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BRITISH SKY BROADCASTING GROUP PLC

Form 6-K

May 04, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

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

For the month of May 2005
04 May 2005

BRITISH SKY BROADCASTING GROUP PLC
(Name of Registrant)

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

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

Form 20-F X

Form 40-F

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

Yes

No X

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

EXHIBIT INDEX

Exhibit

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

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announcing 3rd Quarter Results released on
04 May 2005

4 May 2005

BRITISH SKY BROADCASTING GROUP PLC Results for the nine months ended 31 March 2005

BSkyB announces 95,000 net DTH subscriber additions for the third quarter, 31% year on year growth in operating profit (before goodwill) and a 51% increase in earnings per share (before goodwill and exceptional items) to 19.9 pence

- Net DTH subscriber growth of 95,000 (2004: 66,000) in the quarter to over 7.7 million (2004: 7.3 million)
- Sky+ households increase by 128,000 (2004: 72,000) in the quarter to 770,000 (2004: 322,000)
- Multiroom households increase by 90,000 (2004: 33,000) in the quarter to 563,000 (2004: 270,000)
- Turnover increases by 10% to GBP2,960 million
- Operating profit before goodwill increases by 31% to GBP574 million, a margin of 19.4%
- Operating cash inflow increases by 23% to GBP635 million
- Profit after tax before goodwill and exceptional items up 49% to GBP381 million
- Profit after tax increases by 12% to GBP273 million
- Earnings per share before goodwill and exceptional items increase by 51% to 19.9 pence
- Net debt reduced to GBP414 million after returning GBP291 million through a share buy-back programme

Commenting on the announcement, James Murdoch, Chief Executive said:

"Continued focus on the implementation of our strategy is returning strong subscriber growth, a good mix of customers, growth in Sky+ and multiroom, and substantial profit and cashflow. The whole team at Sky put in a strong performance to deliver these results and we remain focussed and energetic in pursuing our long-term growth plan."

Results highlights

Key subscriber information	2005	2004	Change
Net DTH subscriber additions(1)	95,000	66,000	29,000
Total DTH subscribers(2)	7,704,000	7,274,000	430,000

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Net Sky+ household additions(1)	128,000	72,000	56,000
Total Sky+ households(2)	770,000	322,000	448,000
Net multiroom household additions(1)	90,000	33,000	57,000
Total multiroom households(2)	563,000	270,000	293,000

Profit and loss account (GBPm)	Nine months to 31 March		
	2005	2004	Change
Turnover	2,960	2,697	263
Operating profit before goodwill(3)	574	438	136
Operating profit margin before goodwill	19.4%	16.2%	3.2%
Profit before taxation, goodwill and exceptional items(3)	539	371	168
Profit after taxation before goodwill and exceptional items(3)	381	255	126
Profit after taxation	273	243	30

Cashflow information (GBPm)	Nine months to 31 March		
	2005	2004	Change
Operating cash inflow	635	518	117
Net debt(4)	414	662	-248

Per share information (pence)	Nine months to 31 March		
	2005	2004	Change
Earnings per share before goodwill and exceptional items(3)	19.9	13.2	6.7
Earnings per share	14.2	12.5	1.7

1. In the three months to 31 March
2. As at 31 March
3. The reconciliation to the nearest equivalent GAAP measure can be found in the Consolidated Profit and Loss Account below

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4. Net debt reduced to GBP414 million at 31 March 2005 from GBP662 million at 31 March 2004 after returning GBP407 million to shareholders between 1 April 2004 and 31 March 2005

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A conference call for UK and European analysts and investors will be held at 8.30 a.m. (BST) today. To register for this, please contact Silvana Marsh at Finsbury on +44 20 7251 3801. A live webcast of this call will be available on Sky's corporate website, <http://www.sky.com/corporate> and available to replay.

There will be a separate conference call for US analysts and investors at 10.00 a.m. (EST) today. Details of this call have been sent to US institutions and can be obtained from John Sutton at Taylor Rafferty on +1 212 889 4350.

OPERATING REVIEW

At 31 March 2005, the total number of direct-to-home ("DTH") digital satellite subscribers in the UK and Ireland was 7,704,000, representing a net increase of 95,000 subscribers in the three months to 31 March 2005 ("the quarter"). The Group remains on track to achieve its target of eight million DTH subscribers by 31 December 2005.

Gross DTH subscriber additions for the quarter were 308,000, an increase of 72,000 on the prior year. This is the second consecutive quarter that gross additions have exceeded the levels set 12 months previously and demonstrates the Group's ability to stimulate continued demand for pay television in a competitive and dynamic environment.

The number of Sky+ households grew strongly, increasing by 128,000 in the quarter to 770,000, representing 10% penetration of total DTH subscribers. Whilst offering an attractive upgrade for existing Sky subscribers, Sky+ also attracts consumers who previously had not chosen Sky. One third of new Sky+ households in the quarter were first-time subscribers, higher than the two preceding quarters and significantly higher than the 21% achieved last financial year. As highlighted in August 2004, this has been a key area of focus.

The growth in Sky+ penetration continues to drive growth in the number of households taking two or more subscriptions, with over 50% of Sky+ subscribers taking two or more subscriptions as at 31 March 2005. The total number of

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multiroom households increased by 90,000 in the quarter to 563,000, 7% penetration of total DTH subscribers.

DTH churn (annualised) for the nine months to 31 March 2005 ("the period") was 10.2%, an increase of 0.8% percentage points over the nine months to 31 March 2004 ("the comparable period"). Churn (annualised) for the quarter was 11.1% following a lower level of reinstates from retention marketing activity. The Group expects churn to remain at around 10% over time.

Annualised average revenue per DTH subscriber ("ARPU") in the quarter was GBP382, in-line with the three months to 31 March 2004. ARPU for the quarter was GBP4 lower than the three months to 31 December 2004 ("the second quarter") reflecting a GBP1 decrease in DTH ARPU, principally driven by the seasonal movement between subscription tiers following Christmas. ARPU generated from Sky Active and SkyBet decreased by GBP3 on the second quarter.

During the quarter, Sky progressed the range of initiatives launched in the second quarter. The 'What do you want to watch?' advertising campaign continued in March 2005, promoting the range and depth of programming available from pay television and encouraging consumers to re-appraise the Sky brand. Installation charges continued to be waived on all popular Sky channel packages, eliminating the higher upfront costs for subscribers not choosing the top tier 'Sky World' package.

Good progress was made in the quarter in building the broadcast infrastructure and production facilities required to launch high definition television ("HDTV") in 2006. On 2 March 2005, Sky announced that Thomson will be the initial supplier of HDTV set-top boxes, which will be integrated with personal video recorder ("PVR") functionality. The introduction of HDTV to the current product portfolio will offer our customers the highest quality viewing experience available and further extend the range of products to meet the individual needs of different consumers.

Sky Sports recorded its highest ever quarterly share of viewing in Sky digital homes. In Rugby League, Super League audiences were up 30% on the same period last year and in Football, this season's Carling Cup Final set a new viewing record for any Cup match on Sky. The final quarter of the financial year also features a strong line up of sporting events, as the domestic League and European Cup competitions in Football and Rugby Union reach their final stages; in International Cricket England challenge Australia and Bangladesh in the Natwest Series; and the British and Irish Lions depart for their Rugby Union tour of New Zealand. Sky Sports will provide the first view of Sir Clive Woodward's team when they face the Pumas at the Millennium Stadium in Cardiff on 23 May 2005, and will provide live and exclusive coverage of all 11 matches from their New Zealand Tour in June.

Sky One and Sky Movies performed well during the quarter, with the return of flagship drama series on Sky One, such as '24' and the award winning 'Nip/Tuck,' and premieres of 'Bruce Almighty' and 'The League of Extraordinary Gentlemen' on Sky Movies, all achieving strong viewing share. As it continues to broaden its appeal to subscribers, Sky One has announced that it will broadcast a new wildlife series, 'Last Chance to Save', in the autumn and the pro-am golf 'Celebrity Cup' during the August Bank Holiday weekend.

On 25 February 2005, Sky News was named 'News Channel of the year' by the Royal Television Society ("RTS") for the fourth year running, beating strong competition from the BBC and ITV. Sky News' reputation has been built on its fast and accurate coverage of breaking news, as well as its innovative approach to covering stories as illustrated by its coverage of the 2005 General Election campaign and its reconstructions of the current Michael Jackson trial.

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FINANCIAL REVIEW

The Group has delivered a strong set of financial results during the period, with a 51% increase in earnings per share (before goodwill and exceptional items) over the comparable period. Operating profit before goodwill increased by 31% on the comparable period to GBP574 million, resulting in operating profit margin before goodwill of 19.4%, up from 16.2% for the comparable period.

Total revenues increased by 10% on the comparable period to GBP2,960 million.

DTH revenues increased by 10% on the comparable period to GBP2,171 million. This was mainly driven by 6% growth in the average number of DTH subscribers and a 3% increase in the average revenue per DTH subscriber, mainly as a result of the January and September 2004 prices rises and increased multiroom revenues.

Cable wholesale revenues increased by 4% on the comparable period to GBP166 million. Adjusting for a one-off receipt of audit monies received from NTL in the first quarter of last financial year, this represents a 7% increase on the comparable period. This has primarily been driven by the changes to wholesale prices in January and September 2004 and the carriage of Sky Sports Extra and PREMPPLUS.

Advertising revenue increased by 9% on the comparable period to GBP242 million, principally driven by 8% growth in the UK television advertising sector and continued expansion in the Group's share of this sector.

Growth in SkyBet revenues accelerated during the quarter to reach GBP186 million for the period, a 40% increase on the comparable period. The introduction of new fixed odds games, such as Roulette and multi-line slot games, continued to drive gross margins, which increased by 2 percentage points on the comparable period to 10%. On 8 April 2005, the Gambling Bill was successfully passed through Parliament, which will present further opportunities from the end of 2006 for SkyBet and Sky Active to continue to extend the range of gaming services that they provide.

Lower revenues from the SkyBuy retail service, and from the expiry of a number of contracts and services, led to a 22% reduction in Sky Active revenues on the comparable period to GBP67 million. Underlying revenues in Sky Active (excluding these items) rose by 5% to GBP62 million, reflecting growth in areas such as interactive advertising, games and third party betting and gaming.

Total programming costs decreased by GBP32 million on the comparable period to GBP1,216 million. Sports costs increased by GBP7 million on the comparable period to GBP571 million. After adjusting for the change in amortisation phasing, as disclosed previously, sports costs would have fallen by GBP43 million on the comparable period. This underlying reduction is principally due to savings achieved in the renewal of the FA Premier League and Football Association contracts. Other programming costs, including Movies, News, Entertainment and Third Party Channels, reduced by GBP39 million on the comparable period to GBP645 million, principally as the result of the continued weakness of the US dollar.

Gross margin (defined as total revenues less total programming costs, divided by total revenue) increased from 54% for the comparable period to 59%.

Marketing costs increased by GBP80 million to GBP379 million, 13% of total revenue. This increase reflects strong growth in gross additions and in the number of existing subscribers upgrading to Sky+ and multiroom. These upgrades generate high levels of customer satisfaction, lower churn and a higher uptake of premium packages and multiroom subscriptions. Whilst upgrades to existing customers do increase marketing costs in the short-term, they offer increased yield and attractive returns on investment. Above-the-line marketing costs are

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higher than the comparable period due to the continuation of the "What do you want to watch" campaign, launched on 1 October 2004. Year on year growth in above-the-line costs declined during the quarter to 47% as the campaign moved out of launch phase. The Group expects above-the-line marketing costs to increase by 40% to 50% in the 2005 financial year compared to the 2004 financial year, in line with previous guidance.

Betting costs increased by GBP45 million to GBP168 million, in line with the increase in SkyBet revenue. The remaining other operating costs, including subscriber management, transmission and related functions and administration costs, increased by GBP34 million on the comparable period to GBP623 million. This increase is primarily attributable to increased infrastructure and broadcast support and development costs, including the Advanced Technology Centre, IT systems and facility costs.

Operating profit before goodwill increased by 31% on the comparable period to GBP574 million. Operating profit margin before goodwill increased by 3.2 percentage points to 19.4%, despite the small negative mix effect of the strong growth in SkyBet revenue in the period.

After goodwill of GBP85 million, the Group's share of operating profits of joint ventures and associates of GBP12 million, loss on disposal of the Group's share in Granada Sky Broadcasting of GBP23 million (as disclosed in the second quarter) and net interest payable of GBP47 million, the Group made a profit before tax of GBP431 million.

The total net tax charge for the period was GBP158 million. This reflects a current tax charge of GBP109 million, a deferred tax charge of GBP50 million and a GBP1 million tax credit from the Group's share of the tax balances in associated undertakings. Excluding the effect of goodwill, joint ventures and exceptional items, the Group's effective tax rate on ordinary activities increased from 29.9% for the comparable period to 30.7%, as a result of a decrease in the proportion of allowable tax deductions.

The mainstream corporation tax liability for the period was GBP114 million and, in accordance with the quarterly instalment regime, GBP39 million was paid in April 2005.

Profit after tax for the period grew by 12% on the comparable period to GBP273 million. The rate of growth was lower than operating profit due to a net movement of GBP98 million in exceptional items, principally resulting from the disposal of the Group's shareholdings in QVC and Manchester United plc last financial year. Earnings per share, before goodwill and exceptional items, increased by 6.7 pence on the comparable period to 19.9 pence.

Earnings before interest, tax, depreciation and amortisation ("EBITDA"), excluding exceptional items, increased by 24% on the comparable period to GBP644 million. Operating cashflow generation increased by 23% on the comparable period to GBP635 million. After taking into account cash outflows, principally comprising capital expenditure of GBP172 million, the share buy-back programme of GBP293 million (including GBP2 million of stamp duty and fees), dividend payments relating to the final dividend for the 2004 financial year of GBP63 million, net interest payable of GBP61 million and taxation of GBP64 million, the Group reduced net debt marginally from GBP429 million at 30 June 2004 to GBP414 million at 31 March 2005.

Capital expenditure increased by GBP76 million on the comparable period to GBP172 million with further good progress being made on the Group's infrastructure programme in line with the plans outlined on 4 August 2004.

IFRS

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The Group is required to adopt International Financial Reporting Standards ('IFRS') in the preparation of its consolidated financial statements from 1 July 2005. The Group's first results reported under IFRS will therefore be the results for the quarter ended 30 September 2005. In order to provide comparative information under IFRS in advance, the Group intends to release its results for the year to 30 June 2005, restated under IFRS, in September 2005. Information regarding the Group's transition to IFRS was provided in the Group's 2004 Annual Report and the Group's interim results presentation on 2 February 2005.

DIVIDEND

On 2 February 2005, the Directors declared an interim dividend of 4 pence per Ordinary Share. This dividend was paid on 22 April 2005 to shareholders of record on 1 April 2005. The total amount paid was GBP75 million and this will be recognised in the consolidated cashflow statement in the fourth quarter.

CORPORATE

At the Company's AGM on 12 November 2004, Sky received approval from shareholders to repurchase up to 97 million shares, representing approximately five percent of issued share capital. During the quarter, Sky repurchased for cancellation 28.5 million shares for a total consideration of GBP165 million, including stamp duty and commissions. As at 31 March 2005, 51.3 million shares, representing approximately 2.6% of issued share capital had been repurchased and the total number of shares outstanding was 1,890,501,108.

In August 2004, the Group announced its intention to increase the level of distributable reserves of British Sky Broadcasting Group plc. On 1 April 2005 the Group announced that B Sky B Investments Limited, a newly-formed subsidiary of British Sky Broadcasting plc, had applied to the High Court for a reduction of its share capital. This application was approved by the High Court on 13 April 2005 and has resulted in an increase in the level of distributable reserves available to British Sky Broadcasting plc.

Use of non-GAAP financial information

This results announcement contains certain information on the Group's results and cash flows that have been derived from amounts calculated in accordance with UK Generally Accepted Accounting Principles ("UK GAAP"), but are not themselves UK GAAP measures. These should not be viewed in isolation as alternatives to the equivalent UK GAAP measure and should be read in conjunction with the equivalent UK GAAP measures. Further disclosures are also provided under "Use of Non-GAAP Financial Information" in Appendix 2.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and business, and management's strategy, plans and objectives for the Group. These statements include, without limitation, those that express forecasts, expectations and projections with regard to DTH subscriber growth, churn and marketing expenditure.

These statements (and all other forward-looking statements contained in this document) are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Group's control, are difficult to predict and could cause actual results to differ materially

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from those expressed or implied or forecast in the forward-looking statements. These factors include, but are not limited to, the fact that the Group operates in a highly competitive environment, the effects of government regulation upon the Group's activities, its reliance on technology, which is subject to risk, change and development, its ability to continue to obtain exclusive rights to movies, sports events and other programming content, risks inherent in the implementation of large-scale capital expenditure projects, the Group's ability to continue to communicate and market its services effectively, and the risks associated with the Group's operation of digital television transmission in the UK and Ireland.

Information on some risks and uncertainties are described in the "Risk Factors" section of Sky's Interim Report on Form 6-K for the period ended 31 December 2004. Copies of the Interim Report on Form 6-K are available on request from British Sky Broadcasting Group plc, Grant Way, Isleworth TW7 5QD or from the British Sky Broadcasting web page at www.Sky.com/corporate. All forward-looking statements in this document are based on information known to the Group on the date hereof. The Group undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Appendix 1

Subscribers to Sky Channels

	Q3 2005 as at 31/03/05	Prior quarter Q2 2005 as at 31/12/04	Prior year Q3 2004 as at 31/03/04
DTH homes ^{1,2 3}	7,704,000	7,609,000	7,274,000
Total TV homes in the UK and Ireland ⁴	26,273,000	26,249,000	26,010,000
DTH homes as a percentage of total UK and Ireland TV homes	29%	29%	28%
Cable - UK	3,277,000	3,292,000	3,302,000
Cable - Ireland	584,000	584,000	575,000
Total Sky pay homes	11,565,000	11,485,000	11,151,000
Total Sky pay homes as a percentage of total UK and Ireland TV homes	44%	44%	43%
Sky+ homes	770,000	642,000	322,000
Multiroom homes ⁵	563,000	473,000	270,000
DTT - UK ⁶	4,674,000	4,216,000	2,695,000

1: Includes DTH subscribers in Republic of Ireland (355,000, as at 31 March 2005).

2: DTH subscribers includes only primary subscriptions to Sky (no additional units are counted for Sky+ or multiroom subscriptions). This does not include customers taking Sky's freesat offering or churned customers viewing

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free-to-air channels.

- 3: DTH homes include subscribers taking Sky packages through Kingston Interactive Television and Homechoice.
- 4: Total UK homes estimated by BARB and taken from the beginning of the month following the period end (latest figures as at 1 April 2005). Total Ireland homes estimated by Nielsen Media Research, conducted on an annual basis in July with results available in September (latest figures as at July 2004).
- 5: Multiroom includes households subscribing to more than one set-top box. (No additional units are counted for the second or any subsequent multiroom subscriptions.)
- 6: DTT homes estimated by BARB and taken from the beginning of the following month (latest figures as at 1 April 2005). These include Sky or Cable homes that already take multichannel TV.

Appendix 2

Use of Non-GAAP Financial Information

A summary of certain non-GAAP measures included in this results announcement, together with the most comparable GAAP measure and descriptions of certain non-GAAP measures, is shown below.

Non-GAAP measure	Most comparable GAAP measure
Operating profit before goodwill	Operating profit
Profit before taxation, goodwill and exceptional items	Profit before taxation
Profit after taxation before goodwill and exceptional items	Profit after taxation
Earnings per share before goodwill and exceptional items	Earnings per share
EBITDA	Operating profit

Glossary

Useful definitions	Description
ARPU	Average Revenue Per User: the amount spent by the Group's residential subscribers in the quarter, divided by the average number of residential subscribers in quarter, annualised.
Churn	The rate at which subscribers relinquish their subscriptions, expressed as a percentage of total subscribers.
Digibox	Digital satellite reception equipment.

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EBITDA	Earnings before interest, taxation, depreciation and amortisation is calculated as operating profit before depreciation and amortisation or impairment of good and intangible assets.
Effective tax rate	Corporation tax charge expressed as a percentage of Profit before Tax, goodwill, interest, exceptional and share of results of joint ventures.
Mainstream Corporation Tax liability	Current corporation tax charge for the year.
Multichannel viewing share	Share of viewers of non-analogue terrestrial television
Multiscreen	Installation of one or more additional digiboxes in household of an existing subscriber.
PVR	Personal Video Recorder: Digital TV receiver which utilises a built in hard disk drive to enable viewers record without videotapes, pause live TV, and record programme while watching another.
Sky +	Sky's fully-integrated Personal Video Recorder (PVR) satellite decoder.
Viewing share	Number of people viewing a channel as a percentage total viewing audience.

British Sky Broadcasting Group plc

Consolidated Profit and Loss Account for the nine months ended 31 March 2005

		Before goodwill and exceptional items GBPm	Goodwill and exceptional items GBPm	2004/05 Nine months ended 31 March Total GBPm	Before goodwill and exceptional items GBPm
	Notes	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Turnover: Group and share of joint ventures' turnover		3,012	-	3,012	2,75
Less: share of joint ventures' turnover		(52)	-	(52)	(62)
Group turnover	1	2,960	-	2,960	2,69
Operating expenses, net	2	(2,386)	(85)	(2,471)	(2,259)
EBITDA		644	-	644	51
Depreciation		(70)	-	(70)	(80)
Amortisation	2	-	(85)	(85)	

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Operating profit	574	(85)	489	43
Share of joint ventures' and associates' operating results	12	-	12	(4)
Loss on disposal of investments in joint ventures	3	(23)	(23)	
Profit on disposal of fixed asset investments	3	-	-	
Amounts written back to fixed asset investments, net	3	-	-	
Profit on ordinary activities before interest and taxation	586	(108)	478	43
Interest receivable and similar income	22	-	22	
Interest payable and similar charges	(69)	-	(69)	(68)
Profit on ordinary activities before taxation	539	(108)	431	37
Tax on profit on ordinary activities	(158)	-	(158)	(116)
Profit on ordinary activities after taxation	381	(108)	273	25
Equity dividends			(77)	
Retained profit for the period			196	
Earnings per share - basic	19.9p	(5.7p)	14.2p	13.2
Earnings per share - diluted	19.9p	(5.7p)	14.2p	13.2

British Sky Broadcasting Group plc

Consolidated Profit and Loss Account for the three months ended 31 March 2005

	Before Goodwill and exceptional items GBPm (unaudited)	Goodwill GBPm (unaudited)	2004/05 Three months ended 31 March 2005 Total GBPm (unaudited)	Be good excepti i (unaud
Turnover: Group and share of joint ventures' turnover	1,029	-	1,029	
Less: share of joint ventures' turnover	(14)	-	(14)	
Group turnover	1,015	-	1,015	
Operating expenses, net	(795)	(28)	(823)	(7
EBITDA	242	-	242	
Depreciation	(22)	-	(22)	
Amortisation	-	(28)	(28)	
Operating profit	220	(28)	192	

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Share of joint ventures' and associates' operating results	4	-	4
Profit on disposal of fixed asset investments	-	-	-
Profit on ordinary activities before interest and taxation	224	(28)	196
Interest receivable and similar income	7	-	7
Interest payable and similar charges	(22)	-	(22)
Profit on ordinary activities before taxation	209	(28)	181
Tax on profit on ordinary activities	(62)	-	(62)
Profit on ordinary activities after taxation	147	(28)	119
Equity dividends			-
Retained profit for the period			119
Earnings per share - basic	7.8p	(1.5p)	6.3p
Earnings per share - diluted	7.8p	(1.5p)	6.3p

Notes to Financial Statements

1 Turnover

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

				Nine
				3
				(una

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

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

2 Operating expenses, net

2004/05
 Nine months

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	Before goodwill GBPm (unaudited)	Goodwill GBPm (unaudited)	ended 31 March Total GBPm (unaudited)	Before goodwill GBPm (unaudited)	G (un
Programming (i)	1,216	-	1,216	1,248	
Transmission and related functions (i)	128	-	128	115	
Marketing	379	-	379	299	
Subscriber management	288	-	288	279	
Administration	207	85	292	195	
Betting	168	-	168	123	
	2,386	85	2,471	2,259	

(i) The amounts shown are net of GBP7 million (2003/04: nine months ended 31 March: GBP10 million) receivable from the disposal of programming rights not acquired for use by the Group, and GBP22 million (2003/04: nine months ended 31 March: GBP21 million) in respect of the provision to third party broadcasters of spare transponder capacity.

3 Exceptional items

2004/05

(i) Loss on disposal of investments in joint ventures

On 1 November 2004, the Group sold its 49.5% investment in Granada Sky Broadcasting for GBP14 million in cash, realising a loss on disposal of GBP23 million. This included the write back of GBP32 million of goodwill which had previously been written off to reserves, as permitted prior to the implementation of Financial Reporting Standard ("FRS") 10, "Goodwill and Intangible Assets".

2003/04

(ii) Profit on sale of fixed asset investments

On 7 October 2003, the Group disposed of its listed investment in Manchester United plc, realising a profit on disposal of GBP2 million.

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

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

The Group reduced its provision against its minority equity investments in football clubs by GBP33 million, following the disposal of its investment in Manchester United plc in October 2003 for GBP62 million in cash. The Group also increased its provision against its remaining minority equity investments in football clubs by a further GBP9 million.

SIGNATURES

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

BRITISH SKY BROADCASTING GROUP PLC

Date: 04 May 2005

By: /s/ Dave Gormley
Dave Gormley
Company Secretary