10 November 2015

**ITV plc Q3 Trading update – 9 months to 30 September 2015**

**ITV to deliver another year of strong growth**

- Total external revenues up 13% to £2,045m (2014: £1,803m)
- Broadcast & Online revenues up 7% to £1,528m (2014: £1,432m) with ITV Family NAR up 6% and continued strong growth in Online, Pay & Interactive, up 29%
- ITV Studios revenues up 28%, driven by acquisitions and 9% organic growth
- Non-NAR revenues up 22% to £1,085m
- ITV Family NAR forecast to be up at least 5% over the full year, ahead of the market
- We will deliver another year of strong double digit profit growth and the initial outlook for 2016 is encouraging

Adam Crozier, ITV plc Chief Executive, said:

"We're on track for another year of double digit profit growth as we continue to strengthen ITV in the UK and internationally. Revenues were up 13% to £2,045m in the nine months with all parts of the business performing well.

Our Broadcast & Online business again delivered good growth with advertising revenue up 8% in Q3 and Online, Pay & Interactive up 29% over the nine months. As we expected, share of viewing has improved in the second half driven by strong performances in Daytime, the Soaps and the Rugby World Cup, and continuing this trend remains a key focus for the business. We're also strengthening our broadcast business with the proposed acquisition of the television assets of UTV.

ITV Studios goes from strength to strength with revenue up 28% driven by good organic growth, particularly from the US and Global Entertainment, and our acquisitions, including Talpa our largest to date, are continuing to deliver. Our US dramas have performed well with Aquarius and The Good Witch both recommissioned while in the UK we have a strong pipeline of new drama coming through including Beowulf, Jericho, Victoria and Tutankhamun as well as returning dramas Unforgotten and Poldark.

Looking forward we expect ITV Family NAR to be up at least 5% over the full year, again ahead of our view of the TV advertising market, with growth across all key advertising categories. We are confident of further good growth across ITV for the remainder of this year and into 2016 as we continue to exploit our integrated producer broadcaster model in the UK and to build a global content business of scale."

## NOTES TO EDITORS

1. Unless otherwise stated, all financial figures refer to the 9 months ended 30 September 2015, with growth compared to the same period in 2014. All operating figures refer to the latest available period, with growth compared to the same period in 2014.

2.

| Revenue for 9 months ended 30 September (£m) | 2015 | 2014 | % |
|---|---|---|---|
| | | | |
| ITV Broadcast & Online | 1,528 | 1,432 | 7 |
| ITV Studios | 782 | 609 | 28 |
| **Total revenue** | **2,310** | **2,041** | **13** |
| Internal supply | (265) | (238) | 11 |
| **Total external revenue** | **2,045** | **1,803** | **13** |

| Revenue for 9 months ended 30 September (£m) | 2015 | 2014 | % |
|---|---|---|---|
| | | | |
| ITV Family NAR | 1,225 | 1,155 | 6 |
| Non-NAR revenue | 1,085 | 886 | 22 |
| Internal supply | (265) | (238) | 11 |
| **Total external revenue** | **2,045** | **1,803** | **13** |

3. ITV Family NAR was up 8% in Q3 2015 as expected and up 7% in October 2015. ITV Family NAR is forecast to be flat in November 2015 and up 4% in December 2015, equating to 3% overall for Q4 2015.

   These revenues are pure NAR and exclude 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 | 2015 | 2014 | % |
|---|---|---|---|
| **ITV Family SOV** – 10 months to 31 October | 21.2% | 21.8% | (3) |
| **ITV SOV** – 10 months to 31 October | 14.9% | 15.4% | (3) |
| **ITV Family SOCI** – 10 months to 31 October | 34.9% | 36.1% | (3) |
| **ITV SOCI** – 10 months to 31 October | 23.9% | 24.8% | (4) |
| **ITV adult impacts** – 10 months to 31 October | 171bn | 178bn | (4) |
| **Total long form video requests (all platforms)** – 9 months to 30 September | 613m | 497m | 23 |

SOV data based on BARB/AdvantEdge data and Share of Commercial Impacts (SOCI) data based on BARB/DDS data. SOV data is for individuals and SOCI data is for adults. ITV Family includes: ITV, ITV2, ITV3, ITV4, ITV Encore, ITVBe, 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, Amazon Prime Instant Video, Netflix, Sky and Hospedia and include simulcast.

5. On 19 October 2015 ITV plc agreed to acquire 100% of UTV Ltd, which owns the television assets of UTV Media plc for a total cash consideration of £100m. This is subject to

regulatory and UTV Media plc shareholder approval and is unlikely to complete before Q1 2016.

6. Studios revenues would have been £5m lower on a constant currency basis. Over the full year on a constant currency basis we would expect ITV Studios revenue and profit to be £8m and £2m higher respectively as a stronger US dollar is more than offset by our greater exposure to a weakening Euro following the Talpa acquisition. Our definition of constant currency assumes exchange rates remain consistent with 2014.

7. In September 2015 ITV plc issued a 7 year €600 million Eurobond at a fixed coupon of 2.125%. The bond will mature on 21 September 2022. The proceeds of the bond were principally used to repay the acquisition facility agreed at the time of the acquisition of Talpa Media B.V. in April 2015.

8. Net debt at 30 September 2015 was £525m (30 June 2015: £540m).

9. In October ITV repaid the remaining £78m 2015 Eurobond.

10. The aggregate IAS 19 pension deficit at 30 September 2015 was £220m, down from £285m at 30 June 2015. This primarily reflects lower pension liabilities as a result of rising bond yields, a decrease in the market expectation of long-term inflation and deficit funding contributions of £12m, partly offset by investment losses on pension scheme assets.

11. The full actuarial valuation of all three sections of the ITV pension scheme undertaken as at 1st January 2014 is being finalised. However, ITV has agreed a new eight year funding plan with the Trustees for the main section of the scheme. From 2016 ITV's deficit funding contribution will be £60m per year for the main scheme, approximately £10m lower than the current plan. The details for one of the sections is still to be finalised, but it is anticipated that the total deficit funding contributions for the two smaller sections will remain at the current level of £5.5m per year. The other annual pension funding commitments remains the same at around £13m.

12. Exceptional items at the year end will be higher than in previous years because of the accounting treatment of employment linked consideration and performance-based employment linked contingent payments, most significantly for John de Mol's arrangement with Talpa. Other exceptional items will include acquisition-related costs, restructuring costs and non-recurring legal costs.

13. Figures presented in this Trading 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, (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 revise publicly 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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