

slay



RECOMMENDED CASH OFFER FOR EASYNET GROUP PLC

21 OCTOBER 2005

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and business, and management's strategy, plans and objectives for the Group. These statements include, without limitation, those that express forecasts, expectations and projections with regard to the potential for growth of free-to-air and pay-TV, advertising growth, DTH subscriber growth and Multiroom and Sky+ penetration, DTH revenue, profitability and margin growth, cash flow generation, subscriber acquisition costs and marketing expenditure, capital expenditure programmes 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 the Group's 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 the Group operates in a highly competitive environment, the effects of government regulation upon the Group's activities, its reliance on technology, which is subject to risk, change and development, its ability to continue to obtain exclusive rights to movies, sports events and other programming content, risks inherent in the implementation of large-scale capital expenditure projects, the Group's ability to continue to communicate and market its services effectively, and the risks associated with the Group's operation of digital television transmission in the UK and Ireland.

Information on some risks and uncertainties are described in the "Risk Factors" section of Sky's Annual Report on Form 20-F for the period ended 30 June 2005. Copies of the Annual Report on Form 20-F are available on request from British Sky Broadcasting Group plc, Grant Way, Isleworth TW7 5QD. All forward-looking statements in this document are based on information known to the Group on the date hereof. The Group undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SKY AND EASYNET

- Acquisition provides Sky with
 - World-class network infrastructure
 - Technical expertise with pioneering and innovative capabilities
 - Strong and experienced management team
- Platform for growth
 - Customers
 - Revenue
 - Loyalty

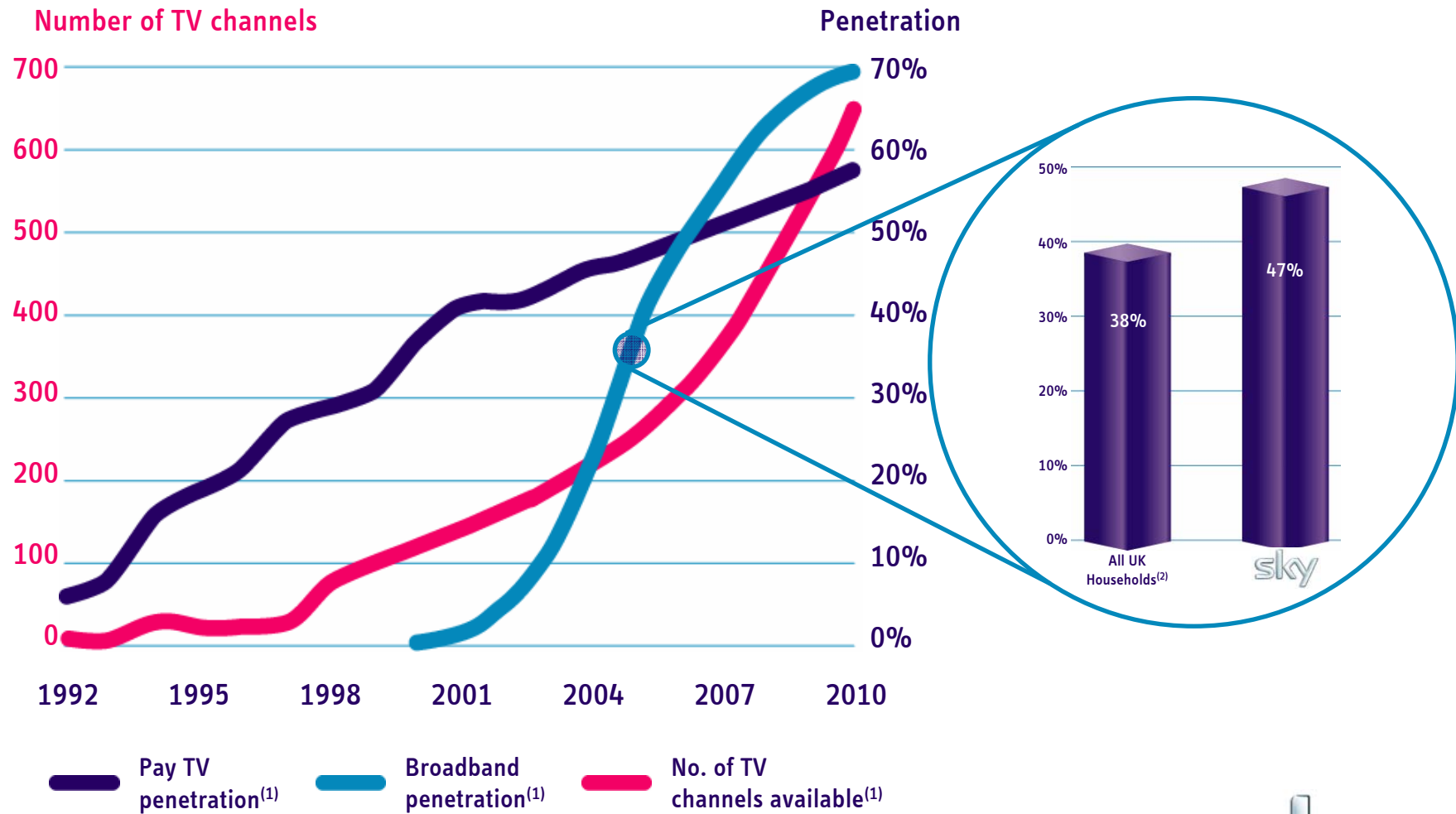


SKY

PUTTING OUR CUSTOMERS AT THE HEART OF EVERYTHING WE DO

- Investing in on-screen content and the customer experience
- Providing industry-leading customer service
- Bringing customers the latest technology and making it easy to use
- Personalised entertainment
- Quality, connectivity, flexibility and control

THE MARKETPLACE IS CHANGING



Source: (1) Sky estimates, (2) Sky Research, September 2005

OUR CUSTOMERS ARE CHANGING

- **Control** of their own viewing
 - 97% of Sky+ customers timeshift
- Demand **flexibility**
 - To enjoy entertainment on TV, PC and phone
 - Whole home solutions
- Are increasingly **Connected**
 - Almost half of Sky customers have broadband connected PCs
- **Share** content with each other
 - 31% of 14-21 year olds have their own 'blog'⁽¹⁾

Source: Sky, (1) Guardian/ICM



WE PLAN TO MEET THEIR NEEDS

2006

- TV
- Internet access
- Softphone VOIP
- CPS Telephony



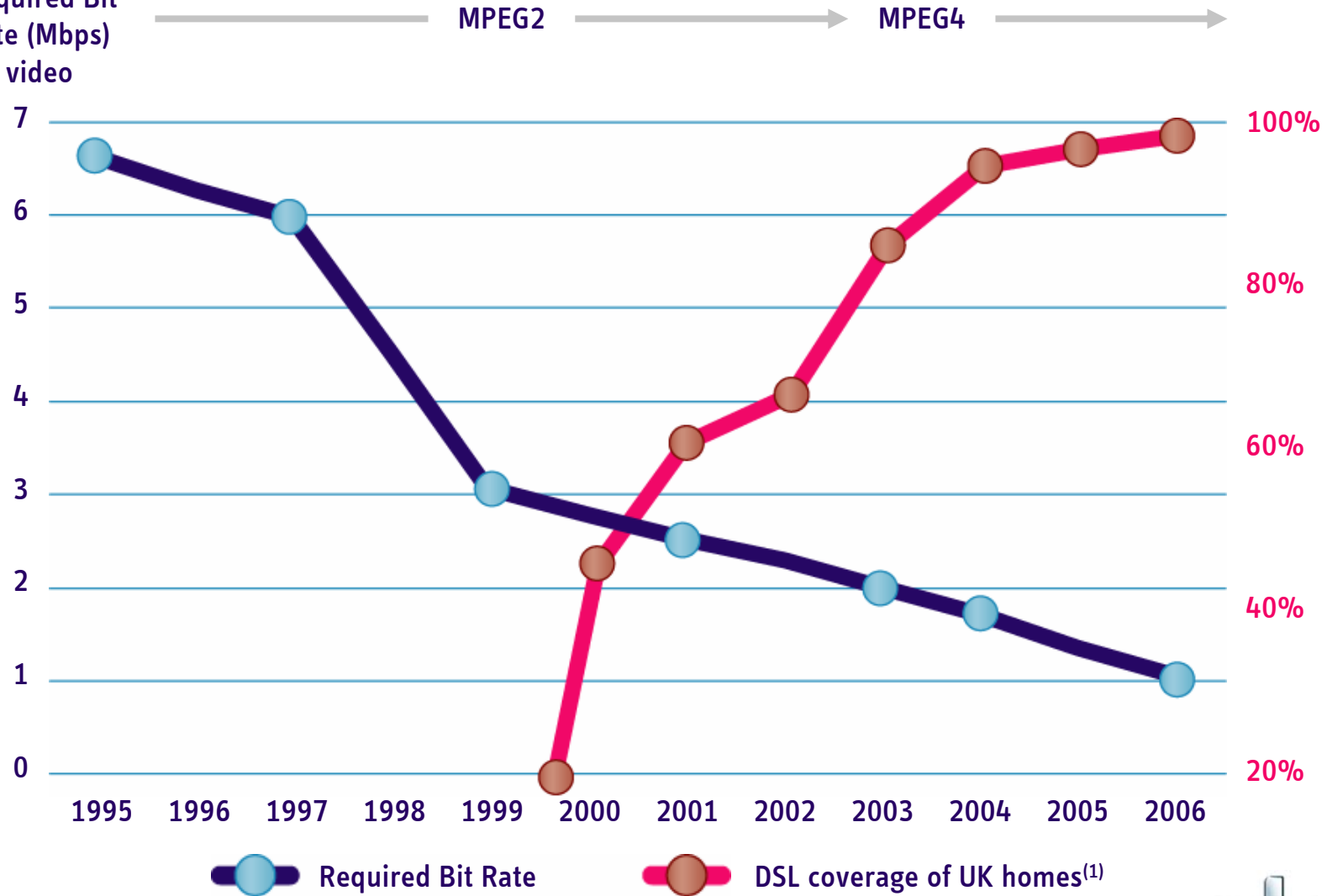
- TV
- Internet access
- VOIP Telephony
- IPTV delivery



**Integrated
Entertainment &
Communication
services**

TECHNOLOGY IS CHANGING...IN OUR FAVOUR

Required Bit Rate (Mbps) for video



Source: Sky estimates

(1) More than 90% of UK homes are within the range of BT's 2Mbps+ ADSL services



EASYNET

- 4,450 km of fibre
- Metro rings in London, Birmingham, Edinburgh & Glasgow
- 50 UK towns and cities passed
- 36 nationwide Points of Presence (POPs)
- 4.5 million unbundled homes passed (18% of UK homes) today
- 5.8 million unbundled homes passed (23% of UK homes) by July 2006(1)
- Platform for unbundling 70% of UK homes



ACQUISITION OF EASYNET

- Recommended cash offer of 175p per Easynet share valuing Easynet equity at approximately £211m
- Easynet net debt of approximately £31m⁽¹⁾ as at 30 June 2005
- Irrevocable undertakings and letters of intent received in respect of 21.8% of Easynet shares
- Transaction expected to close before the end of 2005, subject to regulatory process

Note (1): Based on borrowings, finance lease obligations and cash/cash equivalents

ADVANTAGES OF NETWORK OWNERSHIP

- Highly efficient high bandwidth broadcast network via satellite
- Massive local storage in the home
 - Combined with:
- A high quality national broadband network
 - Availability and security of supply
 - Flexibility to meet the evolving needs of our customers
 - Ability to innovate and differentiate our product from the pack
 - Long term price competitiveness of a fixed cost network
 - Improved gross margin at scale

EASYNET COMPLEMENTS SKY

SKY

- Focussed management team
- Existing business in satellite distribution and channels
- Expertise in high volume customer relationship management and support
- Consumer brand marketing expertise
- Broadband portal

EASYNET

- Focussed management team
- Existing business in high speed data
- Pioneer in local loop unbundling
- Nationwide network infrastructure
- Expertise in broadband service provision and managing high speed data flows
- Relationship with BT Wholesale

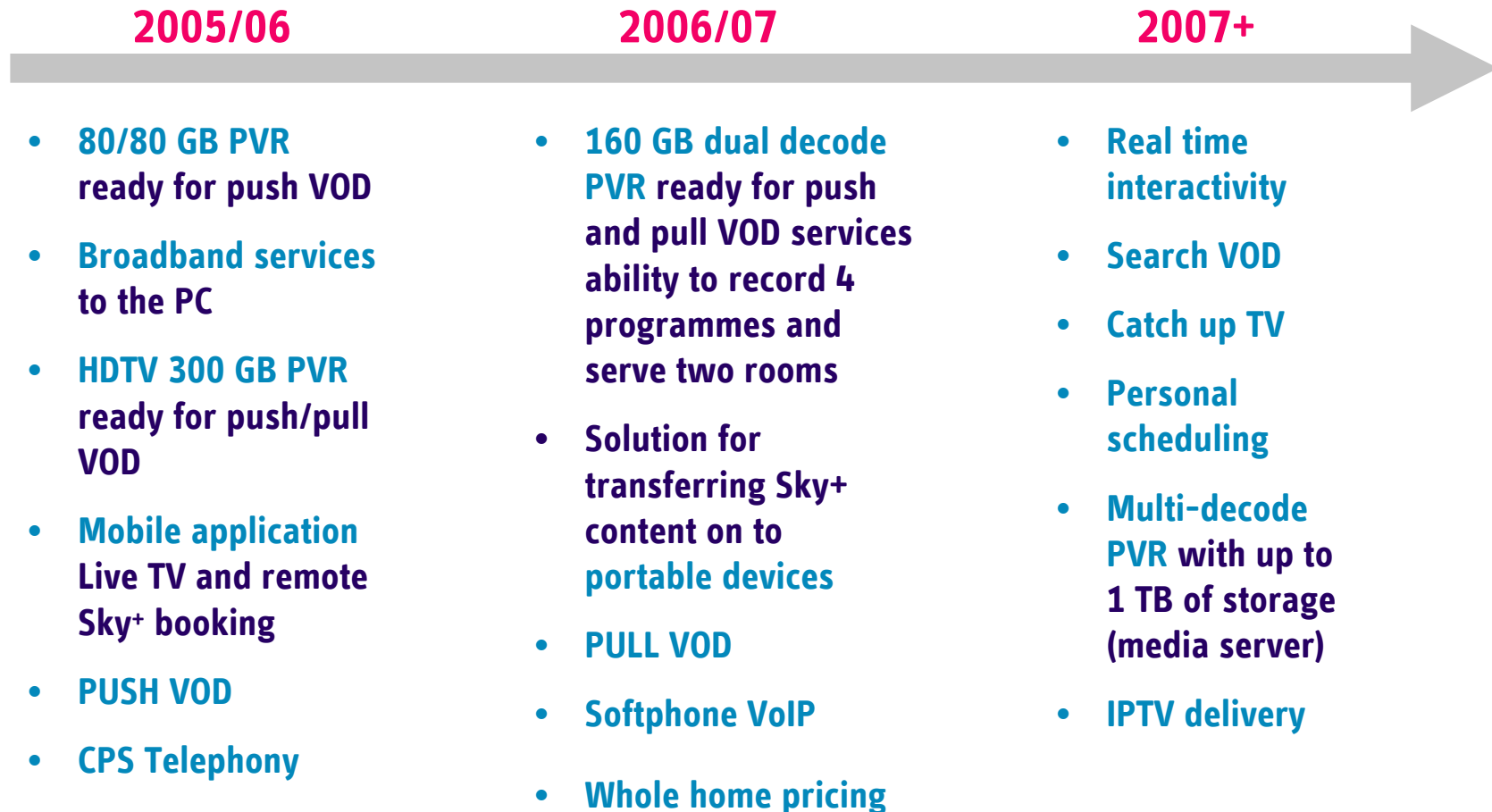
WE START WITH MANY ADVANTAGES

- Overall market growth
- Competition on price and data speeds creates room for differentiated offering from new providers
- Sky has:
 - Pre-eminent entertainment brand
 - Ability to price competitively and package
 - Pipeline of innovative products
 - Infrastructure to support mass market subscription businesses
 - Established, loyal customer base with strong advocacy of its products
 - No incumbency to protect

CREATING A COMPELLING CONSUMER OFFER

- Entertainment without compromise
- No punitive pricing based on legacy tariffs
- Unmatched programming, in range and quality
- Seamless integration of satellite, PVR and internet technology
- Focus on customer service
- Ease of use – making technology simple and appealing to customers
- Distinctive broadband portal

INNOVATION FOR OUR CUSTOMERS



CONCLUSION

- Setting the pace for existing and future customers
- Building on our core strengths: brand, content, distribution and customer service
- The right time to move – regulatory, technological and economic factors are all aligned
- A sensible approach to market entry through targeted investment, harnessing the opportunities while managing the risks
- On-track to hit all 2010 targets and margin expectations



QUESTIONS & ANSWERS