



13th November

ITV plc

Interim Management Statement

Transformation Plan drives continued growth at ITV

- Total external revenues up 4% to £1,573m (2011: £1,515m)
- Non-NAR revenues up 15% at £730m (2011: £633m) driven by ITV Studios
- ITV Studios is trading strongly with total revenues up 20% to £498m (2011: £416m)
- ITV Family NAR flat over the first nine months ahead of the TV ad market
- ITV Family SOV down 3%, with digital channels up 3% for the ten months to end of October
- Positive net cash position of £90m
- Total cost savings will be around £30m in 2012 - £10m ahead of original target
- ITV Family NAR is forecast to be broadly flat over the full year, again outperforming the TV advertising market

Adam Crozier, ITV plc Chief Executive, said

“We have made further progress in reshaping and rebalancing ITV to ensure the business is more robust both commercially and creatively. The momentum we are building in our non-NAR revenues has helped grow group revenues up 4% to £1,573m in difficult economic conditions and with a broadly flat television advertising market.

“ITV Studios has performed strongly as our strategy of investing in the creative pipeline and talent again shows through in our results. We expect ITV Studios to report over £100m of profit in 2012, and the number of new commissions and recommissions already secured for 2013 gives us confidence that there will continue to be good underlying growth in the Studios business.

“This has been an extraordinary year for UK television with many unique events including the Queen’s Jubilee, The London Olympics and the Paralympics. In fact 9 out of the top 10 programmes aired will not return next year and as we expected this has affected our viewing performance. However, we do not expect our viewing performance in 2012 to impact our advertising share in 2013 and we are focussed on growing our share of viewing next year.

“We have maintained our focus on cash and costs. Our financial position is strong with positive net cash of £90m and we will deliver around £30m of cost savings this year, £10m ahead of our original target.

“The economic outlook remains uncertain and we continue to see monthly volatility in the UK television advertising market, but the underlying trends have not changed. Over the full year we expect ITV Family NAR to be broadly flat and that we will again outperform the television advertising market.”

ENDS

NOTES TO EDITORS

1. Unless otherwise stated, all figures refer to the nine month period ending 30th September, with growth compared to the same period in 2011.

2.

Revenues for 9 months to 30 th September (£m)			
	2012	2011	%
ITV Broadcasting & Online	1,309	1,291	1
ITV Studios	498	416	20
Total Revenue	1,807	1,707	6
Internal Supply	(234)	(192)	22
Total External Revenue	1,573	1,515	4

Revenues for 9 months to 30 September (£m)			
	2012	2011	%
ITV Family NAR	1,077	1,074	-
Non-NAR Revenue	730	633	15
Internal Supply	(234)	(192)	22
Total External Revenue	1,573	1,515	4

3. Figures for ITV plc and market NAR are based on ITV estimates.

ITV Family NAR was down 10% in July, down 9% in August and down 1% in September. Overall Q3 was down 6%, which is in line with our expectations and once again ahead of the market. This still leaves the first nine months in positive territory.

The estimate for ITV Family NAR to be broadly flat over the full year assumes that ITV Family NAR is down around 2% in Q4, down 2% in October, down around 2% in November and December broadly flat.

4.

Broadcasting and Online performance indicators			
	2012	2011	%
ITV Family share of viewing – year to 30 October	22.2	22.9	(3)
ITV1 share of viewing – year to 30 October	15.6	16.5	(6)
ITV Family adult SOCI – year to 30 October	38.2	39.4	(3)
ITV1 adult SOCI – year to 30 October	26.3	27.9	(6)
ITV1 adult impacts – year to 30 October	192bn	204bn	(6)
Online & On Demand long form video requests (all platforms) – 9 months to 30 September	321m	262m	23

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: ITV1, ITV2, ITV3, ITV4, CITV, ITV1 Breakfast, CITV Breakfast and associated "HD" and "+1" channels. ITV1 includes HD, +1 and Breakfast.

Total video requests across all platforms for Online & On Demand are based on data from ComScore Digital Analytix, Virgin, BT, iTunes, Lovefilm, Netflix, Sky, 3UK and Hospedia.

5. At the 2012 interim results, ITV grouped online, pay and interactive revenues together within Broadcasting & Online non-NAR revenues. The 2011 full year equivalent was £81m. For the 9 months to the end of September 2012, online, pay and interactive revenues were growing at around 20%.

6. On 8 October ITV plc announced that it had acquired the Finish Independent producer Tarinatalo and on 30 August ITV plc announced that it had acquired the UK independent production company SO Television.

7. On 22 October ITV plc announced that Roger Faxon will join the Board as a non-executive director with effect from 31 October 2012.

8. 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.

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