

United Kingdom

Growth at a time of investment

Headline sales £m



Headline profit £m



Our United Kingdom business exists to extend audiences' enjoyment of the BBC programmes they love. Highlights this year included the launch of BBC Store, a new relationship with YouTube stars Joe Sugg and Caspar Lee, and growth in content sales.

We delivered a year of significant growth, with particularly strong performance from UKTV and content sales. Headline sales were up 4.8% to £379.3m (2014/15: £361.8m), while headline profit was up 18.4% at £62.4m (2014/15: £52.7m).

A strong content pipeline saw our content sales business enjoy 8.5% year-on-year growth, with the continuation of agreements with Amazon and a renewal with Netflix. Our 50% ownership of UKTV, a joint venture with Scripps Networks Interactive, Inc., remained a core contributor to our portfolio. UKTV reported revenue and profit growth in the 12 months to 31 December 2015 of 12.7% and 10.5% respectively, made around £148m investment in content and related launches, while delivering record share of

commercial impacts of 9.3%, with BBC programmes featuring in an average 41% of UKTV's schedule but accounting for 47% of all impacts.

We expanded in digital, launching BBC Store, which enables UK audiences to buy, download and keep BBC programmes, from recent hits such as *Happy Valley* to TV favourites like *Only Fools and Horses*. At year end the service offered audiences almost 9000 hours, making it the largest collection of BBC programmes available to own.

Our focus on profitability, along with wider digital availability of titles through BBC Store, led us to close our retail website, BBC Shop.

Investment in BBC Good Food resulted in bbcgoodfood.com recording a 22.0% year-on-year increase in unique browsers and an all-time high of 20.5m in December alone, up 13.5%. The magazine held on to the top spot in the Core Food magazine market. We also relaunched topgear.com.

Our DVD and download businesses enjoyed widespread distribution thanks to a steady stream of BBC hits including *Peter Kay's Car Share*, *War and Peace* and *Doctor Foster*. We worked with YouTube stars Joe and Caspar to release their first DVD. At launch, *Joe & Caspar Hit the Road* achieved the biggest day one pre-orders for any title on Amazon.co.uk in 2015.

The UK licensing business continued to deliver global best in class partnerships that enable fans to engage with our brands. We announced Fisher Price as the master toy licensee for *Go Jettlers* and launched *Doctor Who* LEGO® sets, with *Doctor Who* also featuring alongside Hollywood movie properties in the Warner Bros. Interactive Entertainment video game LEGO® DIMENSIONS.

We extended our publishing deal with Penguin Random House, which became the global publisher and distributor of BBC Audio content. Meanwhile in March we completed the licensing agreement of our extensive Radio and Music rights catalogue.

2015/16 was also a busy year for our Live Entertainment business. The *Doctor Who* Festival attracted over 14,000 visitors over three days in November. We also announced a new partnership with events company SME to bring *Countryfile Live* to audiences in August 2016.

As we move in to 2016/17 we will continue to operate multiple routes to market, protect the profit in our physical revenue streams and invest for growth in our digital businesses.



Joe & Caspar Hit The Road © Rod Fountain/BBC Worldwide Ltd 2015



Dancing with the Stars © 2015 American Broadcasting Companies, Inc. All rights reserved



Life Below Zero © BBC Worldwide Ltd All rights reserved 2015

North America

Building global brands

Headline sales £m

2015/16	277.9
2014/15	299.9

Headline profit £m

2015/16	24.2
2014/15	32.9

Our largest business outside the UK, BBC Worldwide North America operates in a highly competitive media market. An unparalleled supply of British programming ensured ongoing success in content sales, co-productions and strategic partnerships. Our LA-based studios – BBC Worldwide Productions and Adjacent Productions – also remained strong, producing formats and originals.

2015/16 marked the first full year for BBC Worldwide North America without BBC AMERICA consolidated into its financial results, following the sale of a 49.9% stake to AMCN. Headline sales and profit fell from £299.9m to £277.9m and £32.9m to £24.2m, mainly due to reduced ownership in BBC AMERICA. However, once adjusting for the derecognition of BBC AMERICA, headline sales saw underlying growth of 5.6% helped by strong sales in SVOD, resulting in 5.5% underlying profit growth.

BBC AMERICA's success continued with increased awareness and viewer engagement. In a year in which two-thirds of US entertainment networks posted declines, BBC AMERICA recorded its best year ever in total viewers. *Doctor Who* S9, *Orphan Black* S3 and *Top Gear* S22 helped to

more than double the network's audience average.

Drama helped drive growth in the Adult 25-54 demographic with *Broadchurch* S2 and *Luther* S4, the latter delivering a 37% increase from series three. Out of 121 returning dramas in the USA, 16 recorded Adult 25-54 audience growth on prior series; three of these aired on BBC AMERICA.

Luther's Idris Elba earned Critics' Choice and Screen Actors Guild Awards, and Golden Globe® and NAACP Image Award nominations, and Tatiana Maslany received her first Emmy® nomination for *Orphan Black*.

BBC Worldwide Productions' hit show *Dancing with the Stars* continued to delight audiences with two new series for ABC, and retained its position as a Top 10 most watched entertainment programme, which it has held for the past decade. Meanwhile, Adjacent Productions' original series for National Geographic Channel, *Life Below Zero*, was the channel's number one programme for a third year.

PBS and BBC AMERICA deals underpinned the US co-production strategy, resulting in projects like *Big Blue Live* with PBS and *Thirteen* with BBC AMERICA.

We also signed *Vikings Unearthed* and *Undercover* in the year with these partners.

The *Doctor Who* brand continued to grow across North America in 2015/16. A significant deal was signed towards year-end granting Amazon exclusive US SVOD rights for the series, allowing us to maximise digital revenue and reach new audiences. In Canada, a new, exclusive multi-platform licensing agreement for *Doctor Who* was signed with Bell Media for its terrestrial channel Space and SVOD service, CraveTV™. These deals helped boost overall digital content sales, by over 60% year on year.

In the USA and Canada, cinema events for BBC intellectual property have become a new revenue driver, with *Sherlock: The Abominable Bride* selling over 190,000 tickets at the beginning of 2016.

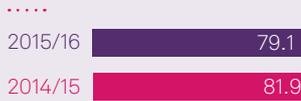
BBC.com traffic grew by 7.4% – reaching almost 39m unique browsers each month. With a focus on immersive content and social audience development, the feature sections were the site's fastest growing areas, increasing 40.0% year-on-year to 7.2m unique browsers. Meanwhile, BBC Advertising welcomed a significant uplift in the second half of 2015/16, with 12.7% year-on-year growth, largely driven by features content, programmatic sales and video.

In the year ahead, we plan to evolve the strategy further and capitalise on technology advances with the launch of a new OTT SVOD service in the USA. The service will support our ambition to grow our content offering and reach audiences looking for British programmes, while complementing the programming on BBC AMERICA and with other partners.

Australia and New Zealand

Strong across all businesses

Headline sales £m



Headline profit £m



BBC Worldwide Australia and New Zealand welcomed another year of growth, attributable to a number of factors including strong established partnerships, a proliferation of new ventures and the continued quality and breadth of our channel and content sales businesses.

The Australia and New Zealand business strategy delivered well, with 5.3% headline sales growth in local currency, continuing with the growth achieved in 2014/15. Translated into sterling, headline sales were £79.1m (2014/15: £81.9m) while profits increased to £19.2m (2014/15: £16.3m).

In its first full year BBC First sustained strong audiences, reaching over 3m viewers and attracting a broader audience for dramas including *Banished*, the channel's first locally commissioned title. Aired in June 2015, the series became the highest rating title across

all plays on BBC First, with a series audience average of 1.8m. Throughout the year the channel's tentpole titles – *Call the Midwife*, *War and Peace* and *The Night Manager* – regularly appeared in the Top 10 rating titles on the Foxtel platform.

2015/16 was an exceptional year for CBeebies, which delivered a 100% ratings increase on last year, with notable titles such as *Hey Duggee*. BBC UKTV delivered a 7.1% increase in audience share on the previous year in Australia, while in New Zealand it recorded its highest share in over three years at 3.8%. Our first full year on Fetch TV, and their growth in subscribers, also supported channel growth for BBC First, BBC UKTV and BBC Knowledge in Australia. The strength of the subscription television market, a full year of BBC First and significant sponsorship growth across our channels resulted in our advertising revenue

recording a 19.9% increase year on year and 19.5% increase in profit.

We continued to reap the benefits of our new sales model, rolled out in 2014, focusing on showcasing premium drama titles on BBC First. These included *Doctor Foster*, *Wolf Hall*, *The Honourable Woman* and popular returning series *Call the Midwife* and *Death in Paradise*. The new sales agreement enabled ABC to broadcast important titles in a second window with some first window programmes too. Nine secured *The Hunt* as a pre-sale title, while Ten acquired a package of popular natural history titles featuring *Shark* and a range of Sir David Attenborough documentaries.

In our digital sales business, a new deal with Foxtel's streaming platform Presto saw 122 titles made available to their customers and increased our offering in the digital arena to 17 platforms. In a first for premium BBC drama distribution in Australia, *Sherlock: The Abominable Bride* premiered on SVOD service Stan.

TV format sales saw the 15th series of *Dancing with the Stars* on Seven in Australia and the return of the format in New Zealand after a six-year break, alongside new productions of *Rachel Khoo's Kitchen Notebook Melbourne* for SBS and *The Great Australian Bake Off* for Lifestyle FOOD. 2016 will see six new format commissions air, including the hypnosis

entertainment show *You're Back in the Room* for Nine and TVNZ and a first series of *Coast* and *Mastermind* for TVNZ, while *Coast* returns to The History Channel later this year.

Away from programming we extended our live entertainment offerings to audiences, hosting Australia's first official *Doctor Who* Festival and a three-day event for YouTube stars Joe Sugg and Caspar Lee, with tickets to the duo's show selling out within 20 minutes and two further shows added. We were also delighted to announce BBC Proms Australia, which took place shortly after year end over four days in April, and marked the first time the BBC Proms had been held outside the UK in this way. In addition, wildlife presenter Steve Backshall sold over 35,000 tickets across Australia on his debut *Deadly 60* tour.

We did encounter some challenges within the year, most notably due to rapid changes in the online retail market. These changes, and the decline of the DVD market, led us to close BBC Shop Australia in March and withdraw from the consumer products wholesale market.

As we progress into the coming year our focus will remain on growing key business areas, looking for new growth opportunities and championing partnerships to ensure we remain on course to keep delivering against our strategy.



Banished ©RSJ Films 2014



Global Markets

Growing international reach



It has been a record year for revenue in our Global Markets business. Consisting predominantly of the non-English speaking world, Global Markets now generates 30% of BBC Worldwide’s total revenue.

Global Markets regions, reported as Western Europe and Rest of World – the latter consisting of CEMA (Central and Eastern Europe, Middle East and Africa), Asia and Latin America – have seen headline sales grow on prior year, and cumulatively delivered headline sales of £305.7m (2014/15: £276.3m). The sales growth was driven by strong content sales, the licensing of more UK formats than ever before and the continued roll-out of our new genre brands: BBC Brit, BBC Earth and BBC First.

Profit, down 18.0% to £26.4m (2014/15: £32.2m), has been depressed by investment in the new genre brands and the increased cost of content.

We reached new audiences by building and strengthening our channel brands and finding new homes for our content. We launched four new channel feeds and relaunched seven, including South Africa where all three brands were introduced, and Singapore, where BBC Earth became the most watched factual pay-TV channel in December and January, just two months after launching. Branded blocks were secured across OTT and free-to-air platforms including all three genre brands on Watchever in Germany, BBC Earth on TVN in Chile and BBC First on AXN Mystery in Japan. We worked with a wide range of new digital entrants, both local and global, while maintaining sales to traditional clients such as SVT in Sweden, where the premiere of *War and Peace* achieved an unprecedented 33.5% audience share. Elsewhere, we engaged fans beyond TV with the roll-out of a CBeebies app in Latin and Hispanic America, and the theatrical release of *Sherlock: The Abominable Bride*, which topped box offices from Russia and South Korea to Hong Kong and China.

To capitalise on demand for local versions of our shows we strengthened our production and formats businesses. Our French production base achieved another successful year with five shows featuring in primetime including new commissions *Atelier Deco (Fill Your House for Free)* and *Hypnose, Le Grand Jeu (You’re Back in the Room)*. Our Indian production business increased the number of shows on air including a Hindi version of *Tonight’s the Night* for Star Plus and daily drama *Dil Ko... Aaj Phir Jeene Ki Tamanna Hai* for Doordashan National, the country’s leading public service channel.

We built our production footprint by setting up BBC Worldwide Productions Nordics in Denmark and signing an exclusive production agreement with Nordisk Film TV as well as purchasing a majority stake in Rapid Blue in South Africa. In Germany we invested further in Tower Productions, which produced a number of popular titles for the local market as well as co-developing original commission *One in a 1000* with German public service broadcaster ZDF. These initiatives will help us bring more world-class formats to local viewers, building on our current successes in this area. Series two of *Top Gear China* attracted over 300m views across digital platforms, local versions of *The Great Bake Off* proved popular in Brazil, South Africa and Romania, and Colombia’s RCN gave *Dancing with the Stars* a 55-episode maiden run.

Partnerships have also been significant. In India we joined forces with Sony Corporation subsidiary Multi Screen Media on the forthcoming channel Sony BBC Earth. In China, we have gone from strength to strength, cementing partnership status with major broadcast and digital networks, including working with Shanghai Media Group on the *Sherlock* theatrical release and forthcoming big screen event *Earth: One Amazing Day* (w/t) and the signing of a memorandum of understanding with Mango TV, the internet platform of Hunan broadcasting system. CCTV also became one of the international co-production partners (alongside BBC AMERICA and NDR Naturfilm) on natural history landmark *The Hunt* – one of many examples of international money contributing to the funding of premium British television.

As well as a new affiliate deal with beIN to launch CBeebies in the Middle East and North Africa, major affiliate renewals were also secured amid difficult market conditions. This gives us a more settled channels environment, allowing us to concentrate on growing reach and, in some markets, advertising sales and to target growth opportunities in digital in the year ahead.