

Sky profits jump amid Comcast-Fox takeover battle

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Sky's annual net profits have jumped 17 percent, the pan-European television broadcaster said Thursday as US media giants Comcast and 21st Century Fox battle for control of the group.

Sky's profit after tax increased to £815 million (\$1.1 billion, 918 million euros) in the 12 months to June 30, compared with its 2016-17 financial year.

Subscriber numbers grew by more than 500,000 to 23 million, helping to lift revenue by five percent to £13.6 million.

"It's been an exceptional year. We've delivered another set of strong results," Sky chief executive Jeremy Darroch said in the earnings statement.

"Our strong performance reflects the execution of our strategy over an extended period of time, driving sustained growth in revenue, profits and shareholder returns," he added.

Cable giant Comcast recently raised its bid for satellite-TV group Sky to £26 billion, shortly after Rupert Murdoch's 21st Century Fox hiked its own offer to value the prized company at £24.5 billion.

Sky's "share price is still trading around 30 pence above Comcast's £14.75 bid price, so investors clearly believe a better offer will be forthcoming from Fox", Laith Khalaf, senior analyst at stockbroker Hargreaves Lansdown said on Thursday.

Traditional media giants are looking to beef up their creative offerings to compete with Netflix and other streaming services.

Sky's jewel in the crown is its live coverage of English Premier League football, while the company provides also broadband internet and telephone services.

Analysts say Comcast is favourite to win Sky after it recently dropped out of a bidding war with Disney for prized film and television

operations of 21st Century Fox.

Comcast itself has said it would now focus on acquiring Sky.

However 21st Century Fox is not expected to just sit back, after the UK government earlier this month cleared the way for Murdoch's group to take full control of Sky having agreed to address media plurality concerns.

Fox's long-running pursuit for the 61-percent of Sky it does not own had been plagued by government concerns also over broadcasting standards—and the influence of Australian-born US citizen Murdoch.

Critics argued that allowing Murdoch—who owns major British newspaper titles The Times and The Sun—full control of Sky News would give him too much influence in the UK news business.

To remedy this, Fox has proposed to sell the rolling TV news channel to Disney should it win full control of Sky.

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