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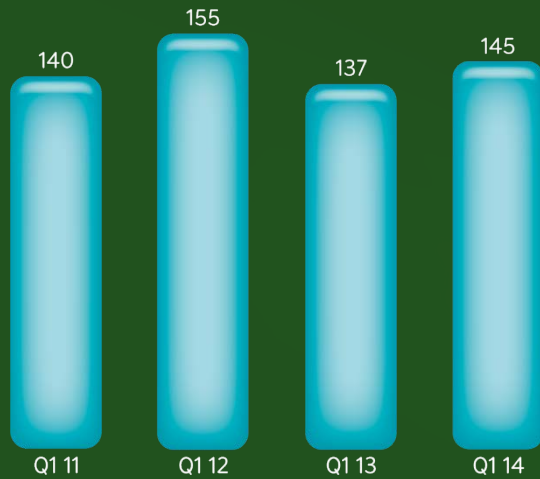
Sky Deutschland  
Q1 2014 Results  
7 May 2014

# Strong customer growth



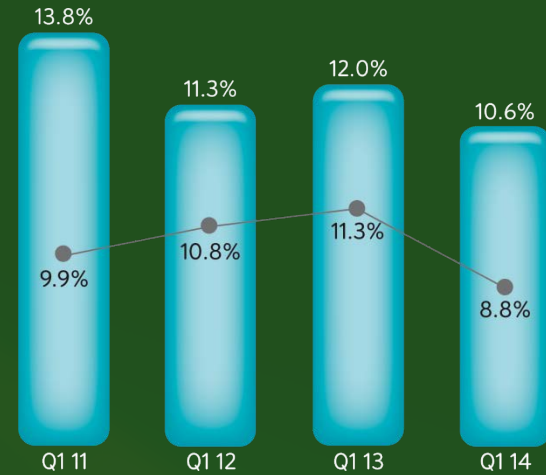
# Increasing quality

Gross additions  
(in '000)



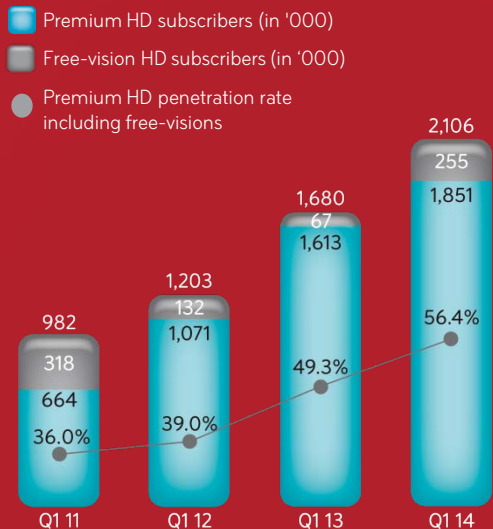
Churn

- 12 month rolling churn rate
- Q1 quarterly annualized churn rate

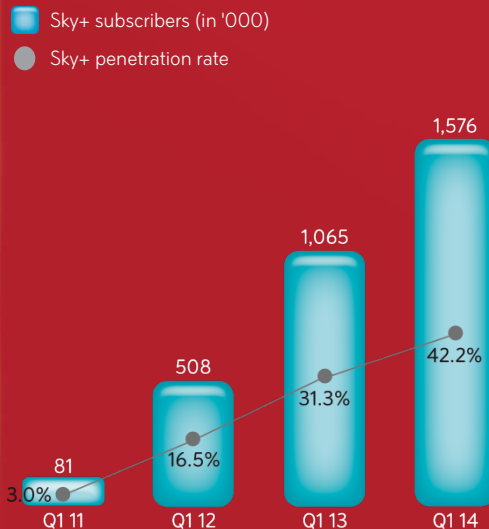


# HD, Sky+ and Sky Zweitkarte

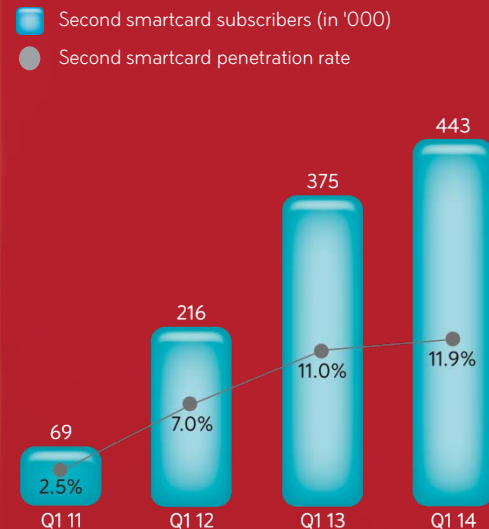
## HD subscribers (at end of period)



## Sky+ subscribers (at end of period)



## Second Smartcard subscribers (at end of period)

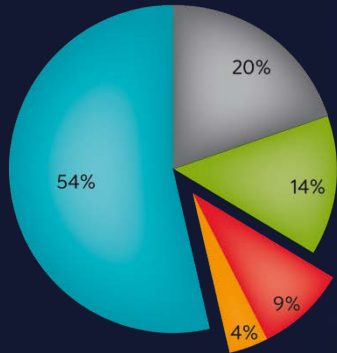


# ARPU, revenues and costs



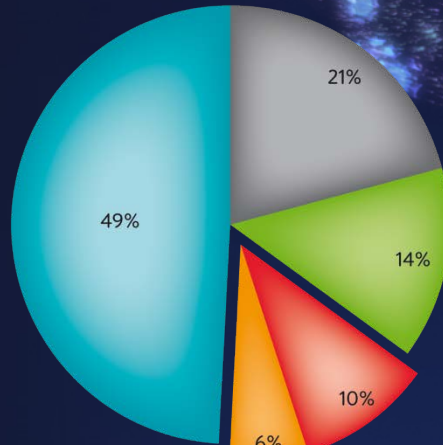
# Continued ARPU improvement

Total subs: 3,405m  
ARPU: €33.15

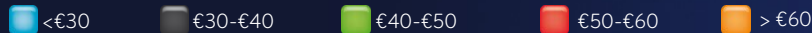


Q1 2013

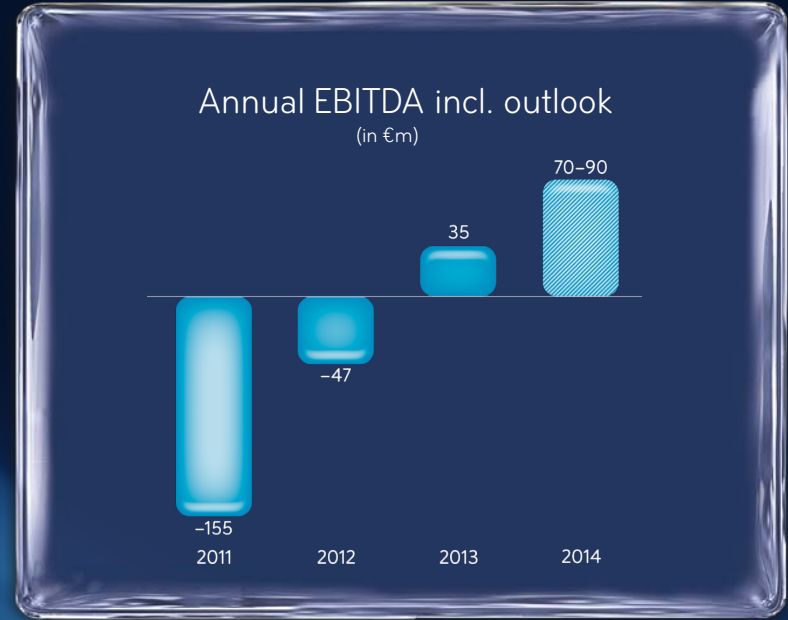
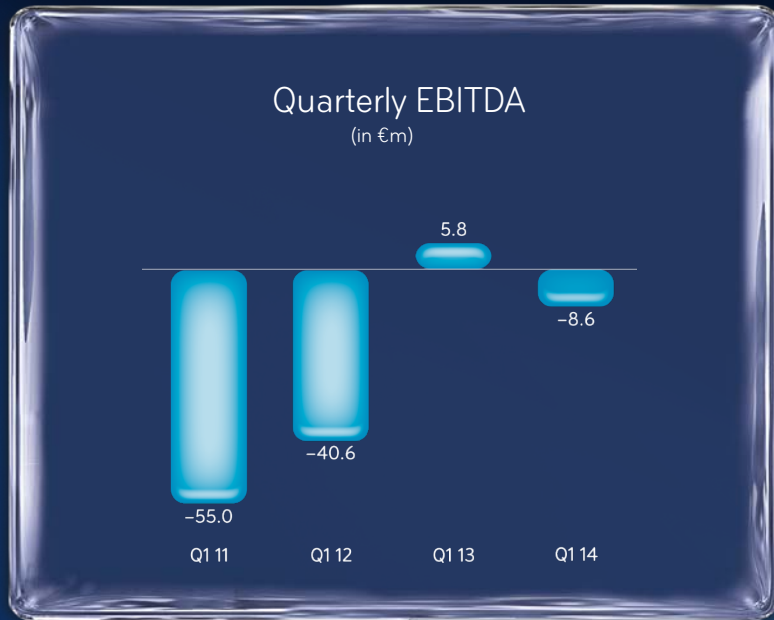
Total subs: 3,731m  
ARPU: €34.58



Q1 2014



# EBITDA and outlook



For the 2014 calendar year, Sky confirms that it expects subscriber net growth of 400k to 450k, and full year EBITDA in the range of €70m to €90m, which will be supported by a continued strong increase in total revenues

# Cash Flow

- Cash flow Q1 2014: €-49m
  - €2m cash used for operating activities
  - €29m cash used for investing activities
  - €18m cash used for financing activities
- Net debt €404m\*
- Liquidity headroom of €220m\*

\* As of 31 March 2014



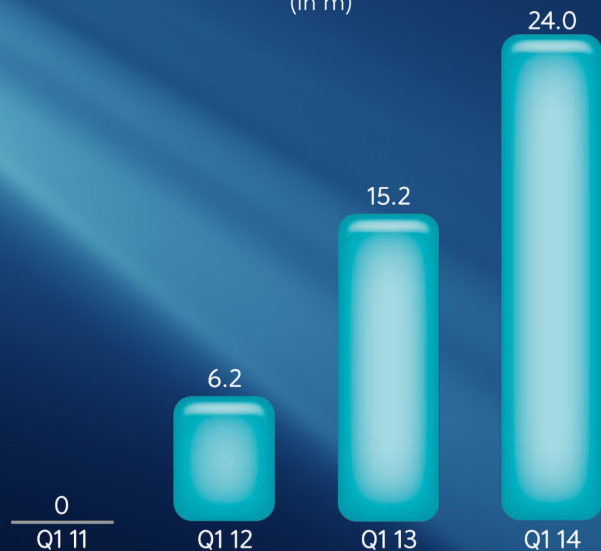
# Change of fiscal year

- Sky will change its fiscal year to run from 1<sup>st</sup> July to 30<sup>th</sup> June
- Short fiscal year from 1<sup>st</sup> January 2014 to 30<sup>th</sup> June 2014
- New fiscal year runs from 1<sup>st</sup> July 2014 to 30<sup>th</sup> June 2015
- All announcement dates will remain unchanged



# Sky Go – Free for all customers

Sky Go Customer Sessions\*  
(in m)



\* Service started in April 2011



# Snap by Sky

- Sky's new over-the-top service
- Thousands of titles available on-demand
- Extensive HBO catalogue and exclusive highlights from Disney
- Available via the web, iOS Apple devices and Samsung Smart TVs
- New: kids' zone on Snap
- Now also available on Android for Samsung's flagship models



# Exclusive content

- True home for all film fans - all of this year's Oscar winners as German TV premieres
- More than 100 series premieres in 2014 - over 1,200 individual episodes, many first and exclusive to Sky



# Extending exclusive sports

- Expanded exclusive rights for Wimbledon tennis
- Expanded exclusive rights for the US Masters in Augusta





Head-start into 2014



sky

Appendix

# Subscribers and key metrics – quarterly

| '000   | Q1 14        | Q4 13        | Q3 13        | Q2 13        | Q1 13        |
|--|--------------|--------------|--------------|--------------|--------------|
| Direct subscribers at beginning                              | 3,667        | 3,529        | 3,453        | 3,405        | 3,363        |
| Gross additions*   | 145          | 244          | 185          | 131          | 137          |
| Churn  | -81          | -106         | -109         | -84          | -95          |
| Net growth   | 64           | 138          | 76           | 48           | 42           |
| <b>Direct subscribers at end</b>                             | <b>3,731</b> | <b>3,667</b> | <b>3,529</b> | <b>3,453</b> | <b>3,405</b> |
| HD Welt subscribers at end                                   | 2,834        | 2,713        | 2,572        | 2,477        | 2,403        |
| Premium HD subscribers at end                                | 1,851        | 1,799        | 1,752        | 1,697        | 1,613        |
| Premium HD penetration rate (in %)                           | 49.6         | 49.1         | 49.6         | 49.1         | 47.4         |
| Premium HD subscribers including HD free-visions at end      | 2,106        | 2,025        | 1,869        | 1,760        | 1,680        |
| Premium HD penetration rate including HD free-visions (in %) | 56.4         | 55.2         | 53.0         | 51.0         | 49.3         |
| Sky+ subscribers at end                                      | 1,576        | 1,480        | 1,296        | 1,171        | 1,065        |
| Sky+ penetration rate (in %)                                 | 42.2         | 40.4         | 36.7         | 33.9         | 31.3         |
| Second smartcard subscribers at end                          | 443          | 429          | 410          | 393          | 375          |
| Second smartcard penetration rate (in %)                     | 11.9         | 11.7         | 11.6         | 11.4         | 11.0         |
| Subscription ARPU (in €, monthly)                            | 34.58        | 34.56        | 34.07        | 33.74        | 33.15        |
| Churn rate (in %, quarterly annualized)                      | 8.8          | 11.8         | 12.5         | 9.7          | 11.3         |
| Churn rate (in %, 12 month rolling)                          | 10.6         | 11.2         | 11.8         | 12.0         | 12.0         |
| Wholesale subscribers at end                                 | 258          | 268          | 280          | 124          | 125          |

\* Q1 2014 gross additions include the migration of 5k subscribers due to a one-off migration action within a marketing cooperation.  
Due to rounding differences of individual items, sums may not always add up.



# Subscribers and key metrics – year-on-year

| '000   | Q1 14        | Q1 13        | Change<br>(absolute) | Change<br>(in %) | 2013         | 2012         | Change<br>(absolut) | Change<br>(in %) |
|--|--------------|--------------|----------------------|------------------|--------------|--------------|---------------------|------------------|
| Direct subscribers at beginning                              | 3,667        | 3,363        | 304                  | 9.0              | 3,363        | 3,012        | 351                 | 11.6             |
| Gross additions*   | 145          | 137          | 8                    | 5.5              | 698          | 728          | -30                 | -4.1             |
| Churn  | -81          | -95          | 14                   | 14.9             | -394         | -377         | -17                 | -4.6             |
| Net growth   | 64           | 42           | 22                   | 51.9             | 304          | 351          | -47                 | -13.4            |
| <b>Direct subscribers at end</b>                             | <b>3,731</b> | <b>3,405</b> | <b>326</b>           | <b>9.6</b>       | <b>3,667</b> | <b>3,363</b> | <b>304</b>          | <b>9.0</b>       |
| HD Welt subscribers at end                                   | 2,834        | 2,403        | 430                  | 17.9             | 2,713        | 2,249        | 464                 | 20.6             |
| Premium HD subscribers at end                                | 1,851        | 1,613        | 237                  | 14.7             | 1,799        | 1,514        | 285                 | 18.8             |
| Premium HD penetration rate (in %)                           | 49.6         | 47.4         | 2.2                  | -                | 49.1         | 45.0         | 4.0                 | -                |
| Premium HD subscribers including HD free-visions at end      | 2,106        | 1,680        | 426                  | 25.3             | 2,025        | 1,598        | 427                 | 26.7             |
| Premium HD penetration rate including HD free-visions (in %) | 56.4         | 49.3         | 7.1                  | -                | 55.2         | 47.5         | 7.7                 | -                |
| Sky+ subscribers at end                                      | 1,576        | 1,065        | 511                  | 48.0             | 1,480        | 929          | 551                 | 59.4             |
| Sky+ penetration rate (in %)                                 | 42.2         | 31.3         | 11.0                 | -                | 40.4         | 27.6         | 12.7                | -                |
| Second smartcard subscribers at end                          | 443          | 375          | 68                   | 18.3             | 429          | 346          | 83                  | 23.9             |
| Second smartcard penetration rate (in %)                     | 11.9         | 11.0         | 0.9                  | -                | 11.7         | 10.3         | 1.4                 | -                |
| Subscription ARPU (in €, monthly)                            | 34.58        | 33.15        | 1.43                 | 4.3              | 33.51        | 31.90        | 1.61                | 5.0              |
| Churn rate (in %, quarterly annualized)                      | 8.8          | 11.3         | -2.5                 | -                | 11.2         | 11.8         | -0.6                | -                |
| Churn rate (in %, 12 month rolling)                          | 10.6         | 12.0         | -1.4                 | -                | 11.2         | 11.8         | -0.6                | -                |
| Wholesale subscribers at end                                 | 258          | 125          | 133                  | >100             | 268          | 125          | 143                 | >100             |

\* Q1 2014 gross additions include the migration of 5k subscribers due to a one-off migration action within a marketing cooperation.  
Due to rounding differences of individual items, sums may not always add up.

# Revenues and costs

| in €m                                    | Q1 14        | Q1 13        | Change<br>(absolute) | Change<br>(in %) | 2013           | 2012           | Change<br>(absolut) | Change<br>(in %) |
|--|--------------|--------------|----------------------|------------------|----------------|----------------|---------------------|------------------|
| <b>Revenues</b>                          |              |              |                      |                  |                |                |                     |                  |
| Subscription                             | 383.7        | 336.5        | 47.2                 | 14.0             | 1,413.4        | 1,220.2        | 193.2               | 15.8             |
| Hardware                                 | 8.1          | 8.9          | -0.8                 | -8.5             | 32.9           | 42.9           | -9.9                | -23.2            |
| Wholesale                                | 6.9          | 3.1          | 3.9                  | >100             | 20.8           | 13.3           | 7.4                 | 55.8             |
| Advertising                              | 11.4         | 8.8          | 2.7                  | 30.5             | 41.3           | 29.7           | 11.6                | 39.0             |
| Other                                    | 10.6         | 6.8          | 3.8                  | 55.3             | 38.1           | 27.1           | 11.0                | 40.5             |
| <b>Total</b>                             | <b>420.7</b> | <b>364.0</b> | <b>56.7</b>          | <b>15.6</b>      | <b>1,546.4</b> | <b>1,333.2</b> | <b>213.2</b>        | <b>16.0</b>      |
| <b>Costs (including depreciation)</b>    |              |              |                      |                  |                |                |                     |                  |
| Program                                  | 276.7        | 213.0        | 63.7                 | 29.9             | 882.6          | 795.6          | 87.1                | 10.9             |
| Technology                               | 47.3         | 43.5         | 3.7                  | 8.6              | 170.1          | 169.4          | 0.7                 | 0.4              |
| Hardware                                 | 22.9         | 21.1         | 1.8                  | 8.4              | 85.6           | 68.7           | 16.9                | 24.7             |
| Customer service and other cost of sales | 24.2         | 21.8         | 2.5                  | 11.3             | 95.4           | 86.1           | 9.2                 | 10.7             |
| Selling expenses                         | 57.6         | 50.8         | 6.8                  | 13.4             | 234.5          | 230.3          | 4.2                 | 1.8              |
| General and administrative expenses      | 28.6         | 31.0         | -2.4                 | -7.7             | 138.6          | 110.4          | 28.2                | 25.5             |
| Other operating expenses/income          | -2.8         | -2.8         | 0.0                  | -1.7             | -8.2           | -7.5           | -0.8                | -10.1            |
| <b>Total</b>                             | <b>454.4</b> | <b>378.4</b> | <b>76.0</b>          | <b>20.1</b>      | <b>1,598.6</b> | <b>1,453.0</b> | <b>145.6</b>        | <b>10.0</b>      |
| Depreciation included                    | 25.0         | 20.1         | 4.9                  | 24.3             | 86.9           | 72.3           | 14.6                | 20.2             |
| <b>Costs (excluding depreciation)</b>    | <b>429.3</b> | <b>358.2</b> | <b>71.1</b>          | <b>19.8</b>      | <b>1,511.7</b> | <b>1,380.7</b> | <b>131.0</b>        | <b>9.5</b>       |
| <b>EBITDA</b>                            | <b>-8.6</b>  | <b>5.8</b>   | <b>-14.4</b>         | <b>&gt;-100</b>  | <b>34.7</b>    | <b>-47.5</b>   | <b>82.2</b>         | <b>&gt;100</b>   |

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

# Results

| in €m                           | Q1 14        | Q1 13        | Change<br>(absolute) | Change<br>(in %) | 2013          | 2012          | Change<br>(absolut) | Change<br>(in %) |
|---------------------------------|--------------|--------------|----------------------|------------------|---------------|---------------|---------------------|------------------|
| Revenues                        | 420.7        | 364.0        | 56.7                 | 15.6             | 1,546.4       | 1,333.2       | 213.2               | 16.0             |
| Operating expenses              | 429.3        | 358.2        | 71.1                 | 19.8             | 1,511.7       | 1,380.7       | 131.0               | 9.5              |
| <b>EBITDA</b>                   | <b>-8.6</b>  | <b>5.8</b>   | <b>-14.4</b>         | <b>&gt;-100</b>  | <b>34.7</b>   | <b>-47.5</b>  | <b>82.2</b>         | <b>&gt;100</b>   |
| Depreciation and amortisation   | 25.0         | 20.1         | 4.9                  | 24.3             | 86.9          | 72.3          | 14.6                | 20.2             |
| Amortisation of subscriber base | 0.3          | 0.3          | 0.0                  | 0.0              | 1.4           | 1.4           | 0.0                 | -0.2             |
| <b>EBIT</b>                     | <b>-34.0</b> | <b>-14.7</b> | <b>-19.3</b>         | <b>&gt;-100</b>  | <b>-53.5</b>  | <b>-121.1</b> | <b>67.6</b>         | <b>55.8</b>      |
| Financial result                | -17.8        | -21.8        | 4.0                  | 18.4             | -73.6         | -65.4         | -8.2                | -12.6            |
| <b>Result before taxes</b>      | <b>-51.7</b> | <b>-36.4</b> | <b>-15.3</b>         | <b>-41.9</b>     | <b>-127.1</b> | <b>-186.5</b> | <b>59.4</b>         | <b>31.8</b>      |
| Income taxes                    | -1.7         | -1.1         | -0.6                 | -49.3            | -6.0          | -6.1          | 0.1                 | 1.0              |
| <b>Net Income</b>               | <b>-53.4</b> | <b>-37.6</b> | <b>-15.8</b>         | <b>-42.2</b>     | <b>-133.1</b> | <b>-192.5</b> | <b>59.4</b>         | <b>30.9</b>      |

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

# Cash flow and net debt

| in €m                               | Q1 14        | Q1 13        | 2013         | 2012         |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Cash flow from operating activities | -2.3         | 17.6         | 92.0         | -30.6        |
| Cash flow from investing activities | -28.9        | -52.4        | -142.2       | -136.4       |
| Cash flow from financing activities | -18.2        | 228.6        | 242.8        | 116.5        |
| <b>Cash flow</b>                    | <b>-49.4</b> | <b>193.8</b> | <b>192.6</b> | <b>-50.5</b> |

| in €m                     | 31 Mar<br>2014 | 31 Mar<br>2013 | 31 Dec<br>2013 | 31 Dec<br>2012 |
|---------------------------|----------------|----------------|----------------|----------------|
| Cash and cash equivalents | 147.5          | 198.1          | 196.9          | 4.3            |
| Net debt                  | 403.8          | 251.7          | 354.7          | 611.0          |

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

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