

**MINUTES OF THE 102nd MEETING OF THE BOARD OF CHANNEL FOUR
TELEVISION CORPORATION**

**HELD AT 124 HORSEFERRY ROAD,
LONDON SW1P 2TX
ON 11th OCTOBER 2004**

In attendance:	Paola Tedaldi	Corporation Secretary
	John Newbigin	Head of Corporate Relations
	Stuart Cosgrove	Director of Nations & Regions
	Sue Ford	Finance Director

Please note that commercially sensitive information has been redacted.

Minutes of the The Minutes were approved for signature by the Chairman.

**he Hundredth and
First Meeting of the
Board held on 13th
September 2004**

Matters Arising

The Deputy Chief Executive announced that he would be leaving the Channel in 12 months time. The Board paid tribute to the Deputy Chief Executive's huge contribution to the Channel over the years.

**Director's Reports –
C4 Paper 621 (25/04)**

Chief Executive

The Chief Executive reported on overall performance for both Channel 4 and E4.

In terms of programming highlights, the Chief Executive reported that **Hamburg Cell** has achieved strong reviews and **Green Wing** continues to do well. Forthcoming highlights include **Sex Traffic**, **Monarchy** and **Geldof on Fathers**.

Financial performance continues to be strong.

The advertising market has been buoyant this year, and the Channel is now entering into the negotiation season for next year.

Digital switchover planning is picking up speed. We are supporting a proposal for Barry Cox to become interim chairman of "Swithco", with David Scott as the Channel 4 representative on the "Swithco" board.

On marketing initiatives, Andy Duncan reported that the new channel identity has received positive feedback. In terms of awards, the Chief Executive reported that **Shameless** has won the prestigious Prix Italia drama prize, and Channel 4 has received a record 6 Emmy nominations.

**Deputy Chief
Executive**

The Deputy Chief Executive reported that the new draft Digital Replacement Licences (DRLs) have now been issued by Ofcom, and the Channel has the opportunity to respond by 25 October. The DRLs contain both programming and digital switchover elements. Two workstreams have been

launched to assess each part, and legal advice is being taken. The DRLs are consistent with the requirements of the Communications Act 2003.

The Deputy Chief Executive then gave an update on digital switchover.

There are a number of technical issues around switchover which the Channel is working through.

David Scott reported that good progress is being made in the development of SwitchCo. The current proposal is for the board to be comprised of representatives from the PSBs, supported by a small team of full-time employees.

The BBC has indicated its intention to launch a PSB FreeSat before the end of the year.

The Deputy Chief Executive reported that Channel 4 was launching an audio description service for the blind and visually impaired.

The remainder of David Scott's paper (on computer data storage, office computer network and services outsourcing) was taken as read.

Director of Television

The Director of Television reported that, with the Olympics over, the past four weeks represents a period of more typical programming. Our share has dropped slightly this month, but is still up year-on-year.

The Director of Television highlighted PSB programming currently being broadcast. On upcoming highlights he noted the broadcast of **Fathers for Justice** tonight, **Music of Fame** last night, and **Sex Traffic** and **RIBA – Building of the Year**.

The Director of Television then turned to the subject of extra funding for the 2004 programme budget. The Channel has identified a mix of commissioned and acquired programmes which the Director of Television would like to transmit in 2004.

The Chairman commented that the budget review, which basically sets out the philosophy and strategy behind how the programming budget is allocated, should be circulated to the non-

executives. Board approval was given to additional funding for this purpose.

Sales Director

The Sales Director reported that Channel 4 continues to perform well.

We are currently entering the negotiation season for 2005.

Commercial Director

As regards multi-platform initiatives, the Commercial Director reported that **Hall of Fame** started last night with a 1.5m audience.

On people matters, it was reported that Paul Whitehead has joined the Channel from Sky as Head of Business Development for Interactive and Paul Sowerbutts is leaving the Channel to become UK MD of Diverse. Simon Fuller is also leaving the Channel to work with Gridclub.

The Commercial Director reported on 4 Ventures' good financial performance as set out in the Financial Report. Numbers will improve even further by the end of the year.

On TV Eye, David Scott reported that he had led a Channel 4 team to meet with the OFT and Ofcom. This process is therefore coming to an end.

The Commercial Director concluded with an update on Mipcom, which was a very busy market. Channel 4 dramas went down particularly well.

Financial Report

The Chairman reported that the Financial Report for September would be circulated to the Board tomorrow. Next year's Board meetings would be aligned with the monthly financial reporting process.

The Director of Finance then summarised the headline numbers set out in the September Financial Report.

Other Papers

The Legal and Marketing Reports were taken as read. The Corporate Relations Report was also taken as read. The Head of Corporate Relations mentioned that a number of key corporate events were coming up and Board members were welcome to attend. Details would be circulated.

**Ofcom Phase 2
Review – C4 Paper
622 (26/04)**

The Chief Executive described the timetable and process for the PSB Review and for the BBC Charter Review. He also described the key findings from the Ofcom Phase 2 report for Channel 4, as well as for the BBC, ITV, Five and the independent production sector, all as set out in the paper.

The Chief Executive then went on to explain the recommendations and implications of the Ofcom report for Channel 4, and then described priorities and next steps.

Future strategy was also discussed.

**Approval of Sealing
of Documents – C4
Paper 623 (27/04)**

Board approved was given to the sealing of the documents set out in the paper.

**Dates of Remaining
Board Meetings
2004 – C4 Paper 624
(28/04)**

The next meeting of the Board will be held from 3:00pm to 6:00pm on 1st November 2004 at Channel Four Television, 124 Horseferry Road, London SW1P 2TX

Chairman

Date