



Financial statements 2013

Note: The management report of Sky Deutschland AG is combined with the Group management report and published in conjunction with the consolidated financial statements for the year 2013.

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Disclaimer

This report contains forward-looking statements based on the currently held assessments and assumptions of the management of Sky Deutschland AG, which are expressed in good faith and given to the best of knowledge of the Company. This document contains statements on future developments based on currently available information and also includes risks and uncertainties that could lead to actual results deviating from these forward-looking statements. Considering these risks, uncertainties and other factors, recipients shall not rely on these forward-looking statements in an unreasonable way. Sky Deutschland AG assumes no obligation to update, modify or amend any forward-looking statements.

Sky Deutschland AG

Balance sheet as of 31 December 2013

€	31 Dec 2013	31 Dec 2012
Assets		
A. Fixed assets		
I. Intangible assets		
1. Industrial property rights and similar rights and assets, and licenses for such rights and assets acquired for consideration	25,029.00	55,167.00
2. Goodwill	1,451.06	1,801.58
	26,480.06	56,968.58
II. Property, plant and equipment		
1. Land, rights similar to land, and buildings, including buildings on land owned by others	9,377,829.00	10,481,210.00
2. Other plant, operational and office equipment	1,091,640.00	1,242,582.00
3. Advance payments and construction in progress	1,493.01	1,493.01
	10,470,962.01	11,725,285.01
III. Financial assets		
1. Interests in affiliated companies	1,941,154,000.00	1,941,154,000.00
2. Loans to affiliated companies	1,153,913,776.01	870,903,853.07
	3,095,067,776.01	2,812,057,853.07
	3,105,565,218.08	2,823,840,106.66
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	49,285.69	85,184.38
2. Receivables from affiliated companies	88,126,607.20	20,353,237.77
3. Other assets	240,326.02	4,342,718.99
	88,416,218.91	24,781,141.14
II. Cash on hand and at banks	69,111,221.35	544,374.12
	157,527,440.26	25,325,515.26
C. Prepaid expenses		
	16,764,186.78	26,283,930.42
	3,279,856,845.12	2,875,449,552.34

€	31 Dec 2013	31 Dec 2012
Stockholders' equity and liabilities		
A. Stockholders' equity		
I. Subscribed Capital	877,200,755.00	778,909,762.00
II. Additional paid-in capital	1,967,393,572.32	1,627,306,736.54
III. Accumulated loss	-266,655,370.94	-230,737,086.20
	2,577,938,956.38	2,175,479,412.34
B. Provisions		
1. Provisions for pensions and similar obligations	759,348.00	698,843.00
2. Other provisions	38,551,450.60	21,927,010.57
	39,310,798.60	22,625,853.57
C. Liabilities		
1. Borrowings	166,236,980.78	166,232,508.18
2. Bank loans and overdrafts	225,263,412.50	295,265,137.15
of which with a remaining term of up to one year		
€263,412.50 (31 Dec 12: €295,265,137.15)		
3. Trade payables	4,400,252.72	4,899,752.11
of which with a remaining term of up to one year		
€1,208,084.32 (31 Dec 12: €1,448,759.19)		
4. Liabilities to affiliated companies	126,438,826.65	68,524.92
of which with a remaining term of up to one year		
€4,966,432.20 (31 Dec 12: €68,524.92)		
5. Liabilities to associated companies	0.00	73,700,272.24
of which with a remaining term of up to one year		
€0.00 (31 Dec 12: €6,900,000.00)		
6. Other liabilities	5,951,781.72	5,691,549.51
of which with a remaining term of up to one year		
€5,951,781.72 (31 Dec 12: €5,691,549.51)		
of which taxes		
€5,912,336.06 (31 Dec 12: €2,064,805.45)		
of which social security		
€3,388.78 (31 Dec 12: €228.08)		
	528,291,254.37	545,857,744.11
D. Deferred taxes	134,315,835.77	131,486,542.32
	3,279,856,845.12	2,875,449,552.34

Statement of operations for the year ended 31 December 2013

€	2013	2012
1. Revenues	16,364,790.87	16,570,271.57
2. Other operating income of which from exchange rate gains €2,472.12 (2012: €2,110.87)	10,022,951.73	356,828,900.95
	26,387,742.60	373,399,172.52
3. Cost of materials Purchased services	-306.29	-470.04
4. Personnel expenses a) Wages and salaries b) Social security, pension and other benefit expenses of which for pensions €-67,731.48 (2012: €-48,146.64)	-48,778,843.61 -3,952,600.32	-31,580,262.42 -3,551,075.60
	-52,731,443.93	-35,131,338.02
5. Amortization and depreciation on intangible assets and property, plant and equipment	-1,978,029.24	-1,855,113.43
6. Other operating expenses of which from exchange rate losses €-2,088.65 (2012: €-5,777.80)	-28,663,609.29	-28,852,923.78
7. Income from loans reported under fixed assets of which from affiliated companies €79,109,590.68 (2012: €56,153,389.09)	79,109,590.68	56,153,389.09
8. Other interest and similar income of which from affiliated companies €127,749.75 (2012: €106,783.06)	258,359.06	231,900.94
9. Expenses for absorption of losses	-9,300.90	-8,482.50
10. Interest and similar expenses of which from affiliated companies €-46,777,443.13 (2012: €0.00) of which from discount rate €-70,345.69 (2012: €-56,242.40)	-55,461,993.98	-48,535,039.92
11. Result from ordinary operations	-33,088,991.29	315,401,094.86
12. Income taxes of which from deferred taxes €-2,829,293.45 (2012: €-43,236,927.76)	-2,829,293.45	-43,236,927.76
13. Net loss for the year (2012: Net income for the year)	-35,918,284.74	272,164,167.10
14. Loss brought forward	-230,737,086.20	-502,901,253.30
15. Accumulated loss	-266,655,370.94	-230,737,086.20

Notes to the financial statements for the financial year 2013

I. General information

The financial statements of Sky Deutschland AG, Unterföhring (hereinafter referred to as "Sky Deutschland AG"), as of 31 December 2013 have been prepared in accordance with Section 264 (1) HGB [German Commercial Code] in conjunction with Section 267 (3) HGB on the basis of the regulations in the HGB on the accounting of large corporations, and the German Stock Companies Act.

The recognition and measurement methods applied are consistent with those applied in the previous year.

The Company was admitted for trading on the regulated market in the Prime Standard segment of the Frankfurt Stock Exchange with the commencement of trading in the Company's shares on 9 March 2005.

The presentation of the statement of operations follows the type of expenditure format in accordance with Section 275 (2) HGB.

The Company as the managing holding company is responsible for the strategic management of the Group and carries out planning, consultative and management functions.

II. Accounting policies

Intangible assets are measured at cost and are amortized straight-line over their expected useful lives. The assets are amortized pro rata temporis in the year of acquisition.

Goodwill is amortized over an estimated useful life of 15 years taking into consideration the impact of current and forecast business and general economic conditions on the value drivers that form the basis for the goodwill valuation.

Items of **property, plant and equipment** are recognized at cost plus incidental purchase costs, after allowances and discounts, less accumulated depreciation.

The straight-line method is generally used for the depreciation of moveable fixed assets over their expected useful lives and is applied pro rata temporis in the acquisition or disposal year.

Minor value assets costing individually up to and including €150.00 are recorded directly as expense in the year they were acquired. Assets costing individually between €150.00 and €1,000.00 have been accumulated since 1 January 2008 in a compound item and depreciated straight-line over five years. Deviations from the economic useful life are considered to be immaterial.

Interests in affiliated companies and loans to affiliated companies are recognized under **financial assets** at cost, taking into account necessary valuation allowances.

Receivables and other assets are measured at nominal value, whereby foreseeable specific risks are reflected by individual allowances.

Cash and cash equivalents are measured at nominal value.

Prepaid expenses are set up only as prescribed by Section 250 HGB. The option of activating the disagio of the convertible bond has been selected in accordance with Section 250 (3) Sent. 1 HGB. The disagio will be depreciated over the term of the convertible bond according to Section 250 (3) Sent. 2.

The **provisions for pension obligations** are calculated applying the projected unit credit method and were determined in accordance with actuarial principles, taking into account the Heubeck “2005 G Mortality Tables” and a discount rate of 4.88 percent per annum. The interest rate announced for 31 December 2013 represents the discount rate for a remaining term of 15 years as determined by the German Federal Bank according to the Regulation on the Discounting of Provisions. Wage and salary trends (for 2014: 3.5 percent per annum, from 2015: 2.5 percent per annum) and pension trends (2.0 percent per annum), include an inflation adjustment of 2.0 percent per annum, are taken into consideration in the determination of the provisions.

Other provisions are recognized at their settlement amounts taking into account future price and cost increases that are considered necessary based on reasonable commercial judgment. All foreseeable risks and uncertain obligations are considered. Provisions with a remaining term of over one year are discounted. For the purpose of discounting, the average market interest rate over the past seven years as published by the German Federal Bank is used.

Derivative financial instruments as of the reporting date comprise interest rate hedging transactions. Negative fair values are recognized as a provision for anticipated losses in the other provisions. Sky Deutschland AG has not formed valuation units in accordance with Section 254 HGB.

Liabilities are recognized at their settlement amounts.

The translation of assets and liabilities denominated in foreign currencies is carried out continually as of the respective booking date and as of the reporting date in accordance with Section 256a HGB at the middle rate of exchange. In case of a remaining term exceeding one year, Sky Deutschland AG applies the acquisition cost and imparity principle, i.e., exchange rate losses are recognized through profit and loss and exchange rate gains are not recognized. In the event of a remaining term of one year or less, both exchange rate losses and exchange rate gains are recognized through profit and loss.

Deferred tax assets and liabilities are recorded in accordance with Section 274 (1) HGB for differences between the tax bases and the carrying amounts of assets, liabilities and accrued and deferred items in the annual financial statements. Differences are only considered when they are expected to reverse with fiscal effect in future financial periods, deferred taxes are recorded only for temporary and quasi-permanent differences. The financial statements show the net position of deferred tax assets and liabilities. Deferred taxes are calculated in accordance with Section 274 (2) HGB using the entity-specific tax rate of 27.38 percent for Sky Deutschland AG. As an exception to this principle, the difference between the carrying amount of the investment in Sky Deutschland Fernsehen GmbH & Co. KG, Unterföhring (hereinafter referred to as “Sky Deutschland KG”) in the annual financial statements and the related tax base is calculated using only the corporate income tax rate plus the solidarity surcharge (15.83 percent).

In addition, Sky Deutschland AG acts as the parent company concerning a consolidated tax filing status for corporate income tax and trade tax purposes. The consolidated tax filing includes Sky Deutschland AG and SCAS Satellite CA Services GmbH, Unterföhring (hereinafter referred to as “SCAS”) as the controlled company. The deferred taxes are calculated at the level of the controlled company whereas they are recorded in the financial statements of the parent company.

III. Explanatory comments on the individual captions in the balance sheet and the statement of operations

(1) Balance sheet

(1.1) Non-current assets

Additions to leasehold improvements in the financial year totalling K€241 are depreciated over their economic useful life of ten years on a straight-line basis.

The development of **non-current assets** is presented separately on pages 24 and 25 of Appendix III.

Financial assets in accordance with Section 285 No. 11 HGB (K€)	Holding %	Equity as of 31 Dec 13	Annual earnings in 2013
Direct holdings			
Sky Deutschland Fernsehen GmbH & Co. KG, Unterföhring*	100.0	-667,391	-122,763
Premiere WIN Fernsehen GmbH, Unterföhring*	100.0	-2,643	-112
Sky Deutschland Verwaltungs-GmbH, Unterföhring*	100.0	14	1
SCAS Satellite CA Services GmbH, Unterföhring**	100.0	18	-
Indirect holdings			
Sky Österreich Verwaltung GmbH, Vienna, Austria*, ****	100.0	4,831	53,258
Sky Deutschland Service Center GmbH, Schwerin***	100.0	171	-
Sky Österreich Fernsehen GmbH, Vienna, Austria*, ****	100.0	-57,609	-57,628
Sky Media Network GmbH, Unterföhring***	100.0	1,298	-
Sky Hotel Entertainment GmbH, Unterföhring*	100.0	-2,703	-240

(In the financial year 2013, Sky Österreich GmbH was renamed Sky Österreich Verwaltung GmbH and Premiere Star Österreich GmbH was renamed Sky Österreich Fernsehen GmbH.)

* Earnings only provisional at time of the preparation of the notes

** After transfer of profits or losses to Sky Deutschland AG

*** This company has concluded a profit and loss transfer agreement with Sky Deutschland KG

**** The annual earnings of Sky Österreich Verwaltung GmbH and Sky Österreich Fernsehen GmbH were affected by a corporate law transaction in form of a de-merger.

Sky Deutschland AG is the sole limited partner in Sky Deutschland KG and the sole stockholder of its general partner, Sky Deutschland Verwaltungs-GmbH, Unterföhring (hereinafter referred to as "Sky Deutschland Verwaltung").

Furthermore, Sky Deutschland AG is the sole shareholder in SCAS and the sole shareholder in Premiere WIN Fernsehen GmbH, Unterföhring (hereinafter referred to as "Premiere WIN Fernsehen").

On the balance sheet date, the shares in Sky Deutschland KG show a book value of K€1,941,100 (2012: K€1,941,100).

The liquidation of X-Online GmbH, Unterföhring, was completed in the financial year. The registration into the commercial register has not occurred yet.

The liquidation of GIGA Digital Television GmbH, Unterföhring, was completed in the financial year. The registration into the commercial register was effected on 3 December 2013.

On 5 December 2013, Sky Deutschland KG agreed with Constantin Sport Holding GmbH, Ismaning to acquire 100 percent of its production company Plazamedia GmbH TV- und Film-Produktion, Ismaning as well as a 25.1 percent equity stake in Sport1 GmbH, Ismaning and Constantin Sport Marketing GmbH, Ismaning. The transaction, which is expected to be finalized in the first half of 2014, is subject to certain conditions as well as regulatory approvals. After the conclusion of the contract the Sky Deutschland AG shall be liable for any liabilities assumed by the Sky Deutschland KG under this Agreement.

Loans (K€)	Nominal amount 31 Dec 2013	Nominal amount 31 Dec 2012
Sky Deutschland Fernsehen GmbH & Co. KG, Unterföhring	1,153,914	870,904

By an agreement dating from 2005, with an addendum from 2007 and a second addendum from 2009, Sky Deutschland KG was granted a loan at an interest rate of 5.0 percent which Sky Deutschland KG can draw on up to the amount of €550 million. In conjunction with the existing financing, Sky Deutschland AG also granted Sky Deutschland KG a further loan up to a height of €300 million. With an agreement dated 30 June 2011 Sky Deutschland AG and Sky Deutschland KG decided to put both loans together. With the agreement dated 1 January 2013,

Sky Deutschland AG granted a further loan up to a height of € 110 million and consolidated all existing loans into to a single loan agreement. This agreement was followed by another agreement dated on 1 April 2013, according to which the nominal amount was increased to a maximum of €1,200 million. Sky Deutschland AG bestows upon Sky Deutschland KG for the closing date a loan amount including the capitalized interest up to 31 March 2013 of K€1,153,914 (2012: K€870,904), which will be divided into three tranches. During the contract period, Sky Deutschland KG is at all times entitled to fully or partially return as well as claim back parts of the loan. Utilization of the loan will bear an interest rate of 7.25 percent per annum for the period of the drawdown. The new agreement was concluded for a fixed term up to 20 February 2018 and will be extended for six months at a time, provided it is not terminated by giving two weeks' notice.

(1.2) Receivables and other assets

Receivables from affiliated companies mainly comprise short-term receivables to Sky Deutschland KG of K€48,876 (2012: €0) from interests from loans granted, of K€32,668 (2012: K€16,825) for management services and other cost allocations, of receivables of K€5,940 (2012: K€3,213) from sales tax from loan interests as well as receivables of K€547 (2012: K€315) primarily for management services rendered to various other subsidiaries and other cost allocations.

Other assets mainly consist of wage tax of K€87 (2012: K€473), withholding tax receivables of K€45 (2012: K€201), receivables of K€42 (2012: K€42) from a retired employee as well as payments in advance of K€6 (2012: K€3).

As described under 1.5.3, the stake of 21st Century Fox Adelaide Holdings B.V. (formerly News Adelaide Holdings B.V.) has increased to over 50 percent on 15 January 2013 for the first time. As a result, most of the receivables to Twenty-First Century Fox, Inc. (formerly News Corporation Inc.) and its affiliated companies which were recorded in the previous year under Other assets (2012: K€426) are now recorded as Receivables from affiliated companies.

The receivables and other assets have a remaining term of up to one year.

(1.3) Cash on hand and at banks

Cash on hand and at banks primarily comprises the credit balance of K€69,107 (2012: K€538) at UniCredit Bank AG, Munich.

(1.4) Prepaid expenses

(K€)	31 Dec 2013	31 Dec 2012
Fees convertible bond 21st Century Fox Adelaide	9,874	18,006
Commitment fee loan commitment 21st Century Fox Adelaide	3,729	3,317
Fees shareholder loans	1,803	1,076
Insurance premiums	612	277
Fees for new JPMorgan financing	560	938
Fees for the RBS bank financing	-	2,474
Other	186	197
Total	16,764	26,284

(1.5) Stockholders' equity

(1.5.1) Changes in equity

The Company's **equity** developed during the year ended 31 December 2013 as follows:

(K€)	31 Dec 2012	capital increase	net loss for the year	31 Dec 2013
Subscribed capital	778,910	98,291	-	877,201
Additional paid-in capital	1,627,307	340,087	-	1,967,394
Accumulated loss	-230,737	-	-35,918	-266,655
Total	2,175,479	438,378	-35,918	2,577,939

(1.5.2) General comments

Sky Deutschland AG's registered capital as of 31 December 2013 amounts to K€877,201. It is divided into 877,200,755 registered shares with no par value; each share of no par value has a notional interest of €1.00 in the capital stock.

Additional paid-in capital amounts as of the balance sheet date to K€1,967,394 (2012: K€1,627,307), of which K€1,382,623 (2012: K€1,042,536) is not available for distribution.

(1.5.2.1) Equity measures in 2013

(K€)	Registered capital	Additional paid-in capital
Capital increase January 2013	77,891	269,503
Capital increase February 2013	20,400	70,584
Total	98,291	340,087

On 14 January 2013, Sky, its new bank syndicate, 21st Century Fox Adelaide Holdings B.V. and Twenty-First Century Fox, Inc. agreed on a new comprehensive long-term financing structure for Sky. Among other things, it comprises of the issuance of new equity in the amount of €438.4 million (gross proceeds) via the combination of a private placement and a rights issue. The convertible bond remains unchanged.

Sky raised gross proceeds of €347.4 million through a private share placement without subscription rights which was registered in the commercial register on 15 January 2013, by issuing 77,890,976 new registered shares from Authorized Capital to 21st Century Fox Adelaide Holdings B.V. at €4.46 per share. The share price represented a 3.0 percent discount to the Xetra closing price of €4.60 per Sky share on the Frankfurt Stock Exchange on 11 January 2013. As a result, Sky's total number of shares outstanding increased to 856,800,738 with 21st Century Fox Adelaide Holdings B.V. (formerly News Adelaide Holdings B.V.) holding 54.45 percent.

To raise the remaining balance of €90.6 million after registration of the private share placement without subscription rights on 15 January 2013, Sky successfully issued 20,400,017 new registered shares from Authorized Capital with subscription rights in its rights offering launched on 21 January 2013. The subscription price per share was set at €4.46, which equalled the share price of the private placement of shares to 21st Century Fox Adelaide Holdings B.V. on 15 January 2013. As a result, the total number of issued Sky shares increased from 856,800,738 to 877,200,755. Gross proceeds according to this measure amounted to €91.0 million. The capital increase was registered on 7 February 2013. Public shareholders and other investors exercised subscription rights for approximately six million new shares. 21st Century Fox Adelaide Holdings B.V. exercised subscription rights for approximately 11.1 million new shares and additionally acquired at the subscription price approximately 3.3 million new shares not subscribed by other shareholders. As a result, the shareholding of 21st Century Fox Adelaide Holdings B.V. increased from 54.45 percent to 54.83 percent.

(1.5.2.2) Authorized capital

At the Annual General Meeting on 18 April 2013, the Management Board has furthermore been authorized, subject to the consent of the Supervisory Board, to increase the Company's registered share capital in the period up to 17 April 2018 by up to €147,436,489 by issuing in one or several tranches of new registered no-par value shares against cash contribution (Authorized Capital 2013). The Authorized Capital 2012 granted to the Management Board in the Annual General Meeting on 3 April 2012 remains unchanged.

The Authorized Capital 2012 that initially amounted to €389,454,881 therefore amounts to €291,163,888.

The authorization, included in the Authorized Capital 2012, for the exclusion of subscription rights with respect to capital increases against cash contributions with an amount of not more than 10.0 percent of the registered share capital pursuant to section 186 (3) sentence 4 of the German Stock Corporation Act (section 4 (3) sentence 4 lit. (b) of the Articles of Association) was used entirely. Therefore, the authorization has become obsolete and was removed from the respective provision in the Articles of Association.

The corresponding registration of the amendment of the Company's statutes into the Commercial Register has been effected on 7 February 2013.

(1.5.2.3) Contingent capital

With resolution of the Annual General Meeting on 3 April 2012, the Management Board, with the consent of the Supervisory Board, has been authorized, in the period until 2 April 2017, once or in partial amounts, to issue registered and/or bearer convertible bonds and/or notes with warrants ("bonds") in an aggregate nominal amount of up to €1,500,000,000 of limited or unlimited term and to grant con-

version or option rights to subscribe up to 335,538,696 new registered no-par value ordinary shares (no-par shares) in Sky Deutschland AG with a pro rata amount of the registered share capital of up to €335,538,696 to the holders and/or creditors of bonds as more closely defined in the terms and conditions for the convertible bonds or notes with warrants (Authorization 2012).

The Annual General Meeting furthermore resolved that the registered share capital of the company is contingently increased by up to €335,538,696 by issuing up to 335,538,696 new registered ordinary shares (no-par value shares) (Contingent Capital 2012).

The Contingent Capital 2012 granted in the Annual General Meeting on 3 April 2012 remains unchanged.

(1.5.2.4) Purchase and sale of treasury stock

The General Shareholders' Meeting on 23 April 2010 empowered Sky Deutschland AG's Management Board to buy back up to 10.0 percent of the registered capital that existed at the time of the resolution. The authorization may be exercised in full or in partial amounts, on one or several occasions, in the pursuit of one or several purposes, by the Company, by its group companies or by a third party acting on its behalf. The power was granted until 22 April 2015. As of the balance sheet date the Company had no treasury shares.

(1.5.3) Reportable investment holdings in accordance with Sections 21 (1), 22 Securities Trading Act and Section 20 (1) German Stock Companies Act

Sky Deutschland AG receives a notification in accordance with Section 21 Securities Trading Act if a notifying party reaches, exceeds or falls below the thresholds of 3, 5, 10, 15, 20, 25, 30, 50 or 75 percent of the voting rights in Sky Deutschland AG. Sky Deutschland AG received the following notifications to the balance sheet date:

Notifying party	Date achieved, exceeded or fallen below	Threshold achieved, exceeded or fallen below
21st Century Fox Adelaide Holdings B.V., Amsterdam, Netherlands*	15 January 2013	> 50 percent to 54.45 percent
Odey European Inc., London, United Kingdom	18 January 2013	< 3 percent to 2.94 percent
Taube Hodson Stonex Partners LLP, London, United Kingdom	20 March 2013	< 3 percent to 2.97 percent
Odey Investment Funds plc, Dublin, Ireland	5 June 2013	> 3 percent to 3.04 percent
Odey Asset Management LLP, London, United Kingdom	26 July 2013	> 10 percent to 10.07 percent

* formerly News Adelaide Holdings B.V.

Please refer to 1.5.2.1 for explanations regarding the change in stake of 21st Century Fox Adelaide Holdings B.V..

(1.5.4) Accumulated loss

This caption includes the loss brought forward of K€230,737 (2012: K€502,901) from the years from 2003 through 2012. The 2013 net loss of K€35,918 (2012 net income: K€272,164) was reclassified as accumulated loss. The balance as of 31 December 2013 amounts to K€266,655.

(1.6) Provisions

The **provisions for pensions** are based on the calculations of the projected unit credit method, which were made following actuarial principles, taking into account the Heubeck "2005 G Mortality Tables" and a discount rate of 4.88 percent per annum. These calculations resulted in a provision in the amount of K€759 in the reporting period (2012: K€699).

Other provisions comprise the following:

(K€)	31 Dec 13	31 Dec 12
Employee-related provisions	24,171	9,154
Outstanding invoices	5,361	6,983
Special payments/bonuses	5,578	4,692
Anticipated losses on interest rate hedges	1,709	-
Outstanding vacation	993	920
Process cost	740	178
Total	38,551	21,927

The change in **employee-related provisions** results primarily from the increase of the provisions of the share-based compensation components. In addition, a new share-based compensation component (LTIP 2013) was granted and accrued for the year 2013.

The following share-based compensation components are included in this item, as of the balance sheet date:

Long-Term-Incentive-Plans for the years 2011 to 2013 (LTIP 2011, 2012, 2013) for members of the Management Board and the first two Management levels in amount of K€20,389 (2012: K€4,858), of which on the Management Board K€13,226 (2012: K€2,748).

A share-based compensation for Brian Sullivan in the amount of K€2,666 (2012: €0). For a share-based compensation which fully vested in fiscal year 2013 a provision in the amount of K€3,340 was recognized as of 31 December 2012.

For the financial year 2013 for the long-term performance-related compensation, an expense in the amount of K€18,815 was recognized, of which K€13,762 related to members of the Board, thereof Brian Sullivan K€10,337, Steven Tomsic K€1,332, Dr. Holger Enßlin K€1,031, Carsten Schmidt K€1,063. In the previous year this expense amounted to K€6,416, of which K€4,568 related to members of the Board, thereof Brian Sullivan K€3,534, Steven Tomsic K€414, Dr. Holger Enßlin K€310, Carsten Schmidt K€310.

(1.7) Liabilities

(K€)	Total 31 Dec 13	Remaining term <1 year	Remaining term 1 to 5 years	Remaining term > 5 years	Total 31 Dec 12
Bonds	166,237	-	166,237	-	166,233
Bank loans and overdrafts	225,263	263	225,000	-	295,265
Trade payables	4,400	1,208	1,035	2,157	4,900
Liabilities to affiliated companies	126,439	4,966	121,472	-	69
Liabilities to associated companies	-	-	-	-	73,700
Other liabilities	5,952	5,952	-	-	5,692
Total	528,291	12,390	513,745	2,157	545,858

The **bonds** comprise a convertible issued to 21st Century Fox Adelaide Holdings B.V. in 2011 in a nominal amount of K€164,600 plus accrued interests. The bond can be converted into 53,914,182 ordinary registered shares stemming from the contingent capital.

The **bank loans** of K€225,263 (2012: K€295,265) primarily comprise the utilization of a new debt financing.

The change in this position is mainly due to the repayment of the replaced syndicated credit financing in the amount of K€294,128 and conversely the partial drawdown of a new syndicated credit financing in the amount of K€225,000.

The credit facility provided by the new bank syndicate is to be fully guaranteed by Twenty-First Century Fox, Inc. and its subsidiary 21st Century Fox America Inc. (formerly News America Incorporated). It matures five years from the closing of the transaction and allows for substantial flexibility for Sky with no financial covenants compared to the replaced bank debt facilities.

The **trade payables** of K€4,400 (2012: K€4,900) primarily comprise liabilities from a rental agreement.

Liabilities to affiliated companies of K€126,439 (2012: K€69) comprise a liability with 21st Century Fox Adelaide Holdings B.V. of two Shareholder Loans including interests in the amount of K€121,472 (2012: €0), a liability of an arrangement fee for the Shareholder Loan II in amount of K€1,554 (2012: €0), a liability of guarantee interests in connection with the new bank loan in the amount of K€3,403 (2012: €0) and a liability under the control and profit and loss transfer agreement dated 4 February 2005 with SCAS of K€9 (2012: K€9).

As described in 1.5.3, the stake of 21st Century Fox Adelaide Holdings B.V. has increased to over 50 percent on 15 January 2013 for the first time. As a result, most of the liabilities to Twenty-First Century Fox, Inc. and its affiliated companies which were recorded in the previous year under Liabilities to associated companies (2012: K€73,700) are now recorded under Liabilities to affiliated companies.

Other liabilities comprise tax liabilities which primarily comprise of liabilities for value added tax of K€5,217 (2012: K€1,541) and wage taxes amounting to K€695 (2012: K€524).

(1.8) Deferred taxes

With respect to Sky Deutschland AG, the carrying amounts in the annual financial statements differ from the tax bases relating to deferred assets the pension and other long term provisions. In these cases this has given rise to deferred taxes assets. The excess of deferred tax liabilities of K€134,316 (2012: K€131,487) primarily results from the difference between the carrying amount of the investment in and tax bases of the investment accounted for Sky Deutschland KG. Deferred tax liability results from the liability method in calculating deferred taxes introduced. In addition, deferred tax assets are recorded on available loss carry-forwards in the amount of 60.0 percent of the deferred tax liabilities in excess of deferred tax assets. As Sky Deutschland AG holds 100.0 percent of the limited partnership interests in Sky Deutschland KG, the part regarding corporate income taxes plus solidarity surcharge of the deferred taxes of Sky Deutschland KGs controlled companies are recognized in the financial statements of Sky Deutschland AG.

(1.9) Other contingent liabilities and other financial commitments

(1.9.1) Other financial commitments

The following **other financial commitments** exist as of 31 December 2013:

(K€)	31 Dec 13	31 Dec 12
Rents (office building)	73,814	80,766
Leasing agreements	461	579
Financing costs	-	150
Other	2,240	1,734
Total	76,516	83,228

There are no liabilities to affiliated companies included.

Of the total amount, K€7,135 are due in 2014.

(1.9.2) Other contingent liabilities

In a letter of comfort dated 9 February 2006, Sky Deutschland AG promised to provide Premiere WIN Fernsehen with adequate funds at all times.

Furthermore, Sky Deutschland AG subordinated its receivables from Premiere WIN Fernsehen up to the amount of the loan of K€1,241 granted to that company, with a subordination agreement dated 11 January 2007.

Regarding the supply contract for receivers between Sky Deutschland KG and Pace plc., Saltaire, United Kingdom, on 9 August 2010, Sky Deutschland AG is obligated by a collateral promise in the form of an assumption of debt dated 9 August 2010 to take over the liability of Sky Deutschland KG as its own in addition to Sky Deutschland KG's own liability. As of 31 December 2013, the liability amounts to K€9,071.

In the license agreement dated 16 August 2013 between BLM Marketing and Event GmbH, Vienna, Austria and Sky Österreich Fernsehen GmbH, Vienna, Austria (hereinafter referred to as "Sky Österreich Fernsehen"), it was agreed that Sky Österreich Fernsehen has to secure the contract-related obligations means of comfort letters provided by Sky Deutschland AG.

According to the leasing agreement between Sky Deutschland KG (lessee) and Cisco Systems Capital GmbH, Hallbergmoos, on 7 December 2012 regarding digital satellite and cable receivers, Sky Deutschland AG is liable for all liabilities and obligations of the lessee, together with the lessee, as a joint and several debtor.

With agreements dated 14 August 2013 Sky Deutschland AG guarantees to The Football Association Premier League Limited, London, United Kingdom, for license liabilities of Sky Deutschland KG.

Sky Deutschland AG guarantees with the agreements dated 4 April 2011 and 6 December 2013 to the Union des Associations Europeenes de Football, Nyon, Switzerland, for license liabilities of Sky Deutschland KG.

With respect to the guarantees provided in favor of affiliated companies, based on the business plan adopted by the Supervisory Board, no utilization of such guarantees is expected.

(K€)	31 Dec 13	31 Dec 12
Negative fair values		
Interest rate hedges	1,709	-
Total	1,709	-

(K€)	31 Dec 13	31 Dec 12
National amount		
Interest rate hedges	225,000	-
Total	225,000	-

Sky Deutschland is exposed to interest rate risks as a result of its bank liabilities. Sky Deutschland AG entered into interest rate swap agreements with several banks to fully hedge the potential interest rate risk for a loan with variable interest rates, which were closed in July 2013.

Valuation on due date is performed in accordance with the mark-to-market method. If the performed valuation of interest rate hedges results in a negative fair value it is recognized as a provision for contingent losses in the financial statements.

(2) Statement of operations

(2.1) Revenues

Revenues primarily relate to management services of Sky Deutschland AG billed to its subsidiaries in the amount of K€16,365 (2012: K€16,570).

(K€)	2013	2012
Service cost allocation	7,763	7,382
Income from prior years	884	56
Proceeds from the release of provisions	752	650
Income from reimbursement of costs	541	675
Income from the write-up of financial assets	-	348,000
Sundry income	84	66
Total	10,023	356,829

(K€)	2013	2012
Wages and salaries	48,779	31,580
Social security	3,885	3,503
Pension expenses	68	48
Total	52,731	35,131

The change in salaries and wages results mainly from the expense of the share-based compensation components.

(2.4) Amortization and depreciation on intangible assets and property, plant, equipment

(K€)	2013	2012
Depreciation on property, plant and equipment	1,402	1,348
Write-off of minor value assets	546	484
Amortization on intangible assets	30	23
Total	1,978	1,855

(2.5) Other operating expenses

(K€)	2013	2012
Legal and professional fees	7,683	6,459
Facility costs	6,971	6,783
Expenses for capital procurement	3,015	6,828
Advertising expenses and other services	2,132	1,828
Anticipated losses on interest rate hedges	1,709	-
Other personnel expenses	1,699	1,492
Traveling and out-of-pocket expenses	1,545	1,403
Prior period expenses	633	840
Sundry operating expenses	3,277	3,219
Total	28,664	28,853

The position expenses for capital procurement include expenses for consulting for the capital increase in January and February 2013 and the new bank financing in February 2013.

(2.6) Income from loans reported under financial assets

The income of K€79,110 (2012: K€56,153) from loans comprises interest on the loan to Sky Deutschland KG.

(2.7) Other interest and similar income

The interest income of K€258 (2012: K€232) mainly comprises interest on the loan to Premiere WIN Fernsehen of K€111 (2012: K€96).

(2.8) Expenses for absorption of losses

A loss of K€9 (2012: K€9) was transferred from SCAS as a result of the control and profit and loss transfer agreement dated 4 February 2005.

(2.9) Interest and similar expenses

The interest expense for the past financial year of K€55,462 (2012: K€48,535) mainly relates to interest of K€55,352 (2012: K€48,466) on long-term corporate financing.

(2.10) Prior period items

(K€)	2013	2012
Prior period income		
Other income for previous years	884	56
Proceeds from the release of other provisions	752	650
Income from the write-up of financial assets	-	348,000
	1,636	348,706
Prior period expenses		
Other expenses for prior years	-633	-840
Total	1,002	347,866

The increase in other income from prior years results primarily from a cost transfer of proportional consulting costs related to the new financing to Sky Deutschland KG in the amount of K€758.

(2.11) Income taxes

The income taxes solely include deferred taxes. For further information, please refer to the note regarding "1.8 Deferred taxes".

IV. Other disclosures

(1) Average number of employees

The Company had an average of 274 employees during the past financial year (2012: 240), of whom 244 (2012: 214) were in the management / administration area and 30 (2012: 26) were in sales / marketing / communications. The number of employees has been converted to full-time equivalents.

(2) Management Board

The members of the Management Board during the past financial year were:

Brian Sullivan, Chairman of the Board, Chief Executive Officer (CEO), Munich;

Steven Tomsic, Chief Financial Officer, Munich;

Dr. Holger Enßlin, Chief Officer Legal, Regulatory Affairs and Distribution, Deisenhofen;

Dr. Holger Enßlin holds the following functions in other companies:

Member of the Management Board of GVV Gesellschaft zur Verfolgung von Urheberrechtsverletzungen e.V., Berlin;

Treasurer and Member of the Management Board of Verband Privater Rundfunk und Telemedien e. V. (VPRT), Berlin

Carsten Schmidt, Chief Officer Sports, Advertising Sales & Internet, Munich.

The following table shows the compensation of the Management Board in accordance with Section 285 HGB (German Commercial Code) in conjunction with German Accounting Standard 17 (GAS 17) for the remuneration report:

Management Board compensation 2013 (K€)	Fixed compensation *	Short term performance-related compensation *	Other compensation *	Long term performance-related compensation	Pension commitments *	Total for 2013
Brian Sullivan	1,300	1,499	550	2,788	104	6,241
Steven Tomsic	700	350	333	400	63	1,846
Carsten Schmidt	850	300	211	400	-	1,761
Dr. Holger Enßlin	600	300	22	350	-	1,272
Total	3,450	2,448	1,116	3,938	167	11,119

* These terms are the same as expensed.

Management Board compensation 2012 (K€)	Fixed compensation	Short term performance-related compensation	Other compensation	Long term performance-related compensation	Pension commitments	Total for 2012
Brian Sullivan	925	825	1,008	2,836	74	5,668
Steven Tomsic	520	160	263	240	47	1,230
Carsten Schmidt	600	120	11	180	-	911
Dr. Holger Enßlin	440	120	16	180	-	756
Total	2,485	1,225	1,298	3,436	121	8,565

Under the standard, share-based payments are included in the remuneration report with the fair value at the grant date, notwithstanding these share based payments only become eligible for payment over the course of the next one to two years. Therefore, the table shown above includes all 977,845 performance share units granted to the Management Board (2012: 882,353 PSU) in 2013 with a grant date fair value of K€3,938 (2012: K€1,350). Taking into consideration the fair value of all performance share units at the date of issuance, the total remuneration of the Management Board in the accordance with GAS 17 in 2013 amounts to K€11,119 (2012: K€8,565).

With a resolution dated 27 February 2013, the Company's Supervisory Board extended the employment contracts of Dr. Holger Enßlin and Steven Tomsic as members of the Management Board until 31 December 2015.

With a resolution dated 18 March 2013, the employment contract of Carsten Schmidt as a member of the Management Board was extended by the Company's Supervisory Board until 31 December 2017. For the extension of his services, Carsten Schmidt received a fixed one-time payment in the amount of K€200. The one-time payment was disbursed on 30 April 2013 and has been recognized as an expense in the 2013 financial year.

The following table shows the payments made to each member of the Management Board in 2013:

Management Board compensation (K€)	Brian Sullivan		Steven Tomsic		Carsten Schmidt		Dr. Holger Enßlin		Total	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Fixed compensation years	925	1,300	520	700	600	850	440	600	2,485	3,450
Other compensation	468	1,090	263	333	11	211	16	22	758	1,656
Total	1,393	2,390	783	1,033	611	1,061	456	622	3,243	5,106
Short-term performance-related compensation	972	795	188	154	141	116	141	116	1,443	1,181
Long-term performance-related compensation	-	-	-	-	-	-	-	-	-	-
LTIP 2011 (1 Jan 2011 to 31 Dec 2013)	-	-	-	-	-	-	-	-	-	-
LTIP 2012 (1 Jan 2012 to 31 Dec 2014)	-	-	-	-	-	-	-	-	-	-
LTIP 2013 (1 Jan 2013 to 31 Dec 2015)	-	-	-	-	-	-	-	-	-	-
Phantom Shares Tranche I	1,812	-	-	-	-	-	-	-	1,812	-
Phantom Shares Tranche II	-	3,957	-	-	-	-	-	-	-	3,957
Other	-	-	-	-	-	-	-	-	-	-
Total	2,784	4,753	188	154	141	116	141	116	3,255	5,138
Pension commitments	74	104	47	63	-	-	-	-	121	167
Total compensation	4,251	7,247	1,018	1,251	752	1,177	597	738	6,619	10,412

Fixed compensation represents the monthly paid salary, the Annual variable bonus is a short term performance related compensation while other compensation include benefits such as medical insurance, cost reimbursement of housing and schooling, paid periodically in 2013. The other compensation is not performance-related. Pension commitments are insurance premiums paid by the Company and not performance-related.

The expensed amounts differ from the paid remuneration of the year due to valuation effects, linearization of costs and payment terms.

The expense for the year 2013 of the fixed compensation amounts to K€3,450 (2012: K€2,485), the short term performance to K€2,448 (2012: K€1,225), benefits to K€1,116 (2012: K€1,298) and share based performance related compensation amount to K€13,762 (2012: K€4,568). In addition commitment to pension are incurred in the amount of K€167 (2012: K€121).

In 2013 the expenses for the three Long-Term-Incentive-Plans amounted to K€10,478 (2012: K€2,327). For further details on employee-related provisions, please refer to section 1.6 Provisions.

Another LTIP beginning in the financial year 2014 is planned (LTIP 2014). A corresponding resolution of the Supervisory Board has not yet been passed.

The following tables show the individualized Performance Share Units (PSU's) as granted and as accrued:

Brian Sullivan	Grant Date	PSU's granted	Vesting Date	Number of PSU's accrued/ expensed as of 31 Dec 2013*
LTIP 2011	9 Dec 2010	422,107	31 Dec 2013	341,939
LTIP 2012	16 Feb 2012	490,196	31 Dec 2014	277,778
LTIP 2013	27 Feb 2013	692,308	30 Jun 2014	461,539
Phantom Shares Tranche II	2 Dec 2009	875,566	31 Mar 2013	875,566
Shares based compensation	19 Dec 2012	500,000	30 Jun 2014	333,333
Total		2,980,177		2,290,155

Steven Tomsic	Grant Date	PSU's granted	Vesting Date	Number of PSU's accrued/ expensed as of 31 Dec 2013*
LTIP 2011	9 Dec 2010	135,074	31 Dec 2013	109,420
LTIP 2012	16 Feb 2012	156,863	31 Dec 2014	88,889
LTIP 2013	27 Feb 2013	99,317	31 Dec 2015	33,106
Total		391,254		231,415

Carsten Schmidt	Grant Date	PSU's granted	Vesting Date	Number of PSU's accrued/ expensed as of 31 Dec 2013*
LTIP 2011	9 Dec 2010	101,306	31 Dec 2013	82,066
LTIP 2012	16 Feb 2012	117,647	31 Dec 2014	66,667
LTIP 2013	27 Feb 2013	99,317	31 Dec 2015	33,106
Total		318,270		181,839

Dr. Holger Enßlin	Grant Date	PSU's granted	Vesting Date	Number of PSU's accrued/ expensed as of 31 Dec 2013*
LTIP 2011	9 Dec 2010	101,306	31 Dec 2013	82,066
LTIP 2012	16 Feb 2012	117,647	31 Dec 2014	66,667
LTIP 2013	27 Feb 2013	86,903	31 Dec 2015	28,968
Total		305,856		177,701

* LTIP 2011 vested on 31 December 2013 at 81% of grant level. All other LTIP units are presented pro-rata based on the time lapsed between granting and vesting and under consideration of target achievements.

For details on the compensation system please refer to the management report.

(3) Supervisory Board

The members of the Supervisory Board during the financial year were as follows:

James Murdoch, Director, Deputy Chief Operating Officer, Chairman and CEO, International, Twenty-First Century Fox, Inc. (formerly News Corporation Inc.), New York, USA (Chairman since 27 September 2013);

James Murdoch is also a member of the following controlling bodies:

1. Member of Board of Directors British Sky Broadcasting Group plc, Isleworth, United Kingdom
2. Chairman of Board of Directors Sky Italia S.r.l., Milan, Italy
3. Member of Board of Directors Yankees Entertainment and Sports (YES) Network, New York, USA
4. Member of Board of Directors Yankee Global Enterprises LLC., Morristown, New Jersey, USA
5. Member of Board of Directors News Corporation, USA
6. Member of Board of Directors Vice Holdings, USA

Chase Carey, Director, President, Chief Operating Officer and Deputy Chairman Twenty-First Century Fox, Inc (formerly News Corporation Inc.), New York, USA (Chairman until 26 September 2013);

Chase Carey is also a member of the following controlling bodies:

1. Member of the Executive Directors Committee Twenty-First Century Fox (formerly News Corporation), New York, USA
2. Manager, Chairman of the Board Benevolus Holdings LLC, USA (until 28 June 2013 – The company was merged with the News Corporation.)
3. Manager, President and Chief Executive Officer 21st Century Fox (formerly News Corp.) Star US LLC, USA
4. President 21st Century Fox (formerly News) Florida LLC, USA
5. Manager, Chairman of the Board News/P+ Holdings, Inc., USA
6. Director, Chairman of the Board Alesia Holdings, Inc., USA (until 28 June 2013 – The company was merged with the News Corporation.)
7. Director Dow Jones & Company, Inc., USA (until 28 June 2013 – The company was merged with the News Corporation.)
8. Director, Chief Operating Officer and President Fox Entertainment Group, Inc., USA
9. Director, Chairman and Chief Executive Officer, 21st Century Fox (formerly News America) Inc., USA
10. Director, Chairman of the Board and President The Daily Holdings, Inc., USA (until 28 June 2013 – The company was merged with the News Corporation.)
11. Director, Chairman of the Board and President Amplify Education Holdings Inc. (formerly News WG Holdings, Inc.), USA (until 28 June 2013 – The company was merged with the News Corporation.)
12. Director, Chairman of the Board and President News-MCV Holdings, Inc., USA
13. Manager, Chairman of the Board NewsCore, LLC, USA
14. Director, President and Chief Executive Officer NC Shine US, Inc., USA
15. Director, Chairman of the Board and President NCIH, Inc., USA (until 28 June 2013 – The company was merged with the News Corporation.)
16. Chief Executive Officer and President Star US Film Holdings, Inc., USA
17. Director Shine Limited, United Kingdom
18. Member of the Board of Directors British Sky Broadcasting Group plc., Isleworth, United Kingdom (since 30 January 2013)

Markus Tellenbach, President and Chief Executive Officer TVN S.A., Warsaw, Poland (Deputy Chairman);

Markus Tellenbach is also a member of the following controlling bodies:

1. Member of Supervisory Board Convers Media Services Ltd., Zurich, Switzerland (until June 2013)
2. Member of Supervisory Board Sogecable S.A. (Prisa TV), Madrid, Spain (until 15 January 2013)

Thomas Mockridge, Chief Executive Officer News International Holdings, London, United Kingdom; (until 21 March 2013)

Thomas Mockridge was also a member of the following controlling bodies during his tenure as a member of the Supervisory Board of the company (until 21 March 2013):

1. Director Twenty-First Century Fox, Inc (formerly News Corporation Inc.), New York, USA
2. Director SKY Italia S.r.l., Milano, Italy
3. Director Star Europe Holdings B. V. (formerly News Netherlands B. V.), Amsterdam, Netherlands
4. Management Board (CEO) Alliance Yapim Limited Sirketi, Istanbul, Turkey
5. Director British Sky Broadcasting Group plc, Middlesex, United Kingdom
6. Director Newscorp Investments, London, United Kingdom
7. Director News International Trading Limited, London, United Kingdom
8. Director Times Newspapers Holding Limited, London, United Kingdom

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9. Director News International Trading Ireland Limited, Dublin, Ireland
 10. Director News Printers Assets Limited, London, United Kingdom
 11. Director News Printers Group Limited, London, United Kingdom
 12. Director News Group Newspapers Limited, London, United Kingdom
 13. Director NI Group Limited, London, United Kingdom
 14. Director Times Newspapers Limited, London, United Kingdom

Dr. Stefan Jentzsch, Partner in Perella Weinberg Partners LLP, London, United Kingdom;

Dr. Stefan Jentzsch is also a member of the following controlling bodies:

1. Member of Supervisory Board adidas AG, Herzogenaurach
2. Member of Supervisory Board ASL Leasing München AG, Munich

Mark Kaner, President 20th Century Fox International Television Distribution, Los Angeles, USA

Mark Kaner is also a member of the following controlling bodies:

1. Director SKY Italia S.r.l., Milan, Italy
2. President, Secretary and Treasurer, Fox Pay-Per-View Services, Inc., USA
3. President, Secretary and Treasurer, Foxview, Inc., USA
4. President, Secretary and Treasurer, LAPTVA Corporation, USA
5. President, Secretary and Treasurer, LAPTVB Corporation, USA
6. Director Twentieth Century Fox Television Limited, London, United Kingdom
7. Director Twentieth Century Fox Film Corporation (Australia) Pty Limited, Australia
8. President and Treasurer, Twentieth Century Fox International Television, Inc., USA
9. President and Treasurer, Twentieth Century Fox International Television Distribution, Inc., USA
10. President, Secretary and Treasurer, Twentieth Century Fox International Telecommunications Distribution, Inc., USA
11. President and Treasurer, Twentieth Century Fox Telecommunications International, Inc., USA
12. Chairman and Director Twentieth Century Fox/Incendo Television Distribution Inc., Toronto, Canada

Miriam Kraus, Senior Vice President, Head of Global Governance, Risk and Compliance at SAP AG, Walldorf;

Miriam Kraus is also a member of the following controlling bodies:

1. Board of Directors SAP Software System Co. Ltd., China
2. Board of Directors SAP France S.A., France

Katrin Wehr-Seiter, Managing Director BIP Investment Partners S.A., Luxembourg;

Katrin Wehr-Seiter is also a member of the following controlling bodies:

1. Director ACANTA Capital GmbH, Bad Homburg
2. Member of Supervisory Board Nanogate AG, Göttelborn (since June 2013)
3. Member of Supervisory Board (Chairman) Utimaco Safeware AG, Aachen (since October 2013)
4. Member of Supervisory Board SWG GmbH, Saarbrücken (since June 2013)

Jan Koeppen, Chief Operating Officer, 21st Century Fox (formerly News Corporation) Europe & Asia, London, United Kingdom;

Jan Koeppen is also a member of the following controlling bodies:

1. Director Tata Sky Limited, India
2. Manager Alliance Yapim Limited Sirketi, Turkey
3. Director and Senior Vice President 21st Century Fox (formerly News Corporation) (Asia) Ltd., USA
4. Director and Senior Vice President 21st Century Fox (formerly News Corporation) Europe & Asia, Inc., USA
5. Manager and Senior Vice President 21st Century Fox (formerly News) Rotana Holdings LLC, USA
6. Chairman of Huzur Radyo Tv Anonim Sirketi, Turkey
7. Director Ordinto Investments (since 21 June 2013)
8. Director 21st Century Fox Film UK Holdings (formerly News Times Holdings) Limited (since 21 June 2013)
9. Director Star Advertising Sales Limited (since 21 June 2013)
10. Director 21st Century Fox UK Nominees (formerly News UK Nominees) Limited, United Kingdom (since 21 June 2013)
11. Director Sky Channel Limited (since 21 June 2013)
12. Director 21st Century Fox Media Company (formerly Times Newspapers Production Company) Limited (since 21 June 2013)
13. Director 21st Century Fox (formerly News) Outdoor Europe B.V. (since 27 June 2013)
14. Director SRC Holdings Limited (since 25 June 2013)

Harald Rösch, self-employed business and investor advisor;

Harald Rösch is also a member of the following controlling bodies:

1. Member of the Supervisory Board, SEAT Pagine Gialle S. p. A., Italy
2. Member of the Advisory Board, internetstores GmbH, Esslingen
3. Member of the Advisory Board, Blizoo, Bulgaria
4. Member of the Advisory Board, United Digital Group GmbH, Hamburg
5. Interim Chief Executive Officer Nareos Ltd., Dublin, Ireland (until end of 2013)

By letter of 21 February 2013, Thomas Mockridge has resigned from his office as member of the Supervisory Board with effect as of the end of 21 March 2013.

Harald Rösch and James Murdoch were both elected members of the Supervisory Board at the Annual General Meeting on 18 April 2013 until the end of the Annual General Meeting that resolves on the formal approval of the activities of the respective Supervisory Board member in the financial year 2013.

With effect as of 27 September 2013, the Supervisory Board elected James Murdoch as Chairman of the Supervisory Board of Sky Deutschland AG. James Murdoch followed Chase Carey who had served as Chairman since 16 July 2010 and who resigned from his office as chairman of the Supervisory Board with effect as of the end of 26 September 2013. Chase Carey remained a member of the Supervisory Board.

The compensation of the Supervisory Board in the past financial year amounted to K€961 (2012: K€718).

Supervisory Board compensation (K€)	Fixed compensation	Other compensation	Total 2013	Total 2012
Chase Carey	100	40	140	120
Markus Tellenbach	100	40	140	95
Jan Koeppen	80	40	120	70
Mark Kaner	75	40	115	65
Dr. Stefan Jentzsch	85	10	95	85
Katrin Wehr-Seiter	75	10	85	70
Miriam Kraus	75	10	85	70
James Murdoch	64	20	84	-
Harald Rösch	70	10	80	14
Thomas Mockridge	16	-	16	90
Dr. Hans M. Seiler	-	-	-	39
Guillaume de Posch	-	-	-	1
Total	741	220	961	718

The remuneration of the Supervisory Board is regulated in section 12 of the Articles of Association. By resolution of the Annual General Meeting on 18 April 2013 and with effect as of 1 January 2013, the compensation was amended by raising the fixed remuneration, adjusting components payable for committee activities and by repealing the current variable remuneration which had been tied to the balance sheet profit per share. The corresponding amendment of the Company's Articles of Association became effective with its registration into the Commercial Register. The current members of the Supervisory Board explicitly agreed to the retroactive revised provisions on their remuneration.

The fixed compensation of the Supervisory Board comprises fixed elements and a compensation component for the work in the specific committees. The other Supervisory Board compensation comprises travel expenses relating to the meetings of the Supervisory Board.

(4) Fees for external auditors

Fees of K€607 (2012: K€1,004) were incurred and recorded as expense in the past financial year, which were made up as follows:

(K€)	2013	2012
Audit of the financial statements	139	154
Review of the quarterly financial statements	94	97
Other assurance or valuation services	341	607
Tax consultancy services	30	4
Other services	3	142
Total	607	1,004

Additional to the fees for the annual audit in the fiscal year the position audit of the financial statements also includes the expenses. The fees for the audit of the quarterly financial statements (including expenses) will be shown in the fiscal year as a separate item.

The decrease in other assurance or valuation services results primarily from audit and consulting fees under the new financing in the previous year.

(5) Declaration of conformity with the Corporate Governance Codex in accordance with Section 161 Stock Companies Act

On 20 November 2013, the Management Board and Supervisory Board of Sky Deutschland AG declared in accordance with Section 161 Stock Companies Act that the recommendations of the Government Commission on the German Corporate Governance Codex that were published in the official section of the Electronic Federal Gazette on 10 June 2013 in the version of 13 May 2013 have been and will be adhered to with the deviations which have been disclosed in the declaration of conformity. The declaration of conformity has been made available to the stockholders on a permanent basis in accordance with Section 285 No. 16 HGB on the internet page (info.sky.de).

(6) Membership of a group

Sky Deutschland AG (HR B 154549 at the Municipal and Register Court in Munich), as the parent company, prepares consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, and a group management report, in which it includes all subsidiaries that have to be consolidated. These consolidated financial statements fulfil the requirements of Section 315a (1) HGB.

The consolidated financial statements and the group management report of Sky Deutschland AG for the 2013 financial year will be filed with the operator of the Electronic Federal Gazette and will be available via the German Companies Register's internet page.

The company will be fully consolidated in the financial statements of Twenty-First Century Fox, Inc., a Delaware company, with primary corporate address in New York, NY, USA. The financial statements of Twenty-First Century Fox, Inc. will be reported and published according to the regulations of the United States Securities and Exchange Commission.

Unterföhring, 19 February 2014



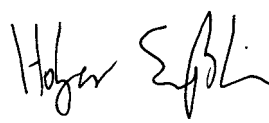
Brian Sullivan



Steven Tomsic



Carsten Schmidt



Dr. Holger Enßlin



Development of the fixed assets in 2013

€	Cost			31 Dec 13
	1 Jan 13	Additions	Disposals	
I. Intangible assets				
1. Industrial property rights and similar rights and assets, and licenses for such rights and assets acquired for consideration	235,870.72	0.00	0.00	235,870.72
2. Goodwill	5,406.04	0.00	0.00	5,406.04
	241,276.76	0.00	0.00	241,276.76
II. Property, plant and equipment				
1. Land, rights similar to land, and buildings, including buildings on land owned by others	12,817,372.95	240,904.39	0.00	13,058,277.34
2. Other plant, operational and office equipment	2,779,793.93	452,313.33	0.00	3,232,107.26
3. Advance payments and construction in progress	1,493.01	0.00	0.00	1,493.01
	15,598,659.89	693,217.72	0.00	16,291,877.61
III. Financial assets				
1. Interests in affiliated companies				
Sky Deutschland Verwaltungs-GmbH	27,000.00	0.00	0.00	27,000.00
Sky Deutschland Fernsehen GmbH & Co. KG	1,941,100,000.00	0.00	0.00	1,941,100,000.00
SCAS Satellite CA Services GmbH	27,000.00	0.00	0.00	27,000.00
Premiere WIN Fernsehen GmbH	5,052,000.00	0.00	0.00	5,052,000.00
	1,946,206,000.00	0.00	0.00	1,946,206,000.00
2. Loans to affiliated companies				
Sky Deutschland Fernsehen GmbH & Co. KG	870,903,853.07	291,131,095.15	8,121,172.21	1,153,913,776.01
	870,903,853.07	291,131,095.15	8,121,172.21	1,153,913,776.01
3. Investments				
X-Online GmbH i. L.	6,480.00	0.00	6,480.00	0.00
	6,480.00	0.00	6,480.00	0.00
	2,817,116,333.07	291,131,095.15	8,127,652.21	3,100,119,776.01
	2,832,956,269.72	291,824,312.87	8,127,652.21	3,116,652,930.38

Amortization, depreciation and write-downs					Residual book values	
1 Jan 13	Additions	Write-ups	Disposals	31 Dec 13	31 Dec 13	31 Dec 12
180,703.72	30,138.00	0.00	0.00	210,841.72	25,029.00	55,167.00
3,604.46	350.52	0.00	0.00	3,954.98	1,451.06	1,801.58
184,308.18	30,488.52	0.00	0.00	214,796.70	26,480.06	56,968.58
2,336,162.95	1,344,285.39	0.00	0.00	3,680,448.34	9,377,829.00	10,481,210.00
1,537,211.93	603,255.33	0.00	0.00	2,140,467.26	1,091,640.00	1,242,582.00
0.00	0.00	0.00	0.00	0.00	1,493.01	1,493.01
3,873,374.88	1,947,540.72	0.00	0.00	5,820,915.60	10,470,962.01	11,725,285.01
0.00	0.00	0.00	0.00	0.00	27,000.00	27,000.00
0.00	0.00	0.00	0.00	0.00	1,941,100,000.00	1,941,100,000.00
0.00	0.00	0.00	0.00	0.00	27,000.00	27,000.00
5,052,000.00	0.00	0.00	0.00	5,052,000.00	0.00	0.00
5,052,000.00	0.00	0.00	0.00	5,052,000.00	1,941,154,000.00	1,941,154,000.00
0.00	0.00	0.00	0.00	0.00	1,153,913,776.01	870,903,853.07
0.00	0.00	0.00	0.00	0.00	1,153,913,776.01	870,903,853.07
6,480.00	0.00	0.00	6,480.00	0.00	0.00	0.00
6,480.00	0.00	0.00	6,480.00	0.00	0.00	0.00
5,058,480.00	0.00	0.00	6,480.00	5,052,000.00	3,095,067,776.01	2,812,057,853.07
9,116,163.06	1,978,029.24	0.00	6,480.00	11,087,712.30	3,105,565,218.08	2,823,840,106.66

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair view of the development and performance of the business and the position of the company, together with a description of the material opportunities and risks associated with the expected development of the company.

Unterföhring, 19 February 2014

The Management Board

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system of Sky Deutschland AG, Unterföhring, and the management report of the Company and the Group for the financial year from 1 January to 31 December 2013. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code [HGB] and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the management board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Munich, 24 February 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Kreher
Wirtschaftsprüfer
(German Public Auditor)

Kaltenegger
Wirtschaftsprüferin
(German Public Auditor)