

BRITISH SKY BROADCASTING GROUP PLC  
Form 6-K  
January 28, 2009

**FORM 6-K**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Report of Foreign Issuer**

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

For the month of January 2009  
28 January 2009

**BRITISH SKY BROADCASTING GROUP PLC**  
(Name of Registrant)

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

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

Form 20-F X      Form 40-F

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

Yes                      No X

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

This Report is incorporated by reference in the prospectus contained in 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

## EXHIBIT INDEX

### Exhibit

EXHIBIT NO. 1 Press release of British Sky Broadcasting Group plc announcing 6K Accounting Release released on 28 January 2009

### Consolidated Financial Information

#### Condensed Consolidated Income Statement

for the half year ended 31 December 2008

		2008/09 Half year £ million	2007/08 Half year £ million	2007/08 Full year £ million
	Notes			
<b>Revenue</b>	2	<b>2,601</b>	2,458	4,952
Operating expense	3	<b>(2,216)</b>	(2,163)	(4,228)
<b>Operating profit</b>		<b>385</b>	295	724
Share of results of joint ventures and associates		<b>10</b>	8	15
Investment income		<b>28</b>	19	47
Finance costs		<b>(88)</b>	(82)	(177)
Profit on disposal of joint venture	4	-	67	67
Impairment of available-for-sale investment	5	<b>(59)</b>	(343)	(616)
<b>Profit (loss) before tax</b>		<b>276</b>	(36)	60
Taxation		<b>(110)</b>	(76)	(187)
<b>Profit (loss) for the period</b>		<b>166</b>	(112)	(127)

**Earnings (loss)  
per share from  
profit (loss) for  
the period (in  
pence)**

Basic	6	<b>9.5p</b>	(6.4p)	(7.3p)
Diluted	6	<b>9.5p</b>	(6.4p)	(7.3p)

**Condensed Consolidated Statement of Recognised Income and Expense**  
for the half year ended 31 December 2008

	<b>2008/09</b>	<b>2007/08</b>	<b>2007/08</b>
	<b>Half</b>	<b>Half</b>	<b>Full</b>
	<b>year</b>	<b>year</b>	<b>year</b>
	<b>£</b>	<b>£</b>	<b>£</b>
	<b>million</b>	<b>million</b>	<b>million</b>
<b>Profit (loss) for the period</b>	<b>166</b>	(112)	(127)
<b>Net profit (loss) recognised directly in equity</b>			
Loss on available-for-sale investment	-	(192)	(192)
Gains on cash flow hedges taken to equity	<b>601</b>	11	43
Tax on cash flow hedges	<b>(168)</b>	(3)	(13)
Exchange differences on translation of foreign operations	<b>26</b>	-	4
	<b>459</b>	(184)	(158)
<b>Amounts reclassified and reported in the income statement</b>			
Cash flow hedges	<b>(406)</b>	(2)	2
Tax on cash flow hedges	<b>113</b>	-	-
	<b>-</b>	343	343

Transfer to income statement on impairment of available-for-sale investment	(293)	341	345
<b>Net profit recognised directly in equity</b>	<b>166</b>	<b>157</b>	<b>187</b>
<b>Total recognised income and expense for the period</b>	<b>332</b>	<b>45</b>	<b>60</b>

**Condensed Consolidated Income Statement**  
for the three months ended 31 December 2008

	<b>2008/09</b> <b>Three months</b> <b>ended 31 December</b> <b>£ million</b>	<b>2007/08</b> <b>Three months</b> <b>ended 31 December</b> <b>£ million</b>
<b>Revenue</b>	<b>1,352</b>	1,273
Operating expense	<b>(1,146)</b>	(1,121)
<b>Operating profit</b>	<b>206</b>	152
Share of results from joint ventures and associates	<b>6</b>	5
Investment income	<b>9</b>	4
Finance costs	<b>(39)</b>	(42)
Profit on disposal of joint venture	<b>-</b>	67
Impairment of available-for-sale investment	<b>(35)</b>	(343)
<b>Profit (loss) before tax</b>	<b>147</b>	(157)
Taxation	<b>(54)</b>	(39)
<b>Profit (loss) for the quarter</b>	<b>93</b>	(196)
<b>Earnings per share from profit (loss) for the quarter (in pence)</b>		
Basic	<b>5.3</b>	(11.2)
Diluted	<b>5.3</b>	(11.2)

The consolidated income statement for the three months ended 31 December 2008 is not extracted from the Group's Interim Management Report for the period ended 31 December 2008.

### Condensed Consolidated Balance Sheet

as at 31 December 2008

	<b>31</b>	31	30
	<b>December</b>	December	June
	<b>2008</b>	2007	2008
			£
Notes	<b>£ million</b>	£ million	million
<b>Non-current assets</b>			
Goodwill	<b>852</b>	845	852
Intangible assets	<b>325</b>	283	303
Property, plant and equipment	<b>751</b>	682	722
Investments in joint ventures and associates	<b>145</b>	106	114
Available-for-sale-investments	<b>279</b>	611	338
Deferred tax assets	<b>-</b>	47	23
Trade and other receivables	<b>17</b>	36	19
Derivative financial assets	<b>582</b>	8	13
	<b>2,951</b>	2,618	2,384
<b>Current assets</b>			
Inventories	<b>630</b>	664	310
Trade and other receivables	<b>705</b>	570	566
Short-term deposits	<b>165</b>	1	185
Cash and cash equivalents	<b>1,088</b>	389	632
Derivative financial assets	<b>178</b>	5	5
	<b>2,766</b>	1,629	1,698
<b>Total assets</b>	<b>5,717</b>	4,247	4,082
<b>Current liabilities</b>			
Borrowings	<b>958</b>	98	338
Trade and other payables	<b>1,822</b>	1,627	1,294
Current tax liabilities	<b>203</b>	138	151
Provisions	<b>26</b>	10	27
Derivative financial liabilities	<b>62</b>	21	83
	<b>3,071</b>	1,894	1,893
<b>Non-current liabilities</b>			
Borrowings	<b>2,553</b>	2,038	2,108
Trade and other payables	<b>62</b>	96	67

Provisions		<b>14</b>	37	22
Derivative financial liabilities		<b>3</b>	240	160
Deferred tax liability		<b>35</b>	-	-
		<b>2,667</b>	2,411	2,357
<b>Total liabilities</b>		<b>5,738</b>	4,305	4,250
<b>Shareholders' deficit</b>	8	<b>(21)</b>	(58)	(168)
<b>Total liabilities and shareholders' deficit</b>		<b>5,717</b>	4,247	4,082

### Consolidated Cash Flow Statement for the half year ended 31 December 2008

		<b>2008/09</b>	2007/08	2007/08
		<b>Half</b>		
		<b>year</b>	Half year	Full year
		<b>£</b>		
Notes	<b>million</b>	£ million	£ million	£ million
<b>Cash flows from operating activities</b>				
Cash generated from operations	9	<b>588</b>	429	997
Interest received		<b>30</b>	22	43
Taxation paid		<b>(56)</b>	(80)	(163)
<b>Net cash from operating activities</b>		<b>562</b>	371	877
<b>Cash flows from investing activities</b>				
Dividends received from joint ventures and associates		<b>11</b>	5	11
Net funding to joint ventures and associates		<b>(2)</b>	(2)	(6)
Purchase of property, plant and equipment		<b>(126)</b>	(91)	(215)
		<b>(68)</b>	(62)	(124)

Purchase of intangible assets			
Purchase of available-for-sale investments	-	(7)	(6)
Purchase of subsidiaries (net of cash and cash equivalents purchased)	-	(71)	(72)
Proceeds from the sale of subsidiaries	-	-	3
Decrease (increase) in short-term deposits	20	14	(170)
<b>Net cash used in investing activities</b>	<b>(165)</b>	<b>(214)</b>	<b>(579)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	398	54	383
Repayment of borrowings	(32)	(8)	(16)
Repayment of obligations under finance leases	-	-	(1)
Proceeds from disposal of shares in Employee Share Ownership Plan ("ESOP")	-	16	22
Purchase of own shares for ESOP	(40)	(23)	(45)
Interest paid	(101)	(86)	(165)
Dividends paid to shareholders	(167)	(156)	(280)
<b>Net cash generated from (used in) financing activities</b>	<b>58</b>	<b>(203)</b>	<b>(102)</b>
Effect of foreign exchange rate movements	1	-	1

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>456</b>	(46)	197
Cash and cash equivalents at the beginning of the period	<b>632</b>	435	435
<b>Cash and cash equivalents at the end of the period</b>	<b>1,088</b>	389	632

## Notes to the condensed consolidated interim financial statements

### 1 Basis of preparation

The financial information set out in this press release does not constitute statutory financial statements for the half years ended 31 December 2008 or 2007, for the purpose of the Companies Act 2006, and is unaudited. Statutory financial statements for the year ended 30 June 2008 have been filed with the Registrar of Companies. The financial information below for the year ended 30 June 2008 is derived from our audited financial statements. The Group's auditors have reported on those accounts; their reports were unqualified and did not contain statements under s. 237(2) or (3) Companies Act 1985.

Whilst the financial information included in this press release has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union ("EU"), this announcement does not itself contain sufficient information to comply with IFRS.

### 2 Revenue

	<b>2008/09</b>	2007/08	2007/08
	<b>Half</b>	Half year	Full year
	<b>year</b>		
	<b>£</b>	£	£
	<b>million</b>	million	million
Retail subscription	<b>1,987</b>	1,853	3,769
Wholesale subscription	<b>93</b>	88	181



Advertising	<b>165</b>	167	328
Sky Bet	<b>23</b>	24	44
Installation, hardware and service	<b>142</b>	148	276
Other	<b>191</b>	178	354
	<b>2,601</b>	2,458	4,952

**3****Operating expense**

	<b>2008/09</b>	2007/08	2007/08
	<b>Half</b>		
	<b>year</b>	Half year	Full year
	<b>£</b>		
	<b>million</b>	£ million	£ million
Programming	<b>843</b>	858	1,713
Transmission, technology and networks	<b>339</b>	254	542
Marketing	<b>444</b>	405	743
Subscriber management and supply chain	<b>336</b>	379	700
Administration	<b>254</b>	267	530
	<b>2,216</b>	2,163	4,228

Included within administration for the half year ended 31 December 2008 is £3 million (2008: half year £12 million; 2008: full year £21 million) of expense relating to legal costs incurred on the Group's ongoing claim against EDS (the information and technology solutions provider (see note 10a)).

In addition, included within administration for the full year ended 30 June 2008 is £7 million of expense relating to a restructuring exercise undertaken following a review of operating costs. No further costs have been incurred in the half year ended 31 December 2008.

**4****Profit on disposal of joint venture**

The Group made no disposals in the period ended 31 December 2008 and no profit or loss on disposal was realised. In the period ended 31 December 2007, the Group sold its 100% stake in B SkyB Nature Limited. This realised a profit on disposal of £67 million.

## 5

**Impairment of available-for-sale investment**

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 throughout fiscal 2008 and fiscal 2009 and during the period has recognised an impairment loss of £59 million (2008: half year £343 million; full year £616 million). The impairment loss was determined with reference to ITV's closing equity share price of 39 pence at 24 December 2008, the last trading day of the Group's fiscal half year.

In accordance with IAS 39, the effect of any further decline in the value of the equity share price of ITV will be recognised in the income statement at the relevant future balance sheet date. On 26th January 2009, the closing equity share price of ITV was 30 pence.

## 6

**Earnings per share**

	<b>2008/09</b>	2007/08	2007/08
	<b>Half</b>		
	<b>year</b>	Half year	Full year
	<b>Millions</b>	Millions	Millions
	<b>of</b>	of	of
	<b>shares</b>	shares	shares
<b>The</b>			
<b>total</b>			
<b>impairment</b>			
<b>of</b>			
<b>shares</b>			
<b>for</b>			
<b>the</b>			
<b>period</b>			
<b>was</b>			
Ordinary			
shares	<b>1,753</b>	1,753	1,753
ESOP			
trust			
ordinary			
shares	<b>(13)</b>	(5)	(5)
<b>Basic</b>			
<b>shares</b>	<b>1,740</b>	1,748	1,748
Dilutive	<b>6</b>	-	-
ordinary			
shares			
from			

share options <b>Diluted</b> <b>shares</b>	<b>1,746</b>	1,748	1,748
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The calculation of diluted earnings (loss) per share excludes 23 million share options (2008: half year 33 million; full year 32 million), which could potentially dilute earnings per share in the future.

Basic and diluted earnings (loss) per share is calculated by dividing loss or profit for the period into the weighted average number of shares for the period.

	<b>2008/09</b> <b>Half year</b> <b>pence</b>	2007/08 Half year pence	2007/08 Full year pence
<b>Earnings (loss) per share from profit (loss) for the period</b>			
Basic	<b>9.5p</b>	(6.4p)	(7.3p)
Diluted	<b>9.5p</b>	(6.4p)	(7.3p)

## 7 Dividends

	<b>2008/09</b> <b>Half year</b> <b>£ million</b>	2007/08 Half year £ million	2007/08 Full year £ million
<b>Dividends declared and paid during the period</b>			
2007 Final dividend paid: 8.90p per ordinary share	-	156	156
2008 Interim dividend paid: 7.125p per ordinary share	-	-	124
2008 Final dividend paid: 9.625p per ordinary share	<b>167</b>	-	-
	<b>167</b>	156	280

The proposed 2009 interim dividend is 7.5p per ordinary share being £131 million. The dividend was proposed after the balance sheet date and is therefore not recognised as a liability as at 31 December 2008

## 8 Reconciliation of movement in shareholders' deficit

	Share capital £ million	Share premium £ million	ESOP reserve £ million	Hedging reserve £ million	Available-for -sale reserve £ million	Other reserves £ million	Retained earnings £ million	Total shareholders' (deficit) equity £ million
<b>At 1 July 2007</b>	876	1,437	(54)	(25)	(151)	331	(2,367)	47
Recognition and transfer of cash flow hedges	-	-	-	9	-	-	-	9
Tax on items taken directly to equity	-	-	-	(3)	-	-	(1)	(4)
Revaluation of available-for sale-investment	-	-	-	-	(192)	-	-	(192)
Impairment of available-for-sale investment	-	-	-	-	343	-	-	343
Share-based payment	-	-	25	-	-	-	(18)	7
Loss for the period	-	-	-	-	-	-	(112)	(112)
Dividends	-	-	-	-	-	-	(156)	(156)
<b>At 31 December 2007</b>	<b>876</b>	<b>1,437</b>	<b>(29)</b>	<b>(19)</b>	<b>-</b>	<b>331</b>	<b>(2,654)</b>	<b>(58)</b>
Recognition and transfer of cash flow hedges	-	-	-	36	-	-	-	36
Tax on items taken directly to equity	-	-	-	(10)	-	-	(2)	(12)
Exchange differences on translation of foreign operations	-	-	-	-	-	4	-	4
Share-based payment	-	-	(8)	-	-	-	9	1
Loss for the period	-	-	-	-	-	-	(15)	(15)
Dividends	-	-	-	-	-	-	(124)	(124)
<b>At 30 June 2008</b>	<b>876</b>	<b>1,437</b>	<b>(37)</b>	<b>7</b>	<b>-</b>	<b>335</b>	<b>(2,786)</b>	<b>(168)</b>
Recognition and transfer of cash flow hedges	-	-	-	195	-	-	-	195
Tax on items taken directly to equity	-	-	-	(55)	-	-	(1)	(56)
Exchange differences on	-	-	-	-	-	26	-	26

translation of foreign operations								
Share-based payment	-	-	(37)	-	-	-	20	(17)
Profit for the period	-	-	-	-	-	-	166	166
Dividends	-	-	-	-	-	-	(167)	(167)
<b>At 31 December 2008</b>	<b>876</b>	<b>1,437</b>	<b>(74)</b>	<b>147</b>	<b>-</b>	<b>361</b>	<b>(2,768)</b>	<b>(21)</b>

## 9

## Note to the condensed consolidated cash flow statement

## Reconciliation of profit (loss) before taxation to cash generated from operations

	<b>2008/09</b>	2007/08	2007/08
	<b>Half</b>		
	<b>year</b>	Half year	Full year
	<b>£</b>		
	<b>million</b>	£ million	£ million
<b>Profit (loss) before tax</b>	<b>276</b>	(36)	60
Depreciation of property, plant and equipment	<b>90</b>	77	155
Amortisation of intangible assets	<b>47</b>	43	91
Profit on disposal of joint venture	-	(67)	(67)
Impairment of available-for-sale investments	<b>59</b>	343	616
Share-based payment expense	<b>23</b>	17	36
Net finance costs	<b>60</b>	63	130
Share of results of joint ventures and associates	<b>(10)</b>	(8)	(15)
	<b>545</b>	432	1,006
Increase in trade and other receivables	<b>(196)</b>	(95)	(59)
(Increase) decrease in inventories	<b>(320)</b>	(264)	88
	<b>583</b>	349	(30)

Increase (decrease) in trade and other payables			
(Decrease) increase in provisions	(9)	12	(2)
Increase in derivative financial instruments	(15)	(5)	(6)
<b>Cash generated from operations</b>	<b>588</b>	<b>429</b>	<b>997</b>

**10****Other matters****a)****Contingent assets**

The Group has served a claim for a material amount 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. The amount which may be recovered by the Group will not be finally determined until resolution of the claim.

**b)****Contingent liabilities**

On 7 May 2008 the Nomenclature Committee of the European Commission issued an Explanatory Note "EN" (0590/2007) to the Combined Nomenclature setting out their view that set-top boxes with a hard drive should be classified under Customs Tariff heading 8521 90 00 and so subject to a 13.9% ad valorem duty on importation to the European Union. As a consequence the Group is exposed to potential retrospective Customs Duty liability in respect of such set-top boxes imported by Amstrad Plc (acquired in September 2007) and for the reimbursement of certain suppliers in line with the terms of contractual supply agreements.

Management's opinion is that the retrospective application of the Explanatory Note would be wrong as a matter of law. In addition management considers that the adoption of the EN puts the EU in breach of the Information Technology Agreement of 1996, a view which is shared by the

US

and

Japan

who have instigated WTO proceedings against the EU on this matter. The Group therefore is, in common with other affected importers, defending its position on this matter and consequently has lodged an appeal to the VAT & Duties Tribunal regarding classification of these products.

As a result of the potential remedies available under the Community Customs Code, the Group considers that in the event that an assessment is made for import duty relating to imports prior to 7 May 2008, it is probable that no outflow of economic benefit would be required to discharge this obligation, and that as such at 31 December 2008 any liability should be considered contingent.

**SIGNATURES**

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

**BRITISH SKY BROADCASTING GROUP PLC**

Date: 28 January 2009

By: /s/ Dave Gormley  
Dave Gormley  
Company Secretary