14th November 2011

ITV plc Interim Management Statement for the nine months ended 30th September 2011

Continued progress in five year Transformation Plan

- Total external revenues up 4% to £1,515m (2010: £1,456m) in the first nine months.
- ITV Family NAR up 1% in Q3, up 2% in the first nine months and on track to outperform the TV advertising market in 2011.
- ITV Studios external revenues up 9% to £224m (2010: £205m) in the first nine months, driven by strong growth in the international business.
- Bond buybacks of £80m since H1, taking the total to £264m this year.
- Capex is forecast to be c.£50m in 2011 compared to previous guidance of £80m. This is primarily due to phasing in the payment schedule relating to our move to Media City, which remains on track.
- Continued focus on cash and costs has seen net debt fall to £43m (from £188m at the start of the year). We expect to be net cash positive at year end.
- We remain cautious on the outlook for 2012 – quarterly revenue trends are likely to follow a different pattern to 2011 with tough comparatives continuing into the first quarter before easing from the second quarter onwards, helped by Euro 2012.

Adam Crozier, CEO of ITV, said:
Our relentless focus on delivering the Transformation Plan is now impacting positively on our results. Despite difficult economic and market conditions our revenues are up 4% to £1,515m in the first nine months of the year.

The continued management emphasis on cash generation and cost reduction has delivered further improvements to our financial position and we are on track to be net cash positive at year end. This is a substantial improvement given that our net debt stood at £612m at the beginning of 2010.

The new ITV Studios management team is delivering ahead of expectations, fuelled by our continued investment in revitalising the creative pipeline, with particularly strong growth in our international business. So far this year ITVS has had 89 new commissions of which 40 are international including *Prime Suspect* which we have sold to 30 countries and *Titanic*, a major new drama for 2012 by Julian Fellowes, which has been sold to 57 countries.

Maximising audience share in Broadcast remains a key part of our strategy. Our on-screen performance has been strong with ITV Family share of viewing (SOV) year-to-date up 2% year on year to 23.0%. ITV1 SOV is broadly flat at 15.6% and our digital channels have grown strongly with ITV2 SOV up 8% year on year, and ITV3 and ITV4 both up 10%. Online, long form video views are up by 62% in the first nine months of the year.

Our on-screen performance in the Autumn is being driven by a strong schedule which includes the *Rugby World Cup*, *Downton Abbey*, *Doc Martin*, and the *X-Factor,* as well as *The Jury* and *I'm a Celebrity*.

We remain cautious on the outlook for 2012 – quarterly revenue trends are likely to follow a different pattern to 2011 with tough comparatives continuing into the first quarter before easing from the second quarter onwards, helped by Euro 2012.

We are still in the early stages of our five year Transformation Plan which we are on track to deliver, and we remain optimistic about ITV's prospects in the medium to long term.

Notes:

1. ITV Family NAR was down 2% in July, down 3% in August and up 7% in September. Overall, Q3 was up 1%, ahead of our expectations of slightly down and also ahead of the TV advertising market.
2. We currently expect ITV Family NAR to be down 2% in Q4, with October down less than 1%, November up 3% and December down around 10%.
3. ITV plc confirmed the longevity swap executed by ITV Pension Scheme on August 22nd. This represented a further significant step in reducing the exposure of our business to pension risk.
4. ITV plc announced on October 18th that it had entered into an agreement with Yattendon plc to acquire Channel Television subject to the approval of the Jersey Competition Regulatory Authority.
5. Unless otherwise stated, all figures refer to the nine month period ending 30th September 2011, with growth compared to the same period in 2010.

6.

Revenues for 9 months to 30th September 2011 (£m)			
	2011	**2010**	**y-on-y change**
ITV Broadcasting & Online	1,291	1,251	3%
ITV Studios (external revenues)	224	205	9%
Total	**1,515**	**1,456**	**4%**

Note: ITV Studios internal revenues were £192m (2010: £181m)

7. Figures for the UK Television advertising market are based on ITV plc estimates and current forecasts.

8. Broadcasting and Online performance indicators:

	2011	**2010**	**+/-**
ITV family share of viewing – year to 30th October (%)	23.0	22.5	2%
ITV1 share of viewing – year to 30th October (%)	15.6	15.7	(1)%
ITV family adult SOCI – year to 30th October (%)	39.5	39.4	-
ITV1 adult SOCI – year to 30th October (%)	26.3	26.8	(2)%
ITV1 adult impacts – year to 30th October (%) (bill)	190.2	185.8	2%
itv.com average monthly unique users – 9mths to 30th September (mill)	10.6	9.0	18%
Total long form video views (all platforms) – 9mths to 30th September (mill)	262	162	62%

Commercial impacts and share of commercial impacts ("SOCI") data based on BARB / DDS data for adults; viewing figures based on BARB / Infosys data for individuals. ITV family includes ITV1, ITV2, ITV3, ITV4, CITV, ITV Breakfast, Men&Motors and time-shift and HD variants. Video views based on internal ITV data and Nedstat data.Unique user figures based on Omniture and Nedstat data. itv.com unique users and video views include ITV Breakfast from July 2010.

9. 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 to tax laws or changes to the regulatory environment, (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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