

# Group financial record

## Unaudited supplemental information

### Consolidated results

Below is selected financial information for the Group under IFRS as at and for each of the five years ended 30 June.

	Year ended 30 June 2017 £m	Year ended 30 June 2016 £m	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m	Year ended 30 June 2013 £m
Consolidated Income Statement					
<b>Continuing operations</b>					
Revenue <sup>1</sup>	<b>12,916</b>	<b>11,965</b>	<b>9,989</b>	<b>7,450</b>	<b>7,082</b>
Operating expense <sup>2</sup>	(11,952)	(10,988)	(9,017)	(6,346)	(5,835)
<b>Operating profit</b>	<b>964</b>	<b>977</b>	<b>972</b>	<b>1,104</b>	<b>1,247</b>
Share of results of joint ventures and associates	21	2	28	35	46
Investment income	22	17	8	26	28
Finance costs	(204)	(244)	(283)	(140)	(108)
Profit on disposal of available-for-sale investment	-	-	492	-	-
Profit on disposal of associate	-	-	299	-	-
<b>Profit before tax</b>	<b>803</b>	<b>752</b>	<b>1,516</b>	<b>1,025</b>	<b>1,213</b>
Taxation	(112)	(89)	(184)	(205)	(267)
<b>Profit for the year from continuing operations</b>	<b>691</b>	<b>663</b>	<b>1,332</b>	<b>820</b>	<b>946</b>
<b>Discontinued operations</b>					
Profit for the year from discontinued operations	-	-	620	45	33
<b>Profit for the year</b>	<b>691</b>	<b>663</b>	<b>1,952</b>	<b>865</b>	<b>979</b>
Profit (loss) for the year attributable to:					
Equity shareholders of the parent company	695	666	1,957	865	979
Non-controlling interests	(4)	(3)	(5)	-	-
Net (loss) profit recognised directly in equity	(109)	378	(625)	73	129
<b>Total comprehensive income for the year</b>	<b>582</b>	<b>1,041</b>	<b>1,327</b>	<b>938</b>	<b>1,108</b>
Earnings per share from profit for the year (in pence)					
Basic	40.6p	39.0p	115.8p	55.4p	60.7p
Diluted	40.0p	38.7p	114.4p	54.9p	59.7p
Dividends per share (in pence)	-	33.5p	32.8p	32.0p	30.0p
	30 June 2017 £m	30 June 2016 £m	30 June 2015 £m	30 June 2014 £m	30 June 2013 £m
Consolidated Balance Sheet					
Non-current assets	13,104	12,708	10,799	3,876	3,776
Current assets	5,334	4,702	4,559	2,573	2,569
Total assets	18,438	17,410	15,358	6,449	6,345
Current liabilities	(5,550)	(4,326)	(4,204)	(2,519)	(2,317)
Non-current liabilities	(9,041)	(9,643)	(7,930)	(2,858)	(3,016)
Net assets	3,847	3,441	3,224	1,072	1,012
Number of shares in issue (in millions)	1,719	1,719	1,719	1,563	1,594

	30 June 2017 ('000)	30 June 2016 ('000)	30 June 2015 ('000)	30 June 2014 ('000)	30 June 2013 ('000)
Statistics					
<b>Products</b>					
UK and Ireland	41,958	40,373	38,036	34,775	31,634
Germany and Austria	8,774	8,042	7,133	-	-
Italy	8,978	8,640	8,614	-	-
<b>Total paid-for subscription products</b>	<b>59,710</b>	<b>57,055</b>	<b>53,783</b>	<b>34,775</b>	<b>31,634</b>
<b>Customers</b>					
UK and Ireland	12,726	12,446	12,001	11,495	11,153
Germany and Austria	4,991	4,626	4,280	-	-
Italy	4,783	4,742	4,725	-	-
Retail customers	22,500	21,814	21,006	11,495	11,153
UK and Ireland	3,492	3,923	4,028	4,041	3,677
Germany and Austria	129	144	146	-	-
Italy	-	-	-	-	-
Wholesale customers <sup>3</sup>	3,621	4,067	4,174	4,041	3,677
<b>Total customers</b>	<b>26,121</b>	<b>25,881</b>	<b>25,180</b>	<b>15,536</b>	<b>14,830</b>
<b>Churn</b>					
UK and Ireland	11.5%	11.2%	9.8%	10.9%	10.7%
Germany and Austria	12.6%	9.9%	8.6%	-	-
Italy	9.1%	11.1%	9.6%	-	-

1 Included within revenue for the year ended 30 June 2014 is a £15 million credit received following the termination of an escrow agreement with a current wholesale operator.

2 Included within operating expense for the year ended 30 June 2017 are costs of £140 million relating to corporate restructuring and efficiency programmes, costs of £50 million relating to the integration of Sky Deutschland and Sky Italia in the enlarged Group, costs of £40 million relating to share-based payments incurred as a result of the 21st Century Fox Offer, costs of £16 million relating to advisory fees associated with the 21st Century Fox Offer and costs of £258 million relating to the amortisation of acquired intangibles.

Included within operating expense for the year ended 30 June 2016 are costs of £4 million in relation to advisory and transaction fees incurred on the purchase of Sky Deutschland and Sky Italia, costs of £142 million relating to corporate restructuring and efficiency programmes, costs of £84 million relating to the integration of Sky Deutschland and Sky Italia in the enlarged Group, costs of £343 million relating to the amortisation of acquired intangibles and costs of £8 million relating to the remeasurement of derivative financial instruments not qualifying for hedge accounting and hedge ineffectiveness.

Included within operating expense for the year ended 30 June 2015 are costs of £50 million in relation to advisory and transaction fees incurred on the purchase of Sky Deutschland and Sky Italia, costs of £105 million relating to corporate restructuring and efficiency programmes, costs of £10 million relating to the integration of Sky Deutschland and Sky Italia in the enlarged Group and costs of £231 million relating to the amortisation of acquired intangibles.

Included within operating expense for the year ended 30 June 2014 are costs of £49 million relating to the integration of the O2 consumer broadband and fixed-line telephony business, costs of £40 million relating to a corporate restructuring and efficiency programme, £2 million as a result of the termination of an escrow agreement with a current wholesale operator and £23 million relating to the amortisation of acquired intangibles.

Included within operating expense for the year ended 30 June 2013 is a credit of £32 million in relation to a credit note received following an Ofcom determination, a credit of £33 million relating to the final settlement of disputes with a former manufacturer of set-top boxes (net of associated costs), costs of £31 million relating to one-off upgrade of set-top boxes, costs of £33 million relating to a corporate efficiency programme and costs of £15 million relating to the acquisition and integration of the O2 consumer broadband and fixed-line telephony business. Also included are costs of £25 million relating to the programme to offer wireless connectors to selected Sky Movies customers.

3 Wholesale customers are customers who take a package, from one of Sky's Wholesale Partners, in which they receive at least one paid-for Sky channel.

# Group financial record – Unaudited supplemental information – continued

## Consolidated results (continued)

### Factors which materially affect the comparability of the selected financial data

#### Basis of preparation

Fiscal 2016 includes 53 weeks of trading compared with 52 weeks in all other years.

#### Discontinued operations

During fiscal 2015, the Group sold a controlling stake in its online betting and gaming business.

#### Available-for-sale investment

During fiscal 2015, the Group disposed of its remaining investment in ITV.

#### Business combinations and profit on disposal of associate

During fiscal 2015, the Group completed the acquisitions of Sky Deutschland and Sky Italia. The results of these acquisitions were consolidated from the date on which control passed to the Group (12 November 2014). As part of the consideration for the purchase of Sky Italia the Group disposed of its shareholding in the National Geographic channel.

During fiscal 2013, the Group completed the acquisition of the O2 consumer broadband and fixed-line telephony business from Telefónica UK, comprising 100% of the share capital of Be Un Limited. The results of this acquisition were consolidated from the date on which control passed to the Group (30 April 2013).

#### Exchange rates

A significant portion of the Group's liabilities and expenses associated with the cost of programming acquired from US film licensors together with set-top box costs are denominated in US dollars. A significant portion of the Group's revenues and expenses associated with its operations in Germany and Austria and Italy are denominated in euros. For a discussion of the impact of exchange rate movements on the Group's financial condition and results of operations, see note 21 to the consolidated financial statements.