

ITV plc Interim Management Statement 14th May 2009

ITV plc issues the following Interim Management Statement in advance of the Company's Annual General Meeting to be held at 11 am today.

Q1 performance

- Group revenues £425m (2008: £492m)
- ITV plc net television advertising revenue (NAR) was down 15%, ahead of total UK television advertising market, which was down an estimated 16%.
- ITV Family held its audience share at 23.4% (2008: 23.5%) with ITV Family share of commercial impacts (SOCl) at 40.2% (2008: 41.4%)
- Global Content external revenues were £56m (2008: £58m). Including internal revenues, total Global Content revenues were £131m (2008: £133m).
- itv.com unique users increased by over 30% to a monthly average of 7.1m with video views up by over 150%.

Q1 revenues			
	2009	2008	%
Broadcasting	359	409	(12)
Global Content	56	58	(3)
Online	9	9	-
Other	1	16	-
Total	425	492	(14)

Cost savings

ITV is making good progress towards delivering the previously announced savings of £155m for 2009. These savings will be weighted to the second half of the year.

Reflecting this progress and ITV's continued determination to address its cost base, ITV is committing to a further £40m of cost savings across the business from 2010. As a result, total cost savings will rise to £215m in 2010 and £285m in 2011.

Broadcasting

UK TV advertising remains weak, but ITV continues to outperform the market. ITV plc NAR was down 16% in April and is forecast to be down 16% in May and 18% in June. Over H1, ITV plc NAR is forecast to be down 16%, ahead of the total market which is estimated to be down 17%.

ITV1 has maintained its lead over BBC1 in peak and has aired the UK's highest rating entertainment programme (*Britain's Got Talent*), highest rating new drama (*Whitechapel*) and highest rating sporting event (England vs Ukraine). ITV1 SOCl was down 6% in Q1.

Global Content

International production and distribution revenues in Q1 were positively impacted by year on year currency movements and for the full year will benefit from a new series of *I'm A Celebrity* on NBC in the US. UK production has been impacted by the tough trading environment, with growth in factual and entertainment revenues offset by a reduction in UK drama.

Online

Despite tough economic conditions in the online display market, ITV held online revenues in Q1. In April, itv.com unique users and video views both reached record levels. Unique users were up over 70% to 11m and video views increased by over 300% to reach 25m.

Financing

To date in 2009 and as previously announced, ITV has confirmed £108m of covenant-free bond financing and loans, comprising the following:

- a loan of £50m, which may be extended by the lender to a total of £200m; and
- £58m raised by issuing bonds with a face value of £100m paying a 5.375% coupon under ITV's existing 2015 bond programme.

Regulation

The OFT is expected to make a recommendation to the Competition Commission following its review of Contract Rights Renewal in spring 2009. Lord Carter's final Digital Britain report, covering public service broadcasting and other issues, is expected to be published in June 2009.

Governance

The Board has commenced the CEO selection process. It is the Board's intention that the appointment will be made no later than the end of 2009.

Michael Grade, Executive Chairman of ITV, said:

"The television advertising market remains weak. However ITV continues to outperform the market, reflecting the continued strength of our on-screen performance, particularly in peak time. In addition, we are holding our content revenues in tough domestic and international markets and we are attracting record users online.

"In March we gave details of ITV's plans for responding to the difficult market conditions we face. We are making good progress in implementing these plans, although we currently expect the phasing of profits across the year to reflect the weighting of cost savings to the second half.

"We have since confirmed our intention to dispose of SDN and agreed new financing arrangements, together with additional savings. The Board has also set in motion the process for management succession.

"We continue to press for rapid regulatory progress and are encouraged by the growing support for public funding to sustain regional news, ahead of the publication of the final Digital Britain report next month.

"The Board continues to take the steps necessary to steer the Company through these challenging times."

Notes:

1.

Key performance indicators for the 3 months to 31 March			
	2009	2008	%
ITV1 adult impacts (bill)	61.1	63.6	(4)
ITV family adult SOCI (%)	40.2	41.4	(3)
Content revenues, inc internal (£m)	131	133	(2)
itv.com unique users – April (mill)	11.1	6.2	79
itv.com video views – April (mill)	25.3	6.2	308

2. Figures for commercial impacts are based on BARB / DDS data for adults and viewing figures are based on BARB / Infosys data for individuals. Video views

based on internal ITV data for itv.com. itv.com unique user figures are based on Omniture data.

3. Figures for NAR are based on ITV plc estimates and current forecasts. ITV family includes: ITV1, ITV2, ITV3, ITV4, CITV, GMTV1, GMTV2, Men&Motors and time-shift variants.
4. 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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