

**ITV plc Interim Management Statement
5th November 2009**

Group highlights

- UK television advertising market stabilising, with ITV continuing to outperform; ITV net advertising revenues ("NAR") expected to be flat in Q4.
- Cost savings on track with ITV set to deliver £155m of savings in 2009.
- Balance sheet strengthening with £75m of debt repaid, following the convertible bond issue, and net debt reducing year on year.

Nine months to 30th September 2009

- Group revenues £1,312m (2008: £1,471m)
- ITV channels have delivered a progressively stronger performance on-screen, with ITV1 extending its lead in peak viewing over BBC1
- itv.com revenues have continued to grow, with average unique users increased by over 30% and 150m video views delivered (2008: 45m)
- ITV Studios (formerly Global Content) external revenues have increased with revenues including internal commissions held flat.

Revenues for 9 months to 30th September 2009 (£m)			
	2009	2008	%
ITV Broadcasting & Online	1,081	1,227	(12)
Broadcasting	1,054	1,202	(12)
Online	27	25	8
ITV Studios (external revenues)	229	206	11
Other	2	38	-
Total	1,312	1,471	(11)

Outlook

Trading in the UK television advertising market has continued to improve in the fourth quarter. ITV NAR is forecast to be flat over Q4, with October down 3%, November down 1% and December up 4%. Over the full year, total UK NAR is forecast to be down 12%, with ITV continuing to trade ahead of the market.

John Cresswell, ITV's Chief Operating Officer, said:

"ITV is continuing to deliver a strong operational performance in challenging market conditions. All our channels are performing strongly on-screen and ITV1 is extending its lead over BBC1 in peak time viewing. Both ITV Studios and itv.com are delivering revenue growth. We are meeting our cost savings targets and continue to strengthen our balance sheet.

"Whilst our visibility is limited, the outlook for the fourth quarter has continued to improve and ITV is continuing to outperform the market. With further cost savings and a strong schedule in 2010, including the World Cup, we are confident that ITV is well-positioned to benefit from any market recovery."

ITV Broadcasting & Online

ITV1's autumn schedule has performed strongly across all genres, with programming hits including *The X Factor*, *Benidorm*, *TV Burp*, *The Cube*, *Doc Martin*, *Murderland* and live football. ITV's digital channels have delivered over 10% more impacts with highlights including *The Xtra Factor* and *Peter Andre: The Next Chapter*.

As of 26th October, ITV family's share of peak time viewing year to date was 27.6% (2008: 27.5%), with ITV1's share at 23.1%, ahead of BBC1 at 22.2%. ITV family SOCI was 39.5% (2008: 40.9%). ITV1 SOCI was down by 6.5% or by 6.0% excluding STV regions.

itv.com increased revenues by 45% to £16m. Average monthly unique users were 8m (2008: 5.9m) with video views more than trebling to 150m.

ITV Studios

Increased external production revenues continue to be driven by strong growth in international commissions, including four ex-UK versions of *I'm A Celebrity*. Including internal production, total ITV Studios revenues were £405m (2008: £405m).

Financing

On 13th October, ITV confirmed the issue of a seven year bond with a coupon of 4% and convertible to equity at a price of 70.44p to raise £135m. ITV has since repaid £75m of its existing £125m loan to 2013, further reducing the company's scheduled debt repayments over the medium term.

Pension

As at 30th September, the IAS19 pension deficit was estimated at £655m, reflecting a movement in the discount rate from 6.2% at the half year to 5.5%. ITV estimates that previously announced initiatives currently under consultation would have the effect of reducing this IAS19 deficit by around £75-100m. Discussions are continuing with the Trustees over a partnership arrangement under which SDN would provide asset backing to the pension scheme.

Disposals

The proposed sale of Friends Reunited to Brightsolid Group Limited has been referred to the Competition Commission, which is due to report by April 2010. The sales process for the Screenvision US joint venture is continuing to progress. Following closure of ITV Local as a stand-alone business, ITV has disposed of Scoot.

STV

On 22nd September, ITV confirmed that it had issued legal proceedings against STV plc to recover a gross debt of £38m; net of monies currently withheld by ITV, the debt is estimated at £15-20m. As previously highlighted, minority revenues in 2009 are being impacted by increased STV opt outs.

Governance

As announced on 12th October, the Nominations Committee of the Board is continuing its search for a new non-Executive Chairman, who will lead the process to appoint a new Chief Executive.

Regulation

The UK Government is set to consult on the introduction of product placement from 2010 and the Digital Economy Bill is expected to be included in the Queen's Speech later this month. Ofcom have confirmed that ITV will be able to apply for a review of licence payments from the start of 2010.

The Competition Commission published its provisional decision on Contract Rights Renewal on 15th September.

A conference call for analysts and investors will take place from 8.15am on 5th November 2009; the dial-in number is +44 (0)20 8609 3822.

Notes:

1. Unless otherwise stated, all figures refer to the nine month period ending 30th September 2009, with growth compared to the same period in 2008.
2. Figures for commercial impacts are based on BARB / DDS data for adults and viewing figures are based on BARB / Infosys data for individuals. "Peak viewing time" is defined as 19:00-22.30. 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. itv.com revenues include all Online revenues, excluding Friends Reunited.
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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