

BBC: Another year of strong growth in sales, profits

LONDON, UK: BBC Worldwide will today publish its Annual Review for 2011/12 showing an 8% rise in headline profit to £155m (2010/11: £144m). Profit before tax of £104m (2010/11: £92m excluding gains on disposals) is up 13% on a like for like basis. The company grew headline sales by 5% to £1085m in the 12 months to 31 March 2012 (2010/11: £1030m). These figures exclude the BBC Magazine titles sold and licensed in the year.



Alongside the sale of our magazines business for a consideration of £121m, the strong operating performance has helped lift the overall return to the BBC by 19% to a record £216m (2010/11: £182m) which takes returns to the BBC since 2004 to over £1.3bn. Total investment in programmes for distribution this year has risen by 6%, to £99m (2010/11: £93m) supporting both the BBC and the wider creative economy.

The results mark another successful year in taking great British content to the world, benefiting the UK's creative exports. International sales as a percentage of the total increased by 9 percentage points to 64% (2010/11: 56%) as the business continues to sharpen its focus on international markets.

This year, our top selling programme brands were all BBC commissions: *Top Gear*, *Doctor Who*, *Frozen Planet*, *Torchwood*, *Spooks*, *Sherlock*, *Planet Earth* and *Natural World*, each of which sold in over 100 markets.

Digital sales increased to 13% of net sales from 8% in 2010/11, driven by very strong growth in sales to subscription video-on-demand providers. Its games business released 11 games in the year, resulting in 3.5m downloads, while our TV programmes have been downloaded over 31m times around the world to date. BBC Worldwide has seen considerable growth in apps and its fans on Facebook: 25m apps have been downloaded to date and fans of the company's global brands grew to over 23m. The company successfully launched a pilot of the Global BBC iPlayer in 16 markets across Western Europe, Canada and Australia.

Driving growth, reinvesting

Announcing the results, John Smith, chief executive of BBC Worldwide, said BBC Worldwide's role in driving growth for the wider UK creative industries and reinvesting money back into the BBC is more important than ever in a tough financial climate.

John Smith said: "This was another powerful performance from BBC Worldwide. By offering world-class British programming and brands that resonate with global audiences, we were able to lift headline sales beyond a billion pounds for

a fourth year in succession and deliver impressive results."

"This year we parted company with BBC Magazines, which continues to publish its high quality titles through Immediate Media Company. This move has helped rebalance our portfolio for future growth and also provided a significant cash return back to the BBC."

"We are proud of the record financial contribution we made to the BBC in addition to our role in championing UK shows, brands and talent around the world. These results have enabled BBC Worldwide to return £216m to the BBC, supporting development of world-class, original content in the context of a tighter licence fee. BBC Worldwide also distributed programmes and formats produced by more than 200 UK independent producers in the year. I am proud of the unique role we play in helping our sectors of the UK creative industries to expand through exports."

Mark Thompson, director-general of the BBC and chairman of BBC Worldwide, said: "Serving as director-general of the BBC gives me a unique perspective on the value created by BBC Worldwide. In the last eight years, revenue has almost doubled, headline profits have grown four-fold and over £1.3bn has been returned to the BBC. In a tough financial environment, BBC Worldwide delivered a record £215.7m return to the BBC in the year. I am proud of the work BBC Worldwide does to support not just the BBC, but Britain's creative industries."

BBC Worldwide's performance was underpinned by its strategy, with progress delivered against all five key strategic objectives:

DRIVE DIGITAL GROWTH: "With sales from digital activities now at 13% of total net sales, we are aiming to meet a new target of 15% by 2015."

BECOME MORE INTERNATIONAL: "International sales increased from 56% to 64% of total headline sales. We have focused in particular on the English-speaking markets of the USA and Australia, which were our biggest growth markets in 2011/12, delivering growth of 15% and 9% respectively. In June 2012, BBC Worldwide announced a reorganisation that will further increase its focus on international markets, enabling it to capture future growth opportunities around the world."

GROW THE SCALE OF OUR TV CHANNELS: "Headline sales in the Channels business rose 14% with the continued roll-out of BBC-branded channels and improving advertising demand. Our biggest channel, BBC America, was one of the fastest growing networks for ratings and subscriptions in the USA and is now in 77m homes, up from 69m last year. UKTV, our joint venture partnership with Scripps Networks Interactive, continues to remain a significant source of income and profit for BBC Worldwide. We grew the number of subscribers globally from 343m to 356m, launched 10 new services including BBC HD as a full commercial channel in Spanish-speaking Latin America."

INCREASE INVESTMENT IN CONTENT: "Core to our mission is delivering high-quality distinctive programming to audiences around the world and we invested £99m in distribution rights for great content during the year. BBC IP is the cornerstone of our content strategy and forms the vast amount of investments we make. However given the needs of the different markets we serve, we also commission and invest in bespoke local programming and some of the best UK productions from other broadcasters."

DEVELOP MORE DIRECT CONNECTIONS WITH CONSUMERS: "Understanding consumer preferences and developing a closer relationship with audiences around the world is key to our strategy and success. Our top five brands - Top Gear, Doctor Who, Lonely Planet, Dancing with the Stars (the international version of Strictly Come Dancing) and BBC Earth - account for 30% of company headline sales and around 47% of our sales now come from 12 brands. 1.5m tickets were sold to BBC Worldwide live shows across 10 countries in 2011/12. The breadth of Live Events we offer has grown significantly over the last year, and our ambition is for this to double again within the next year."

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