UTV Media plc

(“UTV” or “the Company” or “the Group”)

Belfast, London & Dublin – 18 March 2014: UTV Media plc today announces preliminary results for the year ended 31 December 2013

Financial highlights on continuing operations*

- Group revenue of £107.8m (2012: £112.3m) - down 11% in the first half of the year and up 3% in the second half
- Pre-tax profits of £16.9m (2012: £20.1m)
- Group operating profit of £20.1m (2012: £23.4m) - down 36% in the first half of the year and up 10% in the second half
- Net debt £49.1m (2012: £49.4m)
- Diluted adjusted earnings per share from continuing operations of 14.27p (2012: 16.63p)
- Proposed final dividend of 5.25p maintaining full year dividend of 7.00p (2012: 7.00p)

* As appropriate, references to profit include associate income but exclude discontinued

Operational Highlights

- Difficult market conditions in the first half of the year with improving macro-economic environment leading to growth in the second half
- Strong audience shares across Radio and Television
- Cost savings realised from Group restructuring coupled with Simply Zesty reorganisation
- Radio and television broadcasting focus – divesting of New Media businesses (exceptional charge of £1.2m)
- Plans to launch a new television channel in Ireland following agreement with ITV Global Entertainment for the exclusive rights, from January 2015, for ITV Studios programmes in the Republic of Ireland
- talkSPORT successfully renewed exclusive national audio broadcasting rights for Premier League packages to 2016

Prospects Highlights

- Continued growth in the first three months of 2014
- Radio Ireland revenue (local currency) up 9%, Radio GB revenue up 7% and Television revenue up 5%
- April is expected to show strong growth as anticipated
- Further growth is expected in Radio GB in the second quarter in the run up to the World Cup
- Ongoing expansion in talkSPORT International
- Irish television licence awarded – station build commencing

John McCann, Group Chief Executive, UTV Media plc, said:

“The contrasting performances of the first and second halves of the year are evident in these results, with Group operating profit down 36% in the first half of the year and up 10% in the second half. The improvement in market conditions continues into the current year, with all of our divisions recording good growth in the first quarter of 2014.”

Key Dates

- 15 May 2014 – Annual General Meeting & Interim Management Statement
- 30 May 2014 – Record date for payment of dividends
- 15 July 2014 – Payment of dividends
- 26 August 2014 – Interim Results Announcement
- 13 November 2014 – Interim Management Statement

For further information contact:

Maitland

James Devas	+44 (0) 20 7379 5151

UTV Media plc

John McCann, Group Chief Executive	+44 (0) 28 9032 8122
Norman McKeown, Group Finance Director	+44 (0) 28 9032 8122
Orla McKibbin, Head of Communications	+44 (0) 28 9026 2188

Investor Enquiries **www.utvmedia.com/investors**

Chairman's Statement

Overview

The tough trading conditions of the first half gradually gave way to more benign conditions in the second half as advertising markets started to respond to the improving macroeconomic environment. This was particularly the case in Ireland where, after five years of decline, television advertising recorded growth of 11% in the second half while radio advertising also moved into growth. Weak demand in the GB radio advertising market was compounded by the absence of a major sporting event in talkSPORT's calendar, but here again market conditions improved as the year progressed. Having been down by 11% in the first half of the year, total Group turnover (excluding discontinued operations) was up by 3% in the second half, giving a 4% reduction for the full year at £107.8m (2012: £112.3m). Group operating profit* matched this profile, being down 36% in the first half and up 10% in the second half recording a 14% reduction for the year as a whole at £20.1m (2012:£23.4m).

Results and dividends for the year

The Group profit after taxation before exceptional items for the year, amounted to £13.7m (2012 restated: £16.2m) as detailed in the Group Income Statement. Exceptional items arose during the year as a result of a £1.2m write down of assets on operations classified as discontinued plus an exceptional tax credit of £1.2m due to the changes in the rates of UK corporation tax and ROI capital gains tax (2012: exceptional tax charge of £1.0m). This created a Group profit for the year of £13.7m (2012: £15.2m).

There was a small reduction in net debt to £49.1m at the year end (2012: £49.4m).

Dividends amounting to £6.7m were paid during the year representing a final ordinary dividend for 2012 of 5.25p per share and an interim ordinary dividend for 2013 of 1.75p per share as shown in note 6.

A final dividend of £5.0m representing 5.25p per share is proposed for approval at the Annual General Meeting. If approved, warrants in respect of it will be despatched on 15 July 2014 to shareholders on the register at the close of business on 30 May 2014.

Developments towards a broadcasting focused strategy

In 2013 management made good progress in transitioning the business to be focused predominately on broadcasting, in line with the Board strategy.

The most significant of these was the agreement we entered into with ITV Global Entertainment to acquire the rights in the Republic of Ireland to ITV Studios programming from 1 January 2015. In conjunction with this, we applied for and were recently granted, a programme content licence from the Broadcasting Authority of Ireland to operate a new television channel in the Republic of Ireland for a ten year term beginning 1 January 2015. With ITV programming at the heart of the schedule, our objective is to provide a service similar to that which we offer in Northern Ireland but customised to meet the needs and preferences of viewers in the Republic of Ireland. Much of the programming which we will be offering will already be familiar to Irish viewers and we are confident that we will be able to establish a strong viewership base in our first full year of operation.

In a further positive development for our television division, Ofcom has now confirmed that our licence to operate our television service in Northern Ireland has been extended by a ten year period to expire on 31 December 2024. Ofcom has set our licence fee during this term at £10k per annum. Our new affiliate arrangement with ITV will operate for the same period and will provide, inter alia, stability around our network programme costs, subject to capped inflationary increases.

Refining our strategy to focus more on broadcasting, we decided to exit from non-core activities. Our three portals, Propertypal, UTV Drive and Recruit NI, have been sold or are held for sale and we are in the process of divesting of UTV Connect. The remaining parts, Tibus and Simply Zesty, of what had been our New Media division provide support for our broadcast businesses and have been subsumed into our Television division. We also restructured Simply Zesty under new management to focus its activities on an all-Ireland basis and at the same time implemented an efficiency savings plan throughout the Group.

* As appropriate, references to operating profit include associate income but exclude discontinued operations

Chairman's Statement

Review of activities

Our activities now comprise three broadcast divisions, Television, Radio Ireland and GB Radio. All three divisions continue to perform strongly in delivering sizeable audiences in their respective markets. Our television station continues to be the most watched channel in Northern Ireland, a position it has maintained for many years. Our Irish radio stations also enjoy market leading positions in each of the urban areas in which they operate, including Ireland's three largest cities. In GB Radio the audience for talkSPORT has steadily grown over the last eight years and this national radio station now regularly reaches more than three million listeners every week. The Group has demonstrated its ability to consistently deliver strong audiences and this remains the key to unlocking advertising and sponsorship revenues.

Prospects

Whilst the advertising market in the Republic of Ireland has been particularly challenging over the last few years, there is optimism that a corner is slowly being turned. Growth in our Irish television advertising revenue in the second half of 2013 has continued into the first quarter of 2014, which is expected to be up by 11%, helping to increase our total Television revenues for the quarter by 5% and 10% in April.

Growth is also being recorded in our Irish radio advertising revenue, which is forecast to be up by 9% in local currency terms in the first three months of this year and to show further single digit growth in April. It is too early to know if this growth in Irish revenue can be sustained for the rest of the year, and indeed into 2015, but the trend so far is clearly encouraging, particularly in light of our expanding television interests in Ireland.

After an unexpectedly difficult year for the industry in 2013, the radio market in GB is also improving. Our GB Radio revenues are expected to be up by 7% in the first quarter of 2014 and by 17% in April, with talkSPORT's revenue forecast to grow by 12% and at least 25% in these respective periods. talkSPORT has non-exclusive radio rights to the FIFA World Cup in the early summer, which will provide a welcome boost to radio revenues in the first half of this year.

Conclusion

In conclusion, I am happy to report a year of significant progress. We now have a clear strategic focus to the Group with exciting growth platforms for the future. In addition, as we see a return to good levels of top-line growth in our core market places, we can look forward to seeing the benefits of the operational gearing inherent in our business model reflected in our future results.

Finally, I would like to pay tribute to our management and staff throughout the Group who have worked so hard during the year, in particularly challenging circumstances, to position the Group for future growth.

Richard Huntingford
Chairman
18 March 2014

Group Income Statement

For the year ended 31 December 2013

	Notes	***Results before Exceptional Items 2013***	*Exceptional Items 2013*	*Total 2013*	***Results before Exceptional Items 2012*** *(restated)*	*Exceptional Items 2012*	*Total 2012* *(restated)*
		£000	*£000*	*£000*	***£000***	*£000*	*£000*
Continuing operations							
Revenue	2	**107,771**	-	107,771	**112,258**	-	112,258
Operating costs		**(87,849)**	-	(87,849)	**(88,998)**	-	(88,998)
Operating profit from continuing operations before tax and finance costs		**19,922**	-	19,922	**23,260**	-	23,260
Share of results of associates accounted for using the equity method		**130**	-	130	**129**	-	129
Profit from continuing operations before tax and finance costs		**20,052**	-	20,052	**23,389**	-	23,389
Finance revenue		**49**	-	49	**98**	-	98
Finance costs		**(3,012)**	-	(3,012)	**(3,517)**	-	(3,517)
Foreign exchange (loss)/gain		**(188)**	-	(188)	**146**	-	146
Profit from continuing operations before tax	2	**16,901**	-	16,901	**20,116**	-	20,116
Taxation	3	**(3,379)**	1,215	(2,164)	**(4,215)**	(936)	(5,151)
Profit/(loss) from continuing operations after tax		**13,522**	1,215	14,737	**15,901**	(936)	14,965
Discontinued operations							
Profit/(loss) from discontinued operations	4	**161**	(1,157)	(996)	**269**	-	269
Profit/(loss) for the year		**13,683**	58	13,741	**16,170**	(936)	15,234
Attributable to:							
Equity holders of the parent		**13,415**	58	13,473	**15,813**	(936)	14,877
Non-controlling interest		**268**	-	268	**357**	-	357
		13,683	58	13,741	**16,170**	(936)	15,234

	Notes	**2013**	**2012** *(restated)*
Earnings per share			
Continuing operations			
Basic	5	15.14p	15.34p
Diluted	5	14.99p	15.24p
Adjusted	5	14.41p	16.75p
Diluted adjusted	5	14.27p	16.63p
Continuing and discontinued operations			
Basic	5	14.10p	15.62p
Diluted	5	13.96p	15.52p
Adjusted	5	14.58p	17.03p
Diluted adjusted	5	14.44p	16.91p

Group Statement of Comprehensive Income

For the year ended 31 December 2013

	2013 *£000*	*2012 (restated)* *£000*
Profit for the year	**13,741**	15,234
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gain/(loss) on defined benefit pension schemes	**5,111**	(4,043)
Income tax relating to items that will not be reclassified subsequently	**(1,325)**	809
	3,786	(3,234)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges:		
Loss arising during the year	**(4)**	(188)
Less transfers to the income statement	**321**	551
Exchange gain/(loss) on translation of foreign operations	**932**	(1,153)
Income tax relating to items that may be reclassified	**78**	(76)
	1,327	(866)
Other comprehensive profit/(loss) for the year, net of tax	**5,113**	(4,100)
Total comprehensive profit for the year, net of tax	**18,854**	11,134
Attributable to:		
Equity holders of the parent	**18,586**	10,777
Non-controlling interest	**268**	357
	18,854	11,134

Group Balance Sheet

For the year ended 31 December 2013

	Notes	2013 £000	2012 £000
ASSETS			
Non-current assets			
Property, plant and equipment		11,887	11,910
Intangible assets		177,576	176,589
Investments accounted for using the equity method		114	104
Deferred tax asset		1,952	4,250
		191,529	192,853
Current assets			
Inventories		1,758	1,643
Trade and other receivables		23,565	25,163
Cash and short term deposits	8	10,691	10,958
		36,014	37,764
TOTAL ASSETS		227,543	230,617
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Equity share capital		55,557	55,557
Capital redemption reserve		50	50
Treasury shares		(123)	(1,523)
Foreign currency reserve		6,950	6,018
Cash flow hedge reserve		-	(251)
Retained earnings		38,531	28,680
		100,965	88,531
Non-controlling interest		106	480
TOTAL EQUITY		101,071	89,011
Non-current liabilities			
Financial liabilities	7	55,866	58,948
Pension liability	9	4,598	12,409
Provisions		411	800
Deferred tax liabilities		35,066	36,154
		95,941	108,311
Current liabilities			
Trade and other payables		24,165	26,033
Financial liabilities	7	3,939	4,292
Derivative financial liabilities		-	324
Tax payable		1,727	2,275
Provisions		700	371
		30,531	33,295
TOTAL LIABILITIES		126,472	141,606
TOTAL EQUITY AND LIABILITIES		227,543	230,617

Group Cash Flow Statement

For the year ended 31 December 2013

	Notes	2013 £000	2012 (restated) £000
Operating activities			
Profit before tax [i]		17,062	20,456
Adjustments to reconcile profit before tax to net cash flows from operating activities			
Foreign exchange loss/(gain)		189	(151)
Net finance costs		2,963	3,419
Share of results of associates		(130)	(129)
Amortisation and impairment of intangible assets		188	71
Non cash decrease in contingent consideration		(2,859)	-
Depreciation of property, plant and equipment		1,929	1,758
Profit from sale of property, plant and equipment		(4)	(191)
Share based payments		419	556
Difference between pension contributions paid and amounts recognised in the income statement		(3,224)	(601)
Increase in inventories		(115)	(110)
Decrease in trade and other receivables		1,357	956
Decrease in trade and other payables		(2,999)	(6,806)
Decrease in provisions		(60)	(30)
Cash generated from operations before exceptional costs		14,716	19,198
Exceptional costs		(227)	-
Tax paid		(2,460)	(1,237)
Net cash inflow from operating activities		12,029	17,961
Investing activities			
Interest received		58	85
Proceeds on disposal of property, plant and equipment		16	272
Purchase of property, plant and equipment		(1,777)	(2,436)
Dividends received from associates		120	151
Outflow on acquisition of subsidiary undertaking		(200)	(1,670)
Outflow on acquisition of radio licences		-	(180)
Net cash flows from investing activities		(1,783)	(3,778)
Financing activities			
Borrowing costs		(1,891)	(2,200)
Refinancing costs		-	(1,059)
Swap cost		(321)	(551)
Dividends paid to equity shareholders		(6,677)	(5,934)
Dividends paid to non-controlling interests		(460)	(300)
Repayment of borrowings		(4,216)	(65,948)
Proceeds from borrowings		3,000	65,595
Net cash flows used in financing activities		(10,565)	(10,397)
Net (decrease)/increase in cash and cash equivalents		(319)	3,786
Net foreign exchange differences		52	(33)
Cash and cash equivalents at 1 January		10,958	7,205
Cash and cash equivalents at 31 December	8	10,691	10,958

[i] Includes both continuing and discontinued operations.

Group Statement of Changes in Equity

For the year ended 31 December 2013

	Equity share capital £000	*Capital redemption reserve £000*	*Treasury shares £000*	*Foreign currency reserve £000*	*Cashflow hedge reserve £000*	*Retained earnings £000*	***Share holder equity £000***	*Non-controlling interest £000*	***Total £000***
At 1 January 2012	55,557	50	(1,523)	7,171	(521)	22,414	**83,148**	469	**83,617**
Profit for the year	-	-	-	-	-	14,877	**14,877**	357	**15,234**
Other comprehensive (loss)/income in the year	-	-	-	(1,153)	270	(3,217)	**(4,100)**	-	**(4,100)**
Total net comprehensive (loss)/income in the year	-	-	-	(1,153)	270	11,660	**10,777**	357	**11,134**
Share based payment	-	-	-	-	-	556	**556**	-	**556**
Equity dividends paid	-	-	-	-	-	(5,950)	**(5,950)**	(346)	**(6,296)**
At 31 December 2012	55,557	50	(1,523)	6,018	(251)	28,680	**88,531**	480	**89,011**
Profit for the year	-	-	-	-	-	13,473	**13,473**	268	**13,741**
Other comprehensive (loss)/income in the year	-	-	-	932	251	3,930	**5,113**	-	**5,113**
Total net comprehensive (loss)/income in the year	-	-	-	932	251	17,403	**18,586**	268	**18,854**
Treasury shares issued	-	-	1,400	-	-	(1,521)	**(121)**	-	**(121)**
Share based payment	-	-	-	-	-	419	**419**	-	**419**
Acquisition of non-controlling interests	-	-	-	-	-	228	**228**	(228)	**-**
Equity dividends paid	-	-	-	-	-	(6,678)	**(6,678)**	(414)	**(7,092)**
At 31 December 2013	55,557	50	(123)	6,950	-	**38,531**	**100,965**	106	**101,071**

Notes to the accounts

For the year ended 31 December 2013

1. Basis of preparation

The Group's financial statements consolidate those of UTV Media plc, and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to the financial statements of the Group for the year ended 31 December 2013 and applied in accordance with the Companies Act 2006. The accounts are principally prepared on the historical cost basis except where other bases are applied under the Group's accounting policies.

The Group has adopted the following new standards that are relevant for the preparation of the financial statements for the year ended 31 December 2013:

- The Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity and affected notes for the year ended 31 December 2012 have been restated to reflect changes in the calculation of pension costs in accordance with IAS19 "Employee Benefits (Revised)". This introduced the concept of recognising net interest on the net defined benefit obligation in place of the interest on the defined benefit obligation and the expected return on plan assets recognised under the original standard. In conjunction with this change the directors have also reclassified from operating costs to other finance costs the net finance cost arising on defined benefit obligations. The net effect of these changes for the year ended 31 December 2012 has been to increase operating costs and reduce operating profit by £127,000, increase other finance costs by £398,000 and recognise a tax credit on these of £121,000. The restatements were reflected in the Group Statement of Comprehensive Income. There was no impact on the disclosed defined benefit obligation at either period end.
- The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Group's financial position or performance.
- IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

The financial information set out in the preliminary announcement does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006 in respect of the accounts for the year ended 31 December 2013. The statutory accounts for the year ended 31 December 2012, upon which the Company's auditors have given a report which was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 December 2013 have yet to be signed. They will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

Notes to the accounts

For the year ended 31 December 2013

2. Revenue and segmental analysis

During 2013 the Group operated in four principal areas of activity – radio in GB, radio in Ireland, commercial television and new media. These four principal areas of activity also formed the basis on which the Group was managed and reports were provided to the Chief Executive and the Board during the year.

Good progress has been made in transitioning the business to be focused predominately on broadcasting, in line with the Board strategy. In 2013 UTV Connect and the portals, UTV Drive, Recruit NI and PropertyPal, were identified as being non-core to the future strategy of the Group and significant steps have been taken to exit from these activities. Consequently, these businesses, which operated within the New Media business segment, have been classified as discontinued operations in the 2013 accounts.

Tibus and Simply Zesty, which also operated within the New Media business segment, will be incorporated within the Television operating segment going forward. As a consequence from 2014 the Group will be managed and reports provided to the Chief Executive and the Board on the basis of three operating segments, being Radio GB, Radio Ireland and Television.

The tables below present revenue and segment result information regarding the Group's operating segments for the years ended 31 December 2013 and 2012 on the basis of how the Group was managed during 2013.

Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax. Revenue is principally generated from advertising and sponsorship. The amount of revenue derived from the sale of goods or other activities is immaterial and therefore has not been separately disclosed. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

Central costs, which had previously been included within the Television segment, are now reported separately to the Chief Executive and the Board and are therefore now analysed separately below. The Television segment operating profit for the year ended 31 December 2012 has been restated for this and for the impact of IAS 19 "Employee Benefits (Revised)" as outlined in note 1.

Revenue

Year ended 31 December 2013

	Radio GB	*Radio Ireland*	*Television*	*New Media*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Sales to third parties	50,471	20,767	31,892	4,641	107,771
Intersegmental sales	749	1,219	2,186	647	4,801
	51,220	21,986	34,078	5,288	112,572

Year ended 31 December 2012

	Radio GB	*Radio Ireland*	*Television*	*New Media*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Sales to third parties	54,407	20,943	32,484	4,424	112,258
Intersegmental sales	787	1,294	2,628	295	5,004
	55,194	22,237	35,112	4,719	117,262

Notes to the accounts

For the year ended 31 December 2013

2. Revenue and segmental analysis (continued)

Results

Year ended 31 December 2013

	Radio GB	*Radio Ireland*	*Television*	*New Media*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Segment operating profit	7,900	5,139	7,356	2,292	22,687
Central costs					(2,765)
Associate income					130
Profit before tax and finance costs					20,052
Net finance cost					(2,963)
Foreign exchange loss					(188)
Profit before taxation					16,901

Year ended 31 December 2012

	Radio GB	*Radio Ireland*	*Television (restated)*	*New Media*	*Total (restated)*
	£000	*£000*	*£000*	*£000*	*£000*
Segment operating profit	12,898	5,987	7,470	601	26,956
Central costs					(3,696)
Associate income					129
Profit before tax and finance costs					23,389
Net finance cost					(3,419)
Foreign exchange gain					146
Profit before taxation					20,116

To facilitate the Group's re-focused strategy on broadcasting, a restructuring was undertaken during the year. While there were substantial costs associated with this restructuring, it also involved the buyout of the contingent consideration from certain stakeholders within Simply Zesty which resulted in a credit on the release of the remaining fair value of this financial liability. While the overall net impact on the Group's results for the year was not material and costs associated with the restructuring are spread across all operating segments, the credit arising on the buyout of the contingent consideration is totally reflected within the results of the New Media business segment. This, coupled with the credit arising from the acquisition of the contingent consideration rights from the previous corporate shareholder in January 2013, has impacted on the increase in operating profit recorded within this operating segment in the year.

Notes to the accounts

For the year ended 31 December 2013

3. Taxation

(a) Tax on profit on ordinary activities

	2013 *£000*	*2012* *£000*
Current income tax:		
UK corporation tax on profits for the year	(2,453)	(1,053)
Adjustments in respect of previous years	248	55
	(2,205)	(998)
Foreign tax:		
ROI corporation tax on profits for the year	(346)	(527)
Adjustments in respect of previous years	16	-
	(330)	(527)
Total current tax	(2,535)	(1,525)
Deferred tax:		
Origination and reversal of timing differences	(684)	(2,937)
Adjustments in respect of previous years	(160)	176
Tax charge in the income statement on operating activities	(3,379)	(4,286)
Exceptional deferred tax credit/(charge)	1,215	(936)
Total tax charge	(2,164)	(5,222)
The tax charge in the Income Statement is disclosed as:		
Tax charge on continuing operations	(2,164)	(5,151)
Tax charge on discontinued operations	-	(71)
Tax charge in the income statement	(2,164)	(5,222)
Tax relating to items in the Statement of Comprehensive Income		
Deferred tax:		
Actuarial (gain)/loss on pension schemes	(1,022)	930
Revaluation of cash flow hedges	(61)	(81)
Valuation of long term incentive plan	139	5
Exceptional deferred tax charge	(303)	(121)
Tax (charge)/credit in the statement of comprehensive income	(1,247)	733

Notes to the accounts

For the year ended 31 December 2013

3. **Taxation** (continued)

(b) Exceptional (charge)/credit

	2013 *£000*	*2012* *£000*
Exceptional tax credit	2,640	1,499
Exceptional tax charge	(1,425)	(2,435)
	1,215	(936)

During the year, the corporation tax rate in the UK was revised from 23% to 20% (effective from April 2015). Accordingly all the deferred tax assets and liabilities in respect of the reporting segments subject to UK corporation tax were restated to recognise the future gains or charges thereon at this rate. This resulted in a net credit of £2,640,000 in the year.

In 2012, the corporation tax rate in the UK was revised from 25% to 23% (effective from April 2013). Accordingly all the deferred tax assets and liabilities in respect of the reporting segments subject to UK corporation tax were restated to recognise the future gains or charges thereon at this rate resulting in a net credit of £1,499,000 in 2012.

In the Finance Bill published on 13 February 2013 and passed into law on 27 March 2013, the rate of corporate capital gains in the Republic of Ireland was increased from 30% to 33%. The exceptional tax charge of £1,425,000 in the year arises from the restatement of the relevant deferred tax assets and liabilities to reflect this.

In the Finance Bill published on 8 February 2012 and passed into law on 2 April 2012, the rate of corporate capital gains in the Republic of Ireland was increased from 25% to 30%. The exceptional tax charge of £2,435,000 in 2012 arises from the restatement of the relevant deferred tax assets and liabilities to reflect this.

Notes to the accounts

For the year ended 31 December 2013

4. Discontinued operations

As disclosed in note 2, UTV Connect and the portals, UTV Drive, Recruit NI and PropertyPal, have been identified as being non-core to the future strategy of the Group and significant steps have been taken to exit from these activities. Consequently, these businesses, which operated within the New Media business segment, have been classified as discontinued operations in the 2013 accounts.

The resultant gains or losses on these disposals are expected to be recognised within discontinued operations in the Income Statement in 2014.

The results of these companies for 2012 and 2013 are presented below:

	2013 *£000*	*2012* *£000*
Revenue	7,014	7,852
Operating cost	(6,852)	(7,517)
Operating profit	162	335
Foreign exchange (loss)/gain	(1)	5
Profit before tax from discontinued operations	161	340
Current tax charge	-	(71)
Profit for the year from discontinued operations	161	269

Exceptional Costs – discontinued operations

	2013 *£000*	*2012* *£000*
Restructuring costs	(227)	-
Impairment of assets	(1,055)	-
Loss for the year from discontinued operations	(1,282)	-
Tax credit on the above items	125	-
Loss for the year from discontinued operations	(1,157)	-

Notes to the accounts

For the year ended 31 December 2013

5. Earnings per share

Basic earnings per share are calculated based on the profit for the financial year attributable to equity holders of the parent and on the weighted average number of shares in issue during the year.

Adjusted earnings per share are calculated based on the profit for the financial year attributable to equity holders of the parent adjusted for the exceptional items and the impact of net finance costs under IAS 19 "Employee Benefits (Revised)". This calculation uses the weighted average number of shares in issue during the year.

Diluted earnings per share are calculated based on profit for the financial year attributable to equity holders of the parent. Diluted adjusted earnings per share are calculated based on profit for the financial year attributable to equity holders of the parent before exceptional items and the impact of net finance costs under IAS 19 "Employee Benefits (Revised)". In each case the weighted average number of shares is adjusted to reflect the dilutive potential of the awards expected to be vested on the Long Term Incentive Schemes.

Earnings per share for the year ended 31 December 2012 has been restated to reflect the impact on profit of changes in the calculation of pension costs in accordance with IAS19 "Employee Benefits (Revised)" as explained in "Basis of preparation and statement of compliance with IFRSs" in note 2.

The following reflects the income and share data used in the basic, adjusted, diluted and diluted adjusted earnings per share calculations:

Net profit attributable to equity holders

	2013			**2012**		
	Continuing Operations	*Discontinued Operations*	*Total*	*Continuing Operations (restated)*	*Discontinued Operations (restated)*	*Total (restated)*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Net profit/(loss) attributable to equity holders	14,469	(996)	13,473	14,608	269	14,877
Adjustments to net financing costs	523	-	523	398	-	398
Exceptional items	(1,215)	1,157	(58)	936	-	936
Total adjusted and diluted profit attributable to equity holders	13,777	161	13,938	15,942	269	16,211

Weighted average number of shares

	2013 thousands	*2012 thousands*
Shares in issue	95,903	95,903
Weighted average number of treasury shares	(325)	(700)
Weighted average number of shares for basic and adjusted earnings per share (excluding treasury shares)	95,578	95,203
Effect of dilution of the Long Term Incentive Plan	959	649
	96,537	95,852

Notes to the accounts

For the year ended 31 December 2013

5. Earnings per share (continued)

Earnings per share

	2013	*2012 (restated)*
From continuing operations		
Basic	15.14p	15.34p
Diluted	14.99p	15.24p
Adjusted	14.41p	16.75p
Diluted adjusted	14.27p	16.63p
From continuing and discontinued operations		
Basic	14.10p	15.62p
Diluted	13.96p	15.52p
Adjusted	14.58p	17.03p
Diluted adjusted	14.44p	16.91p
From discontinued operations		
Basic	(1.04)p	0.28p
Diluted	(1.03)p	0.28p
Adjusted	0.17p	0.28p
Diluted adjusted	0.17p	0.28p

Notes to the accounts

For the year ended 31 December 2013

6. Dividends

	2013	*2012*
Equity dividends on ordinary shares	*£000*	*£000*
Declared and paid during the year		
Final for 2012: 5.25p (2011: 4.50p)	5,001	4,284
Interim for 2013: 1.75p (2012: 1.75p)	1,677	1,666
Dividends paid	6,678	5,950
Proposed for approval at Annual General Meeting (not recognised as a liability at 31 December)		
Final dividend for 2013: 5.25p (2012: 5.25p)	5,032	4,998

7. Financial liabilities

	2013	*2012*
	£000	*£000*
Current		
Current instalments due on bank loans	3,939	3,852
Current instalment due on contingent consideration	-	440
	3,939	4,292
Non-current		
Non-current instalments due on bank loans	55,866	56,500
Non-current instalment due on contingent consideration	-	2,448
	55,866	58,948
	59,805	63,240

The bank loans at 31 December 2013 are stated net of £730,000 (2012: £939,000) of deferred financing costs.

The contingent consideration at 31 December 2012 was in respect of the acquisition of Simply Zesty Limited.

8. Net Debt

	2013	*2012*
	£000	*£000*
Bank loans	(59,805)	(60,352)
Cash and short term deposits	10,691	10,958
	(49,114)	(49,394)

9. Pension schemes

The IAS 19 deficit at 31 December 2013 is £4,598,000 compared with a deficit of £12,409,000 at 31 December 2012. The reduction in the deficit was primarily driven by the strong return on the equity investments plus the increased funding by the company. The assets generated higher than expected return during the year resulting in an actuarial gain of £8,283,000 in contrast to an overall actuarial loss on the liabilities of £3,172,000.

The Group funded a discretionary amount of £1,209,000 towards the actuarial deficit in 2013 (2012: £1,181,000) by means of a cash transfer and has agreed to make further payments of £1,209,000 each year to 2015 in addition to normal contributions.

Notes to the accounts

For the year ended 31 December 2013

10. Related party transactions

The nature of related parties disclosed in the consolidated financial statements for the Group as at and for the year ended 31 December 2012 has not changed. There have been no significant related party transactions in the year ended 31 December 2013.

This summary has been approved by our Directors for release to the Press today 18 March 2014 and the full printed Annual Report and Accounts will be posted to Shareholders and Stock Exchanges on 16 April 2014. Copies will be available to the public at the Company's registered office Ormeau Road, Belfast BT7 1EB from that date.