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BRITISH SKY BROADCASTING GROUP PLC

Form 6-K

February 02, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of  
the Securities Exchange Act of 1934

For the month of February 2005  
2 February 2005

BRITISH SKY BROADCASTING GROUP PLC  
(Name of Registrant)

Grant Way, Isleworth, Middlesex, TW7 5QD England  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F

Form 20-F  X

Form 40-F

Indicate by check mark whether the registrant by furnishing the information  
contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes

No  X

If "Yes" is marked, indicate below the file number assigned to the registrant in  
connection with Rule 12g3-2(b): Not Applicable

This report is incorporated by reference in the prospectus contained in the  
Registration Statements on Form F-3 (SEC File No. 333-08246) and Form F-3/S-3  
(SEC File No. 333-106837) filed by the Registrant under the Securities Act of  
1933.

EXHIBIT INDEX

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Exhibit

EXHIBIT NO.1 Excerpt from the announcement made by British Sky Broadcasting Group plc of its financial results for the period ended 31 December 2004

British Sky Broadcasting Group plc

Consolidated Profit and Loss Account for the half year ended 31 December 2004

|  |       | Before<br>goodwill<br>and<br>exceptional<br>items<br>GBPm | Goodwill<br>and<br>exceptional<br>items<br>GBPm | 2004/05<br>Half<br>year<br>Total<br>GBPm | Before<br>goodwill<br>and<br>exceptional<br>items<br>GBPm |
|--|-------|---|---|--|---|
|  | Notes | (unaudited)   | (unaudited)                                     | (unaudited)                              | (unaudited)   |
| Turnover: Group and share of joint ventures' turnover      |       | 1,983   | -   | 1,983                                    | 1,8   |
| Less: share of joint ventures' turnover                    |       | (38)  | -   | (38)                                     | (4  |
| Group turnover   | 2     | 1,945   | -   | 1,945                                    | 1,7   |
| Operating expenses, net                                    | 3     | (1,591)   | (57)  | (1,648)                                  | (1,48   |
| Operating profit   |       | 354   | (57)  | 297                                      | 2   |
| Share of joint ventures' and associates' operating results |       | 8   | -   | 8  | (   |
| Loss on disposal of investments in joint ventures          | 4,9   | -   | (23)  | (23)                                     |   |
| Profit on disposal of fixed asset investments              | 4,9   | -   | -   | -  |   |
| Amounts written back to fixed asset investments, net       | 4,9   | -   | -   | -  |   |
| Profit on ordinary activities before interest and taxation |       | 362   | (80)  | 282                                      | 2   |
| Interest receivable and similar income                     |       | 15  | -   | 15                                       |   |
| Interest payable and similar charges                       |       | (47)  | -   | (47)                                     | (4  |
| Profit on ordinary activities before taxation              |       | 330   | (80)  | 250                                      | 2   |
| Tax on profit on ordinary activities                       | 5     | (96)  | -   | (96)                                     | (7  |
| Profit on ordinary activities after taxation               |       | 234   | (80)  | 154                                      | 1   |
| Equity dividends   | 6     |   |   | (77)                                     |   |
| Retained profit for the period                             | 10    |   |   | 77                                       |   |

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|                              |   |      |
|------------------------------|---|------|
| Earnings per share - basic   | 7 | 8.0p |
| Earnings per share - diluted | 7 | 7.9p |

All results relate to continuing operations.  
 There were no recognised gains or losses in either period other than those included within the profit and loss account.  
 The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated Profit and Loss Account for the three months ended 31 December 2004

|  | Before<br>goodwill<br>and<br>exceptional<br>items<br>GBPm<br>(unaudited) | Goodwill<br>and<br>exceptional<br>items<br>GBPm<br>(unaudited) | Three months<br>ended 31<br>December<br>2004<br>Total<br>GBPm<br>(unaudited) | Be<br>good<br>excepti<br>i<br>(unaudi |
|--|--|--|--|---------------------------------------|
| Turnover: Group and share of joint ventures' turnover      | 1,024  | -  | 1,024  |                                       |
| Less: share of joint ventures' turnover                    | (19)   | -  | (19)   |                                       |
| Group turnover   | 1,005  | -  | 1,005  |                                       |
| Operating expenses, net                                    | (841)  | (28)   | (869)  |                                       |
| Operating profit   | 164  | (28)   | 136  |                                       |
| Share of joint ventures' and associates' operating results | 7  | -  | 7  |                                       |
| Loss on disposal of investments in joint ventures          | -  | (23)   | (23)   |                                       |
| Profit on disposal of fixed asset investments              | -  | -  | -  |                                       |
| Amounts written off fixed asset investments                | -  | -  | -  |                                       |
| Profit on ordinary activities before interest and taxation | 171  | (51)   | 120  |                                       |
| Interest receivable and similar income                     | 8  | -  | 8  |                                       |
| Interest payable and similar charges                       | (25)   | -  | (25)   |                                       |
| Profit on ordinary activities before taxation              | 154  | (51)   | 103  |                                       |
| Tax on profit on ordinary activities                       | (42)   | -  | (42)   |                                       |
| Profit on ordinary activities after taxation               | 112  | (51)   | 61   |                                       |
| Equity dividends   |  |  | (77)   |                                       |
| Retained loss for the period                               |  |  | (16)   |                                       |

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|                              |      |
|------------------------------|------|
| Earnings per share - basic   | 3.1p |
| Earnings per share - diluted | 3.1p |

Consolidated Balance Sheet at 31 December 2004

|   | Notes | 31 December<br>2004<br>GBPm<br>(unaudited) |
|---|-------|--|
| Fixed assets  |       |  |
| Intangible assets                                       | 8     | 360  |
| Tangible assets   |       | 451  |
| Investments   | 9     | 27   |
|   |       | 838  |
| Current assets  |       |  |
| Stocks  |       | 627  |
| Debtors: Amounts falling due within one year            |       |  |
| - deferred tax assets                                   |       | 45   |
| - other   |       | 339  |
|   |       | 384  |
| Debtors: Amounts falling due after more than one year   |       |  |
| - deferred tax assets                                   |       | 76   |
| - other   |       | 36   |
|   |       | 112  |
| Cash and liquid resources                               |       |  |
| - current asset investments                             |       | -  |
| - cash at bank and in hand                              |       | 707  |
|   |       | 707  |
|   |       | 1,830                                      |
| Creditors: Amounts falling due within one year          |       |  |
| - other creditors                                       |       | (1,481)                                    |
| Net current assets                                      |       | 349  |
| Total assets less current liabilities                   |       | 1,187                                      |
| Creditors: Amounts falling due after more than one year |       |  |
| - long-term borrowings                                  |       | (1,076)                                    |
| - other creditors                                       |       | (27)                                       |

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|  |    |         |
|--|----|---------|
|  |    | (1,103) |
| -----                                  |    |         |
| Provisions for liabilities and charges |    | (1)     |
|  |    | 83      |
| -----                                  |    |         |
| Capital and reserves - equity          |    |         |
| Called-up share capital                | 10 | 960     |
| Share premium                          | 10 | 1,437   |
| ESOP reserve                           | 10 | (23)    |
| Merger reserve                         | 10 | 186     |
| Special reserve                        | 10 | 14      |
| Capital redemption reserve             | 10 | 11      |
| Profit and loss account                | 10 | (2,502) |
| Shareholders' funds (deficit)          | 10 | 83      |
| -----                                  |    |         |

The accompanying notes are an integral part of this consolidated balance sheet.

Consolidated Cash Flow Statement for the half year ended 31 December 2004

|   | Notes | 2004/05<br>Half year<br>GBP<br>(unaudited) |
|---|-------|--|
| -----   |       |  |
| Net cash inflow from operating activities                                   | 11a   | 407  |
| Dividends received from joint ventures                                      |       | 7  |
| -----   |       |  |
| Returns on investments and servicing of finance                             |       |  |
| Interest received and similar income  |       | 17   |
| Interest paid and similar charges   |       | (49)                                       |
| Net cash outflow from returns on investments and servicing of finance       |       | (32)                                       |
| -----   |       |  |
| Taxation  |       |  |
| UK corporation tax paid   |       | (25)                                       |
| Consortium relief paid  |       | (3)  |
| Net cash outflow from taxation  |       | (28)                                       |
| -----   |       |  |
| Capital expenditure and financial investment                                |       |  |
| Payments to acquire tangible fixed assets                                   |       | (123)                                      |
| Receipts from sales of fixed asset investments                              |       | -  |
| Net cash (outflow) inflow from capital expenditure and financial investment |       | (123)                                      |
| -----   |       |  |
| Acquisitions and disposals  |       |  |
| Funding to joint ventures and associates                                    |       | (4)  |
| Repayments of funding from joint ventures and associates                    |       | 6  |

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|   |     |       |
|---|-----|-------|
| Receipts from sale of investments in joint ventures                 |     | 14    |
| Net cash inflow from acquisitions and disposals                     |     | 16    |
| <hr style="border-top: 1px dashed black;"/>                         |     |       |
| Equity dividends paid   |     | (63)  |
| <hr style="border-top: 1px dashed black;"/>                         |     |       |
| Net cash inflow before management of liquid resources and financing |     | 184   |
| <hr style="border-top: 1px dashed black;"/>                         |     |       |
| Management of liquid resources                                      |     | 79    |
| <hr style="border-top: 1px dashed black;"/>                         |     |       |
| Financing   |     |       |
| Proceeds from issue of Ordinary Shares                              |     | 2     |
| Purchase of own shares for Employee Share Ownership Plan            |     | -     |
| Share buy-back  |     | (128) |
| Capital element of finance lease payments                           |     | -     |
| Net decrease in debt due after more than one year                   | 11b | -     |
| Net cash outflow from financing                                     |     | (126) |
| <hr style="border-top: 1px dashed black;"/>                         |     |       |
| Increase in cash  | 11b | 137   |
| <hr style="border-top: 1px dashed black;"/>                         |     |       |

The accompanying notes are an integral part of this consolidated cash flow statement.

### Notes to Financial Statements

#### 1 Basis of preparation

The interim accounts for the half year ended 31 December 2004 have been prepared in accordance with accounting policies consistent with those applied in the accounts for the year ended 30 June 2004, which were approved by the Directors on 3 August 2004. The interim accounts for the six months ended 31 December 2004 do not constitute statutory accounts and are unaudited, but have been formally reviewed by Deloitte & Touche LLP. Their report is not modified in any respect. The interim accounts were approved by the Board on 1 February 2005.

The financial information for the 2003/04 full year is extracted from the financial statements for that year which have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain any statement under section 237(2) or (3) of the Companies Act 1985.

The Consolidated Profit and Loss Account presentation includes the Group's results before goodwill and exceptional items in addition to results after goodwill and exceptional items as this presentation provides an alternative basis that may be used to assess the ongoing operating performance of the Group.

#### 2 Turnover

The Group's turnover, whilst deriving from one class of business, has been analysed as follows:

-----  
DTH subscribers  
Cable subscribers  
Advertising  
Sky Bet (i)  
Sky Active (i)  
Other  
-----

(i) Additional detail has been provided with regard to the analysis of interactive revenues between the Group's betting and games revenues - "Sky Bet" - and other interactive revenues - "Sky Active" - and the prior year comparatives have been restated accordingly.

3 Operating expenses, net

|   | Before goodwill<br>GBPm<br>(unaudited) | Goodwill<br>GBPm<br>(unaudited) | 2004/05<br>Half year<br>Total<br>GBPm<br>(unaudited) | Before<br>goodwill<br>GBPm<br>(unaudited) | (un |
|---|--|---------------------------------|--|---|-----|
| Programming (i)                           | 808                                    | -                               | 808  | 783                                       |     |
| Transmission and related<br>functions (i) | 87                                     | -                               | 87   | 77  |     |
| Marketing                                 | 258                                    | -                               | 258  | 215                                       |     |
| Subscriber management                     | 193                                    | -                               | 193  | 191                                       |     |
| Administration (ii)                       | 139                                    | 57                              | 196  | 131                                       |     |
| Betting                                   | 106                                    | -                               | 106  | 86  |     |
|   | 1,591                                  | 57                              | 1,648  | 1,483                                     |     |

(i) The amounts shown are net of GBP5 million (2003/04: half year GBP8 million; full year GBP11 million) receivable from the disposal of programming rights not acquired for use by the Group, and GBP14 million (2003/04: half year GBP13 million; full year GBP28 million) receivable in respect of the provision to third party broadcasters of spare transponder capacity.

(ii) Administration costs for the 2003/04 full year include goodwill amortisation of GBP119 million.

4 Exceptional items

-----  
 Loss on disposal of investments in joint ventures (i)  
 Profit on disposal of fixed asset investments (ii)  
 Amounts written back to fixed asset investments, net (iii)  
 Total non-operating exceptional items  
 -----

4 Exceptional items (continued)

2004/05

(i) Loss on disposal of investments in joint ventures

On 1 November 2004, the Group sold its 49.5% investment in Granada Sky Broadcasting for GBP14 million in cash, realising a loss on disposal of GBP23 million. This included the write back of GBP32 million of goodwill which had previously been written off to reserves, as permitted prior to the implementation of Financial Reporting Standard ("FRS") 10, "Goodwill and Intangible Assets". The loss on disposal is a non-operating exceptional item as defined by FRS 3 "Reporting Financial Performance" ("FRS 3") and is therefore recorded as an exceptional item below operating profit.

2003/04

(ii) Profit on sale of fixed asset investments

On 7 October 2003, the Group disposed of its listed investment in Manchester United plc, realising a profit on disposal of GBP2 million. The profit on disposal is a non-operating exceptional item as defined by FRS 3 and is therefore recorded as an exceptional item below operating profit.

On 1 March 2004, the Group sold its 20% shareholding in QVC (UK), operator of QVC - The Shopping Channel, for GBP49 million in cash, realising a profit on disposal of GBP49 million. The profit on disposal is a non-operating exceptional item as defined by FRS 3 and is therefore recorded as an exceptional item below operating profit.

(iii) Amounts written back to fixed asset investments, net

The Group reduced its provision against its minority equity investments in football clubs by GBP33 million, following the disposal of its investment in Manchester United plc in October 2003 for GBP62 million in cash. The Group also increased its provision against its remaining minority equity investments in football clubs by a further GBP9 million. The reduction of GBP33 million in the provision is recorded as an exceptional item below operating profit as it relates directly to the disposal of the investment as detailed above. The increase in the remaining provision is recorded as an exceptional item below operating profit due to the distortion that its inclusion within operating expenses would have on the individual operating expenses line to which it was attributed.



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5 Tax on profit on ordinary activities

Analysis of charge in period:

|  | 2004/05<br>Half year<br>charge<br>GBPm<br>(unaudited) |
|--|---|
| -----  |   |
| Current tax  |   |
| UK corporation tax   | 74  |
| Adjustment in respect of prior years   | (8)   |
| Total current tax charge   | 66  |
| -----  |   |
| Deferred tax:  |   |
| Origination and reversal of timing differences                                   | 29  |
| Decrease in estimate of recoverable deferred tax asset in respect of prior years | 1   |
| Total deferred tax charge  | 30  |
| -----  |   |
|  | 96  |
| -----  |   |

At 31 December 2004, a deferred tax asset of GBP12 million (2003/04: half year GBP18 million; full year GBP13 million) principally arising from UK losses in the Group has not been recognised. These losses can be offset only against taxable profits generated in the entities concerned. Although the Directors ultimately expect sufficient profits to arise, there is currently insufficient evidence to support recognition of a deferred tax asset relating to these losses. The losses are available to be carried forward indefinitely under current law.

A deferred tax asset of GBP64 million (2003/04: half year GBP64 million; full year GBP64 million) has not been recognised in respect of trading losses in the Group's German holding companies of KirchPayTV and a deferred tax asset of GBP6 million (2003/04: half year GBP6 million; full year GBP6 million) arising principally on other timing differences has not been recognised, on the basis that these timing differences are not more likely than not to reverse.

A deferred tax asset of GBP450 million (2003/04: half year GBP450 million; full year GBP450 million) has not been recognised in respect of potential capital

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losses related to the Group's holding of KirchPayTV on the basis that these timing differences are not more likely than not to reverse. The Group has realised and unrealised capital losses in respect of football club and other investments estimated to be in excess of GBP25 million (2003/04: half year GBP21 million; full year GBP21 million) which have not been recognised as a deferred tax asset, on the basis that they are not more likely than not to be utilised and thus reverse.

### 6 Equity dividends

|  | 2004/05<br>Half year<br>GBPm<br>(unaudited) |
|--|---|
| Interim proposed dividend of 4.0p (2003/04 half year: 2.75p; 2003/04 full year 2.75p) per Ordinary Share | 77  |
| Final proposed dividend of nil (2003/04 half year: nil; 2003/04 full year: 3.25p) per Ordinary Share     | -   |
|  | 77  |

The Employee Share Ownership Plan ("ESOP") has waived its rights to dividends.

### 7 Earnings per share

Basic earnings per share represents the profit on ordinary activities after taxation attributable to the equity shareholders, divided by the weighted average number of Ordinary Shares in issue during the period, less the weighted average number of shares held in the Group's ESOP trust during the period.

Diluted earnings per share represents the profit on ordinary activities after taxation attributable to the equity shareholders, divided by the weighted average number of Ordinary Shares in issue during the period, less the weighted average number of shares held in the Group's ESOP trust during the period plus the weighted average number of dilutive shares resulting from share options and other potential shares outstanding during the period (see below).

The weighted average number of shares in the period was:

|                   | 2004/05<br>Half year<br>Millions of<br>shares<br>(unaudited) |
|-------------------|--|
| Ordinary Shares   | 1,939  |
| ESOP trust shares | (4)  |

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|   |       |
|---|-------|
| Basic shares  | 1,935 |
| <hr style="border-top: 1px dashed black;"/>   |       |
| Dilutive Ordinary Shares from share options and other potential Ordinary Shares outstanding | 2     |
| Diluted shares  | 1,937 |
| <hr style="border-top: 1px dashed black;"/>   |       |

### 8 Intangible assets

The movement in the period was as follows:

Net book value at 1 July 2004  
 Amortisation  
 Net book value at 31 December 2004

Goodwill of GBP272 million, GBP542 million and GBP5 million, arising on the acquisitions of Sports Internet Group ("SIG"), British Interactive Broadcasting ("BIB") and WAPTV Limited respectively, is being amortised over periods of seven years on a straight-line basis.

In accordance with FRS 11, impairment reviews were performed on the carrying values of BiB and SIG goodwill balances at the end of the first full financial year after acquisition, at 30 June 2002, which did not indicate impairment. Consistent with the Group strategy, the business plans on which these reviews were based reflected significant projected increases in betting and other interactive revenues over the subsequent five years. The Group continues to monitor the performance of these businesses and is satisfied that no impairment of goodwill has occurred.

### 9 Fixed asset investments

|  |  |
|--|--|
|  | 31 December<br>2004<br>GBPm<br>(unaudited) |
| <hr style="border-top: 1px dashed black;"/>  |  |
| Investments in joint ventures and associates | 25   |
| Other investments                            | 2  |
| Total investments                            | 27   |
| <hr style="border-top: 1px dashed black;"/>  |  |

#### Investments in joint ventures

On 1 November 2004, the Group sold its 49.5% investment in Granada Sky Broadcasting ("GSB") for GBP14 million in cash, realising a loss on disposal of GBP23 million. This included the write back of GBP32 million of goodwill which

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had previously been written off to reserves. The carrying value of this investment prior to disposal was GBP4 million.

### Other investments

On 1 March 2004, the Group sold its 20% shareholding in QVC (UK), operator of QVC - The Shopping Channel, for GBP49 million in cash, realising a profit on disposal of GBP49 million. The carrying value of this investment prior to disposal was nil.

In the six months to 31 December 2003, the Group increased its provision against its remaining minority equity investments in football clubs by GBP9 million.

On 7 October 2003, the Group announced that it had sold its entire holding in Manchester United plc for GBP62 million, recognising a profit on disposal of GBP2 million following the release of GBP33 million provision previously held against the investment, effective as at 30 September 2003.

In August 2003, the Group sold its 9.9% equity investment in Chelsea Village plc, reducing the cost by GBP25 million and the provision by GBP19 million.

### 10 Reconciliation of movement in shareholders' funds

|                                    | Share<br>capital<br>GBPm<br>(unaudited) | Share<br>Premium<br>GBPm<br>(unaudited) | ESOP<br>reserve<br>GBPm<br>(unaudited) | Merger<br>reserve<br>GBPm<br>(unaudited) | Special<br>reserve<br>GBPm<br>(unaudited) | Capita<br>redemptio<br>reserv<br>GBP<br>(unaudited) |
|------------------------------------|---|---|--|--|---|---|
| At 1 July 2004                     | 971                                     | 1,437                                   | (30)                                   | 222                                      | 14  |   |
| ESOP shares utilised               | -                                       | -                                       | 7                                      | -  | -   |   |
| Profit for the<br>financial period | -                                       | -                                       | -                                      | -  | -   |   |
| Dividends                          | -                                       | -                                       | -                                      | -  | -   |   |
| Transfer from merger<br>reserve    | -                                       | -                                       | -                                      | (36)                                     | -   |   |
| Write back of<br>goodwill          | -                                       | -                                       | -                                      | -  | -   |   |
| Share buy-back                     | (11)                                    | -                                       | -                                      | -  | -   |   |
| At 31 December 2004                | 960                                     | 1,437                                   | (23)                                   | 186                                      | 14  |   |

### Goodwill

In accordance with FRS 10, "Goodwill and Intangible assets", the Company has included the write off of GBP32 million of unamortised goodwill in the calculation of the loss on disposal of GSB, the effect of which has been included in the Profit for the Financial Period (see note 4). The goodwill arose on the original purchase of GSB and had previously been written off to the profit and loss reserve as permitted prior to FRS 10. Accordingly, an adjustment has been made to write back the GBP32 million charge to the profit and loss reserve.

### Share option schemes

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At 31 December 2004, the Group's ESOP held 3,784,392 Ordinary Shares in the Company at an average value of GBP6.18 per share. The 963,123 shares utilised during the period relate to the exercise of Long Term Incentive Plan, Equity Bonus Plan, Key Contributor Plan and Executive Share Option Scheme awards.

### Purchase of own shares

On 12 November 2004, the Company's shareholders approved a resolution at the Annual General Meeting for the Company to purchase up to 97,000,000 Ordinary Shares. During the financial period, the Company purchased, and subsequently cancelled, 23 million Ordinary Shares at an average price of 557 pence per share, with a nominal value of GBP11 million, for a consideration of GBP128 million. This represents 1% of called-up share capital at the beginning of the financial period under review.

### 11 Notes to consolidated cash flow statement

#### a) Reconciliation of operating profit to operating cash flows

|  | 2004/05     |
|--|-------------|
|  | Half year   |
|  | GBPm        |
|  | (unaudited) |
| Operating profit   | 297         |
| Depreciation   | 48          |
| Amortisation of goodwill and other intangible fixed assets | 57          |
| Loss on disposal of tangible fixed assets                  | -           |
| Decrease in working capital                                | 7           |
| Decrease in provisions                                     | -           |
| Foreign exchange movement                                  | (2)         |
| Net cash inflow from operating activities                  | 407         |

#### b) Analysis of changes in net debt

|                     | As at 1 July | Cash flow   |
|---------------------|--------------|-------------|
|                     | 2004         | GBPm        |
|                     | GBPm         | GBPm        |
|                     | (audited)    | (unaudited) |
| Overnight deposits  | 73           | 144         |
| Other cash          | 63           | (7)         |
|                     | 136          | 137         |
| Short-term deposits | 338          | 94          |
| Commercial paper    | 173          | (173)       |

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|   |         |    |
|---|---------|----|
| Cash and liquid resources                   | 647     | 58 |
| <hr style="border-top: 1px dashed black;"/> |         |    |
| Debt due after more than one year           | (1,069) | -  |
| Capital element of finance leases           | (7)     | -  |
| Total debt                                  | (1,076) | -  |
| <hr style="border-top: 1px dashed black;"/> |         |    |
| Total net debt                              | (429)   | 58 |
| <hr style="border-top: 1px dashed black;"/> |         |    |

### 12 Regulatory update

#### European Commission investigation - Football Association Premier League Limited

The European Commission's investigation into the FAPL's joint selling of exclusive broadcast rights to football matches has not yet concluded: the Commission published a notice last year inviting third party comments on its intention to adopt a decision making commitments offered by the FAPL legally enforceable and to close its file. Among other things, these commitments address the next auction of rights by the FAPL for the 2007/08 and subsequent seasons. The outcome of this consultation has not yet been disclosed and the Commission has not yet adopted a decision.

The Commission confirmed last year in a "comfort letter" that, on the basis of the performance by Sky of certain commitments given by Sky to the Commission, it has fully and finally settled the Commission's other investigations in connection with Sky's bids for all rights in relation to FAPL matches throughout the 2004/05 to 2006/07 FAPL seasons and any resulting agreements between Sky and FAPL.

#### European Commission Investigation - Movie Contracts

The European Commission has announced in a press release (dated 26 October 2004) that it has settled and closed its investigations with a number of major US movie studios into the terms of which movies produced by them are supplied to distributors, including pay television operators, throughout the European Union. The investigations centred on the inclusion of "most favoured nations" (MFN) clauses in these studios' output agreements and the settlements centred on commitments offered by the studios to phase out all MFN clauses in their output agreements. The Commission stated in its press release that two studios had not, however, offered to phase out such clauses, in relation to which it appears that the Commission's case remains open. The Commission has not published any further statement or (final or provisional) decision indicating the actual terms on which it has closed its investigations.

#### European Commission Sector Inquiry - "New Media" Sports Rights

The European Commission has opened a sector inquiry regarding the conditions of provision of audio-visual content from sports events to internet and other "new media" companies such as 3G mobile operators. The European Commission has stated that the purpose of its investigation is to gain as clear and wide a view as possible of the availability of audio-visual sports rights in the European Union, so as to ascertain whether access by "new media" operators to such content is not unduly restricted. The Group is co-operating with this investigation. At this stage, the Group is unable to determine whether the investigation will have a material effect on the Group.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRITISH SKY BROADCASTING GROUP PLC

Date: 2 February 2005

By: /s/ Dave Gormley  
Dave Gormley  
Company Secretary