC which is down the hall next to the stairs you came down.

I hope you can stay to meet my fellow Board Directors and SKY's senior management team.

Good afternoon.