

**An outstanding year for FremantleMedia with hit shows launched in major markets and further successes with established formats. Profitability rose to a record result with all three business areas – production, distribution and licensing – reporting improved earnings.**

€million	2004	2003
<b>Revenue</b>	<b>866</b>	<b>819</b>
<b>EBITA</b>	<b>101</b>	<b>68</b>





FremantleMedia powered ahead in 2004, launching successful new shows for broadcasters around the world, achieving further successes with established formats, and investing in innovative concepts and talent to deliver tomorrow's television.

With operations in over 25 countries, FremantleMedia has three main business areas focusing on production, licensing and distribution.

FremantleMedia Productions creates award-winning primetime drama, serial drama, entertainment, factual programming and comedy. In 2004 it produced almost 8,000 hours of programming, making it one of the world's largest creators of programme brands. In addition to the FremantleMedia-branded companies, the production network includes many high-profile labels around the world, such as talkbackTHAMES in the UK, UFA in Germany, Blue Circle in the Netherlands, and Grundy in Australia.

FremantleMedia has transformed programmes such as *Idols* and *The Price Is Right* into global brands. Its powerful licensing and distributions businesses, FremantleMedia Licensing Worldwide and Fremantle International Distribution, are leveraging that know-how to transform recent successes such as *The Apprentice*, *The X Factor*, *How Clean Is Your House?* and *The Swan* into household names around the world.

### FremantleMedia Production

In spite of tighter programme budgets in many key territories, demand remained strong for top entertainment formats such as *Idols*, *The Apprentice*, *The X Factor* and *The Swan*. There was also renewed interest in scripted programming in many European territories.

The entertainment format *Idols* continued to break records around the world, launching in a further 11 territories in 2004 including New Zealand, the Czech Republic, Singapore, Indonesia and India. Another entertainment format to perform strongly was the Talkback-created *How Clean Is Your House?*, which followed up its success in the UK, Netherlands and Germany with local commissions in the USA and Denmark. Local versions of *The Farmer Wants A Wife* launched successfully in Belgium and Norway.

FremantleMedia secured the international format and tape sale rights to *The Apprentice* following its successful launch on NBC in the USA in January. Since then, the show has been commissioned in 16 territories including the UK, Greece, Brazil and Germany.

2004 was also a good year for drama with new series launching in Finland (*Pelkovaara*), South Africa (*Interrogation Room* and *This Life*), Italy (*Diritto Di Difesa*) and Germany (*Verschollen*, *Sabine* and *Meine Schönsten Jahre*). FremantleMedia also launched its sixth local version of the popular drama format *Forbidden Love* in Croatia (*Zabranjena Ljubav*). Following the success in Colombia of the Invento-created telenovela *Finding Rodrigo*, FremantleMedia launched Germany's first locally-produced telenovela, *Bianca – Wege Zum Glück*, on ZDF. The novela is the channel's highest rated daytime series.



Another FremantleMedia success, *How Clean is your House?*, sold and produced internationally



FremantleMedia secured the international rights to the format *The Apprentice*

## Holdings

Be Happy: 100%  
Blue Circle: 100%  
Crackerjack: 100%  
Fremantle France: 100%  
FremantleMedia North America: 100%  
Fremantle Productions Asia: 100%  
Fremantle Produkcija: 100%  
Fremantle Productions Belgium: 100%  
Fremantle Productions Latin America: 100%

Grundy Television: 100%  
Grundy LE: 100%  
Grundy Producciones: 100%  
Grundy Productions Italia: 100%  
Grundy UFA: 100%  
Magyar Grundy UFA: 100%  
Phoenix Group: 51%  
TalkbackTHAMES: 100%  
teamWorx: 100%  
UFA Film & TV Produktion: 100%

Long-running dramas continue to thrive, from *Neighbours* in Australia to *Good Times Bad Times* in Germany and *Between Friends* in Hungary. The police drama series *The Bill* celebrated its 20th year on British TV and was commissioned for a further five years – the biggest ever re-commission by a UK broadcaster.

FremantleMedia continued to break new ground. For example, viewers of the long-running UK daily drama *Family Affairs* were given the opportunity to vote on the outcome of a key storyline during a week of interactive episodes. Talkback also made waves in the UK with the critically acclaimed new comedy *The Green Wing*, which has been re-commissioned for a second series.

### Expanding the network

FremantleMediaKM was created through a joint venture between FremantleMedia France and the French independent, KM Productions. It will specialise in producing reality and entertainment programming.

FremantleMedia also secured an initial foothold in the important and challenging Japanese market, forging a joint venture with Tokyo-based Vogue Planet to launch FremantleMedia Japan.

### International highlights

#### Germany

The Grundy UFA/teamWorx production *Bianca – Wege Zum Glück* (*Bianca – The Paths To Happiness*) was the first locally produced telenovela to air in Germany.

Setting records in Germany, UFA Fernsehproduktion produced the first ever live TV movie, *Feuer In Der Nacht* (*Fire In The Night*), for ZDF.

The teamWorx 90-minute special *Stauffenberg*, about the attempted assassination of Hitler in 1944, scooped the Deutsche Fernsehpreis 2004 for Best TV Movie.

#### UK

The Thames-produced talent series *The X Factor* hit British TV screens in October to mass press coverage and huge audiences. It became the most successful interactive show on UK TV in 2004. The broadcaster, ITV1, has already commissioned a second series.

The fifth series in Talkback's *Grand Designs* franchise, *Grand Designs Abroad*, launched in early September, achieving audiences 85% above Channel 4's primetime average.

Talkback's home improvement series, *House Doctor: Inside & Out*, became Five's highest rated domestically produced series of the year.

#### USA

*American Idol 3* continued the *Idols* phenomenon in the USA, becoming the highest rated show on Fox for the season with ratings of over three times the broadcaster's average. It was also the highest rating *American Idol* series to date. *American Idol 4* launched on Fox on 18 January 2005 to a phenomenal audience of 33.5 million, making it the third most watched entertainment programme ever in the network's history.



The police drama series *The Bill* celebrated its 20th year on British TV



Talkback's new comedy *The Green Wing* achieved high ratings in the UK

The local version of *How Clean Is Your House?* was one of the highest rated launches on the Lifetime TV cable channel. The premier episode outperformed Lifetime's primetime average by 55%.

#### Australia

*Australian Idol 2* on Network Ten was the highest rated entertainment show of the last four years in Australia. A third series will launch in late 2005. *Australian Idol* won the LOGIE award for Most Popular Reality Series in 2004.

The Crackerjack-produced quiz show, *Australia's Brainiest Kid*, achieved a remarkable 47% share of the country's commercial networks in November.

#### Asia

*Idols* cracked the Asian market having successfully launched in Malaysia, Singapore, Indonesia and India in 2004. In Indonesia, audiences grew by nearly 50% from launch and the Singapore Idol final became the highest rated show in 2004 with a market share in excess of 60%. Malaysian Idol peaked with an audience share 350% higher than the broadcaster's primetime average, and Indian Idol ranked as the broadcaster's highest rating show nearly every week.

FremantleMedia Japan, the joint venture between FremantleMedia and Tokyo-based Vogue Planet, produced its first programme in Japan, *Mirai Model (Model Behaviour)*, for TV Tokyo.

#### France

The second series of *La Nouvelle Star* in France was a success with average ratings 22% higher than the first series. The final episode beat M6's slot average by 43%.

#### Southern Europe

*Ídolos*, Portugal's second local *Idols* series, launched to ratings in excess of 40%. It beat the ratings for the first series, won its timeslot and outperformed the broadcaster's average by over 35%.

#### Scandinavia

*Idols* in Sweden was the second highest rated entertainment show of the year for TV4.

*Rent Hjem*, the Danish version of *How Clean Is Your House?*, achieved a massive 50% market share when it launched in primetime on TV2, more than 40% above the channel's average.

The first series of *Idols* in Finland was a nationwide viewing phenomenon. The final achieved a market share of 73% – over a third of the entire Finnish population. The episode became the country's highest rated show of the year.

#### Latin America

*Finding Rodrigo*, the first telenovela format to come out of the Invento joint venture, achieved huge ratings of around 60% when it debuted in Colombia. It is now under license in several countries in Latin America and Europe. *Finding Rodrigo* won the Best Script award at Colombia's *Premios India Catalina* industry awards.



*American Idol 3*: the Idols phenomenon in the US notched up 65 millions votes for the final



*House Doctor: Inside & Out* became Five's highest rated domestically-produced series of 2004

## FremantleMedia Licensing and Distribution

### Licensing

FremantleMedia Licensing Worldwide (FLW) made excellent progress in 2004, in spite of increased broadcaster competition for rights in many territories.

While revenues continued to flow from the *Idols* brand, FLW took the opportunity to open up new business streams based on in-house and third-party programmes. Mobile services were a great success – the SMS/WAP/Java game, *Family Feud*, was played by more than 100,000 people in the first six months after its launch, making it one of the most successful mobile games ever. The *Baywatch* Java game was popular in the USA and UK, while another Java game based on *The Price Is Right* proved successful in the USA. An online slot machine game of *Play Your Cards Right* launched in the UK.

The launch of *The X Factor*, also in the UK, marked a significant advance in mobile services. Available through the '3' mobile network, this was the first time exclusive video clips had been offered by FremantleMedia. The service proved one of the most popular services available on the '3' network.

Online gambling and live events were two major revenue streams for FLW during the year. *The Price Is Right* touring live event, currently available in Harrahs casinos across the USA, and the casino slot machines have been a great success.

FremantleMedia North America licensed the rights of *Baywatch* to DreamWorks, which plans to make a movie based on the popular US series. FLW was also successful in making the move to third-party representation with the hit tween property, *Mysti*, which airs on the BBC.

Fremantle Home Entertainment continued to grow its DVD business. The highlight of 2004 was the release of the educational football skills DVD, *Really Bend It Like Beckham*, the only football programme made with David Beckham's full participation and endorsement.

### Distribution

Fremantle International Distribution (FID) had a bumper year in 2004 as it continued to implement its strategy of refocusing away from US drama series in favour of factual programming.

Regulatory changes in the UK in 2004 have given independent production companies greater control over secondary rights exploitation. This has benefited FID as many independents are now looking for alternatives to broadcasters' in-house distribution channels. FID signed deals with nine further UK independents in 2004, including the leading Scottish drama producer IWC (formerly WarkClements and Ideal World), the factual programme maker, Nugus Martin Productions, and natural history presenter-producer Nigel Marven.

FID works closely with FremantleMedia Productions and is an integral part of many production proposals worldwide. In the face of increasing competition, FID has maintained its position as a leading distributor of US reality shows.



*Malaysian Idol* peaked with an audience share 350% higher than the broadcaster's primetime average



The renowned serial drama *Neighbours* (Australia)