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BRITISH SKY BROADCASTING GROUP PLC

Form 6-K

May 02, 2007

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 May 2007  
2 May 2007

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

EXHIBIT INDEX

Exhibit

EXHIBIT NO. 1 Press release of British Sky Broadcasting Group plc

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announcing 3rd Quarter Results released on 2 May 2007

### BRITISH SKY BROADCASTING GROUP PLC Results for the nine months ended 31 March 2007

Customer response to "See, Speak, Surf" and Sky+ drives record product sales in the third quarter

More customers are choosing more of Sky's products than ever before

- \* New customer additions of 340,000 in the third quarter, up 25% year-on-year
- \* Net customer growth of 51,000, up 28% year-on-year to 8.492 million
- \* Third quarter growth in Sky+ households of 199,000, up 34% year-on-year to 2.167 million, 25% penetration target exceeded three years ahead of plan
- \* HD subscribers of 244,000 within 10 months, third quarter growth of 60,000
- \* Sky Broadband customers more than double to 553,000 with gross bookings of 669,000 by 29 April 2007(1)
- \* Sky Talk customers increase by 83% to 408,000(1)
- \* 974 exchanges unbundled, 61% coverage of the U.K.(1)

Strong top-line growth and accelerating underlying operating profit growth

- \* Revenue increased by 10% to GBP3,376 million, including GBP41 million from residential broadband and GBP117 million from Easynet Enterprise
- \* Adjusted gross margin excluding residential broadband and Easynet Enterprise of 62% up from 60% in the comparable period(2)
- \* EBITDA of GBP750 million (2006: GBP756 million) including a net exceptional gain of GBP56 million
- \* Operating profit of GBP613 million including losses of GBP137 million in residential broadband and Easynet Enterprise and a net exceptional gain of GBP56 million
- \* Underlying operating profit up by 4% to GBP694 million (excluding residential broadband, Easynet Enterprise and exceptional items), an increase of 8% year-on-year in the third quarter
- \* Basic EPS of 22.1p (2006: 23.2p) and adjusted EPS of 19.5p (2006: 23.3p) (3)

James Murdoch, Chief Executive said:

"Customer response to our "See, Speak, Surf" campaign has been very encouraging. Total sales of our TV, broadband and telephony products surpassed one million for the second consecutive quarter and now exceed three million in the year to date, an increase of more than 50% on the prior year and almost double that of two years ago.

"In just eight months, Sky Broadband has passed the milestone of 500,000 customers who are enjoying fast speeds, wireless access and significant savings. Our network now reaches over 60% of U.K. homes and we are on track for our goal of more than 700,000 broadband customers by the end of June.



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HD	244	184
Broadband	457	193
Telephony	355	223
Other KPI's:		
Churn	13.7%	11.9%
ARPU	GBP406	GBP394

- (1) Includes DTH subscribers in Republic of Ireland. (484,000 as at 31 March 2007, 407,000 as at 31 March 2006.)
- (2) DTH subscribers include only primary subscriptions to Sky (no additional Sky+ or Multiroom subscriptions are counted). This does not include customers taking Sky's freesat offering or churned customers viewing free-to-air channels.
- (3) DTH subscribers include subscribers taking Sky packages via DSL through Homechoice.
- (4) Sky+ includes HD households
- (5) Multiroom includes households subscribing to more than one digibox. (No additional units are counted for the second or any subsequent Multiroom subscriptions within one household.)

Financial Summary (unaudited)

GBP'millions	9 months to Mar-07		9 months Adjusted
	Reported	Exceptional(6)	
Income statement:			
Revenue	3,376	-	3,376
Gross Profit	2,223	(65)	2,158
% Margin	65.8%	-	63.9%
Operating Profit	613	(56)	557
% Margin	18.2%	-	16.5%
Profit for the period	388	(45)	343
Cash flow information:			
Cash generated from operations	732	(56)	676
Net debt (9)	1,810	-	1,810

Per share information (pence):

	9 months to Mar-07	9 months
EPS - basic		22.1
EPS - adjusted(10)		19.5

- (6) Exceptional items include a one-off receipt from a third party channel provider for GBP65 million, GBP9 million charge for litigation costs and GBP8 million mark-to-market gain on financial derivatives
- (7) Revenue includes GBP41 million from residential broadband and GBP117 million from Easynet Enterprise
- (8) Operating profit includes a net operating loss of GBP120 million from residential broadband and GBP17 million from Easynet Enterprise
- (9) Cash, cash-equivalents, short-term deposits, borrowings and borrowings

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related financial instruments

- (10) Adjusted EPS excludes mark-to-market in derivative financial instruments that do not qualify for hedge accounting, an exceptional gain of GBP65 million and an exceptional charge of GBP9 million

### OVERVIEW

The third quarter saw record levels of demand for our portfolio of products and services, with total new product and upgrade sales volumes of over 1.2 million, more than double third quarter sales in the prior year. At the same time we continued to implement changes to our promotional strategy leading to a GBP12 increase in ARPU from the previous quarter to GBP406 and, as expected, a higher quarterly churn rate of 13.7%. The combined impact of record demand and our focus on subscriber profitability led to strong year-on-year revenue growth and accelerated operating profit growth in the third quarter.

The third quarter marked the launch of our "See, Speak, Surf" campaign, the first time Sky has marketed a combined TV, broadband and telephony offering and which emphasised the leading quality and value of our products. This, together with our outstanding TV offering, led to a number of important achievements during the period:

- \* Gross DTH additions of 340,000 were the highest third quarter additions in six years;
- \* Sky+ broke through 25% penetration three years ahead of target;
- \* Sky broadband surpassed half a million customers within eight months of launch;
- \* Sky Talk customers reached 408,000 after a quarter of record growth;
- \* HD remains our fastest selling additional TV product with 244,000 subscribers in just 10 months; and
- \* Record new product and upgrade sales of over 1.2 million in the quarter reaching more than three million year-to-date, an increase of over 50% on the comparable period.

Good net customer growth of 51,000, a 28% increase year-on-year, was achieved despite the changes made to our promotional strategy as detailed on 31 January 2007. The third quarter saw the first full quarter of impact from steps taken to improve price transparency, through the removal of viewing package discounts previously used to acquire and retain customers. Churn increased to 13.7%, up by 1.8 percentage points from the previous quarter. On an underlying basis, we estimate that churn fell by 0.4 percentage points to 11.0% when compared to the third quarter of the prior year. ARPU, which increased by GBP12 quarter-on-quarter or GBP11 year-on-year to GBP406, is now benefiting as a direct result of these changes, as well as from increased new product penetration.

The financial performance of the group was strong in the third quarter, reflecting the operational strength of the business. Revenue increased by 9% year-on-year in the third quarter or by 10% in the nine months ("the period"). Year-on-year growth in third quarter underlying operating profit accelerated to 8%, up from 1% at the half-year, leading to 4% growth for the period.

Operating profit for the period also reflected a net exceptional gain of GBP56 million, with the majority recognised in the second quarter, consisting of two items: a GBP65 million one-off payment received from a third party channel provider as a result of a contractual entitlement to a proportion of the value of certain of its channels; and a GBP9 million charge within other operating expenses as part of our litigation with EDS, an information and technology solutions provider, in relation to work carried out between 2000 and 2002 on our customer relationship management systems.

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Following the expiry of an agreement at the end of February 2007, Sky's basic channels ceased to be carried on Virgin Media's platform. On 12 April 2007 Virgin Media ("VM") issued legal proceedings in the High Court against Sky in relation to the supply of VM TV channels to Sky and the supply of Sky basic channels to VM, alleging infringement of Chapter II of the Competition Act 1998 and/or Article 82 of the EC Treaty. We have acknowledged service of VM's claim and are due to file our defence with the High Court in due course. We dispute VM's claims, which we consider to be without foundation and which we will defend vigorously. Were Sky's basic channels to remain off VM's platform, the Company estimates the impact of lower wholesale carriage fees and advertising revenues would adversely affect operating profit by GBP15 to GBP20 million in the year to 30 June 2007. Excluding this financial impact we remain on track for our 2007 financial year targets.

### OPERATIONAL REVIEW

Gross additions of 340,000 were 25% higher than the prior year and were the highest third quarter additions in six years. Investment in new products is accelerating demand; during the quarter, 26% of Sky+ additions, 17% of HD additions and around 25% of broadband additions were new Sky customers.

As detailed on 31 January 2007, we took steps to improve price transparency part way through the second quarter by reducing and then removing viewing package discounts in retention and acquisition. The three months to March 2007 saw a full quarter of impact from this change in strategy, resulting in a short-term increase in churn to 13.7%, up 1.8 percentage points from the previous quarter. Excluding the impact of this change in strategy, we estimate that churn fell by 0.4 percentage points to 11.0% compared with the third quarter of the prior year. Third quarter ARPU started to see the positive impact from this change in strategy, with quarter-on-quarter growth of GBP12 to a record GBP406 and we expect continued benefits to the quality and profitability of the business.

Net additions in the third quarter of 51,000 were 28% higher than the third quarter of 2006. This performance was despite changes made to our promotional strategy, as detailed above. Both the mix of products and the balance of packages remain strong, with increasing new product penetration across the customer base.

Sky+ households exceeded our 2010 penetration target of 25% three years ahead of plan, increasing by 199,000 to 2.167 million in the third quarter. Our premium TV product, Sky HD, is our fastest selling additional TV product with 244,000 subscribers in only 10 months. Penetration of our multiroom product continues to show steady progress with 1.297 million subscribers or 15.3% of the base.

Gross Sky Broadband bookings reached 669,000 by 29 April 2007. Broadband customers of 553,000 by 29 April 2007 increased from 259,000 at the end of January and 74,000 at the end of October, with 82% on-net. Of these on-net customers, approximately 70% opted for a paid-for package. Growth in off-net customers benefited from the launch of "See, Speak, Surf", for which the standard price of GBP26 per month is available to all customers within our targeted 70% exchange footprint. The Group had a further 32,000 customers registered to UK Online, Easynet's residential broadband service, bringing the total number of broadband customers to 585,000. A total of 928 exchanges were unbundled by 31 March 2007 increasing to 974 by 29 April 2007, with 61% coverage of U.K. households. We expect to achieve 70% coverage by the end of this financial year, six months ahead of plan.

Our telephony (Sky Talk) customer base increased by around 60% to 355,000 with record net additions of 132,000 in the third quarter, benefiting from its inclusion for the first time in a large-scale above-the-line marketing campaign

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"See, Speak, Surf" and the re-launch of two Sky Talk packages. A third of broadband customers as at the end of March had also opted for a Sky Talk package, up from 19% in the second quarter and 17% in the first quarter, illustrating the attractiveness of our new packages. Growth continued in the month of April with 408,000 Sky Talk customers at 29 April 2007.

### FINANCIAL SUMMARY

The financial performance in the period reflects a full nine months consolidation of residential broadband and Easynet Enterprise, compared to just three months in the comparable period. Group revenue of GBP3,376 million included GBP41 million from residential broadband and GBP117 million from Easynet Enterprise. Group operating profit of GBP613 million included net operating losses of GBP120 million from residential broadband, GBP17 million of losses from Easynet Enterprise and a net exceptional gain of GBP56 million.

#### Revenue

Group revenue showed good growth increasing by 10% on the comparable period to GBP3,376 million (2006:GBP3,079 million), despite the advertising sector downturn and a fall in wholesale subscription revenue.

Retail subscription revenue increased by 7% on the comparable period to GBP2,514 million (2006:GBP2,355 million) and included GBP40 million from residential broadband and Easynet Enterprise. Underlying growth was primarily driven by a 5% increase in the average number of DTH customers. ARPU saw a marked acceleration in the third quarter to GBP406, benefiting from the changes made to our promotional strategy part-way through the second quarter.

Wholesale subscription revenue fell by 5% to GBP162 million and included the impact from the expiry (and non-renewal) of the contract to supply Sky's basic channels to Virgin Media part way through the quarter.

Advertising revenue increased by GBP1 million to GBP258 million, significantly outperforming the overall TV advertising sector, which we estimate contracted by 5% over the same period. Outperformance was driven by higher advertising share year-on-year, up from an average of 13% in nine months to March 2006 to 14% in the nine months to March 2007.

Sky Bet revenue was GBP34 million, an increase of 26% on the comparable period, benefiting from two months of consolidation of 365 Media Group plc and good growth in internet sports betting and TV games. The integration of 365 Media Group plc (acquired in February 2007) is on track and performing in line with our expectations. We have also made a good start to the launch of Sky Poker, with around 20,000 paying customers registered since its launch on 8 February 2007.

Installation, hardware and service revenue was GBP167 million, up from GBP103 million in the comparable period. This increase reflects the strong gross additions and customer upgrades, as well as a higher proportion of premium priced hardware sales and new contribution from sales of residential broadband equipment.

Other revenue was GBP241 million (2006:GBP167 million) with the majority of the increase driven by the full inclusion of Easynet Enterprise for the nine months to 31 March 2007 of GBP114 million, compared to just three months in 2006 of GBP38 million. On an underlying basis, other revenues were broadly level year-on-year, with declines in Sky Active offset by growth in website revenues including revenues from 365 Media Group plc.

#### Gross margin

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Reported programming costs were GBP1,153 million, including an exceptional GBP65 million credit from a third party channel provider. Programming costs excluding this exceptional gain increased by GBP11 million on the comparable period. The largest increase came from sports costs which increased by GBP57 million due to one-off events in cricket and golf, and several England football international away games.

### Profit

Reported operating profit of GBP613 million (2006: GBP660 million) included a net exceptional gain of GBP56 million, residential broadband losses of GBP120 million and Easynet Enterprise losses of GBP17 million.

Excluding residential broadband, Easynet and exceptional gains, operating profit was GBP694 million, an increase of 4% on the comparable period with 8% growth year-on-year in the third quarter as the benefits of changes made to our promotional strategy flowed through. Offsetting this, year-on-year profit growth in the first nine months was affected by a substantially weaker TV advertising sector, continued decline in cable wholesale revenue and the high levels of new customers joining Sky and customer upgrades which lead to higher short-term costs.

Total operating costs excluding programming increased by GBP398 million to GBP1,610 million on the comparable period, including GBP295 million of operating expense from residential broadband and Easynet Enterprise.

Marketing costs increased by GBP72 million to GBP546 million, the majority of which was driven by the inclusion of residential broadband and Easynet Enterprise. On an underlying basis, the short-term costs associated with strong gross additions were partially offset by efficiencies in subscriber acquisition costs. Subscriber management costs increased by GBP128 million to GBP467 million, reflecting the inclusion of residential broadband and Easynet Enterprise, higher installation costs (partially offset by higher revenue), higher call-centre costs and increased depreciation relating to the implementation of new customer relationship management ("CRM") systems.

Administration and transmission costs increased by GBP77 million and GBP121 million respectively, primarily due to the inclusion of residential broadband and Easynet Enterprise costs and higher depreciation from infrastructure investment. Administration costs also included a GBP9 million exceptional charge relating to the legal costs of the Group's claim against EDS, which provided services to the Group as part of the Group's investment in CRM systems software and infrastructure. The amount which may be recovered by the Group will not be finally determined until the resolution of the claim and we currently expect to incur costs of around GBP20 million during the current financial year, which will be recognised as an exceptional cost.

After the Group's share of operating profits from joint ventures of GBP9 million (2006: GBP9 million) and a net interest charge of GBP66 million (2006: GBP60 million) which included a positive GBP8 million mark-to-market movement (2006: GBP4 million loss) on the value of non-IFRS hedge accounted derivatives and GBP13 million of dividends declared by ITV plc during the quarter, the Group made a profit before tax in the period of GBP556 million (2006: GBP609 million).

The total tax charge for the period was GBP168 million (2006: GBP184 million), at an effective rate of 30% (2006: 30%).

### Earnings

The Group's profit for the period was GBP388 million (2006: GBP425 million), generating basic EPS of 22.1p (2006: 23.2p). Adjusted profit for the period was



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GBP343 million (2006:GBP428 million), generating adjusted earnings per share of 19.5 pence compared to 23.3 pence in the comparable period. The 2005/6 share buyback programme resulted in the number of shares outstanding falling by 3% to 1,753 million at 31 March 2007 (2006: 1,809 million).

### Exceptional items

The Group reported a net exceptional gain of GBP56 million within operating profit, consisting of two items. Included within third party costs is a GBP65 million credit resulting from the payment relating to a proportion of the value of certain third party channels. Partially offsetting this was a charge of GBP9 million recorded within administration expenses relating to the legal costs of the Group's claim against EDS.

### Cash flow

Operating profit for the period was GBP613 million, generating reported EBITDA of GBP750 million. Excluding Easynet Enterprise and residential broadband losses and exceptional items, underlying EBITDA increased by 6% to GBP803 million. Following a working capital outflow of GBP18 million (2006:GBP60 million), the Group generated a cash inflow from operations of GBP732 million (2006:GBP696 million). Capital expenditure of GBP254 million included GBP135 million investment in residential broadband and Easynet Enterprise. After acquisition spend of GBP1,061 million, relating to the investment in ITV, You Me TV and 365 Media Group plc, interest of GBP93 million, cash taxes of GBP86 million and returns to shareholders of GBP331 million, net debt as at 31 March 2007 was GBP1,810 million.

### CORPORATE

As requested by the Secretary of State for Trade and Industry, Ofcom and the OFT submitted reports on 27 April 2007 on the acquisition by BSKyB of a 17.9% stake in ITV plc. On the same day, Ofcom and the OFT published statements indicating the key findings in their respective reports. Ofcom has advised that the investment raises public interest issues, in relation to sufficient plurality of news provision for both cross media and television news in the U.K.. The OFT has reported that it believes that the test for a merger reference of the investment to the Competition Commission is met on competition grounds. The decision whether to refer the investment to the Competition Commission lies with the Secretary of State for Trade and Industry and we continue to engage fully in the process.

### CORPORATE RESPONSIBILITY

During the quarter, Sky continued its commitment to engage customers and employees in its environmental programme, The Bigger Picture, and broke significant new ground as it extended its activities in the field of education.

In March, Sky began the introduction of an innovative new feature that will help customers to reduce their household energy bills by automatically switching inactive Sky HD and Sky+ boxes into standby mode overnight. The 'Auto Standby' feature will be introduced to more than two million customers' boxes in phases over the next few months and Sky plans to extend it to the majority of DTH customers by mid-2008. When 'Auto Standby' is available in all Sky HD and Sky+ boxes, the total energy savings could reduce the U.K.'s carbon dioxide emissions by 32,000 tonnes a year. On 23 April, Sky joined with seven other leading U.K. companies to unveil 'We're In This Together', a new campaign to provide customers with products and services that make it easier to reduce household emissions. The campaign has the support of the Prime Minister, the National Consumer Council, and The Church of England.

As part of a broad 'Sky Learning' initiative, Sky launched an online search tool

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that makes recommendations for television programmes related to GCSE subjects. The Sky Learning website, [www.sky.com/learning](http://www.sky.com/learning), is a free service that highlights the broad range of educational programming available on the hundreds of channels on the satellite platform. During the quarter, Sky also launched a new subscription offer for schools and its Living For Sport programme reached the milestone of its 500th school in the UK.

Sky received further external recognition for its environmental programme after being awarded the Climate Change award at the City of London Corporation's annual Sustainable City Awards. The judges commended Sky for engaging customers through "practical and inspiring ways to become better informed and more progressive about energy use". The company also retained its position as the only broadcast company in the Global 100 Most Sustainable Corporations Index 2007.

### Use of measures not defined under IFRS

This press release contains certain information on the Group's financial position, results and cash flows that have been derived from measures calculated in accordance with IFRS. This information should not be read in isolation of the related IFRS measures.

### Forward-looking statements

This document contains certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and business, and management's strategy, plans and objectives for the Group. These statements include, without limitation, those that express forecasts, expectations and projections with respect to the potential for growth of free-to-air and pay-TV, fixed line telephony, broadband and bandwidth requirements, advertising growth, DTH subscriber growth, Multiscreen, Sky+ and other services penetration, churn, DTH and other revenue, profitability and margin growth, cash flow generation, programming and other costs, subscriber acquisition costs and marketing expenditure, capital expenditure programmes and proposals for returning capital to shareholders.

These statements (and all other forward-looking statements contained in this document) are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Group's control, are difficult to predict and could cause actual results to differ materially from those expressed or implied or forecast in the forward-looking statements. These factors include, but are not limited to, the fact that the Group operates in a highly competitive environment, the effects of laws and government regulation upon the Group's activities, its reliance on technology, which is subject to risk, change and development, failure of key suppliers, its ability to continue to obtain exclusive rights to movies, sports events and other programming content, risks inherent in the implementation of large-scale capital expenditure projects, the Group's ability to continue to communicate and market its services effectively, and the risks associated with the Group's operation of digital television transmission in the U.K. and Ireland.

Information on some risks and uncertainties are described in the "Risk Factors" section of Sky's Interim Report on form 6-K for the period ended 31 December 2006. Copies of the Interim Report on form 6-K are available on request from British Sky Broadcasting Group plc, Grant Way, Isleworth TW7 5QD or from the British Sky Broadcasting web page at [www.sky.com/corporate](http://www.sky.com/corporate). All forward-looking statements in this document are based on information known to the Group on the date hereof. The Group undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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### Appendix 1 - TV Subscriber and Market Data

	Third quarter as at 31 March 2007	Second quarter as at 31 December 2006
DTH homes(1), (2) (3)	8,492,000	8,441,000
Total TV homes in the U.K. and Ireland(4)	26,837,000	26,766,000
DTH homes as a percentage of total U.K. and Ireland TV homes	32%	32%
Cable - U.K.	3,406,000	3,397,000
Cable - Ireland	596,000	605,000
Total pay TV homes	12,494,000	12,443,000
Total pay TV homes as a percentage of total U.K. and Ireland TV homes	47%	46%
Sky+ homes	2,167,000	1,968,000
Multiroom homes(5)	1,297,000	1,226,000
HD homes	244,000	184,000
DTT - U.K.(6)	9,233,000	7,971,000

- (1) Includes DTH subscribers in Republic of Ireland 484,000, as at 31 March 2007.
- (2) DTH subscribers includes only primary subscriptions to Sky (no additional Sky+ or Multiroom subscriptions are counted). This does not include customers taking Sky's Freesat offering or churned customers viewing free-to-air channels.
- (3) DTH homes include subscribers taking Sky packages via DSL through Homechoice.
- (4) Total U.K. homes estimated by BARB and taken from the beginning of the month following the period end (latest figures as at 31 March 2007). Total Ireland homes estimated by Nielsen Media Research as at January 2007.
- (5) Multiroom includes households subscribing to more than one digibox. (No additional units are counted for the second or any subsequent Multiroom subscriptions.)
- (6) DTT homes estimated by BARB and taken from the beginning of the following month (latest figures as at 31 March 2007). These include Sky or Cable homes that already take multi-channel TV.

### Appendix 2 - Glossary

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Useful definitions	Description
Adjusted profit for the period	Profit for the period adjusted to remove mark-to-market movements in derivative financial instruments that do not qualify for hedge accounting, exceptional items and changes in the estimate of recoverable tax assets in respect of prior years.
Adjusted earnings per share	Adjusted profit divided by the weighted average number of ordinary shares during the year.
ARPU	Average Revenue Per User: the amount spent by the Group's residential subscribers in the quarter, divided by the average number of residential subscribers in the quarter, annualised.
Churn	The rate at which subscribers relinquish their subscriptions, expressed as a percentage of total subscribers.
Digibox	Digital satellite reception equipment.
EBITDA	Earnings before interest, taxation, depreciation and amortisation is calculated as operating profit before depreciation and amortisation or impairment of goodwill and intangible assets.
Gross margin	Revenue less programming expenses as a proportion of revenue.
Gross profit	Revenue less programming expense.
Gross Sky broadband bookings	The number of customers that have requested our broadband product, passed pre-sale checks and have been accepted into our booking system and invoiced for any relevant activation fees.
Residential broadband	Sky Broadband and UK Online combined.
Gross Sky Bet revenue	Gross stakes placed by customers on events taking place during the period and net customer losses in respect of casino, online roulette and similar interactive casino style games.
HD	High Definition.
Underlying	Excluding contribution from Sky Broadband and Easynet Enterprise and net exceptional amounts.
Multichannel viewing share	Share of viewers of non-analogue terrestrial television channels.
Multiroom	Installation of one or more additional Digiboxes in the household of an existing DTH subscriber.
Net debt	Cash, cash-equivalents, short-term deposits, borrowings and borrowings related derivative financial instruments.
On-net	Customers subscribing to our unbundled broadband product.
Sky +	Sky's fully-integrated Personal Video Recorder (PVR) and satellite decoder.

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Viewing share

Number of people viewing a channel as a percentage of total viewing audience.

### Appendix 3 - Re-analysis of reported revenue by category

To provide a more relevant presentation, management has chosen to re-analyse the revenue categories from those previously reported. Other revenue now principally includes income from Easynet Enterprise, Sky Active and technical platform service revenue.

	Nine months to 31 March 2006 as previously reported GBP million (unaudited)	Transfer of Sky Active GBP million (unaudited)	Separate installation, hardware and service GBP million (unaudited)	Other GBP mill (unaudit
Retail Subscription	2,352	-	-	
Wholesale Subscription	170	-	-	
Advertising	257	-	-	
Sky Bet	27	-	-	
Sky Active	67	(67)	-	
Installation, Hardware and Service	-	-	103	
Other	206	67	(103)	
	3,079	-	-	

	2005/06 Full Year as previously reported GBP million (unaudited)	Transfer of Sky Active GBP million (unaudited)	Separate installation, hardware and service GBP million (unaudited)	Other GBP mill (unaudit
Retail Subscription	3,154	-	-	
Wholesale Subscription	224	-	-	
Advertising	342	-	-	
Sky Bet	37	-	-	
Sky Active	91	(91)	-	
Installation, Hardware and Service	-	-	131	
Other	300	91	(131)	
	4,148	-	-	

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Consolidated Income Statement for the nine months ended 31 March 2007

	Notes	2006/07 Nine months ended 31 March GBPmillion (unaudited)	2005 Nine mon en 31 Ma GBPmill (unaudit
Revenue	1	3,376	3,
Operating expense	2	(2,763)	(2,4
<hr/>			
EBITDA		750	
Depreciation and amortisation		(137)	(
<hr/>			
Operating profit		613	
<hr style="border-top: 1px dashed black;"/>			
Share of results from joint ventures and associates		9	
Investment income		42	
Finance costs		(108)	(
Profit before tax		556	
<hr style="border-top: 1px dashed black;"/>			
Taxation		(168)	(1
Profit for the period		388	
<hr style="border-top: 1px dashed black;"/>			
Earnings per share from profit for the period (in pence)			
Basic		22.1	2
Diluted		22.1	2
<hr/>			
Adjusted basic		19.5	2
Adjusted diluted		19.5	2
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Consolidated Income Statement for the three months ended 31 March 2007

		2006/07 Three months ended 31 March GBPmillion (unaudited)	2005 Three mon en 31 Ma GBPmill (unaudit
Revenue		1,156	1,
Operating expense		(938)	(8

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EBITDA	264	
Depreciation and amortisation	(46)	
Operating profit	218	
Share of results from joint ventures and associates	3	
Investment income	18	
Finance costs	(39)	
Profit before tax	200	
Taxation	(58)	
Profit for the quarter	142	
Earnings per share from profit for the quarter (in pence)		
Basic	8.1	
Diluted	8.1	
Adjusted - basic	8.2	
Adjusted - diluted	8.2	

Notes:

1.	Revenue	2006/07 Nine months ended 31 March GBPmillion (unaudited)	2005/ Nine mont end 31 Mar GBPmilli (unaudite
	Retail subscription	2,514	2,3
	Wholesale subscription	162	1
	Advertising	258	2
	Sky Bet	34	
	Installation, hardware and service	167	1
	Other	241	1
		3,376	3,0
2.	Operating expense	2006/07 Nine months ended 31 March GBPmillion (unaudited)	2005/ Nine mont end 31 Mar GBPmilli (unaudite
	Programming	1,153	1,2
	Transmission and related functions	278	1
	Marketing	546	4
	Subscriber management	467	3

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Administration

319  
2,763

2  
2,4

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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 May 2007

By: /s/ Dave Gormley  
Dave Gormley  
Company Secretary