



6 May 2016

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SKY Network Television Limited –Subscriber Numbers

SKY TV advises that it is forecasting total subscribers of approximately 830,000 at 30 June 2016, comprising a reduction of approximately 45,000 core residential Pay TV subscribers for the financial year offset by an increase in other subscribers, including Neon and FanPass, by approximately 25,000. This is based on a number of factors including the roll off of subscriber contracts following the Rugby World Cup in 2015. SKY TV reaffirms its previous FY16 guidance, being at the low end of the range advised to the market in October 2015 and confirmed in February 2016. This loss of subscribers will adversely impact FY17 earnings compared to current analyst consensus estimates.

We do not expect the FY16 rate of subscriber loss to continue in FY17 given that churn is reducing, due to the diminishing impact of post Rugby World Cup churn, and the expected positive impact on subscriber numbers from upcoming major sport events, including the Rio Summer Olympics in August 2016 and the Lion's Tour in June 2017.

As previously communicated, SKY TV has appointed Citigroup to provide advice on growth and capital management initiatives and the SKY TV Board expects to update the market by 30 June 2016.

-ENDS-

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