11 May 2011

ITV plc
Interim Management Statement
Further progress in five-year Transformation Plan

ITV has published the following Q1 interim management statement in advance of the Company's Annual General Meeting to be held at 11 am today.

- Group revenues up 11% to £500m in Q1 (2010: £450m), driven by positive television advertising market
- ITV television advertising up 12% in Q1, ahead of the market up 10%
- Strong onscreen viewing performance with ITV1 share of viewing up 3%, digital channels up 11% and ITV Family up 4% for the four months to the end of April
- ITV Studios external revenues up 7% to £64m in Q1 (2010: £60m), driven by stronger international performance
- Net debt increased slightly to £197m (31st December 2010 - £188m) due to the timing of tax and pension payments offsetting underlying cash generation
- ITV NAR up 6% in April, and as expected likely to be down in May and June against a background of tough World Cup comparators and current economic conditions. Advertising revenues in first half forecast to be up between 1% and 2%

Adam Crozier, ITV plc Chief Executive, said:

"The continuing volatility in the TV advertising market underlines the need for us to keep firmly focussed on our five year Transformation Plan. While we are still in the early stages, the foundations are now being put in place for a more balanced, creatively dynamic and robust business.

"We have had a positive start to the year, outperforming the TV advertising market in Q1 with advertising revenues up by 12%. We expected that the ad market in Q2 would be difficult given the very tough comparators and the continued economic uncertainty and - while this has proved to be the case - we still expect to see an increase in ad revenues for the first half of the year. As we anticipated, tough ITV1 World Cup comparators in June mean we may slightly underperform the market in the first half. While we expect to outperform the market across the whole of the year, we remain cautious about the economic outlook.

"The focus on onscreen performance has led to an increase of 3% in ITV1 share of viewing, ITV's digital channels increased by 11% and ITV Family is up by 4% so far this year.

"We continued to develop our multiplatform strategy - online performance and distribution improved, with long form video views up 67% to 45m and total video views rising by 45% to around 72m. We've been investing in making ITV Player more robust and easier to use, and we're making it available on a wide range of mobiles and tablets starting with Android smartphones within the next few weeks and on the iPhone in Q3.

"Investing in new programmes and a greater focus on in-house production are also key to our transformation – and already this year we've seen big drama commissions coming through ITV Studios including Marchlands, Monroe and Vera. Further commissions from ITV Studios include The Jury, Titanic, Holding out for a Hero, High Stakes and Born to Shine - as well as the recently announced new game show, Red or Black, our first co-production between ITV Studios and Syco.

"We're still less than a year into our five year Transformation Plan and, while we're making good progress, we remain focussed on executing the changes needed to deliver a more balanced and vibrant future for ITV."

ENDS

NOTES TO THE IMS

1. Unless otherwise stated, all figures refer to the three month period ending 31st March 2011, with growth compared to the same period in 2010.

2.

Revenues for 3 months to 31st March 2011 (£m)			
	2011	**2010**	**%**
ITV Broadcasting & Online	436	390	12
ITV Studios (external revenues)	64	60	7
Total	**500**	**450**	**11**

Note: ITV Studios internal revenues were £68m (£73m)

3. Figures for ITV plc and market NAR are based on ITV estimates.

   H1 estimate assumes that ITV Family NAR is up 6% for April, down 9% for May and down between 15% and 20% for June.

4.

Broadcasting and Online performance indicators		
	2011	**2010**
ITV Family share of viewing – year to 30 April	23.3%	22.4%
ITV1 share of viewing – year to 30 April	16.1%	15.7%
ITV Family adult SOCI – year to 30 April	40.3%	39.6%
ITV1 adult SOCI – year to 30 April	27.1%	27.2%
ITV1 adult impacts – year to 30 April	81bn	78bn
itv.com average monthly unique users - 3mths to 31st March	10.9m	8.7m
itv.com total cumulative video views - 3mths to 31st March	71.6m	49.3m
itv.com long form video views - 3mths to 31st March	44.7m	26.7m

Share of viewing data based on BARB / AdvantEdge data and share of commercial impact (SOCI) data based on BARB / DDS data. Share of viewing data is for individuals and SOCI data is for adults. ITV Family includes: ITV1, ITV2, ITV3, ITV4, CITV, ITV1 Breakfast, CITV Breakfast, Men&Motors and associated "HD" and "+1" channels.

Average monthly unique users are based on Omniture and Nedstat data. Video views are based on internal Company and Nedstat data for itv.com.

5. Since the publication of its final result, ITV has also confirmed that STV has agreed a wide ranging settlement with ITV and ITV Network over the various ongoing legal actions. All current and proposed legal actions have ceased with immediate effect and the terms of the settlement include an £18m payment by STV to ITV to settle the court claims. ITV has also agreed a new three-year deal to broadcast live UEFA Champions League football until 2015.

6. Figures presented in this interim management statement are not audited. This announcement contains certain statements that are or may be forward-looking with respect to the financial condition, results or operations and business of ITV. By their nature forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to (i) adverse changes to the current outlook for the UK television advertising market, (ii) adverse changes in tax laws or failure to achieve regulatory relaxation, (iii) the risks associated with the introduction of new products and services, (iv) pricing, product and programme initiatives of competitors, including increased competition for programmes, (v) changes in technology or consumer demand, (vi) the termination or delay of key contracts and (vii) fluctuations in exchange rates.

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