

In May 2006, FOXTEL will alter significantly the packaging and pricing of its digital subscription television service, FOXTEL Digital.

The most substantial change will be a reduction in the price of the basic package from \$50.95 per month to \$36.95 per month. The number of channels offered in the basic package will also be reduced as follows:

- Fox Sports 1, Fox Sports 2 and Fox Footy will be moved to a sports tier called "My Sport".
- UKTV, W and The LifeStyle Channel will be moved into a general entertainment tier called "My Escape".

FOXTEL's primary motivation for changing the structure of the basic package is to attract new subscribers by making available a lower, and more affordable, entry price. The change will also provide FOXTEL's subscribers with greater choice and control over the package they take. For example, subscribers who are not interested in sports programming need not have these channels in their package and can choose, if they wish, to use this money instead to subscribe to one of the general entertainment tiers.

FOXTEL believes that by offering a lower entry price and more choice it will address a common perception amongst non-subscribers that FOXTEL does not represent value for money and, by addressing this perception, will encourage these people to subscribe to FOXTEL.

The following table sets out the packaging and pricing structure that FOXTEL currently expects to offer to consumers from May 2006 onwards. The structure may be subject to minor amendments. FOXTEL has included the plans for the tiers for completeness. This includes moving some channels to other tiers to ensure they line up with the tier genres.

Channels			Monthly price
BASIC			
SPORT	GENERAL ENTERTAINMENT	MUSIC	\$36.95
Sky Racing		Channel [V]	
Eurosport News	Fox 8*	MAX	
NEWS	Fashion TV	CMC	
Sky News	Arena*	OTHER	
CNN	Fox Classics*	Aurora	
Fox News	TV1*	Christian Channel	
Bloomberg TV	DOCUMENTARY	TVSN	
BBC World	Discovery Channel	Expo	
The Weather Channel	National Geographic	30 Audio Channels	
CNBC	KIDS		
	Nickelodeon		
	The Cartoon Network		

TIERS			
MY SPORT			
Fox Sports 1	Fox Footy	Fuel	\$14.95
Fox Sports 2	ESPN	Adventure 1	
MY MOVIES/MY COMPLETE MOVIES			
Showtime	Showtime Greats	TCM	\$14.95
Showtime 2	World Movies		
Movie One*	Movie Greats		\$11.00 additional¹
Movie Extra			
GENERAL ENTERTAINMENT TIERS			
MY ESCAPE			\$14.95 for one tier \$19.95 for any two tiers \$22.95 for all three tiers
E!	LifeStyle Food	Discovery Home & Health	
Hallmark	The Comedy Channel*	UKTV*	
The LifeStyle Channel*	W		
MY PLAYTIME			
The Disney Channel	Boomerang	MTV	
Nick Jr	Playhouse Disney	VH1	
Animal Planet	Club [V]		
MY WORLD			
Discovery Travel & Living	Crime & Investigation Network	The Biography Channel	
Discovery Science		How To Channel	
Ovation	Animal Planet		
	The History Channel*		

Note: Channels marked in the table above with an asterisk are also provided to subscribers on a second channel on a two hour delay (ie. timeshifted channels).

The price of FOXTEL's Platinum Package (which includes all of the channels included in the above table, the FOXTEL magazine and two FOXTEL Box Office movies per month) will remain \$99.95 per month after the re-packaging.

¹ Movie One, Move Extra and Movie Greats are only available as a "buy-through" from the primary movies tier.