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BRITISH SKY BROADCASTING GROUP PLC
Form 6-K
August 03, 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 August 2005
(3 August 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

This report is incorporated by reference in the prospectus contained in the
Registration Statements on Form F-3 (SEC File No.333-08246) and Form F-3/S-3
(SEC File No.333-106837) filed by the Registrant under the Securities Act
of 1933.

EXHIBIT INDEX

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Exhibit

EXHIBIT NO.1 Excerpt of Press release of British Sky Broadcasting Group plc
announcing Final Results released on 3 August 2005

Consolidated Profit and Loss Account for the year ended 30 June 2005

	Notes	Before goodwill and exceptional items GBPm (audited)	Goodwill and exceptional items GBPm (audited)	2005 Total GBPm (audited)	Before goodwill and exceptional items GBPm (audited)
Turnover: Group and share of joint ventures' turnover		4,115	-	4,115	3,730
Less: share of joint ventures' turnover		(67)	-	(67)	(82)
Group turnover	1	4,048	-	4,048	3,650

Operating expenses, net	2, 4	(3,243)	(103)	(3,346)	(3,056)

Operating profit		805	(103)	702	600

Share of joint ventures' and associates' operating results	3	14	-	14	(5)
Loss on disposal of investments in joint ventures	4	-	(23)	(23)	
Profit on disposal of fixed asset investments	4	-	-	-	
Amounts written back to fixed asset investments, net	4	-	-	-	
Profit on ordinary activities before interest and taxation		819	(126)	693	590

Interest receivable and similar income	5	30	-	30	10
Interest payable and similar charges	5	(92)	-	(92)	(91)
Profit on ordinary activities before taxation		757	(126)	631	510

Tax charge on profit on ordinary activities	6	(202)	(4)	(206)	(158)
Profit on ordinary activities after taxation		555	(130)	425	350

Equity dividends	7			(170)	
Retained profit for the financial year				255	

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Earnings per share - basic	22.2p
Earnings per share - diluted	22.2p

There were no recognised gains or losses in either year other than those included within the profit and loss account.

Details of movements on reserves are shown in note 15.

The accompanying notes are an integral part of this consolidated profit and loss account.

All results relate to continuing operations.

Consolidated Profit and Loss Account for the three months ended 30 June 2005

	Before goodwill and exceptional items GBPm (unaudited)	Goodwill and exceptional items GBPm (unaudited)	Three months ended 30 June 2005 Total GBPm (unaudited)	Before goodwill and exceptional items GBPm (unaudited)
Group and share of joint ventures' turnover	1,103	-	1,103	9
Less: share of joint ventures' turnover	(15)	-	(15)	(2)
Group turnover	1,088	-	1,088	9
Operating expenses, net	(857)	(18)	(875)	(79)
Operating profit	231	(18)	213	1
Share of joint ventures' and associates' operating results	2	-	2	(
Profit on ordinary activities before interest and taxation	233	(18)	215	1
Interest receivable and similar income	8	-	8	
Interest payable and similar charges	(23)	-	(23)	(2
Profit on ordinary activities before taxation	218	(18)	200	1
Tax charge on profit on ordinary activities	(44)	(4)	(48)	(4
Profit on ordinary activities after taxation	174	(22)	152	1

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Equity dividends	(93)
Retained profit for the period	59
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Earnings per share - basic	8.0p
Earnings per share - diluted	8.0p
<hr style="border-top: 1px dashed black;"/>	

Consolidated Balance Sheet at 30 June 2005

	Notes	2005 GBPm (audited)
<hr style="border-top: 1px dashed black;"/>		
Fixed assets		
Intangible fixed assets	8	301
Tangible fixed assets	9	526
Investments:		
Investments in associates		1
Investments in joint ventures		
: Share of gross assets		47
: Share of gross liabilities		(26)
: Transfer to creditors		1
Total investments in joint ventures and associates		23
<hr style="border-top: 1px dashed black;"/>		
Other fixed asset investments		2
Total investments		25
<hr style="border-top: 1px dashed black;"/>		
<hr style="border-top: 1px dashed black;"/>		
852		
<hr style="border-top: 1px dashed black;"/>		
<hr style="border-top: 1px dashed black;"/>		
Current assets		
Stocks	10	340
Debtors: Amounts falling due within one year		
- deferred tax asset	11	43
- other	11	299
		342
<hr style="border-top: 1px dashed black;"/>		
<hr style="border-top: 1px dashed black;"/>		
Debtors: Amounts falling due after more than one year		
- deferred tax asset	11	57
- other	11	32
		89
<hr style="border-top: 1px dashed black;"/>		
<hr style="border-top: 1px dashed black;"/>		
Cash and liquid resources:		
- current asset investments		54
- cash at bank and in hand		643
		697
<hr style="border-top: 1px dashed black;"/>		

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		1,468
Creditors: Amounts falling due within one year	12	(1,240)
Net current assets		228
Total assets less current liabilities		1,080
Creditors: Amounts falling due after more than one year		
- long-term borrowings	13	(1,076)
- accruals and deferred income	13	(25)
		(1,101)
Provisions for liabilities and charges	14	(13)
		(34)
Capital and reserves - equity		
Called-up share capital	15	934
Share premium	15	1,437
Employee Share Ownership Plan ("ESOP") reserve	15	(32)
Merger reserve	15	149
Special reserve	15	14
Capital redemption reserve	15	37
Profit and loss account	15	(2,573)
		(34)

The accompanying notes are an integral part of this consolidated balance sheet.

Consolidated Cash Flow Statement for the year ended 30 June 2005

	Notes	(aud
Net cash inflow from operating activities	16a	
Dividends received from joint ventures		
Returns on investments and servicing of finance		
Interest received and similar income		
Interest paid and similar charges		
Net cash outflow from returns on investments and servicing of finance		

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Taxation

UK corporation tax paid
 Consortium relief paid
 Net cash outflow from taxation

Capital expenditure and financial investment

Payments to acquire tangible fixed assets
 Receipts from sales of fixed asset investments
 Net cash outflow from capital expenditure and financial investment

Acquisitions and disposals

Funding to joint ventures and associates
 Repayments of funding from joint ventures and associates
 Receipts from sales of investments in joint ventures
 Net cash inflow from acquisitions and disposals

Equity dividends paid

Net cash inflow before management of liquid resources and financing

Management of liquid resources 16c

Financing

Proceeds from issue of Ordinary Shares
 Proceeds from issue of shares held in ESOP
 Purchase of own shares for ESOP
 Share buy-back
 Capital element of finance lease payments 16b
 Net decrease in debt due after more than one year 16b
 Net cash outflow from financing

Increase in cash 16c

The accompanying notes are an integral part of this consolidated cash flow statement.

1. Turnover

Direct-to-home subscribers

2005
 GBPm
 (audited)

2.968

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Cable subscribers	219
Advertising	329
Sky Bet	261
Sky Active	92
Other	179
	4,048

2. Operating expenses, net

	Before goodwill and exceptional items GBPm (audited)	Goodwill and exceptional items GBPm (audited)	2005 Total GBPm (audited)	Before goodwill and exceptional items GBPm (audited)	Go excep (au
Programming (i)	1,636	-	1,636	1,711	
Transmission and related functions (i)	171	-	171	146	
Marketing	515	-	515	396	
Subscriber management	396	-	396	371	
Administration (ii)	289	103	392	257	
Betting	236	-	236	175	
	3,243	103	3,346	3,056	

(i) The amounts shown are net of GBP11 million (2004: GBP11 million) receivable from the disposal of programming rights not acquired for use by the Group, and GBP28 million (2004: GBP28 million) in respect of the provision to third party broadcasters of spare transponder capacity.

(ii) Administration costs include a goodwill amortisation charge of GBP116 million (2004: GBP119 million), net of an exceptional credit of GBP13 million (2004: nil) (see note 4).

3. Share of joint ventures' and associates' operating results

Goodwill

In the prior year, a credit of GBP11 million arose on the write back of negative goodwill which had arisen on the acquisition of an additional 16.7% stake in Attheraces Holdings Limited in April 2004, taking the Group's stake in Attheraces to 50%. The remaining net GBP1 million charge relates to amortisation of goodwill arising on the acquisition of certain joint ventures and associates.

4. Exceptional items

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	Credit (charge) before taxation GBPm (audited)	Taxation (charge) credit GBPm (audited)	2005 Total GBPm (audited)	Credit before taxation GBPm (audited)
Settlement of ITV Digital programming debtors (i)	13	(4)	9	-
Exceptional operating items	13	(4)	9	-

Loss on disposal of investment in joint ventures (ii)	(23)	-	(23)	-
Profit on disposal of fixed asset investments (iii)	-	-	-	51
Amounts written back to fixed asset investments, net (iv)	-	-	-	24
Exceptional non-operating items	(23)	-	(23)	75
Total exceptional items	(10)	(4)	(14)	75

2005

(i) Settlement of ITV Digital programming debtors

In July 2005, the Group received GBP13 million from the liquidators of ITV Digital as a full and final settlement in respect of amounts owed to the Group. The receipt is recorded as an exceptional item within operating profit due to the distortion that its inclusion within operating expenses would have on the individual operating expenses line item to which it was attributed.

(ii) Loss on disposal of investments in joint ventures

In November 2004, the Group sold its 49.5% investment in Granada Sky Broadcasting Limited ("GSB") 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" ("FRS 10"). The loss on disposal is a non-operating exceptional item as defined by FRS 3 "Reporting Financial Performance" ("FRS 3") and is therefore recorded as an exceptional item below operating profit.

2004

(iii) Profit on disposal of fixed asset investments

In 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. The profit on disposal is a non-operating exceptional item as defined by FRS 3 and is therefore recorded as an exceptional item below operating profit.

In October 2003, the Group disposed of its listed investment in Manchester United plc, realising a profit on disposal of GBP2 million. The profit on disposal is a non-operating exceptional item as defined by FRS 3 and is therefore recorded as an exceptional item below operating profit.

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

The Group reduced its provision against its minority equity investments in football clubs by GBP33 million, due to 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 GBP9 million. The reduction of GBP33 million in the provision is recorded as an exceptional item below operating profit as it relates directly to the disposal of the investment as detailed above. The increase in the remaining provision is recorded as an exceptional item below operating profit due to the distortion that its inclusion within operating expenses would have on the individual operating expenses line to which it was attributed.

5. Interest

(a) Interest receivable and similar income

Group

Interest receivable on cash and liquid resources

Other interest receivable and similar income

Joint ventures and associates

Share of joint ventures' and associates' interest receivable

Total interest receivable and similar income

(b) Interest payable and similar charges

Group

On bank loans, overdrafts and other loans repayable within five years, not by instalments:

- GBP1 billion revolving credit facility ("RCF") (i)

- GBP600 million RCF (i)

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- GBP200 million RCF (ii)

US\$650 million of 8.200% Guaranteed Notes, repayable in 2009

GBP100 million of 7.750% Guaranteed Notes, repayable in 2009

US\$600 million of 6.875% Guaranteed Notes, repayable in 2009

US\$300 million of 7.300% Guaranteed Notes, repayable in 2006

Finance lease interest

 Joint ventures and associates

Share of joint ventures' and associates' interest payable

Total interest payable and similar charges

(i) In November 2004, the Group entered into a GBP1 billion RCF. This facility was used to cancel an existing GBP600 million RCF, and is available for general corporate purposes, but was undrawn at 30 June 2005. The GBP1 billion RCF has a maturity date of July 2010. The GBP2 million charge for the year (2004: nil) represents the commitment fee to 30 June 2005.

(ii) The GBP200 million RCF expired without being renewed on 29 June 2004.

6. Taxation

	Tax charge (credit) on profit before exceptional items GBPm (audited)	Exceptional tax charge GBPm (audited)	2005 Total GBPm (audited)	Tax charge (credit) on profit before exceptional items GBPm (audited)
Current tax				
UK corporation tax	159	4	163	127
Adjustment in respect of prior years	(8)	-	(8)	(8)
Total current tax charge	151	4	155	119

Deferred tax				
Origination and reversal of timing differences	68	-	68	34
(Decrease) increase in estimate of recoverable deferred tax asset in respect of prior years	(17)	-	(17)	5
Total deferred tax charge	51	-	51	39

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Share of joint ventures' and associates' tax charge	-	-	-	-
	202	4	206	158

All taxation relates to UK corporation tax.

7. Equity dividends

Interim dividend paid of 4.00p (2004: 2.75p) per Ordinary Share
 Final dividend proposed of 5.00p (2004: 3.25p) per Ordinary Share

The ESOP has waived its rights to dividends.

8. Intangible fixed assets

The movement in the year was as follows:

Net book value at 1 July 2004
 Additions
 Amortisation charge
 Net book value at 30 June 2005

Goodwill of GBP272 million, GBP543 million and GBP5 million, arising on the acquisitions of Sports Internet Group ("SIG"), British Interactive Broadcasting ("BiB") and WAPTV respectively, is being amortised over periods of seven years on a straight-line basis.

In accordance with FRS 11 "Impairment of fixed assets and goodwill", impairment reviews were performed on the carrying values of BiB and SIG goodwill balances at the end of the first full financial year after acquisition, at 30 June 2002, which did not indicate impairment. Consistent with Group strategy, the business plans on which these reviews were based reflect significant projected increases in betting and other interactive revenues over the subsequent five years. The Group continues to monitor the performance of these businesses and is satisfied that no impairment of goodwill has occurred.

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9. Tangible fixed assets

The movement in the year was as follows:

	Freehold land and buildings GBPm (audited)	Short leasehold improvements GBPm (audited)	Equipment, fixtures and fittings GBPm (audited)	Asset course construct (audi
Net book value as at 1 July 2004	34	24	217	
Additions	25	-	66	
Disposals	-	-	(2)	
Transfers	-	(8)	8	
Depreciation	(2)	(5)	(85)	
Net book value as at 30 June 2005	57	11	204	

10. Stocks

Television programme rights
Digiboxes and related equipment
Raw materials and consumables
Other goods held for resale

At least 86% (2004: 87%) of the existing television programme rights at 30 June 2005 will be amortised within one year.

11. Debtors

Amounts falling due within one year

Trade debtors
Amounts owed by joint ventures and associates
Amounts owed by other related parties
Other debtors

200
GBP
(audited

13

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Prepaid programme rights	4
Prepaid transponder rentals	1
Deferred tax asset	4
Other prepayments and accrued income	9
	34

Amounts falling due after more than one year	
Prepaid programme rights	
Prepaid transponder rentals	2
Deferred tax asset	5
Other prepayments and accrued income	
	8

12. Creditors: Amounts falling due within one year

	200
	GBP
	(audited)
Trade creditors (i)	34
Amounts due to joint ventures and associates	3
Amounts due to related parties	10
UK corporation tax	10
VAT	1
Social security and PAYE	9
Proposed dividend	
Defined contribution pension scheme creditor	4
Other creditors	51
Accruals and deferred income	1,24

(i) Included within trade creditors are GBP187 million (2004: GBP250 million) of US dollar-denominated programme creditors. Approximately 80% (2004: 80%) of these were covered by forward rate currency contracts.

13. Creditors: Amounts falling due after more than one year

	20
	GB
	(audite
Long-term borrowings	
US\$650 million of 8.200% Guaranteed Notes, repayable in 2009	4
GBP100 million of 7.750% Guaranteed Notes, repayable in 2009	1
US\$600 million of 6.875% Guaranteed Notes, repayable in 2009	3
US\$300 million of 7.300% Guaranteed Notes, repayable in 2006	1
Obligations under finance leases	
	1,0

Other

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Accruals and deferred income

1,1

Undrawn RCFs

In November 2004, the Group entered into a GBP1 billion RCF. This facility was used to cancel an existing GBP600 million RCF and is available for general corporate purposes. The GBP1 billion facility has a maturity date of July 2010, and interest accrues at a margin of between 0.45% and 0.55% above LIBOR, dependent on the Group's leverage ratio of net debt to earnings before interest, taxes, depreciation and amortisation ("EBITDA") (as defined in the loan agreement). At the current ratio of Net Debt: EBITDA, the margin would be 0.45% above LIBOR if the Group were to make a drawing on the facility.

Both the bank facilities and the publicly-traded guaranteed notes have been issued by the Company and guaranteed by both British Sky Broadcasting Limited and Sky Subscribers Services Limited. Additionally, the GBP1 billion RCF has been guaranteed by BSkyB Investments Limited.

14. Provisions for liabilities and charges

	Provision for redundancy expenses GBPm (audited)	Oth provisio GB (audite
At 1 July 2004	-	
Provided in the year	11	
At 30 June 2005	11	

15. Reconciliation of movement in shareholders' funds

Movement in shareholders' funds includes all movements in reserves.

	Share capital GBPm (audited)	Share premium GBPm (audited)	ESOP reserve GBPm (audited)	Merger reserve GBPm (audited)	Special reserve GBPm (audited)	Capital redemption reserve GBPm (audited)
At 1 July 2004	971	1,437	(30)	222	14	-
ESOP shares utilised	-	-	12	-	-	-
ESOP shares purchased	-	-	(14)	-	-	-
Profit for the financial year	-	-	-	-	-	-

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Dividends	-	-	-	-	-	-
Transfer from merger reserve	-	-	-	(73)	-	-
Write back of goodwill on disposal	-	-	-	-	-	-
Share buy-back	(37)	-	-	-	-	37

At 30 June 2005	934	1,437	(32)	149	14	37

Share buy-back

On 12 November 2004, the Company's shareholders approved a resolution at the Annual General Meeting for the Company to purchase up to 97 million Ordinary Shares. During the financial year, the Company purchased, and subsequently cancelled, 74 million Ordinary Shares at an average price of GBP5.60 per share, with a nominal value of GBP37 million, for a consideration of GBP416 million. Consideration included stamp duty and commission of GBP3 million. This represents 4% of called-up share capital at the beginning of the financial year.

Goodwill

In accordance with FRS 10, the Company has included the write off of GBP32 million of unamortised goodwill in the calculation of the loss on disposal of GSB, the effect of which has been included in the profit for the financial year. The goodwill arose on the purchase of GSB and had previously been written off to the profit and loss reserve as permitted prior to FRS 10. Accordingly, an adjustment has been made to write back the GBP32 million charge to the profit and loss reserve.

At 30 June 2005, the cumulative goodwill written off directly to reserves by the Group amounted to GBP492 million (2004: GBP524 million).

Share option schemes

During the period, the Company issued shares with a market value of GBP1 million (2004: GBP26 million) in respect of the exercise of options awarded under various share option schemes.

At 30 June 2005, the Group's ESOP held 5,609,212 Ordinary Shares in the Company at an average value of GBP5.78 per share. The 1,808,303 shares utilised during the period relate to the exercise of Long Term Incentive Plan ("LTIP"), Equity Bonus Plan ("EBP"), Key Contributor Plan ("KCP"), Executive Share Option Scheme and Sharesave Scheme awards.

16. Notes to consolidated cash flow statement

(a) Reconciliation of operating profit to operating cash flows

Before goodwill and exceptional items GBPm (audited)	Goodwill and exceptional items GBPm (audited)	2005 Total GBPm (audited)	Before goodwill and exceptional items GBPm (audited)
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Operating profit	805	(103)	702	600
Depreciation	92	-	92	102
Amortisation of goodwill and other intangible fixed assets	-	116	116	-
Loss on disposal of fixed assets	2	-	2	1
Decrease (increase) in stock	35	-	35	(5)
Decrease in debtors	34	-	34	17
(Decrease) increase in creditors	(14)	-	(14)	170
Increase (decrease) in provision	12	-	12	(3)
Foreign exchange movement	(1)	-	(1)	-
Net cash inflow from operating activities	965	13	978	882

(b) Analysis of changes in net debt

	At 1 July 2004 GBPm (audited)	Cash flow GBPm (audited)
Overnight deposits	73	172
Other cash	63	41
Cash	136	213
Short-term deposits	338	(45)
Commercial paper	173	(119)
Liquid resources	511	(164)
Cash and liquid resources	647	49
Debt due after more than one year	(1,069)	-
Capital element of finance leases	(7)	-
Total debt and capital element of finance leases	(1,076)	-
Total net debt	(429)	49

(c) Reconciliation of net cash flow to movement in net debt

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20
GB
(audit

Increase in cash	2
(Decrease) increase in short-term deposits	(4
(Decrease) increase in commercial paper	(11
(Decrease) increase in liquid resources	(16
Cash outflow resulting from decrease in debt and lease financing	
Foreign exchange movement	
Decrease in net debt	
Net debt at beginning of year	(42
Net debt at end of year	(37

(d) Major non-cash transactions

2005

Corporate reorganisation

On 13 April 2005, the High Court approved a reduction in the share capital of BSkyB Investments Limited, a 100% owned subsidiary. This formed part of a corporate reorganisation, allowing the Company access to additional distributable reserves.

Disposal of GSB

In accordance with FRS 10, the Group has included the write off of GBP32 million of unamortised goodwill in the calculation of the loss on disposal of GSB, the effect of which has been included in the profit for the financial year. The goodwill arose on the purchase of GSB and had previously been written off to the profit and loss reserve as permitted prior to FRS 10. Accordingly, an adjustment has been made to write back the GBP32 million charge to the profit and loss reserve.

2004

Share premium reduction

On 10 December 2003, the High Court approved a reduction in the Company's share premium account of GBP1,120 million, as approved by the Company's shareholders at the Annual General Meeting held on 14 November 2003. The reduction had the effect of eliminating the Company's deficit on its profit and loss account as at 30 September 2003 of GBP1,106 million, and creating a non-distributable special reserve of GBP14 million, which represents the excess of the share premium reduction over the deficit.

WAPTIV

On 30 September 2003, the Company issued 338,755 Ordinary Shares to satisfy the remaining contingent consideration in respect of the acquisition of the remaining 5% interest in WAPTIV Limited which occurred in May 2001.

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17. Basis of preparation

The Consolidated Profit and Loss Account presentation includes the Group's results before goodwill and exceptional items in addition to results after goodwill and exceptional items as this presentation provides an alternative basis that may be used to assess the ongoing operating performance of the Group.

This financial information does not constitute statutory accounts for the purpose of section 240 of the Companies Act 1985. The financial information for the year ended 30 June 2005 has been extracted from the statutory accounts of British Sky Broadcasting Group plc for the year ended 30 June 2005, which have not yet been filed with the Registrar of Companies, but on which the auditors gave an unqualified report, and which did not contain a statement under section 237 (2) or (3) of the Companies Act 1985, on 2 August 2005. The preliminary announcement was approved by the Board of Directors on 2 August 2005.

The financial information for the three months ended 30 June 2005 and 30 June 2004 is unaudited.

The financial information for the year ended 30 June 2004 has been extracted from the statutory accounts of British Sky Broadcasting Group plc for the year ended 30 June 2004. The statutory accounts on which the auditors gave an unqualified report and which did not contain a statement under section 237 (2) or (3) of the Companies Act 1985, have been filed with the registrar of Companies.

SIGNATURES

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

BRITISH SKY BROADCASTING GROUP PLC

Date: 3 August, 2005

By: /s/ Dave Gormley
Dave Gormley
Company Secretary