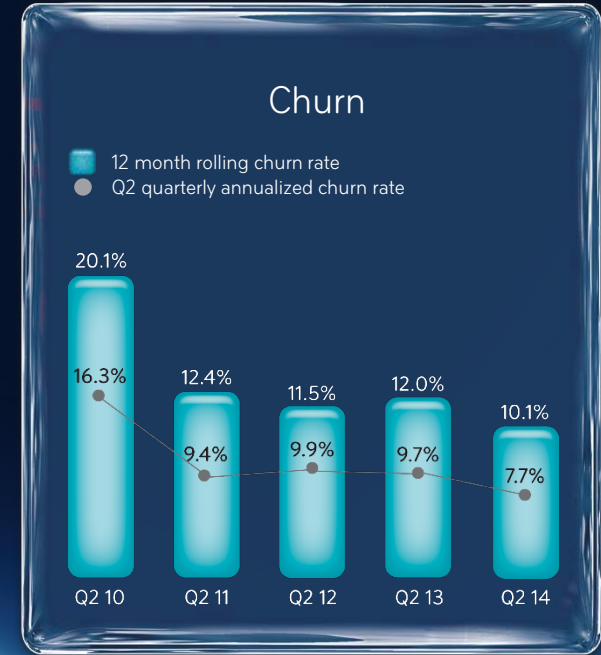




Sky Deutschland
Preliminary Q2 2014 Results
6 August 2014

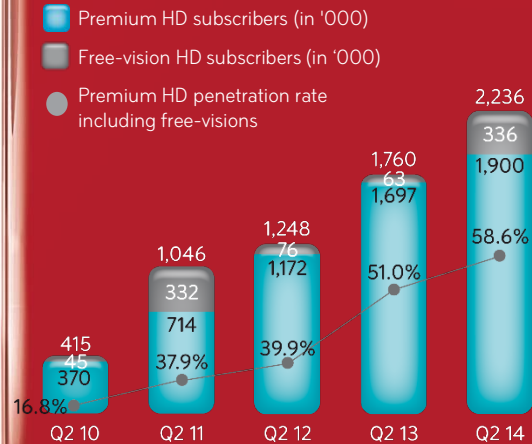


Strong customer growth, record retention

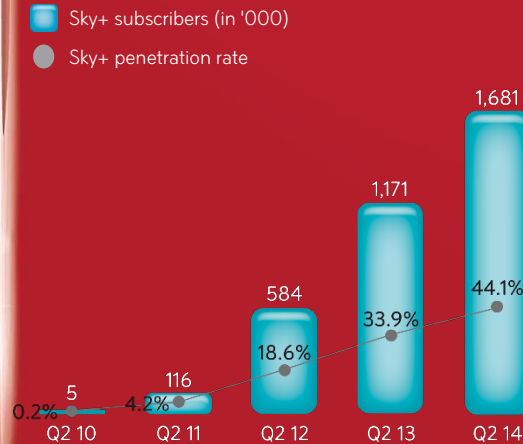


HD, Sky+ and Sky Zweitkarte

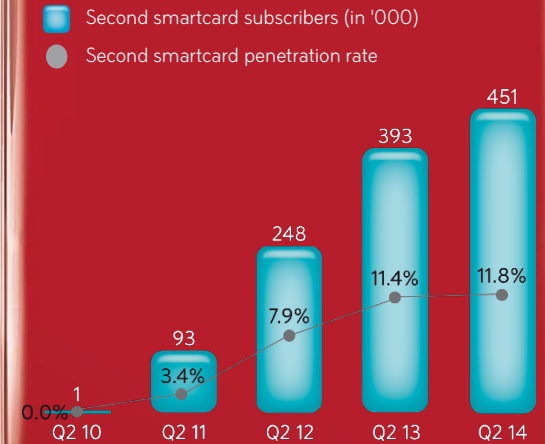
HD subscribers (at end of period)



Sky+ subscribers (at end of period)



Second Smartcard subscribers (at end of period)



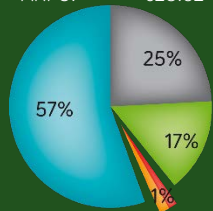
Revenues and costs

ARPU

(in €, monthly)

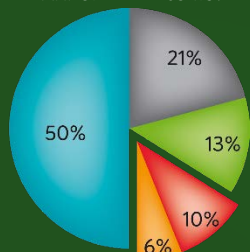
- > €60
- €50-€60
- €40-€50
- €30-€40
- <€30

Total subs: 2,476m
ARPU: €28.62



Q2 10

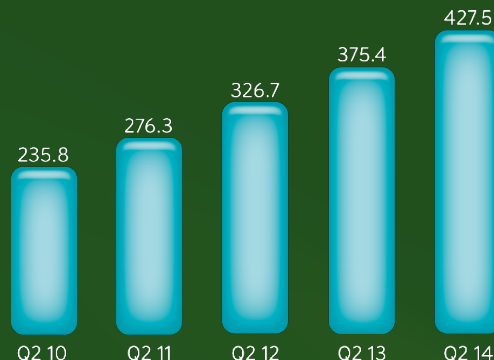
Total subs: 3,813m
ARPU: €34.59



Q2 14

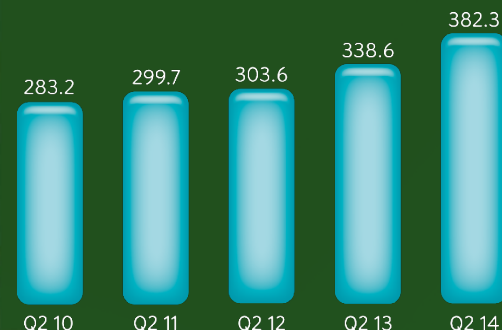
Revenues

(in €m)

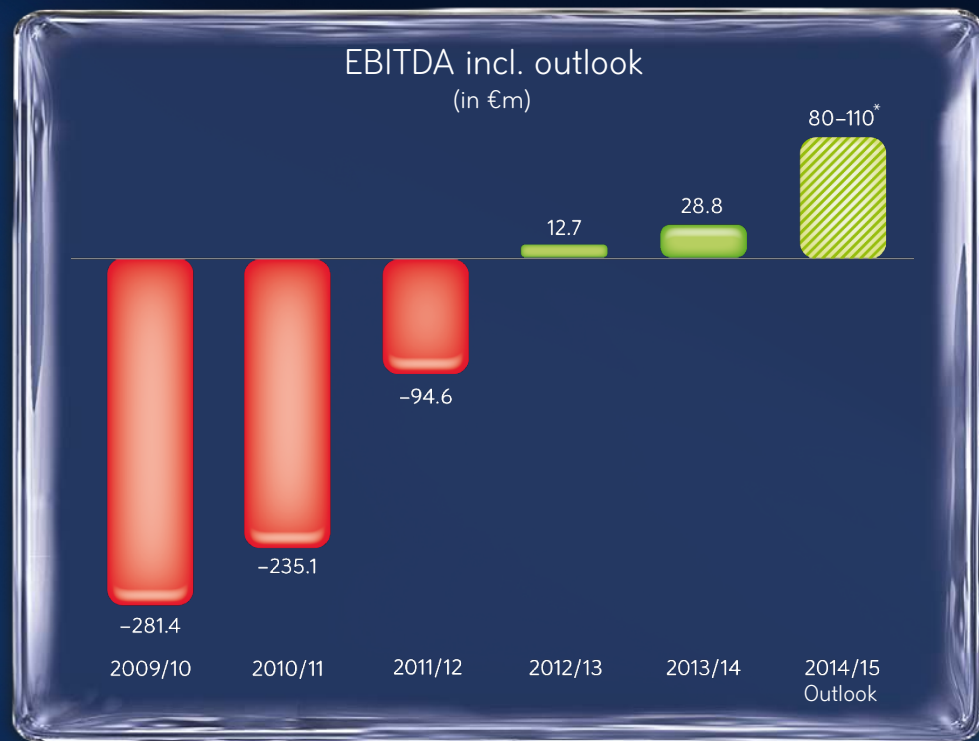


Costs

(in €m, excluding depreciation)



EBITDA and outlook



- For the new 2014/2015 financial year, Sky expects subscriber net growth of 400k to 450k, and full year EBITDA in the range of €80m to €110m, which will be supported by a continued strong increase in total revenues.

* EBITDA guidance for the new fiscal year 2014/15

Cash Flow

- Cash flow Q2 2014: €-24m
 - €30m cash from operating activities
 - €33m cash used for investing activities
 - €22m cash used for financing activities
- Net debt €425m*
- Liquidity headroom of €196m*

* As of 30 June 2014



The best content

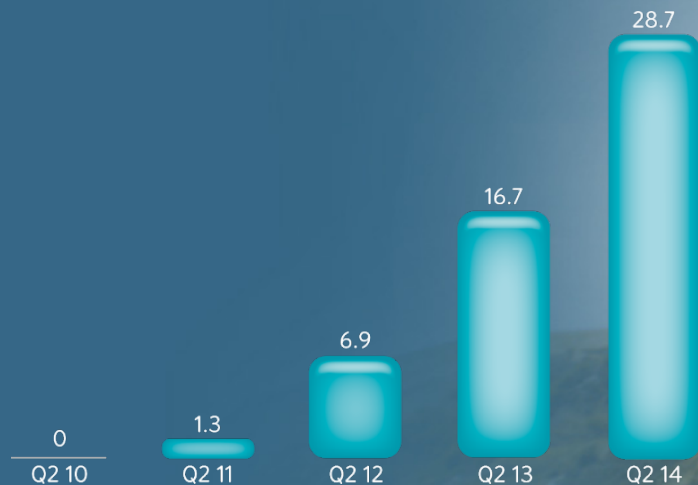
- Over 5,000 movies, uncut and commercial free
- More than 270 movie premieres – all exclusive to Sky – at least 12 months before free-to-air and other online TV services
- Over 120 series premieres in 2014, representing over 1,400 episodes – at least 12 months before free-to-air and other online TV services



The best online TV: Sky Go

sky go

Sky Go Customer Sessions*
(in m)



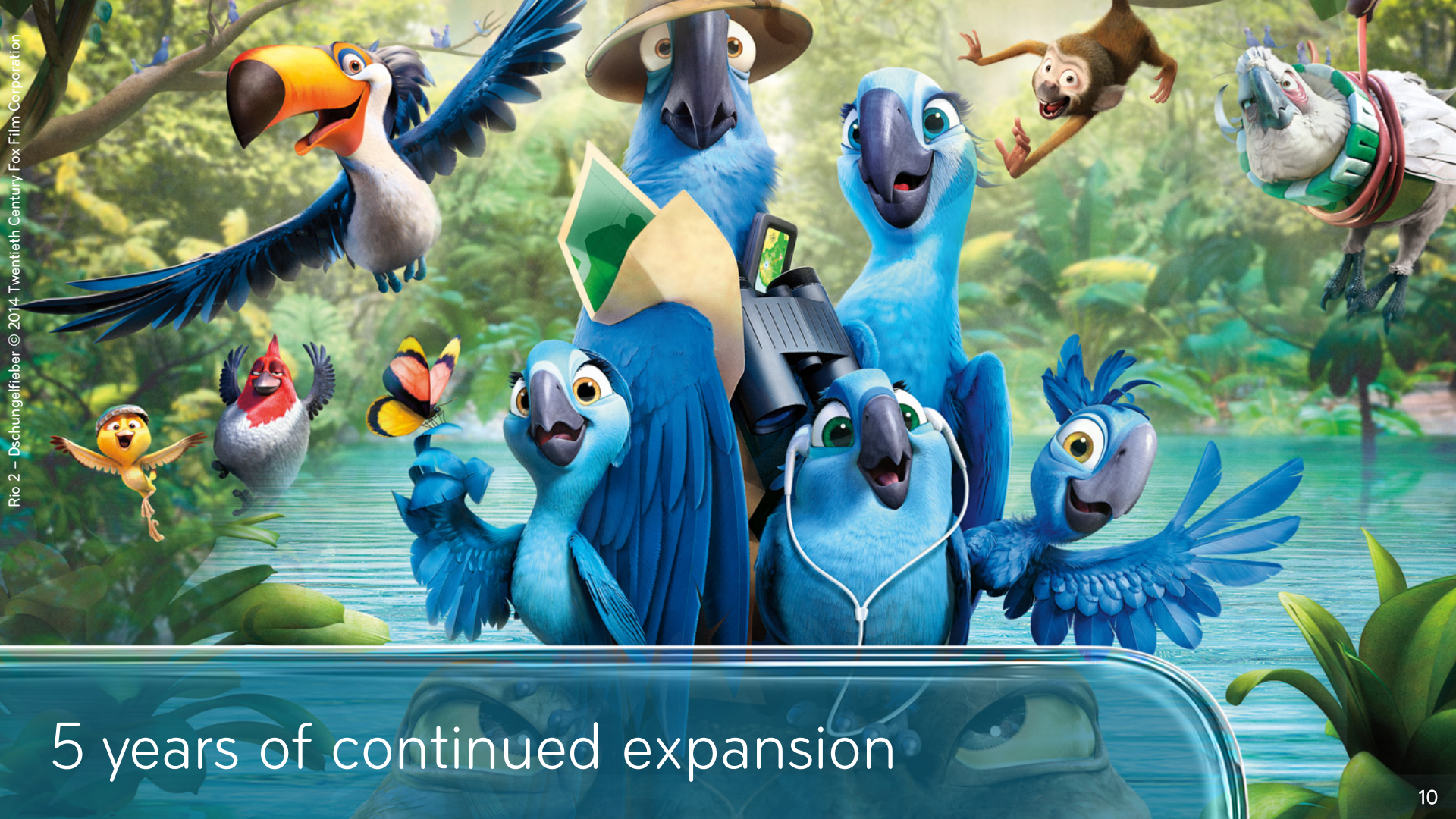
* Service started in April 2011

The new Sky Go



- Over 25,000 hours of high-quality content
- Complete redesign for more simplicity and ease-of-use
- Integration of Snap within Sky Go
- New: “Bookmarking” + “Recently Watched”
- Sky Go now free for all Sky customers





5 years of continued expansion



sky

Appendix

Disclaimer

This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of Sky Deutschland AG, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Sky Deutschland AG, or media industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. Sky Deutschland AG disclaims any obligation to update these forward-looking statements to reflect future events or developments.

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Aggregated annual subscriber metrics and results:

The full year results are aggregated quarterly results which have neither been audited nor reviewed by our external auditors. Their sole purpose is to enable sufficient comparability to previous business periods in connection with the change of the fiscal year of Sky Deutschland AG.

Subscribers and key metrics – quarterly

'000	Q2 14	Q1 14	Q4 13	Q3 13	Q2 13
Direct subscribers at beginning	3,731	3,667	3,529	3,453	3,405
Gross additions	154	145	244	185	131
Churn	-72	-81	-106	-109	-84
Net growth	82	64	138	76	48
Direct subscribers at end	3,813	3,731	3,667	3,529	3,453
HD Welt subscribers at end	2,974	2,834	2,713	2,572	2,477
Premium HD subscribers at end	1,900	1,851	1,799	1,752	1,697
Premium HD penetration rate (in %)	49.8	49.6	49.1	49.6	49.1
Premium HD subscribers incl. free-visions at end	2,236	2,106	2,025	1,869	1,760
Premium HD pen. rate incl. free-visions (in %)	58.6	56.4	55.2	53.0	51.0
Sky+ subscribers at end	1,681	1,576	1,480	1,296	1,171
Sky+ penetration rate (in %)	44.1	42.2	40.4	36.7	33.9
Second smartcard subscribers at end	451	443	429	410	393
Second smartcard penetration rate (in %)	11.8	11.9	11.7	11.6	11.4
Subscription ARPU (in €, monthly)	34.59	34.58	34.56	34.07	33.74
Churn rate (in %, quarterly annualized)	7.7	8.8	11.8	12.5	9.7
Churn rate (in %, 12 month rolling)	10.1	10.6	11.2	11.8	12.0
Wholesale subscribers at end	213	258	268	280	124

Due to rounding differences of individual items, sums may not always add up.

Subscribers and key metrics – year-on-year

'000	Q2 2014	Q2 2013	Change (abs.)	Change (in %)	FY ⁽¹⁾ 2013/14	FY ⁽¹⁾ 2012/13	Change (abs.)	Change (in %)
Direct subscribers at beginning	3,731	3,405	326	9.6	3,453	3,132	321	10.2
Gross additions	154	131	23	17.2	728	717	11	1.5
Churn	-72	-84	11	13.6	-368	-396	28	7.0
Net growth	82	48	34	70.7	360	321	39	12.0
Direct subscribers at end	3,813	3,453	360	10.4	3,813	3,453	360	10.4
HD Welt subscribers at end	2,974	2,477	497	20.0	2,974	2,477	497	20.1
Premium HD subscribers at end	1,900	1,697	203	12.0	1,900	1,697	203	12.0
Premium HD penetration rate (in %)	49.8	49.1	0.7	-	49.8	49.1	0.7	-
Premium HD subscribers incl. free-visions at end	2,236	1,760	475	27.0	2,236	1,760	475	27.0
Premium HD pen. rate incl. free-visions (in %)	58.6	51.0	7.7	-	58.6	51.0	7.7	-
Sky+ subscribers at end	1,681	1,171	511	43.6	1,681	1,171	511	43.6
Sky+ penetration rate (in %)	44.1	33.9	10.2	-	44.1	33.9	10.2	-
Second smartcard subscribers at end	451	393	58.4	14.9	451	393	58	14.9
Second smartcard penetration rate (in %)	11.8	11.4	0.5	-	11.8	11.4	0.5	-
Subscription ARPU (in €, monthly)	34.59	33.74	0.85	2.5	34.52	33.24	1.28	3.9
Churn rate (in %, quarterly annualized)	7.7	9.7	-2.0	-	10.1	12.0	-1.9	-
Churn rate (in %, 12 month rolling)	10.1	12.0	-1.9	-	10.1	12.0	-1.9	-
Wholesale subscribers at end	213	124	88	71.0	213	124	88	71.0

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Revenues and costs – year-on-year

in €m	Q2 2014	Q2 2013	Change (abs.)	Change (in %)	FY ⁽¹⁾ 2013/14	FY ⁽¹⁾ 2012/13	Change (abs.)	Change (in %)
Revenues								
Subscription	391.4	347.0	44.4	12.8	1,504.9	1,313.4	191.5	14.6
Hardware	8.6	8.4	0.2	2.8	32.4	38.2	-5.7	-15.0
Wholesale	6.5	3.1	3.4	>100	28.0	12.8	15.1	>100
Advertising	10.4	8.7	1.6	18.9	45.6	34.9	10.7	30.6
Other	10.7	8.1	2.6	31.8	44.4	28.3	16.2	57.2
Total	427.5	375.4	52.2	13.9	1,655.3	1,427.5	227.8	16.0
Costs (including depreciation)								
Program	214.4	194.9	19.5	10.0	965.8	813.8	152.0	18.7
Technology	47.2	39.6	7.5	19.0	181.4	171.5	9.8	5.7
Hardware	23.9	19.9	4.1	20.6	91.5	80.7	10.7	13.3
Customer service and other cost of sales	24.7	21.6	3.1	14.3	100.9	89.5	11.4	12.8
Selling expenses	63.9	52.5	11.4	21.7	252.7	227.2	25.5	11.2
General and administrative expenses	37.0	31.9	5.1	16.1	141.3	119.9	21.4	17.8
Other operating expenses/income	-2.2	-0.2	-2.0	>-100	-10.2	-6.3	-4.0	-63.9
Total	408.9	360.2	48.7	13.5	1,723.3	1,496.4	226.9	15.2
Depreciation included	26.7	21.6	5.1	23.5	96.8	81.6	15.3	18.7
Costs (excluding depreciation)	382.3	338.6	43.7	12.9	1,626.5	1,414.9	211.6	15.0
EBITDA	45.3	36.8	8.5	23.2	28.8	12.7	16.2	>100

Due to rounding differences of individual items, sums may not always add up.

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Results – year-on-year

in €m	Q2 2014	Q2 2013	Change (abs.)	Change (in %)	FY ⁽¹⁾ 2013/14	FY ⁽¹⁾ 2012/13	Change (abs.)	Change (in %)
Revenues	427.5	375.4	52.2	13.9	1,655.3	1,427.5	227.8	16.0
Operating expenses	382.3	338.6	43.7	12.9	1,626.5	1,414.9	211.6	15.0
EBITDA	45.3	36.8	8.5	23.2	28.8	12.7	16.2	>100
Depreciation and amortisation	26.7	21.6	5.1	23.5	96.8	81.6	15.3	18.7
Amortisation of subscriber base	0.3	0.3	0.0	0.0	1.4	1.4	0.0	0.0
EBIT	18.3	14.8	3.4	23.2	-69.4	-70.3	0.9	1.3
Financial result	-18.5	-14.2	-4.3	-30.1	-73.9	-65.8	-8.0	-12.2
Result before taxes	-0.2	0.6	-0.8	>-100	-143.2	-136.1	-7.1	-5.2
Income taxes	-2.3	-1.6	-0.7	-44.6	-7.3	-8.1	0.9	10.6
Net Income	-2.5	-0.9	-1.5	>-100	-150.5	-144.2	-6.2	-4.3

Due to rounding differences of individual items, sums may not always add up.

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Aggregated cash flow and net debt – yoy

in €m	Q2 2014	Q2 2013	FY ⁽¹⁾ 2013/14	FY ⁽¹⁾ 2012/13
Cash flow from operating activities	29.8	30.2	71.9	44.3
Cash flow from investing activities	-32.6	-43.1	-108.3	-176.5
Cash flow from financing activities	-21.6	-5.1	-20.5	299.1
Cash flow	-24.4	-18.0	-56.9	166.9

in €m	30.06.2014	30.06.2013
Cash and cash equivalents	123.2	180.1
Net debt	425.4	303.1

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Aggregated subscriber metrics

'000	FY ⁽¹⁾ 2013/14	FY ⁽¹⁾ 2012/13	FY ⁽¹⁾ 2011/12	FY ⁽¹⁾ 2010/11	FY ⁽¹⁾ 2009/10
Direct subscribers at beginning	3,453	3,132	2,759	2,476	2,364
Gross additions	728	717	713	606	598
Churn	-368	-396	-339	-323	-486
Net growth	360	321	373	283	112
Direct subscribers at end	3,813	3,453	3,132	2,759	2,476
HD Welt subscribers at end	2,974	2,477	1,894	1,220	-
Premium HD subscribers at end	1,900	1,697	1,172	714	370
Premium HD penetration rate (in %)	49.8	49.1	37.4	25.9	14.9
Premium HD subscribers incl. free-visions at end	2,236	1,760	1,248	1,046	415
Premium HD pen. rate incl. free-visions (in %)	58.6	51.0	39.9	37.9	16.8
Sky+ subscribers at end	1,681	1,171	584	116	5
Sky+ penetration rate (in %)	44.1	33.9	18.6	4.2	0.2
Second smartcard subscribers at end	451	393	248	93	1
Second smartcard penetration rate (in %)	11.8	11.4	7.9	3.4	0.0
Subscription ARPU (in €, monthly)	34.52	33.24	31.87	30.39	27.97
Churn rate (in %, quarterly annualized)	10.1	12.0	11.5	12.4	20.1
Churn rate (in %, 12 month rolling)	10.1	12.0	11.5	12.4	20.1
Wholesale subscribers at end	213	124	129	131	133

Due to rounding differences of individual items, sums may not always add up.

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Aggregated revenues and costs

in €m	FY ⁽¹⁾ 2013/14	FY ⁽¹⁾ 2012/13	FY ⁽¹⁾ 2011/12	FY ⁽¹⁾ 2010/11	FY ⁽¹⁾ 2009/10
Revenues					
Subscription	1,504.9	1,313.4	1,126.5	954.4	812.4
Hardware	32.4	38.2	40.7	28.5	28.2
Wholesale	28.0	12.8	13.6	14.1	15.7
Advertising	45.6	34.9	27.5	21.2	16.3
Other	44.4	28.3	29.9	34.0	36.2
Total	1,655.3	1,427.5	1,238.3	1,052.3	908.8
Costs (including depreciation)					
Program	965.8	813.8	760.0	741.1	737.6
Technology	181.4	171.5	165.7	162.0	139.9
Hardware	91.5	80.7	65.4	60.2	44.5
Customer service and other cost of sales	100.9	89.5	81.4	67.3	56.6
Selling expenses	252.7	227.2	229.9	209.6	187.5
General and administrative expenses	141.3	119.9	99.0	99.0	74.5
Other operating expenses/income	-10.2	-6.3	-6.5	3.5	-10.7
Total	1,723.3	1,496.4	1,395.0	1,342.7	1,229.7
Depreciation included	96.8	81.6	62.1	55.3	39.5
Costs (excluding depreciation)	1,626.5	1,414.9	1,332.9	1,287.4	1,190.2
EBITDA	28.8	12.7	-94.6	-235.1	-281.4

Due to rounding differences of individual items, sums may not always add up.

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Aggregated results

in €m	FY ⁽¹⁾ 2013/14	FY ⁽¹⁾ 2012/13	FY ⁽¹⁾ 2011/12	FY ⁽¹⁾ 2010/11	FY ⁽¹⁾ 2009/10
Revenues	1,655.3	1,427.5	1,238.3	1,052.3	908.8
Operating expenses	1,626.5	1,414.9	1,332.9	1,287.4	1,190.2
EBITDA	28.8	12.7	-94.6	-235.1	-281.4
Depreciation and amortisation	96.8	81.6	62.1	55.3	39.5
Amortisation of subscriber base	1.4	1.4	1.4	32.2	49.0
EBIT	-69.4	-70.3	-158.1	-322.6	-369.9
Financial result	-73.9	-65.8	-62.2	-39.9	-34.5
Result before taxes	-143.2	-136.1	-220.3	-362.5	-404.4
Income taxes	-7.3	-8.1	-3.7	-6.6	-5.2
Net Income	-150.5	-144.2	-224.0	-369.1	-409.6

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Aggregated cash flow and net debt

in €m	FY ⁽¹⁾ 2013/14	FY ⁽¹⁾ 2012/13	FY ⁽¹⁾ 2012/11	FY ⁽¹⁾ 2011/10	FY ⁽¹⁾ 2010/09
Cash flow from operating activities	71.9	44.3	-65.4	-189.3	-279.6
Cash flow from investing activities	-108.3	-176.5	-119.5	-116.4	-60.2
Cash flow from financing activities	-20.5	299.1	172.1	295.4	354.2
Cash flow	-56.9	166.9	-12.8	-10.3	14.4

in €m	30.06.2014	30.06.2013	30.06.2012	30.06.2011	30.06.2010
Cash and cash equivalents	123.2	180.1	13.2	26.0	36.3
Net debt	425.4	303.1	494.7	399.5	253.9

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Subscribers and key metrics – 6M

'000	6M 2014	6M 2013	Change (abs.)	Change (in %)
Direct subscribers at beginning	3,667	3,363	304	9.0
Gross additions	299	269	30	11.2
Churn	-153	-179	26	14.3
Net growth	146	90	56	61.9
Direct subscribers at end	3,813	3,453	360	10.4
HD Welt subscribers at end	2,974	2,477	497	20.1
Premium HD subscribers at end	1,900	1,697	203	12.0
Premium HD penetration rate (in %)	49.8	49.1	0.7	-
Premium HD subscribers incl. free-visions at end	2,236	1,760	475	27.0
Premium HD pen. rate incl. free-visions (in %)	58.6	51.0	7.7	-
Sky+ subscribers at end	1,681	1,171	511	43.6
Sky+ penetration rate (in %)	44.1	33.9	10.2	-
Second smartcard subscribers at end	451	393	58	14.9
Second smartcard penetration rate (in %)	11.8	11.4	0.5	-
Subscription ARPU (in €, monthly)	34.54	33.43	1.11	3.3
Churn rate (in %, quarterly annualized)	8.2	10.5	-2.3	-
Churn rate (in %, 12 month rolling)	10.1	12.0	-1.9	-
Wholesale subscribers at end	213	124	88	71.0

Revenues and costs - 6M

in €m	6M 2014	6M 2013	Change (abs.)	Change (in %)
Revenues				
Subscription	775.1	683.6	91.5	13.4
Hardware	16.7	17.2	-0.5	-3.0
Wholesale	13.4	6.2	7.2	>100
Advertising	21.8	17.5	4.3	24.7
Other	21.3	14.9	6.3	42.5
Total	848.3	739.4	108.9	14.7
Costs (including depreciation)				
Program	491.1	407.9	83.2	20.4
Technology	94.4	83.2	11.3	13.5
Hardware	46.8	40.9	5.9	14.3
Customer service and other cost of sales	48.9	43.3	5.6	12.8
Selling expenses	121.5	103.3	18.2	17.6
General and administrative expenses	65.6	62.9	2.7	4.4
Other operating expenses/income	-5.0	-2.9	-2.0	-68.9
Total	863.3	738.6	124.7	16.9
Depreciation included	51.7	41.7	10.0	23.9
Costs (excluding depreciation)	811.6	696.8	114.8	16.5
EBITDA	36.7	42.6	-5.9	-13.8

Due to rounding differences of individual items, sums may not always add up.

Results – 6M

in €m	6M 2014	6M 2013	Change (abs.)	Change (in %)
Revenues	848.3	739.4	108.9	14.7
Operating expenses	811.6	696.8	114.8	16.5
EBITDA	36.7	42.6	-5.9	-13.8
Depreciation and amortisation	51.7	41.7	10.0	23.9
Amortisation of subscriber base	0.7	0.7	0.0	0.0
EBIT	-15.7	0.1	-15.8	>-100
Financial result	-36.2	-35.9	-0.3	-0.8
Result before taxes	-51.9	-35.8	-16.1	-45.0
Income taxes	-4.0	-2.7	-1.3	-46.6
Net Income	-55.9	-38.5	-17.4	-45.1

Due to rounding differences of individual items, sums may not always add up.

Cash flow and net debt – 6M

in €m	Q2 2014	Q2 2013	6M 2014	6M 2013
Cash flow from operating activities	29.8	30.2	27.6	47.8
Cash flow from investing activities	-32.6	-43.1	-61.5	-95.5
Cash flow from financing activities	-21.6	-5.1	-39.8	223.5
Cash flow	-24.4	-18.0	-73.7	175.8

in €m	30.06.2014	30.06.2013
Cash and cash equivalents	123.2	180.1
Net debt	425.4	303.1

