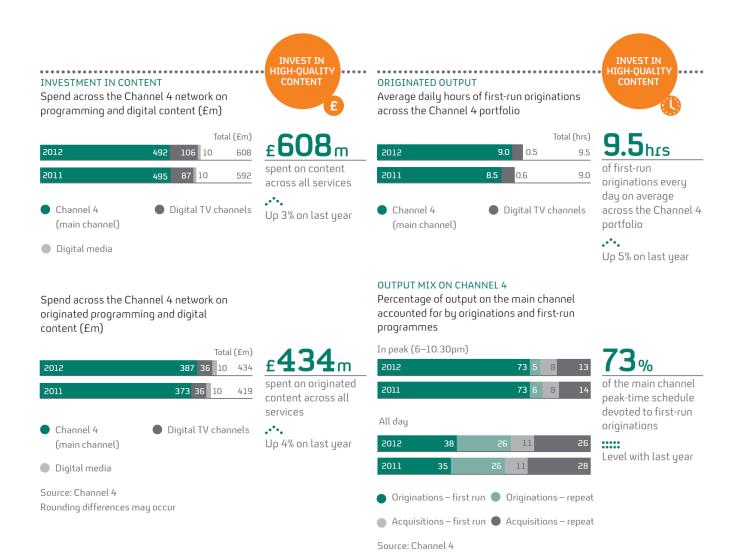
Investing in creativity

The delivery of our remit is underpinned by our content budget: how much we spent and what we spent it on. We therefore begin this report by looking at the shape of this investment in 2012.



Rounding differences may occur

Overview

The primary means of delivering Channel 4's remit is through investment in content. This section of the report focuses on how much we invested in content and the ways in which we distributed these funds across a range of genres. We continued to focus on the main channel – where we reach more people and thus where impact is greatest. Following the retirement of Big Brother and other long-running titles, we have boosted commissioning spend, investing more in original content and experimenting with many new titles across the schedules. Our not-for-profit status and cross-funding model mean that we are able to support content that delivers high levels of public value, but is not necessarily profitable. This includes some areas of programming that very obviously deliver to our public service mission and are required of us - such as news and current affairs as well as other risky genres that also deliver public impact, including drama, film, comedy and documentary. Many programmes provide both high levels of public value and commercial return. It is pleasing to see a number of new titles establishing themselves in the schedule and performing in both public service and commercial terms such as The Undateables, Make Bradford British and 999: What's Your Emergency? Our model means that cross-funding is not limited to programming, with revenue from the digital activities, including the channel portfolio and activities such as DVD sales, also supporting the overall public service mission.

As we committed to do in last year's Annual Report, 2012 saw the highestever investment in original commissions in Channel 4's history. This was across our main channel and digital channels and across a spread of programming genres – with more money going into original comedy, sport, factual programmes and news. As outlined in the following section of this report, this was also spread across a huge range of suppliers, including more than 100 companies who were new to Channel 4. In total, original content represented 71% of Channel 4's overall content budget, level with 2011 and up from 63% in 2010.

More original content on screen

Channel 4 invested a total of £608 million on content across its portfolio of channels and online services in 2012 – up 3% from 2011. As our TV channels remain the most effective means of reaching significant audiences, just over £598 million of this was on television programming on Channel 4, More4, E4 and Film4 – with a further £10 million digital media, including multiplatform investment.

Investment in original content rose by 4%, with £434 million invested in originated content across our TV and online services in 2012. In line with our strategy to maximise the impact of our original commissions, the main channel received the bulk of this, with total investment in original programming on the main channel up 4% to £387 million. Investment on original content on the digital channels rose slightly by 2%, while for Channel 4's websites and crossplatform content it stayed broadly flat.

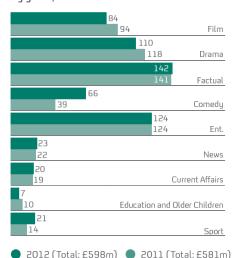
The increased original content budget meant more hours of original content on-screen - with the total volume of first-run originations across the portfolio increasing by 6%. This averaged out as nine and a half hours of new commissioned programmes broadcast every day across the TV portfolio in 2012. Original commissions were largely focused on the main channel. With an increase in the number of hours of Channel 4 commissions outside of peak, originations accounted for 63% of output on the main channel across the day, up 2% on 2011. In peak-time, original programming continued to dominate the schedule, representing 79% of the output.



Make Bradford British

INVESTMENT IN PROGRAMMING BY GENRE

Total spend in originated and acquired programming across the Channel 4 portfolio by genre, £m



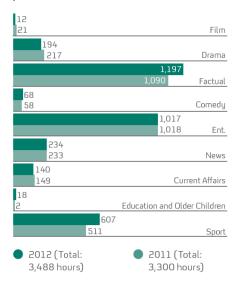
Source: Channel 4
Rounding differences may occur

Breakdown by genre

The genre that received the largest increase in investment in 2012 was comedy – which rose by 68% as a result of the volume of new commissions showcased in our 30th anniversary Funny Fortnight season, as well as an increase in acquisitions on E4. Sport also rose considerably, reflecting our commitment to the Paralympics. Investment in news and current affairs grew by 5%. There was a fall in investment in drama, as a result of a number of productions being delayed until 2013. While there was a drop in the reported level of investment on education and older children, our output in this area remains stable. In fact, first-run programming hours grew significantly in this genre as we moved away from an online-only strategy for the 14-19 year old audience towards a mixed slate of television and digital projects.

VOLUME OF FIRST-RUN ORIGINATIONS

Hours of first-run originations across the portfolio



Source: Channel 4
Rounding differences may occur

First-run originated hours also increased for comedy (up 18%), sport (up 19%) and factual (up 10%). Factual programmes continued to contribute the largest number of first-run hours across Channel 4's portfolio, followed by entertainment, sport and news. Investment on what has previously been defined as 'key PSB' genres remained at £186 million in 2012. However, several areas of programming sit outside this narrow definition, not least most of our documentary output and our Paralympics coverage. (A full definition is given in our methodology document.) Beyond our channels, we maintained our investment in film production, with Film4 investing £17.9 million in feature film production and development in 2012.

77 artists aged from 21–84 produced around 200,000 drawings over the course of 2 years



The Snowman and The Snowdog

5.4% of main channel spend was from outside England

Licence requirements

We met all our quantitative licence requirements in 2012 and exceeded many of them. We increased the volume of current affairs in peak-time back up to 2010 levels. 5.4% of spend on the main channel was from the UK's nations, which was almost double our quota of 3%. Originations accounted for 79%of peak-time hours, significantly exceeding our requirement of 70%. And we continued to surpass our quotas regarding access services, subtitling 100% of our programmes across all of our channels for the second year running and audio describing 26% of the content on the main channel. This included simulcasting the Paralympics Opening Ceremony live on More4 with a bespoke audio described commentary.

MEETING CHANNEL 4'S LICENCE OBLIGATIONS

	Compliance	2012	2011
	Minimum		
Average hours per week			
News			
in peak time (6–10.30pm)	4	4	4
Current Affairs			
overall	4	4	4
in peak time (6–10.30pm)	1.54	3	2
Hours per year			
Schools	0.5	24	3
Percentage			
Origination production			
overall	56	63	61
in peak time (6–10.30pm)	70	79	79
Independent production	25	78	83
European independent production	10	47	52
European origin	50	68	69
Subtitling for the deaf and hard of hearing	90	100	100
Audio description	10	26	24
Signing	5	5	5
Regional production	35	41	42
Regional hours	35	48	48
Production in the nations	3	5	4
Nations hours	3	7	5

Source: Channel 4.

Figures in this table are rounded to the nearest whole number.





Investing in data

Channel 4 is leading a pioneering viewer engagement strategy, which aims to harness the data given to us by viewers to strengthen both our commercial and creative offering.

Digital media offers considerable opportunities for us to better understand who our viewers are and what they like to watch – and therefore serve them with more personalised and targeted experiences.

We see our plans as part of our long-term approach – however, the progress we were able to make in 2012 exceeded all our expectations. Aided by our Viewer Promise, which pledges to give viewers greater transparency and control over the information they give us, more than 6 million people had registered with Channel 4 by the end of 2012, including 1-in-3 of all 16–24s in the UK – a key demographic both for us and for advertisers

Enhancing viewer experience

As Channel 4 learns more about its viewers, it can offer them more of what they want to watch. In return for agreeing to provide information to Channel 4, registered users received a huge number of benefits - including personalised recommendations and access to a plethora of previews and exclusive content. This included online access to episodes of shows such as New Girl and Skins before they were on TV, as well as additional content for Misfits, Hollyoaks and Made In Chelsea. Registered viewers also enjoyed full access to thousands of shows from Channel 4's archive. To enhance the experience of being a Channel 4 registered viewer, we ran exclusive rewards and competitions offering tickets to premieres and live shows as well as giving one lucky viewer the opportunity to schedule the 4Seven channel for the day. Our 10-day Christmas giveaway exclusively for registered viewers included prizes such as training with Paralympic star Jonnie Peacock.

Innovating in advertising

As well as enhancing the experience of our viewers, we also believe our strategy will allow us to strengthen our commercial proposition – which in turn will enable us to invest more into content. In 2012 Channel 4 began trials with major UK media agencies and clients to test new advertising innovations and solutions using viewer data. We partnered with brands to merge their databases with our own to match 'shared' customers and recreate client segments – allowing us to offer 4oD packages specifically targeting individuals. New digital ad products such as AdElect – which enables viewers to choose between creative executions of an advert – gave advertisers even more opportunity to engage with our audiences. In 2013 we will be seeking to build upon these pilots by rolling out full demographic targeting for advertisers on 4oD.

Channel 4 won GOLD at Marketing Week DATA strategy awards

new advertising products launched

6.3m
registered users
by end of year

channel4.com/4viewers

When we ask for data it's to give something back

2

We are clear on what data we hold and what we do with it

You control the data we hold on you

There are a growing number of benefits to registering with Channel 4 – from full access to our huge library of 4oD programmes, to seeing some programmes before they get on telly, to saving a favourite recipe or tip in My Scrapbook. We currently ask for your name so we know who we are talking to, and knowing your date of birth and gender helps us to give better recommendations of Channel 4 programmes. In the future, we may ask for more information – such as postcode or favourite genre of programme but we will always explain why we are asking for it.

We have developed a clear, easy-to-read Terms of Use and Privacy Policy, which explains what we do with the data we collect. We are clear about how we use the information, improving the experience of our platforms and services and making more shows viewers will love. We are also clear about Channel 4's unique not-for-profit business model, which means the money we make from advertising goes back into making more shows.

We recognise that personal information is valuable and needs to be treated with care. Control over personal profiles is in the hands of the viewer — information can be edited or deleted at any stage. We promise not to fill viewer's inboxes or sell their details to third parties.

As we develop our Digital Products and Services, we'll build upon the details of this promise, ensuring that when we use personal data we always provide transparency, control and benefits to our viewers.

This is just the beginning. We promise.





40% of registered viewers have watched more Channel 4 programmes since registering

1 in 3 of all UK 16–24 year olds registered to 4oD

Investing in the Paralympics



The Paralympics tested, and then vindicated, everything that Channel 4 was created to do — to innovate creatively; to draw what's been on the margins of the nation's life to the centre of the stage; to find and grow new talent; to champion minorities; to open the eyes of its audience to new perspectives; and to do it all with style and a sense of fun.

"Special mention has to go to Channel 4's coverage of the London Paralympic Games. Almost 500 hours of live coverage across multiple television and online channels made this the most extensively covered Paralympics ever in the UK"

Ed Vaizey, MP



We set out to Get people watching

We delivered

the biggest audience in UK history for the Paralympic Games following the biggest marketing campaign in Channel 4's history



peak viewing levels for Opening Ceremony

watched Jonnie Peacock win the T44 100m Gold

We set out to Deliver more coverage

We delivered

more than 500 hours of coverage across all platforms – a huge increase on our initial commitment of 150 hours



We set out to Find new talent

We delivered

an intense search and training programme to ensure 50% of the presenters and reporters were people with disabilities



We set out to Change attitudes

We delivered

excitement about disability sport and, according to our research, helped shift public perceptions of disability more generally



of 12–16 year olds surveyed felt more comfortable talking about disabilities after watching "There was like a two-week period when it was very positive to be disabled. Suddenly [people] realised it's not a scary thing to talk to me"

Disabled participant interviewed by Bournemouth University Media School as part of an academic study exploring the impact of Channel 4's coverage of the Paralympics



Attracting the audience

As promised, Channel 4 ran the biggest marketing campaign in its history. 'Meet the Superhumans' set the tone for Channel 4's approach to the Games. The ad mixed arresting imagery of disabled bodies in training, competition and at rest with scenes that conjured up the back-stories of the athletes. It had a swagger and scale that conveyed Channel 4's pride at being the broadcaster of the Paralympics.

The cheeky 'Thanks for the Warm-up' poster campaign, which ran in the lead up to the Opening Ceremony, made it clear that the Paralympic Games were not an after-thought, but a thrilling event at least as exciting and culturally important as the Olympics. The success of Channel 4's Paralympics marketing was recognised by Campaign magazine, who awarded it the prestigious 'Campaign of the Year' prize.



86% of UK population saw Channel 4's on-air marketing campaign

Biggest marketing campaign ever included advertising across 78 channels and more than 2,000 poster sites



Delivering the coverage

The Games were a huge and risky experiment, allowing a single event to take over the entire channel all day and every day. From the outset we provided an additional 350 hours of live coverage online via three dedicated channels on satellite and cable, and early in the Games we shifted the planned afternoon block of coverage from More4 to the main channel to give it more prominence.

Viewers could also keep up with the action via dedicated Paralympics apps for mobile and tablet devices. We also developed LEXI, a graphics-based system to allow viewers to understand the complex classification system better.

Channel 4's comprehensive coverage was sponsored by commercial partners BT and Sainsburys.

"The 'Superhumans' campaign...really makes people think"

Prime Minister David Cameron

16hrs of coverage every day on Channel 4 7am — 11pm

Best Coverage of London 2012 AIB Awards





Getting the tone right

The tone and quality of the coverage was of supreme importance to Channel 4 from the moment we won the bid. We put together a group of talented and experienced presenters, including Claire Balding, Jonathan Edwards, Rick Edwards and others who were joined on-screen by a group of new faces found through a training scheme specially developed to ensure that 50% of the on-screen presenters were disabled.

Finding new faces

The Paralympics was a fantastic opportunity for Channel 4 to discover new talent and ensure that our coverage had authenticity and a level of expertise that would help audiences really get to understand and enjoy Paralympic sport. Trainees were sent on an intense training programme that included boot camps, work placements with other broadcaster and sports production companies (BBC, ITV, Sky, Channel 4, IMG, Sunset & Vine, Perform, ESPN and Film Nova) and opportunities to experience working at live events, including the BT Paralympic World Cup in 2011 and 2012.

The new team of presenters and reporters played major roles in our coverage. They came from a huge variety of backgrounds and included an ex-Royal Marine, a carpenter and a former Paralympic swimmer. Following the Games, Channel 4 is continuing its commitment to ensuring more disabled presenters appear on-screen and many of the Paralympic presenters and reporters are now working with Channel 4 to continue their careers on television.

of viewers surveyed iked the matter-of-fact discussions about



surveyed said they enjoyed the fact that there were disabled presenters



Finding new words

Each evening, following live coverage of the sports, Channel 4 rounded off the day with *The Last Leg* presented by Adam Hills and Alex Brooker (discovered as part of the talent search) with a token able-bodied sidekick in Josh Widdicombe. Guests were invited into the studio to talk about the action, review the highlights and tackle some of the intricacies and sensitivities of disability sport.

More than 1 million viewers on average each evening, *The Last Leg*

More than 1 million watched every night and it got a great response from viewers. It gave Channel 4 a chance to confront discomfort in talking about disability, for example by allowing viewers to tweet questions and comments about disability and disability sport they might otherwise be afraid to ask, and inviting the studio guests to respond. #isitok? truly captured the athletes' and audience's imagination, unlocking some frank debates including: #isitok to crouch down to have your photo taken with Ellie Simmons? and #isitok to ask how a man with no arms gets out of the pool?

The Last Leg was re-commissioned for 2013 and a special edition was aired during the 2012 Christmas period. The new series provided the same intelligent and alternative commentary on the significant moments of the past seven days with a live studio audience and celebrity guests joining Adam, Alex and Josh on The Last Leg sofa.

Outstanding
Achievement Award
Creative Diversity
Awards



"The biggest breakthrough was seeing deformity being allowed to show its sense of humour – all due to Channel 4"

The Times



The Channel 4 touch

Channel 4 has a long history of programming that catches a national mood and helps to shift attitudes — and the Paralympics felt like one such moment. By ensuring that half of those presenting and reporting were themselves disabled, by marketing the Games in a powerful and positive way to a huge audience, by making people laugh as well as think with programming like *The Last Leg* — Channel 4 did what it does best.

But this is just the beginning

We have already begun to feature some of our hugely talented Paralympic trainee presenters in other programming including *Channel 4 News* segments and have invested £250,000 in the short term to identify further opportunities to put disabled people on-screen.

We believe there is an opportunity to go further; to build on the legacy of London 2012 and build on our own track record as a media organisation that has long led the way in providing disabled people with a greater presence on-screen.

Channel 4 worked with Giles Long to develop LEXI – a system to help viewers understand classification

85%

of viewers surveyed agreed that the LEXI system was explained well in the Channel 4 coverage



LEXI



2016

In early 2013 we learned that the International Paralympic Committee (IPC) had awarded the UK television rights to Channel 4 for the Sochi 2014 and Rio 2016 Paralympic Games following a highly competitive tender process.

As part of the agreement Channel 4 will broadcast more than 500 hours across Channel 4's portfolio from Rio and will screen more than 45 hours of coverage from Sochi. The coverage will include live coverage, highlights and the return of *The Last Leg.* A number of the presenters and reporters trained in preparation for Channel 4's 2012 coverage will return as part of the presenting line-up for Sochi and Rio.

Winning the rights for 2014 and 2016 is a fantastic opportunity to build on the work that was done in 2012 and reinforce our commitment to changing attitudes about disability. We couldn't be more thrilled to have the Paralympics coming home to Channel 4.

Almost 1 million views of clips and full-length programmes



More than 240,000 downloads of Paralympics app on smartphones and tablets

Doing things the Channel 4 way

Over its 30-year history, Channel 4 has frequently given a voice to under-represented groups — helping to shift attitudes and combat prejudices, and in the process creating some of the most iconic programmes on British TV, from *Desmond's* to the first lesbian kiss in *Brookside* and on to the London 2012 Paralympics. In 2012 we continued to give a platform to people to express viewpoints and experiences rarely heard in mainstream media. Underpinning this is a commitment to working with a wide range of creative people behind the scenes — as we believe that only by engaging with the widest spread of suppliers and talent can we represent the most diverse perspectives.

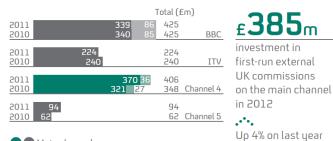


"From the outset, Make Bradford British was shocking, humbling and depressing in equal measure..."

Daily Mail on Make Bradford British

BROADCASTERS' INVESTMENT IN THE PRODUCTION SECTOR

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



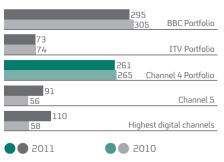
Main channelDigital channels

Source: Channel 4, Ofcom (other channels)

2012 data not available for other channels. Note that BBC digital spend in 2010 has been restated from £77m to £85m due to a transposition error in the external source data. Refer to the methodology section for further details

DIVERSITY OF SUPPLY BASE

Number of independent TV production companies supplying the PSBs



Source: Channel 4, Broadcast (other channels), Attentional (Channel 5)

2012 data not available for other channels

460

companies working with the Channel 4 portfolio across TV, film and digital media in 2012, of which 274 were independent TV production companies

••••

Up 6% on last year

Diversity of supply

Channel 4's highest-ever investment on UK content enabled us to make a significant impact on the creative economy in 2012. Channel 4 invested £385 million in first-run programmes commissioned from external suppliers on the main channel – up by 4% year on year. And because we believe that it is not just how much you spend that is important, but who you spend it with, we sought to build relationships with as wide a range of suppliers as possible: working with 460 companies across television, film and digital media in 2012 – an increase of 6% on 2011's figure. In television, we were pleased to see our strategic focus on broadening access leading to a rise in indie suppliers for the first time in four years.

The total number of independent TV production companies who supplied programming to our portfolio in 2012 grew by 5% to 274. In addition, our online teams worked with 154 digital agencies and Film4's development and production activities supported 92 film production companies (of this, 60 companies worked with the channel more than once across TV, film and online, bringing the total number of suppliers worked with in 2012 to 460).

Of the companies commissioned in 2012, 30% were suppliers who were new to Channel 4. Thanks to the success of initiatives such as the Creative Diversity team's Alpha Fund and the Commissioning team's regular UK-wide briefings, 60 television companies worked with Channel 4 for the first time — many of them based outside of London.

All commissioning departments were tasked with building relationships with new companies – leading to successes such as Firecrest Films, a small Scottish current affairs company that made one of the highest-rating Dispatches ever, Secrets of Poundland, with their first film for the strand; start-up Zeitgeist Films, who produced the acclaimed comedy series I'm Spazticus; and ACME Films, a new production company nurtured by the Alpha Fund, who won Company of the Year at the Creative Diversity Network Awards in 2012 and are currently in production with a major four-part drama for Channel 4.

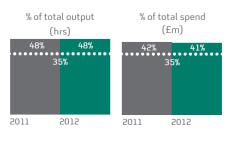


51 companies supported by the Alpha Fund have gone on to win network commissions

Maroon Pictures, producers of Michael Johnson: Survival of the Fastest, were initially supported by the Alpha Fund

INVESTMENT IN THE NATIONS AND REGIONS

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



•••• Quota (35%)

Source: Channel 4
Rounding differences may occur

NURTURE TALENT

Output from suppliers based outside London

48% of first-run originated programme hours

••••

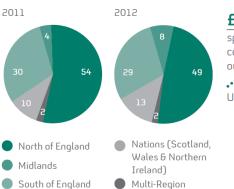
Level with last year

41% of the value of first-run originations ∴∴

Down 1pt on last year

SPEND BY REGION ACROSS THE CHANNEL 4 PORTFOLIO

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



£157m spent on production

NURTURE TALENT

companies based outside London

Up 3% on last year

Support for regional creative companies ensures that our economic impact is spread across the UK. For the second year running, we increased our investment in the UK's nations and regions. We continued to exceed our regional licence quotas, with 48% of firstrun hours on the main channel coming from outside the M25 and 7% coming from outside England. In terms of spend, 41% was outside London and 5.4% was in the devolved nations. Across our portfolio of channels we invested a total of £157 million on programmes from companies

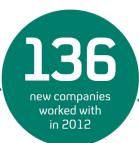
based outside London.

Since 2010, we have also been monitoring our digital investment outside London, to ensure we are nurturing the next generation of creative businesses from across the UK. In total 35% of our online commissioning budget was spent outside London — and 6.7% outside England. We worked with 59 agencies based outside London, including games and apps developers in Dundee, Neath and even the Outer Hebrides.

Source: Channel 4

Rounding differences may occur

Increasing production from the devolved nations of the UK was a key priority in 2012. New series such as *Bank of Dave*, from Scottish producers Finestripe Productions, online projects such as the award-winning *The Bank Job* game from Chunk Games and several daytime productions being made out of the nations contributed to a total television and digital spend of more than £21 million outside England – up 37% from 2011.



91% of producer briefings by Jay Hunt were outside London

CHANNEL REPUTATIONS

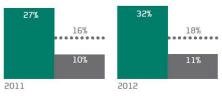
People who believed Channel 4 is the channel to which the following statements most apply...

SHOWS DIFFERENT KINDS OF CULTURES AND OPINIONS

CULTURAL DIVERSITY

CHALLENGES PREJUDICE

CULTURAL DIVERSITY



•••• Next highest
PSB channel

Channel 4

 Average for other main PSB channels (BBC1, BBC2, ITV1 and Channel 5) other channels for showing different cultures and opinions ••••

Up 4 pts on last year

over average for

⊥pt lead

25%

Channel 4

•••• Next highest PSB channel

29% 13% 7%

2012

Source: Ipsos MORI commissioned by Channel 4

Rounding differences may occur

 Average for other main PSB channels (BBC1, BBC2, ITV1 and Channel 5) 22pt lead over average for

other channels for challenging prejudice

• •

Up 4 pts on last year

Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur

SHOWS THE VIEWPOINTS OF MINORITY GROUPS IN SOCIETY

CULTURAL DIVERSITY

30% 12% 7%

2012

Channel 4Next highest PSB channel

 Average for other main PSB channels (BBC1, BBC2, ITV1 and Channel 5)

Source: Ipsos MORI commissioned by Channel 4 New metric for 2012, thus no comparative data presented for 2011

Rounding differences may occur

23_{pt lead}

over average for other channels for showing the viewpoints of minority groups in society



The Undateables

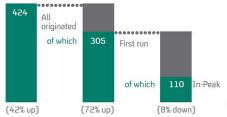
93%

of those viewers surveyed to whom disability is relevant rated The Undateables as excellent or good CULTURAL

ALTERNATIVE VIEWS

DIVERSITY OUTPUT ON THE MAIN CHANNEL

Total hours of programming covering diversity issues shown on the main channel (2012 with trends relative to 2011)



305hrs of first-run

originations covering diversity issues on the main channel

Up 72% on last year

ALTERNATIVE VIEWS

over average for other channels for allowing people an alternative point

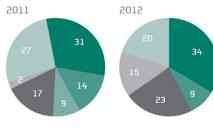
of view

3_{pt lead}

Up 1pt on last year

RANGE OF INTERNATIONAL PROGRAMMING Genres covered by international-themed

originations on Channel 4 (main channel) as a percentage of total first-run hours



History

Science

Other

of first-run programmes covering international topics on Channel 4 (excluding news)

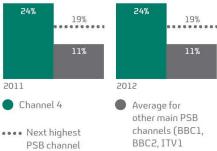
Down 65% on last year

Source: Channel 4

CHANNEL REPUTATIONS

People who believed Channel 4 is the channel to which the following statement most applies...

ALLOWS PEOPLE AN ALTERNATIVE POINT **OF VIEW**



Source: Channel 4 Rounding differences may occur Note the total for religion in 2012 was 0

Current affairs

Documentaries

Religion

2011 Channel 4

BBC2, ITV1 and Channel 5)

Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur



were the most tweeted words from Make Bradford British viewers when asked by C4 to sum up what Britishness meant to them



Make Bradford British

Different voices

Channel 4's remit has always involved championing minority voices and tackling contemporary taboos. In 2012 we presented debates covering race, religion, sexuality and disability, using innovative approaches to really bring these difficult issues to life. From documentaries, such as Proud and Prejudiced, which told the story of two of Britain's most controversial extremist protest group leaders, to factual formats such as Make Bradford British, in which people of different races and backgrounds were brought together to try to define Britishness, we sought to discuss race by bringing the human story alive in ways that felt contemporary. We tackled disability in bold new ways daring to put disabled comedians in the heart of peak-time in The Last Leg and breaking down taboos around mental health in our 4 Goes Mad season. Gok's Teens exemplified Channel 4's connection with young people, giving advice on the tumultuous process of coming out as a gay teenager, amongst other teen issues.

And matters of faith and religion remained a key part of our schedule, with Tom Holland examining Islam and our nightly 4thought.tv strand covering a wide range of voices and beliefs, on topics ranging from the meaning of fatherhood to whether Britain should remain a Christian nation.

In all we broadcast 305 hours of brand new programmes covering diversity issues on the main channel – a 72% uplift from 2011, primarily due to our coverage of the Paralympics. Pleasingly, this increased investment strengthened Channel 4's performance in our ongoing surveys of channel reputations, in particular for showing different kinds of cultures and opinions and challenging prejudice. We continued to lead over other broadcasters for allowing people an alternative point of view, and Channel 4 had a significant lead over other PSB channels for showing the viewpoints of minority groups in society - a new measure aimed at capturing a broader sense of 'diversity'.

Ongoing commitment to telling stories from around the world also helps us to deliver our remit to provide audiences with alternative views. We sought to give a wider platform to international documentaries by moving our True Stories strand largely to the main channel. While the refocusing of the strand towards fewer, higher-impact films led to a significant fall in the number of programmes covering international topics in 2012, it did lead to a huge uplift in viewing with an average audience in 2012 of 1.6 million – compared to 200,000 in 2011.

Current affairs accounted for 34% of our international output — with our Unreported World strand continuing to tell rarely heard stories from countries as diverse as Sudan, Honduras and Burma, and other investigations into Syria, Sri Lanka and Kashmir hitting the headlines. Other international programmes in the schedule included Niall Ferguson's acclaimed series on China and Matt Frei's The American Roadtrip: Obama's Story. We also continued to show the best of international cinema on our Film4 channel.

"Offers real insight into the difficulties faced by people who do not fit easily into the social norms when it comes to finding love and life partners"

Daily Telegraph on The Undateables



CHANNEL REPUTATIONS

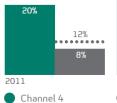
People who believed Channel 4 is the channel to which the following statements most apply...

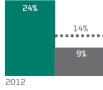
MAKES ME THINK ABOUT THINGS IN NEW AND **DIFFERENT WAYS**



COVERS GROUND OTHER CHANNELS WOULDN'T



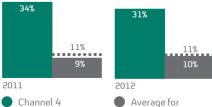






Up 3pt on last year

....







•••• Next highest

PSB channel



• • • • Next highest PSB channel

Average for other main PSB channels (BBC1, BBC2, ITV1 and Channel 5)

•..• Down 3pts on last year

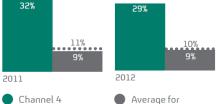
Source: Ipsos MORI commissioned by Channel 4

Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur

Rounding differences may occur

TAKES A DIFFERENT APPROACH TO SUBJECTS COMPARED TO OTHER CHANNELS







19pt lead over average for other channels for taking a different approach to subjects compared to other channels

•.•• Down 3pts on last year

Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur

The Snowman and The Snowdog game (aimed at both adults and children) was downloaded more than

1m times and topped the

charts of free iPhone games over the Christmas period

Distinctive approaches

2012 saw a slate of hugely ambitious and imaginative projects that only Channel 4 would, or could, do - whether battling red tape for four years in order to crash a plane in the name of science (Plane Crash), filming a cast of reallife siblings over a five-year period to authentically capture the passage of time (Every Day) or getting a group of 50 people to follow around a stranger for a week (The Audience). Our reputation for doing things differently is reflected in our audience tracking statements, in which we maintain strong leads over other broadcasters in all our measures: making viewers think about things in new and different ways, covering ground other channels wouldn't and taking a different approach to subjects compared to other channels. Compared with 2011, Channel 4's lead over other broadcasters increased for the first of these measures but declined for the latter two, reflecting the continued challenge of standing out in a crowded media landscape.

Channel 4 performed particularly strongly on our innovation measures, reflecting the range of bold, groundbreaking projects on our screens in 2012 – a sign of the success of creative renewal. It had a 41 point lead over the average for 'taking risks with programmes that others wouldn't', a 2 point increase on 2011, and was also up 2 points for being 'experimental'. We were particularly pleased to see the uplift in these measures following declines in recent years. The volume of new and one-off programmes increased by 4% over the 2011 figure as we experimented with new titles many of which, such as The Undateables, Derek and 999: What's Your Emergency? gained recommissions in 2013.

Online, our digital teams continued to pioneer new content experiences, from the mass participation of Foxes Live to Film4.0 commissioning a project to turn a comic book into a series of cinematic online shorts and our Convergent Formats Commissioner trialling the use of gesture recognition technology in connected televisions. A dedicated Games Commissioner based in Scotland worked with teams from different genres on a series of innovative projects – including immersive mobile games to support Full English, Hotel GB and The Snowman and The Snowdog. Beyond commissioning, we worked with partners to develop innovative advertising campaigns and continued to pioneer new ways of understanding audience behaviour through our Viewer Engagement strategy, of which our online projects are an essential part (see pages 16/17).

"Wow. #the audience on C4 was amazing. Such a different and new concept but really interesting to watch"

Viewer tweet



••• INNOVATION •••

People who believe

People who believed Channel 4 is the channel to which the following statements most apply...

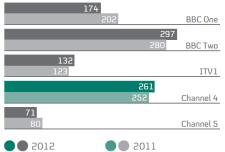
CHANNEL REPUTATIONS

TAKES RISKS WITH PROGRAMMES THAT OTHERS WOULDN'T



NEW AND ONE-OFF PROGRAMMES

Number of new and one-off programmes shown on the main PSB channels between 6pm and midnight

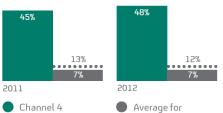


Source: Attentional commissioned by Channel 4

261

new or one-off programmes shown on Channel 4 between 6pm and midnight

Up 4% on last year

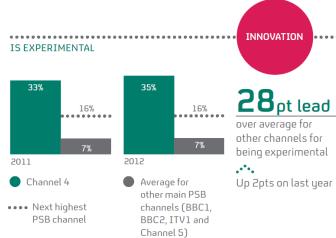


other main PSB
Next highest channels (BBC1,
PSB channel BBC2, ITV1

over average for other channels for taking risks that others wouldn't

Up 2pts on last year





and Channel 5)

Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur

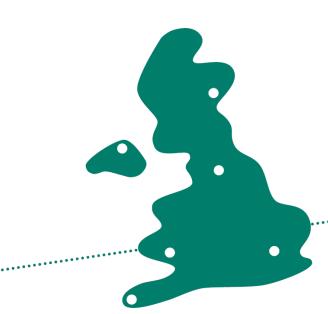
work experience placements provided across the business

Grassroots talent

Investing in future generations of talent allows Channel 4 to stay fresh and relevant and to continue to play a catalytic role in the creative economy. We run an unrivalled number of onscreen new talent schemes - ranging from comedy (Comedy Blaps) to documentary (First Cut) and drama (Coming Up). In 2012 our investment in training enabled us to discover new faces to present and report on the Paralympic Games (as outlined on page 26). This has already led to more opportunities for disabled presenters on British television following the Paralympics, the first steps in what we hope will be a lasting legacy.

Our Fuel4 initiative sought to strengthen the multiplatform expertise of the creative community (see overleaf), and we made significant investments in training and skills development funding organisations such as Skillset, the National Film and Television School, the Channel 4 BRITDOC Foundation and The Research Centre to develop innovative training programmes for the sector. The 4Talent team worked hard to support young people looking to build a career in the media – introducing a new graduate scheme alongside a series of apprenticeships and internships aimed at helping people get their foot in the door. With evidence showing that a lack of social mobility is a real problem in the creative industries, we actively sought to venture outside of the traditional media 'hubs' and engage with young people from all educational and employment backgrounds, thereby ensuring we are open to as wide a field of talent as possible.

Working with local charities to identify attendees, we hosted open days and workshops in towns such as Barnsley and Dundee, giving young people advice on the skills needed to get into the creative industries. We encouraged attendees to apply for work experience placements with Channel 4 to further develop their skills – and were delighted that a Northern Irish attendee from our event in Derry went on to secure a job in Channel 4's press team. We will be rolling the initiative out to a greater spread of locations in 2013 so we can reach even more young people.



Open days held by 4Talent team in Derry, Barnsley, Penzance, Cardiff, Dundee and London



More than half of the 4Talent day participants surveyed said that neither of their parents or guardians had a university degree (or equivalent) — and 17% said their household received income support while they were at school



"I think #fuel4 was one of the most exciting and stimulating events I've EVER been to"

Tweet from Fuel4 participant

Channel 4's pioneering role in multiplatform content is not limited to the specific projects we commission – we have also been investing in the wider creative community's skills and knowledge. We launched Fuel4, a year-long programme of initiatives and events aimed at promoting greater collaboration between television and digital companies to generate new multiplatform content ideas.

At the heart of this programme was a series of events and masterclasses held in locations across the country, with experts briefing executives on topics ranging from multiplatform fiction to the possibilities for technology to reshape entertainment content. We also launched a producer placement scheme aimed at directly bringing multiplatform expertise into content companies. Our goal is that these positions will enable their companies to develop ideas that work successfully across both TV and interactive media. Channel 4 is already in development with several projects arising out of the Fuel4 scheme.

5 TV executive producers brought in to work in digital agencies and 4 digital executives brought into television companies to generate new multiplatform TV ideas

half-day conferences for TV producers and digital creatives in London, Glasgow, Sheffield, Birmingham, Brighton & Bristol

Events attended by more than 500 TV and digital producers



"It's warm, it's sad, it's touching, it's sometimes very funny. Pitched just about perfectly I'd say"

The Guardian

A moving and uplifting series,
The Undateables set out to examine
a rarely explored area – the dating
lives of people with disabilities. From a
skateboarder with a facial disfigurement
to a media student with Down's
Syndrome, the series followed the
prospective lovers on their quest for
romance and companionship.

The insightful series became one of Channel 4's biggest hits of the year, averaging 3.2 million viewers across the series as well as performing strongly on 4oD – proving that 'diversity' is not just a niche subject of interest to minority audiences.

The themes of the show, and its compassionate tone, led to a powerful response amongst both critics and viewers. Research found that viewers thought the series was sensitive and brave – and, most importantly, made them more sympathetic towards the issues facing disabled people. Nearly half of viewers polled said they would be more open to dating somebody with a disability after watching the series. We celebrated the success of the show by recommissioning it for another series in 2013.

88% of viewers surveyed said the series raised awareness of the difficulties disabled people experience

88% of viewers surveyed said it was a brave and different area to cover

82% of viewers surveyed said they were more sympathetic to the issues faced by disabled people after watching



2012 ambitions

- Invest in provocative factual content that has mischief and purpose
- · A fresh take on life in Britain
- Champion big issues and tap into contemporary concerns
- Provide viewers with radical alternatives in arts programming
- Develop a more contemporary feel to science, history, arts and religion programming
- Refresh and strengthen True Stories and Cutting Edge
- Empower viewers to take action on issues they care about



Our factual programming in 2012 was the opposite of passive TV — it was TV that engaged with the real world — a real plane crash, a real bank, a real clothing factory, a real hotel. And, along with a spread of stimulating and relevant documentaries about life in contemporary Britain, we invited our viewers to engage with the real world too, from helping build a real-time picture of fox activity across the country, to keeping track of their own health.

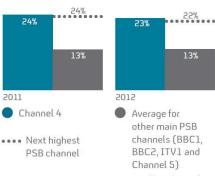
CHANNEL REPUTATIONS

People who believed Channel 4 is the channel to which the following statement most applies...

IS BEST FOR DOCUMENTARIES THAT PRESENT ALTERNATIVE VIEWS

23% of respondents selected Channel 4 as being best for documentaries that present alternative views. Although this was a 1% percentage point decrease on last year, Channel 4 had a 1 point lead over the next highest PSB channel, BBC 2 (Channel 4 and BBC 2 were in joint first place in 2011). Channel 4 maintained a 10 point lead over the average for the other main PSB channels.





over average for other channels for being the best for documentaries that present alternative views

Level with last year

Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur

"I'm proud to have been part of such a bold and potentially life-changing project"

Graham Lawton, New Scientist - participant, Drugs Live



84 %

of viewers surveyed agreed
Drugs Live helped to explain
the clinical effects of
ecstasy use

"The experience has sobered me up about the reality; that integration is hard work and a long process"

Sabiyah Pervez – participant in Make Bradford British

Making a noise

We set ourselves some bold ambitions for factual programmes in 2012 and certainly achieved our goal of stimulating debate. With Plane Crash, Channel 4 delivered a world first by deliberately crash-landing a Boeing 727 passenger plane to allow scientists, and viewers, to study the mechanics of a crash. Drugs Live cut through the emotional rhetoric that often surrounds debates on drugs with a groundbreaking scientific study of ecstasy users; historian Tom Holland questioned long-held opinions about the origins of Islam; Richard Dawkins asked whether science can provide people with the same sense of meaning and comfort as religion; and Gunther Von Hagen created his own interpretation of the crucifix. All of these programmes succeeded in sparking debate and giving audiences television viewing that was informative and educative.

Radical arts

We wanted to bring the best of the contemporary art world directly into people's homes – and we did exactly that with an online video tour of Damien Hirst's Tate Modern exhibition. We did it again with House Party, which turned viewers' living rooms into a club night starring the world's best visual artists and DJs. Grayson Perry presented a series of programmes exploring taste and class (see case study) and our short-form multiplatform arts strand, Random Acts, continued to provide a platform for artists to experiment in a variety of disciplines – spoken word, dance, music performance, animation, photography, fashion and visual arts - showcasing work from brand new production companies and artists.

4thought: a nightly strand with contributors talking about faith, religion, morals and ethics, had 300+ contributors in 2012





Partnerships with the arts world in 2012 include the Turner Prize, the Saatchi Galleries, Frieze, Arts Council, Creative Scotland, Warp Records and Dazed & Confused

Issues of the day

As a public service broadcaster, we passionately believe that the examination of contemporary social issues should not just be left to our news and current affairs programmes, but should be spread right across the schedule. And so our factual programmes in 2012 included explorations of such hot issues as banking reform, unemployment and environmental sustainability.

In Bank of Dave, entrepreneur Dave Fishwick set out to bring the people of Burnley a radical alternative to the current global financial system by setting up his own bank. Britain's manufacturing heritage was the theme for Guy Martin's engineering series How Britain Worked and for Mary's Bottom Line, in which Mary Portas set up her own clothing factory in Manchester to see whether the UK could still produce great products to compete in world markets. Gordon Ramsay tackled prison rehabilitation in Gordon Behind Bars and Mary and Gordon joined forces with a host of other Channel 4 faces to open up Hotel GB – a pop-up hotel staffed by unemployed young people.

We brought contemporary perspectives to our history and science output with Niall Ferguson's historical series on China, urging us to understand the character of what will become the most powerful nation on earth, and science series Food Unwrapped tapping into prescient concerns about where our food really comes from. And in the year in which we broadcast the Paralympics, we set out to refresh Channel 4's broader remit to champion marginalised communities with programmes that sought to challenge deep-seated social prejudices - whether through the The Undateables' tender portrayal of disabled dating (see page 41) or challenging the stigma that surrounds mental health in the 4 Goes Mad season (see page 49).



"[A] glorious, inspired and incisive investigation into modern British taste"

The Guardian on *Grayson Perry:* In the Best Possible Taste



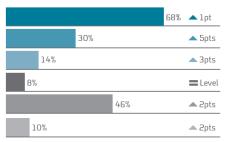
More than three-quarters of Hotel GB viewers agreed it had made young people more aware of the value of having a job and of the skills needed to get into a profession

INSPIRING CHANGE THROUGH FACTUAL PROGRAMMING

Channel 4's factual programmes inspired 68% of respondents to think differently, consider changing something in their lives, try something new, talk about the programme to others or seek more information. *Islam: The Untold Story* was the most inspiring programme in 2012 and inspired change in 87% of respondents' lives. The percentage of viewers who said that Channel 4's factual programming inspired change in their lives increased by 1 percentage point year on year.

Percentage of viewers who said that Channel 4's factual programmes inspired change in their lives (2012)





68%

of viewers said that Channel 4's factual programmes inspired change in their lives

Up 1pt on last year

- Any inspiring change statement(s)
- It made me think about its subject in new and different ways
- It made me think about changing something in my own life
- I tried something new or different after watching this programme
- I talked about the programme to other people
- I looked for further information elsewhere after watching this programme

Source: Ipsos MORI commissioned by Channel 4

Channel 4

INSPIRE

CHANGE

Channel 4 is always on a mission to prove that public service television is not a matter of niche programmes for marginal audiences. It was with our various documentary series about life in contemporary Britain that we had some of the biggest hits of 2012. Shows such as One Born Every Minute, 24 Hours in A&E and Coppers all returned to deliver large audiences, and new commissions such as 999: What's Your Emergency? involved ever-more sensitive and sophisticated film-making. Together, these series form an intimate, warm and thoroughly accessible portrayal of the UK's public services.

Public service television



88%

of viewers surveyed considered *Mary's Bottom Line* to be original and different

6,000

empty homes reported in 2012 and more than

16,000 downloads of the

Empty Homes
mobile app since
its launch



Backing authorship

We continue to believe there is a place in our schedules for surprising, compelling and powerful single documentaries about the UK and the wider world - and so we refreshed our single film strands to maximise their impact. *True Stories* moved from More4 to the main channel, leading to the average audience for the strand increasing by more than seven times, and we increased the number of original films it commissions – with highlights including the critically acclaimed Gypsy Blood and several films exploring online deception and the hazards of social media. We sought to position our wellestablished Cutting Edge strand as home to more topical documentaries – with the revelations from Ian Brady: Endgames of a Psychopath leading the news agenda for days following its broadcast in August and Terror At Sea demonstrating our commitment to fast turn-around documentaries on topical subjects.

We continued to support new talent with our First Cut strand, which will return in 2013 with a longer format and refreshed focus. And we continued to give established film-makers the space and freedom to tell their stories. This included legendary director Werner Herzog's 4-part series On Death Row as well as polemical series from experts such as Richard Dawkins and Niall Ferguson.

Innovation, collaboration, action

Channel 4's factual content continued to be at the forefront of multiplatform innovation in 2012. Our new Scrapbook site enabled viewers to store and share with friends the best tips, recipes and advice from Channel 4's array of lifestyle experts. Foxes Live asked people to participate in the biggest, most technologically advanced fox study ever conducted; they could report fox sightings, take pictures, watch 24-hour live streams from fox dens and follow GPS tracked foxes on an interactive map – building up an in-depth picture of fox activity in Britain.

Beyond having an educational role, we continued to use digital tools to deliver Channel 4's remit of inspiring personal and social change. Our Live from the Clinic and Food Hospital programmes launched a suite of new health apps to enable people to test their own health directly, track their results over time and even share them with their GP. The Empty Homes campaign, which began in 2011 with a programme presented by George Clarke, continued throughout 2012, with viewers using the Empty Homes Spotter app to help bring deserted houses back into use. The programme returned to follow up the issue in late 2012 - illustrating Channel 4's ongoing commitment to stories, and the importance of digital commissions in sustaining engagement around campaigns.



Foxes Live generated more than 13,000 survey responses



арр



"It was encouraging to see a major broadcaster tackle this deep-seated taboo"

Sue Baker, Director, Time to Change

The third experience of the last experience o

Supported by an immersive website

Channel 4's remit has always driven it to challenge taboos and bring to light issues others may be uncomfortable talking about. Mental health remains a contemporary social stigma – and so our 4 Goes Mad season looked to challenge people's perceptions around those with mental health disorders and encourage people affected by them to speak up. The season featured celebrities Jon Richardson and Ruby Wax exploring their own relationship with mental health, as well as documentaries on members of the public with mental health conditions. World's Maddest Job Interview brought together a group of volunteers, some with mental health conditions and some without, to complete a range of core employability tests - with the aim of challenging workplace discrimination about what those with mental health conditions are capable of.

The season was a supported by an immersive website, *Mad World*, containing statistics, facts and personal testimonies about some of the most misunderstood mental health conditions – alongside innovative audio experiences that gave users a sense of how it feels inside the head of someone managing mental health issues. *4 Goes Mad* was widely praised – mentioned in Parliament, supported by mental health charities and publicly commended by Stephen Fry at the Mind Mental Health Awards.

74% of viewers surveyed said 4 Goes Mad made them realise how common mental health conditions are More than half of those surveyed said watching the series made them more positive towards people suffering from a mental health condition



"A beautifully stitched living portrait of a class, a city and an artist"

The Times

Channel 4's approach to arts aims to give insight into artists' work and their view of the world - as well as allowing the viewer to see original work being created. In this series, Turner-Prize winning artist Grayson Perry brought his artistic sensibility to deliver a portrait of class and taste in contemporary Britain. He visited people from different parts of the British class system in Sunderland, Tunbridge Wells and the Cotswolds, to understand the small cultural details of modern life that reveal most about who we are and who we want to be. He then used these experiences to inform a new artistic work, a series of six tapestries called "The Vanity of Small Differences". Following the series, Grayson donated the tapestries to Arts Council England so they could be viewed by the nation. Thirty thousand people visited them when they were exhibited at the Victoria Miro Gallery in London - and in 2013 they will be brought to Sunderland, Manchester, Birmingham and Leeds before being taken abroad by the British Council. The programme received huge critical acclaim, not just for being a thoughtful social commentary on how we live now but also for the insight it gave into the artistic processes that inform Grayson's own work. It generated widespread press coverage, including a double-page spread of the tapestries in The Sun. We will continue to develop our relationship with Grayson to bring viewers more of his unique insights into contemporary British culture.



Courtesy of the artist and Victoria Miro, London [©] Grayson Perry. Photography [©] Stephen White 30,000 people visited the tapestries at the Victoria Miro Gallery in London

Grayson given a 2-year exclusive presenting deal with Channel 4



"(Dave) is doing a great job in Burnley in channelling savings directly to local businesses. That seems an extremely attractive model that could well be reproduced elsewhere"

Vince Cable MP, Secretary of State for Business, Innovation and Skills

Rooted in public frustration with the contemporary financial crisis, Bank of Dave followed one man's attempt to revolutionise how people bank. Burnley-based minibus supplier Dave Fishwick asked whether the current global banking system was really helping anyone - and whether another way, in which the public were guaranteed interest on their savings, which provided micro-loans to small, locally-based businesses and which gave all profits to charity, was possible. The programme received widespread press coverage reflecting on the audacity of Dave's ambition to take on the banks and test out his innovative model.

It was praised by MPs from all sides, including Business Secretary Vince Cable (see quote to left), won an RTS Programme Award and inspired such a strong public reaction that Dave's community bank now has an 18-month waiting list for new customers.

The series also demonstrated Channel 4's commitment to creative diversity — made by Scottish documentary compani

4's commitment to creative diversity – made by Scottish documentary company Finestripe Productions, and introducing a new presenter to the Channel 4 family in the form of Dave Fishwick.

Bank lends average of £25,000 a week The bank has an 18-month waiting list for new customers



- 2012 ambitions
- Build reputation for modern drama, by bringing new twists to contemporary themes
- Continue to support bold and original film-making
- Pioneer innovative ways of producing, distributing and marketing film in digital space
- Maintain commitment to nurturing British talent
- · Reach young audiences with distinctive content



Film and drama have huge reputational impact for Channel 4. The thread that unites this wide range of output is the extraordinarily talented people we work with and the contemporary focus of the work. Talent comes back year after year for the creative support we provide and we are committed to continually discovering and developing new generations of talent and helping them to connect with the widest possible audience. The work is consistently contemporary in feel and grapples with understanding modern Britain and our place in the world.



45% of Fresh Meat viewers aged 16–34

Secret State

"This superbly paced four-parter is British TV drama at its best"

The Observer on Secret State

Voice of youth

Channel 4 and E4 reinforced their strong track records in dramas tailored for a teenage audience in 2012. The second series of university comedy drama Fresh Meat was a hit with critics and viewers and struck a particular chord with younger viewers. We harnessed this appeal with an online collaboration with our Education department (see page 82) and used digital platforms to promote the series, holding live Q&A interviews with the cast on Twitter. On E4, Misfits, Beaver Falls and Skins all returned, supported by exclusive online content including quizzes, clips and behind the scenes videos.

Our long-running soap *Hollyoaks* tackled a number of sensitive teen issues (see page 84) and in film we celebrated the freedom of adolescence in the first-ever adaptation of the seminal youth novel *On The Road*.

The modern world

Whereas other broadcasters often retreat to safe territory such as period costume drama, Channel and Film4 prefer to pursue bold and demanding stories with a contemporary feel. This was reflected in our original commissioned work in 2012.

Film4's Shame dealt with the taboo subject of sex addiction, while on television Secret State was a fast-paced thriller set against a backdrop of Westminster politics, corporate interests and corruption. The Fear, a critically acclaimed series starring Peter Mullan as a Brighton-based crime boss battling dementia, was praised by Alzheimer's Society for its portrayal of the disease, and 94% of viewers said it was original and different.

The Fear typified Channel 4's ambitions for dramas that feel intelligent and relevant, and which are about complex issues — more original drama of this kind will be a major focus for us in 2013.

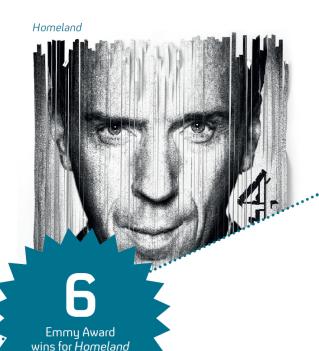
The appetite for thoughtful, challenging and nuanced pieces about political issues extended to our acquisitions policy, with *Homeland* particularly capturing the public imagination.

The first series, which stars British actors Damien Lewis and David Harewood, was watched by an average of more than four million viewers a week.



"It is good to see dementia portrayed in mainstream drama. The storyline will help us raise much needed awareness amongst new audiences and show that dementia can affect anyone"

Alzheimer's Society



Film from around the world

Television continues to be the most popular medium for film consumption and our Film4 channel went from strength to strength in 2012, reaching its highest-ever audience share. This was done without abandoning our commitment to showcasing films that audiences may not otherwise get a chance to see. It is the only film channel with regular slots for rare British and international cinema. Our dedicated World Cinema slot on Thursday mornings increased its audience by 13% compared with 2011, with highlights that included the critically acclaimed Le Quattro Volte and Norwegian drama O'Horten.

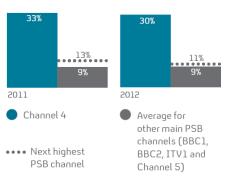
Our main world cinema season in May focused on films from Africa, with a diverse selection of classic and contemporary feature films from a continent that is grossly underrepresented in UK cinemas. The British Connection season returned to champion British-made film, featuring a host of Film4 talents alongside award-winning shorts and an accomplished first feature, The Rochdale Pioneers, made by the Co-operative British Youth Film Academy, whose crew were all under 30 years of age.

CHANNEL REPUTATIONS

People who believed Channel 4 is the channel to which the following statement most applies...

IS BEST FOR MODERN INDEPENDENT FILM

Channel 4 continued to have a strong reputation amongst audiences for offering alternatives to mainstream films. In 2012, 30% of viewers chose Channel 4 as being 'best for modern independent film', 3 percentage points down on its performance in 2011, but still significantly more than any of the other main PSB channels. Its lead over the next highest PSB channel, Channel 5, was down slightly at 19% (2011: 20%)



Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur

21_{pt lead}

over average for other channels for being the best for modern independent film

2pts down on last year

Berberian Sound
Studio won more
BIFAs than any
other film in 2012



2 Academy Awards — Best Actress for Meryl Streep and Best Make-up for Mark Coulier and J Roy Helland

Developing original voices

A commitment to supporting people with distinctive creative visions whether in film or television – is at the heart of everything we do. In 2012 we continued to work with directors and writers nurtured by Channel 4 and Film4 over the years. Steve McQueen's internationally award-winning Shame continued the success of his debut film Hunger, writer-director Martin McDonagh followed up his Oscar-winning In Bruges with gangland comedy Seven Psychopaths (BAFTA nominated for Outstanding British Film), and on television Everyday was the latest result of our long-standing relationship with director Michael Winterbottom (see case study). Ben Wheatley cemented his reputation as an important new British film-maker with his third feature Sightseers, which garnered rave reviews and went on to win the British Independent Film Award (BIFA) for its screenwriters.

Freedom to experiment

In 2012 our films continued to surprise and subvert — with *The Imposter* combining wonderfully cinematic visuals and white-knuckle storytelling within a documentary format (see case study) and *The Iron Lady* bringing hot debate to the normally uncontentious world of the biopic.

We aimed to challenge and stretch our audiences: director Sophie Fiennes teamed up with cultural critic Slavoj Žižek to create *The Pervert's Guide to Ideology*, an intellectual tour de force of politics, philosophy and film, while Peter Strickland's surreal *Berberian Sound Studio* swept the board at the BIFAs, picking up four awards including Best Director and Best Actor. With our new digital commissioning arm, Film4.0, the only initiative of its kind in the UK, we began to push at the creative boundaries of digital technology.

Film 4.0 embeds digital innovation at the very beginning of a film's process, allowing us to explore new ways of telling stories and connecting with audiences. It has funded Ben Wheatley's forthcoming feature, A Field in England, in which the film itself will be accompanied by the A Film in England project, an in-depth look at the process of making the film which will include video footage, blogs and audio files from the set online. Other commissions include End of the F***ing World, a series of cinematic shorts based on a comic book which will be released in instalments on digital platforms, and Spirit of '45, a Ken Loach documentary based on archive film around which we hope to build an active online community. We believe such initiatives will allow us to deepen and enrich our audiences' experience of film.



"Brave, beautifully acted and emotionally revealing"

Empire on Shame



Seven Psychopaths



Film4.0 Scenestealers competition

Members of the public were invited to submit their own takes on classic Film4 scenes, inspiring a huge creative response and helping us uncover fresh film-making talent: Film4.0 is currently in development with three projects from successful entrants



of output on the Film4 Channel came from outside the US and 22% was British films



"Michael Winterbottom is consistently one of Britain's most innovative directors"

The Independent

Filmed over five years, Everyday exemplifies Channel 4's commitment to backing long-term, risky projects. Written and directed by Film4 collaborator Michael Winterbottom, it demonstrates the flexibility we can give talent to move between the worlds of film and television drama. Starring John Simm and Shirley Henderson, Everyday tells the story of four children separated from their father while he is in prison.

The drama deliberately challenges cinematic conventions, blurring the boundaries between fiction and documentary by using a family of real siblings, their real names, home and school, and showing the subtle changes experienced over the five-year period. The result was a critically acclaimed, moving and authentic family drama.



UK premiere at the London Film Festival



The drama used a family of real siblings, showing them grow up over a five-year period

"Consistently compelling and superbly shot"

Total Film

BAFTA for Outstanding British Debut

The debut feature film from British film-maker Bart Layton, The Imposter was hailed as the documentary of the year by critics. Based on the astonishing true story of a French-Algerian man who stole the identity of a missing Texan boy, the film challenged the traditional format of the true-crime documentary. Alongside face-to-face interviews, Layton used creative re-enactments, cinematic photography and dramatic storytelling to illustrate the maze of discrepancies, competing accounts and straightforward lies inherent in any attempt to tell a 'true' story, leaving the audience to make up their own minds about what really happened. The film was a box-office hit — one of the best-ever debuts for a documentary-maker in the UK. And it has been widely acclaimed by the critics, winning a BAFTA for Outstanding British Debut as well as prizes at the British Independent Film Awards, the London Critics Circle Awards and the London Evening Standard British Film Awards.

Highest-grossing British documentary at the UK box office in 2012





- 2012 ambitions
- Build on 2011 changes to maximise impact of journalism, particularly in domestic affairs
- Create more opportunities for journalists to work across news and current affairs
- Bring new range and topicality to Dispatches strand
- Continue to feature rarely told stories about different parts of the world
- Remain at the forefront of digital innovation, particularly to build engagement with young people



Our News and Current Affairs team had a year to be proud of, from the demands of the Paralympics to an impressive collection of headline-grabbing investigative scoops and a clutch of awards. Underpinning these highlights was a continuing story of commitment to in-depth coverage of news from around the world; to candid reporting of stories most media organisations choose to ignore; to uncovering injustice within the UK as well as beyond its shores; to experimenting with new ways of engaging our audience; and to building strong journalistic skills for the future.

The stories Britain needs to know

A series of agenda-setting investigations about life in the UK focused on holding power to account, and did so with great success. Our investigation into the Andrew Mitchell 'Plebgate' affair led news bulletins for days. A major undercover investigation, Watching the Detectives, resulted in an Information Commissioner's Inquiry into the allegations. For The Great Ticket Scandal, Channel 4 had to fight off a high court injunction to expose the practices of ticket-exchange website Viagogo and, following its broadcast, the issue was raised in Parliament. And Cruises Undercover: The Truth Below Deck took the lid off the cruise industry.

Channel 4 News also ran a series of award-winning breakthrough investigations on stories that weren't on the radar of other media organisations – from the problems faced by disabled users of public transport in No Go Britain to the protection of minors online (see case study). Social affairs editor Jackie Long tackled stories about disability benefit, work and pensions. And we identified issues of particular interest to younger audiences – such as youth unemployment – to build on Channel 4's strong connection with 16–34 year olds.



3 episodes of *Dispatches* in 2012 had higher ratings than any episode in 2011, peaking at 3.1m



Disabled presenters trained to appear as part of the Paralympics have since presented *Channel 4 News* reports and Jordan Jarrett-Bryan has become a regular

A summer of glory and its legacy

As Channel 4 prepared for the Paralympic Games, Channel 4 News put the excitement of the event in a wider context with in-depth reports about disability sport and controversial benefit changes for disabled people. During the Games, the News team anchored the programme from Stratford and interviewed the stars. And once the last medal had been awarded, and the world's media had moved away – we looked at how life had changed for the Paralympic champions, and for disabled people across the UK.

The country had been promised "the most accessible Games ever" but did that actually make life any easier for the thousands of disabled people trying to use our public transport network? And had life really changed for disabled people after a summer that saw the whole country cheer the 'Superhumans'? We explored these issues in our editorial strand 'A Legacy to Stand on?'

Some of the most promising presenters from the Paralympics also produced insightful and refreshing reports for Channel 4 News. Sophie Morgan allowed us to film the moment she walked using a newly-developed robot frame and she brought No Go Britain dramatically to life when an airline refused to let her fly unaccompanied. Daraine Mulvihill looked at the depressing reality of artificial limb provision in the UK. And Jordan Jarrett-Bryan went on to become a regular on the programme, making films on disability sport, as well as presenting the weekend sports results and providing analysis in the studio.

New journalistic voices

The Paralympics was not the only opportunity to develop new talent and new perspectives. On-screen, *Channel 4 News* was consistently named as the news programme with the best balance of male to female experts. Off-screen, as always, we aimed to work with a broad range of suppliers. Four companies won tenders to produce regular films for *Dispatches* and to ensure that a new generation of journalists is given appropriate specialist training, our Current Affairs team launched a new investigative journalism training scheme (see page 69 for details).

Elsewhere we continued to develop individual reporters with unique perspectives, with some gratifying successes. One such is the Somali journalist and film-maker Jamal Osman. Jamal left school at the age of 10 and came to the UK as an asylum seeker. Initially working as a labourer and then minicab driver, he put himself through a South Thames College media course and then a journalism degree at Kingston University, where he made four films supported by the Channel 4 News Film Fund. Since then, Jamal has continued to report from his homeland for Channel 4 News and recently won the One World Media journalist of the year award and an RTS Independent Award.



"It's incredibly important to have women in senior editorial roles in the newsroom. It means we can match the fantastic breadth and diversity of our on-screen team behind the scenes"

Shaminder Nahal, Deputy Editor, Channel 4 News

5/6
of new people joining the Channel 4 News senior management team in 2012 were women

Greater collaboration

In 2011 we introduced a more joined-up approach between our news and current affairs strands, and in 2012 we sought to build on this even further. Seven Dispatches films across the year were presented by Channel 4 News reporters - including Jon Snow, Jackie Long and Jonathan Miller – while Krishnan Guru-Murthy continued to introduce Unreported World.

There was collaboration across the Channel 4 Commissioning team – whether that was continuing to combine topical political discussion with satirical comedy in 10 O'Clock Live or a focus on disability inspired by the Paralympics.

Perhaps the most high-profile of these collaborations came with 'plebgate'. Late on Sunday 16th December the Metropolitan Police announced it had arrested the main witness in the Andrew Mitchell 'plebgate' saga. Within hours news outlets were speculating on the arrest, but what the press didn't know was the role Channel 4 Dispatches had played.

VIEWING TO NATIONAL NEWS

Channel 4 News continues to have particular appeal to young and BAME audiences. 18% of its viewing in 2012 was accounted for by people aged 16–34, down slightly (by 1 percentage point) on 2011. BAME audiences represented 12% of viewing, and this proportion increased by 1 percentage point year on year. Both these figures continue to be markedly higher than the corresponding ones for news programmes on the other main PSB channels. In 2012, the audience reach of Channel 4 News (number of people watching for at least 15 consecutive minutes) was an average of 9.7 million people each month, a 9% year on year decrease. Other terrestrial news programmes saw declines year on year. The decline to Channel 4 News was mainly driven by older viewers.

Percentage of viewing of national news programmes on the main PSB channels in 2012 accounted for by viewers aged 16–34 and BAME viewers. Viewers aged 16-34 Year on year change **=** Level ▼ lot to Channel 4 News 10% = Level Channel 4

▲ lpt

BAME viewers Year on year change ▲ lpt ▲ lpt ▲ lpt Channel 4 **=**Level

Source: BARB

Rounding differences may occur

percentage of viewers in 2012 accounted for by viewers aged 16-34

Down 1pt on last year

percentage of viewers to Channel 4 News in 2012 accounted for by BAME viewers

Up 1pt on last year

In 2012, reporter Jamal Osman won One World Media Journalist of the Year and The Independent

RTS Award

people watching Channel 4 News each month

Down 9% on last year



9 Dispatches films featured undercover investigation in 2012



Just a week earlier Dispatches had obtained CCTV pictures of the incident and were quickly able to show evidence that the story was more complex than first presented. The programme was well into production and had established that the key 'witness' was not present on the night of the incident and, remarkably, was a serving police officer.

Almost immediately, the editor of Dispatches briefed the editor of Channel 4 News and they both agreed that the long-form film needed to be shown at the earliest opportunity.

This was broadcast on Channel 4 News on Tuesday 19th December in its entirety, and immediately caused a furore, generating newspaper headlines for days to come and leading all radio and TV bulletins.

INDEPENDENCE OF TV NEWS

Viewers continued to perceive Channel 4 News as being more independent both from the influence of big businesses, and from the government, than other broadcasters' news programmes in 2012. 82% of regular viewers to Channel 4 News regarded it as being independent from government in 2012. This represented an 8 percentage point lead over Sky, the next highest-scoring broadcaster, but was slightly down (by 2 percentage points) year on year. 74% of Channel 4 News viewers agreed that the programme was independent from the influence of big business in 2012. This was a 1 percentage point decrease on 2011, but Channel 4 News maintained its 6 percentage point lead over the BBC, the nexthighest scoring broadcaster, in 2012.

of Channel 4 News viewers regard it to be independent from government

Year on year change

Down 2pts on last year

Percentage of regular viewers to news programmes in 2012 who agree with the following statements:

'It is independent from government'

'It is independent from the influence of big business'

= Level **▼** 3pts **▼**2pts

Year on year change

69% Channel 4 News **=** Level 74%

Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur

68% **▼**1<u>pt</u> ▼ 4pts Channel 4 News **▼**lpt ▲ 2pts **L**evel

"Without a good piece of investigative work by [...] Channel 4 News we wouldn't be talking about the murkier side of the Mitchell affair now"

The Guardian



Plebgate

Reflecting a changing world

Channel 4 continued to shine a light on stories from around the world — unafraid to investigate dictatorial regimes and give voice to civilians living under fear and oppression. The civil war in Syria was a major focus of our international coverage, with a series of reports from journalists on the front-line (see case study).

Elsewhere, we sustained our investigations into the Sri Lankan civil war, with a follow-up film to the acclaimed Sri Lanka's Killing Fields, which revealed more evidence of atrocities. Daniel Bogado's film Unreported World: Terror in Sudan provided evidence of horrific attacks by the Sudanese government on civilians living in the Nuba region of the country — a story that had been little-known before.

We sought to give our audiences greater insight into the massive economic and social advances in developing countries and the impact they are having on everyday lives. In the Unreported World strand, for example, we explored the story of young women in Mumbai whose social lives are being transformed by working in call-centres. Like their Western counterparts, they are going out clubbing after work, triggering outrage in more conservative sections of Indian society. These intriguing stories of everyday life have a freshness of approach that helps British audiences appreciate the complexities of life in developing nations.

COMMITMENT TO LONG-FORM JOURNALISM

The transmission of news and single story current affairs programmes with extended running times allows topics to be covered in greater depth. In 2012, Channel 4 continued to significantly outperform the other main PSB channels in terms of the number of long-form news and single story current affairs programmes – defined as those running for at least 45 minutes and 15 minutes respectively – shown in peak (6–10.30pm) and post-peak (10.30pm – midnight). Its 311 titles in peak were more than twice the number on the next highest PSB channel: BBC One.

Number of long-form news and single story current affairs programmes with a duration of at least $45\,$ minutes and $15\,$ minutes respectively shown on the main channel between $6\,$ pm and midnight

STIMULATE DEBATE

<u>311</u>

long-form news and single story current affairs programmes in peak on the main channel

•••

Up 10% on last year

		Total (£m)		
2012 119 2011 119	86 94		205 213	BBC One (BARB)
2012 46 2011 52		253 <u> </u>	299 307	BBC Two (BARB)
2012 49 17 2011 54 6			66 60	ITV1 (BARB)
2012 2011		311 23 283 4	334 287	Channel 4 (Internal)
2012 2011 2 0			0 20	Channel 5 (BARB)

Peak (6-10.30pm)

Post peak (10.30pm-midnight)

Source: Channel 4, BARB (other channels)
Current year methodology was changed from prior
year for single story current affairs programmes.
As a result all prior year comparatives have
changed. For more details please refer to the
online methodology document.

Terror in Sudan inspired viewers to donate money to the charity running the hospital for the wounded in the area

Producer
Daniel Bogado was
awarded the Rory
Peck Sony Impact
Award 2012 for
Terror in Sudan



Second-screen news

We continued to use digital platforms, whether blogs, social media or mobile apps to extend the depth of our journalism in 2012 and, in particular, to strengthen our relationship with younger viewers whose habits of news consumption are changing particularly rapidly. We prioritised innovation, becoming the first UK-wide broadcaster to launch a responsive design so that our sites can be viewed on any device, and a secondscreen app for Dispatches viewers so they could access and share additional content, take part in discussions on Twitter and request official reports and documents relating to the films. The app was developed by two Newcastle-based companies working with Channel 4 for the first time.

Channel 4 News also launched a new blog feature 'live from the newsroom', which incorporated rolling video, social media and breaking news, and our reporters continued to use Twitter to find, discuss and share stories. This was demonstrated to great effect with our award-winning No Go Britain project, in which disabled viewers shared their experiences of using public transport by live-tweeting their journeys. The project built an engaged community of viewers via Facebook and Twitter, culminating in a live studio discussion between users and transport officials. Social media was also used to poignant effect for the Dispatches film Let Our Dad Die, in which we encouraged locked-in sufferer Tony Nicklinson to use Twitter to communicate directly with people for the first time.



"Once again Channel 4 has brought to international attention important and disturbing evidence"

Foreign Office statement referring to Sri Lanka's Killing Fields: War Crimes Unpunished The charts on this page compare audiences' perceptions of Channel 4's current affairs output with those of the other main broadcasters (see methodology document for further details). They track the reputation of key current affairs strands on the main PSB channels across five statements that reflect public value goals:

- delivering investigative journalism which uncovers the truth
- providing a window on the wider world
- · delivering in-depth coverage
- challenging viewers to see things differently
- giving a voice to those who might not otherwise be heard

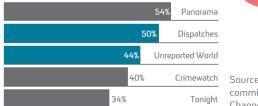
Channel 4's two main long-running current affairs strands, *Unreported World* and *Dispatches*, continued to achieve higher programme reputation scores across these five statements than any other strand in 2012. Their average scores were 47% and 45% respectively although both were down 3 points year on year. The next best performing programme, *Panorama* (BBC), scored 43% on average across the five statements (2011: 39%). Channel 4 had the top scoring strand on three of the five tracking statements in 2012.

Unreported World rated higher than any other strand for showing stories about parts of the world you would rarely see on British TV (selected by 57% of respondents, a substantial 20 point lead (difference due to rounding) over the next highest programme, This World – 2011: 61% and a 22 point lead) and giving a voice to groups that aren't always heard in mainstream media (selected by 45% of respondents, a 7 point lead over the next highest programme, Question Time – 2011: 44% and a 4 point lead over the next highest programme, Watchdog). Unreported World and Dispatches were joint top for making people see something in a different light (43% of respondents).

PROGRAMME REPUTATIONS: CURRENT AFFAIRS

People who believed the following statements applied to the current affairs strands they had watched...

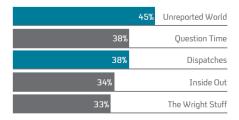
COVERS THINGS IN GREAT DEPTH





ALTERNATIVE

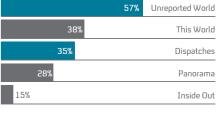
GIVES A VOICE TO GROUPS THAT AREN'T ALWAYS HEARD IN MAINSTREAM MEDIA



Source: Ipsos MORI commissioned by Channel 4

ALTERNATIVE VIEWS

SHOWS STORIES ABOUT PARTS OF THE WORLD YOU WOULD RARELY SEE ON BRITISH TV

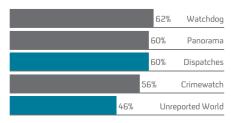


Source: Ipsos MORI commissioned by Channel 4

Channel 4 programmes

Other broadcasters' programmes

UNCOVERS THE TRUTH

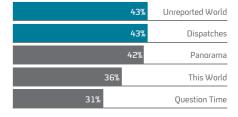


Source: Ipsos MORI commissioned by Channel 4

STIMULATE

DEBATE

MADE ME SEE SOMETHING IN A DIFFERENT LIGHT



INSPIRE

CHANGE

Source: Ipsos MORI commissioned by Channel 4



"The training, access to senior industry figures, and hands-on experience is unparalleled for a young journalist"

Keri Sutherlands, Investigative Journalism Trainee Even in a digital world, where the available quantity of news is greater than ever, it is clear that investment in skilled, investigative journalism is coming under increasing pressure. To help counteract this, Channel 4 launched a £250,000 investigative journalism training scheme. Ten journalists from different stages of their careers were given the opportunity to work within a production company (for 6-12 months) to develop ideas for Dispatches. Participants had access to intensive training, from technical camera skills to financial journalism and datamining, as well as mentoring and masterclasses, and took part in workshops on digital technology and social media.

Anna Drury and Elham Rizi, who were placed within ITN Productions commented that it was "the perfect opportunity to hone our skills and the training provided has been tailored to ensure that we can hit the ground running. Seeing the programmes that we have intensively worked on coming to fruition has been such a rewarding experience..."

Trainees placed with production companies up and down the UK

Scheme returning in 2013



Trainees worked on Dispatches including Can you Trust your Bank?, The Real Mr & Mrs Assad and Secrets of your Partner's Past



"Channel 4 News has been sharp, compassionate, balanced but never afraid to signal a view. News that believes in intelligence first."

The Observer

In 2012, Channel 4 News invested in a number of long-running, high-impact and multiplatform investigations, efforts that resulted in the programme winning a record six RTS Journalism Awards, including Daily News Programme of the Year and National Presenter of the Year for Jon Snow. The year-long 'Jobs Report' was a powerful way to cover one of the biggest stories of the year - the recession – by focusing on job-seekers and capitalising on our relationship with younger audiences. The project included television reports, analysis, online videos and contributions from the public exploring different aspects of the youth unemployment debate, as well as a popular televised debate at Channel 4 entitled Class of 2012 held in partnership with our education strand Battlefront, which brought together young people, politicians and industry leaders.

We tapped into contemporary concerns about online safety and child protection with an exclusive and shocking investigation into Habbo Hotel. After spending two months on the popular online teen community site posing as an 11 year old girl, reporter Rachel Seifert uncovered the fact that the platform had been used by paedophiles to engage with and abuse children. Immediately after the story broke, British and European politicians condemned the site, UK retailers stopped selling Habbo Hotel gift cards, investors withdrew financial support and the company was forced to announce new safety procedures.

A panel of leading industry figures — The C4 Jobs Ambassadors — offered key skills, advice and experience in the creation of the Jobs Report

"...consistently in a class of his own. Beautiful writing, unequalled versatility and the sense he is as enthusiastic, inquisitive and committed to quality journalism as ever in his long career"

RTS Journalism Awards — judges' comments on Jon Snow, National Presenter of the Year winner

Panel members at the Class of 2012 debate included Stella Creasy MP, Damian Collins MP and David Miliband MP



"Channel 4 News has produced a remarkable portrait of urban warfare in the Syrian city"

New York Times on Horror of Homs

Channel 4 News' reporting of the Syrian conflict epitomises our commitment to exploring complex and hard-to-access international stories. We sought to give viewers unrivalled insight into what was happening on the ground, with front-line correspondents, eye-witness films and testimonies from civilians living in Syria. The conflict was intertwined with global politics and fuelled by inaccuracies and half-truths from all sides — a reality we reflected, even when it meant challenging popular narratives.

Early in the year, a special report, Horror of Homs, was one of the first to distil a clear story from the mass of grainy amateur footage of the bombardment of the town of Homs. After airing on Channel 4 News it was shown on other channels across the world, and went on to win the RTS Journalism Independent Award. Channel 4 News continued to work with Mani, the French photographer who made the film, and his reports from Syria provided a multi-faceted view of the conflict. Our chief correspondent, Alex Thomson, visited Syria several times during the year, and was the only international journalist to get into Houla, a town that suffered a shocking massacre in May 2012. Alex tried to get the story out as widely as possible - writing for national newspapers, tweeting and blogging as he travelled from house to house hearing stories of personal horror. Following his trip he was interviewed by the UN as part of their investigation into the massacre.

Horror of Homs had more than 1.3 million hits on YouTube and the Channel 4 website

A Channel 4 News video of wounded, blindfolded men chained to beds shocked the world and led to a UN investigation Alex Thomson was the first British journalist to report from the town of Houla immediately after the massacre



- 2012 ambitions
- Broaden range of comedy and entertainment output
- Invest significantly in new formats, development and piloting
- Continue commitment to uncovering and developing new talent,
 while celebrating those with long-standing relationships with Channel 4
- Harness digital media's ability to provide interactive experiences around entertainment content



As well as developing our role as the established hothouse for much of Britain's best comic talent, in 2012 we used our comedy and entertainment schedules to raise money for cancer research, change perceptions of disability and stimulate and inform our audience on a range of important issues. Entertaining people is one thing – but when we can make them laugh *and think* we know we are on to something special.

More than just a laugh

In 2012 we sought to make the most of our 'mission with mischief' by using comedy and entertainment to focus on social issues – health, religion, the economy – that might otherwise have been entirely confined to our news or documentary programming. A highlight of the year was the hugely successful Stand Up To Cancer – a star-studded fund-raiser for cancer research (see case study).

Elsewhere, Derren Brown, better known as a magician and illusionist, asked some challenging questions about the nature of religious belief, 10 O'Clock Live continued to engage young audiences with entertaining political debate and The Work Experience gave the very sober theme of youth unemployment a comic slant.



I'm Spazticus



Stand Up For the Week

"One of the main reasons
discrimination happens is because
people are just not used to seeing
disability. The more they do, the more
normal it will be to see us and the less
disconcerted they will feel"

Tim Gebbels, Actor, I'm Spazticus

Experimentation and innovation

2012 saw us maintain the flow of new titles and formats we began in 2011, allowing us to attract new talent and give existing talent the space to experiment. Our Funny Fortnight featured nine pilot sitcoms and one-off shows: including Bad Sugar, I'm Spazticus, Toast of London, The Function Room and Just Around the Corner. Other comedy pilots during the year included Ricky Gervais' Derek and Irish comedy duo The Rubberbandits.

Our entertainment schedules were equally full of new ideas as part of our ongoing commitment to experimentation — efforts that have given us several shows that will return in 2013.

Innovation means new kinds of viewer experiences as well as new talent and titles — and this proved to be an area of great success in 2012. Made In Chelsea had an extensive multiplatform presence, including an online-only spinoff programme and partnerships with Spotify and YouTube.

The play-along game for *The Bank Job* became one of Channel 4's most popular games ever, and we launched mobile apps with exclusive content for hit comedy shows such as *Facejacker*. We updated our BAFTA-winning *Million Pound Drop* game and, in doing so, offered new game features to players who registered their details with Channel4.com. This, in turn, supports our viewer management strategy by giving us more information about who they are and enables us to develop a stronger relationship, especially with our younger audiences.



New smartphone versions of *Million Pound Drop* game were downloaded **1.6 million times**



0

The Bank Job online game played 7.3m times in 2012

Stars of the future - and the past

At a time when there is more competition than ever for established comedy stars, we believe we should distinguish Channel 4 by backing the new and undiscovered. In 2012 we promoted a host of new comedians – with E4's Cardinal Burns winning a British Comedy Award and two Broadcast Awards and I'm Spazticus featuring a ground-breaking line-up of new disabled performers. Midnight Beast proved a huge hit amongst young audiences with 64% of its viewers aged 16-34. Almost half the audience said they had talked about the programme with their friends, and the show inspired masses of comment on social media, as well as views on 4oD. Entertainment formats such as Stand Up For the Week and 8 out of 10 Cats continued to play a major role in uncovering fresh comic talent for Channel 4, with graduates including Jon Richardson and Jack Whitehall. Other stars emerged during the year, such as Josh Widdicombe, Paul Chowdhury and Sara Pascoe.

Channel 4's history of discovering and nurturing the very best of the UK's comic stars was celebrated in our special 30th anniversary season, Funny Fortnight, which profiled classic comedy from our archives as well as brand new shows from some of today's comedy legends who began their careers on Channel 4.

A broad slate

Finding new comedy and entertainment hits is, notoriously, one of the trickiest tasks in television — and in 2012 we tried out many different genres and formats, with chat shows, satire and impressionists sitting alongside sitcoms and sketch shows. With *Full English* we made our first venture into animated adult comedy. The show was the first commission from Two Brothers Pictures, and was accompanied by a multi-layered online game.

We vastly expanded our entertainment slate with a spread of new commissions — including the first live charity telethon in our history, Stand Up To Cancer, as well as panel shows, scripted reality, dating shows, magicians and topical review formats. The Last Leg's warmhearted banter not only helped to reshape the tone of entertainment on Channel 4 but also the language around disability generally. Derren Brown's specials, particularly the audacious Apocalypse, reflected our ambition for big, high-profile entertainment ideas.





Derren Brown: Apocalypse

"Really enjoying The Last Leg on C4. #isitok to have more programmes that aren't patronising about disability?"

on demand

Derren Brown: Apocalypse Part 1: More than 1 million views on 4oD in 30 days





"Channel 4 has been the home to the best British comedy from the day it started"

The Times

A two-week celebration of Channel 4's huge contribution to British comedy over the last 30 years, Funny Fortnight, dedicated a massive 45 hours to comedy programmes, including 11 brand new shows as well as stand-up and archive classics. Many of today's big names came back to the channel that had helped launch them; there was new work from Vic and Bob and Kayvan Novak; new sitcoms from the writers of Father Ted, Drop the Dead Donkey and Peep Show; and fresh stand-up from Peter Kay, Russell Brand and Dylan Moran.

Female talent was a major focus – Bad Sugar, written by Sam Bain and Jesse Armstrong, starred three of the biggest female names in British comedy: Olivia Colman, Julia Davis and Sharon Horgan. Morgana Robinson and Sally Phillips starred in the sketch show Them from That Thing. In addition to this new material, we reflected on Channel 4's comedy past with previously unseen material, a countdown of Channel 4's greatest comedy shows and classic episodes of such cult series as The IT Crowd, Father Ted, Brass Eye, Inbetweeners, Peep Show and Spaced. The season was a huge hit – reaching 22 million viewers across the two weeks.





hours of programming



"Moved, inspired, encouraged, entertained, challenged by all that's happening tonight with Stand Up 2 Cancer"

@abigregory - Viewer tweet

With a mission to inspire change and a strong track record of programmes that have had real-world impact, we held our first-ever live telethon and fundraising campaign, Stand Up To Cancer. This brought together an array of A-list celebrities, from George Clooney and Bradley Cooper to Gwyneth Paltrow and Cheryl Cole, to raise money for Cancer Research UK and became the most successful charity fundraiser debut on UK commercial television ever.

A week of highly emotional programmes, which included a documentary about a choir for people recovering from cancer and an *Embarrassing Bodies* special on the disease, came to a climax with a six-hour live fundraising event. Hosted by Alan Carr, Davina McCall and Dr Christian Jessen, the evening featured live performances, celebrity games and some powerful films telling the stories of those affected by cancer or whose lives depend on new breakthroughs in cancer research.



More than 7 million viewers tuned in

84% of viewers said it made them feel they could make a difference to combating cancer





Dr Christian explained some of the science behind the ground-breaking new cancer trials that Stand Up To Cancer will be funding. The event had an enormous impact – trending on Twitter and with more than one million stories relating to Stand Up To Cancer shared on Facebook. Audience research found that the show raised awareness of the disease and inspired action – with viewers much more likely to donate to cancer charities after having seen the programme.

Viewers also felt it connected with Channel 4's values — with 84% of viewers sampled agreeing that Stand Up To Cancer was well-suited to Channel 4. Most importantly, the campaign raised more than £8 million for Cancer Research in the UK — becoming the most successful first-year telethon ever held in the UK.

80% of viewers said it made them more aware of the effects of cancer

69% of viewers were much more likely to donate to cancer charities after having seen the programme

More than £8m raised for Cancer Research UK

The most successful charity fundraiser debut on UK commercial television ever





2012 ambitions

- Build visibility and impact of education commissions by increasing integration and collaboration with other Channel 4 brands
- Expand television commissions to create balanced multiplatform presence
- Invest in major children's commission
- Maintain commitment to digital innovation through online games



Rather than ghettoising educational content and children's content, in 2012 we aimed to bring them into the mainstream of our output and make them an integral part of what audiences love about Channel 4.

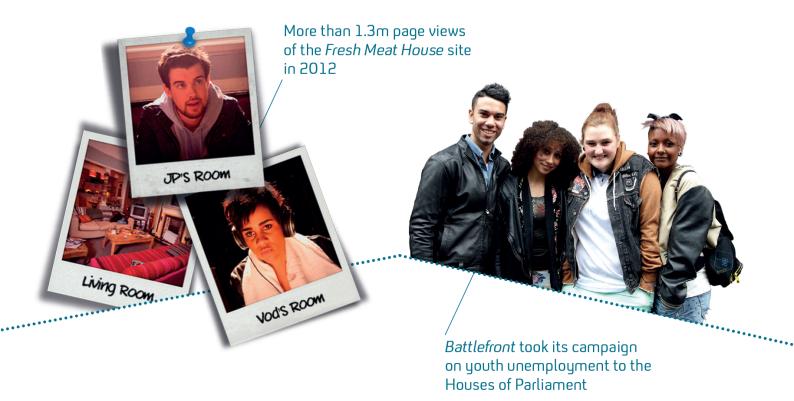
Don't forget television

Channel 4's remit requires us to provide educational content for all ages, with an additional requirement that we focus on 14–19 year old teens. In recent years our educational projects for this teen audience have won critical acclaim and had tangible impact in the real-world but in 2012 we wanted to do even better, and in particular reach wider audiences with our educational content. We therefore set out to use more of the biggest tool we have to drive attention: television. This meant developing online projects that tie in to TV programmes we know have powerful resonance with teenagers, as well as commissioning programmes in early evening and peak-time slots, along with series and single films.

We commissioned a dedicated website to support a *Hollyoaks* storyline on bullying, particularly focusing on the way social media can be used by teens to bully their peers (see case study). We worked with the producers of *Fresh Meat* to commission an online spin-off that would give teens resources and guidance on starting university and leaving home for the first time.

Fresh Meat House offered information on relationships, online safety, drugs, alcohol, sexual health, careers, budget planning and bereavement — all delivered in an informal and engaging tone. And we worked to make sure that wider social issues being explored across Channel 4 included a young person's perspective, for example our teen project Battlefront collaborated with Channel 4 News to examine the reality of youth unemployment.

A major peak-time three-part series, Gok's Teens: The Naked Truth attracted audiences of more than two million (see case study). The Human Mannequin, a documentary about 18 year old Louise Wedderburn, attracted 2.5 million viewers, with a disproportionately high share of young people. It also delivered fantastic online engagement, with young people taking to blogs, Twitter and Facebook to interact with Louise and her story of trying to break into the fashion industry despite a rare genetic condition. Daredevils, fronted by bike star Danny McAskill, was a documentary aimed at young boys and demonstrating how to enjoy dangerous sports while managing the risks involved. It was accompanied by a successful YouTube viral campaign.



Delighting children

We ended the year with a smash-hit sequel to iconic children's film *The Snowman*. Forming the centrepiece of our Christmas schedule, *The Snowman and The Snowdog* was made entirely in the UK by Lupus Films using the same hand-drawn animation techniques as the original film. With a total of 77 artists aged between 21 and 84 producing around 200,000 drawings over the course of two years, it represented a scale of investment in animation rarely seen in the UK.

It was written and directed by Hilary Audus and Joanna Harrison – both of whom worked as animators on the original film, produced by original producer John Coates before his death, and was developed in consultation with children's author Raymond Briggs, the creator of The Snowman. To extend the fun, the characters were brought to life in a hugely successful children's game, created by East Midlands developer Crash Lab, which generated more than one million downloads, as well as an audio e-book featuring original illustrations and narration by Benedict Cumberbatch. The film itself was a huge hit – watched by more than 11 million viewers over the festive season.

Digital innovation

Alongside the increased emphasis on television, we sought to maintain our reputation for digital innovation. Channel 4's newly appointed Games Commissioner worked closely with the education team to develop games on issues ranging from financial literacy to healthy eating and the environment. These included International Racing Squirrels, a financial literacy game for younger audiences; Footfall, a Facebook game that encourages entrepreneurial thinking; and Nom Nation, about the impact food can have on your health. We have also been active in building relationships with emerging games companies such as Big Robot, whose first commission, Fallen City, was nominated for a British Interactive Media Award.



"Louise Wedderburn is an inspiration.

If only you could bottle that
enthusiasm #thehumanmannequin"

@DanMcCready - Viewer tweet



"We are excited to have Channel 4's backing and their support in helping to raise awareness of our mission to make bullying unacceptable"

Emma-Jane Cross, CEO of CyberMentors and BeatBullying Hollyoaks has a history of tackling sensitive issues - most recently mental health, homelessness and drug abuse. In 2012 we wanted to highlight a 21st century problem: the risks young people can face online from cyberbullying. Working with the charity BeatBullying, we developed a ground-breaking multiplatform project, DocYou, which ran alongside an on-screen storyline about bullying. Through DocYou, viewers could see a Hollyoaks character suffer online abuse by her peers in real-time. The project was supported with videos, tips, forums and advice to help teens deal with their own experiences of cyberbullying.

While increasing awareness of cyberbullying in general, the DocYou project helped raise the profile of BeatBullying's cyber-mentoring scheme, a training scheme designed to help 11–17 year olds safely explore the internet and respond to bullying (online or off). Members of the *Hollyoaks* cast were trained as cyber mentors and Channel 4 funded mentor schemes in four schools across the country.

The on-screen storyline and DocYou project had a real impact — sparking debate across Facebook, Twitter and blogs.

"Sites like DocYou and shows like Hollyoaks that are tackling the issue of cyberbullying are so important"

Chan, Blogger

1 in 3 young people have been victims of cyberbullying

(Virtual Violence II – Report commissioned by BeatBullying)

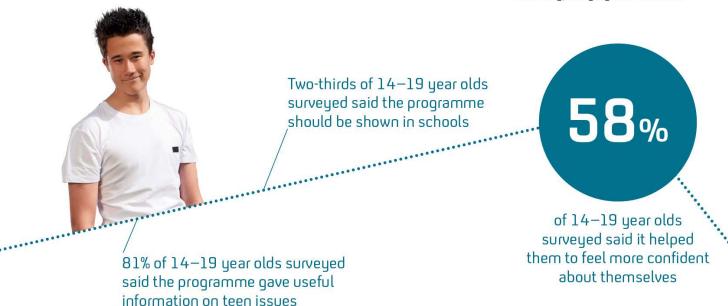


"Wan is the inspirational presenter who lavishes warmth, advice and hugs on a nation with body confidence issues"

The Daily Telegraph

The desire to 'fit in' and a fear of seeming different are perennial issues faced by teenagers. In Gok's Teens, Gok Wan set out to help young people through this turbulent time, showcasing inspiring young people and using his own personal experiences to help teenagers deal with such issues as body confidence, sexuality, bullying and eating disorders.

The series had a big and positive impact: more than half its 14–19 year old viewers said it made them feel better about themselves. Its educational elements were equally successful; here too, more than half the 14–19 year olds sampled said they had learnt something new about each of the key issues featured in the series, including sexuality, bullying and anorexia.



Engaging the audience

Audiences lie at the heart of everything we do at Channel 4. Our unique model means that we aim to have as wide an appeal as possible while also reaching out to specific demographics under-served by other broadcasters. We worked harder than ever in 2012 to engage with our viewers, harnessing new technologies to allow us to better understand their likes and dislikes and develop a more personal relationship with audiences that we expect to deepen further over time.

Television

Traditional television has remained remarkably resilient in the face of increased competition from the likes of YouTube, Facebook and Twitter.

Indeed, 2012 proved that huge television audiences are not just a hallmark of days gone by: all the main UK broadcasters drew large audiences to their coverage of major one-off events such as the London Olympics, the Queen's Jubilee and Euro 2012.

The Olympics closing ceremony attracted a bigger average audience than any for more than 30 years.

For Channel 4 the Paralympic Games was a landmark moment, and we achieved some of our biggest viewing figures in a decade, with the Opening Ceremony peaking at 11.6 million.

Meanwhile, more than 11 million people viewed *The Snowman and The Snowdog* over Christmas.

The high audience figures enjoyed by other broadcasters for major events meant that, even with the Paralympic Games, 2012 was a highly competitive year for audiences, which inevitably impacted our share of viewing. Our portfolio viewing share fell marginally to 11.5%.

The average monthly reach of our portfolio also saw a small drop of 1 percentage point year on year in line with all other terrestrial broadcasters. We were pleased that, notwithstanding the intense competition, we were able to continue to stem decline on the main channel, with the smallest drop in share for more than five years (including time-shift channels). We had particular success in renewing the key 9.00pm peak time slot, with audiences up across 2012 for all individuals and amongst 16-34 year olds. The digital channels continued to grow strongly: E4 and Film4 both had record-breaking years, achieving their highest-ever share amongst all individuals and amongst 16-34 year olds. More4 also increased its reach.

Channel 4 continued to perform disproportionately well amongst hard to reach groups — in particular, profiling strongly amongst ethnic minorities and young audiences, in comparison to the other PSBs. We maintained our portfolio share amongst BAME audiences, following declines in some previous years, and the gap between the viewing share for white and BAME audiences continued to be narrower for Channel 4 than for the other public service broadcasters.

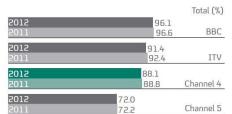
Amongst 16–34 year olds we attracted a 16.9% portfolio share. This was very slightly down from 2011, but we were still the only public service broadcaster whose share of 16–34s was higher than its share amongst the general population. E4 continued to be the most popular digital channel amongst 16–34 year olds, and the fourth most popular channel in total, ahead of BBC2, Channel 5 and ITV2.

Our audience tracker survey showed that Channel 4 continued to lead over other channels for being best for catering for audiences that other channels don't.

Channel 4's achievements are underpinned by our creative renewal, which allowed us to deliver a slate of distinctive new programmes across a range of genres. As powerful evidence of the success of these new programmes, 36 of the top 50 most viewed shows on Channel 4 in 2012 were brand new titles.

AUDIENCE REACH

Average monthly reach of public service broadcasters' TV portfolios



AUDIENCE IMPACT

88.1%

of all TV viewers reached every month across Channel 4's TV channels

Down	0.7pts

on last year

TV VIEWING SHARE

Channel 4 portfolio share as a percentage of total TV viewing

			lotal (%)
2012	6.6	4.9	11.5
2011	6.8	4.8	11.6
2010	7.0	4.4	11.4
2009	7.4	4.1	11.5
2008	8.1	3.7	11.8
Channel 4	Digital TV channels		

viewing share across the TV channel portfolio

AUDIENCE IMPACT

Down 1% on last year

Percentage reach of individual TV channels in Channel 4 portfolio

-			Total (%)
2011		81.9 82.9	Channel 4
2012	36.8 39.0		E4
2012	39.5 38.6		More4
2012	35.9 33.7		Film4
	0.4 L0.8		4Music

Source: BARB

15 minute consecutive, average monthly reach, all people

Note: Channel 4 2012 data includes 4Seven and the Paralympics channels. See methodology for further details.

Viewing share of digital channels as a percentage of total TV viewing

(main channel)

					To	tal (%)
2012	1.8	1.2		1.5	0.3	4.9
2011	1.8	1.2		1.4	0.3	4.8
2010	1.8	1.1	,	1.2 0	.3	4.4
2009	1.7	1.1	1.0	0.3		4.1
2008	1.6	0.9	0.9	0.3		3.7
● E4			N	lore4		
Film	4	4Music/The Hits				

Source: BARB

Rounding differences may occur

Note: Channel 4 2012 data includes 4Seven and the Paralympics channels. See methodology for further details.



2012's most praised programme was *Sri Lanka's Killing Fields: War Crimes Unpunished*

2012's highest-rated programme was Paralympics Opening Ceremony



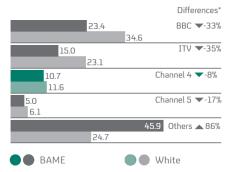
Sri Lanka's Killing Fields: War Crimes Unpunished

year olds

Up 4% on last year

SHARE AMONGST HARD TO REACH AUDIENCES

Public service broadcasters' portfolio viewing amongst white and BAME audiences as a percentage of total TV viewing by those audiences (2012)



*Viewing by BAME audiences compared to white audiences

Public service broadcasters' portfolio

viewing amongst 16-34 year olds and all audiences as a percentage of total TV viewing by those audiences (2012)

18.5

16.9

portfolio viewing share amongst **BAME** audiences

BBC **▼**-24%

ITV ▼-17%

Channel 4 ▲46%

Channel 5 ▼-1%

33.0 Others ▲24%

Level with last year

portfolio viewing

16-34 year olds

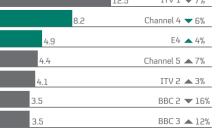
Down 1% on last year

share amongst



Year on year change

CBeebies **▼** 3% Sky **▼** 10%



Source: BARB

MOST POPULAR CHANNELS FOR

viewing by this age group

Viewing for the top 10 channels amongst

16-34 year olds as a percentage of total

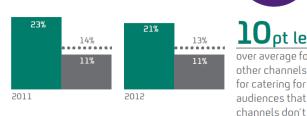
YOUNG VIEWERS

Rounding differences may occur

CHANNEL REPUTATIONS

People who believed Channel 4 is the channel to which the following statement most applies...

CATERS FOR AUDIENCES OTHER CHANNELS DON'T CATER FOR



• • • • Next highest PSB channel

Channel 4

Average for other main PSB channels (BBC1, BBC2, ITV1 and Channel 5)

Upt lead over average for other channels for catering for audiences that other

CULTURAL DIVERSITY

cater for •..•

Down 2pts on last year



● ● 16-34 year olds

26.5

All

Source: BARB

5.9

Rounding differences may occur

Source: Ipsos MORI commissioned by Channel 4 Rounding differences may occur

64% of total viewing across the main channel, E4 and More4

was accounted for by network originations

Digital

In a world of rapid technological change, Channel 4 seeks to be on the front-line of innovation in digital media. In 2012 this saw us pursuing new platforms for our on-demand services, launching a new TV channel, 4Seven, innovating with mobile apps and connected televisions, and using the insights derived from online registrations to drive forward our business.

4oD is now available on a plethora of devices and platforms, including Xbox and YouView. It continued to grow in 2012, with total views up 5% to 450 million. Its particular popularity with younger audiences saw shows such as *Made in Chelsea* generate more than 10 million views in 2012 via Channel4.com alone.

The year saw the launch of YouView, a connected TV service of which Channel 4 is a founding shareholder. YouView combines digital TV with video-on-demand services (including catch-up and archive libraries) and is subscription-free — addressing a large gap in the market by serving audiences who do not want to, or cannot, pay monthly fees for pay TV.

Adam Hills

Reflecting the fact that it will take some years for penetration of connected TVs to grow to significant levels, we also launched 4Seven, a new digital channel providing further opportunities to catch up on Channel 4's most popular and talked about shows based on the 'buzz' from the last week.

Exclusive online content enables us to deepen the viewer experience. In 2012, there were 447 million visits to Channel 4's websites, mobile sites and apps, up 18% from 2011. This growth was particularly driven by an increase in visits to our apps — with popular products including those for Facejacker, Misfits, Embarrassing Bodies and Million Pound Drop with 40D and 4Seven.

We also started to see results from our initiatives to develop new forms of digital media, most notably with formats that embrace the potential of connected televisions. These included a series of prototype smart TV applications based around the Paralympics – one of which gave users access on their televisions to up-to-date information on upcoming events and medals tables as well as interactive 3D models of the specialist equipment used by the athletes. We also worked to develop products that let viewers instantly clip and share programmes via their TVs or smartphones and we continue to explore how connected televisions can make use of augmented reality, motion control, and face and gesture recognition technology.

> "#isitok to ask channel 4 to keep this show going even when the paralympics have finished"

@daddyfarmer - Viewer tweet

Audience feedback

There are a plethora of ways in which we can gather and assess audience feedback, from contacts made to our Viewer Enquiries Centre to bespoke audience research and comments made on social media. As further evidence of the success of our creative renewal and in line with our remit to stimulate debate. the average 'buzz' score for Channel 4 programmes - a metric that tracks the extent to which people tell us they have talked about our shows - rose in 2012 by 9%. Programmes that achieved high levels of buzz included Derren Brown's Apocalypse, The Snowman and The Snowdog, The Last Leg With Adam Hills, Channel 4's coverage of the Paralympics and The Undateables.

During the year, our Viewer Enquiries Centre was contacted 141,196 times, the majority requests for further information. Of the rest, we received 18,929 complaints and 4,482 appreciative comments. The Paralympics received both the biggest number of positive and negative comments across the two-week period it was broadcast (the majority of complaints were in reference to advertising breaks) while the most praised individual programme was our follow-up film on the Sri Lankan conflict, Sri Lanka's Killing Fields: War Crimes Unpunished, which received 150 positive comments.

The most complained about individual programme was Islam: The Untold Story — although it also received a high volume of appreciative comments, as is common with polemical pieces on sensitive subjects. Other programmes that were particularly praised by viewers included The Last Leg with Adam Hills and the Ricky Gervais comedy pilot Derek, while programmes that received complaints included True Stories: Gypsy Blood and Big Fat Gypsy Weddings.



One Born Every Minute

"Touches of the extraordinary among the everyday make this midweek series charming. Midwives and miracles, babies and biscuits"

Daily Telegraph on One Born Every Minute

ON DEMAND VIEWING

Full-length Channel 4 programme views initiated, millions

2012	450
2011	429

Source: Channel 4

450m

DIGITAL

full-length programme views initiated on demand

.... Up 5% on last year

> STIMULATE DEBATE

TOTAL VISITS TO CHANNEL 4'S WEBSITES, MOBILE SITES AND APPS

Total visits to Channel 4's digital media, millions

356	92	447
361	19	380

Visits to apps

and mobile sites

Source: Channel 4 Rounding differences may occur total visits to Channel 4's websites, mobile sites and apps

DIGITAL

Up 18% on last year

PRODUCING TALKED ABOUT TV

Top 10 most talked about programmes across the Channel 4 portfolio (2012)

	Buzz (%)*
Derren Brown: Apocalypse	76
My Big Fat Fetish	74
Is Our Weather Getting Worse?	70
The Snowman and The Snowdog	70
The Last Leg With Adam Hills	66
Paralympic Games 2012**	66
Make Bradford British	65
Paralympics Closing Ceremony	65
Paralympics Opening Ceremony	65
The Undateables	65
Average for top 10	68

Source: Kantar Media commissioned by Channel 4

- Buzz measures the proportion of viewers who had talked or communicated about the programme in some way. See methodology document for further detail.
- ** Weighted average all coverage



average buzz score for Channel 4's 10 most talked about programmes

....

Up 9pts on last year



Ricky Gervais' new show, Derek, was one of our most praised programmes