

**Another great year for Five,
despite tough competition
in the UK's marketplace
with improved audience and
advertising market shares
leading to a doubling of EBITA.**

€million	2004	2003
Revenue	276	250
EBITA	18	9
%	2004	2003
Advertising market share	8.3	8.1
Audience share*	6.7	6.6

*Target: 16+

five



Five performed excellently in 2004 – audience share, revenue and profitability all showed significant improvement.

The steady progression in audience share since the channel's launch in 1997 continued in 2004. Although competition in the UK was more intense than ever, Five was one of only two terrestrial broadcasters to increase its share of the 16+ audience, up to 6.7%. The demographic profile also developed favourably, with more ABC1 adults and 16 to 34 year old adults viewing the channel.

Five has benefited from the rapid expansion of the Freeview digital platform. According to some estimates at the end of 2004, Freeview penetration could be as high as five million. This has boosted Five's technical coverage, which now stands at 89.7%. The channel performs well on Freeview where it accounted for an average share of 9.1% of adult viewing on Freeview sets in 2004.

With the increase in multichannel penetration in the UK, Five is reviewing its strategic options. The aim is to strengthen Five's position and build a family of channels around the franchise.

Five delivered a substantial increase in profitability, helped by further cost savings and a healthy UK advertising market which rose by 6.5% (source: TV Industry). Five comfortably outperformed the market – revenue was up by 9% and advertising market share improved to 8.3%. Five is also developing telephone and other non-airtime sources of revenue.



Great success for *The Farm*, Five's reality series which was launched in the Autumn of 2004

National audience breakdown 2004 (%)

Source: BARB
16+

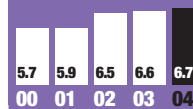


Channel	Share (%)
Five	6.7
BBC1	25.6
ITV	23.4
BBC2	10.2
Channel 4	10.1
Others	24.0

Audience share 2000/2004 (%)

Source: BARB

Five
Target: 16+



Investing in programmes

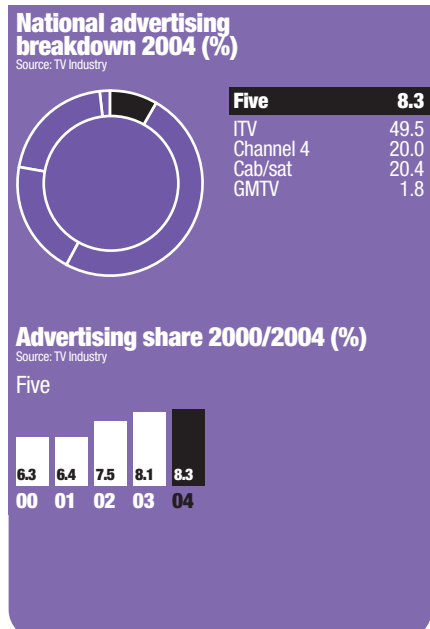
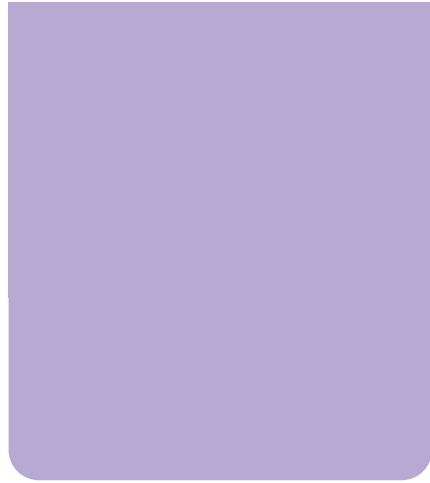
Five's audience gains are the fruit of its continuing investment in programme quality. Expenditure on programmes rose by 9.5% in 2004 and further increases have been agreed for 2005.

The reality series *The Farm* and *Cosmetic Surgery Live* performed well with 16 to 34 year olds, scoring an average share of 12%. Five's investment in leisure and lifestyle shows paid off, with new series such as *How To Be A Property Developer* proving popular. Factual output continued to do well – the *Extraordinary People* strand averaged over two million viewers. *Britain's Favourite Comedian* and a mini series with John Lydon maintained the channel's commitment to the factual entertainment genre.

Amongst Five's news and current affairs successes were documentaries fronted by Donal MacIntyre and Alastair Campbell's interviews with prominent figures such as Bill Clinton and Peter Mandelson. Football also contributed to Five's success, with the UEFA Cup Semi Final between Marseille and Newcastle drawing over 3 million viewers.

Five showed several highly successful movies in 2004, such as *Terminator 3 – Rise Of The Machines* which was seen by 4.9 million viewers. An output deal with Columbia Tristar has ensured that Five's strong performance in this area will continue in 2005 with several first-run theatrical movies due for transmission. Acquired series also performed strongly in 2004, with *Crime Scene Investigations* leading the way.

New series for 2005 include *CSI New York*, the *Friends* spin-off *Joey* and *Two And A Half Men* starring Charlie Sheene. Five's daytime schedule was augmented from early 2005 by *The Trisha Goddard Show*.



How to be a Property Developer, a new Leisure and Lifestyle programme