

METRICS

INVESTING IN INNOVATION

Channel 4's commitment to innovation underpins everything it does – spanning the full range of its creative output, the geographical spread of its supplier base, the diversity of voices and perspectives it brings to the screen, and its technological innovation on digital platforms.

Innovation through content

Channel 4 invested £675 million in originated and acquired content across its TV and digital portfolio in 2017. Its total content budget fell back slightly (by 3%) after reaching record levels in 2016, but was still the second-highest ever. Spend on Channel 4's own commissions rose by 2% to £510 million in 2017, the largest sum in Channel 4's history. After three years of increases, it is now £80 million above its 2014 level.

Channel 4 broadcast 8.5 hours of first-run originations every day on average across the TV portfolio in 2017. This was 9% down on last year, when output was boosted by *Rio 2016 Paralympics* coverage. This also accounted for the 11% decline in new commissions on the main channel. Conversely, continued investment beyond the main channel prompted a 17% increase in the volume of new commissions on the digital channels. In peak-time (6-10.30pm), when the biggest audiences are watching TV, first-run originated programmes accounted for 73% of hours on the main channel – one percentage point down on 2016, but still the joint second-highest figure since 2003. Including repeats, 81% of peak-time hours were taken up with originations (level with 2016).

Across the TV portfolio, Factual, Drama and Entertainment were the genres with the biggest content budgets in 2017. Investment in Factual, the biggest genre, rose by 21% to £254 million, helping to fund the acclaimed relaunch of *The Great British Bake Off*, along with new series such as *Eden* and *Escape*. There were 1,545 hours of first-run originated Factual programmes across the TV portfolio, 11% up year-on-year. In Drama, key commissions this year included *The State* and *Ackley Bridge*. While the budget fell by 4% to £87 million, as *Indian Summers* was not replaced, the volume of programming held steady (172 hours, a 0% change). A highlight of this year's £86 million Entertainment budget was the revival of Channel 4 classic *The Crystal Maze*. Investment in this genre was down by 17% year-on-year, and the volume of first-run originations fell by 12%, as *Deal or No Deal* was not replaced and there was less Alan Carr programming than in 2016. The other significant year-on-year movement in volume was in Sport: with no comparable event of the scale of the *Rio 2016 Paralympics*, Sports output this year fell by 53%.



▲
Ackley Bridge



▶ The Great British Bake Off

Innovation through diversity

Channel 4 maintained its vital support for the UK's production sector in 2017, as the only PSB that commissions 100% of its content from external suppliers. It spent £440 million on first-run external commissions on the main channel (level with 2016 in percentage terms). On the digital channels, spend rose by a substantial 21% to £56 million. Overall, across the TV portfolio, Channel 4 invested £496 million in first-run originations from external suppliers, a year-on-year increase of 2%. Channel 4 worked with 309 creative partners across its commissions in TV, film and digital media, slightly down on 2016 (by 3%). 48 of these suppliers were new to Channel 4, a 31% decline, with All 4 investing in a smaller number of bigger-budget commissions online.

In a London-centric industry, Channel 4 is committed to increasing regional diversity, commissioning content from across the Nations (Northern Ireland, Scotland and Wales) and the English Regions. In 2017, 57% of hours of first-run originated programmes on the main channel came from suppliers based outside London, two percentage points more than in 2016. Channel 4 has now sourced more than 50% of its first-run commissions from outside London in each of the last five years. In expenditure terms, 45% of Channel 4's investment in first-run originated programming on the main channel was on programmes from suppliers outside London, a notable year-on-year increase of five percentage points. Across the TV portfolio, Channel 4 spent a record £189 million on programmes from production companies based outside London, £20 million more than in 2016 (a 12% rise). Of this total, expenditure on content from companies based in the Nations rose by 9% to £39 million.

Parasport



Turning to on-screen diversity, in 2017 Channel 4 showed 253 hours of originated programmes on the main channel whose subject matter covered issues relating to religion, multiculturalism, disability and sexuality. 129 of these originated hours were first-run programmes and 91 of the first-run hours related to programmes shown in peak-time. After big jumps last year, due to Channel 4's coverage of the Rio 2016 Paralympics, these three figures fell back in 2017 – by 29% (total originations), 48% (first-run originations) and 12% (first-run originations in peak-time) – but still remained higher than in 2013, 2014 or 2015. Programme highlights this year included a season to mark the 50th anniversary of the partial decriminalisation of male homosexuality, with films offering both historic (*Epidemic: When Britain Fought AIDS*) and contemporary (*50 Shades of Gay*) perspectives on gay life.

Channel 4's international programming also contributes to the diversity of its schedules. There were 69 hours of first-run non-news programmes covering international topics on the main channel and in the cross-channel *True Stories* documentary strand in 2017. After 2016's coverage of the US presidential election race, this was 10% down year-on-year, but remained above the 2014 and 2015 levels. Following the launch of Walter Presents in 2016, the opening episodes of 14 foreign language TV series were premiered on Channel 4's main channel in 2017. With some series also shown on More4, Walter Presents-branded titles showcased on the TV portfolio reached 9.4 million people this year. Meanwhile, the Film4 channel continued to offer a diverse and international slate: 32% of its output came from outside the US, with British films accounting for 17% of total output.



METRICS CONTINUED

INNOVATION THROUGH CONTENT

£675m

SPENT ON CONTENT ACROSS ALL SERVICES

-3% ON LAST YEAR

● INVEST IN HIGH QUALITY CONTENT

£663m

INVESTED IN ORIGINATED AND ACQUIRED PROGRAMMING ACROSS THE CHANNEL 4 TV PORTFOLIO (ALL GENRES)

-3% ON LAST YEAR

● INVEST IN HIGH QUALITY CONTENT

INVESTMENT IN ALL CONTENT

After reaching record levels in 2016, Channel 4's total content budget across its services fell back slightly in 2017, but was still the second-highest in the broadcaster's history. Channel 4 spent £675 million on the main channel, digital TV portfolio and digital media. 81% of the total budget (£544 million) was spent on content for the main channel, which continued to attract larger audiences than any other channel or service in the portfolio. £119 million was spent on the digital TV channels, and a further £12 million on digital media, which includes Channel 4's websites, cross-platform content and investment in All 4 content, including foreign language TV service Walter Presents.

Content expenditure on the main channel fell slightly, by £9 million, a 2% decline relative to the 2016 record figure. There were bigger year-on-year changes, in percentage terms, in spend on the digital services. For the digital TV channels, while content investment was down by £12 million (a 9% reduction), with less expenditure on original content and US acquisitions, this still represented the second-highest ever spend in the digital channels. Spend on digital media rose in 2017, by £1 million, equivalent to an annual increase of 15% – taking it to a new record high.

In 2017, £663 million was invested in originated and acquired programming across Channel 4's TV portfolio – the main channel and digital channels – 3% below the 2016 figure of £684 million. £254 million was spent on Factual programming, making it the biggest single genre by a considerable margin. Investment in Factual rose substantially this year, by 21%, the biggest single increase in any genre, and this was the sixth successive year in which Channel 4 has increased its spend on this key genre. The additional £45 million of funds supported major new series such as *The Great British Bake Off*, *Eden and Escape*. The next three biggest genres in terms of content investment were Drama (£87 million), Entertainment (£86 million) and Film (£81 million). The Drama budget fell slightly by 4% (a £4 million drop), as *Indian Summers* was not replaced. Key commissions this year included *The State* and *Ackley Bridge*. Investment in Entertainment was down by 17% (equivalent to £17 million), as *Deal or No Deal* was not replaced and there was less Alan Carr programming than in 2016. Highlights this year included the revival of Channel 4 classic *The Crystal Maze*. The Film budget fell by 12% year-on-year, an £11 million reduction, with fewer high-cost US titles. UK theatrical premieres of Film4 productions this year included *Free Fire* and *The Killing of a Sacred Deer*.

In other genres, the content budget for Education (14-19-year-olds) rose from £2 million to £10 million. *Ackley Bridge* accounted for the five-fold rise, the largest of any genre this year in percentage terms. There were also small increases in investment in News (up £1 million to £27 million, a 3% rise) and programmes which appeal to Older Children (up £1 million to £7 million, a 15% rise) – the latter due to series such as *Lego Masters* and *Gogglesprogs*. Content investment declined in other genres, reflecting the small decline in the overall budget and the increased investment in Factual programming. The largest decline – in both absolute and percentage terms – was in Sport. After a big increase in 2016 to cover the *Rio 2016 Paralympics*, the Sport budget fell back by 36% (equivalent to £25 million) to £43 million. Major events shown this year included *Formula 1*, the *UEFA Women's EURO 2017* and the *London 2017 World Para Athletics Championships*. The other notable decline in spend was in Comedy: investment was down by £16 million to £43 million, a 27% fall, in part due to *Derry Girls* being pushed back to early 2018. Following extensive coverage of the Brexit referendum and US election in 2016, spend on Current Affairs programmes fell by 11% this year to £25 million (a £3 million drop from its record level last year).

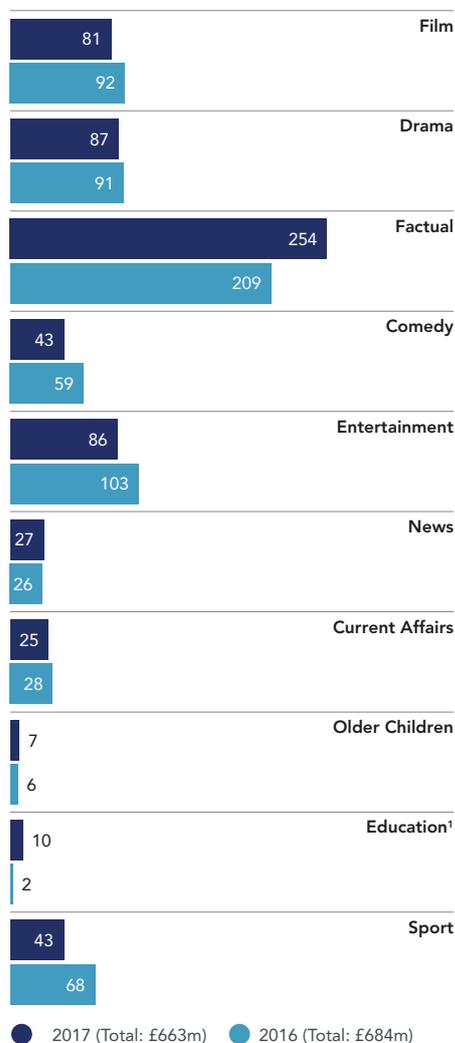
Spend across the Channel 4 network on all content (£m)

	Channel 4 (main channel)		Digital channels	Digital media	Total (£m)
2017	544	119	12		675
2016	553	131	11		695

● Channel 4 (main channel) ● Digital channels
● Digital media

Source: Channel 4

Total investment in originated and acquired programming across the Channel 4 TV portfolio by genre (£m)



Source: Channel 4

¹ Education in this metric refers to specifically commissioned programmes for 14-19-year-olds, as opposed to Channel 4's broader educational remit.

INNOVATION THROUGH CONTENT

73%

OF THE MAIN CHANNEL
PEAK-TIME SCHEDULE DEVOTED
TO FIRST-RUN ORIGINATIONS

-1PT ON LAST YEAR

● INVEST IN HIGH QUALITY
CONTENT

OUTPUT MIX ON CHANNEL 4

Channel 4 broadcasts most of its new original programming on the main channel during peak-time hours (defined by Ofcom as 6-10.30pm), exposing them to the largest audiences and enabling them to have the greatest impact. In 2017, 73% of all peak-time hours on the main channel were made up of first-run originated programming. While this is a slight (one percentage point) decline on the 2016 level, it nonetheless represents the joint second-highest figure since 2003. Repeats of original programming accounted for another 8% of peak-time output, meaning that originations comprised a total of 81% of peak-time hours – well ahead of Ofcom's 70% licence requirement. Channel 4's daytime schedules include a more balanced spread of originations and acquisitions, with originations representing 63% of output on the main channel across the day in 2017, again well above the relevant Ofcom quota (of 56%).

There was little year-on-year variation in these figures in peak-time: the proportion of originated programming on Channel 4's main channel in 2017 remained at 2016 levels, with the one percentage point decrease in first-run originations offset by a corresponding one percentage point rise in originated repeats. Across the whole day, the proportion of originated programming on the main channel was down by two percentage points year-on-year.

Percentage of output on the main channel
accounted for by originations and first-run
programmes

	Peak-time (6-10.30pm)			
2017	73	8	6	13
2016	74	7	7	12
	All day			
2017	31	32	7	30
2016	35	30	7	28

● Originations – first-run ● Originations – repeat
● Acquisitions – first-run ● Acquisitions – repeat

Source: Channel 4

£510m

SPENT ON ORIGINATED
CONTENT ACROSS ALL
SERVICES

+2% ON LAST YEAR

● INVEST IN HIGH QUALITY
CONTENT

INVESTMENT IN ORIGINATED CONTENT

Channel 4 delivers its public remit – and distinguishes its output from that of other broadcasters – primarily through the original content that it commissions and invests in. In 2017, its total expenditure on originated content across its TV channels (covering first-run transmissions and repeats) and online services was £510 million, the largest sum in Channel 4's history. With new records being set in each of the last three years, Channel 4's original content investment is now £80 million higher than it was in 2014.

The main channel continues to account for the large majority of Channel 4's originated content budget: its £444 million expenditure in 2017 was 87% of the total spend on originations. Of this total, £193 million was spent on News, Current Affairs, Education programming, Comedy, Drama series and single dramas (including Film4 productions), Arts and Religion – up 3% year-on-year. This does not include the full range of programming genres e.g. Factual or Sport, where Channel 4 also delivers important public service content.

Beyond the main channel, £56 million was spent on original content for the digital channels, and a further £10 million on digital media content (including websites and cross-platform content).

There was a £9 million increase in Channel 4's total spend on original content in 2017, 2% up year-on-year. This increase was directed entirely towards the digital TV channels, which benefited from a £10 million boost to their original content budget (up 21%), to a new record high. There were minimal variations elsewhere: the main channel's budget fell slightly, by £1 million, while spend on digital media content was level with the 2016 figure.

Spend across the Channel 4 network
on originated content (£m)

	Channel 4 (main channel)			Digital TV channels		Digital media		Total (£m)
2017	444	56	10					510
2016	445	46	10					501

● Channel 4 (main channel) ● Digital TV channels
● Digital media

Source: Channel 4

METRICS CONTINUED

INNOVATION THROUGH CONTENT

8.5hrs
OF FIRST-RUN ORIGINATIONS EVERY DAY ON AVERAGE ACROSS THE CHANNEL 4 PORTFOLIO

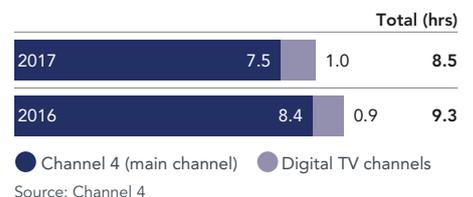
- 9% ON LAST YEAR
- INVEST IN HIGH QUALITY CONTENT

ORIGINATED OUTPUT ACROSS CHANNEL 4 TV PORTFOLIO
Channel 4 broadcast an average of 8.5 hours of new commissioned programmes (first-run originations) every day in 2017 across the main channel, E4, More4 and Film4. The main channel accounted for 7.5 of these daily hours, with the other 1.0 hours on the digital channels.

The volume of first-run originations across the TV portfolio fell by 9% in 2017, returning to similar levels to 2014 and 2015 (8.3-8.7 hours), after a big increase in 2016 when Channel 4's extensive coverage of the *Rio 2016 Paralympic Games* took the total to 9.3 hours.

The volume of new commissions on the main channel was down 11% year-on-year, while on the digital channels it increased by 17%, with new series such as *Celebs Go Dating*, *Bizarre ER* and *Body Fixers*.

Average daily hours of first-run originations across the Channel 4 TV portfolio



3,103hrs
OF FIRST-RUN ORIGINATIONS ACROSS THE PORTFOLIO

- 9% ON LAST YEAR
- INVEST IN HIGH QUALITY CONTENT

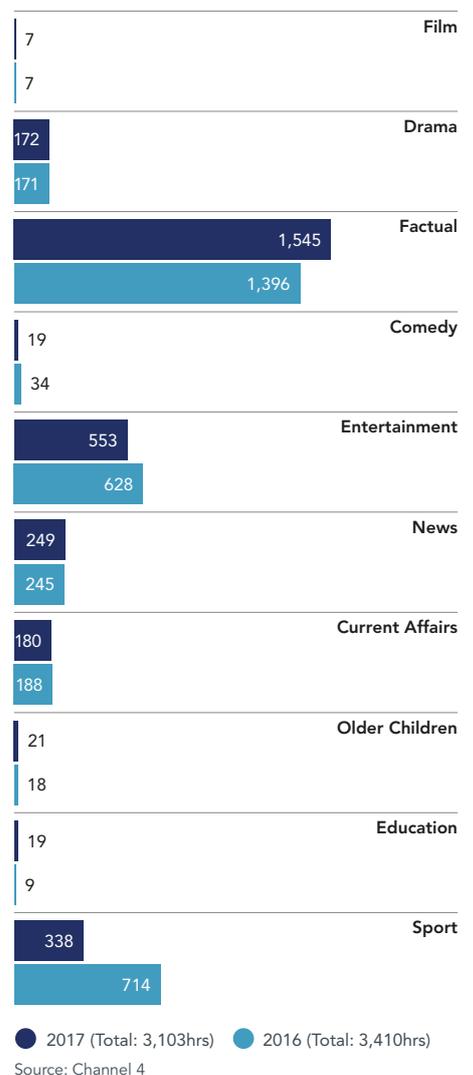
VOLUME OF FIRST-RUN ORIGINATIONS BY GENRE
Channel 4 broadcast 3,103 hours of first-run originated programming across its TV portfolio (main channel and digital channels) in 2017. The genres with the largest volumes of first-run originations were Factual (accounting for 1,545 hours), Entertainment (553 hours) and Sport (338 hours).

There was a 9% fall in the total volume of first-run originations this year, equivalent to 307 hours. The most significant factor accounting for this was the reduced amount of Sport programming: with no comparable event of the scale of the *Rio 2016 Paralympic Games*, coverage of which contributed to a 70% rise in the volume of Sport programming last year, output this year fell by 53%, or 376 hours – larger than the total year-on-year decline across all genres. Two other genres experienced substantial changes in the volume of first-run originations in 2017. There were 75 fewer hours of Entertainment programming, a 12% decline, as there was less Alan Carr programming and programmes such as *Host the Week* did not return. Offsetting this was a large increase in Factual programming, with 149 additional hours, an 11% increase, due primarily to *The Great British Bake Off*, *Eden* and *Escape*. These three genres – the net impact of which was a fall of 302 hours – accounted for 98% of the overall variation in 2017.

Year-on-year changes were much smaller in other genres in terms of the number of hours. Of the genres with increases in the amount of first-run originated programming in 2017, in percentage terms the most notable changes were in Education (99% increase, more than doubling from 9 to 19 hours), due to *Ackley Bridge*, and programmes for Older Children (a rise of 18%, or 3 hours), with the new series of *Gogglesprogs*. There were also small increases in News (2% up, or 4 hours) and Drama (flat in percentage terms, up 1 hour in absolute terms).

Turning to the other genres for which the amount of first-run originated programming fell year-on-year, the biggest decline was in Comedy (43% down, or 15 hours), due to some titles being pushed back to 2018. The amount of Current Affairs programming fell by 4%, or 8 hours, as coverage of the snap General Election was less extensive than that relating to the Brexit referendum in 2016. Film was down by 7% but level in absolute terms; premieres this year included *X-Men* and *Lucy*.

Hours of first-run originations shown across the Channel 4 portfolio by genre



INNOVATION THROUGH CONTENT

MEETING CHANNEL 4'S LICENCE OBLIGATIONS

Average hours per week		Compliance minimum	2017	2016
News	in peak time (6-10.30pm)	4	4	4
Current Affairs	overall	4	6	6
	in peak time (6-10.30pm)	2	3	3
Hours per year	schools*	1	20	29
Percentage				
Origination production	overall	56	63	65
	in peak time (6-10.30pm)	70	81	81
Independent production		25	51	59
European independent production		10	30	30
European origin		50	71	70
Subtitling for the deaf and hard of hearing		90	100	100
Audio description		10	36	31
Signing		5	6	6
Regional production		35	45	40
Regional hours		35	57	55
Production in the Nations		3	9	8
Nations hours		3	12	9

* Figures for 2016 include titles attributed to content that appeals to the tastes of Older Children (10-14-year-olds) and Education titles (14-19-year-olds). To provide greater clarity on our licence delivery, 2017 figures are attributed to Education titles (14-19-year-olds) only.

INNOVATION THROUGH DIVERSITY

£440m

INVESTMENT IN FIRST-RUN EXTERNAL COMMISSIONS ON THE MAIN CHANNEL IN 2017

-0.2% ON LAST YEAR

● NURTURE TALENT

BROADCASTERS' INVESTMENT IN THE PRODUCTION SECTOR

Channel 4 has no in-house production base, sourcing 100% of its original programming from external suppliers. This investment, which is an intrinsic part of the Channel 4 model, provides vital support for the independent production sector. In 2017, Channel 4 spent £440 million on first-run originations for the main channel, level with 2016 in percentage terms (the absolute figure was marginally down, by £1 million). 48% of this total was spent on qualifying independent production companies. On the digital channels, Channel 4's corresponding expenditure was £56 million, a substantial year-on-year increase of 21%. As a result, Channel 4's total £496 million investment in first-run originations from external suppliers across its TV portfolio rose by 2% in 2017.

Channel 4 plays a disproportionately important role in supporting the independent production sector, as Ofcom's cross-industry data for the PSBs demonstrates. In 2016, the most recent year for which Ofcom's data is available, Channel 4's £441 million expenditure on first-run external commissions on the main channel exceeded that of any of the other PSBs on their network channels – including BBC One and BBC Two combined. Looking across their entire TV portfolios, Channel 4's £487 million expenditure on first-run external commissions was £58 million more than the BBC's corresponding investment across all of its TV channels, £239 million more than the corresponding figure for ITV's portfolio and £364 million more than that for Channel 5's portfolio.

Expenditure by public service broadcasters on first-run external commissions (£m)

		Total (£m)		
2016	378	51	429	BBC
2015	359	82	441	
2016	248		248	ITV
2015	247		247	
2016	441	46	487	Channel 4
2015	403	39	441	
2016	123		123	Channel 5
2015	108		108	

● Main channels (BBC main channels are BBC One and BBC Two)
● Digital channels

Source: Channel 4, Ofcom (other channels)
2017 data not available for other channels

METRICS CONTINUED

INNOVATION THROUGH DIVERSITY

309

COMPANIES WORKING WITH CHANNEL 4 PORTFOLIO ACROSS TV, FILM AND DIGITAL MEDIA IN 2017, OF WHICH 171 WERE INDEPENDENT TV PRODUCTION COMPANIES

-3% ON LAST YEAR

● NURTURE TALENT

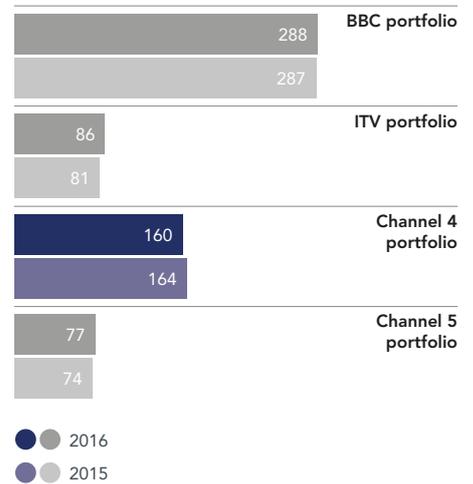
DIVERSITY OF SUPPLY BASE

Cross-industry data allows comparisons to be drawn between the number of independent TV production companies each of the public service broadcasters work with across their TV portfolios (see chart on the right). In 2016, the most recent year that comparative TV industry data is available, Channel 4 worked with 160 independent TV production companies, behind only the BBC (288 companies), and significantly more than either ITV or Channel 5 (86 and 77 companies, respectively).

Turning to Channel 4's data across its entire portfolio for 2017, 309 companies supplied the TV, film and digital media content that it commissioned this year. In TV, this total included 171 independent production companies, and a further 41 non-independent producers, giving a total of 212 suppliers of TV programmes. In other media, there were 84 online suppliers and 71 film companies (some suppliers worked across TV, film and online). Across all types of content, 48 companies were new suppliers to Channel 4.

The number of TV suppliers rose by 12% in 2017 (including an 8% rise in the number of independent TV production companies, notwithstanding ongoing consolidation in the sector). There was a 25% fall in the number of online suppliers (with All 4 investing in a smaller number of bigger-budget commissions), while the number of film companies held steady. The 309 companies that Channel 4 worked with overall was down slightly year-on-year, by 3% (2016: 317), while the number of new suppliers fell by 31%, returning to levels comparable to those in 2014-2015 (of 49-53) after a jump in 2016 to 70

Number of independent TV production companies supplying the PSBs



Source: Channel 4, Broadcast (other channels) 2017 data not available for other PSB channels.

57%

OF FIRST-RUN ORIGINATED PROGRAMME HOURS

+2PTS ON LAST YEAR

22PTS ABOVE OFCOM QUOTA

● NURTURE TALENT

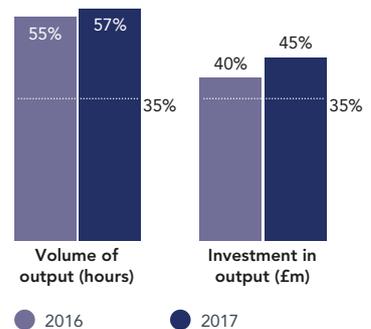
INVESTMENT IN THE NATIONS AND REGIONS (MAIN CHANNEL)

In 2017, Channel 4 sourced a greater proportion of the volume of first-run originated programmes on its main channel from suppliers based outside London than ever before. 57% of first-run originated programming hours on the main channel came from out-of-London suppliers, an increase of two percentage points year-on-year, and the highest figure that Channel 4 has achieved in its history. This figure has now grown for three consecutive years, and has exceeded 50% for the last five years (the corresponding figure was less than 50% for each of the five preceding years).

In spend terms, 45% of Channel 4's expenditure on first-run originated programming on the main channel was on programmes from suppliers outside London in 2017. This represents a marked year-on-year increase of five percentage points.

In both volume and spend terms, these figures exceed by some margin the 35% licence quotas set by Ofcom.

Proportion of first-run originated output and spend on Channel 4 which is made outside London



Source: Channel 4

45%

OF THE VALUE OF FIRST-RUN ORIGINATIONS

+5PTS ON LAST YEAR

10PTS ABOVE OFCOM QUOTA

● NURTURE TALENT

INVESTING THROUGH DIVERSITY

12%

OF FIRST-RUN ORIGINATED PROGRAMME HOURS

+3PTS ON LAST YEAR

9PTS ABOVE OFCOM QUOTA

● NURTURE TALENT

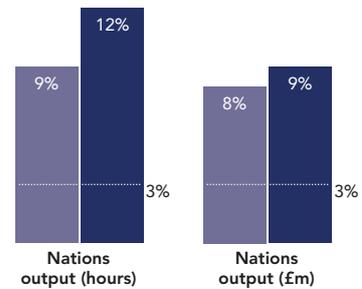
INVESTMENT IN THE NATIONS (MAIN CHANNEL)

In 2017, Channel 4's investment in the Nations reached new record levels in terms of both volume and spend. Commissions in the Nations represented just over 12% of total hours of first-run originated programming on Channel 4's main channel: of this, Scotland accounted for 8.6%, Wales 2.7% and Northern Ireland 0.7%. In spend terms, the Nations represented more than 9% of the total budget for first-run originated programmes on the main channel (with 6.8% spent in Scotland, 2.2% in Wales and 0.5% in Northern Ireland). The Nations' share of first-run originated programming hours on Channel 4's main channel rose by three percentage points year-on-year (2016: 9%), and is now double the corresponding 6% figure from 2014. Their share of investment rose by one percentage point (2016: 8%) for the third consecutive year.

Commissions from the Nations provided 298 hours of first-run programming on the main channel in 2017, 15% up year-on-year. In Scotland, the corresponding volume of programming rose by 21% to 214 hours (up from 177 in 2016), while total investment was up by 31% to £27.4 million (2016: £21.0 million). This increase was accounted for by a mixture of returning daytime shows like *Fifteen To One* and peak-time titles such as *Eden*. In Wales, the volume of programme commissions fell by 4% to 66 hours in 2017 (2016: 69 hours), while total investment was 20% down, to £9.0 million (from £11.3 million in 2016), as *Inside Birmingham Children's Hospital* did not return this year. Turning to Northern Ireland, new 10-part daytime series *World's Most Expensive Cars* contributed to the 40% increase in the volume of programmes to 18 hours (2016: 13 hours), while investment rose slightly, by 4%, to £2.1 million (2016: £2.0 million).

In both volume and spend terms, these figures exceed by some margin the 3% licence quotas set by Ofcom (they also meet the increased 9% quotas which come into effect in 2020).

Proportion of first-run originated output and spend on Channel 4 which is made outside of England



● 2016 ● 2017
..... Quota
Source: Channel 4

9%

OF THE VALUE OF FIRST-RUN ORIGINATIONS

+1PT ON LAST YEAR

6PTS ABOVE OFCOM QUOTA

● NURTURE TALENT

£189m

SPENT ON PRODUCTION COMPANIES BASED OUTSIDE LONDON

+12% ON LAST YEAR

● NURTURE TALENT

SPEND BY REGION ACROSS THE CHANNEL 4 TV PORTFOLIO

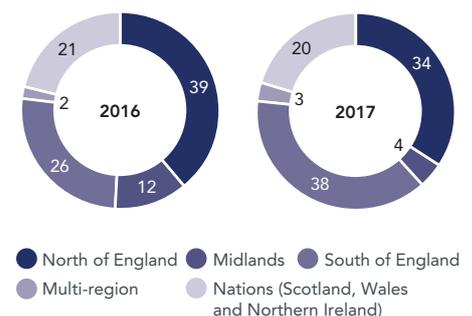
Across its TV portfolio, Channel 4 spent a record £189 million in 2017 on content that was commissioned from production companies based in the Nations and the English Regions. This investment outside London has risen by £20 million in each of the last two years, with this year's increase translating to a 12% rise (2016: £169 million).

Expenditure on content from production companies in the Nations rose by 9% in 2017, to £39 million (2016: £36 million). New programmes this year included *Best Laid Plans* (from Scotland), *Confessions Of A Junior Doctor* (Wales) and *Britain's Ancient Tracks with Tony Robinson* (Northern Ireland). The largest component of expenditure in the Nations, £27.6 million, was spent in Scotland, 26% up year-on-year (2016: £21.9 million). A further £9.0 million was spent in Wales – while this was 20% down on last year (2016: £11.3 million), it was still higher than in any year prior to 2016. The remaining £2.1 million was spent in Northern Ireland, 13% down on last year (2016: £2.4 million).

Turning to the English Regions, Channel 4's TV portfolio spend was £145 million in 2017, 12% up on last year (2016: £130 million). This increase was primarily due to *The Great British Bake Off*. Major commissions from the English Regions this year included the likes of *A Place in the Sun* (South of England), *My Kitchen Rules* (Midlands), and *Hollyoaks* (North of England). A further £6 million was spent on multi-region content in 2017, up from £4 million in 2016.

Note that these investment figures for the Nations, which cover spend across the Channel 4 TV portfolio, differ slightly from those in the previous metric (see above), which relates specifically to the main channel.

Percentage of Channel 4's expenditure across the TV channel portfolio outside London by region



● North of England ● Midlands ● South of England
● Multi-region ● Nations (Scotland, Wales and Northern Ireland)
Source: Channel 4

£39m

SPENT ON PRODUCTION COMPANIES IN THE NATIONS

+9% ON LAST YEAR

● NURTURE TALENT

METRICS CONTINUED

DIFFERENT VOICES

69hrs

OF FIRST-RUN PROGRAMMES COVERING INTERNATIONAL TOPICS ON CHANNEL 4 (EXCLUDING NEWS) AND TRUE STORIES ACROSS THE PORTFOLIO

-10% ON LAST YEAR

● ALTERNATIVE VIEWS

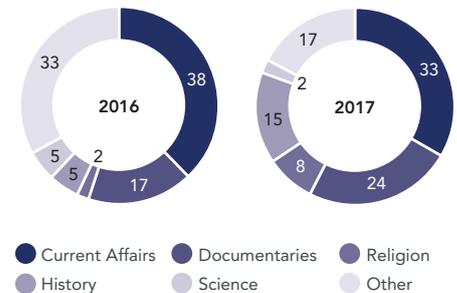
RANGE OF INTERNATIONAL PROGRAMMING

With stories from around the world of ever-greater relevance to UK citizens, Channel 4's coverage of international themes extends across all parts of the schedule. Excluding *Channel 4 News*, there were 69 hours of first-run programmes in 2017 with an international theme on the main channel and in the dedicated international documentary strand, *True Stories*, which runs across the main channel and Film4. After a big jump in 2016, when international programming included extensive coverage of the US presidential election race, this fell back by 10% year-on-year, although the amount of international coverage remained above the levels in 2014 and 2015.

The biggest single genre in 2017 was Current Affairs, which accounted for 33% of total first-run hours of non-news international programming (down from 38% in 2016, but level with the 2015 figure). Alongside the long-running *Unreported World* strand, *Dispatches* covered a range of international topics, exploring the new Trump presidency with films such as *Russia: Sex, Spies and Scandal* and *President Trump: How Scared Should We Be?*, and shining a light on major conflicts in *Syria's Disappeared: The Case Against Assad* and *Isis and the Battle for Iraq*. The next biggest genre was Documentaries (24% of the total, up from 17% in 2016). *From Russia to Iran: Crossing Wild Frontiers* was a four-part series following a 2,600-mile trek across the mighty Caucasus mountains, while *Women Who Kill* explored the motivations of female murderers, and *Delhi Cops* went behind the scenes with the overworked police in India's most dangerous city. The other biggest single genre was History (15% of the total, up from 5% last year), with films such as *Isis: The Origins of Violence* and *Angry, White and American*. Programmes in other genres included *Three Wives*, *One Husband* (Religion, 8% of the total, up from 2% in 2016), *Man Made Planet: Earth from Space* (Science, 2% of the total, down from 5% in 2016) and *Escape to Costa Rica* (included within the Other category, 17% of the total, down from 33% in 2016).

Channel 4 continues to offer UK audiences a diverse range of content from around the world through its acquired TV programmes and films. Following the 2016 launch of *Walter Presents* – the innovative on-demand service curating the best foreign language TV shows – the launch episodes of 14 series were premiered on Channel 4's main channel in 2017, with viewers being pointed to *Walter Presents* on All 4 to watch the rest of the series. The most popular title, Dutch drama *The Swingers*, attracted 778,000 viewers. A further four series were shown in their entirety on More4, with pan-European co-production *The Team* averaging 355,000 across eight episodes. Both these figures are impressive for foreign language titles. Taken together, the *Walter Presents*-branded foreign language dramas shown on the main channel and More4 reached 9.4 million people, equivalent to 15.9% of the population, in 2017. Overall, there were 204 hours of first-run foreign language TV shows and films across the TV portfolio, 26% more than in 2016 (161 hours). This figure has now increased for the last three years. On the Film4 channel, a total of 701 hours of films from outside the UK and US were shown in 2017, 6% up year-on-year (this figure includes first-runs and repeats, and films shown both in the English language and in foreign languages).

Genres covered by international-themed originations on Channel 4 (main channel) as a percentage of total first-run hours



Source: Channel 4

204hrs

OF FIRST-RUN FOREIGN LANGUAGE CONTENT ACROSS THE PORTFOLIO

+ 26% ON LAST YEAR

● ALTERNATIVE VIEWS

DIFFERENT VOICES

129hrs

OF FIRST-RUN ORIGINATIONS
COVERING DIVERSITY ISSUES
ON THE MAIN CHANNEL

-48% ON LAST YEAR

● CULTURAL DIVERSITY

DIVERSITY OUTPUT ON THE MAIN CHANNEL

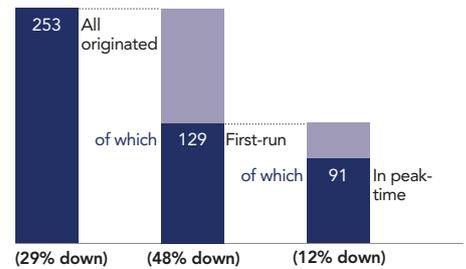
Channel 4 aims to reflect the diversity of the UK across all its output. As part of that, it shows programmes whose subject matter specifically covers diversity issues. In 2017, Channel 4 showed 253 hours of originated programmes on the main channel whose subject matter covered diversity issues (relating to religion, multiculturalism, disability and sexuality). 129 of these originated hours were first-run programmes (the others being repeats), and 91 of the first-run hours related to programmes shown in peak-time (6-10.30pm, as defined by Ofcom). These included *Three Wives*, *One Husband* (Religion), *Extremely British Muslims* and *Is Love Racist?*, *The Dating Game* (multiculturalism), and the return of popular series *The Last Leg* and *The Undateables* (disability). A highlight this year was Channel 4's season to mark the 50th anniversary of the partial decriminalisation of male homosexuality: programmes on the main channel included *Extraordinary Teens: My Gay Life*, *Epidemic: When Britain Fought AIDS* and *50 Shades of Gay*, and there were additional shows on More4 and All 4.

After a significant increase in the amount of diversity programming last year, due to Channel 4's coverage of the Rio 2016 Paralympics, overall levels fell back in 2017. There was a 29% fall in total originations, a 48% decline in the volume of first-run originations and a 12% drop in first-run originations in peak-time. Despite these declines, all three metrics were higher than in 2013, 2014 or 2015, i.e. the years between the last two Paralympic Games (in 2012 and 2016) when this metric always peaks.

Channel 4's impact on diversity includes far more than the programme commissions covered by these figures. The broadcaster continues to support a range of initiatives that promote diversity on screen, off screen and as an employer. In 2017, it updated its 360° Diversity Charter with Four New Frontiers, which enabled it to have an impact in four new areas: BAME progression, diverse directors, diversity in advertising and social mobility. Channel 4 also continues to improve access to opportunity for those from different backgrounds, via its C4 Pop Ups, Production Training Scheme and work experience and apprenticeship programmes.

In addition, Channel 4 was one of the launch partners on Diamond, the new cross-industry diversity monitoring system developed through the Creative Diversity Network, which went live in 2016 and published its first report in August 2017. Read more about our work on diversity on pages 50-55.

Total hours of programming covering diversity issues shown on the main channel (2017 with trends relative to 2016)



Source: Channel 4

METRICS CONTINUED

FILM

32%

FROM OUTSIDE THE US

= WITH LAST YEAR

● CULTURAL DIVERSITY

DIVERSITY OF FILM4 CHANNEL SCHEDULE

The Film4 channel – which grew its share of individuals in 2017 in an increasingly competitive market for feature film – showcases a diverse and alternative range of films from the UK and around the world. Whereas mainstream film channels rely mostly on Hollywood studio titles, non-US films accounted for almost one-third of the Film4 channel's schedule this year.

Breaking this down, 17% of the Film4 channel's output (in terms of hours of programming in the schedule) was made up of British films, including those co-funded by Film4 Productions (one percentage point down on the 2016 figure). A further 15% of the schedule comprised films from continental Europe and other parts of the world outside the United States. So overall, films from countries other than the US together accounted for 32% of hours of output on the channel, level with the corresponding figure for 2016. (Note that this figure includes films that were co-productions between the US and other countries; in 2017, 5% of output on the channel comprised US/non-US co-productions, level with the 2016 figure.)

The world cinema slate continued to be the strongest and most diverse available on free television; films representing 37 different countries appeared on the channel, with Argentinian favourite *Wild Tales* making its network premiere in the 9pm slot. Film4 also brought the entire feature film output of Andrei Tarkovsky back to television as well as to All 4, with the first film of the season playing on what would have been the director's 85th birthday. The strength of Film4 Productions was shown by titles which played on the channel for the first time, including the award-winning *Carol*, the Oscar-winning *Ex Machina*, and a season of Ben Wheatley films scheduled around the network premiere of his radical black comedy *High-Rise*. The channel was also home to the feature debuts of a number of first-time British directors in 2017, amongst them Alice Lowe's *Prevenge*, Gareth Tunley's *The Ghoul*, Joe Stephenson's *Chicken* and Steve Oram's unclassifiable *Aaaaaaah!*

17%

FROM THE UK

-1PT ON LAST YEAR

● CULTURAL DIVERSITY

NEWS AND CURRENT AFFAIRS

364

LONG-FORM NEWS AND
CURRENT AFFAIRS
PROGRAMMES IN PEAK-TIME

-2% ON LAST YEAR

● STIMULATE DEBATE

COMMITMENT TO LONG-FORM JOURNALISM

The transmission of News and Current Affairs programmes with extended running times allows topics to be covered in greater depth, and enables these programmes to offer higher levels of rigour and analysis. Channel 4 believes this to be especially valuable at a time of growing concerns about the accuracy of news – both in traditional media and, particularly, in digital and social media – and the corresponding impact on trust in news sources.

For the purpose of this metric, which focuses on the News and Current Affairs output on the main PSB channels, 'long-form' programmes are defined as those running for at least 45 minutes for News and 15 minutes for Current Affairs. In 2017, Channel 4's main channel showed 364 'long-form' News and Current Affairs programmes in peak-time (between 6pm and 10.30pm, as defined by Ofcom). While this fell slightly year-on-year, by 2%, it remains the second-largest figure since 2012 (the oldest year using the current methodology). Channel 4 showed substantially more long-form News and Current Affairs programmes in peak-time than the other main PSB channels combined (between them, they showed 272 programmes in 2017).

Given that some News and Current Affairs programmes are broadcast later in the evening (most notably *Newsnight* on BBC Two, which usually begins at 10.30pm), this metric also considers output over a longer period running up to midnight so that these programmes can be captured. Between 6.30pm and midnight, Channel 4 showed 431 'long-form' News and Current Affairs programmes on its main channel in 2017. Again, this was 2% down on the 2016 figure, but remained the second-largest figure since 2012 (there was one fewer post-peak-time title on the main channel this year).

Channel 4's total in the period between 6pm and midnight was greater than the corresponding figure for any of the other main PSB channels. The channel with the next highest number of titles was BBC Two: it showed 317 'long-form' News and Current Affairs programmes, 114 fewer than Channel 4. The bulk of BBC Two's total was accounted for by *Newsnight*, with only 52 of its programmes in peak-time.

Number of long-form News programmes and single-story Current Affairs programmes with a duration of at least 45 minutes and 15 minutes respectively shown on the main channel between 6pm and midnight

	Total		
2017	128	106	234
2016	107	93	200
BBC One (BARB)			
2017	52	265	317
2016	92	266	358
BBC Two (BARB)			
2017	92	32	124
2016	81	24	105
ITV (BARB)			
2017	364	67	431
2016	370	68	438
Channel 4 (Internal)			
2017	0	0	0
2016	1	0	1
Channel 5 (BARB)			

● Peak-time (6-10.30pm)
● Post-peak-time (10.30pm-midnight)

Source: Channel 4, BARB (other channels)