

**MINUTES OF THE 107th MEETING OF THE BOARD OF CHANNEL FOUR
TELEVISION CORPORATION**

**HELD AT 124 HORSEFERRY ROAD,
LONDON SW1P 2TX
ON 28 FEBRUARY 2005**

In attendance:	Paola Tedaldi	Secretary
	John Newbigin	Head of Corporate Relations
	Sue Ford	Finance Director
	Peter Dale (part)	Head of Documentaries
	Dan Brooke (part)	Controller, Digital Channels
Apologies:	Barry Cox	Deputy Chairman

Please note that commercially sensitive information has been redacted.

Directors' Reports –

Andy Duncan reported that the Ofcom Report, which was published in February, represented a sensible roadmap to discuss the possible ways to help the Channel going forward. There will be a further review for the Channel in 2006/2007 when the Channel will have a much better sense of how the build up to the digital switchover process is unfolding.

The BBC Green Paper has been delayed, but is now due out on 2nd March.. The main source of interest for us in the Green Paper is the role the government expects the BBC to play in achieving switchover.

On the organisational changes, Andy Duncan reported that these were announced on 31st January and have generally been well received across the Channel. Where relevant, more detailed departmental plans are currently being worked on. In particular, Graeme Mason is looking at the 4 Rights business and Heather Rabbatts is looking at 4 Learning. A series of staff briefings for all employees also took place during February to communicate the outcome of the Ofcom Review, the objectives for 2005, as well as updates on programming and commercial issues. Again, these went down well and morale seems positive across the Channel.

In terms of advertising, Andy Duncan reported that the Channel has had a remarkably good first quarter, with revenue up year on year.

**Reports – C4 Paper
640 (05/05)
Andy Duncan**

David Scott

David Scott gave an update on digital switchover. In terms of coverage, the Ofcom Coverage Consultation is on-going. Switchco is targeting a 4th April incorporation date, with work continuing on the legal constitution. The budget and funding contributions of the shareholders are still under discussion.

David Scott explained that Switchco would be a company limited by guarantee. He would represent Channel 4 on the Switchco board and would keep the Corporation Board fully informed.

David Scott then gave an update on the regional roll-out order. Ofcom continues with a timetable of 2008-2012.

David Scott then turned to the New Media and Rights businesses. On New Media, David Scott reported that Andy Taylor has been promoted to Managing Director, New Media and work has commenced on the integration of the 4 Learning interactive team into his department. Graeme Mason has been appointed the new head of the 4 Rights and Consumer Products businesses.

On the subject of rights and the relationship with PACT generally, it was suggested that Sara Geater should, in the future, give a presentation to the main Board on this. Robin Miller suggested that it would be helpful for various parts of the organisation to give presentations to the Board in respect of their areas.

David Scott then talked the Board through the proposal for a revised governance framework, as set out in his Board paper. David Scott also explained that a new Strategic Advisory Group would be created to advise and make recommendations to the Executive Management Committee and the Corporation Board on new business initiatives, especially in areas of strategic direction, although this Group would not have any formal decision making authority. All the current non-executive Directors of the old 4Ventures Board have agreed to be part of this group.

Andy Duncan explained that this new framework represents an interim approach.

The Board endorsed the new governance framework.

David Scott reported that the Channel is liaising with Ofcom regarding the Corporation's Proposed Arrangements under Schedule 9 of the Communications Act. This sets out the Channel's arrangements for non-core activity for approval by Ofcom. Once approved, these Arrangements will be published.

The Freedom of Information Act paper and the Legal and Marketing Reports were taken as read.

Kevin Lygo

Kevin Lygo reported that the Channel has had a fantastic start to 2005, with year to date share of 10.2%. This is 8% up on last year and our highest yearly start for 5 years.

The Channel is scheduling current affairs and religion between 6pm and 9pm on Saturday night, so it cannot expect an increase in audience during this time. Our share is also distorted by big sporting events on other channels.

In terms of recent highlights, *Jamie's School Dinners* is proving to be a tremendous success in a very tough slot. Upcoming highlights include *The Banned Season*.

Kevin Lygo then provided an up-date on the other channels. In summary, Julian Bellamy has now taken over as Head of E4, as well as Factual Entertainment. E4 is doing incredibly well, which bodes well for the rest of the year. Film Four has made a good start to the year.

Andy Barnes

Andy Barnes reported that across the first quarter the Channel's advertising revenues will be up on budget and 2004.

Andy Barnes then gave an update on the Television Consortium. The Consortium is made up of eight broadcasters which act as a working party. The purpose of the Consortium is to promote and market the use of television as an advertising

medium. Andy Barnes then took the Board through the presentation which is being given to clients.

Finance

Sue Ford reported that the Channel has had a very good start to the year.

In terms of the 4 Ventures restructure, financial reporting will be in line with the new structure by the end of the first quarter.

The 2004 audit is close to completion. The Channel has had a significant improvement in service with the appointment of KPMG as our auditors. The whole process has run very smoothly.

**Quarter 4 2004-
Quarterly Review**

Andy Duncan referred to the Quarterly Review paper which covered the 4th quarter of 2004. The Review will be familiar to the Board and is therefore taken as read. A Review for Quarter 1 of 2005 will be submitted to the April Board meeting.

Corporate Relations

John Newbiggin gave the Board an update on the Gambling Bill.

**Multi-Channel
Strategy – More 4 -
C4 Paper 641 (06/05)**

Andy Duncan then gave the Board an overview of the Multi-Channel Strategy paper.

Peter Dale then gave the Board an overview of More 4 explaining its objectives, its planned distribution and its target audience (35+ ABC1). The Board was then taken through the More 4 business plan

The Business plan was considered and discussed in detail by the Board, and Board approval was given to the launch of More 4.

**Dates of Remaining
Board Meetings
2004 – C4 Paper 642
(07/05)**

The next meeting of the Board will be held from 3:00 pm to 6:00pm on 21st March 2005 at Channel Four Television, 124 Horseferry Road, London SW1P 2TX.

Chairman

Date