



Coast New Zealand © TVNZ/Great Southern TV 2017



Australia and New Zealand

Strong growth in branded services

Headline sales £m

2016/17	79.5
2015/16	79.1

Headline profit £m

2016/17	21.1
2015/16	19.2

At a profit level, the Australia and New Zealand region performed well again this year with strength in Branded Services and ancillary businesses, despite challenges that developed in external TV and advertising sales. While this environment resulted in an overall reduction in headline sales in Australian dollars (AUD), the region achieved an AUD profit in line with 2015/16. When translated to sterling, profit increased 9.9% from £19.2m to £21.1m and revenue was ahead at £79.5m (2015/16: £79.1m).

In Australia, BBC First led a strongly performing channel portfolio, reinforcing its status as the home of premium British drama with the success of *The Night Manager* as its top-rating programme to date, and seeing loyal audiences returning for flagship titles including *Death In Paradise*. A brand refresh for BBC UKTV in October, with new title *Michael McIntyre's Big Show*, helped to lift audience share in Australia by 12.3% on the previous quarter. We extended our carriage arrangement with IPTV platform Fetch for all five BBC-branded channels and struck a new deal for our channels to be carried on Flip TV. In New Zealand, we secured a positive carriage extension for our branded services on Sky TV, and BBC UKTV continued to be the number one non-sport channel on the platform.

Top of the Lake: China Girl, produced by See-Saw Films for BBC Two in co-production with BBC First and Foxtel in Australia, BBC UKTV in New Zealand and SundanceTV in the US and in association with Hulu in the US, ARTE in France and BBC Worldwide, is a key title for the business and has completed filming in Sydney. In content sales, major Australian deals included the sale of *Planet Earth II* to Nine (and to Prime in New Zealand); two series of *The Durrells* to Seven; and multi-year SVOD deals with Stan and Netflix. The first joint life-of-series deal for *Sherlock* was agreed with Stan and Nine, and a third window guaranteed to the Australian Broadcasting Corporation (ABC).

This year saw returning format success with series two of *The Great Australian Bake Off* on Lifestyle FOOD achieving the channel's highest ratings of all time, *Coast Australia* appearing for a third series on the History Channel and *Coast New Zealand* in production for a second series on TVNZ. New format commissions included *Stargazing Live* for ABC with UK presenter Brian Cox and *Filthy Rich and Homeless* for SBS.

We saw strong growth in live entertainment, consumer products and EST sales. Louis Theroux's inaugural live show was enjoyed by 26,500 fans across 11 shows in five Australian cities. Steve Backshall returned to Australia with his sell-out *Deadly 60* tour which captivated

48,500 fans. Meanwhile 22,500 cinema-goers across the region watched *Shakespeare Live!* to celebrate the 400th anniversary of the Bard's death.

In digital, BBC Worldwide launched on Dendy Direct and BBC Worldwide titles achieved five number one chart positions on iTunes. Google Play market share for BBC content increased by over 50% from March to December. DVD sales have declined in line with the global trend, but with strong results for key titles. *Planet Earth* was our highest performing brand, while *The Durrells* sold more than five times its original forecast.

The popularity of pre-school titles *Hey Duggee* and *Go Jetters* on ABC and CBeebies had a positive effect for licensed consumer products, with major retailers stocking product lines and 35,000 units of *Hey Duggee* toys sold. *Hey Duggee* also won the Australian Toy Association 2017 Best Boutique Licence of the Year.

In the year ahead, we will be further developing our commercial business areas through a systematic approach to business innovation so that we can continue to grow and meet our market challenges.