

ITV PLC

NOTES OF PROCEEDINGS

at the

ANNUAL GENERAL MEETING

held at

The Maynard Theatre  
The King's Fund  
11 Cavendish Square  
London W1G 0AN

on

Thursday, 2<sup>nd</sup> May 2024

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MR ANDY COSSLETT  
(In the Chair)

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(Transcript of the Stenographic Notes of Marten Walsh Cherer  
Ltd., 2nd Floor, Quality House, 6-9 Quality Court,  
Chancery Lane, London, WC2A 1HP.  
Telephone No: 020 7067 2900. Fax No: 020 7831 6864.  
E-mail: info@martenwalshcherer.com)

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THE CHAIRMAN: Good morning, ladies and gentlemen. Welcome to  
ITV's Annual General Meeting---

A SHAREHOLDER: Excuse me, can you speak up a bit; we cannot hear  
you properly.

THE CHAIRMAN: We have these things but they do not -- Oh, here we  
go. This new-fangled technology! Is that better? Thanks for  
joining us this morning. Just a couple of small housekeeping  
points. If it feels like time is dragging very slowly, that  
clock is ten minutes slow, so do not look at that clock! And  
if you would not mind just making sure your phone is are on  
silent for the next hour or so. I am talking to my colleagues  
as well.

Thanks for joining us. Let me introduce my fellow  
directors who are up here with me at the front. From my right  
we have: Salman Amin, Graham Cooke, Sharmila Nebhrajani, Chris  
Kennedy, Carolyn McCall, Edward Bonham Carter, Margaret Ewing,  
Dawn Allen, Marjorie Kaplan and Gidon Katz. To my immediate  
right is Kyla Mullins, our most excellent General Counsel and  
Company Secretary.

Ladies and gentlemen, the AGM obviously remains an  
important part of the Board's annual calendar and we  
appreciate the opportunity to meet with you and talk about  
what may be on your minds. I have some opening remarks which  
I will make and then our Chief Executive Carolyn McCall will

talk to you and provide a short review of our operating performance last year. As usual we will then be more than happy to take any questions you have.

Let us turn to the business. I think it is fair to say 2023 was a challenging year for ITV, in some respects, mainly due to the cost-of-living pressures that are well-documented affecting households across the country, which in the end translated into reduced demand for many goods and services, which in its own turn then led to a lot of the companies that advertise on ITV trimming their budgets with us, and that has an immediate impact on our revenues as we go through the year.

Last year was also the year we launched ITVX, our new streaming platform, which I hope you have all had a chance to see. With the launch of ITVX there was a planned increase in investment to properly launch the platform and get it underway compared to previous years. That combination of lower advertising revenues and higher planned spend behind the launch of ITVX did lead to the reduction in profits that you will have seen reported - 32%.

On the upside, the free cash flow of the business remained healthy and our balance sheet remained and remains in good shape and very strong.

There were some other good achievements last year. I think in particular, and Carolyn will speak more to these, our

Studios division had another record year, which is a number now that they have posted and, as I said, the launch of ITVX proved a great success. Hello, we have frogs in the room.

A PROTESTER: Animal abuse is not entertainment. Frogs and other animals deserve better than to be used in cruel stunts to boost TV ratings. ITV, drop animal abuse ---

A SHAREHOLDER: Can you shut up!

A PROTESTER: -- from *I'm a Celebrity*. It is animal suffering.

A SPEAKER: Now is not the time to do this. Wait for the questions.

A PROTESTER: It is animal suffering. Twenty-three years of cruelty is 23 years too long. ITV, stop animal abuse from *I'm a Celebrity*. Animals deserve better than to be used in cruel stunts in an attempt to boost TV ratings. (**Protesters escorted from meeting**)

THE CHAIRMAN: Apologies, guys.

DAME CAROLYN McCALL: The ladies have left their cardigan; you might want to take it out.

THE CHAIRMAN: Thank you. Any other amphibians in the room? Thank you. Where were we? The Studios business and ITV. Thank you very much. We talked about the Studios success and the success of the launch of ITVX and Carolyn will say more, but these were two extremely important milestones for the business because the media landscape in which we operate is

changing rapidly, and of course we have to change with it. I want to be quite clear about that because it really is the key issue for ITV. In recent times we have all seen, and you will be aware of this, a massive increase in the amount of video content that is available now to be used. That has been accompanied at the same time by big changes in technology and therefore how, where and when people have the ability to watch that content. Our long-term strategy recognises this, and it is really designed to make sure that going forward ITV can prosper and continue to do well in that evolving world.

That strategy sees our traditional broadcasting business, which we call Media & Entertainment, remaining a big cornerstone of our business, but now it has been significantly enhanced by the launch and addition of ITVX which gives us a competitive presence in the rapidly growing streaming world. At the same time we are continuing to build out our Studios business which is now at world-class levels and the strength and success of Studios does two things. It brings a better balance to the overall structure of the group and it brings real meaningful synergies which we can use by combining the great creative content it produces with the largest commercial shop window (ITV main channels) in the UK.

That is the strategy and we were pleased in addition last year to reinforce the strength of the overall platform on

ITV with the renewal of our Public Service Broadcasting licences, with which you may be familiar. We have to sign up every ten years and Ofcom tells us whether we get the green light or not. It is quite a process. We successfully applied and got another ten-year term which we are very pleased about for our PSB licences.

The strategy that we are employing is also helping us get clarity on what is not so critical on our mission. In March this year we were able to make the decision to sell our 50% stake in BritBox International with a commitment to return the entire net proceeds from that sale back to shareholders through the share buy-back programme. That programme is already underway and we have bought back 40 million shares so far.

Just to close, I would say ITV is a special organisation. I have been here 18 months and I can vouch for that. It has outstanding company values. The evidence of that can be seen in the high engagement scores we get from our colleagues when they vote in the engagement surveys we run with them and the high retention rates that we have in the business. People stay longer with ITV within the many businesses.

The Board and the management team spend a lot of time and pay close attention to the culture and the values of this

organisation. I think that was particularly true last year when, as many of you will know, we had heightened scrutiny around the business. We are committed to retaining that focus because in the end in this business the people, and the culture and how people feel about our business, are our greatest assets, and it therefore remains incredibly important.

ITV has a strong and very capable Board. I would personally like to thank them for their support in my first full year as Chair last year. There is always rotation and churn and last year we bade farewell with our grateful thanks to Duncan Painter, Anna Manz and Mary Harris, and we were joined and we welcome Dawn and Marjorie, who are both highly accomplished leaders and are already making a significant contribution to our discussions around the Board table. Thanks for being with us and with that I will pass to Carolyn and a review of our operating performance.

DAME CAROLYN MCCALL: Thank you, Andy, and thank you all for joining us today at our AGM. We are looking forward to your questions. I just want to say a few words about our operating performance this year and also give you some sense of our focus for the coming year. You all know that our purpose is to entertain and connect millions of people in the UK and also globally through our Studios Division, reflecting and shaping

culture, building brands, with brilliant content and creativity. That sits at the core of what we do. Nothing encapsulates that more, or better, than our recent drama *Mr Bates vs The Post Office*, the impact of which continues to reverberate.

In 2023, as Andy says, we continued to execute successfully ITV's strategy for investing in and growing ITV Studios and also our digital platform ITVX. It is clearly evident in the robust financial operating performance despite the very challenging macroeconomic backdrop, as Andy said, for the advertising business. It is the linear advertising business, and we will come on to that in a minute.

ITV Studios delivered record revenues and profits with outstanding creative deliveries globally. In Media & Entertainment ITVX drove significant growth in digital viewing and also in advertising revenues and, actually, despite that macroeconomy that we have been talking about, 2023 saw the second highest revenue in ITV's history. Total external revenue declined by just 3%, with growth of ITV Studios and digital revenues substantially offsetting a 15% decline in linear TV advertising.

In line with ITV's digital policy, the Board paid a final dividend of 3.3 p giving an ordinary dividend of 5 p per share for the year 2023. As Andy mentioned, the Board will



return the entire net proceeds of the sale of BritBox International to shareholders through a share buy-back of £235 million which we expect to complete within the next 18 months.

Turning to our strategy briefly, the strong operating performance in 2023 demonstrates that the More Than TV strategy is working. Bear in mind we started implementing this midway through 2018 and we evolved it into phase 2 in 2022 once we had built the digital foundations and were able to launch ITVX. We are in a much stronger position and, despite a really competitive market, not just in advertising but also for eyeballs, we can compete effectively.

Here are just a few examples. I have mentioned *Mr Bates vs The Post Office*. It is the highest audience drama on any platform for five years. If you look at ITV Studios and what they are making for other platform *Fool me Once* by ITV Studio's Quay Street Productions is in Netflix's top 10 English language dramas of all time. That is made by Quay Street, as I said. *Squid Games: The Challenge*, which is an unscripted show made by one of our companies, was one of Netflix's most-watched unscripted original productions in 2023. It is worth bearing in mind also that ITV Commercial, which drives all of our revenue performance, consistently outperforms the TV advertising market. So even in a very tough market they are out-performing their competitors.

No ITV AGM would be complete without a video, so we are going to show you a video, which I hope demonstrates the transformation of ITV into a world-leading broadcaster, streamer and content producer.

**(Show Reel shown to shareholders)**

DAME CAROLYN MCCALL: You can see, I think, that we are very proud of all of our content, and we have to monetise it and we are confident about the future. We are focused on three strategic pillars: expanding our UK and global production business, doing that organically but also looking at opportunities as and when they occur, supercharging our Streaming business, and optimising our Broadcast business. I am just going to touch on each of those very briefly and not repeat what is said in the video if I can help it.

The global content market is large, it is attractive. All platforms need a mix of content to attract audiences. People really need to fill their platforms. We expect to see growth in the key segments in which ITV Studios operates and that is content licensing, demand from streaming platforms for unscripted content - remember they have been very, very big on scripted - and then in the scripted sector, cost-effective premium scripted content (not really expensive but the premium content we make). We do not make the very high end. ITV Studios therefore is really well-positioned to take advantage

of the growth in the market and to grow our own market share over the medium term. We will drive this through our scale and our diversified position, our investment in development and of course in our creative talent, which leads to high-quality IP.

Media & Entertainment is the largest commercial broadcaster streamer in the UK and it does deliver. It is the only place you can get audience scale and reach of that magnitude. It is underpinned by two strategic pillars - supercharge Streaming (ITVX) and optimise Broadcast.

We aim to drive digital revenues through ITVX and Planet V, which is the advertising technology stack, and we are absolutely convinced that Planet V is going to be one of the most important things in the advertising market.

I have talked about the viewing and I have talked about the revenue and you saw what Planet V could do. The progress we have made in streaming and against our KPIs means that we are confident we can deliver the £750 million digital revenue that we have committed to the market by 2026.

Within Broadcast, we have digitally transformed the business already and we will continue to evolve that, continue to adapt and be agile, because we are constantly competing with new entrants but also a change of viewer habits. As I say, we are best destination for advertisers to reach those

large audiences and our share of those, as you saw from the video, is still very, very strong. Over 90% of the top 1,000 programmes appeared on ITV in 2023.

Taking that all together, Netflix is doing an advertising tier, Disney+ is doing an advertising tier, but our competitive position is very, very strong, and we remain very attractive to advertisers because we can offer them an awful lot more than simply advertising.

I am just going to touch on a few initiatives which will continue to transform ITV. Our costs and efficiency programme has already delivered £130 million of annualised savings analyse to date. We are on track to deliver the full £150 million by 2025, which is one year early. We are now working on a strategic restructuring and efficiency programme across the group. It is work in progress at the moment, but it will reshape our cost base, it will enhance profitability and it will support those growth drivers you have heard so much about which is ITV Studios and streaming ITVX. By the end of 2024 we expect the programme to have delivered incremental annualised gross savings of at least £50 million per year and we expect £30 million gross in-year benefit in 2024.

This is something that is going to be long term. It is designed to deliver further incremental and material

savings over a number of years and it will give us a cushion and give us resilience against whatever -- we do not know some things that are going to happen over the next three to five years. It is a cushion against that. It is giving us headroom.

We are proud of our position on social purpose, as a commercial public sector broadcaster. Andy talked about the renewal of the licence. 2023 saw us reach a major milestone for Better Health when we hit an extraordinary 249 million actions driven by Britain get Talking, which is our flagship mental health campaign.

Soccer Aid - again, we do that for UNICEF and we focus our efforts on that. It is our biggest fundraising event and since its launch it has raised over £90 million.

Climate action of course is important. That transition plan will ensure that we achieve net zero by 2050 in how we make and how we broadcast and how we stream our shows.

We continue to work on diversity and equality and equity and, being a really inclusive workplace, we take that very seriously and we have championed diversity across our biggest shows and we have introduced a lot of new voices on screen and off screen.

You will all know, Andy referenced this earlier, duty

of care is a very, very important cornerstone for us. It is something that we have really enhanced over the last six years, I would say, and we support the mental and physical health and safety of our colleagues and others who work with ITV or participate in our productions, and that is a key priority. Any complaints that we get we will address promptly, fairly and confidentially. We monitor and review all the channels we have in place to ensure they remain trusted and easy to access and use.

Andy referenced the Media Bill, so I will not say any more about that, except it has cross-party support, it is very good news for us. It will help us ensure the PSB content will have prominence and inclusion in the digital channels but, most importantly, on fair commercial terms. That is very, very good news for ITV.

Our colleagues - and, of course, every company says this but I think it is absolutely fundamental to our success - continue to play a significant role in delivering the strategy. It is heavy lifting a lot of the time. We are still transforming the company into a future-facing company that is really fit for the audiences that we know we have to work very hard to attract, but it is a really, really important thing and I want to thank all our colleagues for all they do for us. Andy has already referenced the engagement

survey where about 75% of colleagues who responded said they feel like they belong at ITV.

I am going to close now on a bit of outlook looking forward. It is good to see that we are making strong progress on our 2026 key performance indicators. We started 2024 with good momentum. Total advertising revenue is expected to be up 3% in Q1 compared to the same period in 2023. Strong digital growth and advertising continues for ITVX and, as I said, we are on track for the 750 by 2026. ITV Studios is also on course to deliver total organic revenue growth of 5% on average per year from 2021 to 2026. That is ahead of the market. As we have guided already, 2024 will be impacted by the 2023 writers and actors' strike and decreased demand from free-to-air broadcasters because of the advertising market that we referred to earlier on.

ITV's strategy is demonstrably working. It is now a leading scaled global studios business, a high-growth streaming service and also a cash-generative linear advertising business and that means we are well-placed to grow profits as we continue to drive efficiencies, invest behind our strategic priorities and we continue to deliver returns to shareholders. Back to you, Andy.

THE CHAIRMAN: Thanks, Carolyn. Ladies and gentlemen, we are now pleased to take any questions you have, either about the

resolutions or about anything you have heard from us so far. If you would like to ask a question, please raise your hand and wait for a microphone. It would be helpful if at the outset you could mention your name. Sir.

CAPTAIN HAWKER: Good morning. Captain David Hawker. First of all, I must absolutely congratulate you on -- are we switched on? Sorry, I am quite used to speaking without a microphone -- on *Mr Bates vs The Post Office*. It showed what I have always been saying: do not under-estimate the effect of television. After this programme, questions were being asked in the House of Commons. Questions were being asked all over the place. People were talking about it all over the place. But I feel we have not capitalised enough on that, possibly by going into documentaries and questioning the people who were responsible. It was said this is what art is for: confronting injustice. Well, I thought the justice system was for that! Therefore, I say question our justice system. I could tell you a few things, and I bet a lot of people could tell you a few things that are wrong with it. I have even seen in the past on ITV lawyers telling lies on television to protect the reputation of the legal profession.

On the other hand, I say we need to say more and show more about what is good and what has been good about Britain. I admit I am prejudiced because I was a part of a merchant



navy which when I was there the cargo liners and passenger liners of Britain were the undisputed world leaders, and yet so much of that is forgotten of the achievements we made. If I asked a question here, in the 20th century one British ship was both the biggest ship in the world and the fastest merchant ship in the world, hardly anyone could tell me the ship's name. It was "The Mauretania", unfortunately eclipsed by the infamous "Titanic". People do not mention the fact that the "Titanic" was owned by the American banker J P Morgan.

THE CHAIRMAN: Sir, do you have a question?

CAPTAIN HAWKER: The question: please can we have more of promoting Britain, telling people what has been great about Great Britain and what can be great about Great Britain in the future.

THE CHAIRMAN: Thank you, Captain Hawker. I will pass that over to our esteemed Chief Executive but I will make the point just in terms of *Mr Bates vs The Post Office*, we all know the credit goes to the people who produced that ---

A SHAREHOLDER: Can you speak up a bit, please.

THE CHAIRMAN: And the bravery of some of the guys in the commissioning area who decided to put it on. Full credit there. Thank you for those comments. The inquiry which is underway at the moment will hopefully put some more light on

some of the goings on over what has been obviously a difficult period, let us say, for the Post Office. Carolyn, do you want to say something about that?

DAME CAROLYN McCALL: What I will say is I think you are actually right and we totally agree that the power of TV was manifest in what we were able to do. I think if you saw *Breathtaking*, that was a very, very powerful drama that brought to life (whether people wanted to see it or not) a doctor's account of Covid. We are looking at the blood transfusion scandal. We may or may not be able to make that. These dramas are very expensive to make and I would like to just make a point about that. If you were not a public service broadcaster, you would not make those dramas. In one way it is very distinctive because it is about Britain and it is reflecting but it is also shaping outcomes for the better, so to your point, for the good of society, and I think that is what we see our role to be, but we will not make any money on *Mr Bates vs The Post Office*. Much as we have monetised it, and we have sold it to nine markets around the world, it is a high-cost drama and it is also hard to sell worldwide because it does not mean the same in every market. You have to remember that, but I think it is a very, very uniquely public service broadcasting thing to do, and that is our role, so that is right.

On the good news, what we have done on our regional

news, which is now also on ITVX so we have a whole rail of regional news and, as you know, ITV has come from the regions. We do not suffer this London-centric viewpoint. We just do not because we never came from London. We were Yorkshire, Granada, Anglia, et cetera, et cetera. What we do is at the end of every regional news coverage, we have to be impartial, but we take a local story and it is usually a really good news story. It is an upbeat story. It is something to get people in their communities to contribute it and to be pleased and proud about. We are kind of trying to do that in our way, particularly with regional news.

MR COX: Good morning, everybody. I am the Bristol City fan from Bristol. It is congratulations to see Captain Hawker here who I met when you were on about soaps and I (unclear) on that. If you bear with me guys, if you do not mind, I am going to talk about football in local news and then I will ask a question at the end, so if that could be answered.

It was nice to see Luton make it into the top flight. Unfortunately, Bristol City did not follow them. I was hoping against hope that Liverpool and Arsenal would tank Manchester City but it does not seem it is going to be that way so I am a little bit disappointed on that one.

DAME CAROLYN McCALL: We have a Man City fan to the right of me, I am afraid!

MR COX: So with that that is a double-edged sword on me then, is it? I only watch two or three programmes. I watch the local news on ITV and I watch the local news on BBC. I watch, *The Big Match* and I watch the regional highlights on Saturday evening. As regards to local stories I am just a little bit disappointed looking around the room I am going to say there do not seem to be under 20 year-olds here. Please shout if you are under 20. It seems to me that ITV and BBC are going down this road where all local programmes are for the kids. I know they endure their exams, I know that, but the problem with it is that it keeps going on and on. Kids do not watch local channels. They do not. I do not want ITV to go down the BBC local radio route of it is all geared to teenagers. That is what disappoints me. The other thing is there are too many animal stories on there, as far as I am concerned. It is turning into *Animal Magic* with Johnny Morris. Everybody is saying, "Who's Johnny Morris?"

THE CHAIRMAN: What is the question? Is it Mr Cox?

MR COX: Please, it is 15 minutes, just a few minutes, please, it is 12 months ---

THE CHAIRMAN: We will give you a couple more minutes to get to the question, Mr Cox.

MR COX: Basically what I am saying is the fact is it is too many animal stories. I am returning to my love of football. *The*

*Big Match* is great but please can we stop seeing Paul Gascoigne failing to put the ball in the back of the net against Germany in 1990. I have had enough. I have got the tape and I have got the video. And also stop seeing Roger Milla dance round the post. If you want to show the ITV World Cup this season, that would be nice. I know it is on television.

As regards local news, I think there are better stories than covering animal stories and everything for the youngsters. Potholes, the environment, and scams are big things, and the NHS is another big thing that could be looked at, as opposed to animal stories and stuff for youngsters. That is my opinion. As I said, I do not want it going down the road of the BBC.

I shall be going to Germany and Angus Scott, the sports editor, is a Bristol City fan and his brother is a Bristol City fan, so when you see the television this summer and see Angus Scott, you will think of me and think of Bristol City.

Finally, the question I really want an answer after getting on my -- because I do not have a monitor, the regional highlights programme, I know Sky has the live rights, but on the regional highlights I feel it is too long at an hour and a half. It is too long to sit there and watch it before *Match*

*of the Day* starts. If it was possible, and I know Sky dictates the terms, to make it local highlights or regional highlights. In my neck of the woods, it would be Cornwall, Devon, Somerset, Wiltshire and maybe stretching over to Cardiff. It is a request to be regional highlights as opposed to national highlights.

Thank you to everybody and next time I see you I hope England will have won the Euros in the summer.

THE CHAIRMAN: Thank you for that interesting tour de force on local regional news coverage. I am not sure we have got much to say about that ---

DAME CAROLYN MCCALL: I came very prepared for you because I have the long list of football that we have on ITV here. I will not go through it, but it is loads and loads ---

THE CHAIRMAN: There is a lot.

DAME CAROLYN MCCALL: Euros '24, Euros '28, FA Cup. We have loads of football: La Liga, Serie A, EFL highlights. Live sport is really, really important to us. We have a good partnership with Sky. We work well with them. It may be that we can talk to them about regional highlight because it would be something we could do differently to what they would do. That is really interesting.

MR COX: Carolyn, may I just say the reason I am saying that is because when you go into your workplace I do not want to be

talking about Sunderland and Middlesbrough and Hull. I want to have that little bit of banter and say, "I see your team got well beaten on Saturday."

DAME CAROLYN McCALL: We will pick that up. We will talk to them.

THE CHAIRMAN: Is it Mr Cox?

MR COX: Yes.

THE CHAIRMAN: Thank you for your question. The gentleman over here on the left.

MR LEVY: My name is Daniel Levy. Unfortunately, I am not Daniel Levy from Tottenham Hotspur, before anybody asks me for tickets for the next season! I have been a long-suffering shareholder for several years. I think in line with almost everybody here we are all losing money. It is all very well to talk about your plans and the things that are for the future, at the end of the day, the market does not have confidence in the management of this company and that is why the shares have lost in the last five years almost 50% of their value. We are all losing money. While you are praising the company we are losing money.

It seems to me the only way for us to maybe recover some of our money is for this company to seek an offer from a bigger and more successful company of the likes of Amazon, who could buy this company out of their petty cash. I am sure

this company would be of interest, especially the movie side, to Netflix or Amazon. I am 82 so I do not have not got much time but I do not think we have time to waste with all this nonsense. This company should be taken over and we would all make money - except you. I want to ask the question: are you intending to actively look for an offer for the company and benefit all of us except yourselves?

THE CHAIRMAN: Thank you for your question, Mr Levy. It is well put but I would say the following. The first is we are shareholders too, so whatever you think, it applies to all of us on this platform. I would say a couple of things. One is that ITV is a very special part of this country and you have to think very hard before you start to consider whether you would ever put this business up for sale. That said, the Board has always said before my time and now, the Board will always look at ways to try to maximise shareholder value over time. That is what Board responsibility is. We do that diligently and regularly and we appreciate that at the moment the share price is in the doldrums, it is down; we recognise that. The fact is that we have a dividend yield of 7%, which is one of the highest in the FTSE 250, so I do not want correct you but to say that you are losing money'; you are actually receiving a very healthy dividend at the moment, one of the highest you can get from a public equity in this



country. We have just announced a return of £235 million in a share buy-back, which you will and are already seeing in the share price going up. We recognise that the decisions that have been taken over the past 18 months have been done in the long-term best interests of the company. That is about investing in ITVX. Without that investment we would have been stranded in our legacy and in our past. So we have made an investment. The shareholders have supported that. I spend a lot of time, as do other members of the Board, with our primary shareholders in the main and we have very good conversations. I have to say at the moment - and I met two or three of them just last week - whilst there is some frustration on the share price being where it is, because we are paying handsome dividends and because we are doing the share buy-back, the strategy is credible, and the strategy is working, as you have heard from Carolyn. Most of the big initiatives we have put out in the last few years have demonstrated their success and will carry us into the future. I appreciate the frustration. The Board is very cognisant that our primary role is to create long-term value for shareholders and that is what we intend to continue to do.

MR LEVY: Can I just say ---

THE CHAIRMAN: And our great hope is that we will see it go north from here as the market situation improves.

MR LEVY: There is no guarantee of future dividends.

THE CHAIRMAN: No, there is not. There is no guarantee of anything much in life but ---

MR LEVY: So it does not mean much.

THE CHAIRMAN: It does if you have a strategy that you believe you can deliver. But then if you have significant geopolitical and macroeconomic events which are out of our control, that will have a temporary impact on your share price and your business performance. That is just commonsense. We all know that and we are not alone in that situation. All we can say is that we have long-range plans and we review them regularly. We are committed to a path of financial improvement over the next few years based on the strategy that Carolyn has set out and, successfully executed, we should see our share price respond to that. Thank you and I appreciate your patience, sir. You will just to have to live with a 7% yield for now. Sorry.

IVOR MILLMAN: Good morning. It is a question, in a sense, related to the previous one. It may be in the annual report and forgive me if I have missed it. Across all platforms and screens as measured is ITV's commercial audience going up or down or staying about the same? Thank you.

CHRIS KENNEDY: If I could pick that up. It was marginally down last year, which was entirely due to the fact that we had had

the World Cup in the previous year. In fact, and it is a very astute question and one we have really focused on, in the first ten months of last years for the first time in a few years ITV maintained its overall share across all screens, across all viewing, including Netflix and Amazon and all of those big competitors. That was due to the launch of ITVX because linear viewing is going down over time and the whole strategy is predicated on getting the streaming viewing up and very pleasingly, the first ten months of last year, as I said, it was flat year on year.

THE CHAIRMAN: Thank you very much, a good question. The gentleman at the back with his hand up.

A SHAREHOLDER: I would like to congratulate you on *Mr Bates vs The Post Office*. There have been other investigations over the 20 years into this scandal but being a docudrama I doubt that even you expected the impact that it has had. I think that is due to the timing between Christmas and New Year when it was put to air, and it has done a great service I think. It is something that needed to be done. A lot people knew that this was a scandal but putting it in the way that it was as a documentary drama it brought it home to quite a few people that were not aware of it.

The other thing is I would like to know what was your motivation in inviting Nigel Farage into the jungle. Earlier

in the year he won a Tric award and I would hazard a guess that the ITV table was booing him as loud as anybody at that event, but later in the year you offered him a substantial amount of money to go into the jungle. I would like to know what your motivation for that was.

THE CHAIRMAN: Thank you, sir. Carolyn?

DAME CAROLYN McCALL: If Kevin Lygo were here he would say there is always quite a diverse range of people that go into the jungle. You do not always get the people you want. Sometimes you do, sometimes you do not, but you do need some diverse opinion, you need people that are going to be interesting, and I think that is the reason. There is no other reason. Matt Hancock was in there the year before and he was equally unpopular actually but he was also very popular. It polarises opinion and is actually very good for viewing. It makes it a much more interesting show. It is an editorial decision. They take it in the round. He wanted to go in and we were very careful not to give him too much airtime at the expense of anyone else. The producers manage that and Ant and Dec have to manage that too, and I think they do it really rather well. That is why.

A SHAREHOLDER: I suppose my question would be did you expect him to fail or succeed?

DAME CAROLYN McCALL: I do not think he is a bailer. He may be

many, many things but he does not seem to bail, so I do not think the production team expected that. I think he delivered.

THE CHAIRMAN: Thank you very much for your question. The gentleman here.

PETER: My name is Peter. Last year I asked a question about ITVX and I will ask that in a minute. Again I would like to congratulate you on *Mr Bates vs The Post Office*. It is a pity you did not manage to find a part for Alison Hammond. However, ITVX, last year I asked about ITVX. I thought that you had actually bought out BritBox. I had my subscription moved over to ITVX. My question is: how are you splitting or how are you trying to split the advertising with the subscription? How is that going to pan out in the future?

DAME CAROLYN McCALL: I am going to let Chris say something.

MR KENNEDY: You are right that we put the BritBox UK content into the ITVX premium layer which is where you pay for that additional content and you do not watch ads. We are an ad-funded business. We have a brilliant commercial team, as Carolyn said earlier. Our main focus on ITVX is a continuation of that model. It is free to watch and it attracts big audiences and we sell advertising against that. But we cannot dictate how people want to view it. Our content should be available everywhere that people want it and in a

manner that they want it. That is why we have the subscription layer as well so if you prefer not to have those adverts you can pay to do. It is about 10% of the business at the moment of people who pay for the service. Most people come in to watch it with the ads for free,.

DAME CAROLYN MCCALL: For you as a consumer, as a customer, we have been migrating the BritBox subscriber base into the ITVX premium base and we have been honouring the rates that have been paid by either BritBox or by ITVX. It was not ITVX but ITV Hub that had its own subscription layer. That is all in transition at the moment but, as Chris said, BritBox is a different profit pool for us so it helps us commercialise from a different audience. It is consumers direct whereas the bulk of the business is advertisers.

THE CHAIRMAN: Thank you. I hope that is sufficient. Yes, madam. It is you.

LINDA HARDY: Linda Hardy, professional performer. What gets measured gets done, as stated by the former Chair, Sir Peter Bazalgette. May I say nothing has changed. It comes down to the fact of the method of working practices and who to trust considering the stress endured for the loss of my professional livelihood, which includes Charles, of my many years in the entertainment business. We were blacklisted by individual staff of the union who interfered and colluded with individual

staff at the studios to get rid of us for helping others who were too frightened to come forward with their problems. Incidentally, my life was threatened by helping them. It is all in the evidence. It is unfortunate that ITV are the fall guys by doing the senior staff of the union's bidding, playing right into the union's hands. The evidence proves that from the Government Inspector's evidence. Under the circumstances -- I will have to sit down, I am shaking. Under the circumstances, I had no other alternative but to move the evidence further within the Culture, Media and Sport Select Committee in the Palace of Westminster where they were asking for individuals experiencing complaint-handling within ITV. I naturally replied to the Chair of the Select Committee and on perusing details I was asked to send my evidence for the personal attention of the KC handling the ITV review. I sent the KC a plethora of evidence and exchanged emails on a regular basis. Eventually, with my permission, the KC sent evidence to the Director of Compliance and Ethics at ITV who said to me she had only been at ITV for two years. We exchanged emails but with the most recent email I replied with the true facts and am still awaiting a reply.

It seems ironic that in all replies from ITV it quotes "Your longstanding support of ITV is appreciated". Why do they not honour that statement by accepting the truth of the

evidence with our loss of earnings? Thank you.

THE CHAIRMAN: Are you all right, madam? Could you get some water.

CHARLES HARDY: May I bring this to the attention of the Board.

This has been going on for 20 years plus. Evidence was given to a counsel. He took one sheet which we can produce now and he stayed with us for two and a half hours at an hotel in Manchester. Why were we not allowed to go down to the studios and explain. He said it was horrendous but it got buried. This I am afraid is now telling on Linda and I. We are very strong people and the situation is it has been just buried. We are getting the usual stuff saying well, this how we work and what have you, but that evidence in the first place should have been produced. All the counsel wanted was one sheet of information, and I will produce this to Kyla and Carolyn. This was the only piece of evidence because it would have run the company down very seriously, so if I may be so bold, I do apologise to the Board but we have not worked since 2008 -- well 2006, although we did other programmes. It is a shame because of this situation, and it has gone on and on and on, and I am afraid somebody somewhere has to take responsibility. We have sent the evidence now to the director, so I am afraid this needs to be sorted out very quickly. We have lost a lot of money because of not being employed.



THE CHAIRMAN: Are you all right? Just settle down, sorry.

Thanks for your point. I do not think there was much of a question there but the point, sir. I am aware of the background to this but not the detail. Kyla I know has been involved for some time and, as you say, this discussion has been going for some time. Can I suggest we have a word after the meeting just to see and if you have got new things and things you think we have missed the obviously we will take another look. Let us pick this up, if that is okay, after the meeting. Let us have a conversation straight after, if we may, because you will understand it is new material, but I note it and we will get together afterwards.

I am going to take one last question and then I think we are going to have to move on. Sir.

ANDREW CHOWNS: I am Andrew Chowns and I would like to ask you a question about digital advertising. I am sure we have all experienced the phenomenon of watching streaming platforms and being served the same advert over and over again, or being served an advert for a product that you have just bought rather than one you are thinking about buying. I wonder if you had considered giving your customers the chance to tell you what sort of products they would like to see so we can choose the adverts that we are served by your service instead of being sent the adverts that your advertisers want us to

see?

DAME CAROLYN McCALL: I will start and then Chris will come in. I agree with you. When you have bought a product, it is a very Meta problem, it is a Facebook problem, it really is, because it is very annoying, and they also look at your age and not your attitude and send you adverts for bedroom slippers when you would not ever wear them and that kind of thing.

Our data is first party data and so we get information directly from that first party data and then we can match it with Tesco and with Boots and with MasterCard, who we all have partnerships with. I think our level of understanding of your consumer habits is not as nebulous, if I can put it that way. It is not trying to predict. It is just saying, "This is what you do and therefore would you be interested in..." That is where the personalised advertising will come from, or if you are not an Uber user, Uber will - I am giving Uber as an example - just target you because you are not an Uber user. That is the kind of personalised targeted advertising we do. We do not do the cookies and all of that stuff. That is not where we go.

ANDREW CHALLANCE: You could ask me what products.

DAME CAROLYN McCALL: It is a really good idea. We have about 1,000 customers who are very happy to give us information about buying habits and viewing habits, but it is interesting

because we have 40 million people registered for ITVX, so it is a very, very big database and we could obviously segment that and do what you have suggested. We will talk to the insights team about that because, if you are willing, I think we would be delighted with that.

THE CHAIRMAN: I am going to grab one last one here and then you had a question too, so as quick as we can because we need to get to the business of the meeting.

ROGER KEYWORTH: Mr Chairman, ladies and gentlemen, I have what I wish to say written down thus obviating any ums and ahs. I wish please to make a number of comments, concluding with a specific request. I have got increasingly fed up with the BBC. The newscasters sit there on an uncomfortable sofa behind a desk until they get St Vitus dance when they feel an urge to get up, wander round the studio, desperately clutching a piece of paper; however, when we next see them, they have got behind their desk again. Please do not follow suit.

As you will understand, I still miss good old Fred Dinenage, who is about the same age as me but I have now got used to the faces and kindness of Matt Teale and Sangeeta Bharbra who sit behind their desk on decent chairs when dealing with the Meridian News. I live in Chichester. I have to make a comment that frequently the background music is so loud as to make whatever the presenter is saying almost

impossible to hear. Listen to *Good Morning Britain* for an example. Please do watch this. Likewise on *Good Morning Britain* several people are speaking sometimes at the same time. Besides being very rude, it means I cannot hear properly what they are trying to say. I find the *1% Club* excellent intelligent TV and always try to watch it - not doing very well. Lee Mack is an excellent person in charge.

Being a very much retired chartered accountant I find Martin Lewis's programme almost compulsory viewing and despite being a member of the ICAW for over 50 years I still learn things from him. Martin goes to a lot of bother using a board with matters that he wishes to raise, and having failed part of my exams the first time, I know that one way of capturing the knowledge is by reading what I am being told at the same time as Martin is going through it. Your director or producer does not think along those lines and we are constantly swapping between the board where one can see Martin in the corner and close-ups of Martin with the board nowhere in sight. Could you please tell the director or producer to keep the camera on the board so that one is able to read Martin's pearls of wisdom and gently assimilate them.

I am one of your smaller shareholders with only about 1,800 shares but I have worked in this area for many years. I also have to admit that I have not yet seen ITVX and I do not

quite know how I get it.

THE CHAIRMAN: We can help you with that straight afterwards, sir, if you want some tuition. We were thinking of removing this for a sofa next year, but you would not be in favour of that by all accounts. Thanks for your point. We will note your point about Martin Lewis's programme. Thank you. We have one last question and then we do have a wind this up.

A SHAREHOLDER: Just a very quick question. The pension scheme do you still run it yourself or are you going to get somebody else to run it, a third party as such? I just want to know what you are doing about your pension schemes.

THE CHAIRMAN: No problem. Chris.

CHRIS KENNEDY: Interestingly, we had an audit committee yesterday and we had Sir Clive Jones, who is the Chairman of the pension scheme and the administrator of the scheme, an ITV employee, who informed us that she joined that team in a summer job in 1989 and she is still there now. We have a team of administrators in Preston who know the scheme inside out. They are brilliant and for the moment we see no reason to change that.

A SHAREHOLDER: It is just that a lot other companies now get a third party to run their pension schemes.

CHRIS KENNEDY: The thing with the ITV scheme, as Carolyn said, we actually started in the regions, so you have the schemes from

all of the constituent regional licensees all in the ITV scheme, so it is actually quite a complex scheme and needs the history of that team to be able to run it really efficiently and make sure the members do get what they are entitled to.

THE CHAIRMAN: Thank you for your questions. We will put the transcript of the questions that have been asked and the answers that we have tried to give on to the company website as soon as practicable after the conclusion of this meeting.

As the final part of the meeting, as usual voting on all resolutions will be by means of a poll. Those of you in the room will have been given a poll card when you came in and registered this morning. Our registrars are in the room with additional copies and pens if required.

On a poll each member present in person, by corporate representative or by proxy, is entitled to one vote for every share that they hold. If you are representing more than one shareholding, please ask for additional cards because a separate poll card needs to be used for each shareholding. If you have already returned your form of proxy appointing me to vote on your behalf and you do not wish to change your vote then you do not need to fill in a poll card. If anyone needs a poll card, please put up your hand. I do not see anyone.

The resolutions are set out in full in the notice of the meeting, as you will be aware. I just wanted to clarify

one point on resolution 13 which was a slight error about the re-election of Chris Kennedy as a director. Chris of course is an executive director, not a non-executive director, which was actually printed in the notice of meeting, for which we apologise. The substance of the resolution is the same, it is unchanged, so basically re-elect Chris as a director and I hope you agree the notice should be taken as read and the resolution proposed accordingly as put forward.

Once the final votes have been counted, we will announce the figures via a regulatory information service and will ensure they are published again on our corporate website. The latest proxy voting figures, if you can make those out, are behind me. These figures will be updated with the addition of the votes that have been received in the room today. Completed and signed poll cards will be collected at the exit as you leave the room. That is where we stand at the moment.

I would like to thank you again for attending the meeting in person. It means a lot. Thank you for your questions. We hope you found it informative. We will be around for a short while if you want carry on chatting to us as we move into our Board meeting. Thanks very much for coming, it was lovely seeing you and the meeting is now closed. (Applause)

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