

Business review

BBC Worldwide plays a vital role in supporting the BBC and the wider UK creative industries. As Chairman, and also the BBC's Director-General, I see first hand the contribution made by BBC Worldwide to the BBC's output: one that will become even more essential in the next Charter period.

CHAIRMAN'S STATEMENT

Vital part of the BBC's success



Tony Hall

Tony Hall
Chairman, BBC Worldwide
and Director-General, BBC

13.0%

Returns to the BBC as a % of total BBC Television content spend
(2014/15: 12.6%)

BBC Worldwide's reported return for 2015/16 was £222.2m, a very strong performance. This result meant BBC Worldwide contributed the equivalent of £8.55 for every licence fee payer, or 13.0% of the BBC's spend on television content. The two largest elements of this return were investment in BBC commissions and dividends, at £92.7m (2014/15: £94.4m) and £105.5m (2014/15: £111.3m) respectively.

This financial return to the Corporation allows the BBC to commission with a level of ambition and production values that would simply not be possible within the licence fee alone. Prime examples of this during the year included *The Hunt*, narrated by Sir David Attenborough, from Silverback Films, and BBC Production's *War and Peace*, written by Andrew Davies. Almost three-quarters of *The Hunt*, watched by large audiences in the UK, was commercially funded via BBC Worldwide, including co-production deals with BBC AMERICA, China's CCTV-9 and Germany's NDR. For *War and Peace*, BBC Worldwide worked alongside partner Lookout Point to broker a major co-production partnership with The Weinstein Company. A significant success with audiences and critics alike, *War and Peace* has since been sold to 184 territories, including Russia.

These programme successes demonstrate the synergy between the public service BBC and BBC Worldwide. The BBC has been involved in commercial activity from the establishment of Radio Times in 1923 and while this activity has evolved over the intervening decades, it remains both essential and highly complementary to the success of the Corporation.

However, the benefits of BBC Worldwide are not limited to the BBC. BBC Worldwide is a unique content partner and facilitator: active throughout the creative process from initial idea to eventual export, using both the BBC brand and distinctive British content to light the way for UK programmes in international markets. This is one of several ways in which we fulfil our public purpose of 'bringing the UK to the world'. This halo effect helps both the BBC and the independent sector, as well as the writers, directors, actors and producers whose work is, in part, funded by overseas and secondary market demand for quality British content.

By helping put British television onto a global stage, BBC Worldwide contributes to the reputation of Britain as one of the world's most brilliantly creative countries. In this vein, it was fantastic to see *Sherlock: The Abominable Bride* receive global 'big screen' treatment in January, with cinema screenings for fans in over 20 countries complementing the television broadcast, with 6000 screenings in Asia alone.

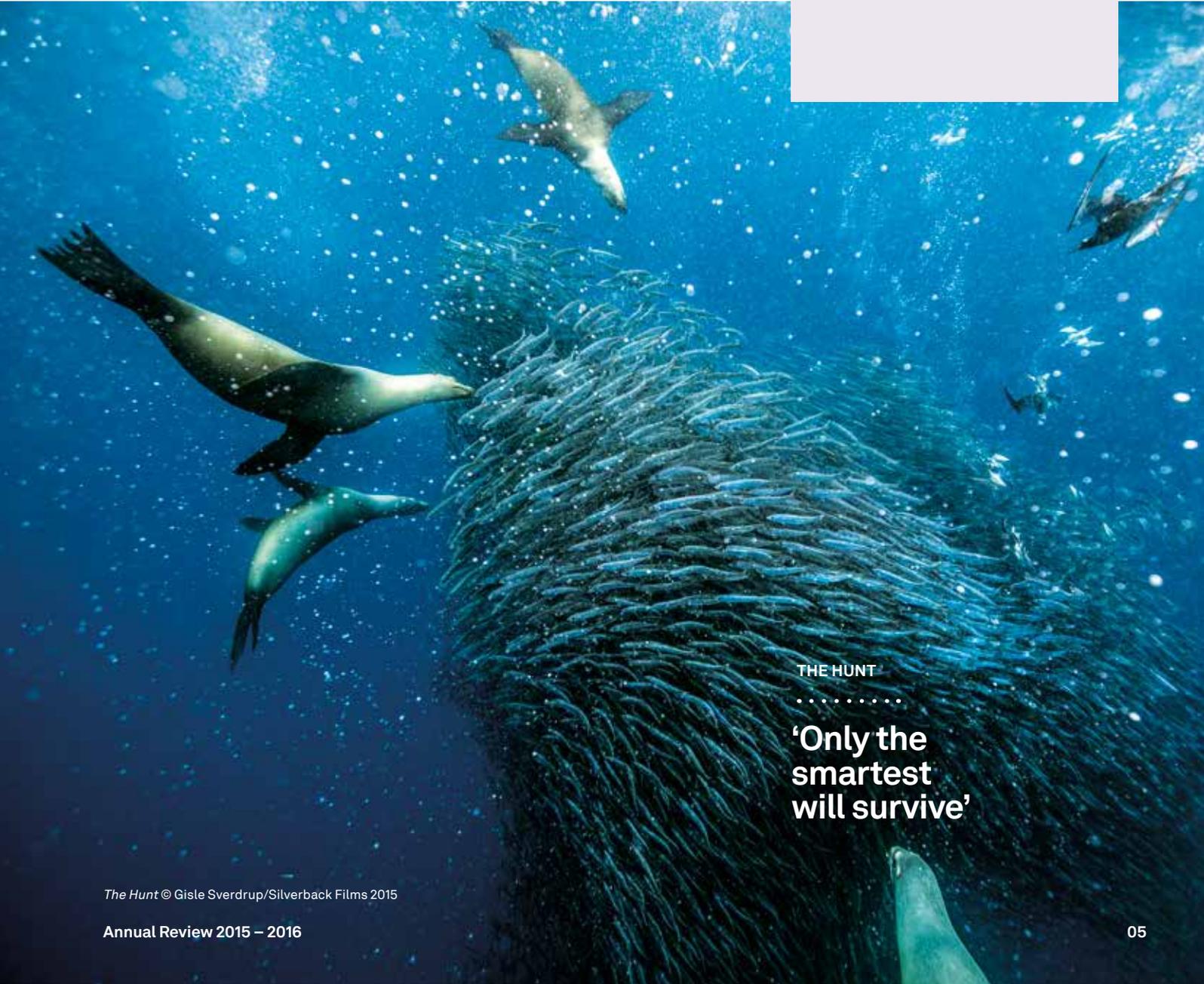
BBC Worldwide's vitality and health will be a critical ingredient in the BBC's success over the course of the next Charter period. With a lower financial settlement and increased responsibilities to fund, maximising our commercial revenue is imperative, not optional. The Board of the BBC is looking to BBC Worldwide to provide £1.2bn of returns over the first five years of the next Charter. This represents more than a 15% uplift on the previous five years, or almost 30% adjusted for dividends relating to disposals during that term.

Fortunately, given these demands and its importance, BBC Worldwide is in solid shape. Despite a challenging operating environment, the BBC has high expectations for its future, which BBC Worldwide has the imagination and ambition to realise. With that in mind, I would like to thank Tim Davie and the staff of BBC Worldwide, whether in Sydney, Los Angeles, Johannesburg, Singapore, London or elsewhere, for their hard work and dedication during the year.

£92.7m

Investment in BBC-commissioned content
(2014/15: £94.4m) -1.8%

A unique content partner and facilitator



THE HUNT

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**'Only the
smartest
will survive'**