19 November 2013

ITV plc Interim Management Statement - 9 months to 30 September 2013
ITV strategy delivers continued growth

- Total external revenues up 6% to £1,664m (2012: £1,573m)
- Non-NAR revenues up 11% at £810m (2012: £730m)
- Broadcast & Online revenues up 3% driven by 1% growth in NAR and 17% growth in Online, Pay & Interactive
- Good on-screen performance with ITV Family SOV up 4%
- ITV Studios revenues up 11%, with a strong Q4 to come
- Total cost savings of around £25m in 2013 – £5m ahead of original target
- Expect ITV Family NAR to be up around 2% over the full year

Adam Crozier, ITV plc Chief Executive, said:

"We continue to make good progress with our strategy of growing and strengthening ITV both creatively and commercially, and all parts of the business are performing well. Total external revenues rose 6%, driven by strong growth in Online, Pay & Interactive and in ITV Studios.

Our ongoing investment in ITV Studios continues to bear fruit. We're confident of a strong performance over the full year - both organically and from our recent acquisitions - underpinned by a delivery schedule which this year is weighted to Q4.

Our on-screen performance is good with an increasingly varied and high quality schedule. Share of viewing on our main channel is up 3% and ITV Family SOV is up 4% while ITV2 and ITV3 remain the most popular digital channels in the UK. This strong viewing performance clearly stands us in good stead for our 2014 advertising agreements.

ITV Family NAR was up 11% in Q3 and is expected to be up around 2% over the full year, broadly in line with our estimate of the UK television advertising market.

Our focus on cash and costs remains key and we are on track to deliver £25m of cost savings. We have taken further steps to improve the efficiency of our balance sheet through the buyback and redemption of the convertible bond and our cash generation remains healthy.

ITV is now a stronger and more balanced business and as we move into 2014 we will continue to see growth across the company. We expect good growth in ITV Studios, primarily driven by our recent acquisitions. The television advertising market is showing signs of improvement, which will benefit the core Broadcast business, and we expect to deliver double digit revenue growth in Online, Pay & Interactive."

NOTES TO EDITORS

1. Unless otherwise stated, all financial figures refer to the nine month period ended 30th September 2013, with growth compared to the same period in 2012. All operating figures refer to the latest available period, with growth compared to the same period in 2012.

2.

Revenue for 9 months ended 30th September (£m)	2013	2012	%
ITV Broadcast & Online	1,342	1,309	3
ITV Studios	555	498	11
Total revenue	1,897	1,807	5
Internal supply	(233)	(234)	-
Total External revenue	1,664	1,573	6

Revenue for 9 months ended 30th September (£m)	2013	2012	%
ITV Family NAR	1,087	1,077	1
Non-NAR Revenue	810	730	11
Internal Supply	(233)	(234)	-
Total External revenue	1,664	1,573	6

3. ITV Family NAR was up 11% in Q3, up 8% in October and forecast to be up 4% in November and up 1% in December. These revenues are pure NAR, excluding the benefit of sponsorship revenue.

Figures for ITV plc and TV market NAR are based on ITV estimates and current forecasts.

4. Operational summary

Broadcast & Online performance indicators	**2013**	**2012**	**%**
ITV Family SOV – year to 31st October	23.0%	22.2%	4
ITV SOV – year to 31st October	16.1%	15.6%	3
ITV Family SOCI – year to 31st October	38.4%	38.2%	1
ITV SOCI – year to 31st October	26.4%	26.3%	-
ITV adult impacts – year to 31st October	196bn	192bn	2
Total long form video requests (all platforms) – 9 months to 30th Sept	401m	347m	16

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: ITV, ITV2, ITV3, ITV4, CITV, ITV Breakfast, CITV Breakfast and associated "HD" and "+1" channels. Total long form video requests across all platforms are based on data from ComScore Digital Analytix, Virgin, BT, iTunes, Lovefilm, Netflix, Sky, 3UK and Hospedia and include simulcast.

5. Of the 11% revenue growth in ITV Studios, the majority has come from acquisitions. Over the full year we expect organic growth to be broadly in line with the 5% growth delivered in the first half, reflecting a delivery schedule that is weighted to Q4. This demonstrates the impact the phasing in programme delivery can have on the performance of the Studios business.

6. Net debt of £85m at 30th September following an additional £39m buyback of the original principal amount of the convertible bond in Q3. In total we have bought back £73m (54%) of the original principal amount for a cash cost of £169m and on 20th September 2013 we exercised our right to redeem the outstanding principal amount. The redemption and conversion process was completed on 21st October.

7. The aggregate IAS 19 pension deficit at 30th September was £558m (30th June: £476m). This is primarily as a result of the decline in the implied discount rate which has increased the level of liabilities.

The 10 to 15 year funding plan that we agreed following the actuarial valuations as at 1st January 2011 remains in place. It is a mixture of fixed and performance related contributions. The next actuarial valuations are due as at 1st January 2014.

8. On 9th November UEFA confirmed that ITV had not retained their rights to broadcast the Champions League from 2015/6 season. ITV remains the home of live England football with the broadcast rights for all England friendly and qualifying matches at home and abroad until 2018.

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) a major deterioration in the current outlook for UK advertising and consumer demand, (ii) significant change in regulation or legislation, (iii) failure to identify and obtain, or significant loss of, optimal programme rights, and (iv) the loss or failure of transmission facilities or core systems and (v) a significant change in demand for global content.

Undue reliance should not be placed on forward looking statements which speak only as of the date of this document. The Group accepts no obligation to publicly revise or update these forward looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

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