



Wednesday 20 February, 2008

FOXTEL'S HALF YEARLY RESULTS RELEASED

I am pleased to advise that FOXTEL has announced its half yearly financial results today. We have continued our growth in subscribers, improved our profitability and achieved a solid revenue increase for the half year to 31 December 2007. These results have been posted through the appeal of our product and service, product innovation and a commitment to strong financial disciplines.

Key financial figures released today include:

- FOXTEL's earnings before interest, tax, depreciation, and amortisation (EBITDA) rose by 62% to \$165m for the half year to 31 December 2007 from \$102m in the first half of the 2007 financial year. FOXTEL in the latest half recorded a \$73m profit (before tax and refinancing charges, after depreciation and interest and including joint ventures) representing a \$51m improvement on the previous corresponding half.
- At 31 December 2007, FOXTEL had 1,335,000 direct subscribers, an increase of 13% over the year ended December 2006. FOXTEL's total subscriber base, including wholesale customers, grew by 12.7% to 1,492,000.
- In January 2008 FOXTEL passed the milestone figure of 1.5 million total subscribers (29% penetration of Australian homes within FOXTEL's operational areas). FOXTEL is now available in the homes of 38% of all television viewers.
- For the year to 31 December 2007, in subscription television homes FOXTEL recorded a 60.2% share of all TV viewing, compared with a 56.6% share across calendar 2006.
- FOXTEL's total revenue for the half was \$805m, a 17% increase on revenue of \$687m in the previous corresponding period.
- FOXTEL's subscription revenue increased 17% from \$591m for the half year ended 31 December 2006 to \$689m for the 31 December 2007 half.

We also reported a slight increase in churn over the half to 13.5% (annualised). This is an area which will require our ongoing attention- we must continue to strive for low churn rates and the current rates are quite unacceptable. The new ViVA system will assist in this process as it is more flexible and will facilitate data analysis for close follow up with subscribers.

Thanks to all of you for contributing to our half yearly results. I look forward to continuing our commitment to the creation of new entertainment horizons for Australian consumers in 2008 and beyond and posting a strong result at the end of the financial year. Further details of the announcement can be found on the website.

All the best,

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