



More than TV

Interim Results 2018

25 July

# Agenda

**Key Messages and Highlights**

Carolyn McCall

**Half Year Financial and Operating Review**

Ian Griffiths

**Strategic Update**

Carolyn McCall

**Q&A**

itv

A film set for a carousel scene. In the foreground, a man in a top hat and dark coat stands with a cane, looking towards a group of people in period costumes. A boom microphone extends from the left. In the background, a carousel with ornate horses is lit up, and the scene is shrouded in a soft, hazy light.

# Key Messages: Half Year

Carolyn McCall



# Key Messages: Half Year

- Key focus of today is to set out ITV's strategy to deliver growth and to ensure that the business is well positioned for the future
- Solid foundations on which to execute the strategy
  - ITV Broadcast is uniquely positioned to connect the nation and build brands for our advertisers across multiple platforms
  - ITV Studios is a strong and scaled international content business
- Clear vision and initiatives to respond to the rapidly changing competitive landscape
- Strong balance sheet and healthy liquidity
  - flexibility and capacity to invest to grow the business, and
  - deliver returns to shareholders
- Continued strong operating performance in the first half of 2018

# 2018 H1 Financial and Operating Highlights

External Revenue

**£1,593m**

(+8% YOY)

Adjusted EBITA

**£375m**

(-7% YOY)

Adjusted EPS

**7.1p**

(-8% YOY)

Total advertising

**+2%**

Online Revenue

**+48%**

ITV Studios  
Total Revenue

**+16%**

A soccer goalkeeper in a bright green kit is diving horizontally to the left, reaching out with his right hand towards a soccer ball. The ball is white with red and black patterns. The background shows a goal net and a blurred crowd of spectators. The scene is set on a green soccer field.

# Half Year Financial & Operating Review

Ian Griffiths

# Broadcast & Online - Revenue

3% revenue growth in an uncertain market

	2018 (£m)	2017* (£m)	Change
<b>Total Advertising revenue</b>	890	871	2%
Direct to Consumer	41	29	41%
SDN	36	35	3%
Other revenue	78	81	(4)%
<b>Non-Advertising revenue</b>	155	145	7%
<b>Total revenue</b>	<b>1,045</b>	<b>1,016</b>	<b>3%</b>
Network Schedule costs	(567)	(532)	(7)%
Variable Costs	(57)	(43)	(33)%
Broadcast infrastructure and overheads	(164)	(148)	(11)%
<b>Broadcast &amp; Online EBITA</b>	<b>257</b>	<b>293</b>	<b>(12)%</b>
EBITA margin	25%	29%	

- Revised reporting aligned with strategic refresh
- Total advertising revenue up 2% as expected
- 48% growth in high margin Online revenue
- Beginning to deliver growth potential from Direct to Consumer
- Other revenue includes revenue from platforms and third party services

# Broadcast & Online - Costs

Profit impacted by the phasing of schedule costs

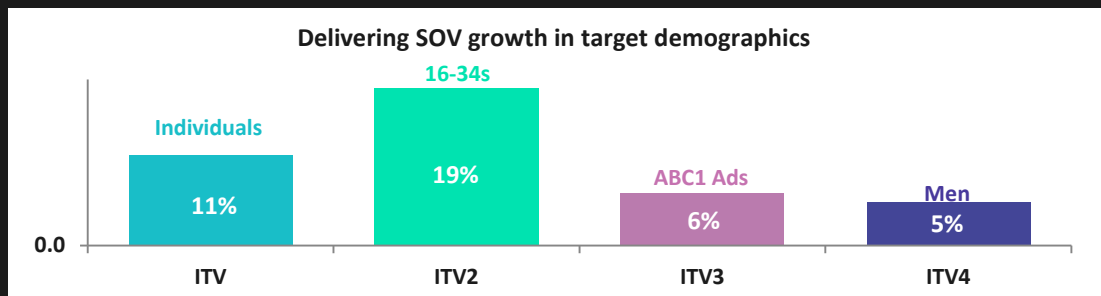
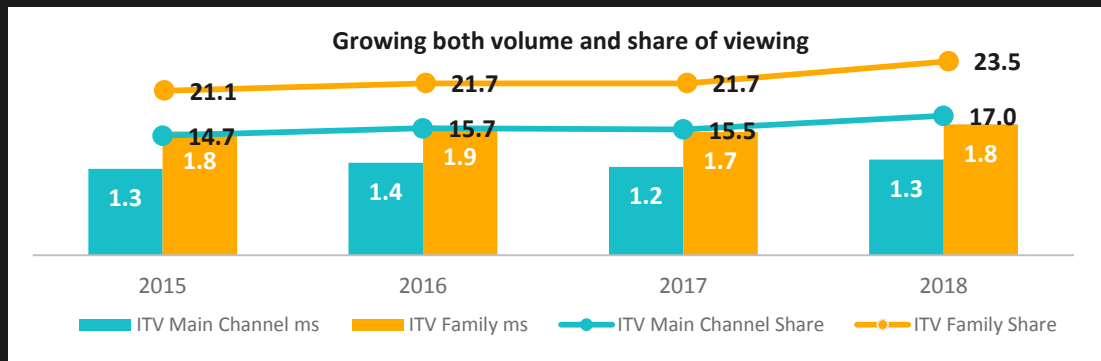
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- Schedule costs reflect the phasing of World Cup fixtures
- No change in the full year NPB guidance
- Variable costs reflect bandwidth increases from Hub viewing and Direct to Consumer pay per view trial investments
- Overheads include higher property costs from new London buildings and currency on transmission contracts
- Full year overheads, after phasing unwinds, more inline with prior year
- Margin impact mainly from cost phasing



# On-screen & Online Viewing

Delivering mass and targeted viewing on all platforms



ITV delivered  
99% of all  
commercial  
audiences over 5m

Total viewing hours  
**up 5%**  
on ITV Family

**25m**  
ITV Hub  
registered users

Online viewing  
**+33%**

Long-form  
video requests  
**+23%**

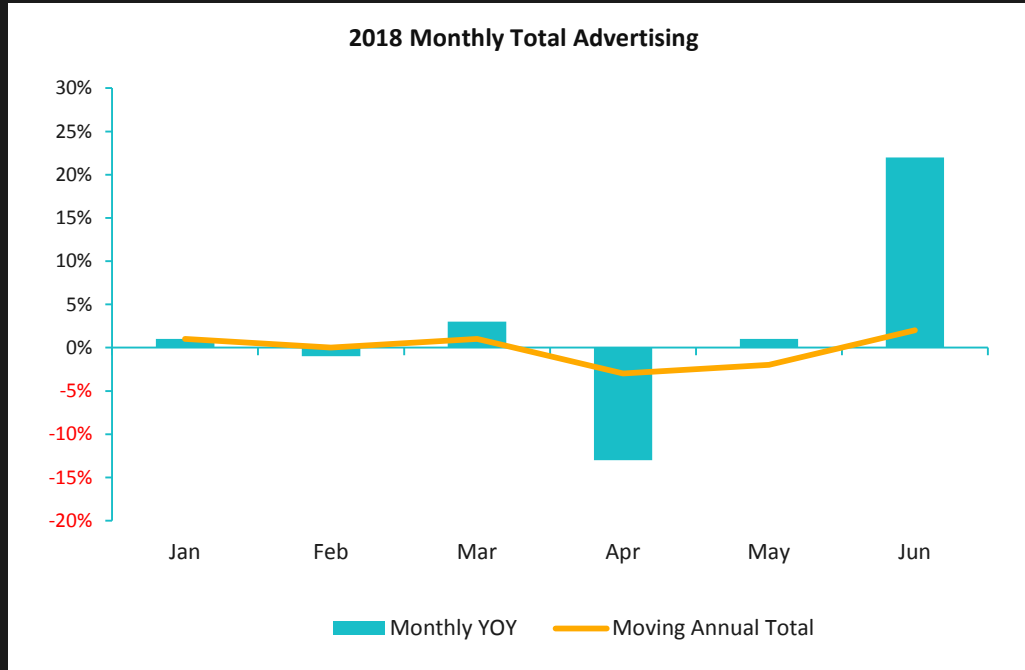
Simulcast requests  
**+40%**

Love Island:  
Averaged 0.3m  
simulcast audience  
per episode

England vs Croatia:  
**0.9m**  
simulcast audience

# Total Advertising Revenue

Total Advertising up 2% as expected, with advertising by online brands up 15%



Category (VOD and spot combined)	HY 2018 (£m)	HY YOY % change
Retail	137.3	-7.4%
Entertainment and Leisure	100.5	26.3%
Finance	87.5	-4.4%
Cars and Car Dealers	60.4	-3.6%
Food	53.5	-3.1%
Cosmetics and Toiletries	53.2	4.0%
Telecommunications	50.3	12.5%
Airlines, Travel and Holidays	47.2	-14.7%
Publishing and Broadcasting	38.7	-7.3%
Interior Furnishing	24.4	-3.8%

# ITV Studios

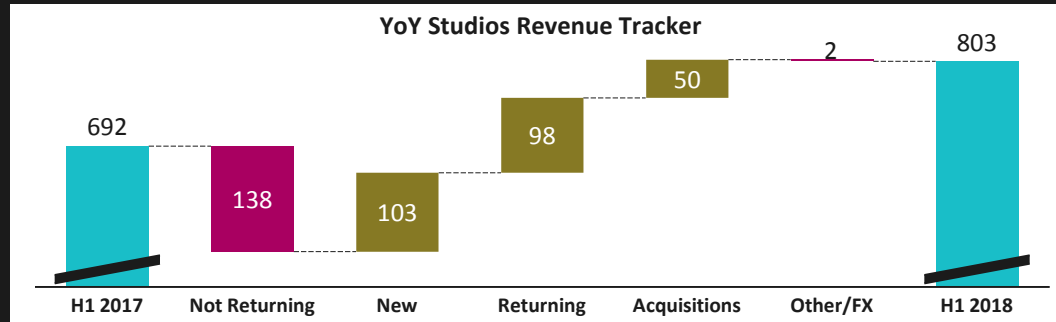
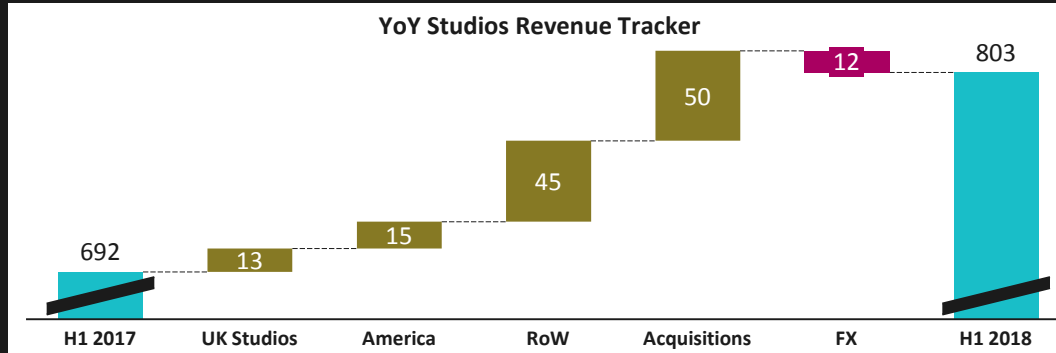
Strong performance with growth from all production territories

	2018 (£m)	2017* (£m)	Change
Studios UK	328	306	7%
ITV America	141	138	2%
Studios RoW	247	159	55%
Global Entertainment	87	89	(2)%
<b>Total Studios revenue</b>	<b>803</b>	<b>692</b>	<b>16%</b>
Total Studios costs	(685)	(582)	(18)%
<b>ITV Studios EBITA</b>	<b>118</b>	<b>110</b>	<b>7%</b>
EBITA margin	15%	16%	
Internal – ITVS to ITV Network	254	239	6%
External revenue	549	453	21%
<b>Total revenue</b>	<b>803</b>	<b>692</b>	<b>16%</b>

- Total revenue up 16%
- Organic revenue up 11%
- 57% of revenues from outside UK
- Studios UK up £22m with good performance both on and off ITV
- ITV America up 11% at constant currency, with growth driven by entertainment
- Studios RoW delivered strong growth from international versions of The Voice and Love Island
- Margin impacted by genre mix
- £12m revenue and £1m negative EBITA impact from currency

# ITV Studios

On track to delivering good organic revenue growth over the full year



- Organic revenue growth in all production territories
- Driven by both new and recommissioned shows
- On track to deliver good organic growth over the full year
- 88% of our full year revenues already secured, £96m more than this time last year
- Strong slate of deliveries in H2, especially scripted, including Vanity Fair, War of the Worlds, Suburra, ABC Murders, and Good Witch



# ITV Studios

Scaled in unscripted, growing in scripted

	2018 (£m)	2017 (£m)	Change
Scripted	142	114	25%
Unscripted	511	448	14%
Heartland ITV and Other	150	130	15%
<b>Total Revenue</b>	<b>803</b>	<b>692</b>	<b>16%</b>

## Scripted



## Unscripted



## Heartland ITV



# Adjusted & Statutory Results

- Dividend commitment for 2018 and 2019 **of at least 8p for the full year**
- Adjusted earnings and EPS impacted **by phasing of costs, especially NPB**
- **Partly offset by profitable growth** in Online and ITV Studios
- **Statutory profit up year on year** as a result of lower exceptionals and amortisation

Adjusted Earnings	Adjusted EPS	Dividend	Statutory EPS	Exceptional Items
<b>£285m</b> (2017: £307m -7% YOY)	<b>7.1p</b> (2017: 7.7p -8% YOY)	<b>2.6p</b> (2017: 2.52p 3% YOY)	<b>5.3p</b> (2017: 5.1p 4% YOY)	<b>£40m</b> (2017: £53m)

# Robust Balance Sheet Underpinned by Strong Cashflows

Profit to cash*	Leverage	Facilities	Net pension surplus
<b>94%</b> 91% in 2017	<b>1.2x</b> 1.2x in 2017 (net debt/ adjusted EBITDA)	<b>£930m</b> £770m undrawn	<b>£86m</b> £83m deficit at FY 2017

# Outlook

- Planning assumptions remain unchanged
- Getting on with the **execution of the new strategy**
- Expect to **deliver double digit growth** in online revenues over the full year
- Expect to **deliver good organic total revenue growth** in ITV Studios
- Total advertising **is expected to be up 1%** in the 9 months to 30 September
- Healthy balance sheet and **strong cashflows**
- **Sustainable returns to shareholders** – committed to a dividend of at least 8p for the full year 2018 and 2019



A photograph of three hosts on a stage. On the left, a man with a beard and sunglasses wears a black jacket and pants. In the center, a woman with blonde hair wears a colorful, patterned dress. On the right, a man in a black leather jacket and patterned shirt leans forward. They are standing on a stage with a large, illuminated 'V' logo in the background. The stage is lit with blue and red lights, and there are white lines on the floor. A large, stylized hand logo is visible on the left side of the stage.

# Strategic Update

Carolyn McCall

# Strategic Update

1. Resilience of TV and ITV
2. ITV's Vision – 'More than TV'
3. ITV's Strategy
4. Investments and KPIs
5. Capital Allocation
6. Summary

# ITV isn't Going Anywhere, it's Going Everywhere

**203 minutes**

of TV viewing per person per day

**Over 70%**

of all TV set viewing is watched live

**TV is the single biggest  
video platform for 16-34's**

**92 of top 100**

programme titles viewed were UK originated

**Television has 25.5% share**  
of the total advertising market

**5% growth in global content market**  
expected over the medium term

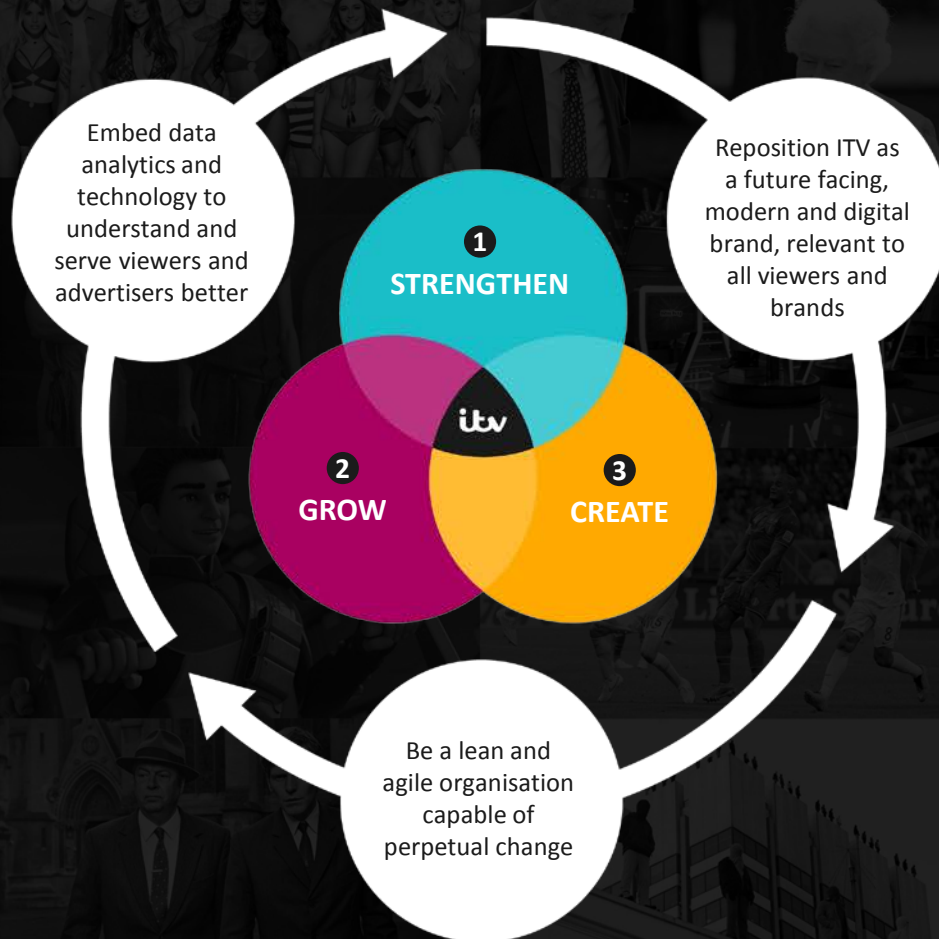


# ITV's Vision is to be...More than TV

- The **pre-eminent integrated Producer Broadcaster** for viewers and brands in the UK
- A leading **direct to consumer** business in the UK with strong consumer relationships
- A **world class creative force** in global content production
- A **lean and agile** organisation with leading capabilities in **data analytics** and **technology**
- A **future facing, modern and digital brand** that is relevant to all viewers and brands
- A **sustainable, cash generative and growing** business delivering for our shareholders



## Section 3 ITV Strategy



1

**STRENGTHEN**  
Integrated  
Producer Broadcaster

# Strengthen the Integrated Producer Broadcaster

- Make ITV Hub a destination for ITV viewers
- Invest in the ITV brand to win ‘light viewers’ and broaden the brand’s appeal
- Invest in data, analytics, insight and technology to understand and serve viewers and advertisers better
- Strengthen our relationships with ambitious brands making ITV the brand marketing partner of choice
- Maximise the value of our investment in content through 360 commissioning and even closer linkage with Studios

## ITV Hub

- ITV Hub will be a core part of Broadcast, integrated into programming and marketing decisions
- Improved user experience – increased personalisation, enhanced product and expanded content offering
- Over 3 years, we will increase registered users from 25m to 30m
- Deliver double digit online revenue growth per annum over the next 3 years
- Building on fantastic success of Love Island and World Cup

## Re-position the ITV Brand to Drive Deeper Engagement with Light Viewers

- We have identified a segment of **15 million light viewers** who we can win back to ITV more often.
- Viewer research shows that the primary barrier to ITV for this segment is **limited awareness** of our offering, and lack of brand visibility (share of voice) off our network.
- Through **increased marketing investment** we can target them consistently, drive brand reappraisal, increase viewing of our content and build deeper relationships
- This will help **maintain our monthly reach**, a key competitive commercial advantage for ITV.

# Integrated Producer Broadcaster: Commercial Ambition



Data  
driven

Returns  
focused

Client  
orientated

- Leading platform for brand building in UK where brands create their greatest business impact
  - Superior mass simultaneous reach
  - VOD advertising
  - Addressable advertising, initially on VOD
  - Expand TV propositions portfolio, to solve our clients' business problems
  - Leverage the full creative power and analytic capabilities from across ITV
- Evolve relationship with agencies
- Strengthen direct advertiser relationships

# 360 Monetisation: Love Island

## Studios

### Create & Produce

Created by ITV in the UK and produced in all countries

### Format Sales

Love Island format sold to 7 countries



## Broadcast & Online

### Viewing

- >3m live viewers
- Increasing to 2m 16-34s viewing live
- 2nd biggest audience on a digital channel since records go back
- Averaged 0.3m simulcast audience per episode

### ITV Total Advertisings Revenue

NAR, Sponsorship and VOD

### Commercial Partnerships

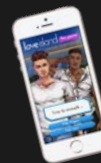
(Licensing & Product Placement)



## Direct to Consumer

### Merchandise

Personalised water bottles, phone cases, and wash bags



### Love Island: The Game

Free to play with in-app purchases

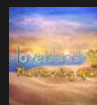
### Love Island App

- Voting
- Shopping
- Preview
- Links



### Podcast

Daily podcast boosting engagement





# Data Analytics

## Data Analytics 'Centre of Excellence'

Data Scientists + Advanced Tools + Deep & Growing Data Sets (profiles, viewing, purchases etc.)

Driving **increased overall audience reach** and engagement

Delivering an **enhanced experience** and **longer viewing sessions**

Supporting advertising with **advanced and more creative solutions**

Promoting **broader, deeper and more valuable** consumer relationships

Data analytics will drive a step-change in **user/viewer experience** and our **relationships with consumers**

This will deliver value for ITV through **expanding our advertiser propositions** and enabling **proper monetisation** of our consumer relationships

## Section 3 Integrated Producer Broadcaster – Structurally Sound

# Investment and KPIs

### Investment – around £40m over 3 years in

- Enhanced development and distribution of the Hub
- Marketing ITV brand and content
- Data capabilities
- Technology to support data and ad proposition
- Addressable advertising capabilities

### Targets – 3 years to the end 2021

- Grow ITV Hub registered users to 30 million
- Double digit online revenue growth per annum
- Increase brand consideration to 60%



### KPIs for measuring performance

#### Advertising

- Total advertising revenue

#### Marketing and Viewing

- ITV Family SOV %
- ITV Family SOCI %
- Total ITV viewing
- Monthly total reach
- % of Commercial audiences over 5m

#### Hub

- Registered users
- Online consumption
- Long form video requests
- % increase in monthly active users

## Section 3 ITV Strategy

1  
**STRENGTHEN**  
Integrated  
Producer Broadcaster

2  
**GROW**  
UK and Global  
Production

itv

itv

2

**GROW**

UK and Global  
Production

# ITV Studios is a Scaled International Content Business

**9,000+ hours**  
produced a year

Produce in **11**  
and sell to **196**  
countries

**50+ labels**

**50+ formats**

**40,000 hours**  
library

Historic acquisitions  
delivering  
**double digit** return

# Grow UK and Global Production

- Competitive advantage of being an Integrated Producer Broadcaster
  - 360 commissioning
  - Drama investment fund
  - Entertainment pilot fund
- Continue to generate new hits
  - Attract and retain great talent
  - Consider value creating M&A and talent deals in both scripted drama and unscripted entertainment
  - Target FAANG originals and premium international co-productions
- Boost our monetisation capability
- Restructuring to deliver efficiencies

## Grow UK and Global Production

24HOURS  
IN A&E

COME DINE  
WITH ME

•CORONATION ST.•

EMMERDALE

GOMORRAH

HELL'S KITCHEN

I'M A CELEBRITY  
Get Me Out Of Here!

LINE OF DUTY

love island

POLDARK

PROFILAGE

SNOWPIERCER

SUBURRA

THUNDERBIRDS  
ARE GO

THE CHASE

TUTTO  
SUCCEDERE

VANITY  
FAIR

VERA

VICTORIA

the  
Voice



# Investment and KPIs

## Investment - £10m over 3 years in

- Joint development funds for drama and entertainment
- Strengthening creative talent
- Monetisation capabilities

## Targets – 3 years to the end 2021

- Grow total production hours to 10,000
- Total Studios revenue to grow at least 5% average CAGR
- EBITA margin of 14% to 16%



## KPIs for measuring performance

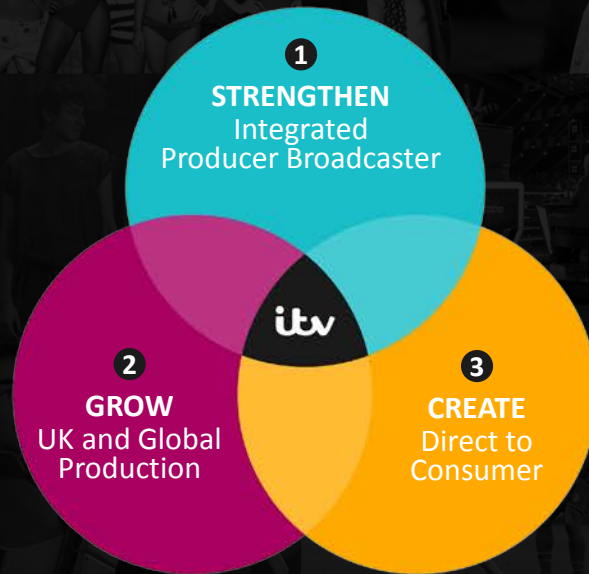
### Scripted

- Drama hours
- Returning drama hours
- Total scripted revenue

### Unscripted

- Number of unscripted hours
- Total number of formats
- Number of formats sold in 3 or more countries
- Total unscripted revenue

## Section 3 ITV Strategy



3

**CREATE**  
Direct to  
Consumer

## Direct to Consumer Today

**>1 million**

visitors to Coronation Street  
and Emmerdale

**30,000**

attended This Morning Live

**1.5m**

The Chase app downloads

**>350k**

Love Island  
water bottles sold

**>130**

competitions

**95m**

votes cast in the  
last 12 months

# Create Direct to Consumer Business Opportunities

- SVOD opportunity
- Grow revenue to £100m over 3 years via profitable engagement with viewers
  - Acceleration of established areas:
    - Interactive
    - Hub+
    - Events
  - Development of nascent areas:
    - Pay per view
    - Gaming
    - Merchandise
- Further revenue potential from new innovative products



- Strong IP and brands
- Mass & passionate fan base
- Promotion from FTA
- Strong and growing online platform
- Investment in data and technology
- Direct targeted marketing
- ITV creative capabilities

# Investment and KPIs

## Investment – up to £10m over 3 years

- Leverages the benefits from investment made in the IPB around data, marketing and the Hub
- Investment in competition portal
- Investment in new Direct to Consumer opportunities
- Excludes SVOD investment

## Targets – 3 years to the end 2021

- Grow Direct to Consumer revenue to at least £100m
- 10m paying product relationships



## KPIs to measure performance

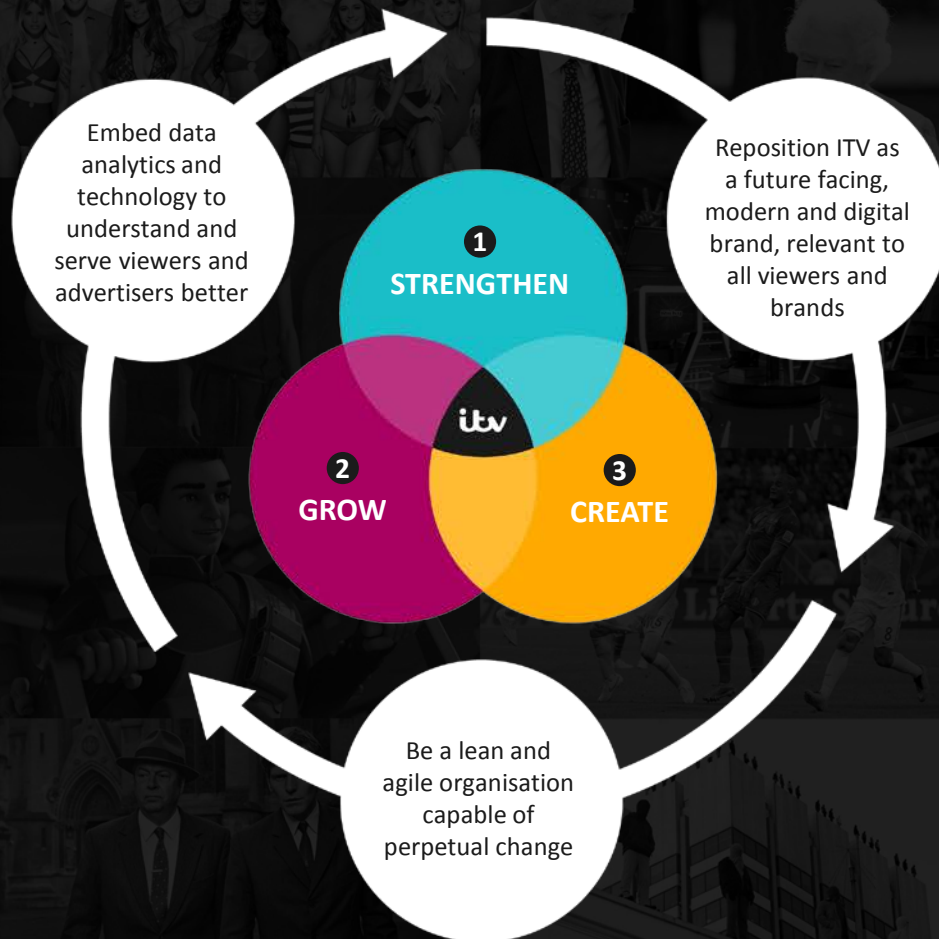
- Total Direct to Consumer relationships
- % increase in monthly active users
- % conversion rate to paying relationships
- Net promoter score

## KPIs to measure performance as data systems allow

- Unique customer relationships
- ARPU



## Section 3 ITV Strategy



## Total Investments will be Significantly Offset by Cost Savings

	2019	2020	2021	Total
Investment – in year	(40)	(10)	(10)	(60)
Cost savings – in year	15	10	10-15	35-40
<b>Net impact – before revenue benefits</b>	<b>(25)</b>	-	-	<b>(20-25)</b>

**Only 2019 will be impacted by the investment –**  
cost savings in future years will offset further incremental investment

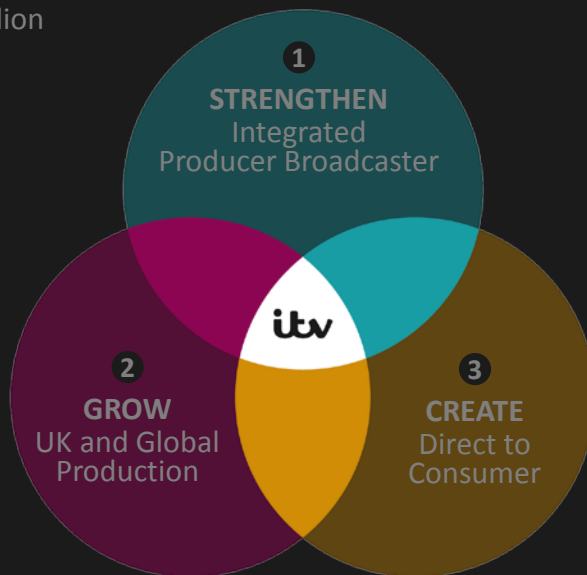
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### 2. Targets – 3 years to the end 2021

- Grow total production hours to 10,000
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### 3. Targets – 3 years to the end 2021

- Grow D to C revenue to at least £100m
- 10m paying product relationships

#### ITV Targets – 3 years to the end 2021

- Grow total non advertising revenues by at least 5% CAGR
- Deliver £35 to £40m of cost savings over 3 years
- Maintain profit to cash conversion at around 85%

# Capital Allocation Framework

Investing to drive organic growth

Value creating M&A in line with strategic priorities

## Dividend policy

- For 2018 and 2019 the Board intends to pay a full year dividend of at least 8p
- Over the medium term the dividend will grow broadly in line with earnings

**Our objective is to maintain investment grade credit**

## Section 6

# Summary

- We start with great foundations
- We have a clear vision for how we can compete and win in a rapidly changing environment
- We are clear what we need to do to achieve this
- ITV Vision is to be... 'More than TV'
  - An integrated producer broadcaster where our ambition is to maintain total viewing and increase total advertising revenue
  - A growing and profitable content business, which drives returns
  - A Direct to Consumer business delivering value by developing strong direct consumer relationships
  - Delivering attractive returns to shareholders
- Capital Markets Day on 19th September





Q&A





# 2018 FY Planning Assumptions

## P&L

Schedule Costs	Around <b>£1,055-60m</b> – as previously announced
Investments	Total of around <b>£15-20m</b> – as previously guided but including initial investments in line with the new strategy
Adjusted Interest	Around <b>£35m</b> – broadly unchanged from 2017
Tax	Adjusted effective tax rate around <b>19%</b> , unchanged and expected to be sustainable over the medium term
Foreign Exchange	Translation impact of FX, assuming rates remain at current levels, will negatively impact revenue by <b>£20m</b> and profit by <b>£nil</b>
Exceptional Items	Around <b>£85m</b> , mainly due to acquisition accounting and London office and Studios moves

## Cash

Capex	Around <b>£100m</b> with <b>£60m</b> of regular capex and <b>£40m</b> relating to the London property move in 2018
Profit to cash	Around <b>85%</b> – continued strong cash flow generation
Pension	Deficit funding contributions are expected to be in line with prior year
Exceptional Items	Cash cost of exceptionals will be around <b>£85m</b>

# 2019 FY Planning Assumptions

## P&L

Schedule Costs	Around <b>£1.1bn</b> – as previously announced
Investments	£40m across the business
Cost Savings	Around £15m across the business

## Cash

Capex	Deficit funding contribution expected to reduce to around £75m
Exceptional items	£15-20m cost of change to deliver cost savings in 2019 – up to £30m in total over the 3 years

# Reconciliation Between 2018 Statutory and Adjusted Earnings

Six months to 30 June	Statutory (£m)	Adjustments (£m)	Adjusted (£m)
EBITA*	367	8	375
Total exceptional items	(40)	40	-
Amortisation and impairment	(41)	38	(3)
Financing costs	(18)	3	(15)
JV's & Associates	(3)	-	(3)
<b>Profit before tax</b>	<b>265</b>	<b>89</b>	<b>354</b>
Tax	(52)	(16)	(68)
<b>Profit after tax</b>	<b>213</b>	<b>73</b>	<b>286</b>
Non-controlling interests	(1)	-	(1)
<b>Earnings</b>	<b>212</b>	<b>73</b>	<b>285</b>
Number of shares (weighted average)	3,998		3,998
<b>Earnings per share</b>	<b>5.3p</b>		<b>7.1p</b>

# New Broadcast & Online P&L – Historic Results

	FY 2017 (£m)	FY 2016 (£m)	FY 2015 (£m)
<b>Total ITV Advertising revenue</b>	<b>1,781</b>	<b>1,833</b>	<b>1,853</b>
Direct to Consumer	65	58	58
SDN (external)	70	67	64
Other revenue	160	167	163
<b>Non-Advertising revenue</b>	<b>295</b>	<b>292</b>	<b>285</b>
<b>Total revenue*</b>	<b>2,076</b>	<b>2,125</b>	<b>2,138</b>
Network Schedule costs	(1,025)	(1,049)	(1,045)
Variable Cost of Sales	(106)	(90)	(76)
Broadcast infrastructure and overheads	(346)	(344)	(358)
<b>Broadcast &amp; Online EBITA</b>	<b>599</b>	<b>642</b>	<b>659</b>
EBITA margin	29%	30%	31%

# Broadcast Schedule Costs

Six months to 30 June	2018 (£m)	2017 (£m)	Change
Commissions	302	300	(1)%
Sport	77	50	(54)%
Acquired	18	16	(13)%
ITN News and Weather	25	25	-
<b>Total ITV main channel</b>	<b>422</b>	<b>391</b>	<b>(8)%</b>
Regional news and non-news	35	35	-
ITV Breakfast	24	21	(14)%
<b>Total ITV inc regional &amp; Breakfast</b>	<b>481</b>	<b>447</b>	<b>(8)%</b>
ITV2, ITV3, ITV4, ITV Encore, ITVBe, CITV	86	85	(1)%
<b>Total schedule costs</b>	<b>567</b>	<b>532</b>	<b>(7)%</b>

# ITV Studios Revenue

Six months to 30 June	2018 (£m)	2017** (£m)	Change	Organic change*
Studios UK	328	306	7%	4%
ITV America	141	138	2%	11%
Studios RoW	247	159	55%	29%
Global Entertainment	87	89	(2)%	-
<b>Total revenue</b>	<b>803</b>	<b>692</b>	<b>16%</b>	<b>11%</b>



# Acquisitions – 2012 to 2018

Company	Initial consideration (£m)	Additional consideration paid (£m)	Expected future payments* (£m)	Total expected consideration** (£m)	Expected payment dates	Total maximum consideration** (£m)
Total for 2012-2017	941	116	269	1,326	2018-2024	2,346
<b>Total</b>	<b>941</b>	<b>116</b>	<b>269</b>	<b>1,326</b>		<b>2,346</b>

# Financing Costs

Six months to 30 June	2018 (£m)	2017 (£m)
€600m Eurobond at 2.125% coupon Sept 22	(6)	(6)
€500m Eurobond at 2% coupon Dec 23*	(7)	(7)
£630m Revolving Credit Facility	(1)	(2)
<b>Financing costs directly attributable to bonds and loans</b>	<b>(14)</b>	<b>(15)</b>
Cash-related net financing costs	(1)	(2)
<b>Adjusted financing costs</b>	<b>(15)</b>	<b>(17)</b>
Mark-to-market swaps and foreign exchange	-	-
Imputed pension interest	(1)	(4)
Unrealised foreign exchange and other net financial losses	(2)	(2)
<b>Net financing costs</b>	<b>(18)</b>	<b>(23)</b>

# P&L Tax Charge and Cash Tax

Six months to 30 June	2018 (£m)	2017 (£m)
<b>Profit before tax</b>	<b>265</b>	<b>259</b>
Production tax credits	8	8
Total Exceptional items	40	53
Amortisation of intangible assets*	38	55
Adjustments to net financing costs	3	6
<b>Adjusted profit before tax</b>	<b>354</b>	<b>381</b>
Tax charge	(52)	(53)
Production tax credits	(8)	(8)
Charge for exceptional items	(3)	(3)
Charge in respect of amortisation of intangible assets*	(4)	(7)
Charge in respect of adjustments to net financing costs	(1)	(1)
Other tax adjustments	-	1
<b>Adjusted tax charge</b>	<b>(68)</b>	<b>(71)</b>
<b>Effective tax rate on adjusted profits</b>	<b>19%</b>	<b>19%</b>
<b>Total adjusted cash tax paid (excluding receipt of production tax credits)</b>	<b>(51)</b>	<b>(74)</b>

# Analysis of Net Debt

30 June	2018 (£m)	2017 (£m)
£630m Revolving Credit Facility	(160)	(240)
€600m Eurobond*	(528)	(523)
€500m Eurobond**	(424)	(425)
Finance Leases	-	(6)
Other debt	(17)	(3)
Cash and cash equivalents	95	123
<b>Net debt</b>	<b>(1,034)</b>	<b>(1,074)</b>

30 June	2018 (£m)	2017 (£m)
Cash and cash equivalents	95	123
Debt	(1,129)	(1,197)
<b>Net debt</b>	<b>(1,034)</b>	<b>(1,074)</b>

# Borrowing Facilities

Type of Facility	Facility Amount £m	Amount drawn at 30/06/2018	Maturity
Revolving Credit Facility (RCF)	630	160	Various
Bilateral financing facility	300	-	Jun 2021
<b>Total</b>	<b>930</b>	<b>160</b>	

# Foreign Exchange

Revenue by currency – 12 months to 31 December	2017 (£m)	2016 (£m)
GBP	2,313	2,357
US dollar	435	397
Euro	274	224
Other currencies	110	86
<b>External revenue</b>	<b>3,132</b>	<b>3,064</b>

Foreign Exchange Sensitivity – impact of a 10% appreciation/depreciation in Sterling on a full year basis*		
Currency	Revenue (£m)	Adjusted EBITA (£m)
USD (\$)	±40-50	±5-7
EUR (€)	±40-50	±4-5

# Profit to Cash Conversion

	2018 (£m)	2017 (£m)
<b>Adjusted EBITA</b>	<b>375</b>	<b>403</b>
Working capital movement	(86)	(115)
High end production tax credits	10	1
Share-based compensation and pension service cost	4	9
Acquisition of property, plant and equipment, and intangible assets	(45)	(26)
Capex relating to redevelopment of London HQ	24	3
Depreciation	13	17
<b>Adjusted cash flow</b>	<b>295</b>	<b>292</b>
<b>Profit to cash ratio (6 months to 30 June)</b>	<b>79%</b>	<b>72%</b>
<b>Profit to cash ratio (12 months rolling)</b>	<b>94%</b>	<b>91%</b>



# Adjusted Results

Six months to 30 June	2018 (£m)	2017 (£m)	Change
<b>Adjusted EBITA</b>	<b>375</b>	<b>403</b>	<b>(7)%</b>
Internally generated amortisation	(3)	(3)	0%
Financing costs	(15)	(17)	12%
Share of losses on JVs and associates	(3)	(2)	(50)%
<b>Profit before tax</b>	<b>354</b>	<b>381</b>	<b>(7)%</b>
Tax	(68)	(71)	4%
<b>Profit after tax</b>	<b>286</b>	<b>310</b>	<b>(8)%</b>
Non-controlling interests	(1)	(3)	67%
<b>Earnings</b>	<b>285</b>	<b>307</b>	<b>(7)%</b>
<b>EPS (p)</b>	<b>7.1p</b>	<b>7.7p</b>	<b>(8)%</b>
<b>Diluted EPS (p)</b>	<b>7.1p</b>	<b>7.6p</b>	<b>(7)%</b>

# Statutory Numbers

Six months to 30 June	2018 (£m)	2017 (£m)	Change
Revenue*	1,593	1,469	8%
EBITA	367	395	(7)%
Amortisation and impairment	(41)	(58)	29%
Exceptional items	(41)	(53)	23%
<b>Profit before interest and tax</b>	<b>285</b>	<b>284</b>	<b>0%</b>
Net financing costs	(18)	(23)	22%
JV's & Associates	(3)	(2)	(50)%
Gain on sale of non-current asset	1	-	-
<b>Profit before tax</b>	<b>265</b>	<b>259</b>	<b>2%</b>
Tax	(52)	(53)	2%
<b>Profit after tax</b>	<b>213</b>	<b>206</b>	<b>3%</b>
Non-controlling interests	(1)	(3)	67%
<b>Earnings</b>	<b>212</b>	<b>203</b>	<b>4%</b>
<b>Basic earnings per share</b>	<b>5.3p</b>	<b>5.1p</b>	<b>4%</b>

