

BRITISH SKY BROADCASTING GROUP PLC

Form 6-K

January 28, 2010

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**FORM 6-K**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

Special Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 under  
the Securities Exchange Act of 1934

For the month of January 2010

January 28, 2010

Commission File No: 001-13488

**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  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T  
Rule 101(b)(1)

Yes  No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T  
Rule 101(b)(7)

Yes  No

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

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 Registration Statements on Form F-3 (SEC  
File No. 333-08246), Form F-3/S-3 (SEC File No. 333-106837) and Form F-3/S-3 (SEC File No. 333-120775) filed  
by the Registrant under the Securities Act of 1933

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This constitutes the Interim Management Report of British Sky Broadcasting Group plc (the "Company") prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union ("EU"). This Interim Management Report makes references to various Company websites. The information on our websites shall not be deemed to be part of, or incorporated by reference into, this Interim Management Report.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of the United States ("US") Private Securities Litigation Reform Act of 1995 with respect to our financial condition, results of operations and business, and our strategy, plans and objectives. These statements include, without limitation, those that express forecasts, expectations and projections, such as forecasts, expectations and projections with respect to the potential for growth of free-to-air and pay television, fixed line telephony, broadband and bandwidth requirements, advertising growth, Direct-to-Home ("DTH") customer growth, Multiroom, Sky+, Sky+HD and other services' penetration, churn, DTH and other revenue, profitability and margin growth, cash flow generation, programming costs, subscriber management and supply chain costs, administration costs and other costs, marketing expenditure, capital expenditure programmes, liquidity and proposals for returning capital to shareholders.

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 our control, are difficult to predict and could cause actual results to differ materially from those expressed or implied or forecast in the forward-looking statements. These factors include, but are not limited to, the fact that we operate in a highly competitive environment, the effects of laws and government regulation upon our activities, our reliance on technology, which is subject to risk, change and development, failure of key suppliers, our 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, our ability to continue to communicate and market our services effectively, and the risks associated with our operation of digital television transmission in the United Kingdom ("UK") and Republic of Ireland ("Ireland").

Information on the significant risks and uncertainties associated with our business is described in "Review of the business" "Principal risks and uncertainties" in this document. All forward-looking statements in this document are based on information known to us on the date hereof. Except as required by law, we undertake no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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Review of the business

Chief Executive Officer's statement

It has been another good quarter in what remains a tough environment, with more customers joining Sky and strong demand across our entire product range. The standout performance came in high definition TV with almost half a million customers choosing Sky+HD for our best home entertainment service.

Our financial results were also strong. Revenue increased by 10% in the first half of the year and, by focusing on operational efficiency, we have been able to absorb the upfront cost of meeting demand and deliver 11% growth in adjusted basic earnings per share. In recognition of the overall performance of the business, we have increased the interim dividend by a further 5% representing a doubling of the dividend over five years. While the economic outlook remains uncertain, we remain well positioned with high-quality products offering customers great value for money.

This year, we intend to build on our success by bringing our leading HD box technology to even more customers. From today, we will start selling HD-enabled boxes as standard and customers will receive the box for free when they subscribe to our HD pack of channels. These are important steps which will allow us to grow more efficiently and further accelerate the pace of innovation for customers. This weekend, Sky will offer the UK's first live public broadcast in 3D, using our existing Sky+HD platform, and we are on track for the commercial launch of our dedicated 3D channel in the spring.

**Jeremy Darroch**

Chief Executive Officer

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## Key information

## Selected financial data

Set forth below is selected financial data for British Sky Broadcasting Group plc and its subsidiaries (the "Group") under International Financial Reporting Standards ("IFRS") as issued by the IASB and as adopted by the EU, as at and for each of the years in the three year period ended 30 June 2009. Also set forth below is selected financial data for the Group for the half year periods ended 31 December 2009 and 2008.

The information contained in the following tables should be read in conjunction with the "Financial and operating review" and the Group's "Condensed consolidated interim financial statements" and related notes, as well as other information included elsewhere in this document.

The selected financial data set forth below as at and for each of the half year periods ended 31 December 2009 and 31 December 2008 are derived from condensed consolidated interim financial statements included in this Interim Management Report on Form 6-K, which have been prepared in accordance with IAS 34. The selected financial data set forth below for each of the years in the three year period ended 30 June 2009 are derived from the consolidated financial statements included in our 2009 Annual Report on Form 20-F filed with the Securities and Exchange Commission ("SEC").

	Half year ended		Full year ended		
	31 December		30 June		
	2009	2008	2009	2008	2007
	£m	£m	£m	£m	£m
<b>Consolidated Income Statement</b>					
Retail subscription	2,294	1,984	4,177	3,765	3,402
Wholesale subscription	115	93	206	181	208
Advertising	157	165	308	328	352
Easynet	100	98	202	178	159
Installation, hardware and service	99	142	235	276	212
Other	108	119	231	224	218
Revenue <sup>(1)</sup>	2,873	2,601	5,359	4,952	4,551
Operating expense <sup>(2)</sup>	(2,472)	(2,216)	(4,546)	(4,228)	(3,736)
Operating profit	401	385	813	724	815
Share of results of joint ventures and associates	14	10	19	15	12
Investment income	2	28	35	47	46
Finance costs	(59)	(88)	(220)	(177)	(149)
Profit on disposal of joint venture				67	
Impairment of available-for-sale investment		(59)	(191)	(616)	
Profit before tax	358	276	456	60	724
Taxation	(102)	(110)	(197)	(187)	(225)
Profit (loss) for the period attributable to equity shareholders of the parent company	256	166	259	(127)	499
Earnings (loss) per share from profit (loss) for the period (in pence)					

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Basic	14.7p	9.5p	14.9p	(7.3p)	28.4p
Diluted	14.6p	9.5p	14.8p	(7.3p)	28.2p
Dividends per share					
Dividends declared per share (in pence) <sup>(3)</sup>	7.9p	7.5p	17.6p	16.8p	15.5p
Dividends declared per share (in cents) <sup>(3)</sup>	12.9¢	12.7¢	28.0¢	33.6¢	30.2¢

	As at 31 December		As at 30 June		
	2009	2008	2009	2008	2007
<b>Consolidated Balance Sheet</b>	£m	£m	£m	£m	£m
Non-current assets	2,801	2,951	2,632	2,384	2,557
Current assets	1,861	2,766	1,937	1,698	1,363
Current liabilities	(2,078)	(3,071)	(2,194)	(1,893)	(1,499)
Non-current liabilities	(2,460)	(2,667)	(2,439)	(2,357)	(2,374)
Net assets (liabilities)	124	(21)	(64)	(168)	47
Capital stock <sup>(4)</sup>	2,313	2,313	2,313	2,313	2,313
Number of shares in issue (in millions)	1,753	1,753	1,753	1,753	1,753

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Review of the business  
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 Selected other financial data

Statistics (in thousands)	As at 31 December		As at 30 June		
	2009	2008	2009	2008	2007
Distribution of Sky Channels					
DTH homes	9,708	9,238	9,442	8,980	8,582
Cable homes <sup>(5)</sup>	4,325	4,247	4,271	1,248	1,259
Total Sky pay homes	14,033	13,485	13,713	10,228	9,841
DTT homes <sup>(6)</sup>	9,700	9,900	9,900	9,700	9,139
Sky Broadband homes	2,404	1,955	2,203	1,628	716
Sky Talk homes	2,112	1,500	1,850	1,241	526

## Notes

- (1) To provide a more relevant presentation, management has chosen to re-analyse the revenue categories from those previously reported. Easynet revenue is shown separately and other revenue now principally includes income from Sky Bet, technical platform service revenue and our online portal.

Included within retail subscription revenue for the year ended 30 June 2009 is £36 million of additional revenue representing amounts invoiced in prior years, which did not meet revenue recognition criteria under IFRS until March 2009.

- (2) Included within operating expense for the year ended 30 June 2009 is £3 million (2009: half year £3 million; 2008: full year: £21 million; 2007: full year: £16 million) of expense relating to legal costs incurred on the Group's claim against EDS (an information and technology solutions provider), which provided services to the Group as part of the Group's investment in customer management systems software and infrastructure. For further details see Financial and operating review Contingent assets and liabilities. Included within operating expense for the year ended 30 June 2008 is £7 million of expense relating to a restructuring exercise undertaken following a review of operating costs. Included within operating expense for the full year ended 30 June 2007 is a £65 million credit due to the Group, arising from certain contractual rights under one of the Group's channel distribution agreements.
- (3) Dividends are recognised in the period in which they are approved.
- (4) Capital stock comprises called-up share capital and share premium.
- (5) The number of cable homes is as reported to us by the cable operators. Between February 2007 and November 2008, the reported number of cable homes reflects the impact of Virgin Media (VM) ceasing to carry Sky's Basic Channels on its platform. A new agreement was reached in November 2008 and VM resumed carriage of Sky's Basic Channels.

(6)



The Digital Terrestrial Television ( DTT ) homes number consists of the UK Office of Communications' ( Ofcom ) estimate of the number of homes where DTT is the only digital TV platform supplying services and includes Top-Up-TV DTT homes. At 31 December 2009 and 30 June 2009, DTT homes also include BT Vision and Tiscali TV DTT homes. The number of DTT homes for all periods disclosed above is based on Ofcom 's Digital Television Update published quarterly in arrears. Latest data available for the period ended 31 December 2009 is as at 30 September 2009.

Factors which materially affect the comparability of the selected financial data

**Available-for-sale investment**

During fiscal 2009, we recorded an impairment loss of £191 million (2009: half year: £59 million; 2008: full year: £616 million) in the carrying value of our equity investment in ITV plc ( ITV ). For further details see note 4 to the Condensed consolidated interim financial statements .

**Business combinations**

During fiscal 2008, we completed the acquisition of Amstrad plc ( Amstrad ). The results of this acquisition were consolidated from the date on which control passed to the Group (5 September 2007).

During fiscal 2007, we completed the acquisition of 365 Media Group plc ( 365 Media ). The results of this acquisition were consolidated from the date on which control passed to the Group (23 January 2007).

**Disposal of joint venture**

On 12 December 2007, the Group sold its 100% stake in B SkyB Nature Limited, the investment holding company for the Group 's 50% interest in the NGC-UK Partnership. As consideration for the disposal, the Group received 21% interests in both NGC Network International LLC and NGC Network Latin America LLC (in effect, 21% of National Geographic Channel 's television operations outside the US). The Group recognised a profit on disposal of £67 million.

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A significant portion of our liabilities and expenses associated with the cost of programming acquired from US film licensors is denominated in US dollars. For a discussion of the impact of exchange rate movements on our financial condition and results of operations, see Financial review Quantitative and qualitative disclosures about market risk Foreign exchange risk .

Since any dividends are declared in pounds sterling, exchange rate fluctuations will affect the US dollar equivalent of cash dividends receivable by holders of American Depositary Shares ( ADSs ) representing ordinary shares.

The following table sets forth, for the periods indicated, information concerning the noon buying rates provided by the Federal Reserve Board for pounds sterling expressed in US dollars per £1.00.

<b>Month</b>	<b>High</b>	<b>Low</b>
July 2009	1.6713	1.6027
August 2009	1.6977	1.6212
September 2009	1.6695	1.5910
October 2009	1.6610	1.5878
November 2009	1.6795	1.6383
December 2009	1.6641	1.5892

<b>Full year ended 30 June</b>	<b>Period end</b>	<b>Average(1)</b>	<b>High</b>	<b>Low</b>
2006	1.8491	1.7808	1.8911	1.7138
2007	2.0063	1.9463	2.0063	1.8203
2008	1.9906	2.0105	2.1104	1.9405
2009	1.6452	1.6028	2.0038	1.3658

<b>Half year ended 31 December</b>	<b>Period end</b>	<b>Average(1)</b>	<b>High</b>	<b>Low</b>
2008	1.4619	1.6989	2.0038	1.4395
2009	1.6167	1.6360	1.6977	1.5878

(1) The average rate is calculated by using the average of the noon buying rates on the last day of each month during the relevant period.

On 25 January 2010, the noon buying rate was US\$1.6236 per £1.00.

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Review of the business

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Principal risks and uncertainties

This section describes the principal risks and uncertainties that could have a material adverse effect on the Group's business, financial condition, prospects, liquidity or results of operations. These should be read in conjunction with our long-term operating targets, which are set out in Financial review Financial and operating review Trends and other information . Additional risks and uncertainties of which we are not aware or which we currently believe are immaterial may also adversely affect our business, financial condition, prospects, liquidity or results of operations.

***The Group's business is heavily regulated and changes in regulations, changes in interpretation of existing regulations or failure to obtain required regulatory approvals or licences could adversely affect the Group's ability to operate or compete effectively.***

The Group is subject to regulation primarily under UK and EU legislation and it is currently and may be in the future subject to proceedings, and/or investigation and enquiries from regulatory authorities. The regimes which affect the Group's business include broadcasting, telecommunications, competition (antitrust), gambling and taxation laws and regulations. Relevant authorities may introduce additional or new regulations applicable to the Group's business. The Group's business and business prospects could be adversely affected by the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. Changes in regulations relating to one or more of licensing requirements, access requirements, programming transmission and spectrum specifications, consumer protection, taxation, or other aspects of the Group's business, or that of any of the Group's competitors, could have a material adverse effect on the Group's business and/or the results of its operations. The Group cannot be certain that it will succeed in obtaining all requisite approvals and licences in the future for its operations without the imposition of restrictions which may have an adverse consequence to the Group, or that compliance issues will not be raised in respect of the Group's operations, including those conducted prior to the date of this filing.

On 26 June 2009, Ofcom published its third pay TV consultation document in relation to its ongoing investigation into the UK pay TV industry, which was opened in March 2007. In this consultation document Ofcom confirmed its view, on which it consulted in its previous consultation document, that the Group has market power in narrow wholesale markets for premium sports and movie channels and consulted on its view that the Group has market power in narrow retail markets for premium sports and movie channels. Ofcom also confirmed its view that the Group has, and is acting on, an incentive to limit distribution of those channels on platforms other than satellite. Ofcom confirmed that it continues to believe that its concerns should be addressed by requiring the Group to wholesale designated premium channels on regulated terms (a wholesale must-offer obligation ) which it proposes to adopt under its sectoral powers and, in this third consultation, Ofcom outlined and consulted on the specifics of such an obligation. The wholesale must-offer obligation as proposed would cover Sky Sports 1 and Sky Sports 2 and substantially all of Sky's movie channels (including both HD and SD versions in each case and interactive services associated with those channels) and includes price and non-price terms; in particular, Ofcom consulted on a range of regulated wholesale prices for the relevant channels. The range of wholesale prices on which Ofcom consulted is below the current wholesale rate card terms. The wholesale must-offer obligations would be implemented by changes to the Group's Television Licensable Content Service ( TLCS ) licences.

In the third consultation document, Ofcom also stated that it believes that there may be a case for targeted interventions in relation to subscription video on demand ( SVoD ) movie rights and in relation to the next auction of rights to broadcast live Premier League ( PL ) football matches. With regard to SVoD movie rights, Ofcom stated that if it were to intervene, it is likely that it would make a market investigation reference to the Competition Commission ( CC ). Ofcom did not, however, consult formally on such a reference at this stage as it first wishes to explore with the relevant movie studios whether their existing commercial plans are likely to result in the more effective exploitation of SVoD rights, thereby avoiding the need for regulatory intervention. Ofcom also expressed a concern in relation to collective selling of PL rights. The PL's commitments to the European Commission regarding the PL's joint selling of exclusive broadcast rights to football matches do not apply to the PL's next rights auction which is expected in 2012

for the seasons from and including the 2013/2014 season. Ofcom stated its intention to review with the PL how it intends to ensure that this auction will comply with competition law and stated that this might involve exploring with the PL whether it is willing to provide new commitments.

Interested parties, including the Group, were invited to respond to the third consultation document by 18 September 2009. The Group responded to the consultation and will continue to engage with Ofcom. Ofcom stated that it would consider responses to its consultation before making decisions on whether to intervene under its sectoral powers and whether to issue a consultation on a reference to the CC in relation to SVoD rights. Ofcom aims to publish a final statement in the pay TV market investigation in the first quarter of 2010.

On 17 November 2006, the Group acquired 696 million shares in ITV amounting to 17.9% of its issued share capital. The Group paid 135 pence per share, totaling £946 million. The investment in ITV has been subject to an in-depth review by the CC. In December 2007 the CC completed its review and delivered the final report of its findings to the Secretary of State ( SoS ) for Business, Enterprise and Regulatory Reform (now the Department for Business, Innovation and Skills). The CC concluded that the Group s acquisition of the ITV shares may be expected to result in a substantial lessening of competition arising from the loss of rivalry in an all-TV market between ITV and the Group. The CC also concluded that the acquisition would not materially affect the sufficiency of plurality of persons with control of media enterprises serving relevant audiences. The CC recommended that the Group be required to divest part of its stake such that it would hold less than 7.5% of ITV s issued share capital. Taking into account the CC s findings, the SoS announced on 29 January 2008 his decision to make an adverse public interest finding. The SoS also decided to impose on the Group the following remedies to address the substantial lessening of competition identified in the CC s report: (1) divestment of the Group s shares in ITV down to a level below 7.5% within a specified period (which has not been publicly disclosed) and (2) undertakings requiring the Group not to dispose of its ITV shares to an associated person, not to seek or accept representation to the Board of ITV and not to reacquire shares in ITV. The Group sought judicial review of the decisions of the SoS and CC before the Competition Appeal Tribunal ( CAT ). VM also sought judicial review of the findings of the CC and SoS in relation to media plurality and the remedies imposed. The Group was granted permission to intervene in the review proceedings of VM and VM was granted permission to intervene in the review proceedings brought by the Group.

On 29 September 2008, the CAT published a single judgment with respect to both the Group s and VM s appeals. The CAT rejected the Group s appeal and upheld VM s challenge relating to media plurality. In relation to remedies, the CAT found that the CC and SoS were entitled to find that divestiture to below 7.5% would most appropriately remedy the competition concerns. The Group applied to the CAT for permission to appeal the CAT s judgment to the Court of Appeal ( CoA ). That application was rejected. The Group applied directly to the CoA for permission to appeal the CAT judgment and permission was granted on 17 March 2009. VM also applied for permission to appeal the CAT judgment to the CoA, contingent on the success of the Group s request for permission. VM s

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request for permission to appeal was also granted by the CoA. The Group and the VM appeals were heard together at a hearing before the CoA, on 29-30 October 2009. On 21 January 2010 the CoA handed down its judgment, upholding the Group's appeal on the media plurality issue, thereby affirming the CC's interpretation of the media plurality provisions of the relevant legislation, and rejecting the Group's appeal with respect to the competition issues and the remedial direction that the Group divest the ITV shares such that the Group would hold less than 7.5% of ITV's issued share capital. As a result, the report of the CC and adverse public interest finding of the SoS (including the remedial direction) are upheld.

The Group's application to the CoA for permission to appeal the CoA judgment to the Supreme Court, was rejected on 21 January 2010. The Group has until 18 February to apply directly to the Supreme Court for permission to appeal the CoA's judgment and is currently considering its position.

On 2 January 2009, the UK Department for Business, Innovation and Skills ( BIS ) (then the Department for Business Enterprise and Regulatory Reform) opened a public consultation on draft undertakings implementing the divestment remedy required by the SoS. In December 2009 BIS conducted a further consultation on amendments to the draft undertakings which reflected comments made during the first consultation in January 2009. No further announcement has been made since this consultation closed.

The Group is not yet able to assess whether, or the extent to which, these matters will have a material effect on the Group.

***The Group operates in a highly competitive environment that is subject to rapid change and it must continue to invest and adapt to remain competitive.***

The Group faces competition from a broad range of companies engaged in communications and entertainment services, including cable operators, DSL providers, other DTH providers, digital and analogue terrestrial television providers, telecommunications providers, internet service providers, home entertainment products companies, betting and gaming companies, companies developing new technologies, and other suppliers of news, information, sports and entertainment, as well as internet businesses and other providers of interactive services. The Group's competitors increasingly include communication and entertainment providers that are offering services beyond those with which they have traditionally been associated, either through engaging in new areas or by reason of the convergence of the means of delivery of communication and entertainment services. The Group's competitors include organisations which are publicly funded, in whole or in part, and which fulfil a public service broadcasting mandate. A change to such mandate could lead to an increase in the strength of competition from these organisations. Although the Group has continued to develop its services through technological innovation and by licensing, acquiring and producing a broad range of content, the Group cannot predict with certainty the changes that may occur in the future which may affect the competitiveness of its businesses. In particular, the means of delivering various of the Group's (and/or competing) services may be subject to rapid technological change. The Group's competitors' positions may be strengthened by an increase in the capacity of, or developments in, the means of delivery which they use to provide their services.

The Group's television advertising revenue depends on certain external factors which include the overall value of advertising placed with broadcasters by third party advertisers as well as the amount of such advertising that is placed with the Group and the channels on whose behalf the Group sells advertising space. The Group's television advertising revenue is also impacted by the audience viewing share of the Sky Channels and the other channels on whose behalf the Group sells advertising and, accordingly, such revenue is affected by the distribution of such channels. These factors will not always be favourable to the Group and developments in those areas may therefore have a negative impact

on the Group's advertising revenue. Television advertising revenue may also be dependent on the viewing behaviour of the television audience. For example, viewers of on-demand programming may choose not to view that programming on Sky Channels and other channels on whose behalf the Group sells advertising. The Group cannot be certain that its television advertising revenue will not be impacted negatively by this behaviour or that advertising revenue for Sky Channels currently offered on other platforms will not be impacted negatively in the future by the offering of video-on-demand services by other operators.

The Group's ability to compete successfully will depend on its ability to continue to acquire, commission and produce programme content that is attractive to its customers. The programme content and third party programme services the Group has licensed from others are subject to fixed term contracts which will expire or may terminate early. The Group cannot be certain that programme content or third party programme services (whether on a renewal or otherwise) will be available to it at all or on acceptable financial or other terms (including in relation to technical matters such as encryption, territorial limitation and copy protection). Similarly, the Group cannot be certain that such programme content or programme services will be attractive to its customers, even if it is available.

The future demand and speed of take up of the Group's DTH service, and the Group's broadband and telephony services, will depend upon the Group's ability to offer such services to its customers at competitive prices, pressures from competing services (which include both paid-for and free-to-air offerings), and its ability to create demand for its products and to attract and retain customers through a wide range of marketing and promotional activities. The future demand and speed of take up of the Group's services will also depend upon the Group's ability to package its content attractively. In addition, the Group operates in a geographic region which has experienced sustained economic growth for a number of years. The effect of the current recession and the recent decline in consumer confidence on the Group's ability to continue to attract and retain customers is uncertain. Therefore, the Group cannot be certain that the current or future marketing and other activities it undertakes will succeed in generating sufficient demand to achieve its operating targets.

***The Group's business is reliant on technology which is subject to the risk of failure, change and development.***

The Group is dependent upon satellites which are subject to significant risks that may prevent or impair their commercial operations, including defects, destruction or damage, and incorrect orbital placement. If the Group, or other broadcasters who broadcast channels on the Group's DTH platform, were unable to obtain sufficient satellite transponder capacity in the future, or the Group's contracts with satellite providers were terminated, this would have a material adverse effect on the Group's business and results of operations. Similarly, loss of the transmissions from satellites that are already operational, or failure of the Group's transmission systems or up linking facilities, could have a material adverse effect on its business and operations.

The Group is dependent on complex technologies in other parts of its business, including its customer relationship management systems, broadcast and conditional access systems, advertising sales, email platform, supply chain management systems and its telecommunications network infrastructure, including wide area network, LLU, CISCO core IP network, Marconi/Alcatel optical network and complex application servers.

In terms of the delivery of the Group's broadcast services, the Group is reliant on a third party telecommunications infrastructure to distribute the content between its head offices at Isleworth and its primary and secondary uplink sites at Chilworth and Fair Oak.

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Review of the business

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Principal risks and uncertainties

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In addition, the Group's network and other operational systems are subject to several risks that are outside the Group's control, such as the risk of damage to software and hardware resulting from fire and flood, power loss, natural disasters, and general transmission failures caused by a number of additional factors.

Any failure of the Group's technologies, network or other operational systems or hardware or software that results in significant interruptions to the Group's operations could have a material adverse effect on its business.

There is a large existing population of digital satellite reception equipment used to receive the Group's services, including set-top boxes and ancillary equipment, in which the Group has made a significant investment and which is owned by its customers (other than the smartcards, the hard disk capacity in excess of personal storage capacity and the software in the set-top boxes, to which the Group retains title). Were a significant proportion of this equipment to suffer failure, or were the equipment to be rendered either redundant or obsolete by other technology or other requirements or by the mandatory imposition of incompatible technology, or should the Group need to or wish to upgrade significantly the existing population of set-top boxes and/or ancillary equipment with replacement equipment, this could have a material adverse effect on the Group's business.

The deployed set-top boxes contain finite memory resources that are used by the operating system and other software components such as the conditional access system, EPG, and interactive applications. The Group estimates that around two million deployed set-top boxes have significant memory constraints and as such it has been necessary to cease accepting applications for including additional channels in the Group's EPG (the EPG Launch Queue) (although the Group is currently consulting with other broadcasters on whether to re-open the EPG Launch Queue just in respect of HD channels). To date, the Group has been able to carry out software downloads from time to time to reconfigure the memory utilisation in set-top boxes and to accommodate additional and increasingly complex services. In the event that the implementation of such software downloads is no longer a course of action available to the Group, it may be limited in its ability to upgrade the services available via the set-top boxes currently installed in customers premises.

***Failure of key suppliers could affect the Group's ability to operate its business.***

The Group relies on a consistent and effective supply chain to meet its business plan commitments and to continue to maintain its network and protect its services. A failure to meet the Group's requirements or delays in the development, manufacture or delivery of products from suppliers, the discontinuance of products or services, or a deterioration in support quality, could adversely affect the Group's ability to deliver its products and services. No assurance can be given that a decline in quality of equipment suppliers in the industry in which the Group operates will not occur. Any such occurrence could have a material adverse effect on the Group's business.

Sky Talk relies on telecommunications services from network operator BT and failure on the part of BT to meet the Group's requirements for whatever reason may affect the Group's ability to deliver its telephony services to Sky Talk customers.

The Group uses a series of products from Openreach (a BT group business) within its LLU operations. These are the collocation space and associated facilities to house the central office equipment (co-mingling), backhaul circuits to connect that equipment to the Group's network (backhaul extension services) and finally individual copper lines that go between the central office equipment and the end user's house (both shared and full metallic path facility lines). The Group purchases these products from Openreach under terms and conditions outlined in legally binding undertakings given by

BT and accepted by Ofcom in lieu of a market investigation reference to the CC following Ofcom's Strategic Review of Telecommunications (the BT Undertakings). These undertakings stipulate that the Group buys these products on a fully equivalent basis when compared to other operators (including other parts of BT) who supply broadband, telephony and network products and services. Ofcom has set up an Equality of Access Board whose role is to monitor and ensure that all Equivalence of Input requirements agreed in the BT Undertakings are being enacted. Ofcom also monitors the implementation of the BT Undertakings. Outside of the Group's LLU areas the Group uses BT

Wholesale s IP stream bitstream product to provide broadband connectivity to end users. Failure by either Openreach or BT Wholesale in fact to provide its products to the Group on a fully equivalent basis could have a material adverse effect on the Group s business.

***The Group is reliant on encryption and other technologies to restrict unauthorised access to its services.***

DTH access to the Group s services is restricted through a combination of physical and logical access controls, including smartcards which the Group provides to its individual DTH customers. Unauthorised viewing and use of content may be accomplished by counterfeiting the smartcards or otherwise overcoming their security features. A significant increase in the incidence of signal piracy could require the replacement of smartcards sooner than otherwise planned. Although the Group works with its technology suppliers to ensure that its encryption and other protection technology is as resilient to hacking as possible, there can be no assurance that it will not be compromised in the future. The Group also relies upon the encryption or equivalent technologies employed by the cable and other platform operators for the protection of access to the services which the Group makes available to them. Failure of encryption and other protection technology could impact the Group s revenue from those operators and from its own DTH customers.

The Group s network and other operational systems rely on the operation and efficiency of its computer systems. Although the Group s systems are protected by firewalls, there is a risk that its business could be disrupted by hackers or viruses gaining access to its systems. Any such disruption, and any resulting liability to the Group s customers, could have a material adverse effect on the Group s business.

***The Group undertakes significant capital expenditure projects, including technology and property projects.***

The Group is currently involved in capital expenditure projects including infrastructure projects. As is common with such projects, there is a risk that the Group s capital expenditure projects may not be completed as envisaged, either within the proposed timescales or budgets, or that the anticipated business benefits of the projects may not be fully achieved.

***The Group s investment in ITV could be subject to future events outside of the Group s control which could result in a loss in value of the Group s investment.***

On 17 November 2006, the Group acquired 696 million shares in ITV representing 17.9% of the issued share capital of ITV, at a price of 135 pence per share. The Group s investment in ITV is carried at fair value. The fair value of ITV is determined with reference to its equity share price at the balance sheet date. An impairment was first recorded following a review of the carrying value of the investment in ITV at 31 December 2007, due to the significant and prolonged decline in the equity share price. In accordance with IFRS, the Group has continued to review that carrying value and recognised a cumulative impairment loss of £807 million in fiscal 2009 and fiscal 2008. The impairment loss for the year ended 30 June 2009 was determined with reference to ITV s closing equity share price of 20.0 pence at 27 March 2009, the last trading day of the Group s third fiscal quarter. Following this impairment, the Group is



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required to recognise the effect of any further decline in the value of the equity share price of ITV in the income statement. In line with IFRS, all subsequent increases in the fair value of the ITV investment above this impaired value have been recorded in the available-for-sale reserve. At 24 December 2009, the last trading day of the Group's half year, ITV's closing equity share price was 53.9 pence. If the Group were to dispose of all or part of its stake in ITV at a price lower than a price consistent with the impairment through the income statement on the date of disposal, the Group would be required to recognise a loss on disposal.

***The Group, in common with other service providers that include third party services which the Group retails, relies on intellectual property and proprietary rights, including in respect of programming content, which may not be adequately protected under current laws or which may be subject to unauthorised use.***

The Group's services largely comprise content in which it owns, or has licensed, the intellectual property rights, delivered through a variety of media, including broadcast programming, interactive television services, and the internet. The Group relies on trademark, copyright and other intellectual property laws to establish and protect its rights over this content. However, the Group cannot be certain that its rights will not be challenged, invalidated or circumvented or that it will successfully renew its rights. Third parties may be able to copy, infringe or otherwise profit from the Group's rights or content which it owns or licenses, without the Group's, or the rights holder's, authorisation. These unauthorised activities may be more easily facilitated by the internet. In addition, the lack of internet-specific legislation relating to trademark and copyright protection creates an additional challenge for the Group in protecting its rights relating to its online businesses and other digital technology rights.

***The Group generates wholesale revenue principally from one customer.***

The Group derives its wholesale revenue principally from one customer, VM. On 28 February 2007, the Group's wholesale supply arrangement to supply VM with the Sky Basic Channels expired, though VM continued to carry versions of all the Sky Premium Channels. On 4 November 2008, the Group announced that it had entered into a new agreement to supply VM with certain of the Sky Basic Channels to take effect on 13 November 2008 and run until 12 June 2011. Economic or market factors, regulatory intervention, or a change in strategy by VM or by the Group in relation to its channels, may adversely influence the Group's wholesale revenue and other revenue which the Group receives from VM in connection with supply of the Sky Premium and Basic Channels, which may negatively affect the Group's business.

***The Group is subject to a number of medium and long-term obligations.***

The Group is party to a number of medium and long-term agreements and other arrangements (including in respect of programming and transmission, for example, its transponder agreements) which impose financial and other obligations upon the Group. If the Group is unable to perform any of its obligations under these agreements and/or arrangements, it could have a material adverse effect on the Group's business.

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Review of the business

*continued*

Government regulation

Regulatory Update

**European Commission Investigation Premier League**

The European Commission's investigation into the PL joint selling of exclusive broadcast rights to football matches concluded with the European Commission's adoption, in March 2006, of a decision making commitments offered by the PL legally enforceable. These commitments (a non-confidential version of which has been made available to third parties) are to remain in force until June 2013 and thus applied to the PL's auctions of media rights for both the 2007/08 to 2009/10 seasons and also the 2010/11 to 2012/13 seasons. Amongst other things, the commitments provide for the PL to sell a number of packages of media rights (including rights via the internet and via mobile), each of which showcase the Premier League as a whole throughout each season. No single bidder is allowed to buy all six packages and packages of live rights are sold to the highest standalone bidder.

The Group has been awarded four of the six packages of rights to show live audiovisual coverage of Premier League football matches in the UK for the 2007/08 to 2009/10 seasons. The Group has also been awarded five of the six packages of rights to show live audiovisual coverage of PL football matches in the UK for the 2010/11 to 2012/13 seasons.

The decision is binding on the PL for the duration of the commitments, but does not bind national competition authorities or national courts. The Commission's decision does not address competition issues which may arise from contracts for rights in relation to Premier League matches from the 2007/08 season onwards; any such issues could be assessed separately under the competition rules at either a European or national level.

**Pay TV Market Investigation**

On 26 June 2009, Ofcom published its third pay TV consultation document in relation to its ongoing investigation into the UK pay TV industry, which was opened in March 2007. In this consultation document Ofcom confirmed its view, on which it consulted in its previous consultation document, that the Group has market power in narrow wholesale markets for premium sports and movie channels and consulted on its view that the Group has market power in narrow retail markets for premium sports and movie channels. Ofcom also confirmed its view that the Group has, and is acting on, an incentive to limit distribution of those channels on platforms other than DTH. Ofcom confirmed that it continues to believe that its concerns should be addressed by requiring the Group to wholesale designated premium channels on regulated terms (a wholesale must-offer obligation) which it proposes to adopt under its sectoral powers and, in this third consultation, Ofcom outlined and consulted on the specifics of such an obligation. The wholesale must-offer obligation as proposed would cover Sky Sports 1 and Sky Sports 2 and substantially all of Sky's movie channels (including both HD and SD versions in each case and interactive services associated with those channels) and includes price and non-price terms; in particular, Ofcom consulted on a range of regulated wholesale prices for the relevant channels. The range of wholesale prices on which Ofcom consulted is below the current wholesale rate card terms. The wholesale must-offer obligations would be implemented by changes to the Group's TLCS licences. In the third consultation document, Ofcom also stated that it believes that there may be a case for targeted interventions in relation to SVoD movie rights and in relation to the next PL auction. With regard to SVoD movie rights, Ofcom stated that if it were to intervene, it is likely that it would make a market investigation reference to the CC. Ofcom did not, however, consult formally on such a reference at this stage as it first wishes to explore with the relevant movie studios whether their existing commercial plans are likely to result in the more effective exploitation of SVoD rights, thereby avoiding the need for regulatory intervention. Ofcom also expressed a concern in relation to collective selling of PL rights. The PL's commitments to the European Commission regarding the PL's joint selling of exclusive broadcast rights to football matches do not apply to the PL's next rights auction which is expected in 2012 for the seasons from and including the 2013/2014 season. Ofcom stated its intention to review with the PL how it intends to ensure that this auction will comply with competition law and stated that this might involve exploring with the PL whether it is willing to provide new commitments.

Interested parties, including the Group, were invited to respond to the third consultation document by 18 September 2009. The Group responded to the consultation and will continue to engage with Ofcom. Ofcom stated that it would consider responses to its consultation before making decisions on whether to intervene under its sectoral powers and whether to issue a consultation on a reference to the CC in relation to SVoD rights. Ofcom aims to publish a final statement in the pay TV market investigation in the first quarter of 2010.

#### **Review of wholesale digital television broadcasting platforms**

In October 2006, Ofcom published a document setting out the scope and timetable for a review of wholesale digital television broadcasting platforms. Ofcom indicated that it intends to undertake an analysis of relevant markets and to assess market power in such markets, to be used to inform regulation of conditional access, access control and EPG listing, and to review the competition conditions in the DTT multiplex licences. In its consultation document in relation to its pay TV market investigation (see above), Ofcom stated that the more strategic issues which might be considered in this review overlap with issues raised in the market investigation, and that the latter may be a better vehicle for consideration of such issues. Ofcom also stated that it has therefore given priority to the market investigation and expects to restart the platform review once there is greater clarity as to the likely range of outcomes of the market investigation. At this stage, the Group is unable to determine whether Ofcom's platform review will have a material effect on the Group.

#### **The Group's investment in ITV**

On 17 November 2006, the Group acquired 696 million shares in ITV amounting to 17.9% of its issued share capital. The Group paid 135 pence per share, totalling £946 million. The investment in ITV has been subject to an in-depth review by the CC. In December 2007 the CC completed its review and delivered the final report of its findings to the SoS. The CC concluded that the Group's acquisition of the ITV shares may be expected to result in a substantial lessening of competition arising from the loss of rivalry in an all-TV market between ITV and the Group. The CC also concluded that the acquisition would not materially affect the sufficiency of plurality of persons with control of media enterprises serving relevant audiences. The CC recommended that the Group be required to divest part of its stake such that it would hold less than 7.5% of ITV's issued share capital. Taking into account the CC's findings, the SoS announced on 29 January 2008 his decision to make an adverse public interest finding. The SoS also decided to impose on the Group the following remedies to address the substantial lessening of competition identified in the CC's report: (1) divestment of the Group's shares in ITV down to a level below 7.5% within a specified period (which has not been publicly disclosed) and (2) undertakings requiring the Group not to dispose of its ITV shares to an associated person, not to seek or accept representation to the Board of ITV and not to reacquire shares in ITV.

The Group sought judicial review of the decisions of the SoS and CC before the CAT. VM also sought judicial review of the findings of the CC and SoS in relation to media plurality and the remedies imposed. The Group was granted permission to intervene in the review proceedings of VM and VM was granted permission to intervene in the review proceedings brought by the Group.

On 29 September 2008, the CAT published a single judgment with respect to both the Group's and VM's appeals. The CAT rejected the Group's appeal and upheld VM's challenge relating to media plurality. In relation to remedies, the

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CAT found that the CC and SoS were entitled to find that divestiture to below 7.5% would most appropriately remedy the competition concerns. The Group applied to the CAT for permission to appeal the CAT's judgment directly to the CoA. That application was rejected. The Group applied to the CoA for permission to appeal the CAT judgment and permission was granted on 17 March 2009. VM also applied for permission to appeal the CAT judgment to the CoA, contingent upon the success of the Group's request for permission. VM's request for permission to appeal was also granted by the CoA. The Group and VM appeals were heard together at a hearing before the CoA on 29-30 October 2009. On 21 January 2010 the CoA handed down its judgment, upholding the Group's appeal on the media plurality issue, thereby affirming the CC's interpretation of the media plurality provisions of the relevant legislation, and rejecting the Group's appeal with respect to the competition issues and the remedial direction that the Group divest the ITV shares such that the Group would hold less than 7.5% of ITV's issued share capital. As a result, the report of the CC and adverse public interest finding of the SoS (including the remedial direction) are upheld.

The Group's application to the CoA for permission to appeal the CoA judgment to the Supreme Court, was rejected on 21 January 2010. The Group has until 18 February to apply directly to the Supreme Court for permission to appeal the CoA's judgment and is currently considering its position.

On 2 January 2009, BIS (then the Department for Business, Enterprise and Regulatory Reform) opened a public consultation on draft undertakings implementing the divestment remedy required by the SoS. In December 2009 BIS conducted a further consultation on amendments to the draft undertakings which reflected comments made during the first consultation in January 2009. No further announcement has been made since the consultation closed.

The Group is not yet able to assess whether, or the extent to which, these matters will have a material effect on the Group.

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We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus supplement, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents from Evercore Partners Inc., at 55 East 52nd Street, New York, New York 10055. You also may contact us at (212) 857-3100 or visit our website at <http://www.evercore.com> for copies of those documents. Our website and the information contained on our website are not a part of this prospectus supplement, and you should not rely on any such information in making your decision whether to purchase the shares offered hereby.

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EVERCORE PARTNERS INC.

## Class A Common Stock

Evercore Partners Inc. and/or the selling stockholders may offer from time to time shares of our Class A common stock.

This prospectus describes the general manner in which the shares of Class A common stock may be offered and sold by Evercore Partners Inc. and the selling stockholders. If necessary, the specific manner in which shares of Class A common stock may be offered and sold will be described in a supplement to this prospectus. The prospectus supplement may also add, supplement or change the information contained in this prospectus.

The shares of Class A common stock are listed on the New York Stock Exchange under the symbol EVR.

*Investing in our securities involves risks. You should carefully consider the risks described under "Risk Factors" in our most recent Annual Report on Form 10-K and in each subsequently filed Quarterly Report on Form 10-Q (which documents are incorporated by reference herein), as well as the other information contained or incorporated by reference in this prospectus or in any prospectus supplement hereto before making a decision to invest in our securities. See "Incorporation by Reference" and "Where You Can Find More Information" in this prospectus.*

**Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is June 12, 2014**

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**You should rely only on the information contained or incorporated by reference in this prospectus or any supplement to this prospectus. We have not authorized anyone to provide you with different information. Neither we nor the selling stockholders are making an offer to sell or seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus or any supplement to this prospectus is accurate as of any date other than the date on the front cover of those documents. You should read all information supplementing this prospectus.**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration process. Under the shelf registration process, we and/or the selling stockholders may offer from time to time shares of Class A common stock.

In this prospectus, references to Evercore, the Company, we, us and our refer to Evercore Partners Inc., a Delaware corporation, and its consolidated subsidiaries. Unless the context otherwise requires, references to (1) Evercore Partners Inc. refer solely to Evercore Partners Inc., and not to any of its consolidated subsidiaries and (2) Evercore LP refer solely to Evercore LP, a Delaware limited partnership, and not to any of its consolidated subsidiaries.

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**EVERCORE PARTNERS**

Evercore is one of the leading independent investment banking advisory firms in the world based on the dollar volume of announced worldwide merger and acquisition ( M&A ) transactions on which we have advised since 2000. When we use the term independent investment banking advisory firm, we mean an investment banking firm that directly, or through its affiliates, does not engage in commercial banking or significant proprietary trading activities. We were founded on the belief that there is an opportunity within the investment banking industry for a firm free of the potential conflicts of interest created within large, multi-product financial institutions. We also believed that the broad set of relationships of an independent advisory business would provide the foundation for a differentiated investment management platform. We believe that maintaining standards of excellence and integrity in our core businesses demands a spirit of cooperation and hands-on participation more commonly found in smaller organizations. Since our inception, we have set out to build in the employees we choose and in the projects we undertake an organization dedicated to the highest caliber of professionalism and integrity.

We operate globally through two business segments:

Investment Banking; and

Investment Management.

Our Investment Banking segment includes our Advisory services, through which we provide advice to clients on significant mergers, acquisitions, divestitures and other strategic corporate transactions, with a particular focus on advising prominent multinational corporations and substantial private equity firms on large, complex transactions. We also provide restructuring advice to companies in financial transition, as well as to creditors, shareholders and potential acquirers. In addition, we provide our clients with capital markets advice relating to both debt and equity securities, underwrite securities offerings and raise funds for financial sponsors. Our Investment Banking segment also includes our Institutional Equities services through which we offer equity research and agency-only equity securities trading for institutional investors.

Our Investment Management segment focuses on Institutional Asset Management, through which we manage financial assets for sophisticated institutional investors and provide independent fiduciary services to corporate employee benefit plans; Wealth Management, through which we provide wealth management services for high net-worth individuals; and Private Equity, through which we manage private equity funds. Each of these businesses is led by senior investment professionals with extensive experience in their respective fields.

Evercore Partners Inc. was incorporated in Delaware on July 21, 2005. Our principal executive offices are located at 55 East 52nd Street, New York, NY 10055, and our telephone number is (212) 857-3100.



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**FORWARD-LOOKING STATEMENTS**

This prospectus contains or incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ), which reflect our current views with respect to, among other things, our operations and financial performance. In some cases, you can identify these forward-looking statements by the use of words such as outlook, believes, expects, potential, continues, may, should, seeks, approves, predicts, intends, plans, estimates, anticipates or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties.

Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. All statements other than statements of historical fact are forward-looking statements and are based on various underlying assumptions and expectations, are subject to known and unknown risks, uncertainties and assumptions and may include projections of our future financial performance based on our growth strategies and anticipated trends in Evercore's business. We believe these factors include, but are not limited to, those described under Risk Factors in our most recent Annual Report on Form 10-K and in each subsequently filed Quarterly Report on Form 10-Q (which documents are incorporated by reference herein), as well as the other information contained or incorporated by reference in this prospectus or in any prospectus supplement hereto. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included or incorporated by reference in this prospectus or in any prospectus supplement hereto. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

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**USE OF PROCEEDS**

In the case of our sale of Class A common stock, we will specify the use of proceeds in the applicable prospectus supplement.

We will not receive any proceeds from the sale of any shares of Class A common stock offered by the selling stockholders.

**Table of Contents****SELLING STOCKHOLDERS**

The following table sets forth, for each selling stockholder, the name, the number of shares of Class A common stock beneficially owned as of June 6, 2014, the number of shares of Class A common stock being offered pursuant to this prospectus and the number of shares of Class A common stock that will be beneficially owned immediately after the offering contemplated by this prospectus. Each selling stockholder beneficially owns before the offering and will beneficially own after the offering less than 1% of the Class A common stock.

Beneficial ownership is determined in accordance with the rules of the SEC.

Name of Selling Stockholder	Shares Offered	Shares Beneficially Owned	
		Prior to this Offering	After this Offering
John Apruzzese	5,000	5,000	0
Timothy Barrett	675	675	0
Bruce Elwell	6,074	6,074	0
Tim Evnin	3,581	3,581	0
Karen Francois	536	536	0
Gary Gildersleeve	1,000	1,000	0
James Holihan	2,574	2,574	0
Jeffrey S. Maurer*	13,610	13,610	0
Judith Moses	650	650	0
Frances Ann Panetta	1,500	1,500	0
John Rendinaro	1,000	1,000	0
Charles Ryan	2,000	2,000	0
Iain Silverthorne	500	500	0
Jay Springer	2,702	2,702	0
William Vaughn	524	524	0
Christopher Zander	702	702	0

\* Includes shares of Class A common stock issuable upon exchange of outstanding Evercore LP partnership units. In addition to the selling stockholders named in the preceding table, shares of Class A common stock may be offered by additional selling stockholders. The identity of any additional selling stockholder and the amount of securities to be sold by such additional selling stockholder shall be included in a prospectus supplement or post-effectiveness amendment to the registration statement of which this prospectus forms a part or periodic or current report under the Exchange Act that is incorporated by reference into such registration statement and prospectus.

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**DESCRIPTION OF CAPITAL STOCK**

The following description of our capital stock is a summary and is qualified in its entirety by reference to our certificate of incorporation and our bylaws, the forms or copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part, and by applicable law. See [Where You Can Find More Information](#).

Our authorized capital stock consists of 1,000,000,000 shares of Class A common stock, par value \$.01 per share, 1,000,000 shares of Class B common stock, par value \$.01 per share and 100,000,000 shares of preferred stock. Unless our board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

**Common Stock**

***Class A common stock***

Holders of our Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders.

Holders of our Class A common stock are entitled to receive dividends when and if declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our Class A common stock will be entitled to receive pro rata our remaining assets available for distribution.

Holders of our Class A common stock do not have preemptive, subscription, redemption or conversion rights.

Subject to the transfer restrictions set forth in the Evercore LP partnership agreement, holders of fully vested partnership units in Evercore LP (other than Evercore Partners Inc.) may exchange these partnership units for shares of Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

***Class B common stock***

Each holder of Class B common Stock shall be entitled, without regard to the number of shares of Class B common stock held by such holder, to one vote for each partnership unit in Evercore LP held by such holder. Accordingly, the limited partners of Evercore LP collectively have a number of votes in Evercore Partners Inc. that is equal to the aggregate number of vested and unvested partnership units that they hold.

Holders of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.

Holders of our Class B common stock do not have any right to receive dividends or to receive a distribution upon a liquidation or winding up of Evercore Partners Inc.

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### **Preferred Stock**

Our certificate of incorporation authorizes our board of directors to establish one or more series of preferred stock (including convertible preferred stock). Unless required by law or by any stock exchange, the authorized shares of preferred stock will be available for issuance without further action by you. Our board of directors is able to determine, with respect to any series of preferred stock, the terms and rights of that series, including:

the designation of the series;

the number of shares of the series, which our board may, except where otherwise provided in the preferred stock designation, increase or decrease, but not below the number of shares then outstanding;

whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;

the dates at which dividends, if any, will be payable;

the redemption rights and price or prices, if any, for shares of the series;

the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;

the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of our company;

whether the shares of the series will be convertible into shares of any other class or series, or any other security, of our company or any other entity, and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;

restrictions on the issuance of shares of the same series or of any other class or series; and

the voting rights, if any, of the holders of the series.

We could issue a series of preferred stock that could, depending on the terms of the series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of you might believe to be in your best interests or in which you might receive a premium for your Class A common stock over the market price of the Class A common stock.

### **Authorized but Unissued Capital Stock**

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the New York Stock Exchange, which would apply so long as the Class A common stock remains listed on the New York Stock Exchange, require stockholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of Class A common stock (assuming, in this latter case, the exchange of outstanding Evercore LP partnership units not held by Evercore Partners Inc.). These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to

facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares at prices higher than prevailing market prices.

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### **Anti-Takeover Effects of Provisions of Delaware Law**

We are a Delaware corporation subject to Section 203 of the Delaware General Corporation Law. Section 203 provides that, subject to certain exceptions specified in the law, a Delaware corporation shall not engage in certain business combinations with any interested stockholder for a three-year period after the date of the transaction in which the person became an interested stockholder unless:

prior to such time, our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or

at or subsequent to that time, the business combination is approved by our board of directors and authorized by the affirmative vote of holders of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an interested stockholder is a person who, together with that person's affiliates and associates, owns, or within the previous three years did own, 15% or more of our voting stock.

Under certain circumstances, Section 203 makes it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period. The provisions of Section 203 may encourage companies interested in acquiring our company to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder. These provisions also may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our Class A common stock is Computershare Shareowner Services LLC.

### **Listing**

Our Class A common stock is listed on the New York Stock Exchange under the symbol EVR.

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**CERTAIN MATERIAL UNITED STATES FEDERAL INCOME AND ESTATE TAX**

**CONSEQUENCES TO NON-U.S. HOLDERS OF CLASS A COMMON STOCK**

The following is a summary of certain material United States federal income and estate tax consequences of the purchase, ownership and disposition of our Class A common stock as of the date hereof. Except where noted, this summary deals only with Class A common stock that is held as a capital asset by a non-U.S. holder.

A non-U.S. holder means a person (other than a partnership) that is not for United States federal income tax purposes any of the following:

an individual citizen or resident of the United States;

a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the Code), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income and estate tax consequences different from those summarized below. This summary does not address all aspects of United States federal income and estate taxes and does not deal with foreign, state, local or other tax considerations that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws (including if you are a United States expatriate, controlled foreign corporation, passive foreign investment company, or a partnership or other pass-through entity for United States federal income tax purposes). We cannot assure you that a change in law will not alter significantly the tax considerations that we describe in this summary.

If a partnership holds our Class A common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Class A common stock, you should consult your tax advisors.

**If you are considering the purchase of our Class A common stock, you should consult your own tax advisors concerning the particular United States federal income and estate tax consequences to you of the ownership of the Class A common stock, as well as the consequences to you arising under the laws of any other taxing jurisdiction.**

**Dividends**

Dividends paid to a non-U.S. holder of our Class A common stock generally will be subject to withholding of United States federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder within the United States (and, if required by an applicable income tax treaty, are attributable to a United States permanent establishment) are not subject to the withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to United States federal income tax on a net income basis in the same manner as if the non-U.S. holder were a United States person as defined under the



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Code, unless an applicable income tax treaty provides otherwise. Any such effectively connected dividends received by a foreign corporation may be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder of our Class A common stock who wishes to claim the benefit of an income tax treaty or claim exemption from withholding because the income is effectively connected with the conduct of a trade or business in the United States will be required to (a) complete Internal Revenue Service Form W-8BEN or W-8BEN-E (or other applicable form), for treaty benefits, or W-8ECI (or other applicable form), for effectively connected income, respectively, or (b) if our Class A common stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable United States Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder of our Class A common stock eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the Internal Revenue Service.

### **Gain on Disposition of Class A Common Stock**

Any gain realized on the disposition of our Class A common stock generally will not be subject to United States federal income tax unless:

the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the non-U.S. holder);

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or

we are or have been a United States real property holding corporation for United States federal income tax purposes.

An individual non-U.S. holder described in the first bullet point immediately above will be subject to tax on the net gain derived from the sale at regular graduated United States federal income tax rates. An individual non-U.S. holder described in the second bullet point immediately above will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by United States source capital losses, even though the individual is not considered a resident of the United States. If a non-U.S. holder that is a foreign corporation falls under the first bullet point immediately above, it will be subject to tax on its net gain in the same manner as if it were a United States person as defined under the Code and, in addition, may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

We believe we are not and do not anticipate becoming a United States real property holding corporation for United States federal income tax purposes.

### **Federal Estate Tax**

Common stock held by an individual non-U.S. holder at the time of death will be included in such holder's gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

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### **Information Reporting and Backup Withholding**

We must report annually to the Internal Revenue Service and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will be subject to backup withholding for dividends paid to such holder unless such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our Class A common stock within the United States or conducted through certain United States-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code) or such owner otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's United States federal income tax liability provided the required information is furnished to the Internal Revenue Service.

### **Additional Withholding Requirements**

The relevant withholding agent may be required to withhold 30% of any dividends paid after June 30, 2014 and the proceeds of a sale of our common stock occurring after December 31, 2016, in each case paid to (i) a foreign financial institution unless such foreign financial institution agrees to verify, report and disclose its U.S. accountholders and meets certain other specified requirements or (ii) a non-financial foreign entity that is the beneficial owner of the payment unless such entity certifies that it does not have any substantial United States owners or provides the name, address and taxpayer identification number of each substantial United States owner and such entity meets certain other specified requirements.

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**PLAN OF DISTRIBUTION**

Evercore Partners Inc. and/or the selling stockholders, and their pledgees, donees, transferees or other successors in interest, may from time to time offer and sell, separately or together, shares of Class A common stock covered by this prospectus. Registration of the shares of Class A common stock covered by this prospectus does not mean, however, that those shares of Class A common stock necessarily will be offered or sold.

The shares of Class A common stock covered by this prospectus may be sold from time to time, at market prices prevailing at the time of sale, at prices related to market prices, at a fixed price or prices subject to change or at negotiated prices, by a variety of methods including the following:

on the New York Stock Exchange (including through at the market offerings);

in the over-the-counter market;

in privately negotiated transactions;

through broker/dealers, who may act as agents or principals;

through one or more underwriters on a firm commitment or best-efforts basis;

in a block trade in which a broker/dealer will attempt to sell a block of shares of Class A common stock as agent but may position and resell a portion of the block as principal to facilitate the transaction;

through put or call option transactions relating to the shares of Class A common stock;

directly to one or more purchasers;

through agents; or

in any combination of the above.

In effecting sales, brokers or dealers engaged by us and/or the selling stockholders may arrange for other brokers or dealers to participate. Broker/dealer transactions may include:

purchases of the shares of Class A common stock by a broker/dealer as principal and resales of the shares of Class A common stock by the broker/dealer for its account pursuant to this prospectus;

ordinary brokerage transactions; or

transactions in which the broker/dealer solicits purchasers on a best efforts basis.

At any time a particular offer of the shares of Class A common stock covered by this prospectus is made, a revised prospectus or prospectus supplement, if required, will set forth the aggregate amount of shares of Class A common stock covered by this prospectus being offered and the terms of the offering, including the name or names of any underwriters, dealers, brokers or agents. In addition, to the extent required, any discounts, commissions, concessions and other items constituting underwriters or agents compensation, as well as any discounts, commissions or concessions allowed or reallocated or paid to dealers, will be set forth in such revised prospectus supplement. Any such required prospectus supplement, and, if necessary, a post-effective amendment to the registration statement of which this prospectus is a part, will be filed with the SEC to reflect the disclosure of additional information with respect to the distribution of the shares of Class A common stock covered by this prospectus.

We and/or the selling stockholders may also authorize agents or underwriters to solicit offers by certain types of institutional investors to purchase securities from us at the public offering price set forth in the revised prospectus or prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. The conditions to these contracts and the commission that we or the selling stockholders must pay for solicitation of these contracts will be described in a revised prospectus or prospectus supplement.

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In connection with the sale of the shares of Class A common stock covered by this prospectus through underwriters, underwriters may receive compensation in the form of underwriting discounts or commissions and may also receive commissions from purchasers of shares of Class A common stock for whom they may act as agent. Underwriters may sell to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent.

Any underwriters, broker/dealers or agents participating in the distribution of the shares of Class A common stock covered by this prospectus may be deemed to be underwriters within the meaning of the Securities Act, and any commissions received by any of those underwriters, broker/dealers or agents may be deemed to be underwriting commissions under the Securities Act.

Evercore Partners Inc. and/or the selling stockholders may agree to indemnify underwriters, broker/dealers or agents against certain liabilities, including liabilities under the Securities Act, and may also agree to contribute to payments which the underwriters, broker/dealers or agents may be required to make.

Certain of the underwriters, broker/dealers or agents who may become involved in the sale of the shares of Class A common stock may engage in transactions with and perform other services for us in the ordinary course of their business for which they receive customary compensation.

Some of the shares of Class A common stock covered by this prospectus may be sold by selling stockholders in private transactions or under Rule 144 under the Securities Act rather than pursuant to this prospectus.

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**LEGAL MATTERS**

The validity of the shares of Class A common stock offered hereby will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York.

**EXPERTS**

The consolidated financial statements incorporated in this Prospectus by reference from Evercore Partners Inc. and subsidiaries (the Company) Annual Report on Form 10-K, and the effectiveness of the Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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**INCORPORATION BY REFERENCE**

The SEC's rules allow us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus and before the date that the offerings of the shares of Class A common stock by means of this prospectus are terminated will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

We incorporate by reference into this prospectus the following documents or information filed with the SEC:

- (1) Annual Report on Form 10-K for the year ended December 31, 2013, filed on February 28, 2014 (File No. 001 32975);
- (2) Those portions of our Definitive Proxy Statement on Schedule 14A, filed on April 25, 2014 (File No. 001-32975) that are incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2013;
- (3) Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed May 8, 2014 (File No. 001 32975);
- (4) Current Reports on Form 8-K, filed April 25, 2014 and June 6, 2014 (File No. 001 32975);
- (5) The description of shares of Class A common stock contained in the Registration Statement on Form 8-A, dated August 7, 2006 (File No. 001 32975), of Evercore Partners Inc., filed with the SEC under Section 12(b) of the Securities Exchange Act of 1934; and
- (6) All documents filed, but not furnished, by Evercore Partners Inc. under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before the termination of the offerings to which this prospectus relates.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents from Evercore Partners Inc., at 55 East 52nd Street, New York, New York 10055. You also may contact us at (212) 857-3100 or visit our website at <http://www.evercore.com> for copies of those documents. Our website and the information contained on our website are not a part of this prospectus, and you should not rely on any such information in making your decision whether to purchase the shares offered hereby.

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed a registration statement on Form S-3 with the SEC relating to the shares of Class A common stock covered by this prospectus. This prospectus, filed as part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our Class A common stock, we refer you to the registration statement and to its exhibits. Statements in this prospectus about the contents of any contract, agreement or other document are not necessarily complete and, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, with each such statement being qualified in all respects by reference to the document to which it refers. Anyone may inspect the registration statement and its exhibits and schedules without charge at the public reference facilities the SEC maintains at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of all or any part of these materials from the SEC upon the payment of certain fees prescribed by the SEC.

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You may obtain further information about the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also inspect these reports and other information without charge at a website maintained by the SEC. The address of this site is <http://www.sec.gov>.

We are subject to the information requirements of the Exchange Act, and we are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may inspect and copy these reports, proxy statements and other information at the public reference facilities maintained by the SEC at the address noted above. You also are able to obtain copies of this material from the Public Reference Room of the SEC as described above, or inspect them without charge at the SEC's website. Our filings with the SEC are also available to the public through the New York Stock Exchange, 20 Broad Street, New York, New York 10005. We make available free of charge on the Investor Relations section of our website (<http://ir.evercore.com>) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed or furnished with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act. We intend to make available to our stockholders annual reports containing consolidated financial statements audited by an independent registered public accounting firm.



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